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July 11, 2018

The Honorable Donald J. Trump
The White House
1600 Pennsylvania Avenue N.W.
Washington, DC 20502

Dear President Trump:

As international trade is a major driver of my Congressional District's local economy, we have a vested interest in the current U.S. Department of Commerce initiation of a 232 investigation on auto imports. I would like to take this opportunity to express how important the global supply chain of products, such as automobiles, is to the economic success of the Nation and my District.

Nationally, 23 million jobs and \$321 billion of federal, state and local taxes are generated by deepwater port activity including the importing and exporting of automobiles. Port related business also created \$4.6 trillion of economic value accounting for 26% of the U.S. GDP in 2014. My District is also a reflection of the economic strength ports bring to a local region. Ventura County is home to many blue-collar communities who depend on the global trade of automobiles to feed their families and take care of their children. These jobs are the backbone of my District and our Nation. For example, we have the BMW North America West Coast processing facility located in Oxnard, CA. This facility is the only distributor of U.S. made and imported BMWs on the entire West Coast of the United States servicing 13 other states and even exporting them to Canada. Automobiles railed from the BMW plant in Spartanburg, South Carolina for distribution to the western states are also processed at this Oxnard facility. The Spartanburg plant continues to serve as the largest U.S. manufactured automotive exporter by value, and exported 73% of their U.S. built X-model sport utility vehicles (X3, X4, X5, X6 and X7) to other countries in 2017. The remaining 27% were sold domestically throughout the United States. BMW exports represent 16% of the total U.S. market share. BMW announced on July 10th, 2018 that it would focus on expanding manufacturing efforts in China to offset to the 40% tariff levied by the Chinese on U.S. made electric vehicles.

In addition to BMW, we also have companies importing Hyundai, Kia, Mitsubishi, Nissan, Volvo, Jaguar, Range Rover, Land Rover, and Maserati. These foreign companies have built processing and distribution centers throughout the District, investing millions of dollars into real estate, providing thousands of American jobs, and paying millions in local, state, and federal taxes each year. Their automobiles do not just stay in California, they are also distributed to the entire western United States. In example, the Korean made Hyundais are imported through our District's seaport and then railed to their U.S. plant in Shreveport, Louisiana where they support over 400 American jobs. This company then exports U.S. made automobiles back to South Korea through the Port. Our District exports several U.S. manufactured automobiles including: Tesla, GM, and Honda to Asia. The Port exported the 1 millionth automobile manufactured at Honda's plant in Ohio to South Korea.

These automobiles, which represent over 5% of all U.S. car volume, are imported and exported through my District's deep-water seaport, the Port of Hueneme. These 320,000 automobiles account for 51% of the port's

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annual operating income and support 13,633 trade-related jobs making the Port the fourth largest employer in the county. Smart trade policy is critical to retaining and growing these thousands of American jobs that sustain the families living and working in my District. The Port of Hueneme has seen great success from the existing KORUS FTA (United States-Korea Free Trade Agreement) since 2007. Under this zero tariff agreement, the Port has been able to export more U.S. manufactured automobiles to Korea than imports, helping balance the U.S. trade deficit. This free and fair trade model could be looked to as an example of success during the on-going trade negotiations.

The Port has built strong relationships with these foreign automobile companies, and as a result have secured millions of dollars of investment in our local economy. Not only do they provide over \$93 million in annual local and state tax revenues, they also have supported our nation's Navy. For example, Glovis, the importer of Korean-made Hyundais and Kias has been leasing property from the local Naval Base Ventura County in the amount of over \$50 million. This exemplifies how the investment from foreign nations not only supports our local economy, but also has the potential to make our nation's military stronger and safer.

U.S. automakers are not seeking tariffs because the U.S. auto industry has never been stronger. In a statement released recently, the Auto Alliance said, "We are confident that vehicle imports do not pose a national security risk to the U.S. We urge the Administration to support policies that remove barriers to free trade and we will continue to work with them and provide input to achieve that goal."

Imposing new tariffs on auto imports would be devastating to the thousands of Americans across the country whose jobs depend auto imports, as well as on the associated jobs at automobile dealers, automotive supply companies, auto repair companies, and the like. While I understand and appreciate the need to maintain a strong U.S. automobile manufacturing base, I hope our nation does not move forward with a policy that penalizes thousands of hardworking Americans. The jobs created by automobile imports are largely high paying jobs, both union and non-union; the proposed tariffs would hit small businesses, which are the lifeblood of our economy, and they would increase the cost of automobiles for families everywhere.

For these reasons, I respectfully ask you to withdraw the 232 investigation on automobiles, and build a coalition to focus on trade, manufacturing, and education policies that will grow our economy and provide better paying jobs here at home.

Sincerely,



JULIA BROWNLEY
Member of Congress