

United States Senate

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COMMITTEES:
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LABOR, AND PENSIONS
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ON INTELLIGENCE

The Honorable Howard Lutnick
Secretary
U.S. Department of Commerce
1401 Constitution Avenue NW
Washington, DC 20230

The Honorable Jamieson Greer
United States Trade Representative
600 Seventeenth Street NW
Washington, DC 20508

I am writing regarding the unfortunate breakdown in trade negotiations between the United States and Canada and the resulting tariffs that have been announced by both countries. The new 50 percent tariffs imposed by the Administration on certain Canadian imports and the retaliatory tariffs announced by the Canadian government will lead to higher costs, risk, and uncertainty for Maine families, small and large businesses, and our communities. I urge the Administration to resume negotiations with Canada and to reach a fair trade agreement that prevents these damaging tariffs from taking effect in order to protect Maine employers, workers, and communities from unnecessary economic harm.

For Mainers, commerce with Canada is a regular occurrence. Maine borders only one state, but shares a 611-mile border with Canada. The consequences of Canada's retaliatory tariffs are severe for Maine businesses, including our heritage industries.

Approximately \$170 million worth of goods would be subject to the announced Canadian tariffs, with roughly 62 percent coming from the forest products sector. Nearly 90 percent of Maine is covered by forest. This economic sector supports approximately 30,000 jobs and contributes more than \$8 billion to the state's economy. Due to the threat of tariffs, forest products businesses are already struggling to determine how to remain viable while coping with substantially higher costs, pressure on jobs, and financial uncertainty. Two of Maine's paper mills, which are the largest employers in their towns, have already contacted me about the crushing increased costs that they will incur and the potential impact on their employment levels. In addition to the immediate financial hardship, these Maine businesses will find it more difficult to compete globally and may be forced to reduce the number of jobs they provide. In a worst case scenario, they may no longer be able to continue to operate.

As I wrote to you on August 5, the tariffs announced by the United States will also impose significant hardships on Maine communities. For example, Maine municipalities rely on road salt from Canada to keep roads safe from snow and ice in the winter. Frenchville, a very small town on the Canadian border, will have to pay \$10,000 more for road salt as a result of the new tariffs. For small towns, a new and unexpected expense of this size could jeopardize some basic services.

In addition, I have heard from small ready-mix concrete businesses that now face significantly increased costs. One such small business owner informed me that his company will now face \$150,000 in additional costs every month because of the tariff on cement.

I appreciate that the Canadian government has revised its initial announcement and removed seafood and fish products, including lobster, from its plan. This would have resulted in more than \$200 million in tariffs on Maine's lobster industry, with impacts felt all throughout the supply chain. As negotiations continue, I urge you to consider that more than 50 percent of Maine's lobster is processed in Canada, and the industry supply chain includes American jobs in purchasing, processing, and trucking.

Maine's economy is uniquely intertwined with Canada, and the consequences of an escalating trade dispute will be felt by American families, businesses, workers, and communities across the state. The examples from the forest products industry, as well as road salt and cement, are just a few that require immediate consideration and should be exempt from tariffs.

Thousands of American jobs and businesses across a variety of sectors are at risk. I urge the Administration to work urgently toward a negotiated resolution with Canada that removes the recently implemented American tariffs and prevents the Canadian tariffs from taking effect.

If you need further information about the impact on the state of Maine, please do not hesitate to contact me.

Sincerely,



Susan M. Collins
United States Senator