



April 4, 2019

The Honorable Steven Mnuchin  
Secretary of the Treasury  
1500 Pennsylvania Avenue NW  
Washington, DC 20220

The Honorable Robert Lighthizer  
United States Trade Representative  
600 17th Street NW  
Washington, DC 20006

The Honorable Wilbur Ross  
Secretary of Commerce  
1401 Constitution Avenue NW  
Washington, DC 20230

The Honorable Larry Kudlow  
Director, National Economic Council  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

The Honorable Kirstjen Nielsen  
Secretary of Homeland Security  
3801 Nebraska Avenue NW  
Washington, DC 20016

The Honorable Kevin Hassett  
Chairman, Council of Economic Advisers  
The White House  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

On behalf of the National Retail Federation, I am writing to express our concern over the ongoing threats to close the southern border. We share the administration's goal of fixing the nation's broken immigration system and enhancing border security. However, there is no way to close the U.S-Mexico border without inflicting serious damage to the American economy.

NRF is the world's largest retail trade association, representing discount and department stores, home goods and specialty stores, Main Street merchants, grocers, wholesalers, chain restaurants and internet retailers from the United States and more than 45 countries. Retail is the nation's largest private sector employer, supporting one in four U.S. jobs – 42 million working Americans. Contributing \$2.6 trillion to annual GDP, retail is a daily barometer for the nation's economy.

As you are aware, U.S. trade with Mexico exceeds \$1.7 billion each day. Everything from consumer products destined for retail store shelves to intermediary inputs for manufacturing facilities travel across the border. Closing the border for any length of time would result in significant supply chain disruptions for U.S. retailers. These disruptions would reverberate throughout the supply chain, impacting everyone from truckers to warehouse workers whose jobs depend on the two-way trade with Mexico. The end result would be job losses, factory shutdowns, increased consumer costs and reduced product availability across the country.

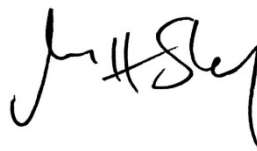
Our members, both large and small, that operate along the southern border would see a significant reduction in daily sales from a border shutdown. Thousands of people who rely on legal border crossings every day would no longer be able to get to work or shop in nearby stores. For retailers in U.S. border communities, this would ultimately mean workforce disruptions and reduced sales. American small businesses in those communities would face a disproportionate burden, as many smaller stores depend on legitimate travel across borders for up to half of their daily sales.

Our members not only rely on Mexico as a source of fruits and vegetables, electronics, appliances, auto parts and apparel, but also rely on the Mexican market for retail operations. Mexico is a key market for U.S.-based retailers and restaurant chains that depend on cross-border trade to ensure system-wide standards so that Mexico consumers get the same quality and selection as U.S. consumers. These operations would be significantly affected if the border was to shut down, even for a short period of time.

We strongly encourage the administration to ensure that the free flow of legal trade and travel continues through our southern border. We do not believe any type of border closure would address the ongoing immigration issues facing both Mexico and the U.S. Congress and the administration, as well as the U.S. and Mexico, must continue to work together to resolve this challenging issue. Resorting to a border closure would merely be a self-inflicted wound to the American economy.

Under President Trump, the U.S. economy has seen remarkable growth. We must avoid any policy actions that would result in an economic downturn and harm American businesses, workers and consumers.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matt Shay', with a stylized flourish at the end.

Matthew Shay  
President & CEO  
National Retail Federation