



February 7, 2023

The Honorable Joseph R. Biden
President
The White House
1600 Pennsylvania Ave NW
Washington, DC 20500

Dear President Biden,

On behalf of the National Retail Federation (NRF), I would like to thank you for your continued leadership in promoting unity and bipartisanship as our country navigates challenges on multiple fronts. As you prepare to deliver your third State of the Union address, NRF would like to take this opportunity to update you on key policy priorities that will help retailers — and the customers and communities they serve — thrive.

Trade and Supply Chain

On the trade front, the Section 301 tariffs continue to burden American businesses and families. As stated in our [comments](#) to the U.S. Trade Representative for the four-year review, the tariffs have been ineffective in changing China's policies and practices surrounding forced technology transfer or intellectual property protection. Furthermore, our [joint association research paper](#) found that the direct and indirect costs of certain imports are impacting U.S. businesses and consumers more than China. The removal of the tariffs remains a key priority for NRF. We also continue to push for the retroactive renewal of the Generalized System of Preferences (GSP) program and the Miscellaneous Trade Bill, both of which were utilized to great benefit by retailers but have been expired for the past two years.

Retail supply chains continue to experience disruptions that cause shipment delays, inventory issues in stores and increased transportation and warehousing costs. While congestion at our nation's ports has subsided, we must continue to work on the key issues that resulted in the challenges we faced and create more resiliency in the system. NRF and its members continue to collaborate with the nation's ports and other supply chain stakeholders to develop solutions to longstanding issues. We are also working with the Federal Maritime Commission on the implementation of the Ocean Shipping Reform Act. The law's focus on key issues such as demurrage and detention are especially helpful to retailers. We encourage the administration to continue to work with the International Longshore Warehouse Union and the Pacific Maritime Association to conclude negotiations on a new contract without engaging in disruptions that would impact the supply chain. We appreciate the efforts of your administration and the Supply Chain Disruptions Task Force to address issues that will require your continued leadership.

Swipe Fee Reform

NRF continues to pursue reform in the U.S. credit card market, which is dominated by Visa and Mastercard. Controlling 80% of all credit card volume, these two networks have been able to impose exorbitant processing fees, costing merchants and consumers billions of dollars year after year. In fact, swipe fees are typically the third highest operating cost for retailers. NRF has been a leader in bringing competition to the payments system through the bipartisan Credit Card Competition Act. The bill would bring reform by enabling competing networks to process transactions, lowering costs for retailers and prices for consumers. The bill is estimated to save an estimated \$11 billion per year in swipe fees, and these savings will help retailers in efforts to curb inflation.

Immigration

The nation's immigration system is broken, and we believe it is time for your administration to work with Congress to address it. Certainly, members working in good faith from both parties could agree that additional reasonable steps should and can be taken to increase the security of our southern border. Congress should correct the failures of our current asylum laws and create new visa options for international students. As employers nationwide continue to struggle to find workers, Congress should address the scarcity of employment-based immigrant and nonimmigrant visas. According to last week's employment report from the Bureau of Labor Statistics, the unemployment rate, labor force participation rate and employment-population ratio have changed little since early 2022. The labor force participation rate and employee-population ratio also remain below their pre-pandemic levels.

In sum, the ongoing failure of the federal government to increase legal immigration at all skill levels and secure the border is not attributable to a lack of solutions. It is attributable to a lack of political will. We are counting on your leadership to help establish a bipartisan willingness to tackle this issue.

Workforce Issues

NRF believes the push of certain labor policies has resulted in negative impacts on the broader economy, such as a lack of innovation, reduced employee mobility and higher consumer prices. Labor Department regulations regarding independent contractor status threaten the livelihoods of millions of workers who choose independent work, including freelancing, short-term business arrangements and flexible schedule opportunities. Joint employer regulations being promulgated by the National Labor Relations Board will harm millions of small business franchisees who enhance their communities and provide employment to over 8 million workers nationwide. Rather than fostering the growth of these small businesses, the regulations would force them into a joint employment relationship with their franchisor and, resultantly, strip them of their autonomy and entrepreneurial enterprise. Similarly, new overtime regulations will needlessly force millions of workers back onto a time clock, regardless of their preference. These workers will lose the ability to use their own discretion as to how and when to do their jobs, as well as the flexibility and dignity that managerial status provides.

Organized Retail Crime

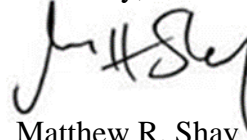
Retailers are facing heightened activity in organized retail crime (ORC), which costs billions in stolen merchandise and endangers retail workers and customers. ORC, which is part of overall retail shrink, cost the industry nearly \$100 billion in 2021, according to our annual [National Retail Security Survey](#). That is why NRF strongly advocates for increased coordination and resources for law enforcement through the Combating Organized Retail Crime Act. The bill would increase federal coordination to fight crime by combining expertise from state and local law enforcement agencies and retail industry experts. New tools would also be created to assist in federal investigations and prosecutions of ORC and help recover lost goods and proceeds.

Data Privacy

Retailers use personal data to better serve their customers and offer them the products, services, loyalty programs, value and convenience they expect when shopping online or in-store. Earning and maintaining customer trust depends on implementing policies and practices that prioritize privacy concerns. Because the responsible use of customer data is both important to consumers and critical to successful retail operations, NRF [strongly supports](#) the establishment of a uniform, nationwide privacy law that protects consumer privacy across all industry sectors.

Thank you again for your leadership and work on the many issues facing our nation. NRF looks forward to continuing to work with your administration to develop solutions that best serve retailers and consumers alike.

Sincerely,



Matthew R. Shay
President & CEO
National Retail Federation