

Office of the Governor  
State of Louisiana

JOHN BEL EDWARDS  
GOVERNOR



P.O. Box 94004  
BATON ROUGE, LOUISIANA 70804-9004  
(225) 342-7015  
GOV.LA.GOV

July 11, 2018

The Honorable Donald J. Trump  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, D.C. 20500

Dear Mr. President:

Earlier this year, you exercised your authority under Section 232 of the Trade Expansion Act of 1962 to impose tariffs on various imports. In Louisiana, these duties and the corresponding tariffs imposed by China, Canada, Mexico, and the European Union will harm the competitiveness of our ports, our Liquefied Natural Gas (LNG) facilities, our agriculture producers and other industries that sustain communities across the state. I am writing to you to share the concerns that have been expressed to me by business leaders, port officials, and farmers from throughout Louisiana. You and I have enjoyed a great working relationship, and I appreciate your including my state in several initiatives you have undertaken. I hope this information will provide better insight into what this new policy will mean for industries in this country, particularly industries in Louisiana that serve as the framework for our state's growing economy.

Right now, Louisiana's economy is on the rebound. After inheriting a massive budget deficit of \$2 billion when I took office, we have stabilized our budget, reduced unemployment to a 10-year low, and more people working in Louisiana now than ever before. The imposition of these tariffs threatens to impact this substantial progress.

Louisiana has a working coast that feeds the entire nation. We service the oil and gas industry in the Gulf of Mexico. The LNG industry in Louisiana is growing and beginning to service the entire world. The Port of South Louisiana serves as the largest in the country in total cargo volume. Finally, the Port of New Orleans accounts for more than 15 percent of the nation's total exports while moving more than \$27 billion of goods annually. According to a Bloomberg analysis, no state in the nation stands to be hit harder by a possible trade war than Louisiana.<sup>1</sup> One in six Louisiana jobs is dependent upon international commerce. I am concerned that, without striking the right balance, Louisiana would be among the hardest-hit by these tariffs.

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<sup>1</sup> [In Louisiana, Trump's Trade War Spooks America's Biggest Port](#)

As referenced above, the LNG industry is booming in Southwest Louisiana, with companies like Tellurian and Cheniere Energy in the midst of multibillion-dollar efforts to increase exports. With large portions of these projects under construction or in permitting and front-end engineering and design, such as the \$15.2 billion Driftwood LNG export terminal, the uncertainty over the remaining costs could devastate the Southwest Louisiana economy. In 2016, Cheniere Energy Partners shipped the first export of LNG from the United States out of its Sabine Pass Terminal. The growth of this industry, and thus the economy that relies on it, is put in jeopardy by these tariffs.

This past year alone, the Port of New Orleans, the third-largest steel importer in the United States, handled 2.3 million tons of steel and \$2.2 billion of imported aluminum. In 2017, the Port of South Louisiana handled more than 300 million tons of cargo, of which steel products represented 41 percent. Substantial tariffs represent a direct and fundamental risk to both the jobs and the economic activity supported by our ports.

Equally as important is the critical role that agriculture plays in feeding our state and the nation. Sixty percent of the nation's grain is exported via our port system. Louisiana Farmers grow about 1.2 million acres of soybeans – the vast majority of which is exported. Nationwide, 60 percent of soybean production is exported to China. With so many communities across Louisiana reliant on a thriving agriculture industry, the livelihood of so many people is in jeopardy with this new policy.

These industries combined represent a significant portion of Louisiana's job market that could take a direct hit by tariffs on aluminum and steel. Previous tariffs implemented in 2003 led to a 46 percent decrease in steel imports at the Port of New Orleans alone. This policy will directly impact Louisiana jobs at a time when our unemployment rate is at a 10-year low and will adversely affect economies along our coast. A recent study by the U.S. Chamber of Commerce found that \$5.9 billion in exports from Louisiana would be threatened by these new tariffs.<sup>2</sup>

Louisiana's coast is America's working coast. We feed and fuel the world through our port system, with grain and supplies the world relies on every day – whether directly or indirectly. Soon, our LNG exports will fuel the world unless tariff related cost escalations dampen our industrial renaissance.

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<sup>2</sup> [https://www.uschamber.com/sites/default/files/tariff\\_data/one\\_pagers/la.pdf](https://www.uschamber.com/sites/default/files/tariff_data/one_pagers/la.pdf)

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I am asking you to reconsider this policy on behalf of Louisiana's economy, our people, and the industries that feed the nation. As you consider the implications this policy might have on states, I would invite you to visit Louisiana to tour our ports and agriculture community to learn firsthand how these industries, and the American jobs they support, will be adversely impacted. My administration and I stand ready to work with you and your administration on bipartisan trade policy that does not have the expected negative effect the imposition of tariffs will have on Louisiana.

Sincerely,

A handwritten signature in black ink, appearing to read "John Bel Edwards". The signature is fluid and cursive, with a large initial "J" and "E".

John Bel Edwards  
Governor

cc: Louisiana Congressional Delegation