



March 30, 2011

The Honorable Richard Lugar
United States Senate
306 Hart Senate Office Building
Washington, DC 20510

Dear Senator Lugar:

On behalf of the 362,000 members of the National Taxpayers Union (NTU), I write in strong support of your “Free Sugar Act of 2011.” This vital legislation would dismantle the complicated and burdensome scheme of price manipulation, quotas, and tariffs that conspire to artificially raise sugar prices in this country. These policies are damaging to millions of hard-working American families and businesses and should be ended immediately. Your straightforward bill would do exactly that by repealing all of these misguided provisions and eliminating billions of dollars in higher costs.

For three quarters of a century, American businesses and consumers have paid a price for sugar far above world averages. This price premium is attributable not to a lack of plentiful supplies or other market difficulties, but instead to a tangled web of manipulative federal policies. These policies include a slew of direct and indirect price supports, quotas that dictate how much each processor is allowed to sell, and punitive tariffs preventing the import of lower-priced sugar from abroad. The net effect is forcing Americans to pay as much as twice the world price for sugar, a situation that is grossly unfair and untenable moving forward.

Because sugar is a core commodity in a vast array of products, the higher prices Americans must pay for it have contributed directly to heavier food and beverage costs that weigh down family budgets. Furthermore, these higher prices have been a contributing factor to the withering of America’s domestic candy manufacturing sector. American candy companies are reducing or shutting down domestic production facilities and in some cases moving just across the border into Canada or Mexico, so as to escape our artificially high sugar prices.

America’s sugar policies may benefit a select group of producers, but it exacts a terrible toll on the economy as a whole. A 2005 study by the U.S. Department of Commerce concluded that for every job saved by these meddlesome practices, nearly three jobs were lost in confectionary manufacturing. At a time when millions of Americans are struggling to recover from a painful recession, Washington must kick this market-rigging habit.

NTU urges your colleagues to embrace the “Free Sugar Act of 2011” and we look forward to working with you in ushering it to passage for the benefit of taxpayers and consumers.

Sincerely,

Andrew Moylan
Vice President of Government Affairs