

AMERICANS FOR FREE ★ TRADE

May 11, 2021

The Honorable Ron Wyden
Chairman
Senate Finance Committee
Washington, DC 20510

The Honorable Mike Crapo
Ranking Member
Senate Finance Committee
Washington, DC 20510

The Honorable Richard Neal
Chairman
House Ways & Means Committee
Washington, DC 20515

The Honorable Kevin Brady
Ranking Member
House Ways & Means Committee
Washington, DC 20515

RE: The President's 2021 Trade Policy Agenda

Dear Chairman Wyden, Ranking Member Crapo, Chairman Neal, and Ranking Member Brady,

On behalf of the [Americans for Free Trade](#) coalition, thank you for holding hearings on the President's 2021 Trade Policy Agenda. We believe this is a critical time for Congress to hear from the Administration on this important topic.

By way of background, Americans for Free Trade represents every part of the U.S. economy including manufacturers, farmers and agribusinesses, retailers, technology companies, service suppliers, natural gas and oil companies, importers, exporters, and other supply chain stakeholders. Collectively, we employ tens of millions of Americans, including many of your constituents, through our vast supply chains.

As the Administration continues focusing on the U.S. economic recovery from the pandemic, a strategic trade agenda is a key element in ensuring this recovery succeeds. A robust economic recovery requires the U.S. to create and expand import and export opportunities for American businesses to reach new markets, create jobs here at home, and compete globally. It also requires the U.S. to craft a defined China policy that addresses unfair trading practices but removes ill-conceived tariffs that continue to harm all American businesses whether they are importing inputs to manufacture products domestically or finished goods. To date the U.S. has collected over [\\$87 billion](#) in tariffs, which are taxes paid by U.S. importers. In other words, these tariffs are paid by Americans, not China. They have caused significant financial hardship for U.S. businesses, the millions of workers they employ, and the millions of American consumers they serve. At the same time, they have failed to effectively address China's unfair trading practices.

Our coalition was deeply concerned to learn at a recent [Senate Appropriations Committee hearing](#) that USTR has not even started its review of the China trade policy. We believe this review should be a top priority for USTR. The tariffs continue to cause economic harm to businesses both small and large across the country, as well as to American consumers and workers who bear the downstream impacts of these tariffs. Any delay in reviewing the China trade policy means delaying

relief to these Americans – the same Americans whom Congress worked so hard to support in multiple major pieces of pandemic legislation.

It is therefore critical that USTR begin its China trade policy review immediately. This review must also include a determination as to whether the tariffs have had the desired impact to change policy in China and whether they provide any actual leverage in negotiations. Further, it is critical that USTR immediately reinstate a product exclusions process to provide targeted relief to Americans while this review is ongoing.

As the committees consider questions for Ambassador Tai in this week’s hearings, we recommend the following questions be posed to gain insight into the Administration’s plans for tackling our trade relationship with China:

1. Will you commit to beginning a full China trade policy review by the end of May? How long do you anticipate such a review to take? Will you commit that this review includes an assessment of the economic impact of the Section 301 tariffs and China’s retaliatory tariffs?
2. Will you commit to launching a new China Section 301 product exclusion process by the end of May to provide targeted relief while the broader China trade policy review takes place? Will this process include reinstatement of exclusions that expired in 2020?
3. How are the Section 301 tariffs on imports from China creating “leverage” when the U.S. trade deficit with China has only increased since the imposition of the tariffs in 2018-2019?
4. Why is keeping the China market closed to American exports – due to its retaliatory tariffs – in the U.S. national interest? Can you explain how American exporters will gain back market share in the massive China market now that it has been lost to their competitors abroad? What will the Administration do to support these exporters and how will it open new markets for their exports if the China market remains closed?
5. The negative impact of the tariffs on American businesses, farmers and service suppliers is well documented. Can you commit to lifting the tariffs to help U.S. employers continue their economic recovery and grow U.S. jobs and make us more competitive?
6. Will you commit to not favoring American workers in one U.S. industry over another U.S. industry and helping import-reliant workers and companies if the tariffs stay in place? Do you believe that Trade Adjustment Assistance should be expanded to allow workers who lost their jobs due to U.S. additional tariffs under Section 301, Section 232, and Section 201 to retrain, reskill, and be rehired?
7. You have previously indicated that there are a “whole slew of policy tools,” beyond tariffs that can be deployed with respect to the U.S.-China trade relationship. What other tools beyond tariffs are you exploring? Are there any authorities you are lacking that would help you deploy these other tools?

We appreciate your consideration of these questions and look forward to working with Congress and the Administration on this important issue. If you have any questions about the Americans for Free Trade coalition, please contact Blake Harden (blake.harden@rila.org) or Jon Gold (goldj@nrf.com).

Sincerely,

Americans for Free Trade