

AMERICANS FOR FREE ★ TRADE

May 26, 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: Statement for the Hearing Record: The President's 2021 Trade Policy Agenda

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

The Americans for Free Trade coalition, a broad alliance of American businesses, trade organizations, and workers united against tariffs, respectfully submits this written statement to include in the public record of the Senate Finance Committee and House Ways and Means Committee's 2021 Trade Policy Agenda hearings, which took place on May 12 and 13, respectfully. We appreciate the Committees holding hearings on this important matter.

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 through our vast supply chains.

As the Administration and Congress continue 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.

We appreciate that several members of the Committees inquired about the status of USTR's China review during the hearings. The China review is of critical importance and must be a top

priority for the Administration. 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. In fact, Moody's Investor Services just released a [new report](#) finding that the tariffs “hit American businesses and consumers hardest,” with **China absorbing only 7.6 percent of the tariffs “while the rest of the tab was picked up by Americans.”** 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.

We also appreciate that the Administration plans to review the section 301 tariffs on products from China as part of its “top-to-bottom” review and applaud it for wanting to take a thoughtful and deliberate approach. It is critical that this review begin immediately and identify a clear timeline for the review’s completion. This review must also include a determination as to whether the tariffs are achieving the stated objective of changing China’s policies and behavior and whether they provide any actual leverage in negotiations.

Unfortunately, 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. Time is of the essence.

This is why we support the Administration launching a new product exclusion process sooner rather than later. We are therefore deeply concerned that the Administration will not decide on whether to resume the exclusions process until it completes its overall China review. Reinstatement of a product exclusion process to provide targeted relief to Americans can happen while this review is ongoing. **We strongly encourage the Committees to urge the Administration to immediately reinstate a product exclusion process and to reinstate all product exclusions that expired in 2020.**

Furthermore, the previous section 301 product exclusion process had significant flaws, and we agree it needs improvement. We also appreciate that the Administration is interested in stakeholder feedback to better understand the shortcomings of the previous process. However, we are concerned that during the hearing, the Administration offered no timeline regarding when this stakeholder engagement might take place or when the broader review might be concluded. We support the Administration reaching out to stakeholders to solicit feedback on the exclusions process, and such stakeholder engagement should include American companies impacted by the tariffs. However, ample feedback has been provided to the Administration over the last several years identifying transparency, consistency, and fairness issues with the previous process, and we believe this outreach should not delay instituting a targeted process for providing relief to American businesses.

As the Administration and Congress continue to focus on the economic recovery from the COVID-19 pandemic, lifting the section 301 tariffs on products from China is a simple, straightforward way to provide an economic boost to American families, American workers, and American businesses and to help ensure a successful economic recovery. It is also an important

step to repairing relationships with U.S. trading partners and allies and restoring our standing on the world stage.

We appreciate the Committees' continued engagement on these important issues and urge it to continue weighing in with the Administration to ensure that destructive tariffs are lifted, and that a new and more effective approach to addressing China's unfair trading practices is adopted. We thank the Committees for holding these hearings and look forward to working with you on these important issues.

Sincerely,

Accessories Council	California Retailers Association
ACT The App Association	Can Manufacturers Institute
Agriculture Transportation Coalition (AgTC)	Carolina Loggers Association
ALMA, International (Association of Loudspeaker Manufacturing and Acoustics)	Chemical Industry Council of Delaware (CICD)
American Apparel & Footwear Association (AAFA)	Coalition of New England Companies for Trade (CONNECT)
American Association of Exporters and Importers (AAEI)	Coalition of Services Industries (CSI)
American Association of Port Authorities	Colorado Retail Council
American Bakers Association	Columbia River Customs Brokers and Forwarders Assn.
American Bridal & Prom Industry Association (ABPIA)	Computer & Communications Industry Association (CCIA)
American Chemistry Council	Computing Technology Industry Association (CompTIA)
American Down and Feather Council	Consumer Brands Association
American Fly Fishing Trade Association	Consumer Technology Association
American Home Furnishings Alliance	Council of Fashion Designers of America (CFDA)
American Lighting Association	CropLife America
American Petroleum Institute	Customs Brokers & Freight Forwarders Assn. of Washington State
American Pyrotechnics Association	Customs Brokers & Freight Forwarders of Northern California
American Rental Association	Distilled Spirits Council of the United States
American Specialty Toy Retailing Association	Electronic Transactions Association
American Wind Energy Association	Experiential Designers and Producers Association
Arizona Technology Council	Fashion Accessories Shippers Association (FASA)
Arkansas Grocers and Retail Merchants Association	Fashion Jewelry & Accessories Trade Association
Association For Creative Industries	Flexible Packaging Association
Association for PRINT Technologies	Florida Ports Council
Association of American Publishers	Florida Retail Federation
Association of Equipment Manufacturers (AEM)	Footwear Distributors and Retailers of America (FDRA)
Association of Home Appliance Manufacturers	Fragrance Creators Association
Auto Care Association	Game Manufacturers Association
Beer Institute	Gemini Shippers Association
BSA The Software Alliance	Georgia Retailers
	Global Business Alliance
	Global Chamber®
	Global Cold Chain Alliance

Greeting Card Association
 Halloween Industry Association
 Home Fashion Products Association
 Home Furnishings Association
 Household and Commercial Products Association
 Idaho Retailers Association
 Illinois Retail Merchants Association
 Independent Office Products & Furniture Dealers Association (IOPFDA)
 Indiana Retail Council
 Information Technology Industry Council (ITI)
 International Association of Amusement Parks and Attractions (IAAPA)
 International Bottled Water Association (IBWA)
 International Foodservice Distributors Association
 International Housewares Association
 International Warehouse and Logistics Association
 International Wood Products Association
 Internet Association
 ISSA - The Worldwide Cleaning Industry Association
 Jeweler's Vigilance Committee
 Juice Products Association (JPA)
 Juvenile Products Manufacturers Association
 Leather and Hide Council of America
 Licensing Industry Merchandisers' Association
 Los Angeles Customs Brokers and Freight Forwarders Assn.
 Louisiana Retailers Association
 Maine Grocers & Food Producers Association
 Maine Lobster Dealers' Association
 Maritime Exchange for the Delaware River and Bay
 Maryland Retailers Association
 Methanol Institute
 Michigan Chemistry Council
 Michigan Retailers Association
 Minnesota Retailers Association
 Missouri Retailers Association
 Motor & Equipment Manufacturers Association
 Motorcycle Industry Council
 NAPIM (National Association of Printing Ink Manufacturers)
 National Association of Chain Drug Stores (NACDS)
 National Association of Chemical Distributors (NACD)
 National Association of Foreign-Trade Zones (NAFTZ)
 National Association of Home Builders
 National Association of Music Merchants
 National Association of Printing Ink Manufacturers
 National Association of Trailer Manufacturers (NATM)
 National Confectioners Association
 National Council of Chain Restaurants
 National Customs Brokers and Freight Forwarders Association of America
 National Electrical Manufacturers Association (NEMA)
 National Fisheries Institute
 National Foreign Trade Council
 National Grocers Association
 National Lumber and Building Material Dealers Association
 National Marine Manufacturers Association
 National Restaurant Association
 National Retail Federation
 National Ski & Snowboard Retailers Association
 National Sporting Goods Association
 Natural Products Association
 New Jersey Retail Merchants Association
 North American Association of Uniform Manufacturers and Distributors (NAUMD)
 North Carolina Retail Merchants Association
 Ohio Council of Retail Merchants
 Outdoor Industry Association
 Pacific Coast Council of Customs Brokers and Freight Forwarders Assns. Inc.
 Pennsylvania Retailers' Association
 PeopleforBikes
 Personal Care Products Council
 Pet Industry Joint Advisory Council
 Petroleum Equipment & Services Association
 Plumbing Manufacturers International
 Power Tool Institute (PTI)
 Promotional Products Association International
 Recreational Off-Highway Vehicle Association
 Retail Association of Maine
 Retail Council of New York State
 Retail Industry Leaders Association
 Retailers Association of Massachusetts

RISE (Responsible Industry for a Sound Environment)
San Diego Customs Brokers and Forwarders Assn.
SEMI
Semiconductor Industry Association (SIA)
Snowsports Industries America
Society of Chemical Manufacturers & Affiliates
Software & Information Industry Association (SIIA)
South Dakota Retailers Association
Specialty Equipment Market Association
Specialty Vehicle Institute of America
Sports & Fitness Industry Association
TechNet
Telecommunications Industry Association (TIA)
Texas Retailers Association

Texas Water Infrastructure Network
The Airforwarders Association
The Fertilizer Institute
The Hardwood Federation
The Toy Association
The Vinyl Institute
Travel Goods Association
Truck & Engine Manufacturers Association (EMA)
United States Council for International Business
United States Fashion Industry Association
US Global Value Chain Coalition
US-China Business Council
Virginia Retail Merchants Association
Virginia-DC District Export Council (VA-DC DEC)
Washington Retail Association
Window and Door Manufacturers Association
World Pet Association, Inc. (WPA)