

AMERICANS FOR FREE ★ TRADE

March 18, 2021

The Honorable Katherine Tai
United States Trade Representative
600 Seventeenth Street, N.W.
Washington, D.C. 20508

Dear Ambassador Tai:

Congratulations on your confirmation as U.S. Trade Representative. We appreciate your dedication to public service and look forward to working with you on a worker-centric trade policy that benefits American workers, families, and businesses.

Our companies and associations joined together to form Americans for Free Trade in 2018. Our coalition 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.

American families, workers, and businesses are experiencing a period of unprecedented difficulty and uncertainty. As businesses around the country try to implement and sustain a full and successful recovery from the ongoing economic harm caused by the COVID-19 pandemic, they need as much certainty as possible. That certainty can be provided in several ways, including by collaborating with our trading partners and allies to address violations of U.S. trade law, and by negotiating trade agreements that open markets for – rather than trigger retaliation against – American exporters and the tens of millions of workers who rely on export markets around the world.

One area that needs immediate attention relates to our tariff policy. Over the last several years, American businesses and families have been assessed more than \$90 billion¹ in additional tariffs. These tariffs have resulted in less money in the pockets of American families², a slowdown in U.S. manufacturing³, and decreased competitiveness for American businesses vis-à-vis their counterparts in Europe and Asia. Tariffs are taxes. They have created tremendous uncertainty and financial pain for American families, American workers, and American businesses.

¹ CBP Trade Statistics, available at <https://www.cbp.gov/newsroom/stats/trade> (last visited 3/7/2021).

² See The Budget and Economic Outlook: 2020 to 2030, Congressional Budget Office, p. 33 (“As a result, tariffs are also projected to reduce average real household income by \$1,277 (in 2019 dollars) in 2020.”).

³ See Flaaen, Aaron, and Justin Pierce, “Disentangling the Effects of the 2018-2019 Tariffs on a Globally Connected U.S. Manufacturing Sector,” Federal Reserve Board (Dec. 23, 2019).

We appreciate USTR's decision to extend for six months product exclusions on medical-care and other products needed to respond to the COVID-19 pandemic. This was an important first step to providing relief, but more can be done. As your office considers how best to deploy U.S. trade policy tools to address the ongoing public health and economic crises, we urge USTR to examine closely the negative impact that tariffs have caused to American families, American workers, and American businesses over the last several years and consider a thorough study of whether they have met their stated objectives. This should include an economic analysis regarding the impact of the tariffs in key areas, such as American jobs, manufacturing, competitiveness, innovation, and economic growth. In addition, we urge USTR to examine the effectiveness of the tariffs and the section 301 product exclusion process administered over the last several years.

As USTR conducts these important reviews, we also urge you to take the following immediate actions:

- Reinstatement of the section 301 product exclusion process, including a retroactive extension for product exclusions that expired during 2020 to provide economic relief and predictability for American businesses, workers, and families;
- Improve the section 301 product exclusion process to ensure it is administered in a fair, transparent, and predictable manner and then initiate a new product exclusion request opportunity;
- For all goods that are needed to respond to COVID-19, provide exclusions for the period beginning on the effective date of the initial COVID-19 national emergency declaration and concluding one year after termination of the COVID-19 national emergency; and
- Resolve ongoing trade disputes through targeted actions and concerted bilateral and multilateral engagement -- measures that reduce trade barriers and open markets for American exporters rather than impose additional financial burdens on American families, businesses, and workers through tariffs and close markets when trading partners retaliate.

Lifting the additional tariffs 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.

Again, we congratulate you on your historic confirmation. We would like to request a meeting with you to discuss how we can work with you on a trade policy agenda that tackles the unprecedented challenges facing American families, workers, and businesses.

Sincerely,

Accessories Council
ACT | The App Association
Agriculture Transportation Coalition (AgTC)

ALMA, International (Association of
Loudspeaker Manufacturing and Acoustics)
American Apparel & Footwear Association (AAFA)

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

Vinyl Institute
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)