

AMERICANS FOR FREE ★ TRADE

April 13, 2022

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 2022 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 House Ways & Means Committee and Senate Finance Committee's ("the Committees") 2022 Trade Policy Agenda hearings, which took place on March 30 and 31, respectively. 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, powersports, 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 companies in the U.S. continue to recover from the global pandemic, face supply chain disruptions, and operate in an inflationary economic environment, we continue to call upon the administration to use more strategic tools to address China's unfair trade practices without further damaging U.S. competitiveness. To date, U.S. Customs and Border Protection has assessed more than [\\$130 billion dollars](#) in tariffs from U.S. companies who import products from China. These taxes increase the cost of doing business in the United States and place a financial burden on U.S. businesses – negatively impacting their ability to invest in their companies, hire more American workers, innovate cutting-edge goods and services and remain competitive globally.

We continue to call for an end to the China 301 tariffs that have had a disproportionate economic impact on American companies, consumers, and workers and that have failed to change China's unfair trade practices. But until the tariffs are lifted, we believe reinstating a fully retroactive section 301 exclusion process for all covered products is critical to providing interim relief for

U.S. businesses. According to a recent Moody's Investor Service Report, 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." Further, recent articles have highlighted that the tariffs are having a modest but real impact on inflationary pressures.¹ A new, comprehensive, transparent, and fair exclusions process would help alleviate the economic burden on American businesses and consumers.

We welcomed USTR's announcement in October to open an exclusions process for a limited set of products. However, that process was only available to 549 products, which is approximately 1 percent of the original exclusion applications. USTR recently announced the reinstatement of 342 of the 549 exclusions, but it did not explain why the remaining requests were denied or why the exclusions were retroactive only to October 12, 2021. While these 342 reinstated exclusions are an important first step, a more robust process is needed to provide meaningful relief. This view is shared by at least [141 bipartisan House members](#) and [41 bipartisan Senators](#) who recently wrote to Ambassador Tai urging USTR to open a broader exclusions process. During the Trade Agenda hearings, many Members of the Committees asked Ambassador Tai whether USTR intended to make available a broader exclusion process. Ambassador Tai responded that she was happy to discuss the issue further with Members of Congress and that USTR would continue to consider a broader exclusions process if circumstances warranted it. These responses provided no insight to the Committees or the public regarding USTR's intentions for opening a broader exclusions process or what circumstances might prompt USTR to do so.

Absent a clear indication from USTR that it will use its authority to provide a comprehensive, transparent, and fair exclusions process, Congress must act. **We therefore urge the Committees to include language in a conferenced China competition bill that would require USTR to reinstitute a comprehensive, transparent, and fair exclusions process – with retroactivity – for all products subject to the section 301 tariffs, not just an arbitrary, narrow subset of products.**

As the Committees may also be aware, List 1 of the China 301 tariffs is set to expire in July unless USTR receives a petition for a continuation of the tariffs, which we understand is almost certain to occur. Such a request would trigger a review process under the statute, requiring USTR to examine the effectiveness of the tariffs in achieving their objectives and other actions that could be taken, as well as the effects of such actions on the U.S. economy, including consumers.

While USTR would only be required to conduct this review with respect to List 1, we have [written](#) to Ambassador Tai urging USTR to include all four tariff lists in its review. A single review for all four tariff lists would create administrative efficiencies for USTR and American companies. It would also permit a more holistic assessment of whether the tariffs achieved their stated objectives and provide a full picture of the impact the tariffs have had to the U.S. economy, as well as American businesses, workers, and consumers. It would also give USTR the opportunity to consider whether the 301 tariffs represent the best path forward considering U.S. companies continue to face many of the same challenges with respect to trade with China today as they did when the tariffs were first imposed.

¹ See the attached list of articles discussing the section 301 China tariffs' contributions to U.S. inflation woes.

Further, it is essential that the review process be fully transparent and include a public comment period and public hearings to ensure that the Administration gives all stakeholders – including stakeholders who pay the tariffs –the opportunity to provide input. A review that does not include the American businesses, workers, farmers, and consumers burdened by the tariffs would be inconsistent with the commitments USTR has made in its Transparency Principles, congressional testimony, and the 2022 Trade Policy Agenda and 2021 Annual Report regarding public outreach, engagement, and transparency.

We strongly support a fully transparent review of the Section 301 tariffs on products from China, including a comprehensive economic assessment of the tariffs’ impact on American businesses, workers, farmers, and consumers. **We urge the Committees to inquire about USTR’s plans for reviewing the tariffs, including timing and opportunities for stakeholder input. We believe the review presents an important opportunity to assess the tariffs and determine whether this Administration will continue them as part of its China trade policy.**

We appreciate the Committees’ continued engagement on these critical 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 continuing to work with you.

Sincerely,

Accessories Council	American Rental Association
ACT The App Association	American Seed Trade Association
Agriculture Transportation Coalition (AgTC)	American Specialty Toy Retailing Association
ALMA, International (Association of Loudspeaker Manufacturing and Acoustics)	American Trucking Association
American Apparel & Footwear Association (AAFA)	Arizona Technology Council
American Association of Exporters and Importers (AAEI)	Arkansas Grocers and Retail Merchants Association
American Association of Port Authorities	Association For Creative Industries
American Bakers Association	Association for PRINT Technologies
American Bridal & Prom Industry Association (ABPIA)	Association of American Publishers
American Chemistry Council	Association of Equipment Manufacturers (AEM)
American Clean Power Association	Association of Home Appliance Manufacturers
American Coatings Association, Inc. (ACA)	Auto Care Association
American Down and Feather Council	Beer Institute
American Fly Fishing Trade Association	BSA The Software Alliance
American Home Furnishings Alliance	Business Alliance for Customs Modernization
American Lighting Association	California Retailers Association
American Petroleum Institute	Can Manufacturers Institute
American Pyrotechnics 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	Indiana Retail Council
Columbia River Customs Brokers and Forwarders Assn.	Information Technology Industry Council (ITI)
Computer & Communications Industry Association (CCIA)	International Association of Amusement Parks and Attractions (IAAPA)
Computing Technology Industry Association (CompTIA)	International Bottled Water Association (IBWA)
Consumer Brands Association	International Foodservice Distributors Association
Consumer Technology Association	International Housewares Association
Council of Fashion Designers of America (CFDA)	International Warehouse and Logistics Association
CropLife America	International Wood Products Association
Customs Brokers & Freight Forwarders Assn. of Washington State	ISSA - The Worldwide Cleaning Industry Association
Customs Brokers & Freight Forwarders of Northern California	Jeweler's Vigilance Committee
Distilled Spirits Council of the United States	Juice Products Association (JPA)
Electronic Transactions Association	Juvenile Products Manufacturers Association
Energy Workforce & Technology Council	Leather and Hide Council of America
Experiential Designers and Producers Association	Licensing Industry Merchandisers' Association
Fashion Accessories Shippers Association (FASA)	Los Angeles Customs Brokers and Freight Forwarders Assn.
Fashion Jewelry & Accessories Trade Association	Louisiana Retailers Association
Flexible Packaging Association	Maine Grocers & Food Producers Association
Florida Ports Council	Maine Lobster Dealers' Association
Florida Retail Federation	Maritime Exchange for the Delaware River and Bay
Footwear Distributors and Retailers of America (FDRA)	Maryland Retailers Association
Fragrance Creators Association	Michigan Chemistry Council
Game Manufacturers Association	Michigan Retailers Association
Gemini Shippers Association	Minnesota Retailers Association
Georgia Retailers	Missouri Retailers Association
Global Chamber®	Motor & Equipment Manufacturers Association
Global Cold Chain Alliance	Motorcycle Industry Council
Greeting Card Association	NAPIM (National Association of Printing Ink Manufacturers)
Halloween Industry Association	National Association of Chain Drug Stores (NACDS)
Home Fashion Products Association	National Association of Chemical Distributors (NACD)
Home Furnishings Association	National Association of Foreign-Trade Zones (NAFTZ)
Household and Commercial Products Association	National Association of Home Builders
Idaho Retailers Association	National Association of Music Merchants
Illinois Retail Merchants Association	National Association of Trailer Manufacturers (NATM)
Independent Office Products & Furniture Dealers Association (IOPFDA)	National Confectioners Association
	National Council of Chain Restaurants
	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	RV Industry Association
National Ski & Snowboard Retailers Association	San Diego Customs Brokers and Forwarders Assn.
National Sporting Goods Association	SEMI
Natural Products Association	Semiconductor Industry Association (SIA)
New Jersey Retail Merchants Association	Snowsports Industries America
North American Association of Food Equipment Manufacturers (NAFEM)	Software & Information Industry Association (SIIA)
North American Association of Uniform Manufacturers and Distributors (NAUMD)	South Dakota Retailers Association
North Carolina Retail Merchants Association	Specialty Equipment Market Association
Ohio Council of Retail Merchants	Specialty Vehicle Institute of America
Outdoor Industry Association	Sports & Fitness Industry Association
Pacific Coast Council of Customs Brokers and Freight Forwarders Assns. Inc.	TechNet
Pennsylvania Retailers' Association	Telecommunications Industry Association (TIA)
PeopleforBikes	Texas Water Infrastructure Network
Personal Care Products Council	The Airforwarders Association
Pet Food Institute	The Fertilizer Institute
Pet Industry Joint Advisory Council	The Hardwood Federation
Plumbing Manufacturers International	The Toy Association
Power Tool Institute (PTI)	Travel Goods Association
PRINTING United Alliance	Truck & Engine Manufacturers Association (EMA)
Promotional Products Association International	United States Council for International Business
Recreational Off-Highway Vehicle Association	United States Fashion Industry Association
Retail Association of Maine	US Global Value Chain Coalition
Retail Council of New York State	US-China Business Council
Retail Industry Leaders Association	Vinyl Institute
Retailers Association of Massachusetts	Virginia Retail Merchants Association
RISE (Responsible Industry for a Sound Environment)	Virginia-DC District Export Council (VA-DC DEC)
	Washington Retail Association
	Window and Door Manufacturers Association
	World Pet Association, Inc. (WPA)

AMERICANS FOR FREE ★ TRADE

Articles Related to Tariffs' Effect on Inflation:

- [Larry Sommers on potential recession: 'Nothing is inevitable or certain in economics'](#)
The Hill | April 10, 2022
- [For inflation relief, the United States should look to trade liberalization](#)
Peterson Institute for International Economics | March 30, 2022
- [Opinion: Biden wants more price-reducing 'competition.' Except in this one circumstance.](#)
The Washington Post | Feb. 8, 2022
- [Trump's China tariffs continue to vex small Minnesota importers](#)
Star Tribune | Feb. 6, 2022
- [Will inflation see off the Trump tariffs?](#)
Vogue Business | January 5, 2022
- [Retreat From Globalization Adds to Inflation Risks](#)
The Wall Street Journal | December 5, 2021
- [Facing Down a Surprising Inflation Surge](#)
Harvard Kennedy School | Dec. 1, 2021
- [PPI's Trade Fact of the Week: Trump tariff increases contribution to inflation: ~0.5%](#)
Progressive Policy Institute Newsletter
- [Inflationary Effects of Trade Disputes with China](#)
Federal Reserve Bank of San Francisco | February 25, 2019

Administration Comments on Tariffs & Inflation

- [Rolling back U.S.-China tariffs would ease inflation in the U.S., former Treasury secretary says](#)
CNBC | Nov. 30, 2021
- [The inflation-fighting step Biden has yet to take](#)
CNN | Nov. 21, 2021

AMERICANS FOR FREE ★ TRADE

- [Janet Yellen Interview with "Face The Nation"](#)

Nov. 14, 2021

- [Yellen says reciprocal lowering of tariffs could help ease inflation](#)

Reuters | Nov. 1, 2021

Recent AFT coalition member pieces:

[2 Years Since Trade Deal with China, Tariffs Aren't Working for American Businesses](#)

Entrepreneur, MSN | Feb. 11 2022

[Trade Wars Worsen Shipping Crisis](#)

Townhall | Sept. 7, 2021

[Joe Bell: Ongoing trade war limits recovery for U.S. businesses](#)

Tribune Review | June 23, 2021

[Repeal Tariffs to Boost the Economy, Help Small Businesses](#)

RealClearMarkets | March 25, 2021

[Removing tariffs is key to economic relief](#)

Washington Examiner, Feb. 24, 2021