## Congress of the United States Washington, DC 20515

January 20, 2022

The Honorable Katherine C. Tai United States Trade Representative Office of the United State Trade Representative 600 17th Street NW Washington, DC 20508

Dear Ambassador Tai:

We write today to express our strong support for establishing a comprehensive, fair, and transparent exclusion process to allow U.S. producers, manufacturers, and importers to request relief, on a case-by-case basis, from all Section 301 tariffs on imports from China. We applaud your recent announcement of a new exclusion process and appreciate your willingness to consider additional exclusion processes. As such, we urge the Office of the U.S. Trade Representative (USTR) to immediately expand its exclusion process in order to support American workers, businesses, and our economic recovery. We sincerely believe that such a process is a critical component of a worker-centric trade agenda, given that many Americans work in industries that are struggling to adjust their supply chains while remaining competitive with global competitors and adapting to the pandemic that continues to threaten their lives and livelihoods.

We strongly support tough and effective action to address China's unfair trade practices. China must be held accountable for commitments it has made to the United States and for its state-centered and non-market trade policies that have harmed American workers and the rules-based international trading system. We share the view that we need a holistic and pragmatic approach to confront future challenges from China and defend our economic interests against unfair competition.

October's announcement to restart an exclusion process for a limited number of expired tariff exclusions is an important first step to help workers in industries that have limited, if any, alternative sourcing options as they continue to struggle through the pandemic and supply chain disruptions. That process, however, is too narrow, opening only 1 percent of the original exclusion applications for reconsideration. Expanding this process to more products is especially important given the significant challenges with transparency and procedure in the original exclusion process, as the Government Accountability Office found in its July 2021 report to Congress.

The lapse – and continued absence – of critical exclusions have deepened the challenges for businesses and their workers, hindering efforts to relocate supply chains in sectors ranging from new-energy vehicles to semiconductors by raising the costs of critical inputs, components, and machinery. These increased costs are undermining the competitiveness of American manufacturing workers whose inputs are now more expensive compared to those made by foreign competitors. Sadly, the Section 301 tariffs have broadly impacted U.S. businesses in the manufacturing, agriculture, fishing, retail, energy, technology, and services industries. These impacts have been strongest for small-and medium-sized enterprises that are less able to absorb the increased cost of tariffs. Section 301 tariffs have also harmed American families and consumers by raising prices on a wide range of consumer products.

Given this, we strongly urge the USTR to expand its exclusion process as quickly as possible to give American workers, businesses, and families badly needed economic relief. To ensure that this relief is meaningful, we urge USTR to broaden the scope of the exclusion process to include all products covered under Section 301 tariffs and to ensure meaningful retroactivity to make businesses whole and keep them

competitive. Moreover, exclusions that you grant should be retroactive significantly earlier than the current date of October 12<sup>th</sup>. There is little reason to charge additional tariffs on covered products during the months when no exclusion process existed. This process should also be open on an ongoing basis to ensure that American manufacturers can have their needs heard and addressed by their federal government. Ultimately, we believe that all U.S. businesses should have the opportunity to make their case before the new Administration for why they deserve tariff relief, and that is what we think is fair for our constituents.

In addition, we reiterate our longstanding views, in line with issues raised in the aforementioned GAO report, that this and any future exclusion process must: 1) be transparent and inclusive for all stakeholders; 2) be streamlined, including expedited procedures for those who had been granted exclusions in the past; 3) operate consistently across applications and follow defined processes; and 4) base decisions on evidence and consistent criteria. USTR should communicate clearly the criteria used for decisions in a future exclusion process.

We thank you for your full and fair consideration of our requests, and we look forward to working with you and your team to ensure an expanded exclusion process is consistent with U.S. economic, strategic, and foreign policy objectives, as well as all applicable laws, rules, and regulations.

Sincerely,

Sincerely,

Ron Kind

Member of Congress

Darin LaHood

Member of Congress

Suzan DelBene

Member of Congress

/S/

SANFORD D. BISHOP, JR.

Member of Congress

/S/

**GUS M. BILIRAKIS** 

Member of Congress

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**DAVID SCHWEIKERT** 

Member of Congress

Jackie Walorski

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**GUY RESCHENTHALER** 

Member of Congress

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**BILL JOHNSON** 

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Member of Congress

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KEN BUCK