



U.S. House of Representatives

COMMITTEE ON WAYS AND MEANS
1139 LONGWORTH HOUSE OFFICE BUILDING
Washington, DC 20515

May 7, 2024

Katherine Tai
United States Trade Representative
Office of the United States Trade Representative
600 17th Street NW
Washington, D.C. 20508

Dear Ambassador Tai,

We write concerned about continued inaction on the four-year review of the Section 301 China tariffs. Section 301 of the Trade Act of 1974 requires relevant enforcement actions to be reviewed every four years. In 2018, President Trump imposed tariffs on China in response to a litany of their unfair trade practices. Although you initiated the required four-year review on May 5, 2022, two years later the review remains unfinished. We urge swift conclusion of the four-year review.

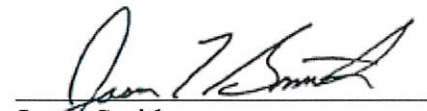
It took President Trump only about eight months to conclude the extensive original Section 301 investigation into China's unfair trade practices, and only about another four months to impose the resulting tariffs. In contrast, the Biden administration has taken two years to *study* the effectiveness of the tariffs President Trump imposed and their connection to the U.S. relationship with China going forward. We know what ought to be your guiding principle: the United States must continue to be the number one economic, technological, and military power in the world over the long-term.

Continued inaction on the four-year review poses serious risks for U.S. farmers, manufacturers, innovators, small businesses, and workers. Over the last two years, China has attempted to save its faltering economic growth with a new spree of industrial investment. Absolute inventory levels in China are now the highest they have been since data was first collected; if recent history is any guide, that production will be exported to the detriment of U.S. competitiveness. From electric vehicles to petrochemicals to steel to aluminum to a host of sundry manufactured goods, the free market economies of the world are in for an overcapacity shock. But instead of bracing for impact against China's extreme overcapacity, the administration seems to still be debating various styles of seatbelts.


Combined with failure to enforce China's violations of the Phase One agreement, two years of waiting on the results of the four-year review represents a passive approach to China trade challenges that lacks strategic focus. After two years of research, we now expect the results of the four-year review to be significant and substantive proposals for addressing the challenges in the bilateral trade relationship. At this point, anything less would be underwhelming.

As the administration approaches the two-year mark of initiating the four-year review, we urge you to quickly conclude and release the results of the review so that we can begin to address the looming China trade challenges facing the U.S. economy.

Sincerely,



Jason Smith
Chairman
Committee on Ways and Means



Adrian Smith
Chairman
Subcommittee on Trade
Committee on Ways and Means