



March 3, 2022

The Honorable Chuck Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20510

RE: Support for Section 301 Product Exclusions Process in China Competition Legislation

Dear Majority Leader Schumer, Minority Leader McConnell, Speaker Pelosi, and Minority Leader McCarthy:

The Americans for Free Trade (AFT) coalition supports congressional action on bipartisan legislation that will help American businesses and workers compete globally, including against China. Integral to improving U.S. competitiveness is addressing harmful tariffs that have increased costs for American businesses and families. For this reason, we strongly support language included as part of the Trade Act of 2021 in the U.S. Innovation and Competition Act (S. 1260) that would require the Office of the U.S. Trade Representative (USTR) to reinvigorate the exclusion process for products subject to additional tariffs under Section 301 of the Trade Act of 1974. Such a provision enjoyed overwhelming bipartisan support, with a 91-4 vote. We had hoped such language would be included in the America COMPETES Act (H.R. 4521), but regrettably, it was not. As these two China competition bills move towards a conference process, we urge Congress to include language requiring USTR to restart a comprehensive, transparent, and fair exclusions process – with retroactivity – for products subject to the 301 tariffs.

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 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

AMERICANS FOR FREE ★ TRADE

assessed nearly [\\$127 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, and remain competitive globally.

While we continue to call for an end to the additional tariffs on U.S. companies as well as China’s retaliatory tariffs, we believe reinstating the section 301 exclusion process 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 is only available to approximately 1 percent of the original exclusion applications and USTR has yet to announce any new exclusions from the process. To provide meaningful relief, a more robust process is needed. 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.

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 Congress to include language in a conferenced China bill that would require USTR to reinstitute a comprehensive, transparent, and fair exclusions process – with retroactivity – for products subject to the section 301 tariffs.

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 Clean Power Association
American Coatings Association, Inc. (ACA)
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

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

AMERICANS FOR FREE★TRADE

American Seed Trade Association
American Specialty Toy Retailing Association
American Trucking 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
Business Alliance for Customs Modernization
California Bottled Water Association
California Retailers Association
Can Manufacturers Institute
Carolina Loggers Association
Central States Bottled Water 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
Energy Workforce & Technology Council
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 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
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

AMERICANS FOR FREE ★ TRADE

Maritime Exchange for the Delaware River
and Bay

Maryland Retailers Association

Michigan Chemistry Council

Michigan Retailers Association

Mid-America Bottled Water 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 Food

Equipment Manufacturers (NAFEM)

North American Association of Uniform

Manufacturers and Distributors (NAUMD)

North Carolina Retail Merchants Association

Northwest Bottled Water 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

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)

RV Industry Association

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 Atlantic Bottled Water Association

South Dakota Retailers Association

Southeastern Bottled Water Association

Specialty Equipment Market Association

Specialty Vehicle Institute of America

Sports & Fitness Industry Association

TechNet

Telecommunications Industry Association (TIA)

Texas Water Infrastructure Network

The Airforwarders Association

The Fertilizer Institute

The Hardwood Federation

AMERICANS FOR FREE ★ TRADE

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)

CC: Members of the United States Senate
Members of the United States House of Representatives

AMERICANS FOR
FREE ★ TRADE

AMERICANS FOR
FREE ★ TRADE

Articles Related to Tariffs' Effect on Inflation:

- [Ex-Trump Adviser Cohn Says China Tariff Cuts Would Ease Inflation](#)
Bloomberg, Feb. 8, 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 | Jan. 5, 2022
- [Retreat From Globalization Adds to Inflation Risks](#)
The Wall Street Journal | Dec. 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 | Feb. 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