

# AMERICANS FOR FREE ★ TRADE

December 1, 2021

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

The Honorable Earl Blumenauer  
Chairman  
House Ways & Means Subcommittee  
on Trade  
Washington, DC 20515

The Honorable Vern Buchanan  
Ranking Member  
House Ways & Means Subcommittee  
on Trade  
Washington, DC 20515

**RE: House Action on Section 301 China Product Exclusions Process**

Dear Chairman Neal, Ranking Member Brady, Chairman Blumenauer and Ranking Member Buchanan:

On behalf of the undersigned members of Americans for Free Trade, we thank the Ways & Means Subcommittee on Trade for holding an important hearing on U.S. competitiveness issues with China. As part of that hearing, we are writing to follow up on a June 30 letter to House leadership expressing strong support for elements of the [Trade Act of 2021](#) that were included in the U.S. Innovation and Competition Act ([S. 1260](#)) as passed by the Senate. We believe it is critical that the House join the Senate in passing legislation that among other things, fully restarts and reinvigorates the Section 301 China tariffs exclusion process administered by the Office of the U.S. Trade Representative (USTR). It is imperative that this process be retroactive for previously expired exclusions as well as for all COVID-19-response product exclusions dating back to the start of the pandemic and establish a new transparent process for all products covered by the current 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, and the massive supply chain disruptions we are now facing due to the shipping crisis we continue to call upon the Administration to refocus our trade debate with China so the pain is not disproportionately felt by U.S. companies. To date, U.S. Customs and Border Protection has collected over [\\$113](#)

[billion dollars in tariffs](#) from American companies who import products from China. These taxes have increased the cost of doing business in the United States and have further exacerbated inflation concerns. They are a financial burden on American 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 trade war and elimination of the additional penalty tariffs on U.S. companies as well as China’s retaliatory tariffs, we believe reinstating a fair and transparent section 301 exclusion process is critical to helping U.S. businesses as they continue to recover from the COVID-19 pandemic. 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.”

We appreciate that USTR is undertaking a limited exclusion renewal extension process. However, we strongly believe that the language as included in the Trade Act of 2021 would do far more to alleviate the economic burden on American businesses and consumers by immediately reinstating product exclusions that expired throughout 2020 – in the middle of the pandemic and economic recession – through at least December 31, 2022. It would also require USTR to implement a new product exclusion process and apply specific criteria in determining whether to grant an exclusion. These criteria will help to ensure that the exclusion process functions in a fair, consistent, and transparent manner and that American businesses do not suffer disproportionate economic harm as a result of the tariffs.

We look forward to working with Congress and the Administration to address the ongoing negative impact that these tariffs continue to have on American businesses, American workers, and American consumers. Until the tariffs are fully removed, providing a retroactive renewal to all previously expired exclusions and reinstating a fair and transparent exclusion process will provide the targeted relief that will help U.S. businesses recover from the economic recession and continue to invest in their businesses and workers here at home.

Thank you for your consideration.

Sincerely,

Accessories Council	American Bridal & Prom Industry Association (ABPIA)
ACT   The App Association	American Chemistry Council
Agriculture Transportation Coalition (AgTC)	American Coatings Association, Inc. (ACA)
ALMA, International (Association of Loudspeaker Manufacturing and Acoustics)	American Down and Feather Council
American Apparel & Footwear Association (AAFA)	American Fly Fishing Trade Association
American Association of Exporters and Importers (AAEI)	American Home Furnishings Alliance
American Association of Port Authorities	American Lighting Association
American Bakers Association	American Petroleum Institute
	American Pyrotechnics Association
	American Rental Association
	American Seed Trade 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  
 Business Alliance for Customs Modernization  
 California Bottled Water Association  
 California Retailers Association  
 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  
 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 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 Pork Producers Council  
 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  
 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  
 Software & Information Industry Association (SIIA)  
 South Atlantic Bottled Water Association  
 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  
 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 House Ways & Means Committee