

October 4, 2022

The Honorable Katherine Tai United States Trade Representative 600 Seventeenth Street, N.W. Washington, D.C. 20508

RE: Extension of Section 301 China Tariffs Exclusions

Dear Ambassador Tai:

On behalf of the undersigned members of Americans for Free Trade, we are writing to request an immediate extension for the limited China 301 <u>tariff exclusions</u> which are set to expire on December 31, as well as the <u>COVID exclusions</u> set to expire this November. It is critical that USTR announce its plans for these exclusions now so that companies can plan accordingly.

Our companies and associations joined together to form Americans for Free Trade in 2018. Our coalition represents every part of the U.S. economy including manufacturers, farmers and agribusinesses, retailers, technology companies, powersports, service suppliers, natural gas and oil companies, renewable energy companies, importers, exporters, and other supply chain stakeholders. Collectively, we employ tens of millions of Americans through our vast supply chains.

In the last four years, American importers, including members of our coalition, have been assessed close to \$155 billion in section 301 tariffs on products from China. The exclusions granted earlier this year provided limited relief for some companies. Although all these exclusions will expire in the coming months, to date USTR has made no announcement about whether to extend any of them, or even whether the agency supports having any exclusions process at all. Because American businesses must make supply chain and sourcing decisions many months in advance, the uncertainty created by USTR's inaction compels our companies to incorporate 25 percent price increases into product lines that may soon be without a Section 301 tariff exclusion. Upward pricing pressure of this kind will exacerbate inflation in an economy already teetering on the edge of stagflation, leaving consumers – and particularly low-income consumers – with reduced purchasing power and placing more goods out of their reach.

As American businesses continue to face high inflation, ongoing supply chain challenges, and new COVID variants, we urge USTR to provide additional relief by promptly renewing all the exclusions which are set to expire this year. This move will provide some certainty for American companies and help maintain their competitiveness – especially those who import

products where there is no domestic or other sourcing alternative – as well as ensure continued access to life saving goods.

In addition, we renew our request for USTR to create a more robust exclusions process – one that is open to all products covered by the China 301 tariffs. We know this sentiment is shared by at least 141 bipartisan House members and 41 bipartisan Senators who have previously made a similar request. As long as the section 301 tariffs remain in place, there should be a fair, transparent, and robust exclusions process available so that American businesses can apply for targeted relief.

American families, workers and businesses continue to cope during these unprecedented economic challenges, and we believe the administration should use every available tool to provide economic relief and certainty going forward. Renewing exclusions that are set to expire and opening up a new and robust exclusions process will help provide that.

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 Chemistry Council
American Clean Power Association
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
American Seed Trade Association
American Specialty Toy Retailing Association
American Trucking Associations

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

Building Service Contractors Association International (BSCAI)

international (DSCA1)

Business Alliance for Customs Modernization

California Retailers Association Can Manufacturers Institute

Chemical Industry Council of Delaware (CICD)

Coalition of New England Companies for Trade (CONECT)

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

Electronic Transactions Association

Energy Workforce & Technology Council

Leather and Hide Council of America **Experiential Designers and Producers** Association Exhibitions & Conferences Licensing Industry Merchandisers' Association Los Angeles Customs Brokers and Freight Forwarders Assn. Alliance Fashion Accessories Shippers Association Louisiana Retailers Association Maine Grocers & Food Producers Association (FASA) Fashion Jewelry & Accessories Trade Maine Lobster Dealers' Association Association Maritime Exchange for the Delaware River and Bay Flexible Packaging Association Maryland Retailers Association Michigan Chemistry Council Florida Ports Council Florida Retail Federation Michigan Retailers Association Footwear Distributors and Retailers of America Minnesota Retailers Association Missouri Retailers Association (FDRA) Fragrance Creators Association Motor & Equipment Manufacturers Association Game Manufacturers Association Motorcycle Industry Council Gemini Shippers Association NAPIM (National Association of Printing Ink Georgia Retailers Manufacturers) National Association of Chain Drug Stores (NACDS) Global Chamber® National Association of Chemical Distributors (NACD) Global Cold Chain Alliance **Greeting Card Association** National Association of Foreign-Trade Zones (NAFTZ) Halloween & Costume Association (HCA) National Association of Home Builders Home Fashion Products Association National Association of Music Merchants Home Furnishings Association National Association of Trailer Manufacturers (NATM) Household and Commercial Products National Confectioners Association Association National Council of Chain Restaurants Idaho Retailers Association National Electrical Manufacturers Association (NEMA) Illinois Retail Merchants Association National Fisheries Institute Independent Office Products & Furniture National Foreign Trade Council Dealers Association (IOPFDA) National Grocers Association Indiana Retail Council National Industrial Transportation League (NITL) National Lumber and Building Material Dealers Association Information Technology Industry Council (ITI) International Association of Amusement Parks National Marine Manufacturers Association and Attractions (IAAPA) National Restaurant Association International Bottled Water Association National Retail Federation National Ski & Snowboard Retailers Association (IBWA) International Foodservice Distributors **National Sporting Goods Association** Natural Products Association Association New Jersey Retail Merchants Association International Housewares Association International Warehouse and Logistics North American Association of Food Equipment Association Manufacturers (NAFEM) International Wood Products Association North American Association of Uniform Manufacturers ISSA - The Worldwide Cleaning Industry and Distributors (NAUMD)

Association

Jeweler's Vigilance Committee

Juice Products Association (JPA)

Juvenile Products Manufacturers Association

North Carolina Retail Merchants Association

Pacific Coast Council of Customs Brokers and

Ohio Council of Retail Merchants

Freight Forwarders Assns. Inc.

Outdoor Industry Association

Pennsylvania Retailers' Association

PeopleforBikes

Personal Care Products Council

Pet Food Institute
Pet Advocacy Network

Plumbing Manufacturers International

Power Tool Institute (PTI) PRINTING United Alliance

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 Dakota Retailers 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

The Vinyl Institute Toy Association

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 Association of Chain Drug Stores

Virginia Retail Federation

Virginia-DC District Export Council (VA-DC DEC)

Washington Retail Association

Window and Door Manufacturers Association

World Pet Association, Inc. (WPA)