

December 11, 2023

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 and Four-Year Review

Dear Ambassador Tai:

On behalf of the undersigned members of Americans for Free Trade, we are writing to request that USTR provide an immediate extension for the limited <u>tariff exclusions</u> and <u>COVID exclusions</u> from the section 301 tariffs on products from China. The exclusions are currently set to expire on December 31, just 20 days from now. The pattern of making last-minute announcements regarding the tariff exclusions exacerbates uncertainty for U.S. companies who need to make business decisions months in advance. Absent an immediate announcement of the outcome in the four-year tariff review, we urge USTR to extend the expiring exclusions now.

In the last five years, American importers, including members of our coalition, have paid more than \$198 billion in section 301 tariffs on products imported from China. The product exclusions granted to date have provided limited but important relief for some U.S. companies – relief that continues to be needed. Repeatedly announcing exclusion determinations at the last minute, now the fourth time for the current exclusions in place, creates challenges for companies who are planning for orders months in advance and need the predictability in order to make contracts. Predictability and advance notice are even more important for those companies who import products where there is no domestic or other sourcing alternative.

In USTR's September 11th Federal Register notice extending the exclusions until the end of the year, the agency noted that the extension was provided "[t]o provide a transition period for the expiring exclusions and to allow for further consideration under the four-year review." In other words, it was anticipated that USTR would conclude its four-year review of the tariffs and announce next steps – to include a determination regarding the exclusions – by the end of 2023. Since USTR has yet to issue the results of the four-year review and it is unclear when it will do so, we urge USTR to announce a determination on the exclusions now before they expire in a few weeks.

We also urge USTR to conclude the four-year review expeditiously and announce the outcomes before the end of the year. The broader stakeholder comment period has been closed for almost a year now. Americans for Free Trade and the hundreds of organizations who

commented about the continuing negative impact of the tariffs need to know the results to ensure they have certainly and predictability in their supply chains. In concluding this review, we strongly urge USTR to avoid increasing tariff rates or subjecting additional products to tariffs. New and higher tariffs would claw back the progress the United States has made in combating inflation and create more dislocation, inefficiencies, and potentially job loss across the economy. Finally, as part of the review's outcome, we renew our request for USTR to create a more robust exclusions process that is open to all products covered by the China 301 tariffs.

As economic uncertainty continues, the administration must use every available tool to provide economic relief and predictability going forward to ensure American businesses can compete globally. Immediately renewing the tariff exclusions that are set to expire in a few weeks, opening up a new and robust exclusions process for all covered products, and announcing the results of the four-year review are important steps towards providing the economic certainty U.S. businesses need.

Sincerely,

Accessories Council ACT | The App Association Agriculture Transportation Coalition (AgTC) Alliance for Chemical Distribution (ACD) 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 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 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 **Building Service Contractors Association** International (BSCAI) Business Alliance for Customs Modernization California Retailers Association Can Manufacturers Institute CAWA - Representing the Automotive Parts Industry 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)

Consumer Brands Association

of Washington State

CropLife America

Consumer Technology Association

Council of Fashion Designers of America (CFDA)

Customs Brokers & Freight Forwarders Assn.

Juice Products Association (JPA) Northern California **Electronic Transactions Association** Juvenile Products Manufacturers Association Energy Workforce & Technology Council Leather and Hide Council of America **Experiential Designers and Producers** Licensing Industry Merchandisers' Association Los Angeles Customs Brokers and Freight Association Forwarders Assn. **Exhibitions & Conferences 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 Florida Ports Council MEMA, The Vehicle Suppliers Association Florida Retail Federation Michigan Chemistry Council Footwear Distributors and Retailers of America Michigan Retailers Association Minnesota Retailers Association (FDRA) Fragrance Creators Association Missouri Retailers Association Game Manufacturers Association Motorcycle Industry Council Gemini Shippers Association NAPIM (National Association of Printing Ink Georgia Retailers Manufacturers) Global Business Alliance National Association of Chain Drug Stores (NACDS) Global Chamber® National Association of Foreign-Trade Zones (NAFTZ) Global Cold Chain Alliance National Association of Home Builders **Greeting Card Association** National Association of Music Merchants Halloween & Costume Association (HCA) National Association of Trailer Manufacturers (NATM) Home Fashion Products Association National Confectioners Association Home Furnishings Association National Council of Chain Restaurants Household and Commercial Products National Electrical Manufacturers Association (NEMA) National Fisheries Institute Association Housing Affordability Coalition National Foreign Trade Council National Grocers Association Idaho Retailers Association Illinois Retail Merchants Association National Industrial Transportation League (NITL) National Lumber and Building Material Dealers Independent Office Products & Furniture Dealers Association (IOPFDA) Association National Marine Manufacturers Association Indiana Retail Council Information Technology Industry Council (ITI) National Pork Producers Council International Bottled Water Association National Restaurant Association National Retail Federation (IBWA) International Foodservice Distributors National Ski & Snowboard Retailers Association Association National Sporting Goods Association International Housewares Association Natural Products Association International Warehouse and Logistics New Jersey Retail Merchants Association Association North American Association of Food Equipment International Wood Products Association Manufacturers (NAFEM) ISSA - The Worldwide Cleaning Industry North American Association of Uniform Manufacturers Association and Distributors (NAUMD)

Jeweler's Vigilance Committee

Customs Brokers & Freight Forwarders of

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 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

Semiconductor Industry Association (SIA)

Snowsports Industries America

Software & Information Industry Association (SIIA)

South Dakota Retailers Association
Specialty Equipment Market Association

Specialty Vehicle Institute of America Sports & Fitness Industry Association

TechNet

Technology Trade Regulation Alliance (TTRA) Telecommunications Industry Association (TIA)

Texas Retailers Association

Texas Water Infrastructure Network The Airforwarders Association

The Fertilizer Institute
The Hardwood Federation

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 Water Quality Association

Window and Door Manufacturers Association

World Pet Association, Inc. (WPA)