

AMERICANS FOR FREE ★ TRADE

June 30, 2021

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

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

RE: House Action on USICA, Section 301 Product Exclusions Process

Dear Speaker Pelosi and Leader McCarthy,

On behalf of the undersigned members of Americans for Free Trade, we are writing to express strong support for elements of the [Trade Act of 2021](#) that were included in the U.S. Innovation and Competition Act ([S. 1260](#)) recently passed by the Senate. As the House considers how to proceed on USICA, we believe it is critical that the House join the Senate in passing legislation that includes the Trade Act of 2021, especially Section 73001, to reinvigorate the exclusion process administered by the Office of the U.S. Trade Representative (USTR) for products subject to additional tariffs under Section 301 of the Trade Act of 1974.

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, we continue to call upon the administration to resolve the ongoing trade war with China. To date, U.S. Customs and Border Protection has collected over [\\$92 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 risk exacerbating increasing concerns regarding inflation. They are 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 calling for an end to the trade war and elimination of 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 helping 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."

Section 73001 of USICA would 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 December 31, 2022. It would also require USTR to implement a new product exclusion process and outlines specific criteria for USTR to consider in determining whether to grant an exclusion. Under these criteria, the exclusion process will function in a fair, consistent, and transparent manner and ensure that American businesses do not suffer disproportionate economic harm as a result of the tariffs.

USTR has thus far failed to act unilaterally – as Section 301 authorizes it to do – to reinstate expired product exclusions or reinvigorate the product exclusion process, it is essential the Congress act. Further, it appears that USTR may wait until its ongoing China trade policy review concludes before taking up this issue at all. That means that businesses in urgent need of relief right now will not get it for months. For these reasons, we urge the House to include the Trade Act of 2021 and especially Section 73001, with technical corrections as needed, in any appropriate upcoming legislative vehicles.

We look forward to working with Congress and the Administration to address the ongoing negative impact of the tariffs on American businesses, American workers, and American consumers by fully lifting the Section 301 tariffs. In the interim, reinstating a fair and transparent exclusion process in the interim will provide a targeted relief mechanism 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 Pyrotechnics Association
ACT The App Association	American Rental Association
Agriculture Transportation Coalition (AgTC)	American Specialty Toy Retailing Association
ALMA, International (Association of Loudspeaker Manufacturing and Acoustics)	American Wind Energy Association
American Apparel & Footwear Association (AAFA)	Arizona Technology Council
American Association of Exporters and Importers (AAEI)	Arkansas Grocers and Retail Merchants Association
American Association of Port Authorities	Association For Creative Industries
American Bakers Association	Association for PRINT Technologies
American Bridal & Prom Industry Association (ABPIA)	Association of American Publishers
American Chemistry Council	Association of Equipment Manufacturers (AEM)
American Down and Feather Council	Association of Home Appliance Manufacturers
American Fly Fishing Trade Association	Auto Care Association
American Home Furnishings Alliance	Beer Institute
American Lighting Association	BSA The Software Alliance
American Petroleum Institute	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
 Electronic Transactions Association
 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 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
Northeast 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
Petroleum Equipment & Services Association
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
Southeast Bottled Water 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
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
Vinyl Institute
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)