

March 23, 2022



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

Honorable Chuck Schumer
Majority Leader
United States Senate
Washington, DC

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

Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC

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

On behalf of the Alliance for American Manufacturing (AAM) – a partnership between some of America’s leading manufacturers and the United Steelworkers – I write to urge that the House and Senate move forward with completion of U.S. competitiveness legislation. The Senate’s *United States Innovation and Competition Act (USICA)* and House’s *America COMPETES Act* present one of the most comprehensive opportunities in recent years to invest in America’s industrial sector, critical research capacities, and workers while also providing modernized tools to level the playing field against competitors engaged in systematic unfair trade practices.

Two years have passed since the beginning of the COVID-19 pandemic and the one-two punch of gutted domestic supply chains and a dangerous reliance on foreign production for everything from personal protective equipment (PPE) to semiconductors is still impacting Americans in countless ways. We must be better equipped to respond to current and future challenges and that requires taking bold action starting right away to enhance U.S. productive capabilities and address systematic unfair trade practices. Thus, as the House and Senate engage in conference negotiations on this important effort: 1) we support the inclusion of stronger trade and consumer protection tools that allow American manufacturing and its workers to operate on a level playing field; and 2) we oppose any policies that would undermine existing tools or would impose directives that favor imports from China or other competitors that engage in systematic unfair trade practices.

- Leveling the Playing Field Act 2.0. AAM supports House language to modernize our antidumping and countervailing duty (AD/CVD) trade remedy laws to keep up with new and evolving unfair trade tactics used by foreign competition to seize U.S. market share. For instance, current tools fail to adequately address China’s cross-border subsidies through its Belt and Road initiative. As we seek to revitalize our industrial base and grow our economy, these commonsense updates to our trade enforcement tools will support domestic manufacturers and American workers facing predatory and unfair imports. First introduced by Senators Brown (D-OH) and Portman (R-OH), this legislation continues to attract bipartisan cosponsors and would undoubtedly have been included in USICA if it had been given a vote.
- Section 301 Policy. AAM opposes Senate language mandating that the U.S. Trade Representative (USTR) reinstate all exemptions and exclusions to the 301 tariffs through the end of 2022. Doing so would completely take the fact-based review process out of USTR’s hands while giving Beijing a free pass in legislation intended to boost U.S. competitiveness in the face of China’s predatory economic and trade policies. Set

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against the backdrop of China's failed commitments to the Phase One agreement, the House bill appropriately discarded this harmful provision.

- National Critical Capabilities Defense Act. AAM supports House language to establish an outbound investment review process designed to avert the offshoring of production capacity to foreign adversaries in critical U.S. sectors. By creating additional visibility into supply chains, this legislation establishes mechanisms to ensure that our national security is not undermined by the outsourcing of these "national critical capabilities." The provision provides necessary tools in the event that a national security risk is identified. This legislation – based on a 2021 recommendation of the bipartisan, independent U.S.-China Economic and Security Review Commission – also enjoys bipartisan support in the Senate, where it was first introduced by Senators Casey (D-PA) and Cornyn (R-TX).
- Import Security and Fairness Act. AAM supports House language that makes commonsense reforms to U.S. *de minimis* policy, which is routinely exploited to evade U.S. enforcement actions against competitors engaged in systematic unfair trade. The provision takes aim at the worst offenders, while also addressing loopholes used by bad actors to avoid paying taxes, duties, and fees. The final bill should include these reforms and future actions will be required to monitor transshipments and increases in *de minimis* volume from other countries.
- Country of Origin Labeling Online Act. AAM supports Senate language that would grant online consumers the same protections they have when shopping in brick-and-mortar stores by requiring websites to disclose where a product is made and where the seller is located. By giving online shoppers this information, consumers will be well-positioned to support the U.S. economy and create more jobs for American workers. The final bill should include this provision to protect consumers and support American manufacturers who benefit from the value consumers place in "Made in USA" products.

We urge that the House and Senate seize on this valuable opportunity to take concrete steps to strengthen domestic manufacturing, rebuild critical supply chains, and strengthen the tools available to counter unfair trade.

Sincerely,



Scott N. Paul
President
Alliance for American Manufacturing