

December 1, 2025

Jennifer Thornton
General Counsel
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

Re: Comments on Section 301 Investigation of China's Implementation of Commitments
Under the Phase One Agreement ([Docket: USTR-2025-0007](#))

Dear Ms. Thornton:

The Alliance for American Manufacturing (AAM) – a non-partisan partnership between some of America's leading manufacturers and the United Steelworkers – appreciates the opportunity to submit comments on the USTR's investigation into China's compliance with the Phase One Agreement.

Five years after signing the January 2020 Phase One Agreement, China has failed to meet its purchase commitments for U.S. goods and has made no meaningful progress on promised structural reforms in intellectual property protection, forced technology transfer, or agricultural market access. Beijing's egregious economic and trade practices continue to be far-reaching, driven by massive subsidies, chronic overcapacity, state-owned enterprises, predatory inbound investment and outbound acquisition, currency manipulation, systematic labor-rights repression, and environmentally destructive practices. While the nature of China's unfair trade practices shifts from time to time, the goals are always clear: to disrupt global norms, weaken American economic security, and seek growth at the expense of others.

Decades of unfair trade have devastated American communities and weakened our economic security. Representing the collective interests of U.S. manufacturers and America's workers, AAM has witnessed the devastation to the U.S. industrial base resulting from China's predatory economic and trade practices. Over 90,000 American manufacturing facilities have closed their doors since the late 1990s. While many factors impact U.S. manufacturing employment, the surge of Chinese imports has been measurable and devastating. According to EPI, our lopsided trade deficit with China displaced 3.7 million American jobs, including 2.8 million in manufacturing, between 2001 and 2018.¹

As detailed in a 2024 AAM report entitled, "[Shockwaves: The Ripple Effect of China's Industrial Overcapacity on American Manufacturing and Factory Workers](#)," overcapacity and overproduction are problems across China's vast manufacturing sector, where dedicated state support combined with low rates of household consumption create an environment where many industries produce far more than the Chinese market will absorb. The breadth and depth of Beijing's subsidies, intervention, and other market distortions are directly responsible for the immense overcapacity in numerous industrial sectors – including steel, aluminum, autos, tires and auto parts, solar panels and polysilicon, batteries and critical minerals, shipbuilding, semiconductors, paper, cement, and glass. China's persistent non-market behavior has an

¹ <https://www.epi.org/publication/growing-china-trade-deficits-costs-us-jobs/>

enormously negative effect on markets worldwide, including significant harm to U.S. exporters, import-competing industries and their workers who are forced to compete against these subsidies.

The strength of the U.S. industrial base – including its upstream supply chains – is paramount for our economic and national security. AAM urges the administration to hold China accountable for failing to meet its Phase One commitments and to continue working to address its broader trade and economic practices. Failing to address these issues will make the United States more dependent on China, which has consistently demonstrated its willingness to weaponize supply chains. To restore fairness and credibility in U.S.-China trade relations, we urge USTR and the administration to:

- Demand full and verifiable compliance with the Phase One agreement and all commitments made by China under the recent November 2025 trade and economic framework;
- Maintain and strengthen, where appropriate, all tariffs currently imposed on China – including Section 301 and 232 measures – to address both the direct and indirect flows of unfair and predatory trade originating from China;
- Resume the Section 301 responsive actions on shipbuilding as soon as reasonably practicable allowing U.S. capabilities to improve;
- Continue working to address transshipment and trade circumvention and avoid diluting such actions during negotiations with global trading partners;
- Work with Congress to revoke China's permanent normal trade relations (PNTR) status, modernize our nation's trade remedy tools, and strengthen outbound investment screening.

It is highly unlikely that China will ever adopt or demonstrate a sustained commitment to market economy principles, nor will it cease to deploy predatory trade and investment policies that harm U.S. interests. Its history of broken promises is lengthy, and any future hopes that Beijing will act in a responsible manner are sure to be dashed. China's failure to honor its Phase One commitments demands a strong and sustained response. AAM welcomes USTR's investigation and urges the administration to use this investigation to send an unequivocal message that China's compliance with past, current, and future commitments is non-negotiable.

Sincerely,



Scott N. Paul
President
Alliance for American Manufacturing