



April 30, 2026

The Honorable Scott Bessent
Secretary of the Treasury
U.S. Department of Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Marco Rubio
Secretary of State
U.S. Department of State
2201 C Street, NW
Washington, DC 20520

The Honorable Jamieson Greer
United States Trade Representative
100 17th Street, NW
Washington, DC 20508

The Honorable Howard Lutnick
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

Dear Secretary Bessent, Ambassador Greer, Secretary Lutnick, and Secretary Rubio:

As the President prepares for his upcoming meeting with Xi Jinping, we write to underscore the strategic importance of the U.S. automotive sector to the nation's industrial base and economic security. As representatives of our nation's manufacturing sector, we urge you to ensure American competitiveness by not surrendering access to the U.S. auto market to the Chinese Communist Party (CCP).

The administration has appropriately instituted policies aimed at reshoring manufacturing, particularly in automotive and auto parts production, sectors that underpin millions of American jobs and a vast network of critical supply chains. These policies were necessitated by unfair foreign trade cheating that hollowed out American manufacturing. China's nonmarket industrial policy model has been a direct and systemic challenge to many key American industries. China's accession to the World

Trade Organization precipitated the well-documented “China shock,”¹ during which U.S. manufacturing industries and communities² were decimated by a surge in low-cost, state-supported imports. Since China’s ascension to the WTO, Chinese steel production has grown by nearly 1000 percent and now accounts for over half of global steel capacity. The result of Chinese illegal trade practices like subsidies and dumping has been the creation of massive global steel overcapacity resulting in detrimental impacts on the American steel sector.

We are concerned that allowing Chinese access to the U.S. auto market risks triggering a “China Shock 2.0” that will replicate these effects in another key American manufacturing sector. In 1980, China had virtually no domestic auto production. Now China’s automakers are pumping out 31 million cars each year – far in excess of domestic demand – and then dumping those cheap cars on global markets.³⁴ Between 2021 and 2024, China’s auto exports surged 300 percent, and the number of internal combustion cars exported increased six-fold.⁵ Now Chinese automotive overcapacity distorts global markets and enables pricing that market-based competitors cannot sustainably match. Allowing Chinese automakers, or joint ventures involving Chinese firms, to establish a manufacturing presence in the United States would risk replicating these distortions within the U.S. market.

Additionally, allowing Chinese companies and Chinese autos into the U.S. would create consequential, unacceptable national security risks. The U.S. Department of Commerce

¹ Autor, David H. and Dorn, David and Hanson, Gordon H.; *The China Shock: Learning from Labor Market Adjustment to Large Changes in Trade*; NBER WORKING PAPER NO. 21906 (Jan. 2016); available at: https://www.nber.org/system/files/working_papers/w21906/w21906.pdf

² Smith, Tyler; *Numbing the Shock: Is there a link between free trade and deaths of despair?*; AMERICAN ECONOMIC ASSOCIATION (Mar. 9, 2020); available at: <https://www.aeaweb.org/research/deaths-despair-trade-liberalization-china>

³ Jakobowski, Jakub and Oertel, Janka; *Electric shock: the Chinese threat to Europe’s industrial heartland*; EUROPEAN COUNCIL ON FOREIGN RELATIONS (Competing companies are “not up against Chinese businesses – they are up against the strategic ambitions of the Chinese Communist Party.”) (May 15, 2025); available at: <https://ecfr.eu/publication/electric-shock-the-chinese-threat-to-europes-industrial-heartland/>

⁴ *2025 Report to Congress*; U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION (“U.S.-CHINA COMMISSION”) (“The world is facing the threat of a China Shock 2.0, whereby overproduction in key industries across China’s highly subsidized manufacturing sector floods outward, causing major harm to industries in other countries.”) (Nov. 2025) (p. 430); available at: www.uscc.gov/sites/default/files/2025-11/2025_Annual_Report_to_Congress.pdf

⁵ Carey, Nick; *China Floods the world with gasoline cars it can’t sell at home*; REUTERS (Dec. 2, 2025); available at: <https://www.reuters.com/investigations/china-floods-world-with-gasoline-cars-it-cant-sell-home-2025-12-02/>

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has determined that vehicles linked to Chinese firms present national security risks, including the potential for sensitive data collection, surveillance, and remote system access through connected vehicle data platforms, like sensors, cameras, and continuous network connectivity. Domestic assembly does not mitigate these concerns, as control over software, hardware, and data governance remains subject to Chinese government control.

In addition to undermining U.S. government security efforts, permitting Chinese automakers to enter the U.S. market would create new avenues for tariff evasion and the introduction of subsidized inputs into the domestic supply chain. Recent history for key manufacturing sectors has shown that any promises of a deal with the CCP in auto trade would be illusory and would result in U.S. job loss, deindustrialization, and growing Chinese dominance in the global auto market. Instead, policies should prioritize strengthening domestic manufacturing capacity, creating resilient domestic supply chains, preserving and growing American manufacturing jobs, and ensuring the nation's ability to respond in times of crisis, not be dependent on adversaries.

We urge the Administration to approach any automotive-related discussions with China through the lens of economic and national security, so that our future for critical industrial capabilities is not owned, controlled, or materially influenced by entities subject to the direction of the CCP.

Sincerely,
Alliance for American Manufacturing (AAM)
American Foundry Society (AFS)
American Iron and Steel Institute (AISI)
American Wire Producers Association (AWPA)
Cold Finished Steel Bar Institute (CFSBI)
Committee on Pipe and Tube Imports (CPTI)
International Association of Machinists and Aerospace Workers (IAM Union)
Specialty Steel Industry of North America (SSINA)
Steel Manufacturers Association (SMA)
United Steelworkers (USW)