

Congress of the United States

WASHINGTON, DC 20510

March 31, 2021

The Honorable Katherine C. Tai
United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Tai:

Congratulations on your appointment and successful confirmation to be United States Trade Representative. On November 19, 2020, we wrote to Ambassador Lighthizer about the concerns of several Wisconsin businesses that are experiencing the unintended consequences of the trade war and requested information on Section 301 exclusion extensions sought by these businesses. On January 4, 2021, the United States Trade Representative (USTR) provided an incomplete response that did not answer our requests. The Section 301 tariffs cause businesses to experience decreased international competitiveness, supply chain disruption, lost market access, and decreased employment and investment. We write on behalf of Wisconsin businesses to reiterate the importance of the information we requested on November 19, 2020, and to highlight the ongoing harmful unintended consequences of the trade war.

As we stated in our November 19, 2020 letter, it is unclear how USTR could grant an initial tariff exclusion request because the two factors—the product is only available from China and the imposition of duties would cause severe economic harm to the business—were met, but not extend the exclusion one year later, despite those factors remaining present. If no additional suppliers entered the market and the duty continues to cause severe economic harm, then under USTR factors of evaluation, a previously-granted exclusion should logically be extended.

It seems to many Wisconsin businesses that USTR did not apply those factors consistently when considering their request for an extension. USTR provided no clarity, and these businesses remain in the dark. To help businesses understand why USTR did not grant certain exclusion extensions and hopefully to provide a basis for USTR to reconsider its denial of exclusion extensions, please provide the following information:

1. Please provide the specific justification by USTR to extend or to not extend an exclusion for requests submitted by an entity incorporated or headquartered in Wisconsin, as requested in our November 19, 2020 letter.
2. Please describe the factors that USTR will consider when making a decision to extend or not extend an exclusion.
3. Please explain how USTR will factor harmful unintended consequences from Section 301 tariffs like decreased international competitiveness, supply chain disruption, lost market access, and decreased employment and investment in its decision-making process regarding tariffs and exclusions.

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4. Please state whether USTR will provide documentation or some form of communication to businesses describing whether their exclusions have been extended or not, including the justification for that decision.

5. Please describe any specific reforms or process changes that USTR will make to streamline, improve, and increase transparency of the Section 301 exclusion process.

We request this information as soon as possible, but no later than 5 p.m. on April 7, 2021. A copy of the November 19, 2020 letter is attached for your reference.

Thank you for your attention to this matter, and we look forward to working with you to minimize the collateral damage from the trade war to Wisconsin and U.S. businesses.

Respectfully,



Ron Johnson
United States Senator



Bryan Steil
U.S. Representative

cc: Mr. Brian C. Deese
Director, National Economic Council

Ms. Cecilia E. Rouse
Chair, Council of Economic Advisors