Congress of the United States Washington, DC 20515

May 12, 2021

The Honorable Gina Raimondo Secretary of the Department of Commerce 1401 Constitution Avenue Northwest Washington, DC 20230 The Honorable Katherine C. Tai United States Trade Representative Office of the United State Trade Representative 600 17th Street NW Washington, DC 20508

Dear Madam Secretary and Ambassador Tai:

Thank you for your commitment to supporting American jobs, innovation, and prosperity. In pursuit of the Administration's goal for industrial growth and opportunity, we, the undersigned Members of Congress, write to ask you to stand with Harley-Davidson workers across the United States during this critical period of economic recovery. We are concerned about the impact on Harley-Davidson, its U.S. employees, and other U.S. companies of retaliatory measures recently imposed by the European Union in response to the use by the United States of Section 232 of the Trade Expansion Act of 1962 to impose tariffs on steel and aluminum imports. We urge the Administration to act quickly and aggressively to find a solution to this dispute and address the broader issue of global steel and aluminum overcapacity.

Founded and headquartered in Milwaukee, WI, Harley-Davidson employs thousands of people across our country and like many other companies, depend on its ability to fairly compete and sell its products in overseas markets.

Notwithstanding retaliatory tariffs of 25% that the European Union first put into effect in June 2018, Harley-Davidson had been allowed to continue to supply E.U. markets with certain motorcycles produced at tariff rates of 6 percent. However, on April 19, 2021, that allowance was eliminated, and the company was immediately subject to a tariff of 31% on all vehicles entering the European market. Additionally, these tariffs are scheduled to automatically increase to 56% on June 1 if the United States and the European Union do not resolve the larger trade dispute. These tariffs put Harley-Davidson at a critical competitive disadvantage in the European market whereas European motorcycle brands can compete in the American market at less than 3%.

Unfortunately, Harley-Davidson's American workers are potentially at risk as increasing costs stemming from this dispute could make the company's motorcycles less competitive in its second largest market. The company is also significantly affected by having to spend resources that could be better spent investing in American jobs, research and development, and accelerating the advancement of electric vehicles.

We urge the Administration to work with the European Union to prevent this increase from taking place and to find an amicable and diplomatic solution that addresses the Administration's concerns without punishing American consumers or workers. We also understand that global overcapacity in steel and aluminum production is a problem and we support your work toward finding an effective, lasting solution and hope to see such resolution soon. As you work toward that solution, we urge you to prevent further escalation with the European Union on this dispute.

Sincerely,

Gwen Moore

Member of Congress

/<u>s</u>/

Tammy Baldwin Unites States Senator

Ron Kind Member of Congress

Mark Pocan

Member of Congress

Mike Gallagher Member of Congress

Scott Perry Member of Congress Ron Johnson

Unites States Senator

/<u>s</u>/

Danny K. Davis Member of Congress

Mark Amodei

Member of Congress

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Glenn Grothman

Member of Congress

Steven Horsford

Member of Congress

Bryan Steil

Member of Congress

Thomas P Tiffony

Tom Tiffany Member of Congress

Scott Fitzgerald Member of Congress

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