

June 30, 2021

President Joseph R. Biden  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear Mr. President:

For more than three years, we have highlighted the harm to U.S. businesses from tariffs and the trade war. While campaigning, you acknowledged this harm when you stated “American farmers, manufacturers and consumers” were “losing and paying more.”<sup>1</sup> We agree, and we write to highlight the stories of many businesses that are seeking a de-escalation of the trade war and to urge your administration to eliminate tariffs and quotas that are harming so many businesses and consumers.

Many U.S. businesses have described the negative, unintended consequences of tariffs over the last three years. Unfortunately, it is difficult to find a U.S. industry that has not been negatively affected by tariffs and the trade war. These industries and businesses have faced increased costs, lost sales and market access, and competitive disadvantages due to the tariffs. Moreover, many businesses have described that the primary beneficiaries of the trade war are their foreign competitors that do not face the same tariff costs.

In addition to these competitiveness concerns, many businesses have been forced to make difficult decisions to keep their operations afloat. Some businesses have forgone expansions, productivity improvements or hiring new employees, and in some cases have had to lay off employees. We have heard from a number of manufacturers and businesses that have raised the price of their products to account for the sharp rise in cost of their materials and inputs, which has led to the loss of customers. Many farmers have lost access to growing markets and experienced significant price drops for their commodities, which has reduced profits. Many businesses have been forced to hire politically-connected lobbyists and seek assistance from legislators to navigate the complex and opaque tariff environment. It is simply wrong that so many businesses have suffered so that a few businesses may benefit.

It is necessary for your administration to evaluate the tariff experiences of the last three years and determine the policies that have worked and those that have not. As you have stated, the trade war has been damaging and disastrous to many U.S. businesses.<sup>2</sup> We agree that the federal government must stop those actions that are damaging immediately. We also agree with your Administration’s strategy that seeks to work more closely with allies.<sup>3</sup> We believe this

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<sup>1</sup> Jacob Pramuk, *Biden slams Trump’s trade war even as he calls to ‘get tough’ on China*, CNBC, (Jul. 11, 2019, 2:23PM), <https://www.cnbc.com/2019/07/11/joe-biden-slams-trump-china-trade-war-in-foreign-policy-speech.html>

<sup>2</sup> Reuters, *Biden’s hands may be tied on Trump’s China tariffs, trade experts say*, CNBC (Sept. 8, 2020, 12:36PM), <https://www.cnbc.com/2020/09/08/bidens-hands-may-be-tied-on-trumps-china-tariffs-trade-experts-say-.html>

<sup>3</sup> Paul Wiseman, *Biden’s trade pick vows to work more closely with allies*, AP NEWS, (Feb. 24, 2021), <https://ap-news.com/article/joe-biden-beijing-global-trade-confirmation-hearings-china-c6d1fc7da87ebc0cd0f1900a3be83382>

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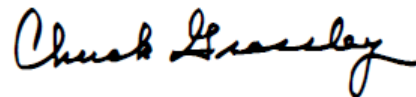
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must be the centerpiece of any successful efforts to build relationships and ultimately, to hold China accountable for human rights and trade abuses. An important first step would be to reduce the barriers to trade with our allies. By doing so, we can stop damaging actions and retaliation and mend relationships while listening to the businesses across the country that have suffered from the negative economic consequences. We urge the Administration to listen to the many stories of these businesses and end the self-inflicted harm from the trade war.

Respectfully,



Ron Johnson  
United States Senator



Charles E. Grassley  
United States Senator



Pat Toomey  
United States Senator



Thom Tillis  
United States Senator



Mike Lee  
United States Senator



Deb Fischer  
United States Senator



Joni K. Ernst  
United States Senator

cc: The Honorable Gina M. Raimondo  
U.S. Department of Commerce

The Honorable Katherine Tai  
United States Trade Representative

The Honorable Cecilia Rouse  
Council of Economic Advisers