

Jay Timmons
President and CEO

Aug. 31, 2021

The Honorable Antony Blinken
Secretary of State
U.S. Department of State
2201 C St. NW
Washington, DC 20520

The Honorable Jacob Sullivan
Assistant to the President for National
Security Affairs
National Security Council
The White House
1600 Pennsylvania Ave. NW
Washington, DC 20500

The Honorable Janet Yellen
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Ave. NW
Washington, DC 20220

The Honorable Brian Deese
Director
National Economic Council
The White House
1600 Pennsylvania Ave. NW
Washington, DC 20500

The Honorable Gina Raimondo
Secretary of Commerce
U.S. Department of Commerce
1401 Constitution Ave. NW
Washington, DC 20520

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

Dear Secretary Blinken, Secretary Yellen, Secretary Raimondo, Mr. Sullivan, Mr. Deese and Ambassador Tai:

Manufacturers across the United States continue to lead our country's economic recovery from COVID-19. To keep up the momentum, the National Association of Manufacturers, on behalf of our 14,000 members and the more than 12 million men and women who make things in America, is committed to working with the Biden administration whenever possible to advance policies that will strengthen manufacturers' competitiveness and create more opportunities for American workers. China looms large over these efforts, given the size and reach of its economy, its increasing global ambitions and its prominent role in international issues such as addressing climate change.

As I [wrote](#) to President Biden in March, manufacturers share the administration's view that the United States urgently needs a comprehensive China strategy for a post-pandemic world. That strategy must be clear-eyed, rooted in American strengths and values and coordinated with our allies. It must reflect China's status not only as a necessary partner on global issues but also as a fierce economic competitor that does not always play by the rules and a major rival challenging American global influence. That strategy must be developed in consultation with U.S. government agencies, bipartisan voices in Congress, business community leaders and other key stakeholders.

Manufacturers now urge the administration to act as quickly as possible to finalize and publicize that strategy. Such a clear, robust strategy on China, including U.S.-China trade, would be critical in bolstering manufacturers' efforts to retain and hire American workers, invest in domestic operations and adjust supply chains, and providing meaningful opportunities for manufacturers to seek targeted relief from broad application of Section 301 tariffs. It would also strengthen our ability to compete against

China, who continues to strengthen its own economy by signing and implementing new trade and investment agreements with key allies in Europe and Asia.

With that in mind, manufacturers recommend quick action on two fronts.

First, manufacturers encourage the administration to hold China accountable for its commitments under the January 2020 “Phase One” U.S.–China trade deal. That deal included important Chinese commitments to address longstanding concerns such as intellectual property theft and to expand market access for American products. This would be an important first step toward tackling China’s market-distorting behavior and fighting for manufacturers and workers in the United States.

The bilateral dialogue structure under the “Phase One” deal would also provide a critical platform to engage with your Chinese counterparts to advance the administration’s trade priorities beyond the scope of that deal, such as structural concerns regarding industrial overcapacity, Chinese state-owned enterprises and technology transfer. This approach would align with the NAM’s longstanding call for an enforceable, comprehensive trade agreement with China to level the playing field for all manufacturers, employees and consumers in the United States.

Second, manufacturers urge the Office of the United States Trade Representative to reestablish a process to allow U.S. companies to seek exclusions from Section 301 China tariffs, as well as expedited procedures to consider extensions of previously granted exclusions. A tariff exclusion process should be fair and transparent, allowing all U.S. stakeholders an opportunity to seek—and weigh in on—proposed tariff exclusions and allowing USTR to administer the process consistently and based on clear criteria that align with our economic goals. This Section 301 China tariff exclusion process would provide relief for businesses and workers struggling with the unprecedented hardship caused by COVID-19. It would also provide additional time for companies that are seeking to diversify supply chains but have been delayed due to COVID-19 travel and business disruptions to do so.

Manufacturers believe that the creation of such a tariff exclusion process can be implemented in a manner that would not undermine the administration’s broader efforts to address serious concerns with China’s economic behavior, concerns that we share. Reinstating the tariff exclusion process would also enable USTR to issue decisions in ways that are consistent with the administration’s broader trade strategy, while also opening a badly needed channel for struggling American businesses and industries.

Manufacturers appreciate your commitment to a comprehensive China strategy and urge you to move as quickly as possible. We stand ready to work with you to reset our relationship with China and position the United States to lead in the post-pandemic world.

Sincerely,



Jay Timmons