

COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515

February 27, 2019

Chairman Richard Neal
Ways & Means Committee
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Neal:

Thank you for convening the hearing today about U.S.-China Trade. We agree that China has severely harmed American workers and businesses by cheating on trade for decades. President Trump is the first president to confront China's predatory behavior head-on and insist on a fairer trading relationship. We must challenge China's trade practices while minimizing unintended consequences on our farmers, manufacturers, and consumers. We write to highlight several principles that will be our focus in today's hearing and into the future.

First, we emphasize the strong bipartisan consensus that China is not playing by the rules. China's distortive policies, including massive subsidies, intellectual property theft, and forced technology transfers, have been harming U.S. workers and companies for many years. We frequently have joined many of our colleagues in raising these issues on a bipartisan basis, but the problem only has worsened with time.

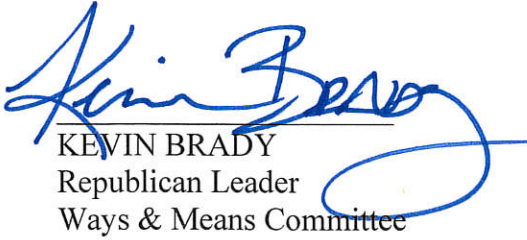
Second, we commend President Trump for his leadership in insisting that the status quo with China must end. President Trump clearly has China's attention in a way that we have never seen, and we are hopeful that China will make the difficult but necessary decision to respond by addressing the structural issues that have created an unlevel playing field for so many U.S. companies.

Third, we are hopeful that President Trump can achieve a durable and enforceable negotiated solution to these issues—a solution that addresses the systemic distortions that China has created by improving the rule of law, treating U.S. and other companies fairly, improving the protection of intellectual property, and addressing other distortions and structural issues. Although we are under no illusion that achieving a solution will be simple or easy, the stakes are too high not to exert maximum effort to achieve a successful negotiated outcome. A level playing field in the large and growing Chinese market would provide massive opportunities for U.S. farmers, ranchers, workers, and companies to compete and win.

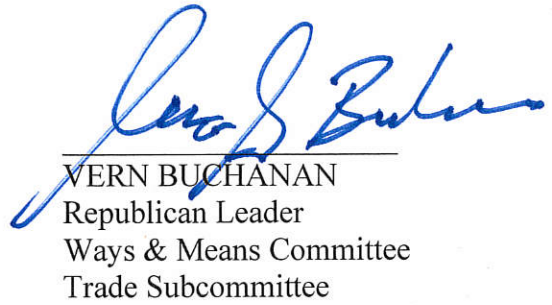
Fourth, action to force China to address its unfair trade practices must be narrowly targeted while minimizing unintended negative consequences on the United States. We are committed to a meaningful product exclusion process so that products that are not otherwise available or present other compelling circumstances are excluded from tariffs.

We appreciate your scheduling of this timely hearing on a topic that we all care deeply about. We look forward to addressing these critical issues with Amb. Lighthizer today and working on a bipartisan basis to address trade and investment issues in China going forward.

Sincerely,



KEVIN BRADY
Republican Leader
Ways & Means Committee



VERN BUCHANAN
Republican Leader
Ways & Means Committee
Trade Subcommittee