

**Draft AFT Letter to Secretary Yellen**

September XX, 2021

The Honorable Janet Yellen  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

Dear Secretary Yellen:

On behalf of the undersigned members of Americans for Free Trade, we are grateful for your continued public service and leadership as Treasury Secretary, bringing historically unmatched economic policy depth and experience to today's global challenges. We especially value your appreciation of how import tariffs cause harm by taxing American consumers. They also harm businesses when the policy does not address the specific problems or U.S. interest. We ask you continue this focus on tariff policy's harm to American families as you prepare your meetings with Chinese officials in the coming months.

By way of background, [Americans for Free Trade](#) represents every part of the U.S. economy including manufacturers, farmers and agribusinesses, retailers, technology companies, service suppliers, natural gas and oil companies, importers, exporters, and other supply chain stakeholders. Collectively, we employ tens of millions of Americans through our vast supply chains. We have stated since our formation in 2018 that tariffs are taxes on consumers.

We support the conclusions of the U.S. Trade Representative's Section 301 investigation report with regard to intellectual property rights protections and forced technology transfer practices. However, USTR's remedy - tariffs on over \$470 billion in imports from China - are not in the broader U.S. interest, due to the harm they, China's retaliatory tariffs, and the resulting tensions and uncertainty have caused to American workers, farmers, ranchers, businesses, and consumers. U.S. importers and their customers have paid nearly \$100 billion in tariffs - which are taxes - since the onset of the trade war with China. U.S. industries could have spent these resources more effectively by employing more Americans, innovating and investing in their businesses, and solving the significant environmental, security, and social challenges our country faces. In addition, these ongoing taxes continue to hamper recovery efforts by many of these businesses which have been negatively impacted during the pandemic.

As you prepare for your [September] meetings with senior PRC officials, we urge you to consider alternative policy tools that the Administration could use to change the acts, policies, and practices identified in the USTR Section 301 report. These tools should be fit for purpose and narrowly tailored to address those problems without causing widespread collateral damage to the U.S. economy. The Administration could use other pieces of U.S. trade law or other enforcement actions to identify and sanction specific companies and individuals involved in these unfair acts and practices. In addition, there may be other tools that the Administration could ask Congress to authorize that could supplant the U.S. tariffs while maintaining leverage

over China in future negotiations. We also need to work with our allies, who all share similar concerns about these trade issues with China.

Finally, we ask that you work with USTR to reinstitute previously expired product exclusions and initiate a new exclusion process as soon as possible. This should be done prior to the conclusion of USTR's "top to bottom" review of U.S. trade policy toward China. This process must be fair, open, and transparent and backed by judicial review, so that U.S. companies can seek new exclusions from the tariffs and contribute to economic revival as we work our way collectively through the pandemic.

We appreciate your continued work on addressing this issue and enabling the broader economic recovery. We hope you have a successful meeting with your Chinese counterparts. We stand ready to work with the Administration on a new China policy that addresses the trade concerns without harming U.S. workers, businesses and consumers.

Sincerely,

**List of AFT Member Associations**