Congress of the United States
House of Representatives
SELECT COMMITTEE ON THE CHINESE COMMUNIST PARTY

March 19, 2025

The Honorable Jamieson Greer
United States Trade Representative
600 17th St NW
Washington, DC 20508

The Honorable Howard Lutnick
Secretary
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

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

Dear Mr. Greer, Lutnick, and Bessent:

We write regarding a matter of critical importance to America’s economy, workers, and international economic competitiveness. The United States government needs a coordinated approach to tariff policy if it hopes to combat the harmful economic and geopolitical policies of the People’s Republic of China (PRC). This Committee was created precisely because of a broad-based concern in Congress about the non-market policies and practices of the People’s Republic of China (PRC), which threaten the American economy, our workers, our businesses, and our very democracy. Tariffs can be an effective policy tool to both protect domestic industry from maligned economic practices and compel adherence to international standards. An uncoordinated approach to tariff policy with the United States’ greatest economic adversary, the PRC, fails to properly leverage the effectiveness of trade policy tools to change the PRC’s behavior instead of facilitating an appropriate response to the PRC’s economic aggression. Moreover, a desultory approach to tariff policy risks economic harm to U.S. industry, workers, and farmers. The United States should be using its trade tools to address harmful PRC policies such as subsidies, dumping, the PRC's use of forced labor, theft of intellectual property, and other economically coercive practices.

Recently, the White House implemented tariffs on three nations, two of which are close allies. The Administration also announced the second of two successive 10 percent tariff increases on the PRC, an economic adversary. It is vitally important to stand up to the PRC's unfair trade practices and to do so with our allies. Yet, in this administration's most recent engagement with General Secretary Xi Jinping, the United States seems to have failed to resolve any material matter of national security or economic coercion and only opened the U.S. economy to further risk and increased costs. This mirrors past unsuccessful attempts to craft a trade agreement with the PRC that benefits the American economy. Without a calculated approach, we risk that failure once again.

Tariffs are an important tool that our government may use to level the playing field and combat anti-competitive practices from nonmarket economies like the PRC. Despite committing to participate in the global trading system based on "open-market oriented policies," the PRC has consistently violated its pledges to dismantle its mercantilist policies and in fact, as the U.S. Trade Representative Office has recognized, its "embrace of a state-led, non-market approach to the economy and trade has increased rather than decreased over time."[1] Following years of the PRC failing to honor the commitments it made when it joined the World Trade Organization, the last two administrations have turned to tariff policy to help level the economic playing field for American industries and workers and to secure resilience in domestic supply chains that are foundational to the U.S. economy and military readiness. The United States Trade Representative and the International Trade Commission have both found that Section 301 tariffs have been effective in encouraging the PRC to eliminate some of its unfair trade practices and have helped reduce the U.S. market's exposure to China, including by encouraging new investment in the United States and reorienting supply chains from the PRC to U.S. allied and partner nations.[2, 3]

While tariffs can be an effective tool to combat the Chinese Communist Party's (CCP) economic aggression, they are not without their costs, particularly when divorced from industrial policy

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1 Office of the U.S. Trade Representative. (2023). *2022 USTR report to Congress on China's WTO compliance*. Office of the U.S. Trade Representative. https://ustr.gov/sites/default/files/2023-02/2022%20USTR%20Report%20to%20Congress%20on%20China's%20WTO%20Compliance%20-%20Final.pdf

2 Office of the U.S. Trade Representative. (2024, May 14). *Four year review of China tech transfer section 301 (Final)*. U.S. Trade Representative. https://ustr.gov/sites/default/files/05.14.2024%20Four%20Year%20Review%20of%20China%20Tech%20Transfer%20Section%20301%20(Final).pdf

3 United States International Trade Commission. (2024). *The economic effects of U.S. tariff liberalization on the U.S. economy* (Publication No. 5405). United States International Trade Commission. https://www.usitc.gov/publications/332/pub5405.pdf

that invests in and creates demand for domestic supply chains.[4] Tariffs are a tool to be wielded strategically to combat our economic adversaries and we should be working with our allies to isolate nonmarket economies. Furthermore, tariffs should not be used freely as a tool to serve a narrow set of interests of our nation's most wealthy individuals or companies. In the last administration, President Biden took a targeted approach to expanding tariffs only where strategically advantageous—on sectors of critical importance to U.S. economic competitiveness and security such as steel, aluminum, semiconductors, and graphite. The Biden Administration also provided a clear and transparent process for exclusions, opening a process by which U.S. manufacturers could seek exclusions for equipment to help establish more domestic production capacity.[5] Economists in the PRC have taken note of this administration's turbulent approach to tariff policy, noting that a Trump presidency was a favored outcome, and that his trade agenda is unlikely to reflect the severity of campaign promises.[6] This indicates that the PRC is wise to the capricious nature of this administration's trade policy and may not take these threats seriously. Furthermore, PRC economists have called for the PRC to take steps to reinforce its position elsewhere in the global economy to insulate itself from U.S. policy.[7]

When imposing tariffs, it is critical that we consider the domestic economic impact of tariffs and demonstrate adherence to the statutorily defined public consultation process. It is also important that we craft tariff policy in close coordination with our allies. Circumventing these important tenets of trade policy development erodes public trust in the process and can lead to suboptimal policy.

The PRC has already shown its willingness to punish the American economy when faced with the pressure of tariffs.[8] Recent analysis on retaliatory measures shows us that, once again, America's industrial heartland and farmers will bear the brunt of the CCP's reprisal.[9] These are communities that power this nation and have propelled us through the industrial revolution to the vanguard of today's global economy. The CCP's strategy here is clear—hit America where it hurts the most.

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4 Ibid.

5 89 FR 46252

6 Analysis of the Impact of Trump's Return on China's Trade. (n.d.). Center for Strategic and International Studies (CSIS). Retrieved March 3, 2025, from https://interpret.csis.org/translations/analysis-of-the-impact-of-trumps-return-on-chinas-trade/

7 Preparing for the Worst: How China Should Respond to Extreme Tariff Policies. (n.d.). Center for Strategic and International Studies (CSIS). Retrieved March 3, 2025, from https://interpret.csis.org/translations/preparing-for-the-worst-how-china-should-respond-to-extreme-tariff-policies/

8 Ministry of Finance of the People's Republic of China. (2025, February 4). *财政部关于 2025 年财政预算草案的说明* [Explanation of the 2025 budget proposal]. Ministry of Finance of the People's Republic of China. https://www.mof.gov.cn/zhengwuxinxi/caizhengxinwen/202502/t20250204_3955222.htm

9 Bown, C. P. (2025, February 6). *China's retaliatory tariffs will hurt Trump-voting counties most*. Brookings. https://www.brookings.edu/articles/chinas-retaliatory-tariffs-will-hurt-trump-voting-counties-most/

We encourage this administration to work with Congress to develop and execute a trade policy strategy that both addresses the CCP's wrongdoings and effectively protects American industries, workers, and farmers.

We ask that you respond to the list of below questions regarding this administration's tariff policy strategy by no later than April 9, 2025.

1. Please describe your detailed plan to engage with U.S. manufacturers and organized labor in crafting your administration's tariff policy strategy.
2. Please describe your plan to engage with U.S. allied economies to minimize the impact of CCP retaliatory measures on U.S. exports. Please include your administration's plan to ensure stability in critical U.S. supply chains.
3. Please describe in detail each agency's plan to recuse individuals, including but not limited to senior advisors and cabinet officials, with commercial or personal ties to the PRC from decision-making on tariff policy.
4. In negotiation with the PRC, is your administration willing to offer tariff rate reductions in exchange for specific concessions?
    a. To what extent is your administration willing to reduce tariffs on imports from the PRC? Please describe these potential reductions with rates on specific HTS subheadings and how you plan to safeguard those businesses from increased exposure to the PRC.
5. Will your administration create a tariff exclusions process and how will you work to ensure that the exclusions process has integrity, is transparent, and is accessible to small businesses?
6. Please provide a detailed description and results of the analysis your administration conducted to calculate the impact of increased tariff rates on American manufacturers, including but not limited to those who require specialized equipment that is not currently available for purchase in the United States.

Thank you for your attention to this important matter. We hope the executive branch will work with Congress to craft a trade policy strategy that addresses real concerns for American workers and families.

Sincerely,

Raja Krishnamoorthi
Ranking Member
Select Committee on the CCP

Jill Tokuda
Member of Congress

André Carson
Member of Congress

Shontel M. Brown
Member of Congress

CC: White House Council of Economic Advisors