

November 13, 2023

The Honorable Joseph R. Biden President of the United States The White House 1600 Pennsylvania Ave., NW Washington, D.C. 20500

Dear President Biden:

At the upcoming Asia Pacific Economic Cooperation (APEC) Economic Leaders Meeting on November 16-17 in San Francisco, we understand you will meet with President Xi Jinping of the People's Republic of China. We believe this presents a great opportunity to begin the discussions of a roadmap to a de-escalation of the tariffs and a rollback of China's retaliatory tariffs as well as a commitment by President Xi that China will cease its harmful and predatory forced technology transfer and intellectual property theft practices.

Our companies and associations joined together to form Americans for Free Trade in 2018. Our coalition represents every part of the U.S. economy including manufacturers, farmers and agribusinesses, retailers, technology companies, powersports, service suppliers, natural gas and oil companies, renewable energy companies, importers, exporters, and other supply chain stakeholders. Collectively, we employ tens of millions of Americans through our vast supply chains.

In the last five years, American importers, including members of our coalition, have paid over \$196 billion in Section 301 tariffs to the U.S. Department of Treasury on inputs to production and finished goods from China. These taxes continue to create tremendous uncertainty, increase the cost of doing business in the United States, and place a financial burden on American businesses – negatively impacting their ability to invest in their companies, hire more American workers, and remain globally competitive. For many companies, the tariffs remain a primary impediment to building or expanding manufacturing facilities and to manufacturing innovative and sustainable products in the United States. The tariffs continue to undermine the collective U.S. ability to constrain and reduce inflation. China's retaliatory tariffs are still impacting U.S. exporters, especially agriculture exports. Many have lost market share in China and have not been able to make that up in new markets.

As we continue to deal with economic headwinds, we believe the time has come for the United States to chart a new path in addressing China's unfair trade practices – one that does not raise costs for American businesses, workers, and consumers - and bolsters U.S. competitiveness. The Section 301 tariffs have been in place for more than five years and have not met their stated

objectives. Your bilateral meeting with President Xi on the margins of the APEC meetings presents a great opportunity to achieve reciprocal de-escalation, as well as verification mechanisms to ensure China honors its commitments to stop technology transfers and intellectual property thefts. With verification, the United States could progressively reduce the Section 301 tariff rates over time and commensurate with China's progress in meeting its commitments. If there is evidence of continued forced technology transfers and intellectual property theft practices in China, the administration could narrowly tailor tools to address them. Pursuing a diplomatic resolution to the tariffs while considering actions other than tariffs could reset the U.S. approach to addressing China's unfair trade practices in a manner that does not disproportionately harm American businesses, workers, and consumers.

As your administration continues to seek to resolve outstanding trade disputes with other key trading partners, it is time to find a similar path forward with one of the U.S.' largest trading partners. An easing of the Section 301 tariffs would provide a boost for the U.S. economy and U.S. manufacturing and create some stability in the U.S.-China relationship.

We look forward to continuing to work with your administration on these critical issues. Thank you for your consideration.

Sincerely,

ACT | The App Association

Arizona Technology Council

Agriculture Transportation Coalition (AgTC) Alliance for Chemical Distribution (ACD) ALMA, International (Association of Loudspeaker Manufacturing and Acoustics) American Apparel & Footwear Association (AAFA) American Association of Exporters and Importers (AAEI) American Association of Port Authorities American Bakers Association American Bridal & Prom Industry Association (ABPIA) American Clean Power Association American Down and Feather Council American Fly Fishing Trade Association American Home Furnishings Alliance American Lighting Association American Petroleum Institute American Pyrotechnics Association American Rental Association American Seed Trade Association American Specialty Toy Retailing Association American Trucking Association

Arkansas Grocers and Retail Merchants Association Association For Creative Industries Association for PRINT Technologies Association of American Publishers Association of Equipment Manufacturers (AEM) Association of Home Appliance Manufacturers **Auto Care Association** Beer Institute **Building Service Contractors Association International** (BSCAI) Business Alliance for Customs Modernization California Retailers Association Can Manufacturers Institute Chemical Industry Council of Delaware (CICD) Coalition of New England Companies for Trade (CONECT) Colorado Retail Council Columbia River Customs Brokers and Forwarders Computer & Communications Industry Association (CCIA) Consumer Brands Association

Consumer Technology Association

CropLife America

Council of Fashion Designers of America (CFDA)

Customs Brokers & Freight Forwarders Assn. ISSA - The Worldwide Cleaning Industry Association of Washington State Jeweler's Vigilance Committee Customs Brokers & Freight Forwarders of Juice Products Association (JPA) Northern California Juvenile Products Manufacturers Association Electronic Transactions Association Leather and Hide Council of America Energy Workforce & Technology Council Licensing Industry Merchandisers' Association **Experiential Designers and Producers** Los Angeles Customs Brokers and Freight Forwarders Association Assn. Exhibitions & Conferences Alliance Louisiana Retailers Association Fashion Accessories Shippers Association Maine Grocers & Food Producers Association (FASA) Maine Lobster Dealers' Association Fashion Jewelry & Accessories Trade Maritime Exchange for the Delaware River and Bay Association Maryland Retailers Association Flexible Packaging Association MEMA, The Vehicle Suppliers Association Florida Ports Council Michigan Chemistry Council Florida Retail Federation Michigan Retailers Association Footwear Distributors and Retailers of America Minnesota Retailers Association Missouri Retailers Association (FDRA) Fragrance Creators Association Motorcycle Industry Council Game Manufacturers Association NAPIM (National Association of Printing Ink Gemini Shippers Association Manufacturers) Georgia Retailers National Association of Chain Drug Stores (NACDS) Global Business Alliance National Association of Foreign-Trade Zones (NAFTZ) Global Chamber® National Association of Home Builders National Association of Music Merchants Global Cold Chain Alliance **Greeting Card Association** National Association of Trailer Manufacturers (NATM) Halloween & Costume Association (HCA) National Confectioners Association Home Fashion Products Association National Council of Chain Restaurants Home Furnishings Association National Electrical Manufacturers Association (NEMA) Household and Commercial Products National Fisheries Institute Association National Foreign Trade Council Housing Affordability Coalition National Grocers Association Idaho Retailers Association National Industrial Transportation League (NITL) National Lumber and Building Material Dealers Illinois Retail Merchants Association Association Independent Office Products & Furniture National Marine Manufacturers Association Dealers Association (IOPFDA) Indiana Retail Council National Restaurant Association Information Technology Industry Council (ITI) National Retail Federation International Bottled Water Association National Ski & Snowboard Retailers Association (IBWA) National Sporting Goods Association International Foodservice Distributors **Natural Products Association**

National Wooden Pallet and Container Association

New Jersey Retail Merchants Association

Equipment Manufacturers (NAFEM)

North American Association of Food

Association

Association

International Housewares Association

International Warehouse and Logistics

International Wood Products Association

North American Association of Uniform

Manufacturers and Distributors (NAUMD)

North Carolina Retail Merchants Association

Ohio Council of Retail Merchants

Outdoor Industry Association

Pacific Coast Council of Customs Brokers and

Freight Forwarders Assns. Inc.

Pennsylvania Retailers' Association

PeopleforBikes

Personal Care Products Council

Pet Food Institute

Pet Advocacy Network

Plumbing Manufacturers International

Power Tool Institute (PTI) PRINTING United Alliance

Promotional Products Association International

Recreational Off-Highway Vehicle Association

Retail Association of Maine

Retail Council of New York State

Retail Industry Leaders Association

Retailers Association of Massachusetts

RISE (Responsible Industry for a Sound

Environment)

RV Industry Association

San Diego Customs Brokers and Forwarders

Assn.

Semiconductor Industry Association (SIA)

Snowsports Industries America

Society of Chemical Manufacturers &

Affiliates

Software & Information Industry Association (SIIA)

South Dakota Retailers Association

Specialty Equipment Market Association

Specialty Vehicle Institute of America

Sports & Fitness Industry Association

TechNet

Technology Trade Regulation Alliance (TTRA)

Telecommunications Industry Association (TIA)

Texas Retailers Association

Texas Water Infrastructure Network

The Airforwarders Association

The Fertilizer Institute

The Hardwood Federation

The Vinyl Institute

Toy Association

Travel Goods Association

Truck & Engine Manufacturers Association (EMA)

United States Council for International Business

United States Fashion Industry Association

US Global Value Chain Coalition

US-China Business Council

Virginia Association of Chain Drug Stores

Virginia Retail Federation

Virginia-DC District Export Council (VA-DC DEC)

Washington Retail Association

Water Quality Association

Window and Door Manufacturers Association

World Pet Association, Inc. (WPA)