

June 5, 2018



Keep America's Trade Laws Strong
***AAM Opposes Any Legislative Actions to Undermine Section 232
and Other Trade Enforcement Tools***

Dear Senators and Members of Congress:

On behalf of the Alliance for American Manufacturing (AAM), a partnership between the United Steelworkers (USW) and leading U.S. manufacturing companies, I am writing to express our strong opposition to any legislative actions to undermine America's trade enforcement tools, including the Section 232 (national security) and Section 301 (intellectual property) statutes.

The primary reason we are confronted today with difficult trade decisions is that the international trading system has refused to take the concerns and issues of the United States seriously. Industrial overcapacity, WTO overreach, non-market economy strategies, state-owned enterprises, theft of intellectual property, and currency manipulation are all issues that have been repeatedly raised by our domestic producers and their workers. The failure of global institutions like the WTO, OECD, and Global Forum on Steel Overcapacity to effectively deal with these issues built the framework for our present circumstances.

Congress should reaffirm its support for a fair and level playing field. And, it should urge other countries in the strongest possible terms to confront their own, and China's, protectionism. Taking any legislative action to limit our trade enforcement laws will, instead, send a clear signal to our trade partners that Congress isn't serious about defending American workers and domestic companies against trade distortions. And, with multiple trade actions ongoing, it would effectively abandon the most significant negotiating leverage we have had in years. Should Congress revert to a posture of "endless dialogue" with China and other trade partners, it would be tantamount to trade surrender and will further accelerate our massive trade deficits – including the \$4.3 trillion deficit in goods accumulated with China since 2001.

Whether you agree or disagree with the actions of President Trump, it cannot be ignored that one of the reasons voters elected him was for his promise to chart a new path on trade. Thus, any congressional action to remove trade enforcement tools could further intensify the desire of the electorate for America to defend its rights and impose harsh consequences when trade partners behave unfairly. Americans believe that trade can benefit our economy, but the "free trade at any cost" approach of recent decades has left many in our country feeling left behind – especially the growing pool of working-class voters who are working multiple jobs just to keep up.

America's trade enforcement tools are an essential part of the "three-legged stool" of U.S. trade policy – expansion, enforcement, and adjustment – and any action by Congress to break off one leg of the trade policy stool would only act to further divide

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voters' trust in trade. Magnifying this point is the reality that Congress has rarely used its own authorities to defend American workers and domestic industries with self-initiated trade cases, yet some have recently been quick to criticize the president for utilizing his own authorities to fill the void. And, with respect to trade adjustment assistance (TAA), Congress' track record is even worse as it has been used as a political football rather than a gateway for new opportunities for workers laid off due to trade.

The administration's current actions on trade enforcement are aggressive, no doubt, but it is a mistake to suggest that tariffs simply "don't work," which is a popular talking point we hear from those seeking to capitalize on a return to the status quo of endless dialogue with China and other trade partners. The imposition of real consequences, or the threat thereof, is necessary to reach sustainable outcomes that benefit our long-term economic growth and security, as well as the prosperity of American workers.

We urge you to support keeping America's trade enforcement laws strong and strictly enforced. Any action to undermine these tools would set a dangerous precedent that Congress won't stand up to the economic aggression of bad actors like China and Russia. Such action would be detrimental to America's economic and national security.

Sincerely,

A handwritten signature in black ink that reads "Scott N. Paul". The signature is fluid and cursive, with the first letters of each name being capitalized and prominent.

Scott N. Paul
President
Alliance for American Manufacturing