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

The Honorable Katherine Tai  
Ambassador  
Office of the United States Trade Representative  
Executive Office of the President  
600 17th Street NW  
Washington, DC 20508

Dear Secretary Raimondo and Ambassador Tai,

We write pleased by your recent statements expressing support for new trade remedy tools designed specifically to combat market distorting trade practices, including the non-market policies embodied by China’s Communist Party. As the sponsors of the bipartisan Eliminating Global Market Distortions to Protect American Jobs Act—also known as the Leveling the Playing Field Act 2.0, a follow-on to our 2015 legislation of the same name—we stand ready to work with you to ensure that you have the tools you need to successfully defend the United States from China’s anti-free market practices.

We were encouraged by Ambassador Tai’s remarks in front of the Senate Finance Committee last week, that the United Stated needs “2021 tools for addressing the 2021 challenges we have rather than relying on 1962 tools and retrofitting them for the challenges we now have.” While 1962 is a reference to Section 232 of the Trade Expansion Act of 1962—the authority for the current tariffs on steel and aluminum—we agree that Section 232 is not the only example of the concept described in your testimony. The United States is also stuck retrofitting tools for our anti-dumping and countervailing duty (AD/CVD) laws established in the Tariff Act of 1930. We cannot adequately support and defend American workers and manufacturers against China’s techno-nationalism with tools designed for the Herbert Hoover presidency. We agree with you, Ambassador Tai; 21st century trade challenges require 21st century solutions.

Similarly, we applaud yesterday’s joint statement with the European Union on steel overcapacity. Of particular note is that the United States and the EU are “committed to engaging in these discussions expeditiously to find solutions before the end of the year that will demonstrate how the U.S. and EU can address excess capacity, ensure the long-term viability of our steel and aluminum industries, and strengthen our democratic alliance.”

In both of these statements, we see an opportunity to work with the USTR and the Department of Commerce to provide new tools to achieve these aims. The bipartisan Eliminating Global Market Distortions to Protect American Jobs Act would add to existing AD/CVD law the concept of successive investigations, ensuring our domestic industry does not lose valuable time restarting trade cases when foreign cheats move factories to new countries in order to escape the reach of existing U.S. trade remedies.
This country-hopping has created a “whack-a-mole” problem that has bedeviled authorities for years—our legislation represents a solution to this vexing problem, which continues to allow China and its state run enterprises to always remain one step ahead of American workers and manufacturers. In fact, a Commissioner on the bipartisan U.S.-China Economic and Security Review Commission commented at a Senate Finance Committee hearing earlier this year that “China’s overcapacity is like a whack-a-mole problem…the tools you’ve provided in your [Eliminating Global Market Distortions to Protect American Jobs Act] would make it easier to address serial dumping.”

Our legislation would also add subsidies provided pursuant to China’s Belt and Road Initiative to those covered by our CVD law. In recent years, Congress has created new offensive tools, such as the Development Finance Corporation, to compete with the Belt and Road Initiative. Yet offense is only one side of the coin—we need a strong defense too. The bill would also tighten the application of trade remedies to stop China from violating U.S. law by circumventing our AD/CVD orders.

We could go on—our legislation contains six other proposals that modify the trade remedy law in ways that answer the call for new tools. It is also important to note that this bill is not only aimed at steel and aluminum overcapacity—although such overcapacity is the most famous—other sectors, such as chemicals, cement, paper, shipbuilding, glass, and refining are plagued by China’s overcapacity as well.

In closing, we are grateful for the excellent work done by your staffs over the past months to provide technical assistance on this critical legislation. As you continue to engage with the EU to address steel overcapacity, we urge you to consider the Eliminating Global Market Distortions to Protect American Jobs Act as another set of tools essential to address China’s overcapacity and serial dumping and stand up for U.S. workers.

Sincerely,

Rob Portman
United States Senator

Sherrod Brown
United States Senator