

Congress of the United States
Washington, DC 20515

March 07, 2018

The Honorable Kevin Brady
Chairman
House Ways and Means Committee
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Mac Thornberry
Chairman
House Armed Services Committee
2216 Rayburn House Office Building
Washington, DC 20515

The Honorable Ed Royce
Chairman
House Foreign Affairs Committee
2170 Rayburn House Office Building
Washington, DC 20515

Dear Chairmen,

On behalf of the New Democrat Coalition Trade Task Force, we request that the Ways and Means, Armed Services, and Foreign Affairs Committees immediately hold a series of hearings on the potential impacts of the recently announced steel and aluminum tariffs on U.S. companies, workers and consumers, global trade and diplomatic relations, the economy, national security, military readiness, and other impacted industries and communities. Additional hearings should be held to determine the repercussions of Chinese trade practices and appropriate, effective measures for targeted enforcement.

As you know, following an investigation by Commerce Secretary Wilbur Ross, the President stated his intention last week to impose 25 percent tariffs on steel imports and 10 percent tariffs on aluminum imports to the United States. The investigation was made under Section 232 of the Trade Expansion Act of 1962, which provides the President with the ability to impose restrictions on imports that Commerce determines threaten national security.

We agree that domestic steel production is important for national security, and there are certainly serious concerns with Chinese overcapacity in steel and aluminum production that America and its allies need to address. We support strong enforcement to respond to unfair trade practices that threaten American jobs and industries. However, the process by which the President's policy was announced raises serious questions about how it was chosen from the alternatives presented by the Commerce Department and whether its implications were carefully thought through, including the dangerous precedent being created within the WTO. Many of America's allies, including Canada, South Korea, and the European Union, are America's largest sources for steel and aluminum. Furthermore, the U.S. currently has restricted trade of steel and aluminum with China, meaning that these tariffs will likely have little effect on the Chinese steel and aluminum markets. As a result, we are concerned that the proposed remedy of broadly applicable tariffs could harm our allies rather than address the underlying problems caused by China's conduct.

Further, President Trump's announcement contradicts the position of the Department of Defense (DoD) in several ways. Secretary Mattis wrote to Secretary Ross that imposition of tariffs would have a negative impact on key allies. And Secretary Mattis further wrote that "targeted tariffs are more preferable than a global quota or global tariff." As President Trump is disregarding the position of the DoD on how best to promote national security, it is essential that Congress conduct oversight into the DoD role in the interagency process that led to the imposition of these tariffs.

There are also potentially broad reaching domestic implications. We believe that these tariffs could drive up steel and aluminum prices for U.S. consumers and manufacturers, creating far reaching U.S. supply chain ramifications and potentially driving companies to move manufacturing operations and jobs overseas. This decision could also cause other countries to take similar protectionist actions in retaliation, imposing tariffs on U.S. goods, hurting our economy and workers in a broad range of industries.

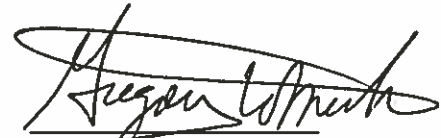
Sincerely,



Ron Kind
Member of Congress



Rick Larsen
Member of Congress



Gregory W. Meeks
Member of Congress

Cc:

The Honorable Richard Neal, Ranking Member, House Ways and Means Committee
The Honorable Adam Smith, Ranking Member, House Armed Services Committee
The Honorable Eliot Engel, Ranking Member, House Foreign Affairs Committee