

January 28, 2019

President Donald J. Trump
The White House
1600 Pennsylvania Avenue N.W.,
Washington, D.C. 20500

Dear Mr. President:

On March 5, 2018, you tweeted: “[t]ariffs on [s]teel and [a]luminum will only come off if new & fair [North American Free Trade Agreement] NAFTA agreement is signed.”¹ Similarly, in June 2018, Commerce Secretary Wilbur Ross testified that “as part of [reaching a new NAFTA agreement], the [Section] 232s [tariffs] would logically go away, both, as it relates to Canada and as to Mexico.”² On November 30, 2018, the United States-Mexico-Canada Agreement (USMCA) was signed by all three nations in Buenos Aires.³ Despite the assurances given above, the steel and aluminum tariffs remain in place, making far too many U.S. manufacturers less competitive in the global marketplace. According to recent reports, you said the tariffs would remain in place “until such time as we can do something that would be different, like quotas perhaps, so that our industry is protected.”⁴

As U.S. businesses wait for the tariffs to be lifted, growth of the American economy is put at risk. The recent volatility of the stock market is only one of the most visible signs of instability and uncertainty. The easing of regulatory burdens and passage of tax reform had resulted in a 46 percent increase in the Dow Jones Industrial Average from November 8, 2016 to October 3, 2018.⁵ Unfortunately, about 8 percentage points have been shaved from that high point, with worsening trade relations and tariffs almost certainly contributing to that decline.

¹ @realDonaldTrump, TWITTER (Mar. 5, 2018, 6:47AM), https://twitter.com/realDonaldTrump/status/970626966004162560?ref_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwterm%5E970626966004162560&ref_url=https%3A%2F%2Fwww.cnn.com%2F2018%2F03%2F05%2Fpolitics%2Ftrump-tweet-tariffs-nafta%2Findex.html.

² *Current and Proposed Tariff Actions Administered by the Department of Commerce: Hearing Before the S. Comm. on Fin.*, 115th Cong. (June 20, 2018) (statement of Wilbur L. Ross, Jr., Secretary, U.S. Dep’t of Commerce). The Administration implemented the steel and aluminum tariffs under its authority in Section 232 of the Trade Expansion Act of 1962, as amended. These recent tariffs are sometimes referred to as “Section 232 tariffs.”

³ Jonathan Allen, *Trump, Trudeau, Peña Nieto sign USMCA trade deal as G-20 kicks off*, NBC NEWS (Nov. 30, 2018), <https://www.nbcnews.com/politics/politics-news/trump-trudeau-pe-nieto-sign-usmca-trade-deal-n942071>.

⁴ Brittany De Lea, *Trump Says USMCA Doesn’t Lift Steel, Aluminum Tariffs*, FOX BUS. (Oct. 1, 2018), <https://www.foxbusiness.com/politics/trump-says-usmca-doesnt-lift-steel-aluminum-tariffs>.

⁵ On November 8, 2016, the Dow Jones Industrial Average (DJIA) closed at 18,332.74. On October 3, 2018, the DJIA closed at 26,828.39. On January 25, 2019, the DJIA closed at 24,737.20. See YAHOO! FINANCE, <https://finance.yahoo.com/quote/%5EDJI?p=^DJI> (last visited Jan. 28, 2019).

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The tariffs are adding uncertainty to markets and damaging long-term relationships and intricate supply chains.⁶ While the steel and aluminum industries have been impacted by bad actors, broad tariffs are not the answer. Many U.S. businesses have shared their concerns that the tariffs put them at a competitive disadvantage to their global competitors who are not subject to these same tariffs.⁷ For many U.S. businesses, the tariffs are nothing more than self-inflicted harm.⁸ To highlight these concerns, we have enclosed examples of businesses from across the country. Further, many businesses are concerned by the possibility that the Administration could enact quotas which would only exacerbate the economic difficulties U.S. businesses currently face.

Mr. President, we hope you will consider these examples and the plight of U.S. businesses impacted by the steel and aluminum tariffs and—as you said in March—end the steel and aluminum tariffs. You are correct to demand more open and advantageous trade relationships with all our trading partners, and fully justified in demanding that China stop its outrageous theft of intellectual property. The best way to achieve China’s full compliance and end its theft is by presenting a united front with our global allies demanding that China follows the rules. Ending the steel and aluminum tariffs will help create the coalition required to do so.

cc: The Honorable Wilbur Ross
U.S. Department of Commerce

The Honorable Robert Lighthizer
United States Trade Representative

The Honorable Kevin Hassett, PhD
Council of Economic Advisers

Dr. Peter Navarro
Director, National Trade Council

Mr. Lawrence Kudlow
Director, National Economic Council

⁶ *Examining The Effect of Tariffs on Wisconsin Businesses: Field Hearing Before the S. Comm. on Homeland Sec. & Governmental Aff.*, 115th Cong. (July 16, 2018), <https://www.hsgac.senate.gov/hearings/examining-the-effect-of-tariffs-on-wisconsin-businesses>.

⁷ *Id.*

⁸ *Id.*