



March 29, 2021

The Honorable Katherine Tai
Office of the U.S. Trade Representative
600 17th Street, NW
Washington, DC 20508

Dear Madame Ambassador:

I write today on behalf of our activists across the country to offer support for a policy agenda aligned with [USTR's mission](#) of “opening markets throughout the world to create new opportunities and higher living standards for families, farmers, manufacturers, workers, consumers, and businesses.” In our view, the best way to begin is to remove barriers to free trade here at home. This can be done quickly and without the need for complicated negotiations with other countries. Below are concepts that can serve to guide the process.

- **Free trade benefits America.** We hold the view that open and competitive markets are key to a future of growth and prosperity for our country. There are situations in which legitimate national security concerns justify some limitations on trade; those measures should be applied sparingly to avoid unnecessary protectionism. Economists have understood for many years that tariffs and other trade restrictions harm the country that imposes them. The term “economic welfare” describes the overall level of living standards and prosperity in a society. Economic welfare always will be improved when tariffs are removed. This can be illustrated by an example:

Roughly half the [aluminum used in the United States](#) is produced domestically; the other half is imported. When the 10-percent aluminum tariff went into effect, prices for both imported and domestic aluminum rose, which is a normal market response to reduced competition. US aluminum producers benefited by receiving higher prices on the 50 percent of the market they serve. However, companies that buy aluminum to manufacture higher-value products paid the artificially elevated price on 100 percent of domestic consumption. The additional cost for 100 percent of the market is much greater than the benefit received by US producers, so the economy as a whole is worse off. Tariffs make our country poorer.

- **Import restrictions harm businesses, workers, and consumers.** The harm done by import restrictions has measurable consequences. As of September 2020, the Tax Foundation reports the tariffs instituted under the previous administration have [cost Americans \\$80 billion](#) in additional taxes and lowered employment by 179,800 jobs. The American Action Forum calculates the [increased costs to consumers from higher prices to be \\$57 billion](#) annually. This self-inflicted economic damage will continue unless the Biden administration revokes the tariffs.



- **Retaliation hurts exporters and workers.** Retaliation by foreign nations against poorly considered US tariffs imposes large costs on Americans. A wide range of politically sensitive exports has been targeted, including roasted coffee, motorcycles, sleeping bags, toilet paper, steel, aluminum, bourbon whiskey, soybeans, pork, cheese and apples. Using 2018 data, the Congressional Research Service determined that [more than \\$97 billion of US exports](#) were facing new restrictions. The Tax Foundation estimates that retaliation has [reduced US employment by 30,000 jobs](#).
- **Imports are essential to manufacturers.** Large job losses due to US tariffs are explained in part by the reality that roughly half of all imports serve as industrial inputs. Factories across the country have had to absorb this unwarranted cost increase, thus becoming less competitive when contending with attractively priced imports of finished goods. It's hard to thrive as a manufacturer when the government seems to be going out of its way to raise your costs.

You have offered a vision in which “US trade policy must benefit regular Americans, communities, and workers. And that starts with recognizing that people are not just consumers — they are also workers, and wage earners.” The most effective way to realize those benefits is to allow American buyers and sellers the freedom to do business around the globe. Eliminating U.S. barriers to trade would honor USTR’s stated mission of creating “new opportunities and higher living standards” for Americans.

We offer our best wishes for success in your tenure as U.S. Trade Representative and stand ready to assist in achieving these goals.

Sincerely,

Brent Wm. Gardner
Chief Government Affairs Officer
Americans for Prosperity