

U.S. Sen. Johnson, U.S. Rep. Steil: Press USTR regarding tariff exclusion extension requests

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WASHINGTON – U.S. Sen. Ron Johnson (R-Wis.) and Congressman Bryan Steil (R-Wis.) sent a letter to United States Trade Representative Katherine C. Tai this week following up a letter they sent last November regarding the Section 301 tariff exclusion process. Some Wisconsin businesses have continued to express concerns and frustration with the process carried out by the Office of the United States Trade Representative (USTR) to grant exclusions from the imposed tariffs to some of these businesses due to either the tariff causing severe economic harm to the business or China being the only source for the product. Businesses requested an extension of the exclusion request due to China remaining the only source for the product or the tariff continuing to cause severe economic harm to the business.

Many Wisconsin businesses did not receive an extension to their tariff exclusion and did not receive an explanation from USTR. This letter requests that USTR provide information on the specific justification for extending or not extending an exclusion, requests information on how USTR considers harmful unintended consequences, and seeks information on specific reforms and process changes going forward.

The full text of the letter can be viewed [here](#) and below.

March 31, 2021

The Honorable Katherine C. Tai

United States Trade Representative

600 17th Street NW

Washington, DC 20508

Dear Ambassador Tai:

Congratulations on your appointment and successful confirmation to be United States Trade Representative. On November 19, 2020, we wrote to Ambassador Lighthizer about the concerns of several Wisconsin businesses that are experiencing the unintended consequences of the trade war and requested information on Section 301 exclusion extensions sought by these businesses. On January 4, 2021, the United States Trade Representative (USTR) provided an incomplete response that did not answer our requests. The Section 301 tariffs cause businesses to experience decreased international competitiveness, supply chain disruption, lost market access, and decreased employment and investment. We write on behalf of Wisconsin businesses to reiterate the importance of the information we requested on November 19, 2020, and to highlight the ongoing harmful unintended consequences of the trade war.

As we stated in our November 19, 2020 letter, it is unclear how USTR could grant an initial tariff exclusion request because the two factors—the product is only available from China and the imposition of duties would cause severe economic harm to the business—were met, but not extend the exclusion one year later, despite those factors remaining present. If no additional suppliers entered the market and the duty continues to cause severe economic harm, then under USTR factors of evaluation, a previously-granted exclusion should logically be extended.

It seems to many Wisconsin businesses that USTR did not apply those factors consistently when considering their request for an extension. USTR provided no clarity, and these businesses remain in the dark. To help businesses understand why USTR did not grant certain exclusion extensions and hopefully to provide a basis for USTR to reconsider its denial of exclusion extensions, please provide the following information:

1. Please provide the specific justification by USTR to extend or to not extend an exclusion for requests submitted by an entity incorporated or headquartered in Wisconsin, as requested in our November 19, 2020 letter.
2. Please describe the factors that USTR will consider when making a decision to extend or not extend an exclusion.
3. Please explain how USTR will factor harmful unintended consequences from Section 301 tariffs like decreased international competitiveness, supply chain

disruption, lost market access, and decreased employment and investment in its decision-making process regarding tariffs and exclusions.

4. Please state whether USTR will provide documentation or some form of communication to businesses describing whether their exclusions have been extended or not, including the justification for that decision.
5. Please describe any specific reforms or process changes that USTR will make to streamline, improve, and increase transparency of the Section 301 exclusion process.

We request this information as soon as possible, but no later than 5 p.m. on April 7, 2021.

A copy of the November 19, 2020 letter is attached for your reference.

Thank you for your attention to this matter, and we look forward to working with you to

minimize the collateral damage from the trade war to Wisconsin and U.S. businesses.

Respectfully,

Ron Johnson

Bryan Steil

United States Senator

U.S. Representative

cc:

Mr. Brian C. Deese

Director, National Economic Council

Ms. Cecilia E. Rouse

Chair, Council of Economic Advisors

Background on Sen. Johnson's engagement on tariffs

Aug. 30, 2018: Chairman Johnson and Ranking Member McCaskill's letter to the Commerce Department can be found [here](#).

Aug. 9, 2018: Chairman Johnson's letter to the Commerce Department on the tariff exclusion process can be found [here](#).

July 18, 2018: Chairman Johnson's letter to the President on impact of tariffs on Wisconsin businesses can be found [here](#).

June 13, 2018: Chairman Johnson's and Ranking Member McCaskill's letter to the Council of Economic Advisers can be found [here](#).

May 17, 2018: The Commerce Department's response to Chairman Johnson and Ranking Member McCaskill can be found [here](#).

May 3, 2018: Chairman Johnson and Ranking Member McCaskill's letter to the Commerce Department can be found [here](#).

April 9, 2018: The Commerce Department's response to Chairman Johnson can be found [here](#).

March 8, 2018: Chairman Johnson's letter to the Commerce Department can be found [here](#).

Nov. 19, 2020: Chairman Johnson's letter to the USTR on tariff exclusion extensions by Wisconsin businesses can be found [here](#).