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U.S. Sens. Baldwin, Braun: Defend made in America mask manufacturers, call on commerce to investigate Chinese mask dumping

Posted on Thursday, Jun 23, 2022

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WASHINGTON, D.C. – Today, U.S. Senators Tammy Baldwin (D-WI) and Mike Braun (R-IN) sent a letter to the Department of Commerce Secretary Gina Raimondo to advocate for American mask and medical equipment manufacturers, calling for an investigation into the alleged dumping of Chinese-made products into the U.S. market. Reports allege Chinese-made masks and other products have been dumped into the U.S. marketplace at such low prices, sometimes 1/10 of the cost of American made products, it has created an unfair marketplace for American manufacturers, driving many out of business.

“This unfair competition is putting significant financial pressure on American manufacturers, driving many out of business, and threatening, for example, our ability to scale up the production of high-quality masks, such as N95 respirators, in the event of a new variant,” **said the senators.**

“Aside from the benefits domestic production brings to local economies in our states, localized production helps ensure that the resulting products meet the highest standards of quality, sterilization, and consumer safety,” **the senators continued.**

The letter calls for the Department of Commerce to self-initiate an antidumping duty (AD) and countervailing duty (CVD) inquiry into masks, meltblown raw

material, and other single use medical equipment imported from the People's Republic of China. While other industries have the financial ability to petition the Department of Commerce to take such action, the U.S. mask manufacturing industry are under such extreme financial pressure from Chinese imports that they are unlikely to have the resources to spend the significant time and money needed to submit a petition to the Department of Commerce.

"Thanks to the great work by Senator Tammy Baldwin, I hope that the Department of Commerce will be taking a closer look into the problems China has caused the healthcare and domestic PPE industry," **said Nicolas Smit, Executive Director of the American Mask Manufacturer's Association. "**These problems have affected our economy, our ability to keep Americans properly protected throughout the pandemic and have caused countless domestic manufacturers to close. The days where the health and safety of Americans are put at risk due to China flooding the market with dumped, counterfeit, or substandard PPE will soon be behind us. This and other initiatives recently launched by the Biden Administration will help bring back 1000s of jobs and ensure we have all the tools needed to help keep America safe and strengthen our economy at the same time."

"We sincerely thank Senators Tammy Baldwin and Mike Braun for their support in urging the U.S. Department of Commerce to self-initiate an antidumping duty and countervailing duty inquiry into respirator masks, melt-blown raw material, and other single use medical equipment imported from China," **said Kim Glas, President and CEO of the National Council of Textile Organizations.** "Domestic PPE manufacturers that pivoted to make lifesaving face masks and other public health supplies are now facing another challenging environment where Chinese PPE production has ramped up significantly and cheap product is being dumped into the U.S. market below cost, and it is threatening our domestic PPE industry. We know the administration is committed to building and supporting PPE supply chains domestically and that is why we are urging the Commerce Department to use all of the trade remedy tools at its disposal to help support a critical domestic PPE supply chain and force China to compete on a level playing field."

The full letter can be found here or below:

Dear Secretary Raimondo:

I write to you today to request that the Department of Commerce self-initiate an antidumping duty (AD) and countervailing duty (CVD) inquiry into respirator masks, meltblown raw material, and other single use medical equipment imported from the People's Republic of China. Single use medical equipment manufacturers throughout the country have alleged in media reports that Chinese-made products, including masks, such as including N95 respirators, and single-use instruments for joint replacement are being sold into the U.S. market for less than the cost of production. In addition to this alleged dumping, we know from previous CVD cases that Chinese exporters often receive subsidies from national and provincial governments, allowing these producers to lower their costs and their prices to levels at which American companies cannot compete.

This unfair competition is putting significant financial pressure on American manufacturers, driving many out of business, and threatening, for example, our ability to scale up the production of high-quality masks, such as N95 respirators, in the event of a new variant. The pressure from imported Chinese masks is so detrimental to domestic mask manufacturers that they are unlikely to have the resources to spend the significant time and money needed to submit a petition to the Commerce Department for an investigation into Chinese mask and meltblown imports. We also represent constituent companies who have decided to maintain a U.S.-based supply chain. Aside from the benefits domestic production brings to local economies in our states, localized production helps ensure that the resulting products meet the highest standards of quality, sterilization, and consumer safety.

Given this financial pressure, and the information available to the Commerce Department on imports from China, I believe the circumstances warrant a self-initiated AD/CVD investigation. The AD and CVD laws provide a transparent, quasi-judicial, and internationally accepted mechanism to address the market-distorting effects caused by injurious dumping and unfair subsidization of imports into the United States. For the purpose of AD investigations, dumping occurs when a foreign company sells a product in the United States at less than its fair value. For the purpose of CVD investigations, a countervailable subsidy is financial assistance from a foreign government that benefits the production of goods from foreign companies and is limited to specific enterprises or industries, or is contingent either upon export performance or upon the use of domestic goods over imported goods. Under sections 702(a) and 732(a) of the Tariff Act of 1930, which specify that AD and/or CVD investigations "shall be initiated whenever the [Department of Commerce] determines, from information available to it, that a formal investigation is warranted

into the question of whether the elements necessary for the imposition of a duty . . . exist." While self-initiated investigations are rare, in just the last month the Commerce Department self-initiated a scope and circumvention inquiry into quartz-surface products from China.

Americans must to be able to count on domestic manufacturers to deliver the medical equipment they need on a timely basis. Sustaining a level of wholly domestic production of N95 respirators, meltblown raw materials, critical medical instruments, and the expertise and equipment required to make them, is integral to maintaining that assurance. This policy goal—ensuring that quality PPE and medical equipment is available to the country when needed by maintaining production levels of wholly domestically made materials—is emphasized in the National Strategy for a Resilient Public Health Supply Chain, published in July 2021 as a deliverable of President Biden's Executive Order 14001 on "A Sustainable Public Health Supply Chain."

I believe the circumstances present in the domestic medical supply manufacturing market suggest that a self-initiation would be appropriate. Given the public health and national security implications of a broad and diverse manufacturing base, I urge you to work with the domestic N95 respirator and meltblown raw material manufacturers, as well as the domestic producers of single-use instruments for joint replacement to investigate the allegations.

An online version of this release can be found here.