

United States Senate

March 15, 2022

COMMITTEES
ARMED SERVICES
JOINT ECONOMIC COMMITTEE
JUDICIARY
SELECT COMMITTEE ON INTELLIGENCE

The Honorable Katherine Tai
U.S. Trade Representative
600 17th Street, NW
Washington, D.C. 20508

Dear Ambassador Tai,

I write to express my concern regarding USTR's reported delay in deciding to launch Section 301 investigations into China's economic practices.

As you know, the Chinese Communist Party's prolific trade abuses threaten American prosperity. In the two decades since China's entry into the WTO, the CCP has effectively shuttered tens of thousands of American factories, destroyed millions of American manufacturing jobs, and stolen hundreds of billions of dollars of American intellectual property. China's broad industrial destruction has fed the heartbreaking opioid crisis that still grips our nation, and is in no small part fueled by Chinese fentanyl.

Far from showing contrition, China's rulers have added insult to injury at every opportunity. You have rightfully criticized China for violating the terms of the Phase I trade deal. Instead of increasing imports from the United States by \$200 billion over the baseline, China reduced purchases by nearly \$14 billion. For months, your agency has negotiated in good faith to bring China into compliance with Phase I, but the Communist Party has steadfastly refused to keep their promises. Our goods trade deficit with China last year reached the highest level since 2018, and our total trade deficit surpassed \$1 trillion, for the first time ever.

The CCP has shown nothing but malice towards this nation and should be shown no leniency in our response to its economic aggression. For this reason, I am deeply disappointed to learn that USTR is not pursuing an expansive set of Section 301 investigations into China's anti-competitive and illegal trade practices.

Such investigations would likely result in barriers to subsidized Chinese goods and would blunt Beijing's attempt to dominate critical sectors through economic aggression. It's past time that we act to defend American industry, prevent China from dominating the industries of the future, and decouple key strategic sectors from China. I hope you share these objectives.

Please answer the following questions so that the American people can better understand the Biden administration's position on China's economic aggression:

1. Has USTR delayed its decision on launching Section 301 investigations into China's economic practices? Yes or no?
2. If yes, why have you delayed these essential investigations? Did China's threat of retaliation contribute to this delay?
3. Do you believe that China is currently doing at least tens of billions of dollars in damages to the United States economy every year as a result of its anti-competitive and illegal behavior?
4. Do you believe it is important to penalize China for violating its Phase I obligations?
5. Do you believe it is important to reduce our dependence on China in strategic industries?
6. Do you believe it is important to decouple our strategic industries from China?

Very respectfully,



Tom Cotton
United States Senator