

April 27, 2022

The Honorable Katherine C. Tai United States Trade Representative Office of the United States Trade Representative 600 17<sup>th</sup> St. NW Washington, DC 20508

Dear Ambassador Tai:

The National Electrical Manufacturers Association (NEMA) represents more than 325 electrical equipment and medical-imaging manufacturers that make safe, reliable, and efficient products and systems. Member companies support more than 370,000 American manufacturing jobs in 6,100 locations across all 50 states. NEMA companies play a key role in transportation systems, building systems, lighting, utilities, and medical-imaging technologies and will thereby serve a critical role in the implementation of the Infrastructure Investment and Jobs Act (IIJA). The electroindustry has a robust domestic manufacturing base and supports the fundamental goal of creating high-paying American jobs and shoring up our domestic supply chains. These industries produce \$130 billion in shipments and \$38 billion in exports of electrical equipment and medical imaging technologies per year.

Recent media reports indicate the Biden Administration is considering the strategic imperative behind the Section 301 tariffs imposed on imports of goods from China under the previous Administration<sup>1</sup>. Some have speculated that the Administration may soon take limited executive action to ease some of the Section 301 tariffs to mollify Congressional efforts to restart and reform the exclusions process in the ongoing negotiations over the competitiveness package.<sup>2</sup>

Given the impact these tariffs have on NEMA member operations, including several member companies paying millions in tariffs annually, NEMA urges the Administration to fully and comprehensively restart and reform the Section 301 exclusions process in a way that has clear eligibility standards for applicants, is transparent, and fair to all who apply. And while NEMA appreciates the limited exclusions offered earlier this year, NEMA member companies continue to experience supply chain disruptions, labor shortages, and resulting inflationary pressures which have resulted in disrupted domestic production, reduced sales, increased consumer costs, and delayed delivery of critical products. The Administration must move forward with a robust exclusions process that will help ease inflationary pressures and ensure timely implementation of the IIJA.

<sup>&</sup>lt;sup>1</sup> <u>https://insidetrade.com/daily-news/nsc-official-china-tariffs-should-be-adjusted-fit-strategic-priorities-%C2%A0</u>

<sup>&</sup>lt;sup>2</sup> <u>https://www.politico.com/newsletters/weekly-trade/2022/04/25/tariff-intrigue-piques-as-china-bill-conference-approaches-00027435</u>

Sincerely,

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Debra M. Phillips President and CEO National Electrical Manufacturers Association

cc:

The Honorable Gina Raimondo, Secretary of Commerce The Honorable Janet Yellen, Secretary of the Treasury Daleep Singh, Deputy National Security Advisor for International Economics and Deputy Director, National Economic Council