

March 9, 2022

The Honorable Nancy Pelosi
Speaker of the House
House of Representatives
Washington, D.C. 20515

The Honorable Chuck Schumer
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Mitch McConnell
Republican Leader
U.S. Senate
Washington, D.C. 20510

Dear Speaker Pelosi, Leader Schumer, Leader McCarthy, and Leader McConnell:

The undersigned organizations representing millions of taxpayers write in opposition to language included in the America COMPETES Act of 2022 (H.R. 4521) that would increase costs for American consumers and businesses at a time of rising inflation. As Congress negotiates a final competition bill, we urge the removal of the so-called *Eliminating Global Market Distortions to Protect American Jobs Act* and any other language that would result in higher tariffs.

In the name of “improvements to trade remedy laws,” this provision in the bill would harm American competitiveness by making far-reaching changes to U.S. trade law including a new “fast-track” process for antidumping/countervailing duty (AD/CVD) investigations designed to stack the deck in favor of a few domestic actors seeking an artificial advantage over their competitors through the imposition of tariffs on imports. The narrow beneficiaries of higher tariffs, including organized labor unions that have lobbied for this legislation, would be dwarfed by the number of U.S. industries that would be harmed.

To illustrate the harm of tariffs imposed through AD/CVD investigations, Congress should look no further than American farmers. The Producer Price Index (PPI) for U.S. fertilizer [skyrocketed](#) from 154.7 in January 2020 to 312.8 in January 2022. In the midst of this increase, the U.S. International Trade Commission (USITC) authorized new phosphate fertilizer tariffs that had the effect of benefiting a single U.S. producer. U.S. law prohibited the Commission from considering the impact of its decision on American farmers or consumers.

Yet, as under current law, the America COMPETES Act would require the USITC to ignore the economywide impact of import tariffs, instead focusing only on the interests of those seeking to have duties imposed. This process unfairly tips the scales toward the imposition of tariffs, regardless of the economic pain they inflict.

The proposed changes to U.S. antidumping and countervailing duty laws in the America COMPETES Act would reinforce these biases. The impact would reverberate throughout the economy, encouraging higher prices even as the country is faced with the highest inflation rates since the 1980s. Exporters could be harmed by higher input costs and by retaliatory foreign measures designed to restrict market access for U.S.-produced goods.

While proponents have suggested these changes are needed as a part of a strategic U.S. response to China, the repercussions of including the *Eliminating Global Market Distortions to Protect American Jobs Act* would land mostly on countries other than China, including U.S. allies. In Fiscal Year 2020, for example, 74 percent of antidumping and countervailing duty investigations [conducted](#) by the USITC targeted imports from countries other than China.

Given that sweeping changes to U.S. trade law have the potential to affect millions of Americans, including the 39 million whose jobs [depend](#) on international trade, it is imperative that Congress thoroughly analyze any such changes and hear from different stakeholders. Unfortunately, *the Eliminating Global Market Distortions to Protect American Jobs Act* has not received a single hearing or markup in Congress. Instead, the House majority decided to include this legislation in a 2,900-page bill in the name of “competitiveness.” The reality is that this language would make America *less* competitive and result in higher costs at a time of rising inflation.

As Congress negotiates legislation ostensibly designed to promote competition, we urge the rejection of proposals that would have the opposite effect, including the *Eliminating Global Market Distortions to Protect American Jobs Act*.

Sincerely,



Pete Sepp, President
National Taxpayers
Union



Saulius “Saul” Anuzis,
President 60 Plus
Association



Lisa B. Nelson, CEO
ALEC Action



Brent Wm. Gardner,
Chief Government
Affairs Officer
Americans for Prosperity



Grover Norquist,
President
Americans for Tax
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Daniel Mitchell,
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Jeffrey Mazzella
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Iain Murray, Vice
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Adam Brandon,
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David Williams,
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