

Member Advocacy Toolkit

ISSUE | Section 301 U.S. Tariffs on Chinese Imports

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ISSUE BRIEF

- NAFEM to testify on Capitol Hill; advocates for removal of items from 3rd proposed list of \$200B in tariffs on imports from China
- NAFEM advocates for exclusion of add'l items from 2nd list of tariffs
- NAFEM successfully advocates for removal of 40% of member components and finished goods from original list of tariffs

DRAFT: August 15, 2018

What is the latest news on this topic?

On August 20, NAFEM will testify before the Section 301 Committee of the [U.S. Trade Representative](#) (USTR) on Capitol Hill. In this testimony, and in written comments also submitted on behalf of members, Vice President, Regulatory and Technical Affairs Charlie Souhrada will address the fact that items included on [List 3](#) have the potential to negatively impact NAFEM members by targeting material inputs, tools or equipment used on the shop floor to manufacturer commercial foodservice equipment and supplies in the U.S. NAFEM is seeking to have these items removed from the final List 3 of items subject to 25 percent tariffs.

List 3 follows:

- The original list ([List 1](#)) of \$34 billion in tariffs that have been imposed since July 6, and
- The second, proposed list ([List 2](#)) of \$16 billion in tariffs is still under review by USTR.

Following is an update on the status of each list:

- 25 percent tariffs on List 1 went into effect on July 6. U.S. Customs and Border Protection has issued [instructions](#) for importing these items from China. Members are advised to work with their customs brokers to best understand these processes.

During the comment period for List 1, NAFEM submitted comments to USTR and was successful in removing 60 percent of member materials, parts and components, and 42 percent of finished commercial foodservice equipment, from the original, proposed list. In total, 40 percent of NAFEM's exclusion requests were approved. These items are not be subject to the 25 percent import tariff.

- Tariffs on the proposed List 2 were addressed during a public notice and comment process. NAFEM also testified before the USTR, requesting exclusions for numerous items from this list, which, when finalized, will be subject to a 25 percent tariff. The USTR has not yet issued its final List 2. Items for which NAFEM requested an exclusion include glues, tubes, bags, and knives that are not high-tech, nor do they contribute to China's high-tech ambitions.
- [List 3](#) was announced on July 10 and includes \$200 billion in tariffs. Once finalized, these items will be subject to a 25 percent tariff. Written comments on List 3 are due by August 27. A public hearing will be held on Capitol Hill from August 20-23. The deadline to apply to attend or speak at the public hearing has passed. NAFEM has been approved to speak at the hearing and also will submit written comments.

Why is this action taking place?

The administration is seeking to reduce the U.S. trade imbalance with China and protect America's intellectual property rights.

What is NAFEM's position?

NAFEM maintains these additional tariffs will raise the cost of inputs for many members' products and could impact U.S. jobs. This is directly contrary to the Administration's stated priority of increasing good-paying U.S. manufacturing jobs and adds a regulatory burden the administration promised to eliminate.

On behalf of the organization, NAFEM President Joe Carlson, CFSP, President, Lakeside Manufacturing, Inc., issued the following statement:

Food service equipment produced by NAFEM members is used by hotels, restaurants, hospitals and nursing homes across the U.S. to feed millions of people every day. Unfortunately, the tariffs announced by the United States Trade Representative will make it more expensive to produce this important equipment, which could negatively impact U.S. jobs. The Chinese import tariffs are directly contrary to the Administration's stated priority of increasing good-paying U.S. manufacturing jobs. Smart, economically competitive sourcing from global suppliers, including those in China, allows NAFEM members to control costs, which protects and even expands U.S. jobs.

NAFEM will continue to advocate for a solution to China's unfair trade practices that does not include tariffs that ultimately hurt American workers and consumers.

What is NAFEM doing to address this issue?

NAFEM has successfully advocated to have more than 40 percent of members' material inputs and finished goods removed from List 1. NAFEM also participated in the public comment and hearing process for List 2, and is in the process of doing the same for List 3.

What should my company be doing to address this issue?

1. The tariffs on items included in List 1 are already in effect. Members should review lists 2 and 3 to evaluate the impact to their businesses, which may include increased costs, supply chain disruptions, and/or more. Once List 2 is finalized, we will alert NAFEM members.
2. Written comments for List 3 will be accepted through August 27. Instructions for submitting written comments are included [here](#).
3. To support its advocacy efforts, NAFEM is collecting information on how the tariffs are impacting member companies. To facilitate this process, we've created an [online form](#) where members can easily share their information. The examples you provide will be shared with interested elected officials and organizations like the [Coalition of America Metal Manufacturers and Users](#) (CAMMU), of which NAFEM is a member. Because the information you share will be publicly available, please avoid disclosing proprietary information.
4. Finally, there is nothing more compelling to elected and appointed officials than hearing directly from U.S.-business leaders. To support this outreach, NAFEM has developed an [Advocacy Toolkit](#) for members to use in their outreach efforts.

Who should I contact with questions?

For questions on this topic, please contact [Charlie Souhrada](#), CFSP, NAFEM's vice president, regulatory & technical affairs, or visit www.nafem.org.

Action Plan

This issue continues to move quickly and change rapidly. It is important that members contact their U.S. Senators and Representatives immediately to indicate their opposition to the List 2 tariffs, as outlined in the Issue Brief above. Members should also review List 3, for which tariffs will be finalized at a later date, and prepare to provide comments by August 27, respectively.

Outreach to Elected Officials

- 1) Identify your elected U.S. Senators and Representatives at this [website](#). Be sure to identify officials in all the communities/states in which your business has offices, plants and other operations.
- 2) Familiarize yourself with the talking points on this issue included within this toolkit. It is essential that members speak with “one voice,” presenting a consistent, compelling message on behalf of their companies and the industry.
- 3) Given the urgency of this issue, we recommend you telephone and/or email your elected officials and the White House.
 - If you prefer to call your elected officials, use the talking points in this toolkit.
 - If you prefer to send an email to your elected officials, addresses are also included in the [website](#) above.
- 4) If you or your company are active in social media - *and your social media sites are followed by elected officials* – use the social media engagement tools in this toolkit to share your opposition to the tariffs. If your company uses social media and has not yet invited elected officials to follow it, please do so as they often follow progress of businesses and business leaders in their districts via social media.

Providing comments to USTR

The original list ([List 1](#)) of \$34 billion in tariffs that have been imposed since July 6.

The second, proposed list ([List 2](#)) of \$16 billion in tariffs is still under review by USTR.

Written comments on [List 3](#) are due by August 27. Although a public hearing will be held on Capitol Hill from August 20-23, the deadline to apply to attend or speak at the public hearing has passed. NAFEM will speak at this hearing and submit written comments on behalf of members.

If you have questions about outreach to elected officials or providing comments to USTR either in writing or in person, please contact [Charlie Souhrada](#), CFSP, NAFEM’s vice president, regulatory & technical affairs.

Talking Points

What is this document?

As advocates for our industry, it is essential that all members speak with “one voice,” presenting a consistent, compelling message on behalf of their individual companies and the industry, about this topic.

How do I use it?

These talking points are the foundation of all your communication on Section 301 tariffs on Chinese imports. Please use them consistently for maximum impact. If you decide to call elected officials, these talking points can be the basis of your conversation.

- Our company opposes the tariffs on imports from China. We are deeply disappointed that the Trump administration has decided to move forward with this action that will increase the cost of our product inputs and could impact U.S. jobs.
- We produce [products] in the U.S., employing [XX] people in [states].
- The foodservice equipment we produce is used by hotels, restaurants, hospitals and nursing homes across the U.S. to feed thousands of people every day.
- Increasing the cost of the material inputs, tools and equipment we use to produce our equipment and supplies, as well as finished goods we manufacture in China for the U.S. domestic market, will make it difficult to compete with imported, non-tariffed finished goods.
- Unfortunately, we could see lower sales, less investment and potentially, even a loss of jobs as a result of the tariffs.
- Smart, economically competitive sourcing from global suppliers, including those in China, allows us to control costs, which protects and even expands U.S. jobs.
- The Chinese import tariffs are directly contrary to the Administration’s stated priority of increasing good-paying U.S. manufacturing jobs and reducing regulatory burdens.
- While we understand the President’s intent is to address China’s unfair trade practices, we must do so in a way that does not include tariffs that ultimately hurt American workers and consumers.
- Thank you for doing all you can to urge U.S. Trade Representative Robert Lighthizer and President Trump to change course now to protect and sustain millions of U.S. manufacturing jobs.

Email Message

What is this document?

If you prefer to communicate with U.S. Senators and Representatives by email, you can customize this message to do so.

How do I use it?

Customize this email by adding the information highlighted in yellow. Email it U.S. Senators and Representatives in all the communities/states in which your business has offices, plants and other operations.

Honorable First name Last name
Title

Dear Ms. /Mr.:

I am the [add title] of [company name] located in [add town, state for Representatives or state for Senators]. We manufacture foodservice equipment including [add brief description of product line]. We have been in business for [XX] years and employ approximately [XXX] people at this location and [XXX] across our operations.

We're sending this email to let you know that our company opposes the tariffs on imports from China and is deeply disappointed that the Trump administration has decided to move forward with this action that will increase the cost of our product inputs and could impact U.S. jobs.

The foodservice equipment we produce is used by hotels, restaurants, hospitals and nursing homes across the U.S. to feed thousands of people every day. Increasing the cost of the material inputs, tools and equipment we use to produce our equipment and supplies, as well as finished goods we manufacture in China for the U.S. domestic market, will make it difficult to compete with imported, non-tariffed finished goods. Unfortunately, we could see lower sales, less investment and potentially, even a loss of jobs as a result of the tariffs.

Smart, economically competitive sourcing from global suppliers, including those in China, allows us to control costs, which protects and even expands U.S. jobs. The Chinese import tariffs are directly contrary to the Administration's stated priority of increasing good-paying U.S. manufacturing jobs and reducing regulatory burdens.

While we understand the President's intent is to address China's unfair trade practices, we must do so in a way that does not include tariffs that ultimately hurt American workers and consumers.

Thank you for doing all you can to urge U.S. Trade Representative Robert Lighthizer and President Trump to change course now to protect and sustain millions of U.S. manufacturing jobs.

Sincerely,

[name]
[title]
[company name]
[phone number]

Social Media Posts

What is this document?

If you or your company are active in social media – *and your social media sites are followed by elected officials* – use the social media engagement tools in this toolkit to share your opposition to the tariffs. If your company uses social media and has not yet invited elected officials to follow it, please do so as they often follow the social media accounts of businesses and business leaders in their districts via social media.

How do I use it?

Post the Facebook message and Twitter tweet copy below to your accounts that are followed by elected officials.

Facebook Post

Note: Keep your post to under 250 characters, the recommended length to maximize likes, comments and shares.

We oppose the Chinese import tariffs; they are contrary to the Administration's stated priority of increasing US manufacturing jobs and reducing regulatory burden. We must address China's unfair trade practices without hurting American workers and consumers.
#tariffsaretaxes

Twitter Tweets

Note: Keep your tweet to between 100 and 120 characters or less to allow others room to retweet (RT).

Say no to Chinese import tariffs. Fix unfair trade practices w/o hurting American workers and consumers #tariffsaretaxes