

# Member Advocacy Toolkit ISSUE | Section 301 U.S. Tariffs on Chinese Imports

# **Table of Contents**

| 1) | Issue Brief        | 2 |
|----|--------------------|---|
|    | Action Plan        |   |
|    | Talking Points     |   |
|    | Email Message      |   |
|    | Social Media Posts |   |



# ISSUE BRIEF

Section 301 List 3 tariffs on \$200 billion of Chinese imports increased to 25% on May 10; process of imposing tariffs on an additional \$300 billion in Chinese imports begins

May 22, 2019

## What is the latest news on this topic?

On May 10, in response to unsuccessful trade negotiations with China, the U.S. Trade Representative increased Section 301 import duties on \$200 billion of China imports on <u>List 3</u> from 10 percent to 25 percent. On May 13, the U.S. Trade Representative also began the process of imposing tariffs of up to 25 percent on an additional approximately \$300 billion in Chinese imports on List 4.

The full, 135-page List 4 of products subject to the new proposed tariffs is available <u>here</u>. Items on this list include smallwares; cast iron, steel and aluminum; tools, machinery and electronics. List 3 includes items like electronic circuit boards, computer chips and chemicals that may be used to manufacture commercial foodservice equipment and supplies.

In response, China announced that it will raise tariffs from 10 percent to as high as 25 percent on \$60 billion worth of U.S. goods on June 1<sup>1</sup>. China has currently imposed 10 percent tariffs on \$110 of U.S. goods<sup>2</sup>.

Lists 3 and 4 follow \$34 billion in 25 percent tariffs on items on <u>List 1</u> that went into effect July 6, 2018 and \$16 billion in 25 percent tariffs on items on <u>List 2</u> that went into effect Aug. 23, 2018.

## Why has this action taken place?

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

#### Does my company have any recourse from the new tariffs?

The U.S. Trade Representative announced a <u>public comment period</u> for List 4. The due date for filing a request to appear at a June 17 public hearing in Washington, D.C. is June 10; written comments can be submitted until June 17.

## What is NAFEM's position?

NAFEM maintains these additional tariffs are raising the cost of inputs for many members' products and impacting U.S. jobs, as well as the overall U.S. economy. 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.

<sup>&</sup>lt;sup>1</sup> https://www.nytimes.com/2019/05/13/us/politics/us-china-trade-tariffs.html

<sup>&</sup>lt;sup>2</sup> https://edition.cnn.com/2019/05/13/business/china-tariffs-retaliation/index.html

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

The millions of meals enjoyed away from home every day - at restaurants, schools, military bases, hospitals and elsewhere - are prepared and served on products manufactured by NAFEM members. Unfortunately, tariffs on Chinese imports, combined with tariffs on steel and aluminum imported from outside North America, are making it more expensive to produce the equipment and supplies that support these basic needs. The tariffs are negatively impacting good-paying U.S. manufacturing jobs and consumers, neither of which bodes well for a strong U.S. economy.

Time and time again, we've seen that trade wars have no winners. NAFEM continues to urge the administration to quickly work toward a solution to unfair trade practices that does not include tariffs that ultimately hurt American workers and consumers.

# What is NAFEM doing to address this issue?

The Section 301 investigation itself is nearly one year old. Throughout this process, NAFEM and our members have actively communicated to elected officials and the White House by submitting comments and testifying before the U.S. Trade Representative; through a member survey shared with media and elected officials; at Trade Builds America Day at the National Press Club in Washington, D.C.; and during meetings with elected officials and the U.S. Small Business Association Office of Advocacy.

NAFEM will provide comments on List 4 and continue to advocate for a solution to unfair trade practices that does not include tariffs that ultimately hurt American workers and consumers.

# What should my company be doing to address this issue?

- Share your concerns. It continues to be important that elected officials hear from NAFEM
  members impacted by these tariffs. To help members quickly share this information, NAFEM
  created an easy-to-use <u>Advocacy Toolkit</u> of talking points, email messages and social media
  posts for members to use in their outreach efforts.
- 2. For questions on customs classifications, exclusions or implementation of additional duties on products covered by this action, contact traderemedy@cbp.dhs.gov.

# Who should I contact with questions?

For questions on this topic, please contact <u>Charlie Souhrada</u>, CFSP, NAFEM's vice president, regulatory & technical affairs, or visit the <u>Advocacy</u> page of <u>www.nafem.org</u>.

# **Action Plan**

On May 10, the U.S. Trade Representative increased Section 301 import duties on \$200 billion of China imports to 25 percent. Overall, tariffs of 10- to 25-percent now impact \$250 billion of Chinese imports.

On May 13, the administration began the process of imposing tariffs of up to 25 percent on an additional approximately \$300 billion in Chinese imports as it seeks to reduce the U.S. trade imbalance with China and protect America's intellectual property rights. According to the U.S. Census Bureau, the U.S. imported \$540 billion in goods from China in 2018<sup>3</sup>.

## Share your concerns

It continues to be important that elected officials hear from NAFEM members impacted by these tariffs. To help members quickly share this information, NAFEM has created this easy-to-use <a href="Advocacy Toolkit">Advocacy Toolkit</a> of talking points, email messages and social media posts for members to use in their outreach efforts.

#### **Outreach to Elected Officials**

- Identify your elected U.S. Senators and Representatives at this <u>website</u>. Be sure to identify officials in all the communities/states in which your business has offices, plants and other operations.
- 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 continued 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.

<sup>&</sup>lt;sup>3</sup> https://edition.cnn.com/2019/05/13/business/china-tariffs-retaliation/index.html

# **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 provide a foundation for 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 Section 301 tariffs on imports from China, including the recent increase from 10 to 25 percent for items on List 3 and the newly issued List 4. We are deeply disappointed that the Trump administration continues to implement tariffs that are increasing the cost of our product inputs and impacting U.S. jobs, as well as the overall U.S. economy.
- We produce [products] in the U.S., employing [XX[ people in [states].
- The foodservice equipment [and supplies[ we produce are/[is] used at restaurants, schools, military bases, hospitals and elsewhere to feed thousands of people away from home every day.
- Unfortunately, tariffs on Chinese imports, combined with tariffs on steel and aluminum imported from outside of North America, are making it more expensive for us to produce the equipment and supplies that feed our troops, create family memories, nourish school children and nurture the sick.
- More than 80 percent of respondents to a recent survey by our industry's North American Association of Food Equipment Manufacturers reported that import tariffs have negatively impacted their businesses. Specifically, 50 percent said tariffs on Chinese imports are impacting their ability to compete and 53 percent said these tariffs are hurting sales.
- The tariffs are also hurting good-paying U.S. manufacturing jobs and consumers, neither of which bodes well for a strong U.S. economy.
- They also 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. However, time and time again we've seen that trade wars have no winners. Now is the time for talks, not more tariffs.
- We urge the administration to quickly work toward a solution to China's unfair trade practices that does not include tariffs that ultimately hurt American workers and consumers.

# **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 [and supplies] 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 Section 301 tariffs on imports from China, including the recent increase from 10 to 25 percent for items on List 3 and the newly issued List 4. We are deeply disappointed that the Trump administration continues to implement tariffs that are increasing the cost of our product inputs and impacting U.S. jobs, as well as the overall U.S. economy.

The foodservice equipment [and supplies] we produce are used at restaurants, schools, military bases, hospitals and elsewhere to feed thousands of people away from home every day. Unfortunately, tariffs on Chinese imports, combined with tariffs on steel and aluminum imported from outside North America, are making it more expensive for us to produce the equipment and supplies that feed our troops, create family memories, nourish school children and nurture the sick.

More than 80 percent of respondents to a recent survey by our industry's North American Association of Food Equipment Manufacturers reported that import tariffs have negatively impacted their businesses. Tariffs also are hurting good-paying U.S. manufacturing jobs and consumers, neither of which bodes well for a strong U.S. economy. They 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, time and time again, we've seen that trade wars have no winners. Now is the time for talks, not more tariffs.

Thank you for doing all you can to urge the administration to quickly work toward a solution to China's unfair trade practices that does not include tariffs that ultimately hurt American workers and consumers.

Sincerely,

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

# **Social Media Posts**

#### What is this document?

If you or your company are active on social media, 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.

#### **Facebook Posts**

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

Tariffs are hurting good-paying U.S. manufacturing jobs and consumers, neither of which bodes well for a strong U.S. economy. While we understand the President's intent is to address China's unfair trade practices, trade wars have no winners. Now is the time for talks, not more tariffs. We urge the administration to quickly work toward a solution to China's unfair trade practices that does not include tariffs that ultimately hurt American workers and consumers. #tariffsaretaxes

Tariffs on Chinese imports, plus those on imported steel and aluminum, are making it more expensive for us to produce the equipment and supplies that feed our troops, create family memories, nourish school children and nurture the sick. More than 80 percent of respondents to a recent survey by our industry's North American Association of Food Equipment Manufacturers reported that import tariffs have negatively impacted their businesses. Now is the time for talks, not more tariffs. #tariffsaretaxes

We are deeply disappointed that the Trump administration continues to implement tariffs that are increasing the cost of our product inputs and impacting U.S. jobs, as well as the overall U.S. economy. Now is the time for talks, not more tariffs. #tariffsaretaxes

#### **Twitter Tweets**

Note: Keep your tweet to between 100 and 120 characters or less.

Trade wars have no winners. Now is the time for talks, not more tariffs. #tariffsaretaxes

We urge a solution to China's unfair trade practices without tariffs. Trade wars have no winners. #tariffsaretaxes

Disappointed that the admin continues to implement tariffs that impact US jobs & the economy. #tariffsaretaxes