

Jay Timmons
President and CEO

January 8, 2018

President Donald J. Trump
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Mr. President:

The 12 million hard-working men and women who work in manufacturing in the United States thank you for all that you and your administration have accomplished in your first year in office. Manufacturing workers are benefiting from a historic tax reform package that will free manufacturers to grow, compete and invest here at home. They see an unwavering commitment to addressing excessive regulations that hold our country's potential back. Now we can build on this progress in a variety of ways, from implementing a bipartisan infrastructure package to—as you have long recognized—ensuring that free and fair trade sits at the heart of our country's agenda to strengthen prosperity into the future.

Trade matters: more than half of American manufacturing workers depend on exports for their paychecks. Nowhere is the importance of trade that works for manufacturers and workers greater than with China. Our manufacturers export more goods to China than any other market outside of North America (\$87 billion), which, in turn, supports hundreds of thousands of U.S. manufacturing jobs right here at home.

Yet, China is also our largest challenge as a trading partner. Thanks to your leadership, it is increasingly clear to China that the United States is committed to fight for manufacturing in America. Your high-level engagement with China's leaders and robust use of U.S. trade rules are forcing the Chinese government to take the United States seriously. Both tools provide critical leverage to push China to reverse policies that have long discriminated against American businesses and workers. Yet, a limited and piecemeal approach can only take us so far and—given the potential negative consequences for our economy of that approach—it's increasingly clear that a long-term strategy will be needed if our country is to tackle our challenges with China comprehensively and achieve the best outcomes for American workers and American enterprise.

As such, **I urge you to consider pursuing a truly modern, innovative and comprehensive bilateral trade agreement with China that wholly restructures our economic relationship.** Such an agreement, crafted specifically to achieve fairness and reciprocity for both countries by setting new rules and demanding accountability, represents the only real way to solve comprehensively and effectively the challenges that China poses—and to truly level the playing field so America's manufacturers and manufacturing workforce can continue growing. To be successful, this free and fair trade agreement must:

- Eliminate barriers that unfairly block American companies and America's manufacturing exports from full and fair access to the Chinese market;

- Raise standards in China and create new rules to prevent the wide range of market-distorting practices that violate free markets and fair competition and hurt American businesses and workers; and
- Create clear mechanisms to mandate strong and binding enforcement of the agreement, providing specific channels for government and industry alike to address cheating and violations.

As you stated at our September board meeting, “when our workers have a level playing field, no one—absolutely no one—can beat us.” China must follow the same rules as everyone else and must be held accountable when it cheats. China has proven one of the most troubling markets in the world for manufacturers, due to its lack of commitment to free markets, fair competition and reform. From unfair subsidies and massive overcapacity in sectors such as steel and aluminum, to intellectual property theft and market-distorting policies that shield Chinese companies, manufacturers and workers in the United States face an unfair playing field that has harmed U.S. manufacturing and held us back.

The question now is how best to address these issues. While targeted actions may provide some relief in the short term to some manufacturing industries, other manufacturers will undoubtedly be harmed, and the systemic issues that have given rise to the imbalances in the U.S.–China relationship will be left unresolved. That’s what this agreement would be designed to achieve. When the rules do not cover market-distorting Chinese policies, which they currently do not, the United States must lead in creating them. Creating those rules will require bold thinking, strategic vision and tireless efforts on behalf of America’s manufacturing base—exactly the skills that your administration has demonstrated in achieving historic results on tax and regulatory reform. Your efforts over the past year to build a positive working relationship with Chinese President Xi Jinping provide a strong basis to launch these negotiations and to restructure completely the U.S.–China economic relationship so that it works for all Americans.

Mr. President, manufacturing workers and businesses across America applaud your unwavering support for our industry. It is no coincidence that manufacturer optimism is at an all-time high, sparked by your strong record of leadership and continued commitment to our shared agenda on tax and regulatory reform, infrastructure investment and many other key issues. Now, manufacturers across America are eager to continue our strong partnership to deliver additional policy victories that boost the American economy and benefit manufacturing workers across the country. I appreciate this opportunity to share our views on China and ways that we can achieve your vision of trade that is freer and fairer for all Americans.

Respectfully,



Jay Timmons