



SEC. 301 POISON PILL IN SENATE CHINA BILL OPPOSE TOOMEY MOTION TO INSTRUCT

What's happening: USICA's trade provisions are a gift to China. It is far more than reinstating tariff exclusions. It attacks USTR and CBP's ability to enforce our laws. In this alert, CPA is drawing attention to a particularly catastrophic provision, Sec. 73001 of the China bill, a.k.a. "the Section 301 Poison Pill".

Section 301: Section 301 of the Trade Act of 1974 is the only tool the President has to apply tariffs against an entire country in response to state-sponsored economic warfare. Autocratic state capitalism is the challenge of our era and we cannot unilaterally disarm. Other trade remedies are tailored to specific products and narrow industry sectors, and cannot substitute for a gutted Section 301.

The Section 301 Poison Pill does the following:

- ✘ **PRIORITIZES CHINESE PROFITS OVER U.S. ECONOMIC SECURITY** in defending against foreign economic warfare and rebuilding U.S. supply chains.
- ✘ **CEDES ECONOMIC SOVEREIGNTY TO GENEVA:** Makes it virtually impossible for the President to impose Sec. 301 tariffs without the approval of foreign bureaucrats in Geneva.
- ✘ **OFFSHORING:** Explicitly directs USTR to consider access to cheap Chinese imports over U.S. production.
- ✘ **DISMANTLES EXISTING CHINA 301 TARIFFS** by allowing any Chinese producer to claim "lost profitability" to obtain an exclusion.
- ✘ **REFUNDS CHINA** with U.S. taxpayer dollars for any Sec. 301 tariffs paid in 2021 if an exclusion expired at the end of 2020 – transferring at least \$14 billion from the U.S. Treasury to Chinese companies.

VOTERS OVERWHELMINGLY SUPPORT SECTION 301

- ✓ **73%** of voters support the U.S. government using trade remedies on China to protect U.S. industries and American workers.
- ✓ **71%** of voters supporting the U.S. government continuing to impose Section 301 tariffs on China.
- ✓ **61%** of voters believe that increased imports have caused the U.S. to become dependent on China for goods that are critical to the U.S. economy and U.S. national security.
- ✓ **60%** of voters oppose China continuing to receive Most Favored Nation trade status with the U.S.
- ✘ **Just 6%** of voters think that Congress should weaken the U.S. government's ability to impose Section 301 tariffs.