

**Hearing before the
United States House of Representatives
Committee on Ways & Means, Trade Subcommittee**

“Supporting U.S. Workers, Businesses, and the Environment
in the Face of Unfair Chinese Trade Practices”

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Chairman Blumenauer, Ranking Member Buchanan, and Members of the subcommittee,

Thank you for the opportunity to appear before you today to discuss China's unfair trade practices. As you are undoubtedly aware, the array of practices that China uses to try to dominate traditional industries and those of the future are vast, ranging from industrial subsidies to the illicit acquisition of sensitive technology to economic coercion.¹

Rather than attempt to catalog China's many unfair trade practices in my testimony, I will outline what I believe would be an effective policy framework to respond to them. The objective of this framework is to ensure the United States remains the world's economic and national security leader instead of relinquishing that position to China.

More specifically, countering China's economic ambitions requires a three-part strategy:

- First, the United States must “run faster” with policies that encourage growth in key sectors of the U.S. economy – especially those China is targeting with its unfair practices.
- Second, the United States must adopt a robust defensive strategy that directly counters China's unfair practices through appropriately tailored trade, investment, and other restrictions coordinated with allies.
- Third, the United States must pursue a comprehensive offensive strategy that pressures China to modify its unfair practices through bilateral engagement, regional trading agreements, and the World Trade Organization (WTO).

My ideas are shaped by a career spent trying to counter China's unfair practices in both Democratic and Republican Administrations. This includes spearheading USTR's efforts to deny China market economy status in anti-dumping proceedings during the Obama Administration. It also includes work on the NSC's *U.S. Strategic Framework for Countering China's Economic Aggression*² and USTR's *Economic and Trade Agreement Between the United States of America and the Government of the People's Republic of China* (“Phase One Deal”)³ during the Trump Administration. I have since transitioned to the private sector, but the views in this testimony are entirely my own and do not necessarily align with Akin Gump's clients.

¹ See, e.g., Office of the United States Trade Representative, “2020 Report to Congress on China's WTO Compliance”, January 2021, available at: <https://ustr.gov/sites/default/files/files/reports/2020/2020USTRReportCongressChinaWTOCompliance.pdf>; U.S. – China Economic and Security Review Commission, “2021 Report to Congress,” November 2021, available at: https://www.uscc.gov/sites/default/files/2021-11/2021_Annual_Report_to_Congress.pdf.

² The NSC's strategy is referenced in this unclassified release from the Trump Administration: <https://trumpwhitehouse.archives.gov/wp-content/uploads/2021/01/OBrien-Expanded-Statement.pdf>. This strategy helped inform the broader Trump Administration *United States Strategic Framework for the Indo-Pacific*.

³ The Phase One Deal is available at: https://ustr.gov/sites/default/files/files/agreements/phase%20one%20agreement/Economic_And_Trade_Agreement_Between_The_United_States_And_China_Text.pdf.

Part I: Run Faster

Winning the technology competition with China requires the United States to “run faster” with policies that encourage growth in the U.S. economy while at the same time avoiding policies that harm our international competitiveness, especially in sectors China is targeting for global domination with unfair trade practices. Made in China 2025 highlights key sectors China believes are critical to its long-term success,⁴ although it is not exhaustive and China continues to update its targets with successive Five-year Plans.

Pass the United States Innovation and Competition Act (USICA)

Congress should pass the United States Innovation and Competition Act (USICA) to facilitate our efforts at running faster. Among its many provisions, this legislation would fund previously authorized programs related to semiconductors and 5G;⁵ would provide federal direction to enhance research & development efforts on critical technologies like artificial intelligence, quantum computing, and synthetic biology;⁶ and would help the U.S. Government collaborate with the private sector on supply chain issues and the creation of regional technology hubs.⁷ While I share the concerns of some policymakers about overall government spending levels, misdirected spending in certain areas should not deter us from well-directed spending in other areas essential to continued U.S. innovation leadership.

USICA would also help spur U.S. economic growth and fight inflation by reinstating the Miscellaneous Tariff Bill (MTB), the Generalized System of Preferences (GSP), and a China Section 301 tariff exclusion process.⁸ Together, these programs would lower costs for U.S. consumers and U.S. businesses – especially small businesses – that rely on imports for critical manufacturing inputs they cannot source domestically. U.S. industry sources estimate that MTB’s expiration will cost our manufacturers over \$1.3 million per day.⁹ Likewise, GSP’s expiration could cost U.S. importers over \$1 billion U.S. dollars in 2021 and make it more difficult for them to diversify supplies away from China in light of the additional costs imposed on imports from alternative sources.¹⁰

⁴ See U.S. Chamber of Commerce, “Made in China 2025: Global Ambitions Built on Local Protections”, 2017, available at: https://www.uschamber.com/assets/documents/final_made_in_china_2025_report_full.pdf.

⁵ United States Innovation and Competition Act (“USICA”), S. 1260, 117th Congress, as passed by the Senate, June 8, 2021, Division A, CHIPS and O-RAN 5G Emergency Appropriations.

⁶ USICA, Division B, Endless Frontiers Act.

⁷ USICA, Sec. 2401, Regional Technology Hubs; USICA, Sec. 2505, Supply Chain Resiliency Program.

⁸ USICA, Division G, Trade Act of 2021.

⁹ NAM News Room, “Lack of Miscellaneous Tariff Bill Hamstrings Manufacturers”, Nov. 3, 2021, available at: <https://www.nam.org/lack-of-miscellaneous-tariff-bill-hamstrings-manufacturers-15583/>.

¹⁰ Through September, GSP’s expiration has cost U.S. importers \$763 million in 2021. This is projected to reach over \$1 billion by the end of the year. Coalition for GSP data, available at: <http://renewgsptoday.com/2021/11/05/american-companies-paid-another-97-million-in-tariffs-due-to-gsp-expiration-in-september-2021/>.

Revisit China Section 301 Tariffs

The China Section 301 tariffs in particular deserve significant attention from this Committee. Section 301 indicates that the purpose of retaliatory measures imposed under the statute is “to obtain the elimination of [the] act, policy, or practice” that is the subject of the investigation.¹¹ In other words, Section 301 directs USTR to impose tariffs or other measures as a means of leverage to persuade the country being investigated to modify its offending behavior.

To achieve this goal with respect to China and forced technology transfer, the Trump Administration interagency team that I participated in designed tariff lists 1 and 2 to target products that (i) are a part of Made in China 2025, (ii) can be obtained from sources outside China, and (iii) on which we believed tariffs would “hurt” China more than the United States. These tariffs were later expanded to lists 3 and 4 to increase leverage on China and ultimately led to the Phase One deal.

However, per the statute, Section 301 tariffs are not meant to be permanent and should be revisited over time to assess whether they are still helping the U.S. Government achieve its goals. In this particular instance, I am concerned that many of the existing tariffs – especially those on the less carefully designed lists 3 and 4 – are harming the U.S. economy without providing the requisite leverage to induce a change in Chinese policy. This is evidenced by the continued high level in Chinese imports subject to tariffs,¹² the reports of many U.S. companies facing higher costs as a result of the tariffs,¹³ and the lack of overall Chinese progress on phasing out forced technology transfer.¹⁴ Indeed, members of both parties have consistently expressed concerns about the less deliberate construction of tariff lists 3 and 4 and the impact they are having on small businesses in light of today’s inflationary environment and supply chain constraints.

Accordingly, the Biden Administration should consider whether to revise the existing Section 301 measure. This is complicated by the need to maintain leverage over China while also maintaining the positive elements of the Phase One deal. But it is clearly worthwhile to assess whether revised tariffs or other measures would better address China’s unfair practices with less harm to the U.S. economy.

In the interim, a reinvigorated tariff exclusion process that allows companies to import products duty free if they are not central to Made in China 2025 and cannot be sourced elsewhere is a good first step. The bipartisan Senate-passed USICA Trade Act of 2021 provides a solid roadmap for achieving this.¹⁵ If Congress is concerned about cost, it could adopt a slightly

¹¹ 19 U.S.C. § 2411(b) specifies that action under the statute is taken “to obtain the elimination of [the] act, policy, or practice” that “is unreasonable or discriminatory and burdens or restricts United States commerce.”

¹² U.S. Census Bureau data suggests that the United States is on track to import over \$300 billion in Chinese goods in 2021. Data available at: <https://www.census.gov/foreign-trade/balance/c5700.html>.

¹³ See, e.g., CNBC, “U.S. companies are bearing the brunt of Trump’s China tariffs, says Moody’s”, May 18, 2021, available at <https://www.cnbc.com/2021/05/18/us-companies-bearing-the-brunt-of-trumps-china-tariffs-says-moodys.html>.

¹⁴ Since the United States initiated the Section 301 investigation, China has phased out ownership requirements that facilitate forced technology transfer in only a few limited sectors while imposing them in others.

¹⁵ USICA, Sec. 73001. This legislation creates a new tariff exclusion process, reinstates tariff exclusions previously granted, and refunds duties already paid for a subset of these exclusions.

narrower approach that does not include a full refund of duties already paid to the U.S. Government. The U.S. economy would still benefit from any prospective relief the legislation provides as well as the possibility for additional exclusions in the future.

Consider Non-Trade Issues with a “China Lens”

Running faster to out-compete China also requires considering non-trade issues (i.e., those traditionally considered “domestic” issues) in the context of the U.S.-China trade and technology competition. More specifically, we must consider whether our major economic policy decisions will promote or hinder our efforts to out-innovate China. If we fail to view major policy choices through this lens, we could inadvertently aid China’s efforts to surpass us economically and militarily.

In practice, this means that we should proceed cautiously on policies that would make our tax code less competitive than China’s. We should reconsider a hasty “anti-competition” agenda that targets U.S. technology companies with stifling restrictions that do not apply to their Chinese competitors.¹⁶ This is particularly troubling because many of America’s largest technology companies are those best equipped to out-compete China’s massive state-owned and assisted rivals. And when regulating, we should not lose sight of the fact that our generally free market policies are what made the United States the world’s innovation leader – and the height of China’s ambitions – in the first place. Allowing the U.S. market to largely operate freely with narrowly targeted intervention where required will be more successful than attempting to “become China to beat China” through top-down government control.

Part II: Better Defense

Effectively fighting China’s unfair trade practices and maintaining U.S. economic and national security leadership requires a robust use of “defensive measures”, such as trade remedies, sanctions, export controls, and investment screening, among others. If utilized appropriately, such measures can help protect U.S. industry from economic harm, compel China to change behavior, and achieve broader policy goals. But if these measures are not well targeted or are designed to prevent fair competition, they risk unintended consequences. In all cases, such measures will be more effective and less likely to harm the U.S. economy when coordinated with allies.

Pass the United States Innovation and Competition Act (USICA)

USICA includes numerous “defensive” elements that deserve this Committee’s consideration. One key provision would focus USTR on Chinese censorship practices, including its Great Firewall, through enhanced reporting requirements.¹⁷ Congress could consider whether to go further and actually request that USTR conduct a Section 301 investigation into Chinese censorship. If the Administration ultimately finds China in breach of the statute, it should consider non-tariff measures as a form of retaliation due to the already high level of tariffs

¹⁶ See, e.g., the American Choice and Innovation Online Act, H.R. 3816, 117th Congress. As drafted, this legislation would impose one-way data-sharing mandates on U.S. companies and grant Chinese companies preferential access to U.S. technology and systems.

¹⁷ USICA, Sec. 71011.

imposed on China and their impact on the U.S. economy. Two options worth considering as temporary forms of retaliation are increased fees on Chinese service providers or reciprocal digital restrictions on Chinese companies.

Address Forced Labor

Congress should continue to pursue legislation that addresses another particularly offensive type of unfair practice that the Chinese government promotes – forced labor in the Xinjiang region. USICA would take a step in the right direction by creating a new directorate at Customs and Border Protection (CBP) to focus on these issues.¹⁸

Both the House and Senate are also considering versions of the *Uyghur Forced Labor Prevention Act*, which would create a “rebuttable presumption” that imports from the Xinjiang Uyghur Autonomous Region (XUAR) are made with forced labor and thus blocked from entry into the United States unless the presumption is overcome.¹⁹ The bills are similar in many respects, but there are key differences that need to be reconciled.

The bill that the House passed in 2020 sends a strong message about how vehemently this body opposes the use of forced labor, but it is critical that any legislation signed into law can be administered and enforced effectively. The Senate version would give the interagency process sufficient time to develop an enforcement strategy that ensures the right actors are held accountable and would include critical input from stakeholders that interact with CBP. Moreover, the Senate bill requires CBP to develop guidance on the withhold release order process so importers know how to meet their standards when seeking to bring goods into the country, an essential element of due process.

Carefully Consider Changes to AD/CVD Law

As I understand it, this Committee may soon consider potential changes to U.S. anti-dumping and countervailing duty laws consistent with the *Eliminating Global Market Distortions to Protect American Jobs Act*.²⁰ Many of the legislation’s policy goals are meritorious, such as addressing the “whack-a-mole” problem in which Chinese producers evade duties by moving production to other countries after trade remedy measures are imposed. The legislation also addresses Chinese government subsidization of production in third countries, including through its Belt and Road Initiative. The European Union (EU) has already begun addressing this issue in its CVD investigations and the United States should follow suit.²¹

Given the importance of these issues, Congress should thoroughly assess the best way to design and implement new laws to ensure that they are effective and ensure both petitioners and

¹⁸ USICA, Sec. 71001.

¹⁹ S. 65, Uyghur Forced Labor Prevention Act, 117th Congress, as passed by the Senate, July 14, 2021; H.R. 1155, Uyghur Forced Labor Prevention Act, 117th Congress, as introduced in the House, Feb. 18, 2021. The House passed similar legislation during the 116th Congress.

²⁰ S. 1187, Eliminating Global Markets Distortions to Protect American Jobs Act, 117th Congress, as introduced in the Senate, Apr. 15, 2021.

²¹ European Commission, “White Paper on Levelling the Playing Field as Regards Foreign Subsidies”, June 17, 2020, available at: https://ec.europa.eu/competition/international/overview/foreign_subsidies_white_paper.pdf.

respondents have a fair opportunity to present their cases. For example, as drafted, the legislation could allow facts imported from previous proceedings to be deemed non-rebuttable, depriving a respondent of the ability to defend their interests fully. This Committee should consider thorough hearings and a markup on this legislation to avoid these and other potential problems before moving forward. It may also be worth considering pairing this legislation with other ideas, such as reforms to U.S. trade defense measures like Section 232 of the Trade Expansion Act of 1962.

Carefully Consider New Investment Restrictions

The U.S. Government substantially increased its review of inbound Chinese investment to address national security concerns and prevent the acquisition of sensitive U.S. technologies with the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA), a major bipartisan achievement. To maximize this legislation's effectiveness, the United States should coordinate its implementation with allies who also possess critical technology assets to ensure China cannot obtain from them the same technology that it cannot obtain from the United States.

Policymakers have also begun focusing on outbound investment mechanisms to protect U.S. national security interests in recent years. For example, Executive Order 14032 prohibits Americans from investing in Chinese Military-Industrial Complex Companies (CMICs) directly involved in China's defense and surveillance technology sectors.²² This Biden Administration EO represents a revision to a Trump-era policy that was necessary in light of court findings that the initial EO was not appropriately targeted at real national security threats.²³

The United States should learn from the CMIC experience and ensure any additional outbound investment screening mechanisms are narrowly targeted and legally sound. For example, if this Committee were to consider the National Critical Capabilities Defense Act,²⁴ it should focus screening on true national security threats instead of using the mechanism to try to move supply chains out of China, an effort unlikely to succeed. Congress should also consider whether USTR is the appropriate agency to spearhead national security-oriented investment reviews in light of a statutory focus on trade issues and limited staff resources. Housing this function at the Department of Defense or Commerce may be more appropriate.²⁵ As with AD/CVD legislation, a thorough hearing on this idea and markup session before potentially moving forward would be warranted.

Expand Coordination on Export Controls

Another "outbound" issue that has garnered significant attention in recent years is the use of export controls to defend U.S. national security interests with respect to China. This issue is

²² Executive Order 14032, Addressing the Threat from Securities Investments That Finance Certain Companies of the People's Republic of China, issued June 3, 2021.

²³ *Xiaomi Corporation vs. U.S. Department of Defense, et al.* (order granting preliminary injunction), D.C. District Court, Mar. 12, 2021.

²⁴ S. 1854, the National Critical Capabilities Defense Act of 2021, introduced in the Senate, May 26, 2021. The 2021 U.S.-China Economic and Security Review Commission included a similar recommendation.

²⁵ The China Commission recommends Defense and Commerce as leads for the committee, but provides a broad mandate that appears to extend beyond national security issues.

outside the Committee’s primary jurisdiction, but it is a clear example of a “defensive” policy whose effectiveness relies on being appropriately targeted on true national security threats and coordination with key allies. Many U.S. companies have reported that their lost sales to China are being readily replaced by competitors from other countries that do not have similar restrictions in place, completely undermining the U.S. measures.

As such, Congress and the Administration should include better international coordination on export controls as a core part of a China strategy. Details of the Administration’s proposed Indo-Pacific Economic Framework are scarce; Secretary Raimondo’s suggestion that it could include coordination on export controls would be a positive component, and one that is not included in traditional trade agreements.²⁶

Part III: Better Offense

An effective strategy to counter China’s unfair practices requires a comprehensive offensive trade agenda that includes: (1) direct bilateral engagement with China; (2) the pursuit of other bilateral and regional trading arrangements; and (3) full utilization of the WTO. Such a strategy should seek to create export opportunities for U.S. businesses in China and other global markets, which will facilitate our economic growth and improve our competitiveness, as well as set international rules and standards that can be used to pressure China to change its behavior.

Bilateral Engagement with China

Overall, the China Phase One Deal appears to be a moderate success. It has helped achieve important structural reforms to China’s intellectual property laws, substantially reduced barriers to U.S. agricultural exports, begun to pry open the financial services sector, and condemned forced technology transfer. According to the limited information that has been released by the Trump and Biden Administrations, China has met most structural commitments²⁷ and U.S. agricultural exports to China are at record levels.²⁸

Although China appears to be implementing much of Phase One, there are reports of areas where China appears to be falling short. USTR’s NTE suggests deficiencies in certain IP provisions related to counterfeits, private sector companies continue to complain about issues like biotechnology, and China appears unlikely to meet the majority of its purchasing commitments with the possible exception of agriculture.

²⁶ Reuters, “U.S. Says New Indo-Pacific Economic Framework Not Typical Trade Deal”, Nov. 18, 2021, available at: <https://www.reuters.com/world/asia-pacific/us-malaysia-agree-transparency-semiconductor-manufacturing-supply-chains-2021-11-18/>.

²⁷ Interim Report on the Economic and Trade Agreement between the United States of America and the People’s Republic of China: Agricultural Trade, U.S. Department of Agriculture, Oct. 2020, available at: <https://ustr.gov/sites/default/files/assets/files/interim-report-on-agricultural-trade-between-the-united-states-and-china-final.pdf>; See also 2021 National Trade Estimate Report on Foreign Trade Barriers, Mar. 31, 2021 (discussing China’s implementation of the Phase One Deal at length), available at: <https://ustr.gov/sites/default/files/files/reports/2021/2021NTE.pdf>.

²⁸ See, e.g., USDA China data: <https://www.fas.usda.gov/regions/china>.

However, making an accurate assessment of China's implementation is difficult because of the limited information available. This also makes it challenging to determine next steps, including whether to pursue phase two negotiations on the many issues left unaddressed by Phase One, whether to focus on enforcement, or whether to pursue a different strategy entirely.

To remedy this, Congress should exercise its oversight authority and ask USTR for a full report card on China's progress. Ideally, such a report would also be available to the general public. A confidential report could be an alternative solution if USTR believes making such information public would jeopardize their negotiating position.

Regardless of the outcome of China's Phase One report card, the United States should continue to pursue bilateral engagement with China. We must be clear-eyed about China's willingness to address all of our concerns of course, but the Phase One Deal illustrates that engagement can lead to incremental progress that benefits our workers and businesses. At the same time, USTR should utilize the Phase One Deal's enforcement mechanism in an attempt to improve China's compliance where appropriate.

Pursue Additional Bilateral and Regional Trading Agreements

The United States should also aggressively pursue bilateral and regional trade agreements with other countries, especially those in the Indo-Pacific region (i.e., China's immediate sphere of influence). Such agreements will help the United States in numerous ways.

First, opening up new markets for U.S. goods and services will facilitate economic growth that directly benefits U.S. workers and businesses. As has often been pointed out, the vast majority of the world's customers live outside our borders and tapping into these customers is of critical importance for the growth prospects of numerous sectors of our economy.

Second, these trade agreements can be used to link together supply chains with trusted allies and partners and ensure that we have access to important products that we do not produce at home in all circumstances, whether it be a global pandemic or a war.

Third, such agreements can be used to set rules and standards that benefit our products and services over China's while also allowing us to more readily challenge China's unfair trade practices with our allies. This is of increased importance in light of China's efforts to supplant the United States as the principal trading partner of key Indo-Pacific nations, including those part of the Comprehensive and Progressive Agreement on the Trans-Pacific Partnership (CP-TPP).

In an ideal world, the United States would seek to rejoin the CP-TPP. The United States was, after all, the driving force behind the agreement and many of its provisions mirror those included in other U.S. FTAs, including the bipartisan United States-Mexico-Canada Agreement (USMCA). To the extent that the United States believes certain provisions need to be modified to meet current policy objectives, we should renegotiate those provisions just like we did with the North American Free Trade Agreement (NAFTA). To the extent the United States cannot accede to specific provisions, we should seek an exemption and join the rest. And to the extent the United States believes new provisions are needed, we should propose them to the other

parties. More likely than not, CP-TPP countries would welcome us with open arms and be willing to negotiate the terms of our accession.²⁹

If CP-TPP remains a political impossibility, the United States should consider sectoral agreements like a digital trade agreement with CP-TPP countries. The Biden Administration's proposed Indo-Pacific Economic Framework also has merit, but if it is focused on issues not traditionally covered by trade agreements as the Administration has suggested, it would best serve as a CP-TPP complement. This is particularly true if the Administration does not intend for the Indo-Pacific Economic Framework to require Congressional passage, which will inherently limit the scope of its market access provisions.

Outside of the Indo-Pacific region, the United States should continue pursuing agreements with the United Kingdom and Kenya. An FTA with the UK would have immediate economic and geopolitical benefits, including bolstering the UK's ability to stand up to China. Likewise, an agreement with Kenya would be a historic first in Africa, a region all too often forgotten by U.S. trade policy, but not by China's geopolitical ambitions and its Belt and Road Initiative.

Reform the WTO to Address China's Unfair Trading Practices

Finally, an effective strategy to counter China's unfair trading practice requires a proactive WTO agenda that utilizes existing mechanisms and pursues needed reforms to create new ones. To date, the United States has used the WTO to address harmful Chinese policies, including export restraints on rare earth metals³⁰ and licensing of intellectual property on non-market terms, among others.³¹ We should continue to bring disputes like this.

At the same time, the United States should pursue a WTO reform agenda so that the organization is better set up to address China's unfair trading practices. This will require changes to the WTO's negotiating, dispute settlement, and implementation and monitoring functions. My paper "Revitalizing the WTO" lays out numerous potential reform proposals in detail,³² a few of which I summarize below:

- With respect to negotiations, the United States should pursue rules on industrial policy, forced technology transfer, and state-owned enterprises (SOEs). These are all key elements of China's unfair trading practices not currently covered by WTO rules. The WTO's "developing country status" rules must also be updated so China cannot claim developing country status and gain a negotiating advantage despite its global stature.

²⁹ This can be done through an accession protocol, similar to what is done at the WTO. If the US accedes to the CPTPP, it should negotiate a country-specific accession protocol that will allow the United States to opt out of certain provisions, request further discussions on other provisions, and add in new rights and obligations as needed.

³⁰ *China – Measures Related to the Exportation of Rare Earths, Tungsten, and Molybdenum (United States)*, WT/DS431.

³¹ *China – Certain Measures Concerning the Protection of Intellectual Property Rights (United States)*, WT/DS542.

³² Cleve Willems, "Revitalizing the WTO", available at: https://www.atlanticcouncil.org/wp-content/uploads/2020/11/Revitalizing-the-WTO-Report_Version-11.6.pdf.

- With respect to dispute settlement, the United States should pursue reforms to ensure that the WTO's adjudicators do not go beyond their mandate and create new rules not agreed upon by WTO members. In the past, wrongheaded WTO decisions have impeded our ability to use trade remedies to counter China's industrial subsidies.³³ The United States should also seek to make dispute settlement more efficient so that the disputes it brings against China do not take years to resolve.
- With respect to implementation and monitoring, the United States should pursue reforms to ensure China cannot ignore its obligations without consequence. China's repeated failure to notify its subsidies to the WTO impedes our ability to understand their true extent and challenge them as appropriate.

In recent weeks, the Biden Administration has announced that it is resuscitating the Trump Administration's U.S.-EU-Japan Trilateral Initiative to negotiate WTO rules to address some of China's non-market policies.³⁴ This is a positive first step for the Administration, which should be followed with additional WTO reform efforts across all three pillars.

Conclusion

I appreciate the opportunity to detail these ideas for the Committee and hope they can help provide a bipartisan roadmap for pushing back on China's unfair trade practices. Overall, I am encouraged by the Biden Administration's general continuation of the Trump Administration's policy goals with respect to China, even if the means sometimes differ. Similarly, Congress' bipartisan focus on this issue is inspiring. At the end of the day, if we are to successfully maintain U.S. economic and national security supremacy in the face of China's unfair practices, we must do it together. I look forward to continuing to work with members of the Committee of both parties on these critical issues.

³³ *US – Countervailing Duty Measures on Certain Products from China*, WT/DS437.

³⁴ Joint Statement of the Trade Ministers of the United States, Japan, and the European Union After a Trilateral Meeting, Nov. 30, 2021, available at: <https://ustr.gov/about-us/policy-offices/press-office/press-releases/2021/november/joint-statement-trade-ministers-united-states-japan-and-european-union-after-trilateral-meeting?source=email>.