The Honorable Katherine Tai  
U.S. Trade Representative  
600 17th Street NW  
Washington, D.C. 20508

Dear Ambassador Tai:

The undersigned organizations write today to convey concerns about persistent reports that the Office of the U.S. Trade Representative (USTR) may soon issue a list of goods imported from Vietnam from which the Biden administration would propose to levy Section 301 tariffs pursuant to the Trump administration’s “currency manipulation” and “illegal timber” investigations. We urge USTR not to do so for either investigation.


Imposing Section 301 tariffs at a time when Treasury recently stated Vietnam is not manipulating its currency would undermine efforts to develop a more coherent framework for financial diplomacy. Such a move would leave foreign governments understandably confused — and less likely to heed Washington’s advice.

To this point, the IMF’s July 1 “Concluding Statement” from its 2021 Article IV Mission to the United States warned against the “entanglement of trade and currency issues,” including the Section 301 investigation into Vietnam’s alleged currency practices. It states in part: “Treating currency undervaluation as a subsidy to be countervailed raises concerns both in the finance and trade spheres and risks increased trade tensions and retaliation (with other countries replicating a similar approach, perhaps using their own standards and methodologies)…. Instead, the U.S. should work constructively with its trading partners to better address the underlying macro-structural distortions that are affecting external positions.”

In addition, there are questions about the current investigation into the use of illegally harvested timber. We believe an investigation by the Animal and Plant Health Inspection Service under the Lacey Act would be the more appropriate tool to use and not a Section 301 investigation.

The increase in imports from Vietnam over the past several years is largely an artifact of the U.S. application of substantial Section 301 tariffs on hundreds of billions of dollars’ worth of imports from China. This has led importers to look to Vietnam, perhaps more than any other country in Asia, as a sensible, trustworthy alternative to China. Imposing Section 301 tariffs on goods from Vietnam in either investigation would be a peculiar response to developments that
are, in a sense, the hoped-for outcome of U.S. policy. In addition, imports of raw materials and industrial components are critical inputs used by U.S. manufacturers of finished goods, and Section 301 tariffs on these products would undermine U.S. manufacturers’ competitiveness. Further, it would create additional global supply chain disruptions during one of the worst logistics crises by raising costs for U.S. workers, families, and businesses.

In addition, Vietnam is a major export market for U.S. job-creating manufacturing industries like textiles, chemicals, hardwood, aerospace and environmental and energy products as well as key agricultural products. Imports of raw materials from Vietnam are critical inputs used by U.S. manufacturers of finished goods. These American exports will almost certainly be subject to retaliatory tariffs if the Administration imposes tariffs on Vietnamese products.

Indeed, Vietnam has emerged as a valued partner of the United States in the context of the challenging U.S. relationship with China and more broadly. Since the normalization of U.S.-Vietnam relations more than two decades ago, multiple U.S. administrations have prioritized closer ties with a willing partner in Vietnam. If the United States were to impose Section 301 tariffs on goods from Vietnam, the Biden-Harris administration’s efforts to strengthen alliances and partnerships across the Indo-Pacific region would suffer a serious setback.

A strong relationship with Vietnam is an important element of the administration’s efforts to address geostrategic challenges and reassert American diplomatic and economic leadership in the region. If the administration has concerns about elements of the U.S. trading relationship with Vietnam, then engagement is required — not more tariffs.

Thank you for considering our views. We stand ready to engage with you and your team on these important issues.

Sincerely,

Accessories Council
Agriculture Transportation Coalition
ALTI (Audio & Loudspeaker Technologies International Association
American Apparel & Footwear Association
American Association of Exporters and Importers
American Association of Port Authorities
American Bridal and Prom Industry Association
American Chamber of Commerce in Hanoi (AmCham)
American Chamber of Commerce Vietnam
American Clean Power Association
American Down and Feather Council
American Home Furnishings Alliance
American Lighting Association
American Seed Trade Association
American Soybean Association
Auto Care Association
Coalition of New England Companies for Trade
Columbia River Customs Brokers and Forwarders Assn.
Computing Technology Industry Association (CompTIA)
Consumer Technology Association
Council of Fashion Designers of America
CropLife America
Customs Brokers & Freight Forwarders Assn. of Washington State
Customs Brokers & Freight Forwarders of Northern California
Experiential Designers and Producers Association (EDPA)
Flexible Packaging Association
Footwear Distributors & Retailers of America (FDRA)
Gemini Shippers Association
Global Business Alliance
Halloween & Costume Association
Home Fashion Products Association
Home Furnishings Association
International Housewares Association
International Wood Products Association
Internet Association (IA)
Juvenile Products Manufacturers Association
Leather and Hide Council of America
Los Angeles Customs Brokers and Freight Forwarders Assn.
Maritime Exchange for the Delaware River and Bay
Maryland Retailers Association
Missouri Retailers Association
Motorcycle Industry Council
National Association of Chemical Distributors (NACD)
National Confectioners Association
National Fisheries Institute
National Foreign Trade Council
National Marine Manufacturers Association
National Pork Producers Council
National Restaurant Association
National Retail Federation
National Ski & Snowboard Retailers Association
National Sporting Goods Association
North American Association of Food Equipment Manufacturers (NAFEM)
Outdoor Industry Association
Pacific Coast Council of Customs Brokers and Freight Forwarders Assn.
Personal Care Products Council
Plumbing Manufacturers International
Promotional Products Association International
Recreational Off-Highway Vehicle Association
Retail Industry Leaders Association
San Diego Customs Brokers and Forwarders Assn.
SEMI
Snowsports Industries America
Specialty Equipment Market Association
Specialty Vehicle Institute of America
Sports & Fitness Industry Association (SFIA)
TechNet
Telecommunications Industry Association (TIA)
Texas Retailers Association
The Fashion Jewelry and Accessories Trade Association
The Toy Association
Travel Goods Association
U.S. Chamber of Commerce
U.S. Fashion Industry Association
U.S. Global Value Chain Coalition
United States Council for International Business

c: The Honorable Janet Yellen, Secretary of the Treasury
The Honorable Gina Raimondo, Secretary of Commerce
The Honorable Antony Blinken, Secretary of State
The Honorable Tom Vilsack, Secretary of Agriculture
The Honorable Jake Sullivan, National Security Advisor
The Honorable Brian Deese, Director of the National Economic Council