



April 16, 2024

Via Email

U.S. House of Representatives
Washington, D.C. 20515

RE: United Steelworkers opposes H.R. 7986, the unilateral tariff cut Generalized System Preferences (GSP) renewal without renewal of trade-impacted worker training program – Trade Adjustment Assistance.

Dear Representative:

On behalf of the United Steelworkers, the largest manufacturing union in North America, I write to oppose the “Generalized System Preferences (GSP) Reform Act” proposed for Ways and Means markup this week, unless it is paired with the renewal of Trade Adjustment Assistance (TAA).

The union has commented extensively to the Ways and Means Committee through letters and testimony on how TAA has aided workers in retraining after experiencing negative trade impacts.¹ As of April 1 of this year, over 100,000 workers who have seen layoffs in nearly every state have submitted TAA petitions to the Department of Labor in the hope that Congress would renew the program.² For USW members, it is difficult to understand why the committee is poised to unilaterally cut tariffs for a host of countries, while outsourcing continues with our existing Free Trade Agreement partners, and yet such action is not paired with the renewal of TAA. Without addressing impacts on workers, the pending legislation becomes nothing more than a massive reward to importers who continue to value outsourcing over American jobs.

A recent Congressional Research Service report highlighted \$2.6 billion in tariffs that could be retroactively given back to importers in addition to a seven-year renewal of the GSP program, providing importers billions of more dollars in duty relief and the certainty to accelerate outsourcing activities.³ Meanwhile, workers are facing

¹ [U.S. House Committee on Ways and Means](#), “Testimony of Roy Houseman Jr. for Trade Subcommittee Hearing on Reforming the Generalized System of Preferences to Safeguard U.S. Supply Chains and Combat China”, September 20, 2023.

² [U.S. Department of Labor](#), “TAA Termination Impacts: By the Numbers – Fact Sheet”, April 8, 2024.

³ [U.S. Congressional Research Service Reports](#), “Generalized System of Preferences (GSP)”, January 13, 2022.

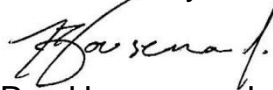
difficult choices across the country. For instance, in Marston, Missouri, over 600 workers negatively affected by the recent closure of aluminum smelter Magnitude 7 could have – and should have – easily qualified for job retraining benefits that would enable them to join the workforce in a new sector. Regrettably, the failure to renew the TAA program leaves these workers stranded.

The union recognizes the work that the committee has done to raise the Rule of Origin (ROO) standard in the legislation, but when coupled with a near double increase in the competitive needs limit and a provision to index that limit to inflation, H.R. 7986 will incentivize additional outsourcing. Again, this legislation prioritizes outsourcing, while neglecting the needs of workers who are negatively affected by trade through no fault of their own.

USW strongly urges the committee to support an amendment to the GSP bill to include TAA. Without TAA renewal, USW recommends committee members oppose unilateral tariff cut bills like H.R. 7986, the “Generalized System Preferences Reform Act”. Our union intends to educate our members about this Ways and Means Committee vote extensively, and USW workers will advocate for TAA renewal one month from now on Capitol Hill at our Rapid Response, and Legislative and Policy Conference.

The Ways and Means mark-up will also include several other bills, and USW provides additional comments on these issues below.

Sincerely,



Roy Houseman Jr.
Legislative Director

Additional USW comments on legislation to be considered before the Ways and Means Committee on April 17, 2024

H.R. 7981, the “Stop China’s Exploitation of Congolese Children and Adult Forced Labor through Cobalt Mining Act” – Ending forced labor must be a priority for Congress, the administration, and all world leaders. This legislation creates the initial steps to address this issue. A USW local member testified before the Senate Finance Committee on the need to end forced labor, fully and without any qualifications.⁴ USW urges the Ways and Means Committee to be more aggressive in accounting for child labor and forced labor in the cobalt supply chain by, at a minimum, increasing the tariff on cobalt from the Democratic Republic of Congo (DRC), and for products containing cobalt, which originated from the DRC. Such action would support domestic efforts to mine cobalt.⁵ Given the significant market concentration of cobalt mining in the DRC more must be done to address this issue. USW recommends support for H.R. 7981 as a first step, and urges more aggressive and continued action to address forced labor.

H.R. 7979, the “End China’s *De Minimis* Abuse Act” – While the removal of *de minimis* eligibility for goods subject to Section 301 tariffs, or other trade enforcement actions, is notionally the right direction, it falls well short of what is required to address what has become a growing and dangerous loophole in trade and customs policy. Because Section 301 trade actions are subject to mandatory four-year reviews, any future administration could remove Section 301 tariffs for any reason, rendering the effect of this bill increasingly ineffective over time as subject goods would again be eligible for *de minimis* treatment. Given that much of the issue related to *de minimis* has to do with direct-to-consumer shipments, the ability of Customs to enforce H.R. 7979, the “End China’s *De Minimis* Abuse Act” would be limited. The union has also previously testified on how it makes little sense to provide Chinese manufacturers \$800 direct to consumer access, while China blocks U.S. companies with a \$10 *de minimis*. USW recommends opposition to H.R. 7979 and supports the stronger approach to reforming *de minimis* policy in H.R. 4148, the *Import Security and Fairness Act*. The committee must not squander this opportunity to take action that fully addresses the underlying problem.

H.R. 7983, the “Stop Executive Overreach on Trade Agreements” – The Inflation Reduction Act (IRA) is a milestone in prioritizing working people, addressing climate change, and reducing costs for Medicare. Efforts to support domestic supply chains with provisions like the Section 30D new clean vehicle tax credit are an important step

⁴ [U.S. Senate Committee on Finance](#), “Testimony of Joe Wrona for Finance Hearing on Fighting Forced Labor: Closing Loopholes and Improving Customs Enforcement to Mandate Clean Supply Chains and Protect Workers”, March 18, 2021.

⁵ [NPR](#), “Cobalt is in demand, so why did America’s only cobalt mine close?”, December 14, 2023.

in shifting our supply chains from reliance on China and to the United States. As the union has previously testified, USW recognizes the right of Congress to exercise its authority on trade related issues, such as the definition of a Free Trade Agreement, but efforts must be made to improve future trade agreements by prioritizing fair trade.⁶

H.R. 7980, the “End Chinese Dominance of Electric Vehicles in America Act of 2024” – USW encourages action to better contain the illegal subsidization and excess capacity that the People’s Republic of China is creating on electric vehicles and the broader automotive supply chain. The USW labor management partnership, the Alliance for American Manufacturing (AAM), recently developed an extensive report on this growth.⁷ With less than 48 hours to review the legislation, the union cannot take a full position on this bill, but remains committed to working with the committees of jurisdiction on this issue.

⁶ [U.S. House Committee on Ways and Means](#), “Testimony of Roy Houseman Jr. for Trade Subcommittee Hearing on Countering China’s Trade and Investment Agenda: Opportunities for American Leadership”, April 18, 2023.

⁷ [Alliance for American Manufacturing](#), “On a Collision Course – China’s Existential Threat to America’s Auto Industry and its Route Through Mexico”, February 20, 2024.