

## COMMITTEE ON WAYS AND MEANS

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, DC 20515

February 26, 2020

The Honorable Richard Neal  
Chairman  
Committee on Ways & Means  
1102 Longworth House Office Building  
Washington, DC 20515

Dear Chairman Neal:

Thank you for convening the hearing today about U.S.-China Trade. We agree that China has severely harmed American workers and businesses by cheating on trade for decades. We must challenge China's unfair trade practices while minimizing unintended consequences on our farmers, manufacturers, and consumers. President Trump is the first president to confront China's predatory behavior head-on and insist on a fairer trading relationship. We strongly support the compelling results in the enforceable Phase One agreement that the President accomplished and look forward to working together to negotiate Phase Two. We write to highlight several principles that will be our focus in today's hearing and into the future.

First, we emphasize the strong bipartisan consensus that China is not playing by the rules. China's distortive policies, including massive subsidies, intellectual property theft, and forced technology transfers, have been harming U.S. workers and companies for many years. We frequently have joined many of our colleagues in raising these issues on a bipartisan basis, but the problem only has worsened with time.

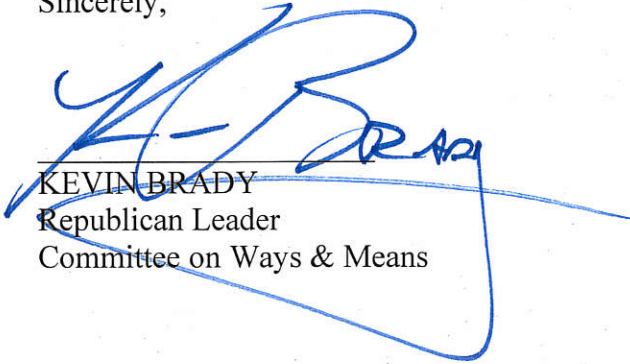
Second, we commend President Trump for his leadership in achieving meaningful, fully enforceable results with China in a broad range of economically significant areas. These include structural reforms with respect to intellectual property protection, forced technology transfers, market access barriers, currency manipulation, and unfair restrictions on investments by U.S. firms. The Phase One results also include measurable purchase commitments in many sectors.

Third, we will partner closely with the Administration to monitor China's implementation of its obligations under the Phase One agreement and ensure that Americans get the expected benefits in a timely manner. We hope that it will rarely be necessary to use the enforcement mechanism in the agreement but will not hesitate to do so when appropriate.

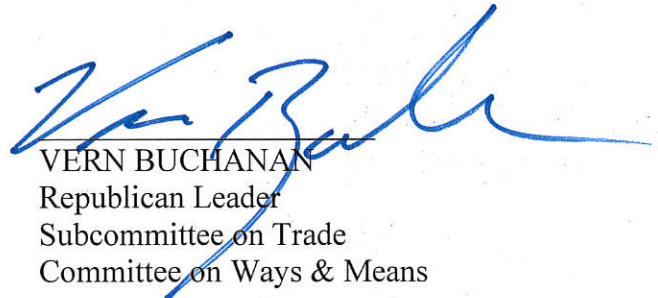
Fourth, we will continue to push China to engage meaningfully in Phase Two negotiations so that we can promptly address additional distortions in China's market. We are committed to leveling the playing field with China for all sectors of our economy, and doing so will allow us to remove additional tariffs as China makes additional reforms.

We appreciate your scheduling of this timely hearing on a topic that we all care deeply about. We look forward to addressing these critical issues with the witnesses today and working on a bipartisan basis to address trade and investment issues in China.

Sincerely,



KEVIN BRADY  
Republican Leader  
Committee on Ways & Means



VERN BUCHANAN  
Republican Leader  
Subcommittee on Trade  
Committee on Ways & Means