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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

A. JAY KHOSLA, STAFF DIRECTOR
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March 6, 2018

The Honorable Donald J. Trump
President of the United States
The White House
1600 Pennsylvania Ave, N.W.
Washington, D.C. 20500

Dear Mr. President,

I am writing to express my very deep concerns about the administration's proposed tariffs on steel and aluminum imports. The tariffs, if implemented, would not be paid by foreign steel and aluminum manufacturers. Instead, they would be paid by American manufacturers and consumers that rely on steel and aluminum. I am particularly troubled that the impact of these proposed tariffs would undermine the overwhelming and immediate success of the Tax Cuts and Jobs Act that we worked together to bring into law.

Our historic tax reform legislation, now a federal statute, already is providing significant relief for middle-class families and making American businesses more globally competitive. Hundreds of American businesses have announced workforce investments – wage hikes, increased 401(k) contributions, and the like – that will benefit millions of American workers along with their families and communities. Other companies have announced plans to invest overseas earnings in the United States, something that effectively was prohibited prior to tax reform. All told, tens of billions of dollars in private domestic investment have been announced. Ultimately, these developments mean bigger paychecks, greater security, and, of course, more jobs for the American people, and we are not even through the first quarter of 2018.

Put simply, the proposed tariffs on steel and aluminum imports threaten to undermine that success. Raising taxes on steel and aluminum importers will increase production costs for American manufacturers and raise prices on American consumers that rely on steel and aluminum products. History has demonstrated repeatedly that consumers – American families and taxpayers – ultimately bear the burden of tariffs on these kinds of imports. You have stated that you intend to target foreign countries that are not competing fairly, and I support that goal. But the proposed tariffs would miss those countries whose unfair trade practices have caused global overcapacities in steel and aluminum and would hit American businesses and families instead.

Mr. President, I look forward to working with you to advance a trade agenda that serves the interests of the American people and job creators. With that objective in mind, I urge you to

refocus your administration's efforts on opening overseas markets for American exporters without imposing harmful and unnecessary tax increases on American workers and consumers.

Sincerely,

A handwritten signature in blue ink, appearing to read "Orrin Hatch". The signature is fluid and cursive, with a large initial "O" and "H".

Orrin G. Hatch
Chairman
Senate Committee on Finance

Cc:

The Honorable Steven Mnuchin, Secretary of Treasury
The Honorable Wilbur Ross, Secretary of Commerce
The Honorable Rex W. Tillerson, Secretary of State
The Honorable James Mattis, Secretary of Defense
General H.R. McMaster, National Security Advisor
Gary Cohn, Director of the National Economic Council