## Congress of the United States Washington, DC 20515

February 17, 2022

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

## Dear Ambassador Tai:

We write with serious concern regarding China's failure to live up to its commitments under the Economic and Trade Agreement of January 15, 2020 (the "Phase One Deal"). Particularly troubling to us is the fact that China purchased, on aggregate, *none* of the \$200 billion in additional American goods that it committed to buy under the Phase One Deal – including almost no lobster above 2017 levels. While we understand that the Phase One Deal as negotiated by the prior Administration lacked key enforcement mechanisms, we urge you to hold China accountable for its purchase commitments under the Deal.

The Phase One Deal was opaque and questionably enforceable from the outset. Immediately following the Trump Administration's announcement of the Phase One Deal in January 2020, we wrote to your predecessor asking that – as a measure to promote Chinese accountability and to aid in Deal enforcement – he make public the specific dollar amount lobster that China would buy. USTR Lighthizer never complied with our request. To this day, we, along with our constituents, do not know how much lobster China agreed to purchase.

Maine's lobster industry deserves far better than yet another promise broken by the Chinese government. Prior to 2018, when China imposed retaliatory tariffs on American lobster, our constituents worked hard to develop the Chinese market for Maine lobster. Now, they have lost years of promising market growth – and hundreds of millions of dollars – due to continued tariffs and our government's continued inability to hold China accountable.

More broadly, the United States – across two Administrations – has failed to ensure that China fulfill its purchase commitments under the Phase One Deal. According to the Peterson Institute of International Economics, "China bought *none* of the additional \$200 billion of exports [over 2017 levels] Trump's deal had promised." Specifically, China agreed to buy \$227.9 billion in U.S. goods in 2020 and \$274.5 billion of U.S. goods in 2021. China's actual purchases: \$134.4 billion in U.S. goods in 2020 (*below* the 2017 level of \$151.2 billion) and \$154.4 billion in 2021.

We call on you to take concrete actions that ensure China increases and sustains purchases of Maine lobster in accordance with its broader Phase One Deal commitment to buy \$200 billion in additional American goods. Please answer the following questions no later than March 15, 2022:

- 1. What is the dollar value of lobster that China agreed to purchase under the Phase One Deal?
- 2. What specific steps will you take to ensure that China fulfills its Phase One Deal purchase commitments in the future, and specifically its promise to purchase lobster?

Thank you for your efforts to hold China accountable to its trade commitments. We look forward to your reply.

Sincerely,

ANGUS S. KING, JR.

**United States Senator** 

CHELLIE PINGREE

Member of Congress

JARED GOLDEN

Member of Congress