

KEY VOTE "NO" ON H.R. 4105 TO APPLY COUNTERVAILING DUTY ON NONMARKET ECONOMY COUNTRIES

March 5, 2012

Dear FreedomWorks member,

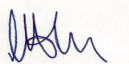
As one of our million-plus FreedomWorks members nationwide, I urge you to contact your representative and ask him or her to vote NO on H.R. 4105, the pending "countervailing duty" bill. Introduced by Rep. Dave Camp (R-MI), this misguided bill would allow the Department of Commerce to continue issuing countervailing duty (CVD) on imports from China, Vietnam and other countries deemed non-market economies (NMEs). H.R. 4105 would hurt U.S. consumers and importers while further escalating a trade war with China. Like other taxes, the cost of tariffs, including "countervailing duties" are only paid by consumers. This bill would reduce the purchasing power of Americans by artificially raising prices with a tax that goes directly in to the government's general revenue.

In December 2011, the Court of Appeals for the Federal Circuit (CAFC) found, in *GPX v. United States*, that U.S. law prohibits the Department of Commerce from applying CVDs to NMEs. This legislation would overturn that decision. Proponents of overturning the CAFC decision claim that applying CVD law to NMEs is critical to leveling the playing field for U.S. employers and workers. But that is simply not true. H.R. 4105 would allow the Department of Commerce to continue applying additional taxes on certain Chinese and Vietnamese imports which increases the cost of those imports for U.S. businesses. These tariffs are paid by U.S. importers, not China or Vietnam. As a result, the bill would further destroy American jobs and slow economic growth.

H.R. 4105 will do more harm than good. Many U.S. businesses rely on low-priced imports. It does absolutely nothing to resolve the underlying problems with the Obama administration's current trade policy. The tariffs will ultimately get passed on to consumers in the form of higher prices for goods. Americans are already facing record high prices for many goods. Congress should not seek to further increase the price of goods. This legislation will also invite trade retaliation from Beijing. If China retaliates by buying goods from elsewhere, American exporters will be hurt in the process. With China being one of America's largest trade partners, we should not seek to irritate our U.S.-China trade relations. Any casual observer of economic history can see that trade wars are a suicide pact, an exercise in mutual destruction in which all are left worse off.

I urge you to call your representatives and ask them to vote NO on H.R. 4105, to apply the countervailing duty provisions of the Tariff Act of 1930 to nonmarket economy countries. We will count their vote as a KEY VOTE when calculating the FreedomWorks Economic Freedom Scorecard for 2012. The Economic Freedom Scorecard is used to determine eligibility for the Jefferson Award, which recognizes members of Congress with voting records that support economic freedom.

Sincerely,



Matt Kibbe
President and CEO
FreedomWorks



FreedomWorks

400 North Capitol Street, NW, Suite 765, Washington, DC 20001

www.FreedomWorks.org

Phone: (202) 783-3870 Fax: (202) 942-7649 Toll Free: 1-888-564-6273