CSUSTL
Committee to Support US Trade Laws

February 17, 2024

Kristi Noem
Secretary
U.S. Department of Homeland Security
Washington, DC 20528

Jeremy Pelter
Acting Secretary
U.S. Department of Commerce
Washington, DC 20230

Amy Karpel
Chair
U.S. International Trade Commission
Washington, DC 20436

Juan Millan
Acting General Counsel
Office of United States Trade Representative
Washington, DC 20510

Re: Importance of Maintaining Probationary Employees for Tariff Revenues and Trade Enforcement

Dear Secretary Noem, Acting Secretary Pelter, Chair Karpel, and Acting General Counsel Millan:

As you know, the Office of Personnel Management (OPM) has directed that all federal agencies terminate their probationary employees. In executing OPM's direction, individual agencies have been given final authority over the removal of their probationary employees. The Committee to Support U.S. Trade Laws (CSUSTL), with its 429 companies and organizations representing 167 industries, including manufacturing, technology, agriculture, mining, energy, and services, is writing to ask that staff levels and the funding necessary for the enforcement or our trade remedy laws be maintained under this authority. These professionals play a vital role in protecting U.S. businesses and workers from unfairly traded imports that steal jobs and hurt American companies. Thus, maintaining staffing levels is critically important to U.S. manufacturers, workers, farmers, ranchers, and fishermen that rely on our trade laws and to the President's America First Trade Policy.

Effective enforcement of our trade remedy laws is vital to preventing serious harm to vulnerable, trade-affected U.S. industries and to ensuring the collection of revenues under the trade remedy laws and the tariff regimes being established by President Trump. Unless these laws are strictly enforced, American companies and workers will be harmed by market-distorting practices abroad. The agencies integral to these enforcement efforts are the U.S. Department of Commerce (including Enforcement and Compliance, within the International Trade Administration (ITA)); U.S. Customs and Border Protection (CBP); the U.S. International Trade Commission (ITC), and the Office of the U.S. Trade Representative (USTR).

In recent years, American companies have been forced to bring rising numbers of trade cases due to the increase in market-distorting practices abroad. This increase in trade remedy cases has already strained the government's ability to effectively enforce these laws and collect duties at current staffing levels. Domestic industries filed 117 antidumping (AD) and countervailing duty (CVD) petitions with the ITA and ITC in FY2024, which is nearly double the average number of petitions filed annually (67.4) in the ten-year period between FY2015 and FY2024. The surge in new petitions in FY2024 is likely to continue as 19 petitions were filed in the first month of FY2025 with record levels anticipated over the course of FY2025. Removing trade enforcement officials now would be like taking police officers off the beat during a crime wave.

Staffing at these three agencies has been challenging in recent years as the caseload for AD/CVD, 232, and 301 proceedings has dramatically increased. The result has been a reduced workforce

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with much of the staff being contractors and probationary employees hired within the last two years. If the reductions in force are fully implemented, up to 60% of the staff dedicated to the enforcement of the laws central to the President's America First Trade Policy will be eliminated. Such an outcome will encourage foreign companies to attack this market with unfair trading practices and will hurt American manufacturers and workers.

Furthermore, the ability of the U.S. government to collect tariff revenues will be seriously compromised If the termination of these contractors and probationary employees is fully implemented.

- In FY2023, CBP collected $3.2 billion in AD/CVD deposits, $187 million in Section 201 duties, $480 million in Section 232 aluminum tariffs, $1.6 billion in Section 232 steel duties, and more than $38 billion in Section 301 duties on imports from China.
- Pursuant to the President's America First Trade Policy, these revenue amounts are likely to substantially increase. In an analysis by the Washington DC based Tax Foundation, it is estimated that the 25 percent tariffs, if permanently imposed, on Canada (excluding energy at 10 percent) and Mexico would increase federal revenues by $880 billion over the next 10 years. The 10 percent tariffs on China would increase revenues by $241 billion over the same period. Changes to the Section 232 steel and aluminum tariffs will raise an additional $53.7 billion over the next decade. But these funds will not be fully collected unless the appropriate agencies are fully staffed.

For all these reasons, cutting staff who are needed to enforce our trade remedy laws would have catastrophic consequences for the American people, the U.S. economy, and President Trump's agenda.

Thank you for consideration of this request.

Sincerely,

Mark B. Benedict
President
Committee to Support U.S. Trade Laws (CSUSTL)
Washington, DC 20006

CC: Acting Director Charles Ezell, U.S. Office of Personnel Management
Chair Tom Cole, House Committee on Appropriations
Ranking Member Rosa DeLauro, House Committee on Appropriations
Chair Susan Collins, Senate Committee on Appropriations
Vice Chair Patty Murray, Senate Committee on Appropriations
Chair Brett Guthrie, House Committee on Energy & Commerce
Ranking Member Frank Pallone, House Committee on Energy & Commerce
Chair Ted Cruz, Senate Committee on Commerce, Science & Transportation
Ranking Member Maria Cantwell, Senate Committee on Commerce, Science & Transportation
Elon Musk, Department of Government Efficiency
The White House