

December 11, 2017

The Honorable Donald J. Trump  
The White House  
1600 Pennsylvania Avenue, NW  
Washington, DC 20500

Dear Mr. President:

We urge you to discourage an increasingly pervasive trend among American companies by rejecting any protectionist remedies recommended by the International Trade Commission (ITC) resulting from a petition filed by Whirlpool against fellow large residential washer (LRW) manufacturers Samsung and LG.

The petition alleges injury under Section 201 of the Trade Act of 1974 and is just the most recent attempt by a U.S. corporation to cynically manipulate American trade law to secure unfair advantage over its competitors. Unqualified support for domestic companies that assert American workers and consumers will benefit from aggressive use of Section 201 and other remedies is misguided. It assumes that companies headquartered in the U.S. are the sole creators of American jobs and that trade deficits are a meaningful measure of the health of America's trade relationship with its economic partners. Neither assumption is accurate with regard to Whirlpool's petition. And if implemented, the ITC's recommendations could result in lost manufacturing jobs in South Carolina and Tennessee. The decision will also have negative rippling effects and implications in other states that aspire to grow our manufacturing opportunities.

Whirlpool is seeking import relief protection in spite of the fact that it is thriving. It is recording profits and enjoys a share of the American LRW market that is equal to the combined share of its two rivals –Samsung and LG. Whirlpool's misuse of U.S. trade law has real-world consequences for hardworking Americans. Foreign direct investment (FDI) creates American jobs. Unfairly targeting overseas businesses with barriers to entry reduces U.S. attractiveness to foreign investment. This happened the last time a U.S. President invoked Section 201 remedies in 2002. Thirty percent tariffs were imposed on steel imports by the Bush administration to devastating effect resulting in the elimination of 200,000 American jobs with minimal benefit to U.S. steel producers. Surely these consequences are not ones your administration would want to repeat.

In South Carolina, workers have a ringside seat to FDI's job creation potential and are deeply concerned that Whirlpool's Section 201 petition threatens the future of a revitalized manufacturing facility that Samsung will operate in Newberry, SC to manufacture state-of-the-art washing machines. Samsung's investment is expected to create around 1,000 good paying jobs for South Carolinians, and the manufacturer has plans to expand operations to Michigan and New Jersey in the near future. Additionally, LG just broke ground for a factory in Tennessee that will generate manufacturing jobs for 600 local workers. Commerce Secretary Wilbur Ross attended the groundbreaking ceremony at that LG facility in August and appropriately commended LG's \$250 million investment into the state's economy. He stated, "Foreign direct investment in America is a win both for the company and for the nation."

Unfortunately, complex trade issues have become politicized and over simplified. Trade surpluses are good – trade deficits bad; exports are good – imports bad; unconditional support for domestic companies is good – foreign competition bad. If only it were that simple. The facts tell a different story. FDI in the U.S. helps to generate American prosperity. Foreign investment in the United States is a significant American job creation engine, and the price of “protecting” U.S. companies is fewer jobs, lost investment and less innovation from protected industries.

The International Trade Commission (ITC) has sent you recommendations for “remedies” to “protect” a successful domestic industry from fairly traded imports manufactured by companies that create jobs for hardworking Americans and provide more choices for American consumers. We are counting on you to stand up to the special interests that are misusing U.S. trade law to gain an unfair advantage over their competitors. Your leadership will dissuade other domestic companies from pursuing meritless Section 201 cases and hopefully encourage American manufacturers to view product innovation rather than protectionism as a growth strategy. Manipulating U.S. trade law to protect companies from competition is bad deal for American workers, consumers and our economy.

Very respectfully,

Representative Kay Christofferson (UT-56)

Representative Alan Clemmons (SC-107)

Representative Cris Dush (PA-66)

Senator Mark Green (TN-22)

Representative Curtis Johnson (TN-68)

Senator Bill Ketron (TN-13)

Representative Dan Laursen (WY-25)

Representative Rex Rice (SC-2)

Representative Jason Saine (NC-97)

Representative Garry Smith (SC-27)

Senator Jim Stalzer (SD-11)

Representative Gary Staples (MS-88)

Representative Bob Thorpe (AZ-6)

Representative Kelly Townsend (AZ-16)

Representative Sam Watford (NC-80)

cc: The Honorable Rhonda K. Schmittlein, Chairman, U.S. International Trade Commission  
 The Honorable Wilbur Ross, Secretary, U.S. Department of Commerce  
 The Honorable Robert Lighthizer, U.S. Trade Representative, Executive Office of the President  
 The Honorable Gary Cohn, Chairman, National Economic Council, Executive Office of the President  
 The Honorable Peter Navarro, White House Office of Trade & Manufacturing Policy  
 The Honorable Rex Tillerson, Secretary, U.S. Department of State  
 The Honorable Orrin Hatch, Chairman, U.S. Senate Committee on Finance  
 The Honorable Ron Wyden, Ranking Member, U.S. Senate Committee on Finance  
 The Honorable Kevin Brady, Chairman, U.S. House Committee on Ways and Means  
 The Honorable Richard Neal, Ranking Member, U.S. House Committee on Ways and Means