

April 15, 2026

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Philip Butler
Chair of the Section 301 Committee
Office of the U.S. Trade Representative
600 17th Street, NW
Washington, DC 20508

Re: Docket No. USTR-2026-0067

Dear Mr. Butler:

Business Roundtable (the Roundtable or BRT) submits these comments in response to the request from the Office of the United States Trade Representative (USTR) in the above-referenced Federal Register Notice (Notice) for public comments concerning the Section 301 investigations into the acts, policies and practices of certain economies relating to structural excess capacity and production in manufacturing sectors (the investigations).

Business Roundtable is an association of more than 200 chief executive officers (CEOs) of America's leading companies, representing every sector of the U.S. economy. BRT CEOs lead U.S.-based companies that support one in four American jobs and almost a quarter of U.S. gross domestic product (GDP).

The Roundtable supports the Trump Administration's goal of strengthening U.S. manufacturing capacity and efforts to combat unfair trade practices that lead to structural excess capacity in certain manufacturing sectors. Utilized strategically, Section 301 of the Trade Act of 1974 (Section 301) can be an effective tool to address discriminatory and unfair trade practices. Non-market practices, in particular, have fueled the surge in structural excess capacity in certain manufacturing sectors and weakened the industrial base in the United States and other market economies. BRT appreciates the opportunity to comment on these investigations and provide the following recommendations to USTR and the inter-agency Section 301 Committee (301 Committee):

- Focus the investigations on specific non-market practices that lead to structural excess capacity in certain manufacturing sectors;
- Prioritize consultations with trading partners to eliminate non-market trade practices; and
- Collaborate with Congress and others across the Administration on a suite of policy reforms to reduce domestic construction and production costs, improving our competitiveness.

Business Roundtable's Interest in the Investigations

To underpin U.S. economic growth and job creation, American companies rely on global supply chains to secure cost-effective inputs that are not readily available domestically, grow U.S. exports, and ensure American products and services achieve domestic and global success. Structural excess capacity derived from unfair trade practices undermines the competitiveness of U.S. firms by distorting prices, eroding profitability and disadvantaging market-based competitors. Over time, this can lead to lost market share, reduced revenues and less investment as companies are pressured to cut costs.

The President's 2026 Trade Policy Agenda rightly underscores the strength of the U.S. economy—its workers, innovation capacity, natural resources and capital base—while also raising important questions about persistent trade imbalances.¹ The investigations into structural excess capacity are an opportunity to better understand the underlying drivers of these dynamics which are present throughout certain manufacturing sectors.

Recommendations

Focus Investigations on Specific Non-Market Practices That Lead to Structural Excess Capacity in Certain Manufacturing Sectors

BRT urges USTR to address specific non-market acts, policies and practices that lead to structural excess capacity in certain manufacturing sectors, particularly those that are strategically significant to the U.S. economy. Section 301 authorizes USTR to take action to eliminate an “act, policy or practice” of a foreign country that is unreasonable or discriminatory and burdens or restricts U.S. commerce,² reflecting Congress's focus on the elimination of the underlying policies or practices causing the United States harm. Consistent with the statute, USTR should prioritize identifying and addressing state-directed policies and practices that distort markets and undermine U.S. competitiveness, such as industrial subsidies and preferential financing; subsidized electricity and energy costs; land grants; export subsidies; local content requirements; currency manipulation; forced technology transfers; sustained government intervention; and the role of state-owned enterprises (SOEs).

Such non-market policies and practices encourage production decisions that are not driven by market signals. They lower costs, reduce risk and prioritize output over profitability, promoting sustained capacity expansion even when underlying demand is weak. Government support and intervention allow inefficient producers to persist, causing excess capacity to accumulate over time. The resulting production decoupled from market conditions leads to oversupply,

¹ USTR, President's Trade Policy Agenda for 2026, pp. 1-2, available at <https://ustr.gov/sites/default/files/files/Press/Releases/2026/2026%20Trade%20Policy%20Agenda.pdf>.

² 19 U.S.C. § 2411(b)(1).

downward pressure on prices and spillover effects in global markets that undermine the competitiveness of market-based producers.³

BRT urges USTR to conduct a thorough analysis of each economy identified in the notice of initiation of investigations to determine whether such non-market practices contribute to structural excess capacity in that economy—and then determine how those practices contribute to persistent trade imbalances rather than starting with the premise that a trade surplus is necessarily indicative of excess capacity.

A trade surplus by itself does not mean that excess capacity was enabled by unfair trade practices, nor does production that exceeds domestic consumption. For example, a country's trade balance reflects a wide range of macroeconomic and structural factors. These factors include the relationship between national saving and investment, fiscal policy, household consumption patterns, exchange rate dynamics, differences in growth models, natural competitive advantages and demographic trends. Notably, several U.S. manufacturing sectors run global trade surpluses and produce output in excess of what the U.S. market alone absorbs, including energy, aerospace and agriculture. These are high-value or natural resource-based industries that succeed because of market-based comparative advantages rather than non-market practices that drive production. Focusing disproportionately on trade surpluses risks inviting reciprocal measures that could impact these same U.S. export sectors.

Prioritize Consultations with Trading Partners to Eliminate Non-Market Trade Practices

Congress clearly intended for USTR to pursue the elimination of any issues identified through a Section 301 investigation. Section 301 grants USTR the authority to impose tariffs to eliminate an act, policy or practice of a foreign government determined to be unreasonable, discriminatory or to unreasonably burden U.S. commerce.⁴ Congress also authorized USTR to enter into a binding agreement with a foreign country to eliminate or phase out the acts, policies or practices at issue in the investigation,⁵ and upon initiation of a Section 301 investigation, to “request consultations with the foreign country concerned regarding the issues involved in [the] investigation.”⁶ If, through these investigations, USTR identifies non-market acts, policies or practices causing structural excess capacity that unreasonably burden U.S. commerce, USTR should prioritize consultations and negotiations with the countries identified in the investigations to obtain the elimination of those acts, policies or practices. Furthermore, the United States should collaborate with like-minded economies on shared challenges stemming from non-market practices.

³ OECD (2025), *OECD Steel Outlook 2025*, OECD Publishing, Paris, <https://doi.org/10.1787/28b61a5e-en>.

⁴ 19 U.S.C. §2411(b)(2).

⁵ 19 U.S.C. §2411(c)(1)(D).

⁶ 19 U.S.C. §2413(a)(1).

If tariffs are determined to be the appropriate remedy in any of the investigations, BRT encourages USTR to adopt a targeted scope and measured implementation timeline that minimizes disruption to the U.S. economy and consumers—including the impact to U.S. agriculture and rural America. Pursuant to the statute’s terms, USTR should ensure that there is a clear and sufficient nexus between any proposed tariffs and attempts to eliminate the specific unjustifiable, unreasonable and discriminatory trade practices identified in the underlying Section 301 investigations. To avoid unintended consequences and reduce costs, USTR should maintain important tariff exemptions for USMCA-compliant goods as well as critical inputs and natural resources not available in the United States, permit phased implementation to allow for supply chain adjustments and negotiations with trading partners, provide access to duty drawback, and ensure tariffs do not stack with relevant tariffs imposed under different regimes, including Section 232 of the Trade Expansion Act of 1962.

Collaborate with Congress and Others Across the Administration on a Suite of Policy Reforms to Reduce Domestic Construction and Production Costs, Improving our Competitiveness

Accelerating manufacturing capacity requires stable economic conditions and consistent policy support over decades. Relocating or expanding manufacturing production in the United States is at best time-consuming, costly and complex but in many cases is infeasible due to unavailability of local inputs or expertise. Building a new manufacturing facility has high costs and can take more than five years, including the time and costs to comply with regulations at the federal, state and local levels. To support the expansion of the domestic manufacturing base, USTR and the Section 301 Committee should work across the Administration and with Congress on strategic policy reforms that will lower costs and increase efficiency in U.S. production. Tariffs alone cannot achieve this, and in many cases, would increase the cost of U.S. production. For the full scope of Business Roundtable’s recommendations for building domestic manufacturing capacity, please review our recent report, [Revitalizing American Manufacturing](#). Recommendations include:

- Competitive Tax Policy: Maintain a low corporate tax rate with policies that lower the cost of domestic investment, research and development, and manufacturing.
- Permitting and Regulatory Reform: Reduce regulatory hurdles, including by streamlining permitting policies, and support innovation by accelerating product approvals where appropriate.
- Strategic Trade Policy: Promote market access for U.S. exporters and combat unfair trade practices.
- Energy and Infrastructure: Ensure affordable, reliable access to energy and strong public infrastructure.
- Workforce Development: Support the U.S. workforce through skills development, partnerships with education and training providers, and legal immigration.

Business Roundtable appreciates the Trump Administration's focus on revitalizing the American manufacturing sector, including through addressing unfair trade practices that disadvantage U.S. businesses. To ensure effective mitigation while minimizing harm to U.S. competitiveness, USTR and the 301 Committee should target investigations on specific non-market practices that drive excess capacity rather than trade balances, prioritize consultations with trading partners to secure meaningful reforms, and work across the government on broad reforms to reduce domestic construction and production costs. The Roundtable appreciates the stakeholder engagement process on these investigations and looks forward to working with USTR as they move forward.

Should you have any questions about this submission, please contact Nasim Fussell, Vice President of Trade and International (nfussell@brt.org or 202-556-2063).