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United States Senate
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February 15, 2022

The Honorable Katherine C. Tai
United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Dear Ambassador Tai:

I am writing to you in light of recent news reports indicating that China has failed to uphold its commitments as part of the Phase One Trade Agreement it reached with the U.S. in January 2020. This agreement committed China to increase its purchases of certain U.S. goods and services in 2020 and in 2021 by at least \$200 billion over the 2017 purchase levels. Specifically, China agreed to purchase at least \$227.9 billion of U.S. exports in 2020 and \$274.5 billion in 2021, for a total of \$502.4 billion over those two years. However, it is being reported that China purchased only \$288.8 billion of these exports over the last two years, significantly less than the \$502.4 billion China had promised to buy. Ensuring China's commitments are upheld is critical to Maine's iconic lobster industry, which supports thousands of jobs and strengthens our coastal communities.

In 2018, China placed a 25 percent tariff on U.S. lobster imports. Before imposition of this tariff, China was the second-largest importer of U.S. lobster, purchasing \$128.5 million in product in 2017. During the first month under the new tariffs, however, live lobster exports to China dropped by 64 percent. I worked very hard with your predecessor, Ambassador Lighthizer, to ensure that lobster was specifically mentioned in the purchase agreement section of the Phase One Trade Agreement, and to secure a commitment from China to match or exceed their pre-tariff lobster purchase levels.

You will recall that I raised this important issue when you appeared before the Senate Commerce, Justice, and Science Appropriations subcommittee last April. In your testimony, you specifically stated that the USTR is scrutinizing China's performance under the Phase One agreement and identifying areas where China needs to improve. You also acknowledged the fact that the lobster industry is critical for Maine.

I urge you to take swift and appropriate action to ensure China upholds the purchase commitments it made under the Phase One Trade Agreement, and in particular its U.S. lobster purchase commitments. I look forward to your responses to the questions below:

1. What is the dollar value of U.S. lobster that China promised to purchase as part of the Phase One Trade Agreement in 2020 and 2021, and how does that compare with the dollar value of U.S. lobster that China actually purchased during that time period?
2. What areas for improvement have you identified in your scrutiny of China's performance under the Phase One Trade Agreement?
3. What actions will you take to hold China accountable to its U.S. lobster purchase commitments?

Thank you for your prompt attention to this matter. If you have any questions, please do not
hesitate to contact [REDACTED]

Sincerely,

A handwritten signature in blue ink that reads "Susan M. Collins". The signature is written in a cursive, flowing style.

Susan M. Collins
United States Senator