The Strengthen American Competitiveness Against Harmful Subsidies Act

The Strengthen American Competitiveness Against Harmful Subsidies Act, introduced by Senators Maggie Hassan (D-NH) and Bill Cassidy, MD (R-LA), would direct the Office of the U.S. Trade Representative (USTR), working with interagency partners, to regularly monitor the People's Republic of China's implementation and planning of unfair industrial subsidies. USTR would then annually report to Congress on the risks that these subsidies pose to U.S. employment and manufacturing in critical industries and make recommendations to address those risks.

The Strengthen American Competitiveness Against Harmful Subsidies Act would ensure that the U.S. is proactively planning responses to China's unfair industrial subsidies and the harm that they cause U.S. businesses and workers. The bill would allow the U.S. to take quicker and more assertive steps to mitigate the economic damage caused by China's unfair trade practices.

As part of its most recent report to Congress, the U.S.-China Economic and Security Review Commission <u>noted</u> that existing U.S. trade tools remain most frequently utilized to address past and ongoing economic harm from unfair industrial subsidies. Senator Hassan and Cassidy's bill would help make the U.S. more proactive by providing analyses and information on emerging Chinese industrial subsidies before or as they are put into place, rather than after they cause economic harm.

China's state-driven trade practices are harmful to the U.S. economy, hurting economic growth and affecting jobs and wages. Building resilience into American manufacturing and strengthening supply chains is an important response to the Chinese government's commitment to unfair competition. The United States must also become more nimble and forward-looking in order to confront China's ever-increasing industrial subsidies, unfilled commitments, and market manipulation.