

Congress of the United States
Washington, DC 20510

February 16, 2024

The Honorable Katherine Tai
United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Ambassador Tai:

We write to encourage you to maintain the existing exclusions from the China Section 301 tariffs for LCD panels and mainboards for televisions.¹ These exclusions are vital to maintaining the last remaining US production of LCD panel televisions at Element Electronics' facility in Winnsboro, South Carolina. Absent the continuation of these exclusions, Element's workers in South Carolina would face a 12% tariff disadvantage versus imports of finished TVs from Mexico and a 4.5% tariff disadvantage versus imports of finished TVs from China. Elements' employees simply cannot compete successfully when facing such severe tariff disadvantages.

Element currently has approximately 550 workers in South Carolina producing LCD televisions. The company relies on imports of LCD panels and mainboards to support its production in South Carolina. Employees at the facility enjoy a living wage as well as health and retirement benefits in an economically disadvantaged community. Any reduction in employment, let alone the potential closure of the facility, would have a devastating impact on the local economy.

Element's employees face significant tariff competitive disadvantages even with the Section 301 exclusion in place. The company competes primarily against imports from Mexico, who utilizes the same LCD panels and mainboards that Element does, but face no tariffs at all on imports of these vital components under USMCA. In contrast, Element faces a 4.5% tariff on imports of LCD panels. If the exclusion from the Section 301 tariffs were to lapse this tariff disadvantage would skyrocket to 12%.

Although Element has gone to great lengths to try to source LCD panels and main boards from outside of China, non-Chinese production has actually declined over the last two years. There has never been US production of LCD panels for televisions. As a result, the company relied primarily on producers in South Korea and additional suppliers in Taiwan for the majority of its LCD panel supply. However, in 2022, as a result of unrelenting price pressure from

¹ Exclusions 20(ttt)(iv)(37) and 20(ttt)(iv)(38), 87 FRN 17380).

Chinese suppliers, South Korean suppliers of LCD panels for televisions announced their exit from the market and were fully out of the market in 2023. After the exit of the South Korean suppliers, China accounted for over 90% of total global LCD panel production for televisions. The only non-China supply option is from producers in Taiwan who lack sufficient capacity to supply demand. There is no known or anticipated investment in or availability of non-Chinese production.

Therefore, it is critical to maintain the existing Section 301 exclusions for LCD panels and mainboards in order to protect this South Carolina facility and the hundreds of workers it supports. We urge you to extend these exclusions and protect American-made manufacturing.

Sincerely,



Ralph Norman
Member of Congress



Michelle Fischbach
Member of Congress