

Summary of Recently Proposed Reshoring, Manufacturing, and Buy America Initiatives Updated May 19, 2020

Tax Cuts and Incentives

U.S. mulls paying companies, tax breaks to pull supply chains from China May 18, 2020 (Reuters)

- "Republican Senator Josh Hawley is pushing for local content rules for medical supply chains, and 'generous investment subsidies' to encourage increased domestic production of a range of goods and components."
 - Americans are ready for a comeback. Congress must help unleash it. April 9, 2020 (Washington Post)
 - "We must also move decisively to secure our critical supply chains and bring production back to this country. The present crisis has revealed just how vital domestic production is to our national life. And yet, for decades, an alliance of big government and big business conspired to outsource the manufacturing of our most crucial supplies and equipment to China and other overseas sites."
 - "It is past time to secure our supply chains by adopting strong local-content requirements for all industries essential to our crisis response, to be phased in when the current emergency ends. These measures should be paired with generous financing for all businesses looking to move back home."
- "Republican Senator **Marco Rubio** introduced a bill May 10 that would bar sale of some sensitive goods to China, and raise taxes on U.S. companies' income from China."
 - o U.S. senator offers bill targeting Chinese industry May 10, 2018 (Reuters)
 - "Rubio, a Republican member of the Foreign Relations Committee, unveiled the "Fair Trade with China Enforcement Act," which among other things would bar the sale of national security sensitive technology and intellectual property, and increase taxes on multinational corporations' income from China."
 - American Industrial Policy and the Rise of China Marco Rubio's speech at National Defense University, December 10, 2019 (American Mind)
 - In order to pursue a balanced relationship with China, Senator Rubio called for a "21st-century pro-American industrial policy." Namely:
 - "I want to ramp up the amount of federal funding for R&D available to small businesses...[and] to modernize existing SBA programs so they prioritize encouraging investment in high-potential firms in strategically important industries such as aerospace, rail, electronics, telecommunications, and agricultural machinery."
 - "Furthermore, we should expand and make permanent the immediate write-off for any business investment in machinery, structures, and land, as well as remove bias in our tax code that incentivizes businesses to buy back shares, instead of reinvesting profits into their firms and workers."
 - "We should continue President Trump's regulatory rollback to achieve a better balance between our nation's economic vitality and commonsense protections."

<u>Kudlow floats cutting corporate tax rate in half for companies returning production to US</u> May 15, 2020 (Fox News)

- "President Trump's chief economic adviser Larry Kudlow on Friday floated the possibility of slashing the corporate tax rate in half for American companies operating overseas if they shift their production back to the U.S."
- "Other possibilities, he said, include a payroll tax cut to boost take-home pay for workers or a reduction in capital gains taxes."

White House floats large corporate tax cut for firms that bring jobs back from overseas May 15, 2020 (Washington Post)

- "Larry Kudlow, director of the White House National Economic Council, floated lowering the tax rate for firms that 'onshore' their supply chains to 10.5 percent as one of a broader set of tax changes the administration is seeking for Congress' next legislative package. The Republican tax law of 2017 already cut the corporate tax rate from 35 percent to 21 percent."
- "Maybe -- this is a maybe -- maybe the corporate tax rate of 21 percent should be lowered by 50 percent to about 10.5 percent for corporations who are coming back home,' Kudlow told the Fox Business Network. 'That's something to look at.'"

<u>Sen. Hawley Outlines Phase 4 Relief Plan: Rehire Workers & Bring Supply Chains Back</u> April 3, 2020 (Office of Josh Hawley)

"Today U.S. Senator Josh Hawley (R-Mo.) announced <u>a new proposal</u> for Phase 4 Coronavirus relief legislation to help get Americans back to work and to position the U.S. economy for a comeback. The proposal includes a major initiative to rehire workers now and keep them on payroll throughout this crisis, new measures to bring critical supply chains back to the United States from overseas and encourage domestic production, and reforms to prevent Wall Street crisis profiteering."

Grants and Direct Payments

<u>DOD Awards \$138 Million Contract, Enabling Prefilled Syringes for Future COVID-19 Vaccine</u> May 12, 2020 (Department of Defense)

- "Today the Department of Defense and the U.S. Department of Health and Human Services, announce a \$138 million contract with ApiJect Systems America for 'Project Jumpstart' and 'RAPID USA,' which together will dramatically expand U.S. production capability for domestically manufactured, medical-grade injection devices starting by October 2020."
- "The contract also enables ApiJect Systems America to accelerate the launch of RAPID USA manufactured in new and permanent U.S.-based BFS facilities with the ultimate production goal of over 500 million prefilled syringes (doses) in 2021. This effort will be executed initially in Connecticut, South Carolina and Illinois, with potential expansion to other U.S.-based locations. RAPID will provide increased lifesaving capability against future national health emergencies that require population-scale vaccine administration on an urgent basis."

Industry-Specific Initiatives: Industrial Manufacturing and Changes to Trade Laws

EO on Delegating Authority Under the DPA to the CEO of the U.S. International Development Finance Corporation to Respond to the COVID-19 Outbreak May 14, 2020 (White House)

• From summary <u>here</u>: "On May 14, President Trump issued an Executive Order delegating his authorities to extend loans and enter into contracts under Title III of the DPA to the CEO of the International Development Finance Corporation (DFC). The Order's stated purpose is to 'expand domestic production of strategic resources needed to respond to the COVID-19 outbreak, including strengthening relevant supply chains within the United States and its territories.' In order 'to create, maintain, protect, expand, and restore the domestic industrial base

capabilities, including supply chains within the United States and its territories ("domestic supply chains"), needed to respond to the COVID-19 outbreak,' the Order authorizes the DFC's CEO, in consultation with the Secretaries of Defense, Health and Human Services, and Homeland Security to make loans and enter into contracts for up to two years. Any loans "extended using the authority delegated by" the Order must be 'be made in accordance with the principles and guidelines outlined in OMB Circular A-11, OMB Circular A-129, and the Federal Credit Reform Act of 1990, as amended (2 U.S.C. 661 et seq.)."

<u>Permanent Buy America Provision from Senators Baldwin and Braun Passes Senate Committee</u> May 7, 2020 (Urban Milwaukee)

- "The Senate Committee on Environment and Public Works (EPW) has passed a permanent "Buy America" provision from Senators Tammy Baldwin (D-WI) and Mike Braun (R-IN) that would rebuild America's crumbling drinking water infrastructure with American-made iron and steel."
- "The Baldwin/Braun reform, the Made in America Water Infrastructure Act, requires that 100
 percent American-made iron and steel is used in water infrastructure projects funded by the
 Drinking Water State Revolving Fund (DWSRF)."

Imports of Aluminum Would Require License Under DOC Proposal May 4, 2020 (STR)

- "The International Trade Administration is proposing to establish an aluminum import monitoring and analysis system, similar to the system the ITA has used for steel since 2005, to monitor for import surges as well as potential transshipment and circumvention of U.S. trade measures, including tariffs. Comments on this proposed rule are due no later than May 29."
- View the full notice from DOC here.

COVID-19 Makes the Case for Resilient Manufacturing April 20, 2020 (Industry Week)

- "Over the past four years, the Manufacturing Policy Initiative (MPI) at Indiana University has identified several dozen policy proposals to improve the competitiveness and resilience of U.S. manufacturing."
- They include: Enact a Broad Investment Tax Credit, Invest in collaborative R&D, Boost productivity of small business, Invest in skills training, Secure the defense industrial base, and Develop a national plan for smart manufacturing.

Industry-Specific Initiatives: Rare Earths

The Pandemic Has Made Industrial Policy Palatable Even to Republicans May 4, 2020 (Bloomberg)

- "To remove China's stranglehold on processed rare earths, any package must, [James Litinsky] says passionately, include tax incentives to encourage a rush of domestic investment in America's industrial economy and such rising sectors as electric vehicles. That would accelerate a repatriation of factories and consumption of what his company makes."
- "What Litinsky is really pushing for—and he confesses his own financial interests are at stake—is a **new American industrial policy**."
- "In the debate over industrial policy, the Mountain Pass Mine is a good example to consider. Even as Litinsky calls for more help, the mine is already a beneficiary of government efforts to boost American industry. MP Materials, its owner, in April was granted an initial Pentagon contract to provide rare earths, the result of an executive order Trump signed last year in which he invoked the Korean War-era Defense Production Act to ramp up domestic processing of rare earths. MP Materials now ships what it mines in California as a concentrate to China for processing. But that's due to change in the coming months, Litinsky says, as the company switches on a Mojave Desert plant that will begin extracting neodymium, praseodymium, lanthanum, cerium, and other elements in the U.S., thereby removing the dependence on Chinese processing."

American Industrial Policy and the Rise of China Marco Rubio's speech at National Defense University, December 10, 2019 (American Mind)

- "But what happens when an industry is critical to our national interest, yet the market determines it is more efficient for China to dominate it? The best example of this is *rare-earth minerals*, which are vital to our defense and technology industry."
- "America currently imports 80 percent of rare-earths from China because the market has
 determined that importing them is more efficient than investing in our own domestic mining
 capacity."
- "What is in our national interest? To adhere to the market's determination and be vulnerable to China crippling our industries and defenses? Or deciding that in this case the threat to our security makes clear the market is not promoting the common good and, therefore, providing government support for increasing our domestic capacity to mine rare-earth minerals?"

Industry-Specific Initiatives: Healthcare and Pharmaceuticals

Legislative Update: Drug Imports, Origin Labeling, WTO May 19, 2020 (STR)

"The <u>Safe and Secure Medicine Supply for Hardworking Americans Act</u> (H.R. 6885, introduced by Rep. Flores, R-Texas) would prohibit the importation of a drug or medical device manufactured at a banned foreign facility and create incentives for pharmaceutical or medical device companies to increase manufacturing capacity in the U.S. A press release from Flores' office states that this bill would (1) penalize foreign manufacturing facilities if they produce tainted drugs as well as the companies that import those drugs into the U.S., (2) place tariffs on drugs imported from China and India to discourage companies from manufacturing drugs outside the U.S., (3) create a registry of all FDA-approved drugs and any active ingredients manufactured outside the U.S., (4) require drug labels to indicate the country of origin for each active ingredient, and (5) provide incentive grants to drug manufacturers to increase their manufacturing capacity and workforce in the U.S."

Emergency Management Priorities and Allocations System: Regulations Governing the Exercise of Compulsory Powers under Title I of the DPA May 13, 2020 (Federal Register)

• From summary here: "The regulations—a response to an April 1 Executive Order delegating Title I authority with respect to health resources need to respond to the COVID-19 pandemic to the Secretary of Homeland Security, who in turn delegated the authority to the FEMA Director—set out the conditions governing FEMA's issuance of prioritization and allocation orders. Prioritization orders enable the government to compel companies to give priority to certain contracts or orders over others. Allocation orders enable the government to direct both producing and receiving companies to shift products to recipients the government determines to be of highest priority."

Sen. Lindsey Graham shares plans to expand PPE production in US May 15, 2020 (WISTV)

- "According to Graham, he plans to file legislation in the Senate in the coming days that would spur manufacturing of personal protective equipment (PPE) for the national medical stockpile."
- "Graham said he hopes to propose an expansion of tax credits to companies to produce PPE. He hopes all of this will help build up the supply in the country."

Congresswoman Lori Trahan Introduces Legislation to Strengthen American Manufacturing and Ensure Readiness during Public Health Emergencies May 11, 2020 (Office of Tori Trahan)

"On Friday, Congresswoman Lori Trahan (MA-03) introduced H.R. 6793, the Pandemic Production Act (PPA), transformative legislation that will reshape how the United States prepares to keep health care workers safe during future infectious disease outbreaks, including a second COVID-19 surge, while also reinvesting in quality, well-paid manufacturing jobs to get the American people back to work post-coronavirus." "The PPA will curb America's reliance on a foreign supply chain of medical supplies and technology, including personal protective equipment and vaccines, that has proved detrimental to our nation's response to the coronavirus. Similar to the Defense Production Act, which provides direct incentives to the defense manufacturing industry to ensure a domestic production line of equipment necessary to protect our national security, the PPA will provide American manufacturers with critical federal funding to supply PPE to frontline workers and maintain domestic production of medical equipment, test kits, treatments, and vaccines."

Graham visits medical fabric producer in the Upstate, calls for more American-made medical supplies and less reliance on China May 8, 2020 (Fox Carolina)

- "U.S. Senator Lindsey Graham (R-South Carolina) on Friday visited Milliken & Company in Pendleton to discuss what he called an urgent need to strengthen the United States' medical supply chain and increase production of Personal Protective Equipment (PPE) in the US, instead of relying on imports from other nations, like China."
- "Graham said he will introduce a bill next week in the Senate to spur manufacturing in the United States by creating domestic procurement requirements for the nation's medical stockpile."

Reps. Brooks, Eshoo introduce Prescription for American Drug Independence Act May 5, 2020 (Homeland Preparedness)

 "U.S. Reps. Susan Brooks (R-IN) and Anna Eshoo (D-CA) introduced legislation that would establish a committee of experts to analyze the impact of U.S. dependence on the foreign manufacturing of lifesaving drugs."

Legislative Update: Food Imports, Pharmaceuticals, WTO May 5, 2020 (STR)

• "The Protecting Our Pharmaceutical Supply Chain from China Act (H.R. 6482, introduced April 10 by Rep. Gallagher, R-Wis.) would require the Department of Health and Human Services to maintain a list of the country of origin of all drugs marketed in the U.S. and ban the use of federal funds for the purchase of drugs manufactured in China."

<u>Delegating Additional Authority Under the Defense Production Act With Respect to Health and Medical Resources to Respond to the Spread of COVID-19 March 27, 2020 (White House)</u>

• From summary here: "EO 13911, Delegating Additional Authority Under the DPA with Respect to Health and Medical Resources to Respond to the Spread of COVID-19 (dated March 27, 2020), was also issued pursuant to the DPA and delegated substantial additional authority to the Secretaries of HHS and Homeland Security ("DHS") beyond the delegations in EO 13909 and EO 13910. The purpose of the EO is to expand domestic production of health and medical resources, including PPE and ventilators, to ensure the United States' healthcare systems have the ability to surge capacity and capability to respond to the COVID-19 outbreak."

Strengthening America's Supply Chain and National Security Act March 19, 2020

- According to a <u>press release</u> form Representative Michael Waltz: "The Strengthening America's Supply Chain and National Security Act is a bicameral bill and is sponsored by U.S. Sens. Marco Rubio (R-Fla.), Kevin Cramer (R-N.D.), Tim Kaine (D-Va.), Chris Murphy (D-Conn.) and Elizabeth Warren (D-Mass.) in the Senate."
- The bill would:
 - "Direct the Department of Defense (DoD) to determine the extent of its dependency on foreign entities for drugs, active pharmaceutical ingredients (API), and pharmaceutical components. The DoD would also be required to determine whether this dependency creates a national security risk and create recommendations to eliminate this issue."
 - "Restore Buy American Act's intent for DoD and Department of Veterans Affairs (VA) purchases."

"Require[] drug makers to provide the Food and Drug Administration (FDA) with information to determine volume of APIs used in pharmaceuticals."

Cotton, Gallagher Introduce Bill to End U.S. Dependence on Chinese-Manufactured Pharmaceuticals March 18, 2020 (Office of Tom Cotton)

- "Senator Tom Cotton (R-Arkansas) and Congressman Mike Gallagher (R-Wisconsin) will tomorrow introduce the Protecting our Pharmaceutical Supply Chain from China Act, which would end U.S. dependence on China for pharmaceutical manufacturing. The bill's key restrictions would go into effect in 2022 and have no impact on the current coronavirus pandemic. No FDA resources will be diverted to begin implementation. Specifically, the bill will:
 - o Track active pharmaceutical ingredients through an FDA registry.
 - Prohibit pharmaceutical purchases from China or products with active pharmaceutical ingredients created in China.
 - Create transparency in the supply chain by instituting a country of origin label of all imported drugs.
 - Provide economic incentives for manufacturing drugs and medical equipment in the United States."

Rubio Urges Trump to Use Federal Loans to Reduce U.S. Reliance on Chinese Medical Supply Chain March 11, 2020 (National Review)

- "Rubio and another Republican Senator, Josh Hawley of Missouri, have both introduced separate bills aimed at increasing American production of pharmaceuticals and decreasing U.S. dependence on foreign supply chains."
- "Rubio's bill would require drug makers to divulge the sources of the active ingredients in their drugs, which will allow the FDA to gauge better how much the U.S. relies on China for these products, and would tighten laws encouraging the Veterans Affairs Department to buy American pharmaceuticals. The bill will also grant federal financing guarantees to American medical-supply companies with production in the U.S., and would increase the tax deduction temporarily for businesses investing in medical equipment and facilities related to the coronavirus outbreak."
- "Hawley's companion bill would allow the FDA greater leeway in requesting information about the sources of drugs and medical devices and would require medical device manufacturers to report an expected shortage to the FDA."
- "The Trump administration also plans to issue an **executive order** aimed at eliminating loopholes that allow the government to buy pharmaceuticals as well as other medical products like face masks and ventilators from China and other countries."

Industry-Specific Initiatives: Technology and Telecommunications

U.S. Companies Set To Move Supply Chains Out Of China May 18, 2020 (Supply Chain Digital)

"New extra-territorial sanctions were placed on Huawei on Friday, China's telecom systems
maker. The plans block Huawei from obtaining foreign-made semiconductors that have been built
using U.S. technology. The government has also begun a \$1bn project to remove Huawei
equipment with rural telecom towers."

TSMC halts new Huawei orders after US tightens restrictions May 18, 2020 (Nikkei Asian Review)

 "Taiwan Semiconductor Manufacturing Co., the world's biggest contract chipmaker, has halted new orders from Huawei Technologies in response to tighter U.S. export controls aimed at further limiting the Chinese company's access to crucial chip supplies, multiple sources told the Nikkei Asian Review."

- "The tighter U.S. controls were announced the same day that TSMC unveiled plans to build a \$12 billion plant in the state of Arizona, a move that U.S. Secretary of State Mike Pompeo said will 'bolster U.S. national security at a time when China is trying to dominate cutting-edge tech and control critical industries."
- For more commentary on this, see <u>TSMC's U.S. reshoring initiative looks wafer-thin</u> May 15, 2020 (Nasdaq)

<u>Commerce Addresses Huawei's Efforts to Undermine Entity List, Restricts Products Designed and Produced with U.S. Technologies May 15, 2020 (Commerce)</u>

• "The Bureau of Industry and Security (BIS) today announced plans to protect U.S. national security by restricting Huawei's ability to use U.S. technology and software to design and manufacture its semiconductors abroad. This announcement cuts off Huawei's efforts to undermine U.S. export controls. BIS is amending its longstanding foreign-produced direct product rule and the Entity List to narrowly and strategically target Huawei's acquisition of semiconductors that are the direct product of certain U.S. software and technology."

White House reportedly in talks with Intel, TSMC to build advanced chip foundries in the US May 11, 2020 (TechCrunch)

- "White House officials are talking to Intel and TSMC about building semiconductor foundries in
 the United States, according to a Wall Street Journal report. U.S. tech companies and the
 government have been trying to reduce the country's dependence on chip factories in Asia for
 years, underscored by national security concerns, the U.S.-China tariff war and now the COVID19 pandemic, which has disrupted supply chains and logistics around the world."
- "The WSJ also reported that some U.S. officials have also talked to Samsung Electronics about expanding its existing contract-manufacturing operations in the U.S. to produce more advanced chips."

Industry-Specific Initiatives: Defense

BIS Broadens U.S. Government Visibility into Exports to Chinese and Russian Military End Users and End Uses April 28, 2020 (C&M)

- "On April 28, 2020, the Department of Commerce's Bureau of Industry and Security (BIS) published two new final rules and a proposed rule amending the Export Administration Regulations (EAR) to: (1) impose export license requirements on an expanded scope of items when destined for "military end use" or to "military end users" in China, Russia, and Venezuela; (2) remove license exception Civil End Users (CIV) and impose a license requirement for national security-controlled items on the Commerce Control List (CCL) to countries of national security concern; and (3) propose a modification of license exception Additional Permissive Reexports (APR) to remove provisions which currently authorize reexports of certain national security-controlled items."
- See also <u>Significant EAR Changes Will Further Restrict Exports to China, Russia, Others</u> April 29, 2020 (STR)

Thornberry Unveils Indo-Pacific Deterrence Initiative April 16, 2020 (House Armed Services Committee)

- "[M]odeled on the European Deterrence Initiative...[t]he legislation calls for \$6.09 billion in FY21 to be spent in the Indo-Pacific region on enhancing missile defense, intelligence, surveillance and reconnaissance programs, infrastructure, prepositioned equipment and munitions, logistics, training and exercises, and programs to strengthen the capacity of allied and partner countries. It builds on the President's own budget request for the region, as well as additional requirements identified by combatant commanders, service secretaries, and Indo-Pacific Command's investment plan, delivered to Congress last month."
- A fact sheet summarizing the bill can be found here.

- Legislative Text can be found here.
- See also <u>Thornberry Urges Boost To Indo-Pacific Spending</u>; A <u>Pacific EDI</u> April 16, 2020 (Breaking Defense) and <u>Congress Seeks to Confront China With \$6 Billion in New Defense Spending</u> April 16, 2020 (Foreign Policy)

Economic Prosperity Network

Trump administration pushing to rip global supply chains from China: officials May 4, 2020 (Reuters)

- "Trump has said repeatedly that he could put new tariffs on top of the up to 25% tax on \$370 billion in Chinese goods currently in place."
 - See <u>Trump's tariffs add to pandemic-induced turmoil of U.S. manufacturers</u> April 30, 2020 (Reuters)
- "The United States is pushing to create an alliance of 'trusted partners' dubbed the 'Economic Prosperity Network,' one official said. It would include companies and civil society groups operating under the same set of standards on everything from digital business, energy and infrastructure to research, trade, education and commerce, he said."
 - See <u>An American-led 'economic prosperity network' could be a good start to not relying</u> on China May 12, 2020 (Washington Times)
- "The U.S. government is working with Australia, India, Japan, New Zealand, South Korea and Vietnam to "move the global economy forward," Secretary of State Mike Pompeo said April 29."
- "Colombian Ambassador Francisco Santos last month said he was in discussions with the White House, National Security Council, Treasury Department and U.S. Chamber of Commerce about a drive to encourage U.S. companies to move some supply chains out of China and bring them closer to home."
 - See <u>Supply chain shifts after U.S.-China tensions</u>, <u>pandemic offer chance for Colombia –</u> ambassador April 22, 2020 (Reuters)
 - See <u>United States seeks more investment in Colombia</u> May 12, 2020 (Embassy of Colombia)

Other Sanctions and Tariff Proposals

Graham, Senators Introduce China Sanctions Legislation May 12, 2020

- "U.S. Senator Lindsey Graham (R-South Carolina) has introduced The COVID-19 Accountability
 Act which authorizes the President to impose sanctions on China if China fails to cooperate and
 provide a full accounting of the events leading up to the outbreak of COVID-19."
- "Under the Graham legislation the President would be required to make a certification to Congress within sixty days that China has: [1] Provided a full and complete accounting to any COVID-19 investigation led by the United States, its allies or UN affiliate such as the World Health Organization (WHO). [2] Closed all operating wet markets that have the potential to expose humans to health risks through the introduction of zoonotic disease into the human population. [3] Released all Hong Kong pro-democracy advocates that were arrested in the post COVID-19 crackdowns."
- "Without certification, the President would be authorized to impose a range of sanctions such as asset freezes, travel bans, visa revocations, restricting United States financial institutions from making loans or underwriting to Chinese businesses, and prohibiting Chinese firms from being listed on American stock exchanges."

Navarro fuels tariff speculation: 'Bill has come due' for China May 11, 2020 (The Hill)

- "Top White House trade adviser Peter Navarro fueled speculation Monday that the Trump administration might retaliate against China with more tariffs."
- "'A bill has to come due for China,' he said in a CNBC interview. 'It's not a question of punishing them, it's a question of holding China accountable, the Chinese Communist Party accountable."

Rep. Green to Introduce SOS ACT to Prevent Chinese-State Acquisition of Companies Affecting U.S. National Security April 22, 2020

- "My bill will set aside \$10 billion from the CARES Act to incentivize America's investors to invest
 their capital in vulnerable companies that are critical to our national security. Investors would
 have investment guarantees, providing them with additional incentives to ameliorate risk and
 keep our defense supply chain strong."
- Legislation summary here.

More News and Commentary

The Coming 'Breaking' Of The China Supply Chain May 17, 2020 (Forbes)

- Ross also said the government has appropriated \$1 billion to get rural telecom towers to remove Huawei equipment.
- Then there's what the [Henry Jackson Society's] report authors call a more positive decoupling, one that does not seek to smash China in the mouth. These include:
 - Adopting a national economic strategy to ensure secure access to goods required to meet strategic industrial needs, which includes localizing these items.
 - Develop a national infrastructure strategy to reduce dependencies caused by China's mercantile market distortions in an effort to strengthen independence from China supply chains in key, high paying job creating areas, namely electronic communications, transportation tech, and building national infrastructure, such as better ports utilizing automation to drive down the costs of trading among countries.

64% of manufacturers say reshoring is likely following pandemic: survey May 14, 2020 (SupplyChainDrive)

"As disruptions from the coronavirus pandemic continue to unfold, 64% of companies across the
manufacturing and industrial sectors "are likely to bring manufacturing production and sourcing
back to North America," to avoid similar difficulties in the future, according to a Thomas survey in
April of 878 North American manufacturing and industrial sector professionals."

Mitt Romney: Coronavirus waking U.S. up to Chinese threat of world dominance April 24, 2020 (Deseret News)

• "But we must go a good deal further. We must align our negotiating strategy and policies with other nations that adhere to the global rules of trade. This means narrowing trade disputes with our friends and uniting against China's untethered abuse," he wrote.

<u>Peter Navarro on Coronavirus: U.S. Has Offshored Essential Medicines to China</u> February 26, 2020 (Breitbart)

• "What I've learned so far, not surprisingly, is that we've offshored far too much of our supply chain, not just for corona but for the essential medicines we need. Same reasons we've offshored a lot of our other stuff — it's cheap labor ... and most of all, unfair trade practices. A lot of it is in China, some of it's in India, some of it's in Europe. We've got to get that back onshore."

<u>Letter from Senator Josh Hawley to the FDA addressing medical supply chain reliance on China</u> February 24, 2020

"The degree to which some of our own manufacturers rely on China to produce life-saving and life-sustaining medications is inexcusable. It is becoming clear to me that both oversight hearings and additional legislation are necessary to determine the extent of our reliance on Chinese production and protect our medical product supply chain."