



June 7, 2022

The Honorable Joseph R. Biden
President
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Biden,

Thanks to your leadership, the U.S. economy is experiencing a strong, rapid recovery from the COVID-19 public health and economic emergency. But as our communities have reopened, strong demand for goods and services has outpaced global supply. Manufacturers and businesses have faced challenges sourcing materials and equipment, finding enough workers, and transporting products. Fighting inflation requires an all-hands-on-deck strategy involving the Federal Reserve, your administration, Congress, and the private sector, and New Dems are committed to building on the actions your administration and Congress have already taken to bring down prices for food, gas, and other goods and services for Americans.

Our constituents are feeling the pain of rising prices, which have stretched the pocketbooks of families across the United States. We are encouraged that inflation decreased between March and April but are clear-eyed that much more work must be done. In response to our constituents' concerns, the New Democrat Coalition established the Inflation Working Group to understand the root causes of inflation and potential solutions to alleviate inflation. We hope your administration can take additional steps to reduce inflation and ask that you work with Congress to pass legislation to help lower the cost of living for all Americans.

First, we urge you to swiftly re-evaluate Trump-era tariffs, where appropriate, to ensure they serve a strategic purpose without unduly harming American workers and businesses. As part of this effort, we ask that you immediately establish a comprehensive, fair, and transparent exclusion process for Chinese imports under Section 301. Already, your administration has taken bold action to roll-back Trump-era tariffs on steel and aluminum from U.S. allies. Congress has also made clear through legislation and bipartisan letters that Americans need more tariff relief. Our working group met with Jason Furman, former Chair of the Council of Economic Advisers under President Obama, who stated that tariff reduction is the "single biggest tool the administration has" for lowering inflation.

From the start, New Dems have criticized the Trump administration's tariff-first, go-it-alone approach to trade policy. While the Chinese Communist Party continues unfair trade practices,

human and worker rights abuses, and aggression around the world, it is imperative that we review and modify U.S. trade actions to ensure that we are achieving our intended outcomes. We welcome your administration's 4-year review of China 301 tariffs. The United States imports roughly the same amount from China that it did before the Trump-era trade actions and China bought none of the extra \$200 billion in American products that Trump's Phase One Agreement required. All the while, American importers have paid more than \$136 billion in tariffs, with these impacts acutely felt by American consumers in the form of higher prices. We must hold China accountable for its behavior, non-market economy practices, and broken commitments while lowering costs for American families.

Second, we should work together to stimulate legal immigration to the United States, which will help reduce our workforce shortage, a primary driver of inflation. Our country's migration levels have dropped in the past several years, due in part to the Trump administration's policies and rhetoric, as well as the pandemic. We recognize the work your administration has already taken to speed up processing for work permits, such as automatically extending the authorization period for employment-based visas to ensure foreign-born workers do not lose their status. We urge you to build on these efforts by cutting bureaucratic hurdles for workers who are already here, and new entrants. New Democrats have already supported the passage of the Farm Workforce Modernization Act and the American Dream and Promise Act, and believe these measures can help reduce inflation by providing certainty for immigrants who help grow our economy.

Third, we commend your administration for tackling impediments to building more housing to increase our affordable housing supply. A primary driver of inflation is the rising cost of rent. New Democrats have prioritized investments in housing, paying particular attention to our nation's lack of affordable housing supply. We support your plan to incentivize communities to enact zoning reform, facilitate new financing, and relax infrastructure permitting to construct new homes. To reinforce your actions, we ask that you work with us to pass legislation to increase affordable housing production and ensure these reforms last.

Fourth, we want to work with your administration to pass legislation to lower costs for consumers, particularly to target the high cost of health care and energy. House Democrats have already passed legislation to allow Medicare to negotiate prescription drug prices, cap out-of-pocket costs for seniors, and cap the price of insulin at \$35 per month. House Democrats have also passed legislation to build on the Affordable Care Act by extending the American Rescue Plan's premium subsidies and filling the coverage gap in non-Medicaid expansion states. We know enacting these policies remains a priority for you. In addition to health care costs, energy prices continue to rise, which is particularly painful for our constituents, especially those with limited alternatives. In the long-term, we should prioritize investments in clean energy to diversify our energy sources and strengthen our nation's energy security. We urge you to prioritize working with us to enact legislation to lower the cost of health care, and invest in clean energy alternatives, all while continuing to reduce the deficit to help lower inflation.

The New Democrat Coalition looks forward to working with you to bring down inflation and urgently address our constituents' needs.

Sincerely,



Rep. Suzan DelBene

Chair

New Democrat Coalition



Rep. Scott Peters

Vice Chair

New Democrat Coalition



Rep. Sharice L. Davids

Vice Chair

New Democrat Coalition



Rep. Ann McLane Kuster

Vice Chair

New Democrat Coalition



Rep. Ami Bera

Vice Chair

New Democrat Coalition



Rep. Chrissy Houlahan

Whip

New Democrat Coalition



Rep. Bradley S. Schneider

Leadership Member

New Democrat Coalition



Rep. Stacey E. Plaskett

Leadership Member

New Democrat Coalition



Rep. Derek Kilmer

Chair Emeritus

New Democrat Coalition



Rep. Kathy Manning

Freshman Leadership Representative

New Democrat Coalition