



April 14, 2026

The Honorable Jamieson Greer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street, NW
Washington, DC 20508

Re: U.S. Importers and Exporters Impacts of Global Excess Capacity and Policy Considerations

Dear Ambassador Greer:

On behalf of the American Association of Exporters and Importers (AAEI), we write to share the perspective of our members regarding the growing global concerns around structural excess capacity in key manufacturing sectors and the implications for U.S. trade policy.

AAEI members—U.S. importers, exporters, and trade service providers—are directly responsible for managing the day-to-day execution of U.S. trade. As such, they are uniquely positioned to assess how policy responses to excess capacity are affecting supply chains, compliance operations, and overall competitiveness.

While AAEI supports efforts to address market distortions caused by non-market practices and subsidized production, our members are experiencing several practical challenges that should be considered in the development and implementation of U.S. trade policy.

Uncertainty and Policy Volatility

Frequent changes in tariffs, trade remedies, and enforcement actions have created a high degree of uncertainty for businesses. This unpredictability complicates sourcing decisions, pricing strategies, and long-term investment planning. Greater clarity and consistency in policy implementation are essential.

Rising Compliance Burdens

Measures designed to address excess capacity—such as antidumping and countervailing duties, origin reviews, and expanded enforcement—have significantly increased compliance complexity. These burdens are particularly acute for small and medium-sized businesses with limited internal resources. Clear guidance and reasonable transition periods are critical to ensuring compliance without unnecessary disruption.

Cost Pressures and Downstream Impacts

Tariffs and trade remedies can increase input costs for U.S. importers and downstream manufacturers, particularly where alternative sourcing options are limited. In some cases, these increased costs reduce the competitiveness of U.S. companies in both domestic and export markets.



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The availability of critical natural resources remains a defining factor in global manufacturing and supply chain strategy. Many essential industries—including semiconductors, pharmaceuticals, batteries, aerospace, agriculture, and advanced manufacturing—depend on access to specific raw materials, rare earth elements, minerals, and agricultural inputs that are geographically concentrated in only a few regions of the world.

In many cases, production and processing facilities are located close to the source of these materials to reduce transportation costs, secure supply continuity, and leverage specialized regional infrastructure and expertise. This geographic concentration increases exposure to geopolitical risk, export controls, environmental regulation, and supply disruptions, making resource access and sourcing resilience a growing strategic priority for global trade and compliance leaders. AAEI encourages consideration of downstream impacts when designing trade measures.

Supply Chain Realities

Reconfiguring global supply chains is a multi-year process. Companies must identify new suppliers, ensure compliance, and scale production in alternative markets. Sudden or retroactive policy changes can disrupt these efforts and create additional risks. Policies should support phased and practical transitions. In response to excess capacity concerns, many companies are diversifying sourcing away from traditional manufacturing hubs.

However, shifting supply chains to alternative markets presents its own challenges:

- In countries such as Vietnam, Thailand, and Indonesia, companies face capacity constraints, infrastructure limitations, and increased regulatory scrutiny as production scales rapidly.
- In Malaysia and India, evolving regulatory frameworks and localization requirements can complicate market entry and expansion.
- In Cambodia and Bangladesh, labor, compliance, and transparency challenges remain key considerations for U.S. companies.
- In Mexico, while nearshoring opportunities are significant, infrastructure bottlenecks, customs administration, and security concerns can affect supply chain reliability.
- In more advanced economies such as Japan, South Korea, and Taiwan, higher production costs and capacity limitations may restrict scalability for certain industries.

These challenges underscore that supply chain diversification is a multi-year process requiring stable and predictable policy support.

Administrative Efficiency and Systems Alignment

Policy responses to excess capacity often generate significant administrative activity, including filings, protests, and refund requests. Without streamlined and automated processes, these requirements can create bottlenecks for both CBP and the trade community. Additionally, systems such as the Automated Commercial Environment (ACE) must be updated promptly to reflect policy changes and ensure accurate recordkeeping.





Maintaining U.S. Competitiveness

AAEI members operate within integrated global supply chains that support U.S. jobs and economic growth. Policies addressing excess capacity should be calibrated to avoid unintended consequences that disadvantage U.S. businesses or restrict access to essential inputs.

Industry Engagement

AAEI members have real-time visibility into the operational impacts of trade policy. We encourage continued engagement with industry stakeholders to identify challenges early, refine implementation approaches, and ensure policies achieve their intended objectives.

In closing, AAEI supports efforts to address global excess capacity and promote fair competition. At the same time, we urge the Office of the United States Trade Representative to ensure that policy responses are implemented with clarity, consistency, and a full understanding of operational realities faced by the trade community.

We would welcome the opportunity to discuss these issues further and to provide additional input as policies are developed and implemented.

Thank you for your consideration and leadership.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "E. Laney Jr.", is positioned above the typed name.

Eugene Laney Jr.

President and CEO



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