

April 25, 2025

The Honorable Kelly Loeffler
Administrator
U.S. Small Business Administration
409 3rd Street, SW
Washington, DC 20416

The Honorable Howard Lutnick
Secretary
U.S. Department of Commerce
1401 Constitution Avenue, NW
Washington, DC 20230

The Honorable Jamieson Greer
Ambassador
U.S. Trade Representative
600 17th Street, NW
Washington, DC 20006

Dear Administrator Loeffler, Secretary Lutnick, and Ambassador Greer,

The unprovoked trade war declared by the Trump administration has caused chaos, uncertainty, and irreparable harm for Main Street businesses across America. To save small businesses from catastrophe, I call on the Administration to immediately exempt them from the tariffs President Trump has recklessly imposed. This administration has shown it is willing to shield multi-billion-dollar tech companies such as Apple and Google from its punishing trade policies. Small businesses are the backbone of the American economy, so it is only fair that the Administration afford them the same relief.

On April 2, 2025, President Trump announced the most sweeping tariff hike the United States has seen since enactment of the Smoot-Hawley Tariff Act of 1930. With his tariffs, President Trump launched a global trade war against almost every country and a domestic trade war against America's Main Streets. President Trump's decision on April 9, 2025, to pause all reciprocal tariffs (except those on China) for 90 days provides little relief to small businesses that have experienced whiplash from Trump's on-again, off-again approach to this sensitive trade policy issue.¹ On China, the Administration has gone back and forth, toying with the idea of tariffs as high as 245% before backing off to a lower, but still unknown, tariff level.²

¹ Ana Swanson & Tony Romm, *Trump Reverses Course on Global Tariffs, Announcing 90-Day Pause*, N.Y. Times (Apr. 9, 2025), <https://www.nytimes.com/2025/04/09/us/politics/trump-tariffs-stocks-china.html>.

² João da Silva, *Trump hints at softening China tariffs and says no plan to sack Fed boss*, BBC News (Apr. 23, 2025), <https://www.bbc.com/news/articles/c86jvw5jp6go>.

Small businesses are the lifeblood of the American economy, but because they operate on razor-thin margins, they are uniquely vulnerable to rising costs caused by the Trump Tariffs.³ These businesses simply do not have the financial cushion to absorb price shocks or the resources to navigate sudden changes to an already complex supply chain. A survey by Small Business for America's Future found that 71% of small businesses will need to increase their prices to offset the costs of these tariffs.⁴ But with consumer confidence at its lowest level since the pandemic, many small business owners know that their customers cannot afford higher prices.⁵ The Trump Tariffs have put small businesses in an untenable situation that threatens their survival.

Big businesses, on the other hand, have tremendous advantages over their smaller competitors due to their enormous scale and deep capital reserves. Yet, the Trump administration has showered these companies with special treatment. Just days after so-called "liberation day" wreaked havoc on the economy, this administration quietly announced late on a Friday evening that iPhones and other electronics equipment primarily imported by hi-tech giants would be uniquely exempt from the wide-sweeping tariffs.⁶ Just like small businesses, companies such as Apple and Google knew that these tariffs would be catastrophic for their bottom line. But unlike small businesses, which can't spend enormous sums on lobbyists in Washington, these multi-billion-dollar companies were able to obtain an eleventh-hour carve out.

While the Trump administration prioritizes and takes care of multi-billion-dollar corporations, small businesses are crying out for relief. To avoid certain doom for millions of small enterprises across the nation, I call on you to exempt any small business, as defined in the Small Business Act, from the devastating Trump Tariffs.⁷ The nation's 34 million small businesses need this relief to avoid being overwhelmed by rapid price increases and driven out of business by their larger, more well-financed corporate competitors.

Failure to protect small businesses will mean countless shuttered doors and empty storefronts on every Main Street across the United States. It will mean that entrepreneurs who have

³ Executive Order, The White House, Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices that Contribute to Large and Persistent Annual United States Goods Trade Deficits (Apr. 2, 2025), <https://www.whitehouse.gov/presidential-actions/2025/04/regulating-imports-with-a-reciprocal-tariff-to-rectify-trade-practices-that-contribute-to-large-and-persistent-annual-united-states-goods-trade-deficits/>.

⁴ *Economic Whiplash: Tariff Uncertainty is Freezing Small Business Growth*, Small Business For America's Future (Mar. 13, 2025), https://irp.cdn-website.com/b4559992/files/uploaded/Economic_Whiplash_Stirs_Small_Business_Alarm.pdf.

⁵ Matt Ott, *Consumer confidence is sliding as Americans' view of their financial futures slumps to a 12-year low*, AP and Financial Post (Mar. 25, 2025), <https://financialpost.com/pmn/us-consumer-confidence-tumbles-for-the-4th-consecutive-month-to-a-12-year-low>.


⁶ Presidential Memoranda, The White House, Clarification of Exceptions Under Executive Order 14257 of April 2, 2025, as Amended (Apr. 11, 2025), <https://www.whitehouse.gov/presidential-actions/2025/04/clarification-of-exceptions-under-executive-order-14257-of-april-2-2025-as-amended/> [hereinafter 'Presidential Memoranda'].

⁷ 15 U.S.C. § 632(a) (1953).

dedicated their entire lives to building a business from the ground up will see their work needlessly undone through no fault of their own. And it will mean that far too many of the 59 million workers employed by small businesses will find themselves out of a job.⁸

America's small enterprises are too important to local communities to be allowed to fail because of this administration's poorly conceived trade policies. If the Administration insists on moving forward with these tariffs, it must recognize the existential threat they pose to millions of small businesses. To spare these small businesses from catastrophe, the Administration should use its authority to protect them from the economic destruction that the Trump Tariffs have unleashed.

Sincerely,



Edward J. Markey

Ranking Member, Committee on Small
Business and Entrepreneurship

⁸ *Frequently Asked Questions About Small Business, 2024*, U.S. Small Business Administration Office of Advocacy (July 23, 2024), <https://advocacy.sba.gov/2024/07/23/frequently-asked-questions-about-small-business-2024/>.