

Bicameral Congressional Trade Authority Act

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January 30, 2019

TO THE MEMBERS OF THE UNITED STATES CONGRESS:

The U.S. Chamber of Commerce strongly supports, and urges you to cosponsor, the “Bicameral Congressional Trade Authority Act,” and opposes, and urges you to reject calls to cosponsor, the “Reciprocal Trade Act.”

The bipartisan “Bicameral Congressional Trade Authority Act,” introduced by Senators Pat Toomey and Mark Warner and Representatives Ron Kind and Mike Gallagher would restore the proper constitutional role of Congress in tariff policy by requiring Congressional approval of tariffs designated under Section 232 of the Trade Expansion Act of 1962.

The Chamber is deeply concerned by the unrestricted use of Section 232 to impose new tariffs.

Tariffs imposed on steel and aluminum imports have harmed U.S. industry and elicited retaliatory tariffs from our closest allies, inflicting serious harm on U.S. workers, farmers, and small businesses, and undermine U.S. efforts to build an international coalition of like-

minded countries to combat the use of unfair trade practices. Economic harm is described in detail at TheWrongApproach.com.

A new threat to levy a 25% tariff on all imported automobiles and auto parts would inflict enormous harm on the U.S. economy. Approximately \$350 billion of imports could be affected. The U.S. auto industry — the nation’s largest manufacturing sector — and many downstream industries would be profoundly harmed by expected retaliatory action, as would sectors such as agriculture and chemical manufacturing.

Article I of the Constitution vests Congress with the exclusive authority to regulate foreign trade and to levy tariffs. The Congress used this power to delegate to the President the authority to impose tariffs in the Trade Expansion Act of 1962, but the executive’s damaging application of tariffs and tariff threats as leverage in trade negotiations is unlawful given the statute’s narrow focus on national security.

The Chamber also reiterates its staunch opposition to the “Reciprocal Trade Act,” a bill that would cede even more Congressional power to the executive. As we wrote in an earlier letter to the House, this bill would undermine U.S. economic growth and elicit damaging retaliatory tariffs against U.S. exports.

The Chamber urges Congress to support American jobs and restore Congressional constitutional authority over trade policy by supporting the “Bicameral Congressional Trade Authority Act” and to oppose the “Reciprocal Trade Act.”

Sincerely,

Neil L. Bradley