

June 18, 2018

Senator Orrin Hatch
Chairman
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Kevin Brady
Chairman
Committee on Ways and Means
United States House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

Senator Ron Wyden
Ranking Member
Committee on Finance
United States Senate
221 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
United States House of Representatives
341 Cannon House Office Building
Washington, DC 20515

Dear Chairmen and Ranking Members:

The undersigned organizations represent a broad array of U.S. manufacturers, retailers, technology companies, farmers and agribusinesses and other supply chain stakeholders. We are writing to express our deep and increasing concern with the direction of America's trade policy. In particular, we see the growing willingness of the current Administration to use tariffs (and the related use of absolute import quotas) as a major policy tool in an increasing number of trade disputes with our allies as a trend that needs to be addressed by Congress. There are valid reasons for Congress to have delegated significant authority to the President in order to address unfair trade practices and liberalize world trade. However, this extensive unilateral use of tariffs by the Executive Branch is upsetting the historic balance between Congressional and Executive powers, which has worked effectively for many decades to strengthen our economy and grow export opportunities for American manufacturers, service providers, ranchers and farmers, and needs to be reassessed.

The Constitution clearly states that Congress has the power to regulate foreign trade and to specify the parameters of its delegated authority in the area of tariffs. In exercising such delegated authority, members of Congress are entitled, both by statute and custom, to expect that meaningful consultations in the use of this power will occur and that consultations by the Administration with Congress will occur prior to raising tariffs, not after the fact.

Given that this Administration has chosen to use tariffs (and the related use of absolute import quotas) as its single most significant mechanism for restructuring U.S. trade relations, we applaud the Senate Finance Committee's decision to hold a hearing later this week on the use of tariffs under Section 232 as well as the House Ways and Means Committee's previous hearing on the impact of tariffs on our economy and jobs. We urge both Committees to consider a robust congressional response to the Administration's actions. We strongly support increased congressional oversight by your Committees, the holding of expeditious hearings on the

President's use of delegated trade authority, and consideration of whether amendments to existing delegations of authority are necessary to clarify Congress' important role in the execution of the nation's trade policy.

Tariffs, including those (and the related absolute import quotas) already imposed on steel and aluminum imports, those that will be soon be imposed on imports from China, and those that could result from the ongoing Section 232 investigation related to autos and auto parts, harm the American economy, consumers and workers. They raise the cost of manufacturing products in the United States, hurt American families, decrease global competitiveness for American innovators and create a drag on the U.S. economy. There is a long history of tariffs having a negative impact on jobs and the economy which is demonstrated by a number of economic studies looking at the effect of tariffs.

As you are aware, our trading partners have begun to respond to these tariff actions and are now poised to impose some \$90 billion in tariffs on U.S. exports. These retaliatory measures, which many of us predicted, target a broad range of U.S. exports, including agricultural and chemical products. They will further harm American exporters, put at risk millions of American jobs and harm our overall economy. Escalating tariff threats and the potential of trade wars with our trading partners, including with some of our most important allies, create uncertainty that will be felt by Americans across the country and by businesses of all sizes and across all industry sectors. Tariffs, which are taxes imposed by the Administration as well as those that our trading partners apply, will hurt our economy, negate the benefits of tax reform and raise costs for American businesses and families throughout all 50 states.

The longstanding balance between Congress and the Executive Branch in managing U.S. trade policy is crucial to our economic well-being. When this balance is upset, as has happened only occasionally throughout our long and successful history as a trading nation, our broader national economic interests inevitably suffer. It is therefore critical to reassert that balance and ensure that it works effectively to maintain America's much needed success and leadership in the 21st century global economy.

Sincerely,

Air-Conditioning, Heating, and Refrigeration Institute
Alliance of Automobile Manufacturers
American Apparel & Footwear Association
American Association of Exporters and Importers
American Bakers Association
American Chemistry Council
American Exploration & Production Council
American International Automobile Dealers Association
American Petroleum Institute
American Soybean Association
American Supply Association
Associated Equipment Distributors
Associated General Contractors of America

Association of Equipment Manufacturers
Association of Global Automakers
Auto Care Association
Beer Institute
Can Manufacturers Institute
Coalition of American Metal Manufacturers and Users
Farmers for Free Trade
Flexible Packaging Association
Footwear Distributors & Retailers of America
Global Cold Chain Alliance
Grocery Manufacturers Association
Independent Petroleum Association of America
Industrial Fasteners Institute
International Association of Drilling Contractors
Midwest Food Products Association
Motor & Equipment Manufacturers Association
National Automobile Dealers Association
National Barley Growers Association
National Confectioners Association
National Corn Growers Association
National Council of Farmer Cooperatives
National Foreign Trade Council
National Marine Manufacturers Association
National Retail Federation
National Tooling and Machining Association
North American Meat Institute
Organization for International Investment
Outdoor Power Equipment Institute, Inc.
Personal Care Products Council
Pet Food Institute
Petroleum Equipment and Services Association
Precision Machined Products Association
Precision Metalforming Association
Retail Industry Leaders Association
Shelf-Stable Food Processors Association
Specialty Equipment Market Association
Travel Goods Association
Truck & Engine Manufacturers Association
U.S. Canola Association
U.S. Hide, Skin and Leather Association
United States Fashion Industry Association
US Dry Bean Council
USA Dry Pea & Lentil Council
Wine Institute
WineAmerica