

September 18, 2019

Senator Chuck Grassley
Chairman
Committee on Finance
United States Senate
135 Hart Senate Office Building
Washington, DC 20510

The Honorable Richard Neal
Chairman
Committee on Ways and Means
United States House of Representatives
2309 Rayburn 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 Kevin Brady
Ranking Member
Committee on Ways and Means
United States House of Representatives
1011 Longworth House Office Building
Washington, DC 20515

Dear Chairmen and Ranking Members,

The undersigned organizations represent a broad array of U.S. manufacturers, retailers, agricultural and food producers and other supply chain stakeholders who have been adversely affected by the increasing use of tariffs in pursuit of various policy objectives. We believe many of these actions have failed to consider the broader effects on our businesses, our overall economy and our trading relationships. We also believe that Congress must exercise greater oversight and control to ensure that Presidential tariff actions serve our overall national interest.

Because of these concerns, we have decided to form the Tariff Reform Coalition, a broad-based organization dedicated to ensuring clearer guidelines and greater Congressional oversight with respect to Presidential use of tariff authority. Our objective is to work with you to pass appropriate tariff reform legislation as soon as possible.

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, the Administration's overreliance on unilateral tariff increases to address a wide range of policy problems is upsetting the historic balance between Congressional and Executive powers. This balance between the two branches has worked effectively for many decades to strengthen our economy and grow export opportunities.

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 delegating such authority, Members of Congress are entitled, both by statute and custom, to expect that meaningful consultations between the two branches will occur prior to raising tariffs, rather than after the fact or not at all. Whatever the justification for Presidential action to address particular problems, it is critical to weigh the downside effects on American manufacturers, farmers and ranchers, exporters and consumers. It is clear that many of the Administration's tariff actions over the past two years have had significant collateral effects on domestic prices and have led to

extensive retaliation against our exports. We do not believe Congress was sufficiently apprised of these effects. Potential further harm from measures currently under consideration by the Administration and the resulting retaliation by trading partners could have even more sweeping effects throughout the economy.

Given the emergence of tariffs as the single most significant mechanism for restructuring U.S. trade relations and impacting domestic production, we urge both Committees to consider a robust congressional review of this policy shift. Our coalition strongly supports increased congressional oversight by your Committees, including public hearings on the various proposals already introduced. We believe Congress should strongly consider revisions designed to clarify the circumstances in which Executive action is justified under these statutes and to introduce appropriate Congressional review prior to implementation of new tariffs.

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 leadership in the 21st century global economy. We look forward to working with you in the coming months to craft a legislative response that will establish the appropriate balance on tariff authority and enjoy broad bipartisan support.

Sincerely,

American Chemistry Council
American International Automobile Dealers Association
Association of Equipment Manufacturers
Association of Global Automakers
Auto Care Association
Can Manufacturers Institute
Coalition of American Metal Manufacturers and Users
Consumer Technology Association
Farmers for Free Trade
Flexible Packaging Association
Grocery Manufacturers Association
Here for America
Industrial Fasteners Institute
LNG Allies
National Foreign Trade Council
National Retail Federation
North American Association of Food Equipment Manufacturers
Precision Metalforming Association
Printing Industries of America
RV Industry Association
Specialty Equipment Market Association
Truck & Engine Manufacturers Association
United States Fashion Industry Association