

October 19, 2021

Dear Senators,

The undersigned organizations of the Tariff Reform Coalition represent many of the U.S. manufacturers, exporters, retailers, agricultural and food producers, and other supply chain stakeholders adversely affected by the Section 232 tariffs and quotas on imported steel and aluminum products. We write to urge your support for the Bicameral Congressional Trade Authority (BCTA) Act of 2021 (S.2934), which was introduced on October 5, 2021.

The legislation, which amends Section 232 of the Trade Authority Act of 1962 to provide greater Congressional oversight of national security trade actions, is critical to ensuring that all national interests are taken into account prior to the imposition of tariffs or quotas. These interests were not properly weighed in the case of steel and aluminum and our industries are still reeling from the effects of these tariffs - further highlighting the need for additional considerations for future use of these measures.

The broad use of Section 232 tariffs and quotas on steel and aluminum imports has significantly harmed American manufacturers, agriculture producers, consumers and workers. As a result of these actions, consuming industries currently face with record high prices and lead times, as well as supply shortages.

The increased uncertainty has also led to deferred investments in new projects and widespread job losses. In addition to the Section 232 tariffs and quotas, the export competitiveness of U.S. producers has been further impacted by the retaliatory measures imposed by our trading partners. Invoking national security as a justification to protect a few industries, to the detriment of countless others, sets a bad example for the rest of the world and opens the door for other countries to take similar actions.

Congress must reassert its Constitutional role in assessing whether trade actions related to national security are justified. The BCTA would accomplish this by codifying the following reforms to the Section 232 statute:

- Any future potential tariffs that the President seeks to introduce pursuant to a Section 232 investigation would be submitted to Congress, which would then have 60 days to pass an approval resolution supporting the proposed action. Such an approval resolution would be subject to certain fast-track procedures that would assure speedy consideration of the merits of the resolution by both houses.
- The bill clarifies the term “national security” in a way that limits Section 232 investigations to goods with applications in military equipment, energy resources and critical infrastructure needs. Lead investigative authority would be transferred to the Department of Defense, with the Department of Commerce retaining a role in fashioning the appropriate remedy in the event of a positive investigative finding.

- Recognizing the importance of a robust exclusion process for Section 232 actions, the bill provides that this process will be administered by the U.S. International Trade Commission, an agency which has extensive expertise in managing complex administrative procedures, and that all exclusions would be granted on a product-wide and not company-specific basis.
- The bill would allow Congress to reconsider Executive Branch tariffs and quotas which have been imposed under Section 232 within the last four years. Congress would be allowed to consider these actions and, if Congress determined not to pass an approval resolution within 75 days after enactment of the BCTA, those tariffs and quotas would be repealed.

We applaud Senators Toomey (R-PA) and Warner (D-VA) and the other original co-sponsors for their bipartisan leadership in re-introducing this important legislation. We strongly encourage all Senators to cosponsor the Bicameral Congressional Trade Act of 2021 and work towards its swift enactment.

Sincerely,

Air-Conditioning, Heating, and Refrigeration Institute (AHRI)
American Beverage Association
American Chemistry Council
American International Automobile Dealers Association (AIADA)
Associated General Contractors of America
Association of Equipment Manufacturers (AEM)
Auto Care Association
Autos Drive America
Beer Institute
Border Trade Alliance
Coalition of American Metal Manufacturers and Users
Corn Refiners Association
Experiential Designers and Producers Association
Flexible Packaging Association
Industrial Diamond Association of America
Industrial Fasteners Institute
Motor & Equipment Manufacturers Association (MEMA)
National Foreign Trade Council
National Marine Manufacturers Association
National Retail Federation
North American Association of Food Equipment Manufacturers
Pet Food Institute
Precision Machined Products Association
Precision Metalforming Association

Promotional Products Association International (PPAI)
Specialty Equipment Market Association (SEMA)
Truck and Engine Manufacturers Association (EMA)
US Apple Association