

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

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TO THE MEMBERS OF THE U.S. HOUSE OF REPRESENTATIVES:

The U.S. Chamber of Commerce strongly opposes the “United States Reciprocal Trade Act” expected to be introduced by Rep. Sean Duffy. If enacted, the bill would undermine U.S. economic growth and job creation, elicit damaging retaliatory tariffs against U.S. exports, and cede Congressional power to the executive in a manner that raises constitutional concerns.

The bill would effectively give the President unilateral authority to increase U.S. tariffs on imports from any foreign country. The harm to Americans would be immediate: Tariffs are taxes, and they are paid by American families and American businesses.

Many domestic manufacturers depend on foreign sources for materials and components not available in the U.S. or only available in limited quantities or at high prices, so further tariff hikes would undermine U.S. competitiveness, dampen economic growth, and chill job creation. The damage is especially pronounced for small businesses, which represent 98 percent of all U.S. exporters.

The bill would invite massive tariff retaliation against U.S. exports. It does not consider commitments the United States has made in the World Trade Organization (WTO) or other trade agreements, which have reduced foreign tariffs on U.S. exports dramatically. Abandoning these agreements and raising tariffs in a tit-for-tat trade war would inflict substantial harm on the 35 million Americans whose jobs depend on trade. American farmers and ranchers would likely be among the hardest hit, as seen in the foreign retaliation spurred by recent U.S. Sec. 232 and 301 tariffs.

Further, enactment of this bill would raise serious constitutional issues concerning the delegation to the executive of the exclusive power of Congress to “lay and collect Taxes, Duties, Imposts and Excises,” as laid out in Article 1 of the U.S. Constitution. The bill proposes to abdicate to the executive the extraordinary Congressional power to impose tariffs with no meaningful limit on the President’s discretion.

Surely, the Congress could not delegate to the executive the authority to raise income tax rates at whim whenever the President decides that current tax levels are not “fair,” and this proposal relating to a different form of taxation is not substantially different. Recent tariff actions by the executive and the economic damage they have inflicted on American families and businesses argue that Congress should reclaim—not further divest—its tariff authority.

Sincerely,



Neil L. Bradley