Congress of the United States Washington, DC 20515

February 6, 2025

President Donald J. Trump 1600 Pennsylvania Avenue NW Washington, DC 20500

Dear President Trump,

As Members of the House Ways and Means Committee, we urge you to retract your order for across-the-board tariffs on imports from Canada and Mexico before they go into effect. Your use of tariffs as a bargaining chip to settle non-trade issues is counterproductive to the goal of revitalizing manufacturing and bringing back American jobs. The wellbeing of American workers, families, and businesses should never be gambled for the sake of scoring political points.

Make no mistake — across the board tariffs against Canada and Mexico will raise costs for American families on everything from groceries to household staples. These tariffs will also threaten the stability of critical American industries and jobs – from factory workers, farmers, and small businesses – that rely on interconnected supply chains with Canada and Mexico. Your proposed tariffs are expected to cost the average American household over \$1,200 per year¹ and limit economic growth.

It is deeply concerning, and revealing, that your tariff order levies steeper rates on U.S. partners that are actively working with us to address the fentanyl crisis² than it does on China. Threatening our closest allies also undermines America's global leadership and disrupts the progress the United States has made to secure supply chains after the pandemic. Businesses have worked in recent years to move supply chains from places with documented security and labor issues, like China,³ to partners and allies like Canada and Mexico⁴, where we have robust

³ Analytica, O. (2024, October 22). China's supply chain role may pose cybersecurity risks. *Oxford Analytica*. <u>https://www.oxan.com/insights/chinas-supply-chain-role-may-pose-cybersecurity-risks/#:~:text=However%2C</u> %20China's%20significant%20role%20in,particularly%20in%20South%2Deast%20Asia.

⁴ Sadovi, M. W. (2024, October 15). Companies to shift 9% more nearshoring to Mexico. *CFO Dive*. <u>https://www.cfodive.com/news/companies-shift-nearshoring-mexico-supplychains/729937/</u>

¹ Taseschi, E. (2025, January 21). Budget Lab Analysis of Trump Tariff Proposal. Yale Budget Lab. <u>https://budgetlab.yale.edu/research/economic-and-fiscal-effects-trump-administrations-proposed-tariffs</u>; Clausing, K. and Lovely, M (2025, February 3). Trump's tariffs on Canada, Mexico, and China would cost the typical US household over \$1,200 a year. Peterson Institute for International Economics. <u>https://www.piie.com/research/piie-charts/2025/trumps-tariffs-canada-</u> mexico-and-china-would-cost-typical-us-household

² Law Enforcement Cooperation Between United States and Mexico Leads to. (2025, January 24). <u>https://www.justice.gov/usao-az/pr/law-enforcement-cooperation-between-united-states-and-mexico-leads-mexican-takedown-0</u>

mechanisms to address unfair trade practices. For example, the Rapid Response Mechanism of the United States Mexico Canada Agreement (USMCA) has been successfully used to resolve trade disputes and fight back against labor abuses. Yet, by threatening indiscriminate tariffs, you have undermined confidence in our ability to keep our promises in trade agreements, alienated our allies, and affected business and investor confidence in the stability of our economy. You have also failed to demonstrate how these tariffs will create good paying, union jobs with benefits for American workers.

We strongly condemn your misuse of tariffs to skirt Congressional oversight. While we have disagreements on certain trade matters with Canada and Mexico, these problems should be addressed through the USMCA review process, which includes consultation between the Executive branch, Congress, and stakeholders. You have also drastically abused the limited grant of trade powers by Congress to the Executive branch conferred by the International Emergency Economic Powers Act (IEEPA). It does not appear that your invocation of the statute in the Executive Orders meets either substantive or procedural requirements. Threatening tariffs on Canada, which is not a major source of fentanyl, is an inappropriate response to the scourge of the drug in our communities, or to China's continued production and export of fentanyl and its precursors. The statute also requires consultation with Congress at every stage of the process, including the "immediate" transmission of a detailed report to Congress with justifications for why such actions are being taken.

The Constitution clearly states that "Congress shall have Power To lay and collect Taxes, Duties ... and to regulate Commerce with foreign Nations." The scope of these tariffs and the lack of consultation with Congress is brazen executive overreach.

We strongly urge you to retract your order for these damaging tariffs on our North American partners and recommit to strengthen, rather than upend, our shared efforts to secure supply chains and bring good paying jobs back to our communities from China.

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Sincerely,

Tinde J. Jang

Linda T. Sánchez Member of Congress

Suzan K. DelBene Member of Congress

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Richard E. Neal Ranking Member, Committee on Ways and Means