

Congressional Trade Authority Act

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What is Section 232?

Section 232 of the Trade Expansion Act of 1962 (19 USC § 1862) is a Cold War-era trade statute delegating from Congress to the executive branch its authority to put tariffs or quotas on imports that “threaten to impair” U.S. national security.

Under current law, the Department of Commerce conducts Section 232 investigations, with non-binding input from the Secretary of Defense. If Commerce concludes that imports of certain goods threaten national security, the President may proclaim trade actions (tariffs, quotas, etc.) to adjust those imports. Prior to 2018, the last time a President imposed trade actions under Section 232 was in 1986.

Why is Legislation Needed?

Historically, Section 232 actions have been narrow in scope, targeting a few imports with a clear security application from specific countries such as Iran and Libya. However, beginning in President Trump’s first term, Section 232 was used much more broadly to impose sweeping 25% tariffs on foreign steel and now 25% tariffs on imported aluminum. More recently, the authority has been used to target imported lumber as well.

Such wide-ranging Section 232 actions have been economically disruptive and have damaged U.S. relationships with allies. U.S. importers are forced to pay additional taxes on tens of billions of dollars in steel and aluminum imports. Domestic prices for these products have also increased, hurting downstream consumers and manufacturers. Many countries affected by Section 232 tariffs have retaliated against U.S. exports, with agriculture products among the hardest hit. This destructive policy is hurting American manufacturers and consumers, and has undermined our ability to work with our allies on issues such as addressing Chinese unfair trade practices.

Trade actions with such significant repercussions should not be solely within the authority of the executive.

Solution: Congressional Approval for Section 232 Actions

The Bicameral Congressional Trade Authority Act restores Congress’s Article I trade responsibilities. The bill provides:

- 1. Congress has 60 days to approve any proposed Section 232 actions.** If Congress does not pass an approval resolution, the President’s proposed trade actions shall have no force or effect.
 - Motions to proceed to approval resolutions are privileged in both chambers and may not be filibustered. If not reported by committee within 10 days after introduction, resolutions must be discharged.
- 2. Restores national security intent to the Section 232 statute.** In recent years, Commerce began using a broad definition of national security to assess imports, including goods “beyond those necessary to satisfy national defense requirements” in its scope.
 - The legislation transfers investigative authority from Commerce to the Secretary of Defense. Commerce still determines the appropriate remedy in the event of a positive finding from Defense.
 - The legislation defines “national security” and restricts Section 232 investigations to goods with applications in military equipment, energy resources, and/or critical infrastructure. These goods must also constitute a “substantial cause” of a threat to impair U.S. national security.
- 3. Retroactive to Section 232 tariffs.** If Congress does not pass an approval resolution within 75 days after enactment, Section 232 tariffs and quotas imposed within the last 9 years are repealed.
- 4. Requires the International Trade Commission (ITC) to administer an exclusion process for future Section 232 actions.** Given current issues with backlog, pace, and transparency at Commerce, the ITC—with its subject matter expertise—is better positioned to administer future exclusions. Exclusions must be product-wide.
- 5. ITC reports.** The legislation directs the ITC to submit to Congress reports analyzing the industry-specific and downstream effects of any Section 232 actions taken.