

# Tariff Reform Legislation and Congressional Trade Activity – Week of April 7, 2025

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## I. OVERVIEW

On April 9 at 12:01am, reciprocal tariffs on more than 60 countries ranging from 17-50% were scheduled to go into effect, only to be pulled back on April 9 as President Trump **announced a 90-day pause — possibly to July 8. The new announcement keeps the previously established 10% additional baseline tariffs in place and raises the additional tariffs on China to 125% effective midnight April 10**, in response to retaliatory tariffs announced by the country. Trump has stated that he does not expect he will have to raise tariffs higher than this level. The EU initially announced retaliatory tariffs as well, but due to the pause, it has also suspended its countermeasures for 90 days.

The administration's trade actions are raising bipartisan interest among members of Congress to reassert their authority — or to limit the president's authority — over trade policy. On April 3, Senators Maria Cantwell (D-WA) and Chuck Grassley (R-IA) introduced legislation aimed at curbing executive trade powers — prompted not just by the recent actions by the president but also the past use of Section 301 and Section 232 tariffs and congressionally delegated authority. The proposal arrived just before U.S. Trade Representative Jamieson Greer was to testify before both the Senate Finance and House Ways & Means Committees, on April 8 and 9, respectively.

## II. PUSH FOR THE TRADE REVIEW ACT

### A. Cantwell-Grassley Tariff Reform Bill (S. 1272)

- Includes a notification requirement, where the president must notify Congress within 48 hours of any new tariff action.
- Requires congressional approval for new tariffs within 60 days of enactment, otherwise, all new tariffs on imports expire after that deadline.
- Allows for Congress to vote to terminate any tariff at any time by passing a resolution of disapproval but excludes anti-dumping and countervailing duties.
- Six other GOP Senators support the bill: Sens. Mitch McConnell (R-KY), Jerry Moran (R-KS), Lisa Murkowski (R-AK), Thom Tillis (R-NC), Todd Young (R-IN), and Susan Collins (R-ME).
- Rep. Don Bacon (R-NE) has introduced a House version of the Trade Review Act.

## **B. Legislative Dynamics and Political Headwinds**

Grassley's backing reflects a long-standing view among some Republicans that Congress has abdicated too much control in trade matters to the president and the executive branch.

However, at the moment the bill has little chance of advancing, as the Senate will have a hard time reaching 60 votes, and the measure is unlikely to gain traction in the House given Speaker Mike Johnson's alignment with President Trump's tariff-first trade strategy.

The White House issued a statement on April 7 that the administration opposes the bill and would veto it.

On April 8, Ranking Member of the Senate Committee on Finance Sen. Ron Wyden (D-OR) released a bipartisan privileged resolution (meaning it must receive a floor vote) to end the tariffs Trump announced on April 2. Wyden introduced the resolution alongside Sen. Rand Paul (R-KY) and five other Democratic colleagues. The new legislation may force senators to take a position. Previously, four Republicans supported Senator Tim Kaine's (D-VA) resolution that would have ended Trump's emergency declaration on fentanyl trafficking and immigration that underpins tariffs on Canada.

Also this week, the House Rules Committee passed a measure that allows Johnson to keep a Democratic resolution of disapproval off the floor until at least September. The Democratic resolution seeks to cancel the national emergency under the International Emergency Economic Powers Act that the President has declared — the basis for most of his new and threatened tariffs. In March, the committee used a similar procedure to block a resolution to overturn the tariffs targeting Canada.

## **III. HEARINGS AND USTR ENGAGEMENT THIS WEEK**

### **A. Senate Committee on Finance Hearing With USTR Jaimeson Greer (4/8/2025)**

The Senate hearing with Greer took place a day before the sudden about-face by Trump on reciprocal tariffs, but revealed a level of consternation by much of the committee on both sides of the aisle. Several Republican senators expressed concerns over the inflationary threat of tariffs and the potential impact on consumers and questioned the administration's timeline and capability to negotiate with dozens of countries on new trade agreements. Five senators (Johnson (R-WI), Warnock (D-GA), Lankford (R-OK), Tillis (R-NC), and Welch (D-VT)) questioned Greer about whether the administration will consider implementing a product exclusion process, especially for products that will impact ordinary Americans and families' cost of living. Greer stated several times that Trump does not intend to implement an exclusion process but will instead make deals with countries on a case-by-case basis.

Democrats questioned Greer's justification for the proposed reciprocal tariffs, pointing out it took him and the U.S. trade representative (USTR) in the first Trump administration two years to carefully construct the U.S.-Mexico-Canada Agreement (USMCA) to replace the North American Free Trade Agreement (NAFTA). They questioned how thoughtful deals could be constructed with so many countries at once in such a short time.

Overwhelmingly, though, most senators spoke out on behalf of industries that have a strong presence in their state that they did not believe were accounted for — ranging from tourism to seafood and other agricultural exports. Many senators also questioned whether the White House accounted appropriately for non-tariff trade barriers in calculating the reciprocal tariff levels. A number of Republicans and Democrats maintained criticism of any blanket tariffs, insisting on a higher degree of analysis by the USTR and the White House, questioning the actual positive impact on the trade deficit that reciprocal tariffs might have.

Sen. Ron Johnson (R-WI), a Trump loyalist, questioned whether trade deficits were implicitly bad for the U.S. economy and suggested that workforce issues need to be addressed as part of a more fulsome plan to reinvigorate the domestic economy and bring back jobs from overseas.

## **B. House Committee on Ways and Means Hearing With USTR Greer (4/9/2025)**

Greer was testifying before the House Ways and Means Committee when Trump announced the reciprocal tariff pause. Greer, caught in the crossfire, indicated he could not speak on discussions he had had with the president about the pause. Rep. Horsford (D-NV), the first Democrat whose time to speak coincided with the announcement just made, asked if the USTR knew of the decision, questioning whether there was a lack of strategy or coordination. However, the hearing was already in hour three with most members already having been present and unable to address further questions.

Chairman Jason Smith (R-MO) opened the hearing with praise for Trump's aggressive actions to leverage tariffs to achieve fair trade relationships for the U.S., while also criticizing President Biden for not enforcing the Phase One agreement with China and failing to counter perceived Chinese maneuvering around our tariffs. The chairman and House Republicans maintained a much more positive message in line with the president than senators the previous day. Some House Republicans did make the unusual step of expressing trepidation about the path the administration was taking and a need for a greater role from Congress, as well as a desire to address non-tariff barriers more fully.

Ranking Member Neal sharply criticized the president for starting the “dumbest trade war in history,” pushing for Congress to reassert its authority over trade policy. While Greer defended the tariffs, as expected, he did express the need for incentives for domestic production and the onshoring of manufacturing sought by the president.

Both House Republicans and Democrats throughout the hearing made clear their frustration with the blanket approach being pursued by the administration and suggested that Congress should be more engaged in trade deals, while also supporting domestic manufacturing. Members on both sides of the aisle questioned Greer and expressed concerns about the impact on agriculture, especially regarding the threat of escalating retaliatory tariffs.

## **IV. OUTLOOK AND IMPLICATIONS**

- **Legislation:** While the Cantwell-Grassley bill faces long odds, especially in the House of Representatives, it represents a notable bipartisan signal that congressional frustration with broad, unilateral tariff actions is growing. Even assuming it is not passed, the bill creates a potential framework for future reforms — especially if executive trade policy becomes a campaign issue. It's the strongest pushback from the Hill in seeking to reassert congressional authority over trade since Trump first instituted additional tariffs in 2018.

- **Reciprocal Tariffs:** The president's U-turn on most of the reciprocal tariffs, and the course of future negotiations, will continue to make it difficult to predict how these tariff actions may develop. However, Trump's decision not to remove the additional 10% tariffs in his recent announcement indicates a possible floor that, at least for now, the president is not willing to go below. The 90-day pause will allow for negotiations for key countries regarding the additional reciprocal tariffs, and provides some short-term ability for deals to be struck.
- **China:** Trump continues to state that he wants a deal with China, despite the recent escalation to 125% additional tariffs. Trump insists he respects Chinese President Xi Jinping and would like a meeting between the two of them to hash out a deal, but China would like negotiations to start at the staff level.
- **Industry Specific Tariffs:** The White House is still considering additional tariffs outside of the reciprocal tariff framework. One point emerging from the hearings with Greer this week was an imminent investigation into the pharmaceutical industry that may lead to additional tariffs. Semiconductors remain one of the other industries in the crosshairs, but again it appears that an investigation would take place before any tariffs are imposed. Section 232 investigations on copper and lumber are underway. The auto tariffs on Canada also remain in effect.
- **Exclusions:** While Greer said during the Senate Finance hearing that the president had no plans to implement a product exclusion process, Trump stated yesterday in response to a question about specific exemptions that there must be "flexibility" and "we'll take a look at it" — opening up the possibility that there could be an effort to alleviate the burden of tariffs for certain sectors or companies. This may give companies and industry groups a path to argue for sector carve-outs in future deals, or a future process for appeal through USTR.
- **Decision-makers:** Within the White House, there are a number of competing factions at the president's ear regarding trade, promoting different approaches. Notably, it appears that Secretary Bessent's role has grown in the past weeks, given his understanding of markets and promotion of negotiations around the reciprocal tariffs. Much of the president's about-face reportedly is attributed to his (and advisors') uneasiness about what they were observing in the bond markets. Secretary of Commerce Howard Lutnick and National Economic Council Director Kevin Hassett also remain trusted advisors on the broader market implications surrounding trade actions. Peter Navarro remains a top advisor and hardliner on pushing for tariffs, but Elon Musk's public criticism of Navarro does pose a risk of potential fracture inside the White House and opens more questions about the influences on the administration's future policy direction.

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