



The Daily Dish

A Trade Oversight Agenda for Congress

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The current era is far from the high-water mark for efforts to improve access to new markets, level the international economic playing field, and otherwise use more open trade as an engine of prosperity and international cooperation. The Bush Administration actively pushed for new trade agreements, many of which were watered down and signed by President Obama. That administration could not get the Trans-Pacific Partnership over the finish line, and it died in the Trump Administration. President Trump actively opposed international trade, mistakenly believing that every dollar of imports subtracted a dollar from gross domestic product. Serious trade analysts spent those four years drinking.

Which brings us to the present administration, which does not believe at all in the private sector as a source of growth and prosperity, and so cannot imagine that giving it greater access to global consumers will be useful. Despite the fact that workers in export industries are more highly compensated, it believes only in unionization as the route to higher pay. Its bumper sticker should be “Trade Wars Not Trade Agreements.”

So, in this environment, what should be the trade agenda in Congress? AAF’s Tori Smith has a simple and brilliant [suggestion](#): oversight. She notes that U.S. trade policy over the past six years has largely come through executive actions. She adds that: “Congress has the constitutionally granted power to regulate trade, and the House Ways and Means and Senate Finance Committees should exercise oversight of the administration’s trade-related activities,” and argues that there should be four priorities for such oversight:

- [intellectual property \(IP\) waivers](#) at the World Trade Organization (WTO),
- executive trade frameworks,
- outbound investment screening, and
- national security tariff investigations into carbon-intensive goods.

The United States backed a partial waiver of IP protections for COVID-19 vaccines at the WTO in 2022, a move that lawmakers on both sides of the aisle opposed. The WTO is now debating a similar waiver for COVID-19 diagnostics and therapeutics. WTO members had agreed to determine by December 2022 whether to extend a waiver to diagnostics and therapeutics. The International Trade Commission ITC will likely hold public hearings on the issue in 2023. The committees should participate in this process and more generally ensure that the United States protects IP rights for innovative medical products and therapies.

Since 2020, all new trade frameworks (Indo-Pacific Economic Framework, the U.S.-Taiwan Initiative for 21st Century Trade, the Americas Partnership for Economic Prosperity, the U.S.-E.U. Trade and Technology Council, and others) have been conducted by federal agencies without congressional input. Smith notes that “Abipartisan group of senators sent a [letter](#) to the Biden Administration on December 1, 2022, contending that ‘the use of sole executive agreements to reshape trade relations confuses the implementation of an agreement – which may not require congressional action because no domestic laws need to be altered – and the ability to enter into a binding agreement with other sovereign nations without congressional approval.’” It is crucial that

the committees of jurisdiction be consulted on future negotiations.

The United States screens inbound capital investment for national security concerns through the Committee on Foreign Investment in the United States (CFIUS). There has been interest in a “reverse CFIUS” and the 2022 year-end [omnibus spending bill](#) included \$10 million for the Commerce Department and \$10 million for the Treasury Department to study screening outbound investment. The committees of jurisdiction will need to be prepared to review these reports and seek to adopt an incremental and targeted approach that protects Americans’ ability to move capital as freely as possible.

In 2018, President Trump unilaterally imposed tariffs on imports of steel and aluminum under the argument that they jeopardize U.S. national security. The Biden Administration is reportedly signaling it may use this “Section 232 authority” to investigate the impact of carbon-intensive goods on national security. Lawmakers should be concerned about such an overly broad interpretation of national security and pass legislation that limits the executive’s ability to impose new tariffs without congressional consent.

Smith’s paper has much more important detail and discussion.