



Press Release

Executive Authority To Enter Into And Define Free Trade Agreements: A Primer

PAULINA ENCK | APRIL 12, 2023

In response to concerns from U.S. trading partners that the Inflation Reduction Act's (IRA) clean vehicle tax credits discriminate against foreign products, the Department of Treasury in March released guidance on rules for these credits, prompting many in Congress to criticize the Biden Administration for acting without congressional directive. In a new insight, Director of International Economic Policy Tori Smith explores what a trade agreement is and how Congress can productively engage in the process for this proposed rule.

An excerpt:

Congress is correct to question the administration's implementation of the clean vehicle tax credits and Treasury's new proposed rule. Yet it cannot go unsaid that the leeway the administration is exercising is largely possible because of Congress' lack of specificity in the IRA, as well as competing priorities in the law that undermine each other. As the clean vehicle tax credits are implemented and this proposed rule is evaluated, there are several ways in which Congress can engage to influence the process.

[Read the analysis](#)