



## Trade Policy

Even though the U.S. Constitution gives Congress the power to impose and collect taxes, tariffs, and duties, and to regulate international commerce, it is the President who wields most of the power over trade policy and enforcement. (Injury determinations in trade remedy cases are made by the U.S. International Trade Commission, an independent agency.) This is because Congress has enacted numerous laws delegating ever more authority over trade to the President. Thus, during the next four years, President-Elect Biden has the power to exercise enormous control over trade policy and enforcement issues that are critical to the U.S. economy, U.S. companies and their workers, and U.S. trading partners.

### As President, Biden's trade agenda may:

- **Be more focused on multilateral** action to resolve trade conflicts, particularly with China;
- Aggressively enforce U.S. trade remedy laws to protect American businesses and workers from unfair import competition;
- Prioritize **reshoring of medical and other critical supply chains** to protect U.S. economic and national security;
- Delay negotiating new trade deals, because Biden has said he would not enter into new trade agreements “until we’ve made major investments here at home, in our workers and our communities;”
- **Use the USMCA as a template** for negotiating new trade agreements, focusing in particular on the priorities of labor and environmental enforcement;
- Take a leadership role in developing a consensus on **reforms to the WTO**. It would be unlikely to continue the Trump Administration's strategy of blocking the appointment of replacement judges to the WTO Appellate Body;
- **Work more closely with U.S. allies to put pressure on China** to stop its unfair trade practices and reform its state-run economy, though the substance of Biden's China trade policy could be similar to that of President Trump; Biden has vowed to stand up to Beijing, and he has close ties to organized labor, which has condemned “China's denial of basic labor rights,” and China's “massive subsidies to its domestic companies and the predatory practices of its state-owned enterprises, which have cost millions of U.S. jobs and gutted [the U.S.] manufacturing base;” and
- Use trade policies to **combat global warming**.

### Thus, a Biden Administration:

- Might not prioritize a major rollback of the Section 301 tariffs that President Trump imposed on Chinese products;
- Could **use the Section 301 tariffs on Chinese products as leverage to negotiate deeper Chinese concessions** on key structural economic issues including, among others: Chinese theft of U.S. companies' intellectual property; China's forced technology transfer of U.S. businesses in China; and Chinese subsidies to state-owned enterprises (SOEs); and
- Could **enforce strong export controls against China** and continue the Trump Administration's intense scrutiny of Chinese investments in the United States.

### Joe Biden's desire to rebuild relationships with U.S. allies to help confront China on trade and other issues:

- Could deter Biden from utilizing Section 232 of the Trade Expansion Act of 1962 to impose national security tariffs and/or quotas on autos and parts; and
- Could incentivize Biden to **lift the Section 232 steel and aluminum tariffs** the Trump Administration imposed on U.S. allies in 2018 – though that would not be an easy step for Biden, because of U.S. steel industry and the Steelworkers Union pushback, which could delay removal of the tariffs.

### Trade Promotion Authority:

- Congress and the President must enact legislation renewing Trade Promotion Authority (TPA), which expires on July 1. But that could be difficult because of differences between House Democrats and Senate Republicans over possible changes to the law, which allows for an up or down vote to approve a trade agreement in each chamber, without amendments, in exchange for Congressional involvement in the negotiation of trade agreements.