

CLIENT ALERTS

What Butzel Clients (and Others) Can Do Right Now about Tariffs – Write/Call Your Congressional Reps

6.5.2019

The escalating tariffs that President Trump announced on all goods imported from Mexico are set to commence on June 10th, unless a delegation of Mexican officials meeting with Vice President Mike Pence, Secretary of State Mike Pompeo, and others today are able to convince President Trump that Mexico is taking enough action to stop the flow of immigrants crossing into the United States at its southern border. However, Senate Majority Leader Mitch McConnell (R-KY) noted after a caucus lunch briefing with Administration lawyers yesterday that these most recent tariffs, which could cost auto suppliers an estimated \$1 Billion, disrupt the NAFTA-based North American supply chain, and cut US new vehicle sales by up to 1.5 million units annually, did not have any GOP support.

The President aims to use his authority under the International Emergency Economic Powers Act (IEEPA) of 1977 to impose the Mexico tariffs (see Butzel Client Alert from May 31), citing the same emergency immigration crisis at the US southern border that he also declared recently in order to fund a border wall. Both the House and the Senate passed a resolution of disapproval to block that emergency declaration; the President vetoed the measure and Congress did not override it.

Unlike the Section 301 and Section 232 authority the President relied upon to impose tariffs on steel and aluminum and goods from China, the IEEPA does not provide for any notice and comment period prior to implementation. Currently, however, there is an ongoing discussion as to whether the White House would need to issue a new national emergency declaration under the IEEPA. Senator Ron Johnson (R-WI) noted after the Republican luncheon yesterday that the administration “would have to be concerned” about a disapproval resolution vote, since “tariffs are not real popular in the Republican conference.” Administration officials at the lunch were admonished that GOP

Related People

Catherine M. Karol
Of Counsel

Related Services

International Business
International Trade and
Customs Specialty Team

CLIENT ALERTS

support in the Senate for such a resolution could well be enough to override a veto.

While GOP members of the House of Representatives were more circumspect, they too appeared reluctant to provide public support for the President's latest tariffs. When asked about the effect the proposed tariffs would have on his district, House Republican Leader Kevin McCarthy (R-CA) responded:

"Well, I want to make sure that we don't – that we work an agreement that actually protects the border and doesn't have tariffs."

In response to the President's announcement, Rep. Kevin Brady (R-TX), the top Republican on the House Ways and Means Committee, appeared to encourage a diplomatic solution to avoid the proposed tariffs:

"The President has made it clear that Mexico must do more to stop this crisis at the border which seemingly has no end, and he is serious about taking whatever actions are necessary to find a real lasting solution. Mexico is a valued ally and the new tariffs are not yet in effect, so there is a window here for both countries to find common ground. It is in both of our interests to do so, economically and for stronger security. Lawmakers in Congress and Mexico recognize that resolving this issue positively will be essential to passage of the new USMCA that will benefit workers, farmers, and businesses in both countries."

Democratic lawmakers were also circumspect. Senator Gary Peters (D-MI), who is up for re-election in 2020 and serves as ranking member of the Homeland Security Committee, noted: "My Republican counterparts are very concerned about these tariffs". Peters is especially worried about how the proposed tariffs will impact the automotive industry, saying that President Trump's Mexico tariff proposal does little to address the illegal flow of migrants to the U.S.

"This does not make sense," he said in an interview on Squawk Box. "This is a separate policy issue. It certainly goes down a very slippery slope."

Industry groups and others are urging their Washington representatives to contact the White House on this important issue. Anyone affected by these or other tariffs issues should strongly consider sharing their perspectives with their legislators as soon as possible. Contact information for the Michigan Congressional Delegation can be found here – we are also available to assist you with such contacts, including in-person visits.

Catherine Karol

313.225.5308
karol@butzel.com

Leslie Alan Glick

202.454.2839
glick@butzel.com

CLIENT ALERTS

Mitch Zajac

313.225.7059

zajac@butzel.com

Raul Rangel Miguel

202.454.2841

rangel@butzel.com

He Xian

517.372.4449

xian@butzel.com