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KYRA PHILLIPS: We're coming on the air because the Supreme Court has just released a major decision involving President Trump's tariff policies and whether the President exceeded his authority with sweeping reciprocal tariffs on other nations, the centerpiece of his economic agenda. Let's get right to ABC's senior Washington correspondent Devin Dwyer, who covers the Supreme Court for us. Devin, your thoughts here.

DEVIN DWYER: Kyra, this is one of the most significant decisions on presidential power in decades. The Supreme Court, just moments ago, in a 6-to-3 decision authored by Chief Justice John Roberts, invalidated most of President Trump's tariffs. 70 percent of the tariffs he has imposed so far in his second term here have been under the law known as the International Emergency Economic Powers Act. It was written in 1977. He claimed it gave him unlimited power to tariff any country at any level for as long as he wants, and Roberts said the law simply does not give him that authority. Congress, under the Constitution, has the power to tax. Americans, collect tariffs. There's no mention of tariffs in that law and the Supreme Court said he cannot do what he's done, Kyra.

PHILLIPS: All right, Devin thank you. Let's bring in our ABC news legal analyst and former Trump administration official Sarah Isg — Sarah Isgur. So, Sarah, you know your thoughts on the reasoning here?

SARAH ISGUR: This has been a Supreme Court that has really been shrinking down executive power. We saw them do this during the Biden administration with his student loan debt forgiveness. The reasoning here is nearly identical. The idea that presidents cannot look back to old, vague statutes from Congress to expand their own power. This, as Devin said, is a huge shift in presidential authority moving forward, and probably the most important case we've seen from the Supreme Court in decades, really putting the ball in Congress's court. If presidents want to have these big policy initiatives, they will need to work with Congress moving forward.

PHILLIPS: Sarah, thank you. Chief White House correspondent Mary Bruce is at the White House for us. Mary, quite a devastating blow to the President's economic and foreign policy.

MARY BRUCE: Yeah, devastating is right. This is a huge blow to this White House and to this President. Trump, in the lead up to this decision, had said that a ruling against his tariffs would be "devastating and a terrible blow to the U.S. economy and national security." He has used these tariffs as the main leverage, not just for negotiating deals with other foreign countries economic deals, but also as a pressure point in his foreign policy. All of that now coming into question. He has argued that these tariffs have brought great wealth and national security to the country. The government has collected at least \$89 billion in revenue from these tariffs. They could now be asked to refund all of that. There is a lot of questions about what happens to the money that has been collected so far, and what happens to the deals that the President has been negotiating based

off of these tariffs. What happens to other issues, like, for instance, pharmaceutical prices, which he has used these tariffs as a point of leverage to argue new — new deals to bring down pharmaceutical prices with other countries. So, it is the ripple effects of this will be tremendous. What does it mean for the manufacturing here in the U.S., as the President has argued, has been boosted by the threat of these tariffs? Now, it does seem the President perhaps, maybe knew that this decision was coming in very uncharacteristic fashion here at the White House, just a very short time ago. The President is actually currently meeting with governors here at the white house, normally something that the press would be allowed to cover. Instead, the President brought in the cameras and quickly ushered the media out in a way that we don't normally see. I can tell you this: Based off of the President's comments in the lead up to this, while we haven't gotten a reaction from him just yet, he certainly is likely to be deeply frustrated and angry about this decision, Kyra.

PHILLIPS: Mary Bruce at the White House, thanks so much. Well, we are definitely getting reaction if you take a look at the big board. Let's bring in our business correspondent, Elizabeth Schulze. Elizabeth, we're seeing the impact of this decision in real time.

ELIZABETH SCHULZE: We are, Kyra. The Dow now up positive on this news at last check up about 130 points. They're now 180 points. You can see the market trading higher. Businesses have been wanting these tariffs to go away. We know that these tariffs, Kyra, are a higher cost that businesses pay when they import their products from abroad. And we have seen companies all the way from big box retailers like Costco down to small businesses, sue the Trump administration in hopes that if this decision happens from the Supreme Court, they can get that money back. Now, as this refund process could kick off, which is likely to be very messy and very complicated. One thing to keep in mind there is that while some businesses might get money back, that doesn't necessarily mean consumers will. Consumers who have paid higher prices for goods that have been passed down because of those tariffs have already been paying, according to the Yale Budget Lab, \$1,700 in tariffs. Unlikely that that goes right back into consumers pockets, Kyra.

PHILLIPS: Elizabeth. Thank you. All right. Let's bring it all together with our chief Washington correspondent, Jonathan Karl. Listening to Elizabeth there, complicated, messy. Even our Mary Bruce calling this a devastating blow to the President moving forward. The President did use tariffs to leverage many deals. What do you think this means now going forward for the President, what he's been trying to accomplish, Jon?

JONATHAN KARL: Kyra, this is both a monumental decision and frankly, an obvious one. I mean, it seemed clear from the day that Donald Trump came out and announced his so-called reciprocal tariffs on the rest of the world, or most of the world, that he was doing something that was beyond his authority as President. The Constitution, very clearly, as this decision cites, the Constitution very clearly gives the power of imposing duties, tariffs on the — the Congress, not on not to the president. And monumental because Trump's not just economic policy, his foreign policy has been largely used in tariffs. He's negotiated more than a dozen different trade deals or frameworks for trade deals. He often claims that he has achieved peace deals through the use of threatened tariffs, but he has imposed these tariffs unilaterally without congressional

authorization. The authorization that he was citing was a bill, a law that doesn't even include the word tariffs. I think it will be interesting to see how he reacts going forward. Kyra, just yesterday in Georgia, he went off on this saying that he's been waiting forever, the Supreme Court's been keeping him waiting forever, that he clearly has the authority. Now, what I'm looking for is the State of the Union address — address, Kyra on Tuesday, when those Supreme Court justices, at least some of them, will likely be sitting right there in the front rows. What he is going to say in his Supreme Court [sic] address, and will he directly address those justices that have now, in his view, have just defied him?

PHILLIPS: Well, no doubt he's reworking his speech right now. Jon Karl, thank you. And thanks to our entire team.