

Statement of
Ambassador Jamison Greer
The United States Trade Representative

Before the
Subcommittee on Commerce, Justice, Science, and Related Agencies
Committee on Appropriations
United States Senate

Thank you Chairman Moran and Ranking Member Van Hollen for having me today. I am glad we are finally able to gather for this hearing and I am looking forward to our conversation today.

Today, I will focus my brief remarks on the successes of our reciprocal trade negotiations and the resources the Office of the United States Trade Representative needs to carry out its mission in 2026.

As you know, in April, President Trump imposed reciprocal tariffs in response to the national emergency caused by persistent imbalances in our bilateral trade relationships, as indicated by our enormous \$1.2 trillion goods trade deficit – which had increased by 40 percent over the last four years. The result is that we have lost, and continue to lose, the manufacturing capacity that supports our workers, fuels U.S. innovation, and safeguards our economic and national security.

After pausing tariffs at 10 percent to give space for negotiations, USTR worked through the summer and fall to negotiate agreements with interested trade partners. Along the way, we announced trade deals with the United Kingdom and the European Union.

On August 1st, the President modified the overall tariff structure to account for forthcoming deals and each country's bilateral trade deficit with the United States.

Absent a reciprocal trade deal, countries with which we have a trade surplus have a 10 percent rate, countries with which we have a modest trade deficit have a 15 percent rate, and those countries with which we have the most pronounced trade deficits have higher rates.

Throughout the fall the President announced more framework deals with countries, such as Korea, Vietnam, and Thailand and signed the first two formal Agreements on Reciprocal Trade (or ARTs) with Malaysia and Cambodia during his October visit to Southeast Asia.

Since returning, the President announced additional framework deals with El Salvador, Argentina, Guatemala, and Ecuador — demonstrating a strategic approach to the Western Hemisphere focused on expansive new market access and economic and national security alignment.

Last week, I signed the Agreement on Trade in Agricultural Products (ATAP) with Israel, making permanent a trade deal that previously required annual recertification. This deal guarantees our farmers permanent, duty-free access to the Israeli market, and it further strengthens our ties with one of our most important allies.

These agreements achieved long-standing U.S. trade priorities, including the lowering of tariffs on most U.S. exports and elimination of unfair non-tariff barriers. Specifically, 8 countries have committed to ensure market access for current and future U.S. producers using certain meat and cheese terms in the face of the EU's geographical indications (GI) trade agenda; 11 countries have agreed to accept U.S. automotive emission and safety standards; and 9 countries have agreed to accept U.S. FDA approvals for new treatments and medicines. We have also received strong commitments from our trading partners to enhance intellectual property protection, provide a level playing field for U.S. companies with respect to their

domestic labor and environmental protection standards, and improve coordination on economic security.

Unfortunately, some have challenged this program because they oppose the President's trade policy of protecting U.S. producers and obtaining badly needed foreign market access for U.S. exporters. However, I am confident that the Supreme Court will hold that the International Emergency Economic Powers Act permits the President to regulate imports using the customary method of tariffs and that it will defer to President Trump on his recent national emergency determinations. More fundamentally, regardless of the court's decision, tariffs and the Agreements on Reciprocal Trade will remain a robust part of the policy landscape.

Separate from our broader trade negotiations, we have also been in continued talks with China on economic matters. As you may know, most significantly, on October 9th, China announced that trade in any product containing more than 0.1 percent of a rare earth element mined or processed in China, anywhere in the world, would require prior approval from Beijing. This was unacceptable and would have threatened the entire world's industrial production. President Trump responded to this with a credible threat of escalation, followed by a deal that prevented the Chinese from imposing these draconian new restrictions. For the next year, the United States intends to continue negotiating with China, and during that time plans to continue to maintain Reciprocal Tariffs on China at 10 percent, while also continuing to impose Section 301 forced technology transfer tariffs and an additional 10 percent tariff to address the threat of fentanyl. All of this is on the condition that China complies with its commitments to allow exports of rare earths, halt the flow of certain fentanyl precursors to North America, open its market to U.S. soybeans and agriculture, and end retaliation against U.S. firms. We have stabilized the U.S. – China relationship, but serious challenges remain in addressing China's overcapacity and other practices

that are a major driver of our trade deficit. I will work closely with you to ensure more balanced trade and to create a more stable relationship with China over the long term.

I expect we will announce more trade deals, and sign more Agreements on Reciprocal Trade, in the coming weeks. These agreements are breaking the mold of conventional wisdom on trade in Washington and would not be possible without the talented career officials in my office. They are the very best at what they do, layering in the details that make these deals the most extraordinary market access wins that any Administration has achieved. The career officials have helped deliver on the President's agenda and achieve more reciprocal trade relations despite, at times, limited resources and support, and my office would not be able to deliver the results I have described without their tenacious and creative efforts.

The President's trade program has been an enormous undertaking, and while we have met that challenge head on, USTR's funding has essentially remained flat for the past five years. This has posed challenges across the full range of USTR functions, which include negotiating new trade agreements, monitoring and enforcing existing trade agreements, and influencing the direction of the World Trade Organization. Substantively, that has resulted in our budget becoming tighter even as our workload has expanded dramatically. We are now in a position of asking our team to do far more than any other USTR office has required, with fewer team members to shoulder the load.

Recognizing this problem, President Trump requested that USTR's budget be increased to \$72 million for Salaries and Expenses and \$23 million for the Trade Enforcement Trust Fund, a \$21 million total increase over fiscal year 2025 enacted. These additional funds will enable us to hire additional tariff experts and new

personnel to conduct enforcement so that we can expand our vital work realigning American trade policy.

It is my sincere hope that our shared interest in doing what is best for America will allow us to continue to meaningfully collaborate as we work for American producers and workers. I appreciate your consideration of the President's budget request, and I look forward to your questions.