

HOUSE APPROPRIATIONS CJS PANEL EXAMINES USTR

EXECUTIVE SUMMARY

On Apr. 16, the House Appropriations Subcommittee on Commerce, Science, Justice, and Related Agencies held a [hearing](#) to discuss the fiscal year (FY) 2027 budget request for the Office of the U.S. Trade Representative (USTR), featuring testimony from Ambassador Jamieson Greer. Both parties agreed on the need to: (1) reshore manufacturing; (2) expand market access; and (3) bolster national security but disagreed sharply on how tariffs were contributing to those goals. Republicans argued that tariffs were proving successful in expanding domestic manufacturing capacity and discussed how USTR was combatting unfair Chinese trading practices and using trade agreements to advance U.S. interests. Democrats, for their part, contended tariffs were raising costs for consumers and businesses and failing to bring back manufacturing jobs.

OPENING STATEMENTS

Chair Hal Rogers (R-KY) highlighted the FY 2027 USTR request, which calls for an eight percent increase at a total of \$95 million. He explained the increase would support additional personnel investments that would help the office advance its three goals of (1) protecting national security; (2) expanding U.S. market access; and (3) combating unfair trade practices. Chair Rogers noted the importance of the USTR amid ongoing negotiations on the U.S.-Mexico-Canada Trade Agreement (USMCA), and Section 301 tariff investigations.

Ranking Member Grace Meng (D-NY) expressed support for trade policies that: (1) combats unfair trade practices; (2) promotes collaboration with allies; (3) expands market access; and (4) bolsters national security. She criticized the Trump administrations tariff policies as being corrupt, non-transparent, volatile, and harmful to U.S. consumers and business. She argued that the tariffs led to higher costs for small businesses, housing construction, and families, while also failing to result in increased domestic manufacturing capacity.

WITNESS TESTIMONY

USTR Ambassador Jamieson Greer ([testimony](#)) made the case for the Trump administration's tariff policies, arguing that the tariffs are: (1) reducing the trade deficit; (2) encouraging companies to reshore manufacturing; (3) are leading to increases in exports; (4) growing manufacturing productivity and wages; and (5) leveling the playing field. He also highlighted numerous new trade agreements with countries and noted that the FY 2027 request would support the hiring of additional negotiators, attorneys, economists, and other staff to support further trade deals and enforcement activities.

DISCUSSION AND QUESTIONS

Budget Request

- Addressing Chair Rogers' and **Rep. Andrew Clyde's (R-GA)** questions on why the FY 2027 request calls for a \$7 million increase, Mr. Greer explained that the funding will largely support the hiring of additional staff needed to: (1) enforce existing trade agreements; (2) conduct assessments of trade opportunities; and (3) negotiate additional deals.
- Mr. Greer, answering **Rep. Ben Cline's (R-VA)** question on how the budget request supports efforts to target discriminatory digital trade policies in South Korea and the EU, said that section 301 investigations are used to tackle these practices, which all require significant staffing levels to undergo.

Tariffs

- Ranking Member Meng questioned the process the administration used to grant tariff exclusions and the lack of public input and ability of small businesses to see relief. Mr. Greer explained that: (1) exclusions were based on broad principles such as products that can't be grown or extracted in the U.S. or products subject to 232 investigations; (2) USTR engaged in thousands of meetings with industry stakeholders and members of Congress; and (3) that Section 301 tariffs are open to public comments and that small business are encouraged to provide feedback.
- Mr. Greer noted that the administration has relied on congressional authority for its tariff regimes, but that they are broadly supportive of many of the bills introduced granting them additional authority, in response to a question from Ranking Member Meng.
- In response to **Rep. Dale Strong's (R-AL)** question about how to ensure small businesses have clarity on tariffs, Mr. Greer noted that recent trade agreements set "steady" tariff rates that the White House will not change, and that continuity of rates is a priority for the administration.
- **Full Committee Ranking Member Rosa DeLauro (D-CT)** argued that tariffs have: (1) worsened the "cost-of-living crisis;" (2) expanded the manufactured goods trade deficit; and (3) have failed to prevent manufacturing job losses.
- Addressing **Rep. Glen Ivey's (D-MD)** question about if the administration would do anything to ensure that IEPA tariff refunds would go to consumers rather than businesses, Mr. Greer highlighted that [*Learning Resources v. Trump*](#) stipulated that the money be returned directly to businesses.
- Responding to **Rep. Madeleine Dean's (D-PA)** argument that the IEPA tariff refunds should be returned to businesses with interest automatically, Mr. Greer highlighted the refund program through Customs and Border Protection (CBP) and stressed that while he could not comment on refunds as the USTR, he was assured the administration would follow statute.
- When prompted by Rep. Clyde, Mr. Greer highlighted new Stellantis auto manufacturing and Whirlpool factories in the U.S. as examples of the tariffs encouraging the onshoring of manufacturing.

- Addressing **Rep. Frank Mrvan's (D-IN)** critiques of the administration's \$40 billion payment to Argentina, Mr. Greer explained that it was a loan that the U.S. made money from.
- **Rep. Riley Moore (R-WV)** praised tariffs as a "vital" tool for bolstering national security, reshoring manufacturing, and supporting families and communities. Building on this, Mr. Greer noted that tariffs create resilient domestic supply chains critical for national security products such as chips, steel, and pharmaceuticals.

China and Trade Agreements

- Chair Rogers asked how the budget request addresses threats from China. Mr. Greer noted that a portion of additional funds would help hire staff that are subject matter experts that can understand and respond to evolving trade practices in China.
- Speaking about the upcoming summit with China in response to Chair Rogers, Mr. Greer said USTR will focus on: (1) ensuring access to rare earths; (2) encouraging Chinese demand of U.S. agricultural and other goods; (3) reviewing progress on curbing fentanyl trafficking; and (4) preventing other unfair trading practices.
- Addressing Chair Rogers' concerns about Chinese trafficking of pre-cursor chemicals used in fentanyl production, Mr. Greer noted that: (1) the U.S. has imposed tariffs on those chemicals; (2) brings up the topic during any bilateral meetings; and (3) the USTR's closing of the de minimis loophole is helping reduce fentanyl and related chemical imports.
- In response to Ranking Member DeLauro's concerns about the USMCA, Mr. Greer agreed that the deal needs to be renegotiated and that he has prioritized changing rules of origin provisions that incentivize offshoring.
- When prompted by **Rep. Mark Alford (R-MO)**, Mr. Greer argued that tariffs on China have helped reduce the trade deficit, diversify supply chains, and reshore manufacturing. Mr. Greer also touted gains in manufacturing wages and productivity.
- Replying to Rep. Cline's question on how the U.S. is opening the Indian market for U.S. apple producers, Mr. Greer stated that negotiations on a U.S.-India trade agreement are ongoing and that market access for apple producers has been made a priority.
- Mr. Greer, in response to Rep. Cline, asserted that the U.S. would pursue a Section 301 investigation into South Korea if they enforced discriminatory digital trade policies against U.S. social media and digital platform companies, in violation of a recent joint fact sheet.
- In response to Rep. Clyde's question about reducing critical mineral reliance, Mr. Greer revealed that the administration is working on a plurilateral critical minerals trade agreement that would set price floors for critical minerals to counter Chinese price manipulation. The agreement would create a separate market in which member states would agree to pay a certain price for rare earths.
- Addressing Rep. Mrvan's priorities on steel trade under the USMCA, Mr. Greer clarified that the administration's position is that the U.S. will not trade steel with Canada and Mexico if they allow free trade on steel from China and other adversaries.

Misc. Trade Policy

- Answering Rep. Strong's question on export control enforcement, Mr. Greer said that many of the new trade deals require partners to adhere to U.S. export controls, therefore strengthening enforcement.
- Mr. Greer, replying to Rep. Strong's question about resources the agency needs to maintain enforcement, again affirmed that the budget request will support additional staffing, while adding that Congress should implement border adjustment taxes proportional to the trade deficit any given country has with the U.S.
- Rep. Strong asked how to expand market access for U.S. agricultural products, to which Mr. Greer noted that recent trade agreements, such as one with Indonesia, require partners to remove agriculture tariffs.
- Responding to Rep. Alford's question on trade actions impacting the availability of agricultural inputs like feedstocks, fertilizers, and chemicals, Mr. Greer assured him that the administration is not placing any tariffs on these key inputs.
- Rep. Dean applauded the end of the de minimis loophole.