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**Committee:** Senate Appropriations Subcommittee on Commerce, Justice, Science & Related Agencies

**Event:** [A Review of the Activities & Fiscal Year 2026 Funding Priorities of the Office of the U.S. Trade Representative](#)

**Date:** December 9, 2025

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***Executive Summary:***

This hearing focused on ongoing U.S. trade practices and bilateral negotiations, with Members asking for updates on issues both within and outside the office of the U.S. Trade Representative's (USTR) jurisdiction, including Section 232 steel and aluminum tariffs, U.S.-Mexico-Canada Agreement (USMCA) negotiations, U.S.-China relations, and the pending India trade deal.

***Member Toplines:***

*Chair Jerry Moran (R-KS)*<sup>1</sup>: Moran acknowledged the administration's efforts to address the ongoing trade deficit and enable American farmers, workers, and manufacturers to compete on a level playing field. He noted that American tariffs, however, have led to reciprocal tariffs and for trading partners to seek alternate sources, leading to market loss. He expressed optimism that prospective trade deals across Asia will yield increased foreign direct investment here. He noted that President **Donald Trump** negotiated USMCA during his first administration and expressed hope for increased market access and decreased reliance on China. He noted that USTR is requesting its largest budget increase in history and underscored the importance of increased "know-how" to finalize trade deals.

*Ranking Member Chris Van Hollen (D-MD)*: Van Hollen acknowledged the value of tariffs to unlock markets abroad, but underscored that the *International Emergency Economic Powers Act* (IEEPA) is being abused to wield illegal and unconstitutional tariffs and hopes that the Supreme Court will overturn them. He noted that the tariffs have led to increased costs for families and business uncertainty, with the U.S. reporting a net loss of 78,000 manufacturing jobs. He raised the issue that large businesses have been able to negotiate deals with the administration, while small and middle sized businesses are left to suffer.

***Witness Toplines:***

[The Honorable Jamieson Greer, U.S. Trade Representative](#): Greer attested to the success of President Trump's trade agenda, reporting that trade deals with the European Union (EU) and the United Kingdom have led to increased market access for American beef, ethanol, industrial products, and some agricultural goods. He noted that countries where the U.S. has a trade surplus received a 10 percent tariff rate, a minor deficit received 15 percent, and larger offenders with higher rates. He attested to the progress made in Asia and South America,

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<sup>1</sup> Neither of the Senators' opening statements were available online at the time of memo composition.

listing various countries with trade frameworks and deals, and highlighted the trade deal with Israel specifically. He reported that 11 countries have accepted U.S. automotive and safety standards, enabling American car exports. He also highlighted that China has resumed soybean and sorghum purchases, as well as rare earth exports. Greer reported that USTR's budget has been flat for five years, emphasizing the need for increased funding and staffing.

### ***Major Takeaways:***

#### Tariff Impacts

- Full Committee Chair **Susan Collins** (R-ME) flagged that Maine and Canada's trade relations are deeply intertwined, noting that raw materials are shipped to Canada for further processing and then shipped back. On the Section 232 steel and aluminum tariffs, she flagged that the 50 percent tariff is harming the lobster and blueberry industries, highlighting that the knives used for blueberry harvesting are available only in Canada, and asked if reopening the exclusions process was under consideration.
  - Greer noted that Section 232 is a Commerce controlled program and said he would be happy to raise it with Commerce Secretary **Howard Lutnick**.
- Sen. **Jeff Merkley** (D-OR) raised that the average American family is going to pay \$2,000 more a year due to tariffs; Greer disagreed and argued that the study he cited was biased. Merkley added that tariffs and business uncertainty has led to paused investment, to which Greer countered that consumption remains robust and private investment has increased. Merkley disagreed on the latter and offered to submit data.
  - Merkley flagged that the sudden onset of tariffs has forced companies to pay more for goods upon arrival, prompting Greer to cite the "goods on the water" provision as a defense mechanism.
  - Merkley also highlighted that the trade deficit, year over year, has increased.
- Sen. **Deb Fischer** (R-NE) shared that tariffs have harmed Nebraska manufacturers, leading to layoffs. She noted that increased input costs have led to businesses struggling to compete in global markets.
- Committee Vice Chair **Patty Murray** (D-WA) asked if tariffs raise consumer prices, to which he answered no and she pushed back, noting that Treasury Secretary **Scott Bessent** highlighted that tariff exemptions would lower prices. She highlighted that the trade war with Canada has decimated Canadian tourism to Washington and is continuing to harm small businesses.
  - Sen. **Jack Reed** (D-RI) argued that Trump seems indifferent to heightened costs and highlighted the weaponization of the IEEPA to levy tariffs on Brazil due to persecution of former President **Jair Bolsonaro**.
- Sen. **Katie Britt** (R-AL) asked how USTR is facilitating the procurement of specialized equipment needed for plant expansion. Greer stated that President Trump is prioritizing reshoring and reported that he is advising impacted companies on a case by case basis. Britt highlighted that the tariff burden is now higher for domestic manufacturers importing subcomponents than it is for finished products from competitors and asked how USTR is responding. Greer said that countries that are dumping products, such as Vietnam, have higher tariffs.

## Trade Deals

- Collins asked which products under the Vietnamese trade framework will receive a zero percent tariff. Greer replied that only agricultural products, minerals, and ores that cannot be grown or mined here will receive a zero percent rate and that the deal is still pending.
- Sen. **John Kennedy** (R-LA) raised the African Growth & Opportunity Act (AGOA). Greer acknowledged that AGOA expired this year and the administration plans to take one year to reauthorize and improve the program, noting the need to improve effectiveness in light of China's increased presence.
  - Kennedy raised issues with South Africa's AGOA membership. Greer attested to tariffs and nontariff barriers in South Africa and noted that there is a 30 percent reciprocal tariff.
- Fischer highlighted the value of foreign direct investment and asked how the administration is facilitating inbound investment. Greer attested to Commerce's investment accelerator, which is helping foreign businesses understand permitting and connecting them with prospective investment opportunities.
- Sen. **Bill Hagerty** (R-TN) asked how USTR will hold the EU accountable in their recent trade deal and prevent the EU from instating climate restrictions. Greer replied that the EU must accommodate US companies or risk not receiving tariff relief.
- Moran raised challenges regarding soy bean and grain sorghum trade and asked for details on India. Greer acknowledged agricultural trade challenges, but shared that India has been "forward leaning" and has improved its offers.
- Moran asked if there were thoughts on continuing the 1979 zero-for-zero tariff agreement in negotiations with India, Brazil, or Singapore, highlighting that the U.S. exports more in aerospace than they import, and also emphasized the value of USMCA. Greer emphasized that Brazil, India, and Singapore have yet to reach deals and that it remains an option.
- Van Hollen reported that Japan is already the largest foreign investor in the U.S., having already invested \$819 billion in the U.S. as of last year. He asked Greer how they are tracking the additional \$550 billion investment. Greer replied that Commerce is monitoring investment.

## USMCA

- Sen. **Gary Peters** (D-MI) stressed the importance of open communication between USTR and both Congress and stakeholders during the USMCA review process and asked what the administration was prioritizing. Greer stressed the importance of examining rules of origin benefiting U.S. content, citing work on autos in the first Trump administration.
  - Peters asked if the administration's use of IEEPA complicates negotiations. Greer disagreed, arguing that tariffs generate compliance.
- Sen. **Jeanne Shaheen** (D-NH) noted that domestic manufacturing is in its ninth straight month of contraction since "Liberation Day" and highlighted the harm to New Hampshire's economy, noting that Canada is its top trading partner. She asked for an update on USMCA negotiations. Greer replied that Trump is reconsidering the future of the agreement and expressed that he is happy to work with Congress, again stressing

the importance of rules of origin. He shared that he expects to meet with Canada and Mexico, potentially separately, in January.

#### Security Concerns

- Van Hollen raised the affiliates rule and noted that President Trump paused it during a meeting with President **Xi Jinping** in South Korea, and asked why it was traded away. Greer cited the need to mitigate rare earth mineral access risk.
  - Van Hollen then raised concerns regarding violation of the Biden-era diffusion rule, citing a case where a UAE company received a chips deal after its owner invested in the Trump cryptocurrency.
- Kennedy asked if Trump would support sanctions on China for buying Russian oil and Greer replied that he would check in with the White House on how to proceed with the Sanctioning Russia Act of 2025 ([S. 1241](#)).
- Hagerty noted the risk associated with rare earth mineral dependence on China, which he attributed blame to China's commodity dumping. In response, Greer emphasized the importance of independent supply chains, citing the value of the Mountain Pass mine investment.
  - Hagerty highlighted the Restoring American Mineral Security Act ([S. 2839](#)), which would empower USTR to create a critical mineral security alliance with allied nations. Greer affirmed the importance of increased authority.
- Shaheen asked how USTR is building global partnerships to balance against Chinese economic policies. Greer attested to the value of bilateral trade relationships and shared that further trade deal details for finalized agreements will be released in the coming weeks.
- Van Hollen raised concern that the Nvidia chip agreement compromises national security, as does the undoing of the affiliates rule.