



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

Event: [Budget Hearing - Department of Commerce](#)

Date: April 23, 2026

Executive Summary:

On April 23, 2026, the House Appropriations Subcommittee on Commerce, Justice, Science, & Related Agencies held a hearing to review the Fiscal Year 2027 (FY27) budget requests for the Department of Commerce (Commerce). Commerce Secretary Howard Lutnick provided testimony.

- Republicans largely focused on defending the administration’s proposed budget as necessary to strengthen export controls to prevent adversaries from accessing sensitive U.S. technologies.
- Democrats primarily criticized the administration’s proposed budget cuts to essential government programs as harmful to manufacturers, small businesses, and consumers, while also raising ethics concerns concerning Secretary Lutnick’s past relationship with Jeffrey Epstein.
- Tariffs were a major point of contention throughout the hearing, with Democrats arguing they have resulted in economic uncertainty and further exacerbated the cost of living, while Republicans and Secretary Lutnick defended them as a long-term tool to prompt domestic manufacturing and investment.

Member Toplines:

*Subcommittee Chair Hal Rogers (R-KY-05)*¹: Rogers argued that Commerce's proposed FY27 budget, which would reduce funding by \$1.8 billion, reflected the Trump administration’s broader effort to strengthen American competitiveness by countering China’s coercive trade practices, creating domestic jobs, and protecting national security. He highlighted the importance of programs such as the National Oceanic and Atmospheric Administration (NOAA) and the Economic Development Administration (EDA).

Subcommittee Ranking Member Grace Meng (D-NY-06): Meng criticized the Trump administration’s proposed FY27 Commerce budget for cutting programs that support jobs, small businesses, manufacturers, and underserved communities. She highlighted the proposed elimination or defunding of programs such as the Manufacturing Extension Partnership (MEP) and the Minority Business Development Agency (MBDA), framing these cuts as harmful to veterans, seniors, rural communities, and people with disabilities. She further raised concerns

¹ The opening remarks of Subcommittee Chairman Rogers, Subcommittee Ranking Member Meng and Full Committee Ranking Member DeLauro were unavailable at the time of this memo’s distribution.

about potential conflicts of interest involving Lutnick’s family financial ties to Commerce and questioned his credibility by pointing out his ties to Jeffrey Epstein.

Full Committee Ranking Member Rosa DeLauro (D-CT-18): DeLauro asserted that the Trump administration’s tariffs and trade policies have increased costs for families, failed to generate job growth, and contributed to economic instability, noting that some tariffs had been ruled unlawful. DeLauro condemned the proposed FY27 Commerce budget for cutting or eliminating programs she said were proven to create jobs and support economic growth, including the MEP, EDA, and MDBA. She also argued that reducing funding at the Office of the Inspector General would weaken oversight at a time when stronger accountability is needed to prevent waste, fraud, abuse, and self-dealing by public officials.

Witness Toplines:

Hon. Howard Lutnick, Secretary, U.S. Department of Commerce: Lutnick praised the Trump administration for ushering in historic levels of private-sector investment and a renewed focus on domestic manufacturing. He cited major corporate commitments in semiconductors, energy, pharmaceuticals, and other critical industries as evidence that Commerce had helped to attract trillions in capital investment, expand production in the U.S., and strengthen supply chains and national security. He also highlighted “America First” trade policies that have drastically reduced the trade deficit, increased American exports, and secured major trade and procurement agreements. Lutnick defended Commerce’s budget as slashing irresponsible spending and supporting technology upgrades.

Major Takeaways:

Export Control:

- Rogers asked how the proposed increase for the Bureau of Industry and Security’s (BIS) budget would inhibit sensitive U.S. technologies from ending up in the hands of adversaries, and whether BIS is partnering with other law enforcement agencies.
 - Lutnick said that increasing BIS’s budget would strengthen export controls and significantly improve law enforcement agent capacity to prevent other countries from accessing U.S. technology. He stated that BIS works closely with multiple federal partners, including U.S. Customs and Border Protection (CBP), the Department of Homeland Security (DHS), the FBI, and the Department of Justice.
- Rep. **Jefferson Shreve** (R-IN-06) linked foreign scam operations targeting Americans to broader concerns about artificial intelligence-enabled fraud, and asked how increased funding for export control enforcement would help prevent advanced technologies from being diverted to regions with a high density of scam centers.
 - Lutnick said the proposed increase for the BIS would expand the number of law enforcement agents tasked with enforcing export controls on advanced technologies.

Lutnick’s Relationship with Jeffrey Epstein:

- Meng questioned Lutnick about the conflicting timelines of his relationship with Jeffrey Epstein.
 - Lutnick declined to directly answer the question and maintained that he was appearing before the Committee to testify about the budget.
- Rep. **Madeleine Dean** (D-PA-04) questioned Lutnick about his past relationship with Epstein, citing inconsistencies in his prior public statements about when he ended contact with Jeffrey Epstein. She also alleged that Lutnick's family had financially benefited from the administration's tariffs by acquiring tariff refund rights at a discount.

Tariffs:

- Delauro criticized President Trump's trade policies and argued that tariffs had worsened the cost of living crisis for American families and had resulted in a decline of manufacturing jobs.
 - Lutnick defended the policies as being long-term measures and cited examples of manufacturing investments in the U.S. that would generate long term employment once the facilities became operational.
- Rep. **Joe Morelle** (D-NY-25) criticized the administration's tariff volatility, noting that it has led to uncertainty, reduced investment in factory construction, and contributed to manufacturing job loss.
 - Lutnick responded that businesses should continue to build in America, arguing that the administration's tariff strategy was designed to protect domestic industry by driving large-scale investment in domestic advanced manufacturing.
- Morelle argued that tariffs and trade policy were making it more expensive for manufacturers to build in the U.S. and were pushing them to expand overseas instead.
- Rep. **Glenn Ivey** (D-MD-04) questioned the administration's tariff refund process and stated that the refunds were unavailable to smaller businesses or individual customers.

Budget Restructuring:

- Rep. **Andrew Clyde** (R-GA-09) expressed support for the proposed Commerce budget reductions and prompted Lutnick to explain why the EDA and MBDA should be eliminated.
 - Lutnick reported that the programs were ineffective based on Inspector General findings, claiming that a majority of awards were improperly made due to flawed economic analysis. He argued that certain programs, including MEP, had drifted from their original purpose and were not using taxpayer funds efficiently, and said he supported the development of more effective alternatives.
- Delauro criticized Commerce's budget proposal for cutting and eliminating programs that directly support American manufacturing and small businesses and questioned how small businesses could survive without those resources.

Rural Communities:

- Rogers pointed out the importance of the EDA's assistance to coal communities in rural areas.
 - Lutnick acknowledged the importance of coal communities and pledged to ensure appropriated funds were deployed to support areas affected by changes in the coal economy and to drive economic development and job creation.

- Rep. **Frank Mrvan** (D-IN-01) argued that while the administration was celebrating natural gas investments and job creation in states like Ohio and Pennsylvania, his district in Indiana was being forced to bear significant costs from an order to reopen a coal plant, leading to higher electricity rates for local customers.
 - Lutnick said that reopening a coal-fired plant would ultimately lower energy costs and increase coal-related employment.

Pole Attachments:

- Clyde raised concerns that new NTIA rules on pole attachments could force cooperatives to comply with conflicting federal regulations and potentially abandon broadband expansion projects.
 - Lutnick said he was familiar with the issue and stated that both the Tennessee Valley Authority and Blue Ridge Mountain EMC were exempt from the Federal Communications Commission pole attachment rules in question.