LOTSIXTEEN

Committee: House Foreign Affairs Subcommittees on East Asia and the Pacific and South and Central Asia
Event: [More Bang for the Buck: Aligning Commercial Diplomacy Between State and Commerce]
Date: July 14, 2026

Executive Summary:

On July 14, 2026, the House Foreign Affairs Subcommittees on East Asia and the Pacific and South and Central Asia held a joint hearing to examine how the Departments of State and Commerce coordinate U.S. commercial diplomacy to advance American economic and national security interests abroad.

- Members from both parties emphasized that commercial diplomacy should play a larger role in promoting U.S. leadership in artificial intelligence, semiconductors, energy infrastructure, and critical minerals, while reducing dependence on China.
- Republicans focused on expanding U.S. AI exports, securing critical mineral supply chains, and strengthening export controls. Democrats highlighted the importance of leveraging commercial diplomacy to compete for AI infrastructure projects, strengthen allied supply chains, and promote U.S. technology abroad.

Member Toplines:[1]

East Asia and Pacific Subcommittee Chairman Young Kim (R-CA-40): Kim stated that the joint hearing was intended to assess whether the decades-old division of responsibilities between the Departments of State and Commerce remains effective in advancing U.S. commercial diplomacy. She argued that authorities and resources are fragmented across agencies, creating implementation gaps, and called for a more coordinated, expert-driven commercial diplomacy model. Kim also highlighted the Boost American Interests Act (H.R. 9062), as a proposal to better align authority and resources.

East Asia and Pacific Ranking Member Ami Bera (D-CA-06): Bera argued that commercial diplomacy should be a primary tool for promoting U.S. AI leadership, competing for global infrastructure and development projects, and strengthening critical mineral supply chains. He called for greater coordination between State and Commerce, stronger staffing and strategic direction, and highlighted bipartisan initiatives such as the FORGE and DOMINANCE Acts to deepen economic cooperation with allies.

South and Central Asia Subcommittee Chairman Bill Huizenga (R-MI-04): Huizenga emphasized that economic security is national security. He stressed that an American AI export strategy that both prevents advanced U.S. AI from supporting China's military modernization through export controls and accelerates adoption of U.S. AI technologies by allies is essential.

[1] Opening statements were not available online at the time of this memo's distribution.

Witness Toplines:

David L. Fogel, Assistant Secretary, Commerce and Director General of the United States and Foreign Commercial Service International Trade Administration, U.S. Department of Commerce: Fogel emphasized that the Commerce Department's global commercial network advances economic growth, job creation, and national security by helping U.S. companies compete in international markets. He stressed that coordination between State and Commerce is essential to expanding U.S. exports and supporting strategic industries abroad.

Caleb Orr, Assistant Secretary, Bureau of Economic, Energy, and Business Affairs, U.S. Department of State: Orr said the State Department is leveraging commercial diplomacy to secure critical supply chains, reindustrialize the U.S. economy, strengthen the defense industrial base, and expand access to foreign markets. He emphasized using economic statecraft to advance U.S. strategic interests while reducing reliance on geopolitical competitors.

Major Takeaways:

Global AI Exports & Infrastructure:

- Rep. **Bill Huizenga** (R-MI-04) questioned witnesses on implementation of the **Donald Trump** Administration's AI Action Plan, AI export strategy, and the role of EXIM Bank in supporting U.S. AI companies abroad.
    - Fogel responded that Commerce has received 78 applications for its AI consortium program from large, medium, and small U.S. AI companies
        - Suggesting strong industry demand for government-backed international partnerships.
- Both Orr and Fogel emphasized that the U.S. must expand exports of American AI technologies while maintaining export controls to prevent advanced capabilities from supporting China's military modernization.

Critical Minerals & Supply Chains:

- Chair Kim and Reps. **Johnny Olszewski** (D-MD-02), and **James Gallagher** (R-CA-01) questioned witnesses on efforts to address global critical mineral chokepoints and strengthen supply chain resilience.
    - Orr highlighted the State Department's 28 bilateral critical minerals agreements focused on resource mapping, investment, and access to mineral supplies.
- Members stressed that securing critical minerals is essential to competing with China across AI, semiconductor manufacturing, and energy infrastructure.

Commercial Diplomacy:

- Rep. **Andy Barr** (R-KY-06) pressed Commerce on how it prioritizes resources across AI, semiconductors, energy, critical minerals, and other emerging technologies.
  - Fogel said Commerce's *Strategic Exports of American Made Goods and Services (*STREAM) framework prioritizes strategic exports in AI, energy, critical minerals, and advanced manufacturing.
    - He noted that the Foreign Commercial Service maintains a presence covering approximately 95% of global GDP.
- Chairman Kim emphasized strengthening commercial diplomacy capabilities at U.S. embassies where the Foreign Commercial Service is not present.
  - Fogel and Orr stressed continued coordination between Commerce, State, and USTR to support U.S. companies competing in strategic global markets.