United States House of Representatives

Committee on Ways and Means,

Subcommittee on Trade

Hearing on

"American Trade Negotiation Priorities"

Testimony of Meredith Broadbent

March 25, 2025

Chairman Smith, Ranking Member Sanchez, and Members of the Subcommittee:

Thank you for asking me to testify. It is a privilege to speak with you about American Trade Negotiation Priorities—an area of huge opportunity and responsibility.

By way of background, after serving as a staff member here at the Committee, I was a USTR trade negotiator for industry, and finished my government career as Chairman of the International Trade Commission. I am currently a Senior Adviser (Non-Resident) at the Center for Strategic and International Studies (CSIS). The views expressed here are my own.

Trade negotiation priorities are front and center for the U.S. economy and for your constituents. Each of you brings to this debate a keen grasp of the overall impact of American trade policies on the workers and businesses in your district.

Although there are many items on the to-do list, the priority is clear. Congress should work with the administration to pursue a comprehensive trade agreement with the United Kingdom that includes tailored approaches to the challenging security, trade and tech issues facing both countries. President Trump and Prime Minister Starmer have reengaged on this and the Chairman's bill, H.R 1743, sets out bipartisan goals and procedures.

Further cementing bilateral trade relations with a close ally will give U.S. trade negotiators the opportunity to craft state-of-the-art trade agreement provisions that reflect the similarity of our countries in terms of advanced industries, working conditions, and environmental and food safety standards. A comprehensive trade agreement will have the added benefit of clearly relegislating congressional digital trade negotiating objectives that have been undermined internationally by USTR's decision to retreat on these issues at the World Trade Organization (WTO).

Why Negotiations with the UK?

Current geopolitical tensions push the U.S. and the UK to rely less on China as an export market or as a source of imports. Industrial supply chains in both countries are reorganizing. The UK

faces conflict in Europe and China has aligned with Russia against key U.S. and UK national security interests.

China floods world markets with excess manufactured products, such as electric vehicles, solar panels, and batteries, and is coming online with what could be a huge volume of unfairly subsidized aircraft exports. Manufacturing in U.S. and UK industrial towns has been overwhelmed. The two governments have the opportunity to construct a common trade remedy response mechanism to address non-market economy trade practices resulting in overcapacity dumped onto world markets.

Since Brexit, the UK has pushed hard to conclude trade agreements. Notably, it has recently been accepted as the first new member in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Capitalizing on the Size and Strength of the U.S. Market

Commanding as the world's largest consumer market, the U.S. remains the most sought-after trade agreement partner. Moving ahead now with a strategically chosen partner capitalizes on this advantage. As other economies (such as China) grow and develop over time, the U.S. advantage will decline. Moving ahead now would best position the U.S. to achieve its job-creating objectives. Concluding an agreement with the UK would rejuvenate American influence over trade and regulation.

Continuous Improvement in Regulation

Grassroots frustration with heavy-handed regulation is—at least rhetorically—behind Brexit, and figures prominently in British politics. The UK maintains legacy regulatory policies from its prior membership in the European Union (EU). Virtually all exporting sectors of the U.S. economy—including agriculture, services, and manufacturing—see an agreement with the UK as an opportunity to innovate in regulatory cooperation on standards and product approvals. According to U.S. industry, many UK regulations are unnecessarily restrictive, non-science based approaches that, for example, require U.S. manufacturers to ban or impose costly restrictions on substances based on possible but unproven risk.

In joining CPTPP, the UK has taken a step toward embracing the USMCA model of respecting WTO/TBT principles for determining legitimate international standards. This model, defined by domestic procedures for adequacy and mutual recognition, is the most constructive path for opening the UK market to many U.S. exports.

Three Top Line Goals: Locking in the USMCA Template, Converging on Regulation, and Ensuring Free Data Flows with Trust

The centerpiece of U.S.-UK trade negotiations should be three-fold: (1) building on USMCA, the provisions of which are road-tested, agreed to on a bipartisan basis in the U.S., and stand as state of the art for trade agreements globally; (2) promoting innovative mechanisms to harmonize and

improve selected regulatory procedures with the UK, which currently adheres largely to EU regulatory practice. Where goals of consumer safety are the same—as they almost always are—and tough domestic politics resist harmonization of regulation, mutual recognition will be key; and (3) achieving agreement, between the world's two most digitally intensive economies, on rules for data flows, a sector that will drive the future of both economies.

Conclusion

The overall benefit of a U.S.-UK trade deal is simple and obvious: improving the security and economic prospects of U.S. and UK citizens and workers in the global economy. Together, we can:

- 1. Maximize the benefit of the hard work that Congress and USTR put into the USMCA by replicating and perfecting this sound model with another major trading partner.
- 2. Improve the overall bilateral regulatory environment across a range of sectors.
- 3. Legislate next-generation digital trade rules that can be promoted globally.
- 4. Achieve a meeting of minds on a fair and transparent trade remedy mechanism for protecting both countries' industries from harmful non-market economy practices.

If the United States aspires to set standards for regulations impacting trade that will be followed by other countries, a U.S.-UK trade agreement is the next and most logical step—and it has the virtue of being doable. Missing the opportunity to strike a deal—particularly on regulatory principles and data flows—with such a well-matched partner as the United Kingdom would be a great mistake.