

Opening Statement to CJS House Appropriations Subcommittee

Thank you Chairman Rogers and Ranking Member Meng for having me today. I'm glad we are finally able to gather for this hearing and I am looking forward to our conversation today.

Before I get in to what the Administration has done and what resources my office needs to continue our good work in 2027, I'd like to make one thing clear:

President Trump's trade policy is working.

The U.S. goods trade deficit has decreased 24% from April 2025, when tariffs first went into place, through February 2026 compared to the same period a year earlier. Food and agricultural exports rose by double digits in 2025, manufacturing labor productivity registered its highest annual increase in fifteen years, and manufacturing workers' wages are up by an average of \$1,800. All because President Trump took trade seriously.

As you know, last April, President Trump imposed reciprocal tariffs in response to the national emergency caused by our large and persistent trade deficit of \$1.2 trillion at the end of 2024—which had increased by 40 percent over the previous four years. The result is that we have lost, and continue to lose, the manufacturing capacity that supports our workers, fuels U.S. innovation, and safeguards our economic and national security. Our most important trade agreement is our Constitution: free trade amongst our states, rather than with the rest of the world, ensures the benefits of trade and our market flow, first and foremost, to U.S. farmers, workers, innovators, and service-providers.

In tandem with the tariff program, the President has also secured deals with numerous trading partners to address the unfair practices that contribute to our trade deficit.

These new trade deals cover over half the world's population. The nine Agreements on Reciprocal Trade with Malaysia, Cambodia, El Salvador, Guatemala, Argentina, Bangladesh, Taiwan, Indonesia, and Ecuador represent real, meaningful new market access for American exports, the kind that American farmers and manufacturers were promised the WTO would achieve. We have also inked deals with the United Kingdom, the European Union, Japan, and South Korea, and we are looking to finalize even more deals in the weeks ahead.

These agreements have achieved long-standing U.S. trade priorities, including the lowering of foreign tariffs on most U.S. exports and elimination of unfair non-tariff barriers. Specifically, 8 countries have exempted American meat and cheese products from geographical indication rules that prevented the use of common marketing terms; 11 countries have agreed to accept U.S. automotive emission and safety standards; and 9 countries have agreed to accept U.S. FDA approvals for new treatments and medicines. We have also received strong commitments from our trading partners to enhance intellectual property protection, provide a level playing field for U.S. companies with respect to their domestic labor and environmental protection standards, and improve coordination on economic security.

The President's trade program continues, despite the Supreme Court's decision in February relating to IEEPA tariffs. Within hours, the President maintained continuity in the trade program by imposing a temporary 10% tariff on all trading partners under Section 122 of the Trade Act of 1974. And, even just a few weeks ago, I signed another Agreement on Reciprocal Trade with Ecuador. The combination of tariffs and deals continues to restore our economic competitiveness by expanding export markets and protecting our domestic production.

As we continue to address our trading partners' unfair practices, which erode our agricultural and industrial competitiveness, and contribute to our trade deficit, USTR announced 76 Section 301 investigations (also under the Trade Act of 1974) into unfair trade practices of our major trading partners, targeting (1) structural overcapacity and production in manufacturing sectors and (2) the failures to impose and effectively enforce import bans on products made with forced labor. In these investigations, USTR staff are already working tirelessly to identify any unjustifiable, unreasonable, discriminatory, and burdensome acts, policies, and practices that burden or restrict U.S. commerce.

In President Trump's first term, the Section 301 tool was used to great effect, establishing a stable and durable approach to trade that has received bipartisan support across multiple administrations. As you know, the Section 301 tariffs on China for Forced Technology Transfer, and which resulted in the Phase One Agreement to open China's market and increase purchases of agricultural products, are still in effect to this day. Not only did President Biden keep those tariffs in place, but he even expanded them, an indication of the bipartisan support for the use of this tool.

All this work—the new market access, the reshoring of production, the reduction in our trade deficit—would not be possible without the round-the-clock work by my team. As you know, USTR is a small agency that reports directly to the President.

The career officials at USTR have helped deliver on the President's agenda and achieve more reciprocal trade relations despite limited resources and support, and my office would not have been able to deliver the results I have described without their tenacious and creative efforts.

Implementing the President’s trade program has been an enormous undertaking, and we have met that challenge head on. USTR is accomplishing more than it ever has, and we need appropriate funding to keep up the pace. Whether it’s negotiating new trade agreements, monitoring and enforcing existing trade agreements, or influencing the direction of the World Trade Organization, USTR is hard at work ensuring that the American people are the ultimate beneficiaries of our trade policy.

Last year, this committee heard our call for more resources and generously increased USTR’s appropriation to allow us to hire the civil servants we need to execute the President’s agenda. We are actively spending that money on new hires—negotiators, economists, lawyers, and other subject matter experts—as we speak. But after four years of an atrophied trade policy under the last administration, these increases only get us back to the strength USTR had when President Trump left office the first time.

Recognizing the importance of our work, President Trump has requested that USTR’s budget be increased to \$95 million, a \$7 million total increase over fiscal year 2026 enacted. These additional funds will enable us to hire additional negotiators and new enforcement personnel so that we can continue to secure new market access for American farmers and workers, reindustrialize our economy, and fully achieve the “wins” delivered by all the new Agreements on Reciprocal Trade.

It is my sincere hope that our shared interest in doing what is best for America will allow us to continue to meaningfully collaborate as we work for American producers and workers. I appreciate your consideration of the President’s budget request, and I look forward to your questions.