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February 4, 2025

Jamieson Greer United States Trade Representative Nominee-Designate Partner King & Spalding LLP 1700 Pennsylvania Avenue NW #900 Washington, D.C. 20006

Dear Mr. Greer:

Congratulations on your nomination to be United States Trade Representative (USTR). USTR is responsible for developing and promoting the U.S. trade agenda and leading trade negotiations on behalf of the United States, and plays a critical role in the economy.¹ I believe in trade policy that benefits American workers and manufacturers, promotes domestic production and innovation, and lets Americans compete on a level playing field. I look forward to working with you towards those goals.

The Trump Administration has recently announced new tariffs: 25 percent on goods coming from Canada and Mexico (excepting Canadian energy imports, which are tariffed at 10 percent) and 10 percent on goods coming from China, though a delay to some of these tariffs has already been announced.² Tariffs are an important strategic economic tool, but Donald Trump's desire to start and stop random trade wars will not protect jobs, keep Americans safe, or bring down costs for families. Tariffs should be used to promote American manufacturing, build strong supply chains, and create good-paying jobs. But while China is stealing our technology and actively undermining American industry, the President wants to crack down more than twice as hard on maple syrup and avocados from Canada and Mexico.³

The remainder of this letter contains a detailed summary of these and other concerns – and a set of questions about them. I ask that you provide answers to these questions prior to your nomination hearing.

¹ Office of the U.S. Trade Representative, "Mission of the USTR," https://ustr.gov/about-us/about-ustr.

² The White House, "Fact Sheet: President Donald J. Trump Imposes Tariffs on Imports from Canada, Mexico and China," February 1, 2025, <u>https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-imposes-tariffs-on-imports-from-canada-mexico-and-china/;</u> The Hill, "Trump, Mexican president agree to delay tariffs for one month," Sarah Fortinsky and Alex Gangitano, February 3, 2025,

https://thehill.com/homenews/administration/5122864-trump-mexico-delay-tariffs/.

The Administration's Policy on Tariffs

Tariffs will be central to President Trump's trade agenda, as he has made clear, and I agree that tariffs can be an important tool to boost U.S. manufacturing and level the playing field.⁴ However, the President does not appear to have a strategic plan in place to ensure that his proposed tariffs are implemented in a way that secures wins for hardworking Americans and precludes carveouts for special interests. Instead, he has threatened, and withdrawn tariff threats in a chaotic and haphazard manner that has only resulted in uncertainty for American consumers, workers, and manufacturers, as well as our allies.⁵

When the President enacted tariffs during his first term, he created a tariff exclusion process that allowed favored companies to apply for exemptions.⁶ Corporations and their lobbyists quickly took advantage of this loophole-ridden policy – receiving secretive exemptions from President Trump and his trade team during backroom deals.⁷ The Commerce Department's Inspector General found that the process for receiving an exemption was "neither transparent nor objective."⁸ The Trump Administration handed out tariff exclusions to politically connected foreign-owned companies - and even a then-sanctioned company owned by a Russian oligarch.⁹ I am concerned that these big corporations are drooling at the prospect of running the same, objectively corrupt playbook next year.

Undue Corporate Influence over U.S. Trade Agreements

For too long, trade agreements have helped a handful of multinational corporations and left both small businesses and working families behind.¹⁰ Trade can benefit American families—as long as corporate interests don't get the only seat at the table in negotiations. But large, multinational companies have gained outsized influence in trade negotiations. For example, for decades, the membership of the trade advisory committee system has leaned heavily in favor of multinational companies and their industry associations, contributing to trade deals that have incentivized

https://www.warren.senate.gov/imo/media/doc/Letter%20to%20USTR%20Commerce%20State%20re.%20ITACs.pdf

⁴ Axios, "Elizabeth Warren likes tariffs, too," Erica Pandey, March 11, 2018,

https://www.axios.com/2018/03/11/elizabeth-warren-support-trump-tariffs-china; Global Trade & Sanctions Law, "Trump 2.0: America First Trade Policy Takes Shape," January 22, 2025,

https://www.globaltradeandsanctionslaw.com/trump-america-first-trade-policy/.

⁵ NPR, "Why Trump's potential tariffs are making business owners anxious," January 23, 2025, https://www.npr.org/transcripts/1226281124.

⁶ CNN, "Escaping Trump's tariffs has required navigating a 'broken' system vulnerable to corruption, businesses and academics say," Matt Egan, November 26, 2024, <u>https://www.cnn.com/2024/11/26/business/tariff-exclusions-trump-businesses/index.html</u>.

⁷ <u>Id</u>.

⁸ U.S Department of Commerce, Office of the Inspector General, "Memorandum: Management Alert: Certain Communications by Department Officials Suggest Improper Influence in the Section 232 Exclusion Request Review Process," October 28, 2019, p. 2, <u>https://www.oig.doc.gov/OIGPublications/OIG-20-003-M.pdf</u>.

⁹ The New York Times, "How a Blacklisted Russian Firm Won (and Lost) a Break From Trump's Tariffs," Jim Tankersley, August 9, 2018, <u>https://www.nytimes.com/2018/08/09/us/politics/rusal-tariff-exemption.html</u>.

¹⁰ Letter from Senator Elizabeth Warren to USTR Ambassador Katherine Tai, Commerce Secretary Gina Raimondo, and Secretary of State Antony Blinken, August 9, 2023, p. 2,

offshoring, moved thousands of American jobs overseas, and decimated families and communities.¹¹

Large corporations also have outsized power in trade disputes. The Investor-State Dispute Settlement (ISDS) regime threatens national sovereignty and allows corporations to attack governments—including the United States—for pursuing important public policies.¹² I have encouraged the White House and previous USTR to pursue the removal of ISDS provisions from our trade agreements with allies, and I will encourage you to do the same, building on the work you did to pare back ISDS in the U.S.-Mexico-Canada Agreement (USMCA).¹³

Offshoring by Large Multinationals Corporations

Large, multinational corporations also have too many incentives to offshore their manufacturing operations, moving jobs that Americans rely on overseas. Protecting domestic industry and investing in domestic production is vital in order to counter offshoring and protect American workers' jobs. But President Trump's 2017 tax law provided tax giveaways to companies on their profits earned overseas, making it cheaper for them to move their businesses abroad and hire foreign workers.¹⁴ In order to reverse the negative effects offshoring has had on the American economy, the Administration must invest in domestic industry and eliminate incentives for corporations to hide their profits abroad. I appreciate your testimony before the US-China Economic and Security Review Commission last May, where you said that Congress should consider CHIPS-like investments in other industries.¹⁵ I hope you also share my view that the United States must prioritize American workers and the health of domestic industry over corporate interests.

Other Trade-Related Concerns

I have long maintained that the United States must advance a worker-centered approach to trade policy.¹⁶ Workers whose jobs are threatened by trade need help, which is why I am a strong supporter of Trade Adjustment Assistance (TAA) to help American workers whose jobs are

https://crsreports.congress.gov/product/pdf/IF/IF10052.

¹¹ *Id*.

¹² Public Citizen, "More Information on Investor-State Dispute Settlement," https://www.citizen.org/article/moreinformation-on-investor-state-dispute-settlement/; Congressional Research Service, "U.S. International Investment Agreements (IIAs)," Martin A. Weiss and Shayerah I. Akhtar, April 1, 2022,

¹³ Letter from Senator Elizabeth Warren to USTR Katherine Tai and Secretary of State Antony Blinken, November 1, 2023,

https://www.warren.senate.gov/imo/media/doc/2023.11.01%20Letter%20from%20Warren,%20Whitehouse,%20Cohe n%20to%20USTR,%20State.pdf.

¹⁴ "The Effect of the Tax Cuts and Jobs Act of 2017 on Multinational Firms' Capital Investment: Internal Capital Market Frictions and Tax Incentives," Brooke Beyer, Jimmy Downes, Mollie Mathis, and Eric Rapley, May 2019, p. 9, https://aaahq.org/portals/0/newsroom/2019ann-3.19corptaxcut&capinvestmt.pdf.

¹⁵ Written Testimony of Jamieson Greer to the U.S.-China Economic and Security Review Commission, May 23, 2024, https://www.uscc.gov/sites/default/files/2024-05/Jamieson Greer Testimony.pdf.

¹⁶ The Nation, "Elizabeth Warren's Trade Plan Empowers Workers, Not Corporations," Todd Tucker, July 31, 2019, https://www.thenation.com/article/archive/elizabeth-warren-trade-plan/.

displaced by trade to get training and find new employment.¹⁷ Renewing TAA is a no-brainer, and I hope you will support it to make sure that workers at home get a fair deal.

Malicious trade actions from other countries, especially China, can also harm American industry and workers. While antidumping and countervailing duty laws play an important role in addressing dumping and other malicious trade practices, you yourself have noted that those laws rely on individual private actors to bring a suit, and broader executive action is necessary in order to address the whole picture.¹⁸ It is vital that the U.S. government use all the tools at its disposal to counter unfair trade practices to ensure domestic producers are able to compete fairly.

Conclusion and Questions

President Trump has made it clear that trade and tariff policy will be a focal point of his administration's agenda. While the President's interest in this policy area is evident, the incoming administration's precise trade agenda has been difficult to pin down. You will be tasked with the actual negotiation of trade agreements on President Trump's behalf, and thus acting as the representative for this agenda. In order to better understand the approach you will take, I ask that you come to your hearing on February 6, 2025 prepared to answer these questions, and that you provide written answers prior to any Finance Committee vote on your nomination:

Questions on President Trump's Tariff Agenda

- 1. Tariffs are an important tool, and members of the incoming Trump Administration have floated many different ideas. What is your view on how the U.S. can make the best strategic use of tariffs?
- 2. What is your view on the purpose of tariffs– is their function to promote domestic industry, to raise revenue, or to induce behavior change in our trade partners?
 - a. For any tariffs the administration would apply as a means to raise revenue, please confirm which tariffs will be permanent and how much revenue you expect them to raise.
 - i. Will these tariffs be used to pay for extensions of the Trump tax cuts?
 - b. For any tariffs the administration would apply to change a foreign government's behavior, please state your specific negotiating objectives. Would these tariffs be used for leverage in trade negotiations, or to coerce broader policy changes by foreign countries? Will American companies and workers be affected by the unpredictable revocation of tariff increases if and when foreign governments change their behavior?
 - c. If the primary objective is to protect domestic industry, please describe how, in your view, tariffs can best be employed to protect domestic industry and workers. How will you identify and prioritize critical sectors in which to boost manufacturing?
 - d. Other objectives? If so, please describe.

 ¹⁷ Inside U.S. Trade, "Sen. Warren: GSP must be paired with TAA -- sans retroactive benefits," Margaret Spiegelman, June 5, 2024, <u>https://insidetrade.com/daily-news/sen-warren-gsp-must-be-paired-taa-sans-retroactive-benefits</u>.
¹⁸ Written Testimony of Jamieson Greer to the U.S.-China Economic and Security Review Commission, May 23, 2024, pp. 2, 14-5, <u>https://www.uscc.gov/sites/default/files/2024-05/Jamieson_Greer_Testimony.pdf.</u>

- e. If a single set of tariffs is meant to achieve multiple objectives, what is your strategy for balancing those objectives?
- f. What tools other than tariffs do you think are critical to advance the economic and national security of the United States?
- g. What do you expect will be the impacts on working Americans of any foreign retaliation to U.S. tariffs?
- 3. What, if anything, distinguishes your views on trade and the goals and functions of USTR from those of former Robert Lighthizer, for whom you served as Chief of Staff?
- 4. Do you plan to pursue new trade deals and, if so, do you support Trade Promotion Authority (Fast Track)?
- 5. Experts have found that tax cuts during President Trump's first administration encouraged offshoring of pharmaceutical production outside the United States.¹⁹ The President recently stated that the administration is now considering new tariffs in the pharmaceutical sector to increase U.S. production, but do you agree that tax policy changes could be an alternative tool?

Tariff exemptions

- 6. Will you recommend that President Trump's tariffs include an exclusion process to exempt certain importers or imported products from tariffs?
 - a. If so, what are the criteria and processes for obtaining exclusions, and how will you advise against permitting the rampant corruption that occurred in the exclusion process during the first Trump Administration?
 - b. Will you recommend that the president implements a transparent and objective process that protects America's small businesses and workers? If so, what specific recommendations will you make to achieve that outcome?
- 7. Last year, I asked the Department of Homeland Security and the Treasury Department to make use of their statutory authority to eliminate the *de minimis* exemption for e-commerce shipments.²⁰ The exemption as it currently exists allows fentanyl to be shipped in small packages from China into the U.S. Do you support eliminating the *de minimis* exemption?
- 8. How do you plan to address dominance of corporate interests on trade advisory committees?

USMCA

- 9. Will you commit to a major renegotiation of USMCA? If so, what would your primary goals be in such a renegotiation?
- 10. The Trump Administration negotiated USMCA, which included digital trade rules that helped big tech try to evade congressional oversight and bypass domestic tech

¹⁹ Council on Foreign Relations, "American Pharmaceutical Companies Aren't Paying Any Tax in the United States," Brad Setser and Michael Weilandt, July 22, 2024, https://www.cfr.org/blog/american-pharmaceutical-companies-arent-paying-any-tax-united-states.

²⁰ Letter from Senator Elizabeth Warren to Treasury Secretary Janet Yellen and Homeland Security Secretary Alejandro Mayorkas, October 28, 2024,

https://www.warren.senate.gov/imo/media/doc/warren_letter_to_dhs_treasury_re_de_minimis.pdf.

regulations.²¹ Congress has since enacted strict bans on flow of data with respect to certain countries, and some states have enacted right to repair laws. Do you support the Biden Administration's updates to digital trade policy to align with U.S. tech policy?

11. You were part of an important improvement in sovereignty and protection of rule of law by getting rid of Investor-State Dispute Settlement with Canada and reducing it with Mexico. Will you commit to revisiting ISDS in existing trade agreements and BITs?

Domestic Industry, the Climate, and Workers

- 12. Do you agree that maintaining domestic investments is essential alongside tariffs and trade policy to strengthen the American economy?
- 13. USTR employs many dedicated career civil servants, whose employment is not tied to one political party or president. President Trump has proposed sweeping cuts to the career civil service. What are your views on Schedule F and the importance of career civil service at USTR?
- 14. Trade agreements that lack enforceable labor and environmental standards enable companies to gain an unfair competitive edge by exploiting workers and skirting environmental responsibilities. Will you commit to ensuring that all future trade agreements include binding and enforceable labor and environmental standards to prevent unfair competition and promote sustainability?
- 15. Do you support renewing Trade Adjustment Assistance (TAA)? Additionally, would you withhold your support from proposals for renewal of unilateral trade preference programs without renewing TAA?
- 16. What is your opinion on Carbon Border Adjustment Mechanisms (CBAMs) and would you consider implementing any such measure if confirmed?
- 17. Strong enforcement mechanisms are essential to ensure that labor, environmental, and trade rules are upheld. Without enforcement, agreements fail to deliver their intended benefits. Will you make enforcement of labor, environmental, and trade provisions a top priority, so American workers and businesses are not undercut by bad actors?

Sincerely,

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Elizabeth Warren United States Senator

²¹ The Washington Post, "How the USMCA falls short on digital trade, data protection and privacy," Michael Geist, October 3, 2018, <u>https://www.washingtonpost.com/news/global-opinions/wp/2018/10/03/how-the-usmca-falls-short-on-digital-trade-data-protection-and-privacy/</u>.