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Consumer Technology Association (CTA) Statement for the Record:

Nomination Hearing for USTR Nominee Jamieson Greer on February 6, 2025

We respectfully submit this statement for the record regarding the February 6 nomination hearing for Jamieson Greer, the nominee for United States Trade Representative (USTR).

Avoiding Harmful Tariff Actions

The USTR plays a vital role in enforcing U.S. trade agreements and investigating unfair trade practices. However, tariff policies must be crafted carefully to avoid unintended economic harm. These are core statutory functions for this critical arm of the Executive Office of the President. However, USTR must avoid tariff actions that adversely affect average Americans, the innovative capacity of our country, and U.S. companies of all sizes. Blanket tariff measures can increase prices, stifle innovation, and place an undue burden on businesses, particularly startups and small enterprises. As Ranking Member Wyden correctly pointed out, "the approach to apply universal tariffs, ... that's a prescription for hitting our... small businesses and individuals really hard and also raising inflationary pressures." The next USTR should pursue trade policies that bolster, not hinder, U.S. economic competitiveness.

Opening New Markets

USTR must aggressively seek trade agreements that open new markets for American goods, services, and investments. As the nominee acknowledged in response to Senator Grassley, "we have to have diverse export markets for our exporters." Expanding trade agreements will provide much needed certainty for American businesses operating in global markets

Working with, Not Harming, U.S. Allies

In addition to avoiding harmful tariffs on consumers and small businesses, USTR should refrain from imposing tariffs on imports from allies. As the nominee remarked in his opening statement, "it is critical for our economic and national security that our supply chains are resilient. We need resilience in strategic goods and services, agricultural and food supply chains, and technology." Strategic goods, such as batteries, critical minerals, medical devices, and semiconductors, are essential to U.S. supply chains. Tariffs on these goods risk disrupting production, increasing costs, and weakening U.S. industrial competitiveness. Trade policy should strengthen alliances and ensure the free flow of strategic products.

Strong Rules on Digital Trade

In today's economy, digital trade rules must be clear, enforceable and forward looking. The first Trump Administration laid the groundwork in the U.S.-Mexico-Canada Agreement and the U.S.-Japan Agreement. In negotiating agreements with new trading partners, the Administration should include rules that prohibit restrictions on cross-border data flows, data localization requirements, discrimination against digital products and services, and mandates to disclose software source code, algorithms, and encryption keys as a condition of market access. Strong and effective digital trade rules, as <u>Mr. Greer outlined in his January 2024</u> op-ed, discriminatory digital practices must be met with strong U.S, leadership. As he emphasized to

Consumer Technology Association[®] Producer of CES[®] Senator Young during the hearing, "I want to make sure that if anybody's regulating our digital companies, it's going to be us, and they can't discriminate against it."

Establishing a Fair and Transparent Tariff Exclusion Process

A functional tariff exclusion process is essential to mitigating unintended consequences for U.S. businesses and consumers. Such a process should be easily accessible to all stakeholders, including small businesses, and operate with clear, objective criteria. Nominee Greer affirmed in response to Senator Warren that exclusions "need to be transparent, and they need to be fair for small and large [companies]." A wellstructured exclusion mechanism will ensure that trade policies serve U.S. interests without undue collateral damage

Addressing Barriers to Trade

U.S. companies face a range of discriminatory trade barriers including tariffs, quotas, and restrictive regulations. The 2025 National Trade Estimate report must thoroughly document these barriers.¹ According to a multi-association analysis, "between 2023 and 2024, USTR reduced the number of country analyses of data localization mandates by over 70 percent (from 24 countries in 2023 to seven in 2024)² and removed concerns with respect to at least 80 digital trade-related measures." The nominee acknowledged to Chairman Crapo that this report must comprehensively identify discriminatory practices. A rigorous, data-driven approach will provide policymakers with tools to advance free and fair trade.

Strengthening the WTO

A strong World Trade Organization (WTO) is essential for maintaining a predictable, rules-based global trading system. The U.S. should work toward reforming and strengthening the WTO, particularly its dispute settlement system. As Senator Cassidy cautioned, abandoning the WTO dispute settlement mechanism would be like discarding a tool in our toolbox. A robust WTO provides a legal framework for resolving trade disputes and preventing retaliation or escalation. Reform efforts should focus on restoring the effectiveness of the Appellate Body and ensuring the organization remains a bulwark against protectionist policies.

Conclusion

The next USTR must prioritize trade policies that drive American innovation, expand market opportunities, and strengthen economic resilience. Avoiding harmful tariffs, securing new trade agreements, protecting digital trade, ensuring a fair tariff exclusion process, addressing discriminatory trade barriers, and reinforcing multilateral institutions will ensure U.S. trade policies benefit all Americans and strengthen the U.S. economy.

For more information, please contact:

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¹ Re: Request for Comments on Significant Foreign Trade Barriers for the 2025 National Trade Estimate Report (Docket Number: USTR-2024-0015), Consumer Technology Association (Oct. 17, 2024), <u>https://cdn.cta.tech/cta/media/media/pdfs/final-draft-cta-comments-to-ustr-on-nte-2025-topics-(1).pdf</u>

² TechNet-Led Multi-Association Memorandum to Congress Expresses Concerns with the USTR's 2024 National Trade Estimate Report, TechNet (Apr. 15, 2024), <u>https://www.technet.org/media/technet-ledmulti-association-memorandum-to-congress-expresses-concerns-with-the-ustrs-2024-national-tradeestimate-report/</u>.