Answer: The international trade status quo has led to the loss of 5 million U.S. manufacturing jobs and the closure of 70,000 U.S. factories. This situation demands change, and President Trump has used tariffs effectively in the past to reverse this trend. Protecting vital industries is a boon for manufacturers that are facing unfair trading practices by foreign exporters and foreign countries.

Question 3: President Trump sent a letter to Michael Kratsios, the Director of the Office of Science and Technology Policy, calling on the country to "return to our roots and renew the American scientific enterprise for the century ahead." The President stated that the U.S. can be unrivaled world leaders in areas like artificial intelligence (AI) by accelerating research and development and strengthening domestic supply chains. I agree that we should strengthen our supply chain, but AI advancements are moving at a pace not seen before in scientific advancement, and while companies are building new chip factories in the U.S., we do not have the time to wait for them to come online. How will tariffs impact the importation of hardware needed to continue AI development and deployment? Will the Administration provide exemptions for this hardware for national security missions?

## Answer: The U.S. Department of Commerce has launched a Section 232 investigation to determine the effects on national security of imports of semiconductors, semiconductor manufacturing equipment, and their derivative products.

Questions for the Record submitted to The Honorable Jamieson Greer from Senator Warnock.

Question 1: Following the announcement of President Trump's "reciprocal tariffs," the Office of the United States Trade Representative (USTR) posted a page on its website titled "Reciprocal Tariff Calculations" that lays out the methodology for calculating the announced tariff rates.<sup>4</sup> The methodology was, in part, from an academic paper authored by four economists. These economists have since released an op-ed stating that USTR had misrepresented its findings.<sup>5</sup>

- Were you or your office involved in developing the formula to determine the country-bycountry tariffs?
- Did anyone in your office speak to the authors of the paper before USTR published its reciprocal tariff calculations page?
- Do you commit to fixing the country-by-country tariffs prior to implementation, so they align with academic research?

Answer: The formula was used in a Presidential tariff action intended to address a national economic emergency that he declared. The process that led to that part of the Presidential tariff action is deliberative. USTR published a description of the formula on behalf of the

formula.html?rsrc=ss&smid=nytcore-ios-share&referringSource=articleShare.

<sup>&</sup>lt;sup>4</sup> *Reciprocal Tariff Calculations*, Office of the United States Trade Representative, https://ustr.gov/issue-areas/reciprocal-tariff-

 $calculations \#:\sim: text = Reciprocal\%20 tariffs\%20 are\%20 calculated\%20 as, that\%20 prevent\%20 trade\%20 from\%20 balancing.$ 

<sup>&</sup>lt;sup>5</sup> Brent Neiman, *The Trump White House Cited My Research to Justify Tariffs. It Got It All Wrong.*, The New York Times (April 7, 2025), https://www.nytimes.com/2025/04/07/opinion/trump-tariff-math-

## White House. Any future modifications to those tariff rates will come from the President, and reflect his judgement of the national economic emergency.

Question 2: In last week's hearing, you claimed you were the "tip of the spear" when it came to the President's trade policy.<sup>6</sup> The next day, while you were testifying to the House Ways & Means Committee, President Trump announced that all the country-by-country tariffs were delayed for 90 days.<sup>7</sup>

• Between your testimony to the Senate Finance Committee, when you indicated the country-by-country tariffs would be imposed, and your testimony to the Ways & Means Committee, did you consult the President about delaying the country-by-country tariffs?

Answer: The President finalized his decision to pause temporarily and partially the duties during my hearing with the House Ways and Means Committee on April 9. The Administration – including me and other economic principals – previously explored with the President several options for the duties going forward, but I am not in a position to disclose my private conversations with the President.

Question 3: During your confirmation hearing, you agreed that the African Growth and Opportunity Act (AGOA) could be a useful tool to combat China's influence, while promoting economic growth, human rights, and democracy.<sup>8</sup>

• Given the Administration has the stated priority of combatting China,<sup>9</sup> do you believe the 10 percent universal tariff and country by country reciprocal tariffs on African countries will make it more difficult to counter Chinese influence in Africa?

Answer: As President Trump has stated, the ad valorem duties are designed to encourage our African trading partners to remedy non-reciprocal trade arrangements and to align them more fully with the United States on economic and national security matters. We are already seeing a new willingness to negotiate with us from several trading partners across Africa. Last year, China exported almost six times as much to Africa as the United States despite the 20-year existence of AGOA. However, following the implementation of the reciprocal tariff, we are now seeing several AGOA-eligible countries approaching the United States to address the lack of trade reciprocity in our economic relationships and our

<sup>&</sup>lt;sup>6</sup> The President's 2025 Trade Policy Agenda Before the Senate Committee on Finance, 119<sup>th</sup> Cong. (April 8, 2025) (statement by the Honorable Jamieson Greer, U.S. Trade Representative),

https://www.finance.senate.gov/hearings/the-presidents-2025-trade-policy-agenda.

<sup>&</sup>lt;sup>7</sup> Full Committee Hearing on the Trump Administration's 2025 Trade Policy Agenda with United States Trade Representative Jamieson Greer Before the House Ways and Means Committee, 119<sup>th</sup> Cong. (April 9, 2025), https://waysandmeans.house.gov/event/full-committee-hearing-on-the-trump-administrations-2025-trade-policy-agenda-with-united-states-trade-representative-jamieson-greer/.

<sup>&</sup>lt;sup>8</sup> The Honorable Jamieson Greer, *Questions for the Record from Senate Finance Hearing to Consider Jamieson Greer to be the U.S. Trade Representative*, Senate Finance Committee (Feb. 6, 2025), chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.finance.senate.gov/imo/media/doc/responses to questi

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<sup>&</sup>lt;sup>9</sup> Fact Sheet: President Donald J. Trump Imposes Tariffs on Imports from Canada, Mexico and China, The White House (Feb. 1, 2025), https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-imposes-tariffs-on-imports-from-canada-mexico-and-china/.

## economic security concerns. We see this development as a significant and promising step by these countries towards meeting our mutual economic objectives.

Question 4: In your hearing before the Ways and Means Committee on April 9, 2025, you stated that Congress should look at potential improvements to AGOA.<sup>10</sup> You have also stated that "The Presidential Memorandum 'America First Trade Policy' outlines a number of interagency processes that are pertinent to the Trump Administration's policy towards trade-relevant legislation, like AGOA."<sup>11</sup> According to the President's Executive Order, these reports were supposed to be delivered to the President on April 1, 2025.<sup>12</sup>

- When will you be able to share the findings with this committee? Need an answer to this
- Will those findings provide specific ways to improve AGOA before its expiration in September?

Answer: While the America First Trade Policy report to the President is confidential, and I am not able to disclose any specific recommendations, my staff has already briefed the committee on the underlying findings.

Should Congress consider reauthorizing AGOA, it should consider modernizing the program in alignment with President Trump's America First Trade Policy. Congress should consider incentivizing AGOA beneficiaries to develop deeper, reciprocal trade relationships with the U.S. beyond trade preferences and strengthening enforcement of eligibility criteria for AGOA-eligible countries to eliminate barriers to U.S. trade and investment and address unfair and unbalanced trade. Efforts to improve AGOA use among beneficiaries should benefit American workers, manufacturers, farmers, ranchers, service providers, and businesses.

Question 5: The President issued a recent Executive Order closing the *de minimis* loophole for Chinese goods, which is set to go into effect on May 2.<sup>13</sup>

• How will USTR work with Customs and Border Protection (CBP) to prevent a countryby-country circumvention of de minimis shipments?

<sup>11</sup> The Honorable Jamieson Greer, *Questions for the Record from Senate Finance Hearing to Consider Jamieson Greer to be the U.S. Trade Representative*, Senate Finance Committee (Feb. 6, 2025), chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.finance.senate.gov/imo/media/doc/responses\_to\_questi ons for the record to jamieson greer.pdf.

<sup>&</sup>lt;sup>10</sup> Full Committee Hearing on the Trump Administration's 2025 Trade Policy Agenda with United States Trade Representative Jamieson Greer Before the House Ways and Means Committee, 119<sup>th</sup> Cong. (April 9, 2025), https://waysandmeans.house.gov/event/full-committee-hearing-on-the-trump-administrations-2025-trade-policy-agenda-with-united-states-trade-representative-jamieson-greer/.

<sup>&</sup>lt;sup>12</sup> America First Trade Policy, The White House (Jan. 20,2025), https://www.whitehouse.gov/presidential-actions/2025/01/america-first-trade-policy/.

<sup>&</sup>lt;sup>13</sup> Executive Order to Further Amendment to Duties Addressing the Synthetic Opioid Supply Chain in the People's Republic of China as Applied to Low-Value Imports, The White House (April 2, 2025),

https://www.whitehouse.gov/presidential-actions/2025/04/further-amendment-to-duties-addressing-the-synthetic-opioid-supply-chain-in-the-peoples-republic-of-china-as-applied-to-low-value-imports/.

Answer: U.S. Customs and Border Protection (CBP) has a number of tools in place to combat duty evasion practices, including advanced analytics and risk assessment based on data submissions from across the supply chain. CBP has entered into agreements and arrangements with trading partners around the world to cooperate on detection of duty evasion schemes and enforcement against them. With the resulting drop in *de minimis* package volumes from China expected after May 2, CBP will be in a position to focus more of its resources on screening and targeting packages from other locations. USTR will support CBP in continuing its robust efforts to address and prevent circumvention and duty evasion.

Question 6: The President has recently declared a national emergency to reduce the U.S. trade deficit.<sup>14</sup>

- Are there plans to pivot if these tariffs unintentionally increase long-term costs for American businesses and consumers, potentially impacting the sustained growth of the American economy and strong job market?
- Have you or your office conducted an analysis on the net impact of tariffs across different sectors of the economy? What metrics are being used to assess the net impact of tariffs on overall employment figures? What steps is your office taking to mitigate negative employment effects?
- Are you concerned these policies will weaken the United States' role as the global reserve currency?

Answer: During President Trump's first term, inflation decreased and real median wages increased as a result of his economic policies which included historic tariffs on Chinese imports. Together with improved policy for taxes, energy, regulations, and permitting, we expect the tariff program will incentivize U.S. manufacturing during a transition to an economy that produces more in our country.

Question 7: My office has received complaints from small businesses, manufacturers, and farmers that President Trump's reciprocal and universal tariffs are delaying hiring and investment decisions.

• How does the Administration plan to balance protecting domestic industries while mitigating the risks to American workers and businesses?

Answer: President Trump is committed to growing the economy and increasing real household income for all Americans. Multiple countries have approached the United States with initial offers of greater market access and reciprocity, which we are now negotiating.

<sup>&</sup>lt;sup>14</sup> Executive Order to Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices that Contribute to Large and Persistent Annual United States Goods Trade Deficits, The White House (April 2, 2025), https://www.whitehouse.gov/presidential-actions/2025/04/regulating-imports-with-a-reciprocal-tariff-to-rectify-trade-practices-that-contribute-to-large-and-persistent-annual-united-states-goods-trade-deficits/.

Question 8: Many companies are working to expand their U.S. footprint or reshore production to the United States. However, this remains a long and complicated process for many companies, particularly those manufacturing complex products with established foreign supply chains.

• Will there be any exemptions, exclusions, or other possible relief for companies with existing U.S. footprints?

Answer: On April 2, President Trump declared a national emergency arising from our non-reciprocal trade relationships and resulting overall trade deficit, and imposed tariffs under the International Emergency Economic Powers Act. Some products are not subject to this tariff action. This includes goods already subject to existing Section 232 tariffs (steel, aluminum, autos, and auto parts); goods that may be covered by future trade actions; lumber, copper, pharmaceuticals, and semiconductors; energy products; and bullion. The full list of country-specific rates and products not subject to the tariffs are listed in the annexes to the order, which are available on the White House website. The President is not considering requests for exclusions or exemptions at this time.

Question 9: The supply chains that support manufacturing regularly rely on the procurement of components that only exist outside the United States, and even if production was reshored, the supply chain could not be replicated domestically. During my line of questioning, you were clear that there was not going to be an exclusion process for any tariffs.<sup>15</sup> However, President Trump has exempted products from tariffs, at least temporarily. Based on guidance posed by CBP, roughly 20 products including computers, smartphones, semiconductors, and routers are to be excluded from the tariffs.<sup>16</sup>

• Are you considering establishing an exclusion process for companies with supply chains that cannot be replicated in the United States?

Answer: On April 2, President Trump declared a national emergency arising from our non-reciprocal trade relationships and resulting overall trade deficit, and imposed tariffs under the International Emergency Economic Powers Act. Some products are not subject to this tariff action. This includes goods already subject to existing Section 232 tariffs (steel, aluminum, autos, and auto parts); goods that may be covered by future trade actions; lumber, copper, pharmaceuticals, and semiconductors; energy products; and bullion. The full list of country-specific rates and products not subject to the tariffs are listed in the annexes to the order, which are available on the White House website. The President is not considering requests for exclusions or exemptions at this time. The products to which you refer fall within the Section 232 investigation for semiconductors and related products, meaning that they are not in the scope of the reciprocal tariff, like other products covered by Section 232 investigations.

<sup>&</sup>lt;sup>15</sup> *The President's 2025 Trade Policy Agenda Before the Senate Committee on Finance*, 119<sup>th</sup> Cong. (April 8, 2025) (statement by the Honorable Jamieson Greer, U.S. Trade Representative),

https://www.finance.senate.gov/hearings/the-presidents-2025-trade-policy-agenda.

<sup>&</sup>lt;sup>16</sup> Updated Guidance Reciprocal Tariff Exclusion for Specified Products, Customs and Border Protection (April 5, 2025), https://content.govdelivery.com/bulletins/gd/USDHSCBP-3db9e55?wgt\_ref=USDHSCBP\_WIDGET\_2.

Question 10: The President's recent tariff announcements have upended many of the United States' trading relationships.

• As you negotiate with countries on reciprocal tariff rates, will those countries be able to trust that the U.S. will keep its word as they come to the table with new offers?

Answer: The President's actions have not "upended" our trade relationships. The vast majority of nations are responding to the Presidents April 2<sup>nd</sup> actions in a respectful and constructive manner. They respect President Trump and understand our nation's need to resolve the crises resulting from our large and persistent trade deficit.

Question 11: Auto manufacturing is a capital-intensive endeavor that takes years to come to fruition. There are some estimates that, if President Trump's 232 tariffs on automobile imports come into effect, vehicles will increase in cost by at least \$5,000.<sup>17</sup>

- If an automaker is investing in the U.S., do you support providing them some form of tariff relief during the plant construction period, as they attract suppliers and set up production?
- Is the Administration concerned that automakers are delaying additional investments in their facilities?

Answer: The Section 232 tariffs on automobiles and automobile parts are a Department of Commerce matter. That said, the President and his economic advisers, including the U.S. Trade Representative, are exploring a range of options to increase manufacturing output in the automobile sector.

<sup>&</sup>lt;sup>17</sup> Art Laffer, *Impact of a 25% Tariff on U.S. Auto Industry*, Unleash Prosperity (March 28, 2025), https://committeetounleashprosperity.com/research/impact-of-a-25-tariff-on-u-s-auto-industry/.