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Greer to defend latest tariff actions before senators

BY: **OLIVER WARD** | 07/22/2026 05:45 AM EDT

With help from Rachel Shin, Ari Hawkins and Stefanie Bolzen

QUICK FIX

— U.S. Trade Representative Jamieson Greer will face questions on the Trump administration's latest tariff gambit when he goes before the Senate Finance Committee today.

— Tariff hikes on Brazil go into effect as all eyes turn to Brazilian President Luiz Inácio Lula da Silva for signs of retaliation.

— A group of lawmakers are pushing the Trump administration to get tougher with Europe on digital trade, including by opening a new trade investigation.

It's Wednesday, July 22. Welcome to Morning Trade. Got news tips? Want to grab a coffee? Hit us up at: oward@politico.com, ahawkins@politico.com and ddesrochers@politico.com. **Follow us on X:** @_AriHawkins, @oli_ward_1 and @drdesrochers.

DRIVING THE DAY

IN THE HOT SEAT: Greer is making the trip down Pennsylvania Avenue this morning to testify before the Senate Finance Committee on the administration's trade agenda, before jetting to Mexico City for the next round of U.S.-Mexico-Canada Agreement talks.

The hearing, which was originally scheduled for May, comes just two days before the Trump administration's 10 percent global tariff expires. Senators are likely to probe the trade chief on what tariffs are coming next.

During a CNBC interview Tuesday, Greer reiterated the final report from a Section 301 trade investigation into economies' efforts to curb forced labor will be ready "soon," adding that he needs to brief Congress before issuing a final report. It's not clear whether the additional duties will be ready before the Trump administrations temporary Section 122 tariffs expire Friday, or if there will be a gap in duties.

Sen. Ron Wyden (D-Ore.), the committee's ranking member, will accuse the Trump administration of using forced labor as a "guise" for rebuilding its tariff wall, according to an excerpt of his remarks seen by Morning Trade.

Further, Wyden will blast the president's latest tariff threat on Canada that uses a 1930s law.

"No one, not even Herbert Hoover, ever used this provision before, but Trump dug up a zombie law to make things even more expensive for Americans," Wyden will say.

Right on cue: We Pay The Tariffs is out today with a survey of small businesses that found more than 80 percent have raised prices and cut margins as a result of tariff hikes since President Donald Trump took office.

The appearance also lands hours after Trump issued a fresh tariff threat on generic pharmaceuticals, which, if implemented, would go into effect in 2028.

Also on the docket: Sen. Chuck Grassley (R-Iowa) said he plans to grill Greer on what he is doing to curb rising input costs for farmers — particularly for fertilizer.

Greer touted the administration's reciprocal trade agreements and efforts to open new export markets for industries like agriculture during a May appearance before the House Ways and Means Committee.

"We've already seen some success with increasing export markets," Grassley told reporters Tuesday. "On the other hand, China is still hoarding urea through export restrictions on fertilizers."

DEAL-MAKING: Greer is also likely to highlight the administration's latest trade pact with Jordan, which was announced Monday.

The U.S. already has a free trade agreement with Jordan, inked in 2001. This deal advances the existing trade relationship by streamlining agriculture, medical device and pharmaceutical exports and providing protections for generic cheese and meat names — such as gorgonzola, mozzarella and feta — countering European efforts to gatekeep the terms.

Jordan has also agreed to cooperate with the U.S. in regulating trade in goods sensitive to national security and limit dealings from entities on the Commerce Department's Bureau of Industry Security's entity list.

TARIFF HIKE

ADOPTION DAY: The Trump administration's 25 percent tariff on certain Brazilian exports goes into effect today. Lula vowed to retaliate in the immediate aftermath of the announcement, pledging to activate Brazil's "Economic Reciprocity Law" in a post to social media, which allows for targeted countermeasures.

But Brian Winter, vice president of policy at the Americas Society and Council of the Americas, told Morning Trade that it may not be in Lula's interest to do so.

The politics: Lula is running against former Brazilian President Jair Bolsonaro's son, Flávio Bolsonaro, in the forthcoming presidential election. The latest U.S. tariffs have buoyed his campaign.

"Most Brazilians, by a healthy margin, blame the Bolsonaro family rather than Lula for these tariffs," Winter said.

Trump last year slapped 40 percent duties on Brazil over its prosecution of Jair Bolsonaro for his role in an attempted coup following the 2022 election. Those were struck down by the U.S. Supreme Court in February.

The latest 25 percent duties are the result of a separate investigation into Brazil's trade practices, but Winter said most Brazilians see no distinction.

"In the minds of the majority in Brazil, the Bolsonaro family started the ball rolling on these tariffs," he added.

Blunted impact: Around 44 percent of Brazil's exports to the U.S. are spared from the new duties, according to an analysis from the Peterson Institute for International Economics, blunting the impact of the duties. Brazil's government has also unveiled a credit worth $2.6 billion to soften the blow on its exporters.

Any retaliation from Brazil could spur further U.S. tariff actions, which might not be so easy to mitigate, Winter said.

"Lula politically is quite happy with the status quo and has to measure that against whatever action he takes next," Winter concluded.

ON THE HILL

DIGITAL PRESSURE: More than two dozen House Republicans are putting fresh pressure on the Trump administration to act against the European Union's digital tech policies, particularly its Digital Markets Act and taxes on digital services, which both seek to rein in the power of mostly American Big Tech companies.

"We support the Administration's strategy to establish a dialogue with the EU on these issues, but we are concerned the dialogue will be used by the EU as a delay tactic," the lawmakers wrote in a letter Tuesday, whose signees include Rep. Adrian Smith (R-Neb.), chair of the Ways and Means Subcommittee on Trade in the House.

"If a dialogue does not deliver quickly, the United States should use all available tools, including but not limited to Section 301 of the Trade Act of 1974," they wrote, suggesting a trade investigation that could lead to tariffs or other trade barriers.

In the letter, the lawmakers also warned that the expected inclusion of Amazon and Microsoft's cloud units, Amazon Web Services and Microsoft Azure, under the DMA will introduce "unprecedented" regulatory burdens that put the U.S. at a disadvantage compared to European and Chinese cloud providers.

Reminder: Both the DMA, which allows regulators to set strict operating rules and fine large platforms, and the digital services taxes imposed by European countries remain a thorn in trade negotiations between the U.S. and the EU, as both sides seek to maintain the balance of the Turnberry agreement signed last year.

Back to earth: Lawmakers, even members of the president's party, have limited power to directly influence trade negotiations — but the focus on the matter from House Republicans will likely put pressure on the administration to go further.

SAVING TURNBERRY: A group of EU lawmakers are preparing to meet with officials from the Office of the U.S. Trade Representative today, likely including Greer, German MEP Bernd Lange told Stefanie. Top of mind will be discussing USTR's pressure on his home country to spend more on medicines.

Lange said Greer has already given assurances that the latest Section 301 investigation into Germany's pharmaceutical pricing won't blow up the Turnberry deal.

"I trust Jamieson Greer, and he told me we will stay at 15 percent," Lange said, referring to the EU tariff ceiling of 15 percent as part of that deal.

The MEPs have been meeting with members of Congress, including House Ways and Means Committee Chair Jason Smith (R-Mo.) Lange is also scheduled to meet with Senate trade subcommittee members.

COMMERCE CORNER

HAWKING CHIPS: The Trump administration ignored warnings from career staff at the Commerce Department when it granted the United Arab Emirates sweeping access to advanced American semiconductors and other technology, Ari reports.

Agency staff compiled and circulated multiple internal reports and memos last fall documenting security risks tied to G42, the UAE's state-backed AI giant and its affiliated companies. But senior Commerce officials who were presented with the reports, including BIS head Jeffrey Kessler, ultimately brushed aside the warnings and paved the way for the Emirati government to access sensitive technology without a license.

Ari has more here.

PEOPLE ON THE MOVE

Trump tapped Commissioner **Brett Doyle** to chair the International Trade Commission Tuesday. Doyle was confirmed as part of a slate of five new commissioners at the end of last week and replaces Chair David Johanson, whose term had expired. Doyle's term runs through June 16, 2028.

Jonathan McKernan has left his position as the Treasury Department's undersecretary for domestic finance, according to a post to X. POLITICO's Michael Stratford and Declan Harty have more on his departure here.

Tom Conley has joined McLarty Associates as the new director for trade. He is a former team lead at the International Trade Administration.

INTERNATIONAL OVERNIGHT

— Trump says he will impose tariffs on generic drugs starting in August 2028, Ari and your host report.

— Senate approves trade court nominee who insulted Republican lawmakers, Ari reports.

— US-Canada trade talks to intensify 'right away,' Carney says, POLITICO's Zi-Ann Lum reports.

— IEA warns of risk to energy supplies from escalation of Iran conflict, per the Financial Times.

— EU pushes back as US secondary sanctions expand, lawyers say, per Export Compliance Daily.

ON THE CALENDAR

10 a.m.: The Senate Finance Committee holds a hearing on "The President's 2026 Trade Policy Agenda."

11 a.m.: The Middle East Institute holds a virtual discussion on "The Red Sea Threat to Global Shipping."

2 p.m.: The House Foreign Affairs East Asia and Pacific Subcommittee holds a hearing on "Charting a New Course: Countering China's Dominance in Global Shipbuilding."

3 p.m.: The Hudson Institute holds a discussion on "Updating U.S. Trade Policy: A Discussion on the Strategic and Economic Importance of Central Asia."

4 p.m.: The Atlantic Council holds a virtual discussion, beginning at 4 p.m., on "Expanding U.S. Investment in the Western Hemisphere."

5:30 p.m.: The Washington International Trade Association holds its 2026 Annual Dinner.

THAT'S ALL FOR MORNING TRADE! See you again soon! In the meantime, drop the team a line: ddesrochers@politico.com, ahawkins@politico.com and oward@politico.com.

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