

**Testimony Before the United States House Committee on Ways and Means Trade  
Subcommittee**

Hearing on

“Advancing America’s Interests at the World Trade Organization’s 14th Ministerial Conference”

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March 17, 2026

Chairman Smith and Ranking Member Sánchez, distinguished Members of the Committee, thank you for the opportunity to discuss Advancing America’s Interests at the upcoming World Trade Organization’s Fourteenth Ministerial Conference (MC14) in Yaoundé, Cameroon on March 26–29, 2026.

Prior to private practice, I was privileged to spend a decade in government service representing the United States in multiple trade negotiations as a diplomat and negotiator, including at the World Trade Organization (WTO) in Geneva, Switzerland. I also served as a lead litigator representing U.S. workers, farmers and businesses in disputes against foreign governments before WTO panels and the previous Appellate Body. While I will draw on these experiences, I also want to be clear that the testimony I provide this morning is my own and not attributable to my employer or my clients.

I also had the privilege of testifying before this same Committee two years ago, just before the previous Ministerial, MC13.<sup>1</sup> In 2024, it was clear that the WTO was stuck in a bygone era incapable of addressing modern economic challenges in large part because its multilateral negotiating function – its core function – was effectively paralyzed. I argued then that given the significant challenges for the organization and limited MC13 agenda it was “fair for the Committee to ask what exactly the point is of continuing to invest in a multilateral system when the only issues on the table are largely defensive, don’t advance U.S. interests, have little relevance for today’s economy, and would largely make Americans worse off.”

Two years later, my question is the same. The WTO, in its current form, is incapable of advancing beyond this paralyzed state. The limited agenda of the upcoming Ministerial, which includes renewal yet again of the longstanding e-commerce moratorium for the fourteenth time, and endorsement of a largely perfunctory workplan on reform, is further evidence of the WTO’s decline. As someone who used to work in and truly believe in the system, I think it’s important to be clear-eyed about the organization’s current status and realistic about where all of this is heading.

I previously argued that the United States was faced with one of two choices: (1) either abandon the project altogether and return to an aggressive strategy of bilateral trade deals or (2) attempt once again to convince our trading partners and likeminded allies to put real resources into renegotiating and rebuilding a global trading framework. Since then, the global trade landscape has changed dramatically but the WTO has not.

I remain as skeptical today as I was two years ago about the organization’s future. The WTO’s negotiating function is unlikely to be revived. But rather than repeat those arguments this morning, I’d like to use my time to suggest a third, more realistic and I think better option for the near term: the United States can accept the status quo.

Specifically, this would mean accepting a more limited WTO focused on what the organization still does well: technical discussions, committee work, transparency, and maintaining a baseline set of rules for agricultural and other trade. What the organization can no longer do in practice, is

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<sup>1</sup> <https://democrats-waysandmeans.house.gov/sites/evo-subsites/democrats-waysandmeans.house.gov/files/evo-media-document/Shaw.W%26M%20testimony.WTO%20hearing.pdf>

negotiate new disciplines. In other words, the time has come to accept the status quo and the organization for what it is, as well as for the United States to pursue other types of trading arrangements that address 21<sup>st</sup> century economic challenges and opportunities outside of Geneva.

I'd like to make three points today in support of this "option 3" approach. **First**, for the past decade no member has done more to try to reform the WTO than the United States, particularly under the leadership of the Trump Administration. It is not for a lack of effort by the United States. **Second**, the real issues with the WTO are structural and, at this point, cannot be fixed with additional resources or negotiations. **Third**, a more limited WTO that is focused on what it does well, and foregoes what it cannot, is still in the U.S. economic and national security interests.

**(1) No other member has done more to try to reform the WTO than the United States, particularly under the leadership of the Trump Administration.**

The United States has been the most vocal proponent of WTO reform for more than a decade. No other WTO member has done more or come close. For example:

- In 2016, after having advocated for dispute settlement reform for years, the United States took action to start blocking the reappointment of activist appellate judges who had exceeded their mandate, violated their own procedural rules, and undermined negotiations.<sup>2</sup> In addition to raising questions about sovereignty, some of these appellate decisions stripped away tools the United States had historically used to defend its businesses and workers against unfair trade practices, including from China.
- In 2017, the United States introduced a notification proposal to try to incentivize WTO members to comply with their obligations to report subsidies and other trade-distorting programs to the broader membership.<sup>3</sup> Failure by several large members to comply with basic transparency obligations continues to undermine the work of the committees and the WTO's core monitoring function.
- In 2019, the United States issued another proposal to prevent the world's richest economies from claiming "developing country" status and availing themselves of exceptions to WTO rules at the expense of both developed members and, more critically, least-developed countries legitimately entitled to those flexibilities.<sup>4</sup> As a result of U.S. efforts, Brazil, Singapore and South Korea all declared that they would not seek developing country special and differential treatment in future WTO negotiations. In September 2025, China, the world's second largest economy, announced that it would stop availing itself of special and differential treatment but still continues to call itself a developing country.
- In December 2025, the Trump Administration introduced a broader reform package aimed at addressing not only these issues but also other important reforms to MFN, clarifications with respect to the role of the Secretariat, and the re-assertion that the WTO's essential

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<sup>2</sup> [https://www.wto.org/english/news\\_e/news16\\_e/us\\_statment\\_dsbmay16\\_e.pdf](https://www.wto.org/english/news_e/news16_e/us_statment_dsbmay16_e.pdf)

<sup>3</sup> <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/JOBS/GC/148.pdf&Open=True>

<sup>4</sup> <file:///C:/Users/kshaw/Downloads/W757R1.pdf>

security exception was always intended to be self-judging and not subject to review by a dispute settlement panel.<sup>5</sup> The U.S. reform paper also makes clear that the WTO system is not capable of addressing issues related to economic security, excess and overcapacity, and supply chain resiliency and that there should be policy space for members to address these issues on their own or in other fora.

In the past year alone, the Trump Administration has achieved remarkable success in convincing WTO members to take on reform commitments through the negotiation of various bilateral framework and Agreements on Reciprocal Trade (ART) deals. For example, despite Indonesia's longstanding position in Geneva against renewal of the WTO e-commerce moratorium, as part of the U.S.-Indonesia ART deal, the Trump Administration persuaded Indonesia to support a permanent moratorium and to refrain from imposing duties on electronic transmissions.<sup>6</sup> Moreover, in its negotiations with both Malaysia and Cambodia, the Administration similarly was able to extract commitments by both trading partners to fully accept and implement the 2024 WTO Agreement on Fisheries Subsidies.<sup>7</sup>

In fact, the Administration's ART deals contain multiple WTO-plus commitments with trading partners such as Cambodia, Malaysia, El Salvador, Guatemala, Argentina, Bangladesh, Taiwan, and Indonesia. WTO and GATT rules are referenced dozens of times throughout these deals, further bolstering commitments and enhancements to WTO disciplines by members around the world.

Notably, the Trump Administration was able to push its trading partners well beyond anything that would have been achieved through Geneva-based negotiations. This includes, for example, commitments by Indonesia to remove local content requirements, accept U.S. federal motor vehicle safety and emission standards, accept FDA standards for medical devices and pharmaceuticals, remove burdensome certification and labeling requirements, eliminate pre-shipment requirements, and take steps to resolve many long-standing intellectual property issues.<sup>8</sup> While other WTO members have talked about reform, no other member has come close to delivering actual reform in the way the United States has over the past ten years.

The Trump Administration, in particular, deserves significant credit for using the President's unique leverage to try to resolve longstanding issues and re-inject energy back into WTO disciplines. That said, these efforts have truly been bipartisan and longstanding; lawmakers on both sides of the aisle have consistently expressed concern about the growing number of issues within the organization and the lack of interest among U.S. trading partners to meaningfully take action. The United States remains the primary driver of WTO reform efforts.

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<sup>5</sup> <https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=Q:/WT/GC/W984.pdf&Open=True>

<sup>6</sup> <https://ustr.gov/sites/default/files/files/Press/Releases/2026/02.19.26%20US-IDN%20ART%20Full%20Agreement%20-%20US%20Final%20for%20Website%20sanitized.pdf> (Article 3.5).

<sup>7</sup> See, for e.g., <https://www.whitehouse.gov/wp-content/uploads/2025/10/Annex-1.pdf> (Article 1.12) and [https://www.whitehouse.gov/wp-content/uploads/2025/10/MALAYSIA-ANNEX\\_APPENDIX.pdf](https://www.whitehouse.gov/wp-content/uploads/2025/10/MALAYSIA-ANNEX_APPENDIX.pdf) (Article 2.27).

<sup>8</sup> <https://www.whitehouse.gov/fact-sheets/2026/02/fact-sheet-trump-administration-finalizes-trade-deal-with-indonesia/>

**(2) Ultimately, the real issues with the WTO are structural and cannot be fixed through additional resources or negotiations.**

Part of the challenge currently facing the WTO is that its current structure is undermining progress. In my 2024 testimony, I outlined some of the key reasons for the organization's negotiating paralysis, including:

- China's entrance to the organization in 2001, which introduced a large non-market economy into a system that was not designed to handle one;
- The proliferation of bilateral and regional trade deals outside of the WTO system, which not only undermine the principles of MFN but also shift resources and negotiating energy out of Geneva;
- A requirement that any benefits negotiated between a subset of members be extended to all members (current MFN rules);
- Wealthy countries taking advantage of flexibilities that were intended to benefit the least-developed;
- The rise of an activist dispute settlement system that took the place of negotiators; and
- A membership of 166 economies that is far too big to accommodate consensus-based decision-making and incentivizes hostage-taking.<sup>9</sup>

While the WTO's negotiating function has failed for several reasons, fundamentally, the organization became too large and too economically diverse to move the rules for global trade forward. The United States, China, the EU and India, for example, each have a different vision for what a global trading system should look like. When we are no closer to a solution with China on excess capacity, critical minerals and unfair trading practices after 25 years of negotiations and winning more than 20 WTO disputes against China, that's a problem. When the EU cares more about maintaining an institution than the economic or national security needs of sovereign nations, that's also a serious issue. And when a country like India can hold 160-plus other members hostage on the e-commerce moratorium for leverage to continue engaging in public stockholding, a practice that distorts global agricultural markets, there is no way forward. Instead, members find themselves negotiating the exact same issues year-after-year with no progress in sight.

Serious reform would require either contraction of the organization as a whole – which will not happen – or an agreement by all members that a subset of economies could press ahead to negotiate their own WTO-plus commitments on a non-MFN basis. Neither outcome is politically realistic given current incentives within the membership. The structure of the WTO no longer allows for meaningful negotiations. There is no good reason why certain members continue to hold back those that seek plurilateral agreements, other than to intentionally drag down the system for

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<sup>9</sup> <https://democrats-waysandmeans.house.gov/sites/evo-subsites/democrats-waysandmeans.house.gov/files/evo-media-document/Shaw.W%26M%20testimony.WTO%20hearing.pdf>

everyone. After more than 10 years of trying to extract meaningful reform, it is time to move on, the American people deserve better.

**(3) A more limited WTO focused on what it does well, as opposed to what it can no longer do, is in the U.S. economic and national security interests.**

As a recovering multilateralist, my starting point for any discussion about the future of an international organization is “what is the business case for it?” In other words, what is the problem that we are trying to solve, what is it that the United States needs out of a trade-related organization, and can the WTO *as it is* fill that need?

The case for a rules-based global trading system is very different today than it was in the 1940s and 1950s, when the United States first pushed to establish the General Agreement on Tariffs and Trade (GATT), the WTO’s predecessor organization. U.S. economic, commercial, and national security interests have evolved significantly since that time. In the aftermath of World War II, U.S. policymakers sought to help war-torn Europe recover and to deepen economic ties among democratic allies. Expanding trade was seen as a strategic tool to promote stability and prosperity under the theory that countries that traded together would be less likely to go to war with one another. A similar logic underlays the creation of the European Economic Community, which later evolved into the European Union.

The policy context today is also very different from the environment that shaped the decades-long trade liberalization efforts culminating in the 1994 Uruguay Round and the creation of the World Trade Organization in 1995. At the end of the last century, the United States led the world in lowering its tariffs and non-tariff barriers to some of the lowest levels globally, on the premise that doing so would foster economic growth and encourage other countries to do the same. While some did, the 2001-2008 Doha Round proved that most of our trading partners would not. It also demonstrated that we had very little leverage left to incentivize further reductions, at least until President Trump came along.

Today’s economic and national security challenges are different from their 20<sup>th</sup> century predecessors. If anything, many of our global supply chains are overstretched and overexposed, particularly in critical sectors. While a bulk of our economic security concerns can be attributed to an overdependence on China, China is certainly not the only challenge American businesses, workers and consumers are facing. During COVID-19, for example, Americans couldn’t get the masks, PPE, and medicines that they needed, as over 80 trading partners imposed export restrictions on critical products.<sup>10</sup> To provide another example, liberal free trade policies cannot address current market failures connected to China’s control of global critical minerals and rare earths supply chains. Market-based policies are what created the conditions for China to gain a chokehold on global mining and processing of these minerals in the first place, as well as other key sectors such as battery technology and shipping. For sectors with a national security nexus, the United States must be allowed to take measures to develop a domestic supply and to partner with likeminded allies without having to provide the same benefits, the same market access, or the same incentives to all WTO members. While the pursuit of lower and reciprocal barriers to trade certainly makes sense in some contexts, particularly for close trading partners in non-sensitive

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<sup>10</sup> [https://www.wto.org/english/news\\_e/news20\\_e/rese\\_23apr20\\_e.htm](https://www.wto.org/english/news_e/news20_e/rese_23apr20_e.htm)

sectors, the key challenges the U.S. economy faces today are about addressing market failures, rebalancing asymmetric trading relationships, addressing the large and systemic trade deficit, and making sure U.S. supply chains are strong and resilient. An organization committed chiefly to liberalizing trade among all of its members (including China) is not aligned with U.S. national security interests or the future direction of U.S. policy.

To this end, the fact that the WTO is no longer capable of negotiating serious new multilateral rules may inadvertently benefit the United States. Other WTO members, like China, will be unable to further constrain U.S. economic and national security interests at a time when more policy space is required to defend those interests from some of the free-market policies that led to critical supply chain failures in the first place. Indeed, the system as it stands still allows flexibility to defend against national security vulnerabilities through the essential security exception, which the Administration has relied on extensively. The organization's inertia also leaves open space for the United States and likeminded allies to negotiate alternative arrangements to address such market failures and economic security outside of Geneva, including through the newly launched plurilateral negotiations on critical minerals.<sup>11</sup>

A more limited organization also provides the United States with a chance to get out from under years of political hostage-taking. For example, when it comes to renewing the e-commerce moratorium at MC14, I fully support the Administration's position that the United States should agree to renew it permanently or not at all. Having already extracted a commitment from Indonesia that it won't impose duties on electronic transmissions, the United States clearly has other tools to protect U.S. digital companies. American producers and innovators longer need to be held hostage by a handful of WTO members uninterested in progress.

There are still reasons to be optimistic about the WTO, notwithstanding its more limited functions. In today's environment, the WTO's highest value to the United States is not in negotiating new rules but in maintaining a baseline for trade and transparency, as well as serving as a forum for constructive discussions among trading partners to prevent trade conflicts from escalating. Being able to rely on a core set of existing trade rules is extremely useful for U.S. industry, in particular for American farmers and ranchers. The WTO's committee structure and technical-level discussions also continue to provide an invaluable forum for problem solving in certain areas like technical barriers to trade, sanitary and phytosanitary barriers and trade facilitation. Having a physical place where members and their respective trade agencies can maintain relationships and facilitate open channels of communication is important when it comes to solving problems for businesses, particularly for those issues that don't rise to political levels. These aspects of the organization are worth preserving.

## **Conclusion**

Today, I've made the case for accepting the status quo. Over the past decade, no member has tried harder to reform the WTO than the United States. Despite our best efforts, the organization's flaws are structural and the WTO's core function – its negotiating function – is effectively dead. A more limited organization focused on technical discussions and preserving

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<sup>11</sup> <https://ustr.gov/about/policy-offices/press-office/press-releases/2026/february/ustr-seeks-public-comment-design-plurilateral-agreement-trade-critical-minerals-and-policy-actions>

baseline rules for global trade is the best and most realistic outcome from a U.S. perspective. Anything more ambitious could threaten U.S. sovereignty and constrain our ability to address market failures, rebalance trading relationships, and respond to national security concerns, particularly those stemming from China.