

## THE UNITED STATES TRADE REPRESENTATIVE EXECUTIVE OFFICE OF THE PRESIDENT WASHINGTON

January 25, 2023

The Honorable David S. Johanson Chairman U.S. International Trade Commission 500 E Street, S.W. Washington, DC 20436

## Dear Chairman Johanson:

The Commission's recent report on the distributional effects of goods and services trade and trade policy on U.S. workers (*Distributional Effects of Trade and Trade Policy on U.S. Workers* (Inv. No. 332-587) (the 2022 Report)) is deeply appreciated and will be of primary importance to any informed assessment of trade policy options that confront the President and the Congress.

Similar to many economies, the United States faces the time-sensitive challenge of advancing sustainable trade policy that contributes to our nation's economic competitiveness and resiliency. To be successful, trade policy – within a broader economic design – must benefit workers and communities, including and especially those who have been historically underserved, marginalized, and underrepresented.

The 2022 Report collects the rich and diverse perspectives and experiences of workers; academia; Tribal, State, and local officials; and community-based organizations throughout the country. Informed by this independent, and expansive, information-gathering, the historic catalogue of the distributional effects of trade and trade policy provides a foundation to guide our future work and engagements with trading partners. At the same time, the Report revealed critical research needs and data gaps that call for further investigation.

Given the complexity of the global marketplace, emerging technologies, and key strategic sectors, regular independent assessments should continue. The periodic compilation of the progress in filling these research and data gaps and making this independent account available in a centralized location would be necessary resources for the public and future trade policy makers. Therefore, under authority delegated by the President to the United States Trade Representative and pursuant to Section 332(g) of the Tariff Act of 1930 (19 U.S.C. 1332(g)), I request that the Commission conduct a further investigation on the potential distributional effects of goods and services trade and trade policy on U.S. workers and underrepresented and underserved communities. This investigation will build upon the information gathered in the Commission's 2022 Report.

I request that the Commission prepare a series of public reports that synthesize and critically review information on the distributional effects of trade and trade policy on underrepresented and underserved communities. In identifying these effects, and to the extent practicable, the Commission should gather information through:

- 1. Community-based open conversations targeted to the interests and concerns of specific underrepresented and underserved demographic and geographic communities. These conversations may take a variety of forms (including, but not limited to, group discussions and informal one-on-one interviews) and may be on- or off-the-record. They should include individual community members, workers, and representatives of organizations that represent and serve specific underrepresented and underserved communities. Other participants could include members or representatives of think tanks; academic and other research institutions; labor unions; State and local governments; non-Federal governmental entities; civil society organizations; community-based stakeholders such as minority-owned businesses; business incubators; Historically Black Colleges and Universities (HBCUs); Hispanic-Serving Institutions (HSIs); Tribal Colleges and Universities (TCUs); Asian American and Native American Pacific Islander-Serving Institutions (AANAPISIs); other Minority-Serving Institutions (MSIs); community colleges; and local and national civil rights organizations;
- 2. A symposium focused on academic or similar research on the distributional effects of trade and trade policy on underrepresented and underserved communities, including results of existing analysis, evaluation of methodologies, the use of public and restricted data in current analysis, identification of gaps in data and/or in the economic literature, and proposed analysis that could be done with restricted data; and
- 3. Economic literature on the distributional effects of trade and trade policy on underrepresented and underserved communities including, among other things, the data limitations raised in these analyses.

Each report should focus on the underrepresented and underserved communities that have been identified in a series of Presidential Initiatives,<sup>1</sup> including but not limited to examining distributional effects by race and ethnicity; gender; gender identity and orientation; age; and skill, wage and income, as well as effects on persons with disabilities; persons who live in rural

¹These Presidential initiatives include Executive Order (EO) 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government; EO 14020, Establishment of the White House Gender Policy Council, that established and named USTR as a member of the Gender Policy Council and the U.S. National Strategy on Gender Equity and Equality; EO 13988, Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation; EO 140310, Advancing Equity, Justice, and Opportunity for Asian Americans, Native Hawaiians and Pacific Islanders; EO 14036 Promoting Competition in the American Economy; -EO 14045, White House Initiative on Advancing Educational Equity, Excellence, and Economic Opportunity for Hispanics; and the Presidential Memoranda on Tribal Consultation and Strengthening the Nation-to-Nation Relationship and on Advancing the Human Rights of LGBTQI+ Persons around the World. In addition, USTR serves on the White House Council on Native American Affairs.

areas, urban areas and persons otherwise adversely affected by persistent poverty; and members of religious minorities. Each report should include standalone chapters based on these topics and groups. Each chapter should synthesize and critically review available information, note existing gaps in data or analytical methods, and make recommendations for future research. In reporting on direct and indirect impacts of trade and trade policy, the Commission may also report on changes to other economic conditions, such as technology and automation, to provide additional context to the effects of trade and trade policy.

Each underrepresented and underserved community specified above should be covered in each report. The Commission may include a more comprehensive focus on a specific group or issue in a particular report.

I request that the findings of this investigation be delivered as a series of five reports, with the first report delivered on January 20, 2026, and each subsequent report delivered in three-year intervals thereafter. As we intend to make the Commission's reports of this investigation available to the public, they should not include confidential business or national security classified information.

I appreciate the Commission's assistance and cooperation in this matter.

Sincerely,

Ambassador Katherine Tai