



THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON

October 14, 2021

The Honorable Jason E. Kearns
Chair
U.S. International Trade Commission
500 E Street, S.W.
Washington, DC 20436

Dear Chair Kearns:

The Office of the United States Trade Representative (USTR) continues our work to develop a trade policy that contributes to our nation's competitiveness, advances strong labor rights and protects our environment.

In advancing these goals, USTR strives to realize the goals of Biden-Harris Administration's equity initiatives and respond to congressional requests for trade policy to have positive and equitable impact on marginalized, underserved, and disadvantaged communities in the United States and abroad.¹

To inform this future work and advance inclusive growth, economic resiliency, and competitiveness through sound and informed policy, more and new research, data, and analytical tools are needed. 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 two-part investigation on the potential distributional effects of goods and services trade and trade policy on U.S. workers by skill, wage and salary level, gender, race/ethnicity, age, and income level, especially as they affect underrepresented and underserved communities.

For part one of this investigation, I request that the Commission prepare a public report that catalogues information on the distributional effects on under-represented and under-served communities of trade and trade policy. In identifying these effects, and to the extent practicable, the Commission should gather information through:

¹ These Presidential initiatives include Executive Order (EO) 13985, [Advancing Racial Equity and Support for Underserved Communities Through the Federal Government](#); EO 14020 that established and named USTR as a member of the [Gender Policy Council](#); 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](#).

(1) roundtable discussions among representatives of under-represented and under-served communities that have been identified in the Executive Order On Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, as well as think tanks, academics and researchers, unions, State and local governments, non-Federal governmental entities, civil society experts, 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), other minority serving institutions (MSIs), and local and national civil rights organizations;

(2) a symposium focused on academic or similar research on the distributional effects on under-represented and under-served communities of trade and trade policy, including results of existing analysis, evaluation of methodologies, the use of public and restricted data in current analysis, identifying gaps in data and/or in the economic literature, and proposed analysis that could be done with restricted data; and

(3) a critical review of the economic literature on the distributional effects on under-represented and under-served communities of trade and trade policy including, among other things, the data limitations raised in these analyses.

To the degree practicable, the investigation should report on the information provided through roundtables separately from that gathered through the symposium and literature review. It should identify information on effects on U.S. workers by group (as specified in the previous paragraph) identifying their specific U.S. region, and make recommendations on future research.

I request that the report on part one of this investigation be delivered twelve months after receipt of this letter. As we intend to make the Commission's report on part one of this investigation available to the public, it should not include confidential business or national security classified information.

For part two of this investigation, I request that the Commission expand its research and analysis capabilities so that future probable economic effects advice includes estimates of the potential distributional effects of trade and trade policy, including goods and services imports, on U.S. workers. This capacity building should include the further development of models capable of analyzing the potential distributional effects of trade and trade policy, including with respect to goods and services imports, on U.S. workers. The models should also be capable of analyzing the effect of expanded market access for U.S. goods and services products abroad on affected U.S. exporting industries, and to the extent practicable, the "indirect" effect on U.S. exports of intermediate inputs when final goods receive preferential access to the U.S. market. Through this capacity building, the Commission should also identify any data limitations that, if removed, could substantially speed the time to complete the analysis or allow for improved analysis.

I request that the Commission expand its research and analysis capabilities as indicated in the previous paragraph as soon as possible but no later than twelve months after receipt of this letter. During this time, I also request the Commission provide a briefing to USTR to present the results of its capacity building on these issues.

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

Sincerely,

A handwritten signature in blue ink, appearing to read 'K. Tai', with a stylized flourish at the end.

Ambassador Katherine Tai