

THE UNITED STATES TRADE REPRESENTATIVE EXECUTIVE OFFICE OF THE PRESIDENT WASHINGTON

ACTION PLAN FOR THE EXECUTIVE ORDER ON ADVANCING RACIAL EQUITY AND SUPPORT FOR UNDERSERVED COMMUNITIES THROUGH THE FEDERAL GOVERNMENT (EO 13985)

EXECUTIVE SUMMARY

The Office of the U.S. Trade Representative (USTR) is a component agency of the Executive Office of the President (EOP) and has primary responsibility for developing and coordinating U.S. international trade, commodity, and direct investment policy, overseeing trade negotiations with other countries, combatting unfair trade practices, and enforcing U.S. trade laws. USTR is headquartered in Washington, D.C., with offices in Geneva, Switzerland, and staff stationed in U.S. diplomatic missions to the European Union, Mexico, and the People's Republic of China. The agency's missions and operations are structured around bilateral and multilateral negotiations, specific sectors, administration, analysis, legal affairs, policy coordination, and public outreach.

As the Administration develops and implements economic policy towards better, resilient, equitable outcomes, USTR is designing and advancing worker-centered, inclusive trade and investment policy that strengthens the nation's competitiveness and expands the benefits of trade. In ensuring that U.S. trade and investment policy benefits working people, advancing racial and gender equity will be embedded into the foundation of the agency's trade and investment policy goals and objectives.

The <u>President's Annual Trade Policy Agenda and Annual Trade Report</u> now include strategic projected activities and a summary of USTR's equity and trade initiatives from the previous year. In addition, USTR's new, <u>fiscal year 2022-2026 Strategic Plan</u> provides public guidance on inclusive, worker-centered trade and investment policy and is the framework for USTR employees' performance assessments to advance racial and gender equity in trade policy. Finally, in its contracting and procurement practices, data use, administration of advisory committees and engagement with the public, USTR will seek to advance and establish new standards for racial and gender equity.

SUMMARY OF USTR'S EARLY EQUITY ACCOMPLISHMENTS

President's 2021 Trade Policy Agenda

For the first time in history, the <u>President's 2021 Trade Policy Agenda</u> included "Advancing Racial Equity and Supporting Underserved Communities" as a core objective of U.S. trade policy and recognized "persistent economic disparities on communities of color," and the need to advance "economic empowerment of women and underrepresented communities." Throughout the year, USTR continued to build upon the President's Trade Agenda goal in exploring how U.S. trade policy can benefit all workers and micro-, small, and medium-sized enterprises.

Strategic Plan Revision

Every four years, USTR updates and publishes an agency Strategic Plan that is made publicly available on its website. The most recent Strategic Plan expired in 2017. Developed in accordance with the USTR's obligations under the Government Performance and Results Act (GPRA) Modernization Act of 2010, the Strategic Plan provides the public with the agency's overarching mission and priorities. The agency's Strategic Plan also informs USTR's annual performance and assessment goals and objectives so that all employees will evaluate their individual progress and contributions towards the agency's overall objectives.

In the most expansive and inclusive review and revision in recent memory, USTR updated its fiscal year 2022-2026 Strategic Plan to incorporate the principles of the Executive Orders on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government (EO 13985), Diversity, Equity, Inclusion, and Accessibility in the Federal Workforce (EO 14035), and Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation (EO 13988), and the National Security Memorandum on Revitalizing America's Foreign Policy and National Security Workforce, Institutions, and Partnerships.

With review and input from all offices, staff, and the newly-established Diversity, Equity, Inclusion, and Accessibility Council, USTR's new Strategic Plan also incorporates the principles of the *National Strategy on Gender Equity and Equality* and the Presidential Memoranda on *Tribal Consultation and Strengthening the Nation-to-National Relationship* and on *Advancing the Human Rights of LGBTQI+ Persons around the World*.

USTR's FY22-26 Strategic Plan unequivocally communicates to Congress, Federal departments and agencies, domestic stakeholders, trading partners, and all USTR employees that inclusive engagement and advancing racial and gender equity are strategic priorities for U.S. trade and investment policy for the next four years.

Distributional Effects of Trade Independent Investigation Request

Upon reviewing EO 13985, USTR identified the Equitable Data Working Group as an opportunity to assess the impact of past and future trade policies on underserved and marginalized communities. Following a series of agency-wide, inclusive-trade briefings,

Ambassador Tai requested that the U.S. International Trade Commission (USITC) initiate an <u>historic, two-part, independent, public investigation on the distributional effects of goods and</u> <u>services trade and trade policy on U.S. workers</u> by skill, wage and salary level, gender, race/ethnicity, age, and income level, especially as they affect under-represented and under-served communities.

Starting in March 2022, the U.S. International Trade Commission <u>continued the first part of</u> the investigation by hosting a public, national series of roundtables, a symposium, a public hearing, and a critical literature review to inform the resulting comprehensive, public report. The second part of the investigation will ensure that the USITC includes distributional effects in the future confidential analysis that it prepares in response to USTR inquiries.

Contracting and Procurement Review

USTR completed a comprehensive review of its recent procurement and contracting practices and found that it embeds equity well in this critical area of operations and will continue to work with and coordinate with EOP's Office of Administration (OA).

Advisory Committee Administration

<u>Advisory Committee Administration:</u> In October 2021, USTR publicly noticed <u>the re-</u> <u>chartering of and requested applications for the Trade and Environment Policy Advisory</u> <u>Committee (TEPAC)</u>. In 2022, USTR publicly noticed the continuation and request for nominations for the <u>Trade Advisory Committee on Africa (TACA)</u>, the <u>Intergovernmental</u> <u>Policy Advisory Committee on Trade (IGPAC)</u>, and <u>the Industry Trade Advisory Committees</u> (ITACs).

In all of these notices, USTR underscored the request to advisory committee members to provide "advice and recommendations on trade policies that eliminate social and economic structural barriers to equality and economic opportunity, and to better understand the projected impact of proposed trade policies on communities of color and underserved communities." In addition, the charters now specifically mention diversity, equity, inclusion, and accessibility when inviting candidates to apply.

USTR shared these advisory committee Federal Register Notices with Tribal Leaders who joined USTR's inaugural Tribal Leaders' Consultation and with civil, labor, and human rights stakeholders. Applications are accepted on a rolling basis, and USTR will include similar guidance in future advisory committee re-chartering and nomination processes.

USTR'S EQUITY ACTION PLAN

Annual Public Updates on Racial and Gender Equity in Trade and Investment Strategies and Actions

USTR produces annual and periodic public reports (*e.g.*, Trade Policy Agenda and Annual Report, National Trade Estimate Report, and Special 301 Report). When possible, USTR's public reports will feature updates on trade policy goals and actions that advance racial and gender equity in worker-centered, inclusive trade and investment activities. USTR will ensure that the racial and gender equity accomplishments will be archived in a central, publicly-available location on the agency's website so that Congress and stakeholders will be able to reference these standards and objectives in the future.

USTR's annual and periodic public reports are historic documents that domestic stakeholders and trading partners closely monitor, review, and reference. Most are comprehensive and publicly accessible. By including, elevating, and regularly reporting on the progress of racial and gender equity in trade and investment policy, USTR establishes a new standard in the framing, consideration, and tracking of how trade and investment may expand and maximize the benefits of trade for all workers and underserved and marginalized communities.

USTR's new Strategic Plan now reflects the principles of EO 13985, the <u>National Strategy on</u> <u>Gender Equity and Equality</u>, and a number of Presidential policy directives and initiatives to advance equity and inclusion. Since President Biden's inaugural <u>2021 Trade Policy Agenda</u> included the unprecedented stated goal of "Advancing Racial Equity and Supporting Underserved Communities," future Trade Policy Agenda and Annual Reports will expand the racial and gender equity ambitions and provide public updates on the agency's comprehensive work to advance racial and gender equity in U.S. trade and investment policy.

Beginning in fiscal year 2022, all USTR staff's annual performance assessments include advancing equity in their respective policy, administrative, and communication strategic goals and objectives.

USTR has the primary authority and responsibility to execute interagency coordination of developing, coordinating, and implementing U.S. trade and investment policy through its chairmanship of the Trade Policy Review Group (TPRG) and the Trade Policy Staff Committee (TPSC). USTR will continue to explore how it may use its interagency tools so that trade and investment policy advice from the interagency also considers advancing racial and gender equity, whenever possible.

Strengthening Data to Consider and Improve the Distributional Effects of Trade

The <u>President's 2021 Trade Policy Agenda</u> indicated the necessity of improving engagement and available data to inform more equitable and inclusive outcomes. In October 2021, Ambassador Tai requested that the U.S. International Trade Commission (USITC) undertake a public, independent investigation and release a public report to inform, better identify, and measure the potential distributional effects of U.S. trade and trade policy on U.S. workers, by skill, wage and salary level, gender, race/ethnicity, age, ability, and income level, especially as they affect under-represented and under-served communities.

In January 2022, the USITC announced the timeline of their independent investigation to explore gaps in existing data and economic literature and propose analyses that could be done with restricted data. USTR will amplify and invite broad participation in the public series (*i.e.*, roundtable discussions, hearing, academic symposium, and comment period) that runs from March 1, 2022 to May 17, 2022 and expects the ITC to publish a public report on the distributional effects of goods and services trade and trade policy on U.S. workers in October 2022.

Future confidential probable economic effects advice that USTR requests will include estimates of the potential distributional effects of trade and trade policy, including goods and services imports, on all U.S. workers.

Advisory Committee Administration and Guidance

USTR directly oversees four advisory committees: 1) The Advisory Committee on Trade Policy Negotiations (ACTPN); 2) The Intergovernmental Policy Advisory Committee (IGPAC); 3) The Trade Advisory Committee on Africa; and 4) The Trade and Environment Policy Advisory Committee (TEPAC). USTR also co-manages 22 interagency trade advisory committees in conjunction with the U.S. Department of Commerce, the U.S. Department of Agriculture, and the U.S. Department of Labor.¹ In seeking the advice and counsel of the advisory committees it manages, USTR will continue to request that cleared advisors provide input, guidance, and feedback on racial and gender equity in trade and investment policy.

In 2021, USTR invited cleared advisors who serve on the advisory committees it co-manages with the Departments of Agriculture and Commerce to provide advice on how to advance equity principles within their respective committee's charter. USTR will continue to request that cleared advisors' confidential advice and counsel incorporates racial and gender equity.

Expanded and Consistent Engagement

USTR will strengthen relationships with underserved and marginalized stakeholders to make trade policy more accessible and to ensure that diverse perspectives and innovative concepts are constantly incorporated into the design, advancement, and implementation of inclusive, worker-centered trade policy.

USTR will continue to invite like-minded trading partners to include diverse perspectives from underserved and marginalized communities in bilateral, multilateral, and plurilateral stakeholder engagement activities.

¹ These advisory committees include the Agricultural Policy Advisory Committee (APAC), seven Agricultural Technical Advisory Committees for Trade (ATAC), 14 Industry Trade Advisory Committees (ITAC), and the Labor Advisory Committee (LAC) with the relevant department and agency heads.

USTR will expand and enhance engagement throughout the agency. Specifically, USTR will seek public feedback and meet with Tribal Leaders, underserved and marginalized communities, State and local government, and community-based and civil rights organizations to better understand the impact of previous trade policies and consider diverse perspectives, inform trade and investment policy, and share opportunities and updates on USTR's actions to advance racial and gender equity in U.S. trade and investment policy. With a goal of building trust with more domestic stakeholders, these engagements will always strive to be inclusive, safe, and accessible, whether virtual, in-person, or a hybrid, with opportunities for critical input and comments.

Using the insights from this engagement, USTR will be more informed, responsive, and connected to ensure that the nation's underserved and marginalized communities: 1) become more conversant in the application and relationship of trade policy to their daily lives; 2) are informed on inclusive, worker-centered, trade principles; and 3) confident in U.S. trade and investment policy actions and outcomes.