

November XX, 2021

The Honorable Katherine Tai United States Trade Representative 600 17th Street NW Washington, DC 20508

Dear Ambassador Tai:

On behalf of the Americans for Free Trade coalition, we would like to commend you for your leadership and stakeholder engagement at USTR. After years of unpredictability and a devastating economic crisis caused by the global pandemic, global trade stakeholders welcome a new day and vision. As USTR develops the Biden-Harris Administration's worker-centered trade policy, it has a rare opportunity to tell the positive story about trade and how it benefits American consumers and workers. We strongly believe this is the time to focus on a progressive trade policy that benefits all stakeholders, and not one that regressively imposes the greatest burdens on the most vulnerable in our society.

By way of background, <u>Americans for Free Trade</u> represents every part of the U.S. economy including manufacturers, farmers and agribusinesses, retailers, technology companies, service suppliers, natural gas and oil companies, importers, exporters, and other supply chain stakeholders. Collectively, we employ tens of millions of Americans through our vast supply chains.

As we aim to build back better in response to the COVID-19 pandemic and associated economic dislocation, USTR will play a vital role to help American stakeholders better understand how trade vastly improves their standard of living, creates job opportunities, enables extensive choices of affordable, high-quality products and services, and creates market opportunities abroad. Its trade policies should prioritize advancing our economy as a united endeavor, fully and equally embracing the trade-related contributions of all Americans. This is especially important as USTR has requested the International Trade Commission to launch an investigation regarding the impacts of trade on the underserved and underrepresented communities.

Indeed, it is no longer possible to view our economy through a lens that solely focuses on any of these formerly disparate segments or appears to treat them as working at cross purposes. In today's economy, American manufacturers are importers. American consumers are workers. And American farmers are exporters. As noted in the May 2021 "Imports Work for American Workers" report, more than 21 million American jobs rely on imports. These important American jobs, and their value to the U.S. economy, must be considered as part of a wholistic worker-centered trade policy.

After years of growing inequality and stagnating wages, we support a trade policy that as you noted advances the interests of all Americans who "...benefit from having good jobs, with good wages..." With an uncertain economic outlook, concerns about rising inflation, ongoing supply chain disruptions and growing inequality, we welcome the promise of the dignity of work, the stability of a job, and the opportunity of a higher living standard. Likewise, your clear commitment to work with allies and foster shared values of freedom, democracy, truth, and opportunity will offer Americans the dignity of reclaiming their global leadership role and moral high ground.

An effective post-pandemic trade policy will help American workers stretch their hardearned wages when they put on their consumer hats and help American manufacturers gain access to affordable inputs to support their global competitiveness and offer high quality, affordable products that American consumers demand. It will also provide U.S. manufacturers, farmers, ranchers and service providers access to new growth markets around the world, which will create jobs, grow wages, and raise skill and education levels at home.

But too often there is a narrative that imports are relied upon to offer "cheap goods" at the expense of the American worker. Such a dismissive view fails to consider the full benefits of imports to the U.S. economy. Imports not only provide American consumers – who are also American workers and families – a greater variety of products at affordable prices, but also provide more than half of U.S. manufacturers' intermediate inputs and components, and enrich our economy with employment in manufacturing, design, engineering, research, logistics, services and more. As the Administration works to reestablish our role as the leading global economy, we believe it is critical to convey the full picture of the important role global trade plays in the U.S. economy's strength, ingenuity and innovation.

Today's economy relies upon interconnected global supply chains, often keeping high-paying, high-skilled jobs in the United States while working with overseas partners for final assembly. These imports reflect a globalized world where specialized economies and workforces do what they do best, collaborating for final products sold around the world. These supply chains are complex and should continue to play to America's strengths. We encourage the Administration to embrace and support trade policies that not only allow U.S. companies to remain globally competitive and open new markets, but that actually attract more foreign investment in the United States and in turn create more American jobs.

As USTR works to balance the interests of many stakeholders and forge a new path for trade policy, we urge it to publicly embrace the important role both imports and exports play in creating a strong U.S. economy and how they work together to create benefits for American consumers, manufacturers, retailers, service providers and most importantly American workers. Imports and exports are not in competition with each other but rather support each other and the U.S. industries who rely on them.

We all agree that Americans are both "workers and wage-earners" and "consumers". Underscoring the dignity of work and a decent wage is natural and aligns with our identity as Americans. A trade policy that claims to advance the interests and needs of all Americans should

seek to meet them everywhere they work, live, succeed, struggle, and hope in today's pandemic world. Their future and dignity depend on it.

We look forward to working with USTR and the Biden-Harris Administration on the development of a true worker-centered trade policy that embraces the importance of imports to both American workers and consumers, as well as to the U.S economy and our global competitiveness.

Sincerely,

AFT Member Trade Associations