

*Before the*  
**Office of the United States Trade Representative**  
Washington, D.C.

*In re* Request for Comments on  
Advancing Inclusive, Worker-Centered  
Trade Policy

Docket No. USTR-2023-0004

**COMMENTS OF  
THE COMPUTER & COMMUNICATIONS INDUSTRY ASSOCIATION (CCIA)**

Pursuant to the request for comments published by the Office of the United States Trade Representative (USTR) in the Federal Register at 88 Fed. Reg. 38,118 (Jun. 12, 2023), the Computer & Communications Industry Association (CCIA) submits the following comments in response to USTR’s Request for Comments on Advancing Inclusive, Worker-Centered Trade Policy (Docket No. USTR-2023-0004). CCIA is an international, not-for-profit trade association representing a broad cross section of communications and technology firms. For over 50 years, CCIA has promoted open markets, open systems, and open networks.<sup>1</sup>

**I. INTRODUCTION**

CCIA supports the consideration of impacts to workers alongside impacts to all stakeholders in transparent trade policy input processes. When considering impacts to workers, it is important that trade policy makers estimate impacts both seen and unseen, in order to avoid a status quo bias or incumbency bias. The foregone benefits from trade liberalization agreements not implemented—including both new jobs and increased worker compensation created in industries with a comparative advantage, as well as lower prices for *all* workers in their role as consumers—are just as real as, and generally much larger than, tradeoffs faced by workers in industries with a comparative disadvantage.

This USTR request for comment follows a number of related developments. For example, in October 2021, USTR asked the U.S. International Trade Commission (USITC) to conduct a two-part investigation on the distributional effects of trade and trade policy and produce a report on the first part of the investigation. The resulting report published in October 2022 extensively referenced highly influential recent economic research by David Autor and many of his frequent co-authors, commonly referred to as the “China Shock” literature.<sup>2</sup> The “China Shock” literature estimated that liberalizing U.S. trade policy with respect to the People’s Republic of China

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<sup>1</sup> CCIA members employ more than 1.6 million workers, invest more than \$100 billion in research and development, and contribute trillions of dollars in productivity to the global economy. For more, visit [www.ccianet.org](http://www.ccianet.org).

<sup>2</sup> United States International Trade Commission, “Distributional Effects of Trade and Trade Policy,” October 2022, available at <https://www.usitc.gov/publications/332/pub5374.pdf>

produced significant economic gains for the United States as a whole, but also resulted in up to 2 million job losses in the United States, which impacted certain evaluated groups more than others, e.g., workers in particular regions more than other workers.

In the context of this USTR request for comment and efforts to look at potentially more granular demographic categories of distributional impacts from trade and investment policy than the “China Shock” economic literature and the USITC report on distributional effects of trade policy provide, CCIA highlights the following points:

- The magnitude of the gains from trade vastly exceeds the magnitude of the tradeoffs;
- Symmetrically liberalized trade among countries generates overwhelming Kaldor-Hicks improvements, primarily consisting of gains for U.S. workers and consumers, that are more than sufficient to compensate the displaced workers via fiscal policy transfers, which would generate a Pareto improvement;
  - This assumes that the U.S. government actively advocates on behalf of U.S. businesses and workers facing discriminatory targeting by foreign trade partners’ regulators and policymakers to ensure that U.S. businesses and workers realize expected gains from trade;
- Concerns expressed by advocates for workers impacted by the “China Shock” reflect a historical failure to actually engage in sufficient fiscal policy transfers to compensate the relatively small number of adversely impacted workers;
- Rather than discarding the gains from trade for many workers and all consumers due to the tradeoffs faced by small groups of workers relative to the overall economy, a better worker-centered approach to trade would be to actually engage in the fiscal policies to compensate those workers who face the tradeoffs from increased trade, such as via increased and streamlined trade adjustment assistance;
- Trade and investment policy are tools ill-suited to address equity concerns, particularly complex intersectional equity concerns, whereas the longstanding tools of fiscal policy such as transfer payments are well-suited to achieving such goals;
- Opportunities for stakeholder and community input and engagement on trade and investment policy should be transparent to ensure that all stakeholders and communities have equal insight into trade and investment policymaking and are provided equal platforms to express their interests and concerns.

## **II. LITERATURE REVIEW: GAINS FROM TRADE VASTLY EXCEED TRADEOFFS**

Following the publication of the primary “China Shock” economic papers in the 2010s, economic researchers responded to exhortations from that literature, such as the statement in Autor, Dorn and Hanson (2016) that “it is incumbent on the literature to more convincingly estimate the gains from trade, such that the case for free trade is not based on the sway of theory alone, but on a foundation of evidence that illuminates who gains, who loses, by how much, and under what conditions.”

One such paper, Galle, Rodriguez-Clare, and Yi (2023), developed and estimated a multi-sector gravity model of trade with heterogeneous labor and used it to quantify the group-level and

aggregate welfare effects of the China shock and overall trade in the United States. Their model implies U.S. aggregate welfare gains from the rise of China of 0.25%, with an average gain across groups of 0.32%. Almost 97% of groups experience positive gains from the rise of China in the Galle, Rodríguez-Clare, and Yi (2023) primary model, and the most harmed group only sees a 1.64% decline in real income,<sup>3</sup> demonstrating that net losses are extremely rare and relatively small. Overall welfare gains from trade with all trading partners are estimated at 1.52%. Even after incorporating hypothesized aversion to inequality in welfare estimates, the gains from trade remain overwhelmingly positive. The policy implication is clear: gains from trade vastly exceed any potential tradeoffs, and only a relatively small fraction of U.S. workers would require transfer payments to transform a Kaldor-Hicks improvement from trade into a Pareto improvement from trade.

Another such paper, Feenstra and Sasahara (2017), quantifies the impact on U.S. employment from imports and exports during 1995-2011, using the World Input-Output Database. They find that the expansion in U.S. merchandise exports to the world relative to imports from China over 1995-2011 created net demand for about 1.7 million jobs. When they compare the growth of U.S. merchandise exports to merchandise imports from all countries, they find a fall in merchandise labor demand due to trade, but comparing the growth of total U.S. exports to total imports from all countries, they find that there is a rise in *net* labor demand because of the growth in service exports.<sup>4</sup> In other words, even in a model that looks only at impacts to workers in their role as workers, and does not take into account welfare benefits from trade accruing to workers in their role as consumers, there are measurable gains for workers from trade.

Numerous other economic papers found similar results, with significant aggregate welfare improvements from trade liberalizations but heterogeneous magnitudes across groups and regions, with a small number of groups or regions seeing small welfare declines. For example, Caliendo, Dvorkin, & Parro (2019) found that “the U.S. gains in the aggregate [from trade liberalization], but due to trade and migration frictions, the welfare and employment effects vary across U.S. labor markets.”<sup>5</sup> Similarly, Rodríguez-Clare, Ulate, and Vásquez (2020) found that “the China shock leads to average welfare increases in most U.S. states, including many that experience unemployment during the transition,” but that a small number of U.S. states saw small welfare declines in a model with nominal rigidities.<sup>6</sup>

These results are consistent with trade liberalization generally representing a Kaldor-Hicks improvement. The aggregate welfare gains from trade liberalization are significant, and it would not be difficult to compensate the relatively small numbers of displaced workers via fiscal policy transfers.

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<sup>3</sup> Galle, Simon, Andrés Rodríguez-Clare, and Moises Yi. "Slicing the pie: Quantifying the aggregate and distributional effects of trade." *The Review of Economic Studies* 90.1 (2023): 331-375, available at [https://www.nber.org/system/files/working\\_papers/w23737/w23737.pdf](https://www.nber.org/system/files/working_papers/w23737/w23737.pdf)

<sup>4</sup> Feenstra, Robert C., and Akira Sasahara. "The 'China shock,' exports and US employment: A global input-output analysis." *Review of International Economics* 26.5 (2018): 1053-1083, available at [https://www.nber.org/system/files/working\\_papers/w24022/w24022.pdf](https://www.nber.org/system/files/working_papers/w24022/w24022.pdf)

<sup>5</sup> Caliendo, Lorenzo, Maximiliano Dvorkin, and Fernando Parro. "Trade and labor market dynamics: General equilibrium analysis of the china trade shock." *Econometrica* 87.3 (2019): 741-835.

<sup>6</sup> Rodríguez-Clare, Andrés, Mauricio Ulate, and José P. Vásquez. "New-keynesian trade: Understanding the employment and welfare effects of trade shocks." (2020).

However, in one of the central “China Shock” research papers, it was shown that transfer payments were not utilized sufficiently to compensate the small numbers of displaced workers: commuting zones suffering \$549 reductions in annual household wage and salary income only received about \$58 in increased transfer payments.<sup>7</sup> It would not have been difficult to remedy this: there are about 131 million households in the United States. Even if one in four received a compensatory transfer payment, that would be \$491/year for each of 32.75 million households, or about \$16 billion/year. For comparison, U.S. federal expenditures for the year 2022 were about \$6.3 trillion, about 400 times the transfer payments that would have been required to make all of the impacted households whole in that model. In other words, advocates for impacted workers have a legitimate grievance—but that grievance is properly levied against miserly fiscal policy, rather than welfare-enhancing trade policy.

There is a contingent caveat to these conclusions: they assume that the U.S. government will negotiate and advocate on behalf of U.S. businesses and workers before trading partners’ governments when those trading partners attempt to target U.S. businesses and their workers with discriminatory regulations, asymmetrically increased costs and burdens, or diminished market access. If the U.S. government allows trading partners who benefit from open access to the U.S. market to restrict the access of U.S. businesses to those trading partners’ markets, or to impose targeted and discriminatory regulatory costs and burdens on U.S. businesses and workers, gains from trade may not be fully realized. This is why CCIA consistently urges U.S. policymakers to advocate energetically on behalf of U.S. digital services businesses and their workers before foreign trading partners’ regulators and policymakers when they consider or adopt policies that would be adverse to U.S. businesses and their workers. Likewise, this is why CCIA supports implementing strong digital trade rules that strengthen American exports and the U.S. economy as policymakers and trade officials continue to negotiate important trade agreements around the world.

### III. THE DIGITAL ECONOMY IN CONTEXT OF U.S. GOVERNMENT DATA

Digital services represent a bright spot in U.S. exports. U.S. digitally-enabled services exports (defined by the Bureau of Economic Analysis as “Potentially ICT-Enabled Services Exports”) stood at \$626 billion in 2022, representing about two-thirds of all U.S. services exports, which totaled \$929 billion in 2022, and about one-fifth of all U.S. exports of goods or services, which totaled \$3 trillion in 2022.<sup>8</sup> The “Potentially ICT-enabled Services Trade Balance” stood at \$256 billion in 2022, which exceeded the overall U.S. services trade balance of \$232 billion in 2022.<sup>9</sup>

U.S. exports of digital services and digitally-enabled services support millions of high-paying U.S. jobs. The Bureau of Economic Analysis estimates that as of 2021, the U.S. digital economy

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<sup>7</sup> Autor et al. (2016), available at <https://www.annualreviews.org/doi/pdf/10.1146/annurev-economics-080315-015041>

<sup>8</sup> “International Data,” Bureau of Economic Analysis, available at <https://apps.bea.gov/iTable/?reqid=62&step=9&isuri=1&6210=4#eyJhcHBpZCI6NjIsInN0ZXBzIjpbMSw5LDZdLlJkYXRhIjpbWyJQcm9kdWN0IiwuNCJdLFsiVGFiVGVMaXN0IiwuMzU5Ii1dfQ==>

<sup>9</sup> “International Data,” Bureau of Economic Analysis, available at <https://apps.bea.gov/iTable/?reqid=62&step=9&isuri=1&6210=4#eyJhcHBpZCI6NjIsInN0ZXBzIjpbMSw5LDZdLlJkYXRhIjpbWyJQcm9kdWN0IiwuNCJdLFsiVGFiVGVMaXN0IiwuMzU5Ii1dfQ==>

“accounted for \$3.70 trillion of gross output, \$2.41 trillion of value added (translating to 10.3 percent of U.S. gross domestic product (GDP)), \$1.24 trillion of compensation, and 8.0 million jobs. Growth in price-adjusted [U.S. digital economy] GDP (also referred to as “chained-dollar” or “real” GDP) was 9.8 percent in 2021, greatly outpacing growth in the overall economy, which increased 5.9 percent.”<sup>10</sup> As U.S. digitally-enabled services exports totaled about \$600 billion in 2021, this suggests that digitally-enabled services exports support up to one-fourth of the value added of the U.S. digital economy, 2.5% of U.S. GDP, \$300 billion in compensation, and 2 million U.S. jobs. The Bureau of Economic Analysis estimated average compensation in the U.S. digital economy at \$154,421,<sup>11</sup> about double GDP per capita, confirming that U.S. digital economy jobs are very good jobs for U.S. workers ranging from coding to manufacturing to transportation.<sup>12</sup>

By contrast, the entire “China Shock” following liberalization of trade with China likely amounted to fewer than 2 million job losses. Economist David Autor, who co-authored the “China Shock” research and coined the term, emphasized “that 2 million number [of estimated U.S. job losses from the China Shock] is something of an upper bound, as we stress.”<sup>13</sup> **To be clear: there are more U.S. jobs supported by digitally-enabled services exports than were lost to the entire “China Shock.”**

Worker-centered trade policy must consider the benefits to U.S. workers from increased access to foreign markets. Trade liberalization generally represents a positive-sum policy that increases the productive capacity of all countries party to the liberalization by allowing for each country’s factors of production to be put to their most productive use. Importantly, trade liberalization generally represents a Kaldor-Hicks improvement, such that with transfer payments all members of U.S. society could be made better off with trade liberalization. All consumers can purchase a wider selection of goods and services at lower prices. New jobs are created in industries with a comparative advantage, and existing workers in those industries are likely to see higher wages and improved career opportunities. Only a small number of workers in industries with a comparative disadvantage are displaced, and they could be fully compensated via fiscal policy transfers following trade liberalization. Trade liberalization offsets some tradeoffs for the small number of displaced workers in their role as consumers, as displaced workers benefit from reduced prices and increased product variety alongside all other workers and consumers.

Per the economic research literature on the “China Shock” and in responsive economic papers by other researchers, the problems for workers affected adversely by trade liberalization with China could have been addressed via fiscal policy without forgoing gains from trade via protectionist policies, and in fact, would have been most effectively addressed through fiscal policy. The “China Shock” researchers found that in practice, transfer payments for displaced

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<sup>10</sup> Tina Highfill and Christopher Surfield, “New and Revised Statistics of the U.S. Digital Economy 2005-2021”, Bureau of Economic Analysis, November 2022, p. 1, available at <https://www.bea.gov/system/files/2022-11/new-and-revised-statistics-of-the-us-digital-economy-2005-2021.pdf>

<sup>11</sup> Tina Highfill and Christopher Surfield, “New and Revised Statistics of the U.S. Digital Economy 2005-2021”, Bureau of Economic Analysis, November 2022, p. 6, available at <https://www.bea.gov/system/files/2022-11/new-and-revised-statistics-of-the-us-digital-economy-2005-2021.pdf>

<sup>12</sup> [https://www.bea.gov/system/files/2022-11/DigitalEconomy\\_2005-2021.xlsx](https://www.bea.gov/system/files/2022-11/DigitalEconomy_2005-2021.xlsx).

<sup>13</sup> Douglas Clement, “Interview with David Autor”, Minneapolis Federal Reserve, September 7, 2016, available at [https://www.nber.org/system/files/working\\_papers/w21906/w21906.pdf](https://www.nber.org/system/files/working_papers/w21906/w21906.pdf)

workers were too small to compensate them for the adjustment, had high administrative burdens for potential recipients, imposed counterintuitive eligibility incentives, and were often difficult to access or poorly designed. When David Autor made policy recommendations based on his “China Shock” research, his top three policy recommendations were located in fiscal policy: 1) make trade adjustment assistance more accessible, flexible, and supportive for displaced workers; 2) provide wage insurance to make it less economically and psychologically difficult for displaced workers to shift to new role types at lower initial compensation; and 3) reform the Earned Income Tax Credit to provide more generous cash assistance, including to childless workers and non-custodial parents.<sup>14</sup>

Similarly, MIT Technology Review described David Autor’s position on trade as follows: “Autor thinks **protectionism would probably be disastrous**. Instead, he advocates robust “trade adjustment assistance” for affected workers. This idea has been an “orphan” in policy circles, he says, adding that the current federal program is “stingy.” Displaced workers need training to get new jobs at comparable pay, but under the current system, they may disqualify themselves for such programs if they take menial jobs to pay the bills.” [emphasis added]

A truly worker-centered trade policy is one that seeks to pursue a policy of abundance for all—a “supply-side liberalism” that combines fiscal policies such as much more generous trade adjustment assistance with general trade liberalization that maximizes the U.S. productive potential, while actively working to prevent trade partners from targeting U.S. firms and their workers with discriminatory regulatory policies and non-tariff barriers to trade that would harm U.S. workers.

Given the vast economic benefits associated with digital trade in particular, enabling the full potential of digital exports through trade rules is essential. Ensuring fair access for U.S. digital services providers in foreign markets helps augment its impact on the overall trade balance and maximizes U.S. employment in export-oriented industries in which the United States has a comparative advantage. For U.S. exporters seeking to take advantage of digital tools to enter new markets and reach new customers, broaden operations to expand employment opportunities, and achieve financial success, strong digital trade rules are essential to provide certainty.

Digital resources to improve export competitiveness and improve growth is essential to firms from all industries, not just the digital economy. In particular, digital tools are essential for small businesses to expand their footprint and access foreign markets.<sup>15</sup> Many services not conventionally considered part of “tech” or the digital economy rely on digital trade rules to reach customers abroad. For example, agreements ensuring the free flow of data internationally and commitments to avoid data localization mandates support any and all companies that conduct business abroad in the modern economy. The data localization requirements and restrictions on data flows that have proliferated globally harm U.S. strength in the cloud services

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<sup>14</sup> David H. Autor, “Trade and labor markets: Lessons from China’s rise,” available at <https://chinashock.info/wp-content/uploads/2018/02/Lessons-from-Chinas-Rise-IZA.pdf>

<sup>15</sup> <https://americaninnovators.com/small-business-exports/> (“92% of small businesses that export use digital tools such as online payment processing tools, online productivity tools, e-commerce websites, online marketing and other tools.”); <https://research.cciinet.org/reports/tools-to-compete/>.

industry,<sup>16</sup> and these obstacles to trade can often give preferential treatment to local players or those from rival markets such as China. Further, damage to cloud services providers' access to foreign markets can bring hindrances to the activities of another U.S. services export powerhouse—the financial services sector. Given the ubiquity of cloud services in the financial services industry and the close link between the two sectors,<sup>17</sup> any hindrance to U.S. cloud services suppliers abroad such as localization obligations significantly harm both financial services and cloud computing. The intertwined fates of cloud services and financial services—two key strengths of the U.S. economy and of U.S. exports—reflect how protecting digital exports can in turn support other sectors. On the other hand, when international agreements confer non-discriminatory access to telecommunications networks, those rules not only support online platforms' presence in foreign markets, but also support traditional content creators that depend on online video providers to reach consumers abroad in the face of mandatory revenue transfers in the form of network usage fees.

Overall, facilitating non-discriminatory access to foreign markets protects hundreds of billions of dollars to the U.S. economy and millions of good U.S. jobs, and supports not only the digital economy, but all industries now intertwined with the modern digital landscape.

#### **IV. TRADE AND INVESTMENT POLICY ARE BLUNT TOOLS ILL-SUITED TO ADDRESS EQUITY CONCERNS**

Trade and investment policy are extremely blunt tools, and the methods by which they operate—such as agreements with foreign trade partners negotiated over the course of many years—are not amenable to rapid adjustment in response to changing demographic conditions on the ground. Consequently, it is important that such international agreements attempt to maximize benefits for the United States and its workers and consumers based on more consistent considerations, such as comparative advantage, factors of production, and position on the value chain. Expert economic analysis should inform trade policymaking to maximize the benefits for all American workers, each of whom is also a consumer.

Attempting to make trade and investment policy decisions based on evolving demographic factors, by contrast, could lead to absurd results. For example, suppose in year 20XX that the legacy Widget Industry is not likely to generate strategic value for the United States or push U.S. workers significantly up the value chain, but the legacy Widget Industry employs a significantly larger share of its workforce at all levels of seniority from several underserved communities than the growth-oriented Gizmo Industry, which would be more likely to generate strategic value and push U.S. workers up the value chain. If trade and investment policy decisions in year 20XX are made on the basis of demographic characteristics in year 20XX, then international agreements might be negotiated with foreign trade partners that prioritize gains for the Widget Industry over the Gizmo Industry in the give and take of trade negotiations. A decade following the negotiation of those agreements, the relative advantages for the Widget Industry conferred by those agreements may have been followed by a significant demographic shift in the workforce for the Widget Industry, such that the Widget Industry no longer employs a significantly larger share of

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<sup>16</sup> <https://www.statista.com/chart/18819/worldwide-market-share-of-leading-cloud-infrastructure-service-providers/>.

<sup>17</sup> <https://home.treasury.gov/system/files/136/Treasury-Cloud-Report.pdf>.



its workforce at all levels of seniority from underserved communities. Meanwhile, the once-promising Gizmo Industry in the United States has stagnated due to the failure of U.S. trade policymakers to advocate for it before foreign trading partners and in international agreements. The international agreements with foreign trading partners are locked in and would take many years to renegotiate, if they can be renegotiated at all, and in the meantime, a no-longer equity-enhancing Widget Industry continues to benefit, the once-promising Gizmo Industry continues to stagnate, and the opportunity cost for the United States in terms of GDP, production, compensation, jobs, value chain position, tax revenues, and other factors continues growing across time relative to the counterfactual scenario in which objective factors were used to make trade policy decisions.

## **V. STAKEHOLDER AND COMMUNITY INPUT INTO TRADE AND INVESTMENT POLICY SHOULD OCCUR TRANSPARENTLY AND ON EQUAL FOOTING**

For decades from the late 20<sup>th</sup> century through the early 21<sup>st</sup> century, trade and investment policymaking generally followed a best practice of facilitating transparent input and engagement processes for stakeholders and communities. This ensured that stakeholders and communities all had an opportunity to provide input, and also knew what input had been provided by other stakeholders and communities. In recent years, however, some of the transparency in the process has become replaced by opaqueness, creating uncertainty for stakeholders and communities about what input has been provided, and by whom. Trade and investment policy makers should seek to return to the transparency best practices that ensure that all input is offered on an equal footing, with transparency for other stakeholders and communities.

## **VI. ANSWERS TO SPECIFIC QUESTIONS**

***What meaningful and substantive trade policies, actions, or provisions should policy and decision makers consider that would advance racial and gender equity, equality, and empowerment in U.S. trade and investment policy? If applicable, what existing tools can be better utilized for these goals?***

Trade and investment policy is a very blunt tool, and is not well-suited to addressing granular within-country racial and gender equity, equality, and empowerment goals. At a general level, well-designed trade and investment policy can maximize the productive potential of the U.S. economy, which increases the size of the economic “pie” that is available to fund fiscal policies such as transfer payments to underserved communities.

By contrast, making trade and investment policy decisions due to contingent factors such as, for example, one industry having a slightly higher worker participation from underserved communities over another industry, could lead to enormous opportunity costs for the economy as a whole—and for those workers not classified as belonging to underserved communities. For example, various sources suggest that the high-technology sector and digital economy employ a larger share of members of an underserved community—Asian-Americans—than the typical industry, and the CEOs of many leading technology and digital economy companies are Asian-American. Regardless of the benefits such reasoning would confer to many of CCIA’s members, this would be a very contingent factor to take into account in trade and investment policymaking,



as compared to more objective considerations regarding a hypothetical trade agreement or policy, such as expected quantity of jobs created, quality of jobs expected to be created, anticipated exports, GDP impact, fiscal impact, and related factors.

It would be better for Americans in the aggregate for policy makers to focus on maximizing objective economic and fiscal factors via trade policy. This would maximize the resources available to achieve a broad range of goals via fiscal policy. Moreover, equity, equality, and empowerment goals could be achieved at far lower cost via a longstanding existing tool: transfer payments as a component of well-designed fiscal policies.

***How can trade and investment policy address multiple, intersecting barriers to advancing equity for underserved persons (e.g., rural communities, race/ethnicity, gender, and persons with disabilities)?***

Trade and investment policy are blunt tools that are ill-suited to address multiple, intersecting equity objectives. Fiscal policy is a longstanding existing tool that is far better-suited to addressing such objectives, and can do so at far lower cost.

The opportunity costs and tradeoffs involved in attempting to achieve multiple, intersecting equity objectives via trade policy are potentially enormous. They could result in nonsensical and disproportionate circumstances whereby trade negotiations prioritize one industry over other industries for demographic reasons, and those demographic characteristics change following the culmination of trade agreements, such that the equity objectives are no longer advanced by the agreements, but the opportunity costs for other industries continue to mount over time.

***What best practices should USTR consider to ensure that advancing equity, equality, and economic empowerment is standardized in community and stakeholder engagement regarding the development and implementation of U.S. trade and investment policy?***

All communities and stakeholders benefit from transparent engagement and input processes. Ensuring that opportunities for engagement and input are provided on equal terms to all communities and stakeholders, with transparency for all other communities and stakeholders, is a best practice that should be followed by trade policymakers.

***What key actions should the U.S. Government pursue with trade partners and allies to ensure that the benefits from trade and investment policy reach underserved communities?***

The U.S. government can ensure that the benefits from trade and investment policy reach underserved communities by working with trade partners and allies to ensure that they are not pursuing policies that target U.S. companies and their workers for increased regulatory burdens, or reduce market access for U.S. companies and their workers. This increases the productive potential of U.S. companies and their workers, and maximizes the total economic production available to fund fiscal policies such as transfer payments.

CCIA supports implementing strong digital trade rules that strengthen American exports and the U.S. economy as policymakers and trade officials continue to negotiate important trade agreements around the world.

## **VII. CONCLUSION**

A worker-centered trade and investment policy is one that seeks to pursue a policy of abundance for all—a “supply-side liberalism” that combines fiscal policies such as much more generous trade adjustment assistance with general trade liberalization that maximizes the U.S. productive potential, while actively working to prevent trade partners from targeting U.S. firms and their workers with discriminatory regulatory policies and non-tariff barriers to trade that would harm U.S. workers. Trade and investment policy is a blunt tool and ill-suited to addressing intersecting equity objectives, which are better addressed at lower cost via fiscal policy.

August 11, 2023