



THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON

December 27, 2024

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

Dear Chair Karpel:

To ensure that U.S. trade and investment policy furthers its policy objectives of promoting economic security, supporting decent work, and advancing the health and security of U.S. micro, small, and medium-sized enterprises (MSMEs), it is critical that research and data analysis inform U.S. policy.

I greatly appreciate the U.S. International Trade Commission's ongoing investigations on the distributional effects of trade and trade policy on U.S. workers, and especially on underserved and overburdened communities. One report (Distributional Effects of Trade and Trade Policy on U.S. Workers (Inv. No. 332-587)) has been published, and the Commission is working on five additional reports to be published over the next 15 years.

The Office of the United States Trade Representative (USTR) seeks factual information that complements these ongoing investigations. Specifically, USTR seeks to gain better understanding of the distributional effects of trade and trade policy on U.S. MSMEs – with a focus on those owned or led by women, members of a diaspora, persons in rural and remote communities, and persons belonging to other underserved and overburdened communities – to inform the development of trade policy that supports sustainable and inclusive economic growth.

I am therefore writing to request that the Commission conduct an investigation and prepare a report under section 332(g) of the Tariff Act of 1930 that provides information on the distributional effects of trade and trade policy on MSMEs, with a focus on those owned or led by women, members of a diaspora, and persons in rural and remote communities. To the extent that information is available, the report should also discuss the distributional effects of trade and trade policy on MSMEs owned by persons belonging to other underserved and overburdened

communities that have been identified in a series of Presidential Initiatives.¹ Such communities may be defined based on race and ethnicity; gender; gender identity and orientation; age; skill, wage, and income; disability; rural location; or other factors.

To the extent that information is available, this report should include the following for MSMEs owned or led by women, members of a diaspora, persons in rural and remote communities, and other persons belonging to underserved and overburdened communities:

- an overview of the involvement of these MSMEs in goods and services trade, whether directly or indirectly;
- an overview of these MSME exporters and importers, including information on their owner demographics and characteristics, and their direct and indirect exports or imports (to the extent data are available, value, products/sectors, markets, and a qualitative description of trends for the 2019-2024 period);
- an analysis of the major competitive factors that have contributed to these MSMEs' successes in trade as well as the major challenges/obstacles that inhibit their participation in trade;
- profiles/case studies highlighting success stories as well as challenges faced by these MSMEs in trade;
- an analysis of the effect on these MSMEs of changes in trade and trade policy, including changes that may have contributed to decisions by these MSMEs to expand operations or cease operations;
- information on the use by these MSMEs of digital platforms to access international markets, with special attention to exports by these MSMEs on e-commerce platforms; and
- a catalog of available data relevant to these MSMEs, including discussion of data limitations and omissions in relevant publications.

The investigation should further examine, to the extent information is available, certain MSMEs, described below, with a focus on those whose owners are from underserved and overburdened communities. Examples of MSMEs that have been affected by trade and trade policies could include the following:

- upstream and downstream MSMEs that use goods and services from or produce them for trading firms (which may not be MSMEs);

¹ These 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 14031](#), 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; [EO 14096](#), Revitalizing Our Nation's Commitment to Environmental Justice for All; [EO 14091](#), Further Advancing Racial Equity and Support for Underserved Communities through the Federal Government, 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](#), the [White House Council on Supply Chain Resilience](#), and the [White House Competition Council](#).

- MSMEs that are suppliers or customers of other companies in their community that export or import goods and/or services directly;
- MSMEs that do not currently export or import but that compete with trading (particularly importing) firms in the same industry;
- MSMEs that do not currently export or import but rely directly on the existence of trading firms within the same geographical area (e.g., a small local restaurant near a factory that makes products that are exported); and
- MSMEs that export to and import from regions of ethnic origin, including Africa, Asia, the Caribbean, and Latin America.

The report should also include profiles of these MSMEs, where MSMEs show trade growth, have experienced increases or decreases in exports or imports, and/or have a high participation in trade or production. To the extent that information is available, the report may also include discussion of MSMEs in the following industries that are engaged in international trade:

- Aerospace and aerospace components;
- Agriculture, forestry, and fisheries;
- Automobiles and automotive parts;
- Call centers, business processing operations, and related services;
- Cosmetics and beauty supplies;
- Critical minerals, including for electric vehicle and large-scale energy storage batteries, and related recycling;
- Food products;
- Metals;
- Pharmaceutical and medical goods;
- Semiconductors, microelectronics, and inputs thereto;
- Renewable energy generation, transmission, and storage, including solar and wind technology and inputs thereto; and
- Textiles, such as yarns, fabrics, apparel, and other finished goods.

Information sources for the report should include a review of relevant literature and a Commission survey to gather information on MSMEs involved in or impacted by trade and trade policy, among other outreach and sources.

The final, public report should not include confidential business or national security classified information. I respectfully request delivery of the report no later than 24 months from the date of this letter.

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
U.S. Trade Representative