

THE DRUMBEAT ON U.S. TRADE POLICY CONTINUES

"Our mandate is clear: complacency is not an option." On June 15, U.S. Trade Representative Katherine Tai spoke at the National Press Club, in what was publicized as a "major speech," although sweeping in scope, the messages delivered were a continuation of the current Administration's trade policy. Throughout the [remarks](#), Tai criticized "trade rules [designed] to liberalize as much as possible" and described "a global race to the bottom" where large corporations flock to countries with low wages and poor working conditions. To counter that model, Tai outlined a labor-focused vision for trade, leveraging U.S. competition and industrial policies to elevate workers at home and abroad.

SUPPLY CHAIN RESILIENCE IS CRITICAL

The pandemic laid bare supply chain vulnerabilities across diverse sectors. To safeguard against supply chain vulnerabilities and foreign dependencies for critical materials, Tai emphasized the importance of promoting global competition and leveraging U.S. industrial policy by making strategic investments in American jobs and infrastructure. Tai applauded Biden Administration [Executive Order 14036](#), a whole-of-government directive to stem the malign influence of foreign monopolies.

USTR TO PURSUE A WORKER-CENTERED TRADE POLICY

USTR Tai outlined how U.S. trade policy will shift to place workers at the center. Tai applauded recent efforts to safeguard labor protections in recent Free Trade Agreements (FTAs), including the U.S.-Canada-Mexico Agreement, (USMCA) with its vanguard "[Rapid Response Mechanism](#)" (RRM) to bring cases against specific violating facilities.

Under this new vision of "democratized trade," American small and medium-sized enterprises (SMEs) will gain access to global marketplaces. Tai heralded the recent FTA concluded with Taiwan as an example of how to empower SMEs. Questions remain as to what exactly this will mean in terms of practical

implementation and whether attempts to address worker issues risks a dilution of core policy issues, but sweeping too much within "trade."

FORTIFYING ALLIANCES AND PARTNERSHIPS TO STEM UNFAIR COMPETITION ABROAD

Tai views strategic alliances and partnerships as essential to push back against coercive "non-market" policies. Tai cited the recent [Joint Declaration](#) against trade-related coercion as an example of partners uniting to counter unfair global competition.

Tai lauded the [Critical Minerals Agreement](#), the [Indo-Pacific Economic Framework for Prosperity \(IPEF\)](#), and [Americas Partnership for Economic Prosperity \(APEP\)](#) as model initiatives for how U.S. alliances can chart new paths forward to "de-risk" and become "co-owners of different parts of supply chains." Tai wants to break the "exploitative" cycles of extractive trade in the developing world.

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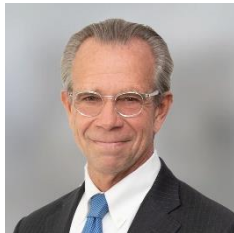
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