



THE COMMITTEE ON WAYS AND MEANS

Racial and Economic Justice & Equity in Trade

Reforming and Renewing U.S. Trade Programs

The House Committee on Ways and Means has introduced new trade legislation to modernize and reauthorize critical trade programs, such as the Trade Adjustment Assistance (TAA) programs for workers, firms, farmers, and communities that have been negatively impacted by trade, and the Generalized System of Preferences (GSP) to help incentivize economic growth in over 100 developing countries around the world.

Workers and communities of all colors, genders, and backgrounds in the United States have been affected by trade policy. Yet, colorblind policies and programs cannot address the stark racial disparities in jobs, wages, income, and wealth that we see in America today. Black, Native American, Latino, Asian American and Pacific Islander, and other people of color have disproportionately borne the brunt of negative consequences from national economic trends, including the loss of decent jobs resulting from increased trade. The modernized TAA program enhances and expands new benefits for all Americans, including increased funding, improved benefits (such as providing support for child care expenses), and streamlined program administration. It also helps begin to address racial disparities and create more equitable economic opportunities by collecting relevant data and ensuring program benefits actually reach those individuals and communities most severely affected.

The TAA Modernization Act of 2021

- Requires new outreach to **underserved communities** by the Department of Labor, the Department of Commerce, the Department of Agriculture, and the respective states that implement all TAA programs.
- TAA for Workers and TAA for Communities require outreach to trusted community groups, civil rights organizations, and trade unions that represent and serve these diverse communities, and TAA for Workers requires that outreach to workers be provided in their native languages.
- TAA for Firms requires outreach to women- and minority-owned businesses, as well as those that employ substantially diverse workforces.
- Requires all relevant agencies collect demographic information about program beneficiaries.
- TAA for Workers increases flexibility and additional training time for workers who are non-native English speakers and those requiring remedial education.
- Expands eligibility for TAA for Workers to Guam, U.S. Virgin Islands, American Samoa, and Northern Mariana Islands.



THE COMMITTEE ON WAYS AND MEANS

GSP provides tariff benefits for imports from over 100 developing countries around the world, including many historically exploited nations and former colonies. New GSP reforms promote more equitable and inclusive economic development for the beneficiary developing countries in Africa, Asia, Europe, Latin America, and the Caribbean. GSP reforms include key provisions that will help promote economic equity by disincentivizing extreme labor violations and improving labor standards. GSP reforms also more equitably align standards across regions by incorporating criteria from African Growth and Opportunity Act (AGOA) into the global program.

The GSP/MTB Modernization Act of 2021

- Adds **environment** criteria and updates **labor** criteria that developing countries must meet to receive GSP.
- Requires eligible countries to effectively enforce *internationally recognized worker rights* and expands the definition to include **elimination of discrimination in occupation and employment**, and the **elimination of violence against workers**, including **gender-based violence and harassment**.
- Adds new criteria on **human rights, rule of law, political pluralism, anti-corruption, and equitable economic development**, which are identical to the requirements in AGOA.
- Adds new **transparency requirements** for administrative decisions made under the program. Enhances **public access and inclusive participation** in the program by creating a new process to receive petitions at any time and setting maximum timelines for reviews to be completed.
- Requires a study on **rules of origin, women's economic empowerment**, and **GSP utilization rates** to help the least developed countries receive more benefits.
- Creates a mechanism to review beneficiary country's laws related to worker and gender rights.
- Encourages the adoption of gender-based data collection measures to help create greater equitable economic development outcomes.