

U.S. Trade Policy Preview (TP-P)

Friends of Multilateralism Group
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Major Developments in U.S. Trade Policy since 2018

- Lapse of Trade Promotion Authority (TPA)—delegation by Congress of power to negotiate trade agreements to Executive Branch—expired July 1, 2021
- Erasing line between economic security and national security
 - [Section 232 tariffs](#) applied to steel (25%) and aluminum (10%); investigations of autos, uranium ore, titanium sponge, GOES
 - Expansion of export controls, including application of [Foreign Direct Product Rule](#)
 - Reform of process to scrutinize Foreign Direct Investment in US [with Foreign Investment Risk Review Modernization Act](#) reforms to CFIUS
- Resetting the U.S.-China Trade Relationship
 - [Section 301 tariffs](#) on approximately \$370 billion in imports from China
 - Application of [Foreign Direct Product Rule](#) and other export controls on high-end semiconductors to China
 - [Uyghur Forced Labor Prevention Act](#)

Major Developments--continued

- Worker Centric Trade Policy

- USMCA [Rapid Response Mechanism](#)
- Ban on imports made with forced labor + Xinjiang
- Increased protection for US companies—safeguards, AD, CVD, Buy America

- Increasing America's Ability to Compete with Imports

- [Inflation Reduction Act](#) (minimum corporate tax, drug price reforms, energy and EV tax credits)
- [CHIPS Act](#) (\$280 billion to bolster US semiconductor capacity, catalyze R&D, and create regional high-tech hubs; \$52 B dedicated to support for semiconductor manufacturing in US)
- [Infrastructure Investment and Jobs Act](#) (\$1.2 trillion over 10 years)



No More
Lead Pipes



High-Speed
Internet Access



Better Roads
and Bridges



Investments in
Public Transit



Upgrade Airports
and Ports



Investment in
Passenger Rail



Network of Electric
Vehicle Chargers



Upgrade Power
Infrastructure



Resilient
Infrastructure



Investment in
Environmental
Remediation

U.S. move to “frameworks” or “initiatives”

- [Indo-Pacific Economic Framework](#)—13 countries; 4 pillars
 1. Connected Economy (trade)
 2. Resilient Economy (supply chains)
 3. Clean Economy (infrastructure, clean energy, and decarbonization)
 4. Fair Economy (tax and anti-corruption topics)
- [Trade and Technology Council \(US +EU\)](#) – [10 working groups](#)
- [U.S.-Taiwan Initiative on 21st Century Trade](#)
- [Americas Partnership for Economic Prosperity for the Western Hemisphere](#)

Biden Administration Trade Policy Agenda 2022



1. Advancing Worker-Centered Trade Policy

Rapid response mechanism in USMCA, forced labor, use of OECD, ASEAN, TTC to advance workers' rights, promote sustainable environmental practices

2. Re-Aligning the U.S.-China Trade Relationship

China unfair approach to labor and environment, transparency, “durable coexistence”

3. Engaging with Key Trading Partners and Institutions—IPEF, TTC, WTO, OECD, bilaterals

4. Promoting Trade Policy Enforcement--USMCA, currency manipulation as subsidy

5. Promoting Equitable, Inclusive, and Durable Trade Policy—USITC study on distribution effects of goods and services trade, racial and gender equity

2022 TRADE POLICY AGENDA &
2021 ANNUAL REPORT

*of the PRESIDENT of the UNITED STATES
on the TRADE AGREEMENTS PROGRAM*

Shifts in Perceptions Around U.S. Trade Policy

- Past policies of trade liberalization did not adequately take into account harms to American workers or the environment from having an open market—bottom line conclusion that open trade policy net negative?
- Three major “unfairnesses”: exploitation of labor, abuse of the environment, China’s non-market economy practices
- Supply chain resilience now a high priority
- China’s non-market economy has distorted global trade and caused harm to the United States and others
- Regionalization is the new globalization
- Less concern about policies that violate WTO rules; WTO rules protecting American interests from discrimination taken for granted