

July 19, 2021

Mr. Arun Venkataraman  
Assistant Secretary Designate  
Department of Commerce  
1401 Constitution Ave. NW,  
Washington, DC 20230

Dear Mr. Venkataraman:

Thank you for testifying before the United States Senate Committee on Banking, Housing, and Urban Affairs on July 13, 2021, at our hearing to consider nominations.

In order to complete the hearing record, please respond to the enclosed questions by Monday, July 19, 2021, at 12:00PM. When formatting your response, please repeat the question, then your answer, single spacing both question and answer. Please do not use all capitals.

Send your reply to Mr. Cameron Ricker, the Committee's Chief Clerk. He will transmit copies to the appropriate offices, including the Committee's publications office. Due to current procedures regarding Senate mail, it is recommended that you send replies via e-mail in a Microsoft Word or PDF attachment to [Cameron\\_Ricker@banking.senate.gov](mailto:Cameron_Ricker@banking.senate.gov).

If you have any questions about this letter, please contact Mr. Ricker at (202) 224-5587.

Sincerely,

Sherrod Brown  
Chairman

SB/cr

**Committee on Banking, Housing, and Urban Affairs**  
**Nominations of Mr. Arun Venkataraman and Mr. Damon Y. Smith**  
**July 13, 2021**

**Questions for Mr. Arun Venkataraman, of the District of Columbia, to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service, from Chairman Sherrod Brown:**

**1) Where have you excelled in past positions in attracting, hiring, and promoting people of color in positions in your organization/s? Where might there be room for improvement?**

To date, I have had limited opportunity to advance the careers of people of color. When given the opportunity, I have worked closely with my recruiting team to ensure that we did not adopt a passive approach to issuing notices of open positions, but instead, identified specific and non-traditional channels of distribution to reach the most diverse pool of potential candidates possible. I also worked with colleagues to ensure that early stages of recruitment and interviews reflected that diverse pool. As a manager, I have strongly supported my team's active connections with mentors and sought to identify specific professional opportunities that aligned with their career development goals, which has resulted in their promotions.

With 1 million minority-owned businesses and over 1 million women-owned businesses in our country, according to the latest available data, Global Markets must have the diverse workforce to reach those businesses and ensure that they can avail themselves of the government services to help them export and grow jobs in their communities. If confirmed, I look forward to prioritizing the search for, and promotion of, the most qualified candidates that reflect the diverse backgrounds of all Americans, including in terms of race, gender, ethnicity, veteran status, and sexual orientation. I commit to working with ITA's Diversity & Inclusion Council and Employee Resource Groups/Affinity Groups to organize and develop strategies to ensure participation rates of minorities, People with Disabilities, and women in the talent pipeline and especially in leadership positions.

**2) What specific measures will you use to evaluate the success of the U.S. Department of Commerce in understanding and addressing the needs of Black, Indigenous and people of color (BIPOC)? And, will you work with the Secretary and senior officials to keep Congress apprised, as appropriate, on the progress being made on these measures?**

I am committed to making sure that Global Markets, including the export promotion services we offer to the American people, reflects a more robust understanding of the needs of BIPOC communities. If confirmed, I will direct our team to ensure equity of access to these communities so they are aware of, and can take advantage of, our services to help grow their businesses and jobs through exporting and investments. To that end, we will evaluate our success by: 1) measuring the number of newly engaged clients from these communities that have not previously received our assistance; 2) developing new strategic partnerships with local, regional, and national organizations that serve these communities, to enhance our outreach efforts; 3) organizing trade education and facilitation events that focus on the unmet needs of these communities; and 4) training our client-facing staff to understand and identify opportunities to better reach and assist previously underserved companies. I commit to working with the Secretary and other senior officials to keep Congress apprised of the progress made on these important issues.

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**3) What is your plan for creating an inclusive working environment for employees within your office?**

I believe that proper staffing, empowerment and recognition are key to building an inclusive working environment, and I would be committed to this effort, if confirmed. This means first ensuring that additional positions in the office of the Assistant Secretary for Global Markets are hired with an eye towards seeking out candidates with a diversity of backgrounds and experiences, personal and professional. If confirmed, I would also seek to ensure the visibility of these colleagues throughout the organization, provide them with ownership of workstreams, and solicit their views through both group meetings and one-on-one conversations. I would also work to publicly acknowledge their contributions and contribute to their successes so that others can be fully aware of their efforts.

In addition, if confirmed, I would fully support, and look to implement, recommendations of ITA's recently inaugurated Diversity and Inclusion Advisory Council (DIAC), composed of 13 members geographically dispersed around the world that represent their business units, including Global Markets. The DIAC works collaboratively with the ITA Human Capital office on creative ways to promote outreach to best attract people of all walks of life including people of color. The DIAC operates in accordance with a comprehensive Charter with focus on the following functional areas, adding others as needed in the future: Recruitment and Outreach; Development; Retention and Succession; and Reaching More Diverse Customers.

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**Questions for Mr. Arun Venkataraman, of the District of Columbia, to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service, from Ranking Member Patrick Toomey:**

*Congressional Oversight*

**1) Please provide your philosophy on how the Commerce Department International Trade Administration's (ITA) Global Markets Department will approach and respond to Congressional information requests (both for documentary information and oral testimony), if you are confirmed.**

I view Congress as a vital partner in the execution of Global Markets' mission, together with a broad range of stakeholders and agencies across the Executive Branch. As Global Markets develops and delivers services to small business exporters, works with foreign companies and local economic development organizations to bring investment and jobs into the U.S., and engages foreign governments to improve the business climate for American firms and workers, I would, if confirmed, welcome Congressional input into how these objectives can be better achieved. In order to facilitate this partnership, I would seek to ensure that my team regularly provides information to Congressional staff about Global Markets' activities and responds in a timely manner to all Congressional requests for information.

More broadly, I understand and respect Congress' duty to conduct oversight of Executive Branch agencies and functions. If confirmed, I am committed to ensuring that my team is responsive to oversight requests and provides Congress with the information that it needs consistent with appropriate law and regulations.

**2) If confirmed, do you intend to respond to information requests differently depending on who is making the Congressional information request (whether it's the chair of the Congressional committee, the ranking member, or another member of Congress)? Please answer "yes" or "no." If your answer is "yes," please explain.**

I understand and respect Congress' duty to conduct oversight of Executive Branch agencies and functions. If confirmed, I am committed to ensuring that my team is responsive to oversight requests and provides Congress with the information that it needs consistent with appropriate law and regulations.

**3) Will you commit that, if confirmed, you will respond in a timely manner and fully comply with all information requests from me? Please answer "yes" or "no." If your answer is "no," please explain.**

If confirmed, I am committed to ensuring that my team is responsive to oversight requests and provides Congress with the information that it needs consistent with appropriate law and regulations.

**4) Will you commit that, if confirmed, you will make yourself and any other Global Markets employee expeditiously available to provide oral testimony (including but not**

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**limited to briefings, hearings, and transcribed interviews) to the Committee on any matter within its jurisdiction, upon the request of either the Chairman or Ranking Member? Please answer “yes” or “no.” If your answer is “no,” please explain why.**

If confirmed, I am committed to ensuring that my team is responsive to requests for oral testimony consistent with appropriate law and regulations.

*Attracting Foreign Direct Investment Into the United States*

**5) In 2020, global foreign direct investment (FDI) fell 42% according to UN Conference on Trade and Development (UNCTAD). This low level has not been seen since the 1990s. It is over 30% lower than the investment decline that followed the 2008 global financial crisis. If confirmed, you will oversee the SelectUSA program, which is charged with leading U.S. efforts at attracting FDI into the United States. How do you plan to leverage U.S. resources to continue to attract high-impact, job-creating FDI to our country?**

As you mention, if confirmed, I would welcome the opportunity to lead the SelectUSA program to facilitate job-creating business investment into the United States and raise awareness of the important role that foreign direct investment (FDI) plays in the U.S. economy during this critical post-COVID recovery time. The downturn in global FDI makes this mission even more critical – the program has seen more client requests this year to date than any other year in SelectUSA’s history.

Promoting inbound investment at this time begins with supporting the Administration’s ongoing efforts to combat COVID by delivering vaccines to all eligible Americans. Addressing this public health crisis is key to putting the U.S. back on a long-term trajectory of positive growth and driving ever greater investment flows into the country. The success of this year’s SelectUSA Investment Summit is a testament to global perceptions of our ability to emerge stronger from the pandemic.

If confirmed, I would reinforce the Administration’s efforts to ensure the security and resiliency of supply chains in critical industries by working to attract investment and strengthen commercial and governmental partnerships in these sectors. I would also support the program and its initiatives promoting early stage innovative FDI (SelectUSA Tech) and FDI from female-founders (SelectUSA Global Women in Tech). In addition, if confirmed, I would deepen engagement with local governments and Economic Development Organizations across the country to keep the U.S. at the forefront of global competitiveness to support, and add to, the 7.8 million U.S. workers directly employed by FDI.

**6) The primary reason attributed to the dive in FDI is uncertainty over the evolution of the COVID-19 pandemic. It is important to the U.S. recovery that we overcome these barriers. The SelectUSA program coordinates U.S. government efforts to attract and retain FDI into the United States. How would you work with other members of the SelectUSA**

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**Federal Interagency Investment Working Group to resolve investors' uncertainty related to the COVID-19 pandemic?**

Working across agencies to develop whole-of-government messaging and facilitating productive FDI that supports U.S. jobs is always critical to Global Markets' investment mission. That whole-of-government effort, including through the Interagency Investment Working Group (IIWG), is all the more important at a time when we need to reassure investment partners about the fight against COVID-19. I would work with the White House, and across agencies, to underscore the progress the government has made in delivering vaccines to most Americans. I would also support the interagency work evaluating travel conditions with a view to facilitating international travel at the earliest appropriate opportunity. At the same time, I would continue to press forward with the IIWG's work reviewing individual and ongoing casework to attract FDI and implementing joint programs such as webinars that can help investors understand the U.S. is an unparalleled market in its stability, size, and strength.

*Export Promotion Through Trade Agreements*

**7) The clearest and most straightforward way for the U.S. government to engage in export promotion is to pursue bilateral and multilateral free trade agreements (FTAs). What do you view as the role of free trade agreements in facilitating market access?**

Global Markets is committed to helping develop the best policy environment to encourage the export of U.S. goods and services. FTAs play an important role in securing that policy environment and thereby facilitating market access for those goods and services. Global Markets works with other offices in the Commerce Department and with other agencies like USTR to ensure that our trading partners live up to their commitments in those FTAs so that U.S. firms and workers get the benefits of the deals negotiated on their behalf. If confirmed, I am committed to driving the work of Global Markets to make sure that those FTAs, and the market access that they provide, bring benefits to American workers and their families.

**8) In your position as an advocate for U.S. exporters, will you seek to encourage the Biden administration to pursue trade-facilitating agreements and policies?**

If confirmed, I will advance the export promotion mission of Global Markets by using all the tools available to support opening foreign markets, keeping them open, and encouraging foreign purchases of U.S. goods and services. I would work closely with USTR, if confirmed, to pursue trade-facilitating agreements that produce benefits for American workers and their families. I would also support the deployment of other tools available to expand U.S. exports, including bilateral commercial dialogues, joint actions with trading partners to address shared challenges, and participation in regional and multilateral venues like the Asia-Pacific Economic Cooperation (APEC) forum and the World Trade Organization (WTO).

**9) In recent years, there has been a gradual rise in new restrictions and non-tariff barriers to trade across the globe. How do you plan to engage with other countries in**

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**addressing unfair market barriers, expediting certification procedures, and reducing technical barriers to trade?**

As the principal advocate in the U.S. government for small business exporters, Global Markets is uniquely aware of the disproportionate impact that trade barriers, especially unjustified certification procedures and other technical barriers to trade, can have on small businesses. Bearing in mind the goal of making trade agreements work for American workers and their families, and the critical job-creating role that small businesses play, I would, if confirmed, ensure meaningful engagements with foreign countries on the elimination of barriers that produce benefits for small businesses. I would also elevate within the Commerce Department, and with USTR, those barriers that raise concerns of compliance with trade agreements, so that U.S. firms and workers get the benefits they deserve under those agreements. Finally, if confirmed, I would work closely with allies to pursue shared approaches to global standards and combat technical barriers to trade that allow our values to drive the new rules of the road.

*Securing Procurement Market Access for U.S. Exporters*

**10) The World Trade Organization’s (WTO) Agreement on Global Procurement (GPA) is a plurilateral agreement based on reciprocal market access for procurement, and for most of its history the United States has encouraged other countries to join the GPA in order to help secure market access for U.S. exporters. Your position oversees the Global Markets Advocacy Center, whose mission is to help U.S. companies compete for foreign procurement contracts. Do you support the WTO GPA as a tool for ITA’s Global Markets Advocacy Center to help U.S. businesses secure foreign procurement contracts?**

The WTO GPA helps reinforce Global Markets’ advocacy on the importance of fair and transparent procurement processes that allow governments to purchase the best goods and services suited to their needs. Fairness and transparency in these processes are critical to the work of the Advocacy Center and more broadly to the ability of U.S. goods and services to compete for these foreign purchases. If confirmed, I will continue Global Markets’ strong commitment to fair and transparent procurement processes that facilitate U.S. exports, including through the processes required under the WTO GPA.

**11) The Biden administration has proposed “Buy American” policies to tighten domestic content rules for procurement contracts, including “working with allies to modernize international trade rules and associated domestic regulations regarding government procurement to make sure that the U.S. and allies can use their own taxpayer dollars to spur investment in their own countries.”<sup>1</sup> This would likely lead to trading partners retaliating by narrowing their own procurement markets to American exporters. If the Biden administration moves forward with such policies, how do you plan to work to make sure that other countries do not restrict their export markets in retaliation?**

If confirmed, I would work with colleagues across ITA to reach out to WTO GPA members and trading partners to ensure that rules-based procurement regimes, guaranteeing fairness and

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<sup>1</sup> <https://joebiden.com/made-in-america/>

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transparency, continue to be adopted by countries around the world. As the provisions of the current Made in America Executive Order remain consistent with our trade agreement obligations, I would support ITA efforts to monitor and ensure that trading partners also continue to uphold their reciprocal trade agreement commitments to the United States.

*Global Carbon Tax as a Barrier to U.S. Exports*

**12) ITA’s Global Markets Department seeks to address and remove foreign government policies, practices, or procedures that unfairly or unnecessarily restrict U.S. exports. Pursuant to that, the European Union (EU) is expected to soon formally release its proposed Carbon Border Adjustment Mechanism (CBAM). This proposal, if enacted, will likely be a substantial barrier to U.S. exporters seeking to sell to the EU, through both tariff and non-tariff barriers to trade. This proposal would also likely be found to violate WTO “national treatment” requirements – which state that imported products be given “no less favorable” treatment than that given to like domestic products.**

**a. Do you agree that a carbon border adjustment tax is a barrier to trade that has the potential to discriminate against U.S. exporters?**

The United States, like the EU, is committed to keeping 1.5 C within reach, and we are both aligned in our long-term (2050) and short-term (2030) climate objectives. We believe that carbon border adjustment measures, if designed appropriately, represent one of several potentially useful tools as countries implement their emissions reduction strategies. If confirmed, I will work with Congress and all stakeholders, as well other offices in ITA and across the agencies, to develop a fuller understanding of any carbon border adjustment to avoid any inadvertent harm or discrimination against U.S. exporters.

**b. If this policy is enacted, how will you work with the EU to prevent this policy from unfairly harming U.S. exporters?**

Global Markets and ITA are working closely with USTR and other U.S. government agencies to analyze the recently-released proposal for a carbon border adjustment mechanism (CBAM) and will hold consultations with U.S. industry on the impact of the EU CBAM on U.S. exports and commercial interests. Information on the technical details will be critical to understanding the full impact of the measure on U.S. companies. If confirmed, I look forward to continuing to consult and exchange views informally and formally with our EU colleagues in coordination with the U.S. Trade Representative, including in the U.S.-EU Trade and Technology Council.



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**Questions for Mr. Arun Venkataraman, of the District of Columbia, to be Assistant Secretary of Commerce and Director General of the United States and Foreign Commercial Service, from Senator Steve Daines:**

**1) Protecting U.S. intellectual property is essential for maintaining our competitive edge when competing in the global economy. China in particular has been a long-standing abuser of IP rights and protections which is why I have led efforts to ensure the U.S. holds China accountable for its IP commitments in the China Phase One deal and elsewhere. What can the U.S. do to better support and enforce IP protections in China?**

The Biden Administration will continue to work with Congress to ensure the United States holds China accountable for its intellectual property (IP) commitments. Thorough implementation of the Phase One deal is key to meaningful IP reforms in China and a fair and effective Chinese IP system. The Department of Commerce actively supports USTR and the interagency in tracking China's compliance with its obligations under the IP Chapter of the Phase One deal. Commerce experts at the Patent and Trademark Office (USPTO) have participated in several of the technical-level discussions led by USTR to better understand how China's IP action plan will fulfill China's commitments. In addition, Commerce monitors the practical impact of Chinese reforms on the ability of U.S. rights holders to protect and enforce their IP in China.

The Department of Commerce, through ITA and the USPTO, actively assists U.S. firms with IP questions and issues in China, among other foreign markets. Our U.S. Foreign and Commercial Service officers and IP Attachés based in China provide critical on the ground assistance to U.S. companies with IP concerns. The Department will address the challenge of protecting U.S. intellectual property from theft and unfair competition by helping our innovators and creators identify and protect their IP, providing information to U.S. businesses and practitioners on IP protection, and working to maintain high standards for IP protection in any future trade agreements. The Department will also use the tools at its disposal to ensure our trading partners abide by their international commitments, including those respecting IP protection and enforcement, and will actively participate and defend U.S. IP interests in international forums and standard-setting processes. If confirmed, I will work to ensure that Global Markets deepens its partnership across ITA, and with USPTO, to best protect the innovation central to long-term U.S. competitive advantage.

**2) I also believe that India will play an even larger role in the global economy for years to come and the U.S. should work to expand economic ties and consider entering formal negotiations with India, which presents an enormous opportunity for growth for U.S. farmers, especially Montana's pulse crop farmers, and small businesses in addition to the strategic, regional, and geopolitical significance of India as a counterweight to China's growing influence. What will be your priorities in expanding opportunities and helping level the playing field for U.S. businesses in India's market?**

I agree that India is an increasingly critical market for U.S. exporters and innovators and a strategic partner for addressing global challenges. If confirmed, I will prioritize our engagement

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and focus on the opportunities presented by India, including for rural exporters and exporters from underserved communities, and identify key sectors for strategic collaboration that help both countries meet shared challenges around the world. I would, if confirmed, look for ways to build on the participation of the private sector through the U.S.-India CEO Forum (Forum) and the U.S.-India Commercial Dialogue (CD). I would also seek to drive concrete outcomes from any engagement that would facilitate commercial partnerships between U.S. and Indian companies, including with respect to the digital economy.

**3) As you know, the International Trade Administration plays an important role in seeking to remove or reduce unfair barriers to trade in foreign markets. While individual issues and barriers to trade are inevitable in any market, pursuing trade agreements can be the most effective way to improve market access substantially for U.S. farmers, ranchers, manufacturers, and businesses. While not directly responsible for developing trade policy, how do you see ITA working with USTR and other agencies in the federal government to advance and improve U.S. trade policy?**

ITA and Global Markets have a very close working relationship with USTR and other agencies in the federal government to advance and improve U.S. trade policy. The President has made clear that his Administration will pursue ways to strengthen the linkage between trade agreements and American workers and families, and ITA and Global Markets can play a meaningful role in supporting that linkage. If confirmed, I fully intend on continuing this engagement, sharing ITA's expertise and data and analytical support, and providing inputs and viewpoints from stakeholders including the U.S. business community to the trade policymaking process.