

# Overview of ITC, Commerce, USTR and CPSC

# Roadmap

- International Trade Commission
- Department of Commerce
- U.S. Trade Representative
- Consumer Product and Safety Commission

# Half of the commissioners are still serving even though their terms expired more than a year ago

## Bios of the four current ITC commissioners



**Chairman**  
Rhonda Schmidlein  
Term expires:  
December 16, 2021



**Vice Chairman**  
David Johanson  
Term expires:  
December 16, 2018



**Commissioner**  
Irving Williamson  
Term expires:  
January 13, 2017



**Commissioner**  
Meredith Broadbent  
Term expires:  
June 16, 2016

### Background

Chairman Schmidlein, a Democrat from Missouri, was appointed by President Obama in 2013. She had previously served as an expert consultant to the World Bank focusing on projects in emerging markets, as well as audit and accounting regulation and oversight. She also served in the general counsel's office at USTR from 1998 to 2003

### Background

A Republican from Texas, Johanson was nominated by President Obama in 2011. Before his appointment, he served as international trade counsel on the Republican staff of the Senate Finance Committee for eight years. Prior to working on the Hill, he practiced international trade law for six years.

### Background

A Democrat from New York, Williamson was nominated by President H.W. Bush in 2006. Prior to taking his position at the ITC, he was the president of Williamson International Trade Strategies, a consulting firm that advised clients on legal, policy and regulatory issues. Before that, he served as deputy general counsel at the USTR.

### Background

Broadbent, a Republican, was appointed by President Obama in 2011. Prior to joining the ITC, she was the William M. Scholl Chair in International Business at CSIS. Before moving to CSIS, she served as assistant USTR for industry, market access and telecommunications from 2003 to 2008

# The commission is an independent and quasi-judicial federal agency responsible for matters of trade

## Overview of mission and operations of the International Trade Commission

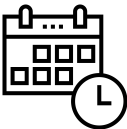
### Mission



**Administer U.S. trade remedy laws** within its mandate in a fair and objective manner



Provide the President, U.S. Trade Representative and Congress with **independent analysis, information and support on matters of tariffs, international trade and U.S. competitiveness**



Maintain the **Harmonized Tariff Schedule** of the United States

### Operations

**Import injury investigations**

**Intellectual property-based import investigations**

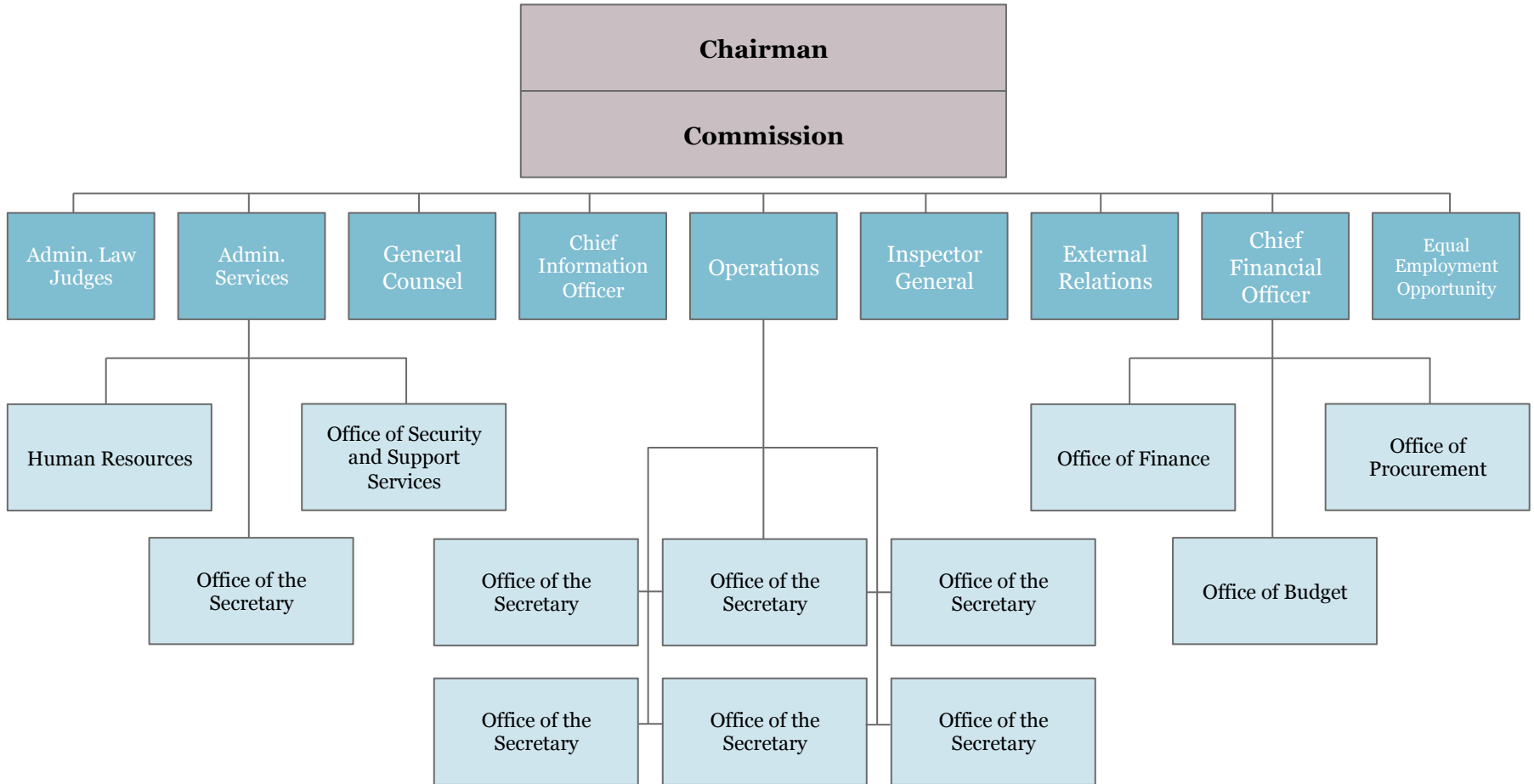
**Industry and economic analysis**

**Tariff and trade information services**

**Trade policy support**

# The chairman and commissioners are the only positions at the ITC that require presidential nominations

## Organizational structure: International Trade Commission



Sources: International Trade Commission, 2018.

# President Trump has nominated three members to the ITC, but none has been confirmed

## Overview of mission and operations of the International Trade Commission



Status	Position	Name	Latest action
Nominated	Chairman	Jason Kearns	October 24, 2017: Reported out favorably, awaiting full Senate action
Nominated	Commissioner	Dennis Devaney	October 2, 2017: Reported to Finance Committee
Nominated	Commissioner	Randolph Stayin	October 2, 2017: Reported to Finance Committee
No nominee	Commissioner		
No nominee	Commissioner		
No nominee	Commissioner		

Sources: National Journal Research, 2018; PowerPost, "Tracking how many key positions Trump has filled so far," Washington Post, January 29, 2018.

# Recent case involving imported large residential washing machines timeline

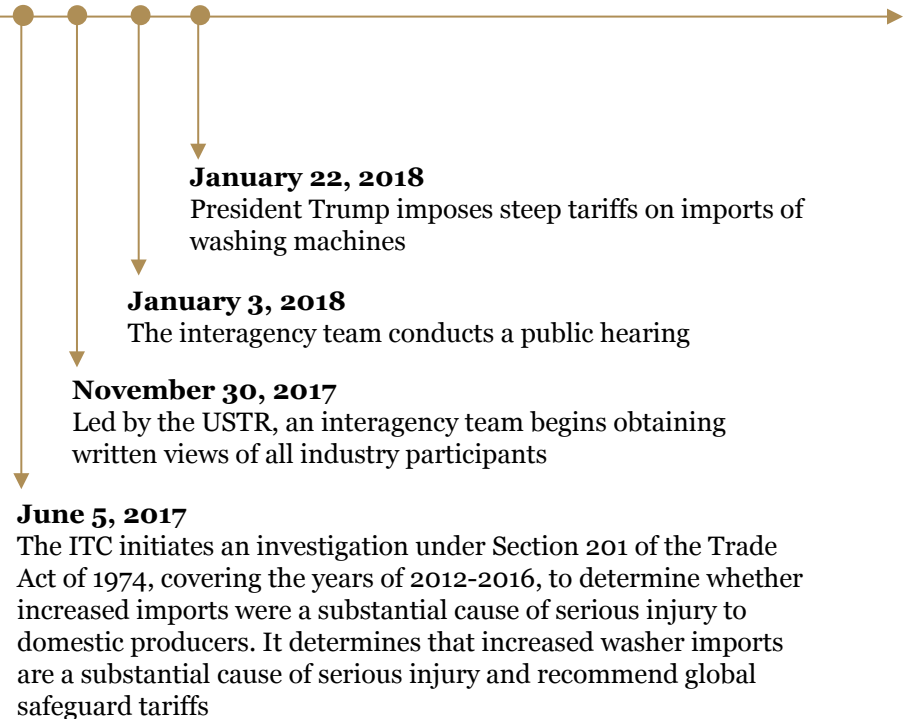
## 2011-2016

Imports of washers into the US increase dramatically, causing a loss in market share among domestic producers



## 2017-2018

The ITC initiates an investigation under Section 201 of the Trade Act of 1974, eventually suggesting global safeguard tariffs on large residential washing machines.



# Recent ITC case involving imported solar cells and modules timeline

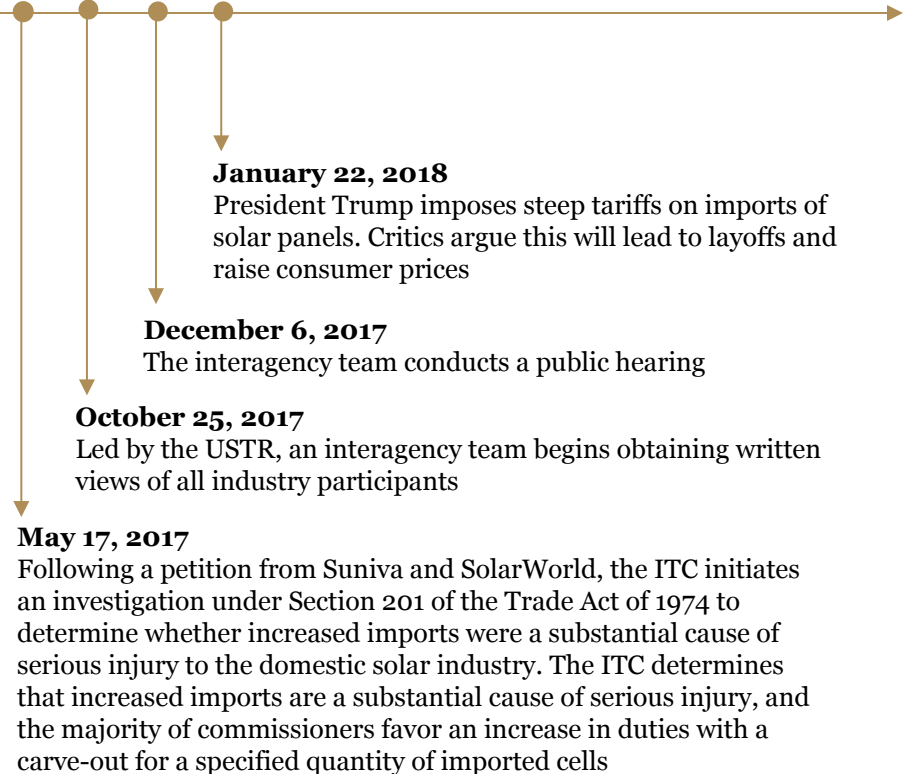
## 2011-2016

The volume of solar generation capacity installed annually in the US more than triples, partially spurred on by low-priced solar cells and modules from China.



## 2017-2018

The ITC initiates an investigation under Section 201 of the Trade Act of 1974, with the majority of commissioners favoring an increase in duties with a carve-out for a specified quantity of imported cells

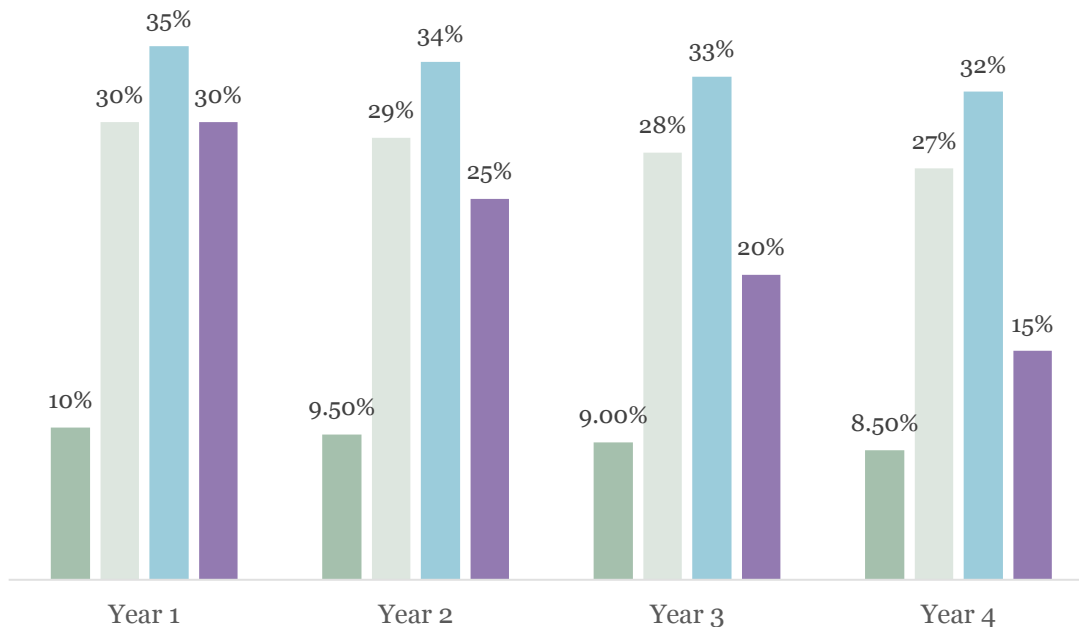




# Tariffs finalized by President Trump are lower than proposed by the ITC and are unilateral across solar import types

President Trump’s final decision on tariff levels for imported solar cells and modules compared to ITC proposal

■ Cells: In-quota tariff rate   ■ Cells: Out-of-quota tariff rate   ■ Modules: tariff   ■ Final tariff levels



### What’s next?

- While President Trump has the authority to determine the scope and duration of the tariffs, it is possible for China and neighboring countries to bring the issue to the World Trade Organization to dispute the tariff levels
- In the past, the WTO has ruled against U.S. tariff levels

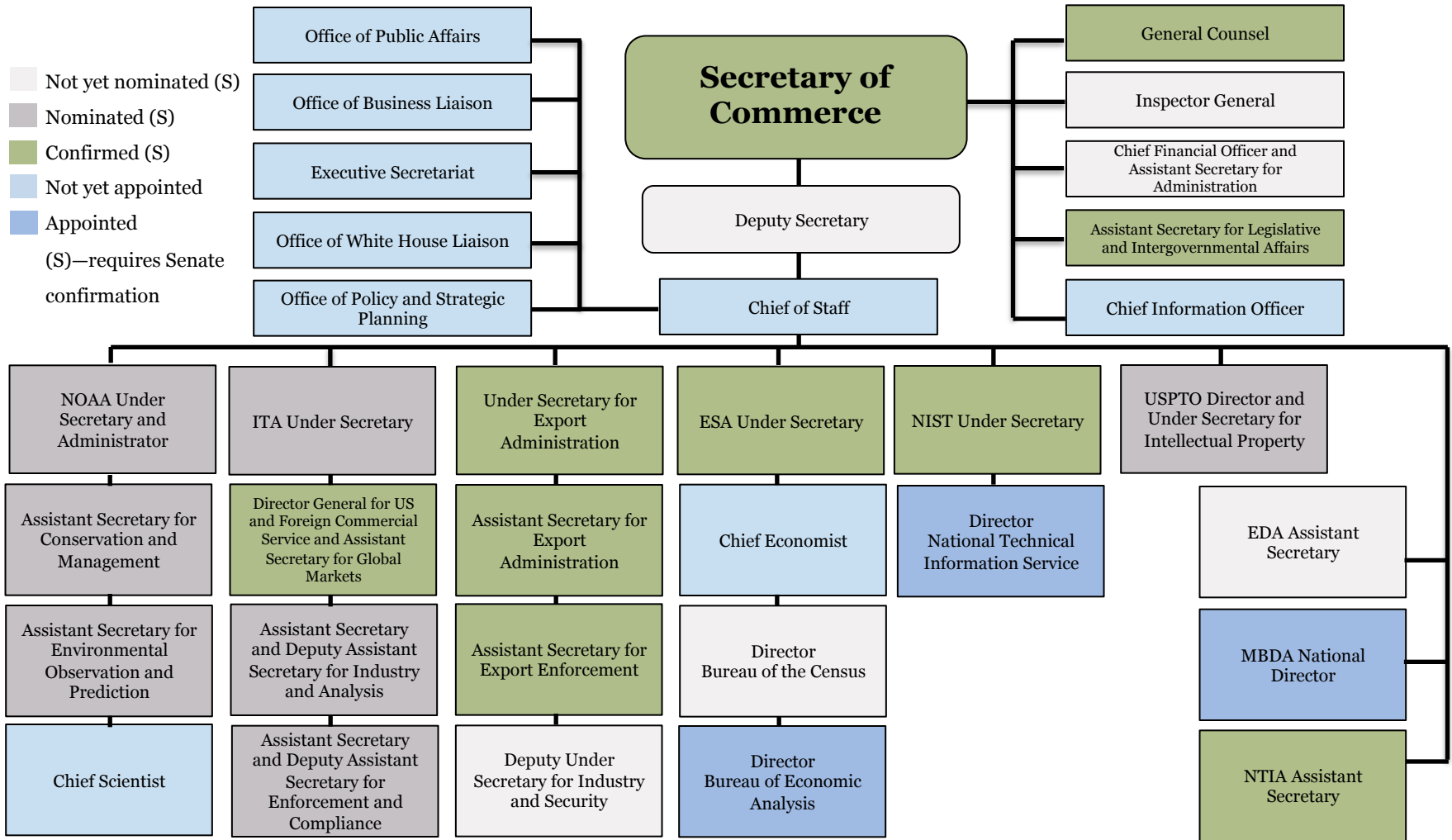
In the initial filing, Suniva wanted an import duty of 32 cents a watt. Trump’s tariffs translate to roughly 10 cents a watt

Sources: Keith Goldberg, “4 things to know about Suniva’s solar cell tariff bid,” Law360, May 17, 2017; David Ferris, “3 key questions in high-stakes trade battle,” E&E News, August 14, 2017; USTR, 2018; Brian Eckhouse, Ari Natter, and Chris Martin, “Trump’s tariffs on solar mark biggest blow to renewables yet,” Bloomberg, January 22, 2018.

# Roadmap

- International Trade Commission
- Department of Commerce
- U.S. Trade Representative
- Consumer Product and Safety Commission

# Department of Commerce: Organizational chart



Sources: Department of Commerce, 2018; National Journal Research, 2018.

# Profile of Secretary of Commerce, Wilbur Ross



## Biography

Ross is a billionaire investor known in financial circles as “the king of bankruptcy” for his success in building new companies from the assets of defaulted ones. Ross entered the finance world in 1976 as a bankruptcy advisor for Rothschild Inc., and has been a long-time Trump ally, having helped bail out his casino companies in the early 1990s. A former Democrat, Ross was an adamant supporter of Trump from the beginning of his campaign and went on to serve as one of his main economic advisors – particularly on trade policy. Prior to serving as commerce secretary, he was chairman and chief strategy officer at WL Ross & Co. LLC. His work included restructuring assets of all different industry types including apparel, gypsum, steel, textiles, insurance and trucking. Ross is married to his wife Hilary Geary Ross and they have four children.

### Date of birth

November 28, 1937  
(Age: 79)

### Education

Yale University, BA.  
Harvard University, MBA.

### Occupation

Chairman and CEO,  
INVESCO Private Capital

## Confirmation status



# The Department of Commerce is looking to help communities prepare for changing environments

## Overview of strategic goals and objectives for the Department of Commerce

### Trade and investment

Expand the U.S. economy through increased exports and inward foreign investment that lead to more and better American jobs

### Innovation

Foster a more innovative U.S. economy one that is better at inventing, improving and commercializing products and technologies

### Environment

Help communities and businesses prepare for and prosper in a changing environment

### Data

Maximize the positive impacts of Commerce data on society

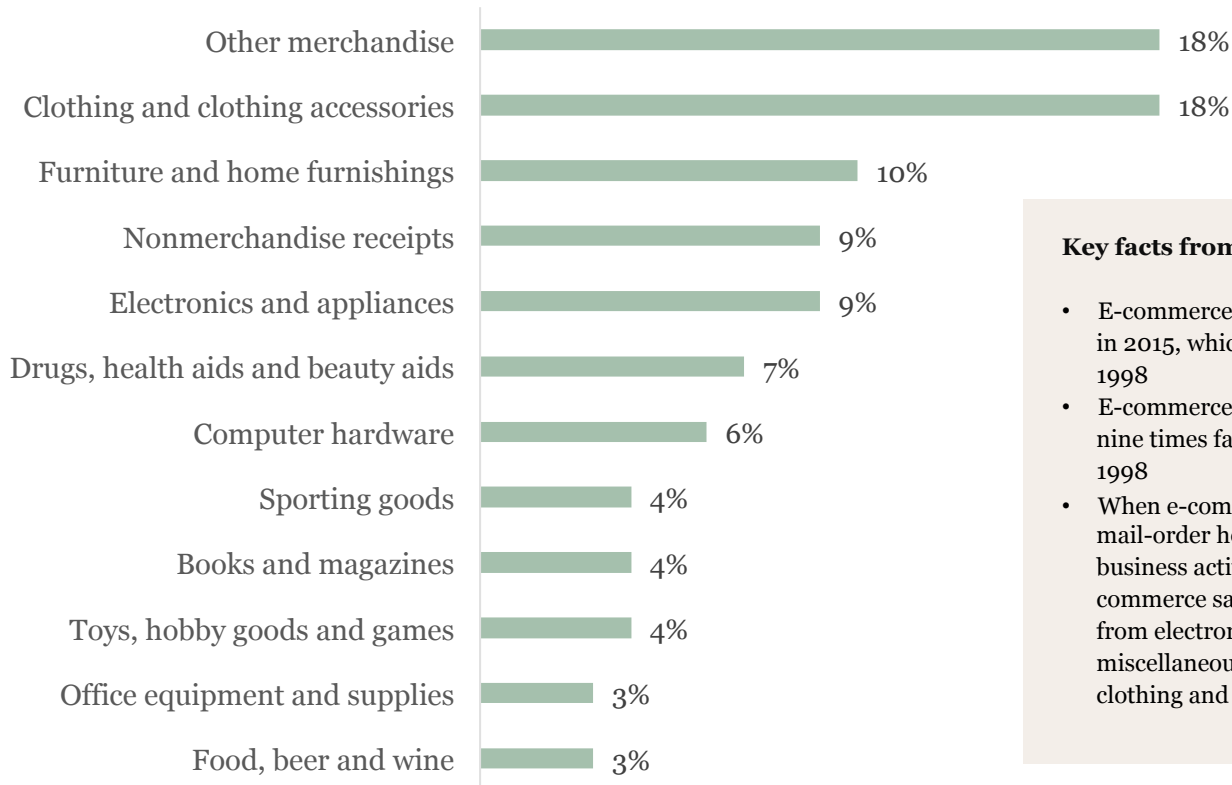
### Operational excellence

Strengthen in Department's capacity to achieve its objectives, maximize return on program investments and deliver quality, timely service

# Clothing and clothing accessories is the top category for retail e-commerce, besides “other”

## New insights on retail e-commerce report

*Retail e-commerce sales from electronic shopping and mail order houses by merchandise line, 2015*



### Key facts from report

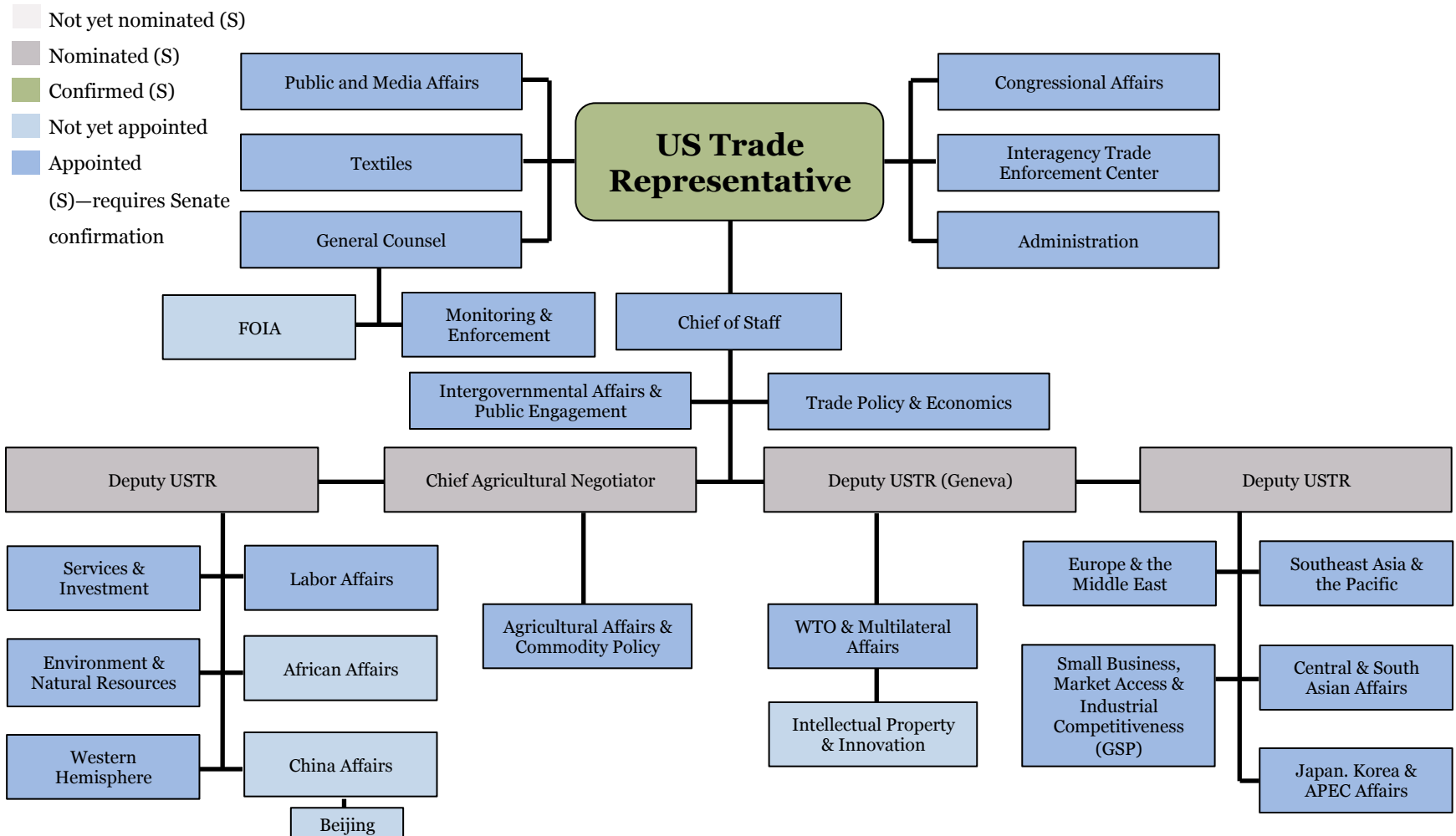
- E-commerce sales accounted for 7.2% of all retail sales in 2015, which is a dramatic increase from 0.2% in 1998
- E-commerce sales have been growing at a rate that is nine times faster than traditional in-store sales since 1998
- When e-commerce sales from electronic shopping and mail-order houses are attributed to the primary business activity of their brick-and-mortar stores, e-commerce sales accounted for 18 percent of total sales from electronics and appliance stores, 10 percent from miscellaneous store retailers, and 10 percent from clothing and clothing accessories stores

Sources: Jessica Nicholson, “New insights on retail e-commerce,” U.S. Department of Commerce, July 26, 2017.

# Roadmap

- International Trade Commission
- Department of Commerce
- U.S. Trade Representative
- Consumer Product and Safety Commission

# USTR: Organizational chart





# Profile of Robert Lighthizer



## *United States Trade Representative*

### **Biography**

Lighthizer was born on October 11, 1947. He earned his BA and JD from Georgetown University, and has since been active in US trade policy while occupying several public and private sector positions. Lighthizer served as chief of staff of the Senate Committee on Finance during the Reagan administration. He was later appointed as deputy United States trade representative by President Reagan. As deputy USTR, Lighthizer oversaw key industry, agriculture, investment and trade policy actions. Prior to his confirmation, Lighthizer was the leader of the International Trade Department at Skadden, Arps, Slate, Meagher & Flom. He was lead counsel in several antidumping and countervailing duty cases, and has also focused on market-opening trade actions on behalf of U.S. companies seeking access to foreign markets.

### **Date of birth**

October 11, 1947  
(Age: 69)

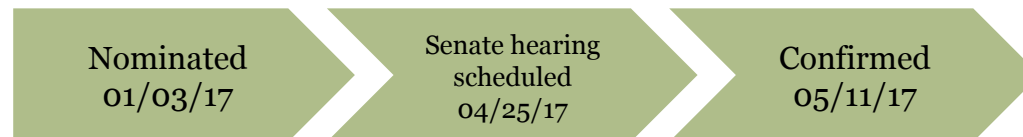
### **Education**

Georgetown University,  
BA, JD.

### **Occupation**


Partner,  
Skadden, Arps, Slate,  
Meagher & Flom


### **Confirmation status**



# Tensions rise in August as the US trade representative initiates a Section 301 investigation of Chinese IP theft

## President Trump authorizes USTR to investigate

1.  President Trump directed the USTR, Robert Lighthizer, to assess whether or not a formal investigation into alleged Chinese intellectual property threat was warranted. Lighthizer formally initiated the investigation on August 14

2.  Lighthizer is now responsible for conducting the investigation. If China is found guilty, the Trump administration will use Section 301 of the Trade Act of 1974 to impose penalties

“  
*If the US side ignores the facts, and disrespects multilateral trade principles in taking actions that harms both sides’ trade interests, China will absolutely not sit by and watch, will inevitably adopt all appropriate measures, and resolutely safeguard China’s lawful rights.”*

- China’s Ministry of Commerce

### Section 301 of the Trade Act of 1974

- Provides the United States with the authority to enforce trade agreements, resolve trade disputes, and open foreign markets to US goods and services
- Allows the US to impose trade sanctions on foreign countries that violate trade agreements or engage in other unfair trade practices
- The United States may take action to raise import duties on foreign products as a means to rebalance lost concessions

## What constitutes intellectual property theft



Counterfeiting American fashion designs



Stealing technology and software



Patent infringement



Pirating movies and video games

Sources: International Trade Administration, “Section 301,” U.S. Department of Commerce, February 6, 2017; Ana Swanson, “Trump administration goes after China over intellectual property, advanced technology,” The Washington Post, August 14, 2017; Michael Martina, “China says it will defend interests if U.S. harms trade ties,” Reuters, August 14, 2017; USTR, “USTR Announces Initiation of Section 301 Investigation of China,” August 14, 2017.

# Roadmap

- International Trade Commission
- Department of Commerce
- U.S. Trade Representative
- Consumer Product Safety Commission

# All four of the sitting commissioners on the CPSC were appointed by President Barack Obama

## Bios of the four current CPSC commissioners



**Chairman**  
Ann Marie Buerkle  
Term expires: October 2018

### Background

Chairman Buerkle was nominated to the Consumer Safety Product Commission on May 23, 2013 and President Trump has announced his intention to nominate her for another term. Prior to joining CPSC, she served as a representative for New York's 25th district and she also served as a U.S. representative to the U.N.



**Commissioner**  
Elliot Kaye  
Term expires: October 2020

### Background

Commissioner Kaye was appointed by President Obama in 2013, while he was serving as the CPSC's executive director. Before that, he served as chief of staff and chief counsel to the CPSC's then-chairman. Prior to joining the CPSC, he worked on the Hill and then became an attorney at Hogan Lovells.



**Commissioner**  
Robert Adler  
Term expires: October 2021

### Background

Adler was nominated in 2009 after serving on the transition team for President Obama. Before the Obama team and the CPSC, he worked as a professor of legal studies focusing on business law, ethics and business-government relations and negotiations at the University of North Carolina.



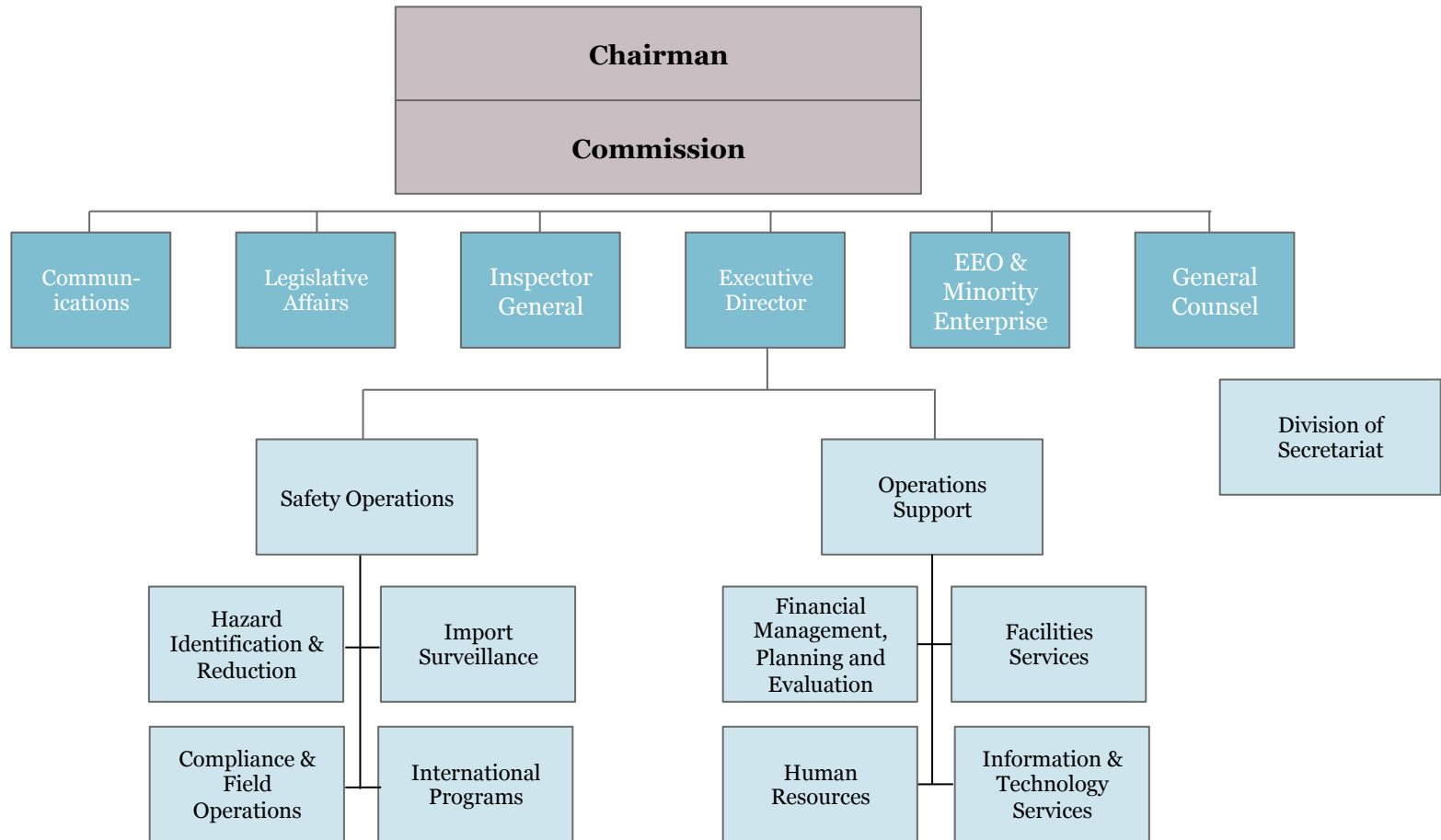
**Commissioner**  
Marietta Robinson  
Term expires: October 2017

### Background

Nominated in 2013 by President Obama, Robinson is the only member sitting on the commission with an expired term. Prior to joining the commission, she served as a trial attorney for 35 years. She also served as the president of the International Society of Barristers as well as a legal counsel to the chair of the U.N. Peacebuilding Commission in Liberia

# Only the chairman and commission are nominated positions for the Consumer Product and Safety Commission

## Organizational structure: Consumer Product Safety Commission



# President Trump has nominated two members to the CPSC, but none has been confirmed

## Overview of mission and operations of the Consumer Product Safety Commission



Status	Position	Name	Latest action
Nominated	Chairman	Ann Marie Buerkle	January 8, 2018: Referred to Commerce, Science and Transportation Committee
Nominated	Commissioner	Donna Baiocco	January 8, 2018: Reported to Finance Committee
No nominee	Commissioner		

Sources: National Journal Research, 2018; PowerPost, "Tracking how many key positions Trump has filled so far," Washington Post, January 29, 2018.

# Preventing hazardous products from reaching consumers is a top priority, which should result in fewer recalls

## Overview of mission for the Consumer Product Safety Commission

### Strategic goals

#### Workforce

Cultivate the most effective consumer product safety workforce

#### Prevention

Prevent hazardous products from reaching consumers

#### Response

Respond quickly to address hazardous consumer products both in the marketplace and with consumers

#### Communication

Communicate useful information quickly and effectively to better inform decisions

### Cross-cutting priorities

#### Operational excellence

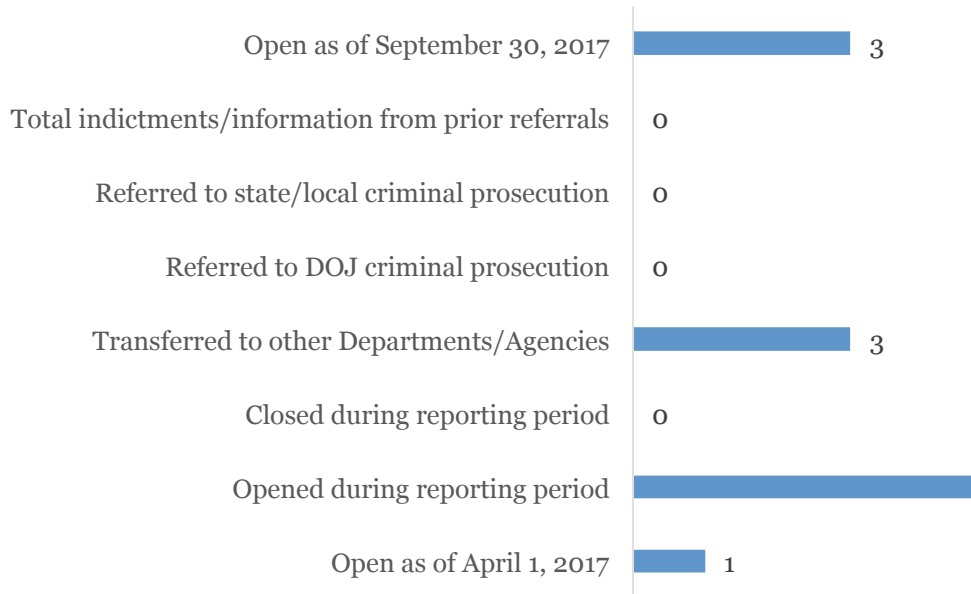
#### Data collection and analysis

#### Information Technology

#### Internal and External Collaboration

# Preventing hazardous products is a top priority which should result in fewer recalls

## Summary of recent reports from the CPSC



### Reportable investigations

- Complaint alleged whistleblower retaliation for a federal contractor at another agency. The complaint was referred to the Office of Special Counsel
- Complaint alleged issues with the standards governing playground slides. The complaint was outside the jurisdiction of the OIG and referred to Agency management for resolution
- Complaint alleged issues with counterfeit children’s jewelry. This complaint was outside of the jurisdiction of the OIG and referred to Agency management for resolution
- Complaint alleged fraud in the Saferproducts.gov reporting process. This complaint is currently under investigation
- Complaint alleged issues with employee misuse of a government vehicle. This complaint is currently under investigation