



# Obama's America:

## The Environment for New Business

# The U.S. as a Trading Partner

### PRESENTED BY

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# Overview: Major Topics for Today



- Major Actors in Trade Policy
- Likely Trade Policy Initiatives
- Trade Remedy Cases as a Policy Tool
- Trade Consequences of the U.S. Stimulus Policy

# Three Major Actors in U.S. Trade Policy

- President/White House/Executive Branch
- Congress
- Labor Unions

# President/Cabinet Officials Face Competing Interests and Pressures

- Cabinet/White House Team to Weigh in on Trade Policy
  - Broader team to deal with political, economic and social consequences
- Stimulus Package
- Controlling Congress



# Congress: Powerful as Legislators and Authorized to Initiate Trade Remedy Cases

- Highly Politicized Environment on Trade in the Congress
  - Committee assignment to House Trade Subcommittee
  - Pro-trade Democrats or even moderates “fleeing for the hills”
- History of Self-initiated Trade Cases



# Trade Unions Role in Legislation and Trade Remedy Actions

- Trade Cases Brought by Unions
- Effect of Other Legislative Issues:
  - Card Check
  - Health care costs & retirement benefits (so called “legacy costs”)
  - Threat of foreign non-unionized plants in the U.S.

# Legislative Initiatives on Trade

- Trade Enforcement Legislation
  - Provisions target China and make trade remedy cases easier to file with more onerous results (e.g. NME treatment for China, CVD for China, special safeguards)
  - Proposals aimed at reversing U.S. losses at WTO (Byrd Amendment, Zeroing)
- FTAs
  - Panama, Colombia, Korea
- Doha Round
  - Dead on arrival after 7 years
  - U.S. blames India & Brazil
- Pacific Regional Agreements

# U.S.-China Trade Policy

- What will frame the policy?
  - Competing considerations of an economic, foreign policy and protectionist sentiment
  - Lack of a China Team
  - Level of distrust at the career level of U.S. Government
- Broad policy issues
  - Currency depreciation:
    - Treasury Report due out April 15, 2009
- Specific trade remedy actions
  - 20-year break with Commerce Department policy:
    - CVD law and NME policy in dumping are both applied to China
  - China cases have been a fiasco
  - Danger to importers of the product
  - Effects on trade



## China's Premier Wen Blames Crisis on Lax Controls

- During China's Wen Jiabao meeting with Gordon Brown of Britain, Wen said the financial meltdown “shows how dangerous a totally unregulated market can be.”

--The Washington Post  
February 2, 2009



# U.S.-China Bilateral Investment Treaty

- Opportunity for advancement of mutual interests