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Trade Briefs

Possible USTR Appointments

President-elect Barack Obama's transition team will soon begin considering appointments for his cabinet and his White House staff. Obama's choice for U.S. Trade Representative (USTR) should be particularly relevant to those interested in U.S. trade policy going forward. The list of possible appointments include Daniel Tarullo, Cal Dooley, Lael Brainard, and others.

Daniel Tarullo, a Senior Economic Advisor to Obama's campaign, is often mentioned as a possible USTR in the Obama Administration. He is currently a Professor of Law at Georgetown, where his focus is on international economics and financial regulation. In the Clinton Administration, he was President Clinton's personal representative to the G7 and G8 groups of industrialized nations. During the general election, Tarullo engaged in a debate over trade with McCain advisor Philip Levy in the pages of the *Wall Street Journal*. In that debate, Tarullo was officially representing the views of Obama. Tarullo said that U.S. trade policy should promote American interests. He was critical of what he described as Chinese currency manipulation. Also, he voiced disapproval of the Korea-U.S. Free Trade Agreement (KORUS FTA), saying that it failed to negotiate sufficient effective market access for foreign autos into the Korean market. On the other hand, he said that the KORUS FTA would give Korean autos "untrammled" access to the U.S. domestic market. Furthermore, Tarullo defended Speaker of the House Nancy Pelosi's (D-CA) decision to amend Trade Promotion Authority (TPA) protections for the Colombia FTA, blaming the Bush Administration for not sufficiently consulting with Congress before submitting the legislation. Tarullo's selection would signal Obama's premium on experience and Obama's willingness to engage on the trade issue. Due to his background in international economics, Tarullo would probably be forceful on the issue of Chinese currency manipulation. And based on his arguments in the *Journal* debate, he would probably not place a high priority on seeking new trade agreements.

Cal Dooley, a former congressman from California and current CEO of American Chemistry Council (ACC), is another name often mentioned as a possibility for USTR. The ACC is an industry trade association that promotes the U.S. chemistry industry. Dooley also was President and CEO of the Grocery Manufacturers Association (GMA) and the Food Products Association (FPA). As a Member of the House of Representatives from 1991 to 2005, Dooley amassed a voting record that led the Cato Institute to label him an "internationalist." He voted 92% of the time against trade barriers, but voted 89% of the time in favor of trade subsidies. Dooley is considered a centrist, and he was reportedly considered as a potential Secretary of Agriculture and USTR under both George W. Bush and Sen. Al Gore during their presidential contest. His appointment would likely make some major Obama constituencies nervous, and it would signal Obama's intention to look at the trade issue from the center rather than from the left.

Lael Brainard, a scholar with the Brookings Institution, often makes journalists' lists of possible Obama USTRs. In addition to her current post as Vice President and Director of Global Economy and Development at Brookings, Brainard served under President Clinton as Deputy National Economics Advisor and Deputy Assistant to the President for International Economics. Also, like Tarullo, she served as Clinton's personal

representative to the G7 and G8. In 2004, Brainard was trade advisor to Senator John Kerry's (D-MA) presidential campaign. In October, Brainard debated trade policy with McCain advisor Levy at the Washington International Trade Association (WITA). Like Tarullo in a similar debate with Levy on the same topic, Brainard was identified as an advisor to the Obama campaign and she was speaking in an official capacity for the Democratic candidate. She said that trade should be seen in a broader context that put the focus on the stability and growth of the U.S. economy. Brainard said that the Bush Administration had done a poor job of enforcing agreements. She suggested that the USTR focus more on enforcement instead of cutting new trade agreements, something that should be reflected by a "material shift in resources within USTR." Brainard, like Tarullo, also emphasized the need to push China on the issue of currency manipulation. Brainard's appointment would have a similar effect to that of Tarullo. It would reflect Obama's intention to significantly overhaul the Bush Administration's approach and to focus on regulation and enforcement.

While the three names above are the most mentioned, there are other possibilities for filling the post of USTR. Business lobbyists have suggested promoting veteran U.S. trade negotiators such as Peter Allgeier and Rufus Yerxa to the position. Allgeier is currently the Deputy USTR and the U.S. Representative to the World Trade Organization (WTO). He has worked in the office of the USTR since 1980, under Presidents Ronald Reagan, George H.W. Bush, Bill Clinton, and now George W. Bush. Rufus Yerxa is Deputy Director of the WTO. He was the U.S. Ambassador and Permanent Representative to the General Agreement on Tariffs and Trade (GATT) in the late 1980s and early 1990s under President George H.W. Bush. Later the Clinton Administration hired him as Deputy USTR. The appointment of either of these men, both of whom have played significant roles in negotiating past trade agreements such as the North American Free Trade Agreement (NAFTA) and the GATT, would be alarming to trade skeptics. However, at this point, it appears that their names are only being floated by pro-trade lobbyists and it is unclear if there is any enthusiasm for them within the Obama transition team. Another name that has been mentioned is Stuart Eizenstat, Chief Domestic Policy Advisor to President Jimmy Carter. Under President Clinton, he was appointed to be Undersecretary of Commerce for International Trade. There, he had the responsibility for enforcing laws against unfair trade practices and developing trade policy. Eizenstat's name was floated by Doug Goudie, the National Association of Manufacturers' (NAM) Director of International Trade Policy. Like Allgeier and Yerxa, this may be a name that exists only on the wish lists of American trade organizations.

Dumping Watch

Preliminary Results of New Shipper Review on Certain Cut-to-Length Carbon Steel Plate from China

On November 13, the Department of Commerce (DOC) gave notice of preliminary results of the new shipper review of the antidumping (AD) duty order on cut-to-length carbon steel plate from China. The DOC preliminarily determined that the new shipper of this steel plate, Hunan Valin Xiangtan Iron & Steel Co., Ltd. (Valin Xiangtan), had made sales at less than normal value and that it is entitled to a separate rate. The DOC decided that Valin Xiangtan demonstrated absence of *de jure* and *de facto* government control over its export activities and was therefore able to be assigned its own AD margin. As China is designated a non-market economy (NME), India was used as the primary surrogate country to calculate Valin Xiangtan's margin. Valin Xiangtan's weighted average dumping margin was found to be 133.38%. The DOC intends to issue final results for this review within 90 days.

Final Results of Reconsideration of Sunset Review of Dumping Order on Large Newspaper Printing Presses from Japan

Also on November 13, the Department of Commerce (DOC) released the final results of its reconsideration of the sunset review into large newspaper printing presses and components thereof, whether assembled or unassembled, from Japan. The DOC found that the revocation of the order would likely result in the continuation or recurrence of dumping. The resulting weighted-average dumping margins, therefore, will remain the same as those in the preliminary results. Mitsubishi Heavy Industries, Ltd.'s (MHI) rate is 59.67%, Tokyo Kikai Seisakusho, Ltd.'s (TKS) rate is 51.97%, and the all-others rate is 55.05%.

Federal Register Notices

International Trade Administration

[A-570-849] Certain Cut-to-Length Carbon Steel Plate from the People's Republic of China: Preliminary Results of New Shipper Review *73 FR 67124-67131*, November 13, 2008.

[A-588-837] Large Newspaper Printing Presses and Components Thereof, Whether Assembled or Unassembled, from Japan: Final Results of Reconsideration of Sunset Review *73 FR 67131-67133*, November 13, 2008.

[A-570-890] Wooden Bedroom Furniture from the People's Republic of China: Notice of Court Decision Not in Harmony With Final Results of Administrative Review *73 FR 67133-67134*, November 13, 2008.

[A-201-830] Notice of Initiation of Antidumping Duty Changed Circumstances Review: Carbon and Certain Alloy Steel Wire Rod From Mexico *73 FR 66839-66841*, November 12, 2008.

[A-580-816] Corrosion-Resistant Carbon Steel Flat Products From the Republic of Korea: Extension of Time Limits for the Final Results of Antidumping Duty Administrative Review *73 FR 66841*, November 12, 2008.

[A-421-811] Purified Carboxymethylcellulose From the Netherlands: Partial Rescission of Antidumping Duty Administrative Review *73 FR 66841-66842*, November 12, 2008.

[A-469-814] Chlorinated Isocyanurates from Spain: Extension of Time Limit for Final Results of Antidumping Duty Administrative Review *73 FR 66594*, November 10, 2008.

[A-570-868] Folding Metal Tables and Chairs from the People's Republic of China: Extension of Time Limit for the Final Results of the Antidumping Duty Administrative Review *73 FR 66595*, November 10, 2008.

[A-351-841, A-570-924, A-520-803] Polyethylene Terephthalate Film, Sheet, and Strip From Brazil, the People's Republic of China and the United Arab Emirates: Antidumping Duty Orders and Amended Final Determination of Sales at Less Than Fair Value for the United Arab Emirates *73 FR 66595-66597*, November 10, 2008.

International Trade Commission

Investigation Nos. 731-TA-1146-1147 (Final)] 1-Hydroxyethylidene-1,1-Diphosphonic Acid (HEDP) from China and India *73 FR 67545-67546*, November 14, 2008.

[USITC SE-08-032] Government in the Sunshine Act Meeting Notice *73 FR 67546*, November 14, 2008.

[Inv. No. 337-TA-659] In the Matter of: Certain Prepregs, Laminates, and Finished Circuit Boards; Notice of Investigation *73 FR 66919-66920*, November 12, 2008.

[USITC SE-08-030] Government in the Sunshine Act Meeting Notice *73 FR 66920*, November 12, 2008.

[USITC SE-08-031] Government in the Sunshine Act Meeting Notice *73 FR 66920*, November 12, 2008.

The Week Ahead

- On Friday, November 21, the ITC will hold a vote on the final phase antidumping investigation into uncovered innerspring units from South Africa and Vietnam.