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Contents

Trade Briefs

- Obama's Choice for Commerce Secretary Withdraws

Dumping Watch

- Review of AD Order on Japanese Ceramic Station Post Insulators Terminated

The Week Ahead

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Trade Briefs

Obama's Choice for Commerce Secretary Withdraws

Senator Judd Gregg (R-NH) has withdrawn from consideration as President Obama's Secretary of Commerce. Gregg's departure leaves open a cabinet position that has significant responsibility for trade enforcement. As of now, it is not clear who will be nominated in Gregg's place.

Gregg's withdrawal was a surprising development in Washington. He released a statement on Thursday afternoon, shortly before the President was set to give a speech to workers at a Caterpillar plant in Peoria, Illinois. According to his statement, Gregg felt that his policy differences with the Administration were too great, that he could not be fully supportive of the Administration's policies. The White House released a terse statement shortly afterward saying that Gregg had approached President Obama about the appointment, that Gregg was made aware of the President's agenda during the interview process, and that it only later became clear that Gregg would not be supportive of some of Obama's economic policies.

Two other cabinet nominees have been derailed, but they withdrew due to personal issues. Governor Bill Richardson withdrew his name from consideration as Commerce Secretary because of his involvement in a New Mexico investigation into a political "pay to play" scheme involving government contracts. Tom Daschle withdrew his nomination to be Health and Human Services Secretary because of his failure to pay taxes.

The Gregg withdrawal, by contrast, appears to have been the result of simple policy differences. Gregg is a staunch New Hampshire Republican, a fiscal conservative. Therefore, it is completely plausible to imagine that Gregg, awaiting approval to be a part of an Administration pushing through the largest spending bill in the nation's history, decided that he may not be ready to cross the aisle. Furthermore, there were reports that Gregg was displeased with the decision by the Administration to give the White House an increased role in conducting the decennial Census. Republicans believed that an increased role by the White House, as opposed to confining the Census to the Department of Commerce, was an "unprecedented politicization of the Census."

There is no indication at this point that disagreements over the trade issue had anything to do with Gregg's withdrawal. However, his departure is likely a substantial loss for advocates of trade liberalization. The Cato Institute gave Gregg high ratings on trade, labeling him a "free trader" for his votes on subsidies and trade barriers. Gregg has voted against barriers 81% of the time and against subsidies 86% of the time. It is likely his replacement will be much less trade-friendly.

The Obama Administration appeared to be surprised by the timing of Gregg's departure, and as of now they have not openly expressed interest in other candidates for the job. However, a few names were mentioned within 24 hours of Gregg's withdrawal.

John W. Thompson, CEO of Symantec, was considered a possible choice before Gregg's nomination. Thompson was a major contributor to Obama's presidential campaign, and he is one of the few African American executives in Silicon Valley, an attribute that would be viewed as an asset to an Administration seeking diversity in the

cabinet. Also, as a CEO of a technology company, he would bring a unique and forward-looking perspective to Commerce. Thompson's views on free trade are not well known. However, many technology firms are supportive of free trade policies and some free trade agreements (FTAs) in particular. Microsoft, for instance, has come out strongly in favor of FTAs, stating in a policy paper that the agreement offers "expanding trade opportunities for the [information technology] sector."

Another name that has been mentioned is the CEO of Google Inc., Eric Schmidt. Schmidt was an advisor to Obama on the campaign, and he has continued to work with the Administration, supporting passage of the economic stimulus bill. Like Thompson, Schmidt would bring a technology-centric view to Commerce. And as a CEO of a successful firm, he would have some credibility in the business community.

Finally, Governor Kathleen Sebelius (D-KS) has been proposed as a possible choice at Commerce. Sebelius has been a long-time supporter of Obama, and during the campaign, many thought she would join the Obama ticket as candidate for Vice President. Now, there is a lot of speculation as to whether she will join the Administration. Her name has been mentioned as a possible replacement for Tom Daschle at HHS, a job she may be better suited for. She is a popular Democratic governor from a conservative state, and she is known as pro-business and fiscally conservative. Sebelius' views on trade are not clear.

However, it is not at all certain that any of these people would even accept the position if given the opportunity. At this point, the Obama Administration is likely to take its time in vetting new candidates. A third failed nominee for this job would be very embarrassing.

The lack of a Commerce Secretary will likely further delay the hiring and confirmation of various positions at the Department, including undersecretaries and assistant secretaries for international trade. Therefore, career civil servants at Commerce will be in charge much longer. When coupled with the slow-moving process of confirming U.S. Trade Representative nominee Ron Kirk—his confirmations have not even been scheduled yet—it appears that the Obama Administration's trade policy is off to a sluggish start.

Dumping Watch

Review of AD Order on Japanese Ceramic Station Post Insulators Terminated

On Wednesday, February 11, the Department of Commerce (DOC) gave notice that it was terminating the five-year review of the antidumping (AD) duty order on ceramic station post insulators from Japan. The DOC made the decision to terminate the proceedings because domestic interested parties did not participate in the sunset review.

Federal Register Notices

International Trade Administration

[A-549-807] Carbon Steel Butt-Weld Pipe Fittings from Thailand: Rescission of Antidumping Duty Administrative Review *74 FR 7218*, February 13, 2009.

[A-570-886] Polyethylene Retail Carrier Bags from the People's Republic of China: Final Results of Antidumping Duty Administrative Review *74 FR 6857-6858*, February 11, 2009.

[A-570-900, A-580-855] Diamond Sawblades and Parts Thereof from the People's Republic of China and the Republic of Korea: Notice of Court Decision Not In Harmony With Final Determination of the Antidumping Duty Investigations *74 FR 6570-6571*, February 10, 2009.

[A-570-848] Freshwater Crawfish Tail Meat From the People's Republic of China: Final Results of Antidumping Duty Administrative Review and Rescission of Review in Part *74 FR 6571-6573*, February 10, 2009.

[C-533-844] Certain Lined Paper Products From India: Final Results of Countervailing Duty Administrative Review *74 FR 6573-6575*, February 10, 2009.

[A-570-832] Pure Magnesium from the People's Republic of China: Extension of Time for the Preliminary Results of the Antidumping Duty Administrative Review *74 FR 6365*, February 9, 2009.

[A-201-822] Stainless Steel Sheet and Strip in Coils from Mexico: Final Results of Antidumping Duty Administrative Review *74 FR 6365-6368*, February 9, 2009.

[A-489-501] Certain Welded Carbon Steel Pipe and Tube from Turkey: Notice of Preliminary Results of Antidumping Duty Administrative Review *74 FR 6368-6372*, February 9, 2009.

[A-570-890] Wooden Bedroom Furniture From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative and New Shipper Reviews and Partial Rescission of Review *74 FR 6372-6385*, February 9, 2009.

International Trade Commission

[Investigation No. 332-504] India: Effects of Tariffs and Nontariff Measures on U.S. Agricultural Exports *74 FR 7262-7263*, February 13, 2009.

[Investigation No. 337-TA-625] In the Matter of Certain Self-Cleaning Litter Boxes and Components Thereof; Notice of Commission Determination To Review a Final Initial Determination In Part; Grant a Motion To Strike; and Set a Schedule for Filing Written

Submissions on the Issues Under Review and on Remedy, the Public Interest, and Bonding
74 FR 7263-7264, February 13, 2009.

[Investigation No. 731-TA-1023 (Review)] Ceramic Station Post Insulators From Japan
74 FR 6920, February 11, 2009.

[USITC SE-09-004] Government in the Sunshine Act Meeting Notice 74 FR 6919-6920,
February 11, 2009.

Office of the U.S. Trade Representative

Andean Trade Preference Act (ATPA), as Amended: Request for Public Comments
Regarding Beneficiary Countries 74 FR 6440-6441, February 9, 2009.

**Notice of Correction to General Notes 11(a) and 11(d) of the Harmonized Tariff
Schedule of the United States** 74 FR 6441, February 9, 2009.

The Week Ahead

- The ITC was closed on February 16 for the President's Day holiday.
- On Tuesday, February 17th, the ITC will hold a preliminary conference on countervailing duty (CVD) investigations into NI-resist piston inserts from Argentina and Korea.
- On Thursday, February 18th, the ITC will hold votes on the five-year sunset review of the AD order on refined brown aluminum oxide from China and on the final phase CVD and AD investigations into welded stainless steel pressure pipe from China.