111TH CONGRESS
2D SESSION

H. R. 1875

AN ACT

To establish the Emergency Trade Deficit Commission.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

Congress makes the following findings:

(1) The United States has run persistent trade deficits since 1978, and many of such trade deficits since 2000 have been especially large.

(2) There appeared to be some improvements in the United States trade balance in 2009, but this was during a time of global economic crisis, and the reduction in the United States trade deficit appears to be attributable to a shrinking United States demand for imports rather than an increase in United States exports.

(3) Many of the trade deficits are structural—that is, with the same countries, year after year. In 2009, the United States continued to have significant merchandise trade deficits with the People's Republic of China ($226.8 billion), the European Union ($60.5 billion), Japan ($44.7 billion), and Mexico ($47.5 billion), notwithstanding the overall decline in the United States trade deficit. In fact, in 2009, China accounted for 44 percent of the United States merchandise trade deficit.

(4) While the United States has one of the most open borders and economies in the world, the United States faces significant tariff and non tariff trade barriers with its trading partners.

(5) The causes and consequences of the United States trade deficit must be documented and recommendations must be developed to expeditiously address structural imbalances in the trade deficit.

SEC. 2. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is established a commission to be known as the Emergency Trade Deficit Commission (in this Act referred to as the ''Commission'').

(b) MEMBERSHIP OF COMMISSION.—

(1) COMPOSITION.—The Commission shall be composed of 11 members, of whom—

(A) three persons shall be appointed by the President, of whom one shall be appointed to represent labor interests, one shall be appointed to represent small businesses, and one shall be appointed to represent manufacturing interests;

(B) two persons shall be appointed by the President pro tempore of the Senate upon the recommendation of the Majority Leader of the Senate, after consultation with the Chairman of the Committee on Finance of the Senate;

(C) two persons shall be appointed by the President pro tempore of the Senate upon the recommendation of the Minority Leader of the

Senate, after consultation with the ranking minority member of the Committee on Finance of the Senate;

(D) two persons shall be appointed by the Speaker of the House of Representatives, after consultation with the Chairman of the Committee on Ways and Means of the House of Representatives; and

(E) two persons shall be appointed by the Minority Leader of the House of Representatives, after consultation with the ranking minority member of the Committee on Ways and Means of the House of Representatives.

(2) QUALIFICATIONS OF MEMBERS.—

(A) PRESIDENTIAL APPOINTMENTS.—Of the persons appointed under paragraph (1)(A), not more than one may be an officer, employee, or paid consultant of the executive branch.

(B) OTHER APPOINTMENTS.—Persons appointed under subparagraph (B), (C), (D), or (E) of paragraph (1) shall be persons who—

(i) have expertise in economics, international trade, manufacturing, labor, environment, or business, or have other pertinent qualifications or experience; and

(ii) are not officers or employees of the United States.

(C) OTHER CONSIDERATIONS.—In appointing members of the Commission, every effort shall be made to ensure that the members—

(i) are representative of a broad cross-section of economic and trade perspectives within the United States; and

(ii) provide fresh insights to in identifying the causes and consequences of the United States trade deficit and developing recommendations to address structural trade imbalances.

(c) PERIOD OF APPOINTMENT; VACANCIES.—

(1) IN GENERAL.—Members shall be appointed not later than 60 days after the date of the enactment of this Act and the appointment shall be for the life of the Commission.

(2) VACANCIES.—Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner as the original appointment was made.

(d) INITIAL MEETING.—Not later than 30 days after the date on which all members of the Commission have been appointed, the Commission shall hold its first meeting.

(e) MEETINGS.—The Commission shall meet at the call of the Chairperson.

(f) CHAIRPERSON AND VICE CHAIRPERSON.—The members of the Commission shall elect a chairperson and vice chairperson from among the members of the Commission.

(g) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business.

(h) VOTING.—Each member of the Commission shall be entitled to one vote, which shall be equal to the vote of every other member of the Commission.

SEC. 3. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall be responsible for examining the nature, causes, and consequences of the United States trade deficit and providing recommendations on how to address and reduce structural trade imbalances, including with respect to the United States merchandise trade deficit, in order to promote sustainable economic growth that provides broad-based income and employment gains.

(b) CAUSES OF U.S. TRADE DEFICIT.—In examining the causes of the United States trade deficit, the Commission shall, among other things—

(1) identify and assess the impact of macroeconomic factors, including currency practices, foreign government purchases of United States assets, and savings and investment rates, including savings rates of foreign state-owned enterprises, on United States bilateral trade imbalances and global trade imbalances;

(2) with respect to countries with which the United States has significant, persistent sectoral or bilateral trade deficits, assess with respect to the magnitude and composition of such trade deficits—

(A) the impact of tariff and non tariff barriers maintained by such countries and the lack of reciprocal market access as a result of such barriers;

(B) the impact of investment, offset, and technology transfer requirements by such countries;

(C) any impact due to the failure of such countries to adhere to internationally-recognized labor standards, including the extent to which such failure affects conditions of competition with the United States or the ability of consumers in such countries to buy United States goods and services;

(D) any impact due to differences in levels of environmental protection and enforcement of environmental laws between such countries and the United States, including the extent to which such differences affect conditions of competition with the United States;

(E) policies maintained by such countries that assist manufacturers in such countries, including the impact of such policies on manufacturers in the United States; and

(F) the impact of border tax adjustments by such countries;

(3) examine the impact of free trade agreements on the United States trade deficit;

(4) examine the impact of investment flows both into and out of the United States on the trade deficit, including—

(A) the impact of United States outbound investment on the United States trade deficit and on standards of living and production in the United States;

(B) the impact that the relocation of production facilities overseas has on the United States trade deficit, including by reviewing major domestic plant closures over an appropriate representative period to determine how much production terminated from such closures was relocated offshore;

(C) the impact of foreign direct investment in the United States on the United States trade deficit and on standards of living and production in the United States; and

(D) the impact of United States bilateral investment treaties, including bilateral investment treaties under negotiation, on the United States trade deficit;

(5) examine the role and impact of imports of oil and other energy products on the United States trade deficit; and

(6) assess the extent to which United States foreign policy interests influence United States economic and trade policies.

(c) CONSEQUENCES OF U.S. TRADE DEFICIT.—In examining the consequences of the United States trade deficit, the Commission shall, among other things—

(1) identify and, to the extent practicable, quantify the impact of the trade deficit on the overall domestic economy, and, with respect to different sectors of the economy, on manufacturing capacity, on the number and quality of jobs, on wages, and on health, safety, and environmental standards;

(2) assess the effects the trade deficits in the areas of manufacturing and technology have on defense production and innovation capabilities of the United States; and

(3) assess the impact of significant, persistent trade deficits, including sectoral and bilateral trade deficits, on United States economic growth.

(d) RECOMMENDATIONS.—In making recommendations, the Commission shall, among other things—

(1) identify specific strategies for achieving improved trade balances with those countries with which the United States has significant, persistent sectoral or bilateral trade deficits;

(2) identify United States trade policy tools including enforcement mechanisms that can be more effectively used to address the underlying causes of structural trade deficits;

(3) identify domestic and trade policies that can enhance the competitiveness of United States manu-

facturers domestically and globally, including those policies of the United States and other countries that have been successful in promoting competitiveness;

(4) address ways to improve the coordination and accountability of Federal departments and agencies relating to trade; and

(5) examine ways to improve the adequacy of the collection and reporting of trade data, including identifying and developing additional databases and economic measurements that may be needed to properly assess the causes and consequences of the United States trade deficit.

SEC. 4. REPORT.

(a) REPORT.—Not later than 16 months after the date of the enactment of this Act, the Commission shall submit to the President and the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report that contains—

(1) the findings and conclusions of the Commission described in section 3; and

(2) any recommendations for administrative and legislative actions as the Commission considers necessary.

(b) SEPARATE VIEWS.—Any member of the Commission may submit additional findings and recommendations as part of the report.

SEC. 5. POWERS OF COMMISSION.

(a) HEARINGS.—The Commission may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Commission considers advisable to carry out this Act. The Commission shall hold at least seven public hearings, one or more in Washington, D.C., and four in different regions of the United States.

(b) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out this Act. Upon request of the Chairperson of the Commission, the head of such department or agency shall furnish such information to the Commission.

(c) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal departments and agencies.

SEC. 6. COMMISSION PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—Each member of the Commission who is not an officer or employee of the

Federal Government shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(b) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of duties of the Commission.

(c) STAFF.—

(1) IN GENERAL.—The Chairperson of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment of an executive di-

rector shall be subject to confirmation by the Commission.

(2) COMPENSATION.—The Chairperson of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for the executive director and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(e) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS; GAO AUDIT.

(a) IN GENERAL.—There are authorized to be appropriated $2,000,000 to the Commission to carry out this Act.

(b) GAO AUDIT.—Not later than 6 months after the date on which the Commission terminates, the Comptroller General of the United States shall complete an audit of the financial books and records of the Commission and shall submit a report on the audit to the President and the Congress.

SEC. 8. TERMINATION OF COMMISSION.

The Commission shall terminate 30 days after the date on which the Commission submits its report under section 4(a).

Passed the House of Representatives July 28, 2010.

Attest:

Clerk.

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