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2^D SESSION

H. R. 1875

IN THE SENATE OF THE UNITED STATES

JULY 29, 2010

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Read twice and referred to the Committee on Finance

AN ACT

To establish the Emergency Trade Deficit Commission.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. FINDINGS.**

2 Congress makes the following findings:

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

6 (2) There appeared to be some improvements in
7 the United States trade balance in 2009, but this
8 was during a time of global economic crisis, and the
9 reduction in the United States trade deficit appears
10 to be attributable to a shrinking United States de-
11 mand for imports rather than an increase in United
12 States exports.

13 (3) Many of the trade deficits are structural—
14 that is, with the same countries, year after year. In
15 2009, the United States continued to have signifi-
16 cant merchandise trade deficits with the People’s
17 Republic of China (\$226.8 billion), the European
18 Union (\$60.5 billion), Japan (\$44.7 billion), and
19 Mexico (\$47.5 billion), notwithstanding the overall
20 decline in the United States trade deficit. In fact, in
21 2009, China accounted for 44 percent of the United
22 States merchandise trade deficit.

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

1 (5) The causes and consequences of the United
2 States trade deficit must be documented and rec-
3 ommendations must be developed to expeditiously
4 address structural imbalances in the trade deficit.

5 **SEC. 2. ESTABLISHMENT OF COMMISSION.**

6 (a) ESTABLISHMENT.—There is established a com-
7 mission to be known as the Emergency Trade Deficit
8 Commission (in this Act referred to as the “Commis-
9 sion”).

10 (b) MEMBERSHIP OF COMMISSION.—

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

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

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

23 (C) two persons shall be appointed by the
24 President pro tempore of the Senate upon the
25 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

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

3 (C) OTHER CONSIDERATIONS.—In appoint-
4 ing members of the Commission, every effort
5 shall be made to ensure that the members—

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

9 (ii) provide fresh insights to in identi-
10 fying the causes and consequences of the
11 United States trade deficit and developing
12 recommendations to address structural
13 trade imbalances.

14 (c) PERIOD OF APPOINTMENT; VACANCIES.—

15 (1) IN GENERAL.—Members shall be appointed
16 not later than 60 days after the date of the enact-
17 ment of this Act and the appointment shall be for
18 the life of the Commission.

19 (2) VACANCIES.—Any vacancy in the Commis-
20 sion shall not affect its powers, but shall be filled in
21 the same manner as the original appointment was
22 made.

23 (d) INITIAL MEETING.—Not later than 30 days after
24 the date on which all members of the Commission have

1 been appointed, the Commission shall hold its first meet-
2 ing.

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

5 (f) CHAIRPERSON AND VICE CHAIRPERSON.—The
6 members of the Commission shall elect a chairperson and
7 vice chairperson from among the members of the Commis-
8 sion.

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

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

15 **SEC. 3. DUTIES OF THE COMMISSION.**

16 (a) IN GENERAL.—The Commission shall be respon-
17 sible for examining the nature, causes, and consequences
18 of the United States trade deficit and providing rec-
19 ommendations on how to address and reduce structural
20 trade imbalances, including with respect to the United
21 States merchandise trade deficit, in order to promote sus-
22 tainable economic growth that provides broad-based in-
23 come and employment gains.

1 (b) CAUSES OF U.S. TRADE DEFICIT.—In examining
2 the causes of the United States trade deficit, the Commis-
3 sion shall, among other things—

4 (1) identify and assess the impact of macro-
5 economic factors, including currency practices, for-
6 eign government purchases of United States assets,
7 and savings and investment rates, including savings
8 rates of foreign state-owned enterprises, on United
9 States bilateral trade imbalances and global trade
10 imbalances;

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

15 (A) the impact of tariff and non tariff bar-
16 riers maintained by such countries and the lack
17 of reciprocal market access as a result of such
18 barriers;

19 (B) the impact of investment, offset, and
20 technology transfer requirements by such coun-
21 tries;

22 (C) any impact due to the failure of such
23 countries to adhere to internationally-recognized
24 labor standards, including the extent to which
25 such failure affects conditions of competition

1 with the United States or the ability of con-
2 sumers in such countries to buy United States
3 goods and services;

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

10 (E) policies maintained by such countries
11 that assist manufacturers in such countries, in-
12 cluding the impact of such policies on manufac-
13 turers in the United States; and

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

16 (3) examine the impact of free trade agree-
17 ments on the United States trade deficit;

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

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

1 (B) the impact that the relocation of pro-
2 duction facilities overseas has on the United
3 States trade deficit, including by reviewing
4 major domestic plant closures over an appro-
5 priate representative period to determine how
6 much production terminated from such closures
7 was relocated offshore;

8 (C) the impact of foreign direct investment
9 in the United States on the United States trade
10 deficit and on standards of living and produc-
11 tion in the United States; and

12 (D) the impact of United States bilateral
13 investment treaties, including bilateral invest-
14 ment treaties under negotiation, on the United
15 States trade deficit;

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

19 (6) assess the extent to which United States
20 foreign policy interests influence United States eco-
21 nomic and trade policies.

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

1 (1) identify and, to the extent practicable,
2 quantify the impact of the trade deficit on the over-
3 all domestic economy, and, with respect to different
4 sectors of the economy, on manufacturing capacity,
5 on the number and quality of jobs, on wages, and
6 on health, safety, and environmental standards;

7 (2) assess the effects the trade deficits in the
8 areas of manufacturing and technology have on de-
9 fense production and innovation capabilities of the
10 United States; and

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

14 (d) RECOMMENDATIONS.—In making recommenda-
15 tions, the Commission shall, among other things—

16 (1) identify specific strategies for achieving im-
17 proved trade balances with those countries with
18 which the United States has significant, persistent
19 sectoral or bilateral trade deficits;

20 (2) identify United States trade policy tools in-
21 cluding enforcement mechanisms that can be more
22 effectively used to address the underlying causes of
23 structural trade deficits;

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

1 facturers domestically and globally, including those
2 policies of the United States and other countries
3 that have been successful in promoting competitive-
4 ness;

5 (4) address ways to improve the coordination
6 and accountability of Federal departments and agen-
7 cies relating to trade; and

8 (5) examine ways to improve the adequacy of
9 the collection and reporting of trade data, including
10 identifying and developing additional databases and
11 economic measurements that may be needed to prop-
12 erly assess the causes and consequences of the
13 United States trade deficit.

14 **SEC. 4. REPORT.**

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

20 (1) the findings and conclusions of the Commis-
21 sion described in section 3; and

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

1 (b) SEPARATE VIEWS.—Any member of the Commis-
2 sion may submit additional findings and recommendations
3 as part of the report.

4 **SEC. 5. POWERS OF COMMISSION.**

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

12 (b) INFORMATION FROM FEDERAL AGENCIES.—The
13 Commission may secure directly from any Federal depart-
14 ment or agency such information as the Commission con-
15 sidered necessary to carry out this Act. Upon request of
16 the Chairperson of the Commission, the head of such de-
17 partment or agency shall furnish such information to the
18 Commission.

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

23 **SEC. 6. COMMISSION PERSONNEL MATTERS.**

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

1 Federal Government shall be compensated at a rate equal
2 to the daily equivalent of the annual rate of basic pay pre-
3 scribed for level IV of the Executive Schedule under sec-
4 tion 5315 of title 5, United States Code, for each day (in-
5 cluding travel time) during which such member is engaged
6 in the performance of the duties of the Commission. All
7 members of the Commission who are officers or employees
8 of the United States shall serve without compensation in
9 addition to that received for their services as officers or
10 employees of the United States.

11 (b) TRAVEL EXPENSES.—The members of the Com-
12 mission shall be allowed travel expenses, including per
13 diem in lieu of subsistence, at rates authorized for employ-
14 ees of agencies under subchapter I of chapter 57 of title
15 5, United States Code, while away from their homes or
16 regular places of business in the performance of duties of
17 the Commission.

18 (c) STAFF.—

19 (1) IN GENERAL.—The Chairperson of the
20 Commission may, without regard to the civil service
21 laws and regulations, appoint and terminate an exec-
22 utive director and such other additional personnel as
23 may be necessary to enable the Commission to per-
24 form its duties. The employment of an executive di-

1 rector shall be subject to confirmation by the Com-
2 mission.

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

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

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

1 **SEC. 7. AUTHORIZATION OF APPROPRIATIONS; GAO AUDIT.**

2 (a) IN GENERAL.—There are authorized to be appro-
3 priated \$2,000,000 to the Commission to carry out this
4 Act.

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

11 **SEC. 8. TERMINATION OF COMMISSION.**

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

Passed the House of Representatives July 28, 2010.

Attest: LORRAINE C. MILLER,
Clerk.