

**Suspend the Rules and Pass the Bill, H. R. 1875, With Amendments**

**(The amendments strike all after the enacting clause and insert a new text and a new title)**

111<sup>TH</sup> CONGRESS  
2<sup>ND</sup> SESSION

# H. R. 1875

To establish an Emergency Commission To End the Trade Deficit.

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IN THE HOUSE OF REPRESENTATIVES

APRIL 2, 2009

Mr. DEFAZIO (for himself, Ms. SLAUGHTER, Ms. KAPTUR, and Mr. MASSA) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To establish an Emergency Commission To End the Trade Deficit.

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

3 **SECTION 1. FINDINGS.**

4 Congress makes the following findings:

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

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

8           (3) Many of the trade deficits are structural—  
9           that is, with the same countries, year after year. In  
10          2009, the United States continued to have signifi-  
11          cant merchandise trade deficits with the People’s  
12          Republic of China (\$226.8 billion), the European  
13          Union (\$60.5 billion), Japan (\$44.7 billion), and  
14          Mexico (\$47.5 billion), notwithstanding the overall  
15          decline in the United States trade deficit. In fact, in  
16          2009, China accounted for 44 percent of the United  
17          States merchandise trade deficit.

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

22          (5) The causes and consequences of the United  
23          States trade deficit must be documented and rec-  
24          ommendations must be developed to expeditiously  
25          address structural imbalances in the trade deficit.

1 **SEC. 2. ESTABLISHMENT OF COMMISSION.**

2 (a) ESTABLISHMENT.—There is established a com-  
3 mission to be known as the Emergency Trade Deficit  
4 Commission (in this Act referred to as the “Commis-  
5 sion”).

6 (b) MEMBERSHIP OF COMMISSION.—

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

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

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

19 (C) two persons shall be appointed by the  
20 President pro tempore of the Senate upon the  
21 recommendation of the Minority Leader of the  
22 Senate, after consultation with the ranking mi-  
23 nority member of the Committee on Finance of  
24 the Senate;

25 (D) two persons shall be appointed by the  
26 Speaker of the House of Representatives, after

1           consultation with the Chairman of the Com-  
2           mittee on Ways and Means of the House of  
3           Representatives; and

4                   (E) two persons shall be appointed by the  
5           Minority Leader of the House of Representa-  
6           tives, after consultation with the ranking minor-  
7           ity member of the Committee on Ways and  
8           Means of the House of Representatives.

9           (2) QUALIFICATIONS OF MEMBERS.—

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

14                   (B) OTHER APPOINTMENTS.—Persons ap-  
15           pointed under subparagraph (B), (C), (D), or  
16           (E) of paragraph (1) shall be persons who—

17                           (i) have expertise in economics, inter-  
18                           national trade, manufacturing, labor, envi-  
19                           ronment, or business, or have other perti-  
20                           nent qualifications or experience; and

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

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

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

4 (ii) provide fresh insights to in identi-  
5 fying the causes and consequences of the  
6 United States trade deficit and developing  
7 recommendations to address structural  
8 trade imbalances.

9 (c) PERIOD OF APPOINTMENT; VACANCIES.—

10 (1) IN GENERAL.—Members shall be appointed  
11 not later than 60 days after the date of the enact-  
12 ment of this Act and the appointment shall be for  
13 the life of the Commission.

14 (2) VACANCIES.—Any vacancy in the Commis-  
15 sion shall not affect its powers, but shall be filled in  
16 the same manner as the original appointment was  
17 made.

18 (d) INITIAL MEETING.—Not later than 30 days after  
19 the date on which all members of the Commission have  
20 been appointed, the Commission shall hold its first meet-  
21 ing.

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

24 (f) CHAIRPERSON AND VICE CHAIRPERSON.—The  
25 members of the Commission shall elect a chairperson and

1 vice chairperson from among the members of the Commis-  
2 sion.

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

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

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

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

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

21 (1) identify and assess the impact of macro-  
22 economic factors, including currency practices, for-  
23 eign government purchases of United States assets,  
24 and savings and investment rates, including savings  
25 rates of foreign state-owned enterprises, on United

1 States bilateral trade imbalances and global trade  
2 imbalances;

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

7 (A) the impact of tariff and non tariff bar-  
8 riers maintained by such countries and the lack  
9 of reciprocal market access as a result of such  
10 barriers;

11 (B) the impact of investment, offset, and  
12 technology transfer requirements by such coun-  
13 tries;

14 (C) any impact due to the failure of such  
15 countries to adhere to internationally-recognized  
16 labor standards, including the extent to which  
17 such failure affects conditions of competition  
18 with the United States or the ability of con-  
19 sumers in such countries to buy United States  
20 goods and services;

21 (D) any impact due to differences in levels  
22 of environmental protection and enforcement of  
23 environmental laws between such countries and  
24 the United States, including the extent to which

1 such differences affect conditions of competition  
2 with the United States;

3 (E) policies maintained by such countries  
4 that assist manufacturers in such countries, in-  
5 cluding the impact of such policies on manufac-  
6 turers in the United States; and

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

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

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

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

18 (B) the impact that the relocation of pro-  
19 duction facilities overseas has on the United  
20 States trade deficit, including by reviewing  
21 major domestic plant closures over an appro-  
22 priate representative period to determine how  
23 much production terminated from such closures  
24 was relocated offshore;

1 (C) the impact of foreign direct investment  
2 in the United States on the United States trade  
3 deficit and on standards of living and produc-  
4 tion in the United States; and

5 (D) the impact of United States bilateral  
6 investment treaties, including bilateral invest-  
7 ment treaties under negotiation, on the United  
8 States trade deficit;

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

12 (6) assess the extent to which United States  
13 foreign policy interests influence United States eco-  
14 nomic and trade policies.

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

18 (1) identify and, to the extent practicable,  
19 quantify the impact of the trade deficit on the over-  
20 all domestic economy, and, with respect to different  
21 sectors of the economy, on manufacturing capacity,  
22 on the number and quality of jobs, on wages, and  
23 on health, safety, and environmental standards;

24 (2) assess the effects the trade deficits in the  
25 areas of manufacturing and technology have on de-

1 fense production and innovation capabilities of the  
2 United States; and

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

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

8 (1) identify specific strategies for achieving im-  
9 proved trade balances with those countries with  
10 which the United States has significant, persistent  
11 sectoral or bilateral trade deficits;

12 (2) identify United States trade policy tools in-  
13 cluding enforcement mechanisms that can be more  
14 effectively used to address the underlying causes of  
15 structural trade deficits;

16 (3) identify domestic and trade policies that can  
17 enhance the competitiveness of United States manu-  
18 facturers domestically and globally, including those  
19 policies of the United States and other countries  
20 that have been successful in promoting competitive-  
21 ness;

22 (4) address ways to improve the coordination  
23 and accountability of Federal departments and agen-  
24 cies relating to trade; and

1           (5) examine ways to improve the adequacy of  
2           the collection and reporting of trade data, including  
3           identifying and developing additional databases and  
4           economic measurements that may be needed to prop-  
5           erly assess the causes and consequences of the  
6           United States trade deficit.

7   **SEC. 4. REPORT.**

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

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

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

18          (b) **SEPARATE VIEWS.**—Any member of the Commis-  
19          sion may submit additional findings and recommendations  
20          as part of the report.

21   **SEC. 5. POWERS OF COMMISSION.**

22          (a) **HEARINGS.**—The Commission may hold such  
23          hearings, sit and act at such times and places, take such  
24          testimony, and receive such evidence as the Commission  
25          considers advisable to carry out this Act. The Commission

1 shall hold at least seven public hearings, one or more in  
2 Washington, D.C., and four in different regions of the  
3 United States.

4 (b) INFORMATION FROM FEDERAL AGENCIES.—The  
5 Commission may secure directly from any Federal depart-  
6 ment or agency such information as the Commission con-  
7 siders necessary to carry out this Act. Upon request of  
8 the Chairperson of the Commission, the head of such de-  
9 partment or agency shall furnish such information to the  
10 Commission.

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

15 **SEC. 6. COMMISSION PERSONNEL MATTERS.**

16 (a) COMPENSATION OF MEMBERS.—Each member of  
17 the Commission who is not an officer or employee of the  
18 Federal Government shall be compensated at a rate equal  
19 to the daily equivalent of the annual rate of basic pay pre-  
20 scribed for level IV of the Executive Schedule under sec-  
21 tion 5315 of title 5, United States Code, for each day (in-  
22 cluding travel time) during which such member is engaged  
23 in the performance of the duties of the Commission. All  
24 members of the Commission who are officers or employees  
25 of the United States shall serve without compensation in

1 addition to that received for their services as officers or  
2 employees of the United States.

3 (b) TRAVEL EXPENSES.—The members of the Com-  
4 mission shall be allowed travel expenses, including per  
5 diem in lieu of subsistence, at rates authorized for employ-  
6 ees of agencies under subchapter I of chapter 57 of title  
7 5, United States Code, while away from their homes or  
8 regular places of business in the performance of duties of  
9 the Commission.

10 (c) STAFF.—

11 (1) IN GENERAL.—The Chairperson of the  
12 Commission may, without regard to the civil service  
13 laws and regulations, appoint and terminate an execu-  
14 tive director and such other additional personnel as  
15 may be necessary to enable the Commission to per-  
16 form its duties. The employment of an executive di-  
17 rector shall be subject to confirmation by the Com-  
18 mission.

19 (2) COMPENSATION.—The Chairperson of the  
20 Commission may fix the compensation of the execu-  
21 tive director and other personnel without regard to  
22 the provisions of chapter 51 and subchapter III of  
23 chapter 53 of title 5, United States Code, relating  
24 to classification of positions and General Schedule  
25 pay rates, except that the rate of pay for the execu-

1           tive director and other personnel may not exceed the  
2           rate payable for level V of the Executive Schedule  
3           under section 5316 of such title.

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

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

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

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

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

**1 SEC. 8. TERMINATION OF COMMISSION.**

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

      Amend the title so as to read: “A bill to establish  
the Emergency Trade Deficit Commission.”.