

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

# H. R. 1875

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## 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

1 Senate, after consultation with the ranking mi-  
2 nority member of the Committee on Finance of  
3 the Senate;

4 (D) two persons shall be appointed by the  
5 Speaker of the House of Representatives, after  
6 consultation with the Chairman of the Com-  
7 mittee on Ways and Means of the House of  
8 Representatives; and

9 (E) two persons shall be appointed by the  
10 Minority Leader of the House of Representa-  
11 tives, after consultation with the ranking minor-  
12 ity member of the Committee on Ways and  
13 Means of the House of Representatives.

14 (2) QUALIFICATIONS OF MEMBERS.—

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

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

22 (i) have expertise in economics, inter-  
23 national trade, manufacturing, labor, envi-  
24 ronment, or business, or have other perti-  
25 nent 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 execu-  
22 tive 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:

*Clerk.*

11<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

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