

President Obama Creates Interagency Trade Enforcement Center

February 28, 2012

On February 28, President Obama signed an executive order creating a new trade enforcement unit, the Interagency Trade Enforcement Center (ITEC). The ITEC will serve as the primary forum for federal government agencies and officials to coordinate their efforts to address unfair trade practices in countries like China and to enforce domestic and international trade laws.

Creation of the unit is intended to further the administration's effort to boost American manufacturing and exports by ensuring that U.S. firms can compete fairly around the world. The executive order reflects the administration's belief that "robust monitoring and enforcement of U.S. rights under international trade agreements, and enforcement of domestic trade laws, are crucial to expanding exports and ensuring U.S. workers, businesses, ranchers, and farmers are able to compete on a level playing field with foreign trade partners." [1] In fulfilling its mission, ITEC will "conduct outreach to U.S. workers, businesses, and other interested persons to foster greater participation in the identification and reduction or elimination of foreign trade barriers and unfair foreign trade practices."

The President first announced the ITEC's creation in January during his annual State of the Union address, in which he devoted significant time to trade issues. [2] The administration stressed that the unit will work to protect fair competition by investigating global distortive trade practices, such as intellectual property piracy and government subsidies. Some sources have suggested that the unit will work largely on China-related issues, [3] although the administration has noted that ITEC will not focus exclusively on China. [4]

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The President's 2013 budget proposal, which was submitted to Congress earlier this month, requested \$26 million for the 50- to 60-person enforcement unit. ITEC's director will be appointed by U.S. Trade Representative (USTR) Ron Kirk, and Commerce Secretary John Bryson will select a deputy director. ITEC will also be staffed by an Intelligence Community Liaison, recommended by the Director of National Intelligence. Also expected to serve on the unit are other staff from the Department of Commerce and members of the Departments of Agriculture, Homeland Security, Justice, State and Treasury. ITEC will bring together a diverse group of individuals from across these executive agencies, including trade lawyers, foreign language researchers, subject matter and economic analysts and foreign-based personnel.

In a statement responding to the executive order, USTR Ron Kirk said: "Today, President Obama took a significant step forward in ensuring America's continued economic growth and security by establishing the first-ever Interagency Trade Enforcement Center within the Office of the United States Trade Representative. This new trade enforcement unit will better enable USTR and the Department of Commerce to join forces-with the support and collaboration of partner agencies like Agriculture, Homeland Security, Justice, State, Treasury and the Intelligence Community-to ensure that America's trading partners play by the rules. It will help American workers and businesses compete and win on a fair global playing field."

U.S. Commerce Secretary John Bryson released the following statement about ITEC: "President Obama took a major step toward leveling the playing field for American workers and businesses today in establishing the Interagency Trade Enforcement Center, a new trade enforcement unit to investigate unfair trading practices worldwide. The Commerce Department is committed to making it as easy as possible for U.S. businesses to build things here and sell them everywhere, because we know that when American businesses and workers get a fair shot, they can compete and win. I look forward to working with USTR and other federal partners to make sure that our foreign trade partners play by the rules." [5]

The federal government agencies participating in ITEC, including USTR and Commerce, are aggressively seeking to identify specific trade barriers and unfair trade practices.

[1] *Executive Order – Establishment of the Interagency Trade Enforcement Center*, The White House, Office of the Press Secretary (Feb. 28, 2012), available at <http://www.whitehouse.gov/the-press-office/2012/02/28/executive-order-establishment-interagency-trade-enforcement-center>.

[2] *Remarks by the President in State of the Union Address*, The White House, Office of the Press Secretary (Jan. 24, 2012), available at <http://www.whitehouse.gov/the-press-office/2012/01/24/remarks-president-state-union-address>.

[3] See, e.g., *In Announcing Trade Enforcement Unit, Obama Stresses Fair Competition*, Inside U.S. Trade (Jan. 26, 2012), available by subscription at <http://insidetrade.com/Inside-US-Trade/Inside-U.S.-Trade-01/27/2012/in-announcing-trade-enforcement-unit-obama-stresses-fair-competition/menu-id-710.html>.

[4] See *Press Briefing by Press Secretary Jay Carney* (Feb. 14, 2012), available at <http://www.whitehouse.gov/photos-and-video/video/2012/02/14/press-briefing#transcript>.

[5] See *U.S. Commerce Secretary John Bryson and U.S. Trade Representative Ron Kirk Welcome Establishment of Interagency Trade Enforcement Center* (Feb. 28, 2012), available at <http://www.commerce.gov/news/press-releases/2012/02/28/us-commerce-secretary-john-bryson-and-us-trade-representative-ron-kir>.