

Inside US-China Trade

*By Dan Neumann*

(Washington, DC) - Eighteen freshmen Democrats earlier this month urged House Ways and Means Chairman Charles Rangel (D-NY) and Ways and Means Trade Subcommittee Chairman Sander Levin (D-MI) to advance legislation that will “aggressively address China's continued disregard for U.S. trade law and protect U.S. workers and manufacturers from the resulting unfair competition.”

In an Aug. 2 letter, the freshman lawmakers stop short of advocating specific bills. But several of the Democratic signatories, including the organizer of the effort, Rep. Jason Altmire (D-PA), are sponsors of H.R. 1229, which would apply countervailing duties against non-market economies, as well as H.R. 2942, which would apply countervailing duties (CVDs) to currency misalignment as an illegal export subsidy.

H.R. 1229 was introduced by Reps. Artur Davis (D-AL) and Phil English (R-PA) and H.R. 2942 was introduced by Reps. Tim Ryan (D-OH) and Duncan Hunter (R-CA).

“The type of legislation under consideration in the Ways & Means Committee that would apply our antisubsidy laws to non-market economies such as China, provide an effective remedy for currency manipulation and restore strength to our fair trade laws eroded by the WTO would be an important step towards restoring fair competition for American firms and workers,” the letter said.

Altmire told Inside US-China Trade on Aug. 20 that no specific legislation was mentioned in the letter to avoid offending Ways and Means leaders as they move through the process they have created to determine the content of the bill. According to Levin, that process will include consultations between Levin and Rangel, with the Democratic leadership and with the rest of the Ways & Means Committee in September to determine the contents of Ways and Means legislation dealing with China or currency misalignment (Inside US-China Trade, Aug. 8).

According to Altmire, the Democratic freshmen's letter was “purposefully vague”;

and sought to underscore to Ways and Means the importance of the China trade issue to first-term members of the Democratic Caucus.

The letter also criticizes recent steps by the WTO Appellate Body against U.S. calculations in antidumping cases that eliminate data that shows a negative dumping margin, commonly referred to as zeroing. The freshmen called on the committee to “restore strength to our fair trade laws eroded by the WTO,” the letter said.

The WTO Appellate Body recently ruled in favor of Japan and ruled against all forms of zeroing currently used by the U.S. The U.S. has until December to comply with the ruling, but U.S. petitioners and many in Congress, including Levin and Senate Finance Chairman Max Baucus (D-MT), have said the decision goes beyond the Appellate Body's mandate. The WTO language on zeroing was left deliberately vague, and the ruling by the body that U.S. practices are WTO inconsistent is too far-reaching, Baucus and Levin have said.

Altmire and several Democratic aides suggested that freshman Democrats could work together to further a trade agenda that was tough on China and skeptical, if not opposed, to the negotiation of further free trade agreements (FTAs).

Altmire noted that there had been “discussions” on unifying the first-term Democrats in support of whatever China legislation that comes to the floor. But he was quick to note that the discussion was not limited to freshmen, citing Reps. Marcy Kaptur (D-OH) and Mike Michaud (D-ME) as also being part of the discussion.

Democratic aides agreed with Altmire's analysis, adding that the freshmen had convened a trade “working group” led by Rep. Betty Sutton (D-OH). However, these aides said that the discussions had to this point been largely theoretical, since no trade votes have occurred yet in this Congress. These aides also noted that most discussions in the group to this point had been focused on China legislation.

Members that signed the Aug. 3 letter are Altmire and Reps. Zack Space (D-OH), Heath Shuler (D-NC), Michael Arcuri (D-NY), John Hall (D-NY), Paul Hodes (D-NH), Nancy Boyda (D-KS) Christopher Carney (D-PA), Ron Klein (D-FL), Chris Murphy (D-CT), Patrick Murphy (D-PA), Bruce Braley (D-IA), Ciro Rodriguez (D-TX), Sutton, Joe Donnelly (D-IN), Steve Kagen

(D-WI), Dave Loebsack (D-IA), and Harry Mitchell (D-AZ).