



Billing Code: 3510-25-P

## **DEPARTMENT OF COMMERCE**

### **International Trade Administration**

#### **Public Comments and Hearing Regarding Administration Report on Significant Trade Deficits**

**AGENCY:** International Trade Administration, United States Department of Commerce; Office of the United States Trade Representative

**ACTION:** Notice of public hearing and request for comments.

**SUMMARY:** Pursuant to Executive Order 13786 of March 31 2017, the Secretary of Commerce and the United States Trade Representative (USTR), in consultation with the Secretaries of State, the Treasury, Defense, Agriculture, and Homeland Security and the heads of any other executive departments or agencies with relevant expertise, as determined by the Secretary of Commerce and the USTR, shall prepare and submit to the President an Omnibus Report on Significant Trade Deficits. The Executive Order can be found here:

<https://www.whitehouse.gov/the-press-office/2017/03/31/presidential-executive-order-regarding-omnibus-report-significant-trade>

The Department of Commerce (Commerce) and USTR will hold a public hearing and seek written comments to assist in the analysis for the assessment called for in Executive Order 13786. The trading partners with which the United States had a significant trade deficit in goods in 2016 (in alphabetical order) were Canada, China, the European Union, India, Indonesia, Japan, Korea, Malaysia, Mexico, Switzerland, Taiwan, Thailand, and Vietnam.

**DATES:** The schedule and deadlines are as follows:

Wednesday, May 10, 2017 at 11:59 pm Eastern Daylight Time (EDT): Deadline for interested persons to submit written comments. Also, this is the deadline for requests to appear at the hearing, which must include a summary of your testimony.

Thursday, May 18, 2017: A public hearing at the U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC, beginning at 9:30 am EDT.

**ADDRESSES:** All written comments, requests to appear at the hearing, hearing summaries, and rebuttal comments must be in English and submitted electronically via the Internet at [www.regulations.gov](http://www.regulations.gov) docket number DOC 2017-0003. For alternatives to on-line submissions please contact Patrick Kirwan, Director of the Trade Promotion Coordinating Committee Secretariat, U.S. Department of Commerce, at (202) 482-5455 or [patrick.kirwan@trade.gov](mailto:patrick.kirwan@trade.gov). The public is strongly encouraged to file submissions electronically rather than by facsimile or mail. Follow the instructions for submitting comments in section C below.

**FOR FURTHER INFORMATION CONTACT:** For procedural questions concerning written comments or participating in the public hearing, contact Patrick Kirwan at (202) 482-5455 or [patrick.kirwan@trade.gov](mailto:patrick.kirwan@trade.gov).

**SUPPLEMENTARY INFORMATION:**

**A. Topics on which Commerce and USTR Seek Information:** To assist Commerce and USTR in preparing the Report, commenters should submit information related to one or more of the assessments called for in the Executive Order:

For each identified trading partner with which the United States had a significant trade deficit in goods in 2016, the Report shall:

- (a) assess the major causes of the trade deficit including, as applicable, differential tariffs, non-tariff barriers, injurious dumping, injurious government subsidization, intellectual property theft, forced technology transfer, denial of worker rights and labor standards, and any other form of discrimination against the commerce of the United States or other factors contributing to the deficit;
- (b) assess whether the trading partner is, directly or indirectly, imposing unequal burdens on, or unfairly discriminating in fact against, the commerce of the United States by law, regulation, or practice and thereby placing the commerce of the United States at an unfair disadvantage;
- (c) assess the effects of the trade relationship on the production capacity and strength of the manufacturing and defense industrial bases of the United States;
- (d) assess the effects of the trade relationship on employment and wage growth in the United States; and
- (e) identify imports and trade practices that may be impairing the national security of the United States.

Commenters may also address the following questions which are relevant for the assessment:

- (a) Which bilateral trade deficits are structural or cyclical rather than mercantilist-driven?
- (b) To what extent are non-market economies operating within a market-based system create trade imbalances?
- (c) To what extent does chronic industrial overcapacity resulting from government subsidies affect the U.S. trade deficit?
- (d) Have free trade agreements contributed to bilateral trade deficits and how?

- (e) To what extent have weak enforcement and dispute resolution mechanisms inadequately addressed trade issues that result in trade deficits?
- (f) Are there any other factors related to trade deficits that the report should consider?

With regard to manufacturing and the defense industrial base (with specific focus on electronics, aerospace, avionics, materials, machinery, and equipment), comments may address how the following requirements or practices of trading partners have affected opportunities for increased U.S. exports, profitability, and employment:

- (a) mandated coproduction and licensed production;
- (b) mandated subcontracting; counter trade;
- (c) required technology transfer;
- (d) required collaborative research and development;
- (e) mandated joint ventures and intellectual property transfer; and
- (f) required capital investments.

**B. Public Comment and Hearing:**

Commerce and USTR seek public comments with respect to the above stated issues and questions. To be assured of consideration, you must submit written comments by 11:59 pm EDT on Wednesday, May 10, 2017 in accordance with the instructions in section C below.

Commerce and USTR will also convene a public hearing at the U.S. Department of Commerce beginning at 9:30 am on Thursday, May 18, 2017. Persons wishing to appear at the hearing must provide written notification of their intention and a summary of the proposed testimony by 11:59 pm EDT on Wednesday, May 10, 2017 in accordance with the instructions in section C below.

Indicate in the “Type Comment” field if you are submitting a request to appear at the hearing, and include the name, address and telephone number of the person presenting the testimony. A summary of the testimony should be attached by using the “Upload File” field. The file name should include who will be presenting the testimony. Remarks at the hearing should be limited to no more than five minutes to allow for possible questions from the panel.

### **C. Requirements for Submissions**

Persons submitting a notification of intent to testify or written comments must do so in English and must identify (on the reference line of the first page of the submission) “Comments Regarding Causes of Significant Trade Deficits for 2016.” In addition, if the submission covers the causes of significant trade deficits in more than one country, commenters should, whenever possible, provide a separate submission for each country. If identifying specific sectors, commenters should identify the relevant Harmonized System (HS) category(ies) for that sector. To ensure the timely receipt and consideration of comments, Commerce and USTR strongly encourage commenters to make on-line submissions, using the <http://www.regulations.gov> website.

All submissions must be in English and must be submitted electronically via [www.regulations.gov](http://www.regulations.gov), using docket number DOC-2017-0003. Hand-delivered submissions will not be accepted.

To submit comments via [www.regulations.gov](http://www.regulations.gov) enter docket number DOC 2017-0003 on the home page and click “search.” The site will provide a search-results page listing all documents associated with this docket. Find a reference to this notice and click on the link entitled “Comment Now!” (For further information on using the [www.regulations.gov](http://www.regulations.gov)

website, please consult the resources provided on the website by clicking on “How to Use This Site” on the left side of the home page).

The [www.regulations.gov](http://www.regulations.gov) website allows users to provide comments by filling in a “Type Comment” field, or by attaching a document using an “Upload File” field. Commerce and USTR prefer that comments be provided in an attached document. If a document is attached, please identify the name of the country to which the submission pertains in the “Type Comment” field. For example: “See attached comments with respect to (name of country)”. Commerce and USTR prefer submissions in Microsoft Word (.doc) or Adobe Acrobat (.pdf). If the submission is in an application other than those two, please indicate the name of the application in the “Type Comment” field. For any comments submitted electronically containing business confidential information, the file name of the business confidential version should begin with the characters “BC”. Any page containing business confidential must be clearly marked “BUSINESS CONFIDENTIAL” on the top of that page. Filers of submissions containing business confidential information must also submit a public version of their comments. The file name of the public version should begin with the character “P”. The “BC” and “P” should be followed by the name of the person or entity submitting the comments or reply comments. Filers submitting comments containing no business confidential information should name their file using the name of the person or entity submitting the comments.

Please do not attach separate cover letters to electronic submissions; rather, include any information that might appear in a cover letter in the comments themselves. Similarly, to the extent possible please include any exhibits, annexes, or other attachments in the same file as part of the submission itself rather than in separate files.

As noted, Commerce and USTR strongly urge submitters to file comments through [www.regulations.gov](http://www.regulations.gov) if at all possible. Any alternative arrangements must be made with Patrick Kirwan in advance of transmitting a comment. Patrick Kirwan can be reached at (202) 482-5455 or [patrick.kirwan@trade.gov](mailto:patrick.kirwan@trade.gov). General information concerning Commerce is available at [www.commerce.gov](http://www.commerce.gov) and USTR at [www.ustr.gov](http://www.ustr.gov).

Comments will be placed in the docket and open to public inspection, except confidential business information. Comments may be viewed on the [www.regulations.gov](http://www.regulations.gov) website by entering the relevant docket number in the search field on the home page.

Dated: April 13, 2017.

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Patrick Kirwan,  
Director, Trade Promotion Coordinating Committee Secretariat,  
U.S. Department of Commerce.  
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