It Is Time For Trade Law Reform

Recommendations for the 106th Congress

20th Anniversary
Labor/Industry Coalition for International Trade
LICIT

January 1999

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Enforcing Trade Agreements

Dealing with Disruptive Import Surges

Offsetting Unfair Trade Practices

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About the Labor/Industry Coalition for International Trade (LICIT)

LICIT and its affiliate, the Coalition for Open Trade (COT), bring companies and unions together in support of increased and equitable international trade. Since its founding in 1979, LICIT has played a leading role in the evolution of the U.S. trade laws through, among other things, previous publications, Congressional testimony, and extensive work on the Uruguay Round negotiations and implementing legislation. Questions or comments regarding this paper may be directed to *john_magnus@deweyballantine.com*. Copies of other LICIT publications are available from LICIT's offices in Washington, D.C. or at the web site *www.dbtrade.com*.

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I. INTRODUCTION

The 106th Congress likely will consider major international trade legislation. Although the search for an acceptable formula for new negotiating authority may provide the main impetus, there is a separate and quite sufficient reason to legislate: updating the basic U.S. trade laws. The United States' last "omnibus" trade enactment occurred more than a decade ago, during which time the international economic landscape has been transformed. Among other things, the primary grant of legislative authority to obtain access to foreign markets – section 301 of the Trade Act of 1974 – is no longer effective.

As 1998 draws to a close, the global economy is distressed. The U.S. manufacturing sector is experiencing painful fallout from economic implosions in Asia, East Europe and Latin America. While Congress and the Administration have focused on reforming the international monetary system, similar requests concerning the trading system have not yet received an adequate response. The reasons may be numerous, but the fact remains that attention to the international trade crisis has thus far lagged behind the more noticeable financial crisis.

This imbalance must now be reversed. U.S. manufacturing industries have already been hit with massive import surges as domestic demand collapses in key markets around the world, while large trading powers that could absorb some of the resulting shock – particularly Japan – have chosen to remain tightly closed to manufactured imports rather than doing their part to ease the crisis. Particularly with the prospect in sight of new trade negotiations under the auspices of the World Trade Organization ("WTO"), it is incumbent upon Congress to update the main instruments of U.S. trade policy. Doing so is important for both United States and the international community, because injury from unfair trade erodes Americans' faith in the whole idea of an open trade and investment system. Even during relatively good economic times, such faith has not been in oversupply in the United States.

Needed repairs and maintenance of America's trade laws must not be neglected by the 106th Congress, whether or not it also seeks to define a new power-sharing relationship for Congress and the President in trade negotiations. As part of an overall effort to rebuild American industry's confidence in the international trading system, Congress should reform three major trade law regimes addressing: (1) enforcement of international trade agreements, (2) remedies against disruptive import surges, and (3) remedies against foreign unfair trade practices.

II. WTO DISPUTE SETTLEMENT AND U.S. MARKET-OPENING TOOLS

Despite several notable accomplishments in the Uruguay Round, the Round also saw U.S. leverage to open foreign markets bargained away in exchange for an incomplete set of multilateral trade rules and a defective dispute settlement system that has failed to meet expectations. In new trade legislation, Congress should put measures in place to encourage improved performance from WTO dispute settlement litigation; should seek to restore the market-opening leverage sacrificed in the Uruguay Round; and should update U.S. market access laws so that they directly address the new generation of barriers devised by our trading partners.

A. Establish a WTO Dispute Settlement Review Commission

Fear of future litigation in Geneva has become a problem in the administration of the U.S. trade laws. While it is fine to call for a resolute approach by the U.S. agencies involved, Congress can help by establishing a blue-ribbon commission, comprised of federal judges, to review WTO panel and appellate body decisions (or at least those adverse to the United States).

This Commission, which the Administration in 1994 pledged to support as part of obtaining Uruguay Round approval, would advise Congress with respect to each decision as to: (1) whether the panel exceeded its authority or terms of reference; (2) whether the panel added to the obligations or diminished the rights of any Member under the WTO agreements; (3) whether the panel acted arbitrarily, capriciously, or engaged in misconduct; (4) whether the panel deviated from the applicable standard of review; and (5) the overall effect on U.S. domestic law and U.S. trade interests. The very existence of such a Commission would help to prevent U.S. officials from being intimidated, in carrying out the dictates of U.S. law, by the prospect of WTO litigation. In providing this kind of objective, judicial evaluation, the Commission will either help build confidence in the WTO dispute settlement system or, if necessary, highlight where WTO panels have abused their mandate and invented new limitations on the U.S. government's actions – thereby facilitating an appropriate Congressional response.

B. Reform Section 301

There is an urgent need to strengthen section 301 of the Trade Act of 1974, which was enacted to enable the U.S. Trade Representative ("USTR") to open foreign markets closed to imported products and services by unreasonable barriers. The effectiveness of section 301 has been significantly undermined by the WTO Dispute Settlement Understanding and the emergence of new, harder-to-reach forms of foreign barriers. Section 301 now serves almost exclusively as a mechanism by which complaints are funneled through the Office of the USTR en route to the WTO dispute settlement system. The bilateral component of U.S. trade diplomacy has been allowed to decay badly. Meanwhile, the WTO has been ineffectual in dealing with modern, complex trade issues such as the closure of foreign markets by governments working with private monopolies and cartels, and the U.S. Government has been unable to confront these barriers directly (outside the WTO system) out of fear that any measures undertaken to open the markets would be met with WTO-sanctioned retaliation.

America needs leverage to spur the development of international rules to address these barriers, and – just as important – it needs a remedy that will allow bilateral solutions to be achieved in the meanwhile. Congress, therefore, should enact section 301 amendments that:

- mandate action by the USTR against collaborations between foreign governments and private enterprises to restrict market access for U.S. goods or services;
- clarify that it is unreasonable to tolerate anticompetitive practices which divert foreign goods toward the U.S. market as well as those which restrict the access of U.S. goods to a foreign market; and
- provide new authority to the USTR to issue cease-and-desist orders, enforceable in court by civil fines, against private foreign enterprises that participate in, or benefit from, unjustifiable restraints of international trade.

Congress should also consider statutory changes to provide a more forceful deterrent to foreign governments' delaying tactics when it comes to implementing WTO panel decisions.

Along with these repairs to the basic section 301 mechanism, Congress should also renew some useful provisions that in the past have helped to identify which trade barriers would be targeted each year for section 301 action. Specifically, Congress should:

- renew "Super 301" as originally passed in 1988 by the Senate Finance Committee; and
- renew "procurement 301," which provides for annual identification of significant restrictions on U.S. firms' access to foreign government contracts.

C. Reform the NTE

Congress devised the National Trade Estimate Report on Foreign Trade Barriers ("NTE") in the 1980s to inventory, on an annual basis, foreign trade barriers affecting U.S. exports of goods and services. The purpose was to bring about negotiations to eliminate such barriers. For a variety of reasons, the list today does not serve its intended function. In order to meet Congress' original goals in an era of ever more complex foreign barriers, the NTE should be restructured and updated so that it:

- identifies which listed barriers appear to violate the international obligations of the foreign country concerned;
- includes evaluations by the U.S. industry or industries (including labor unions) affected by each trade agreement, whether multilateral or bilateral, and whether formal or informal;
- includes similar industry evaluations of other remedial steps taken

by the U.S. Government with respect to the listed barriers;

- lists potential trade barriers for which the U.S. Government needs further clarification and documentation from the foreign governments involved; and

- identifies other countries' recognized violations of labor agreements and international labor standards (such as those of the International Labor Organization).

III. REFORM OF SECTION 201

Congress created Section 201 of the Trade Act of 1974 to safeguard industries seriously harmed by import surges. The intent was to provide time for affected industries to adapt to the new market conditions. The current law, however, is ineffective for several reasons, including its reliance on standards for granting relief that are harder for petitioners to meet than those in the WTO *Safeguards Agreement*. There is no justification for imposing a burden on U.S. industries higher than that mandated by international agreements. Needed reforms include:

- **Causation:** Section 201's provisions addressing the necessary causal relationship between surging imports and the domestic industry's injury should be amended to reflect WTO standards, rather than the harder-to-meet standards currently in the law. Further, the statute's list of factors relevant to causation should be amended to make clear that the ITC can find the necessary causal relationship even if individual factors are not significant.

- **Captive production:** In cases involving "upstream" products that are both sold on the merchant market and "captively consumed" by domestic manufacturers who use them internally as feedstock, the statute should direct the ITC to measure the domestic industry's market share in a manner consistent with common commercial practices in the industry concerned.

- **Import surges linked to sharp currency depreciations:** The statute should stipulate that a surge in imports from a country with a rapid currency depreciation justifies imposition of a remedy more restrictive than limiting imports to the average quantity or value of the article imported in the previous three years.

IV. REFORM OF ANTIDUMPING/ COUNTERVAILING DUTY LAWS

U.S. laws concerning unfairly traded imports (the antidumping and countervailing duty laws) have long been, and they remain, critically important to the U.S. manufacturing sector. The AD and CVD laws are the last line of defense for U.S. manufacturers and farmers, operating on market-economy principles, against injury from imports that are either sold at less-than-normal-value or subsidized by foreign governments. A basic covenant at the heart of U.S. trade policy holds that while America maintains an open market to fairly traded goods of any origin, our firms and workers will not be subject to injury from unfairly traded imports.

The AD/CVD laws, however, are in need of updating. When WTO agreements were finalized in 1993 with new international rules for these trade remedies, American industries supported the WTO agreements based on an understanding that the United States would maintain the strongest possible AD/CVD remedies consistent with the new rules. Yet, in several areas, that is not the case today. Significant and unnecessary loopholes in the current laws allow exporters to avoid the laws' intended remedial effect. Numerous methodologies employed by the Commerce Department and the International Trade Commission (ITC) can and must be reformed in order to close these loopholes and meet new economic realities. To make the laws as effective as possible, consistent with our international obligations, Congress and the Administration should cooperate to enact the following:

A. Compensate Injured Industries

The AD/CVD laws are designed to prevent further harm to U.S. firms and workers injured by unfairly traded imports. The laws accomplish this by providing for import duties that offset the margin of unfair trade. This relief, however, generally arrives well after companies and workers in the domestic industry have suffered injury, and the relief is prospective only. It does not restore lost profits, which could have been reinvested to maintain the U.S. industry's competitiveness, and it does not make whole workers who have lost their jobs.

As a WTO-consistent reform to address this problem, new trade legislation should require that antidumping and countervailing duties collected by the U.S. Government be used to fund qualifying expenditures by the domestic industry for reinvestment and retraining. Legislation implementing this proposal should provide that, to the extent these "compensation" payments exceed the costs of bringing the case, they shall be subject to existing collective bargaining arrangements.

B. Clarify Requirements for Injury Determination

The injury test results in particular and unnecessary difficulties for industries seeking relief against dumped and subsidized imports. Congress intended, and WTO rules allow, that such imports face offsetting duties whenever the domestic industry is injured to **<u>any</u>** measurable degree by the imports. Where there is unfair trade, no amount of injury should be tolerated, and any detectable injury should be remedied. That is what Congress intended, but it is not what happens today. The 106th Congress should enact legislation mandating WTO-consistent improvements of the injury analysis conducted by the International Trade Commission (ITC), the federal agency responsible for making injury determinations in AD/CVD cases.

- **Severity of injury:** Congress should clarify that there is no requirement to wait for actual losses or layoffs to occur before the ITC may find present injury.

- **Rapidly developing injury:** Congress should require the ITC, in cases where injury is developing rapidly, to focus primarily on the most recent information rather than on favorable indicators that are no longer current or relevant at the time a determination is rendered. Similarly, when the Commerce Department finds that there are "critical circumstances" (i.e., that there is a history of dumping of a particular product and there have been massive imports over a relatively short period) the ITC should be required to factor that Commerce Department determination into its own analysis of import volumes and price effects.

- **Captive production:** The reform needed here is the same one described above under the Section 201 heading. In AD/CVD cases involving "upstream" products that are both sold on the merchant market and "captively consumed" by domestic manufacturers, the statute should direct the ITC to measure the domestic industry's market share in a manner consistent with common commercial practices in the industry concerned.

- **Causation:** New legislation should clarify that any causal link between imports and injury is sufficient for an affirmative determination by the ITC, whether or not there is evidence of one or more individual factors such as underselling. Current ITC practice disregards Congressional intent by requiring domestic industries seeking relief to jump through too many hoops to demonstrate legal causation. As a result, a great deal of unfair trade is allowed to escape offset.

- **Cumulation:** Finally, Congress should strengthen the statute's mandatory "cumulation" provision. This provision requires the ITC to assess cumulatively the volume and impact of imports from more than one country that compete with those of other countries and with domestic like products in the United States. To ensure that injurious imports do not escape review, Congress should clarify that any overlap of competition among imports and between imports and the domestic like product is sufficient to trigger mandatory cumulation, and that cumulation applies to cases on the same product which are simultaneously under investigation, whether or not initiated on the same day.

C. Improve Rules for Antidumping Calculations

New legislation should mandate improvements of key antidumping calculation methodologies. The WTO-consistent amendments proposed below would make the antidumping remedy both more accurate and more effective in offsetting injurious dumping.

One category of needed antidumping amendments involves sales into the U.S. market through U.S. affiliates. Loopholes in current law and policy allow foreign exporters to avoid the antidumping law's full remedial effect by structuring their sales of goods through related parties in the United States. Dumping analysis must be adjusted to prevent such manipulations.

- **Treatment of antidumping and countervailing duties:** Dumping analysis centers on comparing a foreign producer's prices or production costs in the home market ("normal value") with the prices that same producer charges in the United States ("U.S. price"). To ensure accurate comparisons, various tax, selling and transportation costs are stripped away on both sides. This concept should, but currently does not, extend to all customs duties, including antidumping and countervailing duties collected by the U.S. Customs Service. Failing to exclude these duties from the U.S. price artificially increases the U.S. price and reduces dumping margins, thereby frustrating the law's intended remedial effect. New legislation should require that <u>all</u> customs duties be deducted from U.S. price. Likewise, when a foreign exporter "absorbs" antidumping duties (either directly or through after-the-fact reimbursement), rather than allowing the added cost to be passed through to the ultimate U.S. purchasers, the law's intended effect on import prices is frustrated. New legislation should require that both direct and after-the-fact duty absorption trigger an appropriate adjustment in dumping margins. Finally, in cases where duty absorption is found to be occurring, that fact should be treated as weighing strongly against termination of the antidumping order in ensuing 5-year "sunset" reviews. An exporter's decision to absorb anti-dumping duties is a strong indication that dumping would likely recur if the antidumping order were lifted.

- **Use of "constructed export price" methodology:** New legislation should require that U.S. sales made through an affiliate of the foreign producer/exporter generally be treated as "constructed export price" ("CEP") transactions, so that all selling expenses in the United States are fully deducted from U.S. price. CEP rules require that appropriate expenses of the U.S. affiliate be deducted from the U.S. sales price to isolate more accurately the price being charged by the foreign exporter. However, the Commerce Department's current test for classifying which transactions are to be treated as CEP transactions overwhelmingly favors exporters and can be overturned only with information controlled by those same exporters. As a result, U.S. selling expenses can be ignored in most cases even though ignoring them yields an artificially high U.S. price and masks dumping. To end this problem, the statute should require Commerce to apply CEP rules to most import transactions involving affiliates. This approach rests on a permissible interpretation of Art. 2.3 of the *Antidumping Agreement*, which allows investigating authorities to use CEP rules where prices between affiliated companies are unreliable.

- **Treatment of commissions:** The law should require that commissions on U.S. sales be deducted from U.S. price, without the requirement of an "arm'slength" analysis. Problems in this area tend to arise in cases where foreign goods are sold into the United States through related party importers.

A broad array of other problems in the administration of the antidumping law should also be addressed through WTO-consistent amendments.

- **Home market "viability" test:** New legislation should amend the statute's home market "viability" criteria to clarify that evidence that prices do not react to market forces, and/or that the government plays a significant role in establishing prices in the home/third country market, renders the market non-viable for purposes of establishing normal value.

- **Sharp currency depreciations:** A second change to the statute's home market "viability" provisions is needed to ensure that severe foreign currency depreciations do not put antidumping relief out of reach. Specifically, new legislation should provide that such depreciations (just like price controls as described immediately above) render the home market non-viable and require Commerce to use foreign exporters' sales into a third-country market to establish normal value. For example, in view of the massive recent depreciation in the Korean won, Korean producers' sales into a third market like Japan should be used rather than the won-denominated prices they charge in Korea itself. This approach is justified under Art. 2.2 of the WTO *Antidumping Agreement*, which allows sales into third countries to be used to establish normal value where necessary in light of a "particular market situation" in the home market.

- **Use of "major input" and "affiliated party transaction" rules in cost-of-production cases:** In many antidumping cases, Commerce must calculate the cost of production of foreign goods, and the statute contains guidance on how Commerce should determine the proper value of production inputs which a foreign producer purchases from affiliated companies. Specifically, the statute sets out "major input" and "affiliated party transaction" rules allowing Commerce to test the validity of (and disregard where appropriate) the prices reported for such transfers. Commerce sometimes ignores that guidance, however, and uses below-market values in its calculations, thereby understating the true cost of production. To close this loophole, the law should require Commerce to apply the major input and affiliated party transaction rules to all transfers between affiliated parties. This clarification is reasonable and rests on a permissible interpretation of Art. 2 of the WTO *Antidumping Agreement*.

- **Rules for non-market economy producers:** Current law sets out special calculation rules for goods produced in non-market economies (NMEs). Under those rules, the Commerce Department estimates the value of an NME producer's factors of production by valuing those same factors of production in a surrogate country that is at a similar level of economic development but is market-oriented. This methodology has worked well but needs to be tightened somewhat and codified. In particular, new legislation should require Commerce to select as a surrogate country the market-oriented country that most closely resembles, in terms of economic development, the NME country under investigation. The law should also require Commerce to utilize the surrogate country's actual cost of labor in the industry in question, which Commerce sometimes fails to do. Additionally, for NME countries that are not Members of the WTO, the law should require Commerce to apply, in calculating normal value, statutory minimum levels of profit and of selling, general and administrative (SG&A) expenses.

- **Downstream sales in the home market:** The law should obligate foreign exporters to report to Commerce data on downstream sales in their home market, except where they can show that exclusion of such sales would have little or no impact on calculated dumping margins.

- **Use of adverse inferences:** The law should require Commerce to use inferences adverse to respondents in determinations that – because of respondents' failure to supply verifiable information in response to Commerce's questionnaires – are based on the "facts available." Accurate antidumping analyses are possible only if foreign companies cooperate with Commerce's requests for information. Absent a clear policy of punishing by adverse inferences any failure to respond, respondents have little, if any, incentive to cooperate, and their dumping may go un-remedied.

- **Effective date of relief:** The law should mandate prompt suspension of liquidation (no later than 90 days prior to publication of the preliminary determination) in cases where "critical circumstances" exist. Under U.S. law and the WTO *Antidumping Agreement*, expedited relief based on critical circumstances is authorized where (1) massive imports have flowed into the U.S. market over a relatively short period of time, and (2) there has been a history of dumping or the exporters involved know they are dumping.

D. Improve Rules for Countervailing Duty Calculations

New legislation should likewise mandate improvements and clarifications of key Commerce Department countervailing duty methodologies. The following WTO-consistent amendments would make the CVD remedy at once more accurate and more effective in offsetting trade-distorting foreign subsidies.

- **Changes in ownership:** The Commerce Department recently issued a fair and balanced package of countervailing duty regulations, but in doing so left out one important item that had been expressly sought by the Congress: a rule that changes in the ownership of subsidized factories, including privatizations, shall be treated as having no effect on the countervailability of previously received subsidies. This rule should now be added to the statute. Since subsidized production (and the resulting trade injuries) are unchanged by a privatization, offsetting duties should not be curtailed following a privatization.

- **Indirect subsidies:** The statutory definition of subsidy should be revised to more clearly cover indirect subsidies, providing that an indirect subsidy exists whenever a government causes one private party to bestow a benefit upon another. This clarification would comply with Art. 1 of the WTO *Subsidies Agreement* while closing a potential loophole for subsidies provided indirectly through, for example, complex regulatory schemes.

- **Greenlighting:** New trade legislation should instruct the Administration not to extend subsidy greenlighting after the 5-year trial period, and should repeal the fast-track mechanism for a bill extending the greenlighting provisions of the URAA. The WTO *Subsidies Agreement* gives a "green light" to certain regional, R&D, and environmental subsidies – rendering them non-actionable both in countervailing duty proceedings and in WTO anti-subsidy cases, even if the subsidized goods cause injury. These experimental provisions will expire in 1999 unless renewed by decision of WTO Members. Greenlighting should be allowed to lapse as it provides few benefits of any kind – and certainly no net benefit – to the United States. As with other subsidies, if regional, R&D or environmental subsidies cause injury, offsetting measures should be available.

E. Defend Trade Laws in International Negotiations

Congress should expressly instruct the Administration to continue to defend U.S. antidumping and countervailing duty laws in international negotiations. These laws are under siege in the WTO and elsewhere, in part because they have (as intended) contributed to a more level playing field for competition between U.S. and foreign producers. Congress and the Administration must categorically reject attempts to weaken these trade laws. New trade legislation should express the "Sense of Congress" that special AD/CVD rules in bilateral and plurilateral trade agreements, including arrangements for binational panel review of agency determinations, are not in the U.S. interest and should be avoided. The legislation should likewise instruct the Administration to prevent the weakening of these laws in future WTO negotiations.

V. CONCLUSION

The time to review and strengthen U.S. trade laws is at hand. U.S. manufacturing firms and workers are currently facing a trade crisis, and the laws meant to function in response to such difficulties are in need of retooling. Confidence in the international trading system has waned noticeably. The 106th Congress and the Administration should cooperate to craft trade legislation that re-establishes the leverage necessary to open foreign markets and ensure a level playing field for U.S. industries.

These substantive amendments should be accompanied by language authorizing a sufficient appropriation of funds to enable USTR and Commerce to carry out fully their various market access and trade law enforcement responsibilities. With such legislation, the United States can build stronger industries and open unfairly closed markets. In turn, this will lead to stronger U.S. and world economies and restore confidence in the international trading system.

MORE BACKGROUND ON LICIT

Founded in 1979, LICIT for two decades has brought together business and labor to address trade issues and enhance the ability of America's industrial sector to meet the competition of the global marketplace. LICIT has focused on trade policy questions of national significance, rather than sector- specific issues.

Topping LICIT's agenda for much of this period has been monitoring the effectiveness of the fair trade laws aimed at preserving American industry against foreign dumping, subsidies and other unfair trade practices. These issues figured prominently in the Trade Law Modernization Act of 1985, sponsored by LICIT and introduced in Congress by Senators Heinz and Baucus and Representatives Guarini and Duncan. Three years later, that Act formed the basis of the Omnibus Trade and Competitiveness Act of 1988 -- the last omnibus trade bill passed by Congress.

LICIT's current legislative agenda also includes strengthening section 301 of the Trade Act of 1974, which gives the President authority to impose sanctions on countries that unreasonably or unjustifiably burden U.S. trade. LICIT is supporting legislation in the 106th Congress to put some teeth back into Section 301, the efficacy of which has been seriously impaired since the Uruguay Round.

These same issues were at the core of several LICIT papers dealing with the Uruguay Round of multilateral trade negotiations, including: *The Uruguay Round: Will It Be a Good Deal for U.S. Manufacturing* (1990), and *Implementing the Uruguay Round: What Was Achieved and How to Enact It Into Law* (1994). These publications present a unique and comprehensive review of the Uruguay Round, including fair trade remedies, safeguard rules, market access issues and the functioning of the GATT/WTO dispute settlement system.

Antidumping itself has been the subject of two LICIT publications: *Anti-Dumping Reform* (1990) and *Keeping Trade Free and Fair: A Rational Defense* (1995). As a result of its series of studies of fair trade laws, LICIT has become recognized as an invaluable resource for those seeking to preserve and strengthen one of the lynch pins of our trading system.

A major trade problem in recent years has been the operations of foreign private monopolies and cartels that block U.S. products from their markets. In 1990, LICIT members formed a special subsidiary, the Coalition for Open Trade (COT), to analyze the problem and focus public attention on this growing threat to the American industrial sector and the entire trading system. COT studies, starting in 1990 (*The Limits of the GATT: Private Practices in Restraint of Trade*), called attention to the issue, particularly in Japan (*Dealing with Japan: Dealing with Private Practices in Restraint of Trade* (1994)). With the issue now firmly on the international agenda, COT published a summary review, *Addressing Private Restraints of Trade* (1997), on the eve of a World Trade Organization study of the subject.

There have been other issues on LICIT's agenda over the years. In 1981, LICIT published a study on performance requirements which some foreign governments impose on investors. This path-breaking study led to provisions in subsequent trade legislation. LICIT has also been supportive of the United States' export credit system, and twice has come to the rescue of the Export-Import Bank when it came under attack in 1982 and again in 1997. *The Export Import Bank--The Case for Reauthorization*, prepared by the Economic Strategy Institute and LICIT's counsel on behalf of LICIT, became the principal document used by those defending the Bank in 1997.

Most recently, LICIT has been focused on the U.S. Government's efforts to enforce trade agreements (*Getting What We Bargained For: Industry Evaluates U.S. Enforcement of Trade Assessments to Gain Access to Foreign Markets* (1998)).

Throughout its two decades, LICIT not only has issued studies and reports but also has followed them up through contacts in Congress and in successive Administrations, as well as by stimulating public attention. The fact that business and labor have joined hands to work on behalf of a more effective and manufacturing-friendly trading system gives added weight when LICIT testifies at Congressional hearings or sponsors public meetings. Today, as in 1979, LICIT and more recently COT, is still bringing business and labor together on behalf of sound trade rules and a stronger American economy.

Officers

LICIT's founding co-chairmen were Congressman Amo Houghton, then CEO of Corning, Inc. and Howard D. Samuel, then president of the Industrial Union Department (AFL-CIO). Subsequent chairmen have included company CEOs James Houghton (Corning Inc.), John Ong (BF Goodrich), and Robert Galvin (Motorola), and union presidents Jack Sheinkman (Amalgamated Clothing and Textile Workers), and Lynn Williams (United Steel Workers). Current LICIT co-chairs are Daniel Meyer (Milacron Inc.) and Boyd Young (United Paperworkers International Union); current COT co-chairs are Norman Garrity (Corning) and Morton Bahr (Communications Workers).

Since retiring from the AFL-CIO in 1992, Howard Samuel has served as LICIT's Executive Director.

Alan Wm. Wolff, managing partner of Dewey Ballantine LLP's Washington office and former U.S. Deputy Trade Representative, has served as counsel to LICIT and COT since their founding.