Re: We should systematize tell me and senior staff about letters received from the Hill and trade assns. let's set something up

From: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

To: Robert Lighthizer Exemption 6 [redacted]cloud.com>

Cc: "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>, Exemption 6 [redacted]gmail.com, "Vaughn, Stephen P. EOP/USTR" <stephen.p.vaughn@ustr.eop.gov>

Date: Tue, 16 May 2017 22:39:02 -0400

Will do. These requests are currently being tracked by the front office and we're going through an initial cut (based on AUSTR recommendation where relevant) to advise you on whether/what response is appropriate. We can discuss other options to systematize this according to your preferences and give you regular updates.

Jamieson

Sent from my iPhone

On May 16, 2017, at 10:29 PM, Robert Lighthizer Exemption 6 [redacted]icloud.com> wrote:

> **ress release:**
> **ITI Outlines Tech Sector's Trade Priorities to US Trade Representative Lighthizer**
> ***Negotiating Trade Rules to Reflect Technologies' Critical Role in Economy Tops Tech's Agenda***
>
> **WASHINGTON - ITI, the global voice of the tech sector, today released a letter it sent to U.S. Trade Representative (USTR) Robert Lighthizer congratulating him on his Senate confirmation and urging him to prioritize work on digital trade issues for the benefit of the whole U.S. economy, including negotiating new rules to promote greater trade in technology products and services; enforcing U.S. trade agreements to ensure tech companies and their workers can compete fairly; and increasing efforts and resources to support a digital agenda in U.S. trade policy. In its letter, ITI stresses to Lighthizer these priorities are needed "to combat foreign trade restrictions" being imposed on tech companies and companies that use technology as they do business around the world.**
>
> **The letter was sent as the Trump Administration begins its stated process to reexamine and modernize trade agreements:**
>
> **May 16, 2017**
>
> **Ambassador Robert Lighthizer**
> **Office of the U.S. Trade Representative**
> **600 17th St. NW**
> **Washington DC 20508**
>
> **Dear Ambassador Lighthizer,**

Congratulations on your appointment. The Information Technology Industry Council (ITI) welcomes the opportunity to support you in your efforts to grow the U.S. economy. We share your goals of opening markets and increasing U.S. manufacturing and services exports; creating jobs and raising wages in the United States; and improving the U.S. climate for investment and innovation. We are writing to you to encourage USTR to leverage technology as a foundation for a U.S. trade policy that broadly benefits American workers and companies, innovation, and economic growth.

ITI members were pleased with the emphasis that you gave in your confirmation hearing to prioritizing digital issues and to enforcing existing trade agreements to combat foreign trade restrictions. We are pleased by what this says about your readiness to provide leadership and commit the resources necessary to pursue a robust and market-opening trade policy agenda.

The U.S. economy is increasingly reliant on technology products and services and cross-border data flows and, therefore, would benefit from a trade policy that reflects this dynamic. Technology companies employ over 6.9 million Americans - 5 percent of private sector employment - and account for 7.5 percent of U.S. GDP. Technology products and services drive growth and job creation in virtually every sector of the economy, allowing our manufacturers, automakers, energy firms, construction firms, financial firms, healthcare providers, and other U.S. industries to be more competitive, at home and abroad. U.S. competitiveness, jobs in all sectors, and businesses of all types now depend on companies being able to move digital information rapidly and freely, including across borders, to support their businesses and reach customers in foreign markets. The U.S. Congress, when it enacted the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 ("TPA"), acknowledged the central importance of digital trade and cross-border data flows to the U.S. economy by recognizing them as "principal trade negotiating objectives."

As you indicated at your hearing, some foreign governments have turned to discriminatory or otherwise harmful policies that unfairly disadvantage American companies and impede the ability of technology products and services to drive growth. Governments around the world are, for example, preventing U.S. tech companies from selling their products and services abroad; requiring the "localization" of data, software, services, and hardware within their borders; forcing technology transfer; and using regulatory and other barriers to put a thumb on the scale in favor of their own firms. These restrictions harm U.S. companies in all sectors, preventing manufacturers, service providers, and small businesses from entering foreign markets and using technology products and services to support U.S. exports and other U.S. businesses.

Given the above perspectives, we respectfully encourage you and your colleagues to prioritize work on digital issues as outlined below:

1. **Negotiate new rules to promote greater trade in technology products and services. U.S. trade agreements must both combat foreign trade restrictions that impact the technology sector and other sectors that use technology, and fight for policies that will benefit U.S. exports and other business activities. We encourage the Administration to craft new rules to achieve these goals, including by: (a) ensuring free cross-border data flows and promoting open Internet policies; (b) prohibiting tariffs, taxes, and other barriers to cross-border data flows, digital products, digital services, and e-commerce; (c) prohibiting requirements to localize data, production, or infrastructure; and (d) prohibiting forced transfers of technology, source code, or encryption keys.**

2. **Enforce U.S. trade agreements to ensure our companies and workers can compete fairly. The rules in our trade agreements should ensure that U.S. companies and workers are treated fairly and have an equal chance to compete in markets around the world. Enforcement of these rules is critical to U.S. industry. We, therefore, encourage an active and aggressive approach to enforcement of U.S. trade agreements, targeted at problems of significant concern. The 2017 National Trade Estimate Report on Foreign Trade Barriers and the accompanying fact sheet on key barriers to digital trade reflect many of our enforcement priorities, including in China,**

India, and Indonesia. We would welcome the opportunity to engage with you and your staff to discuss these measures and the available enforcement tools to address them.

3. **Increase efforts and resources to support a digital agenda in U.S. trade policy. As you review the substantive agenda and staffing at USTR, we hope you will bring fresh energy and leadership of the inter-agency to address the global opportunites and challenges associated with digital trade to U.S. industry. Specifically, we recommend that you elevate and increase USTR's digital trade efforts by designating a senior official responsible for digital trade and adding resources at all levels of the agency. These steps would be commensurate with the large and growing impact of digital technologies on the global economy and U.S. competitiveness. Last year, the Departments of State and Commerce enhanced their support for the digital economy with their digital attaché programs; we have encouraged expansion of these programs to more markets. These agencies also have specific responsibilities, including in administering the U.S.-EU Privacy Shield. USTR also took a complementary and important step of creating an internal working group on digital issues. We remain committed to working with USTR as you adopt a whole-of-government approach that reflects the importance of digital issues in a 21st century trade policy. More focus is needed, however, especially in light of the TPA negotiating objectives on digital issues; increasing evidence that technology can make trade more inclusive; and the growing barriers impeding trade in digital technologies.**

* * *

U.S. trade policies that create market opportunities and protect rights for American companies and workers hold great potential to advance the interests of U.S. innovation, job creation, and economic growth. Trade policies that support a globally competitive technology sector will also make all sectors of the U.S. economy more competitive and innovative. We look forward to working as a partner with you and the Administration as a whole in using trade policy to build better global opportunities for American industries and workers.

Sincerely,
Dean Garfield
President and CEO
St Dept Press Releases:

Fwd: [Ext] Congratulations

From: "Lighthizer, Robert E. (Retired Partner)" <robert.lighthizer@skadden.com>

To: "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Wed, 17 May 2017 08:09:35 -0400

Begin forwarded message:

From: "Seppala, Christopher" <cseppala@whitecase.com>
Date: May 17, 2017 at 7:33:34 AM EDT
To: "Robert.Lighthizer@skadden.com" <Robert.Lighthizer@skadden.com>
Subject: [Ext] Congratulations

Hi Bob,

Congratulations on your confirmation by the Senate! You must be pleased.

You probably do not remember but you visited me in Paris and the firm I was then with (Archibald) back in the Reagan years. We had drinks together.

Since 1988 I have been a partner in the Paris office of White & Case.

Do let me know if you come back to Paris and if I can provide any help - I have been here a long time.

Best,
Chris (Chris Seppala)

==

==

==

==

Fwd: Chair receipt

From: Robert Lighthizer Exemption 6 [redacted]cloud.com>

To: "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Wed, 24 May 2017 18:20:22 -0400

Attachments: Bob's purchase receipt for the chair.PDF (11.96 kB)

Begin forwarded message:

From: "Neudorfer, Jeffrey P" <Jeffrey.Neudorfer@skadden.com>
Date: May 24, 2017 at 5:53:40 PM EDT
To: 'Robert Lighthizer' Exemption 6 [redacted]icloud.com>
Subject: Chair receipt

Bob,

Barbara Perry obtained the attached receipt from the NY office. I was told by Billy that you may need a receipt for the chair.

I am out of the office beginning this evening and will return on Tuesday.

Have a great holiday weekend.

Best,
Jeff

Jeffrey P. Neudorfer
Ptnr/Cnsl Secy for:
James C. Hecht | Margaret E. Krawiec | Kathryn K. Baran |
Anthony Kakoyannis | Nicholas Klein | Pamela A. Marcus |Jordan M. Schwartz
Skadden | Arps | Slate | Meagher | & | Flom | LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: 202.371.7371 | F: 202.393.5760
jeffrey.neudorfer@skadden.com

CDN.215295

Session: 215295

Disb ID/ Status	Client/ Matter	Cost Code/ Narrative	Tkpr/ Tkpr on Bill/ Auth Tkpr	Disb Type/ Office/ Source		Quantity/ Ref Bill Qty	Tran Date/ Post Date/ Hold Date	Base Amt/ Tobill Amt
51850635	964010	Furniture Allowance	Greenwood A	Hard		0.00	5/24/2017 5/24/2017	($132.19)
WIP	1	Partner	International Trade, D	39	Washington D.C.			
				CDN	New Client Disburser			
		2010 Furniture and Fixtures						
		Narrative Text : To offset personal purchase of R. Lighthizer's furniture.						
51850637	933333	Personal Expenses	Greenwood A	Hard		0.00	5/24/2017 5/24/2017	$132.19
WIP	00027	Lighthizer RE	Lighthizer RE	39	Washington D.C.			$132.19
				CDN	New Client Disburser			
		2010 Furniture and Fixtures						
		Narrative Text : To offset personal purchase of R. Lighthizer's furniture.						

Session 215295 Totals	0.00	
		$132.19
Report Total:	0.00	
		$132.19

Start TIme: 10:01 AM
End Time: 10:01 AM

Fwd: Ford's Theatre Annual Gala - June 3-4, 2017

From: garrison.p.griffin@ustr.eop.gov

To: Robert Lighthizer [redacted]cloud.com>

Date: Wed, 24 May 2017 18:27:27 -0400

Attachments: 2017 Ford's Gala Invitation.pdf (170.67 kB); 2017 Ford's Annual Gala Schedule - with venues.pdf (113.13 kB)

Sent from my iPhone
[redacted]

Begin forwarded message:

> **From:** "Griffin, Payne P. EOP/USTR" <Garrison.P.Griffin@ustr.eop.gov>
> **Date:** May 12, 2017 at 1:07:29 PM EDT
> **Cc:** "Feit, Y. David D. EOP/USTR" <Yecheil.D.Feit@ustr.eop.gov>
> **Subject: FW: Ford's Theatre Annual Gala - June 3-4, 2017**
>
> please add this to your invite list
>
> ---
>
> **From:** Alicia Brooks [mailto[redacted]@fords.org]
> **Sent:** Friday, May 12, 2017 11:19 AM
> **To:** Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>
> **Subject:** Ford's Theatre Annual Gala - June 3-4, 2017
>
> Good morning Payne,
>
> I hope you're well! I'm reaching out regarding the invitation for Ambassador Lighthizer and a guest to attend the *Ford's Theatre Annual Gala* on June 3-4, 2017. A formal invitation has been sent; a pdf of the invitation and a full schedule of events is also attached for your reference. We would be delighted to have them join us for any or all of the weekend they might be available for. Please contact me with any questions or should you need additional information.
>
> Best,
> Alicia
>
> **Alicia Brooks**
> **Special Events Manager**
> **Ford's Theatre | Where Lincoln's Legacy Lives**

Mailing Address: 514 10th St. NW, Washington, DC 20004
Phone: (202) 434-9526 | Fax: (202) 783-5718
Email: [redacted]@fords.org
www.fords.org

Honorary Chair

Mrs. Melania Trump

Honorary Co-Chairs

Mrs. Janna Ryan
Ms. Iris Weinshall
Mrs. Abigail P. Blunt
Mrs. Judy McCarthy
Mr. Paul Pelosi
Mrs. Kasey A. Crowley
Mrs. Marlene A. Malek
Mrs. Doreen M. Spiegel
Ms. Gloria Story Dittus

and the Ford's Theatre Society
Board of Trustees cordially invite you to attend

Ford's Theatre
ANNUAL GALA

June 3-4, 2017

Ford's Theatre
ANNUAL GALA

A working theatre, historical monument, world-class museum and learning center, Ford's Theatre is the premier destination in our nation's capital to explore and celebrate President Abraham Lincoln's ideals and leadership.

While offering you a chance to experience the best of Washington, the *Ford's Theatre Annual Gala* helps to ensure that generations, both current and future, will find inspiration in the legacy of our 16th president. The gala provides critical funding to support our artistic performances, education programs and outreach initiatives available throughout the year to students and families across the country.

Join us for an unforgettable celebration.

2017 Gala Schedule of Events

SATURDAY, June 3 (Business Attire)

8:00 p.m.	Reception Celebrating Ford's Theatre and Lincoln's Legacy *(Your formal invitation and additional details will be sent under separate cover.)*

SUNDAY, June 4 (Black Tie)

4:00 p.m.	Special Pre-Gala Reception *(Your formal invitation and additional details will be sent under separate cover.)*
7:00 p.m.	Gala Performance at Ford's Theatre
8:30 p.m.	Post-Performance Seated Dinner at the National Portrait Gallery and Smithsonian American Art Museum

Ford's Theatre
ANNUAL GALA

SCHEDULE OF EVENTS

SATURDAY, JUNE 3, 2017 (Business Attire)

8:00 p.m. Reception celebrating Ford's Theatre and Lincoln's Legacy
Honorarily Hosted by Members of the 115th Congress

Place: Statuary Hall, The United States Capitol

(Your formal invitation will be sent under separate cover.)

SUNDAY, JUNE 4, 2017 (Black Tie)

4:00 p.m. Special Pre-Gala Reception

Place: The White House

(Your formal invitation will be sent under separate cover.)

7:00 p.m. Gala Performance

Place: Ford's Theatre
511 Tenth Street, NW
Washington, DC

8:30 p.m. Post-Performance Seated Dinner

Place: National Portrait Gallery
and Smithsonian American Art Museum
Eighth and F Streets, NW
Washington, DC

Re: Patents

From: "Griffin, Payne P. EOP/USTR" [redacted]

To: Robert Lighthizer [redacted]cloud.com>

Date: Thu, 25 May 2017 20:02:41 -0400

Of course. I'll handle.

Sent from my iPhone
[redacted]

On May 25, 2017, at 7:59 PM, Robert Lighthizer [redacted]icloud.com> wrote:

> Can you have someone send Manus my contact info?
>
> Begin forwarded message:
>
> > **From:** Robert Lighthizer [redacted]@icloud.com>
> > **Date:** May 25, 2017 at 7:57:52 PM EDT
> > **To:** Manus Cooney [redacted]acg-consultants.com>
> > **Subject: Re: Patents**
> >
> > Thanks Manus for the email and for coming to the swearing in. I'll have someone send my information. Claire and I would like to play this summer. Best.
> >
> > Bob
> >
> > On May 25, 2017, at 11:23 AM, Manus Cooney [redacted]acg-consultants.com> wrote:
> >
> > > Bob – Sorry to ping you on your personal email. Good to see you at the WH at your swearing in. Claire looked lovely. And GREAT to see Sen. Dole! Could you just send along your preferred contact info (asst?). Is there someone (IP) I should be working with? Also, Cam Seward is a good man. Smart and loyal.
> > >
> > > Just wanted to pass along below so that it gets into the right hands in USTR and around the WH. I recently mentioned to Prof. Navarro the dumbing down of our patent system in the US and what it is costing us. Troubling quote here from Huawei head of IP, Jason Ding.
> > >
> > > *Increasing numbers of US operating companies dislike patent protection – first because the Internet and open source technology are fundamentally affecting IP licensing and transactions, and second because the production and manufacture of products are increasingly located in Asia and Asian companies have more and more patents. However,*

since the patent system still exists, the game continues – opportunities are being transferred to the East just like manufacturing was.

>http://www.iam-media.com/blog/Detail.aspx?g=395314d2-5c6c-4eba-b75e-a5ae63569a35<

Manus Cooney
<image001.jpg>
American Continental Group
1800 M Street, N.W.
Suite 500 South
Washington, DC 20036
T: 202-327-8100
C: [redacted]

Fwd: Tokyo thoughts

From: Robert Lighthizer [redacted]icloud.com>

To: [redacted]gmail.com, "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Thu, 25 May 2017 22:11:46 -0400

Begin forwarded message:

From: "Wolff, Alan W." [redacted]dentons.com>
Date: May 25, 2017 at 9:51:37 PM EDT
To: "robert.lighthizer@skadden.com" <robert.lighthizer@skadden.com>, [redacted]icloud.com" [redacted]icloud.com>
Cc: "Wolff, Alan W." [redacted]@dentons.com>, "[redacted]alanwmwolff.com" [redacted]alanwmwolff.com>
Subject: Tokyo thoughts

Bob --

Two observations:

MOFA places stress on alliance with respect to common concerns such as Chinese overcapacity, at the WTO and otherwise. MOFA raised this before I had a chance to, as an area of future cooperation. I see METI in a few minutes.

Separately, I have always cared about the health of the US industrial base. The program yesterday put on by Columbia Business School had two areas for focus. My part was US trade policy, the other was "Fintech" about which I knew nothing. The conversation with a former NSC/CIA person at dinner convinced me that the industrial base has to include second to none capability is AI (artificial intelligence) for defense reasons, not just for cybersecurity but for warfare. I do not know if the Pence-Aso talks can foster progress in this area. Not clear to me what the trade issue would be, if any. But you may have an opportunity to weigh in at some point in an internal discussion on the issue. USTR should be part of any discussion on ways to enhance the US industrial base.

There is also the capability of the agency etc. to support your mission. I talked to Leon Panetta when he came in as CIA director, with no certain effect on improving what they do.

Best regards,

Alan

My paper is not worth your reading, but I am enclosing a link to it. I noted in my oral remarks that your coming into the administration was a potential dividing line for looking at US trade policy before and after your getting on board. A sure hand, etc.

The direct link to the paper I delivered is below:

>http://www8.gsb.columbia.edu/cjeb/sites/cjeb/files/The%20US%20Japan%20Relationship%20and%20U.S.%20Trade%20Policy_Alan.Wolff_0525.pdf<

大成DENTONS

Amb. Alan W. Wolff
Senior Counsel

D +1 202 496 7337 | M Exemption 6 [redacted] | US Internal 47337
Exemption 6 [redacted]dentons.com
Bio | Website
Assistant: Yvette Walters +1 202 496 7405

Dentons US LLP

大成 Salans FMC SNR Denton McKenna Long

Fwd: CFR Letter of Invitation to Trade Representative Robert Lighthizer

From:	Robert Lighthizer [redacted]cloud.com>
To:	"Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>
Date:	Fri, 26 May 2017 17:15:01 -0400
Attachments:	The Honorable Robert Lighthizer.pdf (35.05 kB)

Note and please flip to CC. Bob

Begin forwarded message:

From: Faiza Chowdhury <[redacted]cfr.org>
Date: May 26, 2017 at 3:20:16 PM EDT
To: "[redacted]cloud.com" [redacted]cloud.com>
Subject: CFR Letter of Invitation to Trade Representative Robert Lighthizer

Dear Ambassador Lighthizer:

Please find attached a letter of invitation to you from Richard Haass, president of the Council on Foreign Relations (CFR), inviting you to speak to our members in New York or Washington, DC, as part of the C. Peter McColough series.

Please contact me if you have any further questions or concerns regarding this invitation.

Warmest regards,
Faiza

Faiza Chowdhury
Program Associate, New York Meetings
Council on Foreign Relations
58 East 68th Street, New York, NY 10065
Tel 212.434.9601 Fax 212.434.9804
[redacted]cfr.org   www.cfr.org

COUNCIL on FOREIGN RELATIONS

58 East 68th Street, New York, New York 10065
tel 212.434.9400 fax 212.434.9800 www.cfr.org

May 23, 2017

The Honorable Robert E. Lighthizer
U.S. Trade Representative
Office of the U.S. Trade Representative

Dear Bob:

Congratulations on your recent appointment as trade representative.

As a member of the Council, you are aware that CFR is dedicated to promoting a better understanding of the foreign policy choices facing the United States and the world. We carry out this mission by convening meetings at our headquarters in New York, Washington, DC, and other cities, supporting a Studies program dedicated to examining these issues, and, maintaining a diverse membership.

Given your new role within the administration, there are additional opportunities for you and your staff to utilize CFR as a resource as you deal with today's most pressing policy concerns, including specialized briefings for high level officials in the executive branch. CFR is committed to providing any resource that you may need. I, too, would be happy to meet with you to discuss these issues and more.

In addition, I invite you to speak in New York or Washington, DC, as part of our prestigious C. Peter McColough Series on International Economics. This series brings the world's foremost economic policymakers and commentators to CFR to address a high-level audience from the business and financial community. Recent distinguished speakers have included German Finance Minister Wolfgang Schäuble, Bank of Japan Governor Haruhiko Kuroda, IMF Managing Director Christine Lagarde, and former U.S. Treasury Secretary Jacob Lew. We would be pleased to host you at a time that would be convenient for you.

We will follow up with your office in the next few days. In the meantime, if you would like to discuss this in detail, please contact me or have someone on your staff contact Nancy Bodurtha, vice president of Meetings, at 212.434.9466 or nbodurtha@cfr.org. We look forward to working with you in the months and years ahead.

Sincerely,

Richard N. Haass
President
tel 212.434.9540
president@cfr.org

look forward
to re-connecting

Re: Do we

From: Stephen Vaughn Exemption 6 [redacted]gmail.com>

To: Robert Lighthizer Exemption 6 [redacted]cloud.com>

Cc: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

Date: Sun, 28 May 2017 11:02:14 -0400

I do not. Should we ask Ed Gresser to pull that information for Tuesday morning?

> On May 28, 2017, at 10:54 AM, Robert Lighthizer Exemption 6 [redacted]cloud.com> wrote:
>
> Know what Mexico imports from China?

Re: Nafta

From: garrison.p.griffin@ustr.eop.gov

To: Robert Lighthizer Exemption 6 [redacted]cloud.com>

Date: Wed, 31 May 2017 08:01:01 -0400

We will get that set up today if it has not already been.

Sent from my iPhone
Exemption 6 [redacted]

> On May 31, 2017, at 7:56 AM, Robert Lighthizer Exemption 6 [redacted]cloud.com> wrote:
>
> Dearborn porter
>
>> On May 31, 2017, at 7:11 AM, Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov> wrote:
>>
>> The one with Dearborn and miller?
>>
>> Sent from my iPhone
Exemption 6 [redacted]
>>
>>> On May 31, 2017, at 6:59 AM, Robert Lighthizer Exemption 6 [redacted]cloud.com> wrote:
>>>
>>> Have we scheduled the nafta Brie?

Re: Paris

From: garrison.p.griffin@ustr.eop.gov

To: Robert Lighthizer [redacted]cloud.com>

Date: Thu, 01 Jun 2017 06:36:13 -0400

I will.

Sent from my iPhone
[redacted]

> On Jun 1, 2017, at 6:00 AM, Robert Lighthizer [redacted]icloud.com> wrote:
>
> Can someone find out what electronics can't be carried on our flight? Thanks

Re: ACTPN

From: Robert Lighthizer [redacted]cloud.com>

To: Dan DiMicco [redacted]outlook.com>

Cc: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

Date: Wed, 14 Jun 2017 13:43:10 -0400

I will of course help. I'll have someone check on openings etc. You're my candidate.

Bob

> On Jun 14, 2017, at 8:55 AM, Dan DiMicco [redacted]outlook.com> wrote:
>
>
> Bob can you help me get on ACTPN, with Michael Stumo-CPA-as my liaison.
>
> Dan

RE: Deficits

To: Robert Lighthizer [redacted]icloud.com>, [redacted]gmail.com, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Thu, 15 Jun 2017 08:08:45 -0400

China: $347B ($144.2B (41.5% of deficit) accounted for by computer and electronic products [redacted]
EU: $146.3B ($26.3B (18% of deficit) is transportation equipment; larger deficit exists with respect to chemicals)
Japan: $68.9B ($49.3B (71.6% of deficit) is transportation equipment)
Mexico: $63.2
Vietnam: $32 ($8.8B (27.5% of deficit) accounted for by computer and electronic products - [redacted]
Korea: $27.7 ($15.1B (55% of deficit) is transportation equipment)

-----Original Message-----
From: Robert Lighthizer [[redacted]icloud.com]
Sent: Thursday, June 15, 2017 8:01 AM
To: [redacted]gmail.com; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>
Subject: Deficits

Can someone tell me the amount of trade deficit that is autos and transportation from the top 5 or 6 deficit countries?

Fwd: Deficits

From: Robert Lighthizer [redacted]icloud.com>

To: "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Tue, 20 Jun 2017 18:50:37 -0400

Can someone get these for me ?

Begin forwarded message:

> **From:** Robert Lighthizer [redacted]icloud.com>
> **Date:** June 20, 2017 at 12:58:41 PM EDT
> **To:** [redacted]@gmail.com
> **Subject: Deficits**
>
> Can I get a list of trade deficits services and goods for the top 20 countries to bring to my hearing?

RE: What is

From: "Griffin, Payne P. EOP/USTR" [redacted]

To: Robert Lighthizer [redacted]cloud.com>, [redacted]gmail.com

Date: Tue, 20 Jun 2017 22:43:32 -0400

The Digital Trade Working Group (DWGT) was created in July 2016 and is a "rapid response team" within USTR focusing on digital trade. The group was chaired by DUSTR Robert Holleyman and made up of USTR staff who's portfolios required a specific interest in digital trade. In the final DTWG meeting in January 2017, which several key Congressional staffers and numerous industry stakeholders attended, then Deputy USTR Robert Holleyman announced that USTR intended to increase the focus on digital trade issues in the 2017 NTE and intended to issue a companion report excerpting the digital trade barriers in the NTE.

USTR did not release this companion report in March 2017, but it did highlight specific digital trade issues in each section of the National Trade Estimate (NTE) and also released a separate digital trade fact sheet.

[redacted]

-----Original Message-----
From: Robert Lighthizer [redacted]cloud.com]
Sent: Tuesday, June 20, 2017 9:22 PM
To: [redacted]gmail.com; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>
Subject: What is

Digital trade working group?

RE: Cheat sheet

From: "Griffin, Payne P. EOP/USTR" <Exemption 6 [redacted]

To: Robert Lighthizer <Exemption 6 [redacted]cloud.com>, Exemption 6 [redacted]gmail.com

Date: Tue, 20 Jun 2017 22:43:53 -0400

We are working on this and the other China question.

-----Original Message-----
From: Robert Lighthizer [Exemption 6 [redacted]cloud.com]
Sent: Tuesday, June 20, 2017 9:51 PM
To: Exemption 6 [redacted]gmail.com; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>
Subject: Cheat sheet

Can I get a very brief cheat sheet on the China 100 day result?

Cloud

From: Robert Lighthizer [redacted]icloud.com>

To: [redacted]mail.com, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Tue, 20 Jun 2017 21:20:31 -0400

What are chinas cloud computing restrictions?

Re: Cuba

From: Robert Lighthizer Exemption 6 [redacted]icloud.com>

To: "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Tue, 20 Jun 2017 20:54:46 -0400

Thanks and can someone print it for me?

On Jun 20, 2017, at 7:47 PM, Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov> wrote:

Here is a Q&A and some background material.

Q: What does the new U.S. – Cuba Policy mean for U.S. farmers and ranchers who want to export to Cuba?

A: The President's new U.S. – Cuba policy announced on June 16 took special note of U.S. agricultural exports to Cuba and continues to allow agricultural exports within the existing legal and statutory restrictions of the Trade Sanctions Reform and Export Enhancement of 2000 and the Cuban Democracy Act of 1992.

If additional questions are asked:

(b) (5) [redacted]

Background

On June 16, President Trump announced Key Policy Changes with respect to Cuba, summarized below from a White House Fact sheet. Agricultural exporters have been strong supporters of greater trade with Cuba and are concerned about the impact of the announcement. However, the Presidential memorandum specifically grandfathers – unchanged- the provisions which permit agricultural exports to Cuba:

(iii) The regulatory changes shall not prohibit transactions that the Secretary of the Treasury or the Secretary of Commerce, in coordination with the Secretary of State, determines are consistent with the policy set forth in section 2 of this memorandum and:

(F) support the sale of agricultural commodities, medicines, and medical devices sold to Cuba consistent with the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. 7201 et seq.) and the Cuban Democracy Act of 2002 (22 U.S.C. 6001 et seq.);

The Cuban state-owned entity which conducts this trade, ALIMPORT, has not been considered to be controlled by the military or security apparatus and that is not expected to change as regulations implementing the memorandum are developed and issued.

However, Agricultural exports will continue to be subject to payment restrictions and a lack of promotion assistance that farmers believe reduces the competitiveness of U.S. exports.

U.S. exports to Cuba were $245 million in 2016, up 36 percent from 2016. Through April 2017, exports are up a further 16 percent. Poultry, grains and fertilizers make up nearly all of the exports.

Summary of Changes (from White House Fact Sheet, June 16, 2017)

- The new policy channels economic activities away from the Cuban military monopoly, Grupo de Administración Empresarial (GAESA), including most travel-related transactions, while allowing American individuals and entities to develop economic ties to the private, small business sector in Cuba. The new policy makes clear that the primary obstacle to the Cuban people's prosperity and economic freedom is the Cuban military's practice of controlling virtually every profitable sector of the economy. President Trump's policy changes will encourage American commerce with free Cuban businesses and pressure the Cuban government to allow the Cuban people to expand the private sector.
- The policy enhances travel restrictions to better enforce the statutory ban on United States tourism to Cuba. Among other changes, travel for non-academic educational purposes will be limited to group travel. The self-directed, individual travel permitted by the Obama administration will be prohibited. Cuban-Americans will be able to continue to visit their family in Cuba and send them remittances.
- The policy reaffirms the United States statutory embargo of Cuba and opposes calls in the United Nations and other international forums for its termination. The policy also mandates regular reporting on Cuba's progress—if any—toward greater political and economic freedom.
- The policy clarifies that any further improvements in the United States-Cuba relationship will depend entirely on the Cuban government's willingness to improve the lives of the Cuban people, including through promoting the rule of law, respecting human rights, and taking concrete steps to foster political and economic freedoms.
- The policy memorandum directs the Treasury and Commerce Departments to begin the process of issuing new regulations within 30 days. The policy changes will not take effect until those Departments have finalized their new regulations, a process that may take several months. The Treasury Department has issued Q&As that provide additional detail on the impact of the policy changes on American travelers and businesses.

Implementation timing of changes:

-----Original Message-----
From: Robert Lighthizer [redacted]cloud.com]
Sent: Tuesday, June 20, 2017 7:42 PM
To: [redacted]gmail.com; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>
Subject: Cuba

Any ideas on Cuba response?

Sugar

From: Robert Lighthizer Exemption 6 [redacted]cloud.com>

To: Exemption 6 [redacted]gmail.com, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Tue, 20 Jun 2017 19:47:48 -0400

What do I say? (b) (5) [redacted]

China letter

From: Robert Lighthizer [redacted]cloud.com>

To: [redacted]mail.com, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Tue, 20 Jun 2017 19:44:06 -0400

I'm told no. One responded to members letter to potus on china

VP

From: Robert Lighthizer Exemption 6 [redacted]icloud.com>

To: Exemption 6 [redacted]gmail.com, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Tue, 20 Jun 2017 16:52:10 -0400

Someone better get me something for the VP meeting tomorrow.

232

From: Robert Lighthizer Exemption 6 [redacted]cloud.com>

To: Exemption 6 [redacted]gmail.com, "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Wed, 21 Jun 2017 22:36:25 -0400

We should make sure that (b) (5) [redacted]

Re: China AUSTR

From: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

To: Robert Lighthizer [redacted]cloud.com>

Cc: [redacted]gmail.com, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Wed, 21 Jun 2017 10:06:49 -0400

Pam is setting up an interview with [redacted] [redacted]

I will call [redacted] At a minimum, he may also have other ideas aside from [redacted]

JAMIESON L. GREER
Chief of Staff
Office of the U.S. Trade Representative
Executive Office of the President
O: 202.395.9648
M: 2[redacted]

> On Jun 21, 2017, at 6:39 AM, Robert Lighthizer [redacted]cloud.com> wrote:
>
> Let's make filling that spot a top priority. Let me know what [redacted] says and should we set up an interview with [redacted]? [redacted]

Re: Gerrish

From: Robert Lighthizer [redacted]cloud.com>

To: "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Wed, 21 Jun 2017 06:17:45 -0400

Thanks

> On Jun 21, 2017, at 5:50 AM, Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov> wrote:
>
> Asia, Europe, the Middle East & Industrial Competitiveness
>
> -----Original Message-----
> From: Robert Lighthizer [redacted]@icloud.com]
> Sent: Wednesday, June 21, 2017 5:42 AM
> To: [redacted]@gmail.com; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>
> Subject: Gerrish
>
> What did we list as Jeff's areas of responsibility

RE: Lunch

From: "Griffin, Payne P. EOP/USTR" Exemption 6 [redacted]

To: Robert Lighthizer Exemption 6 [redacted]icloud.com>

Date: Fri, 23 Jun 2017 08:00:31 -0400

Thanks we will take care of both of those.

-----Original Message-----
From: Robert Lighthizer Exemption 6 [redacted]cloud.com]
Sent: Friday, June 23, 2017 7:57 AM
To: Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>
Subject: Re: Lunch

I guess the mess. Thanks. I should also get a dinner on the schedule with Steven Miller if he is amenable.

> On Jun 23, 2017, at 7:44 AM, Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov> wrote:
>
> Yes. Location preference? Metro club or Navy mess?
>
> Sent from my iPhone
Exemption 6 [redacted]
>
>> On Jun 23, 2017, at 7:43 AM, Robert Lighthizer Exemption 6 [redacted]cloud.com> wrote:
>>
>> Can you have someone set up a lunch next week for Dennis Shea and CJ Mahoney with Stephen and me? Nothing urgent it has just been a while since we have spoken.
>>
>> Bob

Re: Twitter

From: garrison.p.griffin@ustr.eop.gov

To: Robert Lighthizer Exemption 6 [redacted]cloud.com>

Cc: Exemption 6 [redacted]mail.com, "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

Date: Mon, 10 Jul 2017 23:58:13 -0400

Emily runs the twitter. To date she has only tweeted out press releases but you could have her do whatever you like.

Sent from my iPhone
Exemption 6 [redacted]

> On Jul 10, 2017, at 10:37 PM, Robert Lighthizer Exemption 6 [redacted]icloud.com> wrote:
>
> Should we start tweeting?

Fwd: CSIS Event - September 18, 2017

From: Robert Lighthizer [redacted]cloud.com>

To: "Stephen P. Vaughn" [redacted]mail.com>, "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Wed, 12 Jul 2017 18:40:01 -0400

Begin forwarded message:

From: Brock Offices [redacted]comcast.net>
Date: July 12, 2017 at 5:04:17 PM EDT
To: Robert Lighthizer [redacted]icloud.com>
Subject: CSIS Event - September 18, 2017

Good Afternoon Mr. Lighthizer,
I am following up on Senator Brock's request regarding the possibility of your speaking at the International Policy Roundtable at CSIS on the morning of September 18th.
The Senator has suggested that the program be built around you looking at trade and trade policy.
We have reached out to your assistant Mr. Daniel Sepulveda, but as of yet, have not received a response.
Could you please forward this to your scheduling assistant in hopes that I can connect with someone in your office?
Respectfully,
Brenda Lilly

Brenda J. Lilly
Executive Assistant to Senator William E. Brock
The Brock Offices
1322 Anglesey Drive
Davidsonville, MD 21035
[redacted]

RE: Sen Brown

From: "Bacak, Abigail R. EOP/USTR" <abigail.r.bacak@ustr.eop.gov>

To: Robert Lighthizer [redacted]cloud.com>,[redacted]gmail.com, "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>, Christopher Jackson [redacted]gmail.com>

Date: Thu, 13 Jul 2017 21:51:54 -0400

Will do.

-----Original Message-----
From: Robert Lighthizer [[redacted]icloud.com]
Sent: Thursday, July 13, 2017 8:18 PM
To: Bacak, Abigail R. EOP/USTR <Abigail.R.Bacak@ustr.eop.gov>; [redacted]gmail.com; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>; Christopher Jackson [redacted]gmail.com>
Subject: Sen Brown

Please call Sen Browns office first thing and schedule a meeting for me to go to see him. Also please remind me to call Nora Todd in his office.

Re: DOJ

From: Robert Lighthizer [redacted]icloud.com>

To: "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Cc: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

Date: Thu, 13 Jul 2017 06:42:32 -0400

Thanks. It's not urgent but I don't want it to slip through the cracks.

> On Jul 13, 2017, at 6:32 AM, Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov> wrote:
>
> I sent an email to DOJ on Monday about this when you mentioned it. I will follow up today.
>
> Sent from my iPhone
[redacted]
>
>> On Jul 13, 2017, at 6:25 AM, Robert Lighthizer [redacted]cloud.com> wrote:
>>
>> I met with some people in Florida [redacted] Can someone find out which political person at DOJ has responsibility for the ada?   There must be some ast ag who has that. Thanks
>>
>> Bob

Ip

From: Robert Lighthizer Exemption 6 [redacted]icloud.com>

To: "Stephen P. Vaughn" Exemption 6 [redacted]gmail.com>, "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Fri, 14 Jul 2017 08:17:06 -0400

We'll need some slides laying out the 301 ip story. I should start using them next week.

Re: Tomorrow 8:30

From: Robert Lighthizer [redacted]cloud.com>

To: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

Date: Sun, 16 Jul 2017 21:33:56 -0400

Thanks.

> On Jul 16, 2017, at 9:05 PM, Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov> wrote:
>
> We will make sure he is waived in and that there is coffee available.
>
> JAMIESON L. GREER
> Chief of Staff
> Office of the U.S. Trade Representative
> Executive Office of the President
> O: 202.395.9648
> M[redacted]
>
>> On Jul 16, 2017, at 8:50 PM, Robert Lighthizer [redacted]cloud.com> wrote:
>>
>> Lee Styslinger (a business leader who has WH meetings tomorrow) will meet me for a meeting. We'll need someone to get coffee and someone to get him around security.

Re: [redacted] candidate for AUSTR for private sector

From: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

To: Robert Lighthizer [redacted] cloud.com>

Cc: "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Mon, 17 Jul 2017 21:17:50 -0400

Yes, we met with him. He seemed very good and had a good grasp of the stakeholder committees, having been a member of one for many years. He has an LLM from Georgetown and has practiced trade law for the [redacted] for several years. He mentioned this connection with [redacted]-glad to hear he is bona fide. We can talk more about this at your convenience.

JAMIESON L. GREER
Chief of Staff
Office of the U.S. Trade Representative
Executive Office of the President
O: 202.395.9648
M: [redacted]

On Jul 17, 2017, at 8:46 PM, Robert Lighthizer [redacted] cloud.com> wrote:

Begin forwarded message:

From: "Stewart, Terence P." [redacted] tewartlaw.com>
Date: July 17, 2017 at 5:42:34 PM EDT
To: "Robert Lighthizer Esq. [redacted] icloud.com>
Subject: [redacted] **candidate for AUSTR for private sector**

Hi, Bob. I heard from [redacted] today. He apparently had a meeting earlier today with Jamieson Greer, and I assume it went well. One issue raised was his relatively short tenure at our shop. I gave a rather full description of our relationship over the years in my earlier email to you. [redacted] desire to return home both for the practice of law and to take up a teaching position (believe it was on the WTO or international trade). [redacted] As noted before, I believe he would be a great addition to your team. Happy to answer any questions.

Best,

Terry

From: Stewart, Terence P.
Sent: Tuesday, June 06, 2017 9:33 AM
To: Robert Lighthizer Esq. [redacted]cloud.com)
Subject: [redacted] candidate for AUSTR for private sector
Importance: High

Hi, Bob. A former student, former associate and current co-counsel in the [redacted] applied for the AUSTR for private sector slot. [redacted] is [redacted] someone I have known for about fifteen years. He made the mistake of taking my GULC WTO seminar back around 2003 and then further made the mistake of joining us for a period of time before heading home [redacted]. He was an excellent student and a strong associate while he was with us. He has built a successful practice [redacted], and we have remained in touch and have worked together as co-counsel for [redacted] for the last half dozen years or so. He has both a very strong knowledge of the US trading system and of the WTO, is very personable and would be great in terms of outreach to the private sector and working with the trade advisory system which I understand are two of the core functions of the slot. He strongly favors enhanced enforcement of trade laws, and I believe he would be a great asset to you and your colleagues. Understand you have a number of candidates for the slot. Hope you will take a close look [redacted].

His bio and resume are attached and some summary points are contained below.

Best,

Terry

[redacted]

Exemption 6

[redacted]

Re: Cfius

From: jamieson.l.greer@ustr.eop.gov

To: Robert Lighthizer Exemption 6 [redacted]cloud.com>

Cc: "Stephen P. Vaughn" Exemption 6 [redacted]gmail.com>

Date: Thu, 20 Jul 2017 07:04:40 -0400

We can have more detailed information available a later this morning, but Daniel Bahar offered the following as a brief update:

"The big picture is that CFIUS Exemption 5 [redacted]

[redacted]

JAMIESON L. GREER
Chief of Staff
Office of the U.S. Trade Representative
Executive Office of the President
O: 202.395.9648
M: Exemption 6 [redacted]

On Jul 20, 2017, at 2:39 AM, Robert Lighthizer Exemption 6 [redacted]icloud.com> wrote:

I want to know about this. (b) (5) [redacted]

China's Jack Ma has penetrated the Trump administration - and he knows what he wants

Alibaba chief Jack Ma has done more to penetrate the top ranks of the Trump administration and the Trump family than any other foreign business leader. Meanwhile, his investment company is trying to take over a large piece of the U.S. commercial financial infrastructure. Lawmakers and experts are asking if that's really in America's interest.

This week in Washington, Ma cemented his preeminence as the Trump administration's favorite Chinese businessman and interlocutor. On Monday, Ma had dinner at Commerce Secretary Wilbur Ross's Washington residence. It was not his first meal with a very senior Trump administration official. He was spotted dining alone with Ivanka Trump at a local D.C. restaurant last month. Ma's ties with Trump's family run deep: He has invested in a real estate project with Trump's son-in-law Jared Kushner.

On Tuesday, he brokered a meeting of 20 top U.S. and Chinese business leaders hosted by Ross, along with Blackstone Group founder Stephen Schwarzman. The meeting was Ma's idea, according to Schwarzman, timed one day before a key government-to-government U.S.-China dialogue.

"Jack Ma has been able to gain access at the highest levels, including the president," said Michael Wessel, a commissioner on the U.S.-China Economic and Security Review Commission, an investigative and

oversight body created by Congress. "As the co-host of Tuesday's meeting, it's a sign of his early success of convincing this administration he is a valued partner."

Ma's broad pitch to the Trump administration is that he can open up the Chinese e-commerce market to small and medium-sized U.S. businesses, as he promised to do after meeting the president-elect at Trump Tower in January.

Given the various barriers to U.S. companies doing business in China, that promise will be hard to keep. But in the interim, Ma has something he wants from the Trump team: approval of his planned takeover of the largest financial remittance firm in the United States.

In April, Ma's investment firm Ant Financial struck a deal to acquire MoneyGram. The Dallas-based firm allows people to send money to each other from about 350,000 locations in more than 200 countries. The deal is Ant's largest acquisition in the United States, by far.

The Trump administration is currently examining the deal under a process run by the Committee on Foreign Investment in the United States (CFIUS), which reviews potential effects on national security. The case is the first major China-related CFIUS review for the Trump administration and Congress is watching closely.

"The question is whether they are going to sweep the security concerns aside because of this friendship," said Wessel, a Democrat. "This transaction will be one important gauge of that."
One issue is that MoneyGram is located at almost every U.S. military base and is a primary means for soldiers to send money home. If the Chinese government were able to track where U.S. soldiers are and even get their personal financial information, that could add to the body of intelligence China keeps on the U.S. military.

"Part of our concern is that they provide services to military men and women and their families," Sen. Jerry Moran (R-Kan.) told me. "And access to that kind of data creates potential for information you do not want others to have."

Moran's home state hosts Euronet, the company Ant Financial outbid for MoneyGram, so he has a parochial interest as well. But he is not alone. In March, Rep. Eddie Bernice Johnson (D-Tex.), who represents the Dallas district that MoneyGram calls home, and Rep. Kevin Yoder (R-Kan.) wrote to Treasury Secretary Steven Mnuchin to warn about the takeover.

"The proposal merits careful evaluation as it would provide Chinese access to the U.S. financial infrastructure, a move that would pose significant national security risks if completed," they wrote.
The CFIUS process is mostly performed by professionals from across the government and is housed at the Treasury Department. But there is a political element as well. Ross and Mnuchin are considered principals in the process. And ultimately, the decision to approve or reject any deal rests with Trump himself.

In a hearing last month, Mnuchin declined to comment on the deal specifically but said it very well could go to Trump's desk.

"To the extent that a transaction comes before CFIUS, that we believe is a threat to national security, we will attempt to mitigate it," Mnuchin said. "If we can't, we will - if it's not withdrawn, send it to the president."
That very dynamic is what has China experts and security officials worried.

Ant Financial contends that there is no security risk in its planned takeover of MoneyGram. Douglas Feagin, Ant's head of international operations, told me both sides have taken steps to address any concerns, such as agreeing to keep MoneyGram's U.S.-based servers and all related data on Americans inside the United States.

There are some Ant investors who have a Chinese government affiliation, but they make up less than 15 percent of Ant's investor pool, he said. Wessel told me that regardless of who invests in Ant, the risk of Chinese government interference in the firm's businesses cannot be discounted.

"Even if there is no official relationship, there is no Chinese firm of size that cannot be coerced or controlled by the Chinese government," he said.
Security concerns aside, if Ma is able to convince the Trump team to help him take over the money-remittance industry worldwide, he - and China - will be one step closer to dominating global e-commerce.

-0-

Re: One personnel suggestion

From: Robert Lighthizer [redacted]cloud.com>

To: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

Date: Fri, 21 Jul 2017 07:02:55 -0400

Good point. I'm sure you are thinking about other possibilities.

> On Jul 21, 2017, at 7:00 AM, Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov> wrote:
>
> Bob,
>
> This is good to know. I spoke with [redacted] I also spoke with Jim earlier this week about her and also received good reviews. I'm happy to slot her in to take the DAUSTR position [redacted] just left the agency). [redacted]
>
> JAMIESON L. GREER
> Chief of Staff
> Office of the U.S. Trade Representative
> Executive Office of the President
> O: 202.395.9648
> M: [redacted]
>
> On Jul 21, 2017, at 6:25 AM, Robert Lighthizer
[redacted]@icloud.com>> wrote:
>
>
>
>
> Begin forwarded message:
>
> From: Alan William Wolff[redacted]alanwmwolff.com>>
> Date: July 21, 2017 at 3:14:25 AM EDT
> To: Robert Lighthizer[redacted]@icloud.com>>
> Subject: One personnel suggestion
>
> Bob,
>
> [redacted]
>
> She did from outward appearances a great job on supporting US objectives on ITA expansion (which is how I know her) with a great result achieved over the foot-dragging of the Chinese. Here she has been working on getting EGA moving forward which Corning and other US firms care about. Again, it is China that is the primary problem - scuttling the effort at the end of last year perhaps to see if it could get a better deal (do less and get more) with the Hillary Clinton Administration (which turned out not to be a great bet). China has high tariffs and the US has low on EGA goods.
>
> My suggestion: Talk to [redacted]. She would like to be a DAUSTR for the [redacted]

(b) (6) [redacted] probably could use some help.
>
> The private sector thinks highly of her (Exemption 6 [redacted] for one).
>
> I hope that you are having a great time too.
>
> Alan
>
>

RE: Note from Senator Dole

From: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

To: Robert Lighthizer Exemption 6 [redacted]@icloud.com>

Cc: "Stephen P. Vaughn" Exemption 6 [redacted]gmail.com>, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Tue, 25 Jul 2017 21:36:35 -0400

Bob,

(b) (5) [redacted] The short story is that Diebold secured an exclusion order on the ATM imports of its competitor, Hyosung, under Section 337, and now the competitor has managed to secure an exclusion order against Diebold for its imports of ATM parts. Both companies import goods and perform some value-added work here in the United States. Diebold asserts that it manufactures ATMs here while Hyosung merely paints/and finishes.

Please note that (b) (5) [redacted]

(b) (5) [redacted] The review period does not end until Sept. 12.

Jamieson

From: Robert Lighthizer Exemption 6 [redacted]@icloud.com]
Sent: Tuesday, July 25, 2017 5:44 PM
To: Stephen P. Vaughn Exemption 6 [redacted]gmail.com>; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>
Subject: Fwd: Note from Senator Dole

Begin forwarded message:

From: "Pyle, Pia" Exemption 6 [redacted]alston.com>
Date: July 25, 2017 at 5:04:26 PM EDT
To: "Mr. Robert E. Lighthizer" Exemption 6 [redacted]cloud.com>
Subject: Note from Senator Dole

Dear Bob,

As I mentioned in my voicemail to you this afternoon, I have an urgent client issue for your consideration.

Our client, Diebold, is an Ohio founded and headquartered 140 year old payments technology and ATM manufacturing company. It has been involved in litigation against its Korean competitor, Hyosung, in the ITC. Diebold won an exclusion order against Hyosung this year, but Hyosung filed a retaliatory 337 case against Diebold.

On July 14, 2017, the ITC issued an exclusion order in favor of Hyosung and against Diebold, which just entered the 60 day presidential review period. As you know, the authority to disapprove ITC orders has been delegated to you.

By issuing an exclusion order in favor of a Korean company with minimal U.S. presence and against a U.S. company that manufactures, researches and develops its technology here in the U.S., the ITC order presents a distortion of U.S. trade policy that will undoubtedly cost American jobs. Unfortunately, the ITC does not consider these factors when deciding whether an exclusion order would be in the public interest.

Thankfully, under the Trade Reform Act of 1974, the President (you) has the authority to correct this matter. A decision to disapprove the ITC order does not reverse the ITC determination – it sets the determination aside for contravening policy considerations.

Can I bring the General Counsel of Diebold to come meet with you to discuss the exceptional policy case for disapproval of this ITC order? The order has the direct effect of exporting U.S. manufacturing jobs from North Carolina to Korea and China. For your consideration, I am including a one-pager with further details.

Thanks, Bob.

BOB DOLE

Why the President Should Disapprove the ITC Exclusion Order
Sought by Hyosung against Diebold

- **The Parties:** Diebold-Nixdorf ("Diebold") is a 150 year old U.S. publicly traded company making Automated Teller Machines (ATMs) with its headquarters in Ohio and manufacturing operations in North Carolina. Nautilus Hyosung ("Hyosung") is a Korean company headquartered in Korea with manufacturing in Korea and China.

- **The Dispute:** For some years, Hyosung has been copying Diebold patented ATM inventions and selling them in the U.S., undercutting Diebold's prices because it is less expensive to copy than to invest in R&D. In 2015, Diebold brought an action against Hyosung in the International Trade Commission (ITC), which can exclude the importation of products that infringe patents as long as there is a "domestic industry" in the United States related to the technology in question.

- **Hyosung is a Proven Infringer:** In 2017, the ITC found that 1) roughly 80% of Hyosung's imported ATMs had infringed two of Diebold's patents and 2) Diebold had a protected domestic industry in, among other things, the manufacture of ATMs in North Carolina. That exclusion order is presently in effect, although Hyosung has been in violation of the ITC Order to Cease and Desist advertising the infringing products.

- **Hyosung Retaliates:** In 2016 Hyosung brought its own ITC complaint, claiming that ATM parts that Diebold imported and used in the manufacture of ATMs in North Carolina infringed its patents. Three of the four asserted patents were withdrawn when Diebold showed that Hyosung had once again copied this technology. The ITC, however, found the fourth patent infringed, and also found that Hyosung had a "domestic industry."

- **Hyosung's "Domestic Industry."** The Hyosung "domestic industry" consists of only a handful of jobs, principally in the "finishing" (painting and packing) and servicing of ATMs that arrive fully assembled from Korea and China. Hyosung manufactures nothing in the United States. Ironically, Hyosung's "domestic industry" product was the same ATM that the ITC found to infringe one of Diebold's patents. Less than 6% of its product base has any connection to the patent.

- **The ITC Does Not Consider Net Job Loss:** While the ITC considers the "domestic industry" of the patent owner, it does not consider the jobs that might be lost in the United States from its exclusion order. But the statute does grant to the President—and by delegation to the USTR—the complete discretion to disapprove an exclusion order.

- **Disapproval Is Essential:** The ITC's exclusion order puts at risk Diebold's high-wage manufacturing jobs to preserve a much smaller number of Hyosung low wage menial-labor jobs. It harms a U.S.-based enterprise whose profits flow into Ohio, and it benefits a company whose profits flow overseas. The ITC was unable to consider the substantial net effect on the U.S. economy by this exclusion order, and only the President, through the exercise of the disapproval discretion granted by Congress, can prevent this injury.

- **Hyosung Has Its Remedy:** Hyosung will be free to claim damages or other remedies from the U.S. District Court action it filed in 2016 on this patent.

Frozen beef

From: Robert Lighthizer [redacted]cloud.com>

To: Wendy Teramoto [redacted]gmail.com>

Date: Wed, 26 Jul 2017 20:20:39 -0400

We are going to [redacted] if you guys agree.

Re: IP investment

From: garrison.p.griffin@ustr.eop.gov

To: Robert Lighthizer [redacted]cloud.com>

Cc: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>, "Stephen P. Vaughn" [redacted]gmail.com>, Christopher Jackson [redacted]gmail.com>

Date: Thu, 27 Jul 2017 08:26:10 -0400

That is a good idea. Jamieson has asked for some info on the bill from our team. We can take a look at that and draft some talking points for a call for you.

Sent from my iPhone
[redacted]

> On Jul 27, 2017, at 7:47 AM, Robert Lighthizer [redacted]cloud.com> wrote:
>
> Should I have a short call with him on our idea?
>
>> On Jul 27, 2017, at 5:36 AM, Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov> wrote:
>>
>> Yes, we are aware of this. I believe our investment/services office has received some preliminary text or language being floated by Cornyn. We can get you more information on where it stands.
>>
>> Jamieson
>>
>> JAMIESON L. GREER
>> Chief of Staff
>> Office of the U.S. Trade Representative
>> Executive Office of the President
>> O: 202.395.9648
>> M:[redacted]
>>
>> On Jul 27, 2017, at 3:13 AM, Robert Lighthizer
[redacted]cloud.com>> wrote:
>>
>> I presume we know about Cornyn's effort. We may want to reach out to his staff. I'd be interested to know what he wants to do and where it stands in Congress.
>>
>>
>> Begin forwarded message:
>>
>> From: Stephen Vaughn [redacted]@gmail.com>>
>> Date: July 26, 2017 at 11:21:09 PM EDT
>> To: Robert Lighthizer [redacted]cloud.com>>
>> Cc: Jamieson.L.Greer@ustr.eop.gov<mailto:Jamieson.L.Greer@ustr.eop.gov>, "G. Payne Griffin" <Garrison.P.Griffin@ustr.eop.gov<mailto:Garrison.P.Griffin@ustr.eop.gov>>

>> Subject: Re: IP investment
>>
>>(b) (5) [redacted]
>>
>> On Jul 26, 2017, at 8:33 PM, Robert Lighthizer
Exemption 6 [redacted]cloud.com>> wrote:
>>
>>
>> Politico this morning...
>>
>> EU PLACES A TARGET ON CHINESE INVESTMENT: Washington is no longer the only international capital aiming to impose strict new regulations on foreign direct investment - particularly when it comes from Beijing. The European Commission, aiming to strengthen its hand in limiting Chinese takeovers of some of the bloc's most strategic and valuable companies, is weighing plans to implement a radical new rulebook governing how the European Union treats FDI, five senior EU diplomats told our POLITICO Europe colleagues.
>>
>> The new regulations, which are likely to be unveiled during a "state of the European Union" speech in September, could mandate that all EU member countries introduce strict investment screening. It would also create a common legal base for states to stop certain investments on the basis of principles of "national security" and "public order" laid down in the WTO's General Agreement on Trade in Services, though trade diplomats in Brussels cautioned there is still heated debate over the legal scope of the plan.
>>
>> The move to screen and potentially limit foreign dollars from flowing into EU countries comes as Chinese buyouts of critical European infrastructure and high-tech businesses have emerged as one of the bloc's most contentious political
issues<>>http://r20.rs6.net/tn.jsp?f=001rgefpPrKtjhm1emc1dtqEIWG0k9lgT3Gov_qj15oTBAlRcDPiEZ4fBLLlqJs
arB1kGQ2vnnG4T2ShXAOgekC1G7Ybxbt2jX2JMpAuwsIlCfjL0oRYdWLowF54ObXE3CUgYijyWww-
CTPukUFAanYwLe9sZmyNmX9Y7rXSdYrqSXir7mT-EloTCIcijhXZe71QJYD-Tz6v-
Lc3yy4bAgKY0Diq2BtsR9QnaEWDdaRgoQXSRUT5B3lHSKmL0SzNebtj0tEAcJfDQ8PMYxN-
SPKg0NCYCAEY09sYzrsUzqrDdBo8Vn7GPn-2meG3hdBylc5x7W8ZKBo5Ud-
QGWhhEuMtQ==&c=uppyAlpDVCphximyqv-
ZGDqZah_4swy1YF5KC150kSy7R9z24oQuzQ==&ch=AGGotI5TFvEgCSNEhHGWdNQhYtu7-
mqP0jQ1jO3KRvdLnLhWl61i0g==<<>, particularly in France and Germany.
>>
>> At the same time, on this side of the Atlantic, lawmakers led by Sen. John Cornyn, the No. 2 Republican in the Senate, are exploring
methods<>>http://r20.rs6.net/tn.jsp?f=001rgefpPrKtjhm1emc1dtqEIWG0k9lgT3Gov_qj15oTBAlRcDPiEZ4fBLLlq
JsarB1-
0liXbRQxWsnl6L50ZfP8juEsLZAgV5JnvvwDRNdcsrJTJIIdNI4np7yu8irEfefukLqlceFrV_DyFWOKDRDKFImUI
n6M4MFao07hrDXFMNWreT0b6W3E-KWHoI83fJ30Y7BUoL4OUKqtFwqorz6ExzEqFb1z6ZgA-
VtPBoZ1h9xBeZvbulfdGxAgtvP-ewR2xJVH5LbCf5kJ-s_Q20GLqA86Ol_zfI069Pisi89vXm-
tW4ursZQLWPR80o6jpM4pXdDhaL47wmwqVs_YfMtlw==&c=uppyAlpDVCphximyqv-
ZGDqZah_4swy1YF5KC150kSy7R9z24oQuzQ==&ch=AGGotI5TFvEgCSNEhHGWdNQhYtu7-
mqP0jQ1jO3KRvdLnLhWl61i0g==<<> to revamp the Committee on Foreign Investment in the United States to make it harder to sell companies that have advanced technology to China. Read the full story from POLITICO Europe here.
>

Re: China’s Weaponization of Trade by Brahma Chellaney - Project Syndicate

From: Robert Lighthizer [redacted]cloud.com>

To: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

Date: Thu, 27 Jul 2017 07:46:23 -0400

Also for roll out we need examples [redacted] Someone can find some. Who are the academics who have studied this problem? Someone should meet with them soon. I'll call you with timing in a little bit.

> On Jul 27, 2017, at 5:42 AM, Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov> wrote:
>
> We've tasked this out to Brad for his team to prepare.
>
> Jamieson
>
> JAMIESON L. GREER
> Chief of Staff
> Office of the U.S. Trade Representative
> Executive Office of the President
> O: 202.395.9648
> M: [redacted]
>
>> On Jul 27, 2017, at 3:25 AM, Robert Lighthizer [redacted]cloud.com> wrote:
>>
>> I would like a short memo [redacted]
>>
>>
>>> >https://www.project-syndicate.org/commentary/china-weaponization-of-trade-by-brahma-chellaney-2017-07<<
>>

Ftas

From: Robert Lighthizer Exemption 6 [redacted]icloud.com>

To: "Stephen P. Vaughn" Exemption 6 [redacted]gmail.com>, "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Sun, 30 Jul 2017 09:30:49 -0400

(b) (5) [redacted] Let's talk about this and (b) (5) [redacted]

Re: South Korea appoints KORUS chief negotiator as its trade minister

From:	Robert Lighthizer [redacted]cloud.com>
To:	"Schwab, Susan C." [redacted]ayerbrown.com>
Cc:	"Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>, "Stephen P. Vaughn" [redacted]gmail.com>
Date:	Mon, 31 Jul 2017 12:03:39 -0400

Thanks Susan. I think that would be helpful. We'll be in contact to set it up.

Bob

On Jul 31, 2017, at 11:23 AM, Schwab, Susan C. [redacted]mayerbrown.com> wrote:

Hi, Bob.
Hyun-Chong was Karan Bhatia and my counterpart for Korus, Doha and other trade issues/negotiations. Let me know if you'd like to chat at some point with me/us about impressions and observations.
Best,
Susan

Amb. Susan C. Schwab
Strategic Advisor, Mayer Brown LLP
Professor, University of Maryland

Begin forwarded message:

From: POLITICO Pro Trade Whiteboard <politicoemail@politicopro.com>
Date: July 31, 2017 at 11:15:27 AM EDT
To: [redacted]mayerbrown.com>
Subject: South Korea appoints KORUS chief negotiator as its trade minister
Reply-To: POLITICO subscriptions [redacted]

By Adam Behsudi

07/31/2017 11:11 AM EDT

South Korea's new trade minister is someone familiar in trade circles: He was the chief negotiator of its free trade deal with the United States.

Kim Hyun-chong will take over the senior post at the Ministry of Trade, Industry and Energy, according to various news reports. The move comes as the country faces demands from President Donald Trump to amend the U.S.-Korea trade deal, known as KORUS, over criticisms that the agreement has led to a deepening U.S. bilateral trade deficit.

Earlier this month, U.S. Trade Representative Robert Lighthizer requested that the two sides revisit the terms of the deal under a special joint committee established under the terms of the pact.

Kim, who served as South Korea's trade minister from 2004-2007, is currently a member of the World Trade Organization's Appellate Body and was appointed to serve a four-year term on the panel starting Dec. 2016. From 1999-2003, Kim was a senior lawyer for the WTO secretariat where he supported the Appellate Body.

Kim is credited with negotiating 40 trade deals on behalf of his country. He also served as South Korea's ambassador to the United Nations from 2007-2008.

To view online:
>https://www.politicopro.com/trade/whiteboard/2017/07/south-korea-appoints-korus-chief-negotiator-as-trade-minister-091288<

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Yes, very	Somewhat	Neutral	Not really	Not at all

You received this POLITICO Pro content because your customized settings include: Trade: Trade Agreements; Trade: World Trade Organization. To change your alert settings, please go to www.politicopro.com<%2fsettings?=""> >https://www.politicopro.com/settings<

This email was sent to (b) (6) [redacted]@mayerbrown.com by: POLITICO, LLC 1000 Wilson Blvd. Arlington, VA, 22209, USA

%>

Re: NYT: How This U.S. Tech Giant Is Backing China's Tech Ambitions

From: garrison.p.griffin@ustr.eop.gov

To: Stephen Vaughn [redacted]gmail.com>

Date: Sat, 05 Aug 2017 16:02:03 -0400

Will do.

Sent from my iPhone
[redacted]

On Aug 5, 2017, at 4:00 PM, Stephen Vaughn [redacted]mail.com> wrote:

Payne, can you please send me a copy of whatever talking points we have prepared?

Begin forwarded message:

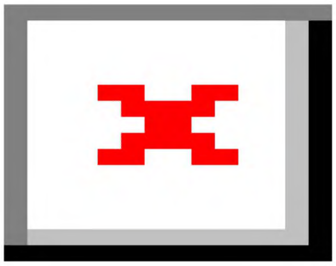
From: Robert Lighthizer [redacted]cloud.com>
Date: August 5, 2017 at 3:30:53 PM EDT
To: "Greer, Jamieson L. EOP/ Ustr" <Jamieson.L.Greer@ustr.eop.gov>, "G. Payne Griffin" <Garrison.P.Griffin@ustr.eop.gov>, "Stephen P. Vaughn" [redacted]mail.com>
Subject: Fwd: NYT: How This U.S. Tech Giant Is Backing China's Tech Ambitions

All of these examples should be in the brief talking points I hope someone is working on for me when we launch.
Begin forwarded message:

From: Payne Griffin [redacted]gmail.com>
Date: August 5, 2017 at 8:58:27 AM EDT
To: Bob Lighthizer <[redacted]cloud.com>
Cc: Jamieson Greer <[redacted]otmail.com>, Stephen Vaughn <[redacted]gmail.com>
Subject: NYT: How This U.S. Tech Giant Is Backing China's Tech Ambitions

How This U.S. Tech Giant Is Backing China's Tech Ambitions

By DAVID BARBOZA
August 4, 2017



hnology giant Qualcomm is helping. The
›ercomputers. Qualcomm is also working to
ets in support of China's "go global"

Beijing's master plan to create its own

›erty and trade secrets, fearful of giving an
hington is looking on with alarm.

To gain access to the Chinese market, American companies are being forced to transfer technology, create joint ventures, lower prices and aid homegrown players. Those efforts form the backbone of President Xi Jinping's ambitious plan to ensure that China's companies, military and government dominate core areas of technology like artificial intelligence and semiconductors.

As concerns mount about Beijing's industrial policy, the Trump administration is preparing a broad investigation into potential violations of American intellectual property, according to people with knowledge of the matter. Congress is also considering ways to restrict China's ability to acquire advanced technology by toughening rules to prevent the purchase of American assets and limit technology transfers.

In this arena, America's economic interests are aligned with its national security needs. The worry is that by teaming up with China, American companies could be sowing the seeds of their own destruction, as well as handing over critical technology that the United States relies on for its military, space and defense programs.

Advanced Micro Devices and Hewlett Packard Enterprise are working with Chinese companies to develop server chips, creating rivals to their own product. Intel is working with the Chinese to build high-end mobile chips, in competition with Qualcomm. IBM has agreed to transfer valuable technology that could enable China to break into the lucrative mainframe banking business.

"There's a great deal of unease in Washington," said James Lewis, an analyst at the Center for Strategic and International Studies, a Washington-based think tank. "The defense, intelligence agencies and others are concerned that advanced chip-making capabilities are going to China."

Qualcomm declined to comment, as did Intel.

Qualcomm is caught in the middle.

The world's dominant mobile phone chip maker, Qualcomm ran afoul of the Chinese government, getting hit in 2015 with a record $975 million fine for anticompetitive behavior. To get back in Beijing's good graces, the company agreed to lower its prices in China, promised to shift more of its high-end manufacturing to partners in China, and pledged to upgrade the country's technology capabilities.

The extent of Qualcomm's involvement with the Chinese government — and the complications for American tech giants — is seen in a low-slung office building in the southwest part of the country. There, a team of engineers is developing leading-edge microchips to compete with the finest made by Intel. The chips will help power a huge data and cloud center with the potential to strengthen the country's computing capabilities. No longer content to rely on buying the chips that go into cellphones, computers and cars, China now wants to design and build the brains that drive much of the digital world.

The government is providing land and financing to the start-up formed with Qualcomm, called Huaxintong Semiconductor. Qualcomm has provided the technology and about $140 million in initial funding.

"Qualcomm has a balancing act," said Willy Shih, who teaches at Harvard Business School. "Most of the world's PCs are made in China, and most of the world's smartphones too, so they have to play along. It's a fact of life."

Qualcomm was early to break into China.

In the mid-1990s, as China's economy began to boom, President Bill Clinton pressed the country's leaders to open to American technology companies.

Members of the Clinton administration, including Charlene Barshefsky, the United States trade representative, and William M. Daley, the secretary of commerce, were dispatched to Beijing to hammer out the details. They pushed for one company by name: Qualcomm.

"At the time, they were the only U.S. show in town," Ms. Barshefsky said.

"Bill Daley and I pushed the Chinese hard on accepting the U.S. standard for wireless technology," she added, "and that was Qualcomm."

Mobile phone adoption was taking off globally, largely backed by a European wireless standard called G.S.M., or global system for mobile communications. Qualcomm had a competing American standard called C.D.M.A., or Code Division Multiple Access.

Irwin M. Jacobs, a founder of Qualcomm, spearheaded an aggressive lobbying campaign in Washington and Beijing, promoting the technology's potential to transform wireless communication markets.

"We knew China would be important, and they didn't have their own system," said Perry LaForge, a former Qualcomm executive. "We also told them this system would give them an opportunity to manufacture their own handsets, and not rely on buying them from other countries."

When Qualcomm first entered China in the late 1990s, it was slow to gain traction. The company struggled to find Chinese partners to produce mobile phones that worked with its network. China also tried to develop its own wireless standard.

Qualcomm eventually won out, helping write the standards for next-generation mobile technology, 3G and 4G service. The standard championed by European telecom providers faded rapidly. And China's homegrown technology struggled.

By 2013, virtually every wireless device around the world was reliant on either Qualcomm's chips or its patents — enough to provide some of the technology industry's fattest profit margins.

With its dominance rising, global brands like Apple and Samsung began complaining to regulators around the world, citing "discriminatory" pricing practices and high royalty fees. In China, a trade group made up of the country's major handset makers complained about patent holders levying "exorbitant licensing fees.

"These days a smartphone is covered by about 250,000 patents," said Dieter Ernst, a senior fellow at the East-West Center, a research and educational center based in Honolulu. "A Chinese smartphone maker needs to negotiate license agreements with companies like Qualcomm that own the essential patents."

"The Chinese government was worried about this," he added. "That all these costs could constrain Chinese companies."

The raids began at dawn, in late November 2013. Investigators descended upon Qualcomm's offices in Beijing and Shanghai, questioning the staff and hauling away laptops and documents.

At the time of the raids, the San Diego-based company's senior managers were at the Ritz-Carlton Hotel in New York, attending an investor conference. The executives were planning to talk about the company's strategy. Instead, they began fielding frantic phone calls from China.

The China business, which accounted for more than half of its global revenue, was in trouble.

A week later, one of the country's most powerful regulatory agencies, the National Development and Reform Commission (N.D.R.C.), announced that it was looking into whether Qualcomm had abused its power in the sale of mobile phone chips. "Qualcomm came to control so much of the chip market in China," said Louie Ming, a former Qualcomm executive in China. "It was clear they were eventually going to run into antitrust problems."

While Qualcomm agreed to fully cooperate with the investigation, some senior executives appealed to the Obama administration, pressing the White House to raise the issue with China's senior leaders, according to a former administration official.

Qualcomm's troubles went beyond China. The company was also under scrutiny by antitrust regulators in the European Union and South Korea, as well as by the United States Federal Trade Commission.

China didn't back down. The head of the N.D.R.C. branded Qualcomm a monopoly.

In February 2015, after a 15-month-long investigation, Qualcomm settled allegations in China that it had charged unfairly high prices for its chips and patents. The company agreed to pay the $975 million fine — about 8 percent of its annual revenue in China — and to lower the prices for chips sold in the country.

"We are pleased that the resolution has removed the uncertainty surrounding our business in China, and we will now focus our full attention and resources on supporting our customers and partners in China," said Steve Mollenkopf, the company's chief executive, said at the time.

Qualcomm then went into business with the Chinese government.

There was a $150 million investment fund to help Chinese start-ups; new research and design facilities set up with Chinese companies such as Huawei and Tencent; and a partnership with a Beijing-based company called Thundersoft to develop drones, virtual reality goggles and internet-connected devices.

Qualcomm is also helping the Chinese government develop supercomputers, a technology the United States government has discouraged American companies from supporting overseas. In May, Qualcomm agreed to form a joint venture with other state-backed firms to design and sell mass-market smartphone chips. And to help make Chinese chip manufacturing more competitive, Qualcomm has pledged to shift more of its high-end production — long done by outside contractors in Taiwan and South Korea — to China.

"This is what China does better than anyone else," said Robert D. Atkinson, president of the Information Technology and Innovation Foundation, a think tank focused on technology policy that has conducted studies detailing the Chinese government's pressure on technology companies.

"They have a large carrot and a large stick," he said. "And they have a market no C.E.O. can walk away from."

Qualcomm's biggest new venture is taking shape in southwest China's Guizhou Province. Determined to leap into advanced technology, China has designated a large parcel of land in the provincial capital of Guiyang as the home of a new industrial park for supercomputing, data centers and cloud computing. The country's large state-run telecom operators and its internet behemoths, including Alibaba and Tencent, are moving in, to build massive server farms. The region offers lower energy costs and abundant supplies of water, necessary to cool server farms.

A year ago, Qualcomm set up a joint venture with the Guizhou government and pledged to invest about $140 million for a minority stake in the business, situated in a development zone that has also attracted the interest of Microsoft and Dell. Qualcomm says it received American government approval for the deal.

The new Qualcomm joint venture, Huaxintong Semiconductor, broke ground on the site in 2016, and now operates in a 46,000-square-foot design and engineering center. A major test of the partnership will come when the joint venture's first server chips are released — helping Qualcomm and the Chinese government stake out new ground. The Chinese government will control the chips and reap most of the profits.

In late March, Qualcomm's president, Derek K. Aberle, flew to Guizhou to meet a powerful local government leader, Chen Miner, a confidant of the Chinese president. Seated in a government hall, before an enormous landscape painting, Mr. Aberle pledged to "continually cooperate" with the Chinese government.

Sent from my iPhone

Fwd: It's time for a new strategy against China -- Politico today, CFR

From: Robert Lighthizer Exemption 6 [redacted] icloud.com>

To: "Stephen P. Vaughn" Exemption 6 [redacted] gmail.com>, Jeffrey Gerrish <jeffrey.gerrish@skadden.com>, Dennis Shea Exemption 6 [redacted] cox.net>, "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Thu, 10 Aug 2017 12:37:22 -0400

See the following. (b) (5) [redacted] Also do we have a process where interesting and important articles come to our attention and are shared amongst us?

Bob

It's time for a new strategy against China

Tariffs alone won't work. Trump must challenge the very foundation of China's economic system.
By JENNIFER HARRIS
| 08/10/2017 10:38 AM EDT
After a fleeting spring romance with Beijing, President Donald Trump now seems eager to make good on his pledge to “get China to stop ripping us off.” The administration reportedly is planning to launch an investigation into China’s intellectual property and trade practices. The move follows weeks of White House efforts to pressure Beijing to reduce steel production and to threaten to restrict U.S. imports of Chinese steel.

The administration’s tougher line is a welcome shift — as even Senate Democrats acknowledged—but bringing China’s economic abuses to heel will take a far more comprehensive and creative strategy than either party has yet offered. The real problem is that our strategy is too limited — too beholden to outdated “trade” concepts that do not contemplate the kind of challenges China poses today. It needs rethinking for a world where our largest competitors blur the lines between state and market. Our current trade paradigm was purpose-built to dismantle tariffs, a goal it largely accomplished by the early 2000’s. We now need a paradigm that does the same for the host of anti-competitive policies that China and other countries have long pursued at our expense: currency manipulation; state-owned enterprises; indigenous innovation and forced localization requirements; mercantilist financial incentive packages and tax policies; and a slew of protectionist domestic rules and regulations.

Current U.S. efforts target specific abuses — intellectual property theft, for example, or steel dumping. But China has employed a range of strategies to advantage its firms; some of these are susceptible to traditional trade enforcement tools. But many are not. What's needed is a strategy to begin challenging the very foundations of China's state capitalist economic model and its industrial policies. If we get this right, it could win bipartisan support — finally allowing a way to tackle China as both an economic challenge and a geopolitical one.

Here's what this would entail.

First is a shift to a general principle of reciprocity. For too long, the U.S. has remained open to Chinese exports and investment, even as China imports little from the U.S. and severely restricts U.S. investment. Whereas the U.S. broadly allows Chinese investment, China evaluates all foreign investment on a case-by-case basis, and lists some 328 items that remain either heavily restricted or closed entirely to foreign investors (including golf courses, Mr. President). The multilateral trading system, enshrined in the WTO, is built on the notion of reciprocity — and allowing China a pass has served neither the system, nor the United States well.

Second, reciprocity should not merely pave the way for increased U.S. investment in China, but should ensure that U.S. and Chinese companies are competing on fair footing around the world. That means focusing less on a strict, 'tit-for-tat' version of reciprocity and more on leveraging U.S. market access to address the kitchen sink of Chinese industrial policies — everything from protectionist technical standards, to mandatory joint venture requirements for foreign firms, to generous state-financing for domestic 'national champion firms' that shelter Chinese firms from competition at home and arm them with unfair advantages abroad. Increasingly, they are going abroad.

Third is a willingness to dust off old tools and invent new ones. Longstanding measures like Section 301 should be used to restrict Chinese investment in U.S. markets — especially high-technology areas prized by Beijing, until China begins dismantling its subsidies. The search for new tools must go beyond trade to areas like antitrust and even aspects of criminal law. The Foreign Corrupt Practices Act of 1977, for example, restricts U.S. firms from giving foreign governments things of value in exchange for commercial gain. Might there be a rationale for prohibiting U.S. firms from caving to Beijing's demands for technology transfer on this same principle?

Fourth, any serious challenge to China's state capitalist system and its industrial policy must win support from U.S. industry. Most U.S. firms fall into two camps: those already inside China, and those still hoping to find a foothold. But both camps remain too intimidated by Beijing to endorse a tougher line from Washington, their private complaints and pleadings to "do something" notwithstanding.

For many U.S. firms, the primary threat is no longer getting shut out of China—it is getting acquired by a Chinese firm. Chinese investment in the U.S. is up some four-fold since 2014. Given the rise of activist shareholders pressuring U.S. firms to sell to the highest bidder, it is hardly clear these companies can shield themselves from Chinese acquisition. After all, these activist shareholders, which frequently are hedge funds, care little that a Chinese high bid may be playing with sovereign cash; only that the bid is high. A meaningful fix would require reforms to U.S. securities law to curb the influence of activist shareholders, as well as new public investment to rejuvenate U.S. industries like semiconductors, which are targets of Chinese government acquisition efforts.

Finally, this tougher approach to China should be a priority in its own right, not simply a ploy to compel Chinese cooperation against North Korea. There is reason to doubt how serious Trump really is about addressing Chinese economic abuses — in April, he tweeted "a trade deal with the U.S. will be far better for [China] if they solve the North Korean problem!" and asked, "Why would I call China a currency manipulator when they are working with us on … North Kore[a]?"
I raise this concern as someone who has sought for longer than a decade to get U.S. foreign policy to rely more on its economic — rather than military — might to solve geopolitical challenges like North Korea, a brand of statecraft I call "geoeconomics." But years of continually subjugating our economic interests to geopolitical ones, especially where China is concerned, has done real harm to American workers. Policymakers in both parties have been guilty on this score since China joined the World Trade Organization some 16 years ago. The Trump campaign vowed to rectify this problem — pledging that, as president, Trump would "never again sacrifice the U.S. economy on the altar of foreign policy" — only to do just that after he entered office.

The administration is once again talking a tough game on China. But talk is cheap. The jury is still out over whether it understands how to take aim at the foundations of Chinese state capitalism and whether it has the will to do so.

Jennifer Harris is a senior fellow at the Council on Foreign Relations and co-author of War by Other Means: Geoeconomics and Statecraft (Harvard University Press, 2016).

大成DENTONS
Amb. Alan Wm. Wolff
Senior Counsel

D +1 202 496 7337 | M [redacted] | US Internal 47337
[redacted]@dentons.com
Bio | Website
Assistant: Yvette Walters +1 202 496 7405

Dentons US LLP

Re: Loan to USTR?

From: Stephen Vaughn [redacted]gmail.com>

To: Robert Lighthizer <[redacted]cloud.com>

Cc: "Marcus, Pamela A. EOP/USTR" <pamela.a.marcus@ustr.eop.gov>, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Fri, 11 Aug 2017 06:57:32 -0400

I like it.

On Aug 11, 2017, at 1:49 AM, Robert Lighthizer [redacted]icloud.com> wrote:

P

Begin forwarded message:

From: Alan Wolff [redacted]alanwmwolff.com>
Date: August 10, 2017 at 8:33:31 PM GMT+2
To: '[redacted]er@icloud.com>
Subject: Loan to USTR?

Bob, below is a WWI poster. This one is by Joseph Pennell, one of the best artists of the world war one posters. Most of these were to sell liberty bonds. I collect these and actually have two of these so I don't need it at home,.

Brad Ward had this in his office at Dewey, but chose not to keep it. It has a nice message and is just hanging in my office now at 1900 K St. NW. It is to bellicose and two large for me Trent to transport it to Geneva. If you send a van for it, you are welcome to hang someplace at USTR if you like it. Dimensions are 4' x 5'.

Alan
<IMG_7862.JPG>

Amb. Alan W. Wolff

Alan Wm. Wolff PLLC

[redacted]

RE: Lighthizer's Economics Deficit - WSJ

To: Robert Lighthizer [redacted]cloud.com>, "Stephen P. Vaughn" [redacted]gmail.com>, "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

Date: Tue, 22 Aug 2017 08:59:13 -0400

We are working on solidifying the Autos op ed should you wish to respond in some form.

-----Original Message-----
From: Robert Lighthizer [[redacted]cloud.com]
Sent: Tuesday, August 22, 2017 8:55 AM
To: Stephen P. Vaughn [redacted]gmail.com>; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>
Subject: Lighthizer's Economics Deficit - WSJ

>https://www.wsj.com/article_email/lighthizers-economics-deficit-1503354754-lMyQjAxMTE3MjI0MjAyNjIzWj/?mg=prod/accounts-wsj<

RE: Invitation to Speak at the Council on Foreign Relations

From: "Greer, Jamieson L. EOP/USTR" Exemption 6 [redacted]

To: Robert Lighthizer Exemption 6 [redacted] cloud.com>

Date: Thu, 24 Aug 2017 16:20:54 -0400

You are currently scheduled to be in town during the dates they have proposed (Oct. 16 – 18), so once you have had a chance to think about it let us know if you are interested.

From: Robert Lighthizer Exemption 6 [redacted] icloud.com]
Sent: Thursday, August 24, 2017 3:52 PM
To: Stephen P. Vaughn Exemption 6 [redacted] mail.com>; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>
Subject: Fwd: Invitation to Speak at the Council on Foreign Relations

Begin forwarded message:

From: Sam Dunderdale <SDunderdale@cfr.org>
Date: August 24, 2017 at 3:18:59 PM EDT
To: Exemption 6 [redacted] icloud.com>
Cc: "abigail.r.bacak@ustr.eop.gov" <abigail.r.bacak@ustr.eop.gov>
Subject: Invitation to Speak at the Council on Foreign Relations

Dear Ambassador Lighthizer:
Please see the attached letter from Council on Foreign Relations President Dr. Richard Haass inviting you to speak at a symposium we are organizing on the future of U.S. trade policy under the Donald J. Trump administration. If you have any questions or require additional information, please let me know.

We look forward to hearing from you.

Thank you,

Samuel J. Dunderdale
Program Coordinator, Washington Meetings
Council on Foreign Relations
1777 F Street, NW, Washington, DC 20006
tel 202.509.8478 fax 202.509.8490
Sdunderdale@cfr.org cfr.org

COUNCIL on FOREIGN RELATIONS

58 East 68th Street, New York, New York 10065
tel 212.434.9400 fax 212.434.9800 www.cfr.org

August 24, 2017

The Honorable Robert E. Lighthizer
United States Trade Representative
Office of the U.S. Trade Representative
600 17th Street NW,
Washington, DC 20006

Dear Bob:

On behalf of the Council on Foreign Relations (CFR), I invite you to be the keynote speaker at a symposium we are organizing on the future of U.S. trade policy under the Donald J. Trump administration. Given your role as United States Trade Representative you would bring unique first hand expertise to these issues. Our members would value the opportunity to hear from you, and we can assure you an influential audience of foreign policy opinion leaders. This event will take place at CFR in Washington, DC, located at 1777 F Street, NW, on either October 16,17, or 18, 2017.

For this symposium, CFR will bring together some of the most distinguished trade leaders and innovative thinkers on U.S. trade policy to address the growing economic and political challenges facing the United States and to offer future policy choices to meet those challenges.

The symposium will take place from 8:00 a.m. to 1:45 p.m. with the keynote session scheduled from 12:45 p.m. to 1:45 p.m. The entire event will be on the record. We encourage a format in which a moderator engages you in a conversation for about thirty minutes before opening the discussion to questions from our members for the remainder of the time.

We will follow up on this invitation with your office in the next few days. In the meantime, if you would like to discuss this in more detail, please contact me or have a member of your staff contact Nancy Bodurtha, vice president of meetings and membership, at 212.434.9466 or nbodurtha@cfr.org. I hope to welcome you to CFR in October.

Sincerely,

(b) (6) [redacted]

Richard N. Haass
President
tel 212.434.9540
president@cfr.org

Fwd: [Ext] Question

From: Robert Lighthizer Exemption 6 [redacted]cloud.com>

To: "Stephen P. Vaughn" Exemption 6 [redacted]gmail.com>, "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

Date: Tue, 29 Aug 2017 21:00:19 -0400

Very interesting.
Begin forwarded message:

> **From:** "Oosterhuis, Paul W" <Paul.Oosterhuis@skadden.com>
> **Date:** August 29, 2017 at 1:53:47 PM EDT
> **To:** Robert Lighthizer <Exemption 6 [redacted]cloud.com>
> **Subject: Re: [Ext] Question**
>
> Bob
> A couple of thoughts:
> 1. Transfer prices for imported goods generally cannot be higher than customs values and most companies I know of coordinate the two to make sure their customs value is consistent with their chosen transfer pricing method.
> 2. This has led a few economists to write how companies that engage in transfer pricing to shift income to low tax jurisdictions have "inflated" the trade deficit--some say by close to 100 billion per year. I suspect they are correct directionally but the magnitude is questionable.
> 3. Lower corporate rates in the US could encourage transfer pricing that shifts more income from imported products to the US but I doubt that will be material if the corporate rate is 20-25% because there are plenty of places to get a rate abroad that is less than 15%. Of course, if we got a rate at 15% the impact could be material indeed.
> Exemption 3 [redacted]
> Happy to discuss live if helpful.
>
> Sent from my iPhone
>
> > On Aug 29, 2017, at 1:32 PM, Robert Lighthizer Exemption 6 [redacted]icloud.com> wrote:
> >
> > Paul
> >
> > Someone suggested that if the corporate tax rate goes down companies will have an incentive to lower the price of their imports to take the profits here and that will lower the trade deficit. Does that make sense? Are customs valuations the same as tax valuations? Thanks.
> >
> > Bob

FW: _tax-notes-today_trade_house-plans-bad-math-revenue-border-adjustment_2017_04_18_swp9

From: "Griffin, Payne P. EOP/USTR" Exemption 6 [redacted]

To: Payne Griffin Exemption 6 [redacted] gmail.com>

Date: Thu, 31 Aug 2017 14:07:48 -0400

Attachments: _tax-notes-today_trade_house-plans-bad-math-revenue-border-adjustment_2017_04_18_swp9.pdf (1.61 MB)

From: Robert Lighthizer [Exemption 6 [redacted] @icloud.com]
Sent: Thursday, August 31, 2017 1:53 PM
To: Stephen P. Vaughn Exemption 6 [redacted] @gmail.com>; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>
Subject: Fwd: _tax-notes-today_trade_house-plans-bad-math-revenue-border-adjustment_2017_04_18_swp9

Begin forwarded message:

From: "Oosterhuis, Paul W" <Paul.Oosterhuis@skadden.com>
Date: August 31, 2017 at 9:58:06 AM EDT
To: Robert Lighthizer Exemption 6 [redacted] cloud.com>
Subject: _tax-notes-today_trade_house-plans-bad-math-revenue-border-adjustment_2017_04_18_swp9

Bob

This is the article I have that discusses transfer pricing and its impact on the trade deficit-- the discussion is on pages 9-11 in a footnote in suggests the impact could be in the range of $300 billion per year. Probably an overstatement. I understand from Alan Auerbach (a U of California economist) that he has a paper getting into the details in more depth. He is presenting at Brookings next week and will make it available then. I have been emailing with him on whether transfer pricing changes like those we have been discussing would impact the deficit and the answer to him is clearly yes. We shall see if the paper digs into it.

Happy to discuss further at your convenience.

Paul

This email (and any attachments thereto) is intended only for use by the addressee(s) named herein and may contain legally privileged and/or confidential information. If you are not the intended recipient of this email, you are hereby notified that any dissemination, distribution or copying of this email (and any attachments thereto) is strictly prohibited. If you receive this email in error please immediately notify me at (212) 735-3000 and permanently delete the original email (and any copy of any email) and any printout thereof.

Further information about the firm, a list of the Partners and their professional qualifications will be provided upon request.

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House Plan's Bad Math: Revenue From a Border Adjustment

Posted on Apr. 18, 2017

By David Kamin

David Kamin is a professor of law at New York University School of Law, and Brad Setser is senior fellow and acting director of the Maurice R. Greenberg Center for Geoeconomics at the Council on Foreign Relations.

In this report, Kamin and Setser argue that projections of revenue from the border adjustment proposed in the House Republicans' framework for tax reform overstate revenue in two ways: The medium-term projections assume that there will be no or very limited avoidance of a border-adjusted tax, and the long-term revenue projections require an unrealistically large trade deficit.

I. Introduction

The House Republicans have put forward a plan to fundamentally reform the business tax structure. They claim that tax reform as a whole will pay for itself. But the plan the House outlined last year does not meet that test. Most estimates so far reflect this. However, these estimates understate the scale of the budget deficits in the House plan both over the medium and long term. Revenue from the border adjustment is likely to disappoint. The medium-term projections seem to assume that there will be no or very limited avoidance of a border-adjusted tax, which is unduly optimistic. And the long-term revenue projections require an unrealistically large trade deficit — again, overstating revenue.[1]

The House framework proposes a 15 percentage point cut in the corporate rate, from 35 percent to 20 percent, and a similar reduction in the rate on passthrough income for those in the top bracket. It would also shift to expensing of new investment while denying deductions from net interest expense. Finally, the plan would change to a destination-based business income tax featuring a so-called border adjustment.

This border adjustment is estimated to be one of the largest revenue raisers in the plan, at least over the coming decade, and the projections so far typically assume the revenue from the border adjustment will continue over the long-term. For instance, in oft-cited projections by the Urban Brookings Tax Policy Center (TPC), the border adjustment in the House framework is estimated to generate almost $1.2 trillion in the next decade, and the TPC assumes that revenue of similar magnitude continues in the following decade as a share of the economy.[2]

The border adjustment excludes export revenue from the calculation of taxable income while disallowing any tax deduction for imported products or imported services. The result is analogous to a tax on imports, together with a rebate on the domestic costs of exports.[3] In broad terms, the border-adjustment expands the tax base if the United States runs a trade deficit and reduces the tax base if it is running a trade surplus.

Yet, much — if not all — of the revenue attributable to the border adjustment would likely be temporary, since current trade deficits are unsustainably large. Some analysts have suggested that current trade deficits should be offset by future trade surpluses, which would imply net revenue losses from the border adjustment.[4] But even with the more modest assumption that the United States' net external debt needs to be constant as a share of the economy, the United States must move toward trade balance.

Further, there are solid reasons to think the "real" trade deficit — reflecting actual economic activity — may be smaller than the reported trade deficit in recent years because of the effects of corporate profit shifting. The current tax system creates strong incentives for companies to book profits offshore that were really made in the United States — and, as a result, to understate exports from their U.S. operations and overstate the (often tax-deferred) earnings of their offshore affiliates.[5] This raises questions about whether even medium-term projections of border adjustment revenue would be realized. The current projections essentially assume that these profit-shifting games are entirely shut down in a destination-based system, with no such avoidance arising in their place. This is unduly optimistic.

The fact that the border adjustment may raise very little long-term revenue has important substantive and procedural implications.

First, the House plan would require larger adjustments than current estimates suggest in order to not lose revenue. In fact, the business tax reform plan would be unable to finance the kind of large, permanent rate reductions Republicans are seeking, even under relatively optimistic assumptions.

Second, Republican leaders have suggested that they will use the reconciliation process to try to push through tax reform and other changes without facing a filibuster in the Senate. One requirement of using reconciliation to avoid having to garner 60 votes in the Senate is that the legislation cannot increase the deficit over the long term. This is part of the so-called Byrd rule. In evaluating the long-term deficit effect of a reconciliation bill and its consistency with the Byrd rule, budget scorekeepers and the Senate parliamentarian should evaluate the revenue that would be raised if the trade deficit returned to a sustainable level.

There is a set of serious debates about the wisdom of the House plan's basic structure. This includes questions on whether expensing (versus rate cutting) would most effectively promote investment; how exchange rates would adjust in the face of a border adjustment; whether, as a result, consumers would face any of the tax; how an exchange rate adjustment would affect economies globally, especially developing countries; and whether the border adjustment would spark a trade war or be struck down by the WTO. These are all key issues. This report chooses to focus on just one major element: the amount of revenue produced by a border adjustment over the medium and long term.

II. Trade Deficits and Revenue Estimates

It is relatively clear that a border adjustment would not produce much revenue over the long term. Roughly speaking, the border adjustment would generate revenue equal to the tax rate times the size of the trade deficit and lose revenue at the tax rate times any trade surplus. Over the long term, the United States would likely be unable to run trade deficits of the same magnitude of those reported in recent years. Although the timing of the ultimate adjustment is uncertain, trade deficits of 2.5 percent to 3 percent of GDP, as seen in recent years, fail classic tests of external debt sustainability.

One reasonable central estimate (using Congressional Budget Office assumptions for long-term interest rates and GDP growth rates) suggests that the sustainable trade deficit is in the range of zero, meaning that at some point the border adjustment would not produce net revenue from the actual trade deficit.

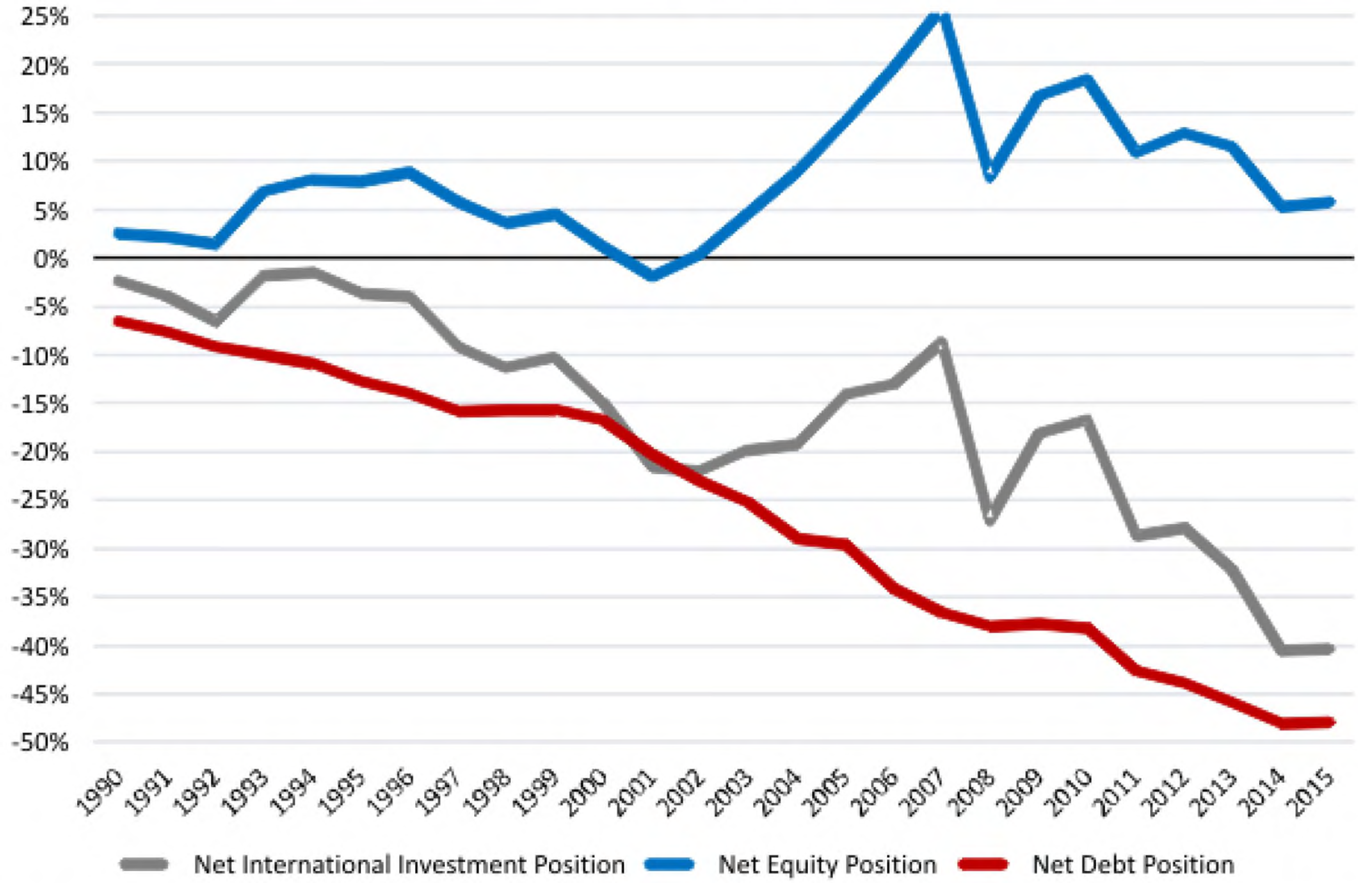
A. Sustainability in the Net Debt Position

The net external debt of the United States is the difference between the amount the United States has lent the world ($6.9 trillion at the end of 2015) and the amount the United States has borrowed from the rest of the world ($15.5 trillion). Net external debt stood at $8.65 trillion at the end of 2015, or between 45 and 50 percent of U.S. GDP — excluding the gold the United States holds as a reserve asset.[6] Net external debt cannot rise forever as a share of the economy, or else it becomes impossible for the country to finance (and borrowers would know this, cutting off financing).

Note that net external debt differs slightly from the net international investment position (NIIP), which is sometimes also used to judge sustainability of the external balance. In addition to the net external debt, the NIIP also includes the net equity position of the United States — the gap between total U.S. equity investment in the world and foreign equity investment in the United States. The net equity position is currently small (about 6 percent of GDP). As a result, the NIIP for the United States is close to the net external debt position, the metric on which we focus. We also ignore the net position on derivatives and several other small adjustments for simplicity. Figure 1 shows the net debt position and the NIIP in recent years.

Figure 1. Net Debt Position Versus Net International Investment Position

Shares of U.S. GDP



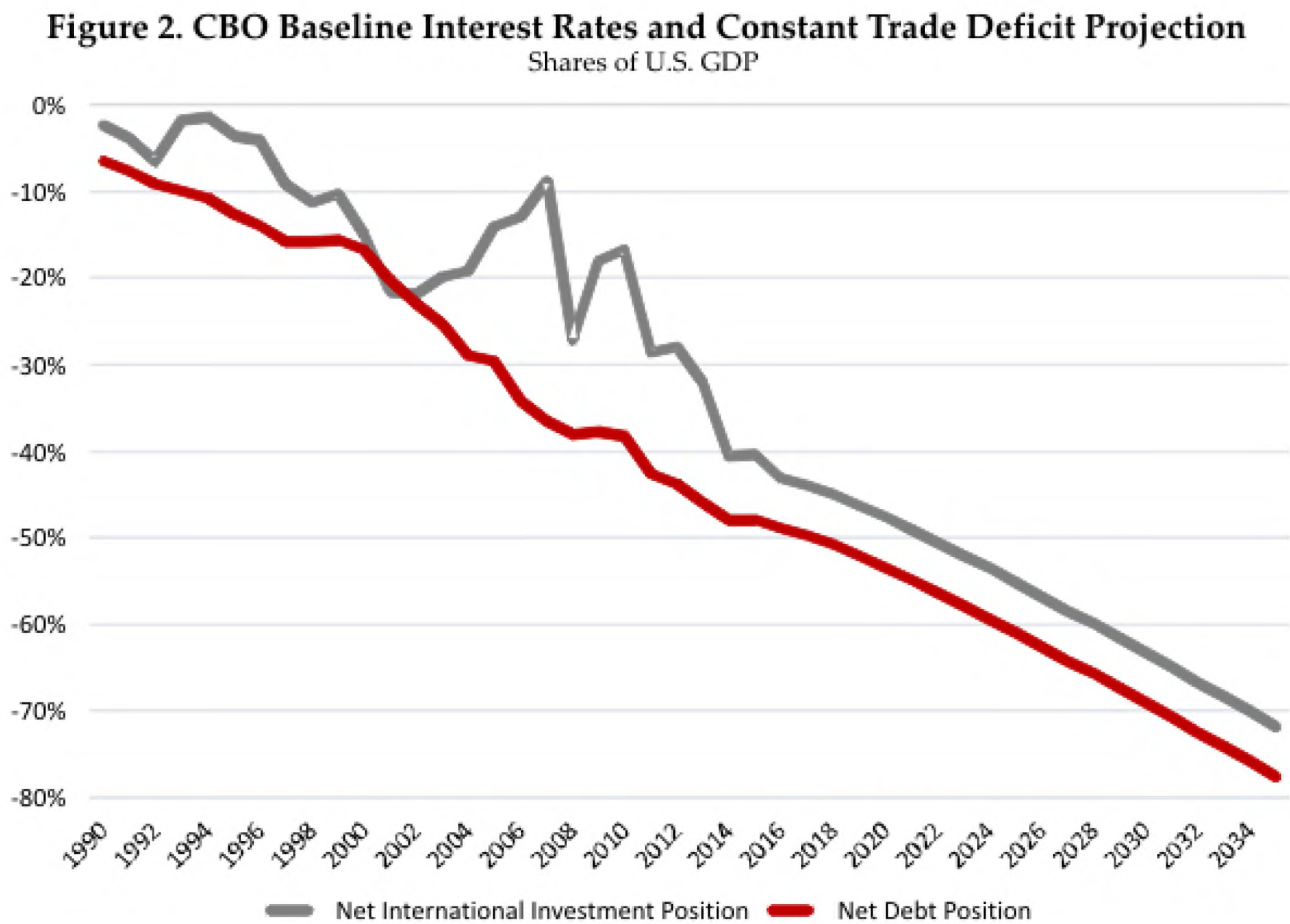
In this report, we calculate the trade deficit that is consistent with a stable net debt position as a share of GDP under several different assumptions. Calculating the trade balance that is consistent with a stable NIIP would not significantly change the results. However, separating out the debt and equity components of the NIIP provides for greater precision and helps assess how changes in tax gaming might affect the reported return on foreign direct investment (FDI). The trade balance that stabilizes the ratio of external debt to GDP is a standard metric used by the IMF and others in analyzing external debt sustainability.

The basic equation for calculating the trade deficit that is consistent with a stable external net debt position as a share of GDP is straightforward:

Trade Balance (percentage of GDP) + Balance on Remittances/Transfers (percentage of GDP) + Balance on Earnings from Equity (percentage of GDP) = (Net External Debt (percentage of GDP) x (R - G)). This is where R equals the interest rate on the net external debt, and G equals the GDP growth rate.

A country can run a current account deficit (the sum of the trade balance plus net remittances-transfers and earnings on debt-equity) over time and still have a stable external-debt-to-GDP ratio. But it is harder to run large trade deficits over time — adding to the stock of external debt — without a rising external-debt-to-GDP ratio.[7] This is because the interest burden on the external debt rises, and the current account deficit quickly becomes much larger than the trade deficit.

The sum of the trade deficit, the balance on transfers, and the balance on equity income is the non-interest current account balance. Figure 2 shows a projection of the net debt and the NIIP using CBO's projected interest and growth rates and generously assuming that the United States continues to generate "excess profits" from its investments abroad. It shows that if trade deficits remained constant as a share of GDP, the net debt position would be on an unsustainable trajectory.



We will now discuss each of the factors in this equation in turn.

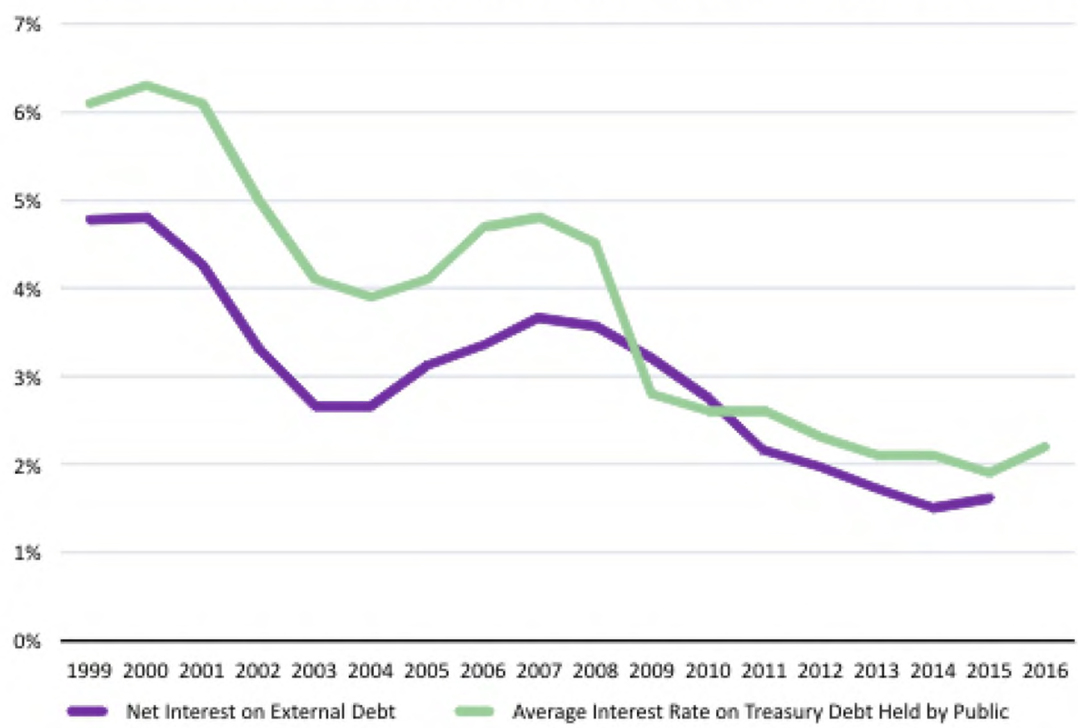
B. Interest Rate Versus GDP Growth Rate

The first key factor in establishing the sustainable trade deficit is the relationship of the interest rate on the net debt to the GDP growth rate. The higher the interest rate on the existing debt, the lower the trade deficit can be and produce a stable net debt-to-GDP ratio. The opposite is true when it comes to the GDP growth rate; higher GDP growth allows for a larger non-interest current account deficit consistent with a stable net-debt-to-GDP ratio. And those two factors then interact with the existing level of net debt.

For example, if there were no difference between R and G, the non-interest current account would have to be zero to be consistent with a stable net-debt-to-GDP ratio. If the combination of remittances-transfers and net earnings from FDI also summed to zero, the trade balance consistent with a stable net-debt-to-GDP ratio also would be zero. If R-G is equal to -1 percentage point (meaning that the GDP growth rate exceeds the interest rate by 1 percentage point) and given a net-debt-to-GDP ratio of around 50 percent (the current level), the non-interest current account deficit consistent with stabilizing the net-debt-to-GDP ratio could be 0.5 percent of GDP (and the trade deficit consistent with stabilizing the net debt-to-GDP ratio would be the same assuming remittances-transfers and net earnings from FDI sum to zero). And so on. In the United States' case, the non-interest current account generally has been close to the trade balance, though right now it is slightly smaller than the headline trade balance.

For purposes of this report, we assume that the interest rate on net debt is about equal to that on the federal government debt. As shown in Figure 3, this has been roughly true historically. Notably, there is no significant difference in the interest rate that the United States pays on its external debt and the interest rate the United States receives on its lending to the world — and so it is possible to assume a single interest rate on the "net debt." Most U.S. lending to the world is short-term, denominated in dollars, and effectively canceled out by the United States' own short-term bank borrowing. It is thus unsurprising that this interest rate on the net debt would be close to the interest rate on federal government borrowing, because much of the net borrowing comes in the form of government borrowing. Foreign investors hold around $5.5 trillion in U.S. Treasury notes and bonds and $900 billion in agency bonds, while American investors hold about $600 billion in long-term debt issued by foreign governments. Mathematically, this accounts for the bulk of the United States' net external debt position, because foreign holdings of U.S. corporate bonds ($3.2 trillion at the end of 2015) are more closely matched by U.S. holdings of foreign corporate bonds ($1.7 trillion — mostly denominated in dollars).[8]

Figure 3. Rates on U.S. Treasuries Held by Public Versus Effective Interest Rate on Net External Debt



Right now the nominal interest rate on both net external debt and the federal debt is around 2 percent. Looking ahead and using CBO projections — particularly relevant to policy debates in Washington — those nominal interest rates are expected to rise to more than 3 percent by the end of the decade and to gradually rise to more than 4 percent in the decades thereafter.[9]

The CBO also projects GDP growth rates. Combining these two projections, the CBO projects an R-G of around negative 1 percentage point on average over the coming decade, falling to an R-G of zero over the next 30 years. This corresponds to nominal interest rates over the 30-year period rising from 2 percent to 4 percent on the federal debt, and nominal growth in the range of 4 percent in most years. Historically, the United States has seen an R-G in the range of negative 1 percent, both in the post-World War II era and across a longer span of U.S. history, where R is the interest rate on federal government debt.[10]

For our calculations, we show sustainable trade deficits assuming an R-G of negative 1, an R-G of zero, and finally, a more pessimistic R-G of plus 1 percent, consistent with the IMF's latest projections for the United States.[11]

C. Remittances-Transfers

Remittances and other transfers to foreign countries (such as foreign aid) increase the United States' external deficit. So, the larger remittances or transfers, imply that the trade deficit needs to be smaller in order to be consistent with a stable ratio of net external debt to GDP.

In the last decade, the outflow from net remittances-transfers from the United States to other countries has averaged 0.8 percent of GDP. We assume transfers will continue at this level, though they may vary with time depending on immigration and foreign aid policies, among other factors.

D. Net Earnings From Equity

Finally, net earnings from equity can allow the United States to run a larger trade deficit than it could otherwise, consistent with a stable net-debt-to-GDP ratio.

The United States appears to have significant net earnings from equity, all of which comes from net earnings on FDI — and which represents something of a mystery, since the stock of U.S. direct investment abroad is close to the stock of FDI in the United States. Net FDI income now stands at 1.5 percent of GDP (down from 2 percent of GDP several years ago), even though the actual amount the United States has invested abroad is similar in size to the amount foreign direct investors have put in the United States.

However, as we discuss in more detail later, there is a real possibility that the bulk of these earnings — perhaps as much as 80 percent of them — could be an artifact of profit shifting on paper. Most of the net FDI income comes from "reinvested" (for example, tax-deferred) earnings; the surplus on earnings that are actually returned to the United States and thus taxed is only about 0.25 percent of GDP. If the actual realized return in the balance of payments on U.S. direct investment abroad was about equal to the actual realized return on foreign investment in the United States, the income surplus would fall to around 0.2 percent or 0.3 percent of GDP.

But regardless of whether these excess returns are real, the sustainable trade deficit would still be significantly below the current trade deficit. Continued net FDI income of around 1.5 percent of GDP would allow the United States to run a trade deficit of 1 percent of GDP if R is equal to G — a level well below the current level of 2.75 percent of GDP. And if so-called dark matter — the excess returns on U.S. FDI — disappears as the border adjustment reduces the incentive to transfer profits offshore, the United States would need roughly balanced trade to avoid a rising ratio of external debt to GDP.

E. Sustainable Trade Balance

Table 1 shows the sustainable level of the trade deficit as a share of GDP under several assumptions about the pace of growth and the path of U.S. interest rates. It shows the allowable trade deficit assuming an R-G of negative 1 percent (for example, the growth rate exceeds interest rates), 0 percent, and 1 percent. The negative 1 percent R-G aligns with the CBO's assumptions over the next several years and with history. Zero percent is consistent with the CBO's assumptions in its long-term projection. One percent is close to the IMF's assumption as of 2025, the last year of its latest projection. The table illustrates what's allowable to stabilize at the current net debt level of around 50 percent of GDP.

Table 1. Sustainable Trade Balance, Percentage of GDP

Assumption of R-G	-1%
No Real Excess Profits (FDI income = 0.2% of GDP)	-0.2%
Excess Profits = 1.25% of GDP (FDI income = 1.5% of GDP)	-1.5%

Source: Authors' calculation.

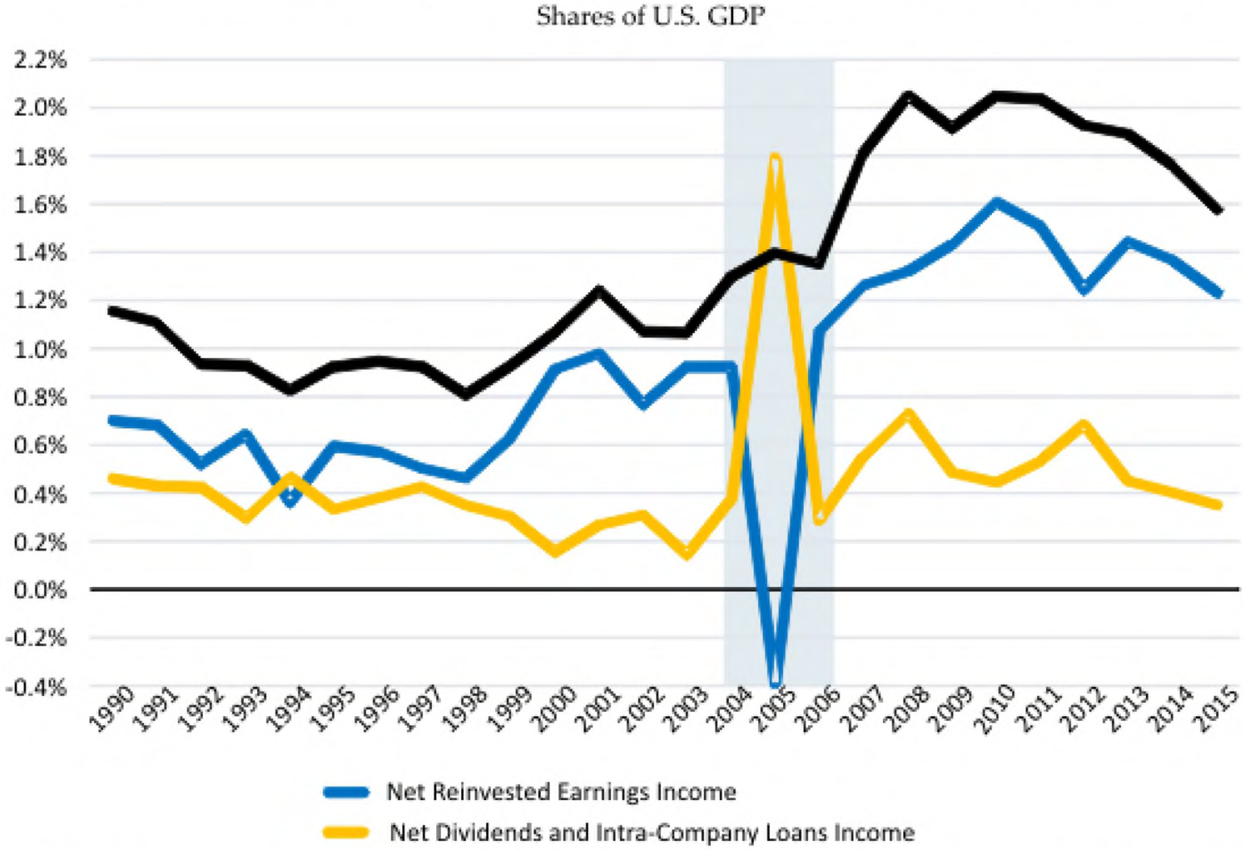
It shows the allowable trade deficit under two alternative assumptions concerning excess returns on FDI (dark matter) and assuming that the deficit on remittances-transfers remains at its current level (a deficit of 0.8 percent of GDP). The first assumption is that there are no real excess profits from the earnings on reinvested income in the FDI accounts, since the profits are an artifact of the current tax system. The second assumption is that excess profits on reinvested earnings are in fact 1.25 percent of GDP, as they now appear in the international accounts, and that total net earnings on FDI remains around 1.5 percent of GDP, counting the dividend and other payments that are actually made from offshore subsidiaries back to corporate headquarters.

Assuming there are no real excess profits from FDI, the country must run a trade surplus to stabilize the net debt as a share of GDP if real and nominal interest rates match real and nominal growth. Under this assumption of no excess profits, the allowable trade balance ranges from a deficit of 0.2 percent of GDP to a surplus of 0.8 percent of GDP, depending on the R-G assumption. Even if FDI continues to produce extraordinary returns in the range of 1.25 percent of GDP, allowable trade deficits range from 0.5 percent of GDP to 1.5 percent of GDP. All of this is as compared with the assumption, for instance, of the TPC in its revenue projections that the United States continues to run a trade deficit in the range of 2.5 percent of GDP.

III. 'Dark Matter' and Revenue Estimates

One complexity that deserves more attention than it has received is the potential impact of the reversal of existing tax strategies on the near-term income projections from the border adjustment. There is strong reason to believe that current tax games have led the trade deficit to be overstated — potentially by as much as 1 percent of GDP.

Figure 4. BoP FDI Income Surplus: Reinvested Earnings Versus Cross-Border Payments



Note: The strange behavior in 2005 (shaded region) is a result of the repatriation tax holiday enacted by Congress in 2004.

This suggests that even projected medium-term revenue from a border adjustment is probably overstated since the destination-based tax would unlikely be completely successful in shutting down tax avoidance techniques, contrary to what current projections seem to assume. These tax avoidance games in a destination-based system might not be as significant as those that plague the current system, but it is unduly optimistic to assume that the gaming would be entirely eliminated. This is particularly true if the United States alone adopts a destination-based cash flow tax while other countries continue to tax both consumption (through a VAT) and source-based corporate income.

A. Profit Shifting and the Trade Deficit

As noted above, there is a mystery in the U.S. balance of payments. The United States has more external debt and other cross-border liabilities than it has external assets. Yet the United States, unlike most net debtors, doesn't make ongoing payments to the rest of the world. The income balance — net interest and dividend payments to the world — is positive.[12]

But if you start to disaggregate the U.S. external balance sheet and the income balance (the sum of interest and dividend payments), the U.S. income surplus becomes less mysterious. In fact, it provides strong evidence of the large impact that tax can have on trade flows. The return differentials that create dark matter are almost all from FDI, and almost all the return differential on FDI comes from the large reinvested (tax-deferred) income of U.S. investors abroad.

In 2015 the reported return on U.S. direct investment abroad measured by the ratio of income on direct investment in the balance of payments to the stock of direct investment abroad in the net international investment position — was around 6 percent. By contrast, the reported return on FDI in the United States was about 2.5 percent. The exact difference varies from year to year, but there is always a substantial gap. So even though the United States has invested about as much in the world as the world has invested in the United States, the U.S. economy received net income from its investment abroad equal to about 1.5 percent of GDP in 2015.

So why is U.S. direct investment abroad apparently so much more productive than FDI in the United States?[13]

We suspect that part of the answer is that corporations now have a strong incentive to try to report profits actually made from U.S. operations as if they were made abroad in low-tax jurisdictions. One method they use is transfer pricing. They sell property, especially intellectual property, developed in the United States to related corporations in low-tax jurisdictions at a low price. The use of the IP then appears to produce extraordinary returns in those low-tax jurisdictions.[14] A common strategy is to sell the international rights to a company's IP to an offshore subsidiary in exchange for a share of the research and development budget. The relatively small sum paid for the R&D — less than the actual fair market value of the rights purchased — enters into the balance of payments as a service export, while the relatively large profit from the sale of the IP abroad enters as tax-deferred offshore income. Another strategy is to manufacture high-value components (the active ingredients of drugs, for example) in a low-tax jurisdiction. The active ingredient is exported from the low-tax jurisdiction rather than from the United States, and the foreign affiliate pays a (relatively low) royalty back to its parent in the United States. Some pharmaceutical companies, for example, are reported to have losses on their U.S. operations that are offset by their tax-deferred offshore profits.[15]

This tax avoidance technique aligns with where much of the United States' FDI profits are reported. Figure 4 breaks apart the FDI surplus between earnings reinvested abroad and those repatriated to the United States and thus subject to U.S. tax. This shows that most of this surplus comes in the form of reinvested earnings. (The sole notable exception was in 2005, as a result of the one-time repatriation holiday in that year.)

Figure 5. FDI Income Reported by U.S. Multinationals

Shares of U.S. GDP

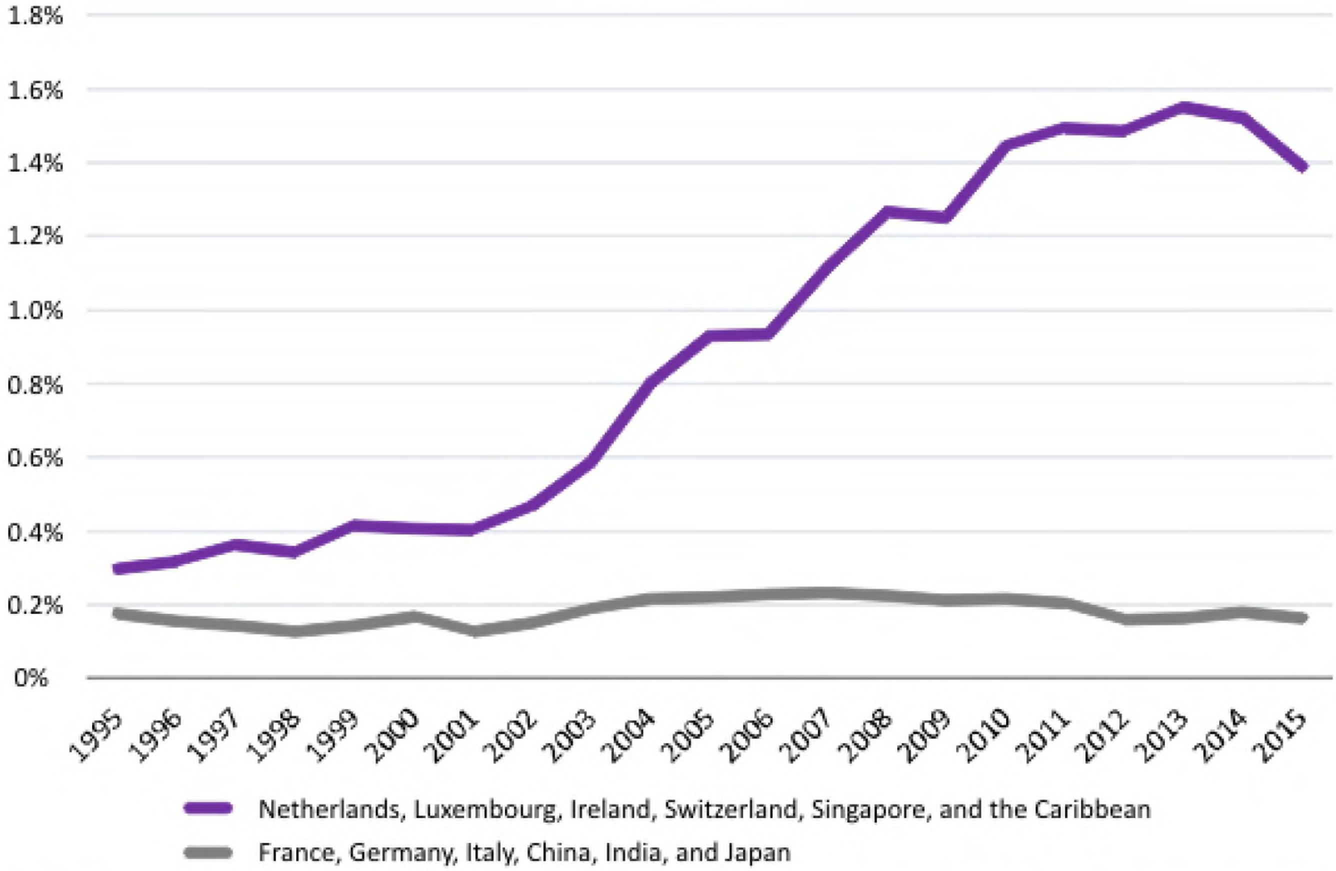


Figure 5 then compares the profits (income in "balance of payments" speak) U.S. multinationals report in a set of tax havens with the income they report in China, France, Germany, India, Italy, and Japan. There is a striking gap. The balance of payments data also suggest a strong correlation between U.S. multinationals' income in tax havens and income reinvested abroad.

To be sure, the degree to which these profits in the low-tax jurisdictions have been shifted out of the United States rather than out of the other relatively high-tax countries where U.S. companies operate is not completely clear, but it is widely thought to be substantial.[16]

Conversely, the reported return on FDI in the United States is very low. The realized return on the dividends reported in the balance of payments data — data ultimately based on tax returns — is now 2.5 percent, only a bit more than foreign investors would receive on risk-free, long-term U.S. treasury bonds. At many points in the past, the realized return was below the yield on safe U.S. assets. It is likely that foreign companies have structured their internal transfer prices to avoid reporting large profits in their U.S. affiliates by, at the margin, overstating imports.

B. Border Adjustment Revenue

Estimators should allow for the new types of gaming that might result from imposition of a border adjustment. The current estimates — by assuming that the fake trade deficit is entirely taxed — essentially presume complete elimination of those profit-shifting games and that profits associated from consumption in the United States are entirely subject to tax. This is unrealistic, even if the games might change and become harder.

It is true that one of the upsides of a border adjustment is that it is not susceptible to the same kinds of profit shifting that occur in the current source-based system, since taxes are based on place of consumption (the "destination" of products) rather than source of profits. The border adjustment itself may raise less revenue than expected as reported imports fall, but this should be offset by a rise in taxable profits of U.S. affiliates and corporations. Essentially, if an entity in the United States no longer overpays for imports from related entities, the border adjustment would raise less but total revenue would not fall, since taxable profits of the entity would rise to an offsetting degree, making up the revenue. Export revenue might rise because corporations would no longer have an incentive to export IP at fire sale prices to related foreign corporations in order to avoid U.S. taxes — but because those tax strategies have already removed profits from foreign sales out of the U.S. tax base, there would be no incremental revenue loss.

However, this all assumes that the destination-based tax cannot be gamed. And other scholars have pointed out that the destination-based tax would by no means be fully immune to the kind of gaming that has led to the development of dark matter. Those games involve essentially misreporting (or not reporting) the location of consumption when it comes to business-to-consumer transactions. (Unlike in today's system, gaming involving business-to-business transactions would not reduce U.S. revenue from a destination-based system, even if it still might cut into the revenue of other countries.) As Kimberly A. Clausing and Reuven S. Avi-Yonah expressed, "We are doubtful that the line between U.S. and foreign markets can be drawn precisely where services and intangibles are concerned, where there can be no enforcement of the tax at the border."[17] Alan J. Auerbach and co-authors, strong advocates of the tax, also make this clear, noting, "Certain forms of evasion commonly found in the VAT sphere, such as fraudulently disguising domestic sales as exports, can be expected."[18]

Consider a technology company that is providing high-profit online services. Tracking the consumption of those services is inherently a tricky endeavor, and corporations facing destination-based taxes would have an incentive to maximize the share in countries with low-tax destination-based taxes. As Daniel Hemel has pointed out, there is a game to be played by exporting software to an offshore entity that then sells the software directly to consumers, and U.S. companies could even potentially route their domestic software sales through foreign affiliates or unrelated entities to benefit from the exemption of export income from the calculation of tax.[19] In this case, the question would be how successful the United States would be at either directly taxing consumers (a use tax) or getting the foreign entities to collect the tax for the U.S. government, and it is possible — even likely — that the United States would not be wholly successful in collecting that tax.

A similar problem would arise with firms producing goods abroad and selling directly to U.S. consumers as opposed to businesses. These firms could sell directly to these consumers, and, while the border-adjusted tax should in theory apply, the United States may be challenged to effectively collect it — either having to try to pursue consumers directly or, alternatively, companies potentially with minimal or no operations in the United States.[20]

It is likely these problems and others would be less severe than the gaming in the current system. But it is certainly too optimistic to assume that the border adjustment would entirely shut down the profit-shifting games, with no tax-avoidance schemes replacing the existing ones. The current system of taxation has encouraged specific games: It has discouraged booking the profits on IP rights as exports and encouraged companies to source imports of high-margin products from low-tax jurisdictions, leading to an understatement of exports, an overstatement of some imports, high offshore profits for U.S. corporations' foreign affiliates, and low onshore profits for the U.S. affiliates of foreign companies. A destination-based system — especially one that is not adopted globally — would create incentives for new games even as it removes the incentive for some existing ones.

As David P. Hariton describes:

> Just as it is easier to spend money than to earn it, . . . it is easier to grant an exclusion of export proceeds than to collect a corresponding import tax . . . for if the rules that govern our border adjustments are relatively wooden and lacking in fact and situation specific detail, then maximizing the export proceeds exclusion will be a matter of routine tax planning while much of the purportedly offsetting import tax will slip through the government's fingers.[21]

We are confident that more careful analysis is needed to provide a realistic estimate of likely revenue. Looking at the current trade deficit as a guide for the revenue from the border adjustment is too simplistic.

IV. Deficit Hole in House Plan

Current estimates of the border adjustment are too optimistic over the next decade in light of the incentives a border adjustment would create for new tax gaming and the inevitable difficulties of policing a new system.

As described above, the pricing games being played by multinational corporations have a significant impact on the balance of payments. There is a case for eliminating many of the distortions created by the current system. But assuming that the elimination of these distortions — let alone the opportunities for new forms of gaming — has no effect on tax revenue collections is too optimistic.

To be sure, the fact that a large share of the global profits of U.S. corporations is already effectively untaxed minimizes some of the losses that otherwise would come from moving away from source-based taxation. A border adjustment might produce net revenue on an ongoing basis by shutting down games that have shifted profits on U.S. consumption (as opposed to the profits from foreign sales) abroad. But the question is the magnitude of these gains relative to the losses from the new games that will develop.

Over the long term, the border adjustment would likely produce very little revenue. Assuming an R - G of zero — consistent with the CBO's assumption in several decades — and no excess profits, the border adjustment would actually lose a small amount of revenue from taxing the trade deficit if the United States' external-debt-to-GDP ratio stays stable. Shutting down tax gaming might still produce positive revenue, but the TPC's assumption — for instance, that a border adjustment would produce revenue of 0.5 percent of GDP on a continuing basis — is certainly too optimistic.

It is then important to put this in the context of the costs of other reforms being considered, and especially the rate cuts for corporations and passthrough businesses, which would create large, permanent revenue loss. Table 2 shows the TPC's expected revenue changes from other elements of the House framework's business tax reform as a share of GDP. The TPC estimates this for two decades: 2017 through 2026, and 2027 through 2036.

As Table 2 illustrates, the House reform loses an average about 1.5 percent of GDP per year in revenue in the first decade and about 0.6 percent of GDP in revenue in the second decade — not counting the scored revenue from the border adjustment. The House plan's revenue loss is front-loaded because expensing shifts forward deductions that would eventually be taken, and the limitation on interest expense applies only to newly issued debt. The TPC then assumes that the border adjustment would raise 0.5 percent of GDP in both decades. With the border adjustment included, the business plan looks like it would lose revenue equal to 1 percent of GDP in the first decade but would be close to balance thereafter. However, these estimates overstate the border adjustment revenue over the medium term and especially the long term.

Table 2. Tax Policy Center Estimates of Cost of Business Tax Reform in the House Framework, Percentage of GDP (Average Annual)

Percentage of GDP (Average Annual)	2016-2026	2027-2036
Rate cuts for corporations and passthroughs	1.0%	1.0
Expensing and limitation of interest deduction	0.5%	0.
Other business elements	0%	0.
Total without border adjustment	1.5%	0.6
Border adjustment (TPC assumption)	-0.5%	-0.
Total with border adjustment (TPC assumption)	1.0%	0.1

Source: Authors' calculation based on TPC estimates.

V. Long-Term Projections and the Byrd Rule

Republicans have floated the idea of using the budget reconciliation process to push through tax reform. Reconciliation is a fast-track procedure that would protect legislation from filibuster in the Senate, so that passage would require only 50 votes.

However, reconciliation legislation must meet specific requirements for it not to be subject to 60-vote points of order in the Senate. As part of the Byrd rule, one of the requirements is that any title of the reconciliation legislation cannot increase the deficit in any fiscal year beyond the budget window. If there is a net increase in the deficit in a year beyond the budget window, any provision that costs money in the offending title (such as rate reductions) would be subject to a point of order in the Senate that would require 60 votes to waive; otherwise, the provision gets stripped from the legislation.

As a result, the long-term revenue implications of tax reform are important not just in judging the substance of the reform but also in terms of the procedure that may be used to pass the legislation. In judging consistency with the Byrd rule, budget scorekeepers and the Senate parliamentarian should look at the cost of the legislation in a year in which the trade deficit is on a sustainable trajectory.

This would require reasonably assuming that, at some point after the end of the budget resolution's budget window, the trade deficit would return to a sustainable level that would stabilize net borrowing from abroad as a share of the economy. Based on the TPC's analysis, this would suggest a long-term hole in the House business tax reform plan potentially in the range of 0.5 percent of GDP, assuming that the border adjustment ends up producing no net revenue. The hole in the first decade is even larger.

VI. Conclusion

In Washington, one of the main attractions of the border adjustment is that it would help pay for rate cuts. But the revenue from a border adjustment is likely being substantially overstated especially over the long term.

The destination-based cash flow tax comes with real risks in terms of its economic incidence, effects on international markets and developing countries, and possible trade retaliation. Those concerns are important and are getting increased attention. But there is also a fundamental contradiction in the way border adjustments are now being used in the House tax reform: The border adjustment would not provide much revenue to pay for rate cuts over the long term. And a destination-based system, to the extent it reduces tax competition, would also undermine a key justification for rate cuts, which is to bring U.S. statutory rates closer to those of other countries. In sum, the plan ends up revenue-short and justification-light for its substantial rate cuts.

Appendix: Sustainability Rules, Infinite Horizon

In analyzing how much revenue would be raised by a border adjustment over the long term, we focus on a stable net-debt-to-GDP ratio in the international position as a key criterion of sustainability. Other analysts have focused on what appears to be a different rule: that trade deficits must balance over time, and that a trade deficit now must be offset by a trade surplus in the future in net present value.

We believe focusing on what is required to stabilize the net-debt-to-GDP ratio is superior for a few reasons, though the two rules are consistent with each other under some assumptions.

The two rules are consistent with each other through the infinite horizon under the assumptions that the interest rate exceeds the GDP growth rate and the United States does not earn a premium on its foreign holdings as compared to foreigners' holdings in the United States.

In that case, a stable net-debt-to-GDP ratio through the infinite horizon means that net debt would approach zero in net present value (since interest would compound more quickly than GDP). Further, any increase in the "net debt" through a trade deficit must eventually be paid for by an offsetting trade surplus in net present value — since net debt must approach zero over the infinite horizon and none of the trade deficit would be financed by premiums earned on foreign holdings, by assumption.

So if those two assumptions hold, calculating the trade deficit that is consistent with a stable debt-to-GDP ratio is equivalent to calculating the trade deficits and surpluses that the United States must run annually as a share of GDP for net debt to approach zero over the infinite horizon. And any trade deficit now (and any revenue generated from it through a border adjustment) would in fact be offset in the future in net present value.

However, the sustainability rules are not consistent with each other if those two assumptions are varied. If GDP growth is greater than the interest rate on net debt, it is in fact possible for the United States to sustainably run trade deficits through the infinite horizon. The same is true if the United States in fact earns a premium on its foreign holdings.

Both of those assumptions are a focus of considerable debate. It is plausible that GDP growth would exceed the interest rate on net debt, based on the historical record, and although we doubt the United States earns a premium on its foreign holdings on a continuing basis, others are of a different view.

Thus, the sustainability rule we use is more flexible to the variance of key assumptions, even if under some assumptions it is equivalent to the other sustainability rule that some other analysts have offered.

FOOTNOTES

[1]Dan Struyven and David Mericle of Goldman Sachs have noted that trade deficits needed to generate significant revenue would imply ongoing deterioration in the U.S. net international investment position (NIIP). See Struyven and Mericle, "Can Border Adjustment Really Pay for Permanent Statutory Corporate Tax Rate Cuts?" Goldman Sachs (Jan. 31, 2017). Our report provides a more detailed examination of the issue by splitting the NIIP into a debt and an equity component and examining how the border tax might affect the "excess" returns on foreign equity investment that have offset a portion of the trade deficit in the past.

[2]See Jim Nunns et al., "An Analysis of the House GOP Tax Plan," TPC, at 9 (Sept. 16, 2016). The TPC's analysis assumes that the border adjustment raises 0.5 percent of GDP in revenue

both over the next decade (equal to $1.2 trillion in that period) and the decade after that. Because the TPC assumes that the border adjustment raises about 0.5 percent of GDP in revenue in both the current and next decades from a tax rate of 20 percent, this suggests that the TPC is assuming that the trade deficit remains at about its current level of between 2.5 and 3 percent of GDP (our calculations based on TPC data).

[3]Elena Patel and John McClelland, "What Would a Cash Flow Tax Look Like? Historical Panel Lessons," Tax Notes, Jan. 23, 2017, p. 439, at p. 443.

[4]See, e.g., Olivier Blanchard and Jason Furman, "Who Pays for Border Adjustment? Sooner or Later, Americans Do" (Mar. 8, 2017), available at https://piie.com/blogs/trade-investment-policy-watch/who-pays-border-adjustment-sooner-or-later-americans-do.

[5]Examples of such profit shifting, especially involving shifts in intellectual property offshore at fire sale prices, were highlighted in investigations of Apple Inc. and Microsoft by the Senate Homeland Security and Governmental Affairs Permanent Subcommittee on Investigations (PSI). See the May 21, 2013, report written by Sens. Carl Levin and John McCain, R-Ariz., then the chair and ranking minority member, respectively, of the PSI, at 17-37. See also the PSI hearing exhibits list, at 19-23 (2012), available at http://www.hsgac.senate.gov/download/?id=7B9717AF-592F-48BE-815B-FD8D38A71663.

[6]Unless otherwise indicated, this and all other figures in this report on the international position come from our calculations based on data from the U.S. Bureau of Economic Analysis.

[7]The current account, trade deficits, and net debt position can be analogized to government debt dynamics that are familiar to many public finance economists. The current account is akin to the total deficit (including interest payments) for the government — it is just the "deficit" for the country as a whole. And as is widely understood, the government can run deficits and still stabilize the debt-to-GDP ratio. Trade deficits are then akin to the government's primary deficit (deficit excluding interest). It is difficult to run primary deficits over time and stabilize the government's debt-to-GDP ratios.

[8]Our calculations are based on Treasury International Capital System data.

[9]See CBO, "The Budget and Economic Outlook: 2017 to 2027," supp. tbl. 3 (Jan. 2017) (listing the CBO's assumed long-term growth and interest rates).

[10]Richard Kogan et al., "Difference Between Economic Growth Rates and Treasury Interest Rates Significantly Affects Long-Term Budget Outlook," Center on Budget and Policy Priorities, at 3 (Feb. 27, 2015).

[11]The IMF assumes that the United States goes from an R-G of negative 2 percent currently to 0.8 percentage points by 2025, with R-G on an upward trajectory. IMF, "United States: 2016 Article IV Consultation — Press Release; and Staff Report," at 69 (July 2016).

[12]Ricardo Hausmann and Federico Sturzenegger memorably argued that this mystery is explained by "dark matter" — invisible assets on the U.S. international balance sheet that generate income to offset payments on the United States' obvious external debt. See Hausmann and Sturzenegger, "Global Imbalances or Bad Accounting? The Missing Dark Matter in the Wealth of Nations," Center for International Development at Harvard University working paper 124, at 1 (2006), available at http://wcfia.harvard.edu/files/wcfia/files/haussman_global.pdf.

[13]See Brad Setser, "Dark Matter: Soon to Be Revealed?" Council on Foreign Relations: Follow the Money blog (Feb. 2, 2017), available at http://blogs.cfr.org/setser/2017/02/02/dark-matter-soon-to-be-revealed/.

[14]Some of the older academic literature questioned the magnitude of that transfer pricing and its effects on the international accounts. See, e.g., Stephanie E. Curcuru et al., "On Return Differentials," Board of Governors of the Federal Reserve System, International Finance Discussion Papers, at 18 (2013), available at https://www.federalreserve.gov/pubs/ifdp/2013/1077/ifdp1077.pdf (summarizing some of this earlier literature). However, more recent studies have definitively demonstrated that there is substantial profit shifting out of the United States to low-tax jurisdictions and that the amount has been increasing. Kimberly A. Clausing, for instance, estimates that the amount of profits made in the United States and then shifted out using tax planning techniques stood at between $258 billion and $371 billion as of 2012. See Clausing, "The Effect of Profit Shifting on the Corporate Tax Base in the United States and Beyond," 69 Nat'l Tax J. 905, 918, tbl. 4 (2016). The PSI similarly found large profit shifting in investigating particular entities. See supra note 4.

[15]See, e.g., Richard Rubin, "Pfizer Piles Profits Abroad," The Wall Street Journal, Nov. 8, 2015; Tom Bergin and Kevin Drawbaugh, "How Pfizer Has Shifted U.S. Profits Overseas for Years," Reuters, Nov. 16, 2015; and Max Ehrenfreund, "How Microsoft Avoided Billions in Taxes, and What the GOP Says It Will Do About It," The Washington Post, Feb. 10, 2016.

[16]See supra note 13.

[17]Avi-Yonah and Clausing, "Problems With Destination-Based Corporate Taxes and the Ryan Blueprint," University of Michigan Law and Economics Research Paper Series no. 16-029, at 16 (2017), available at https://papers.ssrn.com/sol3/papers2.cfm?abstract_id=2884903.

[18]Auerbach et al., "Destination-Based Cash Flow Taxation," Oxford University Center for

Business Taxation working paper no. 17/01, at 30 (2017), available at http://eml.berkeley.edu/~auerbach/CBTWP1701.pdf.

[19]Hemel, "A Destination-Based Cash Flow Tax in a Digital Age (or, How to Game the House Republicans' Plan)," Medium, Dec. 20, 2016.

[20]For a description of some of the gaming across borders that has occurred in destination-based VAT systems, see Michael Keen and Stephen Smith, "VAT Fraud and Evasion: What Do We Know and What Can Be Done?" 59 Nat'l Tax J. 861 (2006).

[21]Hariton, "Planning for Border Adjustments: A Practical Analysis," Tax Notes, Feb. 20, 2017, p. 965, at p. 966.

END FOOTNOTES

RE: Miami

From: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

To: Exemption 6 [redacted]gmail.com>, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Fri, 01 Sep 2017 14:29:07 -0400

We are getting more information from them. The time on the letter says 4:30 - 5:30, but I can't imagine they want an hour-long speech. Likely there will be a few minutes intro, remarks by you for 10 - 15 minutes, and then a few questions. We will relay additional information when we receive it.

-----Original Message-----
From: Exemption 6 [redacted]gmail.com]
Sent: Friday, September 1, 2017 10:41 AM
To: Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>
Cc: Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>
Subject: Re: Miami

Not a bad idea (b) (5) [redacted]

Do we know how long?

> On Sep 1, 2017, at 7:23 AM, Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov> wrote:
>
> Did you see Jamieson's suggestion (b) (5) [redacted] That would allow you to hit those topics as well as your trade agenda.
>
> (b) (5) [redacted]
>
> Sent from my iPhone
Exemption 6 [redacted]
>
> On Sep 1, 2017, at 7:20 AM, Bob Lighthizer
Exemption 6 [redacted]gmail.com>> wrote:
>
>
> (b) (5) [redacted]
>
> Begin forwarded message:
>
> From: "Cobaugh, CC M. EOP/USTR"
<Christina.M.Cobaugh@ustr.eop.gov<mailto:Christina.M.Cobaugh@ustr.eop.gov>>
> Date: August 31, 2017 at 3:04:25 PM EDT
> To: Exemption 6 [redacted]@gmail.com>>
> Subject: RE: Miami
>
> Ambassador,
> Stewart is working with Governor Scott's team to gather additional information, but I wanted to pass along the

below.
>
> Date: October 2
> Time: 4:30 PM
> Location: InterContinental, Miami
> Participation: Your participation will take place towards the end of the summit (b) (5) [redacted]
>
> From: Cobaugh, CC M. EOP/USTR
> Sent: Tuesday, August 29, 2017 8:47 AM
> To: Exemption 6 [redacted]@gmail.com>>
> Subject: RE: Miami
>
> Yes, sir. It is on your calendar. We will work with Governor Scotts team and find out the details for you.
>
> From: Exemption 6 [redacted]@gmail.com]
> Sent: Tuesday, August 29, 2017 7:24 AM
> To: Cobaugh, CC M. EOP/USTR
<Christina.M.Cobaugh@ustr.eop.gov<mailto:Christina.M.Cobaugh@ustr.eop.gov>>
> Subject: Fwd: Miami
>
>
>
>
> Begin forwarded message:
> From: Exemption 6 [redacted]@gmail.com>>
> Date: August 29, 2017 at 7:22:23 AM EDT
> To: "Bacak, Abigail R. EOP/ Ustr" <abigail.r.bacak@ustr.eop.gov<mailto:abigail.r.bacak@ustr.eop.gov>>,
Jamieson.L.Greer@ustr.eop.gov<mailto:Jamieson.L.Greer@ustr.eop.gov>
> Subject: Miami
> Remember I have the October 2 Miami appearance with Gov Scott. Someone should find out the details

Re: Did you ever

From: jamieson.l.greer@ustr.eop.gov

To: Robert Lighthizer Exemption 6 [redacted]loud.com>

Date: Sat, 02 Sep 2017 17:07:23 -0400

I just forwarded her response to you. (b) (5) [redacted]

We have heard from multiple other trade associations asking about the rumored withdrawal from KORUS. (b) (5) [redacted]

JAMIESON L. GREER
Chief of Staff
Office of the U.S. Trade Representative
Executive Office of the President
O: 202.395.9648
Exemption 6 [redacted]

> On Sep 2, 2017, at 5:00 PM, Robert Lighthizer Exemption 6 [redacted]cloud.com> wrote:
>
> Hear back from (b) (5) [redacted]

Fwd: Fotos trilateral

From: garrison.p.griffin@ustr.eop.gov

To: Robert Lighthizer Exemption 6 [redacted]icloud.com>

Date: Tue, 05 Sep 2017 23:22:29 -0400

Sent from my iPhone
Exemption 6 [redacted]

[redacted] forwarded message:

> **From:** "Davis, Emily K. EOP/USTR" <Emily.K.Davis@ustr.eop.gov>
> **To:** "Griffin, Payne P. EOP/USTR" <Garrison.P.Griffin@ustr.eop.gov>, "Vaughn, Stephen P. EOP/USTR" <Stephen.P.Vaughn@ustr.eop.gov>
> **Subject: FW: Fotos trilateral**

From: Davis, Emily K. EOP/USTR
Sent: Tuesday, September 5, 2017 8:29 PM
To: 'Edgar de Jesús Trujillo Muñoz' Exemption 6 [redacted]economia.gob.mx>;
Exemption 6 [redacted]nternational.gc.ca
Cc: Breinig, Amelia J. EOP/USTR <Amelia.J.Breinig@ustr.eop.gov>
Subject: RE: Fotos trilateral

Thanks, Edgar! We will use these two photos.

From: Edgar de Jesús Trujillo Muñoz Exemption 6 [redacted]conomia.gob.mx]
Sent: Tuesday, September 5, 2017 8:23 PM
To: Exemption 6 [redacted]nternational.gc.ca; Davis, Emily K. EOP/USTR <Emily.K.Davis@ustr.eop.gov>
Subject: Fotos trilateral

RE: [EXTERNAL] Fwd: CFR Reminder for 9/25 DC Meeting with Representative Sander Levin

From: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

To: Robert Lighthizer Exemption 6 [redacted]icloud.com>, "Stephen P. Vaughn" Exemption 6 [redacted]gmail.com>, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Wed, 13 Sep 2017 06:24:13 -0400

You received an invite from CFR a few weeks ago (b) (5) [redacted]

[redacted]did this to us a couple of months ago – we pushed them off on an initial speaking request and they responded by sending a draft announcement with your name on it.

Jamieson

From: Robert Lighthizer [Exemption 6 [redacted]cloud.com]
Sent: Wednesday, September 13, 2017 5:24 AM
To: Stephen P. Vaughn Exemption 6 [redacted]@gmail.com>; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>
Subject: [EXTERNAL] Fwd: CFR Reminder for 9/25 DC Meeting with Representative Sander Levin

What is this?

Begin forwarded message:

> **From:** Council on Foreign Relations <dcmeetings@cfr.org>
> **Date:** September 11, 2017 at 4:17:17 PM EDT
> **To:** Exemption 6 [redacted]cloud.com
> **Subject: CFR Reminder for 9/25 DC Meeting with Representative Sander Levin**
> **Reply-To:** dcmeetings@cfr.org
>
> This email was forwarded to: abigail.r.bacak@ustr.eop.gov

WASHINGTON MEETINGS

International Trade Policy: A Conversation with Representative Sander Levin

SPEAKER

Sander M. Levin, *U.S. Representative fron Michigan (D)*

PRESIDER

Carla A. Hills, *Chairman and Chief Executi Officer, Hills & Company, International Consultants; Chairman Emeritus, Council or Foreign Relations*

Please join Representative Sander Levin for a discussion on the future of U.S. international trac policy.

ADDITIONAL RESOURCES

For further reading, please see the CFR blog *Ren America*, and Edward Alden's book, *Failure to A How Americans Got Left Behind in the Global Economy*.

Please note that this meeting will be streamed liv CFR.org. For those who are unable to participate audio and video will be posted on the CFR websit

To respond to this invitation, please click the *Reg or Decline* button, respond to this email, or call t Meetings Response Line at 202.509.8479.

INVITEE

Robert E. Lighthizer, Office of the U.S. Trade Representative

DATE AND TIME

Monday, September 25, 2017
12:00 p.m.–12:30 p.m. Lunch
12:30 p.m.–1:30 p.m. Meeting

LOCATION

Council on Foreign Relations
1777 F Street, NW
Washington, DC 20006

This meeting is on the record.

REGISTER OR DECLINE

If your contact information has changed, please update it in the Member Directory.

This invitation is not transferable. Council meetings are open only to members unless otherwise noted.

Re: What do you think? (b) (5) [redacted]

From: Robert Lighthizer Exemption 6 [redacted]cloud.com>

To: "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Sun, 17 Sep 2017 08:30:27 -0400

They are picking me up at 1:15. I'll go directly to the office.

> On Sep 17, 2017, at 8:10 AM, Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov> wrote:
>
> Yes. See you then. Would you like me to notify your detail?
>
> Sent from my iPhone
Exemption 6 [redacted]
>
>> On Sep 17, 2017, at 2:27 AM, Robert Lighthizer Exemption 6 [redacted]cloud.com> wrote:
>>
>> Can we meet at the office around 1:30? I'd like to get the csis statement in final shape. (b) (5) [redacted]
>> Bob
>>
>>> On Sep 16, 2017, at 7:19 PM, Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov> wrote:
>>>
>>> I agree. The length is about right too.
>>>
>>> The one point you could emphasize a bit more (b) (5) [redacted]
>>>
>>> You could also (b) (5) [redacted]
>>>
>>> Sent from my iPhone
Exemption 6 [redacted]
>>>
>>>> On Sep 16, 2017, at 7:14 PM, Stephen Vaughn Exemption 6 [redacted]gmail.com> wrote:
>>>>
>>>> I think this is good.
>>>>
>>>>> On Sep 16, 2017, at 5:57 PM, Robert Lighthizer Exemption 6 [redacted]cloud.com> wrote:
>>>>>
>>>>> I would like to make a few brief points and then I'm happy to answer some questions.
>>>>>
>>>>> Indeed these are interesting times for those of of who care about international trade For decades there has been eroding support among the electorate for what we call free trade. There has been a growing feeling that the system that has developed in recent years is not quite fair to American workers and manufacturing and that we need a change.
>>>>>
>>>>> In 2016 both major political parties ran candidates who to one degree or another were trade skeptics On the Democratic side, of course, we had Senator Sanders who campaigned hard on this issue. The ultimate party candidate Secretary Clinton did not espouse the trade views of her husband and for that matter of her boss when she

was secretary of state.(b) (5) [redacted]
>>>>>
>>>>> On our side the views of President Trump are well known. While some politicians can be accused of changing to populist positions to get votes, this can not be said of the President If you go back 10, 20, 30 or even 40 years, you see a remarkable consistency. He has been critical of the prevailing US trade policy, of so-called free trade deals and of their effects on workers. So we will have change.
>>>>>
>>>>> Let's talk for a second about our philosophy. In know that many believe that the prevailing world trade policy has been great for America and that those who complain are often people who are victims of economic progress. These analysts believe that the whole problem is one of getting the correct message through— really not a policy direction issue but a failure to communicate. They believe that the voters are ill informed or perhaps ignorant. If they only really understood, they would support trade agreements and the WTO.
>>>>>
>>>>> Most of you know that I am not in that group. I believe that Americans can compete successfully with anyone in the world if the conditions are fair—not of course in all sectors but in most. I believe like many here, that removing market distortions, encouraging fair completion and letting the market determine economic outcomes leads to greater efficiency and a larger production of wealth both here and abroad.
>>>>>
>>>>> I'm sure that most here also agree that many markets are not free or fair. Governments try to determine outcomes through subsidies, closing markets, regulatory restrictions and similar policies.
>>>>>
(b) (5) [redacted] what is the best thing to do in the face of these distortions to arrive at free and fair competition. I believe and I think the President believes that we must be proactive, that years of talking about these problems has not worked and that we must use all the instruments we have to convince our trading partners to treat our workers, farmers and ranchers fairly and to give them a chance to compete and that we must demand reciprocity in international markets. So expect change, expect new approaches, expect action.
>>>>>
>>>>> Second the President believes and I agree that trade deficits matter. One can argue that too much emphasis can be put on bilateral deficits but I think it is reasonable to ask when faced with decades of huge deficits, globally and with most of the world, whether the terms of trade are causing much of the problem. Now I agree that tax rates, regulations and other macro economic factors have a large affect on these numbers and the President is tackling these issues but I submit the rules of trade also matter and they can determine outcomes.
>>>>>
>>>>> In a simple example, how can one argue that if makes little difference when we have a 2 1/2 percent tariff on automobiles and other developed countries have a 10 percent tariff. That it is inconsequential when these some countries border adjust many of their taxes and we do not. Or that it is unimportant when some countries continuously undervalue their currency. Is it fair for us to pay higher tariffs to export that they pay to sell here?
>>>>>
>>>>> Third I believe that there is one challenge on the scene now that is substantially more difficult than those faced in past years. That is China. The sheer scale of their coordinated effort to develop their economy, to subsidize, to create national champions and to distort markets in China and throughout the world is a challenge to the world trading system that is unprecedented. (b) (5) [redacted] the World Trade Organization is not equipped to deal with this problem. The WTO and its predecessor the General Agreement on Tariffs and Trade were not designed to successfully manage mercantilism on this scale. We must find other ways to defend out companies, workers , farmers and indeed our economic system.
>>>>>
>>>>> Fourth, we are looking at all of our trade agreements to determine if they are working to our benefit. The basic notion in a free trade agreement is that one grants preferential treatment to a trading partner in return for an approximately equal amount of preferential treatment in their market. The object is to increase efficiency and to create wealth. It is reasonable to ask after a period of time whether what we received and what we paid were roughly equivalent. One measure of that is changes in the trade deficit. Where the numbers and other factors indicate a disequilibrium one should renegotiate.
>>>>>
(b) (5) [redacted]

>>>>>
>>>>> So we had an election. No one really ran on maintaining the status quo in trade. President Trump won. We have a different philosophy and there will be action. I look forward to working with many in this room as things develop and to returning in from time to time to assess our progress. I'm happy to take a few questions. Thanks You.

Trade advisors

From: Robert Lighthizer [redacted]cloud.com>

To: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Sun, 17 Sep 2017 15:42:25 -0400

Where are we on the [redacted] process?

Re: Energy

From: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

To: Robert Lighthizer [redacted]cloud.com>

Cc: "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Mon, 25 Sep 2017 22:28:42 -0400

[redacted]
We are collecting a few bullets for you on this point.

JAMIESON L. GREER
Chief of Staff
Office of the U.S. Trade Representative
Executive Office of the President
O: 202.395.9648
M: [redacted]

> On Sep 25, 2017, at 9:35 PM, Robert Lighthizer [redacted]icloud.com> wrote:
>
> Where are we on the [redacted] etc?

[EXTERNAL] China

From: Robert Lighthizer <Exemption 6 [redacted]cloud.com>

To: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>

Date: Fri, 13 Oct 2017 07:34:46 -0400

What has the total trade deficit with china been since 100 day deal.? What has (b) (5) [redacted]

[EXTERNAL] WTO

From: Robert Lighthizer Exemption 6 [redacted]cloud.com>

To: "Vaughn, Stephen P. EOP/USTR" <stephen.p.vaughn@ustr.eop.gov>

Date: Mon, 16 Oct 2017 22:35:02 -0400

WSJ Editorial says domestic content requirement would violate the wto. What is the theory?

[EXTERNAL] Nafta slides for briefings

From: Robert Lighthizer Exemption 6 [redacted]cloud.com>

To: "Vaughn, Stephen P. EOP/USTR" <stephen.p.vaughn@ustr.eop.gov>

Date: Tue, 17 Oct 2017 05:22:42 -0400

We also need a slide for (b) (5) [redacted]

Re: [EXTERNAL] Actpn

From: jamieson.l.greer@ustr.eop.gov

To: Robert Lighthizer [redacted]@icloud.com>

Date: Fri, 20 Oct 2017 22:14:29 -0400

On it. Resume should be enough.

JAMIESON L. GREER
Chief of Staff
Office of the U.S. Trade Representative
Executive Office of the President
O: 202.395.9648
[redacted]

> On Oct 20, 2017, at 10:13 PM, Robert Lighthizer [redacted]icloud.com> wrote:
>
>
> Please process [redacted] actpn. Let me know if I need any thing else.
[redacted]
>

Re: [EXTERNAL] We should get a response

From: Robert Lighthizer Exemption 6 [redacted]icloud.com>

To: "Vaughn, Stephen P. EOP/USTR" <stephen.p.vaughn@ustr.eop.gov>

Date: Sun, 22 Oct 2017 19:00:14 -0400

(b) (5) [redacted]

> On Oct 22, 2017, at 5:04 PM, Vaughn, Stephen P. EOP/USTR <Stephen.P.Vaughn@ustr.eop.gov> wrote:
>
> At the first NAFTA meeting, you said that over the last ten years, our trade deficit in goods with Canada was more than $365 billion.
>
(b) (5) [redacted]
>
> On Oct 22, 2017, at 4:59 PM, Robert Lighthizer
Exemption 6 [redacted]cloud.com>> wrote:
>
> . Chrystia Freeland on Fareed Zakaria on NAFTA. (b) (5) [redacted]
>
(b) (5) [redacted]

RE: [EXTERNAL] The Washington Post: Every modern, protected WiFi network is vulnerable, warns government cybersecurity watchdog

From: "Griffin, Payne P. EOP/USTR" Exemption 6 [redacted]

To: Robert Lighthizer Exemption 6 [redacted]cloud.com>

Date: Mon, 23 Oct 2017 08:58:45 -0400

Ill make sure that gets done today. Im going to meet with our IT folks (b) (5) [redacted] shortly.

-----Original Message-----
From: Robert Lighthizer Exemption 6 [redacted]cloud.com]
Sent: Monday, October 23, 2017 8:57 AM
To: Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>
Subject: Re: [EXTERNAL] The Washington Post: Every modern, protected WiFi network is vulnerable, warns government cybersecurity watchdog

(b) (5) [redacted] I would like an expert to tell us if there is something that can be done.

(b) (5) [redacted]. Should I call someone?

> On Oct 23, 2017, at 7:18 AM, Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov> wrote:
>
> There is not much you can do right now. Apple will be releasing an update to your phone and laptop that will fix this soon. Our computers at work are also being updated.
>
> I'll flag this with scott.
>
> Sent from my iPhone
Exemption 6 [redacted]
>
> On Oct 23, 2017, at 7:07 AM, Robert Lighthizer
Exemption 6 [redacted]@icloud.com>> wrote:
>
(b) (5) [redacted] There must be steps. Please ask our experts
>
> Every modern, protected WiFi network is vulnerable, warns government cybersecurity watchdog
>
>
> >http://wapo.st/2zsiboW<<
>

[EXTERNAL] China’s Road to Electric-Car Domination Driven in Part by Batteries - The Wall Street Journal.

From: Robert Lighthizer [redacted]cloud.com>

To: "Vaughn, Stephen P. EOP/USTR" <stephen.p.vaughn@ustr.eop.gov>, "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>, "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>, "Reif, Timothy M. EOP/USTR" <timothy_reif@ustr.eop.gov>

Date: Mon, 23 Oct 2017 06:43:54 -0400

(b) (5) [redacted]

China’s Road to Electric-Car Domination Driven in Part by Batteries

>https://www.wsj.com/article_email/chinas-road-to-electric-car-domination-is-driven-in-part-by-batteries-1508587203-lMyQjAxMTA3MjIwMzIyOTMyWj/<

Download the Wall Street Journal app here: WSJ.

Re: [EXTERNAL] Re: story on Lighthizer

From: jamieson.l.greer@ustr.eop.gov

To: Robert Lighthizer Exemption 6 [redacted]icloud.com>

Date: Sun, 19 Nov 2017 07:55:06 -0500

Exemption 6 [redacted]

(b) (5) [redacted]

JAMIESON L. GREER
Chief of Staff
Office of the U.S. Trade Representative
Executive Office of the President
O: 202.395.9648
M: Exemption 6 [redacted]

> On Nov 19, 2017, at 5:00 AM, Robert Lighthizer Exemption 6 [redacted]@icloud.com> wrote:
>
Exemption 6 [redacted] (b) (5) [redacted] “Sources outside the White House “?
>
> Bob
>
>> On Nov 19, 2017, at 3:55 AM, Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov> wrote:
>>
>> See below a heads up on an article that will be published on Axios re: your role in WH meetings and Asia trip (starts at the bottom). (b) (5) [redacted]
>>
>> JAMIESON L. GREER
>> Chief of Staff
>> Office of the U.S. Trade Representative
>> Executive Office of the President
>> O: 202.395.9648
>> Exemption 6 [redacted]
>>
>> Begin forwarded message:
>>
>> From: "Davis, Emily K. EOP/USTR" <Emily.K.Davis@ustr.eop.gov<mailto:Emily.K.Davis@ustr.eop.gov>>
>> Date: November 19, 2017 at 1:19:41 AM EST
>> To: "Greer, Jamieson L. EOP/USTR" <Jamieson.L.Greer@ustr.eop.gov<mailto:Jamieson.L.Greer@ustr.eop.gov>>, "Griffin, Payne P. EOP/USTR" <Garrison.P.Griffin@ustr.eop.gov<mailto:Garrison.P.Griffin@ustr.eop.gov>>
>> Subject: Fwd: [EXTERNAL] Re: story on Lighthizer
>>
>> More from Swan. I'll need to let Sarah and Hope (b) (5) [redacted] so please let me know thoughts Sunday morning. Thx
>>
>> Sent from my iPhone
>>

>> Begin forwarded message:
>>
>> From: Jonathan Swan <jonathan@axios.com<mailto:jonathan@axios.com>>
>> Date: November 18, 2017 at 11:27:34 PM CST
>> To: "emily.k.davis@ustr.eop.gov<mailto:emily.k.davis@ustr.eop.gov>" <emily.k.davis@ustr.eop.gov<mailto:emily.k.davis@ustr.eop.gov>>
>> Cc: "Hicks, Hope C. EOP/WHO" <hope.c.hicks@who.eop.gov<mailto:hope.c.hicks@who.eop.gov>>, "Sanders, Sarah H. EOP/WHO" <Sarah.H.Sanders@who.eop.gov<mailto:Sarah.H.Sanders@who.eop.gov>>
>> Subject: [EXTERNAL] Re: story on Lighthizer
>>
>> A couple extra notes, per sources who were contrasting Lighthizer's effectiveness with Navarro's:
>> - "Navarro is very ineffective as an operator in the White House. He's a professor. He's very disorganized, he doesn't have the respect of other key administration officials. They consider him a nightmare to deal with. Rob Porter hates him. Gary Cohn hates him... they think he's a leaker. They think he's the one who put out that the administration was going to pull out of NAFTA...
>> - "The point is, this has created an environment where Bannon has gone, Navarro has been sidelined, and that leaves Lighthizer as the only more hawkish trade person at that level. And so now when he's in the room as he's the one making the arguments that appeal to the president's predisposition on these issues he's going to automatically gravitate towards him."
>>
>> On Sat, 18 Nov 2017 at 5:56 pm, Jonathan Swan <jonathan@axios.com<mailto:jonathan@axios.com>> wrote:
>> Hi Emily,
>>
>> I'm writing my lead item on Amb Lighthizer for our Sneak Peek newsletter tomorrow afternoon. I'm told his stature in the WH is ascendant and that he was with the president in every meeting on the Asia trip and briefing him constantly on Air Force One as the economic lead on the trip.
>>
>> By contrast, I'm told Rex Tillerson took his own plane the whole trip.
>>
>> An informed source outside the WH told me about a consequential meeting Lighthizer held with the economic team — Gary Cohn, Mnuchin, Wilbur etc — in the Roosevelt Room prior to leaving for the Asia trip. Apparently he described China policy to date as "bullshit" and laid out the history of the last 25 years of trade policy with China.. and all the various names given to the China dialogue over every administration — Clinton, Bush, Obama etc. Eg first we called it the "x dialogue and the trade deficit was $X billion. Then we called it the xx -and the deficit grew to xxx..." It was described to me as a "change agent" speech.
>> The upshot: nothing has changed and there need to be some shocks to the China relationship to address the next steps of the trade policy. Lighthizer is winning the argument internally. No more incrementalism.
>>
>> Words use to describe him: "tough as shit", "not politically correct."
>>
>> Per multiple sources, I'm told it's unlikely anything dramatic will happen on trade or in terms of the China relationship before tax reform is done; but directionally it's still heading towards a tough place.
>>
>> Is there anything you want to add or correct/clarify for this piece?
>>
>> Copying Hope and Sarah for your situational awareness. And for any input you might want to give.
>>
>> Deadline is 2pmET tomorrow.
>>
>> Best, Jonathan, 202.390.7353
>>
>>
>> --
>>
>>
>> [A on White@1x.png]

>>
>>
>> Jonathan Swan
>>
>> NATIONAL POLITICAL REPORTER
>> jonathan@axios.com<mailto:jonathan@axios.com> | 202.390.7353
>>
>>
>> --
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>> [A on White@1x.png]
>>
>>
>> Jonathan Swan
>>
>> NATIONAL POLITICAL REPORTER
>> jonathan@axios.com<mailto:jonathan@axios.com> | 202.390.7353
>>
>>

Fwd: Meeting with Lighthizer

From: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

To: Exemption 6 [redacted]cloud.com

Cc: "Vaughn, Stephen P. EOP/USTR" <stephen.p.vaughn@ustr.eop.gov>

Date: Sat, 09 Dec 2017 11:19:35 -0500

Sen. Moran asking for a meeting with you. Moran approached Flake's office in releasing Doud.

We will find a time if you are fine with that, although the schedule is very tight for the rest of the year.

Begin forwarded message:

From: Gardner, Judd (Moran) Exemption 6 [redacted]r@moran.senate.gov]
Sent: Friday, December 8, 2017 2:57 PM
To: Bishop, Cameron M. EOP/USTR <Cameron.M.Bishop@ustr.eop.gov>
Cc: Whitfield, Emily (Moran) <Exemption 6 [redacted]moran.senate.gov>
Subject: Meeting with Lighthizer

Cameron, hope all is well. I have a couple issues I wanted to touch base with you.

Sen. Moran asked me to try to set up a meeting between him and Ambassador Lighthizer in the next couple weeks to discuss NAFTA negotiations. Do you mind sharing dates and times that might work for a meeting or point me to right person to reach out to for scheduling purposes.

Also, has USTR responded to Sen. Flake's letter on the seasonal produce negotiations in NAFTA yet? Our interest in the letter is primarily in getting Gregg Doud in place at USTR.

Thanks,
Judd

Judd Gardner
Agriculture Legislative Assistant
U.S. Senator Jerry Moran, Kansas
521 Dirksen Senate Office Building
Exemption 6 [redacted]

RE: [EXTERNAL] Fwd: REGISTRATION REQUIRED FOR ACTPN MEETING

From: "Greer, Jamieson L. EOP/USTR" <[redacted]

To: Robert Lighthizer [redacted]@icloud.com>

Date: Thu, 21 Dec 2017 08:40:26 -0500

Yes, both he and [redacted] were invited. Stewart also confirmed with [redacted] yesterday.

From: Robert Lighthizer [redacted]@icloud.com]
Sent: Wednesday, December 20, 2017 11:05 PM
To: Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>
Subject: Re: [EXTERNAL] Fwd: REGISTRATION REQUIRED FOR ACTPN MEETING

He should still be invited to the next meeting though. Same with [redacted].

On Dec 20, 2017, at 10:47 PM, Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov> wrote:

> Stewart spoke with him today. POTUS announced the intent to nominate Dan but has not yet signed the approval, so Terry McGraw's ACTPN liaison who manages the email list serve had not added him yet. Stewart contacted him today to make sure he knew when and where the meeting is going to be.
>
> Sent from my iPhone
>
> On Dec 20, 2017, at 10:18 PM, Robert Lighthizer [redacted]icloud.com> wrote:
>
>> What is this? Isn't Dan on an meeting set?
>>
>> Begin forwarded message:
>>
>>> **From:** Dan DiMicco <[redacted]outlook.com>
>>> **Date:** December 20, 2017 at 10:20:49 AM EST
>>> **To:** "robert. lighthizer" [redacted]icloud.com>, Stephen Vaughn <stephen.p.vaughn@ustr.eop.gov>
>>> **Subject: Fwd: REGISTRATION REQUIRED FOR ACTPN MEETING**
>>>
>>> I've not heard from anyone yet! I's & t's??
>>>
>>> Dan

Begin forwarded message:

From: "Dolan, Mike" [redacted]eamster.org>
Date: December 19, 2017 at 12:06:18 PM EST
To: "DiMicco Daniel [redacted]outlook.com>
Cc: "Michael Stumo [redacted]prosperousamerica.org>
Subject: FW: REGISTRATION REQUIRED FOR ACTPN MEETING

DiMicco –
Was in USTR yesterday and told Stewart how much I am looking forward to seeing you at the FIRST ACTPN MEETING OF THE TRUMP ADMINISTRATION, but she said that the I's/T's weren't dotted/crossed or something.
Please get these deets taken care of so you can join on 1/9, and let me know if there is anything I can do to help. Just bureaucratic details ...
Note registration portal below.
Dolan
[redacted]

From: Cindy Braddon -Imap [redacted]braddongroup.com]
Sent: Tuesday, December 19, 2017 11:36 AM
To: [redacted]gmail.com; 'Ajay Banga'; 'Fred Bergsten'; [redacted]bsa.org; [redacted]tic.org; 'Leo Gerard'; [redacted]kmclient.com; 'Sandy Kennedy'; [redacted]schn.com; 'Todd McCracken'; 'Matthew Rubel'; 'Terry McGraw'; 'David Segura'; 'Mark Tercek'; 'Inge Thulin'; [redacted]uaw.net; [redacted]@pvh.com
Cc: [redacted]@dtbassociates.com; [redacted]mastercard.com; 'Marisa Vincent'; [redacted]mastercard.com; [redacted]piie.com; 'jeff Shott'; 'Victoria Espinel'; [redacted]bsa.org; [redacted]bsa.org; [redacted]uaw.net; [redacted]wesselgroup.com; [redacted]@usw.org; Balicki, Gail; Dolan, Mike; [redacted]scj.com; 'Hun Quach'; [redacted]rila.org; 'Joanna Banas'; 'R. Kevin Williams'; 'Linda Krueger'; [redacted]@tnc.org; [redacted]@mmm.com; [redacted]uaw.net; Stewart.B.Young@ustr.eop.gov; 'Tiffany Vargas'
Subject: REGISTRATION REQUIRED FOR ACTPN MEETING

Dear ACTPN Members and Cleared Advisors,

Stewart Young advises that everyone must register through the WAVES system who is planning to attend the ACTPN meeting on Jan. 9th, 11 am-1pm, to be held in the Indian Treaty Room (Room 474) in the Old Executive Office Building, 1650 Pennsylvania Avenue, NW in Washington, DC. Here is the link to register for secret service clearance into the meeting: https://events.whitehouse.gov/?rid=4QF74WBDF4 .

Also below is the list of the ACTPN members who have indicated plans to attend this meeting. We will circulate the agenda in the days ahead.

Let me know if you have any questions.
Cindy

[EXTERNAL] Fwd: Hoping you will come to my Davos lunch!!

From: Robert Lighthizer Exemption 6 [redacted]cloud.com>

To: "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>, "Bacak, Abigail R. EOP/USTR" <abigail.r.bacak@ustr.eop.gov>

Date: Wed, 10 Jan 2018 20:28:45 -0500

Begin forwarded message:

From: Lally Weymouth <lally.weymouth@washpost.com>
Date: January 10, 2018 at 5:01:54 PM EST
To: "Robert E. Lighthizer" Exemption 6 [redacted]cloud.com>
Subject: Fwd: Hoping you will come to my Davos lunch!!

Hi Bob,

Hope you can come to my big annual lunch in Davos which is really

fun and an interesting mixture of leaders of technology,finance etc.

I so hope you can attend. It is Thursday at 12:15 at the Hotel Seehof,

---

Lally

Lally

Lally Weymouth
Senior Associate Editor
The Washington Post
Lally.Weymouth@washpost.com

[redacted]

Lally Graham Weymouth
Invites you to
The Washington Post- Slate - Foreign Policy
lunch
during the World Economic Forum in Davos
on Thursday, January 25th, 2018
12:15 PM to 2:00 PM
at the Hotel Seehof
in the Salon Seehorn Room

This invitation is non-transferable

[redacted]

Re: [EXTERNAL] Do we have details?

From: stephen.p.vaughn@ustr.eop.gov

To: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

Cc: Robert Lighthizer [redacted]icloud.com>

Date: Wed, 10 Jan 2018 23:41:16 -0500

When the plant was announced last year, there was speculation [redacted]

On Jan 10, 2018, at 11:35 PM, Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov> wrote:

> See below. This joint US production plant was announced in 2017, but a location had not yet been selected.
>
> https://www.reuters.com/article/us-usa-alabama-plant/toyota-mazda-announce-1-6-billion-plant-for-huntsville-alabama-idUSKBN1EZ2NE
>
> Sent from my iPhone
>
> On Jan 10, 2018, at 11:01 PM, Robert Lighthizer [redacted]icloud.com> wrote:
>
>> Cutting taxes and simplifying regulations makes America the place to invest! Great news as Toyota and Mazda announce they are bringing 4,000 JOBS and investing $1.6 BILLION in Alabama, helping to further grow our economy!

[EXTERNAL] statement

From: Robert Lighthizer <[redacted]@icloud.com>

To: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

Date: Sun, 28 Jan 2018 14:01:42 -0500

Attachments: NAFTA Statement.docx (108.25 kB)

RE: [EXTERNAL] Fwd: Greenwald lecture at Georgetown

From: "Bacak, Abigail R. EOP/USTR" <abigail.r.bacak@ustr.eop.gov>

To: Robert Lighthizer Exemption 6 [redacted]@icloud.com>

Cc: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

Date: Sun, 04 Feb 2018 21:02:30 -0500

I did a search on this event. The Greenwald event is on March 8th. It was included on the memo from IAPE (greg) this weekend. We did not respond positively or negatively to them yet. (b) (5) [redacted]

The other event was declined last week and I have followed up.

From: Robert Lighthizer [Exemption 6 [redacted]@icloud.com]
Sent: Sunday, February 4, 2018 7:21 PM
To: Bacak, Abigail R. EOP/USTR <Abigail.R.Bacak@ustr.eop.gov>
Cc: Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>
Subject: [EXTERNAL] Fwd: Greenwald lecture at Georgetown

What is this event that he thinks I speaking at?

Begin forwarded message:

From: Alan William Wolff Exemption 6 [redacted]@alanwmwolff.com>
Date: February 4, 2018 at 6:00:55 PM EST
To: Exemption 6 [redacted]icloud.com>
Subject: Greenwald lecture at Georgetown

Bob,

I understand that you will be giving the second one of these lectures. You should know that one of the lectures, not the keynote, is being delivered by Johan Human, the director of the rules division of the WTO. His thinking is in line with ours with respect to the problems that exist in dispute settlement, and as he is retiring in April, he will be very plain spoken about them.

I have not suggested that we get together for breakfast tomorrow, but if you were free and wanted to do so, just send me an email. I realize that you are quite busy and did not want to crowd your schedule.

I will be giving a lecture tomorrow night at American University which is on the relationship of US trade policy to US from policy largely since the Second world war.

Best regards

Alan

Alan Wm. Wolff

Exemption 6 [redacted]

Exemption 6 [redacted]

Exemption 6 [redacted]

Fwd: Call w/Amb. Lighthizer

From: jamieson.l.greer@ustr.eop.gov

To: Exemption 6 [redacted]cloud.com

Date: Wed, 14 Feb 2018 19:56:52 -0500

(b) (5) [redacted] Schumer wants to meet in person (i.e., after the recess).

Sent from my iPhone

Begin forwarded message:

From: "Carnegie, Ruth (Schumer)" <Exemption 6 [redacted]schumer.senate.gov>
Date: February 14, 2018 at 7:50:24 PM EST
To: "'Greer, Jamieson L. EOP/USTR'" <Jamieson.L.Greer@ustr.eop.gov>, "Bacak, Abigail R. EOP/USTR" <Abigail.R.Bacak@ustr.eop.gov>, "Mittler, Michelle (Schumer)" Exemption 6 [redacted]schumer.senate.gov>
Cc: "Jones, Teresa (Schumer)" Exemption 6 [redacted]schumer.senate.gov>
Subject: RE: Call w/Amb. Lighthizer

Good evening,

Leader Schumer would like to see Ambassador Lighthizer in person, and has asked for the meeting to be rescheduled for after the recess.

Thanks again, and have a wonderful evening!
Ruth

RE: [EXTERNAL] Fwd: Thank You: Amy Karpel for the ITC

From: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

To: Robert Lighthizer [redacted]cloud.com>, "Vaughn, Stephen P. EOP/USTR" <stephen.p.vaughn@ustr.eop.gov>

Date: Mon, 26 Feb 2018 19:27:51 -0500

I saw this article on Friday that she had been nominated.

From: Robert Lighthizer [[redacted]cloud.com]
Sent: Monday, February 26, 2018 7:23 PM
To: Vaughn, Stephen P. EOP/USTR <Stephen.P.Vaughn@ustr.eop.gov>; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>
Subject: [EXTERNAL] Fwd: Thank You: Amy Karpel for the ITC

Were you aware of this?

Begin forwarded message:

From: [redacted]@aol.com
Date: February 26, 2018 at 5:41:04 PM EST
To: [redacted]@icloud.com
Subject: Thank You: Amy Karpel for the ITC

Dear Bob,

Thank you very much for trying to help me on this ITC position.

Senator Wyden's Finance Committee staffer Jayme White called today to let me know why they wanted Amy but let me know many people said nice things about me and my competence. I will continue to contribute in other ways.

I will very much appreciate any help you can give me in staying on the State Department's Advisory Committee on International Economic Policy (ACIEP).

My best wishes for all you are doing for the Republic.

[redacted]

Inside US Trade
White House taps former USTR official for ITC
February 23, 2018

The White House today said the president would nominate Amy Karpel, a former Office of the U.S. Trade Representative official, to serve as a member of the U.S. International Trade Commission.

If confirmed, Karpel would serve for the remainder of a nine-year term ending June 2020 – succeeding F. Scott Kief, who resigned from the ITC last June.
Karpel most recently served as chief counsel for negotiations, legislation and administrative law at USTR. Before that she was director for environment and natural resources and as associate general counsel at USTR. She began working at USTR in 2004, according to the White House statement. Before that she represented U.S. companies in trade remedy proceedings as an attorney at Stewart and Stewart.

Trump has also nominated Jason Kearns, former Democratic House Ways & Means Committee chief trade counsel, to the ITC to fill the seat of former commissioner Dean Pinkert until 2024. Kearns, who was approved by the Senate Finance Committee last year, has yet to be confirmed.

Chief Advisor for Int'l Competitiveness and Innovation
Senate Committee on Finance, Democratic Staff
202-224-4515

Re: [EXTERNAL] Are Governement offices closed today?

From: stephen.p.vaughn@ustr.eop.gov

To: Robert Lighthizer [redacted]icloud.com>

Date: Fri, 02 Mar 2018 07:12:16 -0500

Yes.

> On Mar 2, 2018, at 7:11 AM, Robert Lighthizer [redacted]icloud.com> wrote:
>
> Because of wind?
>
>> On Mar 2, 2018, at 7:10 AM, Vaughn, Stephen P. EOP/USTR <Stephen.P.Vaughn@ustr.eop.gov> wrote:
>>
>> Yes.
>>
>>> On Mar 2, 2018, at 7:09 AM, Robert Lighthizer [redacted]cloud.com> wrote:
>>>
>>>

Re: [EXTERNAL] The Washington Post: China grumbles at Trump’s tariff move, but Europe takes aim at Harleys and bourbon

From: Robert Lighthizer Exemption 6 [redacted]icloud.com>

To: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

Cc: "Vaughn, Stephen P. EOP/USTR" <stephen.p.vaughn@ustr.eop.gov>

Date: Sat, 03 Mar 2018 10:57:56 -0500

(b) (5) [redacted]

> On Mar 3, 2018, at 10:34 AM, Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov> wrote:
>
> This appears to be correct. Please see below analysis from our econ team on this:
>
(b) (5) [redacted]
>
[redacted]
>
[redacted]
>
> -----Original Message-----
> From: Robert Lighthizer Exemption 6 [redacted]icloud.com]
> Sent: Saturday, March 3, 2018 7:46 AM
> To: Vaughn, Stephen P. EOP/USTR <Stephen.P.Vaughn@ustr.eop.gov>; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>
> Subject: [EXTERNAL] The Washington Post: China grumbles at Trump’s tariff move, but Europe takes aim at Harleys and bourbon
>
(b) (5) [redacted]
>
> China grumbles at Trump’s tariff move, but Europe takes aim at Harleys and bourbon
>
>
>> >http://wapo.st/2HUavQC<<
>

Fwd: Pen and Pad Transcript March 5 - USTR cleared.docx

From: jamieson.l.greer@ustr.eop.gov

To: "C.J. Mahoney" [redacted]wc.com>, jeffrey.gerrish@skadden.com, Gregg Doud [redacted]gmail.com>,[redacted]@cox.net

Date: Tue, 06 Mar 2018 11:09:05 -0500

Attachments: Pen and Pad Transcript March 5 - USTR cleared.docx (46.04 kB)

Gents, for your awareness, please see ARL's public pen and of transcript following the NAFTA round.

Sent from my iPhone

Begin forwarded message:

From: "Davis, Emily K. EOP/USTR" <Emily.K.Davis@ustr.eop.gov>
Date: March 6, 2018 at 10:33:42 AM EST
To: "Greer, Jamieson L. EOP/USTR" <Jamieson.L.Greer@ustr.eop.gov>, "Vaughn, Stephen P. EOP/USTR" <Stephen.P.Vaughn@ustr.eop.gov>, "Emerson, Jeffrey W. EOP/USTR" <Jeffrey.W.Emerson@ustr.eop.gov>, "Griffin, Payne P. EOP/USTR" <Garrison.P.Griffin@ustr.eop.gov>, "Melle, John M. EOP/USTR" <John_Melle@ustr.eop.gov>, "Watson, Daniel L. EOP/USTR" <Daniel_Watson@USTR.EOP.GOV>
Cc: "Breinig, Amelia J. EOP/USTR" <Amelia.J.Breinig@ustr.eop.gov>
Subject: Pen and Pad Transcript March 5 - USTR cleared.docx

Transcribed by MX City Embassy

USTR Lighthizer
Pen & Pad w. US Press
Round 7 Ministerial
Secratariate of Economy
Mexico City, Mexico
March 5, 2018

USTR Press/ Emily Davis at opening: ...Also seated is our chief negotiator John Melle and Chief of Staff Jameson Greer and the Ambassador...If we're ready for questions, Jake … why don't you begin us?

Q: Jake Schlesinger, WSJ -- Thank you for… hope your voice is, ok ….

A: I won't shake hands. I've infected enough people…

Q: Jake Schlesinger (cont.) – can you talk a little bit about the President's comments about how steel would somehow be part of NAFTA and that negotiating a better NAFTA would somehow spare Mexicans and Canadians the steel tariffs? How does that work? Was that something you talked about in the meeting with the ministers?

A: I did talk about it in the meeting with the ministers but also with the President and the President's idea is that we're in the process of negotiating an improved NAFTA with Canada and Mexico and that it, at the same time, makes sense since this is a major irritant, to have it be considered. So the idea was that Mexico and Canada, but perhaps other countries in other context where we have these kinds of problems would be let out of the, or at least their situation would be modified, if we get a successful NAFTA so I think it's quite consistent with what we try to do. We're trying to wrap up as many things as we can in the NAFTA context. Since this came up, really just as a matter of timing right in the middle of discussions, the President's view was it would make sense if we get a successful agreement, to have them be excluded from the relief.

Q: Jake Schlesinger, WSJ -- If I could, a quick follow up on that, how does the timing of the logistics of that work? As in do you not impose the tariffs until you see whether NAFTA is successfully completed because clearly the tariffs are going to be in place sooner or do you impose them and then say we will lift them if we're happy with NAFTA?

A: Well, I think the details of that are not really settled yet and won't be until the proclamation comes out, but presumably, there'll be some period of time between the time of the proclamation and the tariffs going into effect. That's usually the case. I think we're probably a couple of days away from the proclamation actually being signed by the President. So my hope is that we'll know where we are in NAFTA, that we'll have an agreement in principle and ideally you'd like to be in the position where there's, as you allude, sort of a seamless transition from where we are to at least a NAFTA in principle. Clearly, we're not going to get legislation through on all this kinds of things by the time this goes into effect, so you'd have to have them be out of the relief before that. Otherwise, you'd have sort of a choppy and I think, kind of a disrupted trade flow. That's certainly is our hope, but the timing's not set at this point.

Emilyl: Alright … Michael?

Q: Michael McKee, Bloomberg TV -- quick follow up on Jake's question about how will steel and aluminum figure into the national security reasons with Canada and Mexico for tariffs? And I wanted to ask you if you could give us an outline of what's happening next, you mentioned the election deadlines, do you go to Washington, is that meeting on? And then do you see if you can keep going, suspend the talks? How does it work from here on?

[Phone rings, Lighthizer jokes -- "mom calls sometimes during these things, kidding."]

A: That's a good question and we'll have to see I guess is the answer. I wanted to just lay out in my talk that I don't think people have thought about it enough. So everybody thinks about Mexico. We have the Mexican election. At some point, you can't have an agreement with somebody who's having an election a month later, or a week later or something. And for some period of time, presumably the current government has the mandate. And then we talk from time to time about what the political effects will be of the Canadian elections and there will be some, right? Because there's kind of how they relate to the United States will be a factor. But the thing I think we haven't focused on enough is the combination of our mid-term elections and the TPA timing which is very, very long. I mean it's … some of the deadlines can be shrunk from time in various ways. But even if you do that it's seven or eight months, best case scenario before you can … between agreement in principle and voting. So at some point you're voting in the next year, which is to say with a different congress. And that strikes me as important. There's some possibility that the democrats will take over the congress and even if they don't, there'll be a different make up of congress for sure. So, I just … my only point is that's something else we need to think about. We probably have a month, or a month and a half or something to get agreement in principle and go through our process and still be in a position to be when you can have a vote in a lame-duck session. And my sense is that it's legitimate to have a vote in a lame-duck session if you have an agreement that's generally accepted, that has bi-partisan support. It's the sort of thing that you would expect to have happen in a lame-duck session. So if we don't get something done in the next month or two we're going to be in a position where it's going to be pushing into next year. That does change the calculus, it seems to me. So the questions are: 1) who are we working with in terms of the Congress and remember the USTR reports to the Congress also as well as the President, but also who are we dealing with in terms of the Mexican government, right? Clearly when you get to post-Mexican government, the new president, although not in power at that point, not inaugurated yet, still has, you know, substantial equity. So that was the only thing I was alluding to … that ... and it was a very long way of saying the window is fairly short. It's not like we can do this, in my judgment, at the end of May and think we can get anything done in a normal course. That was the kind of the thing I was alluding to.

Q: Mike McKee, Bloomberg TV -- Would you consider suspending the talks until after the Mexican elections or the U.S. election?

A: You know, it's conceivable that that happens. I think that if we … we haven't made a decision. But I think you know, it's not irrational to think that you would have lower speed talks for … you know at some point, just to kinda keep the talks going and see what can be done and wait til after the elections. If we don't get something done fairly soon, presumably we'll do that, but no decision has been made on that at this point. But that clearly is a possibility, and then the question is till when? When do you start up, right? Do you start up after the election? Or do you start up after the new president's in place and has his own people in place and then the question is if you do that, what happens in the meantime? It creates a certain amount of uncertainty which is not good… not optimal for business. And it also, at some point, it's up to the President as to whether or not he wants to continue or whether he wants to consider withdrawing again, and I can't pre-judge that. But it is clear that we're not more than a couple months away from a time after which it would be impossible to have an agreement in the current context. In my judgment.

Emily: -- Alright, we're gonna to try and keep the conversation moving, so … Andrew?

Amb Lighthizer: […You ask pithy questions and I give long answers and then we say … come on!... so there we are…]

Q: Andrew Mayeda, Bloomberg -- How would you say that we should…. Mexicans responded to the idea of linking steel tariffs to NAFTA and secondly, to what extent would you consider maybe as a gesture of good faith …. to what extent would you consider excluding Canada and Mexico up front from the steel tariffs?

A: Well, I think the President's position is clear. And that is that he was only suggesting that they be excluded from the relief in the context of a successful NAFTA. At least an agreement in principle. And when you say how did they take it? I don't know. To me it's a positive thing, right? I don't know how it could be anything but a positive thing, in my judgment. It's the President realizing that the agreement is important and that there's an important negotiation going on and that this should be a positive rather than a negative part of that … but I don't know quite how they took it, I guess. But I certainly presented it as a positive thing.

Emily: Steve?

Q: Steven Liesman, CNBC -- Maybe just to continue with that idea … were you consulted as to the potential effects on the NAFTA talks from the steel and aluminum tariffs? And when you say it's a positive, is this something that you think helps you make a deal with the Mexicans and the Canadians? Does it hurt you? Is it neutral? Is it something you wanted to happen? Did you need it?

A: Well, I wouldn't say I needed it, but it's a huge potential problem and to say we can have it go away, that seems hard to interpret that any other way other than positive, so that's how I interpreted it. You have a global tariff regime and this event would not include these two countries. It has to be, to me at least, it has to be a positive. And certainly, I was consulted all the way through the whole process and talked to the President about this. It was the President's idea. It was not my idea.

Q: Steve Liesman, CNBC -- What was your response? That this would make it easier to make a deal with the Canadians and Mexicans or…

A: It's my view that it's an incentive to get a deal, yes.

Emily: Great. Leslie?

Q: Lesley Wroughton, Rueters -- I was wondering if you could just clarify something. I'm a little confused on a couple of issues. The one is .. are you saying, so does the current negotiation include a possible tariff exemption? So when you're negotiating, are you negotiating as a way that there is an exemption? If not, surely you have to plug the hole somewhere else. Number one, number two … you mention that you …

A: I'm sorry, did you say plug the hole?

Q: Leslie Wroughton (cont.) -- Yeah, otherwise, I mean, if you're not going to exempt Canada, or if you are going to exempt them, do you have to plug the hole somewhere else, you know .. do you have to move the parts? That's number one, number two, you mention the possibility of bilateral agreements. At what stage would that, is that a possibility.

A: Well, first of all on your first question, the way this regime is likely to be set up, it will be global tariffs on steel and on aluminum and the idea is that if we have a NAFTA agreement, Canada and Mexico would be excluded from those tariffs. In terms of "plug the hole", I guess I still don't understand the context of that. It clearly makes a difference, but so does every other trade irritant, right? I mean, softwoood lumber's a factor, all kinds of things, any kind of duty cases, there's a lot of things that change the economics for both sides, right? Now there's atmospherics. For example, there was a report recently that by entering into the TPP Canada is going to reduce its sales, in the opinion of the study, by 3 billion dollars from the U.S., now if that's the case, that also is, these things are all, I guess what I'm what I'm saying is that there are a thousand things being re-balanced all the time as we move along.

In terms of a bi-lateral, at this point our objective is still to have a tri-lateral agreement. If we end up with a bi-lateral, we end up with a bi-lateral. And that would only happen if one of the countries decided they wanted to come to an agreement and the other country didn't and we're not at that stage yet. But it certainly is a possibility. There are an awful lot of bi-lateral FTAs out there. The United States has a bunch of them and doesn't have very many that are pluri-lateral. So, we haven't concluded that yet. We're making headway on both sides, probably more headway with the Mexicans than we are with the Canadians. On the other hand, a lot of the issues are the same and so those issues won't be resolved probably until they're resolved altogether. I can't predict that. I was just laying it out in my statement it is a possibility and that's something the President has said from the beginning. He said the objective is to have a tri-lateral agreement and if we don't and we get a bilateral agreement, then we would go ahead on that basis if it's in the interest in the United States and in the interest, of course of whoever the other country is.

Emily: Alright. Megan?

Q: Megan Cassella, Politico – I wanted to talk about some of the most contentious issues you were just mentioning – autos and procurement dispute settlement and it seems that that they were hardly addressed this round (clarifies) – some of the ones like autos and dispute settlement, the most challenging issues….it seems like they weren't talked about very much this round, so I was wondering if you could talk about what that shows for future progress and on two of those – procurement and dispute settlement -- Canada and Mexico are starting to explore bilateral options that would work around the United States and its their position that the US doesn't really have an argument against that, so I was wondering if the U.S. would sign a deal that included major Chapters that the U.S. is not a part of.

A: Well, first of all, in terms of government procurement and dispute settlement, the idea of the Canadians and Mexicans having a separate deal, because it is an area, as you said, of disagreement, my response is they already have a separate deal, they call it TPP. So if they think TPP is inadequate or won't go into effect, then that's one thing. If their view is that TPP is a good agreement, which I think they've taken that position, I don't know. We don't think it is, but I think they both have taken that position, their dispute settlement, government procurement rights are laid out in there. By the way, so are their rule of origin rights. So my view on those things is their bi-lateral relationship is set by an agreement that they've just entered into and they're going to sign on March 8th with great fanfare. So, I don't know why they need a bilateral agreement on those unless they think that's inadequate. Now it's possible they do believe TPP is inadequate. If that's the case, they haven't talked about it yet and no one has said it to me, but absent that, those issues are resolved. So are the rules of origin. They can always fall back on TPP if TPP is beneficial to them. So, in terms of autos' rules of origin, we are meeting with auto companies and trying to work out something that we think is in everyone's interest drawing on the various proposals that people have made. You all have heard me say before that, in some ways, NAFTA has become an auto agreement. Right? Our trade deficit with Mexico and automobiles is enormous, more than 70 billion dollars. Mexico has an industrial policy, which is a wise one, which is to try to draw business, autos and auto part companies to northern Mexico to sell into the United States, right? And that's a wise thing for them to do and that's what they've done. So, adjusting those rules is one of the best ways to re-balance the agreement and that's something the President's focused on and that I have focused on and we're meeting with the companies, we want something that works for the companies and works for the three parties. But right now, Mexico sells whatever, 80% perhaps of their exports go to the United States, and Canada is even higher. So basically, with Canada we have a million car deficit on automobiles, so it's clear that autos are a huge part of the problem and you have to rebalance in that area, so we're trying to do that in a sensible way that will hopefully benefit all three, but certainly we'll work with the companies. So that's where we are on that. But as I said, I would say their rules of origin between the two of them is already set if they want to use it on TPP.

Q: Jude Webber, Financial Times -- Do you see any room for maneuver in the position that you've stated up until now on rules of origin in the interest of getting swift agreement, and then, just so that I understand correctly, is there a very real prospect that we might not get an agreement on the 24 outstanding chapters in the next two months? And if we don't do that, then there's a very real prospect of going to a, kind of a pause. In that case, then going back to the steel question, tariffs would be in place for Canada and Mexico, is that right?

A: That's correct. Generally, on timing, the reality is that these things come-- you've all done negotiations, they don't sort of go like that. Everybody kind of moves, then you realize that you have something; they tend to go together in a great rush at the end, right? So it's not like these other, you say 24, they may end up being 33 chapters, I mean, it's not entirely set. These last 24 or 27 chapters, there's a lot of work being done on them. So it's the kind of thing that could be resolved fairly quickly, if it came to that. And our objective really is to work more or less continuously. We've had these rounds. If you take a step back, and think how negotiations are generally done, they're kind of like a round three months, and a round three months… it takes a lot of time but it does bring people together. Because they're meeting and talking in long periods of time. And compromise and speed are at tension with each other in these areas, they are in all other areas. So I think you're going to see, if we're going to get agreement, you're going to see things come together quickly at the end. And that's possible because enormous amounts of work are being done in the meantime. And we want to continue to work continuously. We will certainly talk to our counterparts every few days between now and whenever that time is that this can't work anymore. And that to me is not a date I can set, but notionally, you know when it is. So we're going to be in contact literally every couple of days with all of these people until we get to the deadline. And if we get close and we have a possibility of things converging, then they'll converge very quickly and we'll have an agreement in principle. That starts our process, right? That starts our several months process.

Q: Jude, Financial Times – but my question is about rules of origin and your position, which you've made clear, is there any room for maneuvering – in the interest of getting a swift agreement, is their any room for maneuvering?

A: You mean, will I compromise? I'm compromising with you here today. Of course the United States is going to compromise. Our objectives are clear, right? This is a very unbalanced agreement on automobiles. It just is. And if you look at what's happening, you've been in Mexico, a lot of the cars that are coming in, the U.S. content is shrinking, shrinking, shrinking. If you look at Canada, Canada's content in their cars is shrinking, shrinking, shrinking. And if you said "well, that's normal, that's what economics call for." Then my response would be "I agree with that. That's what should happen." But, then, why do you need NAFTA? What we're saying here is I'm giving you an agreement that's facilitating that. If you're using basic MF, GATT and WTO trade, and that's what happens, then that's the laws of economics. Then, so be it, right? But if you're doing something in an agreement that's facilitating that, then that strikes me as something we have to worry about. And I've tried to make that distinction from the beginning. We're not against the laws of economics. We're just not in favor of doing anything to tip the scale against the interest of our workers and farmers in that process. And I really think it's important for people to think about it in that way. Mexico has certain advantages. And to the extent they have those advantages, then they ought to take advantage of them. And sell cars in the United States and anywhere else they can. To the extent that that is accelerated by something in this agreement, then that's something that we have to reconsider. And what I believe, what the President believes, is that there are things in this agreement that are having that effect. And to the extent we can rebalance, we have an obligation to your workers to do it. And to the extent the other side's view is "these are the laws of economics," then they can operate on MF and trade. Nothing's going to stop them from paying a 2.5 per cent tariff and coming in, just like anybody else in the world can do. Or in the case of trucks, of course, you know, it's a much higher tariff. But, we're not against the laws of economics. We just don't want to do anything that's going to make them play more against our workers.

Emily: We are running short on time. Elizabeth?

Q: Elizabeth Malkin, New York Times – Very quickly: first of all, could you describe the mood at these talks when the proposed steel and aluminum tariffs were announced? Did the Mexicans and Canadians give any indication that they were unhappy about this in talks that it would affect the talks? The second question, somewhat related is, if you're saying that, in fact, this is an incentive for Mexico and Canada to wrap things up fairly quickly so that they would be exempt from the tariffs, you could also make an argument that, in another month, other tariffs would be imposed by the President in order to try to keep pushing them on and that would be seen as bad faith. So how does that work? We're talking about something that was introduced in the middle of the negotiations, not at the beginning.

A: Well, I mean, this is, the purpose I don't necessarily think that 232 is going to have any particular effect on speed or timing… I mean the timing is going to be set by the things we talked about over here or to me. And I think there'll be some reasonable amount of time to get these trade actions put into place, number one. Number two, things happen in the middle of every negotiation. That's what I was trying to say. People file antidumping cases. People sign other trade deals that change the economics for us. That kind of thing happens all the time. And in terms of their affecting the talks, my position, and I think the position of both the other Ministers is on 232 they'll look and decide what rights they have under the WTO, under their own laws, to act in any way that they think appropriate, right? That's what I would expect them to do, that's what they will do. And then we'll look at that and make our own judgements. I mean that's what all sovereign countries are going to do, that's what they're going to do. Our hope is that, it's the President's view that if this is all going to work out together, it's sensible to have it be resolved in this context, it's just the sensible thing to do given where we are, and in terms of our legal process and in terms of the negotiation.

Q: Mark Stevenson, AP -- How can this not be seen – the steel and aluminum tariffs – as arm twisting? Or as heavy-handed practice? And you mentioned that you've been able to make more headway with the Mexicans than with the Canadians. What kind of issues were there? Because I could imagine that the Canadians are standing tough on dispute resolution, but have there been areas where Mexico has been more flexible?

A: I don't want to talk about who's been more flexible. That's probably not helpful. In terms of arm-twisting, the idea that this 232 was brought because of this negotiation, is just totally unrelated, right? This a process was begun whenever it was begun, several months ago. They're up against a deadline when the President has to make his decision based on statutes that… the report was turned in, he has ninety days to make his decision, it has really nothing to do with this at all, plus this is a global response to what is thought to be an important national security process. It really is total coincidence. It's really not… I mean I can see how somebody might think that on the surface, but the reality is that they're just totally unrelated things and, given that context, the President's view is that why don't we try to resolve both in NAFTA if you're going to resolve NAFTA. It's a coincidence of timing, unrelated, way, way beyond the NAFTA agreement. It's a global thing.

Q: Brett Fortnam, Inside U.S. Trade – yes, on two issues you addressed in your statement: on procurement: do you have a response to the business community that has said that the US procurement offer will actually reduce the market access that US businesses currently enjoy in Mexico and Canada, and on autos, there were meetings last week with the stakeholders that the US chief auto negotiator was called back to DC, can you tell us a little about that meeting and what was achieved and if that has helped push forward the NAFTA talks? And you mentioned flexibility in autos, are you still saying that there needs to be a country specific content requirement?

A: First of all, in government procurement, it doesn't make any sense to make people who say… I didn't think people would be saying that there would be less U.S. market access to Mexico and Canada as a result of this proposal, that's just a complete misunderstanding of this proposal. The whole proposal is that we give the Mexicans and the Canadians the same amount of access that they're giving us. So, it's not a question of having the same amount of sales, it's the same amount of access. So, right now, Canada gives us eight billion dollar's worth of access to their market. They say "you can bid on 8 billion dollars worth of government procurement." And we say "OK, thank you very much. You can bid on 200 billion dollars worth of ours." Right? Does that make any sense? It doesn't make any sense to me. In the case of Mexico the numbers are bigger, substantially bigger. Largely because they have energy and it's a whole different structure, but in that case, it's forty billion dollars. So, in no way, does this proposal shrink the amount of sales that the U.S. has an option on, or the amount of bidding that it can do. Exactly the contrary. Our view is we're giving you 200 billion dollars' worth of business Canada, you've got much more than 8 billion dollars' worth of government procurement, much more: you have provincial procurement, you have all kinds of other procurement that's not included…

Q: Brett Fortnam – But Mexican companies are winning bidding contracts in the U.S.… that's what the business community's been arguing.

A: I don't understand. Tell me how you think that relates to what I just said. I'm missing that.

Q: Brett Fortnam -- The idea is: why does the US need Mexico to open up more than the 8 billion, if the Mexican companies aren't…

A: The eight billion, I'm sorry, the eight billion is Canada. It's probably more like 40 billion in the case of Mexico. And what we're saying is if you're gonna give us access, not sales, but access, if you're gonna say you can bid on 40 billion dollars, then you can bid on 40 billion dollars. It is not gonna reduce our access at all. Our hope is that it will have the other governments decide to put more of their held-back procurement on the table. And it makes no sense that we go in there and give them 20-year, 30 times more access than they give us, in our opinion. Now, there was a misunderstanding, that's why I was asking, at a point there was a misunderstanding, sort of said, oh well, they only give us the same number of dollars that we get. That was never our proposal. To my mind, it wouldn't make any sense. It would be almost impossible to figure out a way to regulate it. But it is not difficult to say, "Here, this is the stuff you can bid on." Right? I'm just saying the stuff you want to bid on for us, give us an equal amount of access to your market. Don't hold back and say, here's our eight and here's your 200. It doesn't make any sense to me. I want American businesses to have the same access and have to compete, be able to compete, in those markets against Buy Canada or Buy Mexico to the same extent that they have that benefit against Buy America. But there was a huge misunderstanding but I, sort of… anyway, that's more or less….. Josh [Partlow], did you want to add something?

Q: Josh Partlow, Washington Post -- Did you recommend to President Trump that he not make the announcement for this round of talks?

A: Did he make the announcement on Tuesday?

A: No. It's really that he hasn't really made it… He's running up against his own deadline, that's what will be in the next few days, based on the timing of when the report came out. And, from my point of view, I raised it with him just in the context of "Ok, now I'm going to NAFTA, how do you think these things relate?" And the President's view was "this is how they relate in my opinion: if you have a good agreement and one that you think helps us, then we ought to let Mexico and Canada out of the 232." That was the President's decision, the Presidents response to my question. His view is that this will help the process, right? So…

Emily: We have to wrap…

Q: Steve Liesman, CNBC – when did you have that conversation [you had with President Trump on tariffs].

A: It was a couple of days ago, in anticipation of coming here…

Emily: Thank you all very much.

Q: Jake Schlesinger, WSJ -- When will you schedule the next round?

A: [inaudible] …I think we're going to work more or less continuously.

###

FW: [EXTERNAL] Also

From: "Greer, Jamieson L. EOP/USTR" Exemption 6 [redacted]

To: "Mahoney, C. J." Exemption 6 [redacted]wc.com>

Date: Wed, 14 Mar 2018 09:21:21 -0400

Same (b) (5) [redacted]

-----Original Message-----
From: Bob Lighthizer [Exemption 6 [redacted]gmail.com]
Sent: Wednesday, March 7, 2018 5:51 PM
To: Vaughn, Stephen P. EOP/USTR <Stephen.P.Vaughn@ustr.eop.gov>; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>
Subject: [EXTERNAL] Also

(b) (5) [redacted]

FW: [EXTERNAL] How Cellphone Chips Became a National-Security Concern - The Wall Street Journal.

From: "Greer, Jamieson L. EOP/USTR" <Exemption 6 [redacted]

To: "Mahoney, C. J." Exemption 6 [redacted]@wc.com>

Date: Wed, 14 Mar 2018 09:21:03 -0400

(b) (5) [redacted]

From: Robert Lighthizer [Exemption 6 [redacted]icloud.com]
Sent: Wednesday, March 7, 2018 5:49 PM
To: Vaughn, Stephen P. EOP/USTR <Stephen.P.Vaughn@ustr.eop.gov>; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>
Subject: [EXTERNAL] How Cellphone Chips Became a National-Security Concern - The Wall Street Journal.

[redacted] (b) (5) [redacted]

How Cellphone Chips Became a National-Security Concern

>https://www.wsj.com/articles/how-cellphone-chips-became-a-national-security-concern-1520450817?emailToken=8b6c3065cc91c4f1fa5d6a2b64f68c2fKZwG8%2F5dYJ8TT%2FCjtetqKlauDuDqM%2BaHKRMT8FfnE82VXdEBPBkqUQzM9dtY6gVy057Xi3vvrbLUDsBT7YH7%2BLbo9PQc9cSCV2BcBVmsj2FvqCYHQXvsy53Os6dRRjNE<

Download the Wall Street Journal app here: WSJ.

Re: [EXTERNAL] From Axious

From: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

To: Robert Lighthizer Exemption 6 [redacted]icloud.com>

Cc: "Vaughn, Stephen P. EOP/USTR" <stephen.p.vaughn@ustr.eop.gov>

Date: Tue, 20 Mar 2018 07:03:13 -0400

Attachments: Image-1.jpg (555.8 kB)

From our Econ team in the ITC report:

The ITC's 2011 study examined (a) losses to copyright piracy, trademark and patent infringement, and misappropriation of trade secrets, and (b) "indigenous innovation" policies meant to displace international or U.S. business in favor of Chinese firms (in particular subsidies of various sorts and China-specific technical standards) as opposed to policies specifically designed to acquire technology.

(b) (5) [redacted]

(b) (5) [redacted]

Sent from my iPhone

On Mar 20, 2018, at 3:29 AM, Robert Lighthizer Exemption 6 [redacted]icloud.com> wrote:

> What of the itc study
>
> <Image-1.jpg>

AXIOS

Pirated CDs and DVDs in Taiyuan, China. Photo: Jie Zhao / Corbis via Getty Images

U.S. companies have long decried Chinese theft of their intellectual property. In August 2017, the U.S. Trade Representative (USTR) launched an investigation into China's intellectual property policies and practices, which is set to conclude before August 2018.

Why it matters: It is unclear whether the Trump administration intends to move against China without first going to the WTO. If so, it might argue that its concerns about China's intellectual property policies and practices do not involve a WTO trade agreement. How the administration finesses this issue could affect the WTO's ability to resolve future trade disputes.

The backdrop:

- In 2011, the U.S. International Trade Commission (ITC) published a report about the impact on U.S. companies of China's foreign technology acquisition policies as well as its lax intellectual property enforcement. U.S. companies reported that these policies and practices had cost them sales, profits and royalties.
- The ITC found that if China matched U.S. levels of intellectual property protection, it would likely create 923,000 U.S. jobs and increase U.S. exports and affiliated sales to China by approximately $107 billion per year.
- Section 301 of the Trade Act of 1974 authorizes USTR to respond to a foreign country's unfair trade practices, subject to direction from the president.

But, but, but: For cases involving a trade agreement, the authoritative interpretation of U.S. obligations established during the Clinton administration requires USTR to employ the dispute resolution procedures under the trade agreement before taking any action under Section 301. In other words, the U.S. committed to avoiding unilateral approaches wherever possible.

What's next: Watch for whether USTR's chosen remedies place heavy reliance on tariffs, which are subject to specific WTO commitments, or feature more unconventional tools (such as export restrictions). Another possible outcome would be the use of Section 301 to set the stage for a fresh round of negotiations on the need

[EXTERNAL] Fwd: Just back from Bj.

From: Robert Lighthizer Exemption 6 [redacted]cloud.com>

To: "Vaughn, Stephen P. EOP/USTR" <stephen.p.vaughn@ustr.eop.gov>, "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

Date: Tue, 27 Mar 2018 12:23:27 -0400

Begin forwarded message:

From: "Susan C. Schwab" Exemption 6 [redacted]umd.edu>
Date: March 27, 2018 at 7:47:58 AM EDT
To: Robert Lighthizer Exemption 6 [redacted]icloud.com>
Cc: abigail.r.bacak@ustr.eop.gov
Subject: Just back from Bj.

Hi, Bob.
Got back late night (w a different phone) interesting visit. If you'd like a quick debrief for yourself or someone else @ ustr, let me know. Phone would do, although I'm at the Willard all day today at a conference if one of your team wanted to swing by.
Best,
S.

Amb. Susan C. Schwab
Professor, University of Maryland
Strategic Advisor, Mayer Brown LLP

On Mar 7, 2018, at 9:43 PM, Robert Lighthizer Exemption 6 [redacted]cloud.com> wrote:

> Susan
>
> It would be great to get together. A lot is going on. I've asked Abbey to reach out and schedule a meeting.
>
> Bob
>
> On Mar 6, 2018, at 5:20 PM, Susan C. Schwab Exemption 6 [redacted]umd.edu> wrote:
>
>> Hi, Bob.
>> I know you have lots of your plate, but I'm speaking in few weeks on trade and on global value chains at several conferences in Beijing. And it has been a long time since we've talked.
>> If you have time to chat betwee now and March 16, that would be great. If not, who on your team would you recommend I speak with to get caught up on your thinking before I leave?

Best,
Susan

Amb. Susan C. Schwab
Professor, University of Maryland
Strategic Advisor, Mayer Brown LLP

Re: [EXTERNAL] Fwd: AgResource Mid-Day Market Commentary for 4/4/2018

From: Gregg Doud Exemption 6 [redacted]gmail.com>

To: "Bomer Lauritsen, Sharon E. EOP/USTR" <sharon_e_bomerlauritsen@ustr.eop.gov>

Cc: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

Date: Wed, 04 Apr 2018 20:35:56 -0400

Nearby lean hog futures have fallen from $68 to $53 in the past month (b) (5) [redacted]

Sent from my iPhone

On Apr 4, 2018, at 7:55 PM, Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov> wrote:

> Hog futures up 2.27% today
>
> (b) (5) [redacted]
>
> ---
>
> **From:** Greer, Jamieson L. EOP/USTR
> **Sent:** Wednesday, April 4, 2018 7:44 PM
> **To:** Gregg Doud Exemption 6 [redacted]mail.com>
> **Cc:** Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>
> **Subject:** Re: [EXTERNAL] Fwd: AgResource Mid-Day Market Commentary for 4/4/2018
>
> Is this correct?
>
> > And the hog market is rallying as traders understand that US pork processor and exporter – Smithfield Foods – won't be impacted as its owned by a Chinese company. China is nationalistic and they won't tax their own operations.
>
> Sent from my iPhone
>
> On Apr 4, 2018, at 1:26 PM, Gregg Doud Exemption 6 [redacted]gmail.com> wrote:
>
> > And the hog market is rallying as traders understand that US pork processor and exporter – Smithfield Foods – won't be impacted as its owned by a Chinese company. China is nationalistic and they won't tax their own operations.

Fwd: [EXTERNAL] Plans for tomorrow

From: jamieson.l.greer@ustr.eop.gov

To: [redacted]cloud.com

Date: Wed, 04 Apr 2018 07:14:16 -0400

Ken Smith it willing to meet with John this AM.

Sent from my iPhone

Begin forwarded message:

From: "Melle, John M. EOP/USTR" <John_Melle@ustr.eop.gov>
Date: April 4, 2018 at 7:03:24 AM EDT
To: "Mahoney, C.J. J. EOP/USTR" <Curtis.J.Mahoney@ustr.eop.gov>, "Greer, Jamieson L. EOP/USTR" <Jamieson.L.Greer@ustr.eop.gov>
Cc: "Watson, Daniel L. EOP/USTR" <Daniel_Watson@USTR.EOP.GOV>
Subject: Fwd: [EXTERNAL] Plans for tomorrow

Here is Ken Smith saying he cannot meet before ministers meet today. We had conveyed our meeting request mid-day yesterday.

[redacted]

[redacted]

[redacted]

Reactions?

Begin forwarded message:

From: Kenneth Patrick Smith Ramos [redacted]economia.gob.mx>
Date: April 4, 2018 at 12:00:32 AM EDT
To: "Melle, John M. EOP/USTR" <John_Melle@ustr.eop.gov>
Cc: [redacted]@naftamexico. net" [redacted]@naftamexico.net>
Subject: Re: [EXTERNAL] Plans for tomorrow

We have a briefing with our Secretary at 9:00 prior to the meeting at USTR. We could think about meeting right after the Ministerial meeting if that works for you.

Thanks,
Ken

On Apr 3, 2018, at 11:08 PM, Melle, John M. EOP/USTR <John_Melle@ustr.eop.gov> wrote:

I was hoping we could meet at 9.

> On Apr 3, 2018, at 11:06 PM, Kenneth Patrick Smith Ramos Exemption 6 [redacted]economia.gob.mx> wrote:
>
> Hi John,
>
> I am still with Secretary Guajardo and have not been able to call you. Would you be available for a call tomorrow at 9:00, before the Minister's meeting?
>
> Thanks,
>
> Ken

Re: [EXTERNAL] The Washington Post: What’s inside made-in-China electronics should worry federal customers, study says

From: "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>

To: Bob Lighthizer Exemption 6 [redacted]@gmail.com>

Cc: "Vaughn, Stephen P. EOP/USTR" <stephen.p.vaughn@ustr.eop.gov>

Date: Fri, 20 Apr 2018 06:37:17 -0400

(b) (5) [redacted]

Sent from my iPhone

> On Apr 20, 2018, at 3:56 AM, Bob Lighthizer Exemption 6 [redacted]gmail.com> wrote:
>
> I would like a brief summary of this report (b) (5) [redacted]
>
> What’s inside made-in-China electronics should worry federal customers, study says
>
>
>> https://wapo.st/2HbKVd0<
>

Fwd: Amb. Lighthizer

From: jamieson.l.greer@ustr.eop.gov

To: [redacted]gmail.com

Date: Fri, 20 Apr 2018 06:39:36 -0400

The cell # for Pelosi's chief, Danny Weiss, [redacted]. You can call him at your convenience.

Sent from my iPhone

Begin forwarded message:

From: "Weiss, Daniel" <[redacted]mail.house.gov>
Date: April 19, 2018 at 11:58:43 PM EDT
To: "Greer, Jamieson L. EOP/USTR" <Jamieson.L.Greer@ustr.eop.gov>
Subject: Re: Amb. Lighthizer

I would be happy to speak with him Friday at his convenience.
[redacted] is easiest number to reach me on. Or I can just try him in the morning at the number you supplied.
Thank you.

Danny Weiss
Chief of Staff, Leader Pelosi
([redacted]

On Apr 19, 2018, at 7:25 PM, Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov> wrote:

You can also call Amb. Lighthizer directly on his cell [redacted]

From: Greer, Jamieson L. EOP/USTR
Sent: Thursday, April 19, 2018 7:02 PM
To: [redacted]mail.house.gov>
Subject: Amb. Lighthizer

Danny,

I'm reaching out because Amb. Lighthizer would like to speak with you. He has asked for a call with the Leader but the office has not given a time when he can call. What is the best number where he can reach you?

Jamieson

JAMIESON L. GREER

Re: [EXTERNAL] Fwd: Statement from Ambassador Lighthizer

From: jamieson.l.greer@ustr.eop.gov

To: Robert Lighthizer Exemption 6 [redacted]cloud.com>

Date: Sun, 20 May 2018 20:51:42 -0400

Right. He is misinterpreting. Jeff Emerson talked to him to make the point.

Sent from my iPhone

On May 20, 2018, at 8:39 PM, Robert Lighthizer Exemption 6 [redacted]cloud.com> wrote:

> I'm not contradicting Mnuchin. Im merely interpreting where we are in the China negotiations. Please let him know that. Steven said nothing to the contrary.
>
> On May 20, 2018, at 3:17 PM, Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov> wrote:
>
>> Bob Davis is interpreting your statement as contradicting Mnuchin. Anything we want to say? We could point him back to statement following the China trip discussing cooperation between agencies and say that this is still the case.
>>
>> Sent from my iPhone
>>
>> Begin forwarded message:
>>
>>> **From:** "Davis, Bob" <bob.davis@wsj.com>
>>> **Date:** May 20, 2018 at 3:01:45 PM EDT
>>> **To:** "Greer, Jamieson L. EOP/USTR" <jamieson.l.greer@ustr.eop.gov>
>>> **Subject: [EXTERNAL] Fwd: Statement from Ambassador Lighthizer**
>>>
>>> Here's where I am going with this. Again, love to discuss with USTR.
>>> Bob
>>>
>>> Bob Davis
>>> Senior Editor, Wall Street Journal
>>> 202-862-6646 – office
>>> 202-669-0555 – mobile
>>> @bobdavis187 - Twitter
>>> bob.davis@wsj.com
>>>
>>> ---------- Forwarded message ----------
>>> From: **Davis, Bob** <bob.davis@wsj.com>
>>> Date: Sun, May 20, 2018 at 3:00 PM
>>> Subject: Re: Statement from Ambassador Lighthizer
>>> To: "Emerson, Jeffrey W. EOP/USTR" <Jeffrey.W.Emerson@ustr.eop.gov>

I am interpreting this as Lighthizer contradicting -- or correcting-- Mnuchin on tariffs. Also making clear that fundamental reform is the goal of the talks, not just trade deficit reduction, which is Mnuchin's strategy. Clear indication of the split in the administration.
I'd like to discuss with someone.
Bob

Bob Davis
Senior Editor, Wall Street Journal
202-862-6646 – office
202-669-0555 – mobile
@bobdavis187 - Twitter
bob.davis@wsj.com

On Sun, May 20, 2018 at 1:04 PM, Emerson, Jeffrey W. EOP/USTR <Jeffrey.W.Emerson@ustr.eop.gov> wrote:

Wanted to make sure you got this

Jeff Emerson
Assistant USTR for Public & Media Affairs

Statement from United States Trade Representative Robert Lighthizer Regarding China Trade Consultations

"The United States has agreed on a framework to address the very serious issues raised in the Section 301 report. Real work still needs to be done to achieve changes in a Chinese system that facilitates forced technology transfers in order to do business in China and the theft of our companies' intellectual property and business know how. Getting China to open its market to more U.S. exports is significant, but the far more important issues revolve around forced technology transfers, cyber theft and the protection of our innovation.

"As this process continues the U.S. may use all of its legal tools to protect our technology through tariffs, investment restrictions and export regulations. Real structural change is necessary. Nothing less than the future of tens of millions of American jobs is at stake."

###

Fwd: BRT urges Lighthizer to stop blocking NAFTA deal

From: jamieson.l.greer@ustr.eop.gov

To: Exemption 6 [redacted]cloud.com

Cc: Exemption 6 [redacted]gmail.com

Date: Tue, 05 Jun 2018 12:27:38 -0400

Draft response below for your approval. (b) (5) [redacted].

From: "Davis, Emily K. EOP/USTR" <Emily.K.Davis@ustr.eop.gov>
Date: June 5, 2018 at 12:06:38 PM EDT
To: "Emerson, Jeffrey W. EOP/USTR" <Jeffrey.W.Emerson@ustr.eop.gov>, "Greer, Jamieson L. EOP/USTR" <Jamieson.L.Greer@ustr.eop.gov>, "Walters, Gregory M. EOP/USTR" <Gregory.M.Walters@ustr.eop.gov>
Subject: RE: BRT urges Lighthizer to stop blocking NAFTA deal

Current draft of response:

(b) (5) [redacted]

- U.S. Trade Representative Robert Lighthizer

From: Doug Palmer <dpalmer@politico.com>
Sent: Tuesday, June 5, 2018 12:00 PM
To: Emerson, Jeffrey W. EOP/USTR <Jeffrey.W.Emerson@ustr.eop.gov>; Davis, Emily K. EOP/USTR <Emily.K.Davis@ustr.eop.gov>
Cc: Adam Behsudi <abehsudi@politico.com>; Megan Cassella <mcassella@politico.com>
Subject: Re: BRT urges Lighthizer to stop blocking NAFTA deal

Sorry, just noticed this...

U.S. Trade Representative Robert Lighthizer "is pursuing some negotiating objectives that seem to be really holding up the negotiations," Joshua Bolten, president and CEO of the

Business Roundtable, told reporters on call to discuss the group's latest quarterly survey results. "(Those objectives) are not only opposed by the Canadians and the Mexicans, they're opposed by the overwhelming majority of the U.S. business community."

"Our call to the U.S. trade representative is those things that you're holding out for not only aren't necessary, but they don't improve NAFTA. They degrade it," Bolten said. "There's a good deal on the table (without those provisions), and we ought to take the time to harvest that deal."

... later he added ...

"The trade representative just shouldn't be sticking stubbornly to issues that" stand in the way of Trump fulfilling his promise to improve NAFTA, Bolten said.

DIMON also called some statement that Lighthizer made about the trade deficit "absurd," but my recording is really bad and I couldn't hear enough of it to really characterize what he was talking about. So I've left that out. For now at least.

Re: [EXTERNAL] Fwd: Christopher C. Cuomo Tweeted: Sounds like something WH would say.

From: jamieson.l.greer@ustr.eop.gov

To: Robert Lighthizer Exemption 6 [redacted] icloud.com>

Date: Thu, 07 Jun 2018 21:38:25 -0400

This is a tweet from 3 days ago (b) (5) [redacted] White House circulated the graphic and our person tweeted out (same day as KORUS one). (b) (5) [redacted]

Sent from my iPhone

On Jun 7, 2018, at 9:17 PM, Robert Lighthizer Exemption 6 [redacted] cloud.com> wrote:

See Ustr tweet. (b) (5) [redacted]

Begin forwarded message:

From: Twitter <info@twitter.com>
Date: June 7, 2018 at 9:17:00 AM EDT
To: Robert Lighthizer Exemption 6 [redacted] cloud.com>
Subject: Christopher C. Cuomo Tweeted: Sounds like something WH would say.

https://twitter.com/scribe/ibis?t=1&cn=ZmxleGlibGVfcmVjcw%3D%3D&iid=af7dc6f9dda741c0bd2ca7405702b67f&uid=863357545947308033&nid=244+20--<>

15

Your Highlights

https://twitter.com/scribe/ibis?t=1&cn=ZmxleGlibGVfcmVjcw%3D%3D&iid=af7dc6f9dda741c0bd2ca7405702
--<>

https://twitter.com/scribe/ibis?t=1&cn=ZmxleGlibGVfcmVjcw%3D%3D&iid=af7dc6f9dda741c0bd2ca7405702
0--<>

Christopher C. Cuomo
@ChrisCuomo

Re: [EXTERNAL] Wall Street Firms Face a New $15 Billion Hurdle in China - The Wall Street Journal.

From: jamieson.l.greer@ustr.eop.gov

To: Robert Lighthizer Exemption 6 [redacted]cloud.com>

Cc: "Stephen P. Vaughn" Exemption 6 [redacted]gmail.com>

Date: Wed, 13 Jun 2018 07:54:33 -0400

Will check

Sent from my iPhone

On Jun 13, 2018, at 7:08 AM, Robert Lighthizer Exemption 6 [redacted]cloud.com> wrote:

> Can our people tell me how significant this is?
>
> **Wall Street Firms Face a New $15 Billion Hurdle in China**
>
> >https://www.wsj.com/articles/wall-street-investment-banks-face-new-hurdle-in-china-1528811470?emailToken=8d81622fc087726ccff23de14263fa2cyP3W02LHx+slW2P6sdJGnQB2TJf5BFh9mrQGBqypc/5aiOcGzRc34d9Vt9MkU02dZNSigd8+0S413XcHC7/fw5GpmfTCfFvIuMmQOG0Kob+DcpAeLxiKl7FYEkEIdpIs&reflink=article_email_share<
>
> Download the Wall Street Journal app here: WSJ.

Re: [EXTERNAL] The Washington Post: Trump eyes executive order expanding power to block deals between U.S., foreign telecom firms

From: jamieson.l.greer@ustr.eop.gov

To: Robert Lighthizer Exemption 6 [redacted]cloud.com>

Cc: "Stephen P. Vaughn" (b) (6) [redacted]@gmail.com>

Date: Sat, 30 Jun 2018 08:23:41 -0400

Exemption 5 [redacted]

If you want to know more, CJ and Bahar can brief you next week or give you a paper.

Sent from my iPhone

> On Jun 30, 2018, at 7:45 AM, Robert Lighthizer Exemption 6 [redacted]cloud.com> wrote:
>
> I thought you might like this story from The Washington Post.
>
> Trump eyes executive order expanding power to block deals between U.S., foreign telecom firms
>
>
>> https://wapo.st/2yUw9Ul<
>

RE: [EXTERNAL] The Washington Post: Britain's Brexit secretary suddenly resigns

From: "Greer, Jamieson L. EOP/USTR" Exemption 6 [redacted]

To: Robert Lighthizer Exemption 6 [redacted]icloud.com>, "Stephen P. Vaughn" Exemption 6 [redacted]gmail.com>

Date: Mon, 09 Jul 2018 08:03:43 -0400

Got it, tasked out

-----Original Message-----
From: Robert Lighthizer Exemption 6 [redacted]icloud.com>
Sent: Monday, July 9, 2018 7:11 AM
To: Stephen P. Vaughn Exemption 6 [redacted]gmail.com>; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>
Subject: [EXTERNAL] The Washington Post: Britain's Brexit secretary suddenly resigns

(b) (5) [redacted]

Britain's Brexit secretary suddenly resigns

>https://wapo.st/2zmxqUl<

Re: [EXTERNAL] Tweets

From: jamieson.l.greer@ustr.eop.gov

To: Robert Lighthizer [redacted]@icloud.com>

Date: Fri, 10 Aug 2018 20:55:23 -0400

Roger that

Sent from my iPhone

> On Aug 10, 2018, at 8:43 PM, Robert Lighthizer [redacted]icloud.com> wrote:
>
[redacted]

Re: [EXTERNAL] Re: To avoid trade gridlock, Trump can look to past for grand bargain with Democrats

From: jamieson.l.greer@ustr.eop.gov

To: Robert Lighthizer Exemption 6 [redacted]cloud.com>

Date: Wed, 07 Nov 2018 22:49:27 -0500

Will take care of this

Sent from my iPhone

On Nov 7, 2018, at 10:21 PM, Robert Lighthizer Exemption 6 [redacted]cloud.com> wrote:

Susan

Thanks for the suggestion. I very much want to take you up on your thoughtful offer. Jamieson Greer, my cos, will be in touch to set it up. I look forward to getting together.

Bob

On Nov 7, 2018, at 5:59 PM, Schwab, Susan C. Exemption 6 [redacted]mayerbrown.com> wrote:

Hi, Bob.
If you'd like me to arrange a meeting between my "May 10" team (mainly Justin McCarthy, Warren Maruyama and me) and anyone on your staff you care to designate, let me know. There may be a few lessons learned that are worth sharing.
Susan

Begin forwarded message:

From: POLITICO Pro <politicoemail@politicopro.com>
Date: November 7, 2018 at 5:05:16 AM EST
To: Exemption 6 [redacted]mayerbrown.com>
Subject: To avoid trade gridlock, Trump can look to past for grand bargain with Democrats
Reply-To: POLITICO subscriptions <reply-fe9013777365007b75-1160420_HTML-637927903-1376319-0@politicoemail.com>

To avoid trade gridlock, Trump can look to past for grand bargain with Democrats

By Adam Behsudi

11/07/2018 05:00 AM EDT

Eleven years ago, a Republican White House had sought to pass several trade deals, but there was something standing in the way: A House of Representatives recaptured by trade-skeptical Democrats who were not eager to give the administration a policy win.

History is likely to repeat itself now that Democrats have retaken the House and the Trump administration looks to secure congressional approval of not only a revised NAFTA deal, but also potential new agreements with Japan, the European Union and the United Kingdom.

In 2007, the two sides reached a grand bargain of sorts. The so-called May 10 agreement forced the administration of President George W. Bush to elevate labor and environmental protections. That helped ease passage of trade agreements with Peru, Panama, South Korea and Colombia. It also set a template for future trade deals, including the Trans-Pacific Partnership negotiated under the Obama administration.

Now, with political discord between the parties at an all-time high, a bargain akin to the May 10 deal could be a road map for the Trump administration to find common ground on trade issues.

"May 10 was a vital breakthrough," said Rep. Sandy Levin (D-Mich.), who helped author the original agreement. "The challenge became to take the clear language in May 10, which was a breakthrough, and make it real."

Rep. Nancy Pelosi, who was House speaker at the time, said the deal set the stage for "free and fair" trade — a phrase used often by President Donald Trump. Still, the May 10 agreement did little to change Democrats' skeptical views of free trade.

"The Democrats have made the decision they are going to oppose the president on everything," said Bill Reinsch, a senior adviser at the Center for Strategic and International Studies. "The Democrats are not going to make it easy for political reasons, but there's a path there. I just don't know if it has bigger meaning."

Trump's penchant for partisan combat — especially when it comes to tangling with Pelosi, who is expected to regain the speaker's gavel in the House — might mean that his advisers will have to come up with an overarching strategy for trade agreements.

U.S. Trade Representative Robert Lighthizer, however, has pursued many policies that dovetail with pro-labor Democrats. The new U.S.-Mexico-Canada Agreement, for instance, includes tighter content rules for autos that aim to move production back to the U.S. It also curtails some corporate investor rights.

The administration has claimed that the deal's labor chapter is the strongest of any agreement negotiated by the U.S. But it's growing more clear that Democrats and their backers in organized labor will need more. Labor unions are already demanding changes to the agreement.

"We're fighting to say this isn't over and there are still gains to be had," said Celeste Drake, trade policy specialist for the AFL-CIO.

Labor leaders have already criticized the new NAFTA's auto content rules, predicting they will do little to bring back jobs. They've also demanded that a final deal lead to real improvements to Mexico's working conditions, which have been blamed for an outsourcing of U.S. jobs under the current NAFTA deal.

Drake declined to speculate if a new political order would usher in a broader trade policy platform among Democrats, but said "the more Democrats there are in Congress, the more we might find likely allies in helping us to make additional improvements."

And with Democrats in control of the House, labor groups will likely be instrumental in brokering a political understanding between the Trump administration and congressional Democrats on trade.

"I think Lighthizer himself is perhaps a bit more in tune with some of the Democrats in Congress than a Rob Portman was or a Bob Zoellick was or a Susan Schwab was," she said, listing former U.S. Trade Representatives that served under Bush. "But Trump is probably a bit more of a lightning rod than Bush was, and Bush wasn't particularly popular, either."

The May 10 agreement, which Levin said was the "basis for any Democratic support for trade agreements," succeeded in securing a high margin of Democratic votes — 109 — to support a trade deal with Peru.

But it did little to ease passage of deals with Panama, South Korea and Colombia. A vote on those agreements was delayed for another four years. In 2008, Pelosi ended up revoking expedited voting procedures known as fast track for the Colombia deal after Bush submitted the agreement for a vote without her blessing.

Aside from trade agreement negotiations, House Democrats may encourage Trump to take a harder line on China, especially if it becomes apparent that the president is ready to end tariffs and strike a deal without getting significant concessions from Beijing. Democratic leaders have come out in support of the tariffs and have criticized Trump for failing to recognize China as a currency manipulator. They have also attacked him for relaxing sanctions on Chinese telecommunications company ZTE.

Instead of establishing a broad policy as outlined by the May 10 deal, Reinsch said it's more likely that House Democrats will approach the coming trade deals on a case-by-case basis. Labor and environmental improvements may prove to be less of a factor in deals with economically advanced economies like Japan and the EU.

The new U.S.-Mexico-Canada deal will provide the first crucial test, with observers already predicting that Democrats will force Lighthizer to bring Mexico back to the negotiating table.

"The Democrats will say 'not good enough,' and it won't be good enough on labor issues, and they'll tell Lighthizer to go back to Mexico and do better," Reinsch said. "That allows them to check the labor box without simultaneously saying they are opposed to the whole thing."

Levin, who is retiring from Congress after a 35-year career in the House, predicted that Democratic control of the House will at least bring about the "basic rectification" of dealing with Mexico's labor standards.

"So far there hasn't been an effective addressing of this basic flaw; it hasn't been done with any provision yet, whether it's rule of origin or whatever," he said.

To view online:
>https://subscriber.politicopro.com/trade/article/2018/11/to-avoid-trade-gridlock-trump-can-look-to-past-for-grand-bargain-with-democrats-929166<