

International Trade & Customs Update

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Trump Administration: Key Players in International Trade

Donald Trump emphasized throughout the campaign that international trade would be a top priority for him as president. Since his election, Trump has assembled a high-profile team, many of whom face Senate confirmation, to address a wide range of trade issues.

1. Wilbur Ross, Secretary of Commerce

Wilbur Ross, whose confirmation hearing is scheduled for January 18, is a veteran investor and vocal critic of free trade deals who helped Trump develop his economic agenda. He is best known for buying and turning around distressed companies. He is currently the chairman of WL Ross & Co. and is estimated to be worth nearly \$3 billion. Ross sits on numerous boards of directors, including the boards of the Bank of Cyprus, Arcelor Mittal (a steel company), Sun Bancorp (a bank holding company) and Exco Resources (an oil and gas exploration company).

The Department of Commerce engages with more than 86 foreign countries and oversees the Census Bureau, the Patent and Trademark Office, the Bureau of Economic Analysis and the International Trade Administration. A former Democrat, Ross has been a staunch Trump supporter and shares Trump's view that trade deals need to be renegotiated. As secretary, Ross will work as a liaison between companies and the White House and be viewed as the government's chief business advocate. Trump has indicated that Ross "will be the Administration's policy leader when it comes to renegotiating and negotiating better trade deals for the American workers." He will be "teaming up" with Robert Lighthizer, the proposed U.S. trade representative, and with Peter Navarro, director of

the newly created National Trade Council, "who will be in the White House as the point person on trade issues."

2. Steve Mnuchin, Secretary of Treasury

Steve Mnuchin, whose confirmation hearing is scheduled for January 19, most recently served as finance chairman of Trump's presidential campaign and has been one of his closest economic advisers. Formerly a partner at Goldman Sachs where he worked for 17 years, Mnuchin worked briefly for George Soros and later was the founder of his own hedge fund, Dune Capital Management. In more recent years, he has co-financed a number of Hollywood movies. Senate Democrats have been vocal in their opposition to Mnuchin's nomination, particularly for his role in leading a group (which included Soros) that bought the housing lender IndyMac (subsequently renamed OneWest). He rebuilt the bank as chairman and CEO and sold it in 2015 to the CIT Group. During this period, the bank received criticism for "aggressive" foreclosures.

The Treasury secretary is considered to be the top banker to the United States and has expansive responsibility overseeing business and banking regulations, as well as financial markets and the IRS. As secretary, Mnuchin would be expected to co-sign the currency, pay government bills, collect taxes and manage the federal debt. The Treasury Department also oversees the Office of Foreign Assets Control, which administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals. When asked about trade, Mnuchin said he prefers trade deals with individual countries over regional trade deals. Commenting on Trump's deal with Carrier

Corporation to prevent jobs from going to Mexico, Mnuchin said, "This president [...] is gonna have open communication with business leaders."

3. Rex Tillerson, Secretary of State

Rex Tillerson, whose confirmation hearing took place January 11, is the current CEO of ExxonMobil and has been very active in the energy sector. Tillerson graduated from the University of Texas at Austin with a bachelor's degree in civil engineering. He started his 40-year career at Exxon in 1975 as a production engineer. He is listed by *Forbes* magazine as the 24th most powerful person in the world.

Tillerson's nomination has received criticism due to his longtime friendship with Vladimir Putin. Tillerson has known Putin for more than two decades and was awarded Russia's Order of Friendship in 2013. ExxonMobil has oil contracts in Russia worth billions of dollars that are frozen due to U.S. sanctions placed on Russia because of its aggressive activities in Ukraine and subsequent annexation of Crimea. Tillerson has criticized these sanctions and was grilled at his Senate confirmation hearing regarding his views on Russia.

In addition to dealing with Russia, if confirmed Tillerson must diplomatically manage the war in Syria, China's claims in the South China Sea and North Korean nuclear concerns.

4. John F. Kelly, Secretary of Homeland Security

Retired U.S. Marine Corps General Kelly, whose confirmation hearing took place January 10, is Trump's pick to lead the Department of Homeland Security. If confirmed, he will be responsible for fighting terrorism and enforcing immigration laws. From a trade perspective, the Department of Homeland Security oversees U.S. Customs and Border Protection (CBP), which is responsible for safeguarding U.S. borders "while enhancing the Nation's global economic competitiveness." Kelly supports Trump's position that drugs, terrorism and other cross-border threats from Mexico and Central and South America are alarming and imperil America's well-being.

Until earlier this year, Kelly commanded the U.S. Southern Command, overseeing military operations in South and

Central America. Kelly has served in the Marine Corps for 45 years. He did not support Trump during the presidential campaign, hinting that he would serve a Democrat or a Republican. Kelly was likely identified for the position based on his vast experience with border security.

5. Todd Ricketts, Deputy Secretary of Commerce

Todd Ricketts, whose confirmation hearing has not been scheduled yet, has been nominated by Trump to be deputy secretary of the Department of Commerce. He is primarily known as the co-owner of the Chicago Cubs but has also enjoyed a career as a trader in a securities industry startup, and even as a proprietor of a bike shop. The Ricketts family owns TD Ameritrade and Incapital.

Ricketts is an influential Republican donor who gave money initially to help presidential contender Scott Walker but later gave to outside groups supporting Trump. Ricketts has indicated that economic growth is high on his priority list and that he would seek tax reform as well as Dodd-Frank and Obamacare reform.

6. Terry Branstad, Ambassador to China

Iowa Governor Terry Branstad has been nominated by Trump to be the U.S. ambassador to China, subject to Senate confirmation. Described by a spokesperson for China's Foreign Ministry as "an old friend to the Chinese people," Branstad is noted for his long-term ties to China, which he has been cultivating since the early 1980s, when he met with Chinese President Xi Jinping, then a provincial government official, during an agricultural exchange. In 2012, Xi visited Iowa for a tour with Branstad shortly before Xi became president.

With Trump's strongly worded attacks against Chinese economic policies during the campaign, Branstad steps into an uncertain role. Historically, Branstad is a supporter of free trade agreements, including the Trans-Pacific Partnership (TPP), which Trump opposes. Before the election, Branstad wanted to show Trump the benefits of trade deals to states.

7. Robert Lighthizer, U.S. Trade Representative (USTR)

Robert Lighthizer, whose confirmation hearing has not been scheduled yet, was a deputy USTR during the Reagan administration and has been representing U.S. corporations for the last three decades in international trade remedy litigation as a partner at the law firm Skadden, Arps, Slate, Meagher & Flom LLP. He has close ties to former Senator Bob Dole (R-KS). Lighthizer supports protectionist regulations on trade to promote U.S. interests domestically and internationally.

As U.S. trade representative, Lighthizer if confirmed will lead a cabinet-level agency that develops and coordinates trade policy on behalf of the U.S. government and negotiates trade matters on the president's behalf. In addition to his first-hand experience at the Office of the USTR negotiating approximately two dozen bilateral international agreements on subjects ranging from steel to grain, Lighthizer also participated in meetings of the General Agreement on Tariffs and Trade (the predecessor of the World Trade Organization) and the Organization for Economic Co-Operation and Development. Early in his career, he served as chief of staff of the Senate Committee on Finance, which has jurisdiction over international trade, taxation, Social Security and health and welfare programs. During Lighthizer's tenure there, Congress passed the basic economic legislation of the Reagan administration, as well as the legislation implementing the Tokyo Round multilateral trade negotiations.

8. Peter Navarro, Assistant to the President and Director of Trade and Industrial Policy, White House National Trade Council

An adviser to Trump during the campaign, Peter Navarro, a professor of economics at the University of California, Irvine, has written extensively on free trade. Navarro's appointment to lead the newly formed White House National Trade Council indicates that Trump will continue to emphasize trade, a signature issue of his campaign, as a key policy focus. Navarro graduated from Harvard with a doctorate in economics and is the only credentialed economist among Trump's close advisers.

Navarro is an outspoken critic of China and an advocate of increased trade restrictions. He has advocated that the United States should challenge at the World Trade Organization (WTO) the use by other WTO members of a value-added tax, which Navarro views as harmful to U.S. exporters. He agrees that the United States should retaliate with tariffs against countries labeled as currency manipulators and other "trade cheaters." Navarro supports the renegotiation of the North American Free Trade Agreement (NAFTA) and the U.S.-Korea Free Trade Agreement. He is noted for stating that tariffs should be used as a negotiating tool to encourage trade partners to stop cheating. If the cheating continues, Navarro believes, imposing tariffs is an appropriate response.

9. Jason D. Greenblatt, Special Representative for International Negotiations, White House National Trade Council

Jason Greenblatt, a longtime legal and financial adviser to President-elect Trump, will serve in the newly created White House position of special representative for international negotiations. Greenblatt will be Trump's point man on trade deals. Greenblatt had been serving as the executive vice president and chief legal officer of the Trump Organization, focusing on the Trump family's business activities. During the presidential campaign, Greenblatt served as one of Trump's principal advisers on U.S.-Israel relations. Before joining the Trump Organization, Greenblatt practiced law for the New York City-based law firm Fried, Frank, Harris, Shriver and Jacobson.

10. Rolf Lundberg, Deputy Director for "Buy American, Hire American," White House National Trade Council

Rolf Lundberg joined the Trump transition team in November 2016 and worked to develop policies to reverse "the economic injustice of offshoring" and to support Trump's "Buy American, Hire American" project. In a December 2016 tweet, Trump stated that his administration would follow "two simple rules: Buy American, Hire American!" At a later rally, Trump stated, "The American worker built this country and now it's time for American

workers to have a government for the first time in decades [that] answers to them.”

Before joining the Trump transition team, Lundberg was the senior vice president for Congressional and Public Affairs at the U.S. Chamber of Commerce. As the senior legislative lobbyist for the Chamber, he publicly supported NAFTA and said in 2003 that “protectionist” policies would hurt the United States in the long run. While in the private sector, Lundberg served as assistant general counsel and vice president of International Relations for Marriott International. Early in his career, he served as legal counsel for tax and international trade to former Senate Majority Leader Trent Lott, counsel for international trade to former Senate Majority Leader Bob Dole, and as deputy assistant secretary for import administration in the George H.W. Bush administration.

11. Alexander Gray, Deputy Director for the Defense Industrial Base, White House National Trade Council

Alexander Gray joined the Trump campaign in August 2016 as a senior defense adviser and assisted Peter Navarro in crafting the campaign’s plan to rebuild the U.S. military and the defense industrial base. Since the election, Gray has been a member of the transition “landing team” for the State Department, focusing on Asia-Pacific issues. Just prior to the election, Navarro and Gray stated in the journal *Foreign Policy* that Trump had been clear on his approach to U.S. foreign policy: “It begins with a clear-eyed appraisal of U.S. national interests and a willingness to work with any country that shares our goals of stability, prosperity, and security.” They stated that Trump’s approach would be two-pronged: (1) “never again sacrifice the U.S. economy on the altar of foreign policy by entering into bad trade deals like the North American Free Trade Agreement, allowing China into the World Trade Organization, and passing the proposed TPP”; and (2) “steadfastly pursue a strategy of peace through strength, an axiom of Ronald Reagan that was abandoned under the Obama administration.”

Before joining the Trump campaign, Gray served as a senior adviser to former Rep. Randy Forbes (R-VA), who served on the Committee on Armed Forces. Before his work for the

congressman, Gray was a policy analyst with the Bipartisan Policy Center, a nonprofit think tank established by former Senate Majority Leaders Howard Baker, Tom Daschle, Bob Dole and George Mitchell.

FOR MORE INFORMATION

Thompson Hine’s [International Trade & Customs](#) group will continue to monitor Trump’s trade activities and policies. To track these developments as they occur, please visit our Trump and Trade website at www.TrumpAndTrade.com.

If you have questions about how the incoming administration may affect your international trade concerns, please contact any member of our team:

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