

February 29, 2012

President Obama Establishes Interagency Trade Enforcement Center

On February 28, President Obama signed an Executive Order establishing the Interagency Trade Enforcement Center (ITEC), a new trade enforcement unit falling under the Office of the U.S. Trade Representative (USTR). This trade enforcement unit was first announced during President Obama's State of the Union address on January 24, 2012.

The ITEC was formed in response to the growing call to address the government's ineffectual efforts to enforce trade laws and crack down on foreign counterfeiters, transshippers and other trade violators. It will be tasked with addressing such topics as foreign currency manipulation, intellectual property theft, evasion of antidumping and countervailing duty orders, and illegal subsidization of specific industries by foreign governments. Although the Executive Order does not specifically mention China, it is understood that a significant amount of attention in this Center will be directed toward investigating certain Chinese trade practices that have been criticized in recent years.

The Executive Order first establishes the underlying need for the myriad executive departments and federal agencies involved in administering international trade matters to "coordinate and augment their efforts" in identifying and reducing unfair trade practices and trade barriers. The ITEC will serve as the "primary forum" for coordinating enforcement of U.S. trade rights under international trade agreements and enforcement of domestic trade laws.

The ITEC will also conduct outreach to U.S. companies, workers and other interested parties to foster greater participation in identifying and eliminating foreign trade barriers and unfair foreign trade practices. Such coordination and outreach is necessary to ensure that U.S. businesses and workers receive the maximum benefit from international trade agreements and domestic fair trade laws.

Under the Executive Order, the ITEC will be led by a Director who is a full-time senior-level official of USTR—although that individual has not yet been announced. It will also have a Deputy Director who is a full-time senior-level official from the Department of Commerce, and an Intelligence Community Liaison, who will be a full-time senior-level official recommended by the Director of National Intelligence. The ITEC will coordinate matters involving the State Department, Treasury Department, Department of Justice, Department of Agriculture, Department of Commerce, Department of Homeland Security (which includes U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement), Office of the Director of National Intelligence, and any other agency designated by the President or the USTR.

While many details concerning the ITEC's mission have yet to be announced, the potential impact of this new trade enforcement unit on U.S. importers could be significant. If you have any questions about this Executive Order or the impact it may have on your import operations, please feel free to contact one of the Katten Muchin Rosenman LLP attorneys or professionals listed below.

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