

NOMINATION OF ROBERT S. LARUSSA

HEARING
BEFORE THE
COMMITTEE ON FINANCE
UNITED STATES SENATE
ONE HUNDRED FIFTH CONGRESS
FIRST SESSION
ON THE
NOMINATION OF
ROBERT S. LARUSSA TO BE ASSISTANT SECRETARY FOR
IMPORT ADMINISTRATION, DEPARTMENT OF COMMERCE

MAY 21, 1997



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CONTENTS

OPENING STATEMENTS

	Page
Roth, Hon. William V., Jr., a U.S. Senator from Delaware, chairman, Committee on Finance	3
D'Amato, Hon. Alfonse M., a U.S. Senator from New York	2
Moynihan, Hon. Daniel Patrick, a U.S. Senator from New York	3
Graham, Hon. Bob, a U.S. Senator from Florida	7

ADMINISTRATION NOMINEE

LaRussa, Robert, to be Assistant Secretary for Import Administration, Department of Commerce	4
--	---

CONGRESSIONAL WITNESSES

Levin, Hon. Sander, a U.S. Representative from the State of Michigan	1
--	---

PUBLIC WITNESSES

ALPHABETICAL LISTING AND APPENDIX MATERIAL

D'Amato, Hon. Alfonse M.:	
Opening statement	2
Graham, Hon. Bob:	
Opening statement	7
LaRussa, Robert:	
Testimony	4
Prepared statement	11
Biographical	13
Responses to questions from:	
Senator Breaux	20
Senator Rockefeller	22
Levin, Hon. Sander:	
Testimony	1
Moseley-Braun, Hon. Carol	
Prepared statement	25
Moynihan, Hon. Daniel Patrick:	
Opening statement	3
Rockefeller, Hon. John D.:	
Prepared statement	22
Roth, Hon. William V., Jr.:	
Opening statement	3

**NOMINATION OF ROBERT S. LARUSSA TO BE
ASSISTANT SECRETARY FOR IMPORT AD-
MINISTRATION, DEPARTMENT OF COM-
MERCE**

WEDNESDAY, MAY 21, 1997

**U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, DC.**

The hearing was convened, pursuant to notice, at 12:20 p.m., in room SD-215, Dirksen Senate Office Building, Hon. William V. Roth, Jr. (chairman of the committee) presiding.

Also present: Senators D'Amato, Moynihan, Graham, and Moseley-Braun.

The CHAIRMAN. As I indicated, we will now proceed to consider the nomination of Robert S. LaRussa for Assistant Secretary of Commerce for Import Administration.

We are, indeed, pleased to have Congressman Sander Levin here to introduce the nominee. Congressman?

**STATEMENT OF HON. SANDER LEVIN, A U.S. REPRESENTATIVE
FROM THE STATE OF MICHIGAN**

Congressman LEVIN. Thank you, Mr. Chairman, and to the Ranking Member, to Senator D'Amato, and Senator Moseley-Braun. I am really pleased to be here, and thank you for this opportunity.

Robert LaRussa—and this is the first time I have ever called him Robert—Bob LaRussa, I have known as a member of our staff, and I have also had a chance to see his work within the Commerce Department.

So that is why I was really excited about coming here and saying just a few words and introducing him to you. I think some of you have known his work, and your staffs have, because of the jurisdiction of this powerful committee.

Bob has, in the last few years in an acting capacity, worked on the very issues which would come more permanently under his dominion. From what I hear throughout the communities that work on these issues, they often disagree about their positions; this is an area of clamor and clash.

But Bob has acquired a well-deserved reputation of integrity, of intelligence, of commitment, and I saw that when Bob was on the staff. We spent a lot of time working on trade issues. He cares a lot about them. He has some strong feelings, but an open mind.

I close just by mentioning one of the projects he and I worked on that will not come, I think, directly under his jurisdiction, or at least solely, but we worked on the idea a number of years ago of establishing U.S. commercial centers so that when business people went abroad, especially smaller and middle-sized business people, they had a place where they could work from.

If they are not from a large corporation, they go to another country, they often have relatively few resources. They need translation, help, but more importantly they need some introduction and they need some intermediation.

I was in Shanghai just a couple of months ago to see the embodiment of the idea that we worked on and that Bob helped to nurture, the Commercial Center in Shanghai. However one feels about the complicated issues of trade with China, I think everybody would be proud that there was that facility. I think it is a testimony to Bob's dedication, his intelligence, and his commitment.

So I am pleased to have the opportunity to come here and to introduce him and, for whatever it is worth, give you the endorsement of a member of the House of Representatives.

The CHAIRMAN. Well, thank you very much. We appreciate your taking the time to do so. It is a pleasure to see you again.

At this time, Mr. LaRussa, do you have any of your family here?

Mr. LARUSSA. Yes, Mr. Chairman. My wife, Susan Tilberry, is in the back of the hearing room. Susan is a very talented artist and small business person. I am glad she is here today.

The CHAIRMAN. Welcome. I know it is a very proud day for your wife.

Mr. LARUSSA. Thank you.

Senator D'AMATO. Mr. Chairman?

The CHAIRMAN. Yes.

Senator D'AMATO. If I might, I would like to take the opportunity to make some remarks with respect to the nominee.

The CHAIRMAN. All right. Please proceed.

**OPENING STATEMENT OF HON. ALFONSE M. D'AMATO, A U.S.
SENATOR FROM NEW YORK**

Senator D'AMATO. Mr. Chairman, there is a very special reason for my strong support of Mr. LaRussa. Bob LaRussa not only has demonstrated outstanding ability serving on the Ways and Means Committee as a competent staffer, as Congressman Levin has testified to and his presence here today demonstrates the support, but he is a native New Yorker, a native Long Islander, coming from the town of Hempstead, from Levittown, Long Island, having obtained his education at our great State University and graduating from Buffalo Law School, where he distinguished himself.

As Assistant Secretary for Import Administration, I believe that the President has chosen wisely, someone who understands fair competition. Bob loaned himself, and I must say very unselfishly, to the efforts of Senator Moynihan and me back in 1992 when we attempted to deal with an obvious, glaring deficiency in the law as it related to Smith-Corona and our battle to correct that loophole, and he was there.

He understands what role the government should play in terms of fairness so that our companies can compete. I feel that he will

take strong and decisive action to back up the legitimate interests of those businesses who are undercut when foreign competition does not obey the law, and particularly when they are involved in dumping. That is, dumping their products at below-cost and clearly violating the law.

We need somebody of that character who will take the kind of correct action and not just be part and parcel of doing business as usual and not rocking the boat with our so-called friends who used that friendship, in many cases, to advantage themselves and disadvantage our workers and our producers.

I am absolutely convinced that he brings to this office the kind of commitment and integrity that is so necessary and that will benefit all of the people of this country. So as a native New Yorker, I am proud to see that he has come so far and done such an outstanding job the old-fashioned way: hard work, commitment, and dedication.

I am pleased that the administration has recommended him for this position, and I thank the Chairman for moving his hearing so expeditiously.

The CHAIRMAN. Well, I promise that the fact you have a New York background will not be held against you. [Laughter.]

Mr. LARUSSA. Thank you.

The CHAIRMAN. I think, maybe in fairness, I ought to give equal time to Senator Moynihan.

**OPENING STATEMENT OF HON. DANIEL PATRICK MOYNIHAN,
A U.S. SENATOR FROM NEW YORK**

Senator MOYNIHAN. Yes. I would like to just restate once again what the Senator, my cherished colleague, has said. We saw the cut of his jib on that Smith-Corona exercise, and we will not forget it, and thank him for it. Welcome to this committee.

Mr. LARUSSA. Thank you, Senator.

**OPENING STATEMENT OF HON. WILLIAM V. ROTH, JR., A U.S.
SENATOR FROM DELAWARE, CHAIRMAN, COMMITTEE ON FI-
NANCE**

The CHAIRMAN. Just let me add, I will not take much time, that we are delighted to have a man with your background and experience in matters of antidumping/countervailing duty laws. Those are matters of particular concern to this committee. We know that your background, both on the House side and as Acting Assistant Secretary, prepares you extremely well for the challenging task ahead.

We would ask that you rise at this time to take the oath.

[Whereupon, Mr. LaRussa was duly sworn.]

The CHAIRMAN. Please be seated.

Now, before you proceed with your statement, I just want to note that your full text will appear in the record. So, please proceed with your opening remarks.

STATEMENT OF ROBERT S. LARUSSA, NOMINATED TO BE ASSISTANT SECRETARY FOR IMPORT ADMINISTRATION, DEPARTMENT OF COMMERCE

Mr. LARUSSA. Thank you, Mr. Chairman, and good morning. I would like to thank you and the members of the committee for holding this hearing today. I will abbreviate my statement.

Senator MOSELEY-BRAUN. Mr. LaRussa, could you hold just for one second, please?

Mr. Chairman, I would like to vote on this nominee, but I can leave my proxy with Senator Moynihan, if necessary.

The CHAIRMAN. Unfortunately, we have not had a quorum today.

Senator MOYNIHAN. Never had a quorum today.

The CHAIRMAN. So we cannot vote.

Senator MOSELEY-BRAUN. So it does not matter.

The CHAIRMAN. So we cannot proceed.

Senator MOSELEY-BRAUN. Thank you very much.

The CHAIRMAN. But we hope to soon.

Senator MOYNIHAN. We know where you are.

The CHAIRMAN. Please proceed.

Mr. LARUSSA. Thank you.

I want to thank Congressman Levin for his kind introduction. I worked in Sandy's office between 1989 and 1993 at what was a critical juncture for U.S. trade policy. Sandy was, and remains, a dedicated and articulate voice for American businesses and workers.

It is, indeed, an honor to appear before you today as the President's nominee to serve as Assistant Secretary for Import Administration. I want to thank President Clinton for nominating me. I also want to thank Secretary Daley for support of my nomination.

Secretary Daley has made a strong commitment to the core mission of the Commerce Department, supporting the competitiveness of American businesses and workers. He has made it clear that trade compliance and enforcement is a key priority, and Import Administration plays a critical role in that effort.

As Acting Assistant Secretary for Import Administration over the past 11 months, I have supervised the drafting of the final anti-dumping regulations, working with some of the most dedicated civil servants in government, many of whom are here today.

In my view, the regulations both fulfill U.S. obligations under the Uruguay Round and are faithful to the will of Congress, as laid out in the URAA.

I have also overseen during this period the reorganization of Import Administration, and I have addressed hundreds of trade cases that make up the bulk of our daily work. If the Senate honors me by confirming my nomination, I look forward to meeting the challenges that lie ahead with equal vigor.

I would also like to note that while at the department I have had the opportunity to work on another aspect of U.S. competitiveness: expanding overseas markets. As principal Deputy Assistant Secretary for the U.S. and Foreign Commercial Service for 3 years, I worked hard to give American small businesses every opportunity to export around the globe.

I was also lucky to be able to translate the legislation that Sandy and I worked on together into actual concrete buildings across the world that help U.S. small businesses.

My work at the department has benefitted greatly from my solid grounding in trade issues developed during my time with Congressman Levin. As his International Trade Specialist, I had the opportunity to work on a wide range of matters, including the Uruguay Round, auto sector trade issues, and antidumping matters.

Through my experience on Capitol Hill and in the administration, I have come to realize the importance of cooperation between Congress and the administration on trade issues. I have enjoyed working closely with this committee as Acting Assistant Secretary, and if I have the honor of having my nomination confirmed, I will continue to do so.

I thank you very much.

[The prepared statement of Mr. LaRussa appears in the appendix.]

The CHAIRMAN. Mr. LaRussa, I have some specific questions. Let me start out with three standard questions that I ask all nominees.

Is there anything you are aware of in your background that might present a conflict of interest with the duties of the office to which you have been nominated?

Mr. LARUSSA. No, there is not, Mr. Chairman.

The CHAIRMAN. Do you know of any reason, personal or otherwise, that would in any way prevent you from fully and honorably discharging the responsibilities of the office for which you have been nominated?

Mr. LARUSSA. No, I do not.

The CHAIRMAN. And do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted committee of Congress, if you are confirmed?

Mr. LARUSSA. I do.

The CHAIRMAN. Let me ask you one question. One of the more controversial matters in the promulgation of the new antidumping regulations has been the question of how to deal with so-called short supply situations, when an antidumping order happens to encompass products not made in the U.S.

Could you describe how the procedures in the antidumping regulations handle short supply situations?

Mr. LARUSSA. Yes, sir. As you know, in the past the Commerce Department has opposed legislation that would have created special temporary duty suspension for short supply situations.

One of the reasons, was we felt that we had mechanisms in place that could adequately deal with legitimate short supply situations. The regulations reflect that belief. What we tried to do, is take a look at the procedures we have already and basically enhance them, and I will tell you how.

The two procedures that we have focused on in the short supply area are, first, our changed circumstances review in which we can revoke part of an order if we want to. The second, is our scope determination. The scope determination basically clarifies later in the case which products are covered under an antidumping order.

We have done two things in the regulations. First, we have new deadlines that make it much easier for U.S. companies and industrial users to solve a short supply situation.

It used to take maybe up to a year to complete a changed circumstances review. What proponents of short supply complained of, they said, well, you may be able to revoke part of an order, but for a year we are in a situation where we cannot get a product.

So we have established new deadlines to address this. First, we have a 45-day deadline for initiating a changed circumstances review when it has been brought to our attention.

Second, and it is important to make this distinction, in a case where a petitioner, a domestic industry, agrees that part of an order should be revoked, we will revoke that part of the order within 90 days. That basically saves 200 days. It not only saves 200 days, it also does it working with the petitioner.

The second thing we have done, is try to deal with situations very early in a case that may, let us say a year or two down the road, lead to a short supply situation. Very often, had we known about a short supply situation, let us say the first few months of a case, we would not have gotten into complex litigation 2 or 3 years down the road.

So we have two new procedures. The first, is prior to even the initiation of a case, when a petitioner first comes in to our office, sits down, and says, I want to bring an antidumping action, we will have as part of our checklist a new procedure that asks whether the petitioner examined the scope of this order to determine whether there are any supply issues that need to be addressed. In other words, is there a product that you do not make that is in here that could be a problem for U.S. users down the road?

The second thing we have done, is early on in the procedure, once the case is initiated, we will have a new proceeding on the record to deal specifically with supply and scope issues, meaning we will ask for comments. Among the parties who can comment are domestic industrial users. We will take a look very early in the case to see whether there are any supply issues.

Now, that does not mean that there will not be situations in which there is a contentious issue, but we think that through these new procedures, and based upon consent of the petitioner, we can deal with every short supply situation.

Unlike some of the rhetoric in the more heated parts of this debate, usually the industrial users who want a short supply exemption are clients of the petitioners. Usually the petitioners, if it is a steel industry, will be selling steel to General Motors. Usually they will sit down and work together, and what we have done is facilitated this.

The CHAIRMAN. Senator Moynihan?

Senator MOYNIHAN. Yes. In that area, again, China, as we know, is in the process of trying to negotiate admission to the World Trade Organization. At this point, we treat China as a non-market economy because of its subsidies and state-owned enterprises, and so declared itself until very recently. There are special dumping rules for a non-market economy.

The Chinese, now, are asking that that designation be dropped and it be treated as if it were a market economy as part of the ad-

mission to the WTO. Could you comment on that? Help us to think about the subject.

Mr. LARUSSA. Yes. We think it is clear. This is an area where Congress clearly has spoken. There are two things that Congress has said. First, Congress has said, we should in antidumping cases use a surrogate country methodology with non-market economies.

Second, you have laid out factors that we need to look at to determine whether a country is a non-market economy or market economy. We feel that until China or any other country graduates from non-market economy to market economy status under those factors laid out by Congress, that we need to be able to treat China as a non-market economy.

So my answer is that we need to be able to continue to treat China in the future as a non-market economy, until China's economy changes enough that we can actually take a look at the factors in the statute and make a decision that things have changed.

As you know, changes in non-market economy status only come up in the context of cases. As far as I know, China has not raised the issue of changing their status in a case, but if they did, we would apply the factors that you have laid out.

Senator MOYNIHAN. Good answer to a straightforward question. Keep it up that way, and you will get a reputation.

Mr. LARUSSA. Thank you.

Senator MOYNIHAN. Thank you very much.

Thank you, Mr. Chairman.

Senator D'AMATO. Senator Graham.

OPENING STATEMENT OF HON. BOB GRAHAM, A U.S. SENATOR FROM FLORIDA

Senator GRAHAM. Thank you. I would like, in the nature of an opening statement, to say how much I admire Mr. LaRussa. I had a particular opportunity to work closely with him during what could have been a very stressful relationship between the United States and Mexico over perishable agriculture products.

An antidumping suit had been brought. He very skillfully was able to bring all of the parties together to negotiate a suspension agreement, which was a win-win-win situation, and I commend him for doing so.

What that demonstrated in terms of his leadership he will now be providing in a broader sense in his new position as Assistant Secretary for Import Administration. So, I look forward enthusiastically to voting for the nominee and for his service in this important position.

With that, I would like to ask a couple of questions. From that experience working with Mexico on the perishable agricultural products, specifically tomatoes, do you feel as if that suspension agreement might present some principals that could serve as models for the resolution of other, particularly agricultural, conflicts?

Mr. LARUSSA. Suspension agreements are something that we rarely do. We have 18 suspension agreements out of about 300 cases. I think in the case of Mexican tomatoes, it has worked particularly well. It was a decades-old dispute. We had a dumping case that was near the preliminary stage of making a determination.

Since then, we set a price floor on tomatoes based upon elimination of 80 percent of the dumping, and I think it has worked. I think suspension agreements should continue to be something that we do rarely, and only when they are in the public interest. I do believe that they were in the public interest in the case of Mexican tomatoes.

I would say that, if a situation arose that was similar to that, I think it would be a good model. Again, though, I think it is a situation that we would only do rarely, first of all, and second of all, it would have to be in the public interest, and I think that this agreement was.

Senator GRAHAM. This agreement was done as an alternative to the completion of an antidumping case. Do you feel that arriving at these kind of negotiated settlements to trade disputes without the overhang of an antidumping case would be desirable? To put it another way, should we facilitate negotiated resolutions of trade disputes by not requiring an antidumping suit to be the motivating force?

Mr. LARUSSA. I think there probably are a lot of fora in which we can address, and do address, bilateral trade issues. Obviously, it is probably better that we address them in that fora before we get into litigation.

I do think that there is a very specific reason for the antidumping law. It basically addresses the problem of unfair pricing in the United States. I think there are situations in which an agreement is preferable to putting a dumping order into effect. Again, I think Mexican tomatoes was one of those situations.

Senator GRAHAM. My final question, Mr. Chairman, relates to enforcement of suspension agreements. This requires cooperation of Customs, Commerce, and in this case, the U.S. Department of Agriculture.

What is your assessment of how effectively the suspension agreement with Mexico on tomatoes is being enforced, and any recommendations of how enforcement of this and other suspension agreements might be more fully achieved, either in terms of changes in law, changes in international agreements, or additional resources?

Mr. LARUSSA. The enforcement of the tomatoes agreement, or any other agreement, really would not work without a lot of inter-agency cooperation. Obviously, the Commerce Department does not have people on the border watching shipments of tomatoes coming over; that is a Customs Service job.

In addition, we have to work very closely with the Department of Agriculture, which understands the tomato business in a way that certainly we do not.

The process here in enforcing the tomatoes agreement has been a learning process. We just had a meeting last week with the Treasury Department and the Customs Service about certain issues that have cropped up, and we have done that all along.

We have had people go down to the border in Arizona, we have had people go to California, we have had people go with Customs to Florida, and we have been working with the industries.

I would say that this has been a rather difficult agreement because there are so many producers and shippers of tomatoes. We

have some suspension agreements where there might be three or four shippers. Obviously, it is easy to keep track of that.

It has been a little bit more difficult here, but I do think that the Customs Service has been forthcoming in working with us, and I am pleased with where we are.

I think we still have a few more things that we need to do, but right now we do verification of the prices as they come over the border. What we have seen, for the most part, the prices have been above the reference price we set in the agreement, so we think it is working.

Senator GRAHAM. Mr. Chairman, I said that was my last question, but that response raised one final question.

That is, there are some non-signatories to this suspension agreement. I understand that the department has been developing some regulations to deal with that part of the agreement.

What is the nature of the regulation that you are considering, and when do you anticipate it will be promulgated?

Mr. LARUSSA. We are working on it. In fact, one of the things that we were discussing at the interagency meeting was this regulation that we have been trying to put together. Basically, the legislation would give us somewhat more power to make sure that there isn't circumvention of the agreement through non-signatories.

We cannot force every Mexican tomato grower to be a part of the agreement. I think originally we had about 87 percent of the growers on board. But what we can make sure, is that signatories are not shipping through non-signatories and, therefore, selling below the reference price.

So what we have been trying to do is get the authority to take a closer look, with Customs, at what the non-signatories are doing, and that is what our regulation would accomplish. As to the timing of it, I would just say we are still in interagency discussions about that, because there are different views.

Senator GRAHAM. Thank you.

Senator MOYNIHAN. Mr. Chairman, Senator Rockefeller asked that we put a statement in the record on behalf of this nominee, and some questions that he also has.

Senator D'AMATO. So ordered.

[The prepared statement and questions of Senator Rockefeller appear in the appendix.]

Senator D'AMATO. I would ask, Senator Moynihan, do you have any other remarks or questions?

Senator MOYNIHAN. Only to congratulate Mr. LaRussa. You have been in the job for 11 months. I will not take another 11 months for us to get a quorum, so we will. Well done.

Mr. LARUSSA. Thank you very much.

Senator D'AMATO. Again, it is a pleasure to see you. I want to congratulate you and your wife, and look forward to working with you in the manner in which we have heard Senator Graham describe.

We have got many important issues that I believe that you will very, very capably lead us in, in this most important area in Commerce. So, congratulations to you, to your family. We look forward to a speedy mark-up.

Mr. LARUSSA. Thanks very much, Senator. We have worked with your staff very closely, and it has been a good experience.

Senator D'AMATO. We stand in recess. Congratulations.

Senator MOYNIHAN. Thank you, Mr. Chairman.

[Whereupon, at 12:47 p.m., the hearing was concluded.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF ROBERT S. LARUSSA

Good morning Mr. Chairman and Members of the Committee, and thank you for holding this hearing today. I want to thank Congressman Levin for his kind introduction. I worked in Congressman Levin's office between 1989 and 1993--at a critical juncture for U.S. trade policy. Sandy was and remains a dedicated and articulate voice for American businesses and workers.

It is an honor to appear before you today as the President's nominee to serve as Assistant Secretary for Import Administration. I want to thank President Clinton for nominating me. I also want to thank Secretary Daley for his support of my nomination, and I appreciate the confidence he has placed in me.

Secretary Daley has a strong commitment to the core mission of the Commerce Department: supporting the competitiveness of American businesses and workers. He has made it clear that trade compliance and enforcement is a key priority, and Import Administration plays a critical role in this effort by enforcing the U.S. unfair trade laws.

As Acting Assistant Secretary over the past eleven months, I have supervised the drafting of the final antidumping regulations, working with some of the most dedicated civil servants in the government. In my view, the regulations both fulfill U.S. obligations under the Uruguay Round and are faithful to the will of Congress as expressed in the Uruguay Round Agreements Act. I have also overseen the reorganization of Import Administration to remove unnecessary layers of review, provide more continuity of staff on cases, and make our administration of the trade laws more effective. At the same time, I have addressed hundreds of trade cases that make up the bulk of our daily work. If the Senate honors me by confirming my nomination, I look forward to meeting the challenges that lie ahead with equal vigor.

While at the Department, I also have had the opportunity to work on another important aspect of U.S. competitiveness: expanding overseas markets. As Principal Deputy Assistant Secretary of the U.S. and Foreign Commercial Service, I worked hard to give American small businesses every opportunity to export around the globe. For example, I was in charge of establishing U.S. Commercial Centers in key foreign markets -- one-stop shops where Commerce coordinates export promotion activities with states and industry associations.

My work at the Department has benefitted greatly from my solid grounding in trade and competitiveness issues developed during my time with Congressman Levin. As his international trade specialist, I had the opportunity to work on a wide range of matters, including the Uruguay Round trade agreement, auto-sector trade issues, and antidumping matters. I saw first hand the impact trade policy decisions had on the American economy.

Since leaving Congressman Levin's office, I have tried to apply these lessons at the Commerce Department. I am proud to have played a part in ensuring that American businesses and workers have every opportunity to compete effectively around the world.

Through my experience on Capitol Hill and in the Administration, I have come to realize the importance of cooperation between Congress and the Administration on trade matters. I have enjoyed working closely with this Committee as Acting Assistant Secretary and, if I have the honor of having my nomination confirmed, I will continue to do so in the future. Thank You.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

September 11, 1996

PRESIDENT CLINTON NAMES ROBERT S. LARUSSA ASSISTANT SECRETARY FOR IMPORT ADMINISTRATION AT THE DEPARTMENT OF COMMERCE

President Clinton today announced his intent to nominate Mr. Robert S. LaRussa, of Annapolis, Maryland, Assistant Secretary for Import Administration at the Department of Commerce (DOC). Since June 1996, Mr. LaRussa has been assigned as Acting Assistant Secretary for the Import Administration branch of DOC, which is responsible for administering the U.S. unfair trade laws.

Mr. LaRussa previously served as Principal Deputy Assistant Secretary for the U.S. and Foreign Commercial Service, a global network strategically located in more than 200 cities worldwide to assist U.S. businesses in their exporting efforts. Since joining DOC in 1993, he has spearheaded numerous export promotion efforts developed to assist small and medium sized companies, including the "Export Mexico" program that won the department's highest decoration, the Gold Medal.

Prior to joining the DOC, Mr. LaRussa worked as an international trade specialist for Representative Sander Levin of the House Ways and Means Committee. An attorney by training and a journalist by profession, he advised on international trade and manufacturing issues during the Clinton presidential transition. Mr. LaRussa also worked as an editor and correspondent for several newspapers and magazines, covered the U.S. Supreme Court and international trade issues as a reporter, and practiced law in Appalachia for a legal services organization. He graduated from the State University of New York at Buffalo Law School and the University of Massachusetts. Mr. LaRussa, a native New Yorker, now resides in Annapolis, Maryland with his wife Susan Tilberry, and two year old son John.

In the role of Assistant Secretary for Import Administration, Mr. LaRussa will lead the DOC effort in administering U.S. antidumping and countervailing duty laws to ensure a level playing field for America's industries in the competitive global market. He will also participate, with the U.S. Trade Representative, in negotiating fair and transparent international rules for antidumping and countervailing duty investigations, and will oversee the implementation of U.S. foreign trade zone laws.

A. BIOGRAPHICAL INFORMATION

1. Name: (Include any former names used.) Robert S. LaRussa
2. Position to which nominated: Assistant Secretary for Import Administration, U.S. Department of Commerce.
3. Date of nomination: March 3, 1997.
4. Address: (List current residence, office, and mailing addresses.) Residence: 1410 Ridge Way East, Arnold, Md. 21012. Office: 3099-B, U.S. Department of Commerce, 14th and Constitution NW, Washington, D.C. 20230
5. Date and place of birth: March 25, 1954; New York, NY.
6. Marital status: (Include maiden name of wife or husband's name.) Married to Susan C. Tilberry.
7. Names and ages of children: John James LaRussa, two years, nine-months old.
8. Education: (List secondary and higher education institutions, dates attended, degree received, and date degree granted.)
 - High School: Division Ave. High School, Levittown, NY, 9-66 to 6-72, high school diploma.
 - Nassau Community College, Garden City, NY, 9-72 to 5-74.
 - University of Massachusetts, Amherst Mass., 9-74 to 5-76, B.A. in history.
 - State University of New York at Buffalo Law School, 9-77 to 5-80, Juris Doctor.
9. Employment record: (List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.)
 1. Hermosa Construction Company, Durango Colo., construction worker, Fall-

Winter 1976-1977.

2. Vickers Oil Company, Durango Colo., attendant; Winter-Spring 1976-77.
3. James Glowonia, Attorney at Law, Elma, NY, law clerk, 1978 to 1980.
4. Advocate Newspapers, Springfield, Mass., reporter, 11-80 to 1-82.
5. Appalachian Research and Defense Fund (Legal Services), Columbia, Ky., attorney, 1-82 to 9-82.
6. Advocate Newspapers, Syracuse, N.Y. and New Haven, Conn., managing editor, 9-82 to 9-86.
7. Capital Cities/ABC/Fairchild Publications, Washington, D.C., international trade and U.S. Supreme Court correspondent, 9-86 to 11-89.
8. Everyday Law Magazine, Supreme Court Columnist, Washington, D.C. 1988-89. (Free-lance)
9. U.S. House of Representatives, Office of Rep. Sander Levin, Washington, D.C., international trade specialist for a member of the House Ways and Means Committee, 11-89 to 8-93.
10. U.S. and Foreign Commercial Service, U.S. Department of Commerce, Washington, D.C., Principal Deputy Assistant Secretary, 8-93 to 6-96.
11. Import Administration, U.S. Department of Commerce, Washington, D.C., Acting Assistant Secretary, 6-96 to Present.

10. Government experience: (List any advisory, consultative, honorary, or other part-time service or positions with Federal, State or local governments, other than those listed above.) None.
11. Business relationships: (List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, other business enterprise, or educational or other institution.) None.
12. Memberships: (List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable, and other organizations.) I am a member of the New York Bar; Phi Beta Kappa.
13. Political affiliations and activities:
 - a. List all public offices for which you have been a candidate. None.
 - b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years. None formally. I advised the Clinton-Gore campaign on international trade issues in 1992.

- c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 10 years.

I made a contribution of \$250.00 to the Democratic National Committee in 1996. I have made several campaign contributions to Rep. Sander Levin. I have checked my records and it doesn't appear that any of these amounted to \$50 or more.

14. Honors and Awards: (List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals, and any other special recognitions for outstanding service or achievement.)
Commerce Department Gold Medal for Export Mexico program, 1994; Commerce Department Silver Medal for U.S. and Foreign Commercial Service integrated teams initiative, 1995; first Prize, investigative reporting, Connecticut Chapter of Society of Professional Journalists, 1985; first Prize, sports feature writing, Connecticut Chapter of Society of Professional Journalists, 1985; Reginald Heber Smith Community Lawyer Fellowship, 1982; Sea Grant Law Fellowship, 1977; Phi Beta Kappa; Graduated Summa Cum Laude, University of Massachusetts, 1976.
15. Published writings: (List the titles, publishers, and dates of all books, articles, reports, or other published materials you have written.)
I was a journalist for a number of newspapers and magazines between 1980 and 1989 and wrote hundreds of articles. Most of these were short news stories written for daily publications and not analytical pieces. Some were longer. I have not maintained files on most of these. I am, however, willing to work with the committee to locate any articles that may be of interest. I specialized in writing about international trade between 1986 and 1989.
16. Speeches: (List all formal speeches you have delivered during the past five years which are on topics relevant to the position for which you have been nominated. Provide the Committee with two copies of each formal speech.)
I have spoken on many occasions on the topics of trade law enforcement and export promotion over the past several years, but always speak from talking points. Because of this practice, I have not distributed formal speeches to audiences. If the committee is interested, I will send copies of my talking points, but these are only a general guide to what I am speaking about.
17. Qualifications: (State what, in your opinion, qualifies you to serve in the position to which you have been nominated.)

Since moving to Washington D.C., eleven years ago, I have specialized in international trade. I have either followed or played a role in most of the compelling trade issues facing the United States over the past several years, and I have approached these issues from a unique perspective: as a journalist, as a congressional staffer and as a member of the Clinton Administration.

Since joining the Commerce Department in August 1993, I have played a key role in both the enforcement of U.S. trade laws and in export promotion. As Principal Deputy Assistant Secretary for the U.S. and Foreign Commercial Service, I was one of the architects of the Administration's Big Emerging Markets initiative, with a special focus on Latin America and Asia. During the NAFTA debate, I spearheaded a government-wide export promotion program focused on Mexico, and played a key role in developing regional commercial initiatives elsewhere in Latin America and in Asia. I developed a worldwide environmental technologies export program at US&FCS, and was the point person for the Commerce Department in trade talks with Vietnam. I ran the Commerce Department's Commercial Centers program, which set up expanded export-promotion facilities in Latin America, China and ASEAN. I received the Commerce Department's highest award--the Gold Medal--for designing the Export Mexico program, and a silver medal for integrating the domestic, overseas and headquarters components of US&FCS into teams of trade specialists focusing on priority markets in Asia, Latin America and Central Europe.

For the past year, I have been the chief administrator of the U.S. antidumping and countervailing duty trade laws in my capacity as Acting Assistant Secretary for Import Administration. During this period, I have carried out a top-to-bottom structural reorganization of Import Administration. I personally oversaw the drafting of the final antidumping regulations implementing the Uruguay Round Agreements Act, and am setting up a similar process to complete the final countervailing duty regulations. I represented the Commerce Department last year at the Quad trade ministers meeting in Seattle and at the WTO ministerial meetings in Singapore.

As an international trade specialist for a member of the House Ways and Means Committee, I worked on many of the same issues I have focused on at the Commerce Department. During the negotiation of the Uruguay Round, I directed a House Leadership task force on the GATT, which was chaired by Rep. Levin. Working closely with Ways and Means Committee staff and the House leadership, I represented the task force at the GATT talks in Geneva and Brussels on numerous occasions, concentrating on anti-dumping, subsidies and dispute resolution. I also represented Rep. Levin on a Leadership group on NAFTA, working on both technical issues such as rule-of-origin requirements and broader policy issues. As Rep. Levin's international trade specialist, I also concentrated on the U.S. trading relationship with Japan and on auto sector trade issues, particularly the need to open foreign markets to U.S. auto parts exports. During this period, Rep. Levin chaired the Congressional Auto Parts

Task Force.

As a journalist, I covered international trade, the U.S. Supreme Court and legal issues for a wide range of publications. During the first Clinton Presidential Transition, I served as a deputy to Dr. Laura Tyson, later chair of the Council of Economic Advisors and the National Economic Council. At the transition, I helped develop the new administration's policies on export promotion, trade and manufacturing issues.

I am committed to fairly and objectively enforcing U.S. trade laws and strictly interpreting the will of Congress on these issues.

B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, associations, or organizations if you are confirmed by the Senate? If not, provide details. Not applicable; I currently hold the job of acting assistant secretary for Import Administration.
2. Do you have any plans, commitments, or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, provide details. No.
3. Has any person or entity made a commitment or agreement to employ your services in any capacity after you leave government service? If so, provide details. No.
4. If you are confirmed by the Senate, do you expect to serve out your full term or until the next Presidential election, whichever is applicable? If not, explain. Yes.

C. POTENTIAL CONFLICTS OF INTEREST

1. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.
My wife and child hold a small amount of stock in the McDonald's company and Coca Cola. This should not present any conflict of interest, since to my knowledge neither company is involved in antidumping or countervailing duty cases before the Commerce Department. This is the only stock held by my immediate family.
2. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict

of interest in the position to which you have been nominated.
None.

3. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat, or modification of any legislation or affecting the administration and execution of law or public policy. Activities performed as an employee of the Federal government need not be listed.
None.
4. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Provide the Committee with **two** copies of any trust or other agreements.)
Because the value of stock owned by my spouse and child in the McDonald's Corp. and the Coca-Cola Company is less than \$5,000 in each company, under a new regulatory conflict of interest waiver, I am not disqualified from participating in matters affecting these companies. However, should the value of either stock exceed \$5,000 through stock purchases, reinvestment of dividends or increase in market value, disqualification would be required from the time I became aware of this fact. Given the nature of my responsibilities, however, no issues involving either of these two companies is likely to arise.
5. **Two** copies of written opinions should be provided directly to the Committee by the designated agency ethics officer of the agency to which you have been nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position.
See attached.
6. The following information is to be provided only by nominees to the positions of United States Trade Representative and Deputy United States Trade Representative:

Have you ever represented, advised, or otherwise aided a foreign government or a foreign political organization with respect to any international trade matter? If so, provide the name of the foreign entity, a description of the work performed (including any work you supervised), the time frame of the work (e.g., March to December 1995), and the number of hours spent on the representation.

D. LEGAL AND OTHER MATTERS

1. Have you ever been the subject of a complaint or been investigated, disciplined, or otherwise cited for a breach of ethics for unprofessional conduct before any court, administrative agency, professional association, disciplinary committee, or

other professional group? If so, provide details.
No.

2. Have you ever been investigated, arrested, charged, or held by any Federal, State, or other law enforcement authority for a violation of any Federal, State, county or municipal law, regulation, or ordinance, other than a minor traffic offense? If so, provide details.
In February 1983, as part of a reunion of high-school friends, three friends and I were arrested after getting into a verbal argument with employees of a restaurant we were dining in. The argument concerned who was responsible for breaking an awning a number of customers were leaning against. We ultimately agreed to pay a minimal amount to fix the awning. The charges for breaking the awning were dropped and the record expunged.
3. Have you ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.
As acting assistant secretary for Import Administration, I am named on many of the lawsuits filed against the department in antidumping and countervailing duty matters. I have not personally been the subject of any such administrative matter or a party to civil litigation.
4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense? If so, provide details.
No.
5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

E. TESTIFYING BEFORE CONGRESS

1. If you are confirmed by the Senate, are you willing to appear and testify before any duly constituted committee of the Congress on such occasions as you may be reasonably requested to do so? Yes.
2. If you are confirmed by the Senate, are you willing to provide such information as is requested by such committees? Yes.

May 27, 1997

**RESPONSES TO QUESTIONS FROM SENATOR BREAUX
COMMITTEE ON FINANCE
UNITED STATES SENATE**

1. If a downstream user does not have "standing to apply to the Department for a "changed circumstances" review to consider revocation (temporary or permanent) of an antidumping or countervailing duty order, how will that downstream user be able to raise its concerns with the Department? Will the Department consider the problems faced by downstream users through its power to self-initiate these reviews? How?

Industrial users can, and often do, raise domestic availability issues with the Department. These requests invariably result in full consideration of the issue and, if the domestic industry is in agreement, the Department can self-initiate a changed circumstances review based on lack of interest in continuation of the order as to the product in question.

In short, the decision by Congress not to accord "interested party" status to industrial consumers has never been a barrier to resolution of supply concerns.

2. Under what circumstances would the Department initiate a changed circumstances review when a needed product is not available from domestic producers? Would Commerce make a user wait two years before initiating such a review? Why not state as a matter of policy that non-availability would be "good cause" to excuse the two year requirement?

If information was made available to the Department that a product was not available from domestic producers and that domestic producers would consent to revoking an antidumping or countervailing duty order with respect to that product, the Department would initiate a changed circumstances review. There may be instances where petitioners indicate to the Department in writing their objection to revoking an order with respect to a particular product before initiation of a changed circumstances review. In such a case, the Department would not initiate a review.

The Department would not wait two years to initiate a changed circumstances review if petitioners consented to the revocation of an order with respect to a particular product. Such consent, in the Department's view, would constitute "good cause" to initiate a review, and this point has been made clear by the case law.

3. The preamble to the new regulations mentions procedures to decide scope issues early in an investigation. How important does the Import Administration consider it to be to exclude products not made in the United States from the scope of an investigation?

The Department is sensitive to concerns about domestic availability. Under existing law, Commerce has the ability to address supply concerns through changed circumstance reviews and

by ensuring early on that the scope of the investigation is not overbroad. We have taken steps to make these existing measures more efficient and effective. We have established short deadlines for changed circumstances reviews where the petitioner consents. Such changed circumstances reviews must be completed within 45 days. In addition, we have introduced two new procedures designed to focus on supply concerns early in a proceeding. In the pre-petition counseling stage, we will include scope issues on the checklist of items discussed with potential petitioners. Once an investigation is initiated, we will set aside a specific period for all parties to comment on product coverage issues.

a) Will the Department evaluate whether a petition includes products that are not produced in the United States? If so, how will the Department do this?

As explained above, we have introduced two new procedures to address concerns about domestic availability. In the pre-petition counseling stage, we will work with petitioners to focus on supply concerns that may become issues after an order is issued. Once an investigation is initiated, we will set aside a period for all parties to comment on product coverage issues. This will be a consultative process that will include petitioners, respondents, and downstream users.

b) Will the Department affirmatively ask petitioners to represent that a petition does not include products that are not domestically produced?

Under the procedures described above, the Department will request petitioners to focus on product coverage issues, including whether products not available domestically may present supply concerns after an order is issued.

c) Will the Department exclude from the scope of a petition products that are not domestically produced?

The new procedures described above will be a consultative process and will be addressed on a case-by-case basis. However, the courts have made clear that the Department's discretion to exclude a product over the objection of the petitioner is strictly limited to administrative and enforcement concerns. This is because the domestic industry is in the best position to know which products are causing injury, as well as which products it cannot produce as a result of the allegedly injurious dumping. Normally, the Department initiates antidumping investigations in response to a petition filed by a domestic industry which alleges injury by reason of unfairly priced imports.

d) Since downstream users are not interested parties, how will they be notified of the existence of these issues in an investigation?

The Department makes known all of its major actions in a case by publishing them in the Federal Register. We also routinely invite comments before making determinations. In addition, in practice, petitions tend to be common knowledge in any industry that is affected by them. Even if particular firms or their counsel do not read the Federal Register, Department actions that are published and that affect those firms are routinely reported in trade journals.

May 23, 1997

**RESPONSES TO QUESTIONS FROM SENATOR ROCKEFELLER
COMMITTEE ON FINANCE
UNITED STATES SENATE**

Question 1

I'd like to ask you to comment on the Countervailing Duty Regulations that the Department is considering. It is my belief that with the exception of the few changes to our laws mandated by the Uruguay Round, our antisubsidy enforcement should be even more effective as a result of the Round -- which is what the Administration promised us in 1994. I pointed this out in a letter which I sent to the Department late last year, which I'd like to submit for the record.

I am disturbed that the draft regulations appear to break this pledge in several key areas, and explicitly threaten to break it in others. For example, I could point to the way the proposed regulations deal with the valuation of what are known as "equity subsidies" -- government capital infusions that no private investor would provide; and the treatment of pre-privatization subsidies. The proposed weakening in those areas is not based on any obligations in the new Subsidies Agreement or the amended statute.

Answer

I want to assure you that our focus in preparing the regulations is to faithfully reflect the intent of Congress as expressed in the Uruguay Round Agreements Act. I am committed to effective enforcement of the countervailing duty law, and the regulations are an important step in advancing this goal.

With respect to the proposed regulation on government equity infusions, I understand the concern you are raising about so-called unequityworthy companies. The U.S. courts have made a number of decisions concerning capital infusions that appear to take conflicting positions. Our proposed regulation was an attempt to reconcile the approach we take to equityworthy and unequityworthy companies in light of these decisions.

The proposed regulation on equity infusions represents a first step in the rulemaking process and not our final view on the topic. We are in the process of receiving comments on the proposed regulations. If I have the honor of being confirmed as Assistant Secretary, I will personally evaluate this issue as the rulemaking process moves forward.

Your question also refers to the treatment of pre-privatization subsidies. The Department did not include a proposed regulation addressing privatization. Instead, the preamble to the proposed regulations lists a number of factors that might be considered in evaluating a privatization and requests comment on those factors and whether the Department should promulgate a regulation.

Our starting point in looking at privatization must be the statute, which makes clear that privatization of a company does not by itself require a finding that prior subsidies are eliminated. The preamble to the proposed regulations recognizes this important principle. In addition, the preamble discusses the methodology the Department has used in past cases to address privatizations. Our intention in seeking comment is to develop -- in light of the new statutory provision, the legislative history, and the Department's past practice -- the most effective approach for dealing with this complex area.

Question 2

I would like the nominee's assurances that he will work within the Administration and in Geneva to make sure that the WTO Trade and Competition Working Group stays focused on anticompetitive practices that restrict market access -- and that Working Group won't get drawn into a discussion of antidumping laws -- which was fought out in the Uruguay Round. I know Commerce and USTR understand this, but we need to be sure that's the case throughout the Administration and with our trading partners, who'd love to distract us from the goal of eliminating their non-tariff barriers to trade.

Answer

I have been following the WTO Working Group carefully. I was at the Singapore Ministerial when the Working Group was established and worked closely with Ambassador Barshefsky to make sure our Government's views were known. As you may know, Ambassador Barshefsky and Sir Leon Brittan issued a joint statement in Singapore making clear that the Working Group will be directed at competition issues and will not address matters already dealt with by the WTO, including antidumping and countervailing duties. We are participating actively in the Working Group to ensure that international dimensions of competition law -- and not antidumping -- remain the focus.

Question 3

I was very concerned with reports that in the interagency process of completing regulations to implement the changes to the antidumping law contained in the Uruguay Round Agreements Act, several agencies advocated changes to our dumping laws that were explicitly rejected by Congress during consideration of the Act. Two issues in particular concerned me, one having to do with something called "short supply," and another having to do with the treatment of Non-Market Economies. The final regulations came out alright, but the fact that these issues were even raised in the interagency process disturbs me.

On Short Supply, would the nominee please explain to the Committee why such changes were not necessary; how this is really about price not supply; and what the Department can do, within existing law, to address what legitimate concern domestic users have? Further, perhaps you could elaborate on what changes the Department did make in its final regulations to improve the administration of existing law.

On the issue of Non-Market Economies, can the nominee ensure the Committee that questions of graduating non-market economies, for purposes of enforcing our dumping laws, will continue to be non-political, and based on sound analysis by the Department.

These are extremely important issues. I was vigilant in making sure that in both of these areas we followed closely the guidance provided by Congress.

As you know, there is no provision for temporary duty suspension or for revoking an order over petitioner's objection in the final antidumping regulations. Such a provision would undermine the purpose of the law, and Congress explicitly considered and rejected this notion in the Uruguay Round Agreements Act. We have always maintained that existing authority is adequate to deal with legitimate concerns about domestic availability. I agree that many "short supply" issues really have to do with price rather than supply. Antidumping duties do not in any way limit the supply of a product; they merely ensure that products are sold at a fair price that does not cause injury to a U.S. industry.

Under existing law, Commerce has the ability to address supply concerns through changed circumstances reviews and by ensuring early on that the scope of the investigation is not overbroad. We have taken steps to make these existing measures more efficient and effective. We have established short deadlines for changed circumstances reviews where the petitioner consents. Such changed circumstance reviews must be completed within 45 days. In addition, we have introduced two new procedures designed to encourage petitioners to focus on supply concerns early in a proceeding. In the pre-petition counseling stage, we will include scope issues on the checklist of items discussed with potential petitioners. Once an investigation is initiated, we will set aside a specific period for all parties to comments on product coverage issues.

With respect to nonmarket economies, let me assure the Committee that questions of graduation will only be dealt with according to the Department's sound analysis of the criteria set out in the statute. In addition, I would like to stress that the nonmarket economy provisions in the final regulations contain no substantial changes from past practice and that they strictly reflect the will of Congress. There is no provision for economies in transition, and we did not codify separate rates or market-oriented industries tests. We made one change with respect of the calculation of labor rates, which will now be based on a more precise estimate of wage rates in countries at a similar level of economic development.

The interagency process was productive and helped to clarify many terms and procedures. The principal purpose of the review was to ensure that other agencies understood our reasoning in promulgating these rules. The process also allowed Commerce the opportunity to explain Congressional intent behind many of the provisions.

PREPARED STATEMENT OF HON. CAROL MOSELEY-BRAUN

Mr. Chairman, I want to thank you for holding this hearing on this very important nomination.

As you know, the Import Administration is responsible for the enforcement of the antidumping and countervailing duty laws of the United States. When imported products are unfairly priced or subsidized, U.S. producers and workers suffer such harmful effects as corporate downsizing, temporary layoffs and permanent unemployment. Our antidumping and countervailing duty laws address these problems and seek to level the playing field for American industries and workers in the global marketplace.

Effective enforcement of U.S. trade laws is imperative if we are to combat the unfair and injurious trade practices of other countries. Without the effective enforcement of our antidumping and countervailing duty laws and regulations, U.S. industry and American workers have no protection against the unfair trade practices by other countries and economic security ceases to become an achievable reality but merely an Utopian ideal. Bluntly stated, the effective enforcement of our trade laws is an essential component of U.S. trade policy and our nation's effort to safeguard American jobs. Without effective enforcement, we cannot promote our other trade goals and objectives or protect American industries and workers from unfair pricing, subsidization and other unfair trade practices.

The Import Administration also administers the Foreign Trade Zone (FTZ) program, which provides duty-free treatment for foreign imports used in products that are either reexported or sold in the U.S. market. My home state of Illinois has greatly benefitted from this program. Presently, thousands of well-paying Illinois jobs are supported, either directly or indirectly, by the FTZ program.

Given the importance of enforcement of our antidumping and countervailing duty laws to our trade policy and our efforts to reduce trade barriers to American products, it is imperative that the position of Assistant Secretary for Import Administration be filled by a person who understands the need to protect U.S. industry and American workers from unfair and injurious trade practices by other countries and who is committed to their enforcement when such practices are exposed.

The nomination of Mr. LaRussa to be the head of this important agency clearly shows President Clinton's commitment to U.S. companies and workers.

Since moving to Washington, D.C. in 1986, Mr. LaRussa, as a congressional staffer, journalist and presidential appointee, has acquired an intimate understanding of the important trade issues which have faced our country this past decade. In addition to his work as an international trade practitioner, he has also distinguished himself as a manager and negotiator. His "Export Mexico" program was awarded the coveted Gold Medal, the Department of Commerce's highest decoration—and negotiator. I believe that his prior achievements and his obvious leadership ability have more than adequately prepared him for the position which he has been nominated. I salute President Clinton and the Administration on another five star appointment.

 PREPARED STATEMENT OF HON. JOHN D. ROCKEFELLER IV

Mr. Chairman, I'd like to say a quick word in support of Bob LaRussa, who has been rightly nominated by the President to be the Assistant Secretary for Import Administration at the Commerce Department.

The Committee knows how passionate I am about maintaining the effectiveness of our trade laws to combat internationally recognized unfair trade. That is why I am so pleased that the President has chosen someone as talented and savvy as Bob LaRussa to be the Assistant Secretary at the Import Administration (IA).

I'm not sure if any of my colleagues work as closely with the Import Administration as I do, but if they do, then they surely know how good a candidate to be Assistant Secretary Bob LaRussa is.

He has a special understanding of the different interests that IA has to juggle; and, I think because he once worked on the Hill for my good friend Sandy Levin in the House, he takes seriously the idea of consultation with Congress—something I know this Committee appreciates.

Bob has been acting as the Assistant Secretary for nearly a year now, and I am really glad that we are finally going to remove that word "acting" from Bob's title. Since assuming the IA job when Sue Esserman moved over to the General Counsel's office, Bob has put his name to a number of dumping and subsidy cases, drawing words of praise and words of criticism, from both importers and domestic industry,

for the way those cases have turned out—probably the best testament we can have to Bob's fairness!

I'd also like to point out the yeoman's work Bob did in putting out the Department's antidumping regulations. It's hard to believe that it has been three years since this Committee marked up changes to the dumping law as part of the Uruguay Round implementing legislation.

In the time since then, fights that were won and lost in drafting the legislation, have been re-fought in the interagency process considering the regulations. A lot has been said and written about that process, but I think the final product appropriately reflects Congressional intent, and for that, Bob LaRussa deserves a lot of credit.

I mention this because the Department is now in the process of writing the regulations to implement changes in the Countervailing Duty (CVD) laws that were made in the same Uruguay Round Agreements Act. It is my strong hope, and expectation, that the same respect for Congressional intent is maintained in this process. However, I am concerned because early signs are that that isn't the case—though that is not really Bob LaRussa's fault.

Broadly, I am very concerned with what I would call a step backwards in the Department's proposed CVD regulations. During Debate on the Uruguay Round, the Administration committed that, with only those few exceptions mandated by the new agreements, our anti-subsidy enforcement would become even more effective as a result of the Round.

I wrote to the Administration last year about the importance of keeping this promise, and the accompanying promise to avoid any unnecessary weakening of the CVD remedy. That is why I was so surprised that the draft regulations appear to break this pledge in several key areas, and explicitly threaten to break it in others. For example, I could point to the way the proposed regulations deal with the valuation of what are known as "equity subsidies"—government capital infusions that no private investor would provide; and the treatment of pre-privatization subsidies. The proposed weakening in those areas is not based on any obligations in the new Subsidies Agreement or the amended statute.

Again, I know that these draft regulations were already in the pipeline when Mr. LaRussa came on board, so I don't hold him personally responsible for them, but it is my strong hope that he will put his own stamp on these regulations—a stamp that properly reflects what Congress enacted, and what we didn't enact, in 1994.

In closing, let me say again how strongly I support the nomination of Bob LaRussa to be the Assistant Secretary for Import Administration. I hope the Chairman will act with great speed to convene the Committee in Executive Session to report out Mr. LaRussa's nomination, and that he will be speedily confirmed by the full Senate. Thank you.

