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# United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

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August 24, 2011

President Barack Obama  
The White House  
1600 Pennsylvania Avenue,  
Washington D.C. 20500

Dear Mr. President:

I am writing to request a status update on your Administration's trade reorganization efforts. During the State of the Union on January 25, 2011 you noted that 12 U.S. agencies are involved with exports and announced an Administration-wide effort to "develop a proposal to merge, consolidate, and reorganize the federal government in a way that best serves the goal of a more competitive America. I will submit that proposal to Congress for a vote – and we will push to get it passed." On March 11, 2011 you issued a Memorandum to the Heads of Executive Departments and Agencies further detailing your federal government reorganization priorities that was published in the Federal Register. In that memorandum, you stated that "The first focus of this effort shall be on the executive departments and agencies and the functions that support one of our most important priorities – increasing trade, exports, and our overall competitiveness."

You charged your Chief Performance Officer, in the memorandum, to lead a comprehensive review of the federal agencies and programs involved in trade. The Chief Performance Officer and his team were instructed to "consult broadly" with stakeholders, including Congress. At the Brookings Institute on March 22, 2011, the Chief Performance Officer in response to a question noted that "We've had more than a dozen meetings already with congressional staff and we're starting to do meetings with members and we plan on keeping Congress involved through this process. As you said, it's very possible that some of our recommendations will require legislative action." To date, I have not received any briefing regarding this process and my staff has been briefed only once, and that was at our request.

The memorandum also required the Chief Performance Officer to submit recommendations to you on how best to reorganize the trade agencies by June 9, 2011. Media reports indicate that you received the recommendations in June. An Office of Management and Budget spokesperson told reporters that the recommendations were confidential and there is no set timeline for you complete your review and make any decisions. On August 13, 2011, The New York Times stated, citing unnamed officials, that the Administration may decide to merge the Department of Commerce, the Office of the United States Trade Representative and parts the State Department into a new agency, which could be called the "Department of Jobs" or the "Department of Competitiveness" – as part of its upcoming release of a jobs plan.

Mr. President, the solution to America's trade competitiveness does not lie in creating a new "Department of Jobs" or a new "Department of Competitiveness." It lies in fighting to aggressively open foreign markets to U.S. exports. One of the most effective ways to do that is through negotiation and implementation of strong international trade agreements. Fortunately, there are three strong agreements already negotiated with Colombia, Panama and South Korea.

Over the past several weeks you have made it clear that these agreements are "ready to go" and called upon Congress to take them up. Of course, you and your team know that Congress cannot take those agreements up under Trade Promotion Authority until you first submit them to Congress. I urge you to take advantage of our eagerness to do so and submit each of these agreements to Congress at the earliest possible time.

Meanwhile, as the Ranking Member of the Senate Finance Committee, I expect to be fully briefed and kept up to date on the status of any recommendations to reorganize the trade agencies that fall within our Committee's jurisdiction. I am deeply concerned about any proposals to place the Office of the United States Trade Representative into any other agency. This small but highly effective agency is one of the few bright spots in an otherwise bloated bureaucracy.

I expect to engage in full consultations before any proposal to reorganize U.S. trade agencies into a "Department of Jobs" "Department of Competitiveness" or any other new federal bureaucracy is proposed. Consultations with Congress – who create, authorize, and appropriate for federal agencies – must involve a significant exchange of ideas and opinions. To that end, I look forward to a detailed briefing and substantive exchange regarding any trade reorganization plans your Administration may be considering – well before any plan is announced to the public and the media.

Sincerely,

A handwritten signature in cursive script, reading "Orrin G. Hatch". The signature is written in dark ink and is positioned above a horizontal line.

Orrin G. Hatch  
Ranking Member  
United States Senate Committee on Finance