

**NWX-DEPT OF COMM-ITA**

**Moderator: Archana Sahgal  
June 15, 2016  
11:00 am CT**

Coordinator: Excuse me, this is the Conference Coordinator. I'd like to inform all participants that today's conference is being recorded. If you have any objections, you may disconnect at this time.

Also if you are not speaking, please press star 6 to mute your line and star 6 again to unmute. Now I'd like to turn today's conference over to Ms. - Chair Smyth. Thank you, you may begin.

Susan Smyth: Thank you very much. Archana, I would like to turn the meeting to you to do an official roll call. Thank you.

Archana Sahgal: Thank you, Chair Smyth. Jan Allman?

Claudine Martinez: Jan may be a couple of minutes late.

Archana Sahgal: Thank you. Christie Wong Barrett? Robert Degeneff?

Robert Degeneff: Present.

Archana Sahgal: Craig Freedman or Craig Freedman's back-up?

Craig Freedman: Present. And I also have a - I'm going to have to get off the call shortly. So I have Lynn Crim from my office on the line as well.

Lynn Crim: I'm here.

Coordinator: Okay, your line is open.

Archana Sahgal: Rob Friedland?

Rob Friedland: Present.

Archana Sahgal: Thank you. And just a reminder is for folks to mute their line. We're hearing a little bit of background audio. Cody Friesen?

Cody Friesen: Present.

Archana Sahgal: Hiro Fujita? Al Green? Dawn Grove?

Dawn Grove: Yes, I'm here. Thank you. Good morning.

Archana Sahgal: Jenny Houston?

Jenny Houston: Yes, I'm here.

Archana Sahgal: Eric Kelly?

Eric Kelly: Yes.

Archana Sahgal: James Keppler?

James Keppler: Yes, I'm on.

Archana Sahgal: Good morning. Taffy Kingscott?

Taffy Kingscott: I'm here. Thank you.

Archana Sahgal: Claudine Martinez?

Claudine Martinez: Good morning everyone.

Archana Sahgal: Zach Mottl?

Zach Mottl: Good morning.

Archana Sahgal: Roger Nielsen?

Roger Nielsen: Yes, I'm here. Good morning.

Archana Sahgal: Good morning. Timothy O'Meara? (Unintelligible)? Andra Rush?

Andra Rush: I'm here for Andra.

Jason Condit: And Jason Condit and Micki as well for Andra.

Archana Sahgal: Thank you. Irwin Shur?

Irwin Shur: I'm here.

Archana Sahgal: Good morning.

Irwin Shur: I'm here.

Archana Sahgal: Thank you. Susan Smyth?

Susan Smyth: I'm here. Thank you Archana.

Archana Sahgal: And Marsha Serlin?

Michelle Koza: Michelle Koza for Marsha Serlin.

Archana Sahgal: Thank you. Joseph Sylvestro?

Kori Estrada: Hi Archana, it's Kori. I'm covering for Joe at the moment. He'll be joining shortly.

Archana Sahgal: Thank you Kori. Okay. Ludwig Willisch? Ray Yeager?

Doug Gudenburr: Doug Gudenburr here for Ray Yeager.

Archana Sahgal: Thank you Doug. Bill Yeargin?

Terri Schneider: Terri is on for Bill.

Archana Sahgal: Thank you. And with that, I have completed roll call. I'll turn it over to Chair Smyth.

Christie Wong Barrett: Hi Archana, this is Christie Wong Barrett as well.

Hiroyuki Fujita: Excuse me, but...

Christie Wong Barrett: I'm here. I joined late because there was an inconsistency in the dial-in number. Christie Wong Barrett.

Archana Sahgal: Thank you Christie. Glad you could join us.

Hiroyuki Fujita: Archana, Hiroyuki Fujita is here as well.

Archana Sahgal: Could you repeat that Hiro?

Hiroyuki Fujita: I'm here as well. I didn't hear my name being called.

Archana Sahgal: Oh thank you, Hiro. Is there anyone else that was able to join us after roll call was complete?

Claudine Martinez: Jan's on as well guys. I just got an e-mail from her.

Archana Sahgal: Wonderful. Welcome Jan. Thank you. And with that, I turn it over to Chair Smyth.

Susan Smyth: Thank you very much Archana. So I'd like to thank the Council for attending the call. It's going to be a relatively short meeting. We have one letter to review and then we'll be doing a brief update with regard to the August 3 meeting in D.C.

So I would like to pass the meeting over to Vice Chair Martinez for any opening remarks. Okay. I am going to ask everybody to go back please and check that you are on mute.

There's an extremely large amount of background information - or background noise.

Woman: Chair Smyth that might have been me. I'm in the Delta Crown Room and they were right by me. I just told them I was on a conference call. I apologize to the group.

Susan Smyth: Okay. And no problem. Thank you. If you could stay on mute as we go through then much appreciated. So I'm not sure - is Vice Chair Martinez on the line. Have we lost the connection?

Claudine Martinez: No, I'm here.

Susan Smyth: Okay, Claudine, have you got any opening remarks or comments?

Claudine Martinez: Yes, yes. Please. I'd appreciate that. Yes, there was a little bit of glitch on the phone there. So good morning everyone. I really appreciate everybody joining us today.

It looks like we're approaching the fourth quarter now. So we're really trying to set the tone and the setting for everything we've got to go. And we're very excited that we're going to be hosting Secretary Pritzker over at the Indian Treaty Room for our last meeting on August 3.

So together with the great work with the Trade Committee that we're going to do work on today, we'll also focus on rounding everything out in our handoff letter. So I'm looking forward to brainstorming with all of you.

Susan Smyth: Okay. Thank you very much Vice Chair Martinez. Okay. I want to welcome and introduce Ms. Terri Schneider on behalf of Jan Allman and Bill Yeargin and the rest of the Trade, Tax Policy and Export Growth Subcommittee.

Terri, I'm going to ask you to provide context on the letter. If you can give an overview of the key points - and I would really like you to concentrate and discuss - and even the feedback that you've got from the Manufacturing Council.

And if you can explicitly talk about how that feedback was or was not addressed in the letter that would be great. Over to you, Terri.

Terri Schneider: Okay. Thank you Madam Chair, Madam Vice Chair and the Manufacturing Council. On behalf of the Trade, Tax Policy and Export Growth Subcommittee, we request your support on the final letter regarding three key areas.

Allocating resources for trade enforcement. A strong support and need for the China Bilateral Investment Treaty. As well as a long-term strategy for the Department of Commerce's Brand Awareness.

These areas of concern not only impact the U.S. manufacturing industry today, but also affects the future of competitiveness of U.S. businesses on the global level.

Based on that overview of these key points, trade enforcement. Create a long-term strategy and partnership with the U.S. Congress. Allocate financial and human resources for compliance and enforcement officers in the ITA's Enforcement and Compliance Unit.

As well as vigorous policing of repeat offenders as outlined in the annual 301 report. And vigorous investigation of alleged unfair trade practices and (AB/CVD) cases.

And recommending penalties and imposing appropriate (AB) or (CVD) duties when foreign manufacturers and governments violate the U.S. trade remedy law.

As far as the China Bilateral Investment Treaty, this is an important tool for the U.S. to address the level of playing field as U.S. companies stay in China. The BIT would establish equal treatment for U.S. investors in China.

For example preventing limited markets, discrimination when applying for a business license, et cetera. Prohibit foreign government's ability to (assume) U.S. investments in an unfair, discriminatory manner. Or to demand access to (IT) as a condition of market access.

Establish a neutral third party arbitration when a problem arises with another investor or a host government and prohibit unfair competition by state-owned enterprises.

Department of Commerce's Brand Awareness. You know, our long-term suggestion is to establish a Chief Marketing Officer to continue the improvement relevant of their top market reports, increase awareness at the local and state levels, and simplify and centralize information for easier navigation.

Thank you to everyone that viewed the letter and gave feedback, especially Taffy, Dawn, Jenny and Raymond. All the feedback was based around

improving language to flow better and improving the formatting which we updated the letter from these suggestions.

We did run the BIT piece back through our subcommittee and they had three areas that they wanted to modify based on the suggestion that I would like to inform the Council of.

Basically, it was all around the last paragraph - there's a (bit) before the bullet point. China has largely implemented a World Trade Organization mandated market opening, but hasn't done much to open beyond that.

So we would like to just modify the reference from China's unwillingness to meet its obligations and change it to unwillingness to open markets more fully.

The next change would be a BIT would actually require China to open its markets, assuming that it had a narrow, negative (risk) which is the only realistic scenario in which the negotiations would ever be concluded.

So we want to change the reference to a BIT leading to market opening to requiring market opening. Again, this is all on the fourth paragraph. Very small modifications.

Also adding in a clarifying statement at the end of one of the sentences to which it'll make it clear that the reference is to unfair roadblocks against foreign companies invested in China.

And then the last one was referencing the very first bullet point of our recommendation. Instead of saying, for example, prevent limited markets, we would like to change to limited market access.

As far as those modifications, the only other thing was it was advised that this letter had three very important topics and was asked for consideration of splitting up the topics.

Well our subcommittee feels that it's too late at this point to do this and based on our research, these were the most reoccurring issues to address. I would like to thank Madam Chair and Vice Chair and the Manufacturing Council for your time.

Susan Smyth: Okay. Thank you very much Terri for an excellent overview of the draft TTP letter. At this time I would like to open the floor for further deliberations from the Manufacturing Council.

Does anyone have any additional comment or questions for Terri? Okay. There were a number of people that - as Terri referenced -- made some significant and extremely valuable input during the drafting phase of this letter.

I think Taffy Kingscott was one. There were one or two others mentioned. Are all of you comfortable that they added some suggestions that you made - were addressed and discussed?

Taffy Kingscott: Susan, this is Taffy. Yes that's fine with me.

Susan Smyth: Okay. Any other comment? Okay. At the conclusion of this brief discussion, hearing no objections to adopting the new recommendation, I proclaim the recommendation adopted by the Manufacturing Council.

Okay. Again, I'd like to thank Terri for representing the TTPEG Committee and I would like to turn it over - oh sorry, before I do that, I really want to thank the Tax and Trade Policy and Export Growth Subcommittee.

You guys have made a phenomenal contribution over the last 14 months. You've got to be one of the most prolific subcommittees not only of this term, but I think of any term in the Manufacturing Council.

And I just want to applaud your dedication and the effort that you've put in on a plethora of subjects. And really the amount of work that's come out of this group has been outstanding and has really set a gold standard.

So for those of you - excuse me. For those of your team who were not able to call in today, I wish you would convey my thanks and appreciation. Claudine, have you any comments to add?

Claudine Martinez: I'd just like to echo that. Really, you have done an outstanding job. You've really been prolific and -- as Susan had said -- and you really have set the bar high for the next Council that's coming in.

And we really, really appreciate the diligence. I have been extremely impressed with how well this subcommittee involves the government staff as well as the various Council members and the various perspectives and coalescing all of those. And so thank you again for your efforts.

Susan Smyth: Yes, very much. So I would now like to pass the meeting over to Chair Martinez for a quick update and a high level discussion on the August 3 Manufacturing Council meeting update in D.C. Claudine?

Claudine Martinez: Well wonderful. Like I said when I opened, everyone, we're very excited to host Secretary Pritzker at our meeting on Wednesday August 3. We were really pushing for the Indian Treaty Room over at the White House and we have been able to secure that thanks to Archana's very diligent efforts.

I'd just like to take a pause right here and recognize Archana. You all can't imagine - I guess you could imagine how difficult it is for her to secure the Secretary's schedule.

And we really appreciate everybody's flexibility and understanding. Of course, we tried to get these dates out as early as possible to allow for travel and accommodations and so forth.

But I think it's well worth it to be able to accommodate the Secretary's schedule. We are looking forward to accomplishing the following goals for the meeting, in addition to anything else you all would like to discuss today.

After I do a rough overview of our meeting in D.C., I'm going to host a round-robin all the way around. So I'll be opening it up for comments as well. Now the goals of the meeting are to receive updates on the Manufacturing Council's recommendations for the respective U.S. government colleagues.

So whether it be various ex-Officio members or members of the Commerce staff, et cetera, they are going to report back to us on (unintelligible) and efforts that have been resulting from not only our Council but previous Councils as well.

So we're really excited. We've had a lot of very big wins as you all know on this Council's term and watch. And so they're going to basically be speaking

to us (real-time) about how those things have affected their everyday progress in their particular positions.

So I for one am really looking forward to that discussion. If you all have any input on people that you would like to see or input that you would like to share from, in particular, please be in good communication with Archana as soon as possible.

I will let everyone know that Archana is quite busy through the end of this month because she has two other Councils that will be wrapping their terms up the last week of this month.

And so if you could just sort of bear that in mind. Susan and I are really trying to (front-roll) as much as possible input from the Council. And Susan and I will be sending along a skeleton template, if you will, where you'll be able to report back into information so that we can get all of your info and all of your advice into the final letter.

And we will be very, very active in doing that in the next couple of weeks. So we're going to be dovetailing both of those, so that when Archana becomes available - and lucky for us going into the next month, we will be her sole focus and her last Council that's active.

And so we'll get a lot of one on one attention not only from her, but also the other government colleagues that we've been collaborating with. So to reiterate, on Rule No. 1, if you have specific individuals that you'd like to hear from either in-person that day or if you'd like for someone to report in the progress, please communicate that to Archana.

Archana, I'll pause there. Do you have anything to add on that point?

Archana Sahgal: Thank you, Vice Chair Martinez. I would just - just to build on what you've shared, the 2014 to 2016 Manufacturing Council has done an incredible amount of work around these recommendations.

And as Claudine mentioned, we're really excited to bring - to provide briefings to each of you on the letter of recommendations in terms of where the recommendations are.

So for example, the IRD Subcommittee's recommendation on patent and trade reform. We have been in deep conversation with our colleagues at USPTO and I'm looking forward to them hearing an update on where your recommendations are.

And that goes across the recommendations that you've provided both this term and in previous terms as well.

Claudine Martinez: Excellent. That's a great example. I appreciate that Archana. And feel free to jump in here at any time, okay, so we'll make sure that we're communicating everything we need to get forward as well as you and (Sean) - Susan and (Sean) as well.

I'm going to move on to the second goal that we have which is to share a list of top priorities that should be addressed in future Councils. We have already broached this subject with the whole Council various times and we've been coalescing data.

As I said, we will send forth a final template for people to weigh in on so that we can get all of the substance of the letter in. I just want to take a pause here and let everyone know that it really is important that we think outside the box.

Just because we've structured the previous Councils with the subcommittees that we're familiar with, that doesn't necessarily mean that priorities have not shifted and can shift going into the future.

So again, as you start to report back through your co-chairs the information that we'll need for the final letter, please think outside the box and let us know what your industries are seeing.

So that we can go ahead and relay those top priorities to the Secretary and to her colleagues. The third thing we have is to share lessons learned from the Council.

So it's very important for Susan and I to leave a template, if you will, for the next Council that they can hit the ground running. So everything from onboarding processing and getting up to speed on how the Council works and how recommendations go forward, how we go forward in selecting different venues and getting outside the (beltway), et cetera, et cetera.

Those will be some of things that we are thinking we need your input on. But again, I want to make sure that you all know that from Susan and I - regardless of whether we give you a template that has certain information on it, we really encourage you to think outside the box.

And say, hey I know this isn't on your template, but I was wondering if we could also mention this, this and this or x, y and z because I think that that's very important as well.

This is really meant to be a group effort and it really is needed to be able to - what we really need to do is coalesce everything that everyone has done. I

know that one of my main goals -- and Susan shares the same goal -- is to really try to communicate in a very straightforward way all of the diligent efforts that the various subcommittees have made.

Including all of the diligence that you've done not only with our government colleagues, but also in your own communities. And so we will be highlighting all of those areas.

So if you could do us a favor and help us build that library. We've been talking about handing over a flash drive or a library that Archana's going to be able to give her colleague that comes on next and say, this is what I wish I had and here you go.

Here it is so that you can take off and go running the first day. So Archana, I'll pause there again. Is there anything you'd like to say on that point?

Archana Sahgal: Nothing to add. I think you covered it. Thank you so much Vice Chair Martinez.

Claudine Martinez: Well then with that, I'll just share logistical notes. I know that Archana is sharing information about (room block) at the JW Marriott. And we're also going to be looking at a luncheon.

And so we will get together a little bit more on the details very soon. She's going to try to send out a letter with RSVP information and so forth, I believe, in the next couple of days.

And so with that, what I'd like to do is open up a round-robin discussion. It - on my mark, it's 9:23 where I am. I'm on Pacific Time. And I want to make sure that we can use everyone's time wisely.

But I want to make sure we have a forum for everyone to discuss the final meeting and the final letter or any other matters that you think we need to be covering to get ready for our closing session on the 3rd. So I open it up.

Eric Kelly: Andra, hi, this is Eric Kelly. How are you doing?

Andra Rush: Yes. Eric, very well.

Eric Kelly: Great. I was wondering if you had any feedback on the information I sent you a while ago on the Tiger Woods Foundation?

Andra Rush: You know, I think that we need to bring that back to the forefront. Let me go ahead and confer with Susan and Archana on that and maybe have a side call with you?

Maybe I'll have Archana or (Sean) reach out to you on available times. Could we do that?

Eric Kelly: Sure. Okay.

Andra Rush: Okay, thanks.

Archana Sahgal: Excellent. This is Archana. I will do that right after this call. Thank you.

Claudine Martinez: Thank you for reminding us of that Eric. We appreciate that.

Eric Kelly: Yes.

Claudine Martinez: Anyone else?

Christie Wong Barrett: Hi Claudine, this is Christie from the IRD Subcommittee. Could you just clarify which of the remaining session dates where we will be able to bring forward any additional letters of recommendation?

I didn't hear that we would have agenda time on the 3rd. So is it safe to presume our last opportunity to provide recommendations for consideration would be our July 20 t-con?

Claudine Martinez: I'm really glad that you brought that up. No, you'll be able to do recommendations both on the 20th - the July 20 meeting as well as the last meeting.

Now we have told Archana that we'd like her to send out the notice that's required for the 20th meeting, so that we will be in a position to adopt anything that we would need as well as on the last meeting.

So yes, if that is something that is going to be part of what your subcommittee is looking at, we would still welcome additional recommendations all the way through to the August 3 meeting. Very good question.

Christie Wong Barrett: Okay. Thank you so much.

Claudine Martinez: And just for clarification, could the other co-chairs speak up right now on that point and let us know if there is the possibility - we're not going to hold you to it.

But is there a possibility with any of the other subcommittees that they may be entertaining additional recommendation letters either in the July or August meeting?

Christie Wong Barrett: From IRD, we are gestating currently two to three letters that are in process.

Woman: For ours, we'll just - they are final recommendations, you know, that we'll be putting forward for the next round. So we will not be putting forth any more additional letters.

Claudine Martinez: Thank you. Okay. How about Hiro or Cody?

Hiroyuki Fujita: We are good.

Claudine Martinez: Okay, great. And then that just leaves our last one. Workforce? Anyone on for Shirish or Andra that can speak to that?

Roger Nielsen: Yes, this is Roger Nielsen speaking. We don't have anything after break, I hope.

Claudine Martinez: Okay, great. Excellent. Well Christie that'll give you some focus as well. We'll be focused on you all then, and so we can work with you. We can also do a side call.

Archana, maybe we could get ourselves together with IRD and see how their trajectory is looking as well. Okay?

Archana Sahgal: Sounds great. Thanks.

Claudine Martinez: Any other topics that we have in the round-robin discussion now? All right, seeing none, I just want to thank everyone for all of your diligence and hard work. It's 9:27 on my mark. I'll hand it over to Chair Smyth.

Susan Smyth: Okay. Thank you very much Vice Chair Martinez. So I would like to thank the entire Manufacturing Council basically for your dedication. Your tenacity and incredible investment of time and expertise in crafting the letters of recommendation.

You know, it's - I think - you know, we talked about it a little bit at - in Cleveland, but we can justifiably celebrate the overall achievements of the Council in this last term.

And I think Archana had alluded to it a few minutes ago, but, you know, just in summary prior to this call, we delivered ten letters of recommendation to the Secretary of Commerce.

And six of them have been implemented or are in the process of being implemented. So that's really an unprecedented adoption rate. And I just want to thank everybody on the call.

And if people aren't on the call, I would like you to reach out and tell them basically in terms of - the level of appreciation from both the Chair and the Vice Chair of this Council.

And that will - I'd like to ask the Vice Chair if you have any closing comments to echo that. But we have had phenomenal throughput and an extremely high quality in terms of our recommendations to the Secretary.

Claudine Martinez: Yes. I'd just like to close with the fact that Susan and I as well as Archana and all the government colleagues that we have are really looking forward to hosting you in August.

We have put a lot of pressure -- I think that Archana can attest to this -- to really make sure that our final meeting is one of recognition for you all and to really celebrate all of your efforts and really highlight them.

We will be having various events and surprises for you to let you know how much you really mean to the Commerce Department and all of the folks that we work with beyond that. Your own communities. Your patriotism really is to be celebrated.

We realize that every single person's time on this call is incredibly valuable. And your expertise and your dedication and, frankly, your comradery - I think the reason that this Council has been so successful is the comradery and the dedication that we have to one another on a personal level as well as a professional level.

We appreciate that everyone was looking at everything from manufacturing sector-specific and rather than their own company-centric perspectives, and I think that that has really lent itself to some exceptionally fruitful and actionable letters.

So we really look forward to celebrating you. If you could make every effort to attend -- and tell your colleagues who are not with us today to try to attend - - it will definitely be worth all your while to come.

So with that, I'll see you in D.C. and I'll see you on the phone in July.

Susan Smyth: Okay. Thank you very much Claudine. Any further comment from Archana or any of the other DOC personnel on the phone?

Archana Sahgal: This is Archana. Not at this time. Thank you.

Susan Smyth: Okay. With that at 12:30, I want to thank everybody for your time and I look forward to seeing you in D.C. Bye. The call is officially...

Man: Good-bye everybody.

Woman: Bye.

Woman: Thank you.

((Crosstalk))

Woman: Bye.

Man: Bye.

Woman: (Unintelligible).

END