



APRIL 2017 BACKGROUND

## Wilbur Ross, Secretary of Commerce

### INTRODUCTION

International private equity investor Wilbur Ross, Secretary of Commerce, is best known for purchasing and reviving severely distressed companies, including several steelmakers in the early 2000s. Ross, a critic of the North American Free Trade Agreement (NAFTA) and the Trans-Pacific Partnership (TPP), was nominated by the Trump transition team to be “the administration’s leader on setting many of our trade priorities.” This memorandum provides an overview of his career, his on-the-record expressed opinions on relevant topics, and the response his nomination received from Congress and other political players. He was confirmed by the Senate on Monday, February 27 by a vote of 72 to 27. All information presented has been gathered from publicly available sources.

### POSITION

Secretary of Commerce

### CONFIRMED NOMINEE

Wilbur Louis Ross, Jr.

### EDUCATION

BA from Yale University  
MBA from Harvard University

### AGE

79

### PROFESSION

Chairman of private equity company WL Ross & Co. LLC

- Chairman and Chief Strategy Officer, WL Ross & Co. LLC (2000-Present)
- Chairman, Chief Investment Officer, Rothschild Recovery Fund (1997-2000)
- Chief Executive Officer, News Communications, Inc. (1996-1998)
- Executive Managing Officer, Rothschild, Inc. and its predecessor, New Court Securities Corp (1976-2000)
- President, Faulkner Dawkins & Sullivan Securities Corp (1964-1976)
- Research Analyst, Winthrop De Vegh Management Company (1964-1966)
- Research Analyst, Wood Struthers & Winthrop (1964-1966)
- Vice President, De Vegh International Corp (1964-1966)
- First Lieutenant, U.S. Army Adjutant General Corps (1961-1963)
- Served as Trump campaign’s top economic advisor on trade
- Has served on numerous corporate and nonprofit boards as member, chairman, or trustee (See Page 13 of the Nominee Questionnaire linked below)

### FAMILY

Married to socialite and society writer Hilary Geary Ross since 2004 (two stepchildren). Previously married to Betsy McCaughey, former Republican Lt. Gov. of New York. Previously married to Judith Nodine (two children).

## NOMINEE QUESTIONNAIRE

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Submission as posted on the Senate Commerce Committee website on January 3, 2017

### SUMMARY OF KEY ISSUES

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- **U.S. Census:** On his nominee questionnaire, Ross mentions the Census as an area where the Inspector General found that the Commerce Department has failed to meet targets. Ross says he will prioritize correcting such “shortfalls”: “Among many other critical tasks requiring dedicated management attention will be the preparation for and implementation of an efficient and accurate 2020 Census that utilizes sophisticated technologies where possible.” ([Questionnaire Page 7](#)) Some Republicans would like to see the scope of Census data collection, particularly the American Community Survey, scaled back, [citing privacy concerns](#).
- **Telecommunications/Federal Communications Commission (FCC):** There are no statements from Ross on the FCC. Ross has invested in and restructured telecommunications companies in the past. Republicans generally oppose net neutrality regulations while debates about other FCC activities are more nuanced.
- **Data and Technology:** On his nominee questionnaire, Ross says that “increasing the Department’s responsiveness to the needs of the Committee [Senate Committee on Commerce, Science, and Transportation] and the user universe” and “integrating technology into the Department to improve efficiency as well as the timelines, depth, and breadth of data, while improving the protection of intellectual property in this country” as among the top three challenges facing the Department. ([Questionnaire Page 7](#))
- **Trade:** Ross believes many U.S. trade agreements are flawed and should be renegotiated, including NAFTA. He has criticized the World Trade Organization (WTO) for unfair treatment of U.S. companies, as well as the “bad” WTO deals entered into by the U.S. government. He opposes the TPP. (However, in 2015, he signed a [letter](#) from New York City business leaders to Congress in support of the TPP.)
  - The Trump transition team has announced its intention for Ross to be the “administration’s leader” on trade policy, not the U.S. Trade Representative. Experts say such a reorganization proposal will likely face pushback from Congress. ([Financial Times](#))
  - “Wilbur Ross agrees with President Trump:
    - The United States must free itself from the ‘bondage’ of ‘bad trade agreements.’
    - It’s time to roll back the TPP so the United States can forge bilateral trade deals that protect American workers and consumers.” ([RNC Press Release](#))
  - “All of our bad trade deals could have been good ones if we had simply bargained tougher. Safeguards going forward should include: (1) prompt triggers and automatic renegotiations if the trade gains are not distributed fairly, (2) equally prompt relief against non-tariff barriers (NTBs), (3) ironclad sanctions against currency manipulation, (4) zero tolerance on intellectual property theft, and (5) stringent environmental and health and safety standards — without the proverbial ‘wobble room’ characterizing proposed deals like the Trans-Pacific Partnership.” ([CNBC](#) article coauthored by Ross)
  - “In any negotiation or renegotiation, our guiding principle should be this: Enter into a free trade agreement only if it both increases total trade and reduces our trade deficit. When these two conditions are met, real world trade will converge with textbook theory, this country will be far more prosperous, and a now shattered faith in the global trading order will be restored.” ([CNBC](#) article coauthored by Ross)
  - “Free trade doesn’t mean dumb trade. We should treat ourselves as the world’s biggest customer and treat nations that are selling to us as suppliers to us.” ([Financial Times](#))
  - “The problem with regional trade agreements is you get picked apart by the first country, then you negotiate with the second, you get picked apart, and you go with the third one, you get picked apart again”...“What has to be put into perspective — we are the big market, we are the world’s biggest importer, we need to treat the other countries as good suppliers, not as determining the whole show.” ([USA Today](#))
  - “Everybody talks about tariffs as the first thing. Tariffs are the last thing. Tariffs are part of the negotiation. The real trick is going to be increase American exports. Get rid of some of the tariff and nontariff barriers to American exports.” ([USA Today](#))

- **Regulation:** Ross supports reducing regulations on business in all sectors, and particularly in energy.
  - Proposals from a [Trump campaign economic plan document](#) co-authored by Ross:
    - “Each Federal agency will prepare a list of all of the regulations they impose on American business, and the least critical regulations to health and safety will receive priority consideration for repeal.”
    - “A temporary pause on new regulations not compelled by Congress or public safety and a review of previous regulations to see which need to be scrapped.”
    - “Targeting regulations that ‘inhibit hiring,’ including, specifically, the EPA’s Clean Power Plan,” which forces investment in renewable energy at the expense of coal and natural gas, thereby raising electricity rates; and (2) The Department of Interior’s moratorium on coal mining permits, which put tens of thousands of coal miners out of work.”
    - “The Trump plan seeks to reduce the current regulatory burden by a minimum of 10% or \$200 billion annually.”
  - In a 2009 interview, he answered “government intervention” in response to a question about big challenges for investors. “Washington, D.C., is the new Wall Street. No significant financial transaction of any consequence occurs without it. About 90% of all mortgages are granted through Washington. Health-care reform would mean another 16% of the economy under more government supervision. But there is no evidence that more regulation makes things better. The most highly regulated industry in America is commercial banking, and that didn’t save those institutions from making terrible decisions.” (*Fortune*)
- **China:** Ross agrees with Trump’s sentiments that current trade arrangements with China are detrimental to U.S. interests, but his tone has, at times, been more moderate.
  - In a 2012 interview, he said “I think the China-bashing is wildly overdone in this country. The reality is that if something were to happen that cost China jobs, like if they upwardly revalued the currency a lot, those jobs aren’t going to come back to the U.S., they would go to Vietnam, they would go to Thailand, they would go to whatever country was the lowest cost, so it’s a fiction on both sides that those jobs will come back.” (*Politico*)
  - Trump has called for a 45 percent tariff on China, but Ross downplayed the statement: “What he said was if it turns out that the Chinese currency is overvalued, valued as much as 45 percent, and if they won’t negotiate, then it may become necessary to threaten them with as much as a 45 percent tariff. That’s not willy-nilly slapping a 45 percent tariff on everything.” (*CNN*)
  - “China is both the biggest trade cheater in the world and that country with which the U.S. runs its largest trade deficit. The elaborate web of unfair trade practices includes illegal export subsidies, the theft of intellectual property, the aforementioned currency manipulation, forced technology transfers and a widespread reliance upon both ‘sweat shop’ labor and pollution havens. The People’s Republic of China also engages in the massive dumping of select products such as aluminum and steel below cost.” ([Trump campaign economic plan document](#) co-authored by Ross)
  - “When auto companies like GM or Ford build new factories in China or Mexico rather than in Michigan or Ohio, additional jobs are also lost throughout the economy.” ([Trump campaign economic plan document](#) co-authored by Ross)
  - Interesting fact: Ross has a substantial art collection, including many Chinese works.

## PERSONAL STATEMENT ON HIS NOMINATION

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“I am delighted to have been selected to join President Trump’s Cabinet and look forward to working especially closely with Steve Mnuchin to implement the economic programs which we have developed jointly to implement the President’s strategy for accelerating our economic growth.” ([Press Release](#))

## RESPONSE TO NOMINATION

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Reactions to the nomination of Ross from both Republicans and Democrats were mixed, which may reflect the complicated sentiments held by citizens and lawmakers regarding international trade. Moreover, while some critics were quick to highlight the downsides of distressed asset restructuring, others pointed out that Ross' knack for timing and negotiation have saved companies and jobs that would otherwise no longer exist. Ross' wealth and Wall Street background were expected subjects of scrutiny, but his career was built on reviving blue-collar industries and some labor interests were energized by Ross' desire to revive the American export market. Ross' perspectives on telecommunications, workforce development, and other Commerce Department programs are not yet known.

### Elected and other government officials

- **President Donald Trump:** "Wilbur Ross is a champion of American manufacturing and knows how to help companies succeed. Most importantly, he is one of the greatest negotiators I have ever met, and that comes from me, the author of *The Art of the Deal*. Together, we will take on the special interests and stand up for American jobs. Wilbur knows that cutting taxes for working families, reducing burdensome government regulations and unleashing America's energy resources will strengthen our economy at a time when our country needs to see significant growth. I am proud to nominate him as Secretary of Commerce." ([Press Release](#))
- **Sen. John Thune (R-SD), Chairman, Commerce Committee:** "Wilbur Ross will bring exceptional real-world business experience to the Department of Commerce as part of an administration that emphasizes job creation and the economy. I welcome the President's choice and expect the Senate Commerce Committee will expeditiously consider this nomination once the new Congress begins in January. There will be strong support for keeping a successful entrepreneur at the helm of an agency charged with keeping our nation competitive." ([Press Release](#))
- **Spokesman for Sen. Bill Nelson (D-FL), Ranking Member, Commerce Committee:** The Florida senator "looks forward to meeting Mr. Ross and discussing a number of issues, including his qualifications and how to create jobs, before making a decision on his nomination." ([Morning Consult](#))
- **Sen. Mitch McConnell (R-KY), Senate Majority Leader:** "As our chief business advocate, I know Wilbur will use his decades of experience to put American jobs in the best position possible to flourish at home and American-made products in the best position to flourish abroad. Turning our economy around will be a team effort and this is another great addition to the talented group of people the President has assembled." ([The Hill](#))
- **Rep. Nancy Pelosi (D-CA-12), House Minority Leader:** "Choosing a practiced corporate raider to head the Commerce Department reflects Republicans' disdain for hard-working Americans struggling to make ends meet. With sprawling conflicts of interest and a troubling record on worker safety, Democrats have serious concerns that Wilbur Ross' corporate interests will trump the concerns of American families, entrepreneurs and our economic security." ([LA Times](#))

## WHAT OTHERS ARE SAYING

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### Industry, advocacy, think tank, and political organizations

- **Jay Timmons, President and CEO, National Association of Manufacturers (NAM):** "Wilbur Ross will bring a unique understanding of what it takes to fuel manufacturing enterprises into this vital role. As one of the savviest investors in the world, who was once a member of the NAM while leading International Steel Group, Mr. Ross has a firsthand understanding of the challenges manufacturers face to remain globally competitive in today's economy. To raise wages, put more people to work and out-innovate the rest of the world, manufacturers in America need fairer taxes and sane regulations as well as expanded trade and strong trade enforcement. We're encouraged by Mr. Ross' advocacy on many of these fronts and his extensive business experience. We look forward to working closely with him and the Trump administration to make manufacturing in our country stronger." ([Press Release](#))
- **Scott Paul, President, Alliance for American Manufacturing:** "There are lots of jobs that are here now that would have disappeared forever if not for his interventions. But he's like dealing with a trauma surgeon: He can keep you alive, but it will cost you your leg." ([Wall Street Journal](#))<sup>1</sup>

1 Scott Paul is Ilisa Halpern Paul's husband.

- **Leo Gerard, President, United Steelworkers:** “Some of these bottom feeders milk whatever value is left there. To Wilbur’s credit, he created a viable company. It wasn’t all peaches and cream, but in the end, we have got facilities that otherwise wouldn’t be alive today.” (*Wall Street Journal*) “Lots of these folks are bottom-feeders. They come in, and they strip the assets. Wilbur went the other way.” (*LA Times*)
- **Ramesh Ponnuru, Visiting Fellow, American Enterprise Institute (conservative):** “Trump and some of his advisers have strong views on trade and are in a position to act on them. But those views are not well founded, and the country is not clamoring to see them put into practice.” (*National Review*)
- **Daniel Ikenson, Director, Stiefel Center for Trade Policy Studies, Cato Institute (libertarian):** “His misguided views on trade agreements and the trade deficit, in conjunction with his affinity for protectionism and backroom deal-making, will necessitate our vigilance to protect the economy and free markets from the follies of crony capitalism.” (*National Review*)
- **Robert Scott, Senior Economist, Economic Policy Institute (liberal):** Scott says he’s “guardedly optimistic” that Ross’ experience with steel companies and other victims of U.S. imports will help him defend U.S. trade interests and nurture the country’s manufacturers. But, he added, “At best, it will slow the loss of manufacturing employment.” (*USA Today*)
- **Gary Hufbauer, Senior Fellow, Peterson Institute for International Economics:** “He has an exquisite sense of timing to buy low and sell high – that’s not easy. He may be able to carry that over in diplomatic dealings.” (*USA Today*)
- **Strobe Talbott, President, Brookings Institution:** Recalling recent salons Trustee Ross hosted, “To quite an admirable degree he would read carefully particularly reports and analysis that came out of our economic studies program,” saying Ross would often call up scholars to discuss and debate their latest findings. (*Politico*)
- **Republican National Committee:** “While other investors would have allowed foreign interests to devour U.S. manufacturers, Wilbur Ross doubled-down on his belief in American workers, savings numerous companies and tens of thousands of jobs. He has also worked tirelessly to build a strong relationship with labor, and was the only steel company executive invited to speak to the steelworkers’ union convention in Miami. ...Wilbur Ross has fought for struggling U.S. industries in the private sector, and he will now do the same in his new post on behalf of the American people. His appointment shows the Trump-Pence administration is committed to defending the interests of American workers and building an economy that works for all Americans.” ([Press Release](#))

### About the District Policy Group

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The District Policy Group is a bipartisan team of lobbyists and public policy professionals who advance client interests before the legislative and executive branches of government at the federal and state levels. We are a boutique lobbying practice within Drinker Biddle & Reath LLP—a prominent law firm, with a 160-year history and 600 lawyers across 12 offices.

The District Policy Group is different from other government relations and public policy teams in Washington, D.C. As former Hill staffers and former in-house lobbyists, we jump into the substance and become experts on our clients’ issues, concerns, cultures, policy positions, and advocacy agendas. With each representation, we customize our counsel and support to the individual needs of the client, factoring in internal resources, desired level of assistance, and particular policy goals. As a result, all of the insight, information, and recommendations we provide are relevant and tailored, and strategically advance our clients’ respective interests.

We maintain close relationships with members of Congress, congressional and federal agency staff, and have numerous connections to staff and leaders entering the new administration. We are uniquely qualified to help clients successfully navigate the current political environment and rapidly changing federal public policy world.

## Primary Contacts



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Ilisa Halpern Paul leads the District Policy Group and has more than 25 years of experience in government relations, advocacy, and policymaking in non-profit, academic, federally-funded, and government settings. Ilisa's practice centers on advising clients with respect to advancing their federal legislative, regulatory and programmatic policy agendas. Her work has earned her the recognition as one of The Hill's Top Lobbyists of 2015 and 2016, as well as a feature story in *The Hill* regarding her rise to success.



**The Honorable J. Phillip Gingrey, M.D., Senior Advisor**

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Phil Gingrey is a senior advisor in the District Policy Group at Drinker Biddle. Dr. Gingrey is a former U.S. Congressman who served Georgia's 11th congressional district from 2003 to 2015. Throughout his 12 years in Congress, Dr. Gingrey served on numerous influential committees, including the House Committee on Energy & Commerce, which focused on issues such as energy, health care, telecommunications, environment and interstate commerce. As such, he is uniquely positioned to provide public policy and government relations counsel to clients on issues related to health care, energy and environment, education, communications, and life sciences. Also during his Congressional tenure, Dr. Gingrey served on the Committee on Education and the Workforce and the Committee on Armed Services.



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Jodie Curtis focuses on federal policy, appropriations, and regulatory issues. She has more than 20 years of experience in government, Congressional affairs and representing the legislative and regulatory interests of for-profit, non-profit, and global organizations. Prior to joining the firm, Jodie served as an assistant director with a large national non-profit health care advocacy organization, deputy chief of staff for U.S. Representative Thomas M. Barrett (D-WI), executive assistant for U.S. Representatives Lynn Rivers (D-MI) and Peter Barca (D-WI), and district director/legislative assistant for Wisconsin State Senator Barbara Ulichny.



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Laura H. Phillips has been a leader in the telecommunications market for more than 25 years. She counsels wireless and wired technology entrepreneurs on issues related to the development of new technologies, including the development of spectrum auctions, network interconnection, access, universal service and Voice over Internet Protocol (VoIP). She also represents clients in regulatory matters stemming from communications service convergence, the growth of wireless services and the Internet. Laura is chair of the firm's Government and Regulatory Affairs Practice Group.