

Agency Revamp Focuses on Trade

By LAURA MECKLER

The White House is looking at combining a set of agencies involved in trade and exports as it works to implement President Barack Obama's State of the Union call to "merge, consolidate and reorganize the federal government."

White House officials in recent months seriously considered a plan to combine parts of the Commerce Department with other trade and export agencies, and to have the president announce the proposal during the speech, according to two people familiar with the conversations.

They pulled back amid unsettled questions over which agencies would fold into the new department, among other details. But trade, exports and boosting competitiveness remain the focus of White House thinking on a reorganization plan, a White House official said.

"We want to ensure that we're aligning all of the resources we have into negotiating the best agreements, enforcing our trade rights, supporting our exporters and promoting their products," a White House official said.

Mr. Obama spoke expansively during his State of the Union speech about the need to reshape government, though it was unclear how broad his proposal would be. "We live and do business in the Information Age, but the last major reorganization of the government happened in the age of black-and-white TV," he said.

He noted that 12 agencies deal with exports, five with housing and that separate agencies regulate salmon in fresh water and in the ocean. He promised to give Congress a reorganization plan "that best serves the goal of a more competitive America."

The White House is developing a formal process to write the plan, officials said. Officials at agencies that could be affected haven't yet weighed in. It is unclear whether the effort will broaden beyond a focus on trade and exports. Any plan would face significant hurdles—including internal turf battles—and would need the approval of Congress.

The discussions come as Republicans demand deep cuts in federal spending. White House budget director Jack Lew said that talk of a reorganization was motivated by a desire to use taxpayer dollars most efficiently. But he acknowledged that politics play a role. "Nothing that you do is unrelated to the times you live in," he said.

The U.S. trade representative negotiates trade deals, while the Commerce Department promotes international trade for U.S. businesses and the Agriculture Department promotes agricultural exports, to name just three of the agencies that deal with trade.

It is unknown what the administration will propose, but a report by the Center for American Progress, a Democratic think tank with ties to the White House, has suggested creating a **Department of Business, Trade and Technology** that would include much of the Commerce Department.

The report suggested folding in—among others—the Office of the United State Trade Representative; the Small Business Administration; and the Export-Import Bank of the United States, which finances U.S. exports.

Also included could be: the Overseas Private Investment Corporation, which provides political risk insurance to U.S. firms that invest abroad; and the U.S. Trade and Development Agency, which provides foreign aid aimed at fostering the private sector and trade.

Officials in the White House budget office began exploring reorganization ideas last summer, along with the National Economic Council. The effort was helped along in November, when Mr. Obama visited Asia and was struck by how other nations streamlined their efforts to keep their industries competitive, an administration official said.

This month, Mr. Obama hired William Daley, a longtime proponent of government reorganization and former commerce secretary, as his new chief of staff. Mr. Daley has consulted with the Center for American Progress on its government reorganization work, and it was his idea for Mr. Obama to highlight that salmon example.

In 2001, Mr. Daley wrote an essay in the Washington Post recommending a government reorganization. "What business in America hasn't reorganized itself in the past 50 years?" he wrote.