

Trump trade team draws heavily from one law firm: Skadden

*Lighthizer and other company veterans spent years fighting imports
to help US steel industry*

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When Robert Lighthizer was tapped by Donald Trump to be the US's trade tsar last year, the veteran attorney from Skadden Arps, one of Wall Street's oldest and most successful law firms, gathered up his troops.

He brought along Jeff Gerrish, a longtime partner at Skadden, to be deputy US trade representative, and called on Stephen Vaughn, a partner at King & Spalding who had worked at Skadden, as USTR general counsel.

For years, the trio had fought imports from China and elsewhere on behalf of clients in the US steel industry, but they were about to do so on a much bigger scale for the Trump administration. The influence of the former Skadden lawyers — and their connections to the US steel industry — are drawing increasing attention as the US ratchets up its trade confrontation with China.

Many trade lobbyists and lawyers at rival firms say the administration is neglecting the broader concerns of US business — notably rising input prices and the risk of retaliation against exports — in favour of one sector's priorities.

Just this year, the US has imposed national security-based tariffs on steel and aluminium imports, announced duties on \$250bn of Chinese products and threatened new tariffs on cars. It's much bigger than steel... They are not done yet, there's more to come Dan DiMicco, chairman emeritus of US steel group Nucor

It's unusual to have so many people, not just from the same specific place, but from the same background," says Bill Reinsch, chair in international business at the Center for Strategic and International Studies, a Washington think-tank. "It produces a certain unanimity of point of view: you're not getting the other side, you're not getting divergent opinions, and you'd probably be a lot better off if you did."

For three decades at Skadden, Mr Lighthizer helped the US steel industry — and US Steel in particular — win protection from the US government through anti-dumping and countervailing duties and special "safeguard" tariffs. The 70-year-old attorney pursued litigation to defend such measures against foreign exporters and domestic manufacturers who sought to prevent or overturn them. "These guys have fought against the trade mercantilism of China and others so they know how the war is fought. They know what the tactics are," says Dan DiMicco, chairman emeritus of Nucor , a North Carolina-based steel company that backed US Steel in many cases. "I'm not here to push some narrow agenda," Mr Vaughn said last year, stressing that USTR was keen to listen to all parts of US industry.

Others in Mr Trump's economic team have similar ties. Wilbur Ross, the commerce secretary, was a renowned investor in the steel sector, and Peter Navarro, Mr Trump's White House adviser on trade and the author of the book Death by China, has attracted praise from steel producers. Supporters of Mr Lighthizer — whose office did not reply to a request for comment — say the team is simply implementing Mr Trump's campaign policies. They add that voters wanted a change from previous officials who pushed for open trade and new markets but forgot that trade policy also plays a role in defending industry. They also highlight widespread corporate support for a tougher stance on China, even if there is disagreement over using tariffs as a tool. "

Bob does understand the importance of agriculture, services and innovation. But the globalists — they had their 20 years, and it didn't work," says one sympathetic trade lawyer in Washington. Supporters also say few people in Washington are as knowledgeable about the intricacies of US trade law as Mr Lighthizer's team. Skadden has offices in Beijing and Shanghai, as well as Brussels, Paris and Moscow. "This is the most experienced team at USTR that I have seen in the 30 years that I've been involved in trade policy," says Ivan Schlager, head of the national security practice at Skadden's Washington's office. "These guys have a terrific framework for understanding the US trade laws, and remedies. They are not wild-eyed protectionists; they are realists." Trump open to a deal with China to end trade war.

But critics say it is rare for so many officials from one firm to be at any given agency, with the only parallel being the US Treasury's reliance from time to time on alumni from top Wall Street banks such as Goldman Sachs.

Jamieson Greer, USTR chief of staff, and Pamela Marcus, deputy chief of staff, have also worked at Skadden, as did Dennis Shea, the ambassador to the World Trade Organization. “We have people working in the Trump administration, too, but they are scattered all around,” says one lawyer at a rival New York-based corporate law firm. He said he was hearing growing “complaints” from clients, including large US and foreign companies, that US trade policy was being seen through a single lens.

“It’s really all about steel.” In recent weeks, the Steel Manufacturers Association, a lobbying group, pleaded for products such as zinc, molybdenum oxide and silicon to be knocked off the final list of Chinese imports targeted by US tariffs on Monday. It won a reprieve from USTR for about 40 per cent of the items it requested. “[It’s a] .400 ‘batting average’ [an excellent result] for the steelmakers while most other Americans struck out,” Washington-based trade law firm Mowry & Grimson wrote in a note to clients.

The Trump administration has also repeatedly threatened to pull the US out of the WTO unless it is reformed. The US steel industry, which has sometimes been on the losing side of rulings by the Geneva-based global trade body, has been a leading critic of the WTO, as has Mr Lighthizer, but that view is not widely shared in American business. “Everyone else is saying the WTO has done its job, it should be left alone,” said the New York-based lawyer. But Mr DiMicco and fans of Mr Trump’s trade revolution have long been waiting for the change in approach brought by the Skadden litigators at USTR. “It’s much bigger than steel — steel is a spit in the ocean compared to what is being addressed,” Mr DiMicco said. “They are not done yet, there’s more to come and we couldn’t be in more capable hands.”