

# **Executive Office of the President**



## ***Office of the United States Trade Representative***

**Fiscal Year 2014 Budget**

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# FY 2014 BUDGET JUSTIFICATION

## *Summary*

The Office of the United States Trade Representative (USTR) is directly responsible to the President for the development and achievement of the Administration's trade policy agenda, including through the development and negotiation of free trade agreements, bilateral investment treaties and other bilateral and multilateral trade- and investment-related agreements. USTR is also responsible for the implementation and enforcement of international trade agreements, including enforcement of the United States' rights and benefits under the World Trade Organization (WTO). Finally, USTR leads the coordination, collaboration, and participation on trade policy initiatives within the Executive Office of the President (EOP) with other government agencies, Congress, the private sector, and the public.

Trade is helping to drive the success of President Obama's strategy to grow the U.S. economy and support jobs for more Americans. The Obama Administration's trade policy helps U.S. exporters gain access to billions of customers beyond our borders to support economic growth in the United States and in markets worldwide. We seek to create and defend open markets for U.S. exports and maintain a level playing field for U.S. producers to compete. We stand up for U.S. workers and businesses by challenging unfair trade practices and enforcing U.S. trade rights under our agreements. We work closely with trading partners to enhance our economic relationships and identify and remove barriers to promote mutually-beneficial, two-way trade. We use trade as a tool to fight poverty and enhance environmental and labor protections, while building better markets for U.S. exports. We advance all of these objectives with broad input from a wide range of stakeholders, including as many perspectives as possible to craft U.S. trade policy that reflects the aspirations of the American people and our global leadership role.

The Administration will continue to use every available policy tool – and develop new tools as necessary – to pursue the most efficient and productive pathways for trade liberalization in order to support greater economic growth and jobs. Moving forward, the Administration will continue to work with willing trading partners as we constantly seek ambitious, comprehensive, and high-standard trade and investment commitments that will enhance the ability of U.S. workers and firms to compete here at home and on a level playing field around the world. We will continue to enforce our trade agreements rigorously to bring home their economic benefits, preserve and support additional U.S. jobs, and discourage trade-inhibiting actions that diminish economic growth. We will strengthen trade relationships in every region, partner with developing countries to share the benefits of trade more broadly, and continue to reflect and uphold American values in trade policy.

We will build on many successful 2012 and 2013 initiatives to enable continued progress toward President Obama's National Export Initiative goal to double U.S. exports in support of up to two million additional U.S. jobs by the end of 2014. We will complete negotiations with Trans-Pacific Partnership (TPP) countries to secure a next-generation, high-standard trade agreement in the world's fastest growing region, and will continue to deepen transatlantic trade and investment with the European Union by way of the Transatlantic Trade and Investment Partnership (TTIP) to further strengthen the world's strongest trade partnership. At the WTO, we will continue to advance promising pathways for 21st century trade liberalization and to seek to revitalize Members' work in Geneva, including on trade facilitation, expansion of the Information Technology Agreement, and negotiations on a new International Services Agreement.

To facilitate the conclusion, passage, and implementation of market-opening negotiating efforts, we will also work with Congress this year toward a grant of Trade Promotion Authority. Such authority will empower current and future negotiations, and will thus support a jobs-focused trade agenda moving forward.

Building on the achievements of the last four plus years, we will work with Korea, Colombia, and Panama to ensure that the bilateral trade agreements that went into effect continue to operate smoothly, and we will ensure that U.S. exporters begin to reap the full benefits of Russia's membership in the World Trade Organization (WTO). We will also continue to further trade and investment opportunities in Africa, India, and elsewhere. At the same time, we will continue to monitor and enforce U.S. trade agreements, using all of our resources, including the new Interagency Trade Enforcement Center (ITEC), to identify and challenge unfair trade practices wherever they may undermine a level playing field for American businesses, workers, farmers, ranchers, manufacturers, service providers, creators, and innovators.

Our well prioritized trade policy focuses on key opportunities for increasing American exports and investment opportunities to support additional jobs, on opening markets, reducing barriers and boosting innovation, and based on the principles of a rules-based global trading system is contributing powerfully to America's economic recovery. Over the past 14 quarters from when the economic recovery began (from the 3rd quarter of 2009 to the 4th quarter of 2012), U.S. real GDP is up 2.2 percent at an annual rate, and exports have contributed nearly 0.8 percentage points (39%) to this growth. Our goal is sustainable economic growth that brings home the benefits of trade—including well-paying jobs. We intend to achieve these ends done consistently with our values, including the rights of workers, environmental sustainability, and political accountability. Successful pursuit of these U.S. trade policy objectives will help to support and sustain additional American jobs and economic growth.

## ***Trade Policy Focus Areas***

Trade policy focus areas that are critical to the President's economic and national security agenda

**Monitoring and Enforcement:** Conduct enhanced enforcement activities, through the USTR-led Interagency Trade Enforcement Center (ITEC) at full operating capability and the USTR Office of General Counsel in coordination with all USTR offices and partner U.S. government agencies. Given enhanced monitoring and enforcement activities, we expect resulting increases in the number of disputes that the United States initiates at the WTO. We also anticipate a substantial number of cases to be brought against the United States in retaliation.

**Trans-Pacific Partnership (TPP):** Conclude negotiations and prepare for legislative approval of the agreement, as well as begin the implementation process for the first tranche of countries, including Canada and Mexico, and complete bilateral negotiations with Japan if it has been invited to join TPP. Continue to engage in preparatory consultations and possibly negotiations with new partners in the Asia-Pacific region seeking to join the partnership.

**Transatlantic Trade and Investment Partnership (TTIP):** Continue negotiations and conclude a comprehensive agreement aimed at creating a more integrated transatlantic marketplace that provides significant economic benefits to the United States. This agreement will contribute to U.S. employment, global economic performance and economic security. In conjunction with negotiation of a comprehensive agreement, sustain a significantly enhanced contribution to the Transatlantic Economic Council (TEC) and to other regulatory cooperation initiatives involving additional players and sectors. Increase efforts to promote collaboration and cooperation with the EU with respect to third markets such as China, MENA and Russia.

**International Services Agreement (ISA):** Continue negotiations in Geneva, Switzerland for a new trade agreement on international trade in services, with the objective of promoting international trade in services and supporting increased U.S. service exports and jobs. These negotiations will seek to remove a range of barriers to U.S. services exports and thereby support additional American jobs in a sector where the United States is already highly competitive. In 2011, the United States had a \$178.5 billion surplus in services trade worldwide.

**World Trade Organization (WTO) Initiatives:** Continue to explore new approaches to negotiations in areas inside and outside the Doha Round and seek a package of early results by the next Ministerial Conference in Bali in December 2013. This package should include a strong agreement on Trade Facilitation, which could substantially reduce the costs of trading for U.S. exporters, and may also include realistic results on certain agriculture and development issues. Seek to conclude an expanded WTO Information Technology Agreement. Make progress on pending WTO accession negotiations, particularly those for Kazakhstan, Serbia, Bosnia Herzegovina and Afghanistan.

**Middle East and Northern Africa (MENA) Trade and Investment Partnership (TIP):** Increase trade and investment between the United States and the region, and within the region, promoting deeper integration with the U.S. and European markets. This is a critical goal to support broader U.S. foreign policy equities and enhance stability in the region through increased growth and economic opportunities.

**Sub-Saharan Africa Initiatives:** Implement the Presidential Policy Directive for Sub-Saharan Africa, including promotion of regulatory reforms that support trade/investment, greater economic governance, increased regional integration, improved competitiveness and diversity of African exports, and increased U.S. engagement in Africa. Advance the U.S.-East African Community (EAC) trade and investment partnership.

**South and Central Asia Initiatives:** Pursue greater regional cooperation through a Trade and Investment Framework Treaty (TIFA) and WTO membership for Central Asian countries, as well as a Bilateral Investment Treaty (BIT) with India.

**China Initiatives:** Conduct Bilateral Investment Treaty (BIT) and Government Procurement Agreement (GPA) negotiations, and confront ongoing bilateral challenges.

**Russia Initiatives:** Ensure proper implementation of Russia's WTO obligations, and draft a Congressionally-mandated report on such efforts. Engage in more formal trade arrangements (such as a TIFA-like structure and possibly a BIT) and confront on-going bilateral challenges.

**East Asia Initiatives:** Accelerate engagement with large East Asian markets, including Japan and Korea, through existing and new bilateral initiatives to remove market barriers and to secure new growth opportunities for U.S. exporters.

**Monitor and Enforce Free Trade Agreements:** Special emphasis on ensuring that Korea, Colombia and Panama fully comply with our newest trade agreements and that up to eleven (11) more TPP countries are implementing their TPP commitments as that Agreement enters into force.

**Asia-Pacific Economic Cooperation (APEC) forum:** Expand trade, environment and investment initiatives in this important growth market for the U.S. Initiatives developed in APEC also serve to further US economic interests in not only in the Asia Pacific but also influence developments in multilateral settings such as the WTO. Also, work with the Association of Southeast Asian Nations (ASEAN) on the Expanded Economic Engagement Initiative (E-3) that builds on our Trade and Investment Framework Agreement (TIFA) and expands our economic engagement; this will help prepare non-TPP ASEAN countries to join TPP.



## ***Program Initiatives***

Six major goals are accomplished through twenty (20) program initiatives that represent the key activities of USTR.

### **I. Negotiations: Creating Well-Paying American Jobs by Securing New Markets Abroad**

USTR's team of trade negotiators help to support well-paying jobs for American workers, farmers, ranchers, and service providers by securing high-standard, binding commitments from our trading partners to open their markets to U.S. goods and services exports. These binding agreements secure long-term market access in a broad range of markets and provide opportunities, not only for increased exports and investment, but also to secure improved intellectual property protection for U.S. innovators and producers, better regulatory transparency in foreign markets and to discipline new and emerging forms of anti-competitive behaviors by state-owned enterprises and other government-supported actors.

This goal is pursued through the following four program initiatives:

- Free Trade Agreements (FTAs)
- Bilateral Investment Treaties (BITs)
- WTO Negotiations
- Advancing WTO Accession Negotiations

USTR negotiators are simultaneously pursuing four kinds of market-opening trade agreements: multilateral negotiations with 158 Members in the World Trade Organization (WTO); bilateral and multilateral Free Trade Agreements (FTAs) such as those recently brought into force with Korea, Colombia and Panama as well as the Trans-Pacific Partnership agreement currently under negotiation; Bilateral Investment Treaties (BITs) such as those currently in progress with China, India, and Mauritius, as well other types of agreements, including Trade and Investment Framework Agreements; and WTO accession negotiations for prospective WTO Members.

#### **Free Trade Agreements (FTAs)**

USTR's bilateral and regional trade negotiations result in agreements that enhance U.S. economic growth and support the development and retention of high-paying jobs and advance the Administration's goal of doubling U.S. exports in five years. Concluding and expanding the TPP agreement, and launching other significant FTA negotiations, are top Presidential trade priorities. An eventual TPP agreement will also be critical to deepening U.S. relations with the dynamic Asia-Pacific region and setting standards that will have significant economic and political impact beyond the region. Should the United States decide to pursue it, a comprehensive trade agreement with the EU, our largest economic partner, could generate tens of billions of dollars in additional transatlantic trade, supporting hundreds of thousands of jobs, and could establish 21st century benchmarks for trade disciplines that will influence the policies and trade agreements of third countries. Continuing USTR leadership in negotiating trade agreements is essential to developing and advancing U.S. negotiating positions, maintaining stakeholder support, addressing the public's response to market-opening efforts, and building Congressional support for market-opening agreements.

On a broad scale, a successfully concluded TPP would create and lock in benefits for U.S. exporters in the

world's fastest growing economies. A resource-based failure to negotiate and conclude this and future trade agreements would result in a loss of similar export opportunities for American workers, farmers, and producers and will negatively impact efforts to support the creation and retention of U.S. jobs. As many U.S. competitors are negotiating trade agreements around the world -- more than 100 Asia-Pacific trade agreements already are in force in the region, of which the United States accounts for only two and many more are under negotiation or await implementation. As a result, failure to conclude additional bilateral and regional trade agreements will put U.S. goods and services exporters and U.S. workers at a disadvantage, hurting their export opportunities and resulting in lost market share to competitors from third countries.

In FY 2014, significant resources will be required to conclude negotiation of the TPP agreement with the first tranche of countries (now expanded to include Canada and Mexico) and to support preparations for entry into force and implementation of the agreement. In addition, multiple USTR offices will likely be engaged in intensive preparatory consultations with new countries interested in joining the TPP agreement. Consultations with Japan are ongoing, and should Japan decide to join and be admitted to the TPP negotiations, additional negotiations will need to be conducted to remove auto and other non-tariff measures. Other countries have also expressed an interest in joining the TPP. USTR is already engaging in long-term preparatory work with countries in Southeast Asia to promote their readiness for eventually joining the TPP agreement in the future. We expect engagement with potential TPP partners to increase significantly as we approach the conclusion of negotiations on the TPP agreement.

We will work to expand free and fair trade in the Americas. USTR expects by or in FY2013 to have new initiatives announced for that region, which could include additional bilateral or regional agreements. We already export more than three times as much to Latin America as we do to China, and we will pursue additional opportunities to expand commerce and promote shared prosperity. Last year the President signed free trade agreements with Panama and Colombia—agreements that will significantly boost U.S. exports and support thousands of jobs here at home—while protecting labor rights, the environment, and intellectual property. Because the Caribbean is an important region to our country, we will continue to support robust trade and economic relationships with our partners there. Any new negotiations on FTAs that the Administration enters into will require necessary resources.

With the FTAs with Korea, Colombia, and Panama having entered into force in FY 2012 and 2013, there will be labor-intensive work monitoring their implementation and conducting the meetings of the committees and working groups established under those agreements. Colombia and Panama will need particular attention to ensure implementation of their respective commitments on labor rights, necessitating additional resources.

In addition, the Administration is considering initiation of negotiations with the European Union on a comprehensive trade agreement, with a decision expected by December 2012. If launched in FY 2013, such negotiations are likely to be intensifying and possibly conclude during FY 2014. This budget does not provide for the necessary resources to conduct this initiative simultaneously with TPP and ITEC's increased enforcement efforts.

USTR must negotiate bilateral and regional trade agreements face-to-face with our trading partners to avoid losing key job-supporting opportunities for our economy. Successfully concluded FTAs have significantly increased exports and the many jobs that they support. For example, exports have increased by 405 percent with Jordan, by 370 percent with Morocco, by 596 percent with Chile, and by 550 percent with Israel (from year before entry into force to 2011). FTAs also give the U.S. government a dispute settlement mechanism, a strong enforcement tool to address exporters' concerns.

## Bilateral Investment Treaties (BITs)

The removal of investment barriers, particularly in China, India, and other major emerging markets, is key to promoting U.S. economic growth and creating U.S. jobs, which is a Presidential priority. The U.S. BIT program is also crucial to maintain positive relations with poor and developing economies. The President's trade and investment partnership initiatives for the Middle East and North Africa (MENA) and for the East African Community (EAC) target increased investment integration both between these countries and the United States, and within the regions themselves. Removing investment barriers levels the playing field for U.S. companies (e.g., in India, Russia), creates new economic opportunities, and protects U.S. investors. To date, U.S. investors have brought more than 90 investor-State cases under U.S. BITs and the substantively similar investment chapters of U.S. FTAs, and have won or settled many of these cases, with awards ranging from tens of millions to hundreds of millions of dollars.

Successfully completing key BIT negotiations will provide significant benefits for U.S. investors abroad and in turn will benefit the U.S. economy and U.S. workers. For instance, a successful BIT with China would open many of China's closed sectors, improve competitiveness of U.S. firms, and likely increase U.S. exports to U.S. investors and other companies in China. Ensuring a level playing field with respect to third country investors is ever more important today given the European Union's newly assertive role in international investment negotiations. Under the Lisbon Treaty, the European Union now has authority to negotiate investment agreements on behalf of its member states; China, India, Russia, and Mercosur top the EU negotiating agenda.

The President's Middle East and North Africa (MENA) trade and investment initiative envisions significant USTR efforts to promote U.S. investment ties with the region and investment integration more broadly among the G8 Deauville Partnership countries (G8 countries and MENA transition countries as well as regional strategic partners, including Turkey and the Gulf Cooperation Council countries). The ability of USTR to pursue these goals through negotiation of new or revised BITs is a key focus of planned U.S. engagement with this critical region.

A central component of the Administration's focus on expanding the economic relationship with Russia is increasing bilateral investment between our two countries. Negotiating a BIT with Russia will give our investors a much-needed sense of security in an economy ripe with opportunity. Adequate resources to conclude our current technical discussions, and, if appropriate, move to negotiations, are critical to the President's initiative as well as our bilateral relationship with Russia, one of the world's largest economies.

## WTO Negotiations

During its decade-long history, the Doha Development Agenda negotiations (Doha Round) have had numerous ups and downs. The Round is at an impasse; while it appears unlikely it will be definitively terminated, its future course is highly uncertain. However, Ministers agreed at the December 2011 WTO Ministerial Conference that new approaches in the WTO should be pursued, and placed a particular emphasis on achieving results that will benefit developing countries. Technical-level negotiations on trade facilitation and development issues (a monitoring mechanism for special and differential treatment, and clarifying special and differential treatment in existing WTO Agreements) are continuing at a steady pace that is expected to accelerate in the lead-up to the WTO Ministerial Conference that will take place in FY2014. Discussions have also begun on a plurilateral services agreement (the "International Services Agreement" or "ISA"), and work is underway to begin negotiations (outside the Doha mandate) to expand the product coverage of the Information Technology Agreement (ITA).

In addition to negotiations, U.S. trade interests also depend extensively on making effective use of the WTO's array of standing committees, working groups, and other structures. Through these committees, the United States is able to raise current trade concerns, and engage with trading partners to resolve those concerns, helping to support additional American jobs in agriculture, trade in services, trade-related investment measures, pharmaceuticals, and intellectual property. The WTO's Trade Policy Review Mechanism also remains an essential means of monitoring the trade policies of all 158 WTO Members, and active U.S. participation in this process is a critical component of our broader trade enforcement agenda. With the global economy remaining fragile, the United States will also need to contribute actively to the WTO's increasingly critical protectionism monitoring work.

Resources are necessary for USTR to participate fully and directly in WTO committee procedures and discussions, the principal avenue for resolving trade issues to the benefit of American workers and businesses. USTR must play a key role in the way in which WTO countries elaborate on existing trade rules. USTR's participation in committee proceedings is critical to the United States' ability to respond to questions about U.S. compliance with WTO rules and avoid WTO findings or disputes that may adversely affect U.S. commercial interests. Overall savings may actually be achieved if compliance issues can be resolved at the technical level in WTO bodies before they become disputes.

Additionally, USTR's efforts to secure China's participation in the WTO's Government Procurement Agreement will support the Presidential initiative of rebalancing the U.S.-China trade relationship by expanding U.S. sales into China's large government procurement market. Sufficient resources are necessary to negotiate China's timely and comprehensive accession and thereby ensuring that China does not impose even greater barriers to its \$90 billion government procurement market, including discriminatory "Buy China" policies. For Russia, ensuring full implementation of its WTO obligations is critical to the Presidential goal of integrating Russia into the international trading system and required by the Russia and Moldova Jackson-Vanik Repeal and Sergei Magnitsky Rule of Law Accountability Act of 2012.

#### Advancing WTO Accession Negotiations

This initiative carries out the key Presidential objective of creating American jobs through increased export opportunities, as well as supporting and strengthening a rules-based global trading system by expanding membership in the WTO and ensuring fair competition for U.S. interests, which has a direct impact on job prospects in the United States. The WTO is a key venue for multilateral trade liberalization through negotiation and also provides an institutional bulwark against protectionism, including, importantly, through the use of formal dispute settlement proceedings between members.

The accession process strengthens the international trading system by ensuring that new WTO members understand and implement WTO rules from the outset. The process also offers current members the opportunity to eliminate trade barriers in acceding countries, to work with acceding governments towards full implementation of WTO obligations, and to address outstanding trade issues. The importance of WTO accession negotiations to the Administration has been demonstrated by the prominence of Russia's accession and the repeal of Jackson-Vanik status for Russia – allowing U.S. businesses and workers to realize the benefits of Russia's WTO commitments – as a key trade objective for President Obama.

Accession talks can be resource-intensive, requiring significant travel funding over time to conduct the requisite face-to-face negotiations and work through often complex implementation packages. The U.S. plays a key leadership role in securing high-standard, market-access-creating accession packages with new WTO members. While at least four accessions are likely to conclude during FY 2013 (Kazakhstan, Tajikistan, Yemen, and Laos), other accession negotiations (Iran, Ethiopia, Liberia, Seychelles) are likely to intensify, and other accessions of importance to the United States for both economic and other reasons

will continue to demand USTR effort (Afghanistan, Serbia, Bosnia, Azerbaijan, Uzbekistan, Libya, and possibly Lebanon during FY 2014).

## **II. Enforcement: Bringing Home the Promise of Additional Jobs Supported by America's Trade Agreements**

Once the United States has entered into an international trade agreement, the permanent task of implementing that agreement and realizing its promised benefits – including new export opportunities, American job creation, increased wages, and economic growth – begins. USTR's vigilant and constant enforcement of trade agreements and of Americans' trading rights around the world is essential to securing and creating well-paying jobs for American workers, farmers, ranchers, and service providers.

This goal is pursued through the following four program initiatives:

- Monitoring and Addressing Trade Issues and Creating New Opportunities
- WTO Disputes and Improving the WTO Dispute Settlement System
- Administering, Monitoring, and Enforcing FTAs and Other Trade Agreements in Effect
- Implementing WTO Agreements and Participating in the Committee Process

USTR's vigilant and constant monitoring and enforcement of trade agreements and of Americans' trading rights around the world is essential to creating and supporting well-paying jobs for American workers, farmers, ranchers, and service providers. USTR's enforcement work is focused on three areas: pursuing WTO rights, including as appropriate through disputes, and monitoring and enforcing FTAs and other trade agreements. For example, in the past year of this Administration USTR has prevailed in disputes against China's export restraints on key raw materials, discrimination against U.S. financial services providers, unfair subsidies to manufacturers of wind power equipment in China, and the Philippines' discriminatory taxes on alcoholic beverages, and has initiated disputes against the European unfair subsidies to Airbus, China's misuse of trade remedies against U.S. poultry products and automobiles, India's unjustified barriers to U.S. poultry exports, and Argentina's unfair use of licensing to restrict U.S. exports on a wide range of products. The complexity and breadth of this illustrative list of existing efforts will continue and grow to address the more complicated protectionist efforts abroad.

Our enforcement efforts seek to identify and address market barriers for goods and services with the goal of removing them through negotiation where possible and litigation where necessary. Among the considerations for prioritizing our enforcement efforts are the market impact of the issue, the positive systemic impact of resolution of the issue, and maximizing the leverage of our resources for the benefit of our producers, exporters, service providers, farmers, ranchers, and workers. Overall, our efforts are focused on supporting U.S. trade priorities.

### Monitoring and Addressing Trade Issues and Creating New Opportunities

To fulfill its trade enforcement responsibilities, USTR monitors industry and trade developments in the United States and worldwide. Through this monitoring, USTR is accountable for identifying and capitalizing on new export opportunities for domestic industry and trading partner countries including, for example, in relation to agricultural and industrial goods. USTR also monitors trade measures in non-WTO, non-FTA partner countries to identify and remediate possible trade barriers, identifies and analyzes trade issues in a number of natural resource-related areas, including marine resources and forestry, and monitors and coordinates comments on draft standards-related measures at the WTO that can have an adverse impact on U.S. exports. USTR similarly monitors and takes appropriate action to address

inadequate or ineffective protection of intellectual property rights, and innovation-related trade concerns. USTR is also charged with anticipating emerging issues that may not be addressed by existing trade rules and with developing appropriate proposals to do so.

USTR's activities under this initiative support the President's goal of doubling exports within five years by identifying and addressing unnecessary obstacles to U.S. exports. USTR's monitoring of existing agreements and development of new ideas is critical to the ongoing effort to expand U.S. trade and investment, to support U.S. economic growth and job creation, and to ensure that international agreements on forest, marine and fishery issues are consistent with U.S. trade obligations.

In FY 2013 USTR will intensify efforts to negotiate an International Services Agreement (ISA). In addition, these negotiations are expected to continue into FY 2014. USTR is also expecting to continue its focus into FY 2014 on innovative approaches in the WTO and APEC to advance market liberalization for environmental goods and services, including by exploring a plurilateral agreement based on the 2012 APEC outcomes. In addition, USTR is working to address forced localization policies throughout the globe, through increased international and bilateral dialogue, cooperation, and analysis. If China and Japan have not fully opened their markets to U.S. beef by FY 2014, USTR will need to enhance engagement to open these markets. Sub-Saharan Africa has been identified as a "last frontier" market with rapidly growing export and investment opportunities for U.S. businesses, particularly SMEs. USTR will be working with other agencies over the next several years (including in FY 2013) to determine how best to help U.S. businesses take advantage of new trade opportunities in Africa. This work will be closely linked to the new Presidential Policy Directive for sub-Saharan Africa's "Doing Business in Africa" campaign. USTR has negotiated international equivalence agreements with Canada and the European Union to ensure that organic products certified in one country can be sold as organic in the other. USTR plans to negotiate similar agreements with other countries to create job-supporting export opportunities for the organic food industry.

USTR has been actively pursuing means to implement the President's Middle East and North Africa (MENA) trade and investment initiative, which seeks to build or strengthen ties between MENA transition countries and the United States, as well as foster greater economic integration among MENA countries themselves. This effort ideally will result in negotiation of one or more new trade agreements (either bilateral or regional) or some other means of resolving trade and investment issues.

USTR resources create opportunities to break down trade barriers and retain American jobs that may be lost. New issues not covered under current initiatives must be addressed to avoid hindering U.S. companies from competing effectively in the global marketplace. USTR's monitoring of services and investment issues enables adapting negotiation objectives to address new trade barriers. USTR must fully assist exporters and address issues before they become problems.

In FY 2014, USTR anticipates continuing to pursue concrete initiatives on trade facilitation, standards, and the digital economy with ASEAN, a key commercial and strategic partner, looking to negotiate major trade agreements with other countries that will have implications for TPP, APEC and other U.S. initiatives in the region. We also are actively seeking to further deepen bilateral ties with individual ASEAN countries, including Indonesia, which has been identified as a target emerging economy; as well as Thailand and the Philippines, which are considering future participation in the Trans-Pacific Partnership; and Burma, where political reforms present significant new opportunities for U.S. companies.

USTR will pursue initiatives to strengthen monitoring and enforcement. Robust monitoring and enforcement of U.S. rights under international trade agreements, and other domestic and international trade enforcement authorities, are crucial components of this Administration's strategy to expand exports

and ensure fair competition with our foreign trading partners. Additional resources will enhance our overall trade enforcement capabilities and support the creation of a new interagency trade enforcement unit that will bring together personnel from across the Federal Government to reduce or eliminate unfair trade practices among our foreign trading partners. USTR will increase coordination of executive departments and agencies to identify and reduce foreign trade barriers to ensure that U.S. workers, businesses, and consumers receive the maximum benefit from our international trade agreements.

### WTO Disputes and Improving the WTO Dispute Settlement System

The President's Trade Agenda sets as a priority for USTR to enhance economic growth, job creation, and innovation by vindicating and defending U.S. rights. Pursuing and defending WTO disputes specifically addresses a priority item of enforcing U.S. rights in the rules-based trading system. USTR's trade rights monitoring and enforcement efforts demonstrate the Administration's commitment to negotiate and implement trade agreements that enhance U.S. commercial interests and fully secure U.S. trading rights. USTR's annual Report to Congress on China's WTO Compliance sets the enforcement of China's international trade obligations as a top priority for the Administration.

As part of these efforts, USTR has been instrumental in efforts to improve the WTO dispute settlement system, particularly through the negotiations underway in the WTO to clarify and improve the Dispute Settlement Understanding. In these negotiations the United States is seeking, for example, to increase the public's access to dispute settlement proceedings and to ensure that there is sufficient flexibility in the dispute settlement system and that WTO Members have the tools available to facilitate the resolution of trade problems between the parties to a dispute, and to address particular issues that have been identified based on the experience under the system to date.

Dispute settlement under the WTO Agreement can forestall other governments, including those with large markets such as China and Brazil, from closing or restricting with impunity their markets to U.S. products and services, or allowing the theft of U.S. intellectual property. In the case of China, for example, the WTO dispute settlement process is a key lever for addressing many of that country's numerous trade-restrictive and protectionist industrial policies, which would have significant adverse commercial effects on U.S. businesses and workers.

USTR must defend the United States against all claims brought against us in the WTO to avoid exposing the United States to trade retaliation and consequent job losses. USTR officials often must engage with their foreign counterparts in efforts to resolve disputes both before and after litigation proceedings are instituted, or to forestall the imposition of trade restrictive measures negatively impacting U.S. exporters. Both offensive and defensive trade enforcement efforts can be prolonged and resource-intensive, often requiring significant travel expenditures.

An increased in workload is anticipated as ITEC develops more cases. Obtaining compliance with the commitments provided in our trade agreements, whether through negotiation, consultations, or litigation, supports further opening of foreign markets to U.S. exports and an increase in domestic jobs. Each of these approaches requires USTR attorneys and staff to research, analyze, document, and explain the factual and legal bases for our claims. Additional resources (e.g., attorneys, researchers, translation funds) would provide USTR with the capability to increase the number of potential disputes that could be investigated and pursued, where warranted.

The disputes that USTR pursues and defends are becoming increasingly complex, both legally and factually. In part, this is because the more obvious WTO violations have been addressed. Accordingly, more complex cases mean that the number of measures that must be identified in given cases increases, more facts and economic analysis must be prepared, more defensive arguments must be anticipated,

analyzed, and researched. As a result, more attorneys and other resources must be assigned to individual cases. The apparent reluctance of companies to actively support formal dispute settlement in certain sensitive cases (whether because of cost-benefit calculations or reluctance to publicly challenge certain countries), also means that USTR must expend more of its own resources to investigate, develop facts and arguments, and anticipate defenses.

Finally, in extending permanent normal trade relations to Russia, Congress has focused on the need for USTR to enforce actively Russia's compliance with its WTO commitments. USTR must follow through and hold Russia accountable.

#### Administering, Monitoring, and Enforcing FTAs and Other Trade Agreements in Effect

USTR's efforts to ensure that the United States receives the full benefits of the trade agreements it negotiates serve to promote American job creation and retention, wage increase, and overall economic growth. Implementing and enforcing high labor and environment standards and protecting U.S. intellectual property rights in foreign markets, in particular, are Presidential and Administration priorities. USTR's efforts through this initiative also support and strengthen a global rules-based trading system.

With the Korea, Colombia, and Panama FTAs entering into force, USTR must expand its existing work to include administering, monitoring and enforcing the many provisions of these agreements, in addition to the seventeen (17) U.S. FTAs already in force. Each Agreement provides for over a dozen committees to engage on a wide range of issues related to the obligations and operation of the Agreement. The FTAs also contain deadlines by which a number of substantive obligations must be implemented, requiring close monitoring and review of draft legislation. For example, the Colombia Labor Action Plan will draw particular scrutiny as an indicator of how seriously the Administration takes monitoring and enforcement of labor rights in connection with FTAs. Scrutiny also will increase on enforcement of FTA labor obligations based on numerous pending public submissions under existing FTAs, as well as the potential for additional submissions under those FTAs and potential new trade partners under TPP. Reflecting heightened scrutiny in these and other issue areas, the Labor Office, the other functional offices, the regional offices, and the Office of the General Counsel will need to devote additional resources to ensure thorough implementation and monitoring of these commitments.

USTR will also need to expand its work on this initiative to address certain regional priorities. In May 2011 the President launched a Trade and Investment Partnership Initiative with the Middle East and North Africa to, inter alia, "build on existing agreements to promote integration with the U.S market." In FY2013 and continuing in FY2014, as part of this initiative, USTR will be expending increased resources to ensure existing FTAs (currently with Israel, Jordan, Morocco, Bahrain and Oman) and other agreements with partners in the region work to increase trade and investment. These efforts by FY 2014 could include modifications or enhancements to these agreements (e.g., the Israel FTA), which could create new obligations for trading partners and which would therefore require additional administration, monitoring, and enforcement by USTR.

Additional obligations, and the need to monitor and enforce them, are expected by 2014 when the United States and the European Union decide to initiate and conclude negotiation of a comprehensive bilateral trade agreement.

Similarly, additional obligations and resources to monitor and enforce them, will emerge to the extent that the United States is able to conclude other bilateral, sectoral, or other agreements under consideration, such as a TIFA-type agreement with Russia, as desired by the Administration.



In order to further strengthen the United States' capacity to enforce U.S. trade rights and domestic trade laws, the President by Executive Order established the Interagency Trade Enforcement Center (ITEC) in February 2012. The Executive Order created an innovative and flexible structure to assure sustained focus on enforcement based on a "whole-of-government" approach.

### Implementing WTO Agreements and Participating in the Committee Process

USTR's work to strengthen rules and resolve trade compliance issues through WTO Committees and other bodies ensures the ability of WTO agreements to create and sustain American jobs in agriculture, trade in services, trade-related investment measures, pharmaceuticals, and intellectual property.

USTR must fully and directly participate in WTO committee procedures and discussions, the principal avenue for resolving trade issues to the benefit of American workers and businesses. USTR must play a key role in the way in which WTO countries elaborate on existing trade rules. USTR's participation in committee proceedings is critical to the United States' ability to respond to questions about U.S. compliance with WTO rules and avoid WTO findings or disputes that may adversely affect U.S. commercial interests. Overall savings may actually be achieved if compliance issues can be resolved at the technical level in WTO bodies before they become disputes.

USTR's efforts to secure China's participation in the WTO's Government Procurement Agreement will support the Presidential initiative of rebalancing the U.S.-China trade relationship by expanding U.S. sales into China's large government procurement market. Sufficient resources are necessary to negotiate China's timely and comprehensive accession and thereby ensuring that China does not impose even greater barriers to its \$90 billion government procurement market, including discriminatory "Buy China" policies.

There will certainly be increased activity, vigilance, and U.S. proactive issue management in the WTO committees and councils. We also expect that a number of new initiatives will be authorized at the WTO Ministerial Conference in December 2013, which will increase the workload of various WTO committees in FY2014. These new initiatives may include efforts to improve the WTO's monitoring of trade barriers and efforts to improve compliance with WTO notification requirements, which are important to advancing U.S. interests in ensuring compliance with substantive obligations and identifying significant issues for countries such as China, which have historically not met all transparency obligations. If new WTO agreements related to trade facilitation, development or other trade issues are concluded in 2013, additional resources will be required to staff U.S. participation in newly formed WTO bodies in FY2014. Following Russia's WTO accession during FY 2012, the emphasis on Russia in FY 2014 will shift from accession negotiations to intensified focus on ensuring Russia's implementation of its obligations.

### **III. Congress: Partnering to Pursue Legislative Priorities, Advising on Trade-Related Legislation, and Fulfilling Statutory Obligations**

USTR's strong partnership with Congress is essential to pursuing the President's trade agenda.

This goal is pursued through the following three program initiatives:

- Pursuing Legislative Initiatives, Including Congressional Approval of Key Priorities
- Advising on Trade Aspects of Proposed Legislation
- Identifying and Addressing Trade Barriers and Providing Congressionally Mandated Reports

Given Congress's Constitutional authority over matters of international trade, USTR is in regular and intensive coordination with Congress to shape trade negotiating objectives, pursue legislative priorities, shape and advise on trade related legislation, and fulfill other statutory requirements. This robust Congressional partnership is important not only for forming new trade policies and negotiations, but also for monitoring and implementing existing policies. Maintaining strong relationships with USTR's committees of jurisdiction—the Senate Finance Committee and the Ways and Means Committee—are essential to a successful Administration trade policy.

### Pursuing Legislative Initiatives, Including Congressional Approval of Key FTAs

USTR works with Congress, partner agencies, stakeholders and trading partners to secure legislation necessary to implement pending free trade agreements (FTAs) and other trade-related initiatives of importance to the President. USTR drafts the relevant provisions of FTA implementing legislation, and the extensive accompanying documentation, that the President submits to Congress. For these and other trade initiatives, USTR staff testifies at committee hearings, appears at formal and informal committee mark-ups, and advises Members of Congress, staff, and the public regarding FTAs and other trade initiatives.

The importance of USTR's work with Congress in this Administration is exemplified by the Congressional enactment of the U.S. FTAs with Korea, Panama, and Colombia; work with Congress to enact legislation ending application of the Jackson-Vanik amendment and authorizing permanent normal trade relations to Russia which has joined the World Trade Organization (WTO); and work with Congress on developing proposals to advance negotiations on the Trans-Pacific Partnership (TPP) agreement. During this year's annual AGOA Forum, the Administration committed to work with Congress to undertake two modifications to existing AGOA legislation – first to extend its third country fabric provisions (which end on September 30, 2012) and second to add South Sudan as an additional sub-Saharan African country that would be eligible for AGOA benefits once it meets the eligibility criteria. USTR's intensive work with Congress and the strong support of key civil society and private sector stakeholders helped convince Congress to pass the legislation and it was subsequently signed into law by the President on August 10, 2012. Working with Congress to successfully amend and ultimately extend AGOA beyond 2015 will support the President's goals to enhance the U.S.-Africa economic relationship and support Africa's development in line with the Presidential Policy Directives on Global Development and for sub-Saharan Africa (the latter was adopted in June 2012).

To facilitate the conclusion, passage, and implementation of market-opening negotiating efforts, we will also work with Congress this year toward a grant of Trade Promotion Authority. Such authority will empower current and future negotiations, and will thus support a jobs-focused trade agenda moving forward.

### Advising on Trade Aspects of Proposed Legislation

USTR reviews and provides agency views to relevant Congressional committee staff, as well as to the Office of Management and Budget (OMB), on proposed legislation ranging from food safety and chemical regulation to trade sanctions that may implicate Administration trade policy or U.S. commitments under international trade agreements. In addition, USTR reviews, and provides comments and suggestions, to OMB addressing the trade law and policy implications of proposed federal agency regulations. USTR works with the Congress and with relevant agencies to ensure that new legislative and regulatory measures serve the interests of American agriculture, business, labor, environment, and intellectual property stakeholders, and are consistent with U.S. international trade rights and obligations. Trade preference legislation is a critical part of this initiative. USTR staff review draft Congressional testimony by officials of other agencies regarding pending legislation for consistency with Administration

trade policy, and develop testimony for USTR officials in connection with legislation that Congress is considering.

USTR's monitoring and advice regarding trade-related aspects of domestic legislation ensure that legislation is consistent with Presidential goals for trade policy and, where possible, enhances the prospect of meeting these goals, such as American job creation and economic growth through enhanced exports. USTR must work closely with Congress to ensure enacted legislation is consistent with U.S. trade obligations and does not subject U.S. businesses and workers to harmful trade retaliation and potential job losses at a time of fragile economic recovery.

#### Identifying and Addressing Trade Barriers and Providing Congressionally Mandated Reports

This initiative fulfills statutory requirements placed on the Administration by Congress, and advances the President's goals of winning Congressional support for activities to open markets and support American jobs through the reduction of trade barriers to U.S. goods and services. The various reports that USTR prepares build Congressional support for the Administration's trade agenda by helping Congress gain a comprehensive understanding of the substantial work the Administration is undertaking to dismantle existing trade barriers. Over the past year USTR has strengthened its efforts to monitor markets and more vigorously enforce U.S. rights and benefits under U.S. trade agreements. These reports are also an important component in discharging USTR's commitment to transparency and accountability to Congress and stakeholders. The President's National Export Initiative recognized the role of the Report on Technical Barriers to Trade for identifying and reducing unnecessary obstacles to U.S. exports. As another example, USTR must develop and apply its annual "Special 301 Report" – which entails year-round monitoring and follow-up on identified intellectual property rights violations – to combat IPR theft, counterfeiting, and internet piracy, it would have serious adverse consequences for U.S. businesses and the estimated 18 million Americans who work in IP-intensive industries.

#### **IV. Supporting National Priorities: Boosting Small Businesses; Defending Labor Rights; Protecting the Environment and Building the Foundation for a Clean Energy Economy; and Fostering Development**

USTR's trade work directly supports many of the Administration's broader policy priorities, including the encouragement of job creation by small businesses. USTR is also working through trade preference and trade capacity building programs to support the President's prioritization of international development; building the foundation for a clean energy economy, tackling the issue of climate change, protecting our environment through green goods and services negotiations; and vigorously encouraging strong labor rights world-wide.

This goal is pursued through the following three program initiatives:

- Encouraging America's Small and Medium Enterprises (SMEs) to Export
- Supporting Development, Environmental Protection, Clean Energy, and Labor Rights Goals
- Advising and Supporting Other Administration Initiatives

#### Encouraging America's Small and Medium Enterprises (SMEs) to Export

This Administration promised a trade agenda that is more responsible and more responsive to the needs of American workers, farmers, ranchers, and service providers. American companies of all sizes must export their goods and services to get our economy growing again. Small- and medium-sized enterprises are at the heart of employment and job creation in the United States. USTR must provide a heightened focus on

helping this sector compete globally by “leveling the playing field” and thereby creating more and better-paying jobs at home. Under the Obama Administration, the U.S. Trade Representative has designated an Assistant U.S. Trade Representative for Small Business, Market Access and Industrial Competitiveness, who will continue in FY2014 to coordinate the agency’s work on small- and medium-sized business trade priorities and enhance outreach to those firms. We will continue to expand our focus on small- and medium-sized firms’ concerns across the broad range of initiatives we are pursuing to open markets.

Based on our ongoing engagement with small businesses, our interagency, and trade partners, USTR is setting priorities for trade initiatives such as the Trans-Pacific Partnership (TPP), the President’s Middle East and North Africa trade and investment initiative, and the Transatlantic Economic Council (TEC), and for implementing existing trade agreements with FTA partners in ways that are more responsive to the needs of these businesses and their workers, so that export promotion programs for small- and mid-sized U.S. firms at other agencies have a better chance to help SMEs succeed in exporting.

The first TEC SME Best Practices Exchange held in Brussels and Washington envisions ongoing cooperation in the areas of best practices in regulation, information and communication technology (ICT) services, enhanced SME networks and other areas. The President’s Trade and Investment Partnership Initiative for the Middle East and North Africa contains a robust SME component for Egypt, Tunisia and potentially other regional partners to strengthen the SME sector and trade opportunities, which will require sustained cooperation.

In 2012, USTR expanded collaborations with TPCC agencies, which will intensify through FY2014, in developing strategies to help increase the national base of SME exporters, creating greater awareness of export opportunities for U.S. SMEs through promotion and outreach on market access openings achieved through U.S. trade agreements and trading partners’ accessions to the World Trade Organization, and integrating USTR information into the interagency “export.gov” website.

#### Supporting Development, Environmental Protection, Clean Energy, and Labor Rights Goals

USTR supports the Administration’s sustainable development goals through its work on trade and development, environmental protection and advancing clean energy, and protecting and advancing labor rights.

Development: To support the Administration’s development goals, USTR establishes policy and coordinates efforts to implement trade policies and initiatives that impact development (including U.S. trade preference programs), to improve the effectiveness of trade-related development policies and assistance worldwide. USTR is an active member of the interagency process implementing the President’s Global Development Strategy, including efforts on food security, to ensure policy coherence between US trade and development policy further strengthening growth of global markets. USTR also played a role in developing the Presidential Policy Directive for sub-Saharan Africa – a key pillar of which is promoting opportunity and development as well as spurring economic growth, trade and investment. This PPD is a 5-year plan, and USTR will be playing an active role in implementation.

Specifically, USTR leads monitoring and implementation of U.S. preference programs – which grant enhanced access to the U.S. market for developing countries – through application of preference program eligibility criteria and annual reviews (as in the case of the African Growth and Opportunity Act (AGOA) annual review) which advance market-opening and other domestic policy reforms in those countries. USTR also works closely with other agencies on trade-related development assistance to aid developing countries, particularly least developed countries, to take greater advantage of and benefit more from the global trading system. USTR must also coordinate the United States’ participation in and/or hosting of the legislatively-mandated annual AGOA Forum.

Preference programs are critical to the U.S. economy. For example, according to the U.S. Chamber of Commerce, the Generalized System of Preferences (GSP) program supports more than 80,000 direct and indirect U.S. jobs associated with moving aggregate GSP imports from the docks to farmers, to manufacturers, and ultimately to retail shelves. GSP also saves U.S. farmers, manufacturers, retailers and other importers money – \$700 million in duties in 2011 – helping them stay competitive in the global economy.

Trade capacity building (TCB) is another critical part of the United States' strategy that enables developing countries to negotiate and implement market-opening and reform-oriented trade agreements, thereby improving their capacity to benefit from increased trade. The United States is one of the largest single-country providers of trade-related assistance, including for trade-related physical infrastructure. In FY 2013-14, USTR will need resources to ensure effective interagency implementation of the new African Competitiveness and Trade Enhancement (ACTE) initiative announced at the 2011 AGOA Forum.

**Environmental Protection and Clean Energy:** One of the Administration's priorities is to enhance the mutual supportiveness of trade and environmental policies. USTR works to advance the Administration's environmental and green growth goals through its work to negotiate and implement multilateral trade rules, free trade agreements (FTAs), Trade and Investment Framework Agreements (TIFAs), and through its work in other international fora. In the WTO, USTR is seeking to ensure strong "green" provisions in the form of new rules to discipline fisheries subsidies, and a market opening initiative on environmental goods and services. USTR promotes strong environmental protection and enforcement efforts in its FTAs, and monitors our trading partners' compliance with environmental provisions. In particular, USTR is also working to advance conservation issues in its trade initiatives, particularly in pursuing a conservation framework to combat trade in illegally-harvested wildlife and wild plant products in the Trans Pacific Partnership negotiations, and in participating in and strengthening an experts group on illegal logging and associated trade in APEC. USTR also leads APEC and WTO work to increase market liberalization for clean energy technologies and other environmental goods and services, including by reducing tariffs and eliminating non-tariff barriers that disadvantage U.S. exporters of environmental goods and services, such as local content requirements. In addition, USTR works to ensure that global environmental initiatives are consistent with global trade rules and present a level playing field for U.S. exporters and investors. For example, USTR is active in global negotiations in the UN Framework Convention on Climate Change (UNFCCC), UN negotiations to finalize a global mercury treaty in 2013, global electronic stewardship and E-waste initiatives, and regional fisheries management organizations. USTR also coordinates and consults regularly with the environmental community, and promotes transparent and inclusive trade and environmental policy-making.

**Labor Rights:** USTR supports the Administration's efforts to ensure adherence to fundamental labor rights and enforcement of labor laws through negotiation of provisions in FTAs, TIFAs, and other trade fora, and through FTA Labor Cooperation mechanisms to build our trading partners' capacity to promote and protect labor rights. Where trade agreements or trade preference programs are already in place, USTR monitors our trading partners' compliance with labor provisions. USTR regularly coordinates with other agencies, industry, labor unions, and other outside stakeholders to identify, monitor, and gather information on possible breaches of the labor provisions of trade agreements or preference programs. USTR also pursues enforcement through the full range of available tools; this Administration filed the first-ever U.S. case against a trading partner for apparent violations of its labor rights obligations.

As Congress considers reauthorization of and possible changes to U.S. preference programs over the next few years (for example, AGOA is currently scheduled to expire in 2015), USTR will need to engage intensively with Congress and other stakeholders to consider appropriate policy options and reforms. The

new African Competitiveness and Trade Enhancement (ACTE) initiative will require appropriate resources to support its effective implementation. The AGOA Forum (which alternates yearly between the U.S. and an African country) will be held in Ethiopia in 2013, and will require adequate travel and other resources for USTR participation as well as pre-Forum planning. USTR is anticipating new initiatives on: electronic stewardship, including partnerships to address concerns with trade in electronic waste; trade, climate change and clean energy in the WTO; and fisheries subsidies reform.

By FY2014, USTR will be in the process of negotiating or concluding a new trade initiative with the European Union, which will require innovative approaches to environmental and labor issues and increased resources to carry forward the discussions. The President's May 2011 Trade and Investment Partnership Initiative for the Middle East and North Africa will through FY 2014 continue to require more development-related efforts related to, inter alia, trade facilitation and SME support. The Middle East initiative will require more attention to labor rights matters, particularly in Jordan, where labor rights groups have continued to focus attention on foreign workers, and Egypt, where efforts to expand trade will require increased labor rights monitoring, and also more broadly in support of U.S. policy on human rights and social and political voice in the region. The new initiative on women has sufficient FTEs, but requires funding for domestic and international travel. Since the initiative began in mid-FY 2011, it was not included in the FY12 request and therefore available funding fell short of needs. USTR will also need appropriate resources related to implementation of the Presidential Policy Directive for sub-Saharan Africa – most particularly the pillar focused on spurring economic growth, trade and investment. In addition, the U.S.-East African Community (EAC) trade and investment partnership will require appropriate resources in order for USTR to continue coordinating this key White House initiative. In the case of Colombia, USTR will also continue to devote resources to monitoring and cooperation on the Colombian Action Plan Related to Labor Rights, as well as the environmental provisions of the FTA.

#### Advising and Supporting Other Administration Initiatives

USTR provides advice and supports Administration initiatives beyond direct trade negotiations through its role in developing and coordinating U.S. international trade, commodity, and foreign investment policy. USTR provides trade policy advice to the President and other federal agencies on such matters as customs procedures and rules of origin, trade remedies, regulatory cooperation, technical standards, agriculture, sanitary and phytosanitary measures, services and investment, international labor rights, intellectual property rights, trade-related environmental measures, industrial subsidies, government procurement, trade and development, technical barriers to trade, renewable/sustainable energy sources, food security, health-related regulations, emerging technologies (e.g., nanotechnology, synthetic biology, SmartGrid, green buildings, electric vehicles), cybersecurity, internet governance, cross-border data flows, trade capacity building, export promotion, economic development, and rule of law.

USTR's advice and support ensures that trade-related aspects of Administration initiatives are fully analyzed and that sound options are developed and considered when appropriate. USTR has played an important role, for example, in supporting the Administration's Afghanistan-Pakistan national security strategy, advancing strategic objectives with Russia and central-Asian economies and major trading partners such as India and China, promoting regional integration and promoting food security assistance funding to Central America and Sub-Saharan Africa.

USTR also has been actively involved in formulating the Administration's Joint Strategic Plan for intellectual property enforcement and its policy of promoting economic reform in the Middle East and North Africa. It has also played a major role in the development of the Presidential Policy Directive for sub-Saharan Africa, and will lead implementation of the directive's pillar on spurring economic growth, trade and investment. USTR has worked closely with the Office of Management and Budget and other Executive Branch agencies to promote new regulatory cooperation initiatives, aimed at reducing non-

tariff-barriers to trade with the EU, Canada, and Mexico. USTR co-chairs the EOP-led Emerging Technology Interagency Policy Committee, which was established to create coherent, science-based, transparently-developed and WTO-consistent regulatory approaches on emerging technologies. USTR participates actively in interagency consultations to enhance protection and enforcement of intellectual property rights, including implementation of the Administration's strategic plan on intellectual property enforcement and numerous other innovation and IPR-related Administration initiatives. USTR is also seen as a key player in the Administration's efforts to develop an international consensus on global principles for internet governance, encourage cross-border data flows, and ensure that trade concerns are taken into account in the development of US cybersecurity policies.

In addition, USTR plays a key role in developing and implementing high-level trade and economic initiatives in connection with Presidential summits, including those held recently with Mexico, Russia and the EU. USTR also has been actively involved in developing strategies and initiatives to make the most efficient and effective use of trade, foreign investment, SME, and export promotion programs in support of the National Export Initiative and to ensure that appropriate Federal Government resources assist with the negotiation, enforcement and promotion of U.S. exports and encourage foreign investment in the United States.

## **V. Supporting U.S. International Engagement: Enhancing and Building Relationships**

USTR defends and advances the Administration's overall international policy goals through robust engagement in bilateral and regional economic forums. Work in these forums strengthens our overall relationships with China, Japan, India, the European Union, and other key countries by vigorous dialogue on strengthening trade and investment cooperation.

This goal is pursued through the following two program initiatives:

- Conducting Multilateral and Bilateral Forums and Initiatives
- Trade and Investment Framework Agreements (TIFAs)

### Conducting Multilateral and Bilateral Fora and Initiatives

USTR addresses trade issues, promotes U.S. trade objectives, and ultimately helps to create and sustain well-paying trade-related jobs in the United States through engagement in numerous multilateral and bilateral high-level forums. USTR both leads and coordinates with other relevant U.S. government agencies to develop and negotiate strategic trade and investment goals for both bilateral and multilateral groups as well as commodity-based forums. These advocacy actions ensure that U.S. business, labor, environment, and intellectual property interests are appropriately addressed in multilateral and bilateral forums and initiatives.

The economic benefits of USTR's work in multilateral and bilateral forums and initiatives are real and tangible. For example, through the annual JCCT, China has intensified enforcement of intellectual property rights, including on imported software, eliminated barriers to U.S. new energy vehicles and parts, as well as lowered barriers to its telecommunications market, eliminated local-content requirements for its wind-turbine industry, and lifted import bans on U.S. pork exports. The JCCT has also achieved elimination of discriminatory or duplicative standards and regulations affecting U.S. exporters and rolled back or halted other key discriminatory policies that threatened U.S. economic interests. Each of these JCCT accomplishments directly benefits trade-related jobs in the United States. Initiatives with Japan

have been successful in removing barriers to U.S. businesses and exporters across a broad array of industry sectors as well as with respect to cross-cutting issues.

Another tangible example of economic success is in the 21-economy APEC forum. There, USTR works to support the President's goal of doubling exports in five years and supporting additional American jobs by reaching agreement among APEC Leaders to reduce barriers to trade and investment in a number of areas. In recent years, USTR has obtained agreements to promote trade and investment in environmental goods and services, including by reducing tariffs and eliminating non-tariff barriers like local content requirements; adopt a non-discriminatory and market-driven model for innovation policy that will level the playing field in Asia-Pacific markets; and take steps to improve the quality of the regulatory environment for exporters in the Asia-Pacific region..

In addition, USTR led the effort in the TEC to forge an agreement with the EU on trade-related principles for information and communication technology (ICT) services – principles that the two sides will seek to promote internationally and that, if more widely adopted, will stimulate the spread of the ICT services in which U.S. firms are global leaders. USTR and the State Department also co-led successful negotiations with the EU in the TEC on a shared set of investment principles and the development of a plan for transatlantic cooperation on raw materials trade and related issues. USTR has played a key role in promoting the adoption of a more ambitious U.S.-EU regulatory cooperation agenda in the TEC and the U.S.-EU High-Level Regulatory Cooperation Forum.

USTR engagement with trading partners under this initiative ultimately serves the Presidential goal of doubling exports under the National Export Initiative by opening new markets and maintaining open markets to increase job-supporting export opportunities. Key multilateral Presidential initiatives include APEC, the core mission of which is to address trade barriers and strengthen economic integration in the Asia-Pacific region. USTR is the lead for the U.S. Government on trade and export-related issues in APEC and in 2014 will be working to build on progress made during the Russia and Indonesia host years in 2012 and 2013, respectively. Similarly, USTR will be working on key bilateral Presidential trade initiatives identified during the JCCT and S&ED with China, those being the key fora supporting the Presidential imperative to build a positive, cooperative, and comprehensive relationship with China. The reduction of Chinese market access barriers is critical to the success of the President's National Export Initiative.

The President specifically launched the MENA trade and investment partnership initiative, with the goals of increasing trade integration and promoting reforms, in May 2011, as a result of the Arab Spring events, with direction to negotiate trade facilitation protocols and other agreements with each country. Similar work has also been directed under the President's African Engagement Strategy with regard to the East African Community (EAC). A comprehensive trade agreement with the EU, our largest economic partner, could generate tens of billions of dollars in additional transatlantic trade, supporting hundreds of thousands of jobs, and could establish 21st century benchmarks for trade disciplines that will influence the policies and trade agreements of third countries.

#### Trade and Investment Framework Agreements (TIFAs)

Trade and Investment Framework Agreements (TIFAs) provide a critical forum to open key markets and generate job-supporting export opportunities with trading partners. USTR leads consultations with forty-five TIFA partners across all regions of the world in an effort to resolve a wide range of issues, including market access for U.S. exports, services and investment, labor rights, environmental protections, protection and enforcement of intellectual property rights, and trade capacity building. TIFA Councils normally meet once a year often at senior levels of government, and may offer the only opportunity for



high-level interaction on trade issues with key bilateral trade partners as well as regional economic communities.

USTR's engagement with TIFA partner countries advances the Presidential goal of promoting growth and sound policies in various world trading regions, and further develops the capacity of countries to negotiate more comprehensive trade agreements. For example, TIFAs are our primary channel for bilateral engagement with some of the largest economies in the Europe and Middle East region, including Turkey and Saudi Arabia (two priority export markets identified by the National Export Initiative along with Ukraine). With no FTAs with sub-Saharan African countries, TIFAs provide the primary means for promoting U.S. trade and investment interests in that region. Several TIFAs with African regional economic communities (RECs) also support the U.S. goal to advance regional economic integration amongst African economies and thereby create larger markets for U.S. exports and investment. Administering these processes requires a significant number of FTEs as well as travel.

TIFAs provide an important venue for discussions not only to resolve technical issues relating to foreign standards and regulations that negatively affect U.S. exports but also to further our engagement with our TIFA partners in the WTO context. USTR has resolved many specific trade concerns through these discussions, and they support the Administration's goal to increase respect for labor rights and provide a level playing field for American workers.

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USTR resources provide the ability to eliminate key trade and investment barriers, opening markets to U.S. exports and creating export-driven jobs. For example, in 2009, USTR used its TIFA with the Philippines to prevent that country from disrupting \$85 million in U.S. pork and poultry exports. In 2010, USTR worked through its Indonesia TIFA to avert imposition of import barriers to more than \$500 million in U.S. exports of movies, pork, apples, processed food, dairy, and other products. More broadly, underfunding TIFAs would hinder USTR from engaging key markets like the Mercosur countries (Brazil, Argentina, Paraguay, and Uruguay), South Africa, MENA countries, and the Caribbean, and eliminate the TIFA as a means to prepare countries to engage in FTA negotiations as well as to prepare them for negotiations in the WTO.

In the Middle East, the necessity of face to face contact in order to create and maintain critical relationships takes on particular relevance, especially in those countries, such as Tunisia and Libya, transitioning to democratic rule as a result of the events of the 'Arab Spring.' Without ongoing frameworks that TIFAs provide with many partner countries, efforts to build economic relations would be uncoordinated, less strategic and far less effective, potentially damaging the ability to resolve difficult market access issues or leaving new opportunities for U.S. companies on the table. This approach is particularly important in sub-Saharan Africa which is seen as a large and growing market for trade and investment and where other countries (including the EU, China, India, and Brazil) are advancing their own economic interests to the potential detriment of U.S. interests. With regard to Russia, the inability of USTR to engage in negotiations with Russia to establish a mechanism to further the bilateral trade and investment relationship could be seen as undermining the President's focus on economics, and as neglecting an important opportunity to create a mechanism to defend the interests of U.S. businesses who trade with and invest in Russia.

## **VI. Transparency, Outreach, and Coordination: Winning Support for Sound Trade Policies and Creating a More Open and Responsive Government**

A key element of USTR's responsibility for developing and coordinating U.S. trade policy is outreach and communication to key stakeholders and the public, both for purposes of developing policy in an open and transparent manner and of ensuring sufficient public support for Administration trade policy goals. USTR supports the Administration's goals for a more open and transparent government through these activities as well as in its statutory role of interagency policy coordination. USTR also supports transparency and openness through timely responses to priority Freedom of Information Act (FOIA) requests and Government Accountability Office (GAO) investigations.

This goal is pursued through the following four program initiatives:

- Increasing Understanding, Participation, Collaboration and Transparency
- Developing and Coordinating Trade Policy & Participating on Trade-Related Boards
- Managing and Responding to High-Priority Statutory and Administrative Requests
- Providing Administrative Support

### Increasing Understanding, Participation, Collaboration and Transparency

To ensure both the open and transparent development and the eventual implementation of an effective trade policy agenda for the President, USTR performs numerous outreach activities, primarily through its Office of Intergovernmental Affairs and Public Engagement and through its Office of Public and Media Affairs. Numerous other USTR offices, including the Office of Trade Policy and Economics and the Office of Congressional Affairs, play key roles under this objective. A number of USTR outreach activities are statutory requirements; many others are proactive initiatives to ensure public participation in and support for the Administration's trade policy goals.

This initiative helps build and maintain support for the President's Trade Agenda, particularly through working to achieve the Presidential objective of a more open and transparent trade policy. In keeping with the Open Government Initiative, the President is committed to maximum public input into policy formulation and implementation, including that of international trade. This initiative ensures transparent and thoughtful policymaking that is informed by the private sector, Congress, and other stakeholders' priorities. It is critical to informing negotiators of support or opposition to USTR's proposed policies. It implements the Congressionally-mandated advisory committee system.

Sound, strategic, transparent media, in conjunction with public outreach and message management, helps to build support among Americans and in Congress for the Administration's goals and efforts toward effective trade policy, including the National Export Initiative, the Administration's focus on small- and medium-sized businesses, and high-profile efforts to advance trade agreements such as the Trans-Pacific Partnership agreement, a potential new trade agreement with the European Union and other trade policy initiatives, particularly including those that Congress must approve and implement. Strong and consistent international media outreach serves to advance the U.S. perspective and objectives in trading partner countries, and ensures consistent inclusion of Administration perspectives on bilateral, regional, and multilateral trade in the public narrative and the outcomes driven by it.

### Developing and Coordinating Trade Policy and Participating on Trade-Related Boards

By statute, USTR leads the interagency process in development and implementation of U.S. trade policy. The TPSC and TPRG, established in the Trade Act of 1974, are the primary vehicles to accomplish these objectives, in conjunction with the NSC-led Deputies process. Through the TPSC/TPRG, USTR provides trade policy leadership and expertise across the full range of interagency initiatives to clear USTR's positions and resolve disputes with 20 other agencies. These are crucial initiatives that affect trade-related policies in services, goods, investment, agriculture, intellectual property, labor, environment, exports, job creation, and the national economy. USTR's role in trade-related boards, such as the MCC, is also required by statute MCC programs provide an opportunity to encourage good trade and investment policy in developing countries. USTR's participation in trade-related committees, such as the TPCC, ensures Administration initiatives and decisions are consistent with U.S. trade policy and U.S. international obligations.

The President's Trade Policy Agenda mandates efforts to increase domestic support for U.S. trade policies. This requires a well-developed and coordinated trade policy. USTR participation in this initiative furthers the Administration goal of transparency in trade policy-making and implementation, as well as building public and Congressional understanding of and support for Administration trade initiatives like the National Export Initiative. The TPSC/TPRG and Deputies process enables transparency and full participation by all agencies. It supports robust interagency debate that frames positions to ensure the Administration represents a unified voice regarding trade. It supports and strengthens a rules-based, transparent approach to trade. Some initiatives (e.g. MCC) contribute directly to a strong partnership with developing countries. USTR's participation in the TPCC supports consistency of Administration trade promotion initiatives with U.S. trade policy and U.S. international obligations.

### Managing and Responding to High-Priority Statutory and Administrative Requests

USTR is required by law to respond to statutory requests, such as Freedom of Information Act (FOIA) inquiries and Government Accountability Office (GAO) investigations/reports and to give them a high priority. These activities advance the transparency of trade policy development and implementation. GAO investigations, in particular, facilitate Congressional oversight in implementation of trade statutes as well as development and implementation of U.S. trade policy. Administrative litigation assistance and counsel involves close coordination with the Department of Justice. This requires legal research and advice; drafting agreement texts, reports, and court briefs; preparing legal analyses, options, talking points, and related materials; coordination within USTR, with other agencies, and with external stakeholders; review of potentially disclosable documents including possible application of statutory exemptions and administrative guidance on disclosure.

The President's first Executive Order established policies to increase transparency and disclosure under FOIA. This was later elaborated in a memo from Attorney General Eric Holder. Likewise, the Administration has prioritized U.S. trade policy that is based on a meaningful partnership with the Congress. GAO investigations are a critical element in Congress' ability to participate as an equal partner. Congressional oversight of U.S. trade policy through GAO investigations is likely to intensify with the entry-into-force of three FTA's (Colombia, Korea and Panama) and the conclusion of the Trans-Pacific Partnership agreement. Congress will seek to ensure rigorous Executive Branch monitoring and enforcement of the implementation of agreement provisions by our trade partners. This initiative ensures compliance with statutory and administrative requirements and supports transparency and responsiveness to all inquiries, including those from the public.

### Providing Administrative Support

This initiative provides for the administrative and management support and services that support proper functioning of USTR. These include finance, budget and travel, human resources, facilities management, security (personal protection, physical, and information), continuity of operations, emergency preparedness, information technology and communications systems, and general administrative services. All USTR employees, in both Washington, DC and overseas locations, are directly served by this program. USTR employees in Geneva and Beijing receive much day-to-day support on-site from their host U.S. embassy/mission, but are provided budgetary, policy, IT and related support directly from USTR headquarters in Washington, DC. Also included are the mandated government-wide initiatives of improving employee engagement and wellness and implementing an electronics records management system.

By ensuring the efficient and effective use of resources, this initiative directly supports every aspect of USTR's efforts to advance the President's Trade Policy Agenda. This program supports Administration goals for management excellence, improved government operations, and a productive working environment. In particular, the information technology collaboration necessary to implement new media outreach efforts helps to fulfill the key Administration goal of transparency to the public regarding USTR activities and policy initiatives. Aggressive budget management fulfills the President's goal of fiscal responsibility at a time when resource expenditures must be minimized.

At the beginning of this Administration, USTR embarked on an aggressive review of all administrative expenses in Washington and Geneva. Administrative costs were saved through new travel policies, decreased contract security guard hours at Washington offices, elimination of Washington garage parking, reduction in color printing, zeroing the furniture account, reduction of periodical and trade-related subscriptions, reduction in Geneva Deputy Chief of Mission (DCM) housing costs, etc. Personnel costs were tightly controlled. Vacancies were managed, hiring was judiciously made to fill critical positions, and detailees/interns were used to the maximum extent possible. Support staff positions in Washington and Geneva were reduced through improved information technology processes and equipment. Video teleconferencing substituted for travel where practicable.

USTR added 25% in administrative workload (primarily facilities, information technology and communications, and personnel) to support the Interagency Trade Enforcement Center (ITEC). Some administrative savings will be used to fund mission related high priority support functions, such as completing migration of information technology processes in accordance with USTR's Knowledge Management Plan, implementing ITEC, funding the leadership development program, and implementing an electronics records management system.

These actions saved or avoided costs of more than \$2 million in FY 2011 and continue to generate savings of more than \$2M per year. This enabled USTR to shift resources to begin the pursuit of its multi-pronged approach to opening markets: (1) produce high-standard trade agreements, (2) hold trading partners to their commitments through strong enforcement of our rights, and (3) create new opportunities to strengthen trade relationships and eliminate barriers to U.S. exports.

## ORGANIZATION SUMMARY

USTR is responsible for developing and coordinating America's trade policy, leading trade negotiations with other nations, and ensuring that U.S. trade laws are enforced. USTR also coordinates Federal agencies to resolve interagency positions on trade policy and to frame issues for presidential decision. "USTR" refers both to the office and its head, the U.S. Trade Representative, who is a member of the President's cabinet. USTR is the principal trade advisor and negotiator for the President. USTR operates in three locations: Washington, D.C., Geneva, Switzerland, and Beijing, China (since 2007), and has a representative in Brussels serving as the U.S. Trade Representative to the European Commission's Directorate-General for Trade.

USTR provides trade policy leadership and negotiating expertise in its major areas of responsibility. Among these are the following: industrial, textile, agricultural, and services trade policy; bilateral, regional, and multilateral trade and investment issues; trade-related intellectual property protection, labor and environmental issues; all matters within the World Trade Organization (WTO), including negotiations following the Doha trade ministerial (Doha Development Agenda (DDA)); implementation of the Uruguay Round of multilateral trade agreements; trade, commodity, and direct investment matters dealt with by international institutions such as the Organization for Economic Cooperation and Development (OECD) and the United Nations Conference on Trade Development (UNCTAD). USTR is organized to accommodate sectoral, regional, and functional policy perspectives, which are integrated into the decision-making process and coordinated externally with the Congress, other government agencies, the private sector, and foreign entities.

Interagency coordination is accomplished by USTR through the Trade Policy Review Group (TPRG) and the Trade Policy Staff Committee (TPSC). These groups, administered and chaired by USTR and composed of twenty (20) Federal agencies and departments, make up the sub-cabinet mechanism for developing and coordinating positions on international trade issues. The United States International Trade Commission (ITC) is a non-voting member of the TPSC and an observer of TPRG meetings.

The TPSC is the first line operating group, with representation at the senior civil servant level. The TPSC is supported by eighty (80) subcommittees, each of which is chaired by a USTR staff member. If agreement is not reached in the TPSC, or if particularly significant policy questions are being considered, issues are taken up to the TPRG or the Deputy Group of the National Economic Council, two sub-cabinet-level groups. The final tier of the interagency trade policy mechanism is the National Economic Council (NEC)/National Security Council (NSC), chaired by the President.

USTR also serves as Vice Chairman of the Board of Directors of the Overseas Private Investment Corporation (OPIC), is a non-voting member of the Export-Import Bank, is a member of the National Advisory Committee (NAC) on International Monetary and Financial Policies, and on the Board of the Millennium Challenge Corporation (MCC).

USTR also has administrative responsibility for the Generalized System of Preferences (GSP) program, the African Growth and Opportunity Act (AGOA) preference program, and Section 301 complaints against foreign unfair trade practices, as well as coordinating recommendations to the President on ITC determinations under Section 337 and import relief cases under Section 201. The Omnibus Trade and Competitiveness Act of 1988 (Trade Act of 1988) transferred authority to the USTR to take action under Section 301, subject to the direction of the President.

USTR's private sector advisory committees provide information and advice on U.S. negotiating objectives and bargaining positions before entering into trade agreements, on the operation of any trade

agreement once entered into, and on other matters arising in connection with the development, implementation, and administration of U.S. trade policy.

The private sector advisory committee system consists of 28 advisory committees, with a significant number of advisors. The system is arranged in three tiers: the President's Advisory Committee for Trade Policy and Negotiations (ACTPN); five policy advisory committees; and 22 technical, sectoral, and functional advisory committees. The President appoints 45 ACTPN members for two-year terms. The 1974 Trade Act requires that ACTPN membership broadly represents key economic sectors affected by trade, and that the Committee consider trade policy issues in the context of the overall national interest.

The five policy advisory committees are appointed by the USTR alone or in conjunction with other Cabinet officers. Those managed solely by USTR are the Intergovernmental Policy Advisory Committee (IGPAC) and the Trade Advisory Committee on Africa (TACA). Those policy advisory committees managed jointly with the Departments of Agriculture, Labor, and the Environmental Protection Agency are the Agricultural Policy Advisory Committee (APAC), Labor Advisory Committee (LAC), and Trade and Environment Policy Advisory Committee (TEPAC). Each committee provides advice based upon the perspectives of its specific sector or area.

The 22 sector-specific, functional, and technical advisory committees are organized in two areas: industry and agriculture. Representatives are jointly appointed by the USTR and the Secretaries of Commerce and Agriculture, respectively. Each sectoral or technical committee represents a specific sector or commodity group (such as sewn products or dairy products) and provides specific technical advice concerning the effect that a trade policy decision may have on its sector. The four functional advisory committees provide cross-sectoral advice on customs, standards, e-commerce, and intellectual property issues.

In the Trade Act of 1974, Congress broadened and codified USTR's trade policymaking and negotiating functions and established close congressional relationships with the office. As a matter of comity, five members from each House serve as congressional advisors on trade policy, and additional Members may serve as advisors on particular issues or negotiations. The Washington, D.C. office has a range of operations: Bilateral and Regional activities: (China Affairs; Western Hemisphere; Europe and the Middle East; African Affairs; Central & South Asian Affairs; Southeast Asia & the Pacific; Japan, Korea & APEC Affairs); WTO and Multilateral Affairs; Sectoral Activities (Agriculture; Labor; Environment and Natural Resources; Textiles; Small Business, Market Access & Industrial Competitiveness; Services and Investment; and Intellectual Property & Innovation); and General Support (General Counsel, including Monitoring and Enforcement; Congressional Affairs; Administration; Public and Media Affairs; Intergovernmental Affairs and Public Liaison; and Trade Policy and Economics).

The Geneva Office is organized to cover general WTO Affairs, Tariff and non-Tariff Agreements and Agricultural Policy and Commodity Policy. The Geneva Deputy USTR is the U.S. Ambassador to the WTO and to the United Nations Conference on Trade and Development (UNCTAD) on specific trade related issues. The Geneva staff represents the United States' interests in negotiation, and other contacts on trade and trade policy in both forums.

The Beijing office is headed by a Minister Counsellor who has one trade policy analyst and two Foreign Service Nationals (FSNs) on staff (one more FSN is planned for FY 2013). USTR's local presence in China is important to USTR's effectiveness in a country with a growing number of trade related issues.

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE**  
**SALARIES AND EXPENSES**

*Appropriation Language*

For necessary expenses of the Office of the United States Trade Representative, including the hire of passenger motor vehicles and the employment of experts and consultants as authorized by 5 U.S.C. 3109, \$56,170,000 of which \$1,000,000 shall remain available until expended: *Provided*, That not to exceed \$124,000 shall be available for official reception and representation expenses.

**SUMMARY OF FY 2014 BUDGET REQUEST**

**Appropriation Levels by Year**  
(In thousands of dollars)

	FY 2012 Enacted	FY 2013 CR	FY 2014 Estimate	FY 13-14 Difference
Budget	51,251	51,565	56,170	4,605

**FTE Levels by Fiscal Year**

	FY 2012 Enacted	FY 2013 CR	FY 2014 Estimate	FY 13-14 Difference
FTE	248	245	254	6

## SUMMARY OF RESOURCE REQUIREMENTS

(in thousands of dollars)

	FY 2012 Enacted	FY 2013 CR	FY 2014 Estimate	FY12/FY14 % Increase
Trade Coordination and Negotiation	43,755	44,235	48,395	10.6%
Geneva Trade Negotiations	6,602	6,425	6,664	0.9%
Beijing Trade Negotiations	894	905	1,111	4.3%
Total Direct Program	51,251	51,565	56,170	9.6%

## SUMMARY OF OBLIGATIONS BY OBJECT CLASSIFICATION

(in thousands of dollars)

	FY 2012 Enacted	FY 2013 CR	FY 2014 Estimate	FY12/FY14 Difference
Personnel Compensation	29,926	30,844	32,112	2,186
Personnel Benefits: Civilian	9,699	10,281	10,567	868
Travel and Transportation of Persons	5,000	4,275	6,000	1,000
Transportation of Things	17	4	10	(7)
Rental Payments to GSA	0	732	732	732
Rent, Comm., Utilities, & Misc.	981	855	999	18
Printing and Reproduction	56	57	88	32
Other Contractual Services	4,989	4,076	4,996	7
Supplies and Materials	195	215	217	22
Official Entertainment	112	112	124	12
Equipment	276	114	325	49
Obligations Subtotal	51,251	51,565	56,170	4,919
Reimbursement	773	600	600	0
Total	52,024	52,165	56,770	4,919



**Summary of Financial Changes  
By Object Class**

**Personnel Compensation and Benefits**

(In thousands of dollars)

FY 2012 Enacted	FY 2013 CR	FY 2014 Estimate	FY12/FY14 Difference
39,625	41,125	42,679	3,054

The estimated fiscal year FY 2014 funding requirement for USTR payroll is \$42,679,000 which represents an increase of \$1,554,000 or 3.8 percent from FY 2013. These additional resources will enhance our overall trade initiatives and enforcement capabilities.

**Travel and Transportation of Persons**

(In thousands of dollars)

FY 2012 Enacted	FY 2013 CR	FY 2014 Estimate	FY12/FY14 Difference
5,000	4,275	6,000	1,000

International travel is essential to achieving the President’s trade agenda. The Trans-Pacific Partnership (TPP) will require the greatest travel resources in FY 2013-14. Transatlantic Trade and Investment Program (TTIP) will accelerate with negotiation rounds in Brussels and the United States that will go on through the year. Monitoring and Enforcement (M&E) activities will require increased travel related to U.S. enforcement actions and WTO dispute filings. The NSS led Asia Strategy will include more engagement in China and other trading partners linked to national security interests in this region of the world. USTR will continue to prioritize travel based on the most important trade objectives as set by the President and utilize videoconferencing in lieu of travel when possible.

**Transportation of Things**

(In thousands of dollars)

FY 2012 Enacted	FY 2013 CR	FY 2014 Estimate	FY12/FY14 Difference
17	4	10	(7)

Transportation of Things covers commercial express delivery (including freight and other shipping costs). There is a \$6,000 increase in this object class.

## Rental Payments to GSA

(In thousands of dollars)

FY 2012 Enacted	FY 2013 CR	FY 2014 Estimate	FY12/FY14 Difference
0	732	732	732

This represents the lease for USTR's ITEC operation located at 1800 G. St.

## Rent, Communications, Utilities, and Miscellaneous Charges

(In thousands of dollars)

FY 2012 Enacted	FY 2013 CR	FY 2014 Estimate	FY12/FY14 Difference
981	855	999	18

This object class consists of data, voice, wireless communications from commercial sources, equipment leasing, and housing costs for Geneva and Beijing senior officials. Geneva housing costs account for approximately \$319,000 of total expenses for this spending category. Wireless telecommunications are an integral part of conducting business and are expected to remain steady at approximately \$280,000. Increased costs are attributed to housing costs for the new Minister Counselor in USTR's Beijing office in FY 2014.

## Printing and Reproduction

(In thousands of dollars)

FY 2012 Enacted	FY 2013 CR	FY 2014 Estimate	FY12/FY14 Difference
56	57	88	32

Federal Register publications represent the largest single type of printing cost and occur as a result of anticipated federal reporting requirements for the Trans-Pacific Partnership (TPP) agreement. USTR has recurring annual printing costs related to publication of the National Trade Estimates and the USTR Annual Report.

## Other Contractual Services

(In thousands of dollars)

FY 2012 Enacted	FY 2013 CR	FY 2014 Estimate	FY12/FY14 Difference
4,989	4,076	4,996	7

Other Contractual Services includes a wide range of commercial and government services such as equipment maintenance, training, professional service contracts and the Department of State's assessments for International Cooperative Administrative Support Services (ICASS) and Capital Security Costs (CSC). State Department's ICASS program charges back agencies that benefit from services provided in its foreign locations for administrative support needed to ensure effective operations at its more than 200 diplomatic and consular posts abroad. Additionally, the Department of State charges federal agencies CSC costs to construct new embassies and consulates and to renovate existing facilities to withstand threats against U.S. property.

Increases in this object class are a result of an active trade agenda which will require hosting negotiating rounds in the U.S. for TPP and TTIP. There will be significant logistical costs cost related to the trade negotiating rounds. More resources are needed for language service requirements for the NSS Asia Strategy initiative which will require document translation and region specific expert consultations.

## Supplies and Materials

(In thousands of dollars)

FY 2012 Enacted	FY 2013 CR	FY 2014 Estimate	FY12/FY14 Difference
307	327	341	34

Supplies and materials account for about \$217,000, and \$124,000 for official reception and representation. The increase of \$14,000 is needed to purchase research material such as databases and publications that would provide significant information in Chinese research.

## Equipment and Furniture

(In thousands of dollars)

FY 2012 Enacted	FY 2013 CR	FY 2014 Estimate	FY12/FY14 Difference
276	114	325	49

USTR will purchase additional system furniture and video-conferencing equipment as well as upgrade USTR.gov website. There is an increase of \$211,000 in costs for this category in FY 2014.

## FISCAL YEAR 2014 GOALS AND MEASUREMENTS

USTR's 2014 Annual Performance Goals and Measurements support the overarching Strategic Goals and Objectives drawn from its Strategic Plan.

### ***Goal 1: Create and Sustain Better U.S. Jobs by Opening Foreign Markets***

Consistent with the President's trade policy agenda and with the primary goal of supporting and sustaining well-paying American jobs, USTR will seek to support the President's National Export Initiative by opening export markets around the world and reducing trade and investment barriers and distortions by negotiating, concluding and implementing multilateral, regional and bilateral trade agreements, as well as by effectively representing U.S. interests in international bodies, including those established under such agreements.

#### **Objectives:**

- Negotiate and implement agreements that create and sustain well-paying American jobs, advance the overall trade and economic interests of the United States, and further the intent and objectives of U.S. trade law.
- Integrate developing economies, economies in transition, and emerging economies into the global rules-based trading system, encouraging key emerging economies to take trade and investment actions consistent with their growing roles in the global economy, while helping other economies build their capacity to realize the full benefits of trade liberalization and protect the environment and worker rights.
- Effectively represent U.S. interests in international bodies that have been established under multilateral and other international agreements to achieve the Administration's international trade policy goals.

#### **Measurements:**

- Revitalize the trade negotiations dimension of the WTO, including, where possible, through reaching agreement on trade-liberalizing elements of the Doha Development Agenda (DDA) such as trade facilitation, a multi-party International Services Agreement, and, other liberalizing and rule-making initiatives that may lie outside the scope of the DDA.
- Advance negotiations on an expansion in the list of products subject to duty elimination under the Information Technology Agreement (ITA).
- Negotiate and implement mutual recognition agreements (MRAs) with select countries to facilitate U.S. exports of telecommunications equipment.
- Pursue expansion of the list of pharmaceuticals subject to reciprocal duty elimination under the WTO Pharmaceutical Agreement.
- Provide policy guidance and support for the ongoing committee work at the WTO and other international organizations to effectively represent U.S. interests.
- Conclude WTO accession agreements with candidates, including developing countries and least developed countries that undertake trade commitments that meet Administration priorities and are supported by the Congress.

- Work with existing free trade agreement (FTA) partners, including Australia, Bahrain, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Canada, Mexico, Chile, Colombia, Panama, Peru, Israel, Jordan, Morocco, Oman, Korea, and Singapore, and to insure that agreements are fully and properly implemented and address any market access issues that may arise.
- Conclude Trans-Pacific Partnership (TPP) negotiations, including high standard provisions that provide new export opportunities for U.S. industry, promote U.S. services and investment objectives, protect worker rights, and enhance environmental protection in participating countries, and work with Congress to obtain approval.
- Conduct bilateral consultations with TPP candidate countries to consider possible participation in TPP, thereby expanding the potential scope of benefits to the U.S. from the agreement.
- Achieve through the Asia-Pacific Economic Cooperation (APEC) concrete and meaningful outcomes to address key trade and investment barriers in the Asia-Pacific region.
- Through APEC promote adoption of international sanitary and phytosanitary standards as well as science-based regulatory systems for agricultural biotechnology and address common challenges.
- Under the Expanded Economic Engagement (E3) Initiative and our Trade and Investment Framework Arrangement with ASEAN, seek agreements and policy reforms that expand U.S. trade and investment with this critical region, build momentum in our engagement with ASEAN countries, and lay the groundwork for ASEAN countries to join high-standard trade agreements such as TPP.
- Further strengthen U.S.-Japan trade initiatives and engagement and resolve barriers to U.S. exports.
- Engage through the United States-Indonesia Trade and Investment Framework Agreement to support the development in Indonesia of trade policies consistent with the requirements of the multilateral trading system.
- As announced by the President during his February 12, 2013 State of the Union speech and in his February 13, 2013 joint statement with European Union (EU) leaders, undertake the domestic procedures necessary to launch negotiations with the EU on a Transatlantic Trade and Investment Partnership (TTIP) – a comprehensive trade and investment agreement.
- In the course of negotiations on the TTIP, and in parallel with those negotiations, develop and implement with the EU joint approaches for addressing trade-related concerns of common interest in the global trading system.
- Develop a strategy to foster fair trade in the North America lumber market in the lead-up to the expiration of the U.S.-Canada Softwood Lumber Agreement in 2015.
- Reach agreement on appropriate new mechanisms to promote future economic engagement with Russia now that Russia is a Member of the WTO.
- Further strengthen U.S.-China engagement on key trade and investment issues and barriers to U.S. exports, working to achieve concrete and meaningful outcomes through all appropriate fora, including through the U.S.-China Strategic and Economic Dialogue and the U.S.-China Joint Commission on Commerce and Trade.
- Monitor and ensure China's full compliance with the Memorandum of Understanding addressing the importation and distribution of films for theatrical release in China.
- Work to promote removal of major services and investment barriers in China, particularly in financial services, express delivery/postal, and Information and Communications Technology (ICT) services sectors.
- Advance protection and enforcement of intellectual property rights (IPR) through the negotiation and implementation of relevant trade agreements. Seek timely entry into force of the plurilateral Anti-Counterfeiting Trade Agreement, and implement it in a manner that furthers effective IPR enforcement.
- Negotiate new agreements that meet the Administration's intellectual property and innovation (IPN) trade policy objectives.
- Advance TPP intellectual property chapter and medical device and pharmaceuticals annex negotiations consistently with U.S. goals for timing and substance.

- Advance discussions on IP/innovation aspects of a U.S.-EU agreement consistent with U.S. interests.
- Develop and execute a strategic and coordinated approach to address the growing market access challenges posed to U.S. trade and investment interests by localization barriers to trade.
- Strive to successfully conclude Bilateral Investment Treaty (BIT) negotiations with China, India, and Mauritius; make substantial progress in exploratory BIT discussions with Cambodia, Gabon, Ghana, and Russia, and regional investment agreement among the East African countries; and launch new BIT negotiations with appropriate partners consistent with Administration criteria.
- Make substantial progress in bilateral services negotiations in connection with Azerbaijan, Afghanistan, and Bosnia on accession to the WTO.
- Make substantial progress in securing endorsement of US-EU Investment and ICT principles by Tunisia and Egypt.
- Conclude a Transparency Agreement with Mongolia.
- Initiate negotiations and conclude agreements, including bilateral trade facilitation agreements, to reduce or eliminate specific trade or investment barriers and distortions to goods and services, including cross-border data flows.
- Continued to develop cutting edge trade provisions to advance the Digital Services agenda in TPP, the International Services Agreement, US-EU TTIP, MENA TIP, and among ASEAN countries.
- Secure expanded access for U.S. beef exports to Japan, China, and other key markets.
- Advance negotiations on a new Agreement on Trade in Agricultural Products with Israel, which provides for significantly expanded access for U.S. food and agricultural exports.
- Negotiate equivalency agreements with countries that are key markets for U.S. organic exports, promoting increased exports of U.S. organic food and agriculture products.
- Explore the potential for negotiations of a plurilateral agreement to align regulatory approaches affecting trade in products derived from modern biotechnology to facilitate trade.
- Continue to promote job-supporting, two-way trade and investment with Brazil through the U.S.-Brazil Agreement on Trade and Economic Cooperation (ATEC) and its subsidiary bodies, including an Investment Dialogue and a Working Group on IPR and Innovation.
- In partnership with other agencies, such as the Small Business Administration, encourage small- and medium-sized enterprises (SMEs) to export through new and existing policy initiatives.
- Provide policy guidance and support for multilateral trade negotiations or in other contexts on market access commitments affecting the textile and apparel sector worldwide, to provide new export opportunities for U.S. industry.
- Continue to engage key trade partners and stakeholders on ways to improve worker rights and working conditions in our inter-connected global economy.
- Improve worker rights and the enforcement of labor laws by U.S. trade partners by negotiating strong labor provisions in the TPP and other relevant trade agreements and building the capacity of our trading partners to fully implement those commitments.
- In cooperation with other relevant agencies, design and implement environmental cooperation mechanisms with FTA partners and negotiate and conclude trade-related environmental agreements that increase the capacity of developing countries to protect the environment.
- Continue to advance EGS liberalization in the WTO, including by exploring a plurilateral Environmental Goods and Services (EGS) agreement.
- Work towards implementation of APEC commitment to reduce applied tariffs to no more than five percent on APEC-agreed list of 54 environmental goods.
- Continue work in APEC to address non-tariff barriers that distort trade and investment in EGS.
- Negotiate new trade disciplines to support environmental conservation objectives, such as in the marine and forestry areas.
- Continue to negotiate strong disciplines on fisheries subsidies in the TPP.

- Seek to continue negotiations on fisheries subsidies in the WTO at the appropriate time and launch complementary efforts in APEC.
- Continue work within the new APEC Experts Group on Illegal Logging and Associated Trade to identify cooperative actions and activities to combat illegal forest products trade and promote trade in legally sourced products.
- Continue to engage with China and Indonesia under our bilateral MOUs on combating illegal logging and associated trade.
- Partner with State, EPA, and other agencies to support multilateral work on trade and climate change in the UNFCCC and WTO Committee on Trade and Environment, and multilateral work on trade in used goods under the Basel Convention. Work to conclude negotiations in the UN on a legally binding convention on mercury use and trade.
- Engage trading partners on trade in used electronics, including beginning work in APEC.
- Launch, negotiate, conclude, or put into effect Trade and Investment Framework Agreements (TIFAs) with strategically important areas, such as Burma, the Gulf Cooperation Council (GCC), Central Asia, and other appropriate countries that expand opportunities for U.S. exports.
- Pursue negotiations and other efforts to implement the Trade and Investment Partnership Initiative for the Middle East and North Africa (MENA), to include agreements or other arrangements covering investment, information and communication technology, trade facilitation, agriculture, services and other areas, and trade capacity building to enable effective implementation of this new initiative.
- Utilize the U.S.-Turkey Strategic Framework to promote U.S.-Turkey trade and investment and to support trade and investment integration in the MENA region.
- Advance negotiation of the U.S.-East African Community Trade and Investment Partnership, including an investment treaty, trade facilitation and other trade-enhancing agreements, a U.S.-EAC commercial dialogue, and trade capacity building to enable effective implementation of this new initiative.
- Implement an outreach program to promote trade and investment opportunities in support of the Presidential Policy Directive (PPD) on sub-Saharan Africa and the Doing Business in Africa (DBIA) Campaign, including work with industry associations and business groups and participation in relevant private sector roundtables and conferences.
- Work with U.S. Government agencies that provide or fund trade capacity building assistance to ensure that their assistance programs assist developing countries to integrate more fully into the global trading system and, in cooperation with other relevant agencies, work with other donor countries and international institutions to make the most coherent and effective use of scarce resources.
- Apply U.S. trade preference programs in a manner that contributes to economic development in beneficiary countries while addressing U.S. bilateral trade and other policy concerns through annual reviews of GSP product and country practice petitions, and the annual AGOA eligibility review process.
- Work with Congress to renew authorization of the GSP program (which expires July 31, 2013) and to consider possible reforms or revisions to the program to take into account evolving global trade relations, including the growing competitiveness of many emerging market GSP beneficiaries.
- Work with Congress on renewal of AGOA beyond 2015 and changes that may be needed to maximize AGOA's effectiveness as well as take account of evolving global trade relations and supply chain dynamics.
- Provide timely and advice and analysis to support active USTR participation in OPIC Committee.
- In cooperation with other relevant agencies, as appropriate, work to ensure that the WTO's work on Aid for Trade and other activities for assisting developing countries is aimed at mainstreaming trade into the development plans of these countries and supports their effective participation in the trading system while not exceeding the institutional mandate of the WTO as a trade organization.

- Work to ensure that other institutions that may engage on issues related to trade (WIPO, UNCTAD, OECD, WHO, OAS and IDB) promote Congressional and Administration U.S. policies and objectives.
- Work in the World Bank, IMF, OECD, and other international institutions to further Aid for Trade initiatives and promote U.S. trade objectives in the WTO.
- Advance U.S. interests in the development and adoption of standards in the Codex Alimentarius Commission that facilitate trade in U.S. food and agricultural products.

## ***Goal 2: Create and Sustain Better U.S. Jobs by Monitoring and Enforcing U.S. Rights***

Consistent with the President's trade policy agenda, and with a primary goal of creating and sustaining well-paying American jobs, USTR will closely monitor and vigorously enforce U.S. rights under trade agreements to maximize their benefits for American workers, farmers, ranchers, producers, innovators, service providers, and investors, and address foreign trade and investment barriers, including through U.S. trade laws that USTR administers.

### **Objectives:**

- Effectively utilize USTR resources to monitor unfair foreign trade barriers and practices, as well as compliance by trading partners with U.S. trade agreements.
- Vigorously deploy all available tools to enforce U.S. rights under trade agreements, to ensure that these agreements meet their potential to create and sustain well-paying American jobs.
- Engage stakeholders to collaborate with USTR on enforcement issues.

### **Measurements:**

- Monitor our trading partners' implementation of their obligations under the WTO Agreement, our FTAs, and other trade and investment agreements.
- Identify new cases to be pursued under WTO and/or FTA dispute settlement procedures or under U.S. trade statutes, including barriers to U.S. exports due to lack of transparency and lack of science-based rule-making processes.
- Administer, monitor, and enforce FTAs and other international trade agreements, including implementing and enforcing high labor and environment standards and protecting U.S. intellectual property rights in foreign markets.
- Employ WTO and other trade agreement committees, bilateral engagement, and dispute settlement as appropriate to resolve identified breaches of U.S. trade agreements.
- Use WTO bodies to help ensure other members' compliance with obligations by pressing for timely compliance with notification requirements in the agreements to identify possible problems and by using meetings of these bodies to raise questions about the practices of Members and create pressure to comply.
- Review implementation of WTO, regional and bilateral trade agreements, particularly through the preparation of the Annual Report of the President on the Trade Agreements Program, the National Trade Estimate Report, and the reports on Sanitary and Phytosanitary Measures and Technical Barriers to Trade and identify strategies for resolving implementation problems.
- Conduct comprehensive annual Section 1377 review of telecom barriers promoting progress in removal of major foreign barriers impeding market access of U.S. telecommunications goods and



services suppliers. Maintain effort to promote elimination of internet blocking.

- Consult regularly with other agencies, stakeholders, Congress and foreign officials to obtain information on new barriers to trade in the region.
- Solicit public comment on WTO dispute settlement panel proceedings to ensure that USTR officials can develop U.S. positions and arguments based on all relevant available information.
- Provide public access to U.S. submissions to WTO adjudicatory bodies so that stakeholders and interested members of the public may provide relevant input.
- Analyze and respond appropriately to petitions filed for action against perceived unfair trade barriers.
- Work to ensure that for the first time in more than a decade, each of our FTAs has the necessary rosters for panelists to participate in consultation and dispute settlement procedures under the relevant agreement.
- Conduct meaningful reviews of FTA implementation in connection with the Joint Committee or Joint Commission meetings under each FTA.
- Monitor implementation of each of our FTAs to ensure full compliance with all FTA and related commitments.
- Continue to build a strong ITEC organization to carry out the directives of the Executive Order, including obtaining additional staff with varied and appropriate expertise in a variety of trade disciplines and with appropriate language skills.
- Refine procedures to coordinate even more closely, efficiently, and effectively ITEC with other offices within USTR, particularly with the Monitoring and Enforcement unit of the Office of the General Counsel. Continue to find ways to supplement and complement, without duplicating, the work of other USTR offices.
- Expand interagency contacts and coordination, identify and locate appropriate interagency expertise for ITEC regarding various matters of interest, and create and integrate staffing mechanisms to simplify sharing of interagency expertise.
- Identify issues for priority research and evaluation regarding potential disputes and in support of negotiations, and systematize processes for sharing the results of those efforts with appropriate interagency personnel.
- Identify priority issues for research and monitoring where negotiation or dispute settlement is not contemplated in the very short term.
- Expand the ability of USTR to consider and address enforcement concerns that affect small and medium sized enterprises.
- Use all appropriate tools to deliver the full benefit of IPN provisions of existing FTAs and other trade agreements to stakeholders. Priorities include the recent agreements with Korea, Colombia, and Panama (including obligations with transition periods) as well as progress on outstanding implementation issues under other FTAs and issue-specific agreements (Israel/pharmaceuticals, China/films, etc.).
- Seek to bring the Anti-Counterfeiting Trade Agreement into force and use it as a strategic partnership to advance international support for IPR enforcement.
- Convene environmental affairs councils and related fora under FTAs to engage with FTA partners at senior levels on specific implementation issues.
- Further strengthen U.S.-China engagement on key trade and investment issues and barriers to U.S. exports, working to achieve concrete and meaningful outcomes through all appropriate fora, including through the U.S.-China Strategic and Economic Dialogue and the U.S.-China Joint Commission on Commerce and Trade.
- Secure China's participation in the GPA to support rebalancing of the U.S.-China trade relationship by expanding U.S. sales into China's large government procurement market.
- Complete the annual Report to Congress on China's WTO Compliance.

- Seek meaningful progress with China on IPR and innovation issues, and related market access concerns, in line with Administration objectives.
- Continue to research, as a priority matter, China's support for the textile and apparel industries, with a view to assessing China's compliance with its WTO obligations, including with assistance and input from industry.
- Provide support and input to General Counsel's office to assist participation in Mexico's recently initiated case against China's textile subsidies and the adverse impact on its exports to the United States market.
- Continuing to monitor and research policy support measures for the textile sector, in particular by other large textile producing and exporting countries, to insure compliance with WTO or other international agreements, with a view to resolving potential conflicts.
- Closely collaborate with industry and other offices and Departments to monitor trade actions taken by partner countries on textiles and apparel to ensure that such actions are taken consistent with trade agreement obligations and do not impede U.S. export opportunities.
- Press for implementation of the government of India's plan to gradually eliminate export subsidies in India's textiles sector by 2014 as required by the WTO SCM Agreement
- Advance negotiations toward an agreement with Egypt to establish customs cooperation, information-sharing and penalty provisions related to enforcement of preference claims for textile and apparel goods originating in the QIZs.
- With Russia's membership in the WTO in 2012 develop and implement new, and use existing, mechanisms to monitor Russia's compliance with its WTO obligations and take action as necessary to ensure U.S. exports are treated consistently with WTO obligations.
- Implement recommendations of the U.S.-EU High Level Working Group for Jobs and Growth to improve compliance by the EU with international trade obligations.
- Continue vigorous U.S. participation in WTO TRIMs Committee as well as bilateral efforts to promote elimination of local content measures in Nigeria, Indonesia, Brazil, China, and India.
- Continue to make regular use of bilateral and multilateral fora, including WTO committees and, where appropriate, dispute settlement, to remove India's localization barriers to trade especially in the clean energy, healthcare and ICT sectors.
- Ensure greater market access for U.S. companies in South and Central Asia, focus on the elimination of localization requirements and ensure compliance with WTO obligations for Members and countries in the accession process.
- Use FTA mechanisms to ensure compliance with FTA and WTO obligations in the MENA region.
- Continue to work with industry, Congress and Customs and Border Protection to address industry concerns about the effectiveness of Customs enforcement of our trade agreements, in order to insure the integrity of agreement commitments.
- Continue USTR leadership role in CFIUS Committee in ensuring CFIUS decisions are consistent with the United States' open investment policy.
- Continue to provide significant research, analysis and support to OGC, regional offices, and State Department regarding NAFTA Chapter 11, FTA disputes and BIT investor state arbitrations.
- Maintain significant role in interagency process in raising concerns regarding potential adverse impact of proposed cybersecurity-related legislation and policy on US trade and investment interests.
- Work closely with our inter-agency partners, including the Departments of State and Labor, to prioritize, monitor, and engage our trade partners to meet worker rights criteria of our trade preference programs. In particular, we will actively work with Colombia on the continued implementation of the Labor Action Plan, with Guatemala to resolve the pending dispute settlement case, and with Bahrain, the Dominican Republic, and others on current labor submissions under the trade agreements, and will continue our worker rights reviews under GSP and AGOA with Bangladesh, the Philippines, and Swaziland. In each of these cases, our goal is to assist countries to

resolve the labor matters raised so that workers are able to exercise their rights and working conditions are improved.

- International trade and investment are the means in which U.S. workers are connected to the global economy. In order to ensure a level playing field for U.S. workers and that the benefits of trade are widely shared, we will engage key trade partners and stakeholders on ways to improve worker rights and working conditions in our inter-connected global economy.
- Work to prioritize opportunities to engage with countries such as China, Brazil, India and countries in the Middle East bilaterally and through multilateral fora to improve respect for worker rights.
- We will also be actively involved in U.S. government efforts in Middle Eastern countries reforming in light of the Arab Spring by advancing efforts to reform labor laws, improve labor institutional capacity, and to monitor working conditions.
- Continue to work closely with the Government of Peru to complete drafting, consultation, and issuance of regulations to implement its new Forestry Law and to establish an independent secretariat to receive public submissions regarding Peru's enforcement of its environmental laws.
- Continue to work closely with the Government of Peru, including through the Interagency Committee on Trade in Timber Products from Peru, to monitor and evaluate potential shipments of illegally harvested forest products from Peru and other developments relevant to implementation of Peru's obligations under the Peru FTA Environment Chapter.
- Utilize high-level bilateral discussions, including through strategic dialogues and at Trade and Investment Framework Agreements (TIFA) Council meetings, to address trade barriers identified with various bilateral and regional partners.
- Use all appropriate tools to press for wins on bilateral IPN issues wherever possible. Major countries of concern include, in addition to China, all countries on Priority Watch List and those with major pending IP legislation or regulations.
- Issue a timely, high-quality report to Congress, backed by year-round engagement with trading partners, on adequacy and effectiveness of IPR protection and enforcement. Continue improvements to the Special 301 process (e.g., hearings, notorious market OCR). Use the "notorious markets" OCR to encourage reform by non-state actors.
- Ethiopia will host the 12<sup>th</sup> annual AGOA Forum. The interagency has begun consultations with the U.S. Embassy in Ethiopia on what will need to be done in working with the Ethiopians and others to ensure a successful Forum. We will be focused on maintaining USTR's leadership role on AGOA, the Forum, and on coordinating U.S.-Africa trade policy generally.
- Working closely with other USTR offices and the interagency, examine what alternative trade tools can be developed to build on AGOA and existing trade agreements (such as Trade and Investment Framework Agreements (TIFAs) and Bilateral Investment Treaties (BITs)), support Africa's regional integration, and enhance U.S.-African two-way trade and investment.

### ***Goal 3: Develop Strategic and Transparent Policy***

Consistent with the President's trade policy agenda, USTR will consult with the Congress, communicate with a wide range of stakeholders, including state and local government officials, and lead interagency trade and investment policy coordination to obtain broad-ranging input, provide accountability, and develop sound, strategic U.S. trade policies.

#### **Objectives:**

- Expand and broaden the existing coalition with Congress, interested stakeholders, state and local governments, and the public to inform and strengthen the U.S. trade agenda, develop Administration trade policies and initiatives, advance key trade legislation, including Congressional approval of trade agreement implementing bills.

- Foster a robust advisory committee system by appointing, consulting and engaging with an active group of advisors.
- Educate the public on the Advisory Committee system and their role within trade policy.
- Employ constructive, consensus-building interagency coordination in the Trade Policy Staff Committee (TPSC) and the Trade Policy Review Group (TPRG).

### **Measurements:**

- Work with the Congress on legislative initiatives, including providing advice on trade aspects of proposed legislation, to help ensure consistency with U.S. international obligations, implement our trade agreements, and advance U.S. policies as they are developed.
- Work with U.S. development agencies and other government agencies so that appropriate assistance programs are in place to support trade agreements and key trade legislation.
- Consult broadly and intensively with Congressional committees of jurisdiction and the Congressional Oversight Group (COG) on pending trade policy issues and initiatives. Keep committees abreast of key issues, opportunities, and constraints in trade negotiations. Keep committees updated on the positions of our negotiating partners.
- Consult regularly with Congress and stakeholders regarding new proposals and developments in TPP, and potential new participants in the negotiations/agreement.
- Consult with Congress and other stakeholders on new ways to expand trade and investment with the European Union, including addressing issues of common concern in third countries.
- Consult with Congress and other stakeholders on ways to increase trade and investment with Russia; and report on the results of monitoring Russia's compliance with international trade obligations.
- Consult with Congress and other stakeholders to develop and implement new initiatives for trade and investment integration with and within the MENA region.
- Maintain close collaboration with Congressional trade committees, the Trade and Environment Policy Advisory Committee (TEPAC), and other stakeholders in developing U.S. negotiating positions on trade and environment matters, including in the TPP negotiations, TTIP negotiations, APEC and WTO initiatives, and relevant UN processes.
- Consult broadly with Congress and other stakeholders to develop U.S.-sub-Saharan Africa trade partnership beyond AGOA preferences, including exploring possible new models for agreements with African regional economic communities (RECs) or with the proposed Continental Free Trade Area of Africa. In that context, work with Congress to amend and ultimately extend AGOA to enhance the U.S.-Africa economic relationship and support Africa's development in line with the Presidential Directive on Development.
- Build support for trade agreements through existing pro-trade congressional coalitions and caucuses.
- Continue to consult regularly with interested stakeholders on trade negotiations, trade agreement implementation, and other issues.
- Advise agencies/Congress on services and investment related trade policy implications of relevant domestic or international cases, laws, and policies.
- Monitor international negotiations led by other agencies on where services and investment issues may arise.
- Monitor and participate in international negotiations led by other agencies on any topics (e.g., biodiversity, traditional knowledge, climate change, pharmaceuticals/health) where demands for IP language implicate trade policy.

- Advise agencies/Congress on trade policy implications of relevant domestic or international cases, laws, and policies.
- Convene regular advisory committee meetings and briefings as needed in coordination with other relevant agencies.
- Ensure timely re-chartering and appointment of committees and ensure that committees meet statutory reporting requirements.
- Ensure that the advisory committee system meets the needs of the 21st century economy and the U.S. national economic interest, by seeking advisory input on an ongoing basis as issues arise and posting documents for comment to the Secured Advisory Committee Website.
- Engage the committees to assist in supporting the trade agenda and provide them with regular informative updates on USTR issues and activities.
- Expand the membership and strengthen the effectiveness of the Trade Advisory Committee on Africa (TACA) to provide relevant advice on enhancing the U.S.-Africa trade and investment relationship.
- Effectively utilize the NSS Deputies and sub-Deputies process to ensure USTR leadership on key Administration trade policy goals and initiatives.
- Seek to resolve inter-agency trade policy issues at the TPSC level whenever possible, and in a timely manner, reserving only complex or sensitive decisions for resolution in the TPRG (deputy head of agency level).
- Contribute to informed policy making by means of a thorough and up-to-date understanding of the positions of other countries/entities based on direct contacts, input from U.S. diplomatic posts, and other sources.
- Ensure that the Annual Report, National Trade Estimates Report, including the TBT and SPS Reports, reports on telecommunications issues, special 301, and other reports required by statute are developed in a transparent manner, with opportunity for input from the public at large as well as stakeholders and Members of Congress, and accurately reflect the issues that are raised.
- Strategically select cities and organizations for trade speeches to demonstrate the importance of trade to the local economy.
- Hold conferences with U.S. and Indian States and Central/Federal governments regarding U.S.-South and Central Asia trade and investment issues
- Conduct further outreach to U.S. states planning official visits and trade missions to India.
- Work closely with the Africa office to find ways to further promote use of AGOA. Continue our work with the South and Central Asia office to examine the options for programs to help create opportunities for textile and apparel production within conflict areas in Afghanistan and Pakistan. Further promote Haiti/Hope/Help and the “Plus One Program” by working to arrange a high-profile USTR trip to Haiti to focus attention on the opportunities provided by those programs, including opportunities for U.S. exports. Take the lead in providing policy advice and assistance in support of any Congressional initiatives to reform or reexamine preference programs which have an impact on the textile and apparel sector.
- Conclude an MOU on Labor that would support the expansion of QIZ’s in Egypt and carry out the Presidents objective of increasing opportunities in MENA.
- In collaboration with the ILO, work with of Jordan to improve working conditions in apparel factories in the QIZs.
- Ensure that meetings of environmental affairs councils and related fora under FTAs include sessions open to the public, and provide for public input for the agendas of these public sessions.

#### ***Goal 4: Effectively Communicate Trade’s Benefits***

To ensure the advancement of the President’s trade policy agenda, USTR will communicate the benefits of international trade and international investment to domestic and foreign audiences, thereby building

public understanding of trade's positive impact on economic growth, and support for additional jobs, and for opening markets around the world to trade and foreign investment.

### **Objectives:**

- Create and implement a USTR-wide, proactive communications strategy to explain the job-creating, economy-enhancing benefits of trade to domestic constituencies and stakeholders.
- Enhance outreach to state and local governments on the benefits of trade, particularly those benefits that flow from FTAs and membership in the WTO.
- Work with the White House and with agency partners to implement an Administration-wide message on the benefits of international trade.
- Communicate, in consultation with other agencies, the Congress and interested stakeholders, the Administration's unified message to foreign countries and their citizens explaining the benefits of trade with the United States, in order to build support for U.S. trade policies and initiatives.
- Inform stakeholders, state and local leaders of USTR's efforts to monitor unfair foreign trade barriers and practices, as well as compliance by trading partners with U.S. trade agreements.
- Communicate success to various stakeholders, including state and local elected officials.

### **Measurements:**

- Work with other trade agencies, Congressional trade committees, and interested stakeholders to communicate the benefits of free trade and other agreements to the Congress, interested stakeholders, state and local governments, and the public.
- Work with the House Ways and Means and Senate Finance Committees to develop a strategy focusing on communicating the benefits of trade.
- Develop talking points, fact sheets, press releases, electronic newsletters and internet strategy to explain the advantages of trade.
- Anticipate the need for and prepare press statements and press events to counter attacks on a liberalized trade policy.
- Organize press events around high profile trade liberalization achievements.
- Plan and organize press events hosted by USTR officials and Members of Congress during trade negotiations in Washington as well as at other negotiating sites in the United States and abroad.
- Present and discuss evolving U.S. trade and investment policies in the EU, Russia and the MENA region in business conferences and widely attended meetings of key private sector stakeholder organizations and relevant embassies.
- Prepare senior USTR official for public presentation and press interviews on U.S.-India trade and investment issues during trip to India
- Continue outreach efforts in Afghanistan and Pakistan to explain US preference programs and encourage better utilization.
- Encourage greater coordination and collaboration on trade and investment decision-making in Central and South Asia.
- Build network of private and non-governmental organizations and coordinate messaging on the benefits of trade.
- Survey external research to gauge baseline of current public perceptions of trade and adjust USTR's messaging strategy and develop trade education materials.

- Establish a stronger state-level network of interested stakeholders and work with this network to offer opportunities for information exchange and trade education through USTR participation in conferences and external speaking engagements.
- Develop and distribute educational materials based on available state and local trade export data to interested stakeholders, state representatives and local networks, and seek improved state-level data.
- Coordinate press statements with interested agencies and the White House in order to present coherent and mutually reinforcing trade information to the public.
- Create an informal trade communications working group that meets periodically to examine trade messaging and opportunities for interagency and White House coordination.
- Through cooperation with agencies at the U.S. Export Assistance Centers (USEACs), other key agencies and stakeholders, work to advance the goals of the National Export Initiative (NEI) to increase U.S. exports, including through efforts to educate U.S. businesses – especially SMEs – about global trade opportunities.
- Identify ways to engage Small and Medium Enterprises (SMEs) regarding trade, including through law-related groups.
- Continue to conduct outreach to the public and to expand interagency coordination of enforcement efforts.
- Ensure full integration of services and investment trade policy goals into USTR’s strategy for communicating trade benefits.
- Continue to make the case in speeches and other public events that our trade agreements and initiatives can and should be part of the solution to urgent international trade-related environmental challenges, including through our innovative TPP environment proposals and other U.S. initiatives.
- Continue to work with industry to promote export and other opportunities under our free trade agreements, including through Magic, American Apparel and Footwear Association, U.S. Association of Importers of Textiles and Apparel, TPP Apparel Coalition, Outdoor Industries Association, Southern Textile Association, National Council of Textile Organizations, American Manufacturing Trade Action Coalition, California Fashion Association, Los Angeles textile Show, Los Angeles Apparel Mart, Texworld, Primesource, and other associations and events.
- Following up on our participation with OTEXA in the America’s Sourcing Pavilion at the August MAGIC apparel show, we plan to implement a newly enhanced outreach program to SMEs in order to promote export and production opportunities in CAFTA, NAFTA, Peru and Colombia for the textile and yarn industries.
- Continue outreach to AGOA Coalition and other key stakeholders, and as part of the Administration’s newly launched Doing Business in Africa campaign (an outgrowth of the PPD), broaden our outreach to the private sector (especially SMEs), diaspora organizations and businesses, and others to ensure that they are well informed about the elements of the PPD, its implications for U.S. trade policy with sub-Saharan Africa, and the growing opportunities for mutually beneficial U.S.-Africa ventures.
- We will also use domestic and foreign travel by our senior leadership to further highlight the goals of the PPD to our African partners and advance PPD-related initiatives such as the U.S.-EAC Trade and Investment Partnership.
- Identify foreign constituencies that may be receptive to information regarding the benefits, including environmental and social benefits, of free and fair trade.
- Build relationships with foreign media and place press statements and attend press events that build support for free and fair trade in key foreign countries.
- Work with USTR’s public affairs counterparts in foreign governments to coordinate a communications strategy to advance trade negotiations and to explain trade disputes.
- Continue to update and implement USTR’s Open Government Plan.
- Respond appropriately and timely to all statutory requests, such as Freedom of Information Act (FOIA) inquiries and Government Accountability Office (GAO) investigations/reports.

## ***Goal 5: Achieve Organizational Excellence***

Consistent with the President's goals for his entire Administration, USTR will provide the administrative processes and infrastructure that will strengthen USTR's ability to perform its core functions at the highest level of excellence, with the most qualified individuals possible, establishing a workplace that promotes diversity, initiative, creativity and productivity through the enhancement of human capital through recruitment, promotion and retention initiatives, and professional development and training opportunities.

### **Objectives:**

- Implement a security program that provides a high-degree of protection for USTR personnel, facilities and sensitive information.
- Manage resources to maximize USTR future capabilities.
- Manage USTR more efficiently and effectively.
- Provide facilities that help USTR staff become more productive.
- Install information technology and communications systems that increase USTR's productivity.
- Implement a human capital management program designed to help USTR accomplish its mission.

### **Measurements:**

- Implement a comprehensive information security program that meets E.O. 13526 and ISOO Directive One.
- Implement a physical security program that meets HSPD-12.
- Develop procedures to protect USTR personnel in high threat situations and environments and provide appropriate level of protection for the USTR office complex.
- Employ zero-based program budgeting in developing multi-year business plans.
- Manage spending plan to maximize USTR's productivity and efficiency.
- Coordinate with other agencies in resource planning or development and implementation of a potential new trade agency.
- Adopt administrative services procedures that provide responsive and timely support to USTR staff.
- Foster a high-performing administrative staff that provides efficient and effective support to USTR offices and employees.
- Manage a seamless administration transition to ensure continuity of government.
- Implement the long-range master plan for USTR space utilization and allocation that provides the quality and quantity of office and meeting facilities appropriate for USTR's business requirements; includes outfit and construction of ITEC space.
- Complete USTR office complex upgrades to provide attractive and functional offices and meeting space.
- Implement maintenance plan that facilitates mission accomplishment and promotes employee health and well-being by providing clean and well-functioning facilities.
- Acquire and install information technology (IT) and communications equipment that facilitates mission accomplishment.
- Ensure that IT and communications systems for Geneva provide robust connectivity and continuity of operations.



- Employ just-in-time training, instructional seminars and job aids to ensure highest possible use of IT capabilities.
- Implement the USTR strategic human capital management and succession plans and develop strategies that ensure human capital is well-managed.
- Perform operational responsibilities to ensure high quality administrative and human resources support.

# ANNUAL PERFORMANCE REPORT FOR FISCAL YEAR 2012

## **I. *Introduction***

This section represents the Annual Performance Report for the Office of the United States Trade Representative (USTR). It has been developed to carry out USTR's obligations under the Government Performance and Results Act (GPRA) and to help the agency measure its performance for FY 2012. This report is produced with input from the Assistant U.S. Trade Representatives and other senior agency officials; no contribution was made by a non-Federal entity.

Further information on all accomplishments will be available in the 2013 Trade Policy Agenda and the 2012 Annual Report of the President of the United States on the Trade Agreements Program that will be published in March 2013 and available at <http://www.ustr.gov>. The Mission Statement and Strategic Goals were published in the Strategic Plan issued in 2013. The FY 2014 – FY 2017 Strategic Plan is developed in accordance with revisions made by Congress to the GPRA by the GPRA Modernization Act of 2010.

## **II. *Mission Statement***

USTR seeks to contribute to U.S. economic growth, competitiveness and prosperity by opening markets and reducing trade and investment barriers around the world to create new commercial opportunities for U.S. goods and services industries, workers, ranchers, and farmers.

## **III. *Summary of Strategic Goals***

### **Goal 1 Create and Sustain Better U.S. Jobs by Opening Foreign Markets**

Creating new opportunities for U.S. commerce involves the identification and dismantling of barriers to trade and investment. This objective is addressed through annual performance goals that describe numerous multilateral, bilateral and sectoral trade agreements, in various stages of completion. USTR also participates in the negotiation of non-trade agreements, e.g. multilateral environmental agreements.

A feature of this strategic goal is the integration of emerging economies into the global rules-based trading system, while helping to build their capacity to realize the full benefits of trade liberalization and protecting the environment and worker rights. These trade capacity building initiatives are addressed through technical assistance designed and executed in conjunction with other U.S. Government agencies. Other applications of this strategic goal affect the annual performance goals of the preference systems. Other annual goals address efforts to protect worker rights and the environment through the use of cooperative activities linked to Free Trade Areas.

The third major feature of this strategic goal is to effectively represent U.S. interests in international bodies established under multilateral and other administrative agreements. Annual performance goals will measure the Agency's work with the WTO, the World Bank and many other organizations. The accomplishment of all annual performance goals will be published in the Trade Policy Agenda and the

Annual Report of the President on the Trade Agreements Program.

## **Goal 2 Create and Sustain Better U.S. Jobs by Monitoring and Enforcing U.S. Rights**

A critical factor in attaining this goal is the annual review of trade agreements. USTR identifies strategies for resolving implementation problems wherever they exist. It is important to note that annual monitoring of compliance extends to FTA labor and environment provisions. Other annual goals speak to the identification of cases where WTO or FTA dispute settlement procedures and/or U.S. trade statutes are the most effective means to address a dispute. Annually, USTR also analyzes dispute settlement procedures and works to clarify and improve the rules. Since the establishment of the WTO in 1994, the United States has filed 101 complaints at the WTO, thus far successfully concluding 69 of them by settling 29 disputes favorably and prevailing in 40 others through litigation before WTO panels and the Appellate Body. The National Trade Estimate (NTE), including Sanitary and Phytosanitary (SPS) Barriers and Technical Barriers to Trade, describe significant barriers to U.S. trade and investment faced in the previous year as well as the actions being taken by the USTR to address those barriers. USTR's annual "Special 301 Report" entails year-round monitoring and follow-up on identified intellectual property rights violations to combat IPR theft, counterfeiting, and internet piracy.

## **Goal 3 Develop Strategic and Transparent Policy**

This strategic goal covers the core of USTR's important coordinating and consultative functions. By statute, USTR is the principal advisor to the President on trade policy and the principal coordinator of trade policy development within the Executive Branch. Under the Trade Expansion Act of 1962, the President established an interagency trade policy mechanism to assist with the implementation of these responsibilities. This organization, as it has evolved, consists of three tiers of committees: the Trade Policy Staff Committee (TPSC), the Trade Policy Review Group (TPRG) and the National Security Staff (NSS). The formulation of trade policy requires extensive consultation with twenty other Executive Branch agencies, the Congress, the Advisory Committee System, sub-federal governments, the public and our trading partners.

The Advisory Committee System, established by Congress under the Trade Act of 1974, as amended, was created to ensure that U.S. trade policy and trade negotiation objectives adequately reflect U.S. commercial and economic interests. The trade policy advisory committee system currently consists of 27 advisory committees. The system is arranged in 3 tiers: the President's Advisory Committee for Trade Policy and Negotiations (ACTPN); 5 policy advisory committees dealing with environment, labor, agriculture, Africa, and state and local issues; and 22 technical advisory committees in the areas of industry and agriculture.

The ACTPN consists of not more than 45 members who are broadly representative of the key economic sectors affected by trade. The President appoints ACTPN members to four-year terms not to exceed the duration of the charter. The ACTPN is the highest level committee in the system that examines U.S. trade policy and agreements from the broad context of the overall national interest.

Members of the five policy advisory committees are appointed by USTR or in conjunction with other Cabinet officers. The Intergovernmental Policy Advisory Committee (IGPAC) and the Trade Advisory Committee for Africa (TACA) are appointed and managed solely by USTR. Those policy advisory committees managed jointly with the Departments of Agriculture, Labor, and the Environmental Protection Agency are, respectively, the Agricultural Policy Advisory Committee (APAC), Labor Advisory Committee for Trade Negotiations and Trade Policy (LAC), and the Trade and Environment Policy Advisory Committee (TEPAC). The 22 technical and sectoral advisory committees are organized into 2 areas: agriculture and industry, and are appointed and managed jointly by the U.S. Trade

Representative and the Secretaries of Agriculture and Commerce, respectively.

The annual goals related to this strategic goal include a commitment to ensure that only the most sensitive and/or important decisions are sent to Deputies/Undersecretaries at the TPRG; a commitment to consult with Congressional Committees and staffs on the U.S. trade agenda; and a commitment to respond to Congressional correspondence in a complete and timely manner. For the advisory committees, the annual performance goals related to this goal include regularly convening meetings of the advisory committees; and communicating by regular conference calls with the advisory committee chairpersons to inform them of current developments. Another important commitment related to this goal is to ensure greater public comment for trade policy initiatives.

#### **Goal 4 Effectively Communicate Trade's Benefits**

The USTR is the President's primary advisor and spokesperson on trade policy, and is frequently called upon to provide advice to the President, testify before the Congress, and assist state and local governmental and non-governmental interests to achieve their trade and investment goals.

Additionally, an increase in national interest in the U.S. trade agenda has brought an increase in inquiries and requests from the press and public for USTR to provide information about U.S. trade policy. As trade plays an increasingly significant role in our nation's economic growth, USTR has become increasingly aware of its responsibility to communicate effectively a trade policy that is designed to create well-paying American jobs, improve the standard of living for all Americans, and further sustainable development. Several specific objectives work to support this goal. They include: the creation of a USTR-wide proactive communications strategy to explain the benefits of trade to domestic constituents and interest groups; the enhancement of state and local government outreach and education efforts on the benefits of trade; an Administration-wide message on the benefits of free and fair trade; and the development, in consultation with other agencies, the Congress and interested stakeholders of a common message to foreign countries on the benefits of free and fair trade.

#### **Goal 5 Achieve Organizational Excellence**

Effective communication and effective implementation of the goals presented in the Strategic Plan require a workforce that is competent, motivated and representative of the diversity of the American population. It also requires a supportive work setting for USTR's employees, which is safe, secure, and which provides office automation tools needed for the efficient conduct of agency business. USTR's employees are its most valuable asset. USTR, through its annual performance goals, will implement multi-year goals in human capital planning, including succession planning, career and leadership development, space modernization and expansion, continuity of operations and physical security, training and IT improvements. The Employee Viewpoint Survey will inform USTR's efforts to focus on those areas of greatest need.

## **IV. FISCAL YEAR 2012 GOALS AND ACCOMPLISHMENTS**

Consistent with the President's trade policy agenda and with the primary goal of supporting and sustaining well-paying American jobs, USTR will seek to support the President's National Export Initiative by opening export markets around the world and reducing trade and investment barriers and distortions by negotiating, concluding and implementing multilateral, regional and bilateral trade agreements, as well as by effectively representing U.S. interests in international bodies, including those established under such agreements.

### **Goal 1: Support and Sustain Better U.S. Jobs by Opening Foreign Markets**

Consistent with the President's trade policy agenda and with the primary goal of supporting and sustaining well-paying American jobs, USTR will seek to support the President's National Export Initiative by opening export markets around the world and reducing trade and investment barriers and distortions by negotiating, concluding and implementing multilateral, regional and bilateral trade agreements, as well as by effectively representing U.S. interests in international bodies, including those established under such agreements.

#### **Objectives:**

1.1: Negotiate and implement agreements that create and sustain well-paying American jobs, advance the overall trade and economic interests of the United States, and further the intent and objectives of U.S. trade legislation.

1.2: Integrate developing economies, economies in transition, and emerging economies into the global rules-based trading system, encouraging key emerging economies to take trade and investment actions consistent with their growing roles in the global economy, while helping other economies build their capacity to realize the full benefits of trade liberalization and protect the environment and worker rights.

1.3: Effectively represent U.S. interests in international bodies that have been established under multilateral and other international agreements to achieve the Administration's international trade policy goals.

#### **Accomplishments:**

In concert with Congress and agencies across the Obama Administration, USTR is making significant contributions to advance President Obama's National Export Initiative (NEI) to double U.S. exports by the end of 2014 and support two million additional U.S. jobs. Exports to the 20 countries which are U.S. free trade agreement (FTA) partners represented nearly half of all U.S. goods exports in 2012 and grew nearly twice as fast as U.S. exports to the rest of the world. Highlights of our export-boosting, job-supporting accomplishments for 2012 include:

- *Implementation of the United States-Korea Free Trade Agreement.* After winning congressional passage in October 2011 of the U.S.-Korea trade pact, USTR worked with other U.S. government agencies and with the government of Korea to review 24 Korean laws and more than 100 regulations to ensure their consistency with the provisions of the United States-Korea Free Trade Agreement (KORUS FTA). Following the President's determination that Korea had implemented all provisions of the agreement set to come into effect on day one, the KORUS FTA entered into force on March 15, 2012. The U.S. International Trade Commission has estimated that KORUS will increase U.S. exports by \$11 billion and support at least 70,000 trade-related jobs in America once it is fully implemented.

- *Eliminating Korea's Import Restrictions on Cherries.* USTR, in coordination with USDA, the U.S. Embassy/Seoul, and U.S. cherry exporters, engaged the Korean government concerning the efficient administration of Korea's sampling regime for imported U.S. cherries, a critically important process given the highly perishable nature of the product in question. As a result of these efforts, combined with the immediate elimination of Korea's 24 percent tariff under KORUS, U.S. cherry exports through September 2012 totaled nearly \$74 million, compared to \$39 million in the preceding year.

- *Implementation of the United States-Colombia Trade Promotion Agreement.* After winning congressional passage in October 2011 of the U.S.-Colombia trade pact, the Administration worked intensively with the Colombian government to ensure that it had implemented those obligations it had committed to fulfill before entry into force of the Agreement. This permitted President Obama to announce, while attending a Summit of the Americas meeting in Cartagena, Colombia, that the Agreement would enter into force on May 15, 2012. The U.S. International Trade Commission has estimated that the Agreement will increase U.S. goods exports by over \$1 billion dollars annually and support thousands of additional American jobs.

- *Implementation of the United States-Panama Trade Promotion Agreement.* After winning congressional passage in October 2011 of the U.S.-Panama trade pact, the Administration also completed the implementation process of reviewing Panama's laws and regulations for consistency with the provisions of the United States-Panama Trade Promotion Agreement. This led to the entry into force of the Agreement on October 31, 2012. According to the U.S. International Trade Commission, this agreement will support additional American jobs by removing barriers to U.S. exporters, investors, and service providers doing business between the United States and Panama.

- *Advancing Negotiations to Achieve an Ambitious, Groundbreaking Trans-Pacific Partnership.* In October 2012, after nearly a year of intensive consultations, Mexico and Canada were welcomed as participants in the Trans-Pacific Partnership (TPP) negotiations. Consultations with Japan on its interest in the TPP and readiness to address concerns and achieve the high TPP standard continued throughout 2012 into early 2013. In the TPP negotiations, participants are addressing 21st-century trade issues, including many that have not been addressed in previous trade agreements. For example, TPP negotiating partners are seeking new disciplines on cross-cutting issues like increasing regulatory coherence, integrating small- and medium-sized exporters more fully into regional trade; and enhancing supply chain connectivity, competitiveness, and business facilitation. TPP negotiating partners are also considering new ways to address such issues as wildlife conservation, illegal fishing activities, digital technology, and state-owned enterprises.

- *Launching an Ambitious High-Standard Transatlantic Trade and Investment Partnership.* On February 13, 2013, President Obama and EU leaders announced that the United States and the EU would each initiate the formal steps necessary to launch negotiations on the Transatlantic Trade and Investment Partnership, a comprehensive trade and investment agreement. This announcement built upon the recommendations of the U.S.-EU High Level Working Group on Jobs and Growth, a body chaired by USTR and the European Commission's Trade Directorate, which spent 2012 examining options for expanding transatlantic trade and investment. In their joint announcement, President Obama and EU leaders noted that a high-standard Transatlantic Trade and Investment Partnership would give the United States and the EU an opportunity to expand trade and investment across the Atlantic, and to contribute to the development of global rules that can strengthen the multilateral trading system. The Final Report of the High Level Working Group affirmed that a U.S.-EU agreement that achieved an ambitious reciprocal market opening in goods and services, established strong protections for investment, and enhanced the compatibility of regulatory regimes, could generate new business and employment by significantly expanding trade and investment opportunities in both economies. Such an agreement could pioneer rules

and disciplines that address challenges to global trade and investment that have grown in importance in recent years, and further strengthen the extraordinarily close strategic partnership between the United States and Europe.

- *Turning the Page in the WTO Doha Negotiations.* After years of fruitless efforts to conclude a comprehensive multilateral agreement in the Doha Development Agenda (DDA) negotiations, the United States persuaded other WTO Members at the 8<sup>th</sup> Ministerial Conference to acknowledge that the DDA is at an impasse and that the time has come to promote new, different approaches to advancing negotiations in the WTO. This result prompted a series of developments that have started to reorient the WTO Membership towards making early concrete progress on a number of fronts, including acceleration of negotiations to conclude a WTO Trade Facilitation Agreement that will cut customs red-tape on a global scale, start of negotiations to expand the groundbreaking Information Technology Agreement, and exploration of a new plurilateral services agreement – the International Services Agreement – that should substantially extend market access opportunities for U.S. services providers and offer possibilities for future multilateral negotiations. Additionally, the United States has sought to reenergize work in WTO standing committees, from pushing for strong results in the three-year review in the Technical Barriers to Trade Committee to raising concerns with new trade-restrictive measures in the Import Licensing Committee, Committee on Trade Related Investment Measures, and the Committee on Trade in Goods.

- *Concluding Negotiations to Expand the Coverage of the WTO GPA.* In March 2012, the Parties to the Agreement on Government Procurement (GPA) adopted a major revision of the WTO GPA, concluding a decade of negotiations. The revised Agreement expands the procurement covered under the GPA to provide U.S. goods, services, and suppliers with new opportunities to participate in procurement in the other GPA Parties. The revised Agreement also includes a significant improvement by modernizing the text to reflect current procurement practices and clarifying its obligations. The revised Agreement will enter into force when two-thirds of the Parties to the current Agreement have accepted it. China advanced its accession to the GPA by tabling a third revised offer. China acknowledged that state owned enterprises' public services projects are eligible for coverage under the GPA and agreed to deepen engagement on critical remaining obstacles to China's accession. New Zealand commenced negotiations to accede to the GPA.

- *Initiating Negotiations to Expand the Product Coverage of the ITA.* In May 2012, the United States and other Information Technology Agreement (ITA) participants commenced negotiations to expand the scope of products covered by the ITA. While annual global trade covered by the ITA exceeds \$4 trillion, the ITA product coverage has not been updated since the agreement was concluded in 1996. The United States is a world leader in several key drivers of information and communication technology (ICT) growth, including software development and semiconductors. Eliminating duties on the newer products that have been developed and the advances still to come would provide a significant boost for U.S. technology exports. At the 2012 APEC Leaders' Meeting in Vladivostok in September, APEC Economic Leaders welcomed the ongoing work on ITA expansion in Geneva, and instructed officials to "work in earnest in order to swiftly achieve a good outcome of the negotiations." APEC Ministers further called on all APEC economies to join the ITA.

- *Finalizing and Ensuring that American Exporters Benefit Fully from Russia's Entry into the Global Trading System.* After nearly two decades of negotiations, on August 22, 2012, Russia became the 156<sup>th</sup> Member of the WTO. Through these negotiations, USTR was able to obtain a strong commercial agreement, resulting in lower tariffs and other market access commitments, such as tariff rate quotas for beef, pork and poultry, and special provisions for imports of "High Quality Beef". As a WTO Member, Russia is now required to comply with the broad array of WTO rules in its day-to-day trade relations with WTO Members, as well as specific provisions in such areas as SPS, IPR, import licensing, and transparency. To ensure that U.S. businesses and workers could enjoy the benefits of Russia's WTO

membership, USTR worked closely with Congress to secure legislation terminating application of the Jackson-Vanik amendment and authorizing extension of permanent normal trade relations status (PNTR) to Russia and Moldova. USTR choreographed the simultaneous submission on December 21, 2012 of letters to the WTO by the United States and Russia requesting that the WTO Agreement be applied between us. Throughout 2012, USTR continued to engage bilaterally with Russia to address issues of concern to U.S. stakeholders, such as opposing unjustified barriers to trade, including SPS barriers, and finalizing an IPR Action Plan. The Plan advances both IPR protection and enforcement, endorsing a broad range of IPR priorities, including combating copyright piracy on the Internet, enhancing IPR enforcement, and coordinating on legislation and other issues.

- *Securing Legislation to Support Textile and Apparel Trade and Jobs under CAFTA-DR.* The Administration worked closely with Congress to secure enactment of legislation in August 2012 implementing technical corrections and modifications to the product-specific rules of origin for textile products under the Central America – Dominican Republic – United States Free Trade Agreement ([CAFTA-DR](#)) between the United States, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua. These modifications had the strong support of the U.S. domestic textile industry as well as U.S. importers and retailers who source from the region, as the corrections will help to support an estimated 1,000 jobs in the United States, Central America, and the Dominican Republic, with U.S. production located in North Carolina, Florida, South Carolina, and Alabama.

- *Securing Legislation to Support Textile and Apparel Trade between Africa and the United States under AGOA.* The Administration worked closely with Congress and stakeholders to secure enactment of legislation in August 2012 [extending the Third-Country Fabric \(TCF\) provision of the](#) African Growth and Opportunity Act ([AGOA](#)) and adding South Sudan as a potential AGOA-eligible country. The TCF provision is crucial to the continued survival of Africa’s textile and apparel industry – it has generated hundreds of thousands of jobs in sub-Saharan Africa, including in least developed countries, and has helped American retailers reduce their costs, diversify their supply chains, and provide greater low-cost apparel options for U.S. consumers. The TCF provision was set to expire in September 2012, and this legislation extends it until 2015 when the entire AGOA program is set to expire. The Administration looks forward to working with Congress to renew AGOA, including the TCF provision, beyond 2015.

- *Signing an Agreement with the EU on Compensation for Tariff Increases Related to EU Enlargement.* In December 2012, the United States and the EU signed an agreement providing for compensation under WTO rules for certain tariff increases associated with the 2007 enlargement of the EU to include Bulgaria and Romania. The compensation will entail establishment or modification of several EU tariff rate quotas for agricultural products which are of interest to U.S. exporters.

- *Advancing WTO Accession Negotiations:* USTR worked with Tajikistan and Laos to complete negotiations on these countries’ accession to the WTO and these two countries became WTO Members in early 2013. USTR also engaged in negotiations with Kazakhstan on the terms for its accession to the WTO, including provisions to bring its legislation and regulations in line with WTO requirements. USTR also worked to advance WTO accession negotiations with Ethiopia, Liberia, and Seychelles.

- *WTO Trade Policy Review Mechanism.* USTR continued to actively participate in the WTO’s Trade Policy Review Mechanism (TPRM) to ensure a comprehensive and effective review of the trade policies and practices of 20 WTO Members (Bangladesh, Cambodia, China, Colombia, Côte d’Ivoire, Ecuador, Guinea-Bissau, Korea, Kuwait, Nepal, Philippines, Saudi Arabia, Singapore, Thailand, Togo, Trinidad & Tobago, Turkey, United Arab Emirates, Uruguay, and Zimbabwe). The TPRM provides an opportunity for USTR to monitor, and promote the principles of transparency in, the development and implementation of WTO Member trade policies. USTR also worked closely with the WTO Secretariat to prepare reports on the U.S. trade policy regime, in preparation for the WTO’s Trade Policy Review of the United States



in December 2012.

- *WTO Committee on Agriculture.* USTR promoted an active agenda in the WTO's Committee on Agriculture focusing on enhancing transparency through improved notification by members of their various agriculture-related programs.
- *Implementing an Initiative to Support the Growth of Least Developed Countries (LDCs) through Trade and Investment.* To facilitate a successful outcome for the 8<sup>th</sup> WTO Ministerial Conference in December 2011, USTR announced that the United States would provide duty-free, quota-free access for imports of Upland cotton from least developing countries. The first part of this initiative for duty-free access was implemented in June 2012 by Presidential proclamation as an extension of benefits under the Generalized System of Preferences.
- *Opening Global Markets for U.S. Agricultural Exports.* In coordination with USDA and interagency partners as well as key stakeholders, USTR successfully worked with trading partners around the world to restore and expand access to overseas markets for U.S. farmers, ranchers, and agricultural producers. Market-opening accomplishments included negotiating entry of additional U.S. beef products from cattle under 30 months of age into Mexico, reaching an agreement with the United Arab Emirates to provide for full market access for U.S. beef consistent with the guidelines of the World Organization for Animal Health, negotiating an extension of the U.S.-Israel Agreement on Trade in Agricultural Products to provide exports of U.S. food and agricultural products to Israel favorable tariff treatment; negotiating an important organics equivalence agreement with the European Union, the second largest export market for U.S. organic products, negotiating changes to EU regulations on the administration of the High Quality Beef tariff rate quota to a first come, first served system, allowing U.S. exporters and their EU buyers to benefit from greater transparency and less bureaucracy, and avoid having to buy import licenses from middlemen. In addition, these changes enhance the ongoing success of the US-EU beef memorandum of understanding, which has facilitated a \$150 million increase in U.S. beef exports to the EU. The Administration also negotiated EU acceptance of the use of the term "White Zinfandel" on U.S. wine, providing long term certainty for U.S. producers who export this type of wine to the EU; and negotiated a memorandum of understanding with the World Wine Trade Group (WWTG) on certification requirements for wine. This agreement simplifies certification requirements among WWTG participant countries and provides a template for facilitating wine trade with wine importing countries, particularly in the Asia-Pacific region.
- *Supporting Protection and Enforcement of Intellectual Property Rights.* USTR used a wide range of trade policy tools promote robust and effective intellectual property protection and enforcement by our trading partners. These efforts included the year-round process that culminated in timely annual Special 301 Reports; ongoing trade negotiations including the TPP; work in the World Trade Organization (WTO) and other international organizations; and consistent bilateral engagement. The United States and other partners also completed the signature process, and started the entry-into-force process, for the Anti-Counterfeiting Trade Agreement (ACTA). In July 2012, Mexico signed the ACTA. While ACTA ratification efforts stalled in Europe due to adverse action by the European Parliament, partners elsewhere continue working to bring the agreement into force. Consistent with the Administration's strategy for intellectual property enforcement, ACTA is one of several initiatives that will help to modernize the fight against global proliferation of commercial-scale counterfeiting and piracy for the 21st century.
- *Winning Intellectual Property Commitments from China.* China agreed to first-ever commitments to enhance growth in the markets for legitimate IP-intensive products. These include China's commitments to conduct more regular software audits of government agencies, and to require SOEs, like state-owned banks, to purchase and use legal software, which should increase sales of legitimate software in China. USTR also successfully negotiated an agreement with China to expand market access for U.S. films and

increase revenues for U.S. studios. This agreement significantly increases the number of blockbuster movies imported into China annually and gives a larger share of box office revenues to U.S. studios, while also providing better opportunities for the distribution of independent movies in China.

- *Advancing BIT Negotiations with Trading Partners.* USTR successfully concluded the three year Model Bilateral Investment Treaty (BIT) review, including securing private sector and Congressional support for the final results. USTR and other federal agencies substantially completed BIT negotiations with Mauritius based on the revised Model text, resumed BIT negotiations with India, intensified BIT negotiations with China, re-engaged on stalled BIT negotiations with Pakistan, and continued negotiations with the Czech Republic. The Administration resumed exploratory discussions with Russia, held exploratory BIT discussions with Gabon and Ghana, launched exploratory discussions with Cambodia, and laid the groundwork for exploratory discussions on a regional investment agreement with the EAC.

- *Achieving Groundbreaking Trade and Investment Results in the Asia-Pacific Economic Cooperation (APEC) Forum.* In 2012, the United States worked closely with APEC partners to successfully secure concrete and meaningful outcomes that will help expand export opportunities for U.S. companies in the fastest growing region of the world, and further demonstrate APEC's ability to come together to forge consensus on important and challenging issues. In particular, APEC economies reached agreement on a list of environmental goods on which tariffs will be cut to 5 percent or less by 2015 – marking the first time that trade negotiations have produced a list of environmental goods for tariff cuts. Other notable outcomes include APEC economies agreeing to a comprehensive approach to improve supply chain performance in the region, helping businesses move their goods faster, easier, and cheaper; committing to launch work to address local content requirements in the region; agreeing to take steps to further promote market-driven, non-discriminatory innovation policy; and agreeing to increase transparency and due process in APEC economies. APEC also strongly endorsed the ongoing work of negotiations to expand the product coverage and membership of the WTO Information Technology Agreement. At the inaugural meetings of a newly-established Experts Group in APEC, USTR advanced work to combat illegal logging and associated trade, and promote legal trade in forest products in the Asia-Pacific region.

- *Expanding Trade and Market Opportunities for American Producers through the U.S.-Japan Economic Harmonization Initiative.* In 2012, USTR continued to engage Japan on a broad array of trade and trade-related issues, with the goal of expanding access to Japan's market. Outcomes from the Economic Harmonization Initiative (EHI), our forum for bilateral engagement on trade and economic issues, were released in 2012, and included a range of improvements by Japan in its business environment and expanded access for a broad range of U.S. goods and services. These areas include intellectual property protection, the automotive sector, information and communication technology services and products, medical devices, pharmaceuticals, agricultural products, and distribution services. For example, Japan improved transparency and predictability for the import of automobiles that incorporate new, advanced technologies and features not covered by existing regulation. Japan also introduced new legal protections that enhance the ability of intellectual property right holders to defend from unauthorized use through technological measures, such as copy and access controls.

- *Securing Market Access and Commitments to Address Distortive Chinese Industrial Policies.* USTR's work through the U.S.-China Joint Commission on Commerce and Trade (JCCT) and the trade and investment track of the Strategic and Economic Dialogue (S&ED) yielded meaningful progress on key trade and investment issues of concern. Accomplishments include: (1) China agreed to treat IP owned or developed abroad the same as IP owned or developed in China. China also agreed to timely correct any measures that are inconsistent with its commitment that technology transfer would be decided by businesses independently and would not be used by the Chinese government as a pre-condition for market access. Accordingly, China will revise the IP localization criteria in its multi-level protection scheme, delay finalization of a catalogue of official use vehicles to consider U.S. concerns, and discuss U.S.

concerns with its tax preferences for high and new technology firms; (2) China committed to providing enterprises of all kinds of ownership non-discriminatory credit, tax and regulatory treatment; (3) China agreed that it will not mandate any particular encryption standard for commercial 4G Long Term Evolution telecommunications equipment, and to remove regulatory impediments affecting more than 20 percent of U.S. manufactured goods exports to China; (4) China confirmed that it had opened up mandatory third party liability auto insurance to foreign participation; and (5) China committed to treat foreign and domestic manufacturers equally in any measures affecting the pricing of medical devices.

- *Reducing Tariffs and Eliminating Export Restrictions in India.* In 2012, India opened up its multi-brand retail sector to 51 percent foreign direct investment (FDI) with certain conditions, furthering a longstanding market access objective for the United States. India also reduced tariffs on certain aviation-related products as part of India's FY2012-2013 budget and removed its export ban on cotton, following sustained USTR engagement.

- *Strengthening Trade and Investment Relationship with ASEAN.* In 2012, the United States launched the Expanded Economic Engagement (E3), an initiative designed to expand trade and investment ties with ASEAN and lay the groundwork for ASEAN countries to prepare to join high-standard trade agreements like the TPP when they are ready and willing to do so. The United States also sponsored a business summit at Siem Reap, Cambodia, which brought together leading U.S. and ASEAN business executives and government officials for discussions of regional trade and investment issues. The United States completed negotiations with ASEAN on a work plan of activities to guide engagement on trade and investment under the ASEAN-United States Trade and Investment Framework Arrangement.

- *Implementing the U.S. Middle East/North Africa (MENA) Trade and Investment Partnership.* In response to the transformational events prompted by the Arab Spring, and the President's call for deeper trade and investment engagement as a means of promoting economic growth and stability in this key region, USTR undertook a number of initiatives with a number of MENA countries to increase trade and investment integration both with and within the region. Notably, USTR undertook initiatives in the areas of trade facilitation, investment and information and communication technologies in the Arab countries in transition, reaching agreement with Morocco on a trade facilitation agreement, and with Jordan and Morocco on foreign investment principles, and information and communication technology services trade principles; we also made strong progress on these initiatives in other countries in the region. USTR also worked with other trading partners with interests in the region, such as the European Union, to promote these initiatives.

- *Creating a Framework to Strengthen Trade and Investment with the Gulf Cooperation Council.* In September 2012, the USTR and the Gulf Cooperation Council (GCC) signed a [Framework Agreement for Trade, Economic, Investment and Technical Cooperation](#). The Agreement established a Joint Committee to discuss areas where both the GCC and the United States share mutual interests, including considering opportunities for enhancing economic, commercial, investment and technical cooperation, fostering their economic relations and increasing the volume of trade and investment between them. The GCC, a key strategic U.S. partner in the Middle East and North Africa region, is comprised of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

- *Enhancing Trade and Investment Dialogue with Central Asia.* USTR strengthened the United States-Central Asia TIFA, including Afghanistan as an observer, to push for reforms and better coordination and collaboration of trade and investment policies in Central Asia. The USTR established a dialogue with each of the Central Asian Republics on WTO accession and coordinated interagency efforts to provide technical assistance to support accession efforts.

• *Strengthening Trade and Investment Relationship with sub-Saharan Africa.* In 2012, USTR with other federal agencies developed the new Presidential Policy Directive (PPD) for sub-Saharan Africa, particularly the critical second pillar to spur economic growth, trade, and investment. USTR negotiated and signed a revised Trade and Investment Framework Agreement (TIFA) with South Africa to strengthen our trade and investment relationship. USTR monitored bilateral commercial trade and investment issues with a number of African countries and raised these and other trade policy concerns during bilateral and multilateral consultations, and reviewed progress in resolving those issues during the annual AGOA eligibility review process. For example, USTR secured agreement from the government of Swaziland to address corruption and labor rights issues by amending the Prevention of Corruption Act and passing the Children's Protection and Welfare Act; worked on removing barriers for U.S. wheat exports to Nigeria; and worked on enforcing Ghana's multilateral telecommunications commitments and negotiated compliance with their obligations.

• *Advancing the East African Community Regional Trade and Investment Initiative.* USTR with other federal agencies advanced a new Trade and Investment Partnership with the East African Community (EAC), securing agreement to pursue an investment treaty, a trade facilitation agreement, and a commercial dialogue which will build on the robust U.S.-EAC trade and investment partnership, and serve as model for enhanced U.S. economic engagement throughout sub-Saharan Africa.

• *Signing a Mutual Recognition Agreement with Israel to Facilitate Trade in Telecommunications Equipment.* In October 2012, USTR signed a mutual recognition agreement (MRA) with Israel that will ease burdens on U.S. companies, especially smaller manufacturers, seeking to export telecommunications products to Israel. This MRA will permit recognized U.S. laboratories to test telecommunications products for conformity with Israeli technical requirements, and vice versa, while maintaining high levels of safety protection. This saves American manufacturers the time and expense of additional product testing in Israel and lowers prices for consumers.

• *Developing and Executing a More Strategic and Coordinated Approach to Addressing Localization Barriers to Trade.* In the last few years, the use of localization barriers to trade has increased, including in some of the world's largest and fastest growing markets. These "localization barriers" are significant market access obstacles for U.S. firms, requiring them to produce goods locally, to purchase domestically-manufactured or produced goods, services, or to transfer U.S. technology in order to trade in a foreign market. These measures distort trade and create an uneven playing field for our exporters. To address this problem, USTR established an administration-wide task force dedicated to finding new and better ways to address the growing challenge that these localization barriers present. This work builds off USTR initiatives already underway, including those that are seeking to address localization barriers through binding trade agreements, enforcement, and policy advocacy.

• *Advancing the adoption of principles for investment and ICT services to promote global services liberalization.* USTR secured EU agreement to adopt joint investment principles and promote adoption of these principles among Arab spring countries. The United States secured Jordan's and Morocco's agreement to adopt investment principles modeled on the U.S.-EU texts. USTR negotiated and reached agreement with Jordan, Morocco, Japan and Mauritius to adopt principles for information and communication technology (ICT) services based on the ICT trade principles the U.S. and EU developed in 2011. USTR also achieved agreement for a statement on Open Investment among G8 countries and Arab countries at the Deauville Partnership Dead Sea Trade and Investment Conference in April 2012. USTR continued its leadership role in the CFIUS Committee to ensure CFIUS decisions are consistent with US open investment policy, and participated in CFIUS Review of over 100 cases.

• *Supporting Global Trade and Environment Objectives.* USTR collaborated with State, EPA, and other agencies to support negotiations in the UN on a legally binding convention on mercury use and trade, and

to support objectives consistent with U.S. trade policy in the UN Rio+20 conference on sustainable development and the UN Framework Convention on Climate Change (UNFCCC). USTR also worked closely with the National Oceanic and Atmospheric Administration, State, and other agencies to support efforts to combat illegal fishing and associated trade, including through implementation of domestic regulations in a fair and transparent manner, and to support efforts through APEC and several regional fisheries management organizations to address illegal fishing activities.

- *Addressing Policy Concerns through GSP Country Practices Reviews.* Following the reauthorization in October 2011 of Generalized System of Preferences (GSP), the USTR-led Trade Policy Staff Committee continued its reviews of country practices regarding several GSP beneficiary countries. Drawing on these reviews and the advice of Ambassador Kirk, President Obama suspended the GSP trade benefits of Argentina based on that country's failure to enforce arbitral awards in favor of two U.S. companies. USTR closed the GSP review of Sri Lanka without any change to Sri Lanka's trade benefits in view of that country's progress in addressing worker rights issues. USTR launched new GSP reviews regarding worker rights in Fiji and Iraq and protection of intellectual property rights in Indonesia and Ukraine.

- *Promoting Economic Development through Broader Utilization of Trade Preferences.* USTR conducted GSP outreach programs in several countries, including Egypt, Tunisia, Pakistan, Nepal, Sri Lanka, Albania, and Bosnia and Herzegovina. These programs helped the private sector in these countries to better understand and make the most of GSP trade preferences.

- *Coordinating Interagency Implementation of the ACTE Initiative.* USTR coordinated interagency implementation of the [African Trade and Competitiveness Enhancement \(ACTE\) initiative](#). In 2011, Ambassador Kirk announced the ACTE initiative, a \$120 million commitment over four years that will help build African trade capacity to support trade under the African Growth and Opportunity Act.

- *Working to Improve Opportunities in Haiti.* USTR worked with other federal agencies and stakeholders to successfully realize the opening of the Caracol Industrial Park in support of USTR's Plus-One Initiative For Haiti, which seeks to promote apparel production and sourcing in our least developed neighbor country as part of post-earthquake reconstruction.

## **Goal 2: Create and Sustain Better U.S. Jobs by Monitoring and Enforcing U.S. Rights**

Consistent with the President's trade policy agenda and with the primary goal of creating and sustaining well-paying American jobs, USTR will closely monitor and vigorously enforce U.S. rights under trade agreements to maximize their benefits for American workers, farmers, ranchers, producers, service providers, and businesses, addressing foreign unfair trade practices, including through U.S. trade laws that USTR administers.

### **Objectives:**

2.1: Effectively utilize USTR resources to monitor unfair foreign trade barriers and practices, as well as compliance by trading partners with U.S. trade agreements.

2.2: Deploy all available tools to vigorously enforce U.S. rights under trade agreements, to ensure that these agreements meet their potential to create and sustain well-paying American jobs.

### **Accomplishments:**

Through vigorous enforcement of U.S. rights under our trade agreements, USTR ensured that more Americans saw the benefits promised by those agreements. The Administration's enforcement strategy is helping American workers, farmers, ranchers, manufacturers, and service providers remain globally competitive even in today's difficult economic environment. The United States has been pursuing a vigorous and proactive strategy to enforce U.S. trade rights under various agreements affecting a variety of sectors and industries.

- *Continuing to build a strong ITEC organization.* ITEC has gotten off to a strong start in fulfilling the President's goals as set out in the Executive Order. ITEC has played a critical role in providing research and analysis regarding several important WTO matters: (1) China Rare Earths Export Restraints, (2) Argentina Import Licensing, (3) China's Autos and Auto Parts Export Bases, (4) Indonesia Import Licensing, and (5) India Solar Local Content. ITEC also continues to provide substantive support for a variety of other ongoing WTO disputes, as well as developing issues for possible future dispute settlement action and enforcement-related negotiations. USTR has built the critical initial infrastructure for ITEC and is expanding it on an ongoing basis. The leadership positions identified in the Executive Order – Director, Deputy Director, and Intelligence Community Liaison - were filled promptly and ITEC obtained office and meeting space to house current and planned staff, including detailees and interns. In addition to the positions named in the Executive Order, ITEC obtained staff from multiple agencies with a variety of language skills and expertise ranging from intellectual property to economics to subsidies analysis, and the Office of the General Counsel assigned a Research Director to work full-time with ITEC staff. ITEC also has undertaken extensive interagency coordination and public outreach efforts.

- *Prevailing Against China's Unfair Restrictions on Access to Raw Materials.* The United States prevailed in WTO dispute settlement against China's export restraints on a number of industrial raw materials (i.e., bauxite, coke, fluorspar, magnesium, manganese, silicon carbide, silicon metal, yellow phosphorus and zinc). These restraints can artificially increase world prices for these raw material inputs while artificially lowering input prices for Chinese producers, skewing the playing field against U.S. producers and exporters of processed steel, aluminum and chemical products, and a wide range of further processed products. China revised several measures in response to the ruling, and the United States will continue to monitor the actions China has taken to comply with this important victory.

- *Challenging China's Export Restraints on Rare Earth Elements, Tungsten, and Molybdenum.* In March 2012, the United States initiated a WTO challenge to China's unfair export restraints on rare earth elements, tungsten, and molybdenum, key inputs in many U.S. manufacturing sectors and American made products including hybrid car batteries, wind turbines, energy-efficient lighting, steel, advanced electronics, automobiles, petroleum, and chemicals. These restraints appear to be part of a troubling industrial policy aimed at providing substantial competitive advantage for Chinese manufacturers at the expense of foreign manufacturers. As a leading global producer of these materials, its export restraints provide unfair advantages to China's downstream producers and create pressure on foreign producers to move their operations, jobs, and technologies to China. The WTO established a panel at the request of the United States in July 2012, and Panel proceedings are currently underway.

- *Challenging China's Subsidies to Auto and Auto Parts Exporters.* In September 2012, the United States initiated a WTO dispute concerning China's auto and auto parts "export base" subsidy program. Through this program, China provides extensive subsidies to auto and auto parts enterprises that are located in designated regions known as "export bases" and that meet export performance requirements. These subsidies, which appear to be prohibited under WTO rules, provide an unfair advantage to auto and auto parts manufacturers located in China, which compete with producers located in the United States and other countries. Based on publically available documents, China made at least \$1 billion in subsidies available to auto and auto-parts exporters in China during the years 2009 – 2011.

- *Winning at the WTO Against European Union (EU) Subsidies to Airbus.* In the largest case ever heard by a WTO panel, the WTO Appellate Body upheld a panel's finding that \$18 billion in subsidies conferred on Airbus by the EU and member countries were illegal, hurting the U.S. aerospace industry and its workers with lost sales and loss of global market share. Thanks to this finding, the jobs of thousands of U.S. aerospace engineers and electricians and related suppliers will be more secure, and more Americans will have a chance at future jobs when the EU comes into compliance and U.S. aircraft manufacturers can compete on a more level playing field. In April 2012, the United States initiated compliance panel proceedings due to the EU's failure to comply to date.

- *Winning the Largest Decision Ever at the WTO in a Case with the EU.* The EU asserted that the United States provided almost \$20 billion in subsidies to Boeing, but a WTO panel and the WTO Appellate Body rejected the vast majority of the EU's claims. The Appellate Body found that the value of subsidies provided by the United States was in the range of \$3-4 billion, and those subsidies had far fewer distortive effects on the aircraft market than subsidies provided by the EU. After the United States announced compliance by the end of its period of time for implementation, in October 2012, the EU initiated compliance panel proceedings.

- *Successfully Challenging Chinese Restrictions and Expanding Market Access for U.S. Films in China.* In January 2010, the WTO Dispute Settlement Body (DSB) adopted panel and Appellate Body reports finding that Chinese restrictions on the importation and distribution of a wide range of copyright-intensive products violated WTO rules. By April 2011, China had made changes to its legal regime relating to DVDs, music, books and certain other products. In February 2012, following intensive negotiations, the United States announced a breakthrough bilateral agreement that allows significantly more exports of American blockbuster films to China on more favorable revenue-sharing terms, strengthens the opportunities to distribute American films through private enterprises rather than the state film monopoly, and ensures fairer compensation levels when U.S. films are being distributed on terms other than a revenue-sharing basis. This victory will support increases in U.S. exports and jobs. Globally, the United States has long been a net exporter of such copyright-intensive products, enjoying a \$12 billion annual trade surplus in connection with films and other audiovisual services alone.

- *Successfully Defending our Right to Impose Duties under the China Specific Safeguard Mechanism.* The United States successfully defended its right under U.S. and international law to impose additional duties on disruptive imports of certain passenger and light truck tires from China. This is the first safeguard action of any kind upheld in WTO dispute settlement. Both a WTO panel and the WTO Appellate Body rejected all of China's claims against additional duties imposed by President Obama in September 2009 pursuant to section 421 of the Trade Act of 1974, which implemented the transitional safeguard in China's Protocol of Accession to the WTO. As a result of this win, the additional duties of 25 percent on imports of tires from China, which have helped to restore U.S. tire industry jobs, were assessed until they expired on September 25, 2012.

- *Enforcing Labor Rights Under CAFTA-DR.* The Administration broke new ground when USTR requested the establishment of an arbitral panel pursuant to the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) for Guatemala's apparent failure to effectively enforce its labor laws. This is the first labor case the United States has ever brought under a free trade agreement and reflects the Administration's determination to protect the rights of workers in America and abroad, and to provide a level playing field for workers here at home. In 2012, the United States has continued working with Guatemala to obtain a resolution of this important matter.

- *Monitoring and Implementing CAFTA-DR.* USTR ensured Costa Rica's timely completion of implementation of a CAFTA transitional obligation, and worked with the Costa Rican government to avert enactment of legislation aspects of which could have violated its CAFTA obligations. USTR also

convened a series of meetings to discuss, monitor and ensure implementation of CAFTA-DR environmental obligations, including a meeting of the Environmental Affairs Council in which senior officials participated. USTR ensured that these meetings included sessions open to the public, consistent with our commitment to transparency.

- *Challenging Chinese Duties on U.S. Exports of Steel, Chicken Broiler Products, and Automobiles.* In three separate cases, the Administration has challenged China's imposition of antidumping and countervailing duties on exports to China of American grain-oriented electrical steel (or GOES), chicken broiler products, and automobiles. In the GOES case, in November 2012 the DSB adopted panel and Appellate Body reports vindicating U.S. claims that China failed to abide by its substantive and procedural obligations in imposing the duties. China will now have a period of time in which to comply. In January and October 2012, respectively, the United States obtained establishment of WTO panels to consider U.S. challenges to China's duties on chicken broiler products and automobiles. In each of these cases, USTR is fighting to ensure that China does not block U.S. exports by misusing its trade laws and violating its international trade commitments.

- *Successfully Challenging Chinese Measures Affecting Electronic Payment Services.* The United States prevailed before a WTO panel in a challenge to China's restrictions on foreign suppliers of Electronic Payment Services (EPS) for card-based transactions. Millions of payment card transactions occur every day in China, and each year well over one \$1 trillion worth of electronic payment card transactions are processed in China. Most of the world's top providers of electronic payment services for credit and debit card transactions are headquartered in the United States. By industry estimates, the United States stands to gain 6,000 jobs related to EPS. China's discriminatory measures severely distort competition and prevent participation by foreign suppliers of EPS for domestic currency payment card transactions. The WTO panel report was adopted in August 2012, and its findings under the General Agreement on Trade in Services make clear that China's pervasive and discriminatory measures deny a level playing field to foreign service providers, including the American EPS providers that are world leaders in this sector. China now has until July 2013 to bring its measures into compliance.

- *Addressing the Philippines' Barriers to Distilled Spirits Market Access.* In January 2012, the United States obtained a victory from a WTO panel and the Appellate Body in its challenge to discriminatory Philippines excise taxes on imported distilled spirits. The Philippines taxes imported distilled spirits, such as whiskey and gin, at significantly higher rates than on domestic distilled spirits, resulting in a major barrier to market access. The Philippines has until March 8, 2013, to comply.

- *Challenging India's Import Ban on Agricultural Products.* In March 2012, the United States initiated a WTO challenge to India's prohibition on the importation of certain U.S. agricultural products, including poultry meat and chicken eggs. Although India's measure purports to be concerned with preventing avian influenza, the measure does not have a scientific basis and is not in line with international standards. The measure appears to be inconsistent with India's obligations under the WTO Agreement. In June 2012, the WTO established a panel at the request of the United States, and panel proceeding are underway.

- *Challenging Argentina's Widespread Use of Import Restrictions.* In August 2012, the United States initiated a WTO challenge to Argentina's trade restrictive measures, including import licensing requirements apparently adopted for the purpose of trade balancing. These measures adversely affect a broad segment of U.S. industry and billions of dollars in U.S. trade in goods each year to Argentina. Consultations were held on September 20-21, 2012, the United States made its first request for a dispute settlement panel in December 2012, and panel proceedings are underway.

- *Cracking Down on Markets Notorious for Job-Stealing Counterfeit Goods.* In 2012, USTR held public hearings and issued a timely and comprehensive Special 301 Report. USTR also issued a high-profile



Notorious Markets out-of-cycle review (OCR), which encouraged significant positive action by or against identified markets to curtail distribution of pirated and/or counterfeit goods. This year, Ukraine was elevated to the Special 301 priority watch list based on failure to implement its IPR action plan. Malaysia and Spain were removed from the Special 301 watch list based on significant improvements to their copyright laws and Israel was removed from the Special 301 priority watch list based on its progress in implementing a 2010 agreement on pharmaceutical IPR.

- *Securing Greater Market Access for U.S. Service Providers.* In 2012, USTR completed the comprehensive annual Section 1377 review of telecom barriers promoting progress in removal of major barriers including, securing agreement by the main Mexican operator, Telmex, to work with national regulators to allow interconnection thereby providing greater market access to U.S. and other operators in the Mexican market. USTR led a successful effort to maintain market access in Vietnam for U.S. internet service providers. USTR supported other efforts to develop strong opposition to Brazilian local content requirements for telecommunications suppliers.

- *Monitoring Compliance with the U.S.-Korea Free Trade Agreement.* The inaugural meeting of the United States-Korea Free Trade Agreement (KORUS) Joint Committee – the minister-level body established under the agreement – was held on May 16, 2012. The Joint Committee is responsible for overseeing the overall operation of the Agreement. In addition to the Joint Committee, over 10 other KORUS committees and working groups met during the year to discuss implementation issues, including those related to medicines and medical devices, customs and rules of origin, small and medium-sized enterprises, services and investment, and agriculture, among others. These committees and working groups ensure compliance with the FTA through discussing and resolving emerging issues in their areas of responsibility. They are also used to increase bilateral cooperation in areas of mutual concern, including cooperation within multilateral fora such as the WTO.

- *Enforcing IP Commitments under NAFTA.* Mexico implemented its NAFTA commitments on pharmaceutical data protection and also made long-awaited improvements to the implementation of its patent linkage system. In addition, Canada enacted a long-awaited new copyright law following years of advocacy and engagement by USTR.

- *Implementing Forest Sector Reforms under the Peru FTA.* USTR led the Interagency Committee on Trade in Timber Products from Peru in carrying out an in-depth review of a petition from a U.S. stakeholder, which raised concerns regarding certain shipments of mahogany and cedar from Peru to the United States. USTR convened the Interagency Committee 15 times between April and November 2012 to review and analyze the information contained in the petition and supporting documentation, as well as other information obtained during the course of its review. USTR worked closely with the Government of Peru and U.S. development and technical assistance agencies to develop a strategy and targeted work plan to address the concerns that have been identified upon review of the petition. USTR and other agencies also continued to engage with Peru on the development of regulations to implement its new Forestry Law and on the establishment of key oversight institutions. In addition, USTR together with the State Department concluded negotiations with Peru on the terms of an agreement to establish an independent secretariat to consider citizen submissions that a Party is failing to effectively enforce its environmental laws. The United States and Peru are committed to finalizing additional details necessary to enable the secretariat to start operations as soon as possible.

- *Enforcing Labor Rights Requirements of Trade Preference Programs.* In June 2012, USTR closed a Generalized System of Preferences (GSP) worker rights review of Sri Lanka due to important steps taken by the Government of Sri Lanka. These steps included progress in initiating, investigating, and resolving unfair labor practices cases; establishing trade union facilitation centers in each of the three largest Economic Processing Zones; improving procedures for conducting union certifications; and enacting

legislation to increase the fines for labor practices violations. Also, the United States and Sri Lanka established a new labor affairs committee under the United States-Sri Lanka TIFA to ensure ongoing dialogue on labor issues. The successful conclusion of the review follows intensive engagement with the government of Sri Lanka and Sri Lankan stakeholders to address concerns identified by the AFL-CIO in its 2008 petition and demonstrates the Administration's determination to ensure respect for labor rights and a level playing field for American workers.

- *Strengthening Labor Rights in Colombia.* The United States worked closely with Colombia to implement the Action Plan Related to Labor Rights that was developed in conjunction with the trade agreement between the two countries. Under the Action Plan, Colombia has taken a series of steps to improve protection of internationally recognized labor rights, including hiring hundreds of new labor inspectors and enforcing new laws on illegal subcontracting. In addition, Colombia's Prosecutor General has greatly expanded the ranks of its investigators and prosecutors to bring to justice the perpetrators of violence against union leaders and organizers.

- *Continuing the Cotton Dialogue with Brazil.* USTR continued the dialogue with the Brazilian Government under the Brazil-United States Cotton Framework Agreement to find a mutually agreed solution to the WTO Cotton Case in the context of the next Farm Bill. The 2008 Farm Bill was renewed for another year, through September 30, 2013. The United States and Brazil are continuing work under the Framework Agreement during the current extension of the Farm Bill, thus avoiding countermeasures against the United States.

- *Improving Market Access for Beef in Taiwan.* USTR, in coordination with USDA and the American Institute in Taiwan, worked with the Taiwan authorities to adopt and implement a maximum residue limit (MRL) for beef muscle tissue containing the feed additive, ractopamine, and country-specific labeling for beef in August 2012. The U.S. government intervened to ensure that the requirements did not unfairly disadvantage U.S. imports into the Taiwan market. Following the implementation of the MRL and labeling, monthly shipments of U.S. beef to the Taiwan market more than doubled from \$2 million to \$5 million per month and remain at a record pace.

- *Securing Market Access for U.S. Poultry Products.* USTR worked with China to re-list two U.S. states - Pennsylvania and Texas - to allow exports of U.S. poultry to China. USTR resolved a discrepancy regarding veterinary certificates for U.S. poultry used in Saudi Arabia, thus preventing the market from closing. The U.S. exports approximately \$12 million of poultry meat annually.

- *Securing Market Access for Horticultural Products with Indonesia.* Working with USDA and interagency partners as well as key stakeholders, USTR secured continued access to the port of Jakarta for U.S. horticultural exports after Indonesia announced plans to close the port to fresh fruit and vegetable imports. The closure of the port would have disrupted U.S. exports of fresh fruits and vegetables to Indonesia of about \$110 million annually.

- *Secured Market Access for Meat Products with Philippines.* USTR reached a successful resolution with the Philippines related to a longstanding SPS restriction on meat handling in the wet markets that treated domestically produced, freshly slaughtered meat more favorably than chilled and frozen meat, which is primarily imported. In 2011, the United States exported nearly \$195 million in pork, poultry, and beef to the Philippines, and this number will only continue to grow with the satisfactory resolution of the meat handling issue.

- *Maintaining a level playing field for Softwood Lumber in Canada.* In order to foster fair trade in softwood lumber, on January 26, 2012 the U.S. and Canadian governments extended the United States-Canada Softwood Lumber Agreement without any changes to the text for two additional years, that is,

until 2015.

- *Working With India on Trade Agreement Compliance.* USTR worked to develop bilateral and WTO initiatives to achieve compliance by India with an obligation to eliminate export subsidies for the textile and apparel sector, pursuant to a U.S. initiative under the WTO Subsidies Agreement.

- *Raising Implementation Issues in WTO Committees.* USTR made new use of WTO standing committees to raise specific concerns with respect to other WTO Members' implementation of WTO obligations, often as a precursor to pursuing WTO dispute settlement consultations. For example, USTR highlighted Argentina's trade restrictive non-automatic import licensing measures in the Committee on Import Licensing, the TRIMS Committee, and the Council in Trade in Goods and subsequently joined with the EU, Japan and Mexico in requesting consultations under the WTO Dispute Settlement Understanding. USTR also pressed China and India through counter-notifications to provide information on their subsidy programs in the Committee on Subsidies and Countervailing Measures. In response to an alarming increase in safeguard actions that have restricted U.S. exports in recent years, the United States has worked with other countries to press for compliance with WTO obligations on transparency and due process in safeguards investigations. USTR enhanced the constructiveness of the WTO TRIPS Council by partnering with other members on new agenda items. USTR also raised concerns in the WTO TRIMS Committee with regard to local content measures in Nigeria, Indonesia, Brazil, China, and India, and supported bilateral effort to seek removal of local content requirements in the energy sector in Nigeria. In 2012, USTR led efforts in the WTO Committee on Sanitary and Phytosanitary Measures to strengthen the ad hoc consultation process under the Agreement and countered efforts to incorporate private sector SPS standards in the Committee's formal agenda. USTR raised more than 15 specific trade concerns and conducted over 20 bilateral meetings on the margins of the Committee in an effort to remove specific trade barriers such as ractopamine bans in China and Taiwan, Vietnam's restrictions on offals, unjustified poultry restrictions in India, and concerns with Japan, Korea and Taiwan on maximum residue limits for crop protection technology.

- *Pursuing Enforcement through NTE, SPS, and TBT Reports.* Opening markets for American goods and services, either through negotiating trade agreements or through results-oriented enforcement actions, is this Administration's top trade priority. Publication of these three reports represents a systemic approach to enforcement that includes negotiated resolutions or raises the profile on issues that eventually require litigation. The 2012 National Trade Estimate Report on Foreign Trade Barriers (NTE) provides, where feasible, quantitative estimates of the impact of these foreign practices on the value of U.S. exports, and information on actions taken to eliminate foreign trade barriers. Publication of the third annual Report on Sanitary and Phytosanitary Measures (SPS Report) demonstrates USTR's commitment to identifying and combating unwarranted SPS barriers to U.S. food and agricultural exports, which harm U.S. farmers, ranchers, manufacturers, workers, and their families, and deprive consumers around the world of access to high-quality American food and agricultural goods. In addition, the third annual Report on Technical Barriers to Trade (TBT Report) reflects USTR's commitment to identifying and combating unwarranted technical barriers to U.S. exports. These kinds of measures can pose a particular problem for small- and medium-sized enterprises (SMEs), which often do not have the resources to address these problems on their own.

### **Goal 3: Develop Strategic and Transparent Policy**

Consistent with the President's trade policy agenda, USTR will consult with the Congress, communicate with a wide range of stakeholders, including state and local government officials, and lead interagency trade and investment policy coordination on trade negotiations and initiatives to obtain broad-ranging input, provide accountability, and develop sound, strategic U.S. trade policies.

## **Objectives:**

3.1: Expand and broaden the existing coalition with Congress, interested stakeholders, state and local governments, and the public to inform and strengthen the U.S. trade agenda, develop Administration trade policies and initiatives, advance key trade legislation, including Congressional approval of trade agreement implementing bills.

3.2: Foster a robust advisory committee system by appointing and consulting an active group of advisors.

3.3: Employ constructive, consensus-building interagency coordination in the Trade Policy Staff Committee (TPSC) and the Trade Policy Review Group (TPRG).

## **Accomplishments:**

- *Holding Hundreds of Meetings with Congress and Stakeholders on TPP.* This year, USTR held hundreds of meetings with Members of Congress and staff to provide information and obtain input on the Trans-Pacific Partnership (TPP). USTR also held more than 350 meetings with a wide range of stakeholders regarding TPP. Such extensive outreach helped USTR continually refine its negotiating positions and develop new proposals on such issues as related to treatment of State-owned enterprises, the sanitary and phytosanitary standards and other regulatory issues, the digital economy, intellectual property, environment, labor, small- and medium-sized enterprises, and development.

- *Expanding Stakeholder Participation at TPP Negotiating Rounds.* The United States hosted three rounds of TPP negotiations in Dallas, Texas in May; San Diego, California in July; and Leesburg, Virginia in September. At each negotiating round, USTR continued to expand opportunities for stakeholders to share their views with trade negotiators in person. New “Direct Stakeholder Engagement Forums” at the U.S.-hosted 12<sup>th</sup>, 13<sup>th</sup>, and 14<sup>th</sup> rounds of TPP negotiations enabled representatives of industry, non-governmental organizations, academia, and the general public to meet directly with negotiators to discuss specific TPP issues. Based on stakeholder feedback, USTR also made arrangements to enable stakeholders to make formal presentations to negotiators as well as to receive briefings from chief negotiators at each round.

- *Holding Public Hearings on New Entrants to the TPP Negotiations.* USTR held two separate public hearings in September 2012 regarding the entry of Mexico and Canada, respectively, into the TPP negotiations. This supplemented input received through Federal Register Notices and followed an extensive period of domestic consultations with Congress and diverse stakeholders. Ongoing public input continues to inform and refine U.S. negotiating positions with current TPP participants, as well as bilateral discussions with potential future TPP entrants.

- *Securing Legislation to Renew Trade Adjustment Assistance.* USTR and the Administration worked closely with Congress to renew strengthened and streamlined Trade Adjustment Assistance (TAA) at the same time that Congress approved the pending free trade agreements. On October 21, 2011, the Trade Adjustment Assistance Extension Act of 2011 (TAAEA) was signed into law by the President. Under the amendments contained in that Act, the scope and effectiveness of TAA was improved, including covering Americans employed in the services sector in addition to U.S. workers in the manufacturing sector. The program has been an important tool to assist workers affected by trade and USTR and the Administration will continue to work closely with Congress to ensure that effective tools are provided to displaced workers.

- *Working with Congress to Identify Key Challenges in Transatlantic Trade and Investment.* In 2012, USTR held nearly two dozen meetings with Members of Congress and Staff on the progress of the U.S.-

EU High-Level Working Group for Jobs and Growth and the possible launch of comprehensive trade negotiations with the EU. These consultations informed rigorous analysis of critical issues such as sanitary and phytosanitary standards and regulatory standards, as the High-Level Working Group identified these non-tariff barriers as some of the most significant obstacles to increased transatlantic trade and investment. In his 2013 State of the Union address to Congress, President Obama announced his intention to launch negotiations with the EU on a comprehensive Transatlantic Trade and Investment Partnership (TTIP).

- *Consulting with Congress to Lay the Groundwork for an International Services Agreement (ISA).* In September 2012, Deputy U.S. Trade Representative Michael Punke testified before the House Committee on Ways and Means Trade Subcommittee regarding the United States' leadership role in efforts to build support among a diverse group of 20 like-minded WTO Members for a potential new multiparty ISA. The hearing provided a springboard for further progress in Geneva, and Ambassador Kirk formally notified Congress on January 15, 2013 of President Obama's intent to negotiate an ISA. Since then, USTR has received substantial additional input from Congress and stakeholders to inform U.S. objectives in the ISA negotiations.

- *Increasing the Dialogue with Trade Advisory Committees.* In 2012, Ambassador Ron Kirk unprecedentedly met twice with every advisory committee. This increased outreach was complemented by continuous transparency as readouts of the committee meetings were publicly posted on <http://www.ustr.gov> and summarized in the weekly e-newsletter for stakeholders. Additionally, in cooperation with the other agencies served by the advisory committees, USTR has broadened the participation on committees to include a more diverse group of stakeholders, new voices, and fresh perspectives, and continues exploring ways to further expand representation while ensuring the committees remain effective. With the rechartering of many of the advisory committees, USTR has also implemented White House guidelines prohibiting registered lobbyists from serving on committees. This has created opportunities to bring an influx of new members who have continued to provide USTR with the critical and necessary advice it seeks as it creates, negotiates, and implements trade policy. This policy has also challenged USTR and the agencies that co-administer the advisory committees to think creatively and seek new resources to meet the needs of the committees.

## **Goal 4: Effectively Communicate Trade's Benefits**

To ensure the advancement of the President's trade policy agenda, USTR will communicate the benefits of international trade and international investment to domestic and foreign audiences, thereby building public understanding of trade's job-creating potential and support for opening markets around the world to trade and foreign investment.

### **Objectives:**

4.1: Create and implement a USTR-wide, proactive communications strategy to explain the job-creating, economy-enhancing benefits of trade to domestic constituencies and stakeholders.

4.2: Enhance outreach to state and local governments on the benefits of trade, particularly those benefits that flow from Free Trade Agreements (FTAs) and membership in the WTO.

4.3: Work with the White House and with agency partners to implement an Administration-wide message on the benefits of international trade.

4.4: Communicate, in consultation with other agencies, the Congress and interested stakeholders, a

common message to foreign countries and their citizens explaining the benefits of trade with the United States, in order to build support for U.S. trade policies and initiatives.

### **Accomplishments:**

In 2012, USTR's ongoing and serious dialogue with the American people about trade and jobs produced real results across a wide range of issues and initiatives.

- *Visiting Communities Across the Country to Discuss Trade, Share Ideas, and Listen to Concerns.* Ambassador Kirk traveled throughout the United States in 2012 to engage with and hear from the American people directly about various USTR initiatives including the TPP negotiations, trade enforcement activities, and the National Export Initiative. Ambassador Kirk visited a New Balance shoe factory in Norridgewock, Maine to talk to workers about the TPP, and traveled to Pittsburgh, Pennsylvania to tour economic development sites and meet with the United Steelworkers. Over the past 4 years, Ambassador Kirk has made increased domestic outreach a central element of the Obama Administration's inclusive approach to developing balanced trade policy. Educating stakeholders and gathering input from a wide range of perspectives, the Ambassador traveled to 45 cities in 26 states to broaden the national conversation about trade, exports, and jobs.

- *Leveraging Stakeholder Input to Build Unprecedented Support for Job-Supporting Trade Measures.* Continued negotiations with the 11 countries of the Trans Pacific Partnership Initiative, and the announcement of the intent to launch negotiations for an International Services Agreement, the Transatlantic Trade and Investment Partnership and full implementation of the trade agreements with Korea, Colombia, and Panama have taken place in the context of unprecedented levels of engagement from stakeholders, including civil society, industry groups, environmental organizations, labor unions, state and local officials and Congress. These efforts included public hearings, written submissions, in person and teleconference briefings with lead negotiators, and planned stakeholder activities at negotiation rounds. These consultations and outreach efforts across the United States have amplified awareness of these export-boosting, job-supporting trade measures.

- *Expanding High Level Dialogue with Industry.* USTR worked to expand high level outreach to domestic textile and apparel manufacturers and retailers, in order to broaden industry involvement in, and support for the Administration's trade agenda, including National Export Initiative goals and Free Trade Agreements.

- *Creating Tools to Help U.S. Small Businesses Export More Made-in-America Products.* USTR and other agencies expanded the FTA Tariff Tool, a free on-line tool that helps small and medium-sized businesses take better advantage of tariff reduction and elimination under U.S. trade agreements. USTR and other agencies also created an SME Exporter's Toolkit guide to U.S. Government exporting resources which was shared with thousands of SME exporters. Through the Transatlantic Economic Council, USTR, other U.S. agencies and the European Commission conducted small business workshops in Rome and Washington this year with strong U.S. and European small business participation. As a result of the workshops and stakeholder input, the United States and EU concluded an MOU on SME trade promotion cooperation. The Working Group on Small and Medium-Sized Enterprises established under U.S.-Korea Free Trade Agreement met twice to discuss ways to increase opportunities for SMEs to take advantage of the opportunities afforded by the FTA, including possible joint outreach and education efforts, such as webinars, directed at small businesses in both countries.

- *Supporting the Small Business Network of the Americas.* USTR provided key support for President Obama's interagency initiative launched in 2012 to link U.S. Small Business Development Centers around the country with a growing network of counterpart small business centers in countries including

FTA partners Mexico, Central America and the Dominican Republic, Panama, Colombia and others, through on-line trade platforms and business competitions.

- *Effectively Communicating the Benefits of Trade.* By issuing 226 press releases, 159 blogs, 46 speeches, and 24 fact sheets, USTR proactively informed the public on the job-supporting benefits of trade and highlighted the agency's efforts to level the playing field for U.S. workers and businesses. USTR provided crucial messaging, fact sheets, and press releases to support top priorities, including the President's State of the Union announcement of his decision to pursue a Transatlantic Trade and Investment Partnership agreement. In addition, USTR refined its communications strategy for the ongoing Trans-Pacific Partnership negotiations, and worked with interagency partners to produce blog posts, fact sheets, and press releases to shape public opinion and address stakeholder concerns.

- *Bolstering Trade Communications through Enhanced Social Media and Web Features.* USTR expanded its digital outreach on social media channels to address the growing number of people who receive news online by posting to Facebook and the @USTR Twitter account more than 300 times respectively, and by uploading 136 photos of USTR principals to the USTR Flickr page. USTR's blog and twitter page has become the hub for daily updates and readouts from TPP negotiators, keeping stakeholders informed about the benefits of the proposed agreement. USTR staff developed a Tumblr blog to enhance USTR's social media outreach, and expect that the new platform will enable the agency to concisely communicate the benefits of trade, inform stakeholders, and gather feedback on top USTR priorities.

- *Creating an Open Government to Enhance Transparency, Collaboration and Participation.* USTR Open Government Plan, Version 2.0 was posted on the website. Four new initiatives for 2012-13 and 2013-14 calendar years including a new Flagship initiative for the Transatlantic Trade and Investment Partnership (TTIP) were planned. This will be negotiation of one of the United States' largest trade agreements and will require an unparalleled level of transparency, collaboration and participation.

## **Goal 5: Achieve Organizational Excellence**

Consistent with the President's goals for his entire Administration, USTR will provide the administrative processes and infrastructure that will strengthen USTR's ability to perform its core functions at the highest level of excellence, with the most qualified individuals possible, establishing a workplace that promotes diversity, initiative, creativity and productivity through the enhancement of human capital through recruitment, promotion and retention initiatives, and professional development and training opportunities.

### **Objectives:**

5.1: Implement a human capital management program designed to help USTR accomplish its mission.

5.2: Manage USTR more efficiently and effectively.

5.3: Provide facilities that help USTR staff become more productive.

5.4: Install information technology and communications systems that increase USTR's productivity.

5.5: Manage resources to maximize USTR future capabilities.

5.6: Implement a security program that provides a high-degree of protection for USTR personnel, facilities and sensitive information.

## **Accomplishments:**

- *Implementing an Effective Human Capital Program to Maximize Workforce Capabilities.* Provided follow up to employee suggestions and focus group meetings to implement necessary changes to improve 2011 Employee Viewpoint Survey scores; included policy changes, additional staffing, revised procedures, facility renovations, and better access to training and other development opportunities. Completed competency assessments as a baseline for improved development programs for mission-related occupations; implemented individual development plans, leadership/supervisory training, and DAUSTRs' development program; continued improved utilization of EOP-Learn; OPM widely praised USTR's 2011 Human Capital Management Report. Worked with AUSTRs and SES to implement OPM's new SES Performance Management System; incorporated suggestions, developed template text and obtained system approval from OPM; first step in the process to reinstate certification. Expertly managed unprecedented staffing workload; included a major increase in positions from FY12 budget increase, including ITEC startup and hiring four Chinese-speaking attorneys; unprecedented overseas moves planned and managed, including selection and assignment of replacements.

- *Improving the Effectiveness and Efficiency of USTR Support Systems.* Met substantial conference requirements for TPP (3 domestic rounds), numerous TPP intersessional meetings, APEC (various domestic and international locations), WTO Geneva Ministerial, China visit (JCCT), and other USTR DC based meetings; worked confidently and securely with numerous members of USTR staff to make all of these events highly successful; astute management of TPP round contracts with OA Travel and Event Services obtained best value for the government in all three venues. Making innovative arrangements with the National Archives and Records Administration (NARA) to assist in de-classification review of records at the Washington Records Center (WRC) as USTR offices have not been available due to other priority business; awaiting final proposal from NARA to commence project. Updated records schedules; new electronic records management requirements that are being developed government-wide. Led EOP input and attended NARA working sessions on government-wide electronic records management reform; briefed suggestions from my working group and major aspects of recommendations were incorporated by NARA in their final guidance document. Continued Open Government Plan improvements; updated and posted Version 2.0 on time with requested new initiatives; continue to exemplify one of the best small agency plans. Strategic plan timely resubmitted under the new GPRA Modernization Act requirements (first major rewrite in five years). Drafted Geneva Document and Records Management Review plan, requested resources and obtained approval from Chief of Staff; successfully implementing plan since May 2012; monthly reports document progress and provide recommendations for process improvement. Budget savings initiatives included shifting significant translation costs to Commerce, changing local courier services from Washington Express to OA Mail Services (\$20,000 reduction), no-cost local law enforcement and federal security services at 3 TPP rounds, acquiring approximately \$200,000 ITEC systems furniture for less than \$8,000, rolling all ITEC space build-out into tenant improvement allowance (+\$200,000 cost deferral), assuming duties of deleted GovTrip position with no loss in customer response, completing migration of eliminated Geneva IT position duties to DC staff, negotiating Blackberry T-Mobile account to obtain early (no-cost) upgrade, obtaining no cost critical IT business systems from EOP, and conducting 234 video-teleconferencing sessions for \$3.5M savings/cost avoidance.

- *Improving the Quality of Office and Meeting Facilities to Increase Employee Productivity.* The long-range master plan for USTR space utilization and allocation continued to guide project development and implementation. To free up additional office space, relocated Office of African Affairs to 1724 F Street 6th floor and rebuilt two vacated offices with systems furniture to improve functionality, thereby providing much needed additional office space for WAMA; managed difficult move for African Affairs staff in the most professional way possible, accommodating all staff needs. Through relocation of OA



mail room, enabled colocation of entire Personal Security Team that will increase coordination and performance. Managed most difficult GSA contract work in Winder Building High-Performance Green Building Project (converting four-decade old HVAC system from 2-pipe to 4- pipe) and renovating all offices; project 95 percent completed; according to GSA, USTR's involvement was of immeasurable assistance in making this extensive project successful; project substantially affected every occupant of the building; minimized impact on residents at every opportunity and provided extraordinary effort to keep all informed at every step in the process; continually worked to put out almost daily "fires" as a result of poor contractor performance. Designed and installed new ballistic glass doors Winder plaza entrance and glass door to elevators for increased security. Commenced Winder Building north end earthquake repair; will provide for a greatly strengthened structure and eliminate exterior stucco cracking. Completed 1724 F Street 1st Impressions lobby upgrade project and completed minor renovation to rest rooms; numerous compliments of the new "professional touch" of the facility. Completed Winder Building steam supply upgrades with minimal impact on residents; completed within schedule. Interagency Trade Enforcement Center (ITEC) space (1800 G Street): Acquired space and designed upgrades for secure information technology systems and space to house new function; major IT systems in place due to exceptional relationship and support from NSS; all work currently on time and under budget; minimized costs and stand up time through use of excess EOP furniture.

- *Improving Productivity through Information Technology Upgrades.* Completed design and implementation of litigation case management application: Clearwell eDiscovery and Quickbase Access. Majority of migration to Windows 7 / Microsoft Office 2010 successfully completed. Successfully migrated all IT duties from Geneva to DC staff upon elimination of Geneva IT support position. Installed high-side secure communication upgrades in the Winder SCIF and prepared the ITEC equipment install for the 1800 G Street SCIF. Uninterrupted information technology, communications, and A/V support provided for 3 TPP rounds hosted in U.S. Maintained public website during significant denial of service attacks. Worked closely with front office staff to improve training and operation of the correspondence management system and associated processes; eliminated a great deal of the backlog of correspondence. Achieved National Security Staff (NSS) support for secure voice / video / data systems to establish ITEC; funded all requirements and equipment ready for install as soon as SCIF completed. Developed new Virtual Library Wiki site to facilitate entrance of Canada and Mexico into the TPP negotiations and enhance the security of the site. Conducted review of current process for receiving State Department cable traffic and developed recommendations for next steps to adopt next-generation cable technology; launched pilot project to implement State's SMART system; initial results are highly positive. Completed update to our web site to automatically pickup and display new Federal Register Notices posted by USTR on Regulations.gov.

- *Improving Budget Planning and Execution.* For first year ever, provided Congressional Budget Book within two days of submission of President's Budget (normally 30-60 days) to meet new committee requirements; required extraordinary planning and timely development, including pulling together extensive annual performance report. Developed extensive FY-13 hearing preparation documents for Agency Head and led budget-related discussions at preparation meetings; Ambassador was especially well versed in all budgetary issues and thoroughly prepared for the ensuing hearings. Received unprecedented \$3+M increase in November for FY-13 appropriation as a result of previous budget development efforts; expertly managed the spend plan throughout the year to fund our highest-ever level of travel (plus \$1M primarily due to TPP), hosting 3 TPP meetings and numerous intersessionals, and reprogramming to fund ITEC startup at 1800 G Street; was able to meet all needs, including significantly ramping up staffing as requested by committees; finished with \$1.4M in carryover funds (more than 15 percent above the estimated target); expert and timely briefing provided to the Assistant to the President for Management and Administration were consistently on target and complimented. Expeditiously planned and managed agency-wide development of the FY 2013-2016 Business Plan and FY 2014 Budget, leveraging technology to efficiently manage office and senior leadership review and input;

submitted on time and clearly articulated USTR's needs to support the President's trade initiatives; continues to serve as the model for the other EOP components. Successfully defended and obtained congressional approval for reprogramming of FY2012 funds for immediate ITEC startup as announced in the President's 2012 State of the Union address and E.O.; required numerous supporting documents and intensive committee staff meetings over an accelerated period of time; required expert and close coordination with Commerce, White House, NSS and OMB to make this happen.

• *Improving Security Systems and Processes.* Security: Hosted 3 of 5 Trans-Pacific Partnership (TPP) rounds in the United States. (Dallas, San Diego, N. VA); comprehensive security plans provided detailed guidance to TPP staff, local law enforcement (LE), hotel security, and contract security personnel; built exceptional working relationships with federal and local LE authorities that provided exemplary safety and security for all participants (at no cost to USTR); all negotiating rounds achieved their objectives unimpeded by protesters and demonstrators who would otherwise disrupt the critical talks. Worked closely with EOP Security to revitalize the Continuity of Operations (COOP) program; provided input to planning sessions; led USTR participation in three exercises; suggestions for improvement accepted; continually updated USTR's plan to ensure relevance; overall COOP program significantly improved over the last three years. Offered to use USTR's physical access control system that is HSPD-12 compliant as the future model for EOP; progress slow and dependent upon EOP direction and funding; meanwhile expanded USTR's system capability to include new ITEC spaces at 1800 G Street which significantly improved access by all USTR staff. Guidance and suggestions provided to the team working on the EOP Occupant Emergency Program (incorporating 2011 earthquake lessons). Trained USTR floor monitors to ensure a high state of emergency readiness. Developing online security awareness training modules and "COOP 101"; partnership with OA will ensure effective online training programs. Updated Executive Protection Detail policy and procedures, especially training and certification; relocated detail to a "team" space on 1st Floor 1724 F Street; all protection evolutions conducted with utmost professionalism and zero safety incidents; successfully obtained FPS personnel to effectively augment small but highly effective detail. Performed extensive upgrades to the perimeter security surveillance system that provided a high level of security and safety for all staff; upgrades included reconfiguring Winder courtyard entrance with ballistic glass and secondary layer of protection; added remote alarms to all locally alarmed doors; ensured alarm tie in to FPS mega-center; repaired inoperable cameras and established remote access to all cameras from both Winder and 1724 F Street security guard locations; added 1800 G Street ITEC space to security system. Expeditiously coordinated with accrediting agency and EOP to develop and obtain approval on the Interagency Trade Enforcement Center (ITEC) SCIF construction security plan for 1800 G Street space; currently guiding contractor build-out of space.

## GLOSSARY OF ACRONYMS

AD .....	Antidumping
AGOA.....	African Growth and Opportunity Act
APEC.....	Asia Pacific Economic Cooperation
ASEAN.....	Association of Southeast Asian Nations
ATC.....	Agreement on Textiles and Clothing
ATPA.....	Andean Trade Preference Act
ATPDEA .....	Andean Trade Promotion & Drug Eradication Act
BIA .....	Built-in Agenda
BIT.....	Bilateral Investment Treaty
BOP .....	Balance of Payments
CACM .....	Central American Common Market
CAFTA .....	Central American Free Trade Area
CAFTA-DR .....	Dominican Republic-Central America Free Trade Agreement
CARICOM.....	Caribbean Common Market
CBERA.....	Caribbean Basin Economic Recovery Act
CBI.....	Caribbean Basin Initiative
CFTA.....	Canada Free Trade Agreement
CITEL.....	Telecommunications division of the OAS
COMESA.....	Common Market for Eastern & Southern Africa
CSC.....	Capital Sharing Cost
CTE.....	Committee on Trade and Environment
CTG .....	Council for Trade in Goods
CVD.....	Countervailing Duty
DDA.....	Doha Development Agenda
DSB .....	Dispute Settlement Body
DSU .....	Dispute Settlement Understanding
E-3.....	Expanded Economic Engagement Initiative
EAC.....	East African Community
EAI.....	Enterprise for ASEAN Initiative
EFTA.....	European Free Trade Association
EOP.....	Executive Office of the President
EU .....	European Union
FOIA.....	Freedom of Information Act
FTA.....	Free Trade Agreement
FTAA.....	Free Trade Area of the Americas
FTE.....	Full-Time Equivalent
GATS.....	General Agreements on Trade in Services

GATT.....	General Agreement on Tariffs and Trade
GDP .....	Gross Domestic Product
GEC .....	Global Electronic Commerce
GPA .....	Government Procurement Agreement
GSP.....	Generalized System of Preferences
ICASS.....	International Cooperative Administrative Support Services (cost allocations by State Department for services rendered)
HLWG.....	U.S.-EU High Level Working Group on Jobs and Growth
IFI .....	International Financial Institutions
IPR .....	Intellectual Property Rights
ISA.....	International Services Agreement
ITA.....	Information Technology Agreement
ITC.....	Information and Communication Technology
ITEC.....	Interagency Trade Enforcement Center
JCCT.....	U.S.-China Joint Commission on Commerce and Trade
LDBDC.....	Least Developed Beneficiary Developing Country
MAI .....	Multilateral Agreement on Investment
MENA .....	Middle East and North Africa
MERCOSUL/MERCOSUR .....	Southern Common Market
MFA.....	Multifiber Arrangement
MFN.....	Most Favored Nation
MOSS .....	Market-Oriented, Sector-Selective
MOU .....	Memorandum of Understanding
MRA .....	Mutual Recognition Agreement
NAFTA.....	North American Free Trade Agreement
NEC .....	National Economic Council
NEI.....	National Export Initiative
NGO.....	Non-Governmental Organization
NIS.....	Newly Independent States
NSC .....	National Security Council
NTE .....	National Trade Estimates
NTR .....	Normal Trade Relations
OAS .....	Organization of American States
OECD .....	Organization for Economic Cooperation and Development
OPIC .....	Overseas Private Investment Corporation
PNTR.....	Permanent Normal Trade Relations
PSD.....	Presidential Study Directive
ROU .....	Record of Understanding
S&ED.....	U.S.-China Strategic and Economic Dialogue
SACU.....	Southern African Customs Union
SADC.....	Southern African Development Community

SME.....	Small and Medium Size Enterprise
SPS.....	Sanitary and Phytosanitary Measures
SRM .....	Specified Risk Material
TAA.....	Trade Adjustment Assistance
TABD .....	Trans-Atlantic Business Dialogue
TACD .....	Trans-Atlantic Consumer Dialogue
TAEVD.....	Trans-Atlantic Environment Dialogue
TALD.....	Trans-Atlantic Labor Dialogue
TBT.....	Technical Barriers to Trade
TEC.....	Transatlantic Economic Council
TEP .....	Transatlantic Economic Partnership
TIFA .....	Trade & Investment Framework Agreement
TIP.....	Trade and Investment Partnership
TPP .....	Trans-Pacific Partnership
TPRG.....	Trade Policy Review Group
TPSC.....	Trade Policy Staff Committee
TRIMS .....	Trade Related Investment Measures
TRIPS .....	Trade Related Intellectual Property Right
TTIP.....	Transatlantic Trade and Investment Partnership
UAE.....	United Arab Emirates
UNCTAD.....	United Nations Conference on Trade & Development
UNDP .....	United Nations Development Program
URAA .....	Uruguay Round Agreements Act
USDA .....	U.S. Department of Agriculture
USITC.....	U.S. International Trade Commission
USTR.....	Office of the United States Trade Representative
VRA.....	Voluntary Restraint Agreement
WAEMU.....	West African Economic & Monetary Union
WB.....	World Bank
WTO .....	World Trade Organization