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FY 2012 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. USTR is also responsible for the appropriate coordination, collaboration and participation on trade policy initiatives within the Executive Office of the President (EOP) and with other government agencies, the Congress, the private sector, and the public.

President Obama took office at a time of economic crisis. His Administration has recognized that putting America back on track for sustainable long-term economic growth would require a multifaceted approach, and in his 2010 State of the Union Address, President Obama stressed the need to create additional American jobs by exporting more American goods and services. He announced the National Export Initiative (NEI), setting the goal of doubling U.S. exports by the end of 2014 to support 2 million additional jobs at home.

The President's FY 2012 budget of \$51.3 million for USTR invests in critical efforts to support jobs here at home by increasing American exports to other countries. It provides the resources for USTR to achieve the President's trade goals and objectives, particularly those of the NEI. This \$3.4 million or 7.2% increase over the FY 2010 level follows two years of strong fiscal discipline at USTR, where all office and travel expenses were pared back to ensure that this Administration is spending every dollar wisely. These actions stretched USTR's lean budget to support growing funding requirements to pursue the Administration's aggressive trade agenda of opening markets by (1) producing high-standard trade agreements, (2) holding trading partners to their commitments through strong enforcement of our rights, and (3) creating new opportunities to strengthen trade relationships and eliminate barriers to U.S. exports.

Now, while maintaining fiscal discipline and building on this austere baseline, this budget request will provide the necessary investments in a job-focused, comprehensive trade agenda—including the NEI and strong enforcement efforts—to get American businesses growing through exports and American workers back on the job. The FY 2012 budget request includes an increase in personnel costs to support 16 additional Full-Time Equivalents (FTE), plus an increase in the travel budget to support trade negotiations critical to our national interests.

Many of USTR's core activities directly support the NEI's objectives. With primary responsibility under the NEI Executive Order for reducing trade barriers, USTR efforts expand export opportunities for American workers, farmers, ranchers, and service providers by opening key foreign markets and keeping them open through robust enforcement of our trade agreements. As the President's NEI extends through the end of 2014, efforts to support it will be a major priority that affects nearly every facet of USTR's budget planning.

Beyond new trade agreements and robust enforcement, maintaining and strengthening relationships with key trade partners is also central to this Administration's trade agenda. For instance, the large emerging markets of China, India, Brazil, and Russia have an increasingly important role in the global trading system, presenting significant challenges as well as opportunities to increase American exports and thereby create American jobs. USTR's strategy for these markets spans all of our initiatives as well.

A well-prioritized trade policy focused on key opportunities for increasing American exports and jobs, opening markets, reducing barriers and boosting innovation, and based on the principles of a rules-based global trading system, can contribute powerfully to the President's economic agenda for America. Our goal is sustainable economic growth that brings home the benefits of trade—including well-paying jobs—while also advancing global recovery. This will be done consistently with our values, including the rights of workers, environmental sustainability, and political accountability.

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 create 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 market-opening efforts have been made increasingly important by the establishment of the President's NEI, which aims to support two million additional American jobs through the doubling of American exports by the end of 2014.

This goal is pursued through the following four program initiatives:

- Free Trade Agreements (FTAs)
- Bilateral Investment Treaties (BITs)
- World Trade Organization (WTO) Doha Development Agenda (DDA)
- Advancing WTO Accession Negotiations

USTR negotiators are simultaneously pursuing four kinds of market-opening trade agreements: 153-economy negotiations in the WTO; bilateral and regional Free Trade Agreements (FTAs) such as those currently pending with Korea, Panama, Colombia, and the eight Trans-Pacific Partnership countries; Bilateral Investment Treaties (BITs) such as those currently in progress with China, Vietnam, India, and Mauritius; and WTO accession negotiations for prospective new WTO members.

Free Trade Agreements (FTAs)

USTR's bilateral and regional trade negotiations aim to enhance U.S. economic growth and employment and advance the Administration's goal of doubling U.S. exports in five years. Concluding a Trans-Pacific Partnership (TPP) agreement is a top Presidential trade priority. An eventual TPP agreement will also be critical to deepening U.S. relations with the dynamic Asia-Pacific region. 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 eventual market-opening, job-creating agreements.

USTR resources, both in terms of personnel and travel funding for them, are necessary to negotiate bilateral and regional trade agreements face-to-face with our trading partners and realize key job-creating opportunities for our economy. For example, according to the Census Bureau, Department of Commerce, 2010, successfully concluded Free Trade Agreements in the past have significantly increased job-supporting exports – U.S. goods exports are up by 252 percent with Jordan, by 211 percent with Morocco, by 244 percent with Chile, and by 336 percent with Israel. FTAs also give the U.S. Government a dispute settlement mechanism to address and resolve exporters' concerns. A successfully concluded TPP would create and lock in benefits for U.S. exporters in the world's fastest growing economies, a potential market representing 40 percent of the world's population and 56 percent of global GDP. Without a satisfactory agreement with its TPP partners, the U.S. leadership position in the Asia-Pacific region is likely to erode as other economic agreements move forward. More than 180 Asia-Pacific preferential trade agreements already exclude the United States, another 70 are under negotiation, and 20 await implementation. Many of these initiatives are with China, which is asserting a larger economic and strategic role in the region.

Bilateral Investment Treaties (BITs)

The removal of investment barriers, particularly in China, India and Vietnam, is key to promoting U.S. economic growth and creating U.S. jobs, a Presidential priority. This initiative strengthens the playing field for U.S. companies, 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 more than 50% of these cases, with awards ranging from tens of millions to hundreds of millions of dollars.

Successfully completing key negotiations will provide significant benefits for U.S. investors abroad and in turn will benefit the U.S. economy and workers. For instance, a BIT with China would open many of China's strategically closed markets, improve competitiveness of U.S. firms, and likely increase exports to 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.

WTO Doha Development Agenda (DDA)

The President has set as a trade priority the negotiation of an ambitious and balanced outcome to the DDA negotiations – one that helps to create and sustain American jobs in consultation with Congress and key U.S. constituencies. A Doha agreement that provides meaningful liberalization in the three core areas of agriculture, goods and services will substantially increase market access and address competitive disadvantages U.S. exporters face. A successful conclusion is also essential to achieving President's goal of supporting and strengthening a rules-based trading system and increasing economic growth in the United States and abroad.

An important Administration priority in the negotiations is opening new markets for key environmental technologies, particularly related to renewable energy and energy efficiency, which would open markets to exports, promote investment in innovative, climate-friendly technologies, and create new jobs.

A key impediment to progress remains the continued resistance of certain important trade partners to engage in sustained, meaningful negotiations. The U.S. has pressed certain advanced developing economies, including China, India and Brazil, to make contributions commensurate with their growing role in the global economy. Advancing negotiations will require direct bilateral engagement with key partners in order to achieve greater clarity and bridge gaps. This is a painstaking process, requiring intensive face-to-face discussions and substantial travel. Our ability to influence and successfully conclude the negotiations requires an appropriate level of resources to participate in these talks. The U.S. must avoid a sub-optimal Doha Round that would result in lost market access and fewer job-creating export opportunities for American workers, farmers and producers.

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. 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 importance of WTO accession negotiations to the Administration has been demonstrated by the prominence of Russia's accession as a key objective between President Obama and Russia's President; as the largest economy outside the WTO, Russia's accession would create significant opportunities for U.S. exporters.

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; talks with Russia have been particularly time-intensive. The U.S. plays a key leadership role in securing high-standard, market-access-creating accession packages with new WTO members.

II. Enforcement: Bringing Home the Job-Creating Promise of America's Trade Agreements

Once the U.S. has entered into a 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:

- 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
- Monitoring and Addressing Trade Issues and Creating New Opportunities

In the first 18 months of this Administration, USTR has initiated disputes against China's export restraints on key raw materials, the Philippines' discriminatory taxes on alcoholic beverages, and Guatemala's failure to effectively enforce its labor laws; initiated a dispute settlement panel against the European Union's unjustified barriers to U.S. poultry exports; and pursued challenges to the EU's unfair subsidies to Airbus, deficiencies in China's intellectual property regime, China's barriers to U.S. copyright-intensive products, and Canada's failures to abide by its obligations under the Softwood Lumber Agreement. At the same time, USTR has defended the United States in such disputes as the European Union's challenge to alleged U.S. subsidies to Boeing, various challenges to important U.S. trade remedies, China's challenge to U.S. food safety measures regarding Chinese poultry, Canada and Mexico's challenges to U.S. country of origin labeling requirements, Mexico's challenge to U.S. dolphin safe labeling provisions on tuna fish, and China's challenge to U.S. remedies for market disruption due to imports of Chinese tires.

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 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. 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.

Enforcing U.S. rights under the WTO Agreement and other U.S. trade agreements 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, services and intellectual property. In the case of China, for example, the WTO dispute settlement process is a key lever for addressing 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. These efforts can be prolonged and resource-intensive, often requiring significant travel expenditures. For example, in June 2010, after several months of negotiations, USTR successfully concluded a framework agreement regarding the longstanding Cotton dispute with Brazil, thereby averting the imposition of more than \$800 million in retaliatory counter-measures against U.S. exports, including possible measures against U.S. intellectual property rights.

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, better wages, 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.

This request supports USTR's mission to monitor and enforce U.S. rights under FTAs and other trade agreements, especially the environmental, labor, and intellectual property rights.. USTR requires an ability to pursue cases, and defend the United States against claims under these agreements, to avoid significant economic harm to key constituencies, and erode the ability of the President to advance his trade agenda, including pending FTAs and new and ongoing trade negotiations.

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.

The request allows USTR to fully participate in WTO committee procedures and discussions, the principal avenue for resolving trade issues to the benefit of American workers and businesses USTR plays a key role in this multilateral process, which helps ensure that WTO countries comply with 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 ensure that China does not impose even greater barriers to its vast government procurement market worth hundreds of billions of dollars.

Monitoring and Addressing Trade Issues and Creating New Opportunities

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 emerging trade issues 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.

USTR resources create opportunities to break down trade barriers which help to retain American jobs. 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.

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

USTR's strong partnership with the 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 Pending FTAs
- Advising on Trade Aspects of Proposed Legislation
- Identifying and Addressing Trade Barriers and Providing Congressionally Mandated Reports

Given the Congress's Constitutional authority over matters of international trade, USTR is in regular and intensive coordination with the 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. 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 Pending FTAs

USTR leads the Administration's efforts to consult with the Congress on developing and moving job-creating trade legislation. This includes bilateral trade agreements such as the pending agreements with Korea, Panama, and Colombia and ongoing regional negotiations in the Trans-Pacific Partnership (TPP). USTR's participation in developing trade legislation is critical to ensuring that it pursues Administration trade and economic priorities in consultation with Congress, industry, and the public. USTR resources are critical to working closely and constantly with Congress to implement trade agreements and other trade initiatives.

Advising on Trade Aspects of Proposed Legislation

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 works in close partnership with the Congress to review legislation for consistency with U.S. trade obligations and to ensure against provisions that would subject U.S. businesses and workers to harmful trade retaliation.

Identifying and Addressing Trade Barriers and Providing Congressionally Mandated Reports

This initiative fulfills statutory requirements placed on the Administration by the Congress. It also advances the President's goals of winning Congressional support for activities to open markets and create American jobs through the reduction of trade barriers to U.S. goods and services. Over the past year USTR has strengthened its efforts to monitor markets and more vigorously enforce our rights and benefits under our trade agreements. Congressionally-mandate reports are an important component in discharging USTR's commitment to transparency and accountability to Congress and stakeholders. For example, the President's NEI recognized the role of the Report on Technical Barriers to Trade for identifying and reducing unnecessary obstacles to U.S. exports.

IV. Supporting National Priorities: Boosting Small Businesses, Defending Labor Rights, Fighting Climate Change, and Fostering Development

USTR's trade work directly supports many of the Administration's broader policy priorities, including encouraging job creation by small businesses. USTR is also working through trade preference and trade capacity building programs to support the President's prioritization of global development, climate change agenda 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, Climate Change, 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. Yet while the vast majority of U.S. businesses are small or medium-sized, these firms account for a relatively small share of U.S. exports. 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.

In October 2009, Ambassador Ron Kirk launched a new USTR trade policy initiative to better enable these businesses to grow and to generate jobs through international trade. There is significant Congressional and business interest in this USTR effort. An agency-wide working group is ensuring that policymaking and enforcement better serve small- and medium-sized enterprises. USTR also requested an investigation and report by the International Trade Commission on the role of small- and medium-sized exporters to inform trade policy efforts. Based on information obtained in the ITC's report and on our ongoing engagement with small businesses, USTR is setting priorities for new trade agreements and for implementing existing trade agreements 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 succeed.

Supporting Development, Climate Change, and Labor Rights Goals

Trade preferences and trade capacity building strengthen partnerships with poor, developing nations, and they enhance U.S. economic growth and job-creation. For example, the Generalized System of Preferences (GSP) program creates 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 – \$850 million in duties in 2008 – helping them stay competitive in a global economy.

Development is a top priority for President Obama, as was made clear in his 2009 Presidential Study Directive (PSD) calling for a government-wide review of U.S. global development policy. USTR is central to that review, as it leads all trade preference programs for developing countries in support of Administration goals. The President has made fighting climate change an Administration priority. Key international economic policy initiatives—like promoting trade in green goods and services—will be critical to a successful climate change agenda. The President has also made clear that his international trade policies will not only create jobs and growth in the United States, but must foster respect of internationally recognized workers' rights world-wide.

USTR resources support face-to-face meetings and negotiations with our trading partners when necessary to implement preference programs, conduct development assistance work, and pursue key labor and environmental objectives.

Advising and Supporting Other Administration Initiatives

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 major trading partners such as India and China, promoting food security in the developing world. The Administration believes that poverty and unemployment are prime contributors to the instability that affects both Pakistan and Afghanistan. To address this problem, the U.S. has bilateral Trade and Investment Framework Agreements (TIFAs) with both Afghanistan and Pakistan. USTR chairs both of these TIFAs, which serve as the premier inter-agency forum for increasing the capacity of these countries to export more, thus boosting employment and economic growth. For Afghanistan, USTR has provided ongoing assistance in facilitating that country's accession to the World Trade Organization; WTO membership will greatly increase Afghanistan's attractiveness as a trading partner and investment destination. Promoting food security in the developing world reflects USTR's participation in the US food security program, Feed the Future. Trade is an important element helping to make Feed the Future successful, and reflects one of trade's roles in the Administration's development strategy. USTR's contributions are policy improvements not programming money.

USTR also has been actively involved in formulating the Administration's Joint Strategic Plan for intellectual property enforcement. 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 India and Mexico.

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 fora. Work in these fora strengthen 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 Fora and Initiatives
- Trade and Investment Framework Agreements (TIFAs)

Conducting Multilateral and Bilateral Fora and Initiatives

USTR engagement with trading partners under this initiative ultimately serves the Presidential goal of opening new markets and maintaining open markets to increase job-creating export opportunities. Key multilateral Presidential initiatives include our leadership in the Asia Pacific Economic Cooperation forum (APEC), a forum to advance trade and investment issues and strengthen regional economic integration. USTR is the lead for the U.S. Government on trade and investment-related issues in APEC. In 2012 USTR will be working to build on progress made during the United States host year in 2011 which will include a Leaders' meeting hosted by the President in November of that year. Similarly, USTR will be working in 2012 on key bilateral Presidential trade initiatives identified during the U.S.-China Joint Commission on Commerce and Trade (JCCT) and U.S.-China Strategic and Economic Dialog (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 NEI.

Trade and Investment Framework Agreements (TIFAs)

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 the U.S. government's primary channel for economic engagement with some of the largest economies in the Europe and Middle East region, including Turkey and Saudi Arabia (two priority export targets identified for the NEI) along with Ukraine.

TIFAs provide an important venue for discussions to resolve technical issues relating to foreign standards and regulations that negatively affect U.S. exports. 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.

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. Funding TIFAs provide for engaging key markets like the Mercosur countries (Brazil, Argentina, Paraguay, and Uruguay) and the Caribbean, and enable the TIFA as a means to prepare countries to engage in job-creating FTA negotiations. In the Middle East, the necessity of face to face contact in order to create and maintain critical relationships takes on particular relevance. Ongoing frameworks that TIFAs provide with many partner countries provide coordinated efforts to build sound economic relationships.

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 and Improving Administrative Efficiency

Increasing Understanding, Participation, Collaboration and Transparency

This initiative helps build and maintain support for the President's trade agenda, particularly through the Presidential objective of a more open and transparent trade policy. In keeping with the Open Government Initiative, the Administration is committed to maximum public input into policy formulation and implementation, especially that of international trade. This initiative ensures transparent and thoughtful policymaking that is informed by the private sector, the 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 for the Administration's goals and efforts toward effective trade policy, including the NEI, the Administration's focus on small- and medium-sized businesses, and high-profile efforts to advance trade agreements such as TPP, the Anti-Counterfeiting Trade Agreement (ACTA) and other trade policy initiatives.

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

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. Trade Policy Staff Committee (TPSC)/Trade Policy Review Group (TPRG) and National Economic Council (NEC) process enables transparency and full participation by all agencies. The process also supports robust interagency debate that frames positions to ensure the Administration represents a unified voice, and supports and strengthens a rules-based, transparent approach to trade.

Managing and Responding to High-Priority Statutory and Administrative Requests

The President's first Executive Order established policies to increase transparency and disclosure under the Freedom of Information Act (FOIA). This was later elaborated in a memo from Attorney General Eric Holder. Likewise, the Administration has prioritized developing U.S. trade policy through a meaningful partnership with the Congress. This included improving the timeliness of responses to Congressional and

GAO inquiries and investigations. This initiative not only ensures compliance with statutory and administrative requirements but also supports the broader goal of transparency and responsiveness to all inquiries from the public and Congress.

Providing Administrative Support and Improving Administrative Efficiency

By ensuring the efficient and effective use of resources, this program 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.

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. Staff performance awards were eliminated.

These actions saved or avoided costs of more than \$2 million in FY 2010 and continue to generate out-year savings. 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 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 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 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 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.

The USTR also serves as Vice Chairman 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 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 of the Trade Act of 1974. 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; Economic Affairs; and Policy Coordination and Information).

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 Counselor who has two Foreign Service Nationals (FSNs) on staff. 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, \$51,251,000 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 2012 BUDGET REQUEST

Appropriation Levels by Year
(in thousands of dollars)

	FY 2010 Enacted	FY 2011 CR*	FY 2012 Estimated	FY 11-12 Increase
Budget	47,826	47,826	51,251	3,425

FTE Levels by Fiscal Year

	FY 2010 Actual	FY 2011 CR*	FY 2012 Estimated	FY 11-12 Increase
FTE	232	232	248	16

* FY 2011 CR is based on FY 2010 enacted

SUMMARY OF RESOURCE REQUIREMENTS
(in thousands of dollars)

	FY 2010 Actual	FY 2011 CR	FY 2012 Estimated	FY 11-12 % Increase
Trade Coordination and Negotiation	39,926	39,545	42,452	7.4%
Geneva Trade Negotiations	7,512	7,755	8,263	6.6%
Beijing Trade Negotiations	388	526	536	1.9%
Total Direct Program	47,826	47,826	51,251	7.2%

SUMMARY OF OBLIGATIONS BY OBJECT CLASSIFICATION
(in thousands of dollars)

	FY 2010 Actual	FY 2011 CR	FY 2012 Estimated	FY 11-12 Change
Personnel Compensation	28,871	28,256	29,789	1,533
Personnel Benefits: Civilian	8,862	9,418	9,930	512
Travel and Transportation of Persons	3,737	4,586	5,535	949
Transportation of Things Comm., Utilities, & Misc. Charges	33	28	28	0
Printing and Reproduction	1,062	1,072	1,072	0
Other Contractual Services	56	57	57	0
Supplies and Materials	4,443	4,059	4,490	431
Equipment	347	334	334	0
	12	16	16	0
Obligations Subtotal	47,423	47,826	51,251	3,425
Reimbursement	967	773	773	0
Total	48,390	48,599	52,024	3,425

FY 2012 BUDGET REQUEST
Summary of Financial Changes
 Object Class Summary

Personnel Compensation and Benefits
 (in thousands of dollars)

FY 2010 Actual	FY 2011 CR	FY 2012 Estimated	FY 11-12 Increase
37,733	37,674	39,719	2,045

The FY 2012 budget estimate proposes \$39.7 million for personnel compensation and benefits in FY 2012, which is an increase of \$2,045,000, or 5.4%, over the FY 2011 CR. The payroll increase is largely due to an increase in staffing in response to ensuring adequate resources are in place to achieve important trade initiatives. The 16 additional FTE will be spread among the 20 program initiatives and are detailed on page 22. In addition, increases within grades are assumed, but there are no increases for COLA (pay freeze).

Travel and Transportation of Persons
 (in thousands of dollars)

FY 2010 Actual	FY 2011 CR	FY 2012 Estimated	FY 11-12 Increase
3,737	4,586	5,535	949

International travel is essential to achieving the President’s trade agenda. The Trans-Pacific Partnership (TPP) has required the greatest travel resources in FY 2010-11 and we anticipate the conclusion of the first agreement in the first quarter of FY 2012. It will be followed by consultations with possibly three or more countries about their potential membership in TPP which would lead to negotiations with these countries. The Doha Development Agenda (DOHA Round) negotiations reflect one of the Administration’s primary initiatives for creating new market access. A final WTO Ministerial is scheduled to take place in the first quarter of FY 2012 which will bring to completion all work done over the last ten years. USTR’s goal of enforcing trading rights and protecting innovation means that we will pursue trade dispute litigation as needed. This has led to more travel in Geneva where WTO litigation is held. There are many bilateral and multilateral forums where the U.S. is a member and USTR must participate. USTR will prioritize travel based on the most important trade objectives as set by the President and utilize videoconferencing in lieu of travel when practicable.

Transportation of Things

(in thousands of dollars)

FY 2010 Actual	FY 2011 CR	FY 2012 Estimated	FY 11-12 Increase
33	28	28	0

Transportation of Things covers commercial express delivery (including freight and other shipping costs), and storage costs for staff stationed in Geneva and Beijing. There is no change in this object class of expense from the FY 2011 level.

Communications, Utilities, and Miscellaneous Charges

(in thousands of dollars)

FY 2010 Actual	FY 2011 CR	FY 2012 Estimated	FY 11-12 Increase
1,062	1,072	1,072	0

USTR incurs costs for data, voice, wireless communications from commercial sources, equipment leasing, and housing costs for its Geneva-based Ambassador. Geneva housing costs account for approximately \$310,000 of total expenses for this spending category. Wireless telecommunications are an integral part of conducting business and are expected to remain steady at approximately \$300,000. All other costs account for approximately \$462,000 of the remaining balance. There is no change in this object class from the FY 2011 level.

Printing and Reproduction

(in thousands of dollars)

FY 2010 Actual	FY 2011 CR	FY 2012 Estimated	FY 11-12 Increase
56	57	57	0

Federal Register publications represent the largest single type of printing cost and occur as a result of federal reporting requirements. USTR has recurring annual printing costs related to publication of the National Trade Estimates and the USTR Annual Report. Starting in 2010, USTR began to publish a Sanitary and Phytosanitary Measures report on an annual basis. Printing costs will be managed through more efficient planning of job requirements to keep this object class at the FY 2011 level.

Other Contractual Services

(in thousands of dollars)

FY 2010 Actual	FY 2011 CR	FY 2012 Estimated	FY 11-12 Increase
4,443	4,059	4,490	431

Other Services includes a wide range of commercial and government services such as equipment maintenance, training, professional service contracts and the Department of State's International Cooperative Administrative Support Services (ICASS) and Capital Security Costs (CSC). USTR estimates that ICASS will increase approximately \$150,000 in FY 2012. Other increases are spread among various elements that comprise the Other Services Object Class. None are individually material, but increases are expected in security guard service costs, fiscal data (logistical and support costs incurred with overseas travel) to support increased travel, higher costs for hosting domestic meetings, etc. A further description of State Department related Other Services follows.

Other Services – International Cooperative Administrative Support Services (ICASS) Assessment

(in thousands of dollars)

	FY 2010 Actual	FY 2011 CR	FY 2012 Estimated	FY 11-12 Net Increase
Geneva	2,026	2,026	2,176	150
Beijing	50	52	57	5
Total	2,076	2,078	2,233	155

International Cooperative Administrative Support Services (ICASS)

USTR's Geneva office has 13 employees and several locally employed staff. USTR occupies one floor of the U.S. Mission and is charged via ICASS for rent, security, administrative services, and other support costs. Since the Geneva delegation makes up a small part of the overall mission, our ability to influence the operational decisions is limited. Our assessment is approximately 14% of the total costs. USTR will closely monitor ICASS costs, shifting any available funds as may be necessary to maintain overseas operation.

Other Services - Capital Security Cost Sharing (CSC)
(in thousands of dollars)

FY 2010 Actual	FY 2011 CR	FY 2012 Estimated	FY 11-12 Increase
924	984	1,021	37

Capital Security Cost Sharing (CSC)

The Department of State charges federal agencies for the cost to construct new embassies and consulates and to renovate existing facilities to withstand threats against U.S. property. Agency charges are based largely on the number of personnel from each agency based in foreign locations. The CSC FY 2012 costs for USTR's Geneva and Beijing offices have already been communicated.

Supplies and Materials
(in thousands of dollars)

FY 2010 Actual	FY 2011 CR	FY 2012 Estimated	FY 11-12 Increase
347	334	334	0

Supplies and materials, \$210,000, and funds for official reception and representation, \$124,000, are included in this category. There is no change in this object class from the FY 2011 level.

Equipment
(in thousands of dollars)

FY 2010 Actual	FY 2011 CR	FY 2012 Estimated	FY 11-12 Change
12	16	16	0

This includes essential and/or mandated Information Technology and Security expenses. There is no change in this object class from the FY 2011 level.

FTE Change Summary	FY 2011 - 2012
Negotiations: Creating Well-Paying American Jobs by Security New Markets Abroad	+4
WTO Doha Development Agenda (DDA)	+1
Free Trade Agreements (FTAs)	+2
Bilateral Investment Treaties (BITs)	+1
Advancing WTO Accession Negotiations	
Enforcement: Bringing Home the Job-Creating Promise of America's Trade Agreement	+3
WTO Disputes & Improving the WTO Dispute Settlement System	
Administering, Monitoring, and Enforcing FTAs and Other Trade	
Implementing WTO Agreements and Participating in the Committee Process	+2
Monitoring and Addressing Trade Issues and Creating New Opportunities	+1
Congress: Partnering to Pursue Legislative Priorities, Advising on Trade-Related Legislation, and Fulfilling Statutory Obligations	+2
Pursuing Legislative Initiatives, Including Congressional Approval of Pending FTAs	
Advising on Trade Aspects of Proposed Legislation	+1
Identifying & Addressing Trade Barriers & Providing Congressionally Mandated Reports	+1
Supporting National Priorities: Boosting Small Businesses, Defending Labor Rights, Fighting Climate Change, and Fostering Development	+3
Encouraging America's Small and Medium Enterprises (SMEs) to Export	
Supporting Development, Climate Change, and Labor Rights Goals	+1
Advising and Supporting Other Administration Initiatives	+2
Supporting U.S. International Engagement: Enhancing and Building Relationships	+3
Conducting Multilateral and Bilateral Fora and Initiatives	+2
Trade and Investment Framework Agreements (TIFAs)	+1
Transparency, Outreach, and Coordination: Winning Support for Sound Trade Policies and Creating a More Open and Responsive Government	+1
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 and Improving Administrative Efficiency	+1
TOTAL USTR FTE CHANGE FY 2011 to FY 2012	+16

FISCAL YEAR 2012 GOALS AND MEASUREMENTS

Annual Performance Goals

USTR's 2012 Annual Performance Goals and Measurements support overarching Strategic Goals and Objectives drawn from its Strategic Plan. This year, USTR has chosen to present its Goals and Measurements for the first time using six Strategic Initiatives accompanied by twenty (20) program initiatives that represent the key activities of USTR. This architecture is more targeted and more transparent.

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

Contribute to the President's goal to double exports by 2015 by negotiating new market access for U.S. trade and investment in the National Export Initiative.

This goal is pursued through the following four program initiatives that contribute to the President's goal of doubling exports by 2015 by providing new market access for U.S. trade and investment:

- Free Trade Agreements (FTAs)
- WTO Doha Development Agenda (DDA)
- Bilateral Investment Treaties (BITs)
- Advancing WTO Accession Negotiations

Free Trade Agreements (FTAs)

Measurements:

- If not already approved by Congress in FY 2011, secure Congressional approval of the U.S.-Korea FTA and seek to complete all implementation procedures in time for the FTA to enter into force as soon as possible.
- If not otherwise achieved in FY 2011, work to resolve outstanding concerns related to the Colombia and Panama trade agreements as soon as possible this year in order to bring those agreements to Congress for consideration. Assuming outstanding concerns are resolved, if not already approved by Congress in FY 2011, secure Congressional approval of these agreements and seek to complete all implementation procedures in time for the agreements to enter into force as soon as possible.
- Advance the Trans-Pacific Partnership (TPP) negotiations. Negotiate any additional trade agreements approved to advance the trade and economic interests of the United States in accordance with Administration and Congressional trade objectives.

WTO Doha Development Agenda (DDA)

Measurement:

- Advance strategies aimed at producing an ambitious market-opening conclusion of the World Trade Organization (WTO) Doha Round of Multilateral Negotiations.

Bilateral Investment Treaties (BITs)

Measurements:

- Conclude Model Bilateral Investment Treaty (BIT) review.
- Conclude, on the basis of the U.S. Model text, negotiations on bilateral investment treaties with Mauritius and Georgia.
- Make substantial progress, on the basis of the U.S. model text, in ongoing technical BIT negotiations with China, Vietnam, and India.
- Consistent with Administration policy, seek to significantly advance exploratory discussions with other potential BIT partners, with a view towards the potential launch of BIT negotiations with at least one additional country.

Advancing WTO Accession Negotiations

Measurement:

- Make concrete progress towards concluding commercially meaningful WTO accession agreements with Russia and other accession candidate countries.

II. Enforcement: Bringing Home the Job-Creating Promise of America's Trade Agreements

Closely monitor U.S. trading partners' implementation of existing WTO and other trade agreements. Identify and seek to address foreign barriers and trade practices that are inconsistent with applicable trade agreements (including provisions on labor and environmental protection) and that interfere with U.S. exports, investment, and intellectual property rights. Identify cases where WTO or FTA dispute settlement procedures and/or U.S. trade statutes administered by USTR are the most effective means to address a trade concern. Work to resolve current dispute settlement proceedings on a basis favorable to the United States.

This goal is pursued through the following four program initiatives:

- 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
- Monitoring and Addressing Trade Issues and Creating New Opportunities

WTO Disputes and Improving the WTO Dispute Settlement System

Measurements:

- Review status of existing cases and determine strategy to advance U.S. interests in the disputes.

- When considering initiation of a WTO or FTA dispute settlement proceeding, determine whether initiating dispute settlement serves the best interests of the United States and will advance the U.S. multilateral, regional, and bilateral trade agenda.
- Monitor dispute settlement cases at all stages to determine if settlement or another mutually satisfactory solution is possible and in the best interests of the United States.
- Pursue proposals to clarify and improve WTO dispute settlement rules, including in the areas of increasing transparency and allowing greater flexibility and Member control over the process.

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

Measurements:

- Utilize existing Free Trade Commissions/Committees (and subsidiary bodies) to advance U.S. international trade and economic objectives and to ensure that any issues with FTA implementation are promptly and effectively addressed.
- Regularly coordinate among USTR offices, and work with other agencies, industry, and other stakeholders to identify, monitor, and gather information on possible trade agreement violations and to develop and implement policies to address implementation problems.
- Identify and address the most significant labor rights and environmental protection compliance issues related to implementation of U.S. trade agreements by other parties.
- Apply lessons learned from existing dispute settlement mechanisms when negotiating dispute mechanisms in new agreements.

Implementing WTO Agreements and Participating in the Committee Process

Measurements:

- Participate actively in the agreement-specific committees and other institutional mechanisms of the WTO as a means of addressing problems with implementation of WTO agreements.
- Work with Congress, Executive Branch agencies, state governments, and stakeholders, as appropriate, to seek changes that may be required to bring the U.S. into compliance with adverse WTO and FTA dispute settlement rulings against the U.S. in the interest of enhancing the credibility of U.S. efforts to seek similar compliance by U.S. trading partners.

Monitoring and Addressing Trade Issues and Creating New Opportunities

Measurements:

- Identify and address the most significant standards (Technical Barriers to Trade) (TBT) and sanitary and phytosanitary (SPS) trade barriers.

- Identify and address the most significant weaknesses in protection and enforcement of intellectual property rights (IPR).
- Once a market access barrier is identified, develop appropriate strategies to resolve the issue, drawing on the most effective tools available and adjusting as appropriate to the circumstances.
- Implement the most effective means to address specific market access issues.
- Develop and implement a strategy for advancing services liberalization objectives.

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

Achieve a new level of Congressional access, contact, and consultation while seeking Congressional support for USTR's trade agenda and efforts.

This goal is achieved through three program initiatives:

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

Pursuing Legislative Initiatives, Including Congressional Approval of Pending FTAs

Measurements:

- See earlier measurements on Korea, Colombia, and Panama FTAs.
- Develop and implement a broad consultative process to help ensure support for the Trans-Pacific Partnership by our committees of jurisdiction, as well as other committees and members interested in trade and/or the issues to be considered under TPP.
- Gain successful and broad support for USTR nominees.
- Actively engage Congress to support approval of legislation, if necessary, on programs for Afghanistan and the border areas of Pakistan, with the aim of combating the unemployment and economic underdevelopment that is fueling the insurgency. Ensure a coordinated message from critical Administration stakeholders, working with the Departments of Defense and State, and other agencies.
- Continue to build a positive relationship with Members interested in services-related issues and keep interested Members briefed on services aspects of the USTR trade agenda.
- Conduct and expand Congressional consultations with a focus on the Committees of jurisdiction, but with additional contact to include active caucuses, members, and other committees interested in trade issues.
- Conduct regular calls and/or meetings with interested staff to update them on the work of the USTR.

- Regularly consult with Congressional Leadership and Committees of Jurisdiction lead staff for the upcoming week.
- Respond to Congressional inquiries in a timely manner and solicit viewpoints as issues arise.

Advising on Trade Aspects of Proposed Legislation

Measurement:

- Through the Office of Management and Budget's (OMB) Legislative Referral System and consultation with Congress, ensure that USTR provides input on the trade aspects of proposed legislation.

Identifying and Addressing Trade Barriers and Providing Congressionally Mandated Reports

Measurement:

- Review on an ongoing basis the implementation of trade agreements through the preparation of the National Trade Estimate Report, Special 301 report, 1377 report, Report on China's Implementation of its WTO Obligations, and Reports on Sanitary and Phytosanitary and Standards-Related Foreign Trade Barriers, and by developing and implementing strategies for resolving implementation problems.

IV. Supporting National Priorities: Boosting Small Businesses, Defending Labor Rights, Fighting Climate Change, and Fostering Development

Create export opportunities for small and medium-sized businesses and environmental goods and services. Support the President's Directive on Development and other Administration initiatives. Defend labor rights through implementation of obligations in Free Trade Areas (FTAs) and the trade preference programs.

This goal is achieved through three program initiatives:

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

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

Measurements:

- Work with Federal agencies providing assistance to SMEs (including the Small Business Administration, the Export-Import Bank, and OPIC) to more effectively link their work to trade policy and trade promotion goals.
- Coordinate with export promotion agencies working with SMEs (including the Commerce Department, the Export-Import Bank, and the Small Business Administration) to integrate trade policy and trade promotion efforts in order to identify new opportunities for expanding SME trade.

- Consult with Small Business Committees and other committees on initiatives aimed at increasing exports by small and medium-sized firms in the United States.
- Establish, as appropriate, FTA working groups on small and medium-sized enterprises (SMEs) to facilitate expanded SME trade opportunities under the FTA; invite SMEs from U.S. and FTA partner countries to provide input on the benefits and challenges to SME trade under the FTA.
- Enhance efforts to address key small business challenges and priorities in our policy initiatives.

Supporting Development, Climate Change, and Labor Rights Goals

Measurements:

- Work with National Security Council (NSC)-led process to implement the development strategy derived from the Presidential Study Directive on Development to ensure collaboration and coordination on trade-related development policy and assistance programs
- Contribute to economic development in developing and emerging market countries by helping them to better utilize the Generalized System of Preferences (GSP), when renewed, and other trade preference programs (e.g., Andean Trade Preference Act (ATPA), Caribbean Basin Initiative (CBI), and African Growth and Opportunity Act (AGOA)), as appropriate, including through trade capacity building efforts to the extent possible given the foreign assistance budget. Continue to work with Congress to renew the preference programs. Help identify appropriate next steps and reform U.S. preference programs as needed. Implement any legislative reforms to the preference programs.
- USTR trade capacity building efforts are funded by numerous U.S. agencies, including the U.S. Agency for International Development (AID), the Millennium Challenge Corporation, and the Departments of State and Labor. Appropriations permitting, funds from these agencies will enable the U.S. Trade Representative (USTR) to address capacity-related constraints on the part of U.S. FTA partners that may inhibit the fullest possible implementation of existing FTAs.
- Develop and implement a strategy to encourage developing countries to adopt more open trade policies for services and investment, including through the development of effective domestic regulatory regimes.
- Contribute to sustainable development by negotiating and implementing trade agreements and relevant international commodity agreements that contribute to broader environmental goals, such as reducing illegal logging, advancing ocean and marine resource conservation, and reducing trade barriers to critical environmental technologies.
- Collaborate with the State Department and other relevant agencies in the implementation of capacity building environmental cooperation mechanisms to advance U.S. interests in increasing environmental protection by U.S. trading partners.
- Create market opportunities for environmental goods and services through tariff reduction, tariff elimination, and other policy initiatives.
- See earlier goal on identifying and addressing the most significant labor rights compliance issues related to implementation of U.S. trade agreements.

Advising and Supporting Other Administration Initiatives

Measurement:

- Support the Administration’s National Export Initiative by providing strategy for opening foreign markets.
- Complement the interagency strategy on clean energy and energy efficiency technologies with action in the WTO and APEC to address tariffs and non-tariff barriers.
- Contribute to Administration-wide effort to encourage economic development in South and Central Asia to promote economic and political stability.
- Advance key Administration initiatives to support U.S. comparative advantage in innovation and creativity.

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

Further market opening through multilateral fora and individual Trade and Investment Framework Agreements.

This goal is pursued through the following two program initiatives:

- Conducting Multilateral and Bilateral Fora and Initiatives
- Trade and Investment Framework Agreements

Conducting Multilateral and Bilateral Fora and Initiatives

Measurement:

- Advance key initiatives multilaterally, bilaterally, and in regional fora, such as APEC, the Organization for Economic Cooperation and Development (OECD), and Association of Southeast Asian Nations (ASEAN), to contribute to the ability of U.S. agriculture, goods, and services producers and suppliers to access markets abroad.

Trade and Investment Framework Agreements (TIFAs)

Measurement:

- Utilize TIFAs to achieve further market opening with special emphasis on those countries identified in the National Export Initiative as having greatest export potential.

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

Work to increase transparency and communication with Congress and with trade stakeholders.

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

Measurements:

- Continue to expand outreach to all interested stakeholders. Take USTR message(s) directly to the American public to ensure that all interested stakeholders participate in U.S. trade policy. Educate the public on how trade works for their families and communities every day.
- Continue to develop relationships with labor, NGOs, and consumer interest groups as a critical voice in the development of trade policy and agreements.
- Create new opportunities for interested parties to participate and provide their perspectives on trade in light of the changing global market and current administration's goals of transparency.
- Enhance our Advisory Committee system to make it more reflective of a diversity of opinions and expertise. Increase transparency and increase public access to our experts, while ensuring the ability of USTR to negotiate effectively.
- Enhance state and local government outreach and education efforts on the benefits of trade.
- Continue to use USTR's website and social media as key communication tools to share information about USTR accomplishments, and as an outreach tool to serve the needs of the public (industry, small business, consumer groups, etc.)
- Ensure that the website is a strong tool for planned outreach efforts; work to highlight stories of American families, small businesses, and local economies that benefit from a smart and progressive trade policy.
- Reinforce the website as a portal for input on trade policy from stakeholders and from the public at large.
- Build a database that is inclusive of all stakeholders. Use this database to share news, accomplishments, and updates from USTR.
- Focus domestic trade communications on the potential for increased American exports to contribute to job growth and overall domestic economic recovery.

- Communicate USTR’s ongoing mission to fulfill the President’s Trade Policy Agenda to the American people through proactive press engagement and direct interaction with media and the public by Ambassador Kirk, the Deputies, and a wide variety of USTR staff. Seek opportunities to amplify USTR’s domestic message by establishing or strengthening press partnerships with states, localities, and nongovernmental organizations.
- Communicate U.S. trade policies and positions to our trading partners and to international audiences through relationship-building with foreign media, and by maximizing press opportunities as Ambassador Kirk and other USTR staff travel abroad.
- Communicate successes of a rules-based, robust, and progressive global trading system to both domestic and international audiences.
- Continue the review of all USTR practices to ensure appropriate levels of transparency reflecting the Administration’s commitment to the same.
- Publish a weekly newsletter updating USTR actions, policies, and plans.
- Work cooperatively and in a bipartisan fashion with members of Congress whenever possible to promote shared trade goals in the press.
- Provide stakeholders the opportunity to provide input directly to U.S. officials, including on the margins of trade negotiations.
- Implement USTR’s Open Government Plan.

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

Measurements:

- USTR trade capacity building efforts are funded by numerous US agencies, including the U.S. Agency for International Development (AID), the Millennium Challenge Corporation, and the Departments of State and Labor. Appropriations permitting, funds from these agencies will enable the U.S. Trade Representative (USTR) to address capacity-related constraints on the part of U.S. FTA partners that may inhibit the fullest possible implementation of existing FTAs.
- Work through the TPSC, TPRG, and Deputies Group to reach consensus positions on trade policy matters that advance U.S. international trade and economic objectives. To the greatest extent possible, only the most sensitive issues should be sent to Deputies/TPRG level.
- Work with the State Department through the circular 175 process to ensure coordination and consistency of negotiations and agreements that other agencies conduct with implications for U.S. trade policy objectives.
- Ensure active USTR participation in the Board of Directors of the Millennium Challenge Corporation, the U.S. Export-Import Bank and the Overseas Private Investment Corporation.

- Coordinate across the Administration, with particular focus on those agencies and partners whose missions intersect most with USTR (including the Department of State, Department of Commerce, Department of Agriculture, and the National Security Council) to accurately describe trade policy and to reflect the President's Trade Policy Agenda and the National Export Initiative emphasizing together how smart trade policy translates into better lives and better jobs for American families.

Managing and Responding to High-Priority Statutory and Administrative Requests

Measurement:

- Use technology to increase the efficiency of the Freedom of Information Act (FOIA).

Providing Administrative Support and Improving Administrative Efficiency

Measurement:

- Implement an Agency-wide accountability system to oversee the operations of all human capital management programs and ensure human capital is well-managed.
- Provide employee wellness programs through partnership with the Executive Office of the President.
- Develop and implement an Employee Engagement Action Plan.
- Promote professional development and wide-ranging trade policy experience by encouraging internal mobility of staff.
- Create and implement Knowledge Management (KM) roadmap to improve mission performance, document security, recordkeeping, archiving, retrieval, and accuracy of USTR trade policy information.
- Ensure employees in mission-critical occupations have the right set of skills to accomplish USTR's mission.
- Ensure state-of-the-art administrative services procedures are fully implemented in order to provide responsive and timely support to USTR staff.
- Ensure the required quality and quantity of office and meeting facilities are appropriate for USTR's mission achieved by implementing the long-range master plan for USTR space utilization and allocation.
- Complete USTR office complex upgrades and maintain facilities to promote an attractive work environment and to ensure employee health and well-being.
- Ensure information technology (IT) and communications technology appropriate for USTR's needs are acquired and installed.
- Ensure field offices' IT and communications systems provide robust connectivity and continuity of operations.

- Ensure portable IT and communications technology for travelers and telecommuters balances capability with security.
- Utilize just-in-time training, instructional seminars, and job aids to ensure highest possible use of IT capabilities.
- Review spending on programs to optimize funding resources, evaluate effectiveness, and minimize waste.
- Ensure that budget submittals meet all OMB and Congressional requirements and deadlines.
- Ensure that budgets requests submitted to OCFO/OMB are fully justified and provide strong support for the mission-critical resources required to achieve the President's Trade Policy Agenda.
- Ensure USTR's comprehensive information security program meets E.O. 13526 and ISOO Directive One.
- Ensure USTR's physical security program meets HSPD-12/Federal Information Processing Standard (FIPS) 201.
- Ensure procedures developed to protect USTR personnel in high threat situations and environments provide appropriate level of protection for the USTR office complex and mobile workforce; exercise occupant emergency plans.
- Ensure USTR Continuity of Operations Plan (COOP) is implemented and exercised.

ANNUAL PERFORMANCE REPORT FOR FISCAL YEAR 2010

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 2010. 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 is available in the 2011 Trade Policy Agenda and the 2010 Annual Report of the President of the United States on the Trade Agreements Program published in March 2011 and available at <http://www.ustr.gov>. The Mission Statement and Strategic Goals were published in the Strategic Plan issued in 2008. This Strategic Plan will be revised in accordance with revisions made by Congress to the Government Performance Results Act.

This year for the first time, USTR has chosen to present its Annual Performance Report for 2010 using six Strategic Initiatives accompanied by 20 program initiatives that represent the key activities of USTR.

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 Opening Foreign Markets

USTR will seek to open export markets and reduce trade and investment barriers and distortions consistent with the President's Trade Policy Agenda 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 those agreements.

Goal 2 Monitoring and Enforcing U.S. Rights

USTR will closely monitor and vigorously enforce U.S. rights under trade agreements to ensure that U.S. trade agreements are effective and to maximize their benefits for the U.S. economy. USTR will address foreign unfair trade practices, including through U.S. trade laws that USTR administers.

Goal 3 Developing Strategic and Transparent Policy

USTR will: (1) lead interagency trade and investment policy coordination; (2) consult with the Congress; and (3) communicate with a wide range of stakeholders, including state and local government officials, on trade negotiations and initiatives to obtain broad-ranging input, provide accountability, and develop sound, strategic U.S. trade policies.

Goal 4 Effectively Communicating Trade Benefits

USTR will communicate the benefits of free and fair trade and international investment to domestic and foreign audiences, thereby increasing public understanding of trade policy efforts and building support for opening markets around the world to trade and foreign investment.

Goal 5 Achieving Organizational Excellence

USTR will enhance human capital through recruitment, promotion, and retention initiatives and incentives. The Agency will afford professional development and training opportunities, and provide the administrative processes and infrastructure that will strengthen USTR's ability to recruit and retain the most qualified individuals possible, and establish a work place that promotes diversity, initiative, creativity, and productivity.

FISCAL YEAR 2010 GOALS AND ACCOMPLISHMENTS

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

Prioritize the elimination of economically significant trade barriers; increase market access for U.S. investors and improve treatment of U.S. investments abroad. Ensure the effective ongoing functioning of U.S. free trade agreements, as a means of enhancing U.S. trade and investment objectives.

These goals are pursued through the following four program initiatives:

- Free Trade Agreements (FTAs)
- World Trade Organization (WTO) Doha Development Agenda (DDA)
- Bilateral Investment Treaties (BITs)
- Advancing WTO Accession Negotiations

Free Trade Agreements (FTAs)

Measurements:

- Complete a review of legacy issues from the last Administration to decide which issues, if any, need action in this fiscal year.

Accomplishment: The results of the review of legacy issues were contained in the President's Trade Policy Agenda published on March 1, 2010.

- Make decision on launching of Trans-Pacific Partnership (TPP) negotiations and other Asian-Pacific trade initiatives. If approved, negotiate trade agreements that advance the trade and economic interests of the United States in accordance with Administration and Congressional trade objectives.

Accomplishment: Held four rounds of TPP negotiations, making steady progress in developing framework for conclusion of this 21st century, regional agreement. Concluded consultations with Malaysia, laying the groundwork for announcement in October that it would join the negotiations. Also, in November, Vietnam finalized its decision to participate as a full member in the negotiations, bringing the number of initial TPP members to nine.

Accomplishment: Made significant progress in negotiations in TPP investment, financial services, services, telecom, and e-commerce chapters. In particular, successful in tabling chapters on investment, financial services, services, telecom and e-commerce. Have also succeeded in incorporating new 21st century path-breaking elements in investment text addressing measures to encourage indigenous technologies, and elements in e-commerce chapter regarding cross-border transfer of data.

WTO Doha Development Agenda (DDA)

Measurement:

- Develop and implement a strategy for advancing the WTO Doha Round of multilateral negotiations into the final phase.

Accomplishment: Successfully recast the Doha Round’s conclusion as depending extensively on more ambitious market access contributions by leading emerging economies, notably China, India and Brazil. Prepared the President of the United States for vigorous debate with his fellow G20 Leaders, balancing strong statements of U.S. commitment to the Round with clear signals that the level of market access ambition must be raised in order to ensure a viable final package. Demonstrated leadership in Geneva-based negotiations through stepped-up Ambassador-level brainstorming sessions, as well as ongoing technical work in issue-specific negotiating groups.

Accomplishment: Made significant progress in raising profile of services in DDA negotiations. Successfully built momentum for re-engagement in DDA Services negotiations through development and introduction of “clustering” concept, especially in Information and Communications Technology (ICT) services, Logistics and Energy and Environment.

Bilateral Investment Treaties (BITs)

Measurements:

- Undertake an inclusive and expeditious review of the 2004 U.S. model Bilateral Investment Treaty (BIT) text to ensure that it is consistent with both the Administration’s overall economic agenda and the public interest, while recognizing that the model text represents a carefully calibrated compromise among all key domestic stakeholders.

Accomplishment: Achieved a Deputy-level interagency-cleared consensus on a package of modifications to the model BIT in the context of the BIT review.

- Make substantial progress, on the basis of the U.S. model text, in ongoing technical BIT negotiations with China, Vietnam, and India.

Accomplishment: Continued investment discussions with Vietnam as part of TPP investment negotiations. Held bilateral investment discussions with India as part of US-India Trade Policy Forum. Made substantial progress in technical BIT discussions with Mauritius and Georgia.

- Consistent with Administration policy, seek to significantly advance exploratory discussions with other potential BIT partners, with a view towards the potential launch of BIT negotiations with at least one additional country.

Accomplishment: Made progress in exploratory discussions with Russia.

Advancing WTO Accession Negotiations

Measurements:

- Make concrete progress towards commercially meaningful WTO accession agreements with key emerging and developing economies.

Accomplishment: Achieved major progress in restarting and advancing progress towards Russia's accession to the WTO, satisfying President Obama's direction to resolve major outstanding bilateral issues by September 30, 2010, and providing significant resources and technical assistance towards the revision of the working party report on Russia's accession.

Accomplishment: Reached agreement with EU regarding Russia's consolidated WTO accession audio-visual services commitments; finalized bilateral accession agreement with Yemen; made significant progress in negotiations on bilateral accession agreements with Balkan countries and Kazakhstan.

II. Enforcement: Bringing Home the Job-Creating Promise of America's Trade Agreements

Closely monitor our trading partners' implementation of existing trade agreements. Identify and seek to address foreign barriers and trade practices that breach applicable trade agreements and interfere with U.S. exports, investment, and intellectual property rights. Pursue enforcement through the full range of available tools, including informal consultations, formal bilateral and multilateral oversight fora, negotiations, and litigation. Identify cases where WTO or FTA dispute settlement procedures and/or U.S. trade statutes are the most effective means to address a trade concern. Work to resolve current dispute settlement proceedings on a basis favorable to the United States. Analyze dispute settlement procedures and work to clarify and improve rules.

These goals are pursued through the following four program initiatives:

- 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
- Monitoring and Addressing Trade Issues and Creating New Opportunities

WTO Disputes and Improving the WTO Dispute Settlement System

Measurements:

- Review status of existing cases and determine strategy to advance U.S. interests in the disputes.

Accomplishment: Continually reviewed the status of each pending or planned case to determine how best to advance U.S. interests, including through further dispute settlement proceedings, procedural agreements, or additional negotiation or consultation.

Accomplishment: USTR, along with other agencies, undertook two consultation sessions with the government of Guatemala to attempt to resolve the pending case against Guatemala for its apparent failure to effectively enforce its labor law. USTR led interagency coordination to evaluate and respond to Guatemalan proposed action plans, and to evaluate whether the next step of requesting a meeting of the CAFTA-DR Free Trade Commission should be taken in early 2011.

- When considering initiation of a new WTO or FTA case, determine whether initiating a new case serves the best interests of the United States and will advance the U.S. multilateral, regional, and bilateral trade agenda.

Accomplishment: Based on internal deliberation and external consultations, determined prior to initiating each case whether it would be in the U.S. interest. Examples included the WTO disputes initiated against China on Electronic Payment Services, Grain Oriented Flat-Rolled Electrical Steel, and Wind Power, as well as the CAFTA dispute against Guatemala on labor matters.

- Monitor dispute settlement cases to determine if settlement or another mutually satisfactory solution is possible and in the best interests of the United States.

Accomplishment: In consultation with relevant officials, agencies, and stakeholders, determined for each dispute whether settlement or other mutually satisfactory solution was possible. As a result, for example, the United States was able to sign an agreement designed to lead to settlement of a longstanding dispute over the EU's bananas trading regime.

- Pursue proposals to clarify and improve WTO dispute settlement rules, including in the areas of transparency and greater flexibility and Member control over the process.

Accomplishment: Continued to participate regularly in the WTO negotiations to clarify and improve the WTO dispute settlement rules, including pursuit of U.S. proposals in response to comments from other delegations and meeting with other delegations in various settings to explain and advance the U.S. proposals. Continued to make progress in opening WTO dispute settlement hearings to public observation by convincing several trading partners to agree to open hearings in pending disputes.

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

Measurements:

- Apply lessons from existing dispute settlement mechanisms when negotiating dispute mechanisms in new agreements.

Accomplishment: Drawing from experience with existing dispute settlement mechanisms, developed dispute settlement provisions for the Trans Pacific Partnership agreement designed to operate as effectively as possible to facilitate resolution of disputes between the parties.

- Utilize existing bilateral Free Trade Commissions/Committees (and subsidiary structures) to advance U.S. international trade and economic objectives and to ensure that any problems with FTA implementation are promptly and effectively addressed.

Accomplishment: The United States and Peru convened the first meeting of the Labor Affairs Council under the Peru FTA. First ever meetings of the labor subcommittees under FTAs with Morocco and Bahrain also were convened and labor issues were discussed during an FTA Joint Commission meeting with Oman.

Accomplishment: Engaged in intensive work on NAFTA Investment Working group on Investor-State arbitration matters including potential interpretation issues.

- Review the implementation of our existing trade agreements, including the labor and environment provisions.

Accomplishment: The United States and Singapore held annual FTA review of Singapore in October, including of the labor and environment provisions. The United States used the meeting to press Singapore to address U.S. concerns on restriction on imports of U.S. beef, registration criteria for private education service providers, enforcement of intellectual property rights, and new Singaporean requirements for pay TV companies to cross-carry content from competing providers.

The 2010 review of the Australia FTA was postponed for scheduling purposes, although Ministers exchanged views on the functioning of the FTA at several bilateral meetings during the year.

Accomplishment: FTA Labor Affairs Council and labor subcommittee meetings were held with Peru, Morocco, and Bahrain. The meetings included sessions with representatives from worker and employer organizations to share information about progress on labor issues under the agreements and to hear their views. Labor issues, including the establishment of a labor subcommittee, were also discussed during an FTA Joint Commission meeting with Oman. USTR led an interagency mission to Jordan in October 2010 during which extensive meetings were held with Jordanian government officials and representatives of labor and business organizations. Under FTA labor cooperation mechanisms, U.S. labor officials developed and undertook technical exchanges with their counterparts in Chile, Singapore, and Morocco.

Accomplishment: USTR worked with the government of Panama to continue making progress on labor rights in Panama in support of the Panama FTA. Panama issued a ministerial resolution to provide labor law protections to maritime workers and two executive decrees to address concerns related to collective negotiations with non-unionized workers and strike restrictions in the transportation sector.

Accomplishment: USTR worked interagency to make progress on a plan to address labor law and violence issues in Colombia in support of the Colombia FTA.

Accomplishment: Held inaugural meeting of the U.S.-Oman FTA Joint Committee in February 2010.

Accomplishment: In May 2010, the U.S.-Morocco FTA Labor Subcommittee held its first meeting, agreeing on several cooperative labor activities to improve enforcement of Morocco's labor laws. The FTA Environment Subcommittee met in spring of 2010 to discuss ways to facilitate information and technical expertise exchanges on improving environmental protection.

Accomplishment: Bahrain and the United States established a Subcommittee on Labor at the second meeting of their FTA Joint Committee in October 2009. The Subcommittee held its first meeting on September 20, 2010 and discussed a broad range of labor issues, including initiatives to improve respect for labor rights. The Subcommittee also held a public session with representatives of workers and employers to discuss implementation of the Labor Chapter.

Accomplishment: The United States and Ukraine held the third meeting of the United States-Ukraine Trade and Investment Council. The Parties discussed ways to expand bilateral trade and deepen direct investment. Working Groups were established to address specific bilateral issues.

Accomplishment: Jordan made the decision in 2010 to make participation mandatory in the *Better Work Jordan program* for all Qualifying Industrial Zone factories exporting to the United States.

- Participate with FTA partner governments to raise awareness about the two-way trade and investment benefits available under the terms of existing FTAs.

Accomplishment: In June 2010, the United States held a series of customs seminars with government officials and the private sector in Jordan, Morocco, Bahrain, and Oman to facilitate understanding of U.S. customs procedures.

- Where appropriate, utilize consultation, working group, and dispute settlement mechanisms of FTAs to bring about satisfactory resolution of FTA-related implementation issues.

Accomplishment: The USTR and the Secretary of Labor requested consultations with the government of Guatemala under the CAFTA-DR concerning Guatemala's apparent failure to effectively enforce its labor laws. This is the first such consultation request brought under an FTA. USTR, together with the Departments of Labor and State and other agencies, engaged in extensive consultations with Guatemala to give the government of Guatemala the opportunity to make significant progress in its labor law enforcement.

Accomplishment: Completed robust Section 1377 review regarding trading partner telecom goods and services commitments. Secured agreement from the government of Singapore to allow extended consultation and delayed implementation of unnecessarily burdensome cable requirements. Successful in getting Costa Rica to hold auction of spectrum in compliance with CAFTA commitments

Accomplishment: Initiated a dialogue with China under the aegis of the JCCT to promote access to China telecommunications market through cable TV platform, helping create a new opportunity for market access for U.S. suppliers

Accomplishment: Convened, in conjunction with State, meetings of the environment committees for the FTAs with Chile and Peru and the CAFTA-DR. At each, reviewed accomplishments in detail and specific challenges associated with implementation.

- Regularly coordinate among USTR offices, and work with other agencies, industry, and other outside stakeholders to identify, monitor, and gather information on possible trade agreement breaches. Monitor FTA partners' implementation and enforcement of labor and environment standards that are in our FTAs and take appropriate action.

Accomplishment: Stepped up monitoring of trading partners' SPS and standards-related practices that act as obstacles to U.S. trade and increased engagement to resolve trade issues and to help ensure that U.S. trading partners are complying with the TBT Agreement to facilitate and expand trade in safe, high quality U.S. products. Brought new energy to the process of identifying non-tariff measures that act as significant barriers to U.S. exports and catalyzed intensified engagement in resolving trade concerns related to non-tariff barriers through the WTO TBT Committee, the TBT Committees of U.S. FTAs and other international and regional organizations.

Accomplishment: USTR consulted closely with the Department of Labor in reviewing two public communications pending under the North American Agreement on Labor Cooperation concerning labor law enforcement in Mexico (one submitted by the United Steelworkers and one submitted by the Mexican Union of Electrical Workers), one public communication pending under DR-CAFTA concerning Costa Rica submitted by the International Longshore and Warehouse Union; and one public communication pending under the Peru FTA submitted by the Union of National Superintendency of Tax Workers concerning labor law enforcement in Peru.

Implementing WTO Agreements and Participating in the Committee Process

Measurement:

- Work with Congress to seek legislative changes that may be required to bring the United States into compliance with adverse WTO dispute settlement rulings against the United States, in the interest of enhancing the credibility of U.S. efforts to seek similar compliance by U.S. trading partners.

Accomplishment: Consulted regularly with Congress on U.S. compliance in Section 110 and 211 disputes, as well as longstanding disputes regarding zeroing and cotton, both to consider possible legislative solutions and alternative compliance strategies, whether through regulatory changes or other means.

Accomplishment: In June 2010, the United States and Brazil signed a framework agreement to stave off more than \$800 million in countermeasures by Brazil, stemming from World Trade Organization (WTO) rulings against certain domestic cotton support programs and export credit guarantees. The framework outlines a way forward for both sides to work towards a long term resolution to these issues including periodic meetings.

Monitoring and Addressing Trade Issues and Creating New Opportunities

Measurements:

- Where appropriate, take steps to address capacity-related constraints on the part of U.S. FTA partners that may inhibit the fullest possible implementation of existing FTAs.

Accomplishment: Efforts in 2010 included a range of activities to streamline customs procedures for importers and exporters, many of which directly support implementation of the CAFTA-DR. Software for a virtual single window for imports was developed and/or strengthened in Nicaragua, Honduras, and El Salvador. New rules of origin were implemented in a harmonized fashion. Implementation of risk based selection criteria has reduced the clearance time for goods. U.S. sanitary and phytosanitary TCB helped to enable farmers and small and medium-sized rural enterprises to benefit from the agreement. As a result of SPS assistance, laboratories in the region have achieved international certifications, U.S. detentions due to labeling deficiencies have dropped from 68 percent regionally to less than 10 percent, and an estimated \$135 million of increased meat, dairy, and vegetable exports to the United States were generated.

Accomplishment: USAID/Peru is working closely with government of Peru counterparts to ensure that activities respond directly to the Peru's trade capacity needs. To that end, USAID launched a trade capacity building project (TCBP) in July of 2010 that will work with several Peruvian Ministries and Agencies to assist with the implementation of the U.S.-Peru Trade Promotion Agreement (PTPA) and facilitate prosperous trade across a wide range of sectors. The first of these activities will focus, *inter alia*, on: implementation of the labor and intellectual property provisions; strengthening intellectual property enforcement training, patent processes, and capacity to evaluate drug applications; and improving customs operations to both comply with the PTPA and facilitate trade.

Accomplishment: USTR led an interagency mission to Jordan to address labor issues, particularly those in the Qualifying Industrial Zones (QIZs), with Jordanian government officials and representatives of labor and business organizations. Jordan agreed to make the ILO Better Work program, which is being jointly funded by the United States and Jordan and monitors working conditions in QIZ factories, mandatory for all QIZ factories. Additionally, the U.S. Department of Labor and Jordanian Ministry of Labor agreed to sign a Memorandum of

Understanding on labor cooperation to bring labor cooperation into line with the labor cooperation mechanisms contained in more recent FTAs. As part of the FTA labor cooperation efforts with Morocco, officials from the U.S. Federal Mediation and Conciliation Service undertook a planning mission to Morocco to develop a training program for Moroccan labor mediators. Under the Chile FTA labor cooperation mechanism, U.S. and Chilean labor ministries undertook technical exchanges on occupational safety and health, employment, and social protections. In Oman and Bahrain, U.S.-funded training to increase the effectiveness of labor inspectors continued in 2010. U.S. and Singaporean labor officials pursued cooperative exchanges on mediation, labor management relations, work-life balance, and flexible work arrangements. Progress continued on U.S.-funded programs to improve the enforcement capacity of the Peruvian Ministry of Labor and to strengthen worker organizations and educate workers on their labor rights. Under the CAFTA-DR, labor capacity building programs continued strengthening and modernizing labor ministries and labor justice systems.

Accomplishment: In addition to reviewing implementation through environment committees, moved ahead with establishment of an interagency TPSC subcommittee on implementation of FTA environment obligations. Additionally, devoted considerable attention to Peru's implementation of the Forest Sector Annex, working closely with the government of Peru on the drafting of implementing legislation and tracking the legislative process in the Peruvian Congress.

- Once a problem trade barrier is identified, develop appropriate strategies to resolve the issue, drawing on the most effective tools available, and adjusting as appropriate to the circumstances.

Accomplishment: In consultation with relevant internal offices and stakeholders, USTR carefully chose an appropriate, tailored response to identified trade barriers, including whether to approach each barrier through negotiations, consultations, formal dispute settlement, or other means. The chosen approach was adjusted to respond to developments, such as an indication by the trading partner of flexibility or openness to resolve the barrier informally. As a result, several problems were settled at the informal consultation phase, in negotiations, or were referred to formal dispute settlement. Intense negotiations led to the resumption of U.S. poultry exports to Russia. A formal USTR investigation under Section 301 of the 1974 Trade Act and meetings of the JCCT addressed concerns with certain Chinese subsidy programs and discriminatory procurement requirements for wind equipment. Negotiations at the JCCT also addressed certain of China's policies on "indigenous innovation," which discriminate against goods or services based on where their intellectual property is owned or developed. Where negotiations could not resolve the matter, USTR initiated new dispute settlement proceedings. USTR challenged China on the imposition of duties that have reduced or blocked exports of important American steel products to that country. USTR initiated a dispute over China's restrictions on electronic payment services and suppliers – policies which are blocking access by competitive American businesses. USTR requested consultations with China regarding wind power equipment subsidies that appear to unfairly discriminate against parts and components made in the United States. And USTR initiated a dispute against the Philippines over its taxes on distilled spirits that discriminate against U.S. exports. USTR also pursued disputes in other fora. Under the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR), USTR filed the first labor case the United States has ever brought under a trade agreement. Under the 2006 U.S.-Canada Softwood Lumber Agreement (SLA), USTR requested dispute settlement consultations with Canada over subsidy practices that appear to be harming U.S. firms and workers in the lumber industry.

Accomplishment: Successfully secured removal of discriminatory provisions in regulations implementing new Argentine media law of concern to US media providers such as Discovery and the Motion Picture Association of America.

Accomplishment: Supported successful launch of WTO challenge against China regarding electronic payment services.

Accomplishment: Significant progress in developing principles to promote growth of ICT sector in DDA services negotiations, India TPF, TPP negotiations, and with the EU.

Accomplishment: Successful in preserving USTR co-lead in negotiation of prudential agreements on insurance in context of recently enacted financial regulatory reform legislation.

Accomplishment: Continued to press for progress on bilateral services and investment issues through U.S.-India Trade Policy Forum, in particular draft ICT principles, retail and insurance, draft postal reform law, and telecom licensing.

Accomplishment: Made substantial progress in negotiation of Commercial Space Launch Agreement with India.

Accomplishment: Once the appropriate response to a trade barrier was selected, the chosen response was implemented, including in consultation with relevant offices, agencies, and stakeholders, in order to obtain increased market access or protection from unfair trade practices for U.S. goods. USTR negotiated a period of time for the EU to comply with its tariff obligations on information technology products that were found WTO-inconsistent in the *EU-ITA* dispute. USTR obtained compliance from China in the *China IPR* dispute and from Canada in a prior dispute under the SLA. In the *EU-Airbus* dispute – the largest case ever heard by a WTO panel – USTR secured a key victory at the panel stage of proceedings, which awaits resolution of an appeal and final adoption by the WTO. USTR persuaded the panel that more than \$18 billion in subsidies conferred on Airbus by the EU and member countries were illegal, hurting the U.S. aerospace industry and its workers.

- Implement the most effective means to address specific trade disputes.

Accomplishment: Once the appropriate response to a trade barrier was selected, the chosen response was implemented, including in consultation with relevant offices, agencies and stakeholders, in order to obtain increased market access or protection from unfair trade practices for U.S. goods. USTR negotiated a period of time for the EU to comply with its tariff obligations on information technology products that were found WTO-inconsistent in the *EU-ITA* dispute. USTR obtained compliance from China in the *China IPR* dispute and from Canada in a prior dispute under the Softwood Lumber Agreement. And in the *EU-Airbus* dispute – the largest case ever heard by a WTO panel – USTR secured a key victory at the panel stage of proceedings, which awaits resolution of an appeal and final adoption by the WTO. USTR persuaded the panel that more than \$18 billion in subsidies conferred on Airbus by the EU and member countries were illegal, hurting the U.S. aerospace industry and its workers.

Accomplishment: The United States initiated WTO action against the Philippines' discriminatory excise tax regime for distilled spirits after exhausting efforts to resolve U.S. concerns through the bilateral TIFA dialogue.

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

Achieve a new level of Congressional access, contact, and consultation while seeking Congressional support for USTR's trade agenda and efforts.

This goal is achieved through three program initiatives:

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

Pursuing Legislative Initiatives, Including Congressional Approval of Pending FTAs

Measurements:

- Conduct and expand Congressional consultation with a focus on the Committees of jurisdiction but additional contact to include active caucuses, members, and other Committees interested in trade issues.

Accomplishment: USTR consulted with relevant Congressional committees and staff on all major trade policy issues within USTR's jurisdiction, including: the DDA, the WTO, enforcement and monitoring, Model BIT Review, all chapters in the Trans-Pacific Partnership negotiations, China related forums (JCCT and S&ED), preference program reform, Anti-Counterfeiting Trade Agreement, and next steps of the Colombia, Panama, and Korea FTAs.

Accomplishment: USTR Congressional Affairs participated in two trips with Members of Congress and staff. In May 2010, USTR joined a bipartisan delegation to Vietnam, and following that trip, accompanied the Senate Finance Congressional Staff Delegation on a trip to the Asia-Pacific Economic Cooperation (APEC) Forum. In November 2010, USTR Congressional Affairs staffed staff of the Senate Finance and House Ways and Means Committee on their trip to consult on the U.S. Korea Trade Agreement in Seoul, Korea.

- Conduct regular calls with interested staff to update them on the work of the USTR.

Accomplishment: USTR Congressional Affairs held weekly open calls with all Hill staff regarding our weekly agenda and any issues related to trade. In addition, Congressional Affairs held regular meetings and calls with our committees of jurisdiction, various caucuses, Member delegations, and other agency counterparts.

- Win successful and broad support for our nominees.

There was no activity under this goal.

- Present arguments effectively to staff and members for actions we need Congress to take, including funding the Agency, authorizing necessary programs, and approving trade agreements. Respond to Congressional inquiries in a timely manner and solicit viewpoints as issues arise.

Accomplishment: Held briefings for our authorizing appropriations committees. Sent budget information to interested staff as needed.

- Actively engage the Congress to support passage of Afghanistan-Pakistan Reconstruction Opportunity Zone legislation, to enable the ROZs to have the greatest economic impact accompanied by an effective labor monitoring and enforcement program.

Advising on Trade Aspects of Proposed Legislation

Measurement:

- Work with USAID and NSC, through the Development Policy Coordination Committee, to ensure collaboration and coordination on trade-related development policy and assistance programs.

Accomplishment: On September 22, 2010, President Obama released his strategy for development. USTR participated actively in the preparation of this strategy, and will remain an active in the implementation of the strategy. USTR participated actively in the preparation of this strategy, and will remain an active in the implementation of the strategy. Throughout the past year, USTR has worked closely with USAID, MCC and other USG agencies to support countries in their capacity to trade..

Identifying and Addressing Trade Barriers and Providing Congressionally Mandated Reports

Measurement:

- Review on an ongoing basis implementation of trade agreements, including through the preparation of the National Trade Estimates Report, and identify strategies for resolving implementation problems.

Accomplishment: The United States and Vietnam held three formal TIFA meetings in 2010 to discuss issues relating to implementation of Vietnam's WTO accession commitments, including issues relating to intellectual property rights protection, import licensing regime, and several SPS matters of concern to agricultural exporters.

Accomplishment: The United States worked closely with Indonesia under the TIFA framework to reduce import restrictions imposed by Indonesia on a range of U.S. exports, including pork, processed food products, and pharmaceuticals.

Accomplishment: Reached an agreement with Israel to provide improved IPR protection for U.S. pharmaceutical exports.

Accomplishment: Achieved sufficient improvements in copyright rules and IPR enforcement for U.S. companies in Saudi Arabia, Hungary, Czech Republic, and Poland to justify the removal of these countries from USTR's Special 301 Watch List.

Accomplishment: Worked with Russia to introduce procedures to implement the 2006 Bilateral Agreement on the Importation of Products with Encryption Technology, and then to modify the procedures to implement more fully the terms of the bilateral agreement.

Accomplishment: Agreed on Action Plan for the protection of Intellectual Property Rights in Ukraine.

Accomplishment: As a result of the beef hormone agreement signed in February 2009 with the European Union, the United States is on track to fill a new quota into the EU for shipments of high-quality U.S. beef.

- Prioritize trade barriers enumerated in the National Trade Estimate Report and work to address the most significant.

Accomplishment: Brought additional focus to challenges presented by technical barriers to trade (TBT) and sanitary and phytosanitary (SPS) measures through the inauguration of new annual reports highlighting TBT and SPS barriers of major concern. These new reports also informed stakeholders of the ambitious USTR and U.S. Government efforts aimed at effectively tackling and preventing these barriers through a wide array of policy initiatives and venues.

Accomplishment: Supported highly successful US Trade Policy Review and WTO review of over 15 agreements notified by WTO Members.
Supporting National Priorities: Boosting Small Businesses, Defending Labor Rights, Fighting Climate Change, and Fostering Development

Integrate developing and emerging market countries into the rules-based system of international trade. Contribute to sustainable development. Defend labor rights through implementation of obligations in Free Trade Areas (FTAs) and the trade preference programs.

This goal is achieved through three program initiatives:

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

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

Accomplishment: In October 2009, Ambassador Kirk announced a new USTR initiative aimed at increasing exports by U.S. small and medium-sized enterprises (SMEs). Under this initiative, USTR is working to ensure USTR reflects in its trade policy and enforcement activities the specific export challenges and priorities of SMEs and their workers. In January 2010, Ambassador Kirk designated an Assistant United States Trade Representative (AUSTR) for Small Business, Market Access, and Industrial Competitiveness to help better coordinate SME activities across the agency and interagency, and provide a USTR contact point for small businesses. Ambassador Kirk requested the independent USITC to prepare three studies in 2010 analyzing the performance of SMEs in generating U.S. exports and employment. These completed reports provide new insights into American SME performance and are helping to inform U.S. trade policy of the particular trade opportunities, challenges, and priorities facing our SMEs. Ambassador Kirk and senior USTR staff actively participated in numerous events around the country to hear directly from local small businesses, workers, and other stakeholders about the trade opportunities and challenges they face. In FY2010, USTR advanced a range of activities under our trade agreements, trade negotiations, and bilateral/regional trade fora that benefit SMEs.

Supporting Development, Climate Change, and Labor Rights Goals

Measurements:

- Assist developing countries in implementing trade commitments and help developing countries benefit from the market opportunities under trade agreements and preference programs (e.g. WTO, FTAs, GSP, ATPA, CBI, and AGOA).

Accomplishment: USTR worked closely with all US assistance agencies, in particular USAID, MCC, and USDA, to support preference programs and implementation of trade commitments. USTR also worked closely with developing countries through the WTO Committee on Trade and Development (CTD) to foster greater

integration of developing countries into the rules-based multilateral trading system. The United States, along with Brazil, China, and India as co-sponsors, achieved Member agreement on a new transparency mechanism for preferential trade agreements under the CTD which will facilitate an exchange of information on trade preference schemes across all WTO Members.

Accomplishment: USTR led discussions with the government of Vietnam to seek progress on worker rights in Vietnam that would allow Vietnam to meet the GSP eligibility criteria. In conjunction with this effort, officials from the U.S. Departments of Labor and State held a labor dialogue with Vietnamese officials in September 2010, and U.S. officials traveled to Vietnam to provide follow-up technical assistance.

Accomplishment: Significant progress was made in implementing the Technical Assistance Improvement and Compliance Needs Assessment and Remediation (TAICNAR) program called for under the Haitian Hemispheric Opportunity through the Partnership Encouragement Act of 2008 (HOPE II), including the provision of factory assessments and remediation assistance for all companies that produce HOPE II-eligible apparel.

Accomplishment: The United States concluded a Framework for Cooperation on Trade and Investment with India that contains commitments to promote respect for labor rights and a TIFA with Libya that recognizes the importance of enforcing worker rights under domestic laws and improving the observance of international labor rights. USTR engaged trading partners on labor rights issues in the context of TIFA and other bilateral meetings, most notably during TIFA meetings with Pakistan, Ghana, Uruguay, Sri Lanka, and Afghanistan.

Accomplishment: In FY2010, USTR staff carried out in-country seminars on GSP in Sri Lanka and Georgia. The seminars were geared towards the private sector and focused on ways that exporters in these countries, especially small and medium-sized enterprises, can make the most of GSP trade benefits. Presentations on GSP were also included in TIFA discussions with several GSP beneficiary countries, including Afghanistan and Turkey.

Accomplishment: In partnership with the U.N. Conference on Trade and Development (UNCTAD), organized week-long seminar in July in Washington for APEC member economies to discuss strategies for avoiding Investor-State disputes.

Accomplishment: Used opportunity of bilateral and regional meetings (including TIFAs) to discuss U.S.-Africa trade, full implementation of AGOA, the Doha Round, and other efforts important to Africa's integration into the global trading system. Played a leading role in the 2010 AGOA Forum at which a range of U.S.-Africa trade and investment issues were discussed, including future policy options after AGOA's scheduled 2015 expiration date. In addition, supported the success of the first AGOA Women's Entrepreneurship Program, which educates women-owned businesses about AGOA and helps them take advantage of AGOA market access.

Accomplishment: Worked with range of U.S. Government agencies, particularly USAID and the regional trade hubs, to use market access under AGOA to increase and diversify U.S. imports from sub-Saharan African nations, to help them compete more effectively in the U.S. market, and to use trade as a tool for their economic development. AGOA non-oil imports increased in key sectors (such as horticulture, floriculture, footwear, and transportation equipment) for a number of AGOA-eligible countries.

Accomplishment: Discussed labor practices, particularly as related to child labor and internationally recognized worker rights, as part of the annual AGOA eligibility review and in various bilateral and regional meetings with African officials. As an outcome of the 2010 AGOA country eligibility review, letters and demarches were sent to countries whose labor issues were identified as problems.

- Contribute to economic development in developing and emerging market countries through the Generalized System of Preferences (GSP) and other trade preference programs. In consultation with Congress, advance a more targeted and effective GSP program focused on increasing U.S. imports from nascent sectors and from those countries whose exports need the most help to compete in the U.S. market. Improve worker rights and the protection of intellectual property in GSP-eligible developing countries through the annual review of GSP country practice petitions. In consultation with Congress, and subject to enactment of necessary legislation, supplement existing preference programs through providing additional benefits and/or modifying product eligibility criteria through means such as “cumulation”.

Accomplishment: The USTR used ongoing reviews of GSP country practices petitions to deepen engagement on worker rights and protection of intellectual property with the governments of several countries. For example, USTR accepted for review a GSP workers’ rights petition against Sri Lanka and engaged with the government of Sri Lanka to develop an action plan to address the concerns. USTR and other agencies also engaged officials from the governments of Bangladesh, the Philippines, Uzbekistan, and Niger to further progress on GSP worker rights cases under review against those four countries. USTR officials travelled to Sri Lanka, Bangladesh, and the Philippines to directly discuss the GSP worker rights issues with those countries’ officials. USTR led the effort to develop interagency consensus on acceptance of a GSP worker rights petition against Georgia that will be taken up once GSP is renewed.

Accomplishment: In FY2010, USTR continued to consult closely with key Congressional Committees on possible elements of preference reform. Although Congress passed a one-year extension of the GSP program in December 2009, it legislated the extension without any changes and did not ultimately introduce major preference reform legislation in 2010.

Accomplishment: U.S. imports under GSP programs increased an estimated 14 percent in 2010, reaching \$23 billion. Several least-developed beneficiary developing countries witnessed increases in their GSP exports to the United States in 2010, including Bangladesh, Cambodia, Chad, Djibouti, Guinea, Haiti, Madagascar, Mozambique, Nepal, Niger, Rwanda, Sierra Leone, Togo, Uganda, and Zambia.

- Contribute to sustainable development by negotiating and implementing trade-related environmental agreements and relevant international commodity agreements.

Accomplishment: USTR, during this period, took unprecedented action to address several pressing trade and environment challenges. With respect to illegal logging and associated trade, USTR built on existing bilateral agreements with Indonesia and China by advancing a broader Asia-Pacific Regional Dialogue on Promoting Trade in Legally-Harvested Forest Products. The United States and Indonesia co-chaired the second meeting of this Regional Dialogue in Seattle in July 2010 with the participation of trade, forestry, and other relevant officials from 15 governments. As a result, USTR ensured that progress in engaging these countries through the Regional Dialogue was at a point to facilitate transfer to a new and more sustainable platform in APEC in anticipation of U.S. hosting APEC in 2011.

Accomplishment: USTR made important progress in U.S. efforts to liberalize trade in environmental goods and services. In APEC, USTR continued to advance implementation of the environmental goods and services work program through concrete case studies on the key markets of Malaysia and Mexico, with additional case studies planned. USTR also worked with a core group of countries to advance their shared objective of fast-tracking tariff elimination for climate friendly technologies – the Trade and Climate Initiative – with the broader goal of concluding a WTO Environmental Goods and Services Agreement.

Accomplishment: In Trans-Pacific Partnership negotiations, USTR worked closely with environmental NGOs to develop an innovative approach for addressing critical conservation issues through a 21st century FTA. USTR proposed to other TPP countries that the environment chapter contain first-ever obligations to address trade in illegally-obtained wildlife, fish, and forest products.

Accomplishment: USTR led U.S. Government efforts to advance entry into force of two international commodity agreements that reflect the Administration's interests in integrating environmental priorities into trade agreements. These efforts included leading U.S. interagency delegations to the International Tropical Timber Organization and the International Coffee Organization.

Advising and Supporting Other Administration Initiatives

Measurement:

- Work with United States Agency for International Development (USAID) and National Security Council (NSC), through the Development Policy Coordination Committee, to ensure collaboration and coordination on trade-related development policy and assistance programs.

Accomplishment: On September 22, 2010, President Obama released his strategy for development. USTR participated actively in the preparation of this strategy, and will remain active in the implementation of the strategy. Throughout the past year, USTR has worked closely with USAID, MCC, and other U.S. Government agencies to support countries in their capacity to trade.

The President's approach to global development addresses the new strategic context faced by the United States through the following three pillars:

- A policy focused on sustainable development outcomes that places a premium on broad-based economic growth, democratic governance, game-changing innovations, and sustainable systems for meeting basic human needs;
- A new operational model that positions the United States to be a more effective partner and to leverage our leadership; and
- A modern architecture that elevates development and harnesses development capabilities spread across government in support of common objectives – including a deliberate effort to leverage the engagement of and collaboration with other donors, foundations, the private sector, and NGOs – not just at the project level, but systemically.

IV. Supporting U.S. International Engagement: Enhancing and Building Relationships

Further market opening through multilateral fora and individual Trade and Investment Framework Agreements.

This goal is pursued through the following two program initiatives:

- Conducting Multilateral and Bilateral Fora and Initiatives
- Trade and Investment Framework Agreements

Conducting Multilateral and Bilateral Fora and Initiatives

Measurement:

- Advance key initiatives bilaterally and in regional fora, such as the Asia-Pacific Economic Cooperation forum (APEC) and the Association of Southeast Asian Nations (ASEAN), that will contribute to the ability of U.S. agriculture, goods and services producers, and suppliers to access markets abroad.

Accomplishment: Continued to consult closely with stakeholders, including Congress, to successfully resolve the outstanding issues with the U.S.-Korea (KORUS) trade agreement. The KORUS trade agreement will secure tens of thousands of jobs through increased exports of American goods and services and help us meet the goals set out in the President's National Export Initiative.

Accomplishment: Continued to press Japan to address bilateral market access issues as well as pursued cooperation on issues of common concern, including deterring Japan from granting new competitive advantages to Japan Post, laying the groundwork for the launch of the new U.S.-Japan Economic Harmonization Initiative, and sharing information and coordinating approaches (as appropriate) on third country issues.

Accomplishment: Advanced U.S. trade and investment priorities in the Asia-Pacific region by:

- Establishing a pathway to a Free Trade Area of the Asia-Pacific (FTAAP) by gaining agreement to more clearly define an FTAAP as a next generation trade agreement that will be developed through existing regional agreements like the Trans-Pacific Partnership. APEC will make an important and meaningful contribution to achieving an FTAAP by providing intellectual leadership in defining, shaping, and addressing the next generation trade and investment issues that an FTAAP should contain.
- Promoting greater regulatory convergence and cooperation by taking steps to prevent unnecessary technical barriers to trade by agreeing to a regular process to promote cooperation among regulators and trade officials on emerging regulatory issues.
- Facilitating trade in the Asia-Pacific region by reducing barriers to the flow of goods in the region by gaining agreement to reduce the time, cost, and uncertainty of moving goods throughout the region by 10 percent by 2015 through specific actions to improve the performance of supply chains in the region under the APEC Supply-chain Connectivity Initiative Action Plan. USTR also worked to increase the predictability and certainty of shipping goods throughout the region by gaining agreement on APEC Guidelines for Advance Rulings.
- Promoting trade and investment in environmental goods and services in the Asia-Pacific. The United States and its APEC partners advanced work on green growth by continuing to make the case to developing economies of the value of engaging seriously in work to eliminate barriers to trade and investment in environmental goods and services – both in the WTO and in APEC.

Accomplishment: Seized on APEC's standards-related committees and activities as a major opportunity to advance the interests of key U.S. industry stakeholders with regard to standards and regulatory cooperation. Major accomplishments included creating public-private partnerships to advance international alignment of toy safety standards, building developing country capacity in the use of international standards and practices in food safety, and preventing the emergence of standard-related barriers in sustainability and green growth initiatives.

Accomplishment: Secured funding and support within APEC for SME services supply chain seminar to be held in February 2011; secured support for valuable services initiatives relating to professional services and market access requirements across services sectors that will be implemented during the U.S. host year.

Accomplishment: Initiated negotiations with India, the EU, and Taiwan on adoption of Information and Communications Technology (ICT) principles, aiming to prevent the emergence on new barriers in Internet-based digital trade.

Accomplishment: Resolved barriers to U.S. poultry exports to Russia.

Accomplishment: Coordinated signature of Memorandum of Understanding with Russia concerning Certification of Seafood Products for Export to Russia.

Accomplishment: Agreed with the EU in the Transatlantic Economic Council (TEC) to launch several cooperative initiatives aimed at reducing or averting regulatory and other non-tariff barriers to trade.

Accomplishment: Agreed with the EU in the TEC to collaborate on initiatives to address third-country trade restrictions and other issues affecting access to industrial raw materials.

Accomplishment: Resolved disagreement over technical requirement impeding U.S. cotton exports to Egypt.

Trade and Investment Framework Agreements (TIFAs)

There were no goals under this initiative in 2010; however accomplishments regarding TIFAs are contained in other parts of the text.

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

Work to increase transparency and communication with Congress and with trade stakeholders.

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

Measurements:

- Reach out to U.S. stakeholders in the private and non-governmental organization (NGO) sectors to engage them in efforts to ensure that existing FTAs are achieving their full potential for expanding trade and investment between the U.S. and FTA partner countries.

Accomplishment: USTR expanded outreach with meetings and calls with new constituencies and stakeholders representing small businesses, labor, state and local governments, non-governmental organizations, and religious communities.

- Expand USTR’s definition of “outreach.” Take the new USTR message(s) and ensure that our invitation reaches out to every group. Educate the public on how trade works for their families and communities every day.

Accomplishment: USTR staff regularly met with a broad range of stakeholders to build support for trade policy initiatives. USTR did extensive outreach and briefings to private sector stakeholders and non-industry organizations by participating and attending annual meetings, roundtable discussions, domestic travel, and utilizing online communication tools.

Accomplishment: USTR worked with states and municipalities to build support for the trade agenda through speeches, conference calls, meetings with local editorial boards, statements of support, and media events, and widely disseminated the weekly e-newsletter and *Federal Register* Notice requests for public comment and notice of hearings to state contacts. Convened regular monthly conference calls on the trade agenda with the state and local advisory committees and State Points of Contact, and sought state input for agendas distributed in advance. Ambassador Kirk addressed the the U.S. Conference of Mayors, local chambers of commerce, and met with individual state and local leaders on the trade agenda. USTR staff met with the National Governors’ Association, Regional Governors’ Associations, Councils of State Governments/State International Development Organizations, National Conference of State Legislatures, and other state organizations, and addressed gatherings of state and local officials and port authorities as well as chambers of commerce around the country.

Accomplishment: USTR consulted and worked closely with the AFL-CIO, which submitted a complaint against the government of Guatemala under the public communication provisions of the CAFTA-DR labor chapter, as well as labor union and other entities in the United States and Guatemala, in developing the factual support for the consultation request by the USTR and Secretary of Labor for Guatemala’s apparent failure to effectively enforce its labor law. USTR coordinated action with the Finance, Ways and Means, and other Congressional committees.

Accomplishment: Conducted extensive outreach to environmental NGOs and other stakeholders to encourage direct interest and participation in implementation of the environment provisions of FTAs. At each meeting of environment committees for FTAs convened public sessions for stakeholders to report out on results. Consulted regularly with TEPAC to obtain views on environment provisions in FTAs.

Accomplishment: USTR developed more intensive and broader approaches to engaging the public on the potential for leveraging trade negotiations to address compelling international environmental challenges. This was particularly the case in educating the public and preparing positions in the TPP negotiations. USTR regularly convened interested environmental NGOs to develop new ideas on how to integrate concerns with conservation of wildlife, fish and forest resources into the TPP. USTR also conducted an innovative outreach event in Seattle on environmental priorities in the TPP, including a web broadcast of the proceedings.

- Rebrand the image of USTR to ensure that it reflects our open door message and that trade benefits for the average American are well understood.

Accomplishment: USTR held public hearings, conference calls, and open meetings with all interested parties. Ambassador Kirk through speaking engagements and public events around the country reiterated USTR’s commitment to an open door policy and communication.

- USTR will create new opportunities for interested parties to participate and provide a variety of viewpoints on trade in light of the changing global market and current Administration's goals of transparency.

Accomplishment: USTR senior officials and staff responded affirmatively to and actively sought and developed numerous public speaking engagements around the country to engage the private sector, state and local government, and small business in order to build support for the Administration's trade agenda.

Additionally, United States Trade Representative Ron Kirk and Deputy USTR Demetrios Marantis and Deputy USTR Miriam Sapiro engaged frequently with the public through the domestic and international press, in the United States and abroad to discuss the American trade agenda.

- Enhance our Advisory Committee system to make it more reflective of a diversity of opinions and expertise. Increase transparency and increase public access to our experts, while ensuring the ability of USTR to negotiate effectively.

Accomplishment: USTR and its partner agencies successfully re-chartered the advisory committees in a timely fashion and increased stakeholders from the labor, consumer interest, public health, and environmental sectors. USTR continued to implement White House guidelines regarding federally registered lobbyists and appointed new members from across the country including but not limited to small and medium sized businesses.

Accomplishment: USTR provided monthly conference calls on the first Monday of the month for all advisory chairpersons to inform them of current and timely developments on the trade agenda, and additional calls, as needed. USTR informed senior level staff of the opportunity to brief advisory chairs on issues in their portfolio and circulated detailed agendas in advance to committee chairs. Ambassador Kirk participated in the annual meetings of the committees.

- Use website as a communication tool to share information about USTR accomplishments and as an outreach tool to serve the needs of the public (industry, small business, consumer groups *etc.*). Use "USTR Main Street," to engage them with USTR action/accomplishments, showing how these activities can work for them. Encourage the public to share the news down their Main Street and share their story with "USTR Main Street." (This tool will reflect real peoples stories and allow direct and personal communication)

Accomplishment: In 2010, the USTR press office and IAPE office continued coordination to plan and amplify domestic travel and events, as well as Washington, DC-based outreach, to better explain the benefits of trade (see below for details); additionally, we continued work to build complementary contact lists and a social media network that includes major trade reporters, members of Congress, issue groups, the private sector, state and local governments, non-governmental organizations, and other trade-relevant associations. By the end of 2010, USTR's e-newsletter (launched in 2009) was issued to more than 8,000 subscribers each week.

Accomplishment: USTR expanded outreach with meetings and calls with new constituencies and stakeholders representing small businesses, labor, state and local governments, non-governmental organizations, and religious communities.

Accomplishment: USTR continuously improved the website with new fact sheets, frequent blog posts, and video content.

- Build a database that is inclusive of all stakeholders. IAPE will use this database to share news, accomplishments, and updates from USTR.

Accomplishment: In 2010, the USTR press office and IAPE office continued to build contact lists and a social media network, including names and contact information of major trade reporters, members of Congress, issue groups, the private sector, state and local governments, non-governmental organizations, and other trade-relevant associations.

- Communicate to the American people USTR's ongoing mission to fulfill the President's 2009 Trade Policy Agenda, through proactive press engagement and direct interaction with media and the public by Ambassador Kirk and a wide variety of USTR staff. Seek opportunities to amplify USTR's domestic message by establishing or strengthening press partnerships with states, localities, and nongovernmental organizations.

Accomplishment: USTR senior officials and staff responded affirmatively to and actively sought and developed numerous public speaking engagements around the country to engage the private sector, state and local government, and small business in order to build support for the Administration's trade agenda. Additionally, United States Trade Representative Ron Kirk and Deputy USTRs Demetrios Marantis, Michael Punke, and Miriam Sapiro engaged frequently with the public through the domestic and international press. In 2010, the USTR press office coordinated numerous press events including formal press conferences, media roundtables, speeches, and photo opportunities during 19 domestic trips; a new emphasis was placed on domestically focused press outreach during Ambassador Kirk's six international trips as well. Exemplary events included Ambassador Kirk's second annual speech in Pennsylvania on USTR enforcement efforts, and a speech to the National Conference of Editorial Writers. Key topics of discussion for domestic travel included the Trans-Pacific Partnership negotiation and the U.S.-Korea trade agreement talks. Ambassadors Marantis and Sapiro interacted with press and the public during many of their 20 domestic and 22 international trips as well. USTR issued 193 press releases, 12 fact sheets, the texts of 51 speeches made by the Ambassador, and 8 reports on trade issues in 2010, all highlighting major policy actions, and statements made by the Ambassador, deputies, and other key trade officials. All press releases were distributed extensively to one or more general or issue- and region-specific contact list. Also notable were USTR's new media and social media outreach efforts, which resulted in significant growth in website and social media traffic for the component.

- Communicate to our trading partners and to international audiences U.S. trade policies and positions, through relationship-building with foreign media, and by maximizing press opportunities as Ambassador Kirk and other USTR staff travel abroad; communicate successes of a rules-based, robust, and progressive global trading system to both domestic and international audiences

Accomplishment: USTR focused most international media relationship-building efforts in 2010 on frequent contact and follow-up from the Washington, D.C office, and also strengthened relationships through direct engagement with foreign media on six international trips during the year. Particular areas of focus were media in Geneva, Switzerland, with expanded engagement regarding the U.S. position on the Doha Round, as well as expanded engagement with foreign media covering the U.S.-Korea trade talks and the Trans-Pacific Partnership negotiations. Each of USTR's 193 press releases in 2010 was transmitted to foreign media as well as domestic press. USTR held press interviews and events with Ambassador Kirk on all foreign trips in 2010, plus numerous additional press events and foreign media interviews around the world with Deputy USTRs Demetrios Marantis, Michael Punke, and Miriam Sapiro, as well as senior USTR staff.

Accomplishment: USTR worked closely with press offices in trading partner countries to coordinate communications strategies and explain trade disputes together. USTR's senior press official was invited to lead portions of the second annual trade communicators' conference at the Organization for Economic Cooperation and Development in Paris, France, which at the urging of the United States now focuses on better making connections between jobs and trade in public messaging on the topic. USTR also worked particularly closely with trading partners such as the EU to coordinate communications on dispute rulings from the WTO.

- Conduct a review of all USTR practices to ensure greater transparency.

Accomplishment: USTR's review resulted in the release of Ambassador Kirk's calendars under the Freedom of Information Act, as well as the release of the first-ever draft bracketed text in the ACTA negotiations. The review continues.

- Ensure website is a strong tool for planned outreach efforts that highlights stories of American families, small businesses, and local economies that benefit from a smart and progressive trade policy. Unveil entirely redesigned website in May 2009 to make USTR's mission and activities more accessible to the public; continually improve website and add additional features to ensure maximum use by members of the media, the public and stakeholders.

Accomplishment: USTR launched an updated version of the website in June 2010, building on the complete overhaul of the site in 2009. The new design made more information more quickly accessible on the front page of the website and improved navigability for visitors interested in trade issues. *Federal Register* notices were posted in order to solicit public comment and provide notification of public hearings, and 328 updates were made to the USTR blog. The USTR website received more than 900,000 hits and 2.6 million page views in 2010 – a significant increase over the 181,000 hits and 960,470 page views in the last 7 months of 2009.

- Establish website as a portal for input on trade policy from stakeholders and from the public at large.

Accomplishment: USTR identified and then took the following steps in 2010 to keep the public informed about the ACTA negotiations and other trade talks:

- Built on the established ACTA web page on the USTR website.
- Posted text online – bracketed, and then final – as well as letters of support and agendas for every round.
- USTR posted a Federal Register notice on <http://www.ustr.gov> asking for public comments on the ACTA text; this was done regarding the Trans-Pacific Partnership negotiations as well. USTR has received significant acknowledgement for transparency on the TPP round and has indicated our intention to continue this level of transparency and expanded outreach in 2011.
- Publish a regular newsletter updating USTR actions, policies, and plans.

Accomplishment: By the end of 2010, USTR's e-newsletter (launched in 2009) was issued to more than 8,000 subscribers each week.

- Work cooperatively in a bipartisan fashion, whenever possible, with members of Congress to promote shared trade goals in the press

Accomplishment: Ensured the Congress had access to all public material related to trade on our website or through email. Posted, whenever possible, related Hill releases on USTR issues.

- Incorporate new media tools, consistent with White House efforts, to provide supplemental outreach and interaction with the public. Specifically, utilize web logs, video streams, and interactive graphics as additional avenues of dialogue regarding USTR's mission to make trade work for American families.

Accomplishment: USTR utilized social media throughout 2010, ending the year with a total of 4,206 Twitter followers, 609 Facebook fans (who received 242 USTR-generated posts throughout the year), and 51 YouTube Subscribers.

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

Measurements:

- Consult interagency, with the Congress, and with outside stakeholders when considering initiation of a new WTO or FTA case.

Accomplishment: Regularly consulted interagency, with the Congress, and with outside stakeholders on the merits and likely trade benefits of initiating a new dispute settlement case. Obtained interagency review and clearance for each new case.

Accomplishment: USTR consulted and worked closely with the AFL-CIO, which submitted the complaint against the government of Guatemala under the public communication provisions of the CAFTA-DR labor chapter, as well as labor union and other entities in the United States and Guatemala, in developing the factual support for the consultation request by the USTR and Secretary of Labor for Guatemala's apparent failure to effectively enforce its labor laws. USTR coordinated action with the Finance, Ways and Means, and other Congressional committees.

- Work with the regulatory agencies to increase their participation in the interagency process.

Accomplishment: Strengthened internal U.S. Government coordination on regulatory and standards issues related to emerging technologies through the creation of the USTR co-chaired Emerging Technologies Interagency Policy Committee (ETIPC) and through USTR engagement on the newly created Standards Subcommittee of the National Science and Technology Committee. By advancing internal coherence on these standards and regulatory issues, the USG is better poised to engage trading partners early on issues before barriers to trade are created.

- Work to make 75 percent of decisions on trade policy matters at the TPSC (AUSTR / Assistant Secretary) level to ensure that only the most sensitive and/or important decisions are sent to the Deputies (Undersecretaries) at the TPRG level.

Accomplishment: Less than 25% of decisions on trade policy matters made at the Trade Policy Staff Committee (TPSC) were sent to the Deputies or Trade Policy Review Group level.

- Work with the State Department, through the circular 175 process, to ensure coordination and consistency of negotiations and agreements that other agencies conduct with implications for U.S. trade policy objectives.

Accomplishment: USTR worked with the State Department on several initiatives under the circular 175 process that are detailed in other accomplishments in this document.

- Coordinate across the Administration, with particular focus on those agencies whose missions intersect most with USTR (including the Department of State, Department of Commerce, Department of Agriculture, and the National Security Council) to accurately describe trade policy and to reflect the President's Trade Policy Agenda, emphasizing together how smart trade policy translates into better lives and better jobs for American families.

Accomplishment: Participated in interagency processes relating to privacy, cybersecurity, and law enforcement capabilities to ensure that trade goals were sufficiently incorporated into broader policy initiatives.

- Create an informal trade communications group with these partners that meets periodically to examine trade messaging and opportunities for coordination.

Accomplishment: USTR coordinated closely throughout the year with the National Security Council and with the White House press office to establish and disseminate appropriate messaging on major speeches, daily press, and major initiatives such as the successful conclusion of the U.S.-Korea trade agreement talks. USTR also coordinated closely with the Departments of State, Commerce, and Agriculture on various public statements and press guidance throughout the year.

Accomplishment: USTR met directly on various occasions in 2010 with press staff from partner agencies including the Commerce and State Departments, and worked as appropriate through National Export Initiative structures for interagency communication on trade and exports messaging.

Managing and Responding to High-Priority Statutory and Administrative Requests

Measurements:

- Review on an ongoing basis implementation of trade agreements, including through the preparation of the National Trade Estimates Report, and identify strategies for resolving implementation problems.

Accomplishment: The United States and Vietnam held three formal TIFA meetings in 2010 to discuss issues relating to implementation of Vietnam's WTO accession commitments, including issues relating to intellectual property rights protection, import licensing regime, and several SPS matters of concern to agricultural exporters.

The United States worked closely with Indonesia under the TIFA framework to reduce import restrictions imposed by Indonesia on a range of U.S. exports, including pork, processed food products, and pharmaceuticals

Providing Administrative Support and Improving Administrative Efficiency

Measurements:

- Implement an agency-wide accountability system to oversee the operations of all human capital management programs, and ensure human capital is well managed.

Accomplishment: Provided staffing support to managers and supervisors through job analysis, recruitment, and on-boarding process; all actions expeditiously completed and met all offices' needs well with the specified execution times; maximized career development opportunities with in-house transfers. Conducted and analyzed results of two employee surveys; created action plans to target areas that require improvement per OPM guidelines; executing plan as budget permits. SES-PAAT (Performance Appraisal Assessment Tool) submitted to OPM on time; scored 96 out of a possible 100, an extraordinary achievement; recertification successfully received for 2010. Obtained an exceptionally favorable score in the non-SES PAAT score of 96 exceeding all expectations; OPM used USTR's non-SES performance management system as a benchmark for other agencies. Human Capital Plan (includes System for Accountability and Succession Plans) updated to reflect accomplishments, current human capital state and future requirements; submitted to OPM on time and received extremely favorable feedback. FY09 Human Capital Management Report submitted to OPM on time; OPM requested that USTR's report be used as a benchmark for other small federal agencies. Implemented new development opportunities such as Rosetta Stone foreign language training and EOP Learn; EOP Learn is an extensive online training program. Improved the competency assessment process (Skill Gap Assessment) for mission critical positions.

- Ensure new knowledge management processes improve mission performance, document security, recordkeeping, archiving, retrieval, and accuracy of USTR trade policy information.

Accomplishment: Completed version 1.0 of Knowledge Management Roadmap. Catalogs the entirety of USTR data accumulated over the past 20+ years, categorized into 40 main datasets. Identified and described 20 major information flow processes within USTR including the current and recommended future technologies for accomplishing these processes. Two of the processes (FTA negotiations, FOIA) transitioned to the new recommended technologies. Re-engineering of five other processes planned for FY 2011. Briefed Roadmap to OA/CIO; influencing their planning process in order to proactively deploy future technologies consistent with USTR's needs.

- Ensure employees in mission critical occupations have the right set of skills to accomplish USTR's mission.

Accomplishment: Human Capital Plan (includes System for Accountability and Succession Plans) updated to reflect accomplishments, current human capital state, and future requirements. Implemented new development opportunities such as Rosetta Stone foreign language training and EOP Learn. Improved the competency assessment process (Skill Gap Assessment) for mission critical positions. Implemented three-year assignment rotation assignment policy between Washington, DC and the Geneva Mission. Maximized selection of current USTR trade policy analysts and attorneys for USTR mission-critical vacancies.

- Ensure state-of-the-art administrative services procedures are fully implemented in order to provide responsive and timely support to USTR staff.

Accomplishment: Developed and launched online USTR Office of Administration Customer Service Survey; all areas scored 3.4 out of 5 or higher (good to very good); held individual performance management consultations with Directors where concerns were articulated. Provided exceptional support to 100 percent of internal meetings, press conferences, hearings, etc. sometimes with notifications/changes at the last minute; all contingencies anticipated and not one problem experienced; all venues successful. Supported Trans-Pacific Partnership (TPP) in San Francisco, Regional Dialogue in Seattle, and Anti-Counterfeiting Trade Agreement (ACTA) in Washington, DC; experienced a number of challenges to get contracts in place in a timely manner and dealt with each in an expeditious manner; received compliments for all services. Achieved cost savings of \$86,000 by managing contracted services for negotiations, meetings, and routine passport and visa business.

Hundreds of passports and visas expeditiously processed to meet all travelers' requirements, frequently at the "last minute." Completed establishing central supply system to manage office supplies USTR-wide more effectively and efficiently.

- Ensure the required quality and quantity of office and meeting facilities appropriate for USTR's mission achieved by implementing the long-range master plan for USTR space utilization and allocation.

Accomplishment: Continued implementing the long-range master plan for USTR space utilization and allocation by successfully relocating the Office of China Affairs to 1724 F Street; office build-out and accommodations met and exceeded wherever possible needs of the staff. Winder Building Evaluation Report (BER) completed; established the baseline immediate and long-term facility work requirements.

- Complete USTR office complex upgrades and maintenance facilitates operations and promote an attractive work environment and employee health and wellbeing.

Accomplishment: Daily routine checked buildings top-to-bottom; ensured a high-level of appearance, cleanliness, and employee wellbeing and health; proactively addressed a multitude of problems before they affected employees. Closely monitored transition of cleaning crews; ensured services met all employee needs by both routine and special meetings with GSA management to bring issues immediately to their attention. Pursued a wide array of USTR office complex upgrades, facilities maintenance projects and renovations to promote an attractive work environment and employee health and wellbeing: (1) Winder Building exterior stucco renewal; (2) elevator renovations completed 1724 F Street and underway in Winder; (3) convinced GSA to include complete renovation of Winder A/C and heating system into the high-performance green project; project slated for CY 2011; this will be the most major and critical upgrade to Winder systems in four decades; (4) immediately upon observing mold in Winder computer spaces, relocated employees and ordered GSA to test and remediate; worked with GSA to find sources of moisture/water infiltration and developed project to completely excavate and seal basement walls inside and out; took opportunity to upgrade spaces and install new furniture before moving employees back in; (5) 1724 F Street "first impressions" project designed and ready for completion CY 2011; will result in substantial upgrade to the look and feel of the building commensurate with the stature of USTR; (6) after two year effort in pursuit of enhanced water quality, GSA installed "green" bottle fill stations in both buildings that ensures lead removal and obviates the need for employees to use environmentally unfriendly bottled water.

- Ensure information and communications technology appropriate for USTR's needs are acquired and installed.

Accomplishment: Ensured changes made to <http://www.ustr.gov> as required by our plan, including new forms for collecting public comment, design of new USTR "Mainstreet" section for highlighting increased outreach/communication campaign, and new overview section of WTO disputes so that all updates are "clickable" and point to the corresponding online case file. Completed an initial "mock-up" of a new Australia "plain English" FTA page which is available for review on our development server. Completed upgrade to ustr.gov multimedia page the visible effect being that the media is now more structured, stable, and better organized. Podcasting capability has been added; upgrade also includes a significant improvement in the workflow of adding new media; video(s) are now uploaded just once and then <http://www.ustr.gov> automatically transfers the file to Vimeo and Youtube which is a substantial time-saver. Installed new Digital Video Conferencing (DVC) systems into Winder Building rooms 305 and 203; systems have resulted in much more flexibility and ease of use for employees scheduling meetings and negotiations. Significant savings due to use of video conferencing continues

to accrue: FY10 \$2.5M. Obtained fully branded USTR UStream page for live streaming of USTR events. Completed migration of television service from Direct-TV service to WH-TV; expanded from 12 to 20 channels.

- Ensure field offices' IT and communications systems provide robust connectivity and continuity of operations.

Accomplishment: OA/CIO replaced Geneva's three email servers and all 12 servers and the backup tape/battery systems; Geneva now has all new servers and desktop PCs. Installed five new XEROX MFDs to replace units past service life and negotiated no-cost replacement of three others. Completed physical building security Lenel server stability/upgrade. Completed cabling of new China Office spaces on 1724 F Street 4th floor.

- Portable IT and communications technology for travelers and telecommuters balances capability with security.

Accomplishment: Awarded new five-year Blackberry contract to T-Mobile and deployed new bb "bold" models that work in Japan/South Korea. Obtained approval from OA/CIO to use Secure Mobile Workstation (SMW) laptops for international travel.

- Just-in-time training, instructional seminars and job aids ensure highest possible use of IT capabilities.

Accomplishment: Identified IT Staff Training opportunity based on OPM's "GoLearn" and developed plan to implement. Briefed plan to OA/CIO who concurrently implemented broad EOP-wide initiative based on GoLearn.

- Review/audit spending (programs) to optimize funding resources, evaluate effectiveness, and minimize waste.

Accomplishment: Reviewed Geneva funding and recommended efficiencies; comprehensive review of cost structure resulted in reductions of recurring costs; annualized savings of \$300K were achieved through both operational and benefit reductions; through a closer examination of ICASS, USTR is anticipating lower shared costs in the future. Conducted a review of travel spending (business class vs. economy) which highlighted the significant cost differences between the two modes of travel; revised business class travel policy aligning with EOP policies and achieving savings of \$200K over initial budget projections. Comprehensive review of all periodicals resulted in an annual savings of \$17K. Eliminated majority of Washington headquarters' parking saving \$20K per year. Strictly managed guard at a savings of approximately \$200K annually.

- Budget submittals meet all OMB and Congressional requirements and deadlines.

Accomplishment: Managed the highly-challenging FY 2010 spending plan process and ensured the most effective and efficient use of USTR's appropriation and best position USTR to minimize impact of decreased spending power in FY2011. Budget planning and execution tremendously exceeded expectations during a challenging year. At beginning of year, USTR leadership planned a robust hiring and travel program to reach full staffing levels. Steps were taken initially to accommodate these requirements leading to reduced funding in discretionary areas. As FY 2010 progressed and budget outlook for future fiscal years became more uncertain, hiring plans were further curtailed and travel more closely monitored. As a result of an in-depth understanding of the funding needs and understanding of upcoming requirements, successful in getting spending under control through a combination of cost reductions and modified spending plans. Whereas USTR started FY 2010 with

expectation of using its full enacted appropriation and prior year accumulated no-year funds, the cumulative impact of implementing actions to reduce spending resulted in a year-end balance of \$2 million which will be available for use in FY 2011. This exceeded the expectations of leadership and is critical to the ongoing effectiveness of USTR in the coming FY's. Successful in facilitating the process of fostering USTR leadership's working relationship with OA.

- Budgets requests submitted to OA/OMB fully justified.

Accomplishment: Challenged by White House Management and Administration and the EOP OCFO to zero-base FY 2011-FY 2014 Business Plan and FY 2012 budget submission; established end-to-end process and tight time line to coordinate all office input; successfully completed USTR's comprehensive request with an innovate program initiative format, providing robust descriptions of under-funding impacts on all initiatives. USTR met the deadline set by OCFO and provided a product which was used as a model for other EOP components. As a result, USTR received highly-favorable support for its FY 2012 budget submission to OMB by the Administration, as its funding requirements were fully justified.

- USTR's comprehensive information security program meets E.O. 12958/13292 and ISOO Directive One.

Accomplishment: Annual USTR Information Security Training conducted for all personnel, ensuring requirements of E.O. 13526 are clearly understood by all personnel and outlined in USTR instructions and guides; over 90 percent of employees attended training. Completed Annual ISOO 311 Report on classified documents, as well as all other ISOO information and reporting requirements. Continued revision/review of the draft USTR Classification Guide in order to finalize a complete and comprehensive guide for the entire agency. Continuously monitored the USTR Information Security Program to minimize security violations, including conducting inspections and increasing individual awareness. Completed a 100 percent classified document Inventory for USTR. Reduced the number of Original Classification Authorities (OCA's) from 26 to 7 to meet E.O. & ISOO requirements.

- USTR's physical security program meets HSPD-12/ Federal Information Processing Standard (FIPS) 201.

Accomplishment: Continuous monitoring of automated access control system remains in full compliance with FIPS 201 and smart card integration; conducted quarterly assessments of the system; completed numerous security upgrades/enhancements to access control system USTR Buildings; established new maintenance contract with SigNet. Completed 100 percent key and lock inventory for all USTR offices. Compensated for reduced Winder Building security guard hours through upgrading access points security and tying into FPS Mega-Center automated monitoring.

- Procedures developed to protect USTR personnel in high threat situations and environments provide appropriate level of protection for the USTR office complex and mobile workforce; occupant emergency plans exercised.

Accomplishment: Planned and managed security for San Francisco round of TPP negotiations; although concerns were elevated, plan worked exceedingly well and no security-related issues arose; security operation highly praised by AUSTR for SE Asia & the Pacific. Detailed threat assessment provided to all USTR personnel conducting official travel overseas, particularly in areas currently identified as medium or high threat. Provided guidance and information for personnel conducting personal/leisure travel overseas as necessary. Ensured

physical security procedures and processes were in place and working to protect all USTR facilities; met 100% of employee needs for all potential threats and/or contingency situations. Designed improved security enhancements as part of 1724 F Street “First Impressions Upgrade.” Reviewed, revised, and updated emergency action plans and procedures for all USTR facilities; conducted fire drills and exercised emergency action plans. Set in motion security upgrades for Winder Building plaza entrance in response to attorneys working afterhours and on weekends without security guards on duty.

- USTR Continuity of Operations Plan (COOP) implemented and exercised.

Accomplishment: Drafted new USTR COOP Emergency Contact plan and successfully exercised; provided lessons learned to all employees. Revised and exercised the USTR Continuity of Operations Plan (COOP) in a table-top meeting with EOP participants for Eagle Horizon 2010. Provided familiarization visit to Dakota for new COOP CERT Team members.

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
EAI.....	Enterprise for ASEAN Initiative
EFTA.....	European Free Trade Association
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)
IFI	International Financial Institutions
IPR	Intellectual Property Rights
ITA	Information Technology Agreement
LDBDC	Least Developed Beneficiary Developing Country
MAI	Multilateral Agreement on Investment
MCC	Millennium Challenge Corporation
MEFTA	Middle East Free Trade Area
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
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
ROU	Record of Understanding
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
TEP.....	Transatlantic Economic Partnership
TDY.....	Temporary Duty Yonder
TIFA.....	Trade & Investment Framework Agreement
TPP	Trans-Pacific Partnership
TPRG.....	Trade Policy Review Group
TPSC	Trade Policy Staff Committee
TRIMS.....	Trade Related Investment Measures
TRIPS.....	Trade Related Intellectual Property Rights
UAE.....	United Arab Emirates
UNCTAD	United Nations Conference on Trade & Development
UNDP	United Nations Development Program
URAA	Uruguay Round Agreements Act
USAID.....	United States Agency for International Development
USDA.....	U.S. Department of Agriculture
USITC	U.S. International Trade Commission
USTR.....	United States Trade Representative
VRA	Voluntary Restraint Agreement
WAEMU	West African Economic & Monetary Union
WB	World Bank
WTO.....	World Trade Organization