

## II. MULTILATERAL NEGOTIATIONS

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**FY 1999**

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### Annual Performance Goals

- a. Resolve trade problems (short of dispute resolution) that arise out of implementation of WTO rules and procedures.
- b. Initiate and, as appropriate, conclude negotiations and/or preparatory work consistent with the timing and mandates established in the WTO “built-in” agenda, the 1996 Singapore Ministerial and the May 1998 WTO Ministerial.
- c. Conclude two or more pending accession negotiations and adherence to WTO rules from the list in the Appendix III, consistent with U.S. objectives to obtain commercially viable agreements that provide market access.
- d. Complete negotiations regarding additional market access of a sectoral and other nature, including multilateralizing the APEC initiatives and concluding the pharmaceutical zero for zeros, pursuant to section 111 of the Uruguay Round Agreement Act (URAA) and anticipated fast track negotiating procedures and proclamation authority.

### Performance Indicator

- a. It is difficult to predict with accuracy whether or not a negotiation will be completed in any one year. We will indicate in our annual report the number of negotiations and trade problems resolved and the number pending. More precise forms of measurement for negotiations will be considered for the FY 2000 annual performance plan, once the agency has more experience with setting precise annual goals and performance indicators.

### Performance Verification

- a. In FY 1999, the U.S. negotiated a resolution to Korean trade barriers with the Korean IFI Commitments, which paralleled WTO rules and proceedings.
- b. In the Committee on Agriculture, the U.S. raised noncompliance with export subsidy commitments leading to modifications in the use of those measures (Poland, Thailand); domestic support programs (EU, Korea, Thailand, Uruguay, Czech Republic) and compliance with tariff bindings (Panama, Chile).
- c. In the Committee on Sanitary and Phytosanitary measures, disputes related to dairy, beef and poultry were resolved.
- d. Additionally, the Krygyz Republic and Latvia acceded to the WTO.
- e. Progress in refining technical parameters of APEC market access initiatives. APEC members agreed to seek broader support for initiative in WTO; initiated dialogue on ATL initiative with key WTO members.

- f. Extensive preparation for the 3<sup>rd</sup> WTO Ministerial Conference, including draft texts for Ministerial approval.
- g. WTO built-in agenda (BIA) negotiations to proceed on schedule.

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## FY 2000

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### Annual Performance Goals

- a. Resolve trade problems that arise out of the implementation of WTO rules, by utilizing procedures available in the WTO Committees, before resorting to WTO dispute settlement procedures.
- b. Use the Third Ministerial Conference to agree to a future agenda in the WTO that advances U.S. interests in the following areas: (i) agriculture, services, as already agreed; (ii) possible additional areas of negotiation affecting current WTO agreements, but not yet agreed (e.g., industrial market access); (iii) appropriate advancement in “new” areas, e.g. electronic commerce, trade and labor, investment and competition policy, whether or not through formal negotiation; and (iv) establish institutional improvements in the WTO. More precise goals for the Ministerial will be defined and inter-agency cleared.
- c. Conclude two or more pending accession negotiations and adherence to WTO rules from the list in the Appendix III, consistent with U.S. objectives to obtain commercially viable agreements that provide market access.
- d. Implement market access initiatives (e.g., those done under the auspices of the APEC process), pursuant to section 111 of the Uruguay Round Agreement Act (URAA) and anticipated fast track negotiating procedures and proclamation authority.
- e. Ensure that U.S. trade policy interests, as defined in cleared instructions, are appropriately reflected in the negotiation and implementation of multilateral environmental agreements, including the negotiation of the Biosafety Protocol, the proposed Agreement on Persistent Organic Pollutants and the implementation of the International Tropical Timber Agreement, and the Montreal Protocol on Ozone Depleting Substances.

### Performance Indicator

- a. Accessions: Obtain commitments consistent with advice received and ensure commercially viable packages.
- b. Market Access: Secure the necessary legal commitment with agreements achieved.
- c. 1999 Ministerial: Advancement of U.S. priorities as the agenda for the 1999 Ministerial is finalized.
- d. Multilateral Environmental Agreements: The indicator is defined in the goal.

## **Performance Verification**

- a. Under Agreement on Customs Valuation, U.S. led negotiations to implement plans for 19 developing countries to come into compliance with their transitional obligations to adopt customs procedures and practices in line with Agreement's requirements.
- b. Although a future agenda was not established for the WTO at the Third Ministerial, agriculture and services negotiations are underway and delegations continue preparatory work on other issues. The process moves to the Fourth Ministerial scheduled for Qatar in November 2001.
- c. Additionally, Jordan and the Republic of Georgia acceded to the WTO.
- d. Progress in gaining WTO Member support for ATL APEC initiative, but recalcitrant members like Japan impeded progress.
- e. Agreement to pursue the built-in agenda (agriculture and services) negotiations in the WTO.
- f. Initiation of the BIA negotiations in services and agriculture, as outlined in the February 7 General Council Decision.
- g. There have been ongoing negotiating sessions in the Agreement on Persistent Organic Pollutants.
- h. Concluded the Cartagena Protocol on Biosafety in a way that meets our environmental objectives without creating undue burdens on international trade or undercutting WTO rules.

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## **FY 2001**

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## **Performance Goals**

- a. Resolve trade problems that arise out of the implementation of WTO rules, by utilizing procedures available in the WTO Committees, before resorting to WTO dispute settlement procedures.
- b. Achieve substantial progress toward agreements to reform and liberalize agriculture and liberalize services and achieve appropriate advancements in other areas of WTO implementation and exploration, including industrial market access, trade facilitation, and institutional improvements aimed at the WTO's own operations as well as its work with other institutions.
- c. Conclude two or more pending accession negotiations and adherence to WTO rules from the list in the Appendix III, consistent with U.S. objectives to obtain commercially viable agreements that provide market access.
- d. Continue to pursue market access initiatives (e.g., those done under the auspices of the APEC process), pursuant to section 111 of the Uruguay Round Agreement Act (URAA) and anticipated fast track negotiating procedures and proclamation authority.
- e. Ensure that U.S. trade policy interests, as defined in cleared instructions, are appropriately reflected in the negotiation and implementation of multilateral environmental agreements, including the negotiation of The Persistent Organic Pollutants Convention, protocols to the

Convention on Biological Diversity and the World Health Organization's Framework Convention on Tobacco Control, and the implementation of the Biosafety Protocol, the UN Forum on Forests, the International Tropical Timber Agreement, and the Montreal Protocol on Ozone Depleting Substances.

- f. Ensure that environmental and consumer interests are appropriately reflected in all aspects of U.S. participation in the WTO.

#### **Performance Indicator**

- a. Accessions: Obtain commitments consistent with advice received and ensure commercially viable packages.
- b. Market Access: Secure the necessary legal commitment with agreements achieved.
- c. WTO Negotiating Agenda: Progress in negotiations in services and agriculture and other areas. Progress towards launch of a new Round; progress in implementation compliance, institutional improvements and, where possible, early agreement is being made.
- d. Multilateral Environmental Agreements: The indicator is defined in the goal.

#### **Performance Verification**

- a. Resolution of trade problems in WTO Committees in FY 2001:
- **WTO Committee on Customs Valuation:** The Committee concluded individual negotiations with eight developing countries (out of a total of 24 over the last four years) on benchmarked work plans for effective implementation of the Agreement, including some "WTO-plus" commitments important to U.S. exporting interests, and coordinated with other developed country delegations to reinvigorate specific initiatives on related technical assistance. The alternative would have been to pursue litigation under the WTO's Dispute Settlement Understanding.
  - **WTO Committee on Subsidies and Countervailing Measures:** Successfully utilized the Committee process to raise U.S. concerns regarding Korea's plans to provide subsidies to its semiconductor industry. While discussions are continuing, it appears that this has averted U.S. consideration of exercising its dispute settlement rights.
  - **WTO Committee on Subsidies and Countervailing Measures:** Through discussions in the Committee in the lead up to the 4<sup>th</sup> Ministerial Meeting in Doha, Qatar, utilized the Committee to avert potential litigation involving developing country provisions regarding prohibited export subsidies under Article 27.4 of the Agreement. The Agreement proposed by the Subsidies Committee was ratified by Ministers at Doha and now provides the basis for addressing any outstanding concerns in the Committee.
- b. Identified and promoted U.S. commercial interests through submission of 14 negotiating proposals to the WTO Council for Trade in Services stating U.S. objectives with respect to virtually all

service sectors, transparency in the regulation of services, and the temporary entry of natural persons. Through these and other U.S. actions, helped change the perception that the negotiation benefits only developed countries -- of the 42 WTO Members that have submitted WTO services negotiating proposals, some 30 are developing countries, newly identifying their export interests in sectors such as audiovisual services, energy services, retail distribution, professional services, environmental services, telecommunications, and financial services. Obtained in the Doha ministerial declaration deadlines for submission of initial requests and offers consistent with U.S. objectives and designed to intensify the negotiations in Geneva.

- c. Agriculture negotiations in the WTO intensified in 2001, as WTO members amplified proposals and discussed specific reform approaches in detail. This intensification helped focus work in the WTO on meaningful reform of agricultural trade policies, including through the agreement at the Doha ministerial to an agricultural negotiating mandate that identifies ambitious reform objectives on the key areas of market access, export competition and trade-distorting domestic support.
- d. Accessions: Between October 1, 2000 and September 30, 2001, Oman, Lithuania, and Moldova completed their accession negotiations and became WTO Members.
- e. MEAs: Negotiation of the Stockholm Agreement on Persistent Organic Pollutants was concluded, with satisfactory outcomes for treaty provisions related to trade and U.S. implementing legislation.
- f. Obtained in the Doha Ministerial Declaration: i) commitments to negotiations on environmentally harmful fisheries subsidies, environmental goods and services, and enhancement of the mutual supportiveness of MEAs and the WTO rules; ii) an enhanced role for the Committee on Trade and Environment in identifying and debating environmental aspects of the negotiations; and iii) a recognition of the importance of trade and environment capacity building. Consulted environmental and consumer NGOs in the development of U.S. negotiating objectives.