

# **Executive Office of the President**



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

**Fiscal Year 2015 Budget**

**Executive Office of the President**  
**Office of the United States Trade Representative**

**Salaries and Expenses**  
**Resource Estimates Fiscal Year 2015**  
**Congressional Budget Submission**  
**March 2014**

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# FY 2015 BUDGET JUSTIFICATION

## *Summary*

The Office of the United States Trade Representative (USTR) is responsible for developing and coordinating United States (U.S.) policies with regard to international trade, commodity, direct investment to the extent it involves international trade, overseeing trade negotiations with other countries, and monitoring and enforcing U.S. rights under our trade agreements. The head of USTR has Cabinet-rank status and serves as the President's principal trade advisor, negotiator, and spokesperson on trade issues.

The President has laid out the most ambitious trade agenda in a generation, anchored by proposed landmark agreements with partners in the Asia-Pacific and the European Union (EU). In Fiscal Year (FY) 2015, USTR will work to implement the President's trade agenda and continue to make trade policy a powerful contributor to the achievement of the President's goals for economic recovery and job growth in the United States.

USTR's work is a net benefit to the U.S. economy. The trade agenda includes concluding negotiations on the Trans-Pacific Partnership (TPP) agreement, Transatlantic Trade and Investment Partnership (T-TIP) agreement, elimination of tariffs on information technology products and environmental goods, and liberalization of trade in services. These will help American workers, farmers, innovators, and businesses gain more open access to two-thirds of the world economy. Our TPP and T-TIP partners make up a market likely to grow by \$6.7 trillion by 2018; they are the source of 84 percent of foreign direct investment (FDI) in the United States, employing nearly 5 million Americans; they already buy 60 percent of U.S. exports. These agreements have the potential of increasing U.S. exports by more than \$100 billion per year when fully implemented. Each billion dollars of increased exports supports between 4,000 and 5,300 jobs, on average.

Sustainably supporting such growth over the long term requires an aggressive, multifaceted approach that combines far-reaching, strategic negotiations to open key foreign markets with consistent work to keep markets open, including the implementation and monitoring of trade agreements and robust assertion of U.S. rights in the rules-based system of global trade.

U.S. trade negotiations and trade enforcement actions are key to helping U.S. exporters continue to make gains through improved access to foreign markets and leveling the playing fields abroad. USTR's efforts to create new opportunities and vigorous enforcement of our trade rights helped U.S. exports reach record levels in 2012 and 2013 despite persistent global economic headwinds. USTR will continue to work to expand these opportunities for American farmers, ranchers, businesses, and workers in an increasingly competitive global trading system.

The expanding need to grow American jobs through trade calls for increased resources. During FY 2013, USTR operated under a full year Continuing Resolution (CR). USTR's FY 2012 CR level of \$51.3 million was the FY 2013 starting point. That level was then reduced by approximately \$1 million due to a 1.877 percent rescission, \$2.6 million due to sequestration, and \$0.1 million due to a second 0.2 percent rescission. These actions brought USTR's FY 2013 budget to \$47.6 million. In total, this amounted to a \$3.7 million reduction from FY 2012's enacted budget and came at a time when USTR was working actively on major trade initiatives including TPP, launching T-TIP and implementing new trade agreements. In effect, USTR has substantially higher requirements with reduced resources.

USTR's budget is essentially composed of people and travel. Over 80 percent of USTR's FY 2013 appropriation went to personnel costs, despite a high vacancy rate and three furlough days. Administrative overhead is low at USTR, requiring the agency to absorb the majority of budget cuts by reducing USTR's global engagement. In FY 2013, USTR reduced travel by 40 percent from FY 2012, including cancelling or postponing travel associated with monitoring and enforcement of a wide variety of existing agreements, delaying negotiations for the European trade and investment partnership, reducing market access discussions, and affecting a variety of other engagement. In FY 2013, budget shortfalls made it very difficult to fill important vacancies, forced the agency to curtail or eliminate certain mission-critical travel, and led to the postponement of certain negotiating, monitoring, and enforcement priorities. This affects USTR's ability to carry out our core mission of negotiating and implementing trade agreements, eliminating trade barriers, and enforcing our trade agreements, all of which ultimately support American exports and jobs here at home.

As a result, USTR curtailed many important functions and initiatives to fund only those deemed the most "critical." This included leaving important positions vacant and reducing travel from \$5.4 million in FY 2012 to \$2.4 million in FY 2013. There was insufficient funding to initiate and pursue new and existing trade disputes, resulting in reduced enforcement of trade agreements.

For example, the impact on some of the major trade initiatives planned for FY 2013 included limiting U.S. ability to develop and pursue new and existing trade disputes (reduced ability to enforce trade agreements); following the planned launch of T-TIP negotiations in July 2013, a delay in holding subsequent negotiating rounds (the EU is our largest economic partner and the T-TIP has the potential to generate tens of billions of dollars in additional transatlantic trade, supporting hundreds of thousands of jobs); diminishing numerous mission activities such as missed deadlines on Korea, Colombia and Panama Free Trade Agreements (FTA) post-Entry Into Force; pursuing better enforcement of intellectual property rights in countries identified in the Special 301 report; and resolving trade and investment issues confronted by our businesses and exporters in dealing with China through the U.S.-China Joint Commission on Commerce and Trade (JCCT) and Strategic and Economic Dialogue (S&ED).

Some of the measures we took in FY 2013 would be difficult to repeat, as we insisted that many of our counterparties come to the United States to attend meetings at our request when we would normally have been expected to travel there. Our enacted FY 2014 appropriation in January 2014 reflected a much improved fiscal posture of \$52.6 million and is enabling the execution of an enhanced trade agenda for the remainder of this fiscal year.

For FY 2015, the estimated funding requirement for USTR is \$56,170,000 and a full-time equivalent (FTE) level of 252. This request is \$3,569,000 (or 6.8 percent) above the FY 2014 enacted appropriation of \$52,601,000. The proposed staffing level for FY 2015 of 252 is 12 above the FY 2014 enacted level.

This submission describes the resources necessary for USTR to achieve the President's trade goals and objectives. Six strategic initiatives are accomplished through twenty (20) program initiatives that represent the key activities of USTR. This plan describes these activities as to how they further Presidential goals and, importantly, the impact on the President's agenda if these initiatives are underfunded in FY 2015.

This will include the significant costs associated with implementing, monitoring and enforcing new trade agreements since FY 2012 for fourteen (14) countries (through Panama, Colombia and South Korea) and the eleven (11) countries of the TPP, and advancing trade initiatives with China, East Asia, Southeast Asia, sub-Saharan Africa, Middle East and Northern Africa, South and Central Asia, and European Union.

A well-prioritized trade policy, focused on key opportunities for increasing American exports and jobs, on opening markets, reducing barriers and boosting innovation, and based on the principles of a rules-based global system is contributing 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. USTR's budget request reflects these and other strategic efforts to support it.

## ***Trade Policy Focus Areas – FY 2015***

USTR will pursue these goals chiefly through the following program initiatives:

**Trans-Pacific Partnership (TPP) Agreement:** Begin the process of ensuring that our eleven (11) TPP partners are prepared for entry into force of the TPP Agreement. Continue to engage in preparatory consultations and possibly negotiations with new partners in the Asia-Pacific region seeking to join the TPP Agreement once it enters into force.

**European Union (EU) Initiatives:** Continue Trans-Atlantic Trade and Investment Partnership (T-TIP) agreement negotiations and conclude a comprehensive trade agreement with the EU, aimed at which will create a more integrated transatlantic marketplace, increase U.S. exports by tens of billions of dollars, and support hundreds of thousands of additional jobs. In conjunction with negotiation of a comprehensive agreement, sustain a significantly enhanced contribution to the Transatlantic Economic Council (TEC) and to other regulatory cooperation initiatives involving additional players and additional sectors. Increase efforts to promote collaboration and cooperation with the EU with respect to third markets such as China, and the Middle East and North Africa (MENA).

**China Initiatives:** Completing a Bilateral Investment Treaty (BIT) and negotiations for China's membership in the WTO Agreement on Government Procurement negotiations, and confront many ongoing bilateral challenges.

**Interagency Trade Enforcement Center (ITEC):** Operating at a resized capability, ITEC will conduct enhanced enforcement activities in coordination with all USTR offices and several U.S. government agencies. Given enhanced monitoring and enforcement activities, we expect, as a result, an increase in the number of disputes that the United States brings to the WTO. We also anticipate a substantial number of cases to be brought against the United States.

**Trade in Services Agreement (TiSA):** The most promising opportunity in two decades to improve and expand trade in services. The TiSA is currently being negotiated in Geneva with 23 participants that represent 70 percent of the world's trade in services. The services sector is the world's largest employer, and produces 70 percent of global gross domestic product (GDP). In the United States, services generate more than 75 percent of the national economic output and provide 80 percent of private sector jobs.

**Expansion of the Information Technology Agreement (ITA):** Finalize negotiations to expand the product coverage of the ITA. Eliminating duties on additional information technology products would provide a significant boost for U.S. technology companies, increasing U.S. exports by an estimated \$2.8 billion, and supporting up to 60,000 new American jobs.

**WTO Environmental Goods Agreement:** Work with the world's largest traders of environmental goods in the WTO to negotiate a plurilateral environmental goods agreement (EGA) that would eliminate tariffs on these products. By eliminating tariffs on the goods that we need to protect our environment, such as renewable and clean energy technologies, we can make them less expensive and more accessible and level the playing field for U.S. exporters. Global trade in environmental goods totals nearly \$1 trillion annually, and some WTO Members charge tariffs as high as 35 percent on certain products.

**World Trade Organization (WTO) Trade Facilitation Agreement:** Implement the WTO Trade Facilitation Agreement, which will expedite the movement, release, and clearance of goods at WTO Members' borders. An agreement would provide financial and technical support for trade facilitation-related assistance to developing countries. The Agreement will reduce the barriers that impose high trade costs and long delays on traders, will result in increased bilateral trade, greater export diversification, enhanced foreign investment and improved national competitiveness. Some studies estimate that the Agreement could increase global GDP by almost \$1 trillion.

**Sub-Saharan Africa Initiatives:** Implementing the Presidential Policy Directive (PPD) for Sub-Saharan Africa, including through promotion of regulatory reforms that support trade/investment, greater economic governance, increased regional integration, improved competitiveness and diversity of African exports, and increased U.S. engagement in Africa. Advance the U.S.-East African Community (EAC) trade and investment partnership, and pursue a comprehensive review of the African Growth and Opportunity Act ahead of its expiration.

**Middle East and North Africa (MENA) Trade and Investment Partnership (TIP):** An initiative to increase trade and investment between the United States and the region, and within the region, promoting deeper integration with the U.S. and European markets.

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

**Russia Initiatives:** Currently bilateral discussions on trade and commercial ties with Russia are suspended. If circumstances change, and if warranted, engage in discussions on more formal trade arrangements (such as a TIFA-like structure and possibly a BIT) and confront on-going bilateral challenges. USTR will continue to ensure Russia's proper implementation of its WTO obligations.

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

**Monitor and Enforce Free Trade Agreements:** Special emphasis on ensuring that Korea, Colombia and Panama fully comply with our trade agreements that entered into force in 2012 and that our eleven (11) TPP agreement partners are implementing TPP commitments so that the Agreement can enter into force.

**Asia-Pacific Economic Cooperation (APEC) Forum:** Expand trade, environment and investment initiatives.

## ***Program Initiatives***

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

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

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

This goal is pursued through the following four program initiatives:

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

USTR negotiators are simultaneously pursuing four kinds of market-opening trade agreements: multilateral negotiations with 159 other Members in the WTO; bilateral and multilateral FTAs such as those recently brought into force with Korea, Colombia and Panama as well as the TPP agreement currently under negotiation; BITs such as those currently in progress with China, India, and Mauritius, as well other types of agreements, including TIFAs; and WTO accession negotiations for prospective WTO Members.

#### Free Trade Agreements (FTAs)

USTR negotiates FTAs and other bilateral, regional, and sectoral trade agreements to provide new trade and investment opportunities for U.S. businesses, farmers, and ranchers, to address new and emerging problems in the global trading system, and to support the creation and maintenance of American jobs. These agreements are intended to further U.S. economic interests by promoting innovation and competitiveness, encouraging new technologies and emerging economic sectors, providing opportunities for increased participation of small and medium-sized businesses in trade, supporting the development of efficient production and supply chains that include U.S. firms, encouraging firms to invest and produce in the United States, and promoting regulatory coherence and cooperation among the countries party to the agreements. Through these trade negotiations, USTR also addresses other key policy priorities such as development, workers' rights, and environmental protection and conservation.

At the President's direction, USTR is currently leading negotiations to conclude the TPP Agreement, the cornerstone of our Asia trade policy. The TPP is a high-standard, comprehensive regional trade agreement that will boost U.S. exports to the dynamic Asia-Pacific region and promote core U.S. values related to labor, environment, and transparency. The TPP negotiations currently include the United

States, Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam, with Japan formally joining the negotiations, after lengthy bilateral preparatory consultations, as the 12th TPP member in July 2013. These countries share the goal of eventually expanding participation in the group to countries across the Asia-Pacific, thus making the agreement a strong vehicle for Asia-Pacific-wide economic integration. During FY 2015, we expect to be engaging with Asia-Pacific countries that have expressed an interest in joining the TPP agreement.

In June 2013, the U.S. and the EU launched negotiations on a Transatlantic Trade and Investment Partnership (T-TIP) agreement, which is aimed at reducing or eliminating all bilateral trade and investment barriers, including both tariff and non-tariff barriers, as well as addressing and setting high standards for global issues of common concern. The U.S. and the EU together make up approximately 800 million consumers and account for one third of world trade and almost half of world GDP.

In March 2013, negotiations for a Trade in Services Agreement (TiSA) were launched with over 20 other participants. These negotiations aim to establish a high-standard agreement to promote international trade in services, an area where U.S. companies excel. The service sector accounts for the majority of global economic output—three quarters of U.S. GDP and 4 out of 5 U.S. jobs. An international agreement that establishes a level playing field and removes barriers to trade in services will provide new opportunities for large and small exporters of services.

In his 2013 Climate Action Plan, President Obama called for free trade in environmental goods and services, including renewable and clean energy technologies. WTO negotiations on an Environmental Goods Agreement (EGA) will build on successful outcomes in APEC, and aim to eliminate tariffs on environmental goods, such as solar panels and wind turbines. Global trade in environmental goods amounts to nearly \$955 billion annually. An international agreement to liberalize trade in important green technologies will reduce their costs, increase their deployment, contribute to environmental protection, and create jobs.

### Bilateral Investment Treaties (BITs)

The removal of investment barriers, particularly in China, India, and other major emerging markets, is key to promoting U.S. economic growth and creating U.S. jobs, which is a Presidential priority. The U.S. BIT program also plays a crucial role in maintaining positive relations with poor and developing economies. The President's trade and investment partnership initiatives for the Middle East and North Africa (MENA) and for the EAC target increased investment integration both between these countries and the United States, and within the regions themselves.

This Administration is currently pursuing the most significant negotiations in the history of the U.S. BIT program. For example, successful BIT negotiations with China and India would address key investor concerns in these large and critical markets, such as restrictions on foreign investment, arbitrary government conduct, technology transfer requirements, and lack of transparency in the rules and procedures governing foreign investment. Failing to achieve successful BIT negotiations with China and India would leave U.S. investors on an increasingly skewed playing field without the same international legal protections that are (or soon will be) provided to competing investors from Australia, Canada, Colombia, Finland, Germany, Japan, Korea, Mexico, the Netherlands, New Zealand, Peru, and other countries that have recently negotiated, or are currently negotiating, investment agreements with China and India. The potential regional investment treaty with the EAC is a key element of the new Trade Africa initiative launched during President Obama's June 2013 trip to Africa, and builds on the USTR-led U.S.-EAC Trade and Investment Partnership. Agreements negotiated with the EAC under Trade Africa will serve as a model for work in other regions of sub-Saharan Africa, and the U.S.-EAC investment treaty will be the first regional investment treaty.

We have currently suspended bilateral discussions on trade and commercial ties with Russia. If circumstances change, and if warranted, the administration will resume efforts to expand our economic relationship with Russia. If the Administration were to resume our efforts in this area, a central component would be to increase bilateral investment between our two countries. Negotiating a Bilateral Investment Treaty (BIT) with Russia, one of the world's largest economies, would give our investors a much-needed sense of security in an economy ripe with opportunity but also full of uncertainty, and technical discussions as a precedent to such a negotiation afford an opportunity to explore additional avenues for cooperation on investment. If circumstances change, USTR will require resources to take important steps to protect American investors, including conclude our current technical discussions, and, if appropriate, move to BIT negotiations.

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

### WTO Negotiations

The Doha Development Agenda (DDA or Doha Round) negotiations have been one of the Administration's primary initiatives for seeking new market access around the world for exports of American goods and services. The Doha Round aims to reduce trade barriers in order to expand global economic growth, development, and opportunity. The Doha negotiations have also been seen as an opportunity to revive confidence in global trade and to lay the groundwork for the robust global trading system of tomorrow. USTR serves as the President's lead representative and advisor for the negotiations, although the end product of the negotiations must be implemented for the United States by the Congress. Doha is the ninth round of multilateral trade negotiations to be carried out since the end of World War II. The Round was launched in Doha, Qatar, in November 2001, at the Fourth WTO Ministerial Conference. Participating governments provided a mandate for negotiations on a range of trade issues. In addition, the DDA gives further direction on the WTO's existing work program and implementation of the 1994 WTO Agreement.

The Doha mandate includes a focus on the following areas:

- Agriculture
- Industrial goods market access
- Services
- Environment
- Trade facilitation
- WTO rules (i.e., trade remedies, fish subsidies, and regional trade agreements),
- Development, and
- Intellectual Property Rights

The United States has consistently sought to ensure that the Doha Round results in significant new market access opportunities for U.S. entrepreneurs and workers in agriculture, goods and services, particularly by insisting that advanced developing countries make contributions to the Doha Round commensurate with their growing roles in the global economy.

During its more than decade-long history, the Doha Round has had numerous ups and downs. Members

of the WTO meeting at their 9th ministerial conference in Bali (December 2013) managed to deliver the first new multilateral trade agreement since the trade body was created 20 years ago in the Uruguay Round, but now face what may be a more difficult task of charting the future course of multilateral trade negotiations. Ministers directed their negotiators in Geneva to produce within 12 months a "clearly defined work plan" on the remaining issues of the stalled Doha round. Two key questions these negotiators will face in crafting that work plan will be (1) whether to try to conclude the Doha round in a "single undertaking" as originally envisioned or as a series of smaller packages, and (2) whether to include "new" issues that are not currently part of the Doha agenda.

The outcome of this work will require implementation in FY 2015. There is also work taking place in Geneva that is outside the Doha mandate on a plurilateral services agreement (TiSA), an expansion of product coverage in the Information Technology Agreement (ITA), and a new negotiation to cut tariffs on environmental goods, building on our success in the APEC.

### Advancing WTO Accession Negotiations

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

The accession process strengthens the international trading system by ensuring that new WTO Members understand and implement WTO rules from the outset. The process also offers current Members the opportunity to eliminate trade barriers in acceding countries, to work with acceding governments towards full implementation of WTO obligations, and to address outstanding trade issues.

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 accession applicants in Central Asia and the Middle East/North Africa region have been particularly protracted. The accession processes for Ethiopia and Iraq have also been challenging. Severe cuts to this initiative are likely to have negative consequences – primarily, the relinquishment by the United States of its leadership role in securing high-standard, market-access-creating accession packages with new WTO Members. No other WTO Member can be expected to take up this slack. The United States may also be forced to focus more attention on some accession candidates than on others, leading to a confusing and divisive divergence among the accession conditions applied to new WTO Members.

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

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

This goal is pursued through the following four program initiatives:

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

USTR's enforcement work is focused on three areas: pursuing WTO rights, including as appropriate through disputes, and monitoring and enforcing FTAs and other trade agreements. For example, in the past year of this Administration, USTR has prevailed in disputes against China's export restraints on key raw materials, discrimination against U.S. financial services providers, unfair subsidies to manufacturers of wind power equipment in China, and the Philippines' discriminatory taxes on alcoholic beverages, and has initiated disputes against the Europe's unfair subsidies to Airbus, China's misuse of trade remedies against U.S. poultry products and automobiles, India's unjustified barriers to U.S. poultry exports, and Argentina's unfair use of licensing to restrict U.S. exports on a wide range of products.

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

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

To fulfill its trade enforcement responsibilities, USTR monitors industry and trade developments in the United States and worldwide. Through this monitoring, USTR is accountable for identifying and capitalizing on new export opportunities for U.S. domestic industry and trading partner countries including, for example, in relation to agricultural and industrial goods. USTR also monitors trade measures in non-WTO, non-FTA partner countries to identify and remediate possible trade barriers, identifies and analyzes trade issues in a number of natural resource-related areas, including marine resources and forestry, and monitors and coordinates comments on draft standards-related measures at the WTO that can have an adverse impact on U.S. exports. USTR similarly monitors and takes appropriate action to address inadequate or ineffective protection of intellectual property rights, and innovation-related trade concerns. USTR is also charged with anticipating emerging issues that may not be addressed by existing trade rules and with developing appropriate proposals to do so.

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

In FY 2015, USTR anticipates continuing to pursue concrete initiatives on trade facilitation, standards, and the digital economy with ASEAN, a key commercial and strategic partner, which is looking to negotiate major trade agreements with other countries that will have implications for TPP, APEC and other U.S. initiatives in the region. We also are actively seeking to further deepen bilateral ties with individual ASEAN countries, including Indonesia, which has been identified as a target emerging economy; as well as Thailand and the Philippines, which are considering future participation in the TPP Agreement; and Burma, where political reforms present significant new opportunities for U.S. companies. USTR is also pursuing to intensify engagement with Brazil on both intellectual property and investment matters under the auspices of the United-States-Brazil Commission on Economic and Trade Relations.

In addition, USTR is working to address forced localization policies throughout the globe, through increased international and bilateral dialogue, cooperation, and analysis. If China and Japan have not fully opened their markets to U.S. beef by FY 2015, USTR will need to enhance engagement to open these markets. Sub-Saharan Africa has been identified as a “last frontier” market with rapidly growing export and investment opportunities for U.S. businesses, particularly Small and Medium Enterprises (SMEs). USTR will continue to work with other agencies over the next several years to determine how best to help U.S. businesses take advantage of new trade opportunities in Africa. This work will be closely linked to the new PPD for sub-Saharan Africa’s “Doing Business in Africa” campaign. USTR has negotiated international equivalence agreements with Canada and the European Union to ensure that organic products certified in one country can be sold as organic in the other. USTR plans to negotiate similar agreements with other countries to create job-supporting export opportunities for the organic food industry.

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

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

In FY 2015, USTR anticipates continuing to pursue concrete initiatives on trade facilitation, standards, and the digital economy with ASEAN, a key commercial and strategic partner, looking to negotiate major trade agreements with other countries that will have implications for TPP, APEC and other U.S. initiatives in the region. We also are actively seeking to further deepen bilateral ties with individual ASEAN countries, including Indonesia, which has been identified as a target emerging economy; as well as Thailand and the Philippines, which are considering future participation in the TPP; and Burma, where political reforms present significant new opportunities for U.S. companies.

USTR will pursue initiatives to strengthen monitoring and enforcement. Robust monitoring and enforcement of U.S. rights under international trade agreements, and other domestic and international trade enforcement authorities, are crucial components of this Administration’s strategy to expand exports and ensure fair competition with our foreign trading partners. Additional resources will enhance our overall trade enforcement capabilities and support the creation of a new interagency trade enforcement unit that will bring together personnel from across the Federal Government to reduce or eliminate unfair trade practices among our foreign trading partners. USTR will increase coordination of executive departments and agencies to identify and reduce foreign trade barriers to ensure that U.S. workers, businesses, and consumers receive the maximum benefit from our international trade agreements.

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

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

USTR's annual Report to Congress on China's WTO Compliance sets the enforcement of China's international trade obligations as a top priority for the Administration.

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

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

The enhanced focus on monitoring and enforcement of U.S. trade rights by USTR's Monitoring and Enforcement unit in the Office of the General Counsel, together with the critical research assistance provided by the Interagency Trade Enforcement center (ITEC), results in an increased dispute settlement workload. Obtaining compliance with the commitments provided in our trade agreements, whether through negotiation, consultations, or litigation, supports further opening of foreign markets to U.S. exports and an increase in domestic jobs. Each of these approaches requires USTR attorneys, working hand-in-hand with ITEC and other USTR staff, to research, analyze, document, and explain the factual and legal bases for our claims. Additional resources (e.g., attorneys, researchers, translation funds) would provide USTR with the capability to increase the number of potential disputes that could be investigated and pursued, where warranted.

The disputes that USTR pursues and defends are becoming increasingly complex, both legally and factually. In part, this may be because WTO Members have adopted more sophisticated or less transparent measures or because WTO Members have significantly increased the resources they commit to dispute settlement. Accordingly, more complex cases mean that the number of measures that must be identified in a given case increases, more facts and economic analysis must be prepared, and more offensive or defensive arguments must be anticipated, analyzed, and researched. As a result, more attorneys and other resources must be assigned to individual cases. There is also an apparent reluctance of companies to actively support formal dispute settlement in certain sensitive cases (whether because of cost-benefit calculations or reluctance to publicly challenge certain countries). This means that USTR must expend more of its own resources to investigate, develop facts and arguments, and anticipate defenses.

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

Congress has focused on the need for USTR to enforce actively Russia's compliance with its WTO commitments. Therefore, we must vigorously monitor and enforce U.S. rights under Russia's WTO commitments.

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

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

With the Korea, Colombia, and Panama FTAs having entered into force, and the TPP pending, USTR is administering, monitoring and enforcing the many provisions of more agreements. Each Agreement provides for over a dozen committees to engage on a wide range of issues related to the obligations and operation of the Agreement. The FTAs also contain deadlines by which a number of substantive obligations must be implemented, requiring close monitoring and review of draft legislation. For example, the Colombia Labor Action Plan will continue to draw particular scrutiny as an indicator of how seriously the Administration takes monitoring and enforcement of labor rights in connection with FTAs, as will a similar plan with Guatemala. Likewise, public attention will continue to focus on implementation of the groundbreaking PTPA Annex on Forest Sector Governance, and related bilateral action plan. Scrutiny also will increase on enforcement of FTA labor and environment obligations based on pending public submissions under existing FTAs, as well as the potential for additional submissions under those FTAs and potentially under TPP and the Transatlantic Trade and Investment (T-TIP) Agreement. Reflecting heightened scrutiny in these and other issue areas, the functional offices, the regional offices, and the Office of the General Counsel will need to devote additional resources to ensure thorough implementation and monitoring of these commitments.

USTR will also need to expand its work on this initiative to address certain regional priorities. We will continue to require resources to meet regularly with Singapore and Australia, both top 20 US trading partners, to discuss the operation of our existing FTAs as well as bilateral concerns. In FY 2015, we also expect to be implementing the TPP Agreement involving eleven other countries in the region. In May 2011, the President launched a Trade and Investment Partnership Initiative with the Middle East and North Africa to, inter alia, "build on existing agreements to promote integration with the U.S market." In FY 2015, as part of this initiative, USTR will be expending increased resources to ensure existing FTAs (currently with Israel, Jordan, Morocco, Bahrain and Oman) and other agreements with partners in the region work to increase trade and investment. These efforts in FY 2015 could include modifications or enhancements to these agreements (e.g., the Israel FTA), which could create new obligations for trading partners and which would therefore require additional administration, monitoring, and enforcement by USTR.

Additional obligations, and the need to monitor and enforce them, could also be expected by 2015 if the United States and the European Union successfully conclude negotiation of the comprehensive T-TIP Agreement. Similarly, additional obligations and resources to monitor and enforce them will emerge to the extent that the United States is able to conclude other bilateral, sectoral, or other agreements under consideration, such as the Trade in Services Agreement, expansion of the Information Technology Agreement, and an agreement on trade in environmental goods.

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

## Implementing WTO Agreements and Participating in the Committee Process

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

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

USTR's work to strengthen rules and resolve trade compliance issues through WTO Committees and other bodies ensures the ability of the United States to retain market access gained through implementation of the WTO agreements, help create and sustain higher-paying American jobs in agriculture, trade in services, trade-related investment measures, pharmaceuticals, steel, and intellectual property. Additionally, USTR's efforts to secure China's accession to the GPA 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. For Russia, ensuring full implementation of its WTO obligations will be critical to the Presidential goal of ensuring that U.S. companies and workers benefit from Russia's WTO membership.

There will certainly be increased activity, vigilance, and U.S. proactive issue management in the WTO committees and councils. A number of new initiatives authorized at the WTO Ministerial Conference in December 2013 will increase the workload of various WTO committees in FY 2015. These new initiatives are important to advancing U.S. interests in ensuring compliance with substantive obligations and identifying significant issues for countries such as China, which have historically not met all transparency obligations. As with China, we expect that intensive effort will be necessary to ensure that Russia implements its WTO obligations. For example, In FY 2015, Russia's first WTO subsidy notification will be reviewed in the WTO Subsidies Committee. An initial USTR analysis shows that numerous subsidy programs in sectors that are critical to U.S. exports (e.g., aircraft) have not been notified to the WTO. Underfunding our ability to be active in this regard would have deleterious strategic consequences for the United States.

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

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

This goal is pursued through the following three program initiatives:

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

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

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

USTR works with Congress, partner agencies, stakeholders and trading partners to secure legislation necessary to implement pending FTAs, authorization of trade preference programs, such as the Generalized System of Preferences (GSP) and the Africa Growth and Opportunity Act (AGOA), and other trade-related initiatives of importance to the President. USTR, for example, drafts the relevant provisions of FTA implementing legislation, and the extensive accompanying documentation, that the President submits to Congress. For these and other trade initiatives, USTR staff testifies at committee hearings, appears at formal and informal committee mark-ups, and advises Members of Congress, staff, and the public regarding FTAs and other trade initiatives.

The importance of USTR's work with Congress in this Administration is exemplified by Congressional enactment of the U.S. FTAs with Korea, Panama, and Colombia, and development of proposals to advance negotiations on the TPP Agreement, the Trade in Services Agreement, the T-TIP, and Trade Promotion Authority (TPA) legislation. The Administration is also committed to work with Congress towards a seamless renewal of AGOA beyond its current expiration date of September 30, 2015 and to renew the GSP program. At the August 2013 AGOA Forum in Ethiopia, USTR announced the launch of a comprehensive review of AGOA.

Working with Congress to successfully amend and ultimately extend AGOA beyond 2015 will support the President's goals to enhance the U.S.-Africa economic relationship and support Africa's development in line with the PPD on Global Development and for sub-Saharan Africa.

#### Advising on Trade Aspects of Proposed Legislation

USTR reviews and provides agency views to relevant Congressional committee staff, as well as to the Office of Management and Budget (OMB), on proposed legislation ranging from food safety and chemical regulation to trade sanctions that may implicate Administration trade policy or U.S. commitments under international trade agreements. In addition, USTR reviews, and provides comments and suggestions, to OMB addressing the trade law and policy implications of proposed federal agency

regulations. USTR works with the Congress and with relevant agencies to ensure that new legislative and regulatory measures serve the interests of American agriculture, business, labor, environment, and intellectual property stakeholders, and are consistent with U.S. international trade rights and obligations. Trade preference legislation is a critical part of this initiative. USTR staff review draft Congressional testimony by officials of other agencies regarding pending legislation for consistency with Administration trade policy, and develop testimony for USTR officials in connection with legislation that Congress is considering.

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

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

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

Travel budget constraints in FY 2013 severely curtailed USTR's ability to respond effectively to new and emerging IPR problems and to conduct bilateral IPR engagement with the 41 countries listed in the 2013 Special 301 Report, including China, India, Brazil, or dozens of other countries with significant IPR problems.

## **IV. Supporting American Values: Defending Labor Rights; Protecting the Environment and Building the Foundation for a Clean Energy Economy; and Fostering Development**

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

This goal is pursued through the following three program initiatives:

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

### Encouraging America's 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. SMEs are at the heart of employment and job creation in the United States. USTR must provide a heightened focus on helping this sector compete globally by "leveling the playing field" and thereby creating more and better-paying jobs at home. Under the Obama Administration, the U.S. Trade Representative has designated an Assistant U.S. Trade Representative for Small Business, Market Access and Industrial Competitiveness, who will continue in FY 2015 to coordinate the agency's work on small- and medium-sized business trade priorities and enhance outreach to those firms. We will continue to expand our focus on small- and medium-sized firms' concerns across the broad range of initiatives we are pursuing to open markets.

Based on our ongoing engagement with small businesses, our interagency, and trade partners, USTR is working to enhance SME's knowledge about and ability to benefit from trade initiatives such as the TPP Agreement, the T-TIP Agreement, and the Transatlantic Economic Council (TEC). We are also working to implement existing trade agreements with FTA partners in ways that are more responsive to the needs of these businesses and their workers, so that export promotion programs for small- and mid-sized U.S. firms at other agencies have a better chance to help SMEs succeed in exporting.

Since 2012, USTR has initiated or expanded SME cooperative efforts with trading partners which will require additional resources to continue in FY 2015. In the context of the TEC and T-TIP, we are deepening our SME cooperation with the European Union in the areas of best practices, ICT, enhanced SME networks and other areas. USTR continues to expand engagement with FTA partners to discuss implementation issues relevant to SMEs and facilitate expansion of the Small Business Development Center model for SME trade opportunities. USTR is negotiating SME provisions in T-TIP, including the establishment of a SME Working Group, which will require resources to support. Enhanced USTR domestic SME outreach and other SME activities will be required to support the NEI goal of increasing SME exports.

USTR has expanded collaborations with TPCC agencies in developing strategies to help increase the national base of SME exporters, creating greater awareness of export opportunities for U.S. SMEs through promotion and outreach on market access openings achieved through U.S. trade agreements and

trading partners' accessions to the WTO, and integrating USTR information into the interagency "export.gov" website. Those collaborations will intensify through FY 2015.

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

USTR supports the Administration's sustainable development goals through its work on trade and development, environmental protection and advancing clean energy, combating illegal logging and wildlife trafficking, and protecting and advancing labor rights.

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

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

Preference programs are critical to the U.S. economy. For example, according to the U.S. Chamber of Commerce, the GSP program supports more than 80,000 direct and indirect U.S. jobs associated with moving aggregate GSP imports from the docks to farmers, to manufacturers, and ultimately to retail shelves. GSP also saved U.S. farmers, manufacturers, retailers and other importers over \$700 million in duties in 2012, which has helped them to stay competitive in the global economy.

Trade capacity building (TCB) is another critical part of the United States' strategy that enables developing countries to negotiate and implement market-opening and reform-oriented trade agreements, thereby improving their capacity to benefit from increased trade. The United States is one of the largest single-country providers of trade-related assistance, including for trade-related physical infrastructure. In FY 2015, USTR will need resources to ensure effective interagency implementation of the new African Competitiveness and Trade Enhancement (ACTE) initiative announced at the 2011 AGOA Forum. In addition, USTR will need adequate resources to coordinate implementation of the new Trade Africa initiative, and to participate effectively in the Power Africa initiative (both launched by President Obama during his June 2013 trip to Africa).

Environmental Protection, Conservation and Clean Energy: One of the Administration's priorities is to enhance the mutual supportiveness of trade and environmental policies. USTR works to advance the Administration's environmental and green growth goals through its work to negotiate and implement multilateral trade rules, FTAs, TIFAs, and through its work in other international fora. For example, in the WTO, and the TPP and T-TIP negotiations, USTR is seeking commitments to discipline fisheries subsidies, address illegal, unreported and unregulated fishing, and promote sustainable fisheries management policies. In addition, USTR is working to advance conservation issues in its trade

initiatives, for example by pursuing a conservation framework to combat trafficking in wildlife and wild-plant products in the TPP and T-TIP negotiations, and by participating in and endeavoring to strengthen an experts group on illegal logging and associated trade in APEC. This work directly supports the Presidential initiative to combat wildlife trafficking, as set out in Executive Order 13648 of July 1, 2013, and with sufficient resources could be broadened to support engagement on this issue with other countries and regions, such as Africa, where the United States has 11 TIFAs. USTR promotes strong environmental protection and enforcement efforts in its existing FTAs, and monitors our trading partners' compliance with environmental obligations, including in high-profile and complex areas such as forest sector governance in Peru. As our trade agreements include more ambitious, enforceable environmental commitments, as required by the May 10, 2007, bipartisan trade agreement, they require substantially more implementation, monitoring and enforcement resources.

USTR also leads APEC and WTO work to increase market liberalization for clean energy technologies and other environmental goods and services, including by eliminating tariffs and non-tariff barriers that disadvantage U.S. exporters of environmental goods and services, such as local content requirements. In January 2014, the United States, along with 13 other WTO members, announced their commitment to prepare to launch negotiations to eliminate tariffs on environmental goods in the WTO, building on the successful APEC outcomes in 2011-12. These efforts are expected to extend into FY 2015, and will require additional travel and staffing resources.

In addition, USTR works to ensure that global environmental initiatives are consistent with global trade rules and present a level playing field for U.S. exporters and investors. For example, USTR participated in negotiations to conclude a United Nations agreement on mercury use and trade, the first multilateral environmental agreement that the United States has joined in decades. USTR also is active in global negotiations in the UN Framework Convention on Climate Change, global and regional electronic stewardship and e-waste initiatives, Rio+20 outcomes such as the Tropical Forest Alliance 2020, and regional fisheries management organizations. However, due to a lack of resources in FY 2013, USTR had to reduce its engagement in these global environmental fora and prioritize monitoring and implementation of FTAs, as well as ongoing trade negotiations. USTR has also stepped up coordination and consultation with the environmental community, and overall efforts to promote transparent and inclusive trade and environmental policy-making.

**Labor Rights:** USTR supports the Administration's efforts to ensure adherence to fundamental labor rights and enforcement of labor laws through negotiation of provisions in FTAs, TIFAs, and other trade fora, and through FTA Labor Cooperation mechanisms to build our trading partners' capacity to promote and protect labor rights. Where trade agreements or trade preference programs are already in place, USTR monitors our trading partners' compliance with labor provisions. Due to resource constraints in FY 2013, USTR reduced its engagement in international fora such as the International Labor Organization, and was unable to visit FTA partners such as Bangladesh, Jordan, Dominican Republic and Honduras to monitor labor concerns. USTR regularly coordinates with other agencies, industry, labor unions, and other outside stakeholders to identify, monitor, and gather information on possible breaches of the labor provisions of trade agreements or preference programs. USTR also pursues enforcement through the full range of available tools; this Administration filed the first-ever U.S. case against a trading partner for apparent violations of its labor rights obligations.

#### Advising and Supporting Other Administration Initiatives

USTR provides advice and supports Administration initiatives beyond direct trade negotiations through its role in developing and coordinating U.S. international trade, commodity, and foreign investment policy. USTR provides trade policy advice to the President and other federal agencies on such matters as customs procedures and rules of origin, trade remedies, regulatory cooperation, technical standards,

agriculture, sanitary and phytosanitary measures, services and investment, international labor rights, intellectual property rights, trade-related environmental measures, industrial subsidies, government procurement, trade and development, technical barriers to trade, renewable/sustainable energy sources, food security, health-related regulations, emerging technologies (e.g., nanotechnology, synthetic biology, SmartGrid, green buildings, electric vehicles), cybersecurity, internet governance, cross-border data flows, trade capacity building, export promotion, economic development, and rule of law.

USTR's advice and support ensures that trade-related aspects of Administration initiatives are fully analyzed and that sound options are developed and considered when appropriate. USTR has played an important role, for example, in supporting the Administration's Afghanistan-Pakistan national security strategy, advancing strategic objectives with Russia and central-Asian economies and major trading partners such as India and China, promoting regional integration and promoting food security assistance funding to Central America and Sub-Saharan Africa. USTR also has been actively involved in formulating the Administration's Joint Strategic Plan for intellectual property enforcement, its Strategy on Mitigating the Theft of Trade Secrets and its policy of promoting economic reform in the Middle East and North Africa. It has also played a major role in the development of the PPD for sub-Saharan Africa, and will lead implementation of the directive's pillar on spurring economic growth, trade and investment. USTR has worked closely with the Office of Management and Budget and other Executive Branch agencies to promote new regulatory cooperation initiatives, aimed at reducing non-tariff-barriers to trade with the EU, Canada, and Mexico.

USTR co-chairs the EOP-led Emerging Technology Interagency Policy Committee, which was established to create coherent, science-based, transparently-developed WTO-consistent regulatory approaches on emerging technologies. USTR participates actively in interagency consultations to enhance protection and enforcement of intellectual property rights, including implementation of the Administration's strategic plan on intellectual property enforcement and numerous other innovation and IPR-related Administration initiatives. USTR is also seen as a key player in the Administration's efforts to develop an international consensus on global principles for internet governance, encourage cross-border data flows, and ensure that trade concerns are taken into account in the development of US cybersecurity policies. In addition, USTR plays a key role in developing and implementing high-level trade and economic initiatives in connection with Presidential summits, including those held with the G-8, G-20, and the EU. USTR also has been actively involved in developing strategies and initiatives to make the most efficient and effective use of trade, foreign investment, SME, and export promotion programs in support of the National Export Initiative and to ensure that appropriate Federal Government resources assist with the negotiation, enforcement and promotion of U.S. exports and encourage foreign investment in the United States.

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

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

This goal is pursued through the following two program initiatives:

- Conducting Multilateral and Bilateral Forums and Initiatives
- TIFAs

### Conducting Multilateral and Bilateral Fora and Initiatives

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

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

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

USTR engagement with trading partners under this initiative ultimately serves the Presidential goal of doubling exports under the National Export Initiative by opening new markets and maintaining open markets to increase job-supporting export opportunities. Key multilateral Presidential initiatives include APEC, the core mission of which is to address trade barriers and strengthen economic integration in the Asia-Pacific region. USTR is the lead for the U.S. Government on trade and export-related issues in APEC. Similarly, USTR will be working on key bilateral Presidential trade initiatives identified during

the JCCT and Strategic and Economic Dialogue (S&ED) with China, those being the key fora supporting the Presidential imperative to build a positive, cooperative, and comprehensive relationship with China. The reduction of Chinese market access barriers is critical to the success of the President's National Export Initiative.

In May 2011, the President announced a major new trade and investment partnership for the Middle East and North Africa (MENA), aimed at increasing MENA regional integration, integration with the U.S. and EU markets, and, for those countries adopting high standards of reform and trade liberalization, opening the door to constructing a regional trade arrangement. Consistent with the President's direction, USTR is also working with the EU and other trading partners to accomplish these results. This initiative will continue in FY 2015, as the countries in the region advance their transitions and put institutions in place capable of implementing appropriate reforms.

In FY 2014 and 2015, negotiations with the EU on a comprehensive Transatlantic Trade and Investment Partnership (T-TIP) agreement, will allow continued intensive engagement on improving regulatory transparency and predictability in the EU, and on resolving key U.S.-EU trade issues, including SPS barriers that hamper U.S. food and farm exports, and by promoting IPR protection and enforcement.

USTR expects to intensify international engagement on facilitating trade in food and agriculture products of emerging technologies, including exploring a plurilateral trade agreement on new technologies. In Fiscal 2015, USTR will continue negotiations on international equivalence agreements to ensure that organic products certified in one country can be sold as organic in the other. USTR has concluded such agreements with Canada and the European Union that create job-supporting export opportunities for the organic food industry. Both initiatives will help small and medium sized businesses to export.

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

TIFAs provide a critical forum to open key markets and generate job-supporting export opportunities with trading partners. USTR leads consultations with 45 TIFA partners across all regions of the world in an effort to resolve a wide range of issues, including market access for U.S. exports, services and investment, labor rights, environmental protections, protection and enforcement of intellectual property rights, and trade capacity building. TIFA Councils normally meet once a year often at senior levels of government, and may offer the only opportunity for high-level interaction on trade issues with key bilateral trade partners as well as regional economic communities.

The United States has approximately 50 active TIFA or TIFA-like dialogues with key trading partners as well as regional partners including the Association of Southeast Asian Nations, the Common Market For Eastern and Southern Africa, the EAC, the West African Economic and Monetary Union, the Southern African Customs Union (SACU), the Gulf Cooperation Council, and the Caribbean Community and Common Market (CARICOM). In many instances, including with respect to large or strategically important economies such as Brazil, India, Indonesia, Thailand, Turkey, Saudi Arabia, Ukraine, Nigeria and South Africa, the TIFA serves as the United States' primary bilateral channel for engagement on trade and investment issues. In other instances, we use our TIFA engagements to support Administration initiatives in strategic parts of the world including the Middle East, Africa, and South and Central Asia. Under the special diplomatic circumstances of Taiwan, the TIFA is our only high-level bilateral economic dialogue.

These agreements produce real results, both in terms of expanding U.S. exports and creating new opportunities for U.S. investment, as well as helping U.S. stakeholders resolve trade and investment disputes in foreign markets. Particularly as trade and investment issues in foreign markets become more complex, both in substance and in terms of engaging diverse coalitions of government officials and

stakeholders to resolve them, TIFA meetings are critical action-forcing events that allow us to raise important issues, press for solutions, and explore new initiatives to improve relations. We have a long track record of successfully using our TIFA dialogues to open markets, resolve trade and investment disputes, ensure that our trading partners abide by their bilateral and multilateral commitments, and promote reform initiatives in partner countries. In every region of the world, we have used TIFAs to support these goals and are taking on new commitments in response to Administration initiatives:

- Among our initiatives in Southeast Asia, we launched the U.S.-ASEAN Expanded Economic Engagement (E3) initiative, which was announced by President Obama and ASEAN Leaders in 2012 with the objectives of elevating the U.S.-ASEAN economic relationship, expanding U.S. exports, and creating building blocks toward potential ASEAN participation in high standard trade agreements. In 2013, we signed a TIFA with Burma to advance the Administration's goal of promoting economic and political reform and positive change as Burma emerges from years of isolation.
- South and Central Asia: South Asia is one of the least economically integrated regions in the world. Although South Asian countries have achieved high rates of growth over the past few years, trade and investment between countries in the region is quite low. The United States for both improved export and job growth goals is working to remove trade barriers in the region but this work is undermined by USTR's lack of resources to pursue sustained engagement in the region. Improved economic integration in South Asia (removing prohibitively high tariffs, investment restrictions, border measures and customs-related corruption) would also address another important Administration priority – regional security in a region where two of the main players possess nuclear weapons. The same is true in Central Asia where enhanced engagement not only helps improve opportunities for U.S. exporters and investors but also addresses the Administration priority of stabilizing economies in a region that could support Afghanistan and provide routes for its exports to the global market. The overarching goal of improving Central-South Asia economic discussions is also a high priority for USTR.
- Eurasia: Turkey, sitting at the crossroads of Europe, Asia and the Middle East, represents one of the most dynamic emerging economies in the eastern Mediterranean region. The United States' TIFA agreement with Turkey has been a key forum for bilateral trade and investment engagement. Ukraine and Georgia are both still fighting the vestiges of centrally-planned economies and working to integrate into open, liberal rules-based markets, with varying degrees of success and commitment. Our TIFAs provide a forum in which we can reinforce the market-driven, rules-based principles of the WTO and help these countries broaden the range of trading partners beyond their traditional ones.
- Middle East/North Africa: In the wake of political and economic turbulence in various MENA countries touched off by the events of the "Arab Spring," USTR has used its TIFA agreements with several of the countries in transition to renew or initiate efforts to liberalize trade and investment, both bilaterally and among MENA countries themselves. TIFA-based dialogues, such as that with Gulf Cooperation Council (GCC) will become increasingly important in addressing trade and investment issues in the region, as member countries (with whom we have either TIFAs or FTAs on a bilateral basis) choose to pursue trade-related policies as a group rather than at strictly the national level.
- The Americas: While 12 countries in the Americas are FTA partners, TIFAs or TIFA-like dialogues are our only venue to engage with the other countries in the region, such as Brazil, Uruguay, and Paraguay, on trade matters. We have not held TIFA-like meetings with Uruguay and Paraguay since 2011 when those countries came to Washington for meetings, in large part due to budget constraints. Our dialogue with Brazil was interrupted by a gap of 18 months, rather than the intended 12 month timetable. The Vice President signed a TIFA with CARICOM in May 2013, and USTR will be expected to follow through on that commitment as well with travel to the region in FY 2015.

- Sub-Saharan Africa: We have four TIFA or TIFA-like agreements with sub-Saharan African regional economic organizations: the EAC, the Common Market for Eastern and Southern Africa (COMESA), the West African Economic and Monetary Union (UEMOA), and the SACU. These agreements are part of a concerted effort to support and promote regional integration in sub-Saharan Africa through a number of trade-related initiatives being implemented under each of the regional agreements, including detailed work plans designed to build capacity and strengthen trade and investment relations in each respective region. In addition to our TIFAs with regional organizations, we currently have 8 bilateral TIFA partners in sub-Saharan Africa: Angola, Ghana, Liberia, Mauritius, Mozambique, Nigeria, Rwanda, and South Africa. We have been using our bilateral TIFAs with sub-Saharan African countries to encourage new trade and investment by implementing country- and region-specific strategies. Our bilateral TIFAs also provide a formal mechanism for addressing impediments to U.S. trade and investment in the region, and exploring, monitoring, and protecting opportunities for U.S. companies interested in doing business in Africa. These TIFAs help implement and support the U.S. Strategy Toward Sub-Saharan Africa, which was unveiled by President Obama in June 2012, and calls for more enhanced and focused engagement on trade and investment between the United States and sub-Saharan Africa as envisioned under the new Trade Africa and Power Africa initiatives announced during President Obama's June 2013 trip to Africa.

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

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

This goal is pursued through the following four program initiatives:

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

### Increasing Understanding, Participation, Collaboration and Transparency

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

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

The Obama Administration has increased diversity in USTR's advisory system and conducted unprecedented outreach through public sessions at negotiations. We believe there is always room to do better and we are taking some new steps to improve public understanding of our work. First, we are in the process of re-chartering our advisory committees and invite representatives from all relevant constituencies to apply. We are interested in further diversifying their membership. Second, we are upgrading our advisory system to provide a new forum for experts on issues like public health, development and consumer safety. A new Public Interest Trade Advisory Committee (PITAC) will join the Labor Advisory Committee and the Trade and Environment Policy Advisory Committees to provide a cross-cutting platform for input in the negotiations. We have called on NGOs, academics, and other public interest groups to submit their candidates to be founding members of the PITAC.

We have also taken new steps to broaden public information on the progress of negotiations, including public updates on the status of negotiations in the TPP. The Obama Administration has briefed Congress on TPP negotiations more than 1,100 times. This will continue with increased engagement with

stakeholders and a new commitment to provide status updates on negotiations. As always, any Member of Congress can view negotiating text. Ahead of the next T-TIP negotiating round, we will release a document that describes our negotiating objectives in ‘plain English’ terms. And we will provide written updates after each round of negotiations.

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

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

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

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

The U.S. Congress established the private sector advisory committee system in 1974 to ensure that U.S. trade policy and trade negotiation objectives adequately reflect U.S. commercial and economic interests. USTR operates and manages this extensive advisory committee system. The committees provide information and advice with respect to 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.

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

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

The President's first Executive Order established policies to increase transparency and disclosure under the FOIA. This was later elaborated in a memorandum from Attorney General Eric Holder. Likewise, the Administration has prioritized having a U.S. trade policy that is based on a meaningful partnership with the Congress. GAO investigations are a critical element in Congress' ability to participate as an equal partner. Congressional oversight of U.S. trade policy through GAO investigations is likely to intensify with the conclusion of the TPP agreement, negotiations on the Transatlantic Trade and Investment Partnership Agreement with the EU and other trade agreement negotiations. Congress will seek to ensure rigorous Executive Branch monitoring and enforcement of our trade agreement partners' implementation of agreement provisions and likely request the GAO to investigate USTR monitoring and enforcement efforts with respect to Russia, China and other trade partners. This initiative ensures compliance with statutory and administrative requirements and supports transparency and responsiveness to all inquiries, including those from the general public.

## Providing Administrative Support

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

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

USTR has aggressively reviewed all administrative expenses in Washington, Geneva and Beijing. Administrative costs were saved through new travel policies, decreased contract security guard hours at Washington offices, elimination of Washington garage parking, and reduction of periodical and trade-related subscriptions. Personnel costs were tightly controlled. Vacancies were managed, hiring was

judiciously made to fill critical positions, and detailees/interns are used to the maximum extent possible. Support staff positions in Washington and Geneva were reduced through improved information technology processes and equipment. Video teleconferencing capabilities have been added and substituted for travel where practicable.

These actions saved or avoided costs of more than \$2 million in FY 2011 and continue to generate savings of more than \$2 million per year. This enabled USTR to shift resources to pursue 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. With the FY 2013 enacted appropriation, these savings were not adequate to offset the deep reductions from the President's FY 2013 request (\$5.5 million shortfall).

## 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, DC, Geneva, Switzerland, and Beijing, China (since 2007), and has a representative in Brussels serving as the U.S. Trade Representative to the European Commission's Directorate-General for Trade.

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

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

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

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

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

USTR's private sector advisory committees provide information and advice on U.S. negotiating objectives and bargaining positions before entering into trade agreements, on the operation of any trade agreement once entered into, and on other matters arising in connection with the development, implementation, and administration of U.S. trade policy.

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

Members of the five policy advisory committees are appointed by USTR or in conjunction with other Cabinet members. The Intergovernmental Policy Advisory Committee (IGPAC), the Trade and Environment Policy Advisory Committee (TEPAC), and the Trade Advisory Committee for Africa (TACA) are appointed and managed by USTR. The Agricultural Policy Advisory Committee (APAC) is managed jointly with the Department of Agriculture and the Labor Advisory Committee for Trade Negotiations and Trade Policy (LAC) is managed jointly with the Department of Labor. 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, DC office has a range of operations: Bilateral and Regional activities: (China Affairs; Western Hemisphere; Europe and the Middle East; African Affairs; Central & South Asian Affairs; Southeast Asia & the Pacific; Japan, Korea & APEC Affairs); WTO and Multilateral Affairs; Sectoral Activities (Agriculture; Labor; Environment and Natural Resources; Textiles; Small Business, Market Access & Industrial Competitiveness; Services and Investment; and Intellectual Property & Innovation); and General Support (General Counsel, including Monitoring and Enforcement; Congressional Affairs; Administration; Public and Media Affairs; Intergovernmental Affairs and Public Liaison; and Trade Policy and Economics).

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

The Beijing office is headed by a Minister Counsellor who has one trade policy analyst and one Foreign Service National (FSN) 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**

*Appropriations 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 section 3109 of title 5, United States Code, [\$52,601,000]\$56,170,000, of which \$1,000,000 shall remain available until expended: *Provided*, That not to exceed \$124,000 shall be available for official reception and representation expenses. (*Commerce, Justice, Science and Related Agencies Appropriations Act, 2014.*)

**SUMMARY OF FY 2015 BUDGET REQUEST**

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

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	FY14/FY15 Difference
Budget	47,639	52,601	56,170	3,569

**FTE Levels by Fiscal Year**

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	FY14/FY15 Difference
FTE	233	240	252	12

## SUMMARY OF RESOURCE REQUIREMENTS

(in thousands of dollars)

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	FY14/15 % Increase
Trade Coordination and Negotiation	41,035	46,050	49,292	7.0%
Geneva Trade Negotiations	5,885	5,598	5,878	5.0%
Beijing Trade Negotiations	719	953	1,000	4.9%
Total Direct Program	47,639	52,601	56,170	6.8%

## SUMMARY OF OBLIGATIONS BY OBJECT CLASSIFICATION

(in thousands of dollars)

	FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	FY14/15 Difference
Personnel Compensation & Benefits	39,175	41,547	43,714	2,167
Travel and Transportation of Persons	2,438	5,000	6,000	1,000
Transportation of Things	5	3	6	3
Rental Payments to GSA	965	0	0	0
Comm., Utilities, & Misc. Charges	1,188	1,207	1,500	293
Printing and Reproduction	60	68	75	7
Other Contractual Services	3,416	3,627	4,000	373
Supplies and Materials	294	115	151	36
Official Reception and Representation	48	124	124	0
Equipment	40	768	500	(268)
Land and Structures	0	142	100	(42)
Insurance Claims and Indemnities	10	0	0	0
Total	47,639	52,601	56,170	3,569
Reimbursement	839	550	600	50
Total	48,478	53,151	56,770	3,619

**Summary of Financial Changes  
By Object Class**

**Personnel Compensation and Benefits**

(In thousands of dollars)

FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	FY14/15 Difference
39,175	41,547	43,714	2,167

The estimated fiscal year FY 2015 funding requirement for USTR payroll is \$43,714,000 which represents an increase of \$2,167,000 or 5.2 percent from FY 2014. The increase reflects 12 additional FTE required for increased negotiating and enforcement work anticipated in FY 2015.

**Travel and Transportation of Persons**

(In thousands of dollars)

FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	FY14/15 Difference
2,438	5,000	6,000	1,000

International travel is critical to fulfilling the President’s trade agenda. Trans-Atlantic Trade and Investment Partnership (T-TIP) negotiations will continue into FY 2015. Should the TPP be entering into force in FY 2015, continued engagement in preparatory consultations and possibly negotiations with new partners is expected. Trade in Services Agreement (TiSA) negotiations will be ongoing and held in Geneva, Switzerland. Work will continue with the world’s largest traders to conclude WTO negotiations on a plurilateral environmental goods agreement. Monitoring and Enforcement (M&E) activities will require increased travel to Geneva to handle U.S. enforcement actions and WTO dispute filings.

Increased travel spending will be necessary for negotiations in many parts of the world including but not limited to the APEC forum, BIT negotiations with China, implementation of WTO obligations, and increased engagement in East Asia, Sub-Saharan Africa and Middle East and North Africa (MENA) via the Trade and Investment Partnership (TIP).

**Transportation of Things**

(In thousands of dollars)

FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	FY14/FY15 Difference
5	3	6	3

Transportation of Things covers storage costs and courier costs. Variance reflects anticipated impact of increased travel visas and litigation documents.

## Rental Payments to GSA

(In thousands of dollars)

FY 2013 Actual <sup>1/</sup>	FY 2014 Enacted	FY 2015 Estimate	FY14/FY15 Difference
965	0	0	0

<sup>1/</sup> Represents the lease for USTR's ITEC operation located at 1800 G Street. The lease was terminated at the end of FY 2013 and ITEC staff was relocated to 1724 F Street to reduce recurring costs. Office modifications were made to accommodate the increased staff situated at 1724 F Street.

## Communications, Utilities, and Miscellaneous Charges

(In thousands of dollars)

FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	FY14/FY15 Difference
1,188	1,207	1,500	293

Communications, Utilities and Miscellaneous Charges consist of data, voice, wireless communications from commercial sources, equipment leasing, and housing costs for Geneva mission head. Email and wireless services and Geneva mission housing represent the largest individual items. Document center equipment leases in Washington and Geneva represent the next largest category of spending. The FY 2015 increase results from additional audiovisual costs supporting more negotiation activity.

## Printing and Reproduction

(In thousands of dollars)

FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	FY14/FY15 Difference
60	68	75	7

Printing and reproduction costs are expected to increase coincident with increased negotiations and mission initiatives. USTR has recurring annual printing costs related to publication of the National Trade Estimates and the USTR Annual Report and other necessary reports to Congress. As part of public announcements, we will continue to publish Federal Register notices when necessary.

## Other Contractual Services

(In thousands of dollars)

FY 2013	FY 2014	FY 2015	FY14/FY15
Actual	Enacted	Estimate	Difference
3,416	3,627	4,000	373

Other Contractual Services include a wide range of commercial and government services such as the Department of State's assessments for International Cooperative Administrative Support Services (ICASS) and Capital Security Costs (CSC), equipment maintenance, training, and professional service contracts. State Department's ICASS program charges back agencies that benefit from overseas administrative services, thereby ensuring effective operations at its more than 200 diplomatic and consular posts abroad. Additionally, the Department of State charges federal agencies CSC costs to construct new embassies and consulates and to renovate existing facilities to withstand ever-evolving threats against U.S. personnel and property. These costs alone amount to \$2 million. Hosting negotiations worldwide are costly endeavors. It requires arrangements with hotels for meeting/conference rooms and other logistical requirements as necessary. As negotiation activity is anticipated to increase, these costs will follow. Security services have increased for our Washington, DC location. In addition, contracting physical security services at both domestic and some foreign meeting negotiations has become a recurring requirement.

## Supplies and Materials

(In thousands of dollars)

FY 2013	FY 2014	FY 2015	FY14/FY15
Actual	Enacted	Estimate	Difference
342	239	275	36

Supplies and materials account for about \$151,000, with \$124,000 for official reception and representation expenses. The increase in supplies corresponds to higher staffing and higher subscription fees and license fees for online information services necessary as part of the work requirements.

## Equipment

(In thousands of dollars)

FY 2013	FY 2014	FY 2015	FY14/FY15
Actual	Enacted	Estimate	Difference
40	768	500	(268)

There is a decrease of \$268,000 in costs for this category in FY 2015. In FY 2014, it was necessary to incur one-time costs for absorbing ITEC staff from 1800 G Street into 1724 F Street. This required relocating staff already situated in the building to other floors and corresponding office modifications. In FY 2015, we anticipate that there will be a need for continued retrofits to accommodate the increased staffing levels.

## Land and Structures

(In thousands of dollars)

FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	FY14/FY15 Difference
0	142	100	-42

There is a decrease of \$42,000 in costs for this category in FY 2015. In FY 2014, it was necessary to incur one-time costs for absorbing ITEC staff from 1800 G Street into 1724 F Street. This required relocating staff already situated in the building to other floors and corresponding office modifications. In FY 2015, we anticipate that there will be a need for continued retrofits to accommodate the increased staffing levels.

## Insurance Claims and Indemnities

(In thousands of dollars)

FY 2013 Actual	FY 2014 Enacted	FY 2015 Estimate	FY14/FY15 Difference
10	0	0	0

USTR had a legal settlement in FY 2013; no payments assumed in FY 2015.

## FISCAL YEAR 2015 GOALS AND MEASUREMENTS

USTR's 2015 Annual Performance Goals and Measurements support the overarching Strategic Goals and Objectives drawn from its Strategic Plan.

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

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

#### **Objectives:**

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

#### **Measurements:**

- Build on the results of the 9<sup>th</sup> WTO Ministerial Conference in Bali, Indonesia by finding additional opportunities to revitalize the trade negotiation dimension of the World Trade Organization (WTO), including, where possible, through reaching agreement on trade-liberalizing elements of the Doha Development Agenda (DDA) such as agricultural and industrial market access, and other potential initiatives, such as a plurilateral negotiation on environmental goods.
- Work with WTO Members to achieve entry into force of the WTO Trade Facilitation Agreement in 2015.
- Conclude agreement to expand the list of products subject to duty elimination under the Information Technology Agreement (ITA).
- Advance negotiations under the Trade in Services Agreement (TiSA) to open foreign markets, create new opportunities for U.S. exporters, and encourage the adoption of policies that promote fair and open competition in international markets for services.
- Advance negotiations with the world's largest traders of environmental goods to eliminate tariffs on these products through a new WTO plurilateral agreement.
- Negotiate and implement mutual recognition agreements (MRAs) with select countries to facilitate U.S. exports of telecommunications equipment.

- Pursue negotiations to expand the list of pharmaceutical products subject to duty elimination under the WTO Pharmaceutical Agreement.
- Provide policy guidance and support for the ongoing committee work at the WTO and other international organizations to effectively represent U.S. interests.
- Conclude WTO accession agreements with candidates, including developing countries and least developed countries that undertake trade commitments that meet Administration priorities and are supported by the Congress.
- Accelerate China's accession negotiations in the WTO Government Procurement Agreement (GPA) to support rebalancing of the U.S.-China trade relationship by expanding U.S. sales into China's large government procurement market.
- In cooperation with other relevant agencies, as appropriate, work to ensure that the WTO's work on Aid for Trade and other activities for assisting developing countries is aimed at mainstreaming trade into the development plans of these countries and supports their effective participation in the trading system while not exceeding the institutional mandate of the WTO as a trade organization.
- Work with existing free trade agreement (FTA) partners, including Australia, Bahrain, Canada, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Korea, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, and Singapore, to ensure that agreements are fully and properly implemented, and address non-compliance issues that are identified.
- Conclude the TPP negotiations, with a high-standard, comprehensive outcome that provides new export opportunities for U.S. agriculture and industry, promotes U.S. services and investment objectives, protects worker rights, and enhances environmental protection in participating countries; work with Congress to obtain approval of the TPP Agreement; and begin the process for entry into force of the Agreement.
- Complete TPP intellectual property chapter and medical device and pharmaceuticals annex negotiations consistently with U.S. goals for timing and substance.
- Launch bilateral engagements with TPP candidate countries, in both Asia and the Western Hemisphere, to ascertain their interest and willingness to join a high-standard trade agreement, thereby expanding the agreement beyond the initial countries, further increasing benefits to the United States and fostering regional integration.
- Achieve through the APEC forum concrete and meaningful outcomes to address key trade and investment barriers in the Asia-Pacific region.
- Through APEC promote adoption of international sanitary and phytosanitary (SPS) standards as well as science-based regulatory systems for agricultural biotechnology and address common challenges.
- Under the Expanded Economic Engagement (E3) Initiative and our Trade and Investment Framework Arrangement with ASEAN, seek agreements and policy reforms that expand U.S. trade and investment with this critical region, build momentum in our engagement with ASEAN countries, and lay the groundwork for ASEAN countries to join high-standard trade agreements such as the TPP Agreement.
- Further strengthen U.S.-Japan trade initiatives and engagement and resolve barriers to U.S. exports.
- Successfully conduct negotiations with the EU on a Transatlantic Trade and Investment Partnership (T-TIP) agreement – a comprehensive trade and investment agreement that will open markets for U.S. goods and services and promote significantly greater regulatory compatibility, protect worker rights, and advance environmental goals.
- In the course of negotiations on the T-TIP, and in parallel with those negotiations, engage in negotiations to resolve specific agricultural bilateral trade concerns and develop and implement with the EU joint approaches for addressing trade-related concerns of common interest in the global trading system.
- Develop a strategy to foster fair trade in the North America lumber market prior to the expiration of the U.S.-Canada Softwood Lumber Agreement.

- Further strengthen U.S.-China engagement on key trade and investment issues and barriers to U.S. exports, working to achieve concrete and meaningful outcomes through all appropriate fora, including through the U.S.-China Strategic and Economic Dialogue and the U.S.-China Joint Commission on Commerce and Trade.
- Monitor and ensure China's full compliance with the Memorandum of Understanding addressing the importation and distribution of films for theatrical release in China.
- Work to promote removal of major services sector and investment barriers in China, particularly in financial services, including insurance services, express delivery services, legal services; and Information and Communications Technology (ICT) services, including value-added telecommunications services and services supplied over the Internet.
- Advance the protection and enforcement of intellectual property rights (IPR) through the negotiation and implementation of relevant trade agreements.
- Negotiate new agreements that meet the Administration's intellectual property and innovation (IPN) trade policy objectives.
- Advance discussions on IP negotiations in T-TIP consistent with U.S. interests.
- Develop and execute a strategic and coordinated approach to address the growing market access challenges posed to U.S. trade and investment interests by localization barriers to trade.
- Strive to successfully conclude BIT negotiations with China, India, and Mauritius; make substantial progress in exploratory BIT discussions with Cambodia, Gabon, Ghana and a regional investment agreement among the East African countries; and launch new BIT negotiations with appropriate partners consistent with Administration criteria.
- Make substantial progress in bilateral services negotiations in connection with Azerbaijan, Afghanistan, and Bosnia on accession to the WTO.
- Make substantial progress in securing endorsement of US-EU Investment and ICT principles by Tunisia, Egypt and Algeria.
- Conclude or significantly advance negotiations toward an agreement with the government of Egypt to establish customs cooperation, information-sharing and penalty provisions related to enforcement of preference claims for textile and apparel goods originating in the QIZs.
- Continue to implement United States-Mongolia Transparency Agreement.
- Initiate negotiations and conclude agreements, including bilateral trade facilitation agreements, to reduce or eliminate specific trade or investment barriers and distortions to goods and services, including cross-border data flows.
- Continue to develop cutting edge trade provisions to advance the Digital Services agenda in TPP, the International Services Agreement, US-EU T-TIP, MENA TIP, and among ASEAN countries.
- Secure expanded access for U.S. food and agricultural exports to key markets through resolution of unwarranted sanitary and phytosanitary barriers.
- Advance negotiations on a new Agreement on Trade in Agricultural Products with Israel, which provides for significantly expanded access for U.S. food and agricultural exports.
- Negotiate equivalency agreements with countries that are key markets for U.S. organic exports, promoting increased exports of U.S. organic food and agriculture products.
- Continue to engage in plurilateral discussions on aligning regulatory approaches affecting trade in products derived from modern biotechnology to facilitate trade.
- Continue to promote job-supporting, two-way trade and investment with Brazil through the U.S.-Brazil Agreement on Trade and Economic Cooperation (ATEC) and its subsidiary bodies, including an Investment Dialogue and a Working Group on IPR and Innovation.
- In partnership with other agencies, such as the Small Business Administration, encourage SMEs to expand trade through new and existing trade policy initiatives.
- Provide policy guidance and support for multilateral trade negotiations or in other contexts on market access commitments affecting the textile and apparel sector worldwide, to provide new export

- opportunities for U.S. industry.
- Continue to engage key trade partners and stakeholders on ways to improve worker rights and working conditions in our inter-connected global economy.
  - Improve worker rights and the enforcement of labor laws by U.S. trade partners by negotiating strong labor provisions in the TPP and other relevant trade agreements and building the capacity of our trading partners to fully implement those commitments.
  - In cooperation with other relevant agencies, design and implement environmental cooperation mechanisms with FTA partners to enhance implementation of FTA environment commitments, and negotiate and conclude trade-related environmental agreements that increase the capacity of developing countries to protect the environment.
  - Work towards implementation of APEC commitments to reduce applied tariffs to no more than five percent on APEC-agreed list of 54 environmental goods.
  - Continue work in APEC to address non-tariff barriers that distort trade and investment in environmental goods and services.
  - Negotiate trade disciplines in FTAs to support environmental conservation objectives, including with respect to ocean, wildlife, and forestry issues.
  - Continue to negotiate disciplines on fisheries subsidies in FTAs, and build on results of such negotiations to further advance regional and multilateral action in this area, including in APEC and the WTO.
  - Continue work in the APEC Experts Group on Illegal Logging and Associated Trade to identify cooperative actions and activities to combat illegal forest products trade that can help support our TPP proposals and commitments in this area.
  - Continue to engage with China and Indonesia under our bilateral MOUs on combating illegal logging and associated trade.
  - Partner with State, EPA, and other agencies to support multilateral work on trade and climate change in the WTO Committee on Trade and Environment, and to ensure outcomes under the UN Framework Convention on Climate Change and other multilateral environmental agreements are consistent with U.S. trade policy.
  - Participate in implementation of the national strategy to combat wildlife trafficking and to stem illegal trade in wildlife and wildlife products pursuant to the July 1, 2013 Presidential Executive Order on “Combating Wildlife Trafficking”.
  - Engage trading partners on trade in used electronics, including through the electronics stewardship initiative in APEC.
  - Launch, negotiate, conclude, or put into effect TIFAs with strategically important areas, such as South Asia, and other appropriate countries that expand opportunities for U.S. exports.
  - Intensify engagement with Indonesia through the United States-Indonesia TIFA to support the development in Indonesia of trade policies consistent with the requirements of the multilateral trading system and address the growing number of trade and investment irritants.
  - Launch bilateral initiatives to expand trade and investment, encourage reform, and promote inclusive economic growth in Burma following agreement on a TIFA in 2013.
  - Pursue negotiations and other efforts to implement the Trade and Investment Partnership Initiative for the Middle East and North Africa (MENA), to include agreements or other arrangements covering investment, information and communication technology, trade facilitation, agriculture, services and other areas, and trade capacity building to enable effective implementation of this initiative.
  - Utilize the U.S.-Turkey Strategic Framework and newly-established High Level Committee to promote U.S.-Turkey trade and investment and to support trade and investment integration in the MENA region.
  - Host a leadership summit in 2014 with African heads of state that promotes the U.S. trade agenda, including promotion of U.S. exports and investment, supports regional economic integration and

Africa's goals for a continent wide free trade area, and encourages trade and economic reforms that promote African growth and development.

- Advance President Obama's Trade Africa initiative, including an exploration of an investment treaty, cooperation on trade facilitation, SPS and TBT, a U.S.-EAC commercial dialogue, creation of a new Trade and Investment Center in East Africa, and a partnership with other donors to support regional economic integration in East Africa.
- Conduct a comprehensive review of the AGOA which expires in 2015 to ensure that any future AGOA program works effectively to benefit both sub-Saharan Africa and the United States. Use the results of this review to inform consultations with Congress on renewal options for the AGOA program.
- Working closely with other USTR offices and the interagency, look for opportunities to increase U.S. market access in important sub-Saharan markets, particularly as the EU and other developed partners work to gain reciprocal market access to African markets for their products.
- Complete negotiations of a U.S.-ECOWAS Trade and Investment Framework Agreement with the Economic Community of West African States (ECOWAS).
- Implement an outreach program to promote trade and investment opportunities in support of the PPD on sub-Saharan Africa and the Doing Business in Africa (DBIA) Campaign, including working with industry associations and business groups and participating in private sector roundtables and conferences.
- Work with U.S. Government agencies that provide or fund trade capacity building assistance to ensure that their assistance programs assist developing countries to integrate more fully into the global trading system and, in cooperation with other relevant agencies, work with other donor countries and international institutions to make the most coherent and effective use of scarce resources.
- Work with Congress to consider possible reforms or revisions to the GSP program to take into account evolving global trade relations, including the growing competitiveness of many emerging market GSP beneficiaries.
- Provide timely advice and analysis to support active USTR participation in OPIC Committee.
- Advance U.S. interests in the development and adoption of standards in the Codex Alimentarius Commission that facilitate trade in U.S. food and agricultural products.
- Work to ensure that other institutions that may engage on issues related to trade (WIPO, WFP, UNCTAD, OECD, WHO, OAS, and IDB) promote U.S. policies and objectives.
- Work with the World Bank, IMF, OECD, and other international institutions to further Aid for Trade initiatives and promote U.S. trade objectives in the WTO.

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

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

### **Objectives:**

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

- Vigorously deploy all available tools to enforce U.S. rights under trade agreements, to ensure that these agreements meet their potential to create and sustain well-paying American jobs.
- Engage stakeholders to collaborate with USTR on enforcement issues.

### **Measurements:**

- Administer, monitor and enforce our trading partners' implementation of their obligations under the WTO Agreement and other trade and investment agreements, including implementing and enforcing high labor and environment standards and protecting IPRs in foreign markets.
- Identify new disputes to be pursued under WTO and/or FTA dispute settlement procedures or under U.S. trade statutes, including barriers to U.S. exports due to lack of transparency, use of border measures, localization measures discriminating against imported goods, and lack of science-based rule-making processes.
- Vigorously pursue existing trade disputes to ensure timely resolution. Through prudent management of personnel and disputes, utilize existing USTR resources effectively to maximize the likelihood of positive outcomes vindicating U.S. rights.
- Where positive outcomes have been achieved in offensive disputes, closely monitor trading partners' actions to ensure full implementation. Where the United States is found not to have complied with trade obligations, work to achieve implementation and avoid possible countermeasures on U.S. exports, consistent with U.S. and Administration objectives.
- Employ WTO and other trade agreement committees, bilateral engagement, and dispute settlement as appropriate to resolve identified breaches of U.S. trade agreements.
- Use WTO bodies to help ensure other members' compliance with obligations by pressing for timely compliance with notification requirements in the agreements to identify possible problems and by using meetings of these bodies to raise questions about the practices of Members and create pressure to comply.
- Review implementation of WTO, regional and bilateral trade agreements, particularly through the preparation of the Annual Report of the President on the Trade Agreements Program, the National Trade Estimate Report, and the reports on Sanitary and Phytosanitary (SPS) Measures and Technical Barriers to Trade (TBT) and identify strategies for resolving implementation problems.
- Solicit public comment on WTO dispute settlement proceedings to ensure that USTR officials can develop U.S. positions and arguments based on all relevant available information.
- Provide public access to U.S. submissions to WTO adjudicatory bodies so that stakeholders and interested members of the public may provide relevant input.
- Conduct comprehensive annual Section 1377 review of telecom barriers promoting progress in removal of major foreign barriers impeding market access of U.S. telecommunications goods and services suppliers. Maintain effort to promote elimination of internet blocking.
- Consult regularly with other agencies, stakeholders, Congress and foreign officials to obtain information on new barriers to trade with bilateral and regional partners.
- Analyze and respond appropriately to petitions filed for action against perceived unfair trade barriers.
- Work to ensure that each of our FTAs continue to have the necessary rosters for panelists to participate in consultation and dispute settlement procedures under the relevant agreement.
- Conduct meaningful reviews of FTA implementation in connection with the Joint Committee or Joint Commission meetings under each FTA.
- Monitor implementation of each of our FTAs to ensure full compliance with all FTA and related commitments.
- Continue to work with industry, Congress and Customs and Border Protection to address industry concerns about the effectiveness of Customs enforcement of our trade agreements, in order to insure the integrity of agreement commitments.

- Continue to build a strong ITEC organization to carry out the directives of the Executive Order, including obtaining additional staff with varied and appropriate expertise in a variety of trade disciplines and with appropriate language skills.
- Refine procedures to coordinate even more closely, efficiently, and effectively ITEC with other offices within USTR. Continue to find ways to supplement and complement, without duplicating, the work of other USTR offices.
- Expand interagency contacts and coordination, identify and locate appropriate interagency expertise for ITEC regarding various matters of interest, and create and integrate staffing mechanisms to simplify sharing of interagency expertise.
- Identify issues for priority research and evaluation regarding potential disputes and in support of negotiations, and systematize processes for sharing the results of those efforts with appropriate interagency personnel.
- Identify priority issues for research and monitoring where negotiation or dispute settlement is not contemplated in the very short term.
- Consider and address enforcement concerns that affect small and medium sized enterprises.
- Use all appropriate tools to deliver the full benefit of IPR provisions of existing FTAs and other trade agreements to stakeholders. Priorities include the agreements with Korea, Colombia, and Panama (including obligations with transition periods) as well as progress on outstanding implementation issues under other FTAs and issue-specific agreements (China/films, etc.).
- Further strengthen U.S.-China engagement on key trade and investment issues and barriers to U.S. exports, working to achieve concrete and meaningful outcomes through all appropriate fora, including through the U.S.-China Strategic and Economic Dialogue and the U.S.-China Joint Commission on Commerce and Trade.
- Complete the annual Report to Congress on China's WTO Compliance.
- Seek meaningful progress with China on IPR and innovation issues, and related market access concerns, in line with Administration objectives.
- Continue to research, as a priority matter, China's support for the textile and apparel industries, with a view to assessing China's compliance with its WTO obligations, including with assistance and input from industry.
- Continuing to monitor and research policy support measures for the textile sector, in particular by other large textile producing and exporting countries, to insure compliance with WTO or other international agreements, with a view to resolving potential conflicts.
- Develop and implement new, and use existing, mechanisms to monitor Russia's compliance with its WTO obligations and take action as necessary to ensure U.S. exports are treated consistently with WTO obligations.
- Continue to work with Brazil to find a mutually agreeable solution to the WTO dispute on Cotton.
- Continue vigorous U.S. participation in the WTO TRIMs Committee as well as bilateral efforts to promote elimination of local content measures in Nigeria, Indonesia, Brazil, China, and India.
- Continue to make regular use of bilateral and multilateral fora, including WTO committees and, where appropriate, dispute settlement, to remove India's localization barriers to trade especially in the clean energy, healthcare and ICT sectors.
- Press for implementation of the government of India's plan to gradually eliminate export subsidies in India's textiles sector by 2014 as required by the WTO SCM Agreement.
- Ensure greater market access for U.S. companies in South and Central Asia, focus on the elimination of localization requirements and ensure compliance with WTO obligations for Members and countries in the accession process.
- Use FTA mechanisms to ensure compliance with FTA and WTO obligations in the MENA region.
- Coordinate with other U.S. agencies, particularly the Departments of Labor and State, to prioritize opportunities to engage with countries such as China, Brazil, India and countries in the Middle East

bilaterally and through multilateral fora to improve respect for worker rights, including by advancing efforts to reform labor laws, improve labor institutional capacity, and to monitor working conditions.

- Work closely with our inter-agency partners, including the Departments of State and Labor, to prioritize, monitor, and engage our trade partners to meet worker rights criteria of our trade preference programs. In particular, actively work with Jordan and Colombia on the continued implementation of their Labor Action Plans, with Guatemala to implement the Labor Enforcement Plan in the context of the dispute settlement case, and with Bahrain, the Dominican Republic, Honduras, Mexico and others on current labor submissions under the trade agreements, and continue our worker rights reviews under GSP and AGOA with the Philippines, Swaziland, Niger and others. Continue to work with Bangladesh on implementation of the GSP Action Plan, which USTR provided to the government of Bangladesh. In each of these cases, our goal is to assist countries to resolve the labor matters raised so that workers are able to exercise their rights and working conditions are improved.
- Engage key trade partners and stakeholders on ways to improve worker rights and working conditions in our inter-connected global economy in order to ensure a level playing field for U.S. workers and that the benefits of trade are widely shared.
- Lead a robust interagency process for monitoring implementation of FTA environment obligations across all FTA partners, including by implementation of the interagency-agreed monitoring and enforcement plan.
- Convene environmental affairs councils and related fora under FTAs to engage with FTA partners at senior levels on specific implementation issues.
- Continue to work closely with the Government of Peru to ensure the implementing regulations of its new Forestry and Wildlife Law are promulgated and continue to support implementation of the Peru FTA Forest Annex.
- Continue to work closely with the Government of Peru and the Interagency Committee on Trade in Timber Products from Peru to implement the January 2013 bilateral Action Plan, and to monitor other developments relevant to implementation of Peru's obligations under the Peru FTA Environment Chapter and Forest Annex.
- Utilize high-level bilateral discussions, including through strategic dialogues and at TIFA Council meetings, to address trade barriers identified with various bilateral and regional partners.
- Use all appropriate tools to press for wins on bilateral IPR issues wherever possible. Major countries of concern include, in addition to China, all countries on Special 301 Priority Watch List and those with major pending IP legislation or regulations such as Brazil.
- Issue a timely, high-quality report to Congress, backed by year-round engagement with trading partners, on adequacy and effectiveness of IPR protection and enforcement. Continue improvements to the Special 301 process (e.g., hearings, notorious markets out-of-cycle review (OCR)). Use the "notorious markets" OCR to encourage reform by non-state actors.
- Apply U.S. trade preference programs in a manner that contributes to economic development in beneficiary countries while addressing issues such as progress on worker rights and enforcement of intellectual property rights through annual reviews of GSP product and country practice petitions, and the annual AGOA country eligibility review process.
- Continue USTR leadership role in CFIUS Committee in ensuring CFIUS decisions are consistent with the United States' open investment policy.
- Continue to provide significant research, analysis and support to OGC, regional offices, and State Department regarding NAFTA Chapter 11, FTA disputes and BIT investor state arbitrations.
- Maintain a significant role in the interagency process in raising concerns regarding potential adverse impacts of proposed cybersecurity-related legislation and policy on U.S. trade and investment interests.

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

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

#### **Objectives:**

- Expand and broaden the existing coalition with Congress, interested stakeholders, state and local governments, and the public to inform and strengthen the U.S. trade agenda, develop Administration trade policies and initiatives, advance key trade legislation, including Congressional approval of Trade Promotion Authority.
- Foster a robust advisory committee system by appointing, consulting and engaging with an active group of advisors.
- Educate the public on the Advisory Committee system and their role within trade policy.
- Employ constructive, consensus-building interagency coordination in the Trade Policy Staff Committee (TPSC) and the Trade Policy Review Group (TPRG).

#### **Measurements:**

- Work with the Congress on legislative initiatives, including providing advice on trade aspects of proposed legislation, to help ensure consistency with U.S. international obligations, implement our trade agreements, and advance U.S. policies as they are developed.
- Work with U.S. development agencies and other government agencies so that appropriate assistance programs are in place to support trade agreements and key trade legislation.
- Consult broadly and intensively with Congressional committees of jurisdiction and Congressional Advisors on pending trade policy issues and initiatives. Keep committees abreast of key issues, opportunities, and constraints in trade negotiations. Keep committees updated on the positions of our negotiating partners.
- Consult regularly with Congress and stakeholders on developments regarding the TPP agreement, including potential new participants in the agreement.
- Consult with Congress and other stakeholders on new ways to expand trade and investment with the European Union, including addressing issues of common concern in third countries.
- Report on the results of monitoring Russia's compliance with international trade obligations.
- Consult with Congress and other stakeholders to develop and implement new initiatives for trade and investment integration with and within the MENA region.
- Hold conferences with U.S. and Indian States and Central/Federal governments regarding U.S.-South and Central Asia trade and investment issues.
- Maintain close collaboration with Congressional trade committees, the Trade and Environment Policy Advisory Committee (TEPAC), and other stakeholders in developing U.S. negotiating positions on trade and environment matters, including in the T-TIP negotiations, APEC and WTO initiatives, and relevant UN processes.
- Consult with TEPAC and other stakeholders on issues related to the implementation of environmental obligations in existing FTAs, as well as in implementation of the TPP agreement.

- Ensure that meetings of environmental affairs councils and related fora under FTAs include sessions open to the public, and provide for public input for the agendas of these public sessions.
- Consult broadly with Congress and other stakeholders to develop a U.S.-sub-Saharan Africa trade partnership beyond AGOA preferences, including exploring possible new models for agreements with African regional economic communities (RECs) or with the proposed Continental Free Trade Area of Africa. In that context, work with Congress to amend and ultimately extend AGOA to enhance the U.S.-Africa economic relationship and support Africa's development in line with the Presidential Directive on Development.
- Build support for trade agreements through existing pro-trade congressional coalitions and caucuses.
- Advise agencies and Congress on trade policy implications of relevant domestic or international cases, laws, and policies.
- Continue to consult regularly with interested stakeholders on trade negotiations, trade agreement implementation, and other issues.
- Monitor and participate in international negotiations led by other agencies on any topics (e.g., biodiversity, traditional knowledge, climate change, and pharmaceuticals/health) where proposed inclusion of IP language implicates trade policy.
- Monitor international negotiations led by other agencies where services and investment issues may arise.
- Convene regular advisory committee meetings and briefings as needed in coordination with other relevant agencies.
- Ensure timely re-chartering of committees and appointment of members and ensure that committees meet statutory reporting requirements.
- Ensure that the advisory committee system meets the needs of the 21st century economy and the U.S. national economic interest, by seeking advisory input on an ongoing basis as issues arise and posting documents for comment to the Secured Advisory Committee Website.
- Engage the committees to assist in supporting the trade agenda and provide them with regular informative updates on USTR issues and activities.
- Expand the membership and strengthen the effectiveness of the Trade Advisory Committee on Africa (TACA) to provide relevant advice on enhancing the U.S.-Africa trade and investment relationship.
- Effectively utilize the NSC Deputies and sub-Deputies process to ensure USTR leadership on key Administration trade policy goals and initiatives.
- Seek to resolve inter-agency trade policy issues at the TPSC level whenever possible, and in a timely manner, reserving only complex or sensitive decisions for resolution in the TPRG (deputy head of agency level).
- Contribute to informed policy making by means of a thorough and up-to-date understanding of the positions of other countries/entities based on direct contacts, input from U.S. diplomatic posts, and other sources.
- Ensure that the Annual Report of the President on the Trade Agreements Program, National Trade Estimates Report, including the TBT and SPS Reports, reports on telecommunications issues, special 301, and other reports required by statute are developed in a transparent manner, with opportunity for input from the public at large as well as stakeholders and Members of Congress, and accurately reflect the issues that are raised.
- Strategically select cities and organizations for trade speeches to demonstrate the importance of trade to the local economy.
- Conduct further outreach to U.S. states planning official visits and trade missions to India.
- Work closely with the Africa office to find ways to further promote use of AGOA. Continue our work with the South and Central Asia to examine the options for programs to help create opportunities for textile and apparel production within conflict areas in Afghanistan and Pakistan.

- Further promote Haiti/Hope/Help by working to arrange a high-profile USTR trip to Haiti to focus attention on the opportunities provided by those programs, including opportunities for U.S. exports. Take the lead in providing policy advice and assistance in support of any Congressional initiatives to reform or reexamine preference programs which have an impact on the textile and apparel sector.
- In collaboration with the ILO, work with of Jordan to improve working conditions in apparel factories in the QIZs.

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

To ensure the advancement of the President's trade policy agenda, USTR will communicate the benefits of international trade and international investment to domestic and foreign audiences, thereby building public understanding of trade's positive impact on economic growth, and support for additional jobs, and for opening markets around the world to trade and foreign investment.

##### **Objectives:**

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

##### **Measurements:**

- Work with other trade agencies, Congressional trade committees, and interested stakeholders to communicate the benefits of free trade and other agreements to the Congress, interested stakeholders, state and local governments, and the public.
- Work with the House Ways and Means and Senate Finance Committees to develop a strategy focusing on communicating the benefits of trade.
- Anticipate the need for and prepare press statements and press events to counter attacks on a liberalized trade policy.
- Survey external research to gauge baseline of current public perceptions of trade and adjust USTR's messaging strategy and develop trade education materials.
- Organize press events around high profile trade liberalization achievements.

- Develop talking points, fact sheets, press releases, electronic newsletters and internet strategy to explain the advantages of trade.
- Build network of private and non-governmental organizations and coordinate messaging on the benefits of trade.
- Establish a stronger state-level network of interested stakeholders and work with this network to offer opportunities for information exchange and trade education through USTR participation in conferences and external speaking engagements.
- Develop and distribute educational materials based on available state and local trade export data to interested stakeholders, state representatives and local networks, and seek improved state-level data.
- Coordinate press statements with interested agencies and the White House in order to present coherent and mutually reinforcing trade information to the public.
- Create an informal trade communications working group that meets periodically to examine trade messaging and opportunities for interagency and White House coordination.
- Build relationships with foreign media and place press statements and attend press events that build support for free and fair trade in key foreign countries.
- Identify foreign constituencies that may be receptive to information regarding the benefits, including environmental and social benefits, of free and fair trade.
- Work with USTR's public affairs counterparts in foreign governments to coordinate a communications strategy to advance trade negotiations and to explain trade disputes.
- Continue to conduct outreach to the public and to expand interagency coordination of enforcement efforts.
- Through cooperation with agencies at the U.S. Export Assistance Centers (USEACs), other key agencies and stakeholders, work to advance the goals of the NEI to increase U.S. exports, including through efforts to educate U.S. businesses – especially SMEs – about global trade opportunities.
- Identify ways to engage SMEs regarding trade, including through law-related groups.
- Ensure full integration of services and investment trade policy goals into USTR's strategy for communicating trade benefits.
- Plan and organize press events hosted by USTR officials and Members of Congress during trade negotiations in Washington as well as at other negotiating sites in the United States and abroad.
- Continue to make the case in speeches and other public events that our trade agreements and initiatives can and should be part of the solution to urgent international trade-related environmental challenges, including through our innovative TPP and T-TIP environment outcomes and proposals and other U.S. initiatives.
- Present and discuss evolving U.S. trade and investment policies in the EU, and the MENA region in business conferences and widely attended meetings of key private sector stakeholder organizations and relevant embassies.
- Prepare senior USTR official for public presentation and press interviews on U.S.-India trade and investment issues during trip to India.
- Continue outreach efforts in Afghanistan and Pakistan to explain U.S. preference programs and encourage better utilization.
- Encourage greater coordination and collaboration on trade and investment decision-making in Central and South Asia.
- Following up on our participation with OTEXA in the America's Sourcing Pavilion at the August MAGIC apparel show, we plan to implement a newly enhanced outreach program to SMEs in order to promote export and production opportunities in CAFTA-DR, NAFTA, Peru and Colombia for the textile and yarn industries.
- Closely collaborate with industry and other offices and Departments to monitor trade actions taken by partner countries on textiles and apparel to ensure that such actions are taken consistent with trade agreement obligations and do not impede U.S. export opportunities.

- Continue to work with industry to promote export and other opportunities under our free trade agreements, including through Magic, American Apparel and Footwear Association, U.S. Association of Importers of Textiles and Apparel, TPP Apparel Coalition, Outdoor Industries Association, Southern Textile Association, National Council of Textile Organizations, American Manufacturing Trade Action Coalition, California Fashion Association, Los Angeles textile Show, Los Angeles Apparel Mart, Texworld, Primesource, and other associations and events.
- Continue outreach to AGOA Coalition and other key stakeholders, and as part of the Administration's newly launched Doing Business in Africa campaign (an outgrowth of the PPD), broaden our outreach to the private sector (especially SMEs), diaspora organizations and businesses, and others to ensure that they are well informed about the elements of the PPD, its implications for U.S. trade policy with sub-Saharan Africa, and the growing opportunities for mutually beneficial U.S.-Africa ventures.
- We will also use domestic and foreign travel by our senior leadership to further highlight the goals of the PPD to our African partners and advance PPD-related initiatives such as the Trade Africa and the U.S.-EAC Trade and Investment Partnership.
- Continue to update and implement USTR's Open Government Plan.
- Respond appropriately and timely to all statutory requests, such as Freedom of Information Act (FOIA) inquiries and Government Accountability Office (GAO) investigations/reports.

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

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

#### **Objectives:**

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

#### **Measurements:**

- Implement a comprehensive information security program that meets E.O. 13526 and ISOO Directive One.
- Implement a physical security program that meets HSPD-12.
- Develop procedures to protect USTR personnel in high threat situations and environments and provide appropriate level of protection for the USTR office complex.

- Employ zero-based program budgeting in developing multi-year business plans.
- Manage spending plan to maximize USTR's productivity and efficiency.
- Implement the USTR strategic human capital management and succession plans and develop strategies that ensure human capital is well-managed.
- Perform operational responsibilities to ensure high quality administrative and human resources support.
- Adopt administrative services procedures that provide responsive and timely support to USTR staff.
- Foster a high-performing administrative staff that provides efficient and effective support to USTR offices and employees.
- Implement the long-range master plan for USTR space utilization and allocation that provides the quality and quantity of office and meeting facilities appropriate for USTR's business requirements.
- Plan for more meeting rooms to accommodate the growing need for meeting space.
- Complete USTR office complex upgrades to provide attractive, safe, and functional offices and meeting space.
- Implement building maintenance plans that facilitate mission accomplishment and promote employee health and well-being by providing clean and well-functioning facilities.
- Acquire and install information technology (IT) and communications equipment that facilitates mission accomplishment.
- Ensure that IT and communications systems for Geneva provide robust connectivity and continuity of operations.
- Employ just-in-time training, instructional seminars and job aids to ensure highest possible use of IT capabilities.
- Partner with the Executive Office of the President (EOP) Health and Wellness Council to encourage employee participation in EOP activities related to health and wellness.

# ANNUAL PERFORMANCE REPORT FOR FISCAL YEAR 2013

## **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 2013. This report is produced with input from the Assistant U.S. Trade Representatives and other senior agency officials. Non-Federal entities did not provide input into this report.

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

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

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

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

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

Creating new opportunities for U.S. commerce involves the identification and dismantling of barriers to trade and investment. This objective is addressed through annual performance goals related to numerous multilateral, plurilateral, bilateral and sectoral trade agreements, at various stages of completion and work in international organizations. USTR also participates in the negotiation of other agreements, e.g. multilateral environmental agreements.

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

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

President on the Trade Agreements Program.

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

A critical factor in attaining this goal is the regular review of implementation of trade agreements. USTR identifies strategies for resolving implementation problems wherever they exist. It is important to note that monitoring of compliance with FTA provisions includes labor and environment provisions. Other annual goals speak to the identification of cases where WTO or FTA dispute settlement procedures are the most effective means to address a dispute. During each year, USTR also analyzes dispute settlement procedures and works to clarify and improve the rules. Since the establishment of the WTO in 1994, the United States has filed 104 complaints at the WTO, thus far successfully concluding 70 of them by settling 29 disputes favorably and prevailing in 41 others through litigation before WTO panels and the Appellate Body. The National Trade Estimate (NTE) Report, as well as the Reports on Sanitary and Phytosanitary (SPS) Measures and Technical Barriers to Trade (TBT) describe significant barriers to U.S. trade and investment as well as the actions being taken by the USTR to address those barriers. USTR's annual "Special 301 Report" entails year-round monitoring and follow-up on identified concerns regarding the state of intellectual property rights protection and enforcement in our trading partners.

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

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

The Advisory Committee System, established by Congress under the Trade Act of 1974, as amended, was created to ensure that U.S. trade policy and trade negotiation objectives adequately reflect U.S. commercial and economic interests. The trade policy advisory committee system currently consists of 28 advisory committees. The system is arranged in 3 tiers: the President's Advisory Committee for Trade Policy and Negotiations (ACTPN); 5 policy advisory committees dealing with environment, labor, agriculture, sub-Saharan Africa, and state and local issues; and 22 technical advisory committees in the areas of industry and agriculture.

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

Members of the five policy advisory committees are appointed by USTR or in conjunction with other Cabinet members. The Intergovernmental Policy Advisory Committee (IGPAC), the Trade and Environment Policy Advisory Committee (TEPAC), and the Trade Advisory Committee for Africa (TACA) are appointed and managed by USTR. The Agricultural Policy Advisory Committee (APAC) is managed jointly with the Department of Agriculture and the Labor Advisory Committee for Trade Negotiations and Trade Policy (LAC) is managed jointly with the Department of Labor. The 22 technical and sectoral advisory committees are organized into two areas: agriculture and industry, and are

appointed and managed jointly by the U.S. Trade Representative and the Secretaries of Agriculture and Commerce, respectively.

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

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

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

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

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

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

## **IV. FISCAL YEAR 2013 GOALS AND ACCOMPLISHMENTS**

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

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

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

#### **Objectives:**

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

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

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

#### **Accomplishments:**

USTR's trade policy, negotiations, and enforcement actions have been critical to building and opening markets for U.S. businesses, farmers, ranchers, service providers, and workers, and increasing their exports. It has been a driver of our economic recovery and a key to supporting export-related jobs for Americans and advancing the NEI. Highlights of USTR's accomplishments in 2013 in creating new export opportunities for the United States in concrete ways and in ensuring American workers and firms are dealt into emerging global supply chains, rather than being dealt out of them, include:

- *Negotiated Agreement on the Bali Package at the WTO's Ninth Ministerial Conference (MC9), including a new WTO Trade Facilitation Agreement.* On December 7, 2013, WTO Members concluded their Ninth Ministerial Conference in Bali, Indonesia, with a package of outcomes on trade facilitation, agriculture, and development. This package was the result of two years of negotiations following the collective assessment at the Eighth Ministerial Conference in Geneva, in December 2011, that the Doha Round was at an impasse and that new, credible approaches were needed, including the conclusion of early agreements, where possible. The new Trade Facilitation Agreement represents the first new multilateral agreement in the WTO since its creation in 1995 and, when implemented, promises to substantially reduce costs and inefficiencies associated with customs

barriers that impede global trade in goods. Estimates from the OECD suggest that these costs could be reduced by as much as 10 percent for developed countries and 15 percent for developing countries. With these results, the WTO has regained some credibility to the potential for multilateral negotiations and is poised to consider how to take up other parts of the Doha agenda. Resumption of Doha negotiations should not preclude more active consideration of WTO negotiations outside the Doha Round, including potential plurilateral approaches.

- *Significantly Advanced the Trans-Pacific Partnership (TPP) Negotiations.* In 2013, the United States and 11 partners (Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam) substantially advanced the negotiation of a comprehensive, high-standard TPP agreement that will expand U.S. access to the markets of the dynamic Asia-Pacific region, and support the increase of exports, economic growth, and jobs in the United States. TPP addresses new and emerging 21<sup>st</sup> century issues of concern to U.S. stakeholders. TPP negotiators held four formal TPP negotiating rounds and numerous intercessional meetings this year, augmented by a Leaders meeting and four Ministerial Meetings. Work to finalize the TPP will continue into 2014.
- *Created Greater Opportunities in TPP through Japan's Participation.* The potential economic and export opportunities of the TPP for the United States were significantly increased with Japan's participation in the TPP beginning in July 2013, and with the twelve TPP countries now representing nearly 40 percent of global GDP and a third of global trade. The United States was able to support Japan's entry into the negotiations following the successful conclusion of bilateral consultations that resulted in a series of agreements with and actions by Japan. Among other steps, these included agreement on the terms for bilateral negotiations being conducted in parallel to the TPP negotiations to address issues related to automotive trade, insurance, and other non-tariff measures.
- *Launched Comprehensive Trade and Investment Negotiations with the European Union.* On June 17, at the conclusion of the U.S.-EU Summit meeting in the United Kingdom, President Obama and EU leaders announced that the United States and the EU would launch negotiations on a comprehensive trade and investment agreement – the Transatlantic Trade and Investment Partnership (T-TIP) – to strengthen a partnership that already supports \$1 billion in two-way trade, \$4 trillion in investment, and 13 million jobs. This launch followed a 14-month intensive analysis of trade and investment options for the EU and the United States under the High Level Working Group for Jobs and Growth, which culminated in a February 13 report recommending a comprehensive negotiation. Negotiations were initiated in July; succeeding rounds of talks took place in November and December. The United States and the EU plan to hold five negotiating rounds in 2014. Although the U.S.-EU trade relationship is already the world's largest, the T-TIP holds the potential to further increase trade and economic growth on both sides of the Atlantic.
- *Launched the Trade in Services Agreement (TiSA).* A free-trade agreement focused exclusively on services, TiSA will encompass state-of-the-art trade rules aimed at promoting fair and open competition across the full spectrum of service sectors. Twenty-three parties, including the EU on behalf of its 28 Member states, are presently participating in TiSA, representing almost two-thirds of world trade in services and a combined services market exceeding \$30 trillion – or approximately half of the global economy. With every \$1 billion in services exports supporting an estimated 4,000 U.S. jobs, promoting the expansion of services trade globally will pay dividends for the United States.
- *Advanced Negotiations to Expand Product Coverage of the Information Technology Agreement (ITA).* The United States led efforts in Geneva to advance negotiations to expand the scope of products covered by the ITA. As a result of persistent and targeted outreach, WTO Member participation in the negotiations expanded from 6 Members at the launch of negotiations in May

2012, to 28 Members by September 2013, representing a critical mass of global ICT trade (approximately 90 percent). Eliminating duties on new products that have been or will be developed holds the potential to significantly increase U.S. technology exports.

- *Advanced the Implementation of the Revised WTO Agreement on Government Procurement (GPA).* In March 2012, the Parties to the WTO GPA adopted a major revision of the Agreement, concluding a decade of negotiations. The revised Agreement expands the procurement covered under the GPA to provide U.S. goods, services, and suppliers with new opportunities to participate in procurement in the other Parties to the GPA. The revised Agreement also includes a significant improvement by modernizing the text to reflect current procurement practices and clarifying its obligations. The revised Agreement will enter into force when two-thirds of the Parties to the current Agreement have accepted it. As of December 2013, the United States was one of seven Members that had deposited their instrument of acceptance. At the Bali ministerial, Ministers of GPA Parties declared the shared objective of bringing the revised GPA into force, as soon as possible, but not later than March 31, 2014. China advanced its negotiations to accede to the GPA by tabling a fourth revised offer. In July, Croatia acceded to the GPA as an EU Member state. Montenegro commenced negotiations to accede to the GPA and New Zealand tabled a revised offer.
- *Supported WTO Accessions for Prospective New Member Nations.* With strong support from the United States, Yemen became the WTO's 160<sup>th</sup> Member in December. USTR also worked to advance WTO accession negotiations with Afghanistan, Bosnia-Herzegovina, Ethiopia, Kazakhstan, Liberia, and Seychelles.
- *Advanced WTO Accession Negotiations in Services.* USTR completed a bilateral services accession agreement with Bosnia, which included the reduction of impediments to energy service and express delivery services. USTR also began the review of the consolidation of the results of bilateral services negotiations with Kazakhstan, in close cooperation with the EU.
- *Monitored WTO Protectionism.* USTR continues to actively participate in the WTO's twice yearly trade protectionism monitoring exercise, which provides all Members and Observers with an opportunity to flag new barriers to trade as well as any problematic trade trends that may be arising.
- *Pursued systemic problems and market access impediments through the WTO Committee system.* USTR continued to aggressively use the WTO Committee system to urge other WTO Members to move away from practices that negatively affect the multilateral trading system. USTR also continued to use the Committees to seek changes in individual Members' trading practices, so as to lessen impediments to market access for U.S. exporters. In the Committee on Subsidies and Countervailing Measures, USTR continued to press China and India through the counter-notification mechanism to notify their subsidy programs. In response to an alarming increase in safeguard actions that have restricted U.S. exports in recent years, the United States has worked with other countries to press for compliance with WTO obligations on transparency and due process in safeguards investigations, and led a multi-country group in organizing informal discussion groups regarding WTO Members' experiences in complying with the requirements under the WTO Agreement on Safeguards.
- *Key Exports Increased Under the United States-Korea Free Trade Agreement.* In 2013, fifteen committees and working groups established under the agreement met to monitor the implementation of FTA commitments. Despite the weak Korean economy that depressed its overall imports of goods from the world, a number of U.S. products that won substantial market access improvements under

the agreement posted solid export gains – including manufactured goods, aircraft, electrical equipment, pharmaceuticals, services, and numerous agricultural products from dairy to fruits.

- *Expanded Trade with Colombia.* The United States-Colombia Trade Promotion Agreement celebrated the first anniversary of its implementation in May 2013. U.S. goods exports were up 14.2 percent for the first 11 months of 2013 as compared to the same period in 2012. Transportation equipment exports increased substantially, along with exports of petroleum and coal products, processed foods, and electronics. USTR also continued its work with the U.S. Department of Labor and the Colombian government to oversee steady advances with respect to implementation of the Colombia Action Plan Related to Labor Rights.
- *Strengthened our Economic Relationship with Panama.* In November, Vice President Biden traveled to Panama to highlight, among other things, the U.S.-Panama economic relationship, including the first anniversary of the entry-into-force of the United States-Panama Trade Promotion Agreement on October 31, 2013. U.S. goods exports to Panama for the first year following the Agreement's entry into force (November 2012-October 2013) were 14.6 percent higher than the same period in 2011-12.
- *Addressed Key Agriculture Market Access Issues with Korea, Colombia, and Panama.* As part of the implementation of the United States-Colombia Trade Promotion Agreement, the United States-Panama Trade Promotion Agreement, and the United States-Korea Free Trade Agreement, USTR held the first meetings of the Agriculture and SPS Committees under these agreements. A wide range of key market access issues for U.S. agriculture were addressed at these meetings, including tariff-rate quota administration, and SPS issues involving U.S. meat and plant products.
- *Increased Opportunities for Exports of U.S. Meats and Animals to the European Union (EU).* USTR engaged with the European Commission to advance the adoption and implementation of new EU regulations allowing the use of lactic acid as a pathogen reduction treatment on beef. The approval of lactic acid enables more U.S. beef processors to export beef to Europe. USTR also engaged with the EU and Member state officials to establish requirements for live swine shipments from the United States. Since the EU's new import requirements entered into force in February 2013, shipments of live breeding swine have increased 210 percent.
- *Enhanced Supply Chain Performance and Trade in the Asia-Pacific Region.* The United States worked closely with the APEC economies to reach agreement on a plan to provide targeted and focused capacity-building to member economies to support achievement of APEC's goal of a 10 percent improvement in supply chain performance in the region by 2015. This included establishing and securing the first donations to the APEC Trade and Investment Liberalization Sub-Fund on Supply Chain Connectivity, which will finance cutting-edge technical assistance to make it easier, cheaper, and faster to do business in the Asia-Pacific region.
- *Launched Trade and Investment Discussions under the U.S.-ASEAN Expanded Economic Engagement (E3) Initiative.* In 2013, the United States initiated discussions with ASEAN on a range of trade and investment initiatives aimed at broadening and deepening U.S. economic cooperation with this fast-growing region and laying the groundwork for ASEAN countries to prepare to join high-standard trade agreements like the TPP when they are ready and willing to do so. This year's activities included a week-long visit or Road Show to the United States by ASEAN economic ministers for trade discussions and business promotion activities as well as a business summit in Bandar Seri Begawan, Brunei, which brought together leading U.S. and ASEAN business executives and government officials for discussions on regional trade and investment issues.

- *Worked Bilaterally to Strengthen Intellectual Property Protections in Asia.* USTR engaged closely with Thailand and the Philippines as they took steps to bolster IP protection. Thailand established a dedicated IPR enforcement center, and the Philippines’ enacted long-awaited amendments to its Intellectual Property Code, including strong enforcement provisions, and significant actions to address piracy over the Internet. USTR also coordinated with Taiwan on its strengthening of its “Trade Secret Act”. The new act included increased deterrent penalties and enhanced penalties to deter cross-border theft.
- *Substantially Increased Market Access for U.S. Beef into Japan.* The United States and Japan agreed on new terms and conditions for import of beef from cattle less than 30 months of age, compared to the previous limit of 20 months. In 2013, with the arrangement in place, U.S. beef exports to Japan increased \$360 million or 35 percent compared to 2012.
- *Negotiated an Organic Equivalence Arrangement with the Government of Japan.* This new Arrangement ensures that organic products certified in Japan or in the United States may be sold as organic in either country. The U.S organic sector is valued at more than \$30 billion. This partnership between two significant organic markets will streamline U.S. farmers and processors access to the growing Japanese organic market, benefiting the thriving organic industry and supporting jobs and businesses on a global scale.
- *Made Progress with China on Key Trade Issues.* USTR used the U.S.-China Joint Commission on Commerce and Trade, the U.S.-China Strategic and Economic Dialogue and other bilateral engagements to make meaningful progress on key trade and investment issues, though there is more work to do. This year, the United States secured China’s commitments to take significant steps on IP and innovation, as China recognized the need to strengthen procedures and remedies against the misappropriation of trade secrets; to enforce requirements on state-owned enterprises to purchase legitimate software; and to take effective legislative and other measures to fight counterfeiting and piracy, particularly on the Internet. China also confirmed that it would provide patent protection for pharmaceutical inventions in line with international norms. In addition, China agreed to remove certain barriers associated with 4G telecommunications devices, Chinese government procurement of vehicles, and recognition of testing and certification organizations, among other actions. Finally, China committed to submit a significantly improved revised offer by the end of 2013 to join the WTO Government Procurement Agreement (GPA) and to submit an even more ambitious offer in 2014 that is, on the whole, commensurate with the commitments of other GPA members. The United States also requested regulatory approvals for biotech soybean varieties, leading to the renewal and approval of several key varieties facilitating trade of U.S. exports of soybeans valued at more than \$13 billion. Through strategic regulatory engagement, China lifted its suspension on U.S. poultry imports, due to avian influenza, from Arkansas and Virginia.
- *Strengthened our Economic Relationship with Mexico.* In May 2013, President Obama and Mexican President Peña Nieto established the High Level Economic Dialogue (HLED). The HLED, which is led at the cabinet level, is a flexible platform intended to advance strategic economic and commercial priorities central to promoting mutual economic growth, job creation, and global competitiveness. In September 2013, Ambassador Froman joined Vice President Biden at the first meeting of the HLED. The United States and Mexico developed an initial work plan laying out potential areas for cooperation under three broad pillars: Promoting Competitiveness and Connectivity; Fostering Economic Growth, Productivity, Entrepreneurship, and Innovation; and Partnering for Regional and Global Leadership.

- *Boosted U.S. Agricultural Exports to Mexico.* Mexico is our third largest market for U.S. agricultural products. In 2013, the United States worked with Mexico to remove Mexican barriers to exports of U.S. beef products. In addition, the United States continues to monitor Mexico’s use of SPS measures to ensure that they are not applied in a way that would improperly impede U.S. exports.
- *Strengthened Economic Engagement with India.* USTR worked with the government of India to establish a new series of regular discussions between capital-based experts covering the range of bilateral trade and investment policy issues, including intellectual property rights, services market access, and barriers to U.S. agricultural exports.
- *Eliminated Barriers to U.S. Exports and Investments in India.* Working with other government agencies to emphasize the possibility of achieving legitimate security objectives without disrupting imports, USTR successfully urged the government of India to remove certain discriminatory domestic purchase mandates in its Preferential Market Access (PMA) policy.
- *Boosted Bilateral Trade with Brazil in Distilled Spirits.* Pursuant to a 2012 exchange of letters between USTR and its counterpart ministry in Brazil, the Department of Treasury’s Alcohol and Tobacco Tax and Trade Bureau published a final rule in February 2013 recognizing “Cachaça” as a distinctive product of Brazil. In exchange, in March 2013, Brazil recognized “Tennessee Whiskey” and “Bourbon” as distinctive products of the United States. This positive development is expected to yield significantly increased bilateral trade in distilled spirits.
- *Negotiated the Protocol to the Agreement on Requirements for Wine Labelling with the World Wine Trade Group.* The Protocol will facilitate trade in wine by creating more uniform labelling requirements concerning information on alcohol tolerance, vintage, variety, and wine regions that are consistent with U.S. efforts to promote international regulatory cooperation.
- *Negotiated an extension of the U.S.-Israel Agreement on Trade in Agricultural Products.* This extension provides exports of U.S. food and agricultural products to Israel favorable tariff treatment. U.S. agricultural exports to Israel totaled \$629 million in 2013.
- *Brought Into Force the U.S.-Israel Telecommunications Mutual Recognition Agreement.* In November, USTR brought into force the Mutual Recognition Agreement between the Government of the United States of America and the Government of the State of Israel for Conformity Assessment of Telecommunications Equipment.
- *Reduced Costs and Delays for U.S. Exports of Toys to Indonesia.* In November 2013, Indonesia delayed full implementation of a new toy regulation and adopted a two-year transition period during which it would accept testing from labs accredited under International Laboratory Accreditation Cooperation. The change will enhance the competitiveness of the U.S. toy industry as it will not have to undergo in-country, duplicative testing.
- *Pursued Enhanced Trade and Investment Relations with Turkey.* In May, President Obama and Turkish Prime Minister Erdogan announced the formation of a bilateral High Level Committee, associated with the existing cabinet-level Framework for Strategic Economic and Commercial Cooperation consultations that the two countries have pursued since 2010. The High Level Committee, co-chaired by USTR and the Turkish Ministry of Economy, has as its ultimate objective the development of new ways to deepen U.S.-Turkey economic relations and liberalize bilateral trade. The Committee held its first meeting in September.

- *Implemented the Middle East/North Africa Trade and Investment Partnership.* USTR took concrete steps to increase regional trade and investment integration across the Middle East and North Africa (MENA) region. Following success with Morocco in reaching agreements on trade facilitation, foreign investment principles, and information and communication technology services trade principles, USTR reached consensus with Jordan on the two sets of principles and is working to complete a trade facilitation agreement with Jordan and make progress on all three initiatives with Egypt, Tunisia, and Algeria. The U.S. Trade Representative in March advanced the twin goals of increasing Egypt-Israel trade and increasing Egyptian exports by modifying the Qualifying Industrial Zones in Egypt to make all production facilities, present and future, located in these zones potentially eligible, in cooperation with Israeli firms, to export goods to the United States on a duty free basis.
- *Launched a U.S.-Tunisia Small Business Initiative under the MENA Trade and Investment Partnership (TIP).* USTR and USAID launched a U.S.-Tunisia Small and Medium Enterprise program to provide training in the U.S. Small Business Development Center model and technical assistance to firms, with the goal of fostering more small business partnerships and trade opportunities between the two countries. Exchange of best practices to support small business are part of the Obama Administration's Middle East and North Africa Trade and Investment Partnership, which is aimed at enhancing our broader economic cooperation with Arab countries in transition.
- *Led U.S. Government Efforts to Develop and Implement Obama Administration's Trade Africa Initiative.* Played a key role in developing the Trade Africa Initiative prior to the President's rollout of the initiative in Tanzania in July 2013. Subsequent to the President's announcement, established a Trade Policy Subcommittee on Trade Africa. USTR also continued to implement various aspects of the June 2012 PPD for sub-Saharan Africa, particularly the critical second pillar to "spur economic growth, trade, and investment".
- *Advanced Negotiations with the EAC on the U.S.-EAC Trade and Investment Partnership (TIP).* USTR advanced negotiations with the EAC on the U.S.-EAC TIP, including negotiations for an Action Plan on trade facilitation, SPS and TBT issues; exploring negotiation of an investment treaty with the EAC; working with the Department of Commerce on the U.S.-EAC Commercial Dialogue; and with the U.S. Agency for International Development (USAID) on the transformation of the East Africa Trade Hub into a Trade and Investment Center, and on advancing the new U.S. Government partnership with Trade Mark East Africa to improve intra-EAC trade and cross border movements.
- *Launched Negotiations for a TIFA with the Economic Community of West African States (ECOWAS).* In March 2013, during a visit by four African Leaders to the United States, the President announced that the United States would begin negotiating a TIFA with ECOWAS.
- *Concluded and Signed TIFAs with Burma and Libya.* The United States signed TIFAs with Burma and Libya in May and December, respectively. The TIFAs create forums to encourage both countries to adopt rules-based market reforms and further integrate into the global economy, creating a platform for ongoing dialogue and cooperation on trade and investment issues between our governments.
- *Signed the United States-Bangladesh Trade and Investment Cooperation Forum Agreement.* On November 25, 2013 the United States and the People's Republic of Bangladesh signed the Trade and Investment Cooperation Forum Agreement (TICFA) after several years of negotiation. The TICFA will provide a forum for discussions on a wide range of trade and investment issues, including how to improve worker rights and worker safety issues.

- *Promoted Trade, Investment, and Regional Cooperation in Central Asia.* 2013 saw the acceleration of work under USTR’s innovative plurilateral Trade and Investment Framework Agreement with the five countries comprising Central Asia. With the aim of promoting greater regional Central Asia regional cooperation, the 2013 TIFA meeting in Ashgabat, Turkmenistan made progress in reducing customs delays and other burdensome border measures across the region. The group also enhanced its cooperation with Afghanistan, which has TIFA Observer status.
- *Used Trade to Empower Women in Central Asia.* Recognizing that trade and the financial independence it fosters can be a powerful instrument for empowering women and raising their status within traditional societies, USTR concluded a Memorandum of Understanding (MOU) with Afghanistan that sets out how we will work together to encourage greater involvement of women in trade and investment. MOUs on women’s empowerment with other regional trading partners are being considered, and women’s issues are an agenda item in all of our TIFA meetings throughout the South and Central Asia region.
- *Strengthened Economic Ties with Iraq.* USTR continued to foster rapidly growing trade and investment with Iraq via meetings under the Trade and Finance Sub-Group of the Joint Coordinating Committee. 2013 saw the entry into force of the United States-Iraq TIFA, and preparations are well advanced for the inaugural TIFA meeting and associated “Iraq Business Week” commercial and private sector events in early 2014.
- *Addressed Trade Distorting Local Content Requirements.* The United States spearheaded work in APEC to draw attention to the negative impact of localization barriers to trade and shape a set of APEC Best Practices to Create Jobs and Increase Competitiveness, a trade and investment friendly model that economies can use to pursue their domestic economic objectives without resorting to local content requirements. In the WTO TRIMs Committee, USTR raised concerns with regards to local content measures in Nigeria, Indonesia, Brazil, China, and India. USTR engaged with Brazil to discourage the adoption of tax measures based on local content and supported efforts to seek the removal of local content requirements in the energy sector in Nigeria.
- *Supported Protection and Enforcement of Intellectual Property Rights.* USTR coordinated with trading partners in numerous international organizations (e.g., APEC, OECD, UN, UNFCCC, WIPO, and WTO) to promote U.S. IPR interests and to defend against the erosion of IPR protection and enforcement. USTR provided trade-related IP policy expertise to other agencies in connection with the U.S. Government’s IP protection and enforcement strategy (e.g., the 2013 Joint Strategic Plan on IP Enforcement, and the Administration Strategy on Mitigating the Theft of U.S. Trade Secrets), including efforts to negotiate appropriately balanced references to IP in a wide range of international fora, and worked within the U.S. Government to ensure international IPR commitments are reflected in domestic policy initiatives. USTR also advanced the development and implementation of its transparency policy, including through intensive stakeholder engagement with Congress, academia, civil society, industry, labor and others on IPR issues
- *Advanced Environmental Objectives in Supporting Global Trade.* USTR participated in negotiations to conclude a United Nations agreement on mercury use and trade, the first multilateral environmental agreement that the United States has joined in decades, and participated in the UN Framework Convention on Climate Change negotiations to ensure outcomes consistent with U.S. trade policy. The agency also led U.S. Government participation in the APEC Experts Group on Illegal Logging, and convened APEC’s first public-private sector dialogue to discuss challenges, activities, and new technologies in the forestry sector, with participation from a broad range of business and civil society representatives. USTR also continued to advance efforts to enhance transparency and discipline

harmful fisheries subsidies and to combat illegal fishing and associated trade through efforts in APEC, TPP, and in several regional fisheries management organizations; contributed to the development of a national strategy to stem illegal trade in wildlife and wildlife products pursuant to the July 1, 2013 Presidential Executive Order on “Combating Wildlife Trafficking”; and launched a work program on electronics stewardship in APEC to increase understanding of the environmental, economic, and social impacts of trade in used electronics and to promote safe handling of used electronics.

- *Advanced APEC’s Ground-breaking Work on Environmental Goods.* APEC economies, spurred on by the United States, advanced their commitment to reduce tariffs on environmental goods to 5 percent or less by developing a capacity-building plan to assist economies to implement this commitment. APEC also established a public-private forum to address non-tariff barriers in this sector.
- *Furthered BIT Negotiations and Exploratory Discussions.* Initiated exploratory discussions with Cambodia, Gabon, and Kuwait, and significantly advanced exploratory discussions with the five Partner States of the EAC. In addition, USTR secured political-level commitment from India to resume formal BIT negotiations, notwithstanding that country’s ongoing internal review of its BIT policy. USTR also held two rounds of BIT negotiations with China, and secured, as a U.S. – China Strategic and Economic Dialogue outcome, agreement that China will apply, for the first time in a BIT, the U.S. approach to national treatment.
- *Advanced the Adoption of Principles for Investment and ICT Services to Promote Global Services Liberalization.* USTR secured EU agreement to adopt joint investment principles and promote adoption of these principles among other countries. The United States secured Jordan’s, Morocco’s, and Taiwan’s agreement to adopt investment principles modeled on the U.S.-EU texts. USTR engaged in extensive discussions to secure additional endorsement of the Principles from key partners in the MENA region (Egypt, Tunisia, Turkey), and with ASEAN Member States, as a component of the U.S.-ASEAN Expanded Economic Engagement (E3) initiative. USTR continued its leadership role in the CFIUS Committee to ensure CFIUS decisions are consistent with US open investment policy, and participated in CFIUS Review of over 100 cases.
- *Re-opened Indonesia’s Market to U.S. Beef.* Following the finding of a Bovine Spongiform Encephalopathy (BSE) case in California in April 2012, Indonesia banned the importation of U.S. meat and bone meal (MBM), bone-in beef, offals, and gelatin. Indonesia removed the ban on June 25, 2013 following the International Organization for Animal Health member countries decision to recognize the United States as a negligible BSE risk country. This action reopened Indonesia’s market. In 2013, U.S. exports of beef and beef products to Indonesia reached \$16.8 million, and exports of MBM and animal feeds containing MBM totaled \$53.7 million, the largest U.S. market for MBM, accounting for 30 percent of all shipments.
- *Removed Restrictive Regulations and Import Duties on Exports of U.S. Soybeans to Indonesia.* In September 2013, Indonesia eliminated import quotas, pre-shipment inspection, local soybean purchase requirements, and government-mandated sales at set prices for soybeans, which had been adopted earlier in the year. The Indonesian Government also temporarily removed the five percent import duty on soybeans. Soybeans are the top U.S. agricultural export to Indonesia, totaling just under \$1 billion in annual exports.
- *Renewed and Expanded Indonesia’s Recognition of U.S. Horticulture.* In January 2013, Indonesia renewed its recognition of the U.S. food safety for fresh foods of plant origin for two years. The

recognition also extended the list of covered horticulture products from 32 to 100. This recognition also ensured the U.S. and other foreign exporters could continue to enter through the port of Jakarta, which is used for shipments of more than 90 percent of U.S. horticultural exports to Indonesia, valued at over \$110 million annually.

- *Launched the Standards Alliance Initiative.* In November 2012, USTR and USAID launched the “Standards Alliance” to provide expert advice and technical assistance to developing countries seeking to strengthen their implementation of the Technical Barriers to Trade Agreement. The program shifted into high gear in 2013, with new programs starting up in Peru, Colombia and in Southern Africa and additional programs being negotiated.

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

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

### **Objectives:**

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

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

### **Accomplishments:**

Using every tool available, USTR vigorously enforced U.S. rights under our trade agreements, ensuring that more Americans realized the benefits promised by those pacts. The Administration's robust enforcement efforts are securing a level playing field for American workers, farmers, ranchers, manufacturers, and service providers, increasing U.S. export opportunities, and helping U.S. producers stay globally competitive in a variety of sectors and industries even in today's difficult economic environment. The President's comprehensive trade enforcement strategy also promotes and protects innovation critical to U.S. exports and well-paying 21<sup>st</sup> century jobs, and upholds key commitments to protect labor rights and the environment.

- *Prevailed Against Chinese Duties on U.S. Exports of Chicken Broiler Products.* In September 2013, the WTO adopted a panel report finding that the United States had demonstrated that China's antidumping and countervailing duties on chicken broiler products breached WTO rules. This dispute is a critical win for our poultry industry as the WTO panel rejected China's approach of refusing to use the companies' own accounting books and records to establish costs, artificially inflating the dumping. This dispute is a clear example of USTR's strategy to fight back against China's misuse of its trade remedies laws and to seek to ensure that China does not unfairly block U.S. exports. China will now have a period of time to comply, expiring in July 2014.
- *Challenged Indonesia's Use of Import Licensing Restrictions.* In August 2013, the United States and New Zealand each requested consultations with Indonesia concerning its non-automatic import

licensing requirements and quotas that serve as serious impediments to trade in horticultural products, animals, and animal products. After the United States filed its original consultations request with Indonesia in January 2013, Indonesia revised its measures, but these changes did not remove the trade restrictions. Indonesia's complex web of import licensing requirements, along with quotas, has the effect of unfairly restricting U.S. exports. Consultations on the revised measures were held in September 2013, and the United States, together with New Zealand, is actively considering next steps to ensure that U.S. exporters can compete without market access restrictions.

- *Challenged India's Discriminatory Local Content Requirements on Solar Cells and Modules.* In February 2013, the United States requested WTO consultations with India concerning domestic content requirements in India's national solar program. India's program discriminates against U.S. solar equipment by requiring solar energy producers to use Indian-manufactured solar cells and modules and by offering subsidies to those developers for using domestic equipment instead of imports. These forced localization requirements of India's national solar program restrict India's market for U.S. imports. India has not removed and has even expanded local content requirements in its solar program, and the United States is actively considering next steps. Tackling these barriers is a top priority of the Obama Administration.
- *Launched a Section 301 Investigation of Ukraine's Intellectual Property Practices.* In May 2013, the USTR initiated an investigation under section 301 of the 1974 Trade Act concerning the acts, policies, and practices of the Government of Ukraine with respect to intellectual property rights. The investigation is addressed to critical problems in Ukraine's IPR regime with respect to government use of pirated software, piracy over the Internet, and non-transparent and unfair administration and operation of copyright collecting societies. In September 2013, USTR held a public hearing on the issues under investigation. The investigation is due to be concluded in 2014.
- *Monitored Chinese Actions on Duties on U.S. Steel Exports.* In November 2012 the WTO adopted panel and Appellate Body reports vindicating U.S. claims that China failed to abide by its substantive and procedural obligations in imposing anti-dumping and countervailing duties on hundreds of millions of dollars' worth of grain-oriented electrical steel (GOES) made in Ohio and Pennsylvania. China announced that it had complied with the WTO recommendations in August 2013. The United States disagreed and is actively evaluating China's measures and next steps to ensure that U.S. GOES exports regain their access to China's large and growing market.
- *Monitored Chinese Actions Affecting Electronic Payment Services (EPS).* In August 2012, the WTO adopted a panel report finding that the United States had demonstrated that China's restrictions on foreign suppliers of EPS for card-based transactions were inconsistent with commitments China made when it joined the WTO. China announced in July 2013 that it had complied with the WTO recommendations, but the United States disagreed. USTR considers that China continues to deny market access to foreign service providers, including the American EPS providers, who are world leaders in this sector. The United States has raised its concerns at the WTO and is evaluating China's actions and considering next steps to insist on the market access to which U.S. EPS suppliers are entitled.
- *Prevailed Against China's Unfair Restrictions on Access to Raw Materials.* The United States prevailed in WTO dispute settlement against China's export restraints on a number of industrial raw materials (i.e., bauxite, coke, fluorspar, magnesium, manganese, silicon carbide, silicon metal, yellow phosphorus, and zinc). These restraints can artificially increase world prices for these raw material inputs while artificially lowering input prices for Chinese producers, skewing the playing field against U.S. producers and exporters of processed steel, aluminum and chemical products, and a wide range

of further processed products. China revised several measures in response to the ruling, and the United States will continue to monitor the actions China has taken to comply with this important victory.

- *Challenged Chinese Duties on U.S. Exports of Automobiles.* In 2013, the United States continued to pursue its WTO challenge to China's imposition of antidumping and countervailing duties on exports to China of American automobiles. In this dispute, USTR is fighting to ensure that China does not block U.S. exports by misusing its trade laws and otherwise breaching its international trade commitments. The United States has participated in two panel meetings this year, and a decision is expected in 2014.
- *Exercised U.S. Trade Rights to Defend and Secure a Level Playing Field for American Aerospace Manufacturers.* The United States continued to pursue compliance panel proceedings launched in April 2012 due to the EU's failure to comply with the WTO's 2011 finding that \$18 billion in subsidies conferred on Airbus by the EU and its Member states were WTO-inconsistent. The Administration is fighting to protect and promote the jobs of U.S. aerospace engineers and electricians and related suppliers and ensure that U.S. aircraft manufacturers can compete on a more level playing field. The United States participated in a meeting with the compliance panel this year, and a decision is expected in 2014. In a separate but related dispute, the EU initiated compliance panel proceedings, and USTR is vigorously defending U.S. interests. The United States remains prepared to engage in any meaningful efforts, through formal consultations and otherwise, that will lead to the goal of ending subsidized financing at the earliest possible date.
- *Challenged Argentina's Widespread Use of Import Restrictions.* The United States continues to pursue WTO dispute settlement panel proceedings to examine Argentina's import restrictions on all U.S. goods imported into Argentina. These measures include the broad use of non-transparent and discretionary import licensing requirements that have the effect of unfairly restricting U.S. exports. Argentina further disadvantages U.S. exports by requiring importers to agree to undertake burdensome trade balancing commitments, such as agreeing to export a certain value of Argentine goods, in exchange for authorization to import U.S. goods. In coordination with our co-complainants the EU and Japan, the United States participated in two panel meetings this year, and a decision is expected in 2014.
- *Challenged China's Export Restraints on Rare Earth Elements, Tungsten, and Molybdenum.* In 2013, the United States continued to pursue its WTO challenge to China's unfair export restraints on rare earth elements, tungsten, and molybdenum, key inputs in many U.S. manufacturing sectors and American made products including hybrid car batteries, wind turbines, energy-efficient lighting, steel, advanced electronics, automobiles, petroleum, and chemicals. These restraints appear to be part of a troubling industrial policy aimed at providing substantial competitive advantage for Chinese manufacturers at the expense of foreign manufacturers. As a leading global producer of these materials, China's export restraints provide unfair advantages to China's downstream producers and create pressure on foreign producers to move their operations, jobs, and technologies to China. In coordination with our co-complainants the EU and Japan, USTR participated in two panel meetings this year, and a decision is expected early in 2014.
- *Challenged India's Import Ban on Agricultural Products.* In 2013, the United States continued to prosecute its WTO challenge to India's prohibition on the importation of certain U.S. agricultural products, including poultry meat and chicken eggs. Although India's measure purports to be concerned with preventing avian influenza, the measure does not have a scientific basis and is not in

line with international standards. The United States has participated in two panel meetings this year, and a decision is expected in 2014.

- *Developed and Enhanced the Interagency Trade Enforcement Center (ITEC).* In February 2012, President Obama established the Interagency Trade Enforcement Center (ITEC) to take a “whole-of-government” approach to monitoring and enforcing Americans’ trade rights around the world. In 2013, ITEC provided research and analysis for new WTO dispute settlement consultation requests regarding Indonesia Import Restrictions and India Solar Local Content. ITEC also provided substantive support for a variety of ongoing WTO disputes such as China Autos and Auto Parts Export Bases and Argentina Import Restrictions, and WTO compliance matters such as China Raw Materials as well as developing issues for possible future dispute settlement action and enforcement-related negotiations.
- *Integrated Russia into the Rules-Based System of the WTO.* During Russia’s first year as a WTO Member, USTR worked to ensure that Russia implemented its WTO commitments so that American firms, exporters and workers can enjoy the full benefits of Russia’s WTO membership. In September, Russia became the 78<sup>th</sup> participant of the Information Technology Agreement Committee, ensuring significant market access for our information technology sector. In response to objections from the United States and other WTO Members, Russia amended its “recycling fee” to address discrimination with respect to imported vehicles. The Administration will continue to use the tools of the WTO to raise concerns about other Russian policies that appear to discriminate against U.S. exports of goods and services, in such areas as SPS measures, IPRs, subsidies, trade remedies, import licensing of products with cryptographic capabilities, and trade remedies. Reflecting these efforts, USTR issued the first annual Russia WTO Enforcement and Implementation Reports.
- *Leveraged Trade to Improve Worker Rights and Safety in Bangladesh.* After extensive review of a petition filed by the AFL-CIO’s Solidarity Center, USTR recommended that the President suspend GSP privileges for Bangladesh due to that country’s inadequate provision of internationally recognized worker rights, especially in the area of fire prevention and building safety. USTR prepared an Action Plan for improving worker rights in Bangladesh and is working with the Bangladesh Government to achieve effective implementation of the Action Plan which could lead to reinstatement of GSP benefits.
- *Strengthened Labor Rights in Guatemala.* The United States and Guatemala signed a robust enforcement plan in April 2013 to resolve concerns that were raised in the dispute settlement case brought by the United States against Guatemala under the Dominican Republic-Central America-United States Free Trade Agreement. In the Enforcement Plan, Guatemala agreed to take significant actions to strengthen labor inspections, expedite and streamline the process of sanctioning employers and ordering remediation of labor violations, increase labor law compliance by exporting companies, improve the monitoring and enforcement of labor court orders, publish labor law enforcement information, and establish mechanisms to ensure that workers are paid what they are owed when factories close.
- *Held Bahrain to its Labor Commitments.* In May, the United States requested consultations with Bahrain under the United States – Bahrain Free Trade Agreement to discuss the apparent targeting of trade unionists and leaders for dismissal after a general strike in March 2011 and labor laws that do not provide adequate protection on these issues. Although the Bahraini government has taken important steps to address labor concerns following the unrest in 2011, problems remain and the trade agreement provides a mechanism for collaborative discussions. Consultations began in July, and

USTR is working with Bahrain toward a positive resolution that includes steps to ensure workers can fully exercise their fundamental labor rights.

- *Strengthened Labor Rights in Jordan.* The United States worked closely with Jordan to conclude an Implementation Plan Related to Working and Living Conditions of Workers. The plan includes commitments by Jordan to increase access for unions in garment factories and improve standards and oversight of dormitories for foreign workers. Since the plan was issued in January, Jordan has published new standards for dormitories and the major garment industry associations signed a landmark collective bargaining agreement with Jordan's garment union that addresses wages, benefits and representation issues for workers in the entire garment sector.
- *Strengthened Labor Rights in Haiti.* Obtained improved compliance by several Haitian companies with the labor-related requirements of the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008.
- *Monitored and Enforced Existing Worker Rights Obligations.* The United States has trade agreements with 19 countries that include worker rights obligations. In addition, the approximately 140 countries that benefit from U.S. trade preference programs also have worker rights obligations in connection with these programs. USTR will continue to work with the Dominican Republic, Honduras and Mexico on current labor submissions under the relevant FTAs, and will continue our worker rights reviews under GSP and AGOA with the Philippines, Swaziland, Niger and others. In each of these cases, our goal is to assist countries to resolve the labor matters raised so that workers are able to exercise their rights and working conditions are improved.
- *Broad Engagement on Labor Rights and Trade.* International trade and investment are the means in which U.S. workers are connected to the global economy. In order to ensure a level playing field for U.S. workers and that the benefits of trade are widely shared, we will continue to engage key trade partners and stakeholders on ways to improve worker rights and working conditions in the global economy. While our trade agreements and preference programs include specific labor obligations, major economies such as China, Brazil, and India are not party to these agreements, nor are several countries in the Middle East. We will coordinate with other U.S. agencies, particularly the Departments of Labor and State, to prioritize opportunities to engage with these countries bilaterally and through multilateral fora to improve respect for worker rights, including by advancing efforts to reform labor laws, improve labor institutional capacity, and to monitor working conditions.
- *Implemented Forest Sector Reforms under the Peru FTA.* Following an extensive investigation and a first-ever response by the U.S. Government to a petition from an environmental group under the Forest Annex of the United States – Peru Trade Promotion Agreement, USTR led negotiations to conclude a five-point bilateral Action Plan with Peru in January 2013 to address key challenges identified in the investigation. The Action Plan sets forth a targeted set of actions for Peru to undertake, including implementing anti-corruption measures, improving systems to track and verify the chain of custody of timber exports, ensuring timely criminal and administrative proceedings for forestry-related crimes and infractions, and strengthening development of accurate annual operating plans for timber producers. The United States supported Peru's actions to implement the Action Plan through a number of ongoing environmental cooperation projects as well as planned activities that will further enhance implementation, such as trainings for prosecutors of environmental laws. USTR and other agencies began review of Peru's draft regulations to implement its new Forestry Law and continued to engage on the establishment of key oversight institutions in Peru's forestry sector. USTR also concluded negotiations with Peru on the terms of several documents necessary to establish

an independent secretariat to consider submissions from the public that a Party is failing to effectively enforce its environmental laws.

- *Monitored and Implemented FTA Environment Chapters.* USTR developed a whole of government plan for monitoring our trading partners' implementation of their FTA environment chapter obligations. The plan entails fact gathering and evaluation of environmental issues in our FTA partner countries. The new monitoring plan will strengthen USTR's ongoing efforts to ensure that our trading partners comply with FTA environmental obligations. USTR also convened and participated at senior levels in environmental affairs councils and related fora under our FTAs with Central America and the Dominican Republic, Chile, Korea and Peru to discuss, monitor, and ensure implementation of FTA environmental obligations.
- *Extended Additional Market Access for U.S. Beef Exports to the EU.* The United States revised the Memorandum of Understanding (MOU) between the United States of America and the European Commission Regarding the Importation of Beef from Animals not Treated with Certain Growth Promoting Hormones to extend Phase 2 of the MOU for an additional two years. Under the extension, the EU will maintain until August 2, 2015, its duty-free tariff rate quota for high-quality beef, established pursuant to the MOU, at the Phase 2 quantity of 45,000 metric tons per year.
- *Ensured Colombia's Compliance with their Trade Obligations Involving Exports of U.S. Rice.* USTR resolved an issue concerning the administration of the tariff-rate quota for U.S. rice pursuant to the Colombia Trade Promotion Agreement. This outcome addressed related concerns of industry stakeholders in both countries. In 2013, U.S. rice exports to Colombia topped \$74 million, compared to \$56.8 million in 2012.
- *Led Interagency Annual Review to Monitor Progress on the AGOA Eligibility Criteria.* USTR led the 2013 interagency review on whether sub-Saharan African countries are making continual progress toward establishing market-based economies, elimination of barriers to U.S. trade and investment, protection of intellectual property, efforts to combat corruption, policies to reduce poverty, and protection of human rights and worker rights. USTR also monitored bilateral commercial, trade and investment disputes for a number of African countries and used the AGOA eligibility review process to raise and help resolve those issues.
- *Settlement of Investment Dispute Awards with Argentina.* In March 2012, Argentina's eligibility for trade benefits under the GSP program was suspended due to its failure to pay outstanding arbitral awards to two U.S. companies on claims dating from 2001. Argentina's suspension from GSP was a critical factor that led to the Argentine government's satisfactory settlement of the two awards in October 2013.
- *Initiated Arbitration Proceedings on Canadian Softwood Lumber Dispute.* The United States and Canada jointly initiated arbitration under the 2006 Softwood Lumber Agreement (SLA) to resolve a disagreement over the implementation of a prior SLA arbitration award. In particular, the issue submitted to arbitration is whether Canada must continue to apply export duties to certain softwood lumber during the two-year SLA extension period (October 13, 2013 to October 12, 2015).
- *Reversed Ecuador's Registration Fee Increase.* Obtained a decision by the Ecuadorian government to reverse the imposition of prohibitive fees for the registration of plant varieties, an important issue for U.S. breeders of roses in particular.

- *Resisted Efforts of Ukraine to Revise its WTO Tariff Obligations.* The United States organized and led a coalition of more than 130 Members against Ukraine's highly problematic Article XXVIII request to raise its tariffs above its WTO bindings. As a result of these efforts and the pressure brought to bear by such a large number of WTO Members, Ukraine has not followed through with its request and has not taken further steps to increase its tariffs.
- *Identified and Reduced Unnecessary Technical Barriers to Trade (TBT).* The United States engaged in multilateral, regional and bilateral forums to reduce and prevent unnecessary technical barriers to U.S. trade. To advance our rights under the WTO TBT Agreement, the U.S. monitors and engages with industry on the proposed regulations of U.S. trading partners. Further, the United States works actively to strengthen implementation of the substantive and transparency obligations of the WTO TBT. Over the past year, USTR has successfully resolved issues related to Mexican certification of sewer pipes, pushed for delays in implementation of overly burdensome Indian regulations on information and communications technology, and contributed to the adoption of good regulatory practices in China on medical devices.
- *Removed Telecom, Information and E-Commerce Barriers.* USTR completed the comprehensive annual Section 1377 review of telecom barriers and pursued the removal of major barriers. USTR efforts included significant engagement with Pakistan to overturn collusive behavior among operators in its market for the termination of international voice calls and pressing China in numerous areas, including foreign investment restrictions, mobile resale services, satellite services, and multiple telecommunications equipment issues. USTR also opposed the adoption of local content requirements in Brazil, India, and Indonesia.
- *Monitored Intellectual Property Protections and Obligations through the Special 301 Report.* USTR issued a high-profile Notorious Markets out-of-cycle review, which encouraged significant positive action by or against listed markets. USTR placed Barbados, Bulgaria, and Trinidad & Tobago on the Special 301 Watch List, lowered Canada and Israel from the Special 301 Priority Watch List to the Watch List, and removed Brunei Darussalam from the Watch List, based on improved protection and enforcement of intellectual property rights. USTR designated Ukraine as a Priority Foreign Country (PFC), the first PFC designation in seven years. USTR also initiated a Section 301 investigation of Ukraine, and held a public hearing in September.

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

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

#### **Objectives:**

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

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

3.3: Employ constructive, consensus-building interagency coordination in the TPSC and TPRG.

#### **Accomplishments:**

- *Held More than 1,100 Meetings and Briefings with Congress on Key USTR Initiatives.* Ambassador Froman and USTR staff held more than 1,100 meetings and briefings with Members of Congress and their staffs on the TPP negotiations in 2013, ensuring that the people's representatives in Congress were kept abreast of the content and progress of the talks and had ample opportunity to shape ongoing U.S. negotiating efforts.
- *Organized Stakeholder Calls on TPP Negotiations.* In 2013, USTR hosted public briefing calls with senior officials, including Ambassador Froman and Deputy USTR Wendy Cutler. Hundreds of stakeholders joined each call where the officials shared an update on the Trans-Pacific Partnership (TPP) negotiations and the officials took questions from stakeholders
- *Held a Public Hearing on Japan's Entry into the TPP Negotiations.* USTR held a public hearing in July 2013 regarding the entry of Japan into the TPP negotiations. During the hearing, USTR heard testimony from a broad range of stakeholders including from business and labor representatives, which supplemented input received through a notice published in the *Federal Register* and followed an extensive period of domestic consultations with Congress and diverse stakeholders.
- *Organized Dozens of Stakeholder Events on T-TIP Rounds.* USTR hosted a series of stakeholder engagement events to ensure that multiple perspectives and a balance of views informed the U.S. negotiating positions during T-TIP rounds. Approximately 350 global stakeholders gathered for a series of events and briefings by U.S. and EU Chief Negotiators.
- *Increased Direct Outreach to State Governments.* USTR strengthened relationships with Governors from across the country, deepening engagement on the benefits of trade to state economies. USTR held monthly calls with our state points of contact in every state along with the Chairs of the 29 Congressionally-authorized advisory committees.
- *Created an Inclusive and Rounded Group of Trade Advisory Experts.* Fostered a robust and balanced advisory committee system by appointing more than 50 new advisors to the Trade and Environment Policy Advisory Committee (TEPAC), Trade Advisory Committee on Africa (TACA), and Industry

Trade Advisory Committees. USTR staff met on more than 50 occasions with members of TEPAC and other environmental stakeholders to brief them and obtain their input on a range of trade and environment matters, including with respect to the TPP and T-TIP negotiations, FTA implementation, APEC and WTO initiatives, and relevant UN processes.

- *Completed a TPP Interim Environmental Review.* USTR led an interagency process to conduct and release for public comment an interim environmental review of the TPP, which identifies and evaluates potential environmental impacts resulting from the agreement. The environmental review makes a substantial contribution to the TPP negotiating process and to Congressional and public understanding of the TPP's potential environmental impacts.
- *Launched a Comprehensive Review of the AGOA.* During the 2013 U.S.-Sub-Saharan African Trade And Economic Cooperation Forum (the AGOA Forum), held in Ethiopia, the USTR launched a comprehensive review of AGOA to prepare for discussions with Congress and a range of U.S.-Africa trade and investment stakeholders regarding AGOA's renewal post-2015. In 2013, USTR senior officials met with members of the TACA and stakeholders on U.S.-sub-Saharan Africa trade policy issues, including the Corporate Council on Africa, Brookings Institution, Foreign Service Institute, U.S.-West African Chamber of Commerce, School of Advanced and International Studies, Africa-America Institute, and Constituency for Africa.
- *Assessed the Impact of United States.-Korea Free Trade Agreement Free Trade Agreement on Small Business.* USTR commissioned the first-ever U.S. International Trade Commission (ITC) report to examine the Agreement's effects on exports by U.S. small and medium-sized businesses, which account for a significant share of U.S. exporters both to Korea and in general. The report found that most small companies responding expressed the view that the agreement had already proven helpful, and would benefit their companies even more over time.
- *Published Joint Statement on Innovative Agricultural Production Technologies.* USTR worked with USDA, Department of State and other agencies to finalize and publicize a joint Statement with five other countries on Innovative Agricultural Production Technologies, particularly Plant Biotechnologies in April 2013. The statement supports international efforts to promote science-based and predictable regulatory approaches that foster innovation, facilitate trade and ensure a safe and reliable global food supply.

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

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

##### **Objectives:**

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

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

4.3: Work with the White House and with agency partners to implement an Administration-wide message

on the benefits of international trade.

4.4: Communicate, in consultation with other agencies, the Congress and interested stakeholders, a common message to foreign countries and their citizens explaining the benefits of trade with the United States, in order to build support for U.S. trade policies and initiatives.

### **Accomplishments:**

In 2013, USTR's ongoing and serious dialogue with the American people about trade and jobs produced real results across a wide range of issues and initiatives.

- *Visited Communities Across the Country to Discuss Trade, Share Ideas, and Listen to Concerns.* Ambassador Froman traveled throughout the United States in 2013 to engage with and hear from the American people directly about various USTR initiatives including the TPP negotiations, trade enforcement activities, and the NEI. The USTR visited a New Balance factory in Norridgewock, Maine to talk to workers about TPP, and traveled to Los Angeles, Santa Barbara, and San Francisco, CA to educate stakeholders, gather input from a wide range of perspectives, and broaden the national conversation about trade, exports, and jobs.
- *Leveraged Stakeholder Input to Build Unprecedented Support for Job-Supporting Trade Measures.* USTR hosted high level briefing calls featuring the USTR and Deputy USTRs for a broad cross-section of stakeholders to provide updates on TPP negotiating rounds; over 150 stakeholders joined the calls. In addition, USTR hosted several high-level roundtables in Washington with NGO's to discuss topics ranging from agriculture, to the environment, to trade and development. USTR ensured that all FTA Environmental Affairs Council meetings included sessions open to the public, consistent with our commitment to transparency, and used these opportunities to discuss issues and concerns, as well as to convey the benefits of these agreements.
- *Expanded High Level Dialogue with Industry.* USTR worked to expand high level outreach to domestic textile and apparel manufacturers and retailers, in order to broaden industry involvement in, and support for the Administration's trade agenda, including NEI goals and FTAs. Specifically, Ambassador Froman met with the leadership of the National Council of Textile Organizations at their annual meeting, and AUSTR Strickler spoke to all major U.S. industry associations, many international industry groups and many individual firms regularly in support of all ongoing trade initiatives.
- *Organized Small and Medium Sized Business Roundtables Around the United States.* USTR, the Small Business Administration and the ITC teamed up to convene a nationwide series of 20 SME roundtables, to hear directly from small businesses around the country about specific concerns and trade barriers they face in exporting to the EU and how those might be addressed through T-TIP.
- *Strengthened the Small Business Network of the Americas (SBNA).* USTR advanced the implementation of the Obama Administration's SBNA initiative and welcomed the formal launch of the online platform linkage between U.S. Small Business Development Centers at SBDCglobal.com and Brazil's Service for Micro and Small Enterprises (SEBRAE) Central de Oportunidades, connecting both sides for joint webinar training and exploration of small business client matchmaking and partnerships. Helping more small firms take advantage of trade with Brazil is a key topic of discussion in the United States-Brazil Agreement on Trade and Economic Cooperation.

- *Communicated the importance of ensuring women’s economic empowerment through trade and investment agreements in Central and South Asia.* In 2013, USTR worked with partner governments, the inter-agency, foreign press outlets, U.S. Embassy press contacts and private sector groups to effectively explain the importance of empowering women entrepreneurs and business owners to better take advantage of trade and investment opportunities. USTR successfully completed an MOU with Afghanistan on Women’s Economic Empowerment and received universal praise as well as significant press coverage for positively addressing an important issue in the bilateral relationship. This MOU set the stage for talks with other Central Asian partners, Pakistan, India, Sri Lanka and Bangladesh on how we can jointly work on empowering women, with a focus on women entrepreneurs and business owners.
- *Effectively Communicated the Benefits of Trade.* By issuing press releases, blogs, speeches, and fact sheets, USTR proactively informed the public on the job-supporting benefits of trade and highlighted the agency’s efforts to level the playing field for U.S. workers and businesses. USTR provided crucial messaging, fact sheets, and press releases to support top priorities, and worked with interagency partners to produce blog posts, fact sheets, and press releases to shape public opinion and address stakeholder concerns.
- *Bolstered Trade Communications through Enhanced Social Media and Web Features.* USTR expanded its digital outreach on social media channels to address the growing number of people who receive news online by expanding its Newsletter database, adding more blogs online, and submitting photos and descriptions to build its digital presence online and on social media to amplify the public’s understanding of trade. USTR also worked to ensure its Facebook, twitter, and Flickr accounts were regularly updated to concisely communicate the benefits of trade, inform stakeholders, and gather feedback on top USTR priorities.
- *Created an Open Government to Enhance Transparency, Collaboration and Participation.* USTR Open Government Plan, Version 2.0 was posted on the website. Four new initiatives for 2012-13 and 2013-14 calendar years including a new Flagship initiative for the Transatlantic Trade and Investment Partnership (T-TIP) were planned. The T-TIP negotiations will require an unparalleled level of transparency, collaboration and participation.

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

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

### **Objectives:**

- 5.1: Implement a human capital management program designed to help USTR accomplish its mission.
- 5.2: Manage USTR more efficiently and effectively.
- 5.3: Provide facilities that help USTR staff become more productive.
- 5.4: Install information technology and communications systems that increase USTR’s productivity.

5.5: Manage resources to maximize USTR future capabilities.

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

**Accomplishments:**

- *Implementing an Effective Human Capital Program to Maximize Workforce Capabilities.* Ensured Senior Executive Service (SES) Performance Plans complied with Office of Personnel Management (OPM) new government -wide SES Performance Management System, and that each plan was structured to assess SES members' achievements as related to USTR goals/objectives. Developed and submitted package to OPM requesting certification of USTR's SES Performance Management System; met with OPM's SES Certification Panel and based on their feedback, developed revisions to the SES Performance Management System; achieved provisional certification recommendation from OPM. Established USTR Awards Committee and managed process to revitalize agency awards and recognition program. Commenced development of an employee management strategy based on the results of the Government-wide Employee Viewpoint Survey. Comprehensive furlough (sequestration-driven) and shutdown (lapse in appropriations-driven) plans minimized the impacts on the workforce and Agency mission. Significant number of personnel arrivals and departures managed timely and professionally over the transition of administrations ensured minimal disruption to Agency functions. SES position allocation request clearly justified to OPM the need for additional senior leadership position flexibility necessitated by the accretion of new responsibilities; request approved. Modified training and outreach strategy to find training that targeted individual needs or would meet a specific occupational group's requirements.
- *Improved the Effectiveness and Efficiency of USTR Support Systems.* Met substantial conference requirements for TPP negotiations, numerous TPP intersessional meetings, T-TTP, APEC (various domestic and international locations), WTO Ministerial planning, JCCT, and other USTR DC based meetings; astute management of the first T-TPP round achieved a successful outcome at minimal cost (saving more than \$100K). Budget savings initiatives included reductions in parking, subscription services, and local meeting support costs. New travel policies and procedures dramatically reduced travel costs by almost 50 percent that enabled critical mission accomplishment with a sequestration and additional across-the-board reduction level budget that was almost \$6M less than requested by the President. Eliminated the courier service and shifted to the White House mail service for delivery of visas and passports, as well as other deliveries, for an approximate savings of \$17,000 per year. Due to elimination of staff position, redistributed routine meeting setup duties back to individual offices while retaining major, time-critical meeting setups; new process has been successful. Increased use of video-teleconferencing was instrumental in mission success with the severely restricted budget; conducted 260 video-teleconferencing sessions for \$4.2M savings/cost avoidance. Worked closely with other TPSC agencies to fund travel that otherwise would either not have been taken or reduced significantly, furthering the other agencies' trade, economic and national security mission accomplishments.
- *Improved the Quality of Office and Meeting Facilities to Increase Employee Productivity.* The long-range master plan for USTR space utilization and allocation continued to guide project development and implementation. Managed most difficult GSA contract work in Winder Building High-Performance Green Building Project (converting four-decade old HVAC system from 2-pipe to 4-pipe) and renovating all offices; project completed; according to GSA, USTR's involvement was of immeasurable assistance in making this extensive project successful. Continued Winder Building north end earthquake repair; will provide for a greatly strengthened structure and eliminate exterior stucco cracking. Interagency Trade Enforcement Center (ITEC) space (1800 G Street): Completed

upgrades for secure information technology systems and space to house new function; provided options to vacate space and save more than \$800K/year when sequestration hit; option to move to 1724 F Street approved; designed new layout and moved entire ITEC staff by Sep 30<sup>th</sup>.

- *Improved Productivity through Information Technology Upgrades.* Implemented two new Knowledge Management (KM) processes for TPP as new countries joined the negotiations (Canada and Mexico, then Japan). Created wiki framework for the Transatlantic Trade and Investment Partnership (T-TIP). Provided a comprehensive report and recommendations to senior leadership on Wiki utilization to facilitate changes to USTR Advisory process. Proactively supported operation of USTR's correspondence processing system and transition to a new technology platform (VOICE to Salesforce); created training materials and conducted training sessions for 20 USTR staff on using Salesforce. Designed, procured, installed all IT and A/V systems required for Interagency Trade Enforcement Center (ITEC), including general workspace (PCs, printers, MFD, phones), SCIF space, SECRET space, A/V needs, and deployed Kiosks for conducting web research. Fully deployed new NSC classified system capability (voice, video, data) to USTR staff as appropriate. Deployed a new SECRET video (SDVC) capability between DC-Geneva-Brussels-Beijing that has been used for 200+ secure meetings; required completing replacement of SDVC in both Geneva and DC. Vastly improved access to State Department cable system, including implementing SMART, establishing a "cables" folder on the EOP network system allowing all staff streamlined access to unclassified cables, and access to the White House SITROOM cable/messaging portal up to the TS/SCI-level. Coordinated with OA/CIO to upgrade all USTR SMWs from Win-XP to Win-7. Continued implementation of GOOD Technology; approximately 50 staff now access the EOP network via their personal tablet and smart phone devices. Redirected installation of DVC equipment from 1800 G St to 1724 F St due to relocation of ITEC and purchased materials for two additional DVC systems; bringing USTR from 4 to 7 SDVC systems available for staff.
- *Improved Budget Planning and Execution.* In FY 2013, USTR was faced with its greatest funding challenge in many years, operating under a full year continuing resolution impacted by both budget sequestration and rescissions. In effect, USTR incurred a 7 percent cut or \$3.6M year-over-year reduction. The unique events of FY 2013 made extraordinary demands in the areas of budget planning, forecasting, and execution. Spending plans were updated on an ongoing basis to account for all changes in assumptions. To meet this challenge, sequestration planning began early in the fiscal year. When the sequestration impact was disclosed, developed multiple contingency financial plans on how expenses could be reduced to manage within existing resources; led to eliminating business class eligible travel, except due to medical necessity, saving more than \$300K. Through personnel actions and other cost reduction actions, achieved \$2.6M in savings. Adding rescissions on top of sequestration led to another \$1.1M in reductions that could not be achieved solely through operational cuts; timely furlough plans prepared and implemented; conducted extensive analysis of savings achieved through furloughs and other decisions for leadership action. Achieved significant savings through numerous actions; e.g. persistence with GSA to charge correct payoff for the tenant's improvement allowance. Monitored Geneva funding to minimize year-end available funds to lowest level ever - \$20K. Day-to-day reviews of invoices, estimates of work, and service needs were challenged to ensure that USTR did not spend more than necessary. Worked in partnership with the AMEX and Travel Services team to provide the most competitive airfares for our travelers; reduction in travel costs per ticket was an outcome. Expeditiously planned and managed Agency-wide development of the FY 2015 Business Plan and FY 2015 Budget, leveraging technology to efficiently manage office and senior leadership review and input; submitted timely and clearly articulated USTR's needs to support the President's trade initiatives.
- *Improved Security Systems and Processes.* With the Office of the General Counsel, completed a comprehensive review of USTR's classification guidance and ensured that the revised guidance

reflected current policy and procedures for continued classification and declassification; evaluated the effectiveness of USTR's programs covering original classification, derivative classification, declassification, safeguarding (to include telecommunications, automated information systems, and network security), security violations, security education and training, and management and oversight. Developed an inspection strategy to minimize security violations by having USTR guards conduct end-of-day security check of offices left open. Developed new counterintelligence and security guidance for T-TIP. Ensured that 100 percent of new employees received a security orientation briefing; revised intranet security Web-page for employees to obtain refresher briefings and training related to E.O. 13525, "Classified National Security Information," Building Access Procedures, USTR's Orientation Briefing, Foreign Travel Briefing and Continuity Plans. Ensured that physical security processes and procedures were in place to protect all USTR facilities (Winder Building, 1724 F Street and 1800 G Street). Reviewed and revised USTR's Guard post instructions, to include responses from the Federal Protective Service and USSS. Developed and implemented physical security procedures to protect all USTR, TPP and T-TIP negotiators at several locations in the United States. Developed and administered site specific security plans that addressed the physical security of personnel and related resources attending negotiating rounds. Administered a security plan that provided active and passive measures designed to prevent unauthorized access to personnel attending the negotiations and safeguarded attendees against criminal behavior. The plans also provided for the prevention and the means to counter threats when preventive measures are ignored. Threats addressed included the full range of potential vulnerabilities, including protest groups, terrorists, criminals, saboteurs, persons seeking unauthorized access to the meetings. Revised the occupant emergency and evacuation plans and procedures; established a training program for fire marshals, and established procedures for communications in case of emergency. Expeditiously coordinated with accrediting agency and EOP to develop and obtain approval on the ITEC SCIF construction security plan for 1800 G Street space.

## GLOSSARY OF ACRONYMS

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

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

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