

INTERAGENCY TRADE ENFORCEMENT CENTER

Mission

The Interagency Trade Enforcement Center (ITEC) was established by Executive Order in February 2012. As the Executive Order states, “robust monitoring and enforcement of U.S. rights under international trade agreements, and enforcement of domestic trade laws, are crucial to expanding exports and ensuring U.S. workers, businesses, ranchers, and farmers are able to compete on a level playing field with foreign trade partners.” ITEC was established to “strengthen our capacity to monitor and enforce U.S. trade rights and domestic trade laws, and thereby enhance market access for U.S. exporters.”

ITEC applies a “whole-of-government” approach to monitoring and enforcing Americans’ trade rights around the world, using expertise from across the federal government to assert U.S. trade rights obtained through various international trade agreements. ITEC provides U.S. trade litigators and negotiators with more information, more analysis, and more focused support than was possible prior to its establishment. By creating a forum for executive departments and agencies to “coordinate and augment their efforts to identify and reduce or eliminate foreign trade barriers and unfair foreign trade practices,” ITEC is intended to facilitate and increase the exchange of information among and between agencies.

Organization

Located in the Office of the U.S. Trade Representative (USTR), ITEC brings together experts from across a variety of executive departments and agencies to coordinate enforcement of U.S. rights under international trade agreements. ITEC helps to ensure that America’s trading partners abide by their obligations, including by maintaining open markets on a non-discriminatory basis, and by following rules-based procedures in a transparent way. ITEC leverages and mobilizes the federal government’s resources and expertise to address unfair foreign trade practices and barriers.

ITEC is led by a Director, designated by and reporting to the U.S. Trade Representative, and a Deputy Director, designated by the Secretary of Commerce and reporting to the Director. ITEC personnel from participating agencies form an expanded team of language-proficient research analysts, subject matter experts, and economic analysts who can help to increase engagement with foreign trade partners at the World Trade Organization (WTO) and in other international fora. Participating agencies have included the Departments of State, Treasury, Justice, Agriculture, Commerce, and the Office of the Director of National Intelligence, as well as the International Trade Commission and the Small Business Administration.

USTR provides three staff (Director, Research Director, Senior China Policy Analyst), office space, and basic administrative support including information technology.

Appropriations from the Department of Commerce fund ITEC's Commerce/ITA detailees, which comprise the majority of ITEC's current detailees. The Department of Commerce also provides translation and access to electronic databases, services that are critical to ITEC's monitoring and enforcement activities. In addition to Commerce, current detailees come from Justice, State, Agriculture and the International Trade Commission. Appropriations from the Office of the U.S. Trade Representative fund ITEC's permanent staff, its office space and supplies, and basic administrative support.

ITEC staff includes detailees with expertise in economics, law, and international trade. ITEC staff can perform research and analysis of materials in a variety of important languages including Mandarin, Spanish, Portuguese, Russian, Korean, Vietnamese, and Bahasa (spoken in Malaysia and Indonesia). This capability decreases reliance on outside parties to identify and research enforcement issues of importance and allows for independent and more in-depth research of issues.

By bringing various expertise under one roof, ITEC can maintain a sustained focus on monitoring and enforcement. Physical proximity of the detailees with USTR's litigators and negotiators means that ITEC can more closely tailor the information and analysis provided to USTR's needs. Proximity also facilitates timely information sharing within USTR and a real time iterative process of investigation and evaluation.

ITEC detailees leverage their efforts because they understand how to access appropriate experts and pools of information at their home agencies for monitoring and enforcement purposes. In addition, when detailees return to their home agencies, they take with them an increased awareness of the obligations of various international agreements and expand the network of government officials sensitive to the concerns of monitoring and enforcement.

Key ITEC Functions

- Monitor trade developments affecting countries' adherence to international trade obligations;
- Fund translations of relevant foreign laws, regulations, and other measures of interest;
- Research and develop issues to assist USTR's assessment of potential trade cases;
- Support meetings at which U.S. negotiators seek adherence to existing trade rules;
- Support ongoing USTR litigation, offensive and defensive, through research and analysis; and
- Research and evaluate post-dispute compliance actions.

Examples of ITEC Activities

Support for New WTO Disputes

ITEC has provided critical research and analysis for the launching of several important WTO disputes, including:

- Argentina’s import licensing restrictions and other trade-related requirements;
- China’s export subsidies in export bases for autos and auto parts and, more recently, for a wider range of industries located in “demonstration bases”;
- Indonesia’s restrictive import licensing; and
- India’s local content restrictions on certain solar-energy products.

The WTO Appellate Body recently ruled in favor of the United States in the Argentina case. In that case, the evidence that ITEC collected, compiled, and analyzed was critical to demonstrating that Argentina was unfairly restricting U.S. imports in a manner inconsistent with its WTO obligations.

Evidence for Ongoing Disputes

ITEC has provided important factual support to U.S. litigators for a variety of other ongoing WTO disputes, including disputes defending U.S. measures, laws, and practices. For example, ITEC provided factual support to rebut allegations made by opposing parties in cases such as those mentioned above as well as in the disputes involving exports of Beef from Argentina and Clove Cigarettes from Indonesia.

Monitoring Post-Dispute Compliance

ITEC researches and analyzes developments to assist in determining whether foreign countries have complied with WTO recommendations once formal dispute settlement proceedings have been completed. Determining whether offending measures have been removed and examining the effect on trade flows helps assess whether our trading partners are complying with WTO dispute panel findings. Export restrictions in *China Raw Materials* and *China Rare Earth Elements*, restrictions on activities in *China Electronic Payment Services*, and import restrictions in *Argentina Import Licensing* are examples of cases in which ITEC continues to research and analyze post-dispute compliance.

Negotiations and WTO Committees

ITEC undertakes important research in support of various trade negotiations and WTO committee meetings where the United States seeks to resolve concerns with other countries through engagement short of litigation. For example, ITEC has provided

essential research and analysis leading to a U.S. counter-notification of certain Chinese subsidies to the WTO Committee on Subsidies and Countervailing Measures and the counter-notification of certain Chinese state trading enterprises to the WTO Council for Trade in Goods, both highlighting China's failure to abide by its reporting commitments. ITEC provides USTR negotiators with information, analysis, documents, and translations in preparation for various bilateral and other meetings seeking to address barriers to U.S. trade.

Support for FTA Disputes

ITEC provided, in a case filed by USTR under the Dominican Republic – Central American Free Trade Agreement (CAFTA-DR) involving labor rights in Guatemala, extensive analysis of facts (including Guatemalan law) and economics, translations, and other critical support.

Monitoring

ITEC monitors various international trade developments and provides ideas and information regarding potential dispute settlement cases. For example, ITEC works with USTR, the Department of Commerce, and other agencies to monitor Russia's WTO compliance, and meets regularly with offices in USTR and USDA on agriculture trade enforcement and compliance issues.

Issue Development

ITEC coordinates closely with USTR Office of General Counsel on developing issues for potential WTO dispute settlement or enforcement-related negotiations. Among the issues that ITEC is examining are various types of subsidies in a number of countries, intellectual property rights issues, and assorted tax issues that could provide export subsidies or benefit locally produced goods over imported goods as well as market distortions caused by domestic commodity subsidies in various countries.

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