Executive Office of the President



Office of the United States Trade Representative

Fiscal Year 2016 Budget

Salaries and Expenses

Resource Estimates Fiscal Year 2016

 ${\bf Congressional\ Budget\ Submission}$

February 2015

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FY 2016 BUDGET JUSTIFICATION

Summary

The Office of the United States Trade Representative (USTR) is directly responsible to the President for the development and achievement of the Administration's trade policy agenda. USTR manages trade policy coordination and enforcement of international trade agreements within the Executive Office of the President (EOP), with other government agencies, and engages with Congress, the private sector, and the public on trade policy initiatives.

Keeping America on track for sustainable, long-term job-supporting economic growth requires an aggressive, multifaceted approach. American businesses achieved record exports for four consecutive years, with exports reaching an all-time high of \$2.3 trillion in 2013, and supporting 11.3 million jobs. 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 level-playing fields abroad.

USTR's comprehensive efforts are expanding export opportunities for U.S. farmers, ranchers, businesses, and workers in an increasingly competitive global trading system by opening key foreign markets and keeping them open through robust enforcement of our trade agreements. These have included putting the trade agreements with Korea, Panama, and Colombia into effect; intensifying negotiations with Trans-Pacific Partnership (TPP) countries to finalize a next generation, high-standard trade agreement in the world's fastest growing region; negotiating with the European Union toward a Transatlantic Trade and Investment Partnership (T-TIP) to further strengthen the world's largest trade relationship; negotiating a Trade in Services Agreement (TiSA) to open up global trade in services, a sector where U.S. providers are highly competitive; at the World Trade Organization (WTO), where we are advancing promising pathways for 21st century trade liberalization, expansion of the Information Technology Agreement (ITA) and through the recently launched Environmental Goods Agreement (EGA) negotiations intensifying engagement with established and emerging bilateral partners, and monitoring implementation of its WTO commitments; further institutionalizing the work of the Interagency Trade Enforcement Center (ITEC); successful litigation and negotiation to break down unfair trade barriers around the world, including through prosecuting and defending major WTO disputes involving significant WTO trading partners; and initiatives such as the President's Trade and Investment Partnership (TIP) initiatives for the Middle East and North Africa (MENA) and Trade Africa for the East African Community (EAC). As the President's National Export Initiative/NEXT (NEI/NEXT) extends into Fiscal Year (FY) 2016, USTR's budget request reflects these and other strategic efforts to support it.

USTR's core activities directly complement the NEI/NEXT objectives, a new customer servicedriven strategy with improved information resources that will ensure American businesses are fully able to capitalize on expanded opportunities to sell their goods and services abroad.

USTR's budget is essentially composed of people and travel. Seventy-seven percent of USTR's FY 2015 spend plan are personnel costs and about 10.1 percent travel. Administrative overhead is low; therefore USTR's global engagement must be reduced should there be insufficient mission resources. For example, in FY 2013's sequestration budget, we 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 T-TIP negotiations, reducing market access discussions, and a variety of other issues. That year's 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 action on certain negotiating, monitoring, and enforcement priorities. Budget shortfalls affect 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 exports and American jobs. With improved appropriations in FY 2014 and 2015, USTR has been able to address many of these gaps; sustained funding will be necessary to fill remaining gaps and aggressively implement TPP, finalize T-TIP, and monitor and enforce our trading rights that were vigorously pursued and achieved under our trade agreements.

The FY 2016 budget plan defines the activities necessary for USTR to achieve the President's trade goals and objectives, particularly those of the NEI/NEXT of increasing exports. Six strategic initiatives are accomplished through 20 program initiatives that represent the key activities of USTR. The plan describes these activities as to how they further Presidential goals and, importantly, the impact on the President's Trade Agenda if these initiatives are underfunded.

The budget submission of \$56.27M is a slight increase above our FY 2015 request of \$56.17M. USTR will have significant costs associated with implementing, monitoring and enforcing new trade agreements since FY 2012 for 14 countries (Panama, Colombia and South Korea and the 11 countries of the TPP, the latter pending finalization) and advancing trade initiatives with China, East Asia, Southeast Asia, sub-Saharan Africa, Middle East and Northern Africa, South and Central Asia, European Union and India.

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.

Trade Policy Focus Areas - FY 2016

USTR's ability to move on all of these initiatives, especially free trade agreement negotiations with the European Union (T-TIP) and implementing TPP, is instrumental to the success of the President's trade agenda. Sufficient resources are necessary to fulfill USTR's critical task of opening markets for American goods and services by producing high-standard, job-supporting trade agreements, holding trading partners to their commitments as we have promised the American people we will do, and eliminating trade barriers that keep American products and services out of foreign markets. Enhanced engagement is vital to maintaining the United States' longstanding leadership in the global trading system and strengthening our ability to advance U.S. interests.

Trans-Pacific Partnership (TPP): At the President's direction, USTR is currently leading negotiations to conclude the Trans-Pacific Partnership (TPP) Agreement, the cornerstone of our Asia-Pacific 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. These 12 countries share the goal of expanding participation to additional countries across the Asia-Pacific in the future. During FY 2016, we expect to implement the agreement with the current TPP partners and also engage with other Asia-Pacific countries interested in joining the Agreement.

European Union (EU) Initiatives: In June 2013, the United States and the European Union launched negotiations on a Transatlantic Trade and Investment Partnership (T-TIP) Agreement which aims to reduce or eliminate all unnecessary bilateral trade and investment barriers, including both tariff and non-tariff barriers, as well as to address and set high standards for global issues of common concern. The United States and the EU together comprise approximately 800 million consumers and account for one third of world trade and almost half of world GDP. During FY 2016, secure final approval of the T-TIP Agreement and explore the inclusion of additional countries, e.g. Turkey, the EFTA countries or NAFTA partners in the Agreement. In conjunction with negotiation of a comprehensive agreement, sustain engagement in the Transatlantic Economic Council (TEC) and in 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 Turkey, China, and MENA.

Monitor and Enforce U.S. Rights under the WTO and Other Agreements: Pursue and defend WTO and other trade disputes to enforce U.S. rights in the rules-based international trading system. Vigorous monitoring and enforcement efforts enhance U.S. economic interests, secure commercial opportunities for U.S. businesses, workers, farmers, and service suppliers, support U.S. jobs, break down foreign barriers to U.S. exports, and provide a means to address foreign trade-restrictive and protectionist policies. A sustained focus on enforcement has increased the scope and scale of disputes that USTR has brought to the WTO; a corresponding increase in the number and scale of disputes brought against the United States challenges USTR

to prioritize and manage resources most effectively. Ensuring that the TPP countries and our other trade agreement partners carry out their FTA commitments to the United States furthers the President's Trade Agenda. Implementing and enforcing robust labor and environment commitments and protecting U.S. intellectual property rights in foreign markets also are Presidential and Administration priorities. USTR's efforts through this initiative also support and strengthen a global rules-based trading system.

WTO Trade Facilitation Agreement: Implement the recently concluded Agreement to provide financial and technical support for trade facilitation-related assistance to developing countries. Diminished barriers that impose high trade costs and long delays on traders have resulted in increased bilateral trade, greater export diversification, enhanced foreign investment and improved national competitiveness. The Agreement contains provisions for expediting the movement, release and clearance of goods, including goods in transit. This Agreement promises major reductions in costs and administrative burdens associated with moving goods across borders. This is especially the case for developing countries, which, by some estimates, may see reductions in trade costs of up to 15 percent.

Trade in Services Agreement (TiSA): Conclude and implement the TiSA. Led by the United States, Australia and the EU, TiSA is under negotiation in Geneva with 23 participants representing 75 percent of the world's \$44 trillion market for services. With every \$1 billion in U.S. services exports supporting an estimated 5,900 jobs, the United States has much to gain by expanding trade in services. TiSA can help by deepening the U.S. economic relationship with each of the participants while establishing new rules that enable U.S. service suppliers to compete on a level playing field around the world.

WTO Environmental Goods Agreement (EGA): Complete negotiation of the EGA. As part of the President's Climate Action Plan and launched in July 2014, the United States is working with the world's largest traders of environmental goods, representing over 86 percent of global trade in these technologies, to negotiate a plurilateral WTO agreement that will eliminate tariffs on products such as solar panels, wind turbines, and water treatment filters. By advancing global free trade 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.

Expansion of Information Technology Agreement (ITA): Ensure implementation of agreed staged tariff reductions among participating WTO Members for products covered by successful expansion in ITA product scope.

Middle East and Northern Africa (MENA) Trade and Investment Partnership (TIP): Increase trade and investment between the United States and the MENA region, and within the region, promote deeper integration of MENA economies with the U.S. and European markets, and explore the potential for constructing a "regional trade arrangement" for those countries willing to adopt high standards of trade liberalization and reform.

Interagency Trade Enforcement Center (ITEC): Conduct enhanced enforcement activities in coordination with all USTR offices and appropriate U.S. government agencies. Given enhanced monitoring and enforcement activities, we expect, as a result, increased ability to address unfair trade practices and barriers without the need for formal dispute settlement.

Sub-Saharan Africa Initiatives: Continue implementing the Presidential Policy Directive for Sub-Saharan Africa, including promotion of regulatory reforms that support trade and investment, greater economic governance, increased regional integration, improved competitiveness and diversity of African exports, and increased U.S. engagement in Africa. Advance initiatives announced or launched at the U.S.-Africa Leaders Summit, including renewal and enhancement of the African Growth and Opportunity Act (AGOA). Advance the Trade Africa/U.S.-East African Community (EAC) Trade and Investment Partnership within a larger interagency effort to enhance Trade and Investment Capacity Building in the region.

Unilateral Preference Programs: The Generalized System of Preferences (GSP) and AGOA trade preference programs help ensure that benefits accrue to those developing countries that need preferences to compete in the U.S. market. Complete review and implementation of any necessary changes to improve administration and utilization of the programs.

South and Central Asia Initiatives: Pursue greater regional cooperation through a Trade and Investment Framework Treaty (TIFA) and WTO membership for all Central Asian countries. Utilizing the significant potential for market opening under the new, reform-minded Indian government, accelerate growth in bilateral trade and investment flows.

China Initiatives: Complete Bilateral Investment Treaty (BIT) and Government Procurement Agreement (GPA) negotiations; consider issues related to possible Chinese membership in other plurilateral and regional agreements; and confront on-going bilateral challenges.

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: Beyond the signature TPP agreement, continue to accelerate engagement with the large East Asian markets, including Japan and Korea, through bilateral and other initiatives to remove market barriers and secure new growth opportunities for U.S. exporters.

Western Hemisphere Initiatives: Pursue additional export opportunities through TIFA and related meetings with CARICOM, Uruguay and Paraguay. Broaden and deepen trade and economic cooperation with Brazil through the Agreement on Trade and Economic Cooperation (ATEC). Promote economic development and trade through the U.S. preference program for the Caribbean. Support the WTO Accession process for Bahamas.

Monitor and Enforce Free Trade Agreements: Place special emphasis on ensuring that Korea, Colombia and Panama fully comply with our newest trade agreements and that the 12 TPP countries are implementing their TPP commitments as that Agreement enters into force.

Asia-Pacific Economic Cooperation (APEC) forum: Expand trade, environment and investment initiatives with a focus on addressing localization barriers to trade, strengthening regulatory coherence, improving supply chain performance, and addressing non-tariff barriers impacting trade in environmental goods and services.

Labor Rights: Building on the USTR-led "Initiative to Promote Fundamental Labor Rights and Practices in Burma," work globally to improve respect for international labor rights, working conditions and responsible business practices in coordination with union, NGO, and private sector stakeholders.

Program Initiatives

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

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

USTR's team of trade negotiators help to create well-paying jobs for American workers, farmers, ranchers, and service providers by securing high-standard, binding commitments from our trading partners to open their markets to U.S. goods and services exports. These market-opening efforts have been made increasingly important by the establishment of the President's National Export Initiative/NEXT, which aims to create two million additional American jobs through the increase of American exports. USTR negotiators are simultaneously pursuing four kinds of market-opening trade agreements: multilateral negotiations with 157 Members in the World Trade Organization (WTO); bilateral and multilateral Free Trade Agreements (FTAs) such as those recently brought into force with Korea and Colombia, as well as the Trans-Pacific Partnership and the Transatlantic Trade and Investment Partnership agreement currently under negotiation; Bilateral Investment Treaties (BITs) such as those currently in progress with China, India, and Mauritius, as well other types of agreements, including Trade and Investment Framework Agreements; and WTO accession negotiations for prospective WTO Members.

This goal is pursued through the following four program initiatives:

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

World Trade Organization Negotiations

The Doha Development Agenda (DDA or Doha Round) negotiations have been an Administration priority initiative for seeking new market access around the world for exports of American goods and services. When the Doha Round was started in 2002, a central U.S. aim was to reduce trade barriers in order to expand global economic growth, development, and opportunity. The Doha negotiations were also 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
- 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. farmers, ranchers, entrepreneurs and workers in agriculture, goods and services, particularly by insisting that advanced developing countries make contributions to the 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. It appears unlikely it will be definitively terminated and its future course is highly uncertain. Ministers agreed at the December 2011 WTO Ministerial Conference that new approaches in the WTO should be pursued, and placed a particular emphasis on achieving results that will benefit developing countries. During the course of 2013, there was tremendous progress in negotiations on trade facilitation and development issues (a monitoring mechanism for special and differential treatment, and clarifying special and differential treatment in existing WTO Agreements), as well as some issues related to agriculture, with the result being a historic "Bali Package" that was concluded at the ninth WTO Ministerial Conference in December 2013. However, in July 2014, a small group of countries refused to join a consensus to conclude the legal "protocol of amendment" for the Trade Facilitation Agreement (TFA) that would allow its entry into force and next steps with respect to the Bali Package and the continuation of the Doha Round are extremely tenable at this point in time.

Regardless of the eventual outcomes related to this latest development, there is likely to be substantial activity in 2016 and beyond. If the TFA protocol comes into force, this implementation work will be multilateral. However, increasingly it appears that the best path forward may be through a plurilateral agreement. A plurilateral TFA could be the first major step in decades towards a workable approach to developing a new rulebook for the multilateral system. Other possible early negotiations could include state-owned enterprises (SOEs), regulatory coherence and fisheries subsidies. There is also an effort in Geneva, outside the Doha mandate, to forge a plurilateral services agreement (the "Trade in Services Agreement" or "TiSA"), and to expand the product coverage of the Information Technology Agreement (ITA).

To further President Obama's commitment to free trade in environmental technologies laid out in his 2013 Climate Action Plan, USTR launched in FY2014 WTO negotiations to eliminate tariffs on environmental goods (the "Environmental Goods Agreement" or "EGA"), building on our success in the Asia Pacific Economic Cooperation (APEC) and work will continue in FY2016.

Free Trade Agreements (FTAs) and Other Trade Agreements

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 parties 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 Trans-Pacific Partnership (TPP) Agreement, the cornerstone of our Asia-Pacific 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. These 12 countries share the goal of expanding participation to additional countries across the Asia-Pacific in the future. During FY 2016, we expect to implement the agreement with the current TPP Members and also to engage with Asia-Pacific countries interested in joining the Agreement.

In June 2013, the United States and the European Union launched negotiations on a Transatlantic Trade and Investment Partnership (T-TIP) Agreement, which is aimed at reducing or eliminating all unnecessary 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 United States and the EU together comprise approximately 800 million consumers and account for one third of world trade and almost half of world GDP. During FY 2016, we would expect to be securing final approval of the T-TIP Agreement in both the United States and the EU and perhaps to be exploring the inclusion of additional countries, e.g. Turkey, the EFTA countries or NAFTA partners in the Agreement.

In March 2013, the United States, Australia, and the EU launched negotiations for a Trade in Services Agreement (TiSA). TiSA's 23 participants represent 75 percent of the world's \$44 trillion market for services. These negotiations aim to establish a high-standard agreement to promote international trade in services, an area where U.S. companies excel. With every \$1 billion in U.S. services exports supporting an estimated 5,900 jobs, the United States has much to

gain by expanding trade in services. 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 the Asia Pacific Economic Cooperation (APEC), and aim to eliminate tariffs on environmental goods, such as solar panels and wind turbines. Currently the United States is engaged in EGA negotiations with the world's largest traders, including China, which together account for over 86 percent of the \$1 trillion global market for environmental goods. 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)

International investment pays large and important dividends for the U.S. economy and for American workers: increasing exports, creating jobs, raising wages, and improving productivity.

With statutory responsibility for the development, negotiation, and implementation of U.S. international investment policy, USTR works to maximize the benefits of international investment to U.S. companies and American workers, while ensuring that other important public policy interests are not compromised. Protection of investors and investment is essential to ensure that U.S. firms and workers can compete on a level playing field and are treated according to the rule of law in foreign markets. One crucial way USTR achieves these benefits and protections is by negotiating bilateral investment treaties (BITs) in a co-lead relationship with the State Department. BITs and free trade agreements (FTAs) with investment chapters provide enforceable legal rules regarding one country's treatment of investors and investment from another country. These agreements protect U.S. investment abroad, encourage the development of market-oriented policies in partner countries, and promote U.S. exports. They also serve broader U.S. policy objectives, such as enhancing regulatory transparency and promoting the rule of law.

The removal of investment barriers, particularly in China, India, and other major emerging markets, is key to promoting U.S. economic growth and creating U.S. jobs, which is a Presidential priority. The U.S. BIT program is also crucial to maintain positive relations with developing economies. The President's trade and investment partnership initiatives for the Middle East and North Africa (MENA) and for the East African Community (EAC) target increased investment integration both between these countries and the United States, and within the regions themselves. Launching BIT negotiations with Gabon and negotiation of a regional investment treaty with the East African Community (EAC) would build on the Trade Africa initiative and the successful outcomes of the U.S.- Africa Leaders Summit, and conducting exploratory BIT discussions with Cambodia, Burma, and other ASEAN Members States would advance the President's Expanded Economic Engagement (E3) Initiative in the region. More generally, removing investment barriers levels the playing field for U.S. companies, creates new

economic opportunities, and protects U.S. investors.

Successfully completing key BIT negotiations will provide significant benefits for U.S. investors abroad, and in turn, will benefit the U.S. economy and its workers. For instance, a successful BIT with China would open many of China's closed sectors; improve competitiveness of U.S. firms, and likely increase U.S. exports to U.S. investors and other companies in China. Ensuring a level playing field with respect to third country investors is ever more important today given the active negotiating agenda of our nearest economic competitors. The European Union, for example, recently launched investment treaty negotiations with China and is negotiating investment rules in ongoing FTA negotiations with India and with MENA and ASEAN countries, while a trilateral investment treaty between China, Japan, and Korea went into effect in May 2014.

Advancing World Trade Organization Accession Negotiations

World Trade Organization (WTO) accession negotiations offer the United States the single most important opportunity to secure meaningful market access from potential new WTO Members for America's farmers, ranchers, workers, producers, and businesses. USTR leads U.S. efforts to negotiate the terms of WTO accessions, currently underway with Kazakhstan, Bosnia, Afghanistan, Ethiopia, Algeria and 20 other countries, to ensure predictable, transparent and rules-based access for U.S. exporters to these markets. Past WTO accession negotiations with China, Russia, Taiwan, Saudi Arabia and 25 other recent applicants have secured valuable market access and expanded observance of international trading rules that favor U.S. exports.

Countries and separate customs territories seeking to join the WTO must negotiate the terms of their accession with current members, as provided for in Article XII of the WTO Agreement. The accession process, with its emphasis on implementation of WTO provisions and the establishment of stable and predictable market access for goods and services, provides a proven framework for adoption by other governments of policies and practices that encourage trade and investment and promote growth and development.

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 negotiation the elimination of trade barriers in acceding countries, to work with acceding governments towards full implementation of WTO obligations, to address outstanding trade issues, and to press for more liberal market access for U.S. exports of both goods and services.

The ongoing accession negotiations with Azerbaijan, Algeria, Bahamas, Belarus, Comoros, Ethiopia, Iraq, Liberia, Serbia, and The Bahamas are likely to intensify. The closeout on the accessions of Kazakhstan, Seychelles, and Afghanistan are important to the United States for economic and foreign policy reasons. There will be significant activity in negotiations with Afghanistan, Algeria, Azerbaijan, Bahamas, Belarus, Liberia and Uzbekistan during FY 2016.

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. USTR's enforcement work is focused on three areas: pursuing WTO rights, including as appropriate through disputes, and monitoring and enforcing FTAs and monitoring and enforcing 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.

This goal is pursued through the following four program initiatives:

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

WTO Disputes and Improving the WTO Dispute Settlement System

USTR coordinates and leads the Administration's activities in identifying, monitoring, enforcing, and resolving the full range of international trade issues to ensure that American workers, farmers, ranchers, and businesses receive the maximum benefit under our international trade agreements, using a variety of tools including consultations, negotiations, and litigation in formal dispute settlement proceedings. These include broad, multilateral agreements such as those administered by the WTO. The Department of Commerce has estimated that in 2013, each billion dollars of U.S. goods and services exports supported between an estimated 5,400 and 5,900 American jobs. This offers a rough gauge of the potential impact of various market-opening actions including dispute settlement proceedings.

Enforcement of these agreements produces real results. For example, in 2014, USTR prevailed in a WTO dispute challenging retaliatory antidumping and countervailing duties that China had imposed on U.S. exports of automobiles and SUVs, which ranged up to 21.5 percent and affected an estimated \$5.1 billion worth of U.S. auto exports in 2013. During the pendency of the

litigation, China announced it would terminate the duties. Recently, a dispute settlement panel found in favor of the United States in challenging widespread restrictions maintained by Argentina on the importation of U.S. goods. The Panel agreed with the United States that Argentina's import licensing requirement and other import restrictions breach international trade rules. And a WTO panel and Appellate Body reports have found that China also breached WTO rules by imposing duties and quotas on exports of rare earths and tungsten and molybdenum. Those export restraints promoted China's own industry and discriminated against U.S. companies using those materials, which are key inputs in a multitude of U.S-made products for critical American manufacturing sectors, including hybrid car batteries, wind turbines, energy-efficient lighting, steel, advanced electronics, automobiles, petroleum, and chemicals.

USTR's WTO trade litigation activities include investigating potential breaches of trade agreements, preparing written submissions and other documents required to initiate and prosecute a trade complaint, or to defend a complaint brought against the United States, and presenting oral arguments in the course of trade litigation. When bringing or defending a WTO dispute, USTR not only seeks to advance U.S. trade interests, but also carefully considers and attempts to shape through its arguments the interpretation of the WTO Agreement by panels and the Appellate Body consistent with U.S. trade policy objectives. USTR leads bilateral negotiations to resolve WTO and other trade disputes, both before and after litigation proceedings are instituted. As necessary, USTR may initiate or need to defend compliance or retaliation proceedings brought to secure full compliance with WTO rules. USTR represents the United States as a third party in disputes initiated between other WTO Members. USTR also leads negotiations now underway to clarify and improve the WTO dispute settlement system.

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

USTR implements, administers, monitors and enforces U.S. rights under FTAs and other trade agreements to ensure that the United States derives the full benefits its trading partners committed to provide, and maximizes other benefits. Under this Administration, USTR also has emphasized monitoring and enforcing the environmental, labor, and intellectual property rights commitments under such agreements. A list of U.S. trade agreements can be found annexed to USTR's Annual Report.

In the event that USTR believes that a trade agreement partner is failing to comply with its trade agreement obligations and bilateral consultations fail to resolve the issue, USTR may, where provided for in that agreement, elect to bring the matter before a dispute settlement panel convened under the relevant agreement to decide the dispute. USTR also defends the United States in those instances in which another government institutes dispute settlement proceedings challenging a U.S. measure.

Prior to or as an alternative to dispute settlement (or where an agreement does not provide for dispute settlement), USTR actively presses for resolution of compliance concerns using a wide range of bilateral, regional, and multilateral trade policy tools, such as the various committees of the WTO, commissions established under U.S. FTAs, bilateral trade policy dialogues, and other mechanisms.

With the Korea, Colombia, and Panama FTAs having entered into force, and the anticipated Trans-Pacific Partnership Agreement (TPP) implementation, USTR will administer, monitor and enforce a wide range of provisions for a variety of 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. Additionally, USTR will be monitoring several TPP countries to ensure that labor law and administrative reforms undertaken to meet the TPP labor chapter obligations are being fully implemented. Likewise, substantial USTR resources are required to monitor implementation of the Annex on Forest Sector Governance in the U.S.-Peru FTA and the Joint Action Plan on Forest Sector Governance, and these commitments are closely watched by a range of stakeholders. Scrutiny will also increase on enforcement of FTA labor and environment obligations based on pending public submissions under existing FTAs, in addition to potential additional submissions under those FTAs and under the TPP and Transatlantic Trade and Investment Partnership (T-TIP) Agreements when they are in place. Reflecting heightened scrutiny in these and other issue areas, the functional offices, the regional offices, the Office of the General Counsel, and ITEC 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 U.S. trading partners, to discuss the operation of our existing FTAs as well as bilateral In addition, we will increase emphasis to resolve unwarranted sanitary and concerns. phytosanitary barriers, which restrict U.S. food and agricultural products with FTA partners. In FY 2016, we expect to implement the TPP Agreement involving eleven other countries in the region, which will contain new, unprecedented commitments. 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 MENA region work to increase trade and investment. These efforts in FY 2016 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 FY 2016 if the United States and the European Union successfully conclude negotiation of a comprehensive T-TIP Agreement and if 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 the Environmental Goods Agreement.

<u>Implementing WTO Agreements and Participating in the Committee Process</u>

USTR works in WTO committees and councils to secure U.S. trade interests and to guard against efforts by other WTO Members to shift the balance of rights and obligations under WTO agreements as they are being implemented. For example, in the Technical Barriers to Trade (TBT) Committee, the United States works to resolve dozens of market access barriers affecting U.S. exporters of agricultural and industrial products each year. In the Subsidies Committee, the United States is taking the lead in pressing countries such as China and Russia to adhere to their transparency commitments regarding their respective industrial subsidy policy regimes. In the Import Licensing Committee, the United States is working assertively with other Members to ensure compliance with the Import Licensing Procedures Agreement and to stop the proliferation of import licensing requirements that impose unwarranted barriers to trade. Two cases on such issues are currently in dispute settlement, and we need to be vigilant in the context of this Committee, for example, about Russia's use of trade restrictive import licensing measures. In the Trade and Related Investment Committee the United States has pressed its concerns regarding localization measures, in particular with respect to Nigeria, Brazil, Indonesia, and India. In the Safeguards Committee, the United States is leading increased collaboration efforts among the Members at a technical level to discuss areas where the Safeguard Agreement is unclear and gaps need to be filled. This is being done with the goal of reaching agreement among the Members on some common principles that could be used as a platform for future negotiations. In the TRIPS Council, the United States is advancing U.S. intellectual property rights protection and enforcement priorities by building alliances with traditional as well as new allies on key initiatives. This builds on the positive relationship between intellectual property and innovation, on green technologies and other issues, thereby significantly reducing the extent to which defensive issues occupy the TRIPS Council. In the Committee on Agriculture, the United States is promoting transparency and compliance on agricultural subsidy obligations. In the Working Party on State Trading Enterprises, the United States is pressing Members to adhere to their transparency commitments with respect to the notification of state trading enterprises. In the Committee on Customs Valuation (CCV), the United States takes a lead role in ensuring that each Member is implementing the Agreement on Customs Valuation in law and practice.

Likewise, the United States reviews the trade policies of numerous WTO Members annually through the Trade Policy Review (TPR) mechanism to ensure that Members are abiding by their WTO commitments. As the chief spokesman for the United States with respect to the multiple WTO agreements, USTR leads the United States' efforts. We can expect work in the various WTO committees and councils to continue to intensify in FY 2016 as increased committee activity reveals the need for increased collaborative responses to issues, requiring additional resources. Proactive work in the standing committees, such as SPS, TBT, TRIMs, Customs Valuation, Import Licensing, Safeguards Committees, the TRIPS Council and the Working Party on State Trading Enterprises is essential to defining forward-looking principles that can lay the basis for future negotiations that will address 21st century obstacles to trade. Finally, in FY 2016, USTR will need to begin planning, coordinating and executing the logistical and substantive participation of the U.S. Delegation in the December 2015 WTO Ministerial Conference.

A key element of this initiative, cross-cutting with the previous objective of negotiating new market access, is USTR's negotiations with China on its accession to the WTO Agreement on Government Procurement (GPA). China's accession to the GPA is key to securing U.S. exporters access to its more than \$90 billion government procurement market. Securing China's GPA accession through the WTO's Committee on Government Procurement is an intensive, multi-year process requiring sustained engagement on the technical and political levels. Continuing in FY 2016 will be the ongoing need to ensure that post-accession Russia implements its WTO obligations.

In addition, the work of the SPS and TBT Committees on resolving specific trade concerns is essential to our efforts to enforce existing WTO obligations and ensure that standards and regulatory measures do not unnecessarily impede market access for U.S. producers. These activities also lay the basis for the annual USTR reports which are a priority of this Administration and enable USTR to communicate our successes with the larger trade community.

With the future of the Trade Facilitation Agreement no longer in question, USTR will work towards entry into force. This will involve intensive committee work that requires participation of U.S. experts at meetings in FY 2016.

Ongoing work in the WTO Committee on Trade and Development and the WTO Aid for Trade Initiative also remains critical to USTR's mission considering that development is a top priority for President Obama, as was made clear in his 2009 Presidential Study Directive (PSD), that called for a government-wide review of U.S. global development policy. Depending on the status of the WTO Monitoring Mechanism, there could be an increase in already intensive committee work in FY 2016.

Monitoring and Addressing Emerging Trade Issues and Creating New Opportunities

USTR monitors industry and trade developments in the United States and worldwide including emerging barriers to trade as well as new trade opportunities outside of ongoing FTA negotiations. These opportunities and issues span the globe, including in growing emerging markets, Africa and the Middle East.

USTR will continue to work to address localization barriers to trade around the world by (1) strengthening the analytical case against localization barriers; (2) multilateralizing work to address localization barriers to trade; and (3) promoting approaches that offer better ways to stimulate job creation and economic growth. We have also created a specific negotiating group in the T-TIP negotiations to develop concrete ways that the United States and the European Union can cooperate to address these issues with third parties.

Sub-Saharan Africa has been identified as a "last frontier" market with rapidly growing export and investment opportunities for U.S. businesses, particularly SMEs. The Obama Administration will work closely with Congress and other stakeholders to renew and enhance the African Growth and Opportunity Act (AGOA) beyond the current expiration date of September

2015, and lead USG exploratory discussions of ways to enhance the U.S.-Africa trade and investment relationship, including possible new reciprocal trade agreements aimed at growing two-way U.S.-sub-Saharan Africa trade. USTR will also be working with other agencies to increase AGOA utilization as part of a new comprehensive trade, investment and development strategy announced in an August 4, 2014 Presidential Memorandum. Over the next several years, USTR will be advancing under various initiatives including Trade Africa and the Doing Business in Africa as well as others arising out of the August 2014 U.S.-Africa Leaders Summit that will position U.S. businesses, including SMEs, to take advantage of new trade opportunities in Africa.

USTR has negotiated international equivalence agreements with Canada, the European Union, Japan and Korea 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. In addition, as more countries adopt the use of new technologies to expand agricultural production, USTR will work with other countries to establish trade facilitating regulatory approaches for new technologies to avoid disruptions in trade of food and agricultural products.

USTR has been actively pursuing means to implement the President's Middle East and North Africa (MENA) Trade and Investment Partnership initiative, which seeks to build or strengthen ties between MENA transition countries and the United States, as well as to foster greater economic integration among MENA countries themselves. Ideally this effort will result in negotiation of one or more new trade agreements (either bilateral or regional) or to resolve trade and investment issues. In FY 2016, USTR will require resources to conclude such negotiations or pursue alternative solutions for issues.

Following the signature of the Association Agreements/Deep and Comprehensive Free Trade Agreements between the EU and Ukraine, EU and Moldova and EU and Georgia, Russia responded by threatening those countries with economic retaliation. In response, USTR, working with inter-agency colleagues, is working to expand engagement with the governments of Ukraine, Moldova and Georgia to find ways to support their economies, and to grow our trade and investment relationships with them. We are also working with them to respond to Russia's WTO-inconsistent retaliatory trade measures.

USTR anticipates continuing to pursue concrete initiatives on trade facilitation, investment, the digital economy, and transparency with ASEAN, a key commercial and strategic partner, looking to negotiate major trade agreements with other countries that will have implications for the 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 the Philippines, which is considering future participation in the Trans-Pacific Partnership Agreement; and Burma, where political reforms present significant new opportunities for U.S. companies.

USTR is also pursuing intensified engagement with Brazil on a range of matters under the auspices of the United-States-Brazil Commission on Economic and Trade Relations.

USTR also anticipates continuing its efforts to use trade agreements and initiatives to combat wildlife trafficking and illegal logging and fishing, pursuant to the June 17, 2014 Presidential Memorandum on Combating Wildlife Trafficking and the Presidential Memorandum entitled "Establishing a Comprehensive Framework to Combat Illegal Unreported, and Unregulated Fishing and Seafood Fraud."

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 achieving the President's trade agenda. Given Congress's Constitutional authority over matters of foreign commerce, 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. 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.

This goal is pursued through the following three program initiatives:

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

Pursuing Legislative Initiatives, Including Congressional Approval of Pending FTAs

USTR works with Congress, partner agencies, stakeholders and trading partners to secure legislation necessary to implement pending free trade agreements (FTAs), authorization of the Generalized System of Preferences (GSP), and renewal and enhancement of the African 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 The importance of USTR's work with Congress in this and other trade initiatives. Administration is exemplified by Congressional approval of the U.S. FTAs with Korea, Panama, and Colombia, and development of proposals to advance negotiations on the Trans-Pacific Partnership (TPP) Agreement, the Trade in Services Agreement (TiSA), the Environmental Goods Agreement (EGA), the U.S.-EU Transatlantic Trade and the Investment Partnership (T-TIP) Agreement, and legislation on extending the Trade Promotion Authority (TPA). The Administration is also committed to work with Congress towards a seamless renewal of AGOA beyond its expiration date of September 30, 2015 - one that takes account of USG proposals for its enhancement announced at the August 2014 AGOA Forum Ministerial in Washington, DC, and to renew the GSP program.

Advising on Trade Aspects of Proposed Legislation and Regulations

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. USTR also works with Congressional committee staff on drafting legislation related to trade matters. In addition, USTR reviews and provides comments and suggestions to OMB regarding trade law and policy implications of proposed federal agency regulations. USTR also works with 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 rights stakeholders, and are consistent with U.S. international trade rights and obligations. Trade preference legislation is a critical part of this initiative, and renewal and modification of the African Growth and Opportunity Act (AGOA) will be a major priority during FY 2015 and leading into FY2016. USTR will be providing input on bills impacting AGOA as well as the Generalized System of Preferences (GSP) programs. USTR will also review other legislative proposals impacting the U.S.-Africa trade and investment relationship, including Electrify Africa and Energize Africa bills. 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.

Identifying and Addressing Trade Barriers and Providing Congressionally Mandated Reports

USTR is required by statute to produce multiple, annual reports and reviews regarding U.S. trade policy. Together, these identify the chief trade barriers to U.S. exports maintained by our key trading partners, as well as the Administration's efforts to reduce or eliminate them through negotiation, consultation, and dispute settlement. These reports include:

- The National Trade Estimate (NTE), including specific reporting on Sanitary and Phytosanitary (SPS) Barriers and Technical Barriers to Trade
- Protection and enforcement of intellectual property rights/Special 301 and Out of Cycle reviews and Notorious Markets reports
- China WTO Compliance
- Section 1377 Review
- Russia's WTO Compliance and Enforcement of Russia's WTO Commitments
- The President's Trade Policy Agenda and Annual Report
- Government Performance and Results Act (GPRA), and others (e.g., Subsides, China WTO, CBI, Haiti HOPE II, greenhouse gas reduction technologies)

If the African Growth and Opportunity Act (AGOA) is renewed in line with Administration proposals announced during the August 2014 AGOA Forum, there may be an additional biennial report on AGOA which USTR would be responsible for producing.

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

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

This goal is pursued through the following three program initiatives:

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

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

SMEs are the primary source of jobs for Americans and the backbone of the U.S. economy. Yet while the vast majority of U.S. businesses are small or medium-sized, these firms account for a relatively small share of U.S. exports. In October 2009, USTR launched a new trade policy initiative to better enable these businesses to grow and to generate jobs through international trade. In July 2012, the Export Promotion Cabinet (EPC) launched a new plan for maximizing the effectiveness of federal programs, particularly to improve the provision of the tools and information SMEs need to export. USTR is collaborating with interagency partners on SME trade activities through the TPSC and on the EPC Plan through the Trade Promotion Coordinating Committee. An agency-wide working group is ensuring that policymaking and enforcement better serve SMEs.

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 Trans-Pacific Partnership (TPP) Agreement and the Transatlantic Trade and Investment Partnership (T-TIP) Agreement. 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 other agencies' export promotion programs for small- and mid-sized U.S. firms have a better chance to help SMEs succeed. USTR's initiative on women in economic growth aims to reach out to women-owned small businesses, and also work to gather data on whether there is a "gender" difference in who exports or not. USTR is also working to advance the Administration's Doing Business in Africa (DBIA) initiative, whose goals were updated and enhanced during the August U.S.-Africa Leaders Summit and Business Forum. U.S. SMEs have significant opportunities in the rapidly growing African market which DBIA and other initiatives aim to help them realize.

USTR's efforts in encouraging and facilitating SME exports directly support the Administration's National Export Initiative/NEXT strategy.

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 U.S. trade and development policy further strengthening growth of global markets. USTR also played a role in developing and now implementing the Presidential Policy Directive for sub-Saharan Africa – a key pillar of which is promoting opportunity and development as well as spurring economic growth, trade and investment.

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 (as in the dozen or so Generalized System of Preferences (GSP) country practice reviews that are active at any given time) and annual reviews (as in the case of the African Growth and Opportunity Act (AGOA) annual eligibility 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. USTR will also be playing an active leadership role in the Steering Group established in an August 4, 2014 Presidential Memorandum establishing a comprehensive approach to promoting trade and investment with and within sub-Saharan Africa. Based on a comprehensive year-long review of AGOA, the Administration announced its proposal for AGOA renewal during the August 2014 AGOA Forum Ministerial, and will be working closely with Congress and other stakeholders on an extended and reformed AGOA beyond the current September 2015 expiration date.

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 2016 USTR will need adequate resources to ensure effective implementation of new interagency-led effort to enhance trade and investment capacity building in sub-Saharan Africa, announced during the August 2014 U.S.-Africa Leaders Summit.

Promoting 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, free trade agreements (FTAs), Trade and Investment Framework Agreements (TIFAs), and through its work in other international fora. In several contexts, including the WTO, the Trans-Pacific Partnership (TPP) Agreement negotiations, and the Transatlantic Trade and Investment Partnership (T-TIP) Agreement negotiations, USTR is seeking to ensure strong "green" provisions in the form of new rules to discipline fisheries subsidies, to address illegal, unreported, and unregulated (IUU) fishing, and to promote sustainable fisheries management policies. USTR promotes strong environmental protection and enforcement efforts in its FTAs, and monitors our trading partners' compliance with environmental commitments, including in high-profile and complex areas such as combating illegal logging in Peru. USTR participates in annual meetings of our FTA Environmental Affairs Councils in order to monitor implementation of environmental commitments, and reviews public submissions and otherwise engages regularly with the public on environmental compliance issues. In addition, USTR is working to advance conservation issues in its trade initiatives, particularly in pursuing commitments to combat trade in illegallyharvested wildlife and wild-plant products in the TPP and T-TIP negotiations and to participate in and strengthen an experts group on illegal logging and associated trade in APEC. This work also directly supports the Presidential initiative to combat wildlife trafficking, as outlined in Executive Order 13648 of July 1, 2013, as well as the Presidential Task Force on Combating IUU Fishing and Seafood Fraud, and with sufficient resources could be broadened to support engagement on these issues with other countries and regions, such as in Africa and ASEAN.

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. As part of the President Obama's Climate Action Plan commitment to promote free trade in environmental goods, USTR launched the Environmental Goods Agreement (EGA) negotiations in the WTO in 2014 to eliminate tariffs on such goods, building on the successful APEC outcomes in this sector. These efforts are expected to extend into FY 2016, 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 is active in global negotiations in the UN Framework Convention on Climate Change (UNFCCC), global electronic stewardship and e-waste initiatives, Rio+20 outcomes such as the

Tropical Forestry Alliance (TFA) 2020, and regional fisheries management organizations. USTR also coordinates and consults regularly with the environmental and business communities, and promotes transparent and inclusive trade and environmental policy-making.

Labor Rights: USTR supports the Administration's efforts to ensure adherence to fundamental labor rights and enforcement of labor laws through negotiation of provisions in FTAs, TIFAs, and other trade fora, and through FTA Labor Cooperation mechanisms to build our trading partners' capacity to promote and protect labor rights. In support of implementation of trade agreements, USTR secures commitments to ensure that trade partners take needed labor law and administrative reforms to meet the trade agreement labor obligations. Where trade agreements or trade preference programs are already in place, USTR monitors our trading partners' compliance with labor provisions and engages them through participation in Labor Affairs Council meetings and other means. 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.

USTR's initiative on women in economic growth reaches out to women and women-owned businesses in the United States and developing countries to enhance their participation in trade-related economic growth. This work directly supports the White House Council on Women and Girls.

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, sanctions 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 food security programs (Feed the Future) in 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 also played a major role in the development of the Presidential Policy Directive for sub-Saharan Africa and its implementation, the development of a new whole-of-government trade and investment strategy announced in an August 4, 2014 Presidential Memorandum during the U.S.-Africa Leaders Summit which highlights the importance of AGOA as well as in the development of the Administration's National Strategy for Combating Wildlife Trafficking and the Comprehensive Framework to Combat Illegal, Unreported, and Unregulated Fishing and Seafood Fraud.

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 U.S. 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/NEXT 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. USTR has contributed to the development of the U.S. Government's economic policy in response to Russia's illegal annexation of Crimea, support for separatists in eastern Ukraine and general efforts to destabilize countries around its periphery.

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

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

This goal is pursued through the following two program initiatives:

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

Conducting Multilateral and Bilateral Fora and Initiatives

USTR 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, including the U.S.-China Joint Commission on Commerce and Trade (JCCT), Asia-Pacific Economic Cooperation (APEC) forum, Association of Southeast Asian Nations (ASEAN), U.S.-Sub-Saharan Africa Trade and Economic Cooperation (AGOA) Forum, the Transatlantic Economic Council (TEC), the Organization for Economic Cooperation and Development (OECD), Food and Agriculture Organization, Cartagena Protocol on Biosafety, International Coffee Agreement, U.S.-China Strategic and Economic Dialogue (S&ED), U.S.-Japan Economic Harmonization Initiative, Korea Quarterly Bilateral Trade Consultations, Non-WTO Multilateral Trade-Related Institutions (e.g., , UN, UNCTAD, WHO, WIPO, G8, and G20), international commodity agreements (ITTO, ICO), U.S.-India Trade Policy Forum (TPF), U.S.-Russia Bilateral Presidential Commission Business Development and Economic Relations Working Group (currently on hiatus due to Russia's actions in Ukraine), U.N. Framework Convention on Climate Change, Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), regional fisheries management organizations (RFMOs), CAIRNS Group, Government/Authorities Meeting on Semiconductors (GAMS), Steel Dialogues, Mutual Recognition Agreements (MRAs) Joint Committees, The World Wine Trade Group, U.S.-Turkey Framework for Strategic Economic and Commercial Cooperation (FSECC), various Ministerials (African Union, Least Developed Countries, etc.), U.S.- Brazil Commission on Economic and Trade Relations, various Joint Committees on Trade and Investment, the bilateral Trade and Investment Partnership Initiatives for the Middle East and North Africa and for the East African Community (EAC), related multilateral work in the G7 and other processes, and the new regulatory cooperation initiatives aimed at reducing non-tariff-barriers to trade with the EU, Canada, and Mexico.

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 bodies as well as commodity-based forums. These advocacy actions ensure that key U.S. priorities, including those of 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 and pharmaceutical patents, eliminated barriers to U.S. new energy vehicles and parts, as well as lowered barriers to its telecommunications market, and eliminated testing and certification barriers to exports of manufactured goods. 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 increasing exports 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.

In addition, USTR led the effort in the TEC to forge an agreement with the EU on trade-related principles for Information and Communication Technology (ICT) services – principles that the two sides are seeking to promote internationally and that, if more widely adopted, will stimulate the spread of the ICT services where U.S. firms are global leaders. USTR and the State Department also co-led successful negotiations with the EU in the TEC on a shared set of investment principles and the development of a plan for transatlantic cooperation on raw materials trade and related issues. USTR has played a key role in promoting the adoption of a more ambitious U.S.-EU regulatory cooperation agenda in the TEC and the U.S.-EU High-Level Regulatory Cooperation Forum. USTR is also the U.S. chair of the Transatlantic IPR Working Group, which has strengthened US-EU IPR coordination in key third countries and multilateral organizations and on key IPR priorities including trade secrets and innovation environments.

Similar successes are evident in all of USTR's multilateral and bilateral forum work. USTR participation in multilateral and bilateral fora and initiatives is also critical to advancing negotiations in other bodies and forums. For example, USTR remains engaged in valuable work in the OECD Trade Committee and Working Party, which further promotes U.S. policy objectives. Many recent OECD studies on the value of the WTO Trade Facilitation Agreement have been invaluable negotiating tools for ongoing negotiations in the WTO. USTR has also been active in the OECD's work to develop a Service Trade Restrictiveness Index (STRI), a tool to measure the restrictiveness of barriers affecting trade in services, which will provide a unique

tool for USG services negotiators.

<u>Trade and Investment Framework Agreements (TIFAs)</u>

Trade and Investment Framework Agreements (TIFAs) are strategic frameworks for dialogue between the United States and other countries covering the full range of trade and investment issues. Although the names of these agreements vary, they all serve as a forum for the United States and other governments to meet and discuss issues of mutual interest with the objective of improving cooperation, enhancing opportunities for trade and investment, and attempting to resolve concerns before formal dispute resolution might be considered. Topics for discussion include removing barriers to U.S. exports, expanding market access for U.S. goods, services and investment, addressing labor rights issues, improving intellectual property rights (IPR) protection and enforcement, increasing environmental protections, and providing technical assistance to developing countries seeking to build capacity, reduce gender-based barriers to opportunity, diversify exports, improve regional economic integration (where appropriate), and pursue reform oriented trade agreements.

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 (ASEAN), the Common Market For Eastern and Southern Africa (COMESA), the East African Community (EAC), the Economic Community of West African States (ECOWAS), the West African Economic and Monetary Union (UEMOA), the Southern African Customs Union (SACU), the Gulf Cooperation Council, the Caribbean Community and Common Market (CARICOM), and the five countries that comprise Central Asia. 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, Southeast Asia, South and Central Asia and South America. 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.

USTR's engagement with TIFA partner countries directly supports Presidential goals and initiatives, including the Administration's economic objectives (promoting economic growth and job creation in the United States, opening foreign markets to U.S. exports, ensuring that U.S.

trading partners abide by their commitments, promoting inclusive economic growth and policy development in developing countries, and enabling developing countries to negotiate and implement market opening and reform oriented trade agreements) as well as key strategic goals of the Administration (such as raising the prominence of U.S. engagement in Asia, supporting the transition to democratic governance in the Middle East, strengthening and stabilizing the economies of Africa, the Middle East, and South and Central Asia, and engaging with Burma so that its economic future evolves in directions supportive of U.S. interest, among others.) 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 2014, we held our first TIFA meeting with Burma and are pursuing initiatives to advance the Administration's goal of promoting economic and political reform and positive change as Burma emerges from years of isolation. In FY2016, we anticipate TIFA discussions with Indonesia, the Philippines, Thailand, Cambodia, Vietnam, Burma, and ASEAN collectively.
- 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. To support improved export and job growth goals, the United States 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, Moldova and Georgia are still fighting the vestiges of centrally- planned economies, resisting economic pressure from Russia 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, help these countries broaden the range of trading partners beyond their traditional ones and support their efforts to resist Russian efforts to destabilize their economies. When our political relationship with Russia improves, we will once again need to establish a formal, regular forum in which to engage Russia to

- address trade and investment issues in support of U.S. exporters and investors. A TIFA would provide such a forum.
- 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 MENA 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 the national level.
- The Americas: While 12 countries in the Americas are FTA partners, TIFAs or TIFA-like dialogues are our main venue to engage on trade matters with the other countries in the region, such as Brazil, Uruguay, and Paraguay. In 2014 we held a TIFA meeting with Uruguay as part of the agenda during President Mujica's state visit to Washington on May. A second dialogue meeting with Brazil was held in FY14. Following the signature by the Vice President of an updated TIFA with CARICOM, meetings in May 2013, and USTR hosted an inaugural TIFA in November 2013 with annual meetings planned for coming years.
- Sub-Saharan Africa: We have five TIFA or TIFA-like agreements with sub-Saharan African regional economic organizations: the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA), the West African Economic and Monetary Union (UEMOA), the Southern African Customs Union (SACU), and one that was signed on August 5, 2014 with the Economic Community of West African States (ECOWAS). 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 eight 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 calls for more enhanced and focused engagement on trade and investment between the United States and sub-Saharan Africa, and helps advance initiatives such as Trade Africa and others that were announced during the August 2014 U.S.-Africa Leaders Summit and Business Forum.

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 to ensure sufficient public support for the Administration's 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 and 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 Economics and Policy 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.

From a standpoint of intergovernmental affairs and public engagement, these include the critical function of managing all Trade Advisory Committees. Particular outreach functions include providing regular briefings and information on ongoing trade activities appropriate to the individual committees; serving as the main point of contact between state and local governments to determine the effects that trade policy has on state laws; meeting regularly with a broad range of civic organizations, businesses and private sector groups to explain and promote U.S. trade policies and objectives and to help U.S. groups promote American trade interests. Additionally, USTR engages with labor unions, private sector business organizations, non-governmental organizations, and with Congress through domestic travel, correspondence, and by providing briefings to advisors and other stakeholders, interagency coordination, and responses to inquiries. These efforts aim to maintain and expand communication with stakeholder groups on trade, labor rights and environmental policy concerns. In particular, these procedures have been critical to assuring transparency and meaningful public input into the negotiations of our free trade agreements, including the Trans-Pacific Partnership agreement and Transatlantic Trade and

Investment Partnership agreement, as well as other initiatives such as the negotiations for a Trade in Services Agreement and an Environmental Goods Agreement. Engagement plays a key role in assisting the public understanding of the economic impacts of trade agreements, while also building and solidifying relationships that, in turn, are beneficial to USTR's interaction with Congress and the Administration.

The overarching role of the Office of Public and Media Affairs is to advance Administration trade policy through press and public outreach, both domestically – where the rise of new media and increased concern about government transparency, as well as a call for increased trade enforcement, have become major factors in the public discourse – and internationally, where U.S. interests in trade must be leveraged to keep markets open and to ensure the success of our trade negotiations. Success in both domestic and international media requires a comprehensive, USTR-wide effort led by the Public Affairs Office through strategic long-term planning, coordination of press outreach on all USTR domestic and foreign travel as well as in Washington, DC- and Geneva-based press initiatives, daily message management, and rapid response. USTR's Office of Public and Media Affairs undertakes this effort in coordination with partner agencies and with the White House in order to ensure consistency with Administration goals and messaging.

USTR chairs an interagency Trade Policy Staff Committee (TPSC) panel that, *inter alia*, holds public hearings prior to the initiation of free trade agreement negotiations, making recommendations on modifications of treatment under tariff preference programs, and as part of the annual assessments of China's and Russia's compliance with their respective WTO obligations. USTR collects close to 1,000 written submissions annually in response to notices published in the Federal Register on these and other proposed trade actions, demonstrating it as effective outreach to stakeholders and the public at large. The President's goal is to create a more transparent Federal government. This has required USTR to provide more opportunities for discourse with stakeholders in Washington and throughout the country. USTR has expanded the venues for public engagement in negotiations, discussions and events hosted by USTR. USTR's initiative on women in economic growth seeks to reach out to women and women-owned businesses to gain a better understanding of how they can take advantage of trade opportunities, and to increase their understanding of trade policy.

USTR's year-long comprehensive review of the African Growth and Opportunity Act (AGOA) required extensive outreach and collaboration, including through interagency, Congressional, private sector, and civil society engagement. As the Administration works with Congress and other stakeholders to renew and enhance AGOA beyond its current September 2015 expiration date and to follow up on Administration proposals announced at the August 4, 2014 AGOA Forum Ministerial, it will need to continue intensive consultations and outreach with all stakeholders.

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

Under this program, USTR provides interagency trade policy expertise and leads or participates in interagency processes through several mechanisms and groups, including the following:

- National Economic Council (White House policy coordination)
- Trade Policy Review Group (TPRG)
- Trade Policy Staff Committee (TPSC)
- Trade Promotion Coordination Committee (TPCC)
- President's Trade Policy Agenda
- Committee on Foreign Investment in the United States (CFIUS)
- Overseas Private Investment Corp (OPIC)
- Export-Import Bank
- Millennium Challenge Corporation (MCC)
- White House Council on Women and Girls

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

As reported elsewhere in USTR's other budget initiatives, the period from FY 2015 to FY 2016 will be one of intensified activity in the trade area, for example as the Administration nears the critical period to meet its objectives under the National Export Initiative/NEXT and helps bring to a conclusion negotiations of the Transatlantic Trade and Investment Partnership agreement. These intensified trade-related activities will be wide ranging, including the launch of new initiatives and negotiations, such as the Environmental Goods Agreement and a number of Bilateral Investment Treaties, and expanded monitoring and enforcement of our trade agreements. Renewal and enhancement of AGOA will require additional outreach and coordination as USTR works with Congress and other stakeholders to renew AGOA beyond 2015. Moving forward in all of these areas will increase the demand for effective and high-quality interagency activity through the TPSC/TPRG and Deputies' processes.

Managing and Responding to High-Priority Statutory and Administrative Requests

USTR is required by law to respond to statutory requests, such as inquiries under the Freedom of Information Act (FOIA) 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; and 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 Trans-Pacific Partnership agreement, negotiations on the Transatlantic Trade and Investment Partnership agreement with the EU, potential renewal and modification of AGOA, 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.

Mission related high priority support functions include completing migration of information technology processes in accordance with USTR's Knowledge Management Plan, funding leadership and professional development, and implementing an electronics records management system.

By ensuring the effective use of resources, the 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 provision of a productive working environment. In particular, the IT 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 carefully managed.

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 subcabinet-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 Deputy Trade Attaché and two Foreign Service Nationals (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.

In his FY 16 budget request, the President is again asking Congress to provide authority to submit proposals to reorganize or consolidate Federal programs and agencies in order to reduce the size of Government or cut costs. The President's Budget includes a variety of proposed reforms across government designed to drive efficiency and accountability, prevent duplication, and make government work better and smarter for the American people. One of these reorganizations the President would propose with this authority reiterates his previous proposal to consolidate Federal business and trade programs into one department dedicated to promoting U.S. competitiveness, exports, and American businesses and jobs. The proposal could integrate the six Federal agencies that focus primarily on business and trade, along with other related programs. These include the Department of Commerce's core business and trade functions, the Small Business Administration, the Office of the U.S. Trade Representative, the Export-Import Bank, the Overseas Private Investment Corporation, and the U.S. Trade and Development Agency, as well as rural business programs at the Department of Agriculture, Treasury's Community Development Financial Institution Program, and statistical agencies at the Department of Labor and National Science Foundation. To strengthen the new department's focus on business and economic growth, the National Oceanic and Atmospheric Administration would be consolidated into the Department of Interior, strengthening stewardship and conservation efforts and enhancing scientific resources. USTR's FY 16 budget submission reflects its current alignment as an independent, Cabinet-level component of the Executive Office of the President.

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, [\$54,250,000]\$56,268,000, 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, 2015.*)

SUMMARY OF FY 2016 BUDGET REQUEST

(In thousands of dollars)

| | FY 2014 | FY 2015 | FY 2016 | FY15/FY16 |
|--------|---------|----------|----------|------------|
| | Enacted | Estimate | Estimate | Difference |
| Budget | 52,601 | 54,250 | 56,268 | 2,018 |

FTE Levels by Fiscal Year

| | FY 2014 | FY 2015 | FY 2016 | FY15/FY16 |
|-----|---------|----------|----------|------------|
| | Actual | Estimate | Estimate | Difference |
| FTE | 225 | 233 | 240 | 7 |

SUMMARY OF RESOURCE REQUIREMENTS

(in thousands of dollars)

| | FY 2014 | FY 2015 | FY 2016 | FY15/16 |
|------------------------------------|---------|----------|----------|------------|
| | Actual | Estimate | Estimate | % Increase |
| Trade Coordination and Negotiation | 45,666 | 47,316 | 49,264 | 4.1% |
| Geneva Trade Negotiations | 5,643 | 5,883 | 5,942 | 1.0% |
| Beijing Trade Negotiations | 973 | 1,051 | 1,062 | 1.0% |
| Total Direct Program | 52,282 | 54,250 | 56,268 | 3.7% |

SUMMARY OF OBLIGATIONS BY OBJECT CLASSIFICATION

(in thousands of dollars)

| | FY 2014 | FY 2015 | FY 2016 | FY15/16 |
|-----------------------------------|---------|----------|----------|------------|
| | Actual | Estimate | Estimate | Difference |
| Personnel Compensation & Benefits | 39,518 | 41,973 | 43,612 | 1,639 |
| Travel and Transportation of | | | | |
| Persons | 6,584 | 5,500 | 6,000 | 500 |
| Transportation of Things | 3 | 3 | 6 | 3 |
| Comm., Utilities, & Misc. Charges | 1,437 | 1,600 | 1,500 | (100) |
| Printing and Reproduction | 53 | 75 | 75 | 0 |
| Other Contractual Services | 3,375 | 4,224 | 4,000 | (224) |
| Supplies and Materials | 392 | 351 | 351 | 0 |
| Official Reception and | | | | |
| Representation | 52 | 124 | 124 | 0 |
| Equipment | 406 | 300 | 300 | 0 |
| Land and Structures | 462 | 100 | 300 | 200 |
| Total | 52,282 | 54,250 | 56,268 | 2,018 |
| Reimbursement | 578 | 550 | 600 | 50 |
| Total | 52,860 | 54,800 | 56,868 | 2,068 |

Summary of Financial Changes By Object Class

Personnel Compensation and Benefits

(In thousands of dollars)

| FY 2014 | FY 2015 | FY 2016 | FY15/16 |
|---------|----------|----------|------------|
| Actual | Estimate | Estimate | Difference |
| 39,518 | 41,973 | 43,612 | 1,639 |

The estimated fiscal year FY 2016 funding requirement for USTR payroll is \$43,612,000 which represents an increase of \$1,639 or 3.9 percent from FY 2015. The increase reflects 7 additional FTE required for increased negotiating and enforcement work anticipated in FY 2016.

Travel and Transportation of Persons

(In thousands of dollars)

| FY 2014 | FY 2015 | FY 2016 | FY15/16 |
|---------|----------|----------|------------|
| Actual | Estimate | Estimate | Difference |
| 6,584 | 5,500 | 6,000 | 500 |

International travel is critical to fulfilling the President's trade agenda. Trans-Atlantic Trade and Investment Partnership (T-TIP) negotiations will continue into FY 2016. Should the TPP enter into force in FY 2016, 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 (T-TIP).

Transportation of Things

(In thousands of dollars)

| FY 2014 | FY 2015 | FY 2016 | FY15/FY16 |
|---------|----------|----------|------------|
| Actual | Estimate | Estimate | Difference |
| 3 | 3 | 6 | 3 |

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

Communications, Utilities, and Miscellaneous Charges

(In thousands of dollars)

| FY 2014 | FY 2015 | FY 2016 | FY15/FY16 |
|---------|----------|----------|------------|
| Actual | Estimate | Estimate | Difference |
| 1,437 | 1,600 | 1,500 | (100) |

Communications, Utilities and Miscellaneous Charges consist of data, voice, wireless communications from commercial sources, equipment leasing, and housing costs for Geneva mission head. Telecommunications costs (data 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 2016 decrease results from reduced audiovisual rental costs as a result of the completion of the TPP negotiation activity.

Printing and Reproduction

(In thousands of dollars)

| FY 2014 | FY 2015 | FY 2016 | FY15/FY16 |
|---------|----------|----------|------------|
| Actual | Estimate | Estimate | Difference |
| 53 | 75 | 75 | 0 |

Printing and reproduction costs are expected to remain constant. 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 2014 | FY 2015 | FY 2016 | FY15/FY16 |
|-----------|----------|----------|------------|
| Actual | Estimate | Estimate | Difference |
| 3,375 | 4,224 | 4,000 | (224) |

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), security, office 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 everevolving threats against U.S. personnel and property. These combined costs alone amount to \$1.7 million. Hosting negotiations worldwide are costly endeavors. It requires arrangements with hotels for meeting/conference rooms and other logistical requirements, as necessary. It is assumed that negotiation activity peaked in FY 2015 with completion of TPP negotiations and the overall number of negotiations hosted in the U.S. will be reduced. As a consequence, there will be lower costs for security services for domestic meeting negotiations.

Supplies and Materials

(In thousands of dollars)

| FY 2014 | FY 2015 | FY 2016 | FY15/FY16 |
|---------|----------|----------|------------|
| Actual | Estimate | Estimate | Difference |
| 392 | 351 | 351 | 0 |

Supplies and materials account for \$227,000 while official reception and representation expenses (\$124,000) account for the remainder. Supplies include subscription services for proprietary trade information that are not available to the public and requires payment of fees and license fees for online information services necessary as part of the work requirements.

Equipment

(In thousands of dollars)

| FY 2014 | FY 2015 | FY 2016 | FY15/FY16 |
|---------|----------|----------|------------|
| Actual | Estimate | Estimate | Difference |
| 406 | 300 | 300 | 0 |

There is a decrease of \$106,000 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 and FY 2016, 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 2014 | FY 2015 | FY 2016 | FY15/FY16 |
|---------|----------|----------|------------|
| Actual | Estimate | Estimate | Difference |
| 462 | 100 | 300 | 200 |

There is a decrease of \$362,000 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 2016, we anticipate that there will be a need for continued retrofits to accommodate the increased staffing levels.

FISCAL YEAR 2016 GOALS AND MEASUREMENTS

USTR's 2016 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/NEXT) 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 10th WTO Ministerial Conference 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.
- Work with WTO Members to achieve entry into force of the WTO Trade Facilitation 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.
- Conclude and implement tariff elimination commitments undertaken via 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.
- Significantly advance the WTO Environmental Goods Agreement (EGA) negotiations to eliminate tariffs on products such as wind turbines and solar water heaters and create new opportunities for U.S. exporters while supporting green jobs in the United States.
- Pursue negotiations to expand the list of pharmaceutical products subject to duty elimination under the WTO Pharmaceutical Agreement.
- 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.
- Work with Congress to consider possible reforms or revisions to the capacity of GSP program to take into account evolving global trade relations, including the growing competitiveness of many emerging market GSP beneficiaries.
- 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.
- Negotiate and implement mutual recognition agreements (MRAs) with select countries to facilitate U.S. exports of telecommunications equipment.
- Work with Congress to obtain approval of the Trans-Pacific Partnership (TPP) Agreement and begin the process for entry into force of the Agreement. The TPP negotiations will result in a highstandard, comprehensive outcome that provides new export opportunities for U.S. agriculture and industry, promotes U.S. services and investment objectives, strengthens protections for innovation and intellectual property, protects worker rights, and enhances environmental protection in participating countries.
- Continue bilateral engagements with potential TPP candidate countries, in both Asia and the Western Hemisphere, to ascertain their interest and readiness to join the agreement, 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, continue to develop initiatives and promote 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.
- Advance 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.
- Advance the protection and enforcement of intellectual property rights (IPR) through the negotiation and implementation of relevant trade agreements.
- 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.

- Ensure fair trade in the North America lumber market after the expiration of the current U.S.-Canada Softwood Lumber Agreement on October 12, 2015.
- 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.
- Continue to develop cutting edge trade provisions to advance the digital services agenda in TPP, the TiSA, T-TIP, the Middle East and North Africa Trade and Investment Partnership Initiative (MENA-TIP), and among ASEAN countries.
- 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.
- Negotiate new agreements that meet the Administration's intellectual property and innovation (IPN) trade policy objectives.
- Through bilateral and multilateral engagements, work to improve India's protection and enforcement of IPR.
- Strive to successfully conclude BIT negotiations with Mauritius and make substantial progress in BIT
 negotiations with China and India; make substantial progress in discussions on a regional investment
 agreement among the East African countries; and make progress toward launch of new BIT
 negotiations with appropriate partners consistent with Administration criteria.
- 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 the United States-Mongolia Transparency Agreement.
- 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.
- 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.

- Advance implementation of labor reform commitments by TPP partners, including through capacity building initiatives designed to support their efforts.
- In cooperation with other relevant agencies, design and implement environmental cooperation work programs 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.
- Ensure implementation of the 2011 APEC Leaders commitment to reduce applied tariffs to five percent or less on the APEC-agreed list of 54 environmental goods by the end of 2015.
- Continue work in APEC to address non-tariff barriers that distort trade and investment in environmental goods and services.
- Negotiate commitments 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 to cooperate in combating illegal logging and associated trade.
- Partner with State, EPA, and other agencies to ensure outcomes under the UN Framework Convention on Climate Change and other multilateral environmental agreements are consistent with U.S. trade policy.
- Continue to 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.
- Continue to participate in development and implementation of the recommendations of the President's Task Force on Combating Illegal, Unreported, and Unregulated (IUU) Fishing and Seafood Fraud.
- 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, plurilateral, and multilateral initiatives with Burma to expand trade and investment, encourage reform, and promote inclusive economic growth following agreement on a TIFA in 2013.
- Pursue negotiations and other efforts to implement the MENA-TIP, 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 High Level Committee to promote U.S.-Turkey trade and investment and to support trade and investment integration in the MENA region.
- Continue to implement initiatives developed from the August 2014 U.S.-African Leaders Summit to promote the U.S. trade agenda, including promotion of U.S. exports and investment; support for regional economic integration and Africa's goals for a continent wide free trade area; and encouragement of trade and economic reforms that promote African growth and development.
- Continue to advance the President's Trade Africa initiative, including through the exploration of a regional investment treaty with the East Africa Community; implementation of a Cooperation

Agreement 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.

- Based on a comprehensive review of AGOA completed in 2014, continue to consult with Congress on options to renew and modernize the AGOA program which expires September 30, 2015.
- Working closely with the interagency, look for opportunities to increase U.S. market access in important sub-Saharan African markets, particularly as the EU and other developed partners gain reciprocal market access to African markets for their products.
- Continue to advance an outreach program to promote trade and investment opportunities in support of
 the Presidential Policy Directive (PPD) on sub-Saharan Africa and the Doing Business in Africa
 (DBIA) Campaign, including 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.
- 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 seek to support the President's National Export Initiative (NEI/NEXT) by closely monitoring and vigorously enforcing U.S. rights under trade agreements to ensure that American workers, farmers, ranchers, producers, innovators, service providers, and investors receive the full benefit of the economic opportunities the United States has negotiated 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.
- In preparation for the entry into force of the TPP agreement, monitor our TPP partners' implementation of the obligations under the agreement, and engage to promptly remedy any deficiencies.
- Work with existing 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.
- Identify new disputes to be pursued under WTO or FTA dispute settlement procedures or under U.S. trade statutes, including barriers to U.S. exports due to trade-distorting subsidization, 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.

- 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, and the National Trade Estimate Report, and identify strategies for resolving implementation problems.
- Consult regularly with other agencies, Congress, stakeholders, and foreign officials to obtain information on new barriers to trade with bilateral and regional partners.
- 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.
- Continue to research, as a priority matter, China's support for the textile and apparel industries, in light of China's WTO obligations, including with assistance and input from industry.
- Continue to monitor and research policy support measures for the textile sector, in particular by other large textile producing and exporting countries, to ensure 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 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 eliminate export subsidies in India's textiles sector.
- 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.
- 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.
- 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.
- Identify and negotiate resolution of sanitary and phytosanitary barriers to U.S. food and agriculture exports in key export markets.
- 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 ensure more efficient and effective coordination between ITEC and 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.
- Complete the two annual reports to Congress on Russia's WTO Implementation and on Enforcement of Russia's Obligations.
- Continue to pursue strong IPR protection and enforcement with U.S. trading partners including in markets identified in the Special 301 Report and those with major pending IP legislation or regulations.
- Issue a timely, high-quality report to Congress, backed by year-round engagement with trading partners, on adequacy and effectiveness of IPR protection and enforcement. Continue improvements to the Special 301 process (e.g., hearings, notorious markets out-of-cycle review (OCR)). Use the Notorious Markets OCR to encourage reform by non-state actors.
- Seek meaningful progress with China on IPR and innovation issues, and related market access concerns, in line with Administration objectives.
- Engage with China to achieve substantial and sustained reduction in regulatory delays in the approval of innovative pharmaceutical products and medical devices in China.
- To advance the shared goal of ensuring access to safe and high-quality medicines for patients and protect supply chain integrity, continue to engage closely with China to address the unregulated production of active pharmaceutical ingredients in China.
- Advance establishment of review mechanisms for regularly monitoring implementation of labor reform commitments by key TPP counties and adherence to the TPP labor obligations.
- Continue to coordinate with other U.S. agencies, particularly the Departments of State and Labor, to
 streamline the process for review of public submissions on worker rights under FTAs and prioritize
 opportunities to engage with FTA partner countries 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 monitor, prioritize, and engage our trade partners with respect to worker rights criteria of our trade preference programs by facilitating prompt response to GSP petitions and AGOA reviews and

- continuing to advance efforts on worker rights in countries of special concern, including Swaziland, Bangladesh, and Burma.
- 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.
- Engage key trade partners, including non-FTA partner such as China, Brazil, and India, 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 for under FTAs to engage with FTA partners at senior levels on specific implementation issues.
- 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.
- Finalize establishment of independent secretariats under the Colombia and Panama FTAs to receive submissions from the public alleging that a Party is failing to effectively enforce its environmental laws, and ensure that the secretariat for the Peru FTA is in full operation.
- 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 TIFAs with African countries and regional economic communities (including the U.S.-ECOWAS TIFA signed in August 2014) to address trade barriers and to advance U.S.-Africa trade and investment cooperation.
- Continue USTR leadership role in CFIUS Committee in ensuring CFIUS decisions are consistent with the United States' open investment policy.
- 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.
- Consult closely with the Congress and stakeholders on developments regarding the TPP agreement, including its consideration by the Congress, its entry into force, and the potential addition of new parties to the agreement.
- 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.
- 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 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.
- Coordinate the Administration's Africa export policy pursuant to legislative mandate.
- Consult with Congress and other stakeholders on new ways to expand trade and investment with the European Union, including through addressing issues of common concern in third countries.
- Contribute to interagency efforts to respond to Russia's illegal occupation of Crimea and ongoing violations of Ukraine's territorial integrity.

- Support the reform efforts of the governments of Ukraine, Moldova and Georgia through enhanced bilateral engagement to strengthen those economies and expand their export opportunities.
- Consult with Congress and other stakeholders to develop and implement new initiatives for trade and investment integration with and within the MENA region.
- Maintain close collaboration with congressional trade committees, the Trade and Environment Policy
 Advisory Committee (TEPAC), and other stakeholders in developing U.S. negotiating positions on
 trade and environment matters, including in the T-TIP negotiations, APEC and WTO initiatives, and
 the implementation of environmental obligations in existing FTAs, as well as implementation of the
 TPP agreement.
- Continue to expand membership of the TEPAC so as to engage a diverse group of interested stakeholders in developing and implementing trade and environment policy.
- Ensure that meetings of environmental affairs councils and related for under FTAs include sessions open to the public, and provide for public input for the agendas of these public sessions.
- Consult with the Labor Advisory Committee for Trade Negotiations and Trade Policy (LAC) and other stakeholders on issues related to implementation of labor obligations under FTAs, in particular with regard to TPP, CAFTA, and the U.S.-Colombia TPA.
- 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.
- Build support for trade agreements through existing pro-trade congressional coalitions and caucuses.
- Continue to consult regularly with interested stakeholders on trade negotiations, trade agreement implementation, and other issues.
- 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 of the Trade Advisory Committee on Africa (TACA) and use it to provide relevant advice to the USTR on enhancing the U.S.-Africa trade and investment relationship.
- Work closely with other agencies to promote the capacity of African nations to take advantage of AGOA and to foster their adoption of sound trade and investment policies
- 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 and 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 Estimate Report, 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. industry stakeholders, congressional delegations and state-level governments planning official visits and trade missions to India.
- Continue our work with the South and Central Asia to examine the options for programs to create opportunities for textile and apparel production within conflict areas in Afghanistan and Pakistan.
- Further promote Haiti/Hope/Help 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 re-examine preference programs which have an impact on the textile and apparel sector.

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, the environment, 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 values-driven, job-supporting, 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 TPP, other 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, including opportunities to enhance labor and environmental
 protections through our trade agreements.
- 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 and 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/NEXT to support more U.S. companies in exporting to more overseas markets, including through efforts to educate U.S. businesses especially SMEs about global trade opportunities.
- Identify ways to engage SMEs regarding trade, including through women's and 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 proposals and outcomes and other U.S. initiatives.
- Present and discuss evolving U.S. trade and investment policies in the EU and the MENA region at business conferences and widely attended meetings of key private sector stakeholder organizations and relevant embassies.
- Prepare senior USTR official for government and public presentations and press interviews on U.S.-India trade and investment issues in advance of and during trip to India.
- Continue outreach efforts in developing countries, including 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.
- 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 key AGOA stakeholders as part of interagency initiative to enhance trade and investment in sub-Saharan Africa, and as part of the Administration's Doing Business in Africa (DBIA) initiative, broaden our outreach to the private sector (especially SMEs), diaspora

organizations and businesses, and others to ensure that they are well informed about a range of initiatives impacting U.S. trade with sub-Saharan Africa, and the growing opportunities for mutually beneficial U.S.-Africa ventures.

- Use domestic and foreign travel by senior leadership to further highlight the U.S. trade and investment goals with African partners and to advance a range of initiatives such as 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.

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.
- Continue implementation of Presidential memo on "Enhancing Workplace Flexibilities and Work-Life Programs and EOP/OMB memo "Strengthening Employee Engagement ad Organizational Performance."
- Provide continued support and implement initiatives developed by USTR's Employee Viewpoint Council.

ANNUAL PERFORMANCE REPORT FOR FISCAL YEAR 2014

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 2014. 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 2015 Trade Policy Agenda and the 2014 Annual Report of the President of the United States on the Trade Agreements Program that will be published in March 2015 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 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 (FTAs).

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 World Trade Organization (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 problem. 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 105 complaints at the WTO, thus far successfully concluding 72 of them by settling 29 disputes favorably and prevailing in 43 others through litigation before WTO panels and the Appellate Body. The National Trade Estimate (NTE) Report describes 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 two tiers of committees chaired by USTR: the Trade Policy Staff Committee (TPSC) and the Trade Policy Review Group (TPRG). 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 three tiers: the President's Advisory Committee for Trade Policy and Negotiations (ACTPN); five 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 or important decisions are sent to Deputies or 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 2014 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/NEXT) 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 providing opportunities to increase their exports. They have been a driver of our economic recovery and key to supporting export-related jobs for Americans and advancing the NEI/NEXT. Highlights of USTR's accomplishments in 2014 in creating new export opportunities for the United States in concrete ways and in ensuring American workers and firms are integrated into emerging global supply chains include:

• Significantly advanced the Trans-Pacific Partnership (TPP) negotiations. The United States worked with its TPP partners -- Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam -- throughout 2014, making significant progress toward agreement on access to each other's markets for goods, services and investment, and government procurement, as well as on ambitious trade and investment rules that will promote U.S. commercial and broader interests and values across the region. TPP Leaders met in November and reaffirmed their commitment to concluding a comprehensive, high-standard, and balanced agreement that supports job creation, spurs economic growth

and prosperity, enhances their competitiveness, and promotes innovation and entrepreneurship. They also reaffirmed the importance of addressing emerging issues such as digital commerce and State-owned enterprises and including binding commitments to strengthen protection of the environment and labor rights. Work to finalize the TPP will continue into 2015.

- Continued engagement with Japan to achieve a high-standard Trans-Pacific Partnership Agreement. U.S. negotiators and ministers held numerous negotiating sessions with their Japanese counterparts throughout the year to address agricultural market access issues, as well as automotive issues, focusing on non-tariff measures. The two sides continue to make progress in closing gaps, with regard to agriculture, autos and other market access and rules issues, and are committed to working together towards the successful conclusion of a high-standard, comprehensive TPP agreement.
- Advanced the Trans-Atlantic Trade and Investment Partnership (T-TIP) negotiations. U.S. and European Union (EU) negotiating teams conducted four T-TIP negotiating rounds in 2014, discussing ways to increase transatlantic trade and its contribution to growth, jobs, and competitiveness in a wide range of areas, including new market access for goods, services, and investment and steps to reduce the costs associated with unnecessary regulatory and other non-tariff barriers to trade. During the November G20 Summit meeting in Australia, President Obama and EU leaders reaffirmed their commitment to an ambitious, comprehensive, and high standard T-TIP agreement. In December, Ambassador Froman and new EU Trade Commissioner Cecilia Malmström discussed plans for a "fresh start" in the T-TIP negotiations, which the negotiating teams have started to implement. A comprehensive T-TIP agreement would strengthen an economic partnership that already supports \$1 trillion in two-way trade annually, \$4 trillion in investment, and 13 million jobs across the Atlantic.
- Secured the historic Trade Facilitation Agreement (TFA) at the WTO. In November, the United States with India and other WTO Members, overcame an impasse in the conclusion of a package of decisions at the WTO Ministerial in Bali to secure implementation of the TFA. The TFA is the first multilateral trade agreement in the WTO's 20 year history and will reform global customs practices and substantially reduce the costs and time associated with goods crossing borders. The efficiencies generated by customs reforms in the TFA will significantly reduce the costs of trading for both developed and developing WTO Members, and some estimates suggest the global economic value of the new WTO deal could be worth \$1 trillion.
- Negotiated Provisions on Agriculture Public Stockholding Programs at the WTO. USTR also successfully
 negotiated provisions as part of the Bali Package on agriculture public stockholding programs to
 discourage the use of trade distorting policies that undermine the food security of other nations, as well as
 on export competition and tariff-rate quotas. All the decisions focused on increasing the level of
 transparency among Members across the three pillars.
- Launched the WTO Environmental Goods Agreement (EGA) negotiations. The negotiations aim to eliminate tariffs on environmental technologies a key international component to the President's Climate Action Plan. The negotiations include 14 other WTO members (Australia, Canada, China, Costa Rica, the European Union, Hong Kong, Israel, Japan, Korea, New Zealand, Norway, Singapore, Switzerland, Chinese Taipei) accounting for 87 percent of global trade in environmental goods, and will build on the list of 54 environmental goods agreed to by APEC economies in 2012.

- Advanced negotiations to expand the WTO Information Technology Agreement (ITA). In November, the United States and China announced a major breakthrough in negotiations to expand the scope of goods covered by the ITA. This bilateral breakthrough provided the basis for the resumption of plurilateral negotiations in Geneva. USTR will continue to work closely with all participants in the negotiation to bring about the successful conclusion of an ITA expansion deal, which would be the first major tariff-cutting deal at the WTO in 17 years, and would allow for an increase in Made-in-USA exports to growing markets. The ITA expansion is estimated to cover \$1 trillion in trade, add \$190 billion to the global economy and support tens of thousands of good-paying U.S. manufacturing and technology jobs.
- Advanced the Trade in Services Agreement (TiSA) negotiations. The United States continued negotiations on the TiSA, a free trade agreement focused exclusively on services. Twenty-three economies are participating in TiSA negotiations, representing roughly three-quarters of the world's \$30 trillion services market. With every \$1 billion in services exports supporting an estimated 5,900 U.S. jobs, promoting the expansion of services trade globally will pay dividends for the United States.
- Supported U.S. farm and agriculture exports through the "Made In Rural America" Export and Investment Initiative. In February, President Obama directed his Administration to lead a new "Made in Rural America" export and investment initiative. Working through the White House Rural Council, the Initiative coordinates federal resources to help rural businesses and leaders take advantage of new investment opportunities and access new customers and markets abroad. Ambassador Froman and the Office of the U.S. Trade Representative supported the new initiative that will help businesses in rural America export more, particularly through our continued progress in the negotiation of plurilateral and bilateral trade agreements with our trading partners, and removing unwarranted non-tariff trade barriers to U.S. food and agricultural products.
- Secured Agreement to Remove Barriers to Wine Trade. USTR led the U.S. delegation at a meeting with partners in the World Wine Trade Group to establish a set of international principles for countries to utilize when establishing wine regulations. The "Statement on Analytical Methodology and Regulatory Limits", to remove unnecessary obstacles to trade and increase wine exports by major wine producing nations, was adopted on September 2, 2014. Members of the group account for 29 percent of global wine trade, which is estimated at \$238 billion.
- Engaged the EU on Agriculture Market Access Issues. USTR engaged the EU to enhance review of other foreign countries' beef operations to ensure compliance with the EU definition of high quality beef under the US-EU beef memorandum of understanding. In November of 2013, the European Union approved two new biotech corn varieties helping to increase U.S. exports of corn and corn by-products in 2014. For fiscal year 2014, U.S. exports of corn and corn by-products increased from \$2 million to \$285 million (13,202 percent). In March of 2014, the European Union agreed with the United States on certification requirements for U.S. collagen and gelatin made from poultry and fish, making exports of these products possible for the first time.
- Resolved Mexico Agriculture Market Access Issues. In April of 2014, Mexico lifted restrictions on the import of U.S. beef from cattle over 30 months of age, ending the last of Mexico's beef restrictions related to bovine spongiform encephalopathy (BSE). U.S. beef exports are estimated to increase by \$50 million annually. After more than twenty years of negotiations with the United States, in May of 2014, Mexico expanded access for fresh U.S. potatoes. In 2013, the United States exported nearly \$30 million worth of

fresh potatoes to the border zone, which could rise to \$150 million within five years. The new access is currently the subject of domestic litigation in Mexico.

- Worked to Remove China Agriculture Market Restrictions. Through long-term engagement, USTR worked with China to lift its suspension of poultry imports from the Commonwealth of Virginia, due to concerns regarding avian influenza. Since the ban was lifted in May of 2014, producers exported product worth almost half a million dollars. Through strategic regulatory engagement, USTR worked with China to lift its 2013 restriction on geoducks and other shellfish from the United States due to food safety concerns. U.S. trade in these products is valued at \$500 million a year, a third of which goes to China. In December 2014, China approved three varieties of agricultural biotechnology soybeans and corn, allowing the resumption of trade for \$3 billion of U.S. corn and corn product exports.
- USTR and USDA Negotiated an Organic Equivalence Arrangement with the Government of Korea. This arrangement, which entered into force on July 1, 2014, allows organic processed products certified in the United States or Korea be sold as organic in either country without having to go through a costly certification process under the importing country's standards. Trade in this fast-growing sector, worth \$35 million annually in exports, includes products like organic condiments, cereal, baby food, frozen meals, and milk.
- Engaged Vietnam on Ban of Certain Agriculture Products. After intensive negotiations, Vietnam lifted its ban on certain offal products, like intestines (so-called "white offal"). Work will continue in 2015 to ensure smooth implementation of import procedures. The complete lifting of the offal ban is expected to bring significant opportunities for U.S. exporters, who have already sent over \$20 million worth of offal products to Vietnam in the last few years.
- Negotiated on Agriculture and SPS Issues with Kazakhstan. USTR negotiated intensely with Kazakhstan, particularly on agriculture and sanitary and phytosanitary (SPS) issues, to help the country progress towards accession to the WTO. The discussions, which were bilateral, trilateral, and quadrilateral, focused on making necessary changes to SPS regulations and their ultimate adoption at the new Eurasian Economic Union level (with Russia and Belarus), in order to comply with existing WTO SPS rules, and lift restrictions on trade affecting low-risk products such as dairy and pet food. In 2013, the United States exported \$80 million of agriculture and related products to Kazakhstan.
- Coordinated Response to Russia's Ban on Agricultural Imports. USTR coordinated the response to Russia's ban on agricultural imports with affected international allies in order to minimize the impact on global markets and industry stakeholders.
- Responded to Russia's Evolving Policies. Our trade and investment relationship with Russia underwent a double policy shift, moving from a virtually exclusive focus on WTO accession prior to the review period, to designing and building up a new bilateral trade and investment relationship during the first part of the review period, to imposing sanctions in response to Russia's behavior in its neighborhood during the latter part of the review period. The shift also entailed a shift with respect to countries on Russia's periphery, from addressing trade barriers to bolstering support for U.S. trade and investment (e.g., holding a high-level joint committee meeting with the Prime Minister of Moldova and initiating the process for a TIFA with Armenia).

- Made progress with China on Global Drug Supply Chain Integrity, Enhanced Market Access for Medical Devices and Innovative Pharmaceuticals. USTR's engagement with China has yielded significant progress on two key fronts in the biopharmaceutical sector. To promote access to safe and high-quality medicines, at the July U.S.-China Strategic and Economic Dialogue, China committed to develop and seriously consider amendments to its Drug Administration Law. These changes would address a significant gap in regulatory oversight of manufacturers of bulk chemicals, including "export only" producers and distributors. China also agreed to create a multi-ministerial work mechanism focused on developing a regulatory and enforcement framework for high-quality medicines. Secondly, to expedite the introduction of medical devices and innovative pharmaceuticals to China, at the December U.S.-China Joint Commission on Commerce and Trade, China agreed to take concrete steps to streamline its regulatory review and approval system for new pharmaceuticals and devices. Cutting red tape in China's medical device approval process will benefit patients by allowing them to receive better treatment earlier, while allowing more exports to China, the industry's largest growth market. In addition, the United States and China agreed to hold high-level expert dialogues with relevant agencies in the coming year to advance regulation and market access in these sectors.
- Made Progress with China on Key Trade Issues. In December, the United States joined China for the 25th Joint Commission on Commerce and Trade where they focused on key trade and investment issues. The United States and China made progress on important bilateral issues, including pharmaceuticals and medical devices regulatory reform, market access, intellectual property right protection and enforcement, innovation policies, and competition law enforcement and continued to work towards building mutual trust and respect, promoting candid dialogue on bilateral issues and challenges, all designed to support jobs and exports in the United States.
- Continued Bilateral Investment Treaty (BIT) Negotiations with China. This year, negotiations toward a Bilateral Investment Treaty with China continued and intensified. The two sides made significant progress in the treaty text negotiations and agreed to initiate the critical "negative list" market access negotiations early in 2015. U.S. objectives include enhancing market access and protections for U.S. investors; encouraging the adoption of market-oriented policies that treat private investment in an open, transparent, and non-discriminatory way; and supporting the development of international law standards consistent with these objectives.
- Contributed to the Successful Entry into Force of the Revised WTO Agreement on Government Procurement. In April, the United States welcomed the entry into force of the WTO protocol amending the 1994 Government Procurement Agreement (GPA). The revised GPA expands business opportunities for American firms to supply goods and services to foreign governments, estimated to be worth between \$80-100 billion annually. This adds to the \$1 trillion already covered under the GPA, and establishes work programs that facilitate participation by small- and medium-sized businesses, while fostering best practices in sustainable procurement.
- Strengthened Ties and Promoted Growth with the African Continent. In August, President Obama welcomed leaders from across the African continent for the inaugural U.S.-Africa Leaders Summit. The Summit marked the largest event any U.S. President has held with African heads of state and government, aimed at strengthening ties between the United States and one of the world's most dynamic and fastest-growing regions. The Summit advanced the Administration's focus on trade and investment in Africa, and during the Summit, Ambassador Froman convened the African Growth and Opportunity Act

(AGOA) Forum with African trade ministers. AGOA is the cornerstone of U.S. trade policy with sub-Saharan Africa, and has contributed to the diversification and competiveness of sub-Saharan Africa's economies, supported hundreds of thousands of jobs across the continent, increased global prosperity and market opportunities that accompany Africa's economic rise.

- Marked Continued Gains in the U.S.-Republic of Korea Free Trade Agreement (KORUS). In March, the United States and Korea marked the second anniversary of the entry into force of the KORUS agreement, noting strong results as the agreement continues to deliver new opportunities for American businesses and workers. For the first 11 months of 2014, U.S. goods exports to Korea were at record levels, totaling \$40.7 billion. The Committees and Working Groups established under KORUS, including the Ministerial-level Joint Committee, succeeded in addressing a range of issues regarding the implementation of the agreement, including issues related to autos and financial services. USTR continues to work with its Korean counterparts to deliver the full benefits of KORUS, and to that end, both countries have agreed to continue to convene meetings in early 2015.
- Strengthened Ties with the Philippines. In March, the United States and the Philippines agreed to a program of expanded engagement under the Trade and Investment Framework Agreement (TIFA). Following discussions on various bilateral, regional, and multilateral issues, USTR recognized the considerable efforts the Philippines has made to strengthen its intellectual property regime by removing the Philippines from the Special 301 Watch List in April, and also noted improvements in the overall framework for protecting worker rights, allowing the Philippines to retain GSP eligibility.
- Expanded Trade with Colombia. The United States and Colombia celebrated the second anniversary of the entry into force of the U.S.-Colombia Trade Promotion Agreement (CTPA) in May 2014. In 2013, U.S. goods exports to Colombia totaled \$18.4 billion, up 28 percent in comparison to 2011, pre-CTPA implementation. In the two years of the CTPA, U.S. manufacturers have helped grow American jobs and substantially increased exports of transportation equipment, petroleum and coal products, processed food, and computer and electronic products, while farmers and ranchers have seen strong growth of agricultural exports, including in pork, beef, dairy products, soybeans, rice, grapes, and tree nuts. In December 2013, the United States and Colombia finalized new technical import requirements for U.S. fresh and chilled pork entering Colombia. As a result, fresh and chilled U.S. pork meat exports to Colombia increased 155 percent to \$13.5 million in FY 2014. Total U.S. pork and pork-product exports to Colombia in FY2014 increased 84 percent to \$128 million.
- Strengthened our Economic Relationship with Panama. In May, the United States and Panama held the first meeting of the U.S.-Panama Free Trade Commission, a forum to oversee the implementation of the U.S.-Panama Trade Promotion Agreement. The meeting underscored the importance of ensuring effective implementation of the Agreement, as well as the key role it plays in facilitating sustainable, broad-based economic growth and as an important catalyst in facilitating competiveness. The United States and Panama worked to ensure implementation of trade in goods and services, intellectual property rights, labor, and environment obligations to foster job creation and increase the economic prosperity for citizens in both countries. USTR exchanged letters with Panama to open the Panamanian market to U.S. exports of pet food containing certain animal origin ingredients (mostly products containing beef). In FY2014, the United States exported \$8.1 million worth of pet food to Panama.

- Bolstered our Trade Partnership with Chile. In June, the United States and Chile held the ninth Free Trade Commission (FTC) Meeting in Santiago, Chile. The FTC reviewed implementation of the FTA and celebrated the 10th anniversary of the agreement. Since the FTA entered into force in 2004, two-way trade between the United States and Chile has more than quadrupled, growing by approximately 335 percent. This compares to 94 percent growth in total U.S. trade globally over the same time period.
- Reinforced our Economic Relations with Peru. In June, the United States and Peru held the fourth meeting of the U.S.-Peru Free Trade Commission and noted the fifth year of implementation of the U.S.-Peru Trade Promotion Agreement (PTPA). Since the PTPA went into effect in 2009, two-way trade between the United States and Peru rose from \$9.1 billion in 2009 to more than \$18 billion in 2013.
- Strengthened Trade and Investment Relations with Taiwan. U.S. and Taiwan trade authorities concluded the eighth Trade and Investment Framework Agreement (TIFA) Council meeting under the auspices of the American Institute in Taiwan and the Taipei Economic and Cultural Representative Office in the United States. The U.S.-Taiwan TIFA serves as a key mechanism to make progress on the broad range of trade and investment issues important to the United States and Taiwan and strengthen robust commercial ties. At the 2014 TIFA, Taiwan took concrete steps to address trade concerns, including by lifting data center localization requirements, addressing technical barriers to trade, clarifying investment criteria, and made important commitment involving investment, agriculture, pharmaceuticals, and medical devices.
- Engaged Turkey on Enhancing Bilateral Trade and Investment. In May, the USTR and the Secretary of Commerce hosted their Turkish ministerial counterparts under the Framework for Strategic Economic and Commercial Cooperation (FSECC) consultative process. The two sides exchanged views on how to improve engagement between government officials and how to stimulate contacts between U.S. and Turkish businesses. Concurrently, the USTR met with the Turkish Minister of Economy to finalize organization of the bilateral High Level Committee (HLC) called for by the President and the Turkish Prime Minister in May 2013. The HLC is tasked with examining how the governments can adapt policies to enhance trade and investment ties, particularly in light of the US-EU T-TIP negotiations, which will impact Turkey due to its customs union agreement with the EU.
- Supported Economic Security in Ukraine. USTR contributed to the Administration's efforts to support the Ukrainian government's efforts to stabilize and expand its economy as well as protect it from unwarranted trade actions that hampered its exports. USTR officials visited Kyiv to collaborate with the Ukrainian government on steps to strengthen our bilateral trade and investment relationship.
- Fostered Deeper Bilateral Trade and Investment Engagement with Moldova. In March, Ambassador Froman and Moldova's Prime Minister, Iurie Leancă convened the United States-Moldova Joint Commercial Commission. During the meeting, Ambassador Froman pledged U.S. support for Moldova's efforts to integrate with Europe, highlighting the potential for economic prosperity. USTR officials traveled to Chisinau to identify opportunities for further collaboration.
- Continued Engagement with Tunisia. In June, the United States and Tunisia convened the bilateral
 Council on Trade and Investment to discuss potential commitments on a range of issues, including market
 access, services, investment, and intellectual property rights. The U.S. and Tunisian delegations
 discussed potential new initiatives that could increase trade and investment flows in the short- to mediumterm, the importance of cooperation in protecting intellectual property rights, as well as possibilities for

facilitating the participation of female entrepreneurs and small and medium-sized enterprises (SMEs) in U.S.-Tunisian trade.

- Continued Engagement with the Gulf Cooperation Council. In June, the United States and the six Member States of the Gulf Cooperation Council convened a meeting under the "U.S.-GCC Framework Agreement for Trade, Economic, Investment and Technical Cooperation" to discuss a range of key trade and investment issues, including standards development, food safety requirements, regulatory decision-making, consumer protection and anti-fraud enforcement, intellectual property rights, customs origin marking requirements and trade facilitation, information and communication technology, and investment.
- Continued Engagement with Saudi Arabia. In April, the United States and Saudi Arabia convened a
 meeting under the "U.S.-Saudi Arabia Trade and Investment Framework Agreement" to discuss a range
 of key trade and investment issues, including investment, customs origin marking, trade facilitation,
 government procurement, standards and conformity assessment, regulatory decision-making, intellectual
 property rights and restrictions on U.S beef imports.
- Advanced Policy Reforms in Sub-Saharan Africa. USTR used the annual AGOA eligibility process and the TIFA dialogues to advance needed policy reforms in sub-Saharan African countries, and further open African markets to U.S. trade and investment. USTR led extensive consultations between the United States and the government of Swaziland to address worker rights issues, which eventually led to the decision to make Swaziland ineligible for AGOA benefits. USTR also worked with the governments of Ghana and Nigeria to address concerns of U.S. businesses regarding adopted or proposed local content legislation.
- Concluded Negotiation of a U.S.-ECOWAS TIFA. USTR concluded negotiations on a TIFA with the Economic Community of West African States (ECOWAS), which was signed on the sidelines of the U.S.-Africa Leaders' Summit in August 2014.
- Advanced BIT Exploratory Talks with Gabon. USTR participated in two formal rounds of bilateral technical discussions.
- Strengthened Relations with Nigeria. In March, USTR hosted the eighth meeting of the U.S.-Nigeria
 TIFA Council to continue discussions on several shared objectives, including improving market access,
 utilization of the AGOA, protection of intellectual property rights, implementation of the new WTO
 Trade Facilitation Agreement, and improving the bilateral investment climate.
- Increased Ties with Angola. In April, The United States hosted the second meeting of the U.S.-Angola Council on Trade and Investment (the "TIFA Council"), established pursuant to the TIFA between the Government of the United States and the Government of the Republic of Angola. Angola is one of the United States' most important trading partners in sub-Saharan Africa. Angola's great potential is recognized by the many international partners and investors who see it moving in the right direction. Angola is currently a leading beneficiary of preferential access to the U.S. market under the AGOA, exporting mainly energy-related products and some forest products.
- Advanced Negotiations with the East African Community (EAC) on Trade Africa. Notable accomplishments in this period included negotiation of a Cooperation Agreement on trade facilitation,

sanitary and phytosanitary measures, and technical barriers to trade; further exploration of an investment treaty; work, together with the Department of Commerce, on the U.S.-EAC Commercial Dialogue; and progress, in conjunction with USAID, on the transformation of the East Africa Trade Hub into the Trade and Investment Center launched in 2014 and the U.S. government partnership with Trade Mark East Africa to improve intra-EAC trade, cross border movements, and port infrastructure. With respect to the Cooperation Agreement, the United States reached a verbal agreement with the EAC in September of 2014 and the parties are expected to sign it in FY 2015.

- Strengthened Ties with Madagascar. In June, The United States reinstated benefits for Madagascar under AGOA, following the formation of Madagascar's first democratic government since a 2009 coup d'état. The decision recognized the country's return to democratic rule, and AGOA's potential to help Madagascar create employment, expand bilateral trade, and contribute to the economic well-being and security of its people.
- Promoted Trade and Development in Burma. In June, the United States held the first-ever TIFA meeting
 with Burma, addressing economic reform, implementation of Burma's WTO commitments, and labor
 rights.
- Strengthened Engagement with India through the U.S.-India Trade Policy Forum. In November, Ambassador Froman led a U.S. Delegation to the U.S.-India Trade Policy Forum (TPF) in Delhi, India. The Trade Policy Forum is the premier bilateral forum for discussion and resolution of U.S. and India trade and investment issues and provides the venue for evaluating progress in the economic relationship at the Ministerial level.
- Used Trade to Empower Women in Pakistan. In May, the United States and Pakistan signed a Memorandum of Understanding (MOU) on Joint Efforts to Empower Women and to Promote Women's Entrepreneurship, to provide a mechanism and platform to discuss how to ensure women participate fully in the economy and have access to economic, trade, and investment opportunities.
- Promoted Trade, Investment, and Regional Cooperation in Pakistan. This year, the United States and Pakistan continued work under their TIFA to chart a path forward on improving bilateral trade and investment flows over the next five years. The areas of cooperation in the Joint Action Plan include diversifying agricultural production, enhancing intellectual property protection, implementing the WTO Trade Facilitation Agreement, engaging on Pakistan's accession to the WTO Government Procurement Agreement, increasing trade in services, outreach to U.S. state and local Governments, promoting entrepreneurship, and increasing dialogue between our respective private sectors.
- Strengthened Ties with Bangladesh. In April, representatives of the governments of the United States and Bangladesh held the inaugural meeting of the United States-Bangladesh Forum on Trade and Investment (Forum), established to identify and address obstacles to increasing bilateral trade and investment. The U.S. and Bangladesh reaffirmed their commitment to increase bilateral trade and investment and address worker rights and safety issues in Bangladesh. Through the Forum, the United States proposed the creation of a Labor Affairs Committee and a Committee on Women's Economic Empowerment.
- Promoted Trade and Investment with Afghanistan. In January, U.S. and Afghan officials met in Afghanistan to continue progress under the U.S.-Afghanistan TIFA. Signed in 2004, the TIFA has been

the primary forum for bilateral trade and investment discussions between the two countries, and this year gave the United States an opportunity to support Afghanistan's efforts to accede to the WTO through the signing of a bilateral market access agreement.

- Promoted Trade and Investment to Foster Inclusive Economic Development in Sri Lanka. In October, the United States and Sri Lanka continued their trade dialogue to evaluate progress under the U.S.-Sri Lanka TIFA. The officials discussed market access, labor, trade promotion efforts, the U.S. Generalized System of Preferences (GSP), intellectual property rights, agriculture, and sector-specific investment challenges. Progress on all of these trade and investment issues fosters economic growth, thus providing a strong foundation for inclusive economic development as Sri Lanka emerges from years of civil war. A U.S.-Sri Lankan Business Forum, held on the margins of the TIFA Council meeting, brought representatives of U.S. companies to Sri Lanka to explore additional investment opportunities and to expand our already healthy trade relationship.
- Promoted Trade, Investment, and Regional Cooperation in Central Asia. In June, the United States convened the ninth council meeting of the U.S.-Central Asia TIFA, along with Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan, Uzbekistan, and Afghanistan. The Council is the key vehicle for trade and investment discussions between the United States and the countries of Central Asia, and focused on issues, including WTO membership, customs, investment, standards and sanitary measures, and women's economic empowerment.
- *Increased Ties with Iraq*. In March, senior representatives of the governments of the United States and Iraq held the inaugural meeting of the U.S.-Iraq Council on Trade and Investment (TIFA Council), which was established under the U.S.-Iraq TIFA. The dialogue under the TIFA reaffirms both governments' commitment to increase bilateral trade and investment.
- Advanced Negotiations in Services. Services negotiations in TPP and TiSA are producing major new opportunities for U.S. services suppliers, investors in services industries, and the U.S. economy. TPP negotiations on financial services are creating expanded investment protections for U.S. financial services suppliers, by including the Minimum Standard of Treatment and Civil Strife in the scope of the chapter and under its Investor-State provisions. TPP financial services negotiations are also providing for strengthened disciplines for postal entities selling insurance ensuring a level playing field for U.S. insurance suppliers and new path-breaking commitments on electronic payment services. The United States has also made significant progress in TPP on issues related to cross-border data flow and prohibition against requiring local servers provisions for e-commerce, market access for services and investment, and investment obligations. In TiSA, USTR developed and implemented an innovative and responsive U.S. digital services trade agenda, including by making proposals on cross-border data flow and prohibition against requiring use of local server, as well as other provisions focused on preventing localization.
- Engaged and Advanced Negotiations on Intellectual Property Rights (IPR). The United States advanced IPR negotiations with other parties in the TPP. The United States also advanced T-TIP negotiations on IPR. USTR secured a critical commitment from China to permit parties to file supplemental information in support of a patent application to help ensure that pharmaceutical inventions receive patent protection in China. USTR also contributed significantly to Administration efforts to ensure that negotiations on the UN Framework Convention on climate change respect U.S. trade and intellectual property interests and

priorities. Under the CARICOM TIFA, the United States launched an initiative to address long-standing copyright and broadcast licensing-related market access barriers in the Caribbean, a region that consumes a significant amount of U.S. content. As a result of bilateral engagement, Taiwan authorities committed to strengthen IP protections for innovative pharmaceutical products and to ensure greater transparency and predictability in pharmaceutical and medical device pricing and reimbursement.

- Negotiated Agreement with China on Geographical Indications (GIs). The United States negotiated agreement with China on GIs including that generic terms are not eligible for protection, that opposition and cancellation procedures are in place to protect companies if such GIs are registered or recognized, and that generic components of compound terms are not protected as GIs. China also committed to ongoing discussions on GIs.
- Made Substantial Progress on Section 301 Investigations. USTR concluded a Section 301 investigation of Ukraine's policies and practices related to intellectual property and significantly advanced communication with and support of Ukrainian government in their efforts to improve the substantial flaws in adequacy, effectiveness and transparency of the Ukrainian government's protection and enforcement of intellectual property rights. As a result of several years of engagement on a memorandum of understanding, USTR secured legislative changes from Israel to improve the efficiency and transparency of its patent system, enabling Israel to be removed from the Special 301 Report lists. USTR began work to re-establish a dialogue on IPR with India, including through conducting an Out-of-Cycle Review of India in the Special 301 Report.
- Advanced Environment-Related Trade Negotiations and Initiatives. USTR made substantial progress toward concluding a high standard, progressive environmental chapter in the TPP that will be enforceable through the same dispute settlement procedures as commercial disputes under the agreement; developed ambitious environmental proposals in T-TIP, including proposals that seek to address oceans and wildlife issues; continued to advance APEC work on implementation of the 2011 Leaders' commitment on environmental goods by organizing a capacity building workshop as well as the first-ever meeting of the Public-Private Partnership on Environmental Goods and Services (PPEGS), aimed at identifying non-tariff barriers to trade in environmental goods; and contributed significantly to Presidential task forces responsible for the development and implementation of national strategies to combat wildlife trafficking and illegal fishing and seafood fraud.
- Made Substantial Progress on Labor-Related Trade Negotiations and Key Initiatives. Discussions with
 the government of Burma and other stakeholders led to the successful announcement of the Labor
 Initiative, an innovative effort to promote internationally recognized labor rights in that country.
 Continued engagement with Uzbekistan led to that government inviting the International Labor
 Organization (ILO) into the country to do a child labor assessment, a result that the ILO had sought for
 some time.

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 ensure that American workers, farmers, ranchers, producers, service providers, and businesses receive the full benefit of the economic opportunities the United States has negotiated, and address 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 21st century jobs, and upholds key commitments to protect labor rights and the environment.

- Challenged India's Requirements Affecting U.S. Solar Product Exports. In February, the United States requested WTO dispute settlement consultations with India concerning domestic content requirements in Phase II of India's National Solar Mission ("NSM"). The United States requested and the WTO subsequently established a panel to examine India's domestic content requirements under Phases I and II of the NSM, and the panel proceeding is underway. These domestic content requirements discriminate against U.S. solar cells and modules by requiring certain solar power developers to use Indian-manufactured solar cells and modules instead of U.S. or other imported equipment. Moreover, India has now extended the domestic content requirements to more solar energy products than covered under Phase I of the NSM. In addition to the WTO consultations held on Phases I and II, the United States has engaged India on our concerns regarding the NSM over the last three years, including in bilateral fora such as the U.S.-India Trade Policy Forum and the U.S.-India Energy Dialogue, and at the WTO in various committees.
- Challenged Indonesia's Import Restrictions on Horticulture, Animals, and Animal Products. In May, the United States requested WTO dispute settlement consultations with Indonesia to address Indonesia's import licensing restrictions on horticultural products, animals, and animal products. The United States and New Zealand, which requested consultations jointly with the United States, are monitoring the situation closely to ensure that Indonesia adheres to its WTO obligations.

- Challenged China's Compliance Action on Specialty Steel. In February 2014, the United States requested and the WTO established a compliance panel to examine China's claim that it had brought its antidumping and countervailing duties on grain-oriented electrical steel (GOES) into compliance with WTO rules. The substantive work in the panel proceeding was completed in 2014, and the compliance panel is scheduled to issue its report in 2015. The WTO had agreed with a U.S. challenge to China's AD and CVD duties in 2012, and following an implementation period, China issued a re-determination continuing the imposition of the duties. This is the first challenge by any WTO Member to a compliance action by China and demonstrates USTR's resolve to ensure our trading partners play by the rules.
- Prevailed in China's Challenge of U.S. Countervailing Duty Law. In March, a WTO panel found in favor of the United States and rejected China's two challenges to U.S. Public Law 112-99, commonly referred to as the GPX legislation. In July, the WTO Appellate Body reversed certain interpretations by the panel but did not find the GPX legislation inconsistent with WTO rules. The GPX legislation was enacted on March 13, 2012, to confirm the Department of Commerce's ability to apply the U.S. countervailing duty (CVD) law on imports from non-market (NME) countries, including China. The failure of this challenge to our law is a significant victory for the United States. The WTO reports preserve the ability of the United States to remedy unfair subsidies and dumping by China, for the benefit of American businesses and workers.
- Prevailed Against Chinese Duties on U.S. Exports of Automobiles. In May, the United States won a dispute at the WTO on behalf of U.S. auto manufacturers and nearly 850,000 American automotive industry workers. The WTO adopted a panel report agreeing with the United States that China's imposition of antidumping duties (ADs) and countervailing duties (CVDs) breached numerous international trade rules. Following the U.S. challenge and before issuance of the panel's report, China announced the termination of its AD and CVD duties. In 2013, those duties had been imposed on exports of over \$5 billion of American-made cars and sport-utility vehicles (SUVs). The panel report marks the third recent WTO challenge that USTR has brought and won on China's misuse of ADs and CVDs in a continuing effort to ensure American working families can seize all of the job-supporting opportunities available under U.S. trade agreements.
- Prevailed on Numerous Indian Challenges to U.S. Countervailing Duties to Address India's Unfair Steel Subsidies. In July, a WTO panel rejected numerous Indian challenges to key aspects of U.S. countervailing duty laws and regulations, and most of the hundreds of challenges brought by India against case-specific Department of Commerce determinations in a countervailing duty proceeding covering hot-rolled carbon steel flat products from India. In December, the WTO Appellate Body rejected the vast majority of India's appeals seeking additional findings on U.S. regulations and determinations. This dispute is another example of the Administration's commitment to fight for American workers and industry by taking strong trade remedy measures against unfair subsidies and defending those actions when challenged by our trading partners.
- Secured a Victory in Challenge to China's Rare Earth Export Restraints. In August, the United States won a major victory at the WTO, in its challenge to China's export restraints on rare earths, tungsten, and molybdenum, which are used as key components in various U.S-made products for critical American manufacturing sectors, including hybrid car batteries, wind turbines, and energy-efficient lighting. The WTO Appellate Body, agreeing with an earlier panel report, agreed with the United States that China's

export restraints breach WTO rules. These export restraints skew the playing field against the United States and other countries in the production and export of manufactured products, while enabling China's domestic downstream producers to produce lower-priced products from the raw materials and create significant advantages when competing in other markets. The reports, adopted by the WTO, send a clear signal to trading partners and display U.S. commitment to fighting on behalf of American businesses and workers.

- Prevailed Against Argentina's Import Licensing Restrictions. In August, the United States secured a victory at the WTO when a panel found that Argentina's restrictions on the importation of U.S. goods breach international trade rules. The Panel also found in breach restrictive trade-related requirements imposed by Argentina, including requiring U.S. companies exporting to Argentina to first agree to export Argentine goods, make investments in Argentina, lower prices of their products, or refrain from repatriating profits to the United States. The United States exports billions of dollars of goods to Argentina each year, including exports of computers, industrial and agricultural chemicals, agricultural and transportation equipment, machine tools, parts for oil field rigs, and refined fuel oil. The panel report was appealed with an appellate report due in January 2015.
- Prevailed Against Indian Ban on U.S. Agriculture Products to Protect U.S. Farmers. In October, the U.S. won a major victory at the WTO on behalf of U.S. farmers, including the U.S. poultry industry, when a dispute settlement panel found in favor of a U.S. claim challenging India's ban on various U.S. agricultural products such as poultry meat, eggs, and live pigs allegedly to protect against avian influenza. The panel agreed with the United States that India's ban breached numerous international trade rules, including because it was imposed without sufficient scientific evidence. The U.S. poultry industry, which directly employs over 350,000 workers and consists of nearly 50,000 family farms had been particularly affected by India's restrictions. India appealed the panel report in January 2015.
- Successfully resolved a Long-Standing Dispute with Brazil over Cotton. In October, the United States and Brazil reached an agreement to end the longstanding WTO Cotton dispute and notified the WTO of their settlement in accordance with Article 3.6 of the DSU. Through this settlement, Brazil gave up its rights to countermeasures against U.S. trade or any further proceedings in this dispute. Brazil has also agreed not to bring new WTO actions against U.S. cotton support programs while the current U.S. Farm Bill is in force or against agricultural export credit guarantees under the GSM-102 program as long as the program is operated consistent with the agreed terms. This agreement completed discussions that began with a Framework Agreement signed in 2010.
- Successfully resolved Clove Cigarettes Dispute with Indonesia. In October 2014, the United States and Indonesia signed a memorandum of understanding and, in accordance with Article 3.6 of the DSU, notified the DSB that they had reached a mutually agreed solution in this dispute. In light of the mutually agreed solution, Indonesia withdrew its request for authorization under Article 22.6 of the DSU to take countermeasures; in turn, the United States withdrew its objection to the request.
- Strengthened Compliance Monitoring Efforts. Utilizing all available resources including additional language and research capability at ITEC, USTR enhanced its monitoring of WTO Member compliance with WTO rulings and recommendations.

- Monitored Intellectual Property Protections and Obligations through the Special 301 Report. USTR released its annual "Special 301" Report on the adequacy and effectiveness of U.S. trading partners' protection and enforcement of intellectual property rights. USTR maintained El Salvador's status on the Special 301 list, noting significant and ongoing concerns with El Salvador's protection and enforcement of intellectual property, including the treatment of geographical indications and pharmaceutical products. Israel, Italy and the Philippines were removed from the Special 301 Report Watch List, for their legislative and regulatory reforms in enhancing intellectual property rights enforcement. USTR announced that it would conduct an Out-of-Cycle Review of India, Kuwait, Paraguay and Spain. USTR also expressed growing concerns with respect to the environment for IPR protection and enforcement in India and other markets and serious, ongoing concerns about the protection and enforcement of trade secrets with respect to China.
- Reinforced the United States' Commitment to Fight Global Piracy and Counterfeit Goods with the Outof-Cycle Review of Notorious Markets. The United States released the Special 301 Out-of-Cycle Review
 of Notorious Markets for 2013, which identifies global physical and online marketplaces that harm
 American businesses and workers through the infringement of intellectual property rights. The Notorious
 Markets report helps the United States and foreign governments prioritize enforcement of the intellectual
 property rights that protect job-supporting innovation and creativity in the United States and around the
 world.
- Concluded an Out-of-Cycle Review of India. In April's 2014 Special 301 Report, USTR announced that the United States would initiate an Out-of-Cycle Review (OCR) of India to evaluate progress toward achieving meaningful, sustained and effective engagement on IP issues with India. Over subsequent months, there were multiple engagements with Government of India officials at the staff and senior levels on the broad range of issues of concern to the United States and to U.S. stakeholders. India made useful commitments, including to institutionalize high-level engagement on IP issues, to pursue a specific work program and to deepen cooperation and information exchange with the United States on IP-related issues under the U.S.-India Trade Policy Forum. The United States looks forward to the 2015 Special 301 Review process, which will provide the next formal opportunity for a thorough review of India's environment for IP protection and enforcement, including progress made on recent IP-related commitments and on engagement through the agreed work plan.
- Elevated Kuwait to Special 301 "Priority Watch List". In November, the United States announced that Kuwait was being moved from the Special 301 Report Watch List to the Priority Watch List. The Special 301 Report identifies trading partners that do not adequately and effectively protect intellectual property rights. The United States is encouraged by Kuwait's recent accessions to the Berne and Paris Conventions and recent progress on enforcement against copyright infringement. However, the United States remains concerned about the lack of sustained enforcement action against trademark infringement and the lack of progress in passage of updates to Kuwait's copyright legislation, which hamper the overall market environment for intellectual property-intensive industries. The United States seeks to actively engage Kuwaiti authorities on these issues in the context of the long-standing cooperation between our countries.
- Proceeded with a Historic Labor Enforcement Case against Guatemala Under the CAFTA-DR. The
 United States proceeded with a labor enforcement case against Guatemala under the Dominican Republic

 Central America United States Free Trade Agreement, to ensure Guatemala implements the labor

protections to which its workers are entitled. The United States has engaged extensively with Guatemala, including through the development and signing of a groundbreaking Labor Enforcement Plan to improve Guatemala's protection of worker rights and enforcement of labor laws. Although Guatemala has made important progress, including the hiring of 100 new labor inspectors, the United States proceeded to the arbitration phase of dispute settlement because Guatemala has not implemented key aspects of the plan. Achieving strong labor protections in Guatemala would send a positive signal to the world and help attract investment, expand economic activity, and promote inclusive growth.

- Strengthened Fundamental Labor Rights and Practices in Burma. In August, Ambassador Froman became the first U.S. Trade Representative to visit Burma, where he convened representatives of the U.S. government, Burma and other international governments, the ILO, the World Bank, and the International Finance Corporation to build support for a joint United States-Burma Initiative to improve labor conditions in Burma. In November, the United States launched a joint Initiative to Promote Fundamental Labor Rights and Practices in Burma together with Burma, the ILO, Japan, and Denmark. The initiative is designed to improve Burma's system of labor administration through a multi-year labor law reform process and by fostering strong relations among businesses, workers, civil society organizations, and the Government of Burma through a stakeholder consultative mechanism. It also supports broader efforts to promote responsible trade and investment practices and sustainable economic development.
- Advanced Worker Safety and Labor Rights in Bangladesh. A USTR-led interagency review of Bangladesh labor rights found some important progress but concluded that Bangladesh must do more to address the worker rights and safety issues that led President Obama to suspend the country's GSP trade benefits in June 2013. The United States continues to work with Bangladesh to address outstanding concerns, including factory inspections, progress on labor law reforms, and reports of harassment of, and violence against, labor activists who attempt to exercise their rights. USTR engaged a wide array of U.S. and international stakeholders in consultations on these issues, including Members of Congress and their staffs, the EU, the ILO, and U.S. organized labor groups.
- Promoted Worker Rights via GSP reviews. The United States used the USTR-led GSP review process to promote improved adherence to internationally recognized worker rights in beneficiary countries, including Niger, the Philippines, Uzbekistan, Iraq, and Fiji. Following intensive engagement with the Government of the Philippines over several years, USTR plans to close the GSP worker rights review of the Philippines, pending GSP reauthorization, based on progress on the underlying issues.
- Promoted Labor Rights in Peru. The United States convened the Labor Affairs Council of the United States-Peru Trade Promotion Agreement to review progress made under the Labor Chapter of the agreement. The United States and Peru discussed ongoing cooperation on labor matters such as those related to preventing and abolishing of child labor, combatting forced labor, and addressing concerns related to subcontracting and discussed areas of future cooperation, such as capacity building for labor inspections.
- Supported Workers' Associational Rights in Swaziland. In June, the United States withdrew Swaziland's benefits under the AGOA due to concerns about that country's implementation of eligibility criteria related to worker rights. The U.S. Government concluded that Swaziland had not demonstrated progress in the protection of internationally recognized worker rights, including freedom of association and the

right to organize. The United States continues to engage with the Kingdom of Swaziland to ensure worker and civil society groups can freely associate, and AGOA eligibility can be restored.

- Promoted Labor Rights in Morocco. The United States worked closely with Morocco to enhance opportunities to improve labor standards, by promoting dialogue to better understand each other's labor situation, cooperate on labor issues, and facilitate interaction with the public on labor matters. USTR is working with the U.S. Department of Labor to facilitate a technical assistance project to combat child labor, improve livelihoods and support safe youth employment as well as a project to empower women through increased recognition, promotion and enforcement of their labor rights.
- Convened the Inaugural Meeting of the Labor Affairs Council under the United States-Panama Trade Promotion Agreement (TPA). In January, officials from the United States and Panama met to promote labor rights and to enhance technical cooperation on labor matters under the TPA. The two countries discussed cooperation on various issues to promote labor rights, including labor inspections and improved regulation of subcontracting arrangements.
- Promoted Labor Rights in Jordan. Government officials from the United States and Jordan convened the Labor Subcommittee under the United States-Jordan free trade agreement. The Subcommittee works to promote labor rights and enhance technical cooperation on labor matters, such as respect for labor rights and improving working conditions for foreign workers in Jordan's growing garment sector. A key objective of the meeting was to support and advance the Labor Implementation Plan the two governments signed in 2013 to address labor concerns in Jordan's garment factories, including anti-union discrimination against foreign workers, dormitory conditions for these workers, and gender discrimination and harassment.
- Improved Labor Rights in Colombia. In April, USTR and the U.S. Department of Labor released a new report on the Colombian Action Plan Related to Labor Rights, which the United States and Colombia announced in 2011 to address a number of serious labor concerns. President Obama insisted that the Colombian government address these concerns to support ratification of the United States-Colombia Trade Promotion Agreement. The new report describes concrete steps Colombia has taken to improve labor protection, including new laws, regulations and resources to strengthen labor law enforcement and prosecute cases of violence against trade union leaders and activists. The report also describes areas where important work remains, such as the collection of fines for labor violations and addressing new forms of abusive contracting, as well as extensive resources the United States is providing to Colombia to support these efforts.
- Monitored and Implemented FTA Environment Chapters. USTR coordinated 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 monitoring plan will strengthen USTR's ongoing efforts to ensure that our trading partners comply with FTA obligations.
- Promoted and Monitored Environmental Protection in Peru. USTR and other agencies: worked with the
 government of Peru as it developed and published regulations to implement its forestry law and key
 obligations under the PTPA, including by reviewing and submitting comments on those regulations, and
 working with other agencies to support Peru's public consultation process; continued efforts to help Peru

implement the January 2013 bilateral Action Plan on forest sector governance, including by coordinating with other agencies to provide training to Peruvian prosecutors and law enforcement officers to strengthen efforts to combat corruption and environmental crime; and worked closely with the Government of Peru and stakeholders to assess the impact of Peru's recent economic reforms on environmental protection and to ensure they do not weaken those protections. The United States also concluded negotiations with Peru and the Organization of American States on the establishment of an independent Secretariat to receive and review public submissions on the enforcement of environmental laws under the PTPA.

- Promoted and Monitored Environmental Protection in Central America and the Dominican Republic. The Environmental Affairs Council met to discuss and review the Parties' progress in implementing core commitments of the CAFTA-DR Environment Chapter, including efforts to improve levels of environmental protection, effectively enforce environmental laws, and promote public participation in environmental decision making. Officials also discussed key environmental cooperation achievements, including the provision of training for customs and border officials on wood identification to combat trade in illegally harvested timber and support for the Central American Wildlife Enforcement Network to enhance regional enforcement of wildlife trafficking laws.
- Convened the Inaugural Meeting of the Environmental Affairs Council under the United States-Panama Trade Promotion Agreement. The United States and Panama convened the inaugural meeting of the Environmental Affairs Council to review implementation of the Environment Chapter of the TPA, including actions taken by the United States and Panama to increase levels of environmental protection, ensure effective enforcement of environmental laws, and provide opportunities for public participation in environmental governance and the trade policy setting processes. The Environmental Cooperation Commission also met and signed the first United States-Panama Work Program for Environmental Cooperation, which provides a robust framework for advancing environmental cooperation activities to support implementation of the Environment Chapter, such as strengthening enforcement of environmental laws, promoting sustainable management of environmental resources, and promoting environmental education, transparency, and public participation in environmental decision-making and enforcement.
- Promoted and Monitored Environmental Protection in Morocco. Government officials from the United States and Morocco convened the Subcommittee on Environmental Affairs under the Environment Chapter of the United States-Morocco Free Trade Agreement. The Subcommittee discussed and reviewed progress made to implement the Environment Chapter of the FTA, including obligations to establish high levels of environmental protection; effectively enforce domestic environmental laws; and provide opportunities for public participation in matters related to the implementation of the chapter. Officials also discussed ongoing environmental cooperation activities. These include technical assistance from the Environmental Protection Agency on air quality assessment techniques and the Department of the Interior on the management of protected areas. The governments adopted an updated environmental cooperation work program, and held a public session, which included participation from civil society, business, and members of the press.
- Promoted and Monitored Environmental Protection in Oman. U.S. and Omani trade and environment officials met to discuss progress made to implement the Environment Chapter of the United States-Oman Free Trade Agreement. The governments reported on and discussed their progress in implementing obligations under the chapter, including obligations to establish high levels of environmental protection; effectively enforce domestic environmental laws; and provide opportunities for public participation in

matters related to the implementation of the chapter. They also discussed ongoing environmental cooperation activities, including assistance that the U.S. Forest Service is providing to help Oman improve its institutional capacity to respond to oil spills and other environmental disasters and assistance that the Department of the Interior is providing to Oman's environment ministry to build technical capacity for the implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora. The governments adopted an updated environmental cooperation work program, and convened a public session, which included participation from civil society, business, and members of the press.

- Promoted Marine Conservation and Ocean Sustainability Through Trade Negotiations and Initiatives.
 USTR pursued strong commitments on fisheries and marine conservation in the TPP and T-TIP
 negotiations, and worked successfully with interagency partners and the Governments of Colombia,
 Mexico and Panama on actions by those governments to combat illegal fishing. USTR made substantial
 contributions to the development and implementation of a national strategy to combat illegal fishing and
 seafood fraud, and engaged in outreach to stakeholders.
- Combatted Illegal Wildlife Trafficking and Illegal Logging Through Trade Negotiations and Initiatives. USTR pursued strong commitments to combat wildlife trafficking and illegal logging in the TPP and T-TIP negotiations, and made substantial contributions to the development and implementation of a national strategy to combat wildlife trafficking, and engaged in outreach to stakeholders. In June, as part of these efforts and to raise awareness of this significant issue, Ambassador Michael Froman toured facilities in New York's John F. Kennedy International Airport that serve to help combat illegal trafficking in wildlife, and in July toured the National Eagle and Wildlife Product Repository in Colorado which holds intercepted wildlife products.
- *Identified and Addressed Telecommunications Trade Barriers*. In March, USTR released the annual Report of the 1377 Review, which outlined barriers faced by U.S. telecommunications service and equipment suppliers, and identified specific telecommunications-related issues on which USTR focused its monitoring and enforcement efforts throughout the year. The Report also highlights longstanding and emerging barriers to U.S. telecommunications services and equipment exports, which when unimpeded are a significant source of jobs here at home.
- Addressed SPS Trade Barriers in the WTO. The United States continued to monitor the European
 Union's approvals of biotech varieties in relation to the WTO biotech case filed in 2005. The United
 States led a coalition of countries to press the European Union to take action on nine agricultural
 biotechnology products, which had received safety decisions from the European Food Safety Agency.
- The United States utilized the WTO Committee on Agriculture (COA). The United States raised questions with over a dozen members in each of the three COA meetings held in January, March, and June 2014 regarding domestic support, market access, and export competition commitments and notifications. The United States also used the COA process to table papers on market access, market price support, and two papers on food security this year. The COA provides an opportunity to promote transparency and communication among all WTO Members regarding implementation of commitments under the Agreement on Agriculture.

- Secured Agriculture Trade-Related Commitments and Market Access for Lamb from Taiwan. In April 2014, Taiwan committed to accelerate the review of applications for maximum residue levels for chemicals used by U.S. agricultural exporters. The establishment of new chemical maximum residue levels will reduce the number of stopped shipments at the border and increase opportunities for U.S. exports of fruits and vegetables to Taiwan. Following Taiwan's audits of U.S. facilities, the conditions are in place for a full resumption of market access for U.S. lamb. Taiwan has committed to provide complete market access for U.S. lamb this year, which is expected to bring significant opportunities for U.S. exporters.
- Convened Consultative Meeting on Agriculture Trade with Canada. USTR and USDA held biannual meetings of the U.S.-Canada Consultative Committee on Agriculture to address trade issues and areas of potential cooperation on third-country issues. These meetings are an important element in ensuring the smooth operation of one of our largest trading relationships that resulted in over \$600 billion in two-way trade in 2013.
- Convened Consultative Committee Meeting on Agriculture Trade Issues with Mexico. USTR co-chaired the U.S. delegation for a meeting of the U.S.-Mexico Consultative Committee on Agriculture facilitating a robust discussion of outstanding trade issues and areas of potential cooperation. The U.S. -Mexico CCA allows the U.S. government to address potential trade irritants at an early stage and support the flow of goods between Mexico and the United States. Annual two-way trade reached almost \$400 billion in September of 2014.
- Convened Free Trade Agreement Meeting on Agriculture Trade with Australia. In May 2014, USTR led the U.S. delegation for meetings of the U.S.-Australia Sanitary and Phytosanitary Committee under the Australia-U.S. Free Trade Agreement. Discussions focused on the key issues of improving access for U.S. turkey, pork and beef into Australia. In 2013, the United States exported \$1.38 billion in food and agricultural products to Australia.
- Convened Free Trade Agreement Meeting on Agriculture with Colombia. In May of 2014, USTR led the U.S. delegation for meetings of the Committee on Agricultural Trade and the Standing Committee on Sanitary and Phytosanitary Matters under the U.S.-Colombia Trade Promotion Agreement (CTPA). The committees, which convened for the second time since entry into force of the CTPA, provide a mechanism for discussing issues of priority interest to both countries aimed at advancing the bilateral trade relationship. In 2013, U.S. exports of agricultural products to Colombia topped \$1.5 billion.
- Convened Free Trade Agreement Committee Meeting on Bilateral Agriculture-Related Trade Issues with Chile. In June of 2014, USTR chaired the U.S. delegation for meetings of the Standing Committee on Sanitary and Phytosanitary (SPS) Matters under the U.S.-Chile Free Trade Agreement. The committee, which convened for the first time in over five years, provides a forum to discuss bilateral issues under the Agreement so that both countries' agricultural sectors can achieve opportunities offered by the FTA. In 2013, the United States exported \$945 million of agriculture and related products to Chile.
- Convened Free Trade Agreement Meeting on Agriculture Market Access Issues with Peru. In August of 2014, USTR led the U.S. delegation for meetings of the Standing Committee on Sanitary and Phytosanitary (SPS) Matters under the U.S.-Peru Trade Promotion Agreement. The committee, which convened for its third year since implementation of the Agreement, provides a forum to discuss bilateral

issues so that both countries' agricultural sectors can achieve opportunities offered by the Agreement. In 2013, the United States exported \$824 million of agriculture and related products to Peru.

• Convened Free Trade Agreement Meeting on Agriculture Trade with CAFTA-DR. In August of 2014, USTR lead the U.S. delegation for meetings of Committees on Agricultural Trade and Sanitary and Phytosanitary (SPS) Matters as specified by the US-CAFTA-DR Agreement. These committees promote cooperation and communication between the parties to the Agreement on the implementation of obligations so that the agricultural sectors can realize fully the opportunities offered by the CAFTA-DR Agreement. USTR also provided training in the Dominican Republic to private sector and public officials on TRQ commitments in the US-CAFTA-DR to improve U.S. farmers' and ranchers' market access into CAFTA-DR markets.

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, labor unions and non-governmental organizations, 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, 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 Meetings and Briefings with Congress on Key USTR Initiatives. Ambassador Froman and USTR staff held meetings and briefings with Members of Congress and their staffs on a range of trade issues, including the WTO, TPP, and T-TIP negotiations, 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 Briefings on TPP Negotiations. In 2014, USTR hosted public briefings with Ambassador Froman and other senior officials. Over the course of the year, hundreds of stakeholders have been updated on the Trans-Pacific Partnership (TPP) negotiations and have provided further input into the process.
- Organized Stakeholder Events on T-TIP Rounds. USTR hosted a stakeholder engagement event during every U.S. round of the T-TIP negotiations to ensure that multiple perspectives and a balance of views informed the U.S. negotiating positions during T-TIP rounds.
- Created an Inclusive and Rounded Group of Trade Advisory Experts. USTR fostered a robust and balanced advisory committee system by appointing new advisors to the Advisory Committee on Trade Policy and Negotiations (ACTPN), Industry Trade Advisory Committees (ITACs), Intergovernmental Policy Advisory Committee on Trade (IGPAC), Labor Advisory Committee for Trade Policy and Trade Negotiations (LAC), Trade and Environment Policy Advisory Committee (TEPAC), and Trade Advisory Committee on Africa (TACA). USTR meets regularly with the advisors to brief and obtain input on a range of trade issues including, TPP, T-TIP, and the WTO.
- Advanced the WTO Environmental Goods Agreement Negotiations. USTR chaired a public hearing on the WTO Environmental Goods Agreement (EGA) prior to the launch of the negotiations, and participated in multiple stakeholder events to discuss and promote the potential benefits of the EGA.

- Advanced U.S. Trade and Investment Relations with Sub-Saharan Africa. In 2014, USTR strengthened relations with sub-Saharan Africa, by engaging with a number of African Heads of State on the sidelines of the 2014 World Economic Forum(WEF) for Africa and the U.S.-Africa Leaders' Summit; implementing TIFA workplans with 11 African countries or regional economic groups; and organizing and planning bilateral digital video conferences, consultations, and strategic planning meetings in order to address key issues such as local content restrictions, import bans, intellectual property rights protection, investment promotion, trade facilitation, SPS and TBT, and AGOA implementation. Where barriers exist to U.S. agricultural exports, the U.S. Government has used TIFAs and other bilateral engagement to urge sub-Saharan African countries to reassess their protectionist policies in order to liberalize trade and potentially increase investment from the U.S. agricultural industry. In spite of these barriers, agricultural exports to the region have already topped \$1.3 billion in 2014. USTR led and coordinated interagency annual review of 49 sub-Saharan African countries to monitor progress on the AGOA eligibility criteria, including whether countries are making continual progress toward establishing, among other criteria, 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 USTR engaged with inter-agency partners to develop a comprehensive trade and investment strategy with Sub-Saharan African in advance of the planned renewal of the African Growth and Opportunity Act. USTR also engaged with the Government of South Africa to identify ways to resolve long-standing tariff differentials; bilateral agricultural trade barriers on U.S. pork, beef and poultry exports; and geographic indications for agricultural products.
- Concluded a Comprehensive Review of AGOA, and Made Proposals to Congress for AGOA Renewal and Modernization. Concluded a comprehensive review of AGOA, including extensive stakeholder consultations, which served as basis for Administration proposals to Congress on AGOA renewal and modernization beyond its current expiration date of September 30, 2015.
- Advanced U.S.-Africa Trade and Investment Relationship during historic August 2014 U.S.-Africa Leaders Summit and 2014 AGOA Forum. USTR worked with the White House and interagency to develop "FACT SHEET: Investing in Africa Trade for our Common Future" issued during the U.S.-Africa Leaders Summit. USTR also organized a successful AGOA Forum as part of the Summit during which key U.S. Government officials and African trade ministers discussed AGOA's renewal post-2015 and ways to enhance the U.S.-Africa trade and investment relationship. In 2014, USTR senior officials met with members of the Trade Advisory Committee on Africa (TACA) and a wide range of stakeholders on U.S.-sub-Saharan Africa trade and investment policy issues.
- Engaged Strategically with Key Trade Partners on Intellectual Property Rights. USTR contributed significantly to the Administration priority of protecting trade secrets against theft and misappropriation, including through pursuing disciplines in bilateral (e.g., China and India) and plurilateral engagement (e.g., APEC, TPP, and T-TIP) as well as in multilateral organizations (e.g., OECD). USTR developed and implemented a global U.S. government strategy on GIs, including intensive bilateral, plurilateral, and multilateral engagement to promote access in foreign markets for U.S. producers that rely on generic product names and to defend the interests of U.S. trademark holders overseas. USTR continued to promote the importance of intellectual property rights and innovation in the WTO TRIPS Council by developing significant data supporting the U.S. position, including with respect to green technologies.

- Promoted a High Level Transparent Special 301 Process. USTR continued to promote high-levels of transparency surrounding the Special 301 and Notorious Markets processes, including by providing additional guidance to the public through the Federal Register on the criteria considered for inclusion in each report, by providing a new rebuttal period for the operators of nominated physical and online markets, by creating an email box to facilitate correspondence with USTR on both reviews, and by recording and making available through USTR's website a video (and transcript) of the Special 301 Public Hearing. USTR developed and published the 25th annual Special 301 Report, which catalogues intellectual property-related barriers in foreign markets, and informs U.S. Government efforts to resolve those barriers. USTR conducted public hearings and public comment as part of its Special 301 Report review, and those comments drove specific bilateral engagement to resolve issues even outside of the Report itself. USTR developed and published the fourth annual Notorious Markets List which identifies, and motivates public-private actions to address, online and physical marketplaces that contribute to the spread of trademark counterfeiting and copyright piracy globally.
- Increased Outreach to Stakeholders on Combating Wildlife Trafficking and Illegal Fishing. USTR made substantial contributions to the development and implementation of national strategies to combat wildlife trafficking and illegal fishing and seafood fraud, and engaged in outreach to stakeholders.

Goal 4: Effectively Communicate Trade's Benefits

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

Objectives:

- 4.1: Create and implement a USTR-wide, proactive communications strategy to explain the job-creating, economy-enhancing benefits of trade to domestic constituencies and stakeholders.
- 4.2: Enhance outreach to state and local governments on the benefits of trade, particularly those benefits that flow from free trade agreements (FTAs) and membership in the WTO.
- 4.3: Work with the White House and with agency partners to implement an Administration-wide message on the benefits of international trade.
- 4.4: Communicate, in consultation with other agencies, the Congress and interested stakeholders, a common message to foreign countries and their citizens explaining the benefits of trade with the United States, in order to build support for U.S. trade policies and initiatives.

Accomplishments:

In 2014, 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.

- Unlocked Economic Opportunities for American Businesses in Boston, Massachusetts. In an April trip to
 Massachusetts to highlight the state's exports, Ambassador Froman joined Boston-based Atlas Devices in
 unveiling a factory expansion that will increase the company's manufacturing capacity and support more
 jobs in Boston through continued success in exporting. Atlas Devices is a strong example of the effect
 exports can have on the success of American small businesses. Boston has longstanding ties to trade, and
 trade remains critical to the Boston and Massachusetts economies.
- *Highlighted Colorado's Record-Breaking Exports*. In June, Ambassador Froman visited Denver to highlight the positive trajectory of U.S. exports in Colorado, and across the country. In 2013, Colorado exported a record \$8.5 billion in goods, supporting an estimated 43 thousand jobs. Ambassador Froman toured Denver's Epic Brewing Company to spotlight the high-quality jobs supported by small business exporters in Colorado and spoke at the World Trade Center Denver to underline the success of Colorado exporters and how they will benefit from the President's trade agenda.
- Spotlighted Minnesota's Growing Exports. In August, Ambassador Froman traveled to Minnesota to meet with small business owners to discuss how Made-in-America exports are fostering economic growth, supporting jobs, and unlocking opportunity across the state, and America. Ambassador Froman toured a Minnesota small business that is creating jobs by exporting using the web platform Etsy. According to reports, Etsy has one million artisans and craftspeople selling \$1.3 billion of goods per year. The company began selling Made-in-America jewelry products on Etsy in 2011 and now boasts nearly 30

employees and annual sales of \$2 million per year, one third of which are attributed to exports. During the trip, Ambassador Froman highlighted the benefits of President Obama's trade agenda to Minnesotans, which exported \$20.8 billion in goods in 2013, supporting 106 thousand jobs.

- Promoted the Benefits of Made-in-America Agriculture Exports in Iowa. In August, Ambassador Froman travelled to Des Moines to meet with a diverse range of Iowans, including family farmers, business leaders, and elected officials who represent the many ways Made-in-America exports benefit the local economy. Iowa is the United States' second largest exporter of agricultural goods, and Ambassador Froman toured the Iowa State Fair with Senator Chuck Grassley to sample the pork, corn, and other agricultural goods Iowa farmers raise and export to consumers around the world. Following the fair, Ambassador Froman held a roundtable with local farmers, ranchers, and state and local agriculture leaders to receive input on how America's trade policy benefits the state's agricultural community. He later joined Governor Terry Branstad and Lieutenant Governor Kim Reynolds at the Governor's Charity Steer Show to highlight Iowa's strong beef exports, a significant source of economic prosperity for the state.
- Underlined Ohio's Record-Breaking Exports. In October, Ambassador Froman traveled to Cleveland and Columbus to tout Ohio's all-time-high exports and outline the ways President Obama's trade agenda will help unlock economic opportunity for Ohioans. Throughout his trip, Ambassador Froman highlighted Cleveland and Columbus's contribution to Ohio's record-breaking \$50.8 billion of Made-in-America goods exports, which supported an estimated 259,000 jobs in 2013. While in Cleveland, Ambassador Froman and U.S. Senator Brown toured Jet Incorporated, a small business creating jobs by designing, manufacturing, and exporting innovative wastewater treatment systems to 33 countries around the world. Ambassador Froman also participated in Columbus Mayor Michael Coleman's MOMENTUM Small Business Conference & Expo, to stress the importance of Ohio's over 16,000 exporting companies, nearly 90 percent of which are small and medium-sized businesses.
- Touted Texas' Made-in-America Exports. In October, Ambassador Froman travelled to the Lone Star state to highlight the ways the Obama Administration's historic trade agenda unlocks economic opportunity for Texans. In 2013, Texas exported a record-breaking \$279.5 billion Made-in-America goods to the world supporting 1.1 million jobs and contributing to the nation's all-time high of \$2.3 trillion exports. In San Antonio, Ambassador Froman and Congressman Henry Cuellar (TX-28) met with local business leaders and entrepreneurs at the San Antonio Chamber of Commerce to discuss how trade helps their companies grow and support jobs in the community. The Ambassador toured Rackspace, a managed cloud computer company in Windcrest, Texas, supporting local jobs by exporting to over 200,000 customers in 120 countries. Rackspace is emblematic of the high-tech American companies that stand to gain from current trade negotiations between the United States and the Asia Pacific region in the TPP, which includes inaugural and groundbreaking provisions to address barriers affecting the digital economy. Ambassador Froman and Congressman Pete Gallego (TX-23) also toured Concord Supply Company, a San Antonio small business with roughly 90 percent of its sales to international markets. Through exports, the company has been able to expand and support more local jobs.
- Promoted Strong American Manufacturing and Exports in Baltimore. To commemorate National
 Manufacturing Day and highlight the significant benefits manufacturing and Made-in-America exports
 deliver for Maryland's economy, Ambassador Froman toured Zentech Manufacturing, a Baltimore small
 business and advanced manufacturer creating jobs in Maryland by assembling state-of-the-art circuit
 board technology, often used as inputs in American exports overseas. While at Zentech, Ambassador

Froman met with local manufacturing workers and technical college students from Anne Arundel Community College to discuss the importance of advanced manufacturing to their everyday lives, their communities, and their families. In 2013, Maryland exported a record \$11.8 billion in goods to the world. In the same year, Maryland exported \$10.8 billion in manufactured goods, supporting an estimated 52,000 jobs.

• Organized Small and Medium Sized Business Roundtables Across the United States to Participate in the Transatlantic Relationship. Pursuant to a request by USTR, the United States International Trade Commission (USITC) issued a report entitled "Trade Barriers That U.S. Small and Medium-Sized Enterprises Perceive as Affecting Exports to the European Union." USTR requested that USITC undertake this study as part of USTR's effort to gather input from the public on the ongoing T-TIP negotiations. The U.S. Trade Representative, along with the USITC, the U.S. Small Business Administration (SBA), and the U.S. Department of Commerce worked together to convene 28 small business roundtables in cities around the United States, to hear from small businesses around the country about concerns and barriers they face while exporting to European Union. The T-TIP aims to help U.S. companies, farmers, and workers unlock opportunity by finding new European customers and boost job growth.

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. Accelerated the integration of ITEC into USTR operations by disseminating a policy regarding ITEC functions and procedures for use of ITEC resources, surveying enforcement priorities of USTR offices, and acquiring new ITEC detailees with skills and experience responsive to those priorities. Implemented the USTR Employee Viewpoint Committee to provide feedback to senior leadership and propose solutions to employee work-life issues. Implemented the USTR Employee Strategy to improve scores on the 2014 Employee Viewpoint Survey, with specific emphasis on the Awards Ceremony; USTR noted as the most improved small agency for 2014 by the Partnership for Public Service. Identified and reassigned underutilized personnel or personnel ready for a reassignment to other offices, resulting in more efficient use of resources and improvement in morale. Worked with AUSTRs and staff members to enhance their substantive and trade policy development skills, and provided opportunities for leadership roles in and outside USTR. Re-organized portfolios to take advantage of synergies across certain issues. For example, consolidated all of the Western Hemisphere FTAs into a single portfolio, when they had previously been scattered among three separate staff members. This has resulted in a more holistic, strategic approach to the region, and takes advantage of lessons learned in other agreements such as CAFTA-DR. During a three-week government shutdown in October 2013, ensured that priority trade matters were appropriately staffed to ensure U.S.

international trade equities were not jeopardized.

- Improved the Effectiveness and Efficiency of USTR Support Systems. Met substantial conference requirements for TPP negotiations, numerous TPP intersessional meetings, T-TTP, APEC, WTO Ministerial, JCCT, and other USTR DC based meetings. Planned and managed the government-wide shutdown at USTR; minimized disruption to USTR's mission through a comprehensive day-by-day staff management process; all critical EOP and Congressional requirements addressed and necessary support services maintained throughout the shutdown. Addressed all special conferencing needs and provided timely and professional conference planning support for all significant meetings. To enhance effectiveness of work on agriculture monitoring and enforcement, established and convened semi-regular meetings on enforcement on agriculture trade, with participants from ITEC, USTR/OGC, USTR/Ag, USDA, to prioritize research on issues and strategize a path forward to address them.
- 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. Completed Winder Building north end earthquake repair. Interagency Trade Enforcement Center (ITEC) space (1800 G Street). Completed a build out of office space and smoothly relocated Office of Administration staff and White House Credit Union employees within 1724 F Street and ITEC staff from 1800 G Street to 1724 F Street.
- Improved Productivity through Information Technology Upgrades. Commenced build out for 2nd SCIF. Deployed three new digital video teleconferencing systems to 1724 F St. All seven conference rooms throughout USTR now have this capability. Coordinated with OA/CIO to upgrade one-third of USTR laptops to new models and purchased 50 new tablet PCs. Continued implementing GOOD Technology (50 USTR staff now have installed). Worked closely with OA/CIO to develop mobile solution for International travel (tablet PC). Migrated USTR's correspondence to the new EOP Enterprise solution (Salesforce.com). Implemented document management capability for over 80,000 litigation files. Provided audiovisual, IT, and travel support for major international trade negotiations, including: WTO Indonesia, TPP Singapore 2x, TPP Vietnam 2x, TTIP Brussels 2x. Geneva IT support 2x, TPP Ottawa, TTIP George Mason, TTIP 4-H Club DC. Worked closely with USTR GC to assist with standing up the US role in the WTO e-file initiative. Assisted Southeast Asia Office with completing transition to new Wiki site to accommodate inclusion of three new partners (Mexico, Canada, and Japan) into the TPP negotiations. Implemented new compartmented structure for document management for improved security. Assisted Western Hemisphere office with fully implementing use of wiki technology for their TTIP negotiations, including outreach to statutory advisory committee members and to the European Union partners. Assisted Environment office with fully implementing use of wiki technology for their TTIP negotiations, including outreach to statutory advisory committee members and to the 13 other countries involved in EGA. comprehensive upgrade / refresh project for USTR web site. Project included special emphasis on with New Media/OMB web policies (e.g. records management with social networking technologies, properly identifying external links, and others).
- Improved Budget Planning and Execution. FY 2014 appropriations managed in a challenging fiscal environment. FY 2016 Business Plan and FY 2016 Budget produced on time to meet all OA/CFO's requirements. Timely financial analyses and cost information enabled senior leadership to make judicious and cost effective decisions.

• Improved Security Systems and Processes. 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.

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.SEU 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.SChina 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 |
| OA/CIO | Office of Administration/Chief Information Officer |
| OA/CFO | Office of Administration/Chief Financial Officer |
| OAS | Organization of American States |
| OECD | Organization for Economic Cooperation and Development |
| OMB | Office of Management and Budget |
| OPIC | Overseas Private Investment Corporation |

| PNTR | Permanent Normal Trade Relations |
|--------|--|
| PSD | Presidential Study Directive |
| ROU | Record of Understanding |
| S&ED | U.SChina 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 |
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