

Executive Office of the President



Office of the United States Trade Representative

Fiscal Year 2022 Budget

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

Salaries and Expenses

Resource Estimates Fiscal Year 2022

Congressional Budget Submission

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FY 2022 BUDGET JUSTIFICATION SUMMARY

Mission Statement and Background

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

Overview

For Fiscal Year (FY) 2022, the funding requirement for the Office of the United States Trade Representative is \$73.0 million, supporting a full-time equivalent (FTE) level of 280. This topline includes \$58.0 million available directly to USTR and \$15.0 million allocated through the Trade Enforcement Trust Fund (TETF). This request is \$3.0 million above the FY 2021 enacted level. The proposed staffing level for FY 2022 of 280 is an increase of six (6) FTEs above the FY 2021 estimate of 274 FTE.

USTR's appropriation must enable USTR to harness U.S. trade relationships to help the Administration revitalize the economy. Trade is a critical pillar of our ability to build back better and carry out our Foreign Policy for the Middle Class. President Biden's approach to trade includes investing in American workers to make them more competitive, ensuring that labor and environmental interests are represented in new trade negotiations, and rebuilding frayed trade and security relationships with allies. U.S. workers are at the center of the Administration's trade policy that will strive to get results for American families. Two main trade concerns for President Biden are confronting China and ensuring the U.S.-Mexico-Canada Agreement lives up to its promising potential.

The power of our trade relationships will be employed to help communities lift themselves out of the current crisis. Trade is a means to create more hope and opportunity for people. It only succeeds when the humanity and dignity of every American -- and of all people -- lie at the heart of the President's approach to trade policy. Effective trade policy requires a keen understanding of the threats of climate change to trade as well as the need to address the climate crisis with urgency. New trade negotiations will be used to boost partners' climate commitments. Close working relationships with labor interests will guide the approach to trade enforcement and leveling the playing field for American workers.

The President's trade agenda will be strategic in how we trade and that makes us all stronger. As such, the Administration will focus on trade agreements that benefit all Americans, enforcing the nation's trade laws to ensure its trading partners play by the rules, and updating the World Trade Organization to work for all nations. The United States will negotiate with allies to set global trading rules to counter China's growing influence of unfair trading practices, instead of having China and others dictating outcomes. Key issues to address include overcapacity, subsidization, disciplines on China's state-owned enterprises, and cyber theft.

"Whether it is contending with the challenges of China or making sure the USMCA lives up to its promising potential, we will only succeed if we work together. That means the administration working with Congress; Democrats and Republicans working together; labor with capital; entrepreneurs with the keepers and

defenders of our natural resources. Stakeholders across the entire spectrum of the U.S. economy...the United States working with its allies.”¹

USMCA was facilitated by robust stakeholder engagement in partnership with the business, labor and civil society communities. The challenge is to ensure a continual focus on this agreement, to nurture what is working and to correct course when parties alter and stray from their commitments.

The Administration will continue to aggressively enforce U.S. trade laws to protect the interests of American businesses and workers. USTR will take strong actions to ensure our trading partners compliance with the terms of our trade agreements, including the WTO agreements. The China Phase One Agreement provides the United States with a process for ensuring that China honors its commitments and for imposing proportionate measures if it fails to do so. USTR is closely monitoring China’s compliance with the Agreement’s provisions and will investigate complaints from American businesses, farmers, and others about China’s conduct. Likewise, the United States-Mexico-Canada Agreement (USMCA) contains a detailed process for enforcing commitments, and USTR will zealously pursue any violations of the agreement. USTR has established working groups focused in particular on potential violations of the labor and environmental provisions of USMCA and will work closely with other agencies to ensure that any potential noncompliance is investigated and, where necessary, acted upon. As necessary, USTR will pursue formal challenges to acts, policies, or practices of foreign governments that are inconsistent with WTO rules under the dispute settlement system of the WTO and will vigorously defend U.S. actions when challenged by foreign governments.

USTR is closely monitoring legislative developments in countries related to “digital services taxes.” The United States is engaged in discussions at the Organization for Economic Cooperation and Development (OECD) to modernize and rationalize taxation of multinational entities in a way that is fair to all countries, their consumers, and their businesses. However, some nations have undermined those efforts by imposing unilateral digital services taxes, which often are little more than thinly disguised attacks on successful U.S. technology companies. The United States will continue to enforce its trade laws to prevent the implementation of unfair and discriminatory taxes on U.S. companies.

The United States will lead the effort on World Trade Organization (WTO) reform. In addition to addressing the Appellate Body, seeking a new fisheries agreement, pursuing a digital commerce agreement, enforcing notifications obligations, and seeking reform of “special and differential treatment” for “developing” countries, the Administration will advocate for other changes at the WTO that will have the WTO working for its Members.

The Biden Administration is fully committed to positive, constructive, and active engagement with all Members to find paths forward to achieve necessary reform of the WTO. Critical to this reform effort is the new Director General. The pandemic recovery and negotiations on curbing harmful fisheries subsidies are two areas in which the U.S. would like to see movement. USTR will seek meaningful and high ambition outcomes for the upcoming ministerial, which is expected to be held in December this year. There is no topic more important than recovery from COVID-19. The Biden Administration will engage with WTO Members on how the WTO can promote recovery from the COVID-19 crisis, in conjunction with other multilateral initiatives to amplify the international public health and humanitarian response. For the fisheries negotiations, the U.S. will look to disciplining the harmful subsidies that counteract any progress in achieving sustainable fisheries. The negotiations must produce a meaningful and effective agreement that will constrain the largest subsidizers and improve the status quo. The Administration will seek to

¹ Katherine Tai, 2021 NFTC Foundation Virtual Conference and Awards Ceremony, January 12, 2021

reform the WTO to equip the institution to address pressing challenges confronting all nations, including global overcapacity in multiple industries that unfairly cost workers their jobs.

In summary, President Biden is steadfast in changing the way we trade, and pursuing trade policies that support and benefit American workers, combatting the threat of climate change, fueling American innovation, and increasing America's competitiveness.

“President Biden’s vision is to implement a worker-centric trade policy. What this means in practice is that U.S. trade policy must benefit regular Americans, communities, and workers. And that starts with recognizing that people are not just consumers – they are also workers and wage-earners. Users are also producers. One company’s downstream customer is another’s upstream supplier. Americans don’t just benefit from lower prices and greater selection in shops and markets – Americans also benefit from having good jobs with good wages.”²

ORGANIZATION SUMMARY

USTR is responsible for developing and coordinating America’s trade policy, leading trade negotiations with other nations, and enforcing compliance with our trade agreements and U.S. trade laws. USTR also coordinates with other Federal agencies in developing trade policy and advising the President on trade matters. “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. USTR also has a representative in Brussels serving as the USTR delegate 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, 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 through the Trade Policy Committee (TPC). The TPC is the senior U.S. Government interagency trade committee established to provide broad guidance on trade issues. It is chaired by the U.S. Trade Representative (USTR) and is composed of other cabinet officers. The Trade Policy Review Group (TPRG) and the Trade Policy Staff Committee (TPSC), 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.

² Katherine Tai, 2021 NFTC Foundation Virtual Conference and Awards Ceremony, January 12, 2021

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

USTR also 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 up to 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. The USTR and the Secretaries of Commerce and Agriculture jointly appoint representatives, 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; the Interagency Center on Trade Implementation, Monitoring, and Enforcement (ICTIME); 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 office also works with Other International Organizations in Geneva to address trade issues that come up in the other international organizations headquartered in Geneva.

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 large number of trade-related issues.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
SALARIES AND EXPENSES

Fiscal Year 2022 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, \$58,000,000 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.

For activities of the United States Trade Representative authorized by section 611 of the Trade Facilitation and Trade Enforcement Act of 2015 (19 U.S.C. 4405), including transfers, \$15,000,000, to be derived from the Trade Enforcement Trust Fund: Provided, That any transfer pursuant to subsection (d)(1) of such section shall be treated as a reprogramming under section 5005 of this Act; and any unused funds shall be kept in the Trade Enforcement Trust Fund.

SUMMARY OF FY 2022 BUDGET REQUEST

(in thousands of dollars)

	FY 2020 Enacted	FY 2021 Enacted	FY 2022 Request	FY21/FY22 Difference
USTR Direct Appropriation	54,000	55,000	58,000	3,000
Trade Enforcement Trust Fund (TETF)	15,000	15,000	15,000	-

FTE Levels by Fiscal Year

	FY 2020 Actual	FY 2021 Estimate	FY 2022 Request	FY21/FY22 Difference
FTE	259	274	280	6

SUMMARY OF RESOURCE REQUIREMENTS

OBLIGATIONS BY OBJECT CLASSIFICATION

(Combined USTR expenses and trade enforcement trust fund in thousands of dollars)

	FY 2020	FY 2021	FY 2022	FY21/FY22
	Actual	Estimate	Request	Difference
Personnel Compensation & Benefits	52,607	54,585	56,844	2,259
Travel and Transportation of Persons	1,641	2,333	2,750	417
Transportation of Things	0	0	0	0
Comm., Utilities, & Misc. Charges	783	1,102	1,142	40
Printing and Reproduction	326	263	208	-55
Other Contractual Services	10,743	10,716	11,425	709
Supplies and Materials	384	322	451	129
Official Reception and Representation	36	124	124	0
Equipment	289	555	56	-499
Totals	67,820	70,000	73,000	3,000

Personnel Compensation and Benefits

(in thousands of dollars)

FY 2020 Actual	FY 2021 Estimate	FY 2022 Request	FY21/FY22 Difference
52,607	54,585	56,844	2,259

USTR will be charting a new course on trade policy that helps President Biden achieve his Build Back Better Agenda. A Build Back Better trade policy must put workers at the center and must help the Biden-Harris Administration further its climate goals – two new objectives that will require the agency to achieve things it has not achieved before. Hence, an increase in staffing is critical to USTR's ability to execute this agenda. The U.S. must restore U.S. global leadership on critical matters like combatting forced labor and exploitative labor conditions, corruption, and discrimination against women and minorities around the world. Through engagement, the Biden Administration will seek to build consensus on how trade policies may address the climate crisis, bolster sustainable renewable energy supply chains, end unfair trade practices, discourage regulatory arbitrage, and foster innovation and creativity. Faced with unfilled positions from the previous Administration and a completely new and unprecedented trade agenda, USTR conducted a comprehensive office-by-office staffing review; this request reflects that assessment.

Travel and Transportation of Persons

(in thousands of dollars)

FY 2020 Actual	FY 2021 Estimate	FY 2022 Request	FY21/FY22 Difference
1,641	2,333	2,750	417

Travel costs were substantially depressed in FY 2020 due to the pandemic and likely to extend into FY 2021. In addition to crafting unprecedented policy, USTR must embark on a new, comprehensive engagement strategy that ensures we consult with stakeholders that have not been part of the conversation before and that effectively communicates the Biden-Harris trade agenda to address the general mistrust Americans have with trade policy. The FY 2022 request, consistent with executing the Administration's trade policy and enforcement agenda, reflects a return to a more normal international engagement program as the world emerges from the pandemic. USTR anticipates continuing those engagements through remote negotiations where advantageous. USTR will pursue opening markets and reducing trade barriers that are fundamental to its trade agenda. This will be a priority for the Biden Administration, particularly since export-oriented producers, manufacturers, and businesses enjoy greater than average productivity and wages.

Communications, Utilities, and Miscellaneous Charges

(in thousands of dollars)

FY 2020 Actual	FY 2021 Estimate	FY 2022 Request	FY21/FY22 Difference)
783	1,102	1,142	40

Communications, Utilities and Miscellaneous charges consist of those costs incurred for supporting USTR hosted trade engagements, Geneva and Beijing offices, rental of our Ambassador's residence in Geneva,

and overtime utilities in our Washington office. Restoring U.S. global leadership will require the necessary meetings with foreign governments and a substantially increased array of domestic stakeholders, important components to the success of the President's trade agenda. U.S. hosted meetings have logistical requirements and the funding support for those with foreign governments is reported here.

Printing and Reproduction

(in thousands of dollars)

FY 2020 Actual	FY 2021 Estimate	FY 2022 Request	FY21/FY22 Difference
326	263	208	-55

USTR has recurring annual printing costs related to the 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 as necessary. During the normal course of business, there are ad hoc printing requests that occur regularly as well.

Other Contractual Services

(in thousands of dollars)

FY 2020 Actual	FY 2021 Estimate	FY 2022 Request	FY21/FY22 Difference
10,743	10,716	11,425	709

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) for global embassy funding, language services, security, office equipment maintenance, training and professional service contracts. The latter include the three staffing contracts and Salesforce application support that USTR is using to operate the 301-tariff exclusion process and are anticipated to support trade agreement enforcement. This anticipates that the 301-tariff exclusion process effort will decrease from FY 2021 levels. U.S. hosted trade engagements during FY 2022 will mean contract security support is required to ensure the safety of negotiators and safeguarding of sensitive and confidential talks at the hotel/conference centers where the meetings are held.

Supplies and Materials

(in thousands of dollars)

FY 2020 Actual	FY 2021 Estimate	FY 2022 Request	FY21/FY22 Difference
384	322	451	129

Proprietary databases, subscriptions and diverse supplies. Corresponds to the support requirements for trade engagements and additional requirements for trade research.

Official Reception and Representation

(in thousands of dollars)

FY 2020 Actual	FY 2021 Estimate	FY 2022 Request	FY21/FY22 Difference
36	124	124	0

Representation funds are used for extending relations with foreign governments in conducting our trade missions.

Equipment

(in thousands of dollars)

FY 2020 Actual	FY 2021 Estimate	FY 2022 Request	FY21/FY1922 Difference
289	555	56	-499

Major costs for this category in previous years are the office and facility investment projects to renovate and outfit the 1800 G Street space.

FISCAL YEAR 2022 GOALS and OBJECTIVES

[Note: FY 2022-2026 Strategic Goals and Strategic Objectives, and FY 2022 Measurements under development]

Placing Workers at the Center of Trade Policy

The Office of the U.S. Trade Representative (USTR) has primary responsibility for developing and coordinating U.S. international trade, commodity and direct investment policy, and overseeing trade negotiations with other countries. The head of USTR is the U.S. Trade Representative, a member of the Cabinet who serves as the President's principal trade advisor, negotiator, and spokesperson on trade issues. USTR has its headquarters in Washington, DC and overseas offices in Beijing, China, Brussels, Belgium, and Geneva, Switzerland. The Geneva Office represents the United States at the World Trade Organization (WTO).

USTR is part of the Executive Office of the President. The USTR is a member of the Millennium Challenge Corporation (MCC) Board of Directors, a non-voting member of the Export-Import Bank, a member of the Committee on Foreign Investment in the United States (CFIUS), and a member of the National Advisory Council on International Monetary and Financial Policies.

In the Trade Expansion Act of 1962, the U.S. Congress established an interagency trade policy mechanism to assist USTR with the implementation of its major areas of responsibility. USTR provides trade policy leadership and negotiating expertise in its major areas of responsibility. USTR consults with other government agencies on trade policy matters, including through the Trade Policy Review Group (TPRG) and the Trade Policy Staff Committee (TPSC). These groups, administered and chaired by USTR and composed of 20 Federal agencies and offices, make up the sub-cabinet level mechanism for developing and coordinating U.S. Government positions on international trade and trade-related investment issues. The TPSC is the first-line operating group, which regularly seeks input from the public on policy decisions and negotiations through *Federal Register* notices and public hearings. In cases where the TPSC does not reach consensus on a topic, or if the issue under consideration involves particularly significant policy questions, the issue may be referred to the TPRG.

In the Trade Act of 1974, the U.S. Congress established a private sector advisory committee system to ensure that U.S. trade policy and trade negotiation objectives adequately reflect U.S. commercial and economic interests. The advisory committees provide information and advice with respect to U.S. negotiating objectives and bargaining positions for trade negotiations, 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.

Since its creation, USTR has maintained close consultation with Congress. Liaison activities between the agency and Congress are extensive. The principal oversight Committees are the House Ways and Means and Senate Finance Committees. Other committees routinely are briefed within areas of their jurisdiction where USTR plays a role.

As the United States addresses 21st century domestic priorities, worker-centered trade policy is integral to the United States' economic recovery, resiliency, and competitiveness. Trade policy

should support and empower workers, drive wage-driven growth, create new trade opportunities for U.S. farmers, ranchers, manufacturers, service providers, fishers, and small and medium-sized enterprises (SMEs), including women and minority owned businesses, raise living standards and purchasing power for low-income families, and lead to better economic outcomes for all Americans.

Advancing a worker-centered trade policy will require extensive engagement with unions, worker advocates, and underserved communities to ensure that workers' perspectives and values play an integral and respected role in the development and implementation of U.S. trade policy. The policy will focus on eliminating trading partners' ability to gain a competitive advantage by violating workers' rights and pursuing unfair trade practices. Likewise, USTR will strive to negotiate, implement, and enforce strong environmental commitments, to raise the standards and levels of protection of our trading partners, and ensure our partners meet environmental obligations under existing trade agreements.

By adopting a comprehensive, proactive strategic framework, USTR will help restore U.S. leadership and strengthen America's strategic alliances and partnerships. This framework will simultaneously help restore American competitiveness by expanding market access for American farm goods, services, and manufactured products, and so helping large and small businesses, workers, and agricultural producers raise incomes, expand employment, and help communities prosper.

In ensuring that U.S. trade strategy and policy reflect the perspectives of all Americans, USTR will use trade tools, data assessments, and innovative engagement strategies to advance racial equity, consider the distributional effects of trade, and support underserved communities as part of the mission of all federal government agencies and offices. In complying with Executive Order (EO 13985) on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, USTR will pursue a trade agenda which supports domestic initiatives aimed at eliminating social and economic structural barriers to equality and economic opportunity and pursue complementary objectives in negotiations with our trading partners.

Goal 1: Open Foreign Markets and Combat Unfair Trade

To advance the goals of supporting and sustaining well-paying American jobs and farm incomes, broadening the benefits of trade through more inclusive trade policies and outreach reflecting the interests of a diverse nation, supporting value-added production and innovation in the United States, and promoting equitable economic growth in the United States and worldwide, USTR will open foreign markets, combat unfair trading practices, enforce U.S. trade laws, reduce trade distortions, and encourage broader participation in international trade by negotiating and implementing agreements consistent with U.S. interests and values. Informed by diverse, sustained, engagement, USTR will stand up for American farmers, ranchers, manufacturers, service providers, fishers, and SMEs by pursuing smart trade policies that are inclusive and work for all producers.

Objectives:

- Negotiate and implement agreements that sustain well-paid American jobs, advance the overall trade and economic interests of the United States, and further the objectives of U.S. trade policies by opening foreign markets to U.S. manufactured goods, agricultural products, and services. Support the broader economic recovery by helping companies, including small businesses, women and minority entrepreneurs, put Americans to work by building world-class products for export to foreign markets.
- Effectively utilize USTR and leverage other U.S. government resources to break down foreign trade barriers and promote fair trade.
- Expand global market access opportunities for American farmers, ranchers, food manufacturers, and fishers and defend U.S. producers by enforcing global agricultural trade rules and promoting the adoption of science and risk-based sanitary and phytosanitary measures.
- Use all available tools to take on the range of unfair trade practices that continue to harm U.S. workers and businesses.
- Work with trading partners to ensure that trade policy works in concert with initiatives to advance global health security and humanitarian response to save lives, promote economic recovery, and develop resilience against future global pandemics or crises.
- Ensure that trade agreements consider the needs and reflect the interests of underserved communities and America's racially, ethnically, and geographically diverse population.
- Review past trade policies for their impacts on and unintended consequences for U.S. workers, and assess existing trade preference programs to evaluate their contribution to equitable economic development, improved labor standards, and opportunities for developing country workers to move from informal and unregulated sectors to wage-paying work.
- Effectively represent U.S. interests in the World Trade Organization and other international bodies to achieve the Administration's international trade policy goals. Work to implement necessary reforms to the WTO's substantive rules and procedures to address the challenges facing the global trading system, including growing inequality, digital transformation, and impediments to small and medium-sized enterprises, including women and minority-owned businesses. In this respect, seek the development of WTO rules that combat non-market policies and practices that inhibit the ability of U.S. workers and businesses to compete in the global market.
- Work with allies and like-minded trading partners to establish high-standard global rules to govern the digital economy, in line with our shared democratic values.
- Negotiate and implement strong environmental commitments in trade-related areas that contribute to a sustainable climate pathway; promote sustainable stewardship of natural

resources, such as sustainable fisheries management, and prevent unlawful environmental practices, such as illegal logging, illegal fishing, and wildlife trafficking.

- Contest the harms resulting from forced labor as an unfair cost advantage for those industries, businesses, and producers who exploit this practice.
- Engage with U.S. government partners to encourage robust technical assistance and trade capacity building with trading partners to ensure workers and small and medium-sized enterprises, including women and minority-owned businesses around the world benefit from U.S. trade policy.

Goal 2: Fully Enforce U.S. Trade Laws, Monitor Compliance with Agreements, and Use All Available Tools to Hold Other Countries Accountable

USTR will make the rules count by fully enforcing U.S. trade laws, closely monitoring foreign countries' compliance with trade obligations, and vigorously enforcing U.S. rights. In addition, USTR will ensure that American workers, farmers, ranchers, fishers, manufacturers, innovators, creators, service providers, consumers, and investors receive fair treatment in trade, compete in global markets on a level playing field, and win the full benefit of the economic opportunities the United States has negotiated.

Objectives:

- Fully enforce U.S. trade laws and efficiently and effectively respond to unfair trade practices.
- Use all available tools to take on unfair trade practices in non-market economies, pursue strengthened enforcement to ensure that our trading partners live up to existing trade obligations; address gaps that exist in international trade rules on subsidies, state enterprise competition, and other matters, including through enhanced cooperation with U.S. partners and allies.
- Vigorously deploy all available tools, including dispute settlement mechanisms, to enforce U.S. rights under trade agreements, to ensure that they meet their potential to create and sustain well-paying American jobs. Utilize the WTO standing committees to address specific trade concerns before they become final; resolve unwarranted sanitary and phytosanitary barriers; promote the acceptance of international standards developed in the United States and acceptance of the results of U.S. conformity assessment bodies.
- Comprehensively enforce labor and environmental obligations of existing trade agreements. Engage allies to achieve commitments to fight forced labor and exploitative labor conditions, and increase transparency and accountability in global supply chains; ensure that products that are produced by forced labor or under exploitative labor conditions are not imported into the United States; and contribute to efforts to mitigate income inequality.
- Pursue strengthened enforcement to ensure that China lives up to its existing trade obligations; address gaps that exist in international trade rules, including through enhanced cooperation with our partners and allies, and address widespread human rights abuses of the Chinese Government's forced labor program in the Xinjiang Uyghur Autonomous Region and elsewhere.
- Ensure adequate and effective protection and enforcement of U.S. intellectual property rights.

- Defend U.S. interests in digital trade and digitally delivered services.
- Oppose attempts by foreign countries to artificially manipulate currency values to gain unfair advantage over American workers; work with the Departments of the Treasury and Commerce to put effective pressure on countries that are intervening in the foreign exchange market to gain a trade advantage.
- Collaborate with allies and like-minded countries to address global market distortions created by industrial overcapacity in sectors ranging from steel and aluminum to fiber optics, solar, and other.
- Monitor beneficiary country compliance with statutory criteria in trade preference programs and ensure that beneficiaries meet these criteria, including in the Generalized System of Preferences (GSP), the African Growth and Opportunity Act (AGOA), the Caribbean Basin Initiative (CBI), and the Nepal Trade Preference Program.
- Effectively utilize USTR and leverage other U.S. government resources to monitor unfair foreign trade barriers and practices, as well as compliance by trading partners with U.S. and multilateral trade agreements.
- Expand inclusive engagement with diverse stakeholders to collaborate with USTR on enforcement issues.

Goal 3: Develop and Implement Innovative Policies to Advance President’s Trade Agenda

USTR will develop and implement a comprehensive trade policy to help the country and world recover from the Covid-19 pandemic and its economic effects; improve labor standards; strengthen environmental standards and support the Administration’s work to address the crisis of climate change; support public health improvements; and eliminate social and economic barriers to ensure economic opportunity and benefits for underserved and marginalized communities.

Objectives:

- Address the effects of the pandemic and unforeseen national and global emergencies through policies that strengthen long-term supply chain resiliency for equipment and supplies critical to delivering public health services in the United States; help companies, including small businesses and women and minority entrepreneurs, strengthen production of essential medical equipment; collaborate with trading partners to advance global health security and humanitarian response to save lives, promote global economic recovery, and develop resilience against future global pandemics or crises.
- Leverage our strong bilateral and multilateral trade relationships to raise global climate ambition. Work with allies as they develop their own approaches and ensure that trading partners meet their environmental obligations under existing trade agreements. Support the goal of reducing greenhouse gas emissions and achieving net-zero global emissions by 2050, or before. Explore and develop market approaches to address greenhouse gas emissions in the global trading system. As appropriate, and consistent with domestic approaches to reduce U.S. greenhouse gas emissions, this includes consideration of carbon border adjustments.

- Negotiate and implement strong environmental obligations that also contribute to a sustainable climate pathway; promote sustainable stewardship of natural resources, such as sustainable fisheries management, and prevent unlawful environmental practices, such as illegal logging, illegal fishing, and wildlife trafficking.
- Seek to better understand the projected impact of proposed trade policies on underserved and marginalized communities and to ensure those impacts are considered before pursuing such policies. Craft new trade policies to promote equitable economic growth and contribute to the creation of good-paying future U.S. jobs through the inclusion in trade agreements of strong, enforceable labor standards that protect workers' rights and increase economic security; engage allies to achieve commitments to fight forced labor and exploitative labor conditions, and increase transparency and accountability in global supply chains, and lead to the economic empowerment of women and underrepresented communities.

Goal 4: Develop Equitable Trade Policy Through Inclusive Processes

USTR will develop worker-centered trade policy through extensive consultations with the Congress, stakeholders, and its trade Advisory Committees. USTR will also use digital means and expanded domestic engagement to ensure broad opportunities for the public to contribute to policy formulation, provide comments on policy, and access public hearings and documents. USTR will lead interagency trade policy coordination to obtain broad-ranging input, involve disadvantaged and underserved communities in policymaking, provide accountability, and develop sound, strategic U.S. trade policies.

USTR's transparency principles establish the foundation for a high transparency standard for the day-to-day operations of USTR. These transparency principles reflect the Administration's commitment to comprehensive public engagement, including outreach to historically overlooked and underrepresented communities, as it develops and implements a trade policy that advances the interests of all Americans.

Objectives:

- Work with Congress, interested stakeholders, unions, state and local governments, and the public to inform and strengthen the U.S. trade agenda, develop Administration trade policies and initiatives, and advance key trade legislation.
- Conduct outreach to underserved and disadvantaged communities, in policy development, negotiations, and implementation and enforcement of agreements and legislation.
- Ensure that the concerns and perspectives of underrepresented communities, small businesses, and the employment and purchasing power interests of low-income Americans are reflected in proposed policies, including through improved engagement, innovative data collection, and outreach and engagement with community-based stakeholders, such as minority-owned businesses, business incubators, Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions (HSIs), other minority serving institutions (MSIs), and local and national civil rights organizations.
- Incorporate policies and proposals that foster Tribal Nations' participation in international trade; ensure Tribal Nations are timely informed about trade policies and actions that may have Tribal implications.

- Provide timely and appropriate information to the public on ongoing trade negotiations and trade policy issues of general interest, consistent with laws and regulations governing engagement with the public as well as the protection of confidential information.
- Provide inclusive opportunities for the public to participate in the development of trade policy and trade initiatives, including changes in policy that affect existing trade programs; seek public input with respect to new major trade initiatives when feasible, even when not required by law.
- Facilitate participation in trade policy development by a broad range of stakeholders. In order to foster more inclusive and broader representation in terms of both geography and demographics, as well as stakeholder perspective, seek input using innovative and adaptable forms of communication, including virtual hearings and outreach, in addition to traditional means such as Federal Register notices.
- Foster a robust Advisory Committee system by appointing, consulting, and engaging with an active group of advisors; ensure that the membership includes a wide variety of expert interests, reflective of the diverse stakeholder perspectives.
- Facilitate opportunities for the public, especially from underserved communities, to share perspectives and ideas on developing equitable trade policy.
- Identify and explore opportunities for trade policy and practices, especially in emerging sectors where the United States has the potential to be competitive, to contribute towards increasing equity, reducing income inequality, and expanding micro, small, and medium-sized enterprises and their potential to create good U.S.-based jobs through trade.
- Expand data analysis and reports to measure equity and analyze the effect of trade policy on underserved communities, including assessments based on race, ethnicity, gender, disability, income, veteran status, or other key demographic variables.
- Educate the public on the Advisory Committee system and its role in trade policy.
- Adhere to the Guidelines for Consultation and Engagement adopted in October 2015.
- Coordinate trade policy effectively through the Trade Policy Staff Committee (TPSC) and the Trade Policy Review Group (TPRG).

Goal 5: Effectively Communicate the President's Trade Agenda

To ensure the advancement of the President's trade policy agenda, USTR will communicate the benefits of this agenda to domestic and foreign audiences, thereby building public understanding of its positive impact on economic growth, and support for enforcing U.S. rights and opening markets around the world to U.S. goods, services, and agricultural products.

Objectives:

- Create and implement a USTR-wide, proactive communications strategy to explain the job-supporting, economy-enhancing benefits of the President's trade policy agenda to domestic constituencies and

stakeholders.

- Ensure the USTR website contains up-to-date information on current trade initiatives and programs. Press releases and other materials related to agency programs, initiatives, and negotiations will contain sufficient information to adequately inform the public and will link to available background information on the USTR website.
- Inform private sector and non-profit stakeholders, media, and state and local governments of USTR's efforts to monitor and address unfair foreign trade barriers and practices and enforce U.S. rights, as well as compliance by trading partners with U.S. agreements.
- Enhance outreach to and build sustained engagement with underserved and disadvantaged communities on the benefits of the President's trade agenda and ensure methods and means of communication are useful and accessible.
- Work with the White House and with agency partners to implement a consistent, Federal government message on trade policy.
- Use language and means of communication that are accessible, inclusive, and reflect the concerns, priorities, and perspectives of stakeholders.
- 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.
- Communicate success to stakeholders, including state and local elected officials.

Goal 6: Achieve Organizational Excellence as a Model Employer

USTR will prioritize increasing employee engagement and developing and strengthening a diverse and inclusive adaptive workforce in line with EO 13985 on Racial Equity and Executive Order 13985 and the National Security Memorandum on Revitalizing America's Foreign Policy and National Security Workforce, Institutions, and Partnerships. The agency will strengthen the development and promotion of a workplace that supports diversity, equity, inclusion, accessibility, creativity, and productivity through human capital initiatives that focus on effective recruitment strategies, fair hiring practices, and continuous learning programs. The agency will also provide effective business operations and service delivery through administrative processes, physical and information security, finance and procurement, information technology, and infrastructure that will strengthen its ability to perform core functions at the highest level of excellence.

Objectives:

- Expand opportunities to recruit, retain, develop, and promote a diverse and inclusive workforce.
- Collect and analyze data on USTR's workforce composition, senior workforce composition, employment applications, hiring decisions and applicant flow, promotions, wages, pay and compensation, professional development programs, and attrition rates.

- Support, coordinate, and encourage research, evaluation, and other efforts by the Federal Government to identify best practices, and other promising practices, for broadening participation in Federal employment, and to identify the benefits of diversity, equity, inclusion, and accessibility on Federal performance and operations.
- Assess in a consistent and proactive manner whether USTR's recruitment, hiring, promotion, retention, professional development, pay equity, reasonable accommodations access, and training policies and practices are fair, impartial, and effective, to meet the goal of promoting a diverse and inclusive workforce.
- Review the status and outcomes of existing diversity, equity, inclusion, and accessibility initiatives or programs, and review the level of institutional resources available to advance human resources activities that advance the Federal government's objectives of being a model employer for diversity, equity, inclusion, and accessibility.
- Develop innovative programs, initiatives, budgeting, personnel, and resource proposals based on quarterly assessments of USTR's review of its progress in being a model employer for diversity, equity, inclusion, and accessibility.
- Support efforts of USTR's Diversity, Equity, Inclusion and Accessibility (DEIA) Council to expand awareness within the agency of DEIA principles and their application, and to provide advice to the agency's leadership and administrative and human resources professionals.
- Provide human capital services that maximize employee performance and engagement, affirmatively advance diversity, equity, inclusion and accessibility; use a systematic approach to embedding fairness in processes and practices that will recognize and work to redress inequities in current policies and processes that may serve as barriers to equal opportunity.
- Manage a security program that provides appropriate levels of protection for USTR personnel, facilities and sensitive information in all situations.
- Coordinate crisis management capabilities that ensure USTR can support its Primary Mission Essential Functions (PMEFs) and Mission Essential Functions (MEFs) with minimal disruption under different Continuity of Government Readiness Conditions.
- Manage resources to maximize USTR's current and future capabilities; formulate the agency's budget and execute appropriations ensuring financial accountability with best financial management practices.
- Manage USTR more efficiently and effectively and identify, monitor and mitigate operational risks.
- Provide effective facilities management processes that enable USTR staff productivity.
- Deliver information technology resources and systems that increase USTR's productivity, communicate trade benefits, and safeguard resources.

ANNUAL PERFORMANCE REPORT FOR FISCAL YEAR 2020

Introduction

The Annual Performance Report for the Office of the United States Trade Representative (USTR) complies with USTR's obligations under the Government Performance and Results Act (GPRA), and helps the agency measure its performance for FY 2020.

USTR published its Mission Statement and Strategic Goals in the FY2018-FY2022 Strategic Plan, 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>.

In FY2020, the Office of the United States Trade Representative (USTR) advanced the President's economic agenda, using trade policy in order to support domestic jobs and economic growth. The Administration built on record-breaking exports, engagement with trading partners, and trade enforcement to win strong results for American workers, manufacturers, farmers, ranchers, services providers, innovators, investors, consumers, and small businesses. This report summarizes the goals set at the beginning of the year, and the accomplishments recorded by year's end.

Goal 1: Support American Interests by Opening Foreign Markets and Combating Unfair Trade

Consistent with the President's trade policy agenda and with the primary goals of supporting and sustaining well-paying American jobs, farm incomes, value-added production, innovation, and economic growth, USTR seeks to open foreign export markets, combat unfair trading practices, enforce U.S. trade laws, and reduce trade distortions by negotiating and implementing agreements consistent with U.S. interests.

Objectives:

1.1: Negotiate and implement agreements that sustain well-paying American jobs, advance the overall trade and economic interests of the United States, and further the objectives of U.S. trade policies by opening foreign markets to U.S. manufactured goods, agricultural products, natural resources, and services.

1.2: Address and respond effectively to unfair trade practices, ensure adequate and effective protection and enforcement of U.S. intellectual property rights; defend U.S. interests in digital trade and digitally delivered services; and address trade-related labor and environmental issues.

1.3: 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.

1.4: Ensure that developing economies, economies in transition, and emerging economies implement international trade obligations, and take trade and investment actions that promote freer and fairer trade and encourage market efficiency.

Accomplishments:

USTR's trade policy, negotiations, and enforcement actions have been critical to building and opening markets for U.S. workers, farmers, ranchers, and businesses and combating injurious and unfair trading practices abroad. They have promoted freer and fairer trade, and supported and sustained well-paying jobs for Americans. Highlights of USTR's accomplishments in 2019 include:

USTR's trade policy, negotiations, and enforcement actions have been critical to building and opening markets for U.S. workers, farmers, ranchers, and businesses, and combating injurious and unfair trading practices abroad. They have promoted freer and fairer trade, and supported and sustained high-wage jobs for Americans. Highlights of USTR's accomplishments in 2020 include:

- ***Entry into Force of the United States-Mexico-Canada Agreement (USMCA).*** President Trump signed the USMCA into law on January 29, 2020. The USMCA entered into force on July 1, 2020. The USMCA is a comprehensive renegotiation of the NAFTA, establishing modernized and rebalanced rules of trade that far surpass commitments made in any other trade agreement. The USMCA establishes high standards for labor, environment, and intellectual property, includes new chapters on digital trade, small and medium-sized enterprises, and good regulatory practices, and strengthens and modernizes chapters on sanitary and phytosanitary measures, financial services, state-owned enterprises, competition, trade remedies, telecommunications, rules of origin, customs and trade facilitation, and technical barriers to trade. Throughout 2020, USTR worked to meet all of the requirements of the United States-Mexico-Canada Agreement Implementation Act, including, after months-long work directly with both Canada and Mexico, certification to Congress that both Parties had taken measures necessary to comply with the USMCA; publication, after extensive coordination with Canada and Mexico, of the trilaterally agreed Uniform Regulations for Rules of Origin and for Origin Procedures (including for automotive goods), Textiles, and Customs and Trade Facilitation, as well as the trilaterally agreed Rules of Procedure for Dispute Settlement; and, the establishment of robust monitoring and enforcement mechanisms, including the Interagency Labor Committee for Monitoring and Enforcement, the Interagency Environment Committee for Monitoring and Enforcement, and the Interagency Committee on Autos. USTR also worked with the interagency to establish the Forced Labor Task Force and the Independent Mexico Labor Expert Board. USTR influenced Mexican laws and regulations necessary to implement customs and technical-barriers-to-trade (TBT) commitments. In 2020, USTR also began convening several of the USMCA's 26 discipline-specific committees.
- ***Conclusion of U.S.-Japan Trade Agreements.*** In October 2019, the United States and Japan signed two new trade agreements: the United States-Japan Trade Agreement (USJTA) and the United States-Japan Digital Trade Agreement (USDTA). Both agreements took effect on January 1, 2020. Under the USJTA, over 90 percent of U.S. agricultural exports to Japan are duty free or receive preferential tariff access. The USDTA includes high-standard provisions that, among other things, prohibit the application of customs duties or other discriminatory measures to digital products, ensure the unimpeded cross-border transfer of information, prohibit the mandatory use of local computing facilities, and provide limitations on civil, non-intellectual property rights liability for Internet platforms with respect to third-party content. With the conclusion of these early achievements, the United States and Japan also announced their intention, following entry into force of the USJTA, to enter into further negotiations in the areas of customs duties and other restrictions on trade, barriers to trade in services and investment, and other issues in order to promote mutually beneficial, fair, and reciprocal trade.
- ***U.S.-China Trade Negotiations.*** Following USTR's issuance of the Section 301 Report in March 2018, the Trump Administration engaged China on addressing the unfair trade practices identified in the

Report. To obtain elimination of China’s practices, the United States proceeded to take steps to impose a series of tariffs as permitted under Section 301. In December 2018, at a meeting between President Trump and President Xi of China in Buenos Aires, the two governments agreed to engage in negotiations on structural changes needed in China’s trade regime. Over the past year, the United States’ new approach to China began to demonstrate key progress with the signing of a “Phase One” economic and trade agreement in January 2020. The agreement entered into force in February 2020. This historic agreement requires structural reforms and other changes to China’s economic and trade regime in the areas of intellectual property, technology transfer, agriculture, financial services, and currency and foreign exchange. The agreement also includes a commitment by China to make substantial additional purchases of U.S. goods and services in the coming years. Importantly, the agreement establishes a strong dispute resolution system that ensures prompt and effective implementation and enforcement. In light of the entry into force of the Phase One agreement, and at the direction of the President, the U.S. Trade Representative modified certain tariff actions taken under Section 301.

- ***Tariff Reduction in U.S.-EU Trade Negotiations.*** In August 2020, Ambassador Lighthizer and European Union Trade Commissioner Phil Hogan announced agreement on a package of tariff reductions that will increase market access for hundreds of millions of dollars in U.S. and EU exports. These tariff reductions are the first U.S.-EU negotiated reductions in duties in more than two decades. Under the agreement, the EU will eliminate tariffs on imports of U.S. live and frozen lobster products. U.S. exports of these products to the EU were over \$111 million in 2017. The EU will eliminate these tariffs on a Most Favored Nation (MFN) basis, retroactive to begin August 1, 2020. The EU tariffs will be eliminated for a period of five years and the European Commission will initiate procedures aimed at making the tariff changes permanent. The United States will reduce by 50% its tariff rates on certain products exported by the EU worth an average annual trade value of \$160 million, including certain prepared meals, certain crystal glassware, surface preparations, propellant powders, cigarette lighters and lighter parts. The U.S. tariff reductions will also be made on an MFN basis, and will be retroactive to August 1, 2020. The European Commission and the Administration are currently pursuing the respective legal steps necessary to implement the agreement on both sides.
- ***Negotiated and Enforced Strong Labor Provisions in U.S. Trade Agreements.*** As part of renegotiating and replacing the NAFTA with the USMCA, the Administration succeeded in bringing labor obligations into the core of the Agreement, and ensured that labor obligations are subject to the same dispute settlement mechanism that applies to other enforceable obligations. USMCA labor obligations require the Parties to adopt and maintain in law and practice labor rights as recognized by the International Labor Organization, to effectively enforce their labor laws, and not to waive or derogate from their labor laws. The USMCA includes new provisions requiring Parties to take measures to prohibit the importation of goods produced by forced labor and to address violence against workers exercising their labor rights, and also includes specific obligations related to collective bargaining rights in Mexico. The USMCA also includes a Facility-Specific Rapid Response Labor Mechanism, which will allow the United States to enforce certain USMCA labor obligations at the factory level. USMCA labor obligations represent the highest labor standard of any U.S. trade agreement. USTR worked closely with Mexican government officials in 2020 to monitor implementation of landmark constitutional and labor law reforms that mandate the creation of new labor courts and a new national institution that will register trade unions and collective bargaining agreements, in a complete overhaul of Mexico’s system of labor justice administration. These reforms aim to prevent non-representative unions from negotiating and registering collective bargaining agreements without worker support. Upon entry into force of the USMCA on July 1, 2020, USTR began implementing the Agreement’s labor provisions. USTR serves, along with the U.S. Department of Labor, as co-chair of the Interagency Labor Committee for Monitoring and Enforcement, which plays a key role in this monitoring effort. Per the USMCA implementing legislation, the committee has several oversight duties with regard to

USMCA labor issues, including the consideration of petitions from the public regarding alleged violations of the Labor Chapter, and making recommendations to the USTR about potential dispute settlement actions. Separately from USMCA, the United States engaged in 2020 with trading partners around the world on labor rights through the formal mechanisms of trade agreements and trade preference programs, as well as through country-specific initiatives, capacity building, and technical assistance.

- ***Advanced Environment-Related Trade Negotiations and Initiatives.*** Throughout FY2020, USTR continued to prioritize monitoring and implementation of FTAs in force. In October 2019, USTR held the first environment consultations under the United States-Korea Free Trade Agreement (KORUS), wherein the United States raised concerns regarding Korea's response to the illegal fishing activities of its vessels. Within one month of the consultations, Korea's National Assembly passed amendments to Korea's Distant Water Fisheries Development Act, strengthening their regime to deter and penalize illegal, unreported, and unregulated (IUU) fishing. USTR also continued to actively monitor and enforce the United States-Peru Trade Promotion Agreement (PTPA) and its unique Forest Annex. In September 2020, USTR instructed the U.S.-Peru Secretariat to publish its first Factual Record in relation to an assertion that the Peruvian Government failed to enforce its environmental laws related to the construction of roads in border zones and the maintenance of dirt roads in the Ucayali region. Finally, USTR continues to prioritize monitoring and enforcement of USMCA environment obligations. On February 28, 2020, Executive Order 13907 established the Interagency Environment Committee for Monitoring and Enforcement, pursuant to Subtitle A, section 812 of the United States-Mexico-Canada Agreement Implementation Act. On May 29, 2020, following a comprehensive assessment of Mexico and Canada's environmental laws and policies, USTR submitted an environmental assessment report to Congress.
- ***Negotiated the Strongest Disciplines on Digital Trade Yet Achieved.*** As part of the conclusion of the USMCA, the Administration succeeded in advancing the most robust disciplines on digital trade of any international trade agreement, thus providing a firm foundation for the expansion of trade and investment in innovative products and services. Similar provisions were also included in the United States-Japan Digital Trade Agreement, which took effect on January 1, 2020. The provisions include: prohibiting application of customs duties and other discriminatory measures to digital products distributed electronically (e-books, videos, software, games, etc.); ensuring that data can be transferred cross-border, and minimizing limitations on where data can be stored and processed; ensuring that U.S. suppliers are not restricted in their use of electronic authentication or electronic signatures; guaranteeing that enforceable consumer protections, including for privacy and unsolicited communications, apply to the digital marketplace; limiting governments' ability to require disclosure of proprietary computer source code and algorithms; promoting collaboration in tackling cybersecurity challenges while seeking to promote industry best practices to keep networks and services secure; promoting open access to government-generated public data to enhance innovative use in commercial applications and services; and limiting the civil liability of internet platforms for third party content that such platforms host or process, outside the realm of intellectual property rights enforcement.
- ***Enhanced Efforts to Address SME Trade-Related Issues.*** USTR enhanced efforts to address trade priorities and challenges of American small businesses in the development and implementation of trade policy. USTR worked extensively with the interagency Trade Policy Staff Committee (TPSC), Congress, trade partners and other stakeholders to develop and implement trade policy activities reflecting issues of concern to U.S. small businesses. For example, USTR successfully negotiated in the USMCA an SME chapter for the first time in a U.S. trade agreement. This will help give our small businesses the online information tools and resources they need to navigate the Canadian and Mexican markets, and ensure that the USMCA will work for small businesses as the Agreement is implemented. Bipartisan members of the Senate Committee on Small Business and Entrepreneurship wrote to

Ambassador Lighthizer in support of USMCA's 'first-ever standalone chapter designed to give small businesses a voice on an international scale'.

- ***Launched Negotiations on a Comprehensive Trade Agreement with the United Kingdom.*** Following consultations with Congress and considering advice from cleared advisors and the general public, USTR launched formal trade negotiations with the United Kingdom in May 2020. The United States and the UK subsequently held four rounds of intensive negotiating sessions across over 30 areas of a potential agreement and made significant progress in meeting the President's goal of an ambitious and comprehensive trade agreement that will reduce barriers to U.S. exports and deepen trade and investment with the fifth largest economy in the world.
- ***Launched Negotiations on a Comprehensive U.S.-Kenya Trade Agreement.*** In March 2020, Ambassador Lighthizer notified Congress of the President's intention to negotiate a trade agreement with the Republic of Kenya. This notification was made following a February 6, 2020, meeting at the White House between President Trump and Kenyan President Uhuru Kenyatta where the two presidents agreed to pursue negotiations on a trade agreement between the United States and Kenya. In July 2020, Ambassador Lighthizer formally launched trade agreement negotiations with Kenya Cabinet Secretary for Industrialization, Trade, and Enterprise Development Betty Maina. In pursuing negotiations on a trade agreement with Kenya, the Administration is responding to Congress' support, as expressed in the African Growth and Opportunity Act (AGOA) to negotiate reciprocal and mutually beneficial trade agreements that serve the interests of both the United States and the countries of sub-Saharan Africa. The Administration's vision is to conclude an agreement with Kenya that can serve as a model for additional agreements in Africa, leading to a network of agreements that contribute to Africa's regional integration objectives. In addition, our goal is to conclude an agreement that builds on the objectives of AGOA and will serve as an enduring foundation to expand U.S.-Africa trade and investment across the continent.
- ***Strengthened U.S. Engagement with the African Union on the African Continental Free Trade Area (AfCFTA).*** In 2019, USTR hosted a senior delegation from the African Union Commission as part of the High-Level Dialogue, in which both sides reaffirmed their support for the AfCFTA as a strategic means to increase Africa's competitiveness and attractiveness to U.S. business. In 2020, with the goal of facilitating increased trade with Africa, USTR, USPTO, State, and the U.S. Copyright Office conducted a workshop in Ethiopia for AfCFTA IPR negotiators. The United States is also providing technical advisors to support the implementation of the Technical Barriers to Trade (TBT) annex of the AfCFTA, and the negotiation of the e-commerce chapter of the AfCFTA.
- ***Ongoing Engagement with the Middle East/North Africa (MENA).*** The United States continued to monitor and enforce existing U.S. FTAs with Bahrain, Israel, Jordan, Morocco, and Oman and to consult where appropriate under bilateral TIFAs with partners in the MENA region on key issues impeding trade and investment. The United States and Israel secured entry-into-force of the *Decision of the Joint Committee of the Agreement on the Establishment of a Free Trade Area between the Government of Israel and the Government of the United States of America on Annex 3 (Rules of Origin)*, which allows U.S. exports to receive tariff preference without a prescribed Certificate of Origin. The United States continued to pursue dialogues with several countries, particularly in the Gulf region, to promote science-based food safety certification requirements.
- ***Reestablished Work with Brazil under the Agreement on Trade and Economic Cooperation.*** Following direction from the meeting of President Trump and President Bolsonaro, including a March 2020 direction to negotiate a trade package in 2020, the United States and Brazil have continued enhanced bilateral work under the Agreement on Trade and Economic Cooperation (ATEC),

developing new initiatives on trade facilitation, good regulatory practices, and anti-corruption. The last ATEC meeting was in 2016. Brazil implemented the duty-free WTO TRQ on wheat and USTR continued to engage on ethanol trade, with Brazil extending its duty-free ethanol quota until December 2020.

- ***Reinforced Economic Relations with Chile.*** The United States continued to address priority issues, including agriculture market access, environmental protection for endangered species, and intellectual property commitments through ongoing discussions with the Government of Chile.
- ***CAFTA-DR Mechanisms Strengthen our Trade Relationship with FTA Partners in Central America and the Dominican Republic.*** During November 2019 meetings of the Dominican Republic-Central America FTA (CAFTA-DR) Coordinators and other technical Committees, USTR continued to monitor and enforce our trade agreement with Central America and the Dominican Republic, to address implementation issues and strengthen U.S. export opportunities, focusing on technical barriers to trade and customs and border obstacles. The improved effectiveness of regulatory and TRQ administration procedures with our CAFTA-DR partners has resulted in improved access for U.S. exporters of several agricultural products, including improved TRQ administration in Nicaragua resulting in greater imports of U.S. Rice.
- ***Facilitated U.S. Manufactured Tire Exports to Costa Rica.*** In July 2020, USTR secured a recognition agreement whereby Costa Rica allows US manufactured tires to satisfy Costa Rica’s tire regulations through the US Department of Transportation “Blue Ribbon” program.
- ***Advanced Fair Trade in the Asia-Pacific Region through APEC.*** Throughout 2020, the United States made progress in advancing important initiatives to expand opportunities for U.S. exports and businesses in the Asia-Pacific, including in the areas of digital trade, intellectual property protection and enforcement, science and risk-based food safety measures and agricultural trade, transparency and good regulatory practices, standards, customs and customs procedures, trade in services, sustainable materials, labor, and capacity building projects to assist in implementing trade facilitation measures, among others.
- ***Deepened Cooperation with the Ten Association of Southeast Asian Nations (ASEAN) Countries.*** In 2020, with the goal of ensuring that ASEAN integration does not create new barriers to U.S. exports, the United States deepened cooperation with ASEAN on agriculture biotechnology, electronic payment services, and automotive standards, and continued work on establishing common approaches to digital trade, including the importance of free flow of data and launched a new technical dialogue on trade and labor.
- ***Promoted Trade and Investment Ties with ASEAN.*** Throughout FY2020, the United States engaged ASEAN and Pacific partners on regional trade and investment issues through bilateral and regional Trade and Investment Framework Agreements (TIFAs). As a result of engagement through the TIFA dialogues, the United States was able to ensure market access for U.S. automotive exports to Laos and Cambodia through the continued recognition of U.S. automotive standards. Additionally, in the context of the ongoing review of Indonesia’s Generalized System of Preferences (GSP) eligibility, the United States successfully pressed Indonesia to undertake reforms that will help ensure improved market access for U.S. agricultural, digital, and financial services exports to Indonesia.
- ***Deepened Trade and Investment Ties with Pacific Island States.*** During FY2020, the United States worked with the Government of Fiji and Papua New Guinea to enhance trade and investment ties. The United States finalized a Trade and Investment Framework Agreement (TIFA) with Fiji, and is in

discussions with Papua New Guinea about a possible TIFA. These agreements will establish a regular trade dialogue between the United States and the two largest Pacific Island economies, and will help to shape the development of regional trade policies that are supportive of U.S. interests.

- ***Deepened Trade and Economic Cooperation with Ukraine.*** Work with the government of Ukraine slowed in 2020 as a consequence of the COVID-19 pandemic. Nevertheless, TBT, SPS and IP Working Groups established under the United States-Ukraine Trade and Investment Council continued to advance their agendas of creating a transparent and predictable business environment in Ukraine and to open and protect market access for U.S. exports. The results of those meetings and other bilateral engagements were highlighted at the tenth meeting of the United States-Ukraine Trade and Investment Council. USTR noted with approval Ukraine's work to improve its collective management regime (action which led to the U.S. decision to partially restore GSP benefits withdrawn in 2018) and the removal of a discriminatory tax that disadvantaged international traders. The delegations discussed further action needed to ensure market access for U.S. agricultural and industrial exports, improve the protection and enforcement of intellectual property rights, and create a transparent and predictable business environment.
- ***Strengthened Trade, Investment, and Economic Cooperation with Armenia.*** The United States and the Republic of Armenia discussed bilateral trade and investment and related issues to strengthen the bilateral economic relationship under the United States-Armenia Trade and Investment Framework Agreement (TIFA).
- ***Continued to Press Moldova to Improve Market Access for U.S. Exports.*** Notwithstanding the challenges presented by the COVID-19 pandemic, in 2020 USTR worked with interlocutors in the government of Moldova to eliminate barriers to U.S. agriculture exports and to improve the investment climate.
- ***Intensified Focus on Improved Market Access in India.*** USTR significantly intensified efforts during FY2020 to obtain improvements in longstanding market access concerns in India. Following India's removal from the GSP program in FY2019 due to failure to comply with GSP's criterion on market access for goods, USTR engaged throughout FY2020 in negotiations to obtain resolution of longstanding barriers to access in the Indian market, including with respect to U.S. exports of dairy and other agricultural products, medical devices, electronic payment services, high tariffs, and certain other priorities. Negotiations were ongoing at the conclusion of the fiscal year.
- ***Strengthened Ties with Bangladesh.*** In March 2020, the United States and Bangladesh convened a meeting of the U.S.-Bangladesh Trade and Investment Cooperation Framework Agreement (TICFA) council. The TICFA provides a mechanism for both governments to address a wide range of issues including expanding bilateral trade and investment, addressing U.S. market access, labor rights and workplace safety, intellectual property rights, and concerns with the business climate in Bangladesh. USTR reinforced these messages in intersessional TICFA discussions later in the fiscal year.
- ***Promoted Trade, Investment, and Regional Cooperation in Central Asia.*** During FY2020, the United States engaged with Kazakhstan, Kyrgyzstan, Turkmenistan, Tajikistan, Uzbekistan, and Afghanistan on regional trade and investment issues under the U.S.-Central Asia TIFA. A meeting of the TIFA Council was held in October; Pakistan and Afghanistan again participated as observers, which was a welcome step to promoting trade facilitation in the region. The Council is the key vehicle for trade and investment discussions between the United States and the countries of Central Asia, and focuses on issues including economic cooperation, customs, investment, standards, sanitary and phytosanitary measures, worker rights, intellectual property rights, and women's economic empowerment.

- ***Promoted Trade and Investment with Afghanistan.*** USTR held bilateral meetings with the government of Afghanistan on the sidelines of the October 2019 United States-Central Asia TIFA to address labor, IP, trade facilitation and regional integration efforts. Signed in 2004, the United States-Afghanistan TIFA has been the primary forum for bilateral trade and investment discussions between the two countries. USTR is working with the Afghanistan government to further Afghanistan's cooperation with Central Asia and boost trade and economic ties with the region. These efforts will strongly support regional stability and economic security. USTR was successful in identifying technical assistance for Afghanistan to translate its customs legislation and customs valuation procedures in order for Afghanistan to fulfill its notification obligations to the WTO.
- ***Reinforced Economic Relations with Pakistan.*** The United States and Pakistan continued engagement under the U.S.-Pakistan TIFA. USTR advocated for increased market access for U.S. beef products, soybeans, pulses, and distiller dried grains to the Pakistani market, protection and enforcement of intellectual property rights, including a dialogue regarding the latest drafts of the Patent, Trademark, and Copyright Ordinances and government use of unlicensed software, emerging legislation governing digital data, and tax predictability for U.S. companies. Following a FY2020 TIFA meeting, Pakistan purchased software licenses and technical support for government use of licensed software.
- ***Engaged Strategically with Key Trade Partners on Intellectual Property.*** USTR contributed significantly to the Administration's priority of protecting trade secrets against theft and misappropriation, including through pursuing disciplines in bilateral (e.g., China and Taiwan) and plurilateral engagements (e.g., USMCA).
- ***Promoted a Transparent Special 301 Process.*** USTR continued to promote high levels of transparency surrounding the Special 301 and Notorious Markets processes. USTR developed and published the 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 a public hearing and solicited public comments as part of its Special 301 Report review, and those comments drove specific bilateral engagements to resolve issues even outside of the Report itself. USTR developed and published the 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.
- ***Led Efforts on WTO Reform.*** USTR advanced work on a WTO Decision to encourage improved performance in connection with the notification requirements of WTO agreements. USTR also advanced work on a WTO Decision to stop relatively advanced, wealthy, and influential Members from inappropriately availing themselves of special and differential treatment in WTO negotiations - a practice that has damaged the negotiating function of the WTO. This work resulted in Korea and Costa Rica agreeing to forego special and differential treatment in the WTO in current and future WTO negotiations. Brazil and Singapore had previously taken this important step. USTR also expanded collaboration with Japan to press other Members to make this commitment. USTR pursued a two-pronged strategy to focus attention at the WTO on the need to better address the challenges faced by the institution due to the distortions caused by non-market policies and practices. The United States, Brazil, and Japan issued a joint statement that reflects our shared belief that market-oriented conditions are fundamental to a free, fair, and mutually advantageous world trading system, and that all Members' enterprises should operate under these conditions to ensure a level playing field. USTR also continued to leverage a trilateral configuration with Japan and the EU, seeking to invigorate work on this issue and to address other institutional shortcomings. USTR led efforts to improve the WTO dispute settlement system, including through reform of the Appellate Body. USTR published a report detailing

U.S. concerns with the Appellate Body and assessing the repeated failures of the Appellate Body to properly apply the rules agreed to by Members. USTR also actively sought engagement with Members on issues that are fundamental to dispute settlement reform.

- ***Promoted Increased Transparency in WTO Dispute Settlement.*** To build support for transparency in dispute settlement, USTR delivered a joint statement on behalf of eleven Members in the General Council calling for every party to support enhanced transparency in WTO dispute settlement, including public submissions and open panel meetings. The joint statement marked the first time that certain Members publicly affirmed the benefits of transparency in dispute settlement. USTR continues to post to its website submissions made in WTO dispute settlement and to promote public viewing of panel meetings.
- ***Advanced Work Toward the 12th WTO Ministerial Conference (MC12).*** USTR laid groundwork to prepare realistic outcomes for the next WTO Ministerial Conference, which was postponed due to COVID-19. The U.S. message, which is that the WTO needs comprehensive reform in order to be more effective, has become more accepted amongst WTO Members as a result of U.S. efforts at the WTO.
- ***Continued to Advance Progress on the WTO Fisheries Subsidies Negotiations.*** The United States continued efforts to advance negotiations on an agreement to prohibit harmful fisheries subsidies, such as those that contribute to overfishing and overcapacity or which support illegal fishing activities, and advocated for enhanced transparency and reporting regarding existing fisheries support programs. At the WTO's Ministerial Conference in December 2017, Ministers committed to deliver "comprehensive and effective" disciplines by their next meeting, which was scheduled for June 2020. However, MC12 was postponed due to the pandemic, and negotiations stalled for nearly four months. Negotiations resumed in earnest in September, on the basis of a new consolidated draft text released by the Chair of the Rules Negotiating Group in June 2020. The United States remains actively engaged in pressing for ambitious disciplines on harmful fisheries subsidies that would apply to all Members regardless of development status, in particular those that are the largest producers, exporters, and subsidizers of marine wild capture fisheries.
- ***Advanced Negotiations on E-commerce and Digital Trade at the WTO.*** The United States continued to engage in productive negotiations on digital trade at the WTO in 2020. The United States aims to continue to advance these negotiations towards an ambitious, high-standard agreement that creates strong, market-oriented rules in the area of digital trade and reduces barriers around the world that threaten to undermine growth of the digital economy, including restrictions on cross-border data flows and data localization requirements.
- ***Advanced Technical Discussions in the WTO Committee on Agriculture (COA) Special Session.*** Since MC11, the United States has been actively engaged in multilateral discussions and has submitted several papers to continue informal dialogue regarding issues impacting the agricultural landscape. In 2020, the United States submitted technical papers on tariff implementation issues including on high tariffs and tariff rate quotas, and on domestic support implementation issues. The United States highlighted areas for improved transparency and encouraged Members to maintain up-to-date notifications on market access. The United States will continue to contribute its analysis for discussions to ensure that Members share clear understandings of the state of agricultural trade today before engaging in negotiations.
- ***Action Plan to Address Concerns of U.S. Producers of Seasonal Fruits and Vegetables.*** On September 1, 2020, USTR, USDA, and Commerce released their *Report on Seasonal and Perishable*

Products in U.S. Commerce, which included information collected from U.S. stakeholders about threats that increased imports pose to U.S. growers and the U.S. Government's plan to support American producers. The plan followed two days of hearings at which Administration officials from USTR, USDA, and Commerce heard live testimony from more than 60 witnesses, supplemented by approximately 300 additional written submissions on this issue. In connection with the plan, on September 29 USTR requested that the ITC initiate a Section 201 investigation on imports of fresh, chilled, and frozen blueberries, and on October 6, USTR received requests to monitor strawberries and bell peppers under the perishable agricultural product provisions of Section 201. The plan includes other action items, including targeted outreach to seasonal producers by USDA and Commerce.

- ***Concluded Successful WTO Trade Policy Reviews (TPR).*** USTR prepared questions and reviewed materials for six trade policy reviews for the following countries and regions: Australia, the EU, Japan, Lao People's Democratic Republic, Peru, and Zimbabwe. The final products provided invaluable information on WTO monitoring activities and implementation issues with respect to major trading partners.
- ***Promoted Transparency and Accountability in WTO Trade Capacity Building.*** The United States advocated for trade capacity building activities that examine how trade rules such as those outlined in the WTO Trade Facilitation Agreement, and rules promoting free flows of data, enable countries to develop their domestic economies and trade regimes and, ultimately, support world trade. In line with a rigorous monitoring and evaluation process of technical assistance performance, the United States also used the Committee on Trade and Development, and the Aid-for-Trade program, as a platform to reinforce accountability and transparency of U.S. assistance to the WTO in developing and delivering high-impact training courses to support the establishment of open markets and rules-based trading systems around the world. The U.S. message has been to reinforce the importance of linking trade capacity building to specific costs and expenditure information so that Members can get a better sense of the distribution and proportionality of how resources are distributed across the variety of assistance-related activities. In the Committee for Trade and Development, the United States advocated for prior consultation with national stakeholders on technical assistance needs to implement reforms arising from Members' TPR review processes.
- ***Advanced U.S. Interests in the Organization for Economic Cooperation and Development (OECD).*** Through the OECD Trade Committee, USTR advanced the release of a report on overcapacity in the aluminum sector providing fact-based evidence of financial support (*e.g.*, concessional lending) and non-financial support (*e.g.*, reduced energy prices) of non-market economies that has contributed to global overcapacity. USTR also advanced the release of a report on the threat of overcapacity in the semiconductor industry. These efforts, combined with OECD Trade Committee work on forced technology transfer, are underpinning efforts to develop new trade rules to tackle market distorting trade practices.
- ***Advanced Efforts to Address Overcapacity in the Global Steel Sector.*** Through the Global Forum on Steel Excess Capacity and OECD Steel Committee, USTR led efforts to bring greater transparency and discipline to market-distorting subsidies and other foreign government support measures that contribute to massive and persistent excess capacity in the global steel sector. USTR worked with like-minded international partners to continue the work of the Global Forum into 2020 and beyond, despite China's attempt to curtail its work in 2019.
- ***U.S. and Japan Expand Organic Equivalence to Cover Livestock Products.*** On July 16, 2020, the United States and Japan expanded their organic equivalence arrangement to livestock products. The arrangement reduces costs and streamlines the process for anyone involved in the organic livestock

supply chain by requiring only one organic certification. This recognition adds livestock products to the existing organic equivalence arrangement, which has allowed plant-based products to be certified to either country's organic standards since 2014. Japan is the third largest market for U.S. organic products, with exports in 2019 totaling \$53 million. In 2019, the United States imported approximately \$12 million in organic products from Japan.

- ***Expanded Access for U.S. Chipping Potatoes to Japan.*** The United States exports chipping potatoes, grown in 16 states, to Japan. Japan previously permitted imports of U.S. chipping potatoes only during a six-month window. Following technical work by both sides, Japan completed regulatory revisions in February 2020 to allow year-round access. The United States exported \$15 million in fresh chipping potatoes to Japan in 2019.
- ***Agreement with South Korea on Market Access for U.S. Rice.*** On December 30, 2019, the United States and South Korea signed an agreement on market access for U.S. rice, after five years of negotiations. The agreement provides the greatest volume – 132,304 metric tons – of guaranteed rice market access the United States has enjoyed since South Korea's accession to the WTO, with an annual value of approximately \$110 million. Additionally, the agreement provides U.S. suppliers with enhanced disciplines related to administration of the U.S. country specific quota. The agreement entered into force on January 1, 2020.
- ***Advocacy for Science-Based Policies in South Korea Related to Agricultural Biotechnology.*** USTR, in coordination with relevant U.S. government agencies, has led extensive technical and political level engagement with South Korea in 2020, following the call in Executive Order 13874, “Modernizing the Regulatory Framework for Agricultural Biotechnology Products,” to open markets and remove unjustified trade barriers. As South Korea considers its own policy approaches to the products of innovative, emerging technologies, such as genome editing, this engagement seeks to prevent the emergence of new unjustified barriers and address the unjustified regulatory burden of South Korea's approval procedures for genetically engineered agricultural products.
- ***Trade in Organic Products with Taiwan.*** On June 4, 2020, the United States and Taiwan, under the auspices of the American Institute of Taiwan (AIT) and the Taiwan Economic and Cultural Representative Office (TECRO) respectively, completed an Exchange of Letters regarding the completed equivalence determinations of each country's organic system. Taiwan is the fifth largest market for U.S. organic products, with exports in 2019 totaling \$23 million. Taiwan has not been as significant a supplier to the United States, with imports from Taiwan totaling \$82,000 in 2019.
- ***Opened Philippine Market to U.S. Blueberries.*** In May 2020, the Philippines opened its market to U.S. fresh blueberries. The U.S. is now only country with official access to the market, meaning that U.S. producers are poised to take advantage of the opportunity to supply the Philippine retail and food service sectors. Traders estimate sales of U.S. fresh blueberries could reach \$500,000 this season, with greater potential in future years.
- ***Ensured Continuity of Market Access in Vietnam for Imports of U.S. Animal Feed.*** In June 2020, following intensive engagement from the U.S. Government, Vietnam delayed by one year a regulation that would have established unacceptable tolerances for micro-organisms, heavy metals, and mycotoxins in imported animal feeds, including soybeans and corn. The United States continues to engage technically with Vietnam to influence changes to the measure, which as originally drafted, threatened to disrupt roughly 30 percent of U.S. agricultural exports to Vietnam, worth approximately \$1.2 billion annually.

- ***Opened Vietnamese Market to U.S. Sorghum.*** In May 2020, the United States and Vietnam reached agreement on the phytosanitary conditions for U.S. sorghum to be imported into Vietnam. USDA estimates the value of U.S. sorghum exports to Vietnam could reach \$120 million annually.
- ***Vietnam Opens Market to U.S. Oranges.*** On October 1, 2019, the United States and Vietnam reached agreement on the phytosanitary conditions for U.S. oranges to be imported into Vietnam. The value of U.S. orange exports to Vietnam prior to its halting U.S. access in 2016 ranged from \$3 million to \$10 million annually.
- ***Ensured Continuity of Market Access for U.S. Fresh Produce to Thailand.*** In July 2020, following intensive engagement from the U.S. Government, the Thai Food and Drug Administration revised its new guidelines for pesticide residue testing on imports of fresh produce, reducing the number of chemicals it would test for in commodities considered “high risk” from 134 to 18, and implementing random testing rather than testing every shipment. The revised guidelines also give exporters the option of providing a certificate of analysis rather than undergoing testing on arrival. U.S. exports of fresh produce to Thailand reached \$49 million in 2019.
- ***Ensuring Continuity of U.S. Fresh Fruit Exports to Australia.*** At the April 2020 meeting of the Australia-United States Free Trade Agreement Committee on Sanitary and Phytosanitary Measures, USTR and USDA pressed Australia to address outstanding concerns regarding its new onshore inspection program. In the meeting, Australia confirmed that California table grapes would be included in the program to expedite U.S. fruit exports. To date there have been no detentions of U.S. fruit exports in the 2020 U.S. harvest and shipping season. In 2019, U.S. exports to Australia of fresh fruit were valued at about \$100 million.
- ***Persuaded Ecuador to Extend Tariff Exemptions on Wheat and Soybean meal.*** On December 26, 2019, Ecuador announced that it will extend for five years tariff exemptions on imports of wheat and soybean meal. The United States had been pressing Ecuador to extend these exemptions under the U.S.-Ecuador Trade and Investment Working Group. Ecuador’s bound tariffs for these products are 38.7 percent and 23.1 percent, respectively. U.S. exports to Ecuador of these products peaked in 2012, at \$257 million in soybean meal and \$60 million in wheat, but have declined in recent years due to uncertainty around applied tariff rates and competition from South American suppliers. The certainty provided by the five-year tariff exemptions will benefit U.S. exporters due to competitive commodity prices and established relationships with importers.
- ***Secured Distinctive Product Recognition for Bourbon, Bourbon Whiskey, and Tennessee Whiskey in Bolivia.*** Negotiated a reciprocal agreement with Bolivia to recognize these U.S. spirits in Bolivia, and to recognize Singani in the United States.
- ***Continued Engagement with Ecuador on Trade and Investment Matters and Secured Important Concessions on Agriculture.*** Ecuador implemented its WTO TRQs for poultry products, which had not been done since 2015. Ecuador also issued a five-year extension of tariff exemptions on wheat and soy, and committed to reforming its import licensing system. Additionally, Ecuador passed legislation that abolished customs service fees for over 6,000 tariff lines (predominantly agriculture and food products) in the summer of 2019.
- ***Brazil Implements 20-Year + Unfulfilled WTO Wheat Tariff Rate Quota Concession.*** On November 12, 2019, Brazil published in its *Diario Oficial* the implementation of a duty-free TRQ for 750,000 metric tons of wheat imports. The United States has long pressed Brazil to implement its WTO commitment, to enable U.S. wheat exporters to compete on a level playing field with imports of wheat

from Argentina – Brazil’s MERCOSUR trade partner and largest wheat supplier. Prior to implementation of the TRQ, U.S. wheat was typically subject to a ten percent MERCOSUR common external tariff. U.S. industry expects that implementation of the TRQ will result in approximately \$180 million worth of additional wheat exports to Brazil annually.

- ***Peru Corn Countervailing Duties Investigation.*** On January 17, 2020, Peru’s trade remedies investigating authority announced a final determination declining to impose countervailing duties on imports of U.S. corn. USTR, led by USTR’s Office of General Counsel and Office of Agricultural Affairs, and USDA led extensive engagement efforts with Peruvian officials following an investigation the government of Peru self-initiated in July 2018. The outcome was a welcome development that preserves access to one of the largest export markets in the world for U.S. corn, averaging approximately \$500 million per year, and avoids establishment of a precedent that other countries might have followed.
- ***Convened Trade Promotion Agreement SPS Committee with Peru.*** In the September 2020 Committee meeting, the United States pressed Peru to notify to the WTO SPS Committee its updated certificate requirements for food and agricultural imports from the United States in order to avoid disruptions to trade. The United States also encouraged Peru to not renew its moratorium on the cultivation of genetically engineered products, and offered technical assistance to develop a science-based regulatory framework for biotechnology as the moratorium nears its conclusion in 2021. The United States also expressed interest in working with Peru to oppose agricultural policies in the European Union (EU) that are not based on science, will unnecessarily disrupt global trade, and harm agricultural exporters. The United States noted it will closely monitor a list of Farm to Fork initiatives and corresponding timelines recently published by the European Commission, and encouraged Peru to do the same. Peru noted shared interest in working through the WTO to ensure that future EU policies are based on science and existing WTO agreements.
- ***U.S. High Quality Beef Access Agreement Signed.*** On January 1, 2020, the European Union implemented an agreement with the United States that guarantees access for U.S. high quality beef into the EU. The new agreement provides the U.S. its own share of the TRQ starting at 18,500 MT annually in the first year, and rising to 35,000 MT in year seven of the agreement. U.S. beef exporters are benefitting significantly from the special U.S. allocation under the TRQ. The value of beef shipments in year seven are estimated at \$420 million, compared to about \$150 million in 2018.
- ***U.S. Beef Gains Additional Access to Saudi Arabia.*** In May 2020, the United States and Saudi Arabia agreed on new terms and conditions that eliminate Saudi Arabia’s longstanding age restrictions on U.S. beef exports, paving the way for expanded sales for the United States. In 2019, the United States exported \$15 million of beef to Saudi Arabia.
- ***Jordan Adopts Science-Based Policies Related to Agricultural Biotechnology.*** In April 2020, Jordan implemented measures that relaxed allowable genetically engineered content from one percent to the U.S. requested level of five percent. In addition, Jordan now allows food products approved for consumption in the United States to enter Jordan without the provision of a safety test date. In 2019, the United States exported over \$200 million of food and agricultural products to Jordan.
- ***Morocco Removes Barriers to U.S. Agriculture Exports.*** After discussions under the U.S.-Morocco FTA SPS Committee in January 2020, Morocco and the United States finalized agreement on export certificates for U.S. breeding and fattening cattle to Morocco, completing negotiations spanning over a decade. Morocco is currently a \$30-40 million market for annual imports of live cattle. In 2019, the United States exported approximately \$300 million of agricultural products to Morocco.

- ***Market Access for Pacific Northwest Wheat Exports to Kenya.*** In January 2020, Kenya and the United States signed a phytosanitary protocol that will allow for the import into Kenya of wheat produced in the United States Pacific Northwest (PNW) states of Washington, Oregon, and Idaho. The agreement comes after several years of engagement by USDA and USTR with the Kenyan government, and provides a new opportunity for U.S. PNW wheat producers to access Kenya’s lucrative market for wheat imports, worth approximately \$420 million in 2019.

Goal 2: Fully Enforce U.S. Trade Laws, Monitor Compliance with Agreements, and Use All Available Tools to Hold Other Countries Accountable

Consistent with the President's trade policy agenda and with the primary goals of supporting and sustaining well-paid American jobs, farm incomes, value-added production, innovation, and economic growth, USTR will use all available tools to fight unfair trading practices, fully enforce U.S. trade laws, closely monitor foreign countries’ compliance with trade obligations and vigorously enforce U.S. rights. This objective aims to ensure that American workers, manufacturers, service providers, farmers, ranchers, innovators, consumers, investors, and small businesses receive fair treatment in trade and win the full benefit of the economic opportunities the United States has negotiated.

Objectives:

- 2.1: Effectively utilize USTR and other U.S. government resources to break down foreign trade barriers and promote fair and reciprocal trade.
- 2.2: Fully enforce U.S. trade laws, including Section 201, Section 301, and others.
- 2.3: Vigorously deploy all available tools, including dispute settlement mechanisms, to enforce U.S. rights under trade agreements, to ensure that they meet their potential to create and sustain well-paying American jobs.
- 2.4: Monitor beneficiary country compliance with statutory criteria in trade preference programs including the Generalized System of Preferences (GSP), the African Growth and Opportunity Act (AGOA), the Caribbean Basin Initiative (CBI), and the Nepal Trade Preference Program.
- 2.5: 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.
- 2.6: Engage stakeholders to collaborate with USTR on enforcement issues.

Accomplishments:

USTR vigorously enforces U.S. rights under our trade agreements, ensuring that more Americans realize 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. The President’s comprehensive trade enforcement strategy also promotes and protects

innovation critical to U.S. exports and high-wage 21st century jobs, and upholds key commitments to protect labor rights and the environment.

- ***Strengthened Enforcement of U.S. Trade Rights.*** Throughout the year, the Trump Administration continued its effort to fight for U.S. workers through aggressive enforcement actions. USTR has initiated 15 Section 301 investigations and 10 WTO complaints, as well as continuing to prosecute a number of WTO panel and countermeasures proceedings, over the past three years. When trading partners have not been willing to negotiate settlements, the U.S. has pursued WTO disputes to conclusion, prevailing in 63 cases since 1995.
- ***Prevailed in WTO EU Aircraft Dispute and Utilized Section 301 to Apply Duties on EU Goods in Response to EU Non-Compliance.*** Following victory in the WTO compliance proceeding on EU and certain EU member State subsidies for its large civil aircraft industry, USTR moved forward with WTO arbitration on the amount of countermeasures and domestic procedures under Section 301 to apply additional duties to EU products. (The arbitration award of \$7.5 billion annually, the largest in WTO history, was issued on October 2, 2019.) On October 18, 2019, USTR imposed additional duties of 10 percent on certain aircraft products, and 25 percent on certain other products of EU member States, with a total annual trade value of approximately \$7.5 billion (2018). USTR has continued to monitor EU and certain member States' compliance with the arbitrator's report. In accordance with domestic requirements, USTR revised the tariff action in February 2020, which included increasing duties on aircraft products to 15 percent. For the August 2020 review, the USTR determined to maintain the level of additional duties from February in an effort to encourage ongoing negotiations to end the dispute.
- ***Prevailed in Arbitration in WTO US Aircraft Dispute, Eliminating Any Legal Basis for EU Duties.*** In 2019 and 2020, USTR vigorously defended U.S. interests in a countermeasures arbitration, in which the EU sought authorization to apply duties to U.S. goods. In October 2020, a WTO arbitrator rejected the EU's request to retaliate based on NASA and DoD aeronautics R&D subsidies. While the arbitrator valued the Washington B&O tax rate reduction – the lone subsidy found in the compliance proceeding to cause adverse effects to the EU – at just under \$4 billion per year, the arbitrator explicitly did not take into account Washington State's elimination of that measure in April 2020. This deprives the EU of any legal basis to impose tariffs on U.S. products.
- ***Prevailed in Key WTO Disputes, Vindicating U.S. Rights or Preventing Other WTO Members from Applying Countermeasures.*** In 2019, USTR prevailed in two WTO disputes relating to agriculture. The first of these was a challenge to China's excessive domestic support for corn, wheat, and rice; the second, a challenge to China's unfair and non-transparent administration of tariff-rate quotas for those same products. USTR is working to secure China's full compliance in both disputes.
- ***Utilized Section 301 to Address China's Policies and Practices on Intellectual Property and Technology Transfer.*** In August 2017, at the President's direction, USTR initiated an investigation under Section 301 of the Trade Act of 1974, as amended, into certain acts, policies and practices of China related to technology transfer, intellectual property, and innovation. In 2018, USTR determined that the acts, policies and practices under investigation were unreasonable or discriminatory and burdened or restricted U.S. commerce. To obtain the elimination of China's unfair and harmful practices, the United States proceeded to take steps to impose a series of tariffs as permitted under Section 301. At the direction of the President, the Trade Representative modified the action being taken in the investigation by imposing additional duties when China failed to eliminate its policies. In March 2018, as directed by the President, USTR also initiated dispute settlement at the WTO to address China's discriminatory licensing practices. As directed by the President, in December 2018, USTR

began to pursue negotiations with China on structural changes needed in China's trade regime. During 2019, USTR engaged in intense negotiations with China on structural issues with the aim of concluding an enforceable agreement. In January 2020, the United States and China signed an agreement on a Phase One trade deal that included commitments to address certain forced technology transfer acts, policies, and practices identified in the Section 301 investigation. The agreement entered into force in February 2020. The Phase One Agreement also requires China to undertake structural reforms and changes in the areas of intellectual property, agriculture, financial services, and currency and foreign exchange and includes a commitment to make substantial additional purchases of U.S. goods and services in the coming years. Importantly, the agreement establishes a strong dispute resolution system that ensures prompt and effective implementation and enforcement. In light of the entry into force of the Phase One Agreement, and at the direction of the President, the U.S. Trade Representative modified certain tariff actions taken under Section 301.

- ***Expanded Access to China's Market for U.S. Agricultural Products in the Phase One Agreement.*** The historic U.S.-China Phase One Agreement further opens China's market to U.S. food and agricultural products by addressing structural barriers to trade and securing significant commitments from China to increase purchases of U.S. food and agricultural products. Key structural changes required by the Agreement include: streamlining facility registration procedures to allow more than twice the number of U.S. food and agricultural production facilities to export to China; removing unjustified restrictions on U.S. beef and poultry exports; signing the Highly Pathogenic Avian Influenza regionalization protocol; and negotiating access for new U.S. products including fresh potatoes, California nectarines and Hass avocados, blueberries, feed and malting barley, alfalfa pellets and cubes, almond meal pellets and cubes, timothy hay, and a variety of new dairy products.
- ***Pursued WTO Challenge to China's Discriminatory Licensing Regime.*** Based on the findings of the Section 301 investigation and the direction by the President, in March 2018, USTR initiated a WTO dispute against China's regime of technology regulations, which forced U.S. companies seeking to license technologies to Chinese entities to do so on non-market based terms that favor Chinese recipients. In March 2019, China revised the measures that the United States had challenged. In June 2020, the WTO panel informed the Dispute Settlement Body that it had accepted a request from the parties to suspend the dispute, in light of ongoing consultations between the parties.
- ***Utilized Section 301 to Address Unilateral Digital Services Taxes of France and Ten Other Jurisdictions.*** On July 10, 2019, USTR initiated an investigation, under sections 301(b) and 304(a) of the Trade Act (19 U.S.C. 2411(b) and 2414(a)), of France's unilateral Digital Services Tax (DST), signed into law on July 24, 2019. On December 6, 2019, USTR determined in the investigation that France's DST is unreasonable or discriminatory and burdens or restricts U.S. commerce, and is thus actionable under section 301(b) of the Trade Act. In particular, France's DST is discriminatory due to the selection of services covered and the revenue thresholds and contravenes prevailing international tax principles because of its retroactivity, application to revenue rather than income, extraterritoriality, and application only to a small group of digital companies. On July 10, 2020, USTR concluded its investigation with a determination to impose 25 percent additional duties on products of France with a trade value of approximately \$1.3 billion in response to France's adoption of its DST. However, in order to allow further time to attempt to resolve this matter, including through ongoing discussions in the OECD, and in recognition of France's agreement to delay collection of its DST, USTR determined to suspend the application of the additional duties for as long as 180 days, until early January 2021. On June 2, 2020, USTR initiated additional investigations of DSTs that have been adopted or are being considered by Austria, Brazil, the Czech Republic, the European Union, India, Indonesia, Italy, Spain, Turkey, and the United Kingdom.

- ***Utilized Section 301 to Investigate Vietnam’s Acts, Policies, or Practices Related to Use of Illegally Harvested or Traded Timber.*** In October 2020, USTR initiated an investigation under Section 301 of the Trade Act of 1974, as amended, into Vietnam’s acts, policies, and practices related to the import and use of timber that is illegally harvested or traded, and the resultant harm to U.S. commerce. The investigation will initially focus on Vietnamese imports of timber that may be inconsistent with Vietnam’s domestic laws, the laws of exporting countries, or international rules, and evidence that Vietnam at least tacitly may support the import and use of illegally harvested or traded timber. The investigation is scheduled to be completed by October 2021.
- ***Utilized Section 301 to Investigate Vietnam’s Acts, Policies, or Practices Related to Valuation of Its Currency.*** In October 2020, USTR initiated an investigation under Section 301 of the Trade Act of 1974, as amended, into Vietnam’s acts, policies, and practices that may contribute to the undervaluation of its currency and the resultant harm caused to U.S. commerce. This is the first time that USTR has utilized Section 301 to examine trade issues related to currency valuation. The investigation will initially focus on whether Vietnam’s interventions, through the State Bank of Vietnam, in exchange markets or other related actions that contribute to the undervaluation of its currency are unreasonable or discriminatory and burden or restrict U.S. commerce. In conducting this investigation, USTR will consult with the Department of the Treasury as to matters of currency valuation and Vietnam’s exchange rate policy. The investigation is scheduled to be completed by October 2021.
- ***Strengthened Compliance Monitoring Efforts.*** Utilizing all available resources including additional regional, linguistic, and quantitative expertise at ICTIME, USTR enhanced its monitoring of WTO Members’ compliance with WTO rulings and recommendations.
- ***Pursued WTO Challenges to Unwarranted Tariff Increases on U.S. goods.*** USTR continued to pursue separate WTO disputes to challenge additional duties imposed by the EU, China, Turkey, Russia, and India on U.S. goods. These Members imposed additional duties on U.S. goods ostensibly in response to U.S. actions in connection with the section 232 investigation of steel and aluminum, but had no right under the WTO agreement to do so.
- ***Resisted Efforts by Russia to Force the Installation of Russian Software on Certain Technology Products.*** USTR worked with industry stakeholders to oppose Russia’s mandate that producers of certain technology products pre-install Russian software on their devices. USTR also assembled a coalition of WTO Members to raise questions about the WTO consistency of this measure in various WTO committees.
- ***Moderating the Adverse Impact of Russia’s Mandatory Labeling Law.*** USTR, with interagency colleagues and industry stakeholders, meticulously tracked Russia’s developing “track & trace” regime to ensure the regime is applied in non-discriminatory manner. USTR asked questions of Russia in numerous WTO committees, raising awareness of the potential market access barriers and discriminatory treatment of imports. In addition, USTR supported efforts to press the Russian government to apply realistic implementation deadlines.
- ***Monitored and Implemented FTA Environment Chapters.*** USTR also continued to prioritize implementation of environmental obligations under existing free trade agreements (FTAs), including through regular meetings of the Interagency Subcommittee on FTA Environment Chapter Monitoring and Implementation. In addition, USTR continued regular as well as informal bilateral and regional meetings to conduct FTA environment oversight, including through frequent virtual engagements with FTA partners when travel was restricted due to COVID-19.

- ***Utilized Trade Agreements to Promote Marine and Terrestrial Conservation and Ocean Sustainability.*** USTR worked with interagency partners and the Government of Mexico on actions to combat illegal fishing and conserve and protect endangered species, such as the porpoise species vaquita. USTR also utilized its FTA-related monitoring and implementation work to advance ongoing whole-of-government initiatives on combatting wildlife trafficking and illegal fishing and ensured that such initiatives are consistent with our international trade obligations.
- ***Addressing Korea's Implementation of KORUS.*** USTR successfully advocated for improvements and actions by Korea to address outstanding concerns across a range of issues involving Korea's implementation of the U.S.-Korea Free Trade Agreement (KORUS). These included facilitating cross-border data flows for the reinsurance sector; addressing specific SPS barriers and related issues; resolving specific non-tariff barrier issues to improve opportunities for U.S. auto manufacturers; and undertaking rule changes in the reimbursement pricing of pharmaceuticals to improve transparency and expand eligibility for risk-sharing agreements.
- ***Formal Consultations under KORUS on Competition.*** USTR formally requested and, in July 2019, held consultations with Korea according to relevant KORUS provisions to bring Korea into compliance with key due process obligations in the KORUS Competition Chapter. In 2020, USTR continued work with Korea to address concerns with access to certain documents by respondents in administrative proceedings before the Korea Fair Trade Commission. As a result of these consultations, Korea has proposed specific reforms to address U.S. concerns.
- ***Enforced Textiles and Apparel Provisions of U.S. Trade Agreements.*** USTR led interagency and public reviews of rules of origin changes proposed by Korea, averting potential negative effects on the commercial interests of U.S. producers and workers.
- ***Utilized the WTO Committee on Agriculture (COA).*** The COA held two hybrid-virtual formal meetings in July and September 2020 to review progress on the implementation of commitments of the WTO Agreement on Agriculture (AoA) and one virtual dedicated session to discuss Members' implementation of COVID-19-related measures. In total, 373 notifications were subject to review during 2020, and the United States asked 158 questions (or sets of questions) to other Members. The United States participated actively in the review process and raised issues concerning the operation of Members' agricultural policies, including domestic support policies of multiple Members, including those taken in response to COVID-19. Notably, the United States asked questions of India related to its policies and practices on export subsidies, quantitative restrictions, and domestic support, including its market price support for rice notified as exempt from its domestic support commitments under the Decision on Public Stockholding for Food Security Purposes. Other U.S. questions focused on China's State Trading Enterprises and rice policies, Russia's State Trading Enterprises and potential export subsidy measures, and the European Union's dairy market intervention policies, among other topics. During 2020, the COA addressed several other issues related to the implementation of the WTO AoA, including convening the seventh annual discussion on export competition as follow-up to the Bali and Nairobi Ministerial Decisions. In addition, the United States answered numerous questions regarding expenditures and trade impacts of its trade mitigation measures (e.g., the Market Facilitation Programs) and the Coronavirus Food Assistance Program. The United States participated actively in the ongoing review of the operation of the Bali Decision on Tariff Rate Quota Administration. The United States also engaged in the COA's discussion on enhancing transparency and the COA review process.
- ***Addressed SPS Trade Barriers in the WTO.*** In 2020, the United States raised concerns in the WTO SPS Committee regarding the adverse impact on U.S. food and agricultural exports of unjustified SPS

measures of other WTO Members. The United States continued to lead a broad coalition of countries against the EU's hazard-based pesticide policies, including the unjustified withdrawal of several pesticide maximum residue levels (MRLs) critical to international agricultural trade. Through engagement at the SPS Committee and bilateral channels, Vietnam agreed to delay implementation of a measure that would have established tolerances for microorganisms, heavy metals, and mycotoxins in imported animal feeds, including soybeans and corn. The United States also raised concerns about several of China's actions in response to the COVID-19 pandemic that affect trade.

- ***Advanced U.S. Agricultural Trade Priorities in the WTO.*** In 2020, the WTO SPS Committee adopted its report on the Fifth Review of the Operation and Implementation of the SPS Agreement. Adoption of the report capped nearly 3 years of intense discussions on a series of papers and proposals, including on pesticide maximum residue levels (MRLs), Fall Armyworm, and other topics aimed at enabling producers to have greater access to tools and technologies and facilitating trade in safe agricultural products. The Report's recommendations, adopted by consensus, underscore the importance of basing SPS measures on science. The report recommends that the SPS Committee continue to discuss the topic of risk, including management of situations involving insufficient scientific information, and invites the Codex Alimentarius Commission (Codex), the World Organization for Animal Health, and the International Plant Protection Convention to share guidance documents, international standards, guidelines and recommendations pertaining to the consideration of scientific uncertainty and/or insufficiency of scientific evidence in risk analysis.
- ***Support for Modern Agricultural Technologies in the WTO.*** The proposal for adoption of an SPS Declaration at the MC12 in 2021 gained significant momentum in 2020. Originally proposed by Brazil, Canada, and the United States, the proposal now boasts 16 cosponsors from diverse economic and geographic perspectives. Through it, countries will identify opportunities to increase productivity, enhance sustainability and facilitate trade, and identify concerns that could adversely affect our ability to meet the critical SPS challenges ahead for agriculture and trade.
- ***Support for Science-Based Maximum Residue Levels (MRLs) for Pesticides.*** In response to a request by USTR, the U.S. International Trade Commission released a report on the global economic impact of missing and low MRLs. The report cites extensive economic research, which finds that divergent national approaches to pesticide policy leads to elevated costs throughout the agricultural supply chain. The report's findings support bilateral engagement and work in multilateral forums to deter regulatory actions that limit producer access to important tools and technologies and result in decreased yield, increased production costs, and lower farmer income.
- ***Addressed Technical Barriers to Trade in the WTO.*** In 2020, the United States pursued an aggressive agenda in the WTO Technical Barriers to Trade Committee. The United States raised 53 Specific Trade Concerns (STCs) in the WTO TBT Committee, 20 of which were new concerns in 2020. Several STCs were raised continuously across the three meetings of the year. Many other specific concerns were raised bilaterally. The countries tallying the most formal U.S. concerns were the EU, China, and India. Among these specific trade concerns were China's cybersecurity and encryption policies, cosmetics supervision and administration regulation, and registration of overseas producers of imported foods. For the EU, the majority of concerns focused on the hazard-based approach of EU chemical and pesticide regulations. The U.S. also expressed concerns regarding the EU restrictions on traditional terms for wine, and the lack of notified bodies to test medical devices, and questioned Mexico's revised measures on front-of-pack labeling for processed foods and conformity assessment requirements for cheese. For India, the concerns centered on in-country testing for information technology, telecom equipment, toys, cosmetics and air conditioners. We also raised concerns about India's alcohol, food labeling, and feed requirements. In implementing its WTO 8th Review of the TBT Agreement, the

Committee agreed to improving its communications on STCs, by announcing those concerns 20 days prior to the Committee meeting and adjusting the agenda so that proposed measures would be prioritized and discussed first. This ordering of the agenda has also helped the Membership to better identify final measures. The Committee came to a decision on a new addenda format, which will assist the Members to notify revised measures for additional comment periods, provide internet links to or PDF copies of final measures, and provide final adoption and implementation dates. Twenty Members notified their websites containing all final regulations and 100 Members notified updated information regarding their inquiry points. The U.S. provided a variety of expert speakers to the thematic discussions held on National Quality Infrastructure, Transparency, Technical Regulations, Conformity Assessment and Technical Assistance. The United States also served as one of the leaders in launching a negotiation on Principles for Regulators to Consider on Conformity Assessment Procedures. The Ninth Triennial Review of the WTO Agreement on Technical Barriers to Trade began in October 2020.

- ***Ensured Compliance with the WTO Trade Facilitation Agreement (TFA) Notifications Requirements and Implementation.*** USTR has led in the TF Committee on ensuring that developing countries are utilizing the flexibilities in the TFA in accordance with Section II of the Agreement, while equally ensuring that implementation of the Agreement proceeds in line with those self-determined timelines. As of October 2020, over 90% of developing countries had successfully submitted the required notification, and more than 50% of LDCs are on track with notifications as per the Agreement. The United States has also successfully rallied over 30 countries to come into line with their delinquent self-designated Category A commitments. These efforts support the U.S.' commitment to be an active participant in the WTO and its Committees to ensure the benefits of the WTO agreements for U.S. exporters.
- ***Provided U.S. Guidance on Implementation of the TFA.*** USTR notified two Communications to the WTO Trade Facilitation Committee in 2020. The first aimed to stimulate Members to take next steps on experience sharing to develop best practices endorsed by the Committee. The second Communication focused on how Members should accelerate implementation of the TFA in light of the COVID-19 crisis. As of October 2020, Brazil and Colombia have joined the United States in co-sponsoring this Communication.
- ***Utilized the WTO to Address Harmful Fisheries Subsidies.*** USTR worked with WTO Members to advocate for strong disciplines on harmful fisheries subsidies, such as those that contribute to overfishing and overcapacity or that support illegal, unreported and unregulated (IUU) fishing activities. In the fall of 2019 the United States, along with cosponsors Argentina, Australia, and Uruguay, submitted textual additions to its proposal for monetary subsidy caps, while the U.S.-cosponsored proposal to prohibit subsidies to vessels not flying the subsidizing Members' flag attracted the European Union, Indonesia, Japan, and Taiwan as new cosponsors. In September 2020, following the resumption of work at the WTO, USTR co-sponsored a revised proposal for stronger rules to enhance the transparency and reporting of Members' existing subsidy programs.
- ***Participated in Regional Fisheries Management Organizations (RMFOs) and Other Global Oceans Meetings to Promote Marine Conservation.*** USTR participated in meetings of the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR) and the International Commission for the Conservation of Atlantic Tunas (ICCAT), in order to promote trade-related solutions to marine conservation.
- ***Addressed Key Telecommunications Trade Barriers.*** In March, USTR conducted its annual Section 1377 Review, which identifies major barriers faced by U.S. telecommunications service and equipment suppliers in the global economy. The National Trade Estimate (NTE) Report, which includes the

Review's results, also illustrates the specific telecommunications-related issues on which USTR will allocate monitoring and enforcement efforts over the current and coming fiscal years to protect the high-quality jobs telecommunications trade supports. Since the 2020 NTE Report, USTR has achieved progress on issues affecting telecommunications trade, but continues to monitor new challenges that face American telecommunications exporters, including barriers in the Chinese market.

- ***Monitored Intellectual Property Protections and Obligations through the Special 301 Report.*** In April, 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 China, India, and Russia's status on the Priority Watch List, noting continuing concerns about IP protection and enforcement. USTR announced that it would conduct Out-of-Cycle Reviews of Malaysia and Saudi Arabia.
- ***KORUS Potatoes Fresh or Chilled Tariff Rate Quota (TRQ).*** In April 2020, after engagement by USTR, Korea's Ministry of Agriculture, Food and Rural Affairs (MAFRA) agreed to announce auctions under the KORUS *Potatoes fresh and chilled* TRQ in the final months of the calendar year preceding administration and filling of the TRQ volume for the following calendar year. This change from Korea's previous practice of announcing auctions in the latter half of a calendar year to fill TRQ volumes in that same calendar year will more closely match the U.S. potato harvesting season, and substantially increase Korea's TRQ fill rate. The change in TRQ administration should address very low recent TRQ volume fill rates – averaging only 10 percent in the most recent three years. Full utilization of the TRQ volume will result in approximately \$2.3 million worth of additional potato exports.
- ***Succeeded in Challenge to India's Prohibited Export Subsidies.*** In 2018, USTR initiated a dispute against India regarding several prohibited export subsidy programs worth over \$7 billion annually. In October 2019, a panel found in favor of the United States, agreeing that India gives prohibited subsidies to producers of steel products, pharmaceuticals, chemicals, information technology products, textiles, and apparel, to the detriment of American workers and manufacturers.
- ***South African Poultry TRQ Fills at Record Levels.*** In the spring of 2020, U.S. exports of bone-in poultry meat to South Africa exceeded the quota levels of 68,000 metric tons for the 2019/2020 quota year by over 30 percent. These exports are a result of work by USTR and USDA with South Africa to clarify and improve its guidelines for the utilization of TRQ allocations for U.S. bone-in chicken imports. For the 2019/2020 period, total U.S. poultry exports to South Africa were valued at \$95 million.
- ***Colombia Implements U.S.-Colombia Trade Promotion Agreement (CTPA) Express Delivery "de minimis" Provision.*** In August 2020, Colombia published Decree 1090 which finally implemented Colombia's "de minimis" threshold commitment from the CTPA. Express shipments valued at equal to or less than USD 200, are now exempt from customs tariffs. U.S. small- and medium-sized exporters will benefit from this new decree.
- ***Colombia Ratifies the WTO Trade Facilitation Agreement (TFA).*** After sustained U.S. engagement and a long domestic approval process, including a Constitutional Court review, Colombia ratified the WTO TFA on August 6, 2020.
- ***Costa Rica Rolls Back Regulatory Barriers on Used Textiles.*** Following sustained U.S. engagement, Costa Rica set aside a regulation that would have imposed barriers on U.S. exports of used textiles, preserving U.S. jobs supported by this market.

- ***Guatemala Implements Revised Customs Practice to Allow Corrections to Certification of Origin, as Provided in the CAFTA-DR.*** Following significant engagement by USTR and other USG agencies, Guatemala agreed in mid-2019 to allow for corrections to the CAFTA-DR Certification of Origin. Implementation of this significant change in 2020 helped expedite Guatemalan customs clearance of U.S. exported products and ensure access to CAFTA-DR benefits, saving time and money for buyers of U.S. goods and making the import process more transparent.
- ***Guatemala Opens Access for U.S. Exported Table Eggs.*** In December 2019, after concerted efforts by USTR and USDA, Guatemala approved a new protocol authorizing access for U.S. table eggs exported to Guatemala.
- ***Promoting Sound Policies for Maximum Residue Limits (MRLs).*** Through technical cooperation designed to support U.S. approaches to MRL policy development and implementation, the five Central American countries signed a technical resolution aimed at harmonizing pesticide registration processes and MRLs, based on Codex and the U.S. model.
- ***CAFTA-DR SPS and TBT Committees Agree to Address Priority Issues.*** During November 2019 Committee meetings, the United States and other CAFTA-DR countries deepened discussions with priority attention on addressing food additives, sanitary import permits, fumigation and pests lists, product registration and sanitary registry requirements, certification requirements, apostille and certificate of free sale. In addition, the CAFTA-DR countries agreed to strengthen and facilitate trade under the Agreement by improving the efficiency and transparency of certification requirements and procedures for imports from the United States and other CAFTA-DR partners.
- ***Promoted and Monitored Environmental Protection in Central America and the Dominican Republic.*** The United States and other Parties to the CAFTA-DR Agreement continued efforts to strengthen environmental protection, and implement the commitments of the CAFTA-DR Environment Chapter. The Points of Contact met virtually at regular intervals to continue engagement and discuss challenges and progress in implementing the Environment Chapter obligations.
- ***Strengthened Jamaica's Intellectual Property System.*** Engagement under the Caribbean Basin preference programs, and through the Special 301 process, encouraged Jamaica to pass of a new Patent and Designs Act to replace the country's outdated patent and industrial designs regime. For the first time, the Broadcast Commission of Jamaica commenced a copyright audit for all subscriber television operators and free-to-air TV licensees. As a result, Jamaica was removed from the Special 301 Watch List.
- ***Enforced FTA Environment Provisions in Peru.*** USTR continued robust monitoring and enforcement of the United States-Peru Trade Promotion Agreement (PTPA) and its unique Forest Annex. The United States continues to block timber imports from two Peruvian exporters, based on illegally harvested timber found in its supply chain pursuant to an earlier USTR verification request.
- ***Promoted Labor Rights under FTAs with Colombia and Peru.*** USTR monitored labor rights in Colombia and Peru under the United States-Colombia TPA and the United States-Peru TPA respectively. These efforts included close engagement with Colombia and Peru to address concerns related to public submissions filed under the Labor Chapters of trade agreements with those countries. In each case, the Department of Labor (DOL) has issued a public report that includes detailed recommendations to address labor rights concerns. USTR worked closely with DOL in 2020 to monitor

and promote progress on these issues. Accomplishments in this area include new labor inspectors and resources for inspections in both Colombia and Peru.

- ***Promoted Labor Rights in Honduras.*** USTR and the Department of Labor continued to work closely with the Government of Honduras in 2020 to implement a detailed Monitoring and Action Plan signed in 2015, with specific commitments to improve protection of labor rights and enforcement of labor laws.
- ***Enforced Eligibility Criteria for the Generalized System of Preferences.*** Since 2017, USTR has led a new GSP Subcommittee monitoring effort to ensure beneficiary countries are meeting the GSP eligibility criteria. The process involves a triennial assessment of each GSP beneficiary country's compliance with the 15 statutory eligibility criteria. In FY2020, the GSP Subcommittee assessed the 25 GSP beneficiary countries of the Western Hemisphere and Europe, self-initiating a GSP worker rights review of Azerbaijan as a result. In addition to the triennial assessment, USTR used on-going GSP eligibility reviews to press GSP beneficiary country governments to make improvements related to a number of GSP eligibility criteria. As part of its efforts, USTR held a public hearing in January 2020 to solicit public comments and to invite updates from the governments for the on-going GSP reviews.
- ***Restored GSP Benefits for Ukraine in Recognition of Progress on Protection and Enforcement of Intellectual Property Rights.*** In October 2019, the President restored one-third (\$12 million estimated trade value) of the \$36 million (estimated trade value) GSP benefits originally removed for Ukraine, given continued significant concerns with Ukraine's protection and enforcement of IP rights. In 2018, Ukraine passed new legislation aimed at improving the governance of CMOs. Despite some shortcomings, the legislation provides a framework to address concerns covered by the GSP review.
- ***Withdrew GSP Benefits from Thailand for Failure to Afford Worker Rights.*** In April 2020, the President withdrew one-third of GSP benefits from Thailand, based on a failure to afford worker rights. Among the concerns raised in a 2013 petition to the USTR by the AFL-CIO is the failure to protect the fundamental labor rights of contract workers, foreign nationals, or labor leaders subject to employer retaliation. The decision to limit Thailand's benefits under GSP follows a six-year formal review process.
- ***Successful Conclusion of Review of Bolivia on Child Labor Law Reform.*** After sustained engagement with USTR, including through the GSP review on worker rights, Bolivia enacted legislation raising the minimum age of work to 14, in line with international standards. The Trump Administration self-initiated this review in 2017, after passage of an earlier law lowering the national minimum working age below the internationally-recognized standard. These efforts enabled USTR to close the GSP country practice review.
- ***Successful Conclusion of Review of Iraq on Worker Rights.*** After sustained engagement with the government of Iraq on a GSP worker rights eligibility review, Iraq's passed legislation that expands collective bargaining rights, further limits child labor, provides improved protections against discrimination and sexual harassment at work, and dramatically expands coverage of labor protections to more workers. These reforms enabled USTR to close the GSP country practice review.
- ***Successful Conclusion of Review of Uzbekistan on Protection and Enforcement of Intellectual Property Rights.*** After sustained engagement with USTR, including through the GSP review on IP rights initiated in 1999, Uzbekistan passed legislation in 2018 acceding to the Geneva Phonograms Convention, World Intellectual Property Organization (WIPO) Copyright Treaty, and WIPO

Performances and Phonograms Treaty. Uzbekistan also developed an IP work plan in early 2018 to implement the above referenced treaties, and is working towards providing adequate protection for U.S. and other foreign sound recordings. These efforts enabled us close the GSP country practice review.

- ***Progress with Uzbekistan on Worker Rights.*** Under the 2008 GSP review on worker rights, USTR continued to press Uzbekistan to end its forced adult and forced child labor practices during its annual cotton harvest. In 2020, the Uzbekistan government continued to make progress ending forced child labor and significantly reducing forced adult labor during the harvest season. During 2020, the Government of Uzbekistan implemented additional measures to increase penalties in cases of forced labor and to end the national cotton quota, which is a root cause of forced labor in the annual harvest.
- ***Progress with Georgia on Worker Rights.*** In September 2020, Georgia passed legislation in that grants labor officials the authority to conduct unannounced inspections and enforce internationally recognized worker rights in all sectors of the economy. The new, expanded enforcement authority builds on other significant legal protections for workers enacted during the course of the review. USTR continues to engage with the Government of Georgia to promote effective implementation of the new authorities.
- ***Progress with Indonesia on Market Access for U.S. Goods and Services.*** Indonesia has taken positive steps to address a broad range of trade and investment issues. These positive steps address U.S. concerns related to market access for U.S. goods, services, and agricultural products, and include specific reforms to Indonesia’s digital trade, insurance and reinsurance, and agricultural import policies. Indonesia has agreed to continue to work with the United States to ensure the successful implementation of these policies for the benefit of both countries.
- ***Progress with South Africa on Protection and Enforcement of Intellectual Property Rights.*** In October 2019, USTR opened a new review of intellectual property rights in South Africa, based on a stakeholder petition that asserts that South Africa is not providing adequate copyright protection and risks moving further from international norms through the passage of two pending copyright bills. After sustained engagement with USTR, the South African President returned the copyright bills to the legislature for further deliberation. USTR views this as a very encouraging development and will continue to engage with the South African government on these issues.
- ***Progress with Kazakhstan on Worker Rights.*** In 2018, USTR opened a review of Kazakhstan’s GSP benefits, based on a petition filed by the AFL-CIO. In May 2020, Kazakhstan passed amendments to its trade union law, designed to restore the rights of independent trade unions to organize and bargain, by permitting the registration of independent unions, though observers note continuing concerns over the formation of higher-level organizations and whether government officials will administer the new registration procedures without interference or undue discretion. USTR will continue to engage with Kazakhstan to ensure the successful implementation of these amendments.
- ***Advanced Policy Reforms in sub-Saharan Africa.*** USTR used the annual AGOA eligibility review process to advance needed policy reforms in sub-Saharan African countries, and to further open African markets to U.S. trade and investment. USTR led and coordinated a TPSC Subcommittee 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 worker rights. Based on that review, Ambassador Lighthizer made recommendations to the President on AGOA country eligibility for 2020. USTR also monitored bilateral commercial trade and investment

disputes for a number of African countries and used the leverage of AGOA benchmarks and the eligibility review process to raise those issues.

- ***Pushed for Resolution of Key Market Access Challenges in Sub-Saharan Africa.*** USTR met with senior government counterparts from key trade partners on the continent, including South Africa, Kenya, Angola, and Rwanda, to discuss trade barriers and impediments to doing business. Barriers include adopted or proposed local content and data localization legislation, new import restrictions, obstacles to U.S. agricultural goods, bans on imports of used clothing, and problematic intellectual property protection policies and legislation.
- ***Initiated a Dialogue on Geographical Indications with Morocco.*** USTR and interagency colleagues began a focused series of discussions with Moroccan counterparts (building on earlier contacts between senior officials) aimed at ensuring market access for U.S. agricultural products once a 2015 EU-Morocco agreement on geographical indications (GIs) enters into force. Once restrictions on contacts with Moroccan officials arising from the COVID-19 pandemic are eased, the United States will renew the dialogue to seek concrete solutions that will preserve market access for these products, as provided for in the U.S.-Morocco FTA.

Goal 3: Develop Sound Trade Policy

Consistent with the President's trade policy agenda, USTR will develop the Administration's trade policy through extensive consultations with the Congress, stakeholders, and its trade advisory committees. USTR will also use digital means to ensure broad opportunities for the public to contribute to policy formulation, provide comments on policy, and access public hearings and documents. USTR will lead TPSC trade policy coordination to obtain broad-ranging input, provide accountability, and develop sound, strategic U.S. trade policies.

Objectives:

3.1: Work 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, and advance key trade legislation.

3.2: Provide timely and appropriate information to the public on ongoing trade negotiations and trade policy issues of general interest, consistent with laws and regulations governing engagement with the public as well as the protection of confidential information.

3.3: Foster a robust Advisory Committee system by appointing, consulting and engaging with an active group of advisors.

3.4: Educate the public on the Advisory Committee system and its role in trade policy.

3.5: Coordinate trade policy effectively through the Trade Policy Staff Committee (TPSC) and the Trade Policy Review Group (TPRG).

Accomplishments:

- ***Extensive Meetings and Briefings with Congress on Key USTR Initiatives.*** Ambassador Lighthizer and USTR staff held numerous meetings and briefings with Members of Congress and their staffs on a range of trade issues, including USMCA negotiations and implementation, UK trade negotiations, Japan negotiations and agreements, Kenya trade negotiations, enforcement activities, and other initiatives. These discussions, which amounted to thousands of hours, kept the Congress constantly abreast of the content and progress of USTR activities, and ensured that Congress had continuous opportunities to shape U.S. negotiating efforts.
- ***Coordinated Trade Policy Effectively Through the Trade Policy Staff Committee (TPSC).*** USTR efficiently and effectively coordinated trade policy with 21 federal agencies in support of the USTR's trade policy agenda with respect to trade negotiations, policy developments, and monitoring and enforcement activities, including Sections 337, 201 and 301 of U.S. trade law. Over FY2020, USTR as Chair of the TPSC regularly sought advice from the public on policy decisions and negotiations through *Federal Register* notices and public hearings. This included six TPSC public hearings: Generalized System of Preferences country practice reviews in January 2020; Special 301 Review in February 2020; the annual African Growth and Opportunity Act country eligibility review in June 2020; Generalized System of Preferences product reviews in September 2020; China's Compliance with its

+WTO Commitments in October 2020; and Russia's Implementation of its WTO Commitments in October 2020. Due to the COVID-19 pandemic, hearings after February 2020 were held in virtual or written form, with stakeholders afforded the opportunity to participate virtually or in written form and exchanges with TPSC agencies in electronic form. All testimony and questions are posted on regulations.gov to ensure transparency.

- ***Consulted with an Inclusive and Rounded Group of Trade Advisory Experts.*** USTR fostered a robust and balanced advisory committee system by appointing new advisors to and conducting briefings for the Advisory Committee on Trade Policy and Negotiations (ACTPN), Industry Trade Advisory Committees (ITACs), Agriculture Policy Advisory Committee, Agriculture Technical Advisory Committees, 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 USMCA, KORUS, Japan, UK, and Kenya negotiations, the WTO, OECD and G20.
- ***Outreach to and Consultations with Food and Agriculture Stakeholders.*** USTR engaged extensively with stakeholders interested in food and agricultural trade matters to build a robust trade agenda, including matters such as USMCA, KORUS, U.S.-UK and U.S.-Kenya negotiations, WTO agriculture and SPS initiatives, Codex Alimentarius Commission, trade related aspects of agriculture innovation, and a full range of matters impacting U.S. agricultural exports to Japan, China, and other countries around the world.
- ***Outreach to and Consultations with Stakeholders on Trade and Environment Issues.*** USTR engaged in considerable outreach on a range of trade and environment issues and policy areas with a broad range of stakeholders including Members of TEPAC, the broader environmental community, other government agencies, Congress, and the private sector. This included engagement and outreach related to USMCA, and outreach under existing FTAs with Central America and the Dominican Republic, Peru, Colombia, and Korea. USTR engaged with environmental NGOs on the sidelines of bilateral environmental meetings.
- ***Outreach to and Consultations with U.S. Labor and Business Stakeholders.*** Communication with stakeholders provided a wide range of positions considered in developing labor policy positions, and built cooperative relationships with key stakeholders in the labor and business communities on difficult and sensitive issues. USTR personnel at all levels participated in numerous stakeholder meetings to discuss and promote USTR trade-related labor policies, including with the International Labor Organization, International Finance Corporation, U.S. Council for International Business, American Apparel and Footwear Association, Responsible Business Alliance, and Fair Labor Association. USTR established relationships and engaged in regular meetings with key labor and human rights organizations, including the AFL-CIO, the International Brotherhood of Teamsters, the United Automobile Workers, the United Steelworkers, the Solidarity Center, Human Rights Watch, and U.S. and foreign employers, including the U.S. Chamber of Commerce, Primark, the Cocoa Supply chain Group, Nike, Levi Strauss, Gap, Walmart, VF Corporation, Li & Fung, and Target, resulting in strengthened relationships and consulting mechanisms on trade-related labor matters. USTR also engaged in regular meetings with key Hill staff, in particular Ways and Means, Finance, and the House Trade Working Group, resulting in broadening support for USTR trade policy, particularly with regard to the USMCA and worker rights implementation under GSP and FTAs. USTR worked with labor

advisors to strengthen the trade union advisory process, resulting in finding common ground on trade-related labor matters and leading to unprecedented collaboration.

- ***Outreach to and Consultations with Congress, Industry, Civil Society, and Other Stakeholders on IP Issues.*** Over FY2020, USTR developed, tabled, and successfully concluded significant intellectual property proposals in a range of negotiations and enforcement actions. Policy reviews in these areas involved careful deliberation, research, and consultation. USTR engaged stakeholders with often competing views on an almost daily basis to address concerns and build support for the U.S. IP trade agenda and maintained important relationships with stakeholder communities holding diverse views on trade and IP issues.
- ***Extensive Consultations with Congress, Industry and Other Stakeholders on SME Issues.*** On SME issues, USTR worked extensively with the TPSC agencies, Congress, industry, trade partners, and other stakeholders to identify issues of most concern to small business, and develop trade policies to address those concerns (e.g., leveraging existing FTAs and other policy initiatives). Ongoing efforts are yielding measurable outcomes including improved TPSC agency coordination, more frequent consultations with stakeholders to inform the U.S. agenda, and more effective use of USTR policy tools to address SME issues. For example, in 2020 USTR convened the first U.S.-Kenya SME Roundtable in Washington, D.C. with U.S. and Kenya officials bringing together over 90 SME stakeholders to discuss ways to enhance U.S.-Kenya SME trade. USTR also engaged ITAC-9 Small and Minority Business, National District Export Councils, America's Small Business Development Centers Association, and the National Association of Small Business International Trade Educators (NASBITE) National Small Business Exporter Summit.
- ***Continued Outreach to Key Stakeholders on the TFA.*** USTR staff frequently participated in outreach events and speaking engagements on ratification and implementation of the Trade Facilitation Agreement (TFA) focused on the potential to engage a broader set of stakeholders for TFA implementation. This included engagement with environmental and development NGOs on aspects of the TFA that could further their policy objectives, such as illegal wildlife trade, IUU fishing, development, disease control and prevention, and anti-corruption. USTR conducted extensive consultations with stakeholders, including the National Association of Manufacturers, the U.S. Chamber of Commerce, the U.S. Council for International Business, and the National Foreign Trade Council.
- ***Extensive Consultations with Stakeholders on Mexico's Express Courier Procedures.*** USTR developed a robust working group of industry stakeholders to address problematic express courier regulations in Mexico's General Rules on Foreign Trade. Working with an extensive interagency team, USTR met with the industry working group on a regular basis, providing updates and seeking input to coordinate strategy. The cooperation resulted in greater access to Mexican decision-makers and positive changes that give express delivery couriers more certainty in the Mexican market.
- ***Supported USAID Program for Mongolia Cashmere Industry.*** In 2020, in response to Congressional interest in supporting expansion and diversification of Mongolia exports, USTR helped launch a USAID-funded technical assistance project to advise the Mongolian government and industry on development of a sustainable cashmere value chain in Mongolia and a "branding" campaign to support expansion and market diversification of Mongolia cashmere exports.

Goal 4: Effectively Communicate the President's Trade Agenda

To ensure the advancement of the President's trade policy agenda, USTR will communicate the benefits of this agenda to domestic and foreign audiences, thereby building public understanding of its positive impact on economic growth, and support for enforcing U.S. rights and opening markets around the world to U.S. goods, services, and agricultural products.

Objectives:

4.1: Create and implement a USTR-wide, proactive communications strategy to explain the job-supporting, economy-enhancing benefits of the President's trade policy agenda to domestic constituencies and stakeholders.

4.2: Enhance outreach to state and local governments on the benefits of the trade agenda.

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

4.4: 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.

4.5: Inform private sector and non-profit stakeholders, media, and state and local elected officials of USTR's efforts to monitor and address unfair foreign trade barriers and practices and enforce U.S. rights, as well as compliance by trading partners with U.S. agreements.

4.6: Communicate success to various stakeholders, including state and local elected officials.

Accomplishments:

In 2020, 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.

- ***Showcased the Benefits of Fair and Reciprocal Trade to the U.S. Economy.*** USTR developed talking points, press statements, and internet strategy to explain the Administration's trade policy goals and achievements to the public. USTR also coordinated press statements with interested agencies and the White House in order to present coherent and mutually reinforcing trade information to the public. USTR strategically selected organizations for trade speeches to demonstrate the importance of free and fair trade to the United States.
- ***Enhanced Outreach to the Congress and Other Key Stakeholders.*** USTR consulted with Congress and key stakeholders on new initiatives to promote trade policy reforms that place American interests first. USTR also worked with the House Committee on Ways and Means and the Senate Committee on Finance, Congressional leadership, and other Committees as appropriate, to coordinate messaging on aspects of the Administration's trade agenda.

- ***Conducted Outreach and Informed US Industry and State-Level Governments.*** USTR conducted outreach to U.S. industry stakeholders, congressional delegations, and state-level governments planning official visits and trade missions. USTR established a stronger state-level network of interested stakeholders and worked with this network to offer opportunities for information exchange and trade education through USTR participation in conferences and external speaking engagements.
- ***Communicated the Harm to U.S. Workers and Businesses of Appellate Body Overreaching.*** In February 2020, USTR published a report detailing U.S. concerns with the Appellate Body and assessing the repeated failures of the Appellate Body to properly apply the rules agreed to by Members. The Report explains how the Appellate Body has altered Members' rights and obligations through erroneous interpretations of WTO agreements, several of which have directly harmed the ability of the United States to counteract economic distortions caused by non-market practices of countries like China that hurt our citizens, workers, and businesses. The Report explains how the conduct of the Appellate Body has converted the WTO from a forum for discussion and negotiation into a forum for litigation, undermining U.S. interests in the WTO. Through numerous formal WTO meetings and informal bilateral meetings, USTR has actively sought engagement with Members on issues that are fundamental to Appellate Body reform.
- ***Communicated the Intellectual Property Rights Benefits of Trade Initiatives and Agreements.*** USTR responded expeditiously to frequent and often in-depth inquiries from stakeholders and Members of Congress. USTR personnel participated in press calls to explain Administration positions with respect to the China Phase One Agreement and Special 301 matters.
- ***Outreach and Consultations with the U.S. Textile Industry.*** USTR staff actively reached out to stakeholders across the spectrum of textile and apparel industry interests, visiting production, distribution, and research facilities in a dozen states as well as participating in conferences and meetings organized by the National Council of Textile Organizations, the American Apparel and Footwear Association, and the U.S. Fashion Industry Association.
- ***Outreach and Consultations with the U.S. Agriculture Industry, Consumer Groups and Labor Unions.*** Ambassador Lighthizer and staff at all levels of USTR met with U.S. agriculture stakeholders on the Administration's trade agenda, as well as participated in dozens of agriculture stakeholder meetings to enhance the understanding of the benefits of trade to U.S. food and agriculture farmers, ranchers, workers, and businesses. USTR also held numerous meetings with consumer groups, environmental groups, the fishing industry, labor unions, and animal rights organizations to promote and explain the Administration's agriculture and SPS trade agenda.
- ***Communicated the Environmental Benefits of Administration Trade Initiatives.*** Through joint statements, press releases, speeches and other public events, USTR continued to communicate how U.S. trade agreements and initiatives help to level the playing field for American workers and businesses and can address urgent trade-related environmental challenges.
- ***Communicated the Benefits of Trade to Foreign Trade Partners.*** In consultation with other agencies, the Congress, and key stakeholders, USTR communicated to foreign countries the benefits of fair and reciprocal trade with the United States. Through cooperation with U.S. regulatory and health agencies, ensured that the Administration-wide message on trade policy was reflected in U.S. positions and

delivered in meetings of international organizations where issues that affect trade are discussed (e.g. WIPO, WFP, UNCTAD, OECD, G7, G20, WHO, UN, HRC, PAHO, Codex).

- ***Outreach and Consultation with Key Stakeholders on EU and MENA Trade Issues.*** USTR staff presented and discussed evolving U.S. trade and investment policies in the EU and the MENA (Middle East and North Africa) region at business conferences and widely attended meetings of key private sector stakeholder organizations and relevant embassies.
- ***Communicated with a Range of Stakeholders on the Administration's Africa Trade Agenda.*** USTR continued outreach to African governments, the U.S. business community, and other stakeholders to advance the Administration's trade agenda with respect to sub-Saharan Africa. This outreach, including to the African Union and the United Nations Economic Commission for Africa (UNECA), increased understanding that the Administration's model FTA initiative with an African country is compatible with African efforts at increased regional integration. In February 2020, Deputy USTR Mahoney convened a meeting of the Trade Advisory Council on Africa (TACA) to discuss USTR's intent to negotiate a trade agreement with Kenya, and in September 2020 Ambassador Lighthizer met with the group to take stock after the first round of trade agreement negotiations. USTR staff addressed a high-level U.S.-Africa Business conference in Mozambique that was attended by more than 1,500 people, including numerous African Heads of State. USTR staff also took part in additional events held throughout the year, including those hosted by groups such as the Corporate Council on Africa and the U.S. Chamber of Commerce.

Goal 5: Achieve Organizational Excellence

Consistent with the President's goals, USTR will provide the administrative processes, physical and information security, and infrastructure that will strengthen its ability to perform core functions at the highest level of excellence. The agency will continue promoting a workplace that supports 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: Manage a security program that provides appropriate of protection for USTR personnel, facilities and sensitive information.

5.2: Manage resources to maximize USTR future capabilities.

5.3: Manage USTR more efficiently and effectively.

5.4: Provide facilities that help USTR staff become more productive.

5.5: Install information technology and communications systems that increase USTR's productivity and communicate trade benefits.

5.6: Implement a human capital and services program that will maximize employee performance and engagement.

Accomplishments:

Effective communication and efficient implementation of the goals presented in the Strategic Plan require a workforce that is technically proficient and highly motivated. It also requires a supportive work environment for USTR's employees, its most valuable asset. USTR, through its annual performance goals, is implementing multi-year objectives in human capital planning, including succession planning, career and leadership development, space modernization and expansion, continuity of operations and establishing comprehensive security programs, training and information technology improvements. The Employee Viewpoint Survey informs USTR's efforts to focus on those areas of greatest need.

- ***Security Management & Emergency Preparedness.*** USTR planned for and fully implemented Physical Access Control System (PACS) upgrades to include new cabling, power distribution system, digital video cameras, and card readers for full compliance with HSPD-12; expanded and installed PACS for standup of newly acquired space at 1800 G. Street. We significantly upgraded SCIF by leveraging resources and equipment to prevent sound attenuation while accommodating USTR staff with hearing impairments. Completed FY 2020 information security annual self-inspection of over 100 safes and eliminated unnecessary classified material contained in unused or unassigned safes. Implemented a vigorous security training program for the Office of Security staff. We revamped Office of Security Intranet site to improve efficiencies by over 30%. We completed the annual on-line information security classification training USTR-wide on derivative classification, with a 98% completion rate. USTR participated in all EOP-led Continuity of Operations Planning (COOP) exercises, and partnered with the EOP for all campus-wide building emergency exercises; all USTR

drills in both Winder and 1724 F Street were successful. USTR worked with EOP on evaluating improved ADA-compliant evacuation stair chairs; acquired two new chairs and trained qualified staff on the use those chairs. We established and streamlined various processes to support domestic meetings and negotiations, most notably multiple high-level negotiations with China, UK, and Kenya; all activities went off smoothly with no deficiencies noted. We upgraded the general security program and staff capabilities; transferring management of personnel security functions to the Security staff; upgraded SCIF and Information Security training and standardized access; completed 1724 F Street and 600 17th Street Facility Security Assessments confirming 100% of security countermeasures implemented meet if not exceed federal standards; completely overhauled the security guard post orders providing guard force with detailed instructions to ensure the security and safety of USTR personnel, equipment, and resources.

- **Resource Management.** USTR managed the FY 2020 spending plan to ensure the most effective and efficient use of USTR's spending authority and to best position USTR to minimize the impact of potential reductions and unexpected changes in priorities; included employment of the Trade Enforcement Trust Fund, planning and first use of the USMCA supplemental appropriations, and the expanded USTR space, outfit and staffing to support the 301 tariff exclusion process. FY 2020 full-year spending plan and all quarterly expenditure reports were provided to appropriations staffs as required; managed FY 2020 year-end close-out; all established targets were met. USTR delivered FY 2021 Congressional Budget Submission and provided supporting briefs to all four committees that fully justified USTR resource needs. We established two staffing contracts, one with DoC Enterprise Management (Arden Eagle Solutions (AES)) and the other via EOP/OA (North Wind), supported the 301 exclusions process with tariffs experts and two levels of business analysts; as a result, we brought on board critical expertise and capabilities to timely process thousands of requests.
- **General Administration and Management.** USTR administrative staff worked closely with agency leadership and individual lead negotiating offices to address all special conferencing needs. We consistently provided conference planning support for all meetings as soon as they are determined and often at the last moment; special emphasis supporting China Phase One, USMCA, seasonality hearings, and current EU, UK and Kenya negotiations. We completed declassification review for records at the Washington National Records Center; completed the update of USTR's electronic records schedules to reflect current organizational needs; continued effort to implement e-records management reform at USTR. USTR participated in GAO's engagement on the FY 2019 Government Shutdown; provided all information efficiently and effectively; and subsequently drafted detailed plans and procedures in response to the GAO's recommendations. USTR is now more completely prepared should another lapse in appropriations occur. We kept workforce up-to-date on major issues that affect staff, e.g. shutdown, COVID-19 impact; inclement weather, and GSA projects; and mitigated the impact of any potential workforce disruptions, such as encouraging use of workplace flexibilities, e.g. max telework. Prepared facilities for pandemic response in accordance with CDC and GSA guidelines, including developing and implementing protocols, acquiring PPE, enabling video teleconferencing, max telework, and Beijing staff displacement support.
- **Facilities Management.** For Winder and 1724 F Street buildings, USTR worked closely with GSA and contractors to complete major improvement projects. These included: Winder Building exterior with window pane replacements, fire pump replacement, emergency doors replacement, and elevator cab refinishing; 1724 F Street brick repointing, roof replacement, steam piping renewal, fire pump replacement, elevator cab refinishing. We commenced project with GSA contractor performing an

ADA compliance study for 1724 F Street that will include the proper disability accommodations for this facility. We acquired, renovated and outfitted space at 1800 G Street for standup of the 301 Exclusion Process Team, included design of space, office outfit, IT network installation, and space renovations. We also rearranged space in Winder and 1724 F Street to accommodate staffing.

- ***Information Technology and Communications Management.*** USTR IT staff provided virtually 24x7 support as agency went to max telework posture overnight in March, enabling the agency mission performance to continue uninterrupted. IT staff supported more than 2000 VTCs since the pandemic began. At the same time, we completed the upgrade of USTR's internet connectivity from 10 mb to 1 gig, which will provide substantial enhancements to video conferencing and physical access control system responsiveness. In addition, we reevaluated functions and duties of IT staff to better align staff with needs of offices and employees; coordinated with White House Information Technology to continue necessary technology upgrades for Geneva office; and upgraded the Winder conference room to the latest Polycom System capabilities that provides for integration with all other VTC technology, an essential functionality now critical due to the pandemic. We also developed and managed the Salesforce application to track and report requests from private sector companies on exclusions from 301 import tariffs; significantly improved process over the Regulations.gov application.
- ***Human Capital Management.*** USTR Human Resources staff moved ahead at best speed under pandemic restrictions to implement the USMCA enforcement supplemental appropriations, including: hired environment/labor trade policy analysts and attorneys to support effort; brought on board three environmental detailees; developed and submitted spending plans to Congress; State Department request (NSDD-38) for MX Embassy staffing approved; worked with MX Embassy to house USTR staff; established staffing contract for potential supplemental use. We provided guidance and instructions on the performance management process; ensured SES Performance Plans were compliant with OPM's new government-wide SES Performance Management System, and that each plan was structured to assess SES members' achievements as related to USTR goals/objectives. We completed transition of non-SES to web-based USAPerformance system. For Non-SES, we achieved timely appraisals from all rating officials; for the third time, met completion goals and timely payout of performance awards. Human Resources staff made a significant number of training opportunities available to staff during the pandemic, i.e. supervisory skills; negotiations and international trade, and writing skills. We provided HR technical support and expertise to managers and employees in handling employee relations, performance, and conduct issues, including ensuring observation of laws and policies. We extensively revised work hours and telework policies to fit COVID-19 environment. We developed USTR's first attorney bar dues payment policy. We counseled managers regarding performance issues with employees, and employees regarding performance and attendance issues. We effectively handled a number of highly sensitive personnel matters. We provided guidance and information to managers and employees on such matters as: position classification and position management, pay administration, leave administration, and accessibility accommodations. We worked closely with employees and OA Accommodations to provide necessary office furniture and IT assets for three employees. We expedited numerous hiring/onboarding actions, including unprecedented number of rehired annuitant consultants, consultants, temporary detailees and contractors from three staffing contracts in support of the 301 Exclusion Process. We continued hiring efforts that began at the beginning of the Administration to build an effective workforce; and worked collaboratively with USTR offices and OA/HRD with innovative hiring strategies such as shared certificates and the new Trade Policy Research Coordinator position.

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
CERT.....	COOP Emergency Response Team
CBERA.....	Caribbean Basin Economic Recovery Act
CBI.....	Caribbean Basin Initiative
CFTA.....	Canada Free Trade Agreement
CFIUS.....	Committee on Foreign Investment in the United States
CITEL.....	Telecommunications division of the OAS
COMESA.....	Common Market for Eastern & Southern Africa
CSC.....	Capital Sharing Cost
COOP.....	Continuity of Operations
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
ERB.....	Executive Resources Board
EU.....	European Union
FIRRMA.....	Foreign Investment Risk Review Modernization Act
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
GSA.....	General Services Administration
GSP.....	Generalized System of Preferences
ICASS.....	International Cooperative Administrative Support Services (cost allocations by State Department for services rendered)
HLWG.....	U.S.-EU High Level Working Group on Jobs and Growth
IFI.....	International Financial Institutions
ILO.....	International Labor Organization
IPR.....	Trade in Services Agreement
TiSA.....	Trade in Service Agreement
ICTIME (the “Center”).....	Interagency Center on Trade Implementation, Monitoring, and Enforcement
ITA.....	Information Technology Agreement
ITC.....	Information and Communication Technology
ITEC.....	Interagency Trade Enforcement Center
JCCT.....	U.S.-China Joint Commission on Commerce and Trade
LDBDC.....	Least Developed Beneficiary Developing Country
MAI.....	Multilateral Agreement on Investment
MENA.....	Middle East and North Africa
MERCOSUL/MERCOSUR.....	Southern Common Market
MFA.....	Multifiber Arrangement
MFN.....	Most Favored Nation
MOSS.....	Market-Oriented, Sector-Selective
MOU.....	Memorandum of Understanding
MRA.....	Mutual Recognition Agreement
NAFTA.....	North American Free Trade Agreement
NEC.....	National Economic Council
NEI.....	National Export Initiative
NGO.....	Non-Governmental Organization
NIS.....	Newly Independent States
NSC.....	National Security Council
NTE.....	National Trade Estimates
NTR.....	Normal Trade Relations

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.S.-China Strategic and Economic Dialogue
SACU.....	Southern African Customs Union
SADC.....	Southern African Development Community
SES.....	Senior Executive Service
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
TPC.....	Trade Policy Committee
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
USMCA.....	U.S. Mexico Canada Agreement
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