

VI. TRADE POLICY DEVELOPMENT

A. Trade Capacity Building (“Aid for Trade”)

The President’s approach to global development, as outlined in the U.S. global development policy released on September 22, 2010, addresses the new strategic context faced by the United States through the following three pillars:

- A policy focused on sustainable development outcomes that places a premium on broad-based economic growth, democratic governance, game-changing innovations, and systems for meeting basic human needs;
- A new operational model that positions the United States to be a more effective partner and to leverage U.S. leadership; and
- A modern architecture that elevates development and harnesses development capabilities spread across the U.S. Government in support of common objectives – including a deliberate effort to leverage the engagement of and collaboration with other donors, foundations, the private sector, and NGOs – not just at the project level, but systemically.

USTR participated actively in the preparation of this strategy and remains active in its implementation. USTR has continued to work closely with the U.S. Department of State, USAID, MCC, U.S. Department of Agriculture, and other U.S. Government agencies to support countries in their capacity to trade, as described in this section.

Trade policy and development assistance are key tools that together can help alleviate poverty and improve opportunities. Through “Aid for Trade,” the United States focuses on giving countries – particularly the least trade-active – the training and technical assistance needed to (1) make decisions about the benefits of trade arrangements and reforms; (2) implement their obligations to bring certainty to their trade regimes; and (3) enhance these countries’ ability to take advantage of the opportunities of the multilateral trading system and compete in a global economy. Accordingly, U.S. assistance addresses a broad range of issues so that communities, rural areas, and small businesses, including female entrepreneurs, benefit from ambitious reforms in trade rules that are being negotiated in the WTO and in other trade fora.

An important element of this work involves coordinating U.S. Government technical assistance activities with those of international institutions in order to identify and take advantage of donor synergies in programming and avoid duplication. Such institutions include the WTO, the World Bank, the IMF, the regional development banks, and the United Nations. The United States, led by USTR at the WTO and by the U.S. Department of the Treasury at various international financial bodies, works in partnership with these institutions and other donors to ensure that, where appropriate, trade-related assistance is an integral component of development programs tailored to the circumstances within each developing country.

U.S. efforts build on our longstanding commitment to help partner countries benefit from the opportunities provided by the global trading system, both through bilateral assistance and multilateral institutions. U.S. bilateral assistance includes programs such as targeted assistance for developing countries participating in U.S. preference programs; coordination of assistance through Trade and Investment Framework Agreements (TIFAs); trade capacity building (TCB) working groups that are an integral part of preparing developing country partners for potential negotiations on Free Trade Agreements (FTAs); and Committees on TCB created to aid in the negotiation and/or implementation of a number of FTAs, including the FTAs

with the Dominican Republic and Central America, Colombia, Panama, and Peru, and for some partners in the ongoing Trans-Pacific Partnership negotiations. The United States also provides bilateral assistance to developing countries to enable them to work with the private sector and nongovernmental organizations to transition to a more open economy, to prepare for WTO negotiations, and to abide by their trade obligations. Multilaterally, the United States has supported and will continue to support trade-specific assistance mechanisms like the Enhanced Integrated Framework for Trade-Related Assistance to Least-Developed Countries and the WTO's Global Trust Fund for Trade-Related Technical Assistance.

1. The Enhanced Integrated Framework

The Enhanced Integrated Framework for Trade-Related Assistance to Least-Developed Countries (EIF) is a multi-organization, multi-donor program that operates as a coordination mechanism for trade-related assistance exclusively to least-developed countries (LDCs), with the overall objective of integrating trade into national development plans. Participating organizations include the WTO, World Bank, IMF, UNCTAD, UNDP, UNIDO, and the International Trade Center. The mechanism incorporates a country-specific diagnostic assessment, called the Diagnostic Trade Integration Study (DTIS), which aims to identify constraints to competitiveness, supply chain weaknesses, and sectors of greatest growth and/or export potential. The DTIS includes an action plan, consisting of a list of priority reforms identified by the DTIS, which is offered to multilateral and bilateral donors. Project design and implementation can be accomplished through the resources of the EIF Trust Fund or through multilateral or bilateral donor programs in the field (as the United States does through its development assistance programs).

The EIF aims to further the integration of the least trade-active countries into the multilateral trading system. Fifty countries have been engaged with the EIF, including three countries that have graduated from LDC status – Cabo Verde, Maldives, and Samoa. As of December 2014, a total of 131 projects, including 41 DTIS and DTIS updates, were already under way in 46 countries. The EIF is supported by 23 donors. Institutionally, the EIF is overseen by a Board of Directors, composed of donor countries, LDCs, and participating international organizations. The EIF Secretariat, led by an executive director, is responsible for programmatic implementation, while the EIF Trust Fund Manager is responsible for financial aspects of the program.

The United States supports the EIF primarily through complementary bilateral assistance to EIF participating countries. USAID bilateral assistance to LDC participants supports initiatives both to integrate trade into national economic and development strategies and to address high priority capacity building needs designed to accelerate integration into the global trading system.

The current mandate of the EIF expires December 2015. It was decided, at the Ninth Ministerial Conference in Bali that an evaluation should be undertaken in 2014 to provide an independent, systematic, and objective assessment of the implementation of the EIF program, with a particular focus on the results and impact achieved by the program over the past five years. The evaluation findings were issued in November 2014 and can be accessed on the WTO's website. The EIF Steering Committee decided in December 2014 to extend the mandate of the program into a second phase, subject to agreement on the scope and modalities for the new phase (which will be discussed in early 2015).

2. World Trade Organization-Related U.S. Trade-Related Assistance

International trade can play a major role in the promotion of economic growth and the alleviation of poverty. WTO Members recognize that TCB can facilitate effective integration of developing countries into the international trading system and enable them to benefit further from global trade. The United States

provides leadership in promoting trade and economic growth in developing countries through a wide range of TCB activities. The United States also directly supports the WTO's trade-related technical assistance.

Global Trust Fund

The United States supports the trade-related assistance activities of the WTO Secretariat through voluntary contributions to the DDA Global Trust Fund. With an additional contribution of \$1 million in September 2014, total U.S. contributions for WTO technical assistance have amounted to over \$15 million since 2001. In 2014, the United States urged the Secretariat, in administering the funds, to devote particular attention to responding to requests for assistance from those developing country members working to implement the Trade Facilitation Agreement.

WTO's Aid for Trade Initiative

The WTO's 2005 Hong Kong Ministerial Declaration created a new WTO framework to discuss and prioritize Aid for Trade. In 2006, the Aid for Trade Task Force was created to operationalize Aid for Trade efforts and offer recommendations to improve the efficacy and efficiency of these efforts among WTO Members and other international organizations. The United States continues to be an active partner in the Aid for Trade discussion.

WTO and Trade Facilitation

The United States has provided substantial assistance over the years in the areas of customs and trade facilitation and remains committed to continued support in light of the WTO Trade Facilitation Agreement agreed at the Ninth WTO Ministerial Conference in Bali in December 2013. Following conclusion of the TFA negotiations, U.S. assistance helped prepare a number of countries to understand and implement the TFA. USAID supported over 27 countries in conducting WTO Trade Facilitation Needs assessments. In Nigeria, Vietnam, and Central America, for example, U.S. missions conducted workshops focused on implementation of the WTO TFA. Nineteen countries have also received U.S. assistance under the continuing Partnership for Trade Facilitation. Recent results of those efforts include the completion in Burma, Mozambique, and the Philippines of trade portals to make information on trade procedures and processes transparent and available.

WTO Accession

The United States provides technical support to countries that are in the process of acceding to the WTO. In 2014, WTO accession assistance was specifically provided to Afghanistan, Kazakhstan, Laos, and Turkmenistan. Among current accession applicants, Algeria, Belarus, Ethiopia, Iraq, Lebanon, Serbia, and Uzbekistan also received U.S. technical assistance earlier in their accession processes. Ukraine, Tajikistan, and Georgia also continue to receive assistance with implementing their membership commitments.

3. TCB Initiatives for Africa

Through bilateral and multilateral channels, the United States has invested more than \$5.2 billion in trade-related projects in sub-Saharan Africa since 2001 to spur economic growth and fight poverty.

Africa Competitiveness and Trade Expansion Initiative

Since 2011, the African Competitiveness and Trade Expansion (ACTE) Initiative has been the centerpiece of U.S. support for building trade capacity in Africa. The four-year initiative has provided \$120 million to

improve Africa's capacity to produce and export competitive, value-added products, including those that can enter the United States duty free under the African Growth and Opportunity Act (AGOA), and to address supply-side constraints that impede African trade. ACTE has supported the work of three regional trade hubs, helped drive economic development in African countries, and enhanced trade opportunities for Africans and Americans alike.

During the August 2014 African Leaders Summit (ALS) President Obama stated that the U.S. Government will be increasing its support for building trade and investment capacity in Africa. Through the African Competitiveness and Trade Expansion (ACTE) Initiative the Administration committed to provide \$30 million per year for FY 2012 through FY 2015 to improve Africa's capacity to produce and export competitive, value-added products, including those that can enter the United States duty free under AGOA, and to address supply-side constraints that impede African trade. ACTE has supported the work of three regional trade hubs in the east, west and southern Africa, and helped enhance trade opportunities for Africans and Americans alike. The Administration has now committed to increase its commitment to trade and investment capacity building in the region to \$75 million annually for FY 2015 and FY 2016. Also, on the eve of the ALS in August 2014, President Obama issued a Presidential Memorandum that established an interagency Trade and Investment Capacity Building Steering Group tasked with providing him recommendations for the coordinated, strategic use of U.S. Government programs aimed at supporting trade and investment capacity building efforts in sub-Saharan Africa. *(For additional information, please see Section III on Sub-Saharan Africa).*

Assistance to West African Cotton Producers

Since 2005, the United States has mobilized its development agencies to help the West African countries of Benin, Burkina Faso, Chad, Mali, and Senegal address obstacles they face in the cotton sector. The MCC, USAID, USDA, and the U.S. Trade and Development Agency continued to work with these nations as they sought to improve prospects in the cotton sector.

A key element in U.S. assistance to the cotton sector in West Africa has been USAID's West Africa Cotton Improvement Program (WACIP) which was implemented from December 2006 to November 2013. The program aimed to improve the production and marketing of cotton in five countries: Benin, Burkina Faso, Chad, Mali, and Senegal.

WACIP activities focused on the dissemination of good agricultural practices, integrated pest management and integrated soil fertility management. The project demonstrated that, if the appropriate agricultural techniques are applied, a farmer's income can increase by more than 45 percent. By the end of the project, WACIP's interventions resulted in increased yields for seed cotton (by 16 percent), maize (14 percent) and leguminous crops (over 50 percent). Returns per hectare for seed cotton (by 78 percent), maize (45 percent) and leguminous crops (over 150 percent) also increased for WACIP-supported farms. In order to link textile artisans to markets, WACIP and its implementing partner, Aid to Artisans, worked with 30 groups, representing 3,000 artisans, to design and market 1,100 new products for national, regional and international markets. This resulted in total sales of nearly \$2 million.

With the close of WACIP, USAID has created the West Africa Cotton Partnership Project (WACPP) as a four-year activity with the goal of increasing food security, through increased incomes for male and female cotton producers and processors in targeted areas of C-4 countries of Benin, Burkina Faso, Chad, and Mali. WACPP will support regional and national institutions and organizations (public and private) that prioritize smallholder cotton farmers.

The U.S. Government also provides complementary support to the cotton sector through other programs. MCC is implementing or has implemented compacts with Benin, Burkina Faso, Mali, and Senegal. The USDA also provides support to these countries through its Food for Progress program, which encourages development of the agriculture sector and market development. USDA further supports the West African cotton sector through its research and exchange programs, specifically the Borlaug Programs and the Cochran Program.

4. Free Trade Agreements

In addition to the WTO programs, the United States helps U.S. FTA partners implement commitments, and benefit over the long term through TCB working groups and other FTA-related projects. The U.S. and FTA partners have held TCB Committee meetings to prioritize and coordinate TCB activities during the transition and implementation periods once an FTA enters into force. USAID and USDA, in Washington and in their field missions, along with a number of other U.S. Government assistance providers actively participate in these working groups and committees so that identified TCB needs can be quickly and efficiently incorporated into ongoing regional and country assistance programs. The Committees on TCB also invite non-governmental organizations, representatives from the private sector, and international institutions to join in building the trade capacity of the countries in each region.

USTR works closely with USAID, the U.S. Department of State, and other agencies to track and guide the delivery of TCB assistance related to FTA commitments. Trade capacity building programs and planning in other areas continued throughout 2014. For example, the U.S. Agency for International Development (USAID) and other donors, including U.S. agencies such as the U.S. Departments of Agriculture, State, and Commerce, carried out bilateral and regional projects with the CAFTA-DR partner countries. The United States also works closely on a number of environmental cooperation programs that support implementation of the environment obligations in our trade agreements (*for additional information, please refer to the individual country, region, and environment -specific sections of this report*).

5. Standards Alliance

In November 2012, the United States launched a new U.S.-sponsored assistance facility called the “Standards Alliance” with the goal of building capacity among developing countries to implement the WTO Agreement on Technical Barriers to Trade (TBT Agreement). The Standards Alliance, initiated as a result of collaboration between USTR and USAID, provides resources and expertise to enable developing countries to strengthen implementation of the TBT Agreement. The focus of these efforts in developing countries is guided by USTR, and includes efforts: to improve practices related to notification of technical regulations and conformity assessment procedures to the WTO; to strengthen domestic practices related to adopting relevant international standards; and to clarify and streamline regulatory processes for products. This program aims to reduce the costs and bureaucratic hurdles U.S. exporters face in foreign markets and increase the competitiveness of U.S. products, particularly in developing markets.

In May 2013, USAID and the American National Standards Institute (ANSI) entered into a public-private partnership that will coordinate private sector subject matter experts from ANSI member organizations in the delivery of training and other technical exchange with interested Standards Alliance countries on international standards and best practices. In coordination with USTR, the USAID-ANSI partnership will include activities in up to 10 markets representing a variety of geographical regions and levels of economic development. In consultation with TPSC member agencies and private sector experts, ANSI reviewed the applications received based on consideration of bilateral trade opportunities, available private sector expertise that may be leveraged, demonstrated commitment and readiness for assistance, and potential development impact. Participating countries/regions for the first year include: Central America (CAFTA-

DR, Panama), Colombia, the East African Community, Indonesia, Middle East/North Africa, Peru, Southern Africa Development Community, developing ASEAN members, and Yemen.

The highlights of Standards Alliance programming in 2014 include work to develop a uniform plumbing code in Indonesia, an August 2014 workshop with the East African Community on electronic notification systems and public consultation, an October 2014 workshop on the use of regulatory impact analysis held in Peru, and a two-day conference on good regulatory practice held in Mexico in December 2014.

B. Public Input and Transparency

The Obama Administration has broadened opportunities for public input and increased the transparency of trade policy through initiatives carried out by USTR's Office of Intergovernmental Affairs and Public Engagement (IAPE). IAPE works with USTR's Office of Public and Media Affairs and with regional and functional offices across the agency to ensure that timely trade information is available to the public and disseminated widely to stakeholders. This is accomplished in part via USTR's interactive website; online postings of *Federal Register* Notices soliciting public comment and input and publicizing Trade Policy Staff Committee (TPSC) public hearings; increasing transparency in all trade negotiations; managing the agency's outreach and engagement to a diverse set of all stakeholder sectors including small and medium-sized businesses, agriculture groups, environmental organizations, industry groups, labor unions, consumer advocacy groups, non-governmental organizations, academia, think tanks, trade associations, and State and local Governments; and advocating the President's robust trade agenda to audiences at major domestic trade events and conferences. In addition to public outreach, IAPE is responsible for administering USTR's statutory advisory committee system created by the U.S. Congress under the Trade Act of 1974 as amended, as well as facilitating consultations with State and local Governments regarding the President's trade priorities and the status of current trade negotiations which may impact them. Each of these elements is discussed in turn below.

1. Public Outreach

***Federal Register* Notices Seeking Public Input/Comments Now Available Online for Inspection**

Throughout 2014, USTR issued *Federal Register* Notices online to solicit public comment and held public hearings at USTR regarding a wide array of trade policy initiatives. Public comments received in response to *Federal Register* Notices are available for inspection online at <http://www.regulations.gov>. Some examples of trade policy initiatives for which USTR has sought public comment during 2014 include the following:

- **Environmental Goods Agreement (EGA):** In March 2014, USTR formally notified Congress of the Obama Administration's intent to enter into negotiations for a new trade agreement in the WTO aimed at eliminating tariffs on a wide range of environmental goods, such as solar water heaters and wind turbines. The agreement builds on U.S. leadership in the Asia-Pacific Economic Cooperation (APEC) forum on environmental goods, and maintains momentum in the WTO. The EGA negotiations include the world's largest traders of environmental goods, including China and the European Union, together accounting for over 86 percent of the \$1 trillion environmental technologies market. In June 2014, as part of the 90 day consultation period with Congress and the public, USTR hosted a public hearing to solicit comments on negotiating objectives and product coverage for the EGA.

Policy Initiatives to Increase Transparency

USTR continues to take steps in specific issue areas to increase transparency and augment opportunities for public input. For example:

- **Transparency in Trans-Pacific Partnership Negotiations:** USTR worked with each TPP partner to plan events as part of negotiating rounds that were open to registered stakeholder participation. These events included briefings from chief negotiators and provided multiple opportunities to provide input into the negotiations, including those with respect to chapters addressing environment, tobacco, investment, pharmaceuticals, and intellectual property. In addition, USTR created opportunities for the public and other interested stakeholders to receive real-time, detailed briefings from senior USTR officials and technical leads of the TPP negotiations at the conclusion of negotiating rounds.
- **Inclusion of Stakeholders in the Transatlantic Trade and Investment Partnership (T-TIP) Negotiations:** Stakeholder engagement events are an important opportunity for USTR and its trade negotiators to receive feedback on the ongoing talks, with the aim of ensuring the strongest possible outcomes for trade negotiations. In 2014, USTR hosted a stakeholder forum at every U.S. hosted round of the T-TIP. These events included over 350 global stakeholders at each forum. Stakeholders were invited to give presentations, engage with negotiators, and to attend briefings hosted by the U.S. and EU Chief Negotiators. This is in addition to telephone calls USTR has hosted with large public participation from across the country on key trade issues on a regular basis. USTR held additional stakeholder meetings specifically on issues related to the T-TIP on a regular basis.

Open Door Policy

USTR officials meet frequently with a broad array of stakeholders, including labor unions, environmental organizations, consumer groups, large and small businesses, public interest groups, State and local Governments, NGOs, think tanks, and universities to discuss specific trade policy issues, subject to negotiator availability and scheduling.

2. The Trade Advisory Committee System

The trade advisory committee system, established by the U.S. Congress in 1974, was created to ensure that U.S. trade policy and trade negotiating objectives adequately reflect U.S. public and private sector interests. The trade advisory committee system consists of 28 advisory committees, with a total membership of up to approximately 700 advisors. It includes committees representing labor, environment, industry, agriculture, state and local interests. IAPE manages the system, in cooperation with the U.S. Departments of Agriculture, Commerce, and Labor, respectively.

The trade advisory committees provide information and advice on U.S. negotiating objectives, the operation of trade agreements, and other matters arising in connection with the development, implementation, and administration of U.S. trade policy.

The system is arranged in 3 tiers: the President's Advisory Committee for Trade Policy and Negotiations (ACTPN); 5 policy advisory committees dealing with environment, labor, agriculture, Africa, and state and local issues; and 22 technical advisory committees in the areas of industry and agriculture. Additional information on the advisory committees can be found on the USTR website at <https://ustr.gov/about-us/advisory-committees>.

In cooperation with the other agencies served by the advisory committees, USTR continues to look for ways to broaden the participation on committees to include a more diverse group of stakeholders, represent new interests, and fresh perspectives, and continues exploring ways to further expand representation while ensuring the committees remain effective.

In February 2014, USTR asked for public comments on its intent to create a public interest advisory committee to increase transparency and to provide a forum for experts in the fields of public health, consumer protection, and international development to provide input to our trade negotiators. USTR still is evaluating how to proceed. All public comments may be viewed online: <http://www.regulations.gov/#!documentDetail;D=USTR-2014-0005-0001>.

Recommendations for candidates for committee membership are collected from a number of sources, including members of the U.S. Congress, associations and organizations, publications, other Federal agencies, responses to *Federal Register* Notices, and self-nominated individuals who have demonstrated an interest in, and knowledge of, U.S. trade policy. Membership selection is based on qualifications, diversity of sectors represented and geography, and the needs of the specific committee to maintain a balance of the perspectives represented. Committee members are required to have a security clearance in order to serve and have access to confidential trade documents on a secure encrypted website. Committees meet regularly in Washington, D.C. to provide input and advice to USTR and other agencies. Members pay for their own travel and related expenses.

President's Advisory Committee on Trade Policy and Negotiations (ACTPN)

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

Members of ACTPN are appointed to represent a variety of interests including non-Federal Governments, environment, labor, agriculture, technology, small business, service industries, and retailers interests. A current roster of members and the interests they represent is available on the USTR website.

Policy Advisory Committees

Members of the five policy advisory committees are appointed by USTR or in conjunction with other Cabinet officers. 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 solely by USTR. Those policy advisory committees managed jointly with the U.S. Departments of Agriculture, and Labor are, respectively, the Agricultural Policy Advisory Committee (APAC), and the Labor Advisory Committee for Trade Negotiations and Trade Policy (LAC). Each committee provides advice based upon the perspective of its specific area and its members are chosen to represent the diversity of interests in those areas. A list of all the members of the Committees and the diverse interests they represent is available on the USTR website.

APAC

The U.S. Secretary of Agriculture and the U.S. Trade Representative appoint members jointly. APAC members are appointed to represent a broad spectrum of agricultural interests including the interests of farmers, processors, renderers, retailers, and public advocacy from diverse sectors of agriculture, including fruits and vegetables, livestock, dairy, sweeteners, wine and tobacco. Members serve at the discretion of

the U.S. Secretary of Agriculture and the U.S. Trade Representative. The Committee consists of not more than 35 members.

IGPAC

The IGPAC consists of not more than 35 members appointed from, and representative of, the various States and other non-Federal Governmental entities within the jurisdiction of the United States. These entities include, but are not limited to, the executive and legislative branches of State, County, and Municipal Governments. Members may hold elective or appointive office. Members are appointed by, and serve at the discretion of, the U.S. Trade Representative.

LAC

The LAC consists of not more than 30 members from the U.S. labor community, appointed by the U.S. Trade Representative and the Secretary of Labor, acting jointly. Members represent unions from all sectors of the economy including steelworkers, farmers, automotive, aerospace, teachers, pilots, artists, machinists, service workers, and food and commercial workers. Members are appointed by, and serve at the discretion of, the U.S. Secretary of Labor and the U.S. Trade Representative.

TACA

TACA consists of not more than 30 members, including, but not limited to, representatives from industry, labor, investment, agriculture, services, academia, and non-profit development organizations. The members of the Committee are appointed to be broadly representative of key sectors and groups with an interest in trade and development in sub-Saharan Africa, including non-profit organizations, producers, and retailers. Members of the committee are appointed by, and serve at the discretion of, the U.S. Trade Representative.

TEPAC

TEPAC consists of not more than 35 members, including, but not limited to, representatives from environmental interest groups, industry, services, academia, and non-Federal Governments. The Committee is designed to be broadly representative of key sectors and groups of the economy with an interest in trade and environmental policy issues. Members of the Committee are appointed by, and serve at the discretion of, the U.S. Trade Representative.

Technical and Sectoral Committees

The 22 technical and sectoral advisory committees are organized into 2 areas: agriculture and industry. Representatives are appointed jointly by the U.S. Trade Representative and the U.S. Secretaries of Agriculture and Commerce, respectively. Each sectoral or technical committee represents a specific sector, commodity group, or functional area and provides specific technical advice concerning the effect that trade policy decisions may have on its sector or issue.

Agricultural Technical Advisory Committees (ATACs)

There are six ATACs, focusing on the following products: Animals and Animal Products; Fruits and Vegetables; Grains, Feed, Oilseeds, and Planting Seeds; Processed Foods; Sweeteners and Sweetener Products; and Tobacco, Cotton, and Peanuts. Members of each Committee are appointed by, and serve at the pleasure of, the U.S. Secretary of Agriculture and the U.S. Trade Representative. Each of the committees consists of not more than 35 members. Members must represent a U.S. entity with an interest

in agricultural trade and should have expertise and knowledge of agricultural trade as it relates to policy and commodity-specific products. In appointing members to the committees, balance is achieved and maintained by assuring that the members appointed represent industries and other entities across the range of interests which will be directly affected by the trade policies of concern to the committee (for example, farm producers, farm and commodity organizations, processors, traders, and consumers). Geographical balance on each committee will also be sought. A list of all the members of the committees and the diverse interests they represent is available on the U.S. Department of Agriculture website: <http://www.fas.usda.gov/topics/trade-policy/trade-advisory-committees>.

Industry Trade Advisory Committees (ITACs)

There are 16 industry trade advisory committees (ITACs). These committees are: Aerospace Equipment (ITAC 1); Automotive Equipment and Capital Goods (ITAC 2); Chemicals, Pharmaceuticals, Health/Science Products and Services (ITAC 3); Consumer Goods (ITAC 4); Distribution Services (ITAC 5); Energy and Energy Services (ITAC 6); Forest Products (ITAC 7); Information and Communication Technologies Services and Electronic Commerce (ITAC 8); Non-Ferrous Metals and Building Materials (ITAC 9); Services and Finance Industries (ITAC 10); Small and Minority Business (ITAC 11); Steel (ITAC 12); Textiles and Clothing (ITAC 13); Customs Matters and Trade Facilitation (ITAC 14); Intellectual Property Rights (ITAC 15); and Standards and Technical Trade Barriers (ITAC 16).

The ITAC Committee of Chairs was established to coordinate the work of the 16 ITAC committees and advise the U.S. Secretary of Commerce and the U.S. Trade Representative concerning the trade matters of common interest to the 16 ITACs. Members of this committee are the elected chairs from each of the 16 ITACs.

Members of the ITACs are appointed jointly by the U.S. Secretary of Commerce and the U.S. Trade Representative and serve at their discretion. Each of the Committees consists of not more than 50 members representing sectors including, but not limited to labor, manufacturers, exporters, importers, service providers, producers, small and large business. Committee members should have knowledge and experience in their industry or interest area, and represent a U.S. entity that has an interest in trade matters related to the sectors or subject matters of concern to the individual committees. In appointing members to the Committees, balance is achieved and maintained by assuring that the members appointed represent industries and other U.S. entities across the range of interests in that sector, commodity group, or functional area which will be directly affected by the trade policies of concern to the Committee. A list of all the members of the Committees and the diverse interests they represent is available on the U.S. Department of Commerce website: <http://ita.doc.gov/itac/>.

3. State and Local Government Relations

USTR maintains consultative procedures between Federal trade officials and State and local Governments. USTR's Office of IAPE informs the states, on an ongoing basis, of trade-related matters that directly relate to or may indirectly affect them. This is accomplished through a number of mechanisms, detailed below.

State Point of Contact System and IGPAC

State Points of Contact

For day-to-day communications, pursuant to the NAFTA and Uruguay Round implementing legislation and Statements of Administrative Action, USTR created a State Single Point of Contact (SPOC) system. The Governor's office in each state designates a single contact point to disseminate information received from USTR to relevant state and local offices and assist in relaying specific information and advice from the states to USTR on trade-related matters. USTR has worked with this point of contact, as well as the Governor's representative in Washington, D.C. to regularly update through formalized briefings, calls, and working with state organizations and associations. Governors' staff receive USTR press releases, *Federal Register* Notices, and other pertinent information.

The SPOC network ensures that State Governments are promptly informed of Administration trade initiatives and it also enables USTR to consult with states and localities directly on trade matters which may affect them. SPOCs regularly receive USTR press releases, *Federal Register* Notices, and other pertinent information. USTR convenes a regular monthly conference call for SPOCs and members of the Intergovernmental Policy Advisory Committee (IGPAC) to keep State and local Governments apprised of timely trade developments of interest.

Intergovernmental Policy Advisory Committee

IGPAC makes recommendations to USTR and the Administration on trade policy matters from the perspective of State and local Governments. In 2014, IGPAC was briefed and consulted on trade priorities of interest to states and localities, including: the Trans-Pacific Partnership; the Trans-Atlantic Trade and Investment Partnership; the Trade in Services Agreement; and other matters.

Meetings of State and Local Associations

USTR officials frequently participate in meetings of State and local Government associations to apprise them of relevant trade policy issues and solicit their views. USTR senior officials have met with the National Governors' Association, regional governors' associations such as the Council of Great Lakes Governors, the National Conference of State Legislatures, and other state commissions and organizations. Additionally, USTR officials have addressed gatherings of state and local officials and port authorities around the country.

Consultations Regarding Specific Trade Issues

USTR initiates consultations with particular states and localities on issues arising under the WTO and other U.S. trade agreements and frequently responds to requests for information from State and local Governments. Topics of interest included the negotiations of the Trans-Pacific Partnership, the Trade in Services Agreement and the Transatlantic Trade and Investment Partnership and implementation of approved trade agreements with Colombia and South Korea, the application of the WTO Government Procurement Agreement, General Agreement on Trade in Services issues, enforcement of trade agreements, and consultations with individual states regarding applicable trade remedy investigations.

C. Policy Coordination and Freedom of Information Act

The U.S. Trade Representative has primary responsibility, with the advice of the interagency trade policy organization, for developing and coordinating the implementation of U.S. trade policy, including on

commodity matters (*e.g.*, coffee and rubber) and, to the extent they are related to trade, direct investment matters. Under the Trade Expansion Act of 1962, the U.S. Congress established an interagency trade policy mechanism to assist with the implementation of these responsibilities. This organization, as it has evolved, consists of three tiers of committees that constitute the principal mechanism for developing and coordinating U.S. Government positions on international trade and trade-related investment issues.

The Trade Policy Review Group (TPRG) and the Trade Policy Staff Committee (TPSC), administered and chaired by USTR, are the subcabinet interagency trade policy coordination groups that are central to this process. The TPSC is the first-line operating group, with representation at the senior civil servant level. Supporting the TPSC are more than 80 subcommittees responsible for specialized issues. The TPSC regularly seeks advice from the public on its policy decisions and negotiations through *Federal Register* Notices and public hearings. In 2014, the TPSC held public hearings regarding U.S. negotiation objectives for an Environmental Goods Agreement in the WTO (June 2014), China's Compliance with its WTO Commitments (October 2014), and Russia's Implementation of the WTO Commitments (October 2014).

Through the interagency process, USTR requests input and analysis from members of the appropriate TPSC subcommittee or task force. The conclusions and recommendations of this group are then presented to the full TPSC and serve as the basis for reaching interagency consensus. If agreement is not reached in the TPSC, or if particularly significant policy questions are being considered, issues are referred to the TPRG (Deputy USTR/Under Secretary level) or to the Deputies Committee of the National Security Council/National Economic Council. Issues of the greatest importance move to the Principals Committee of the NSC/NEC for resolution by the Cabinet, with or without the President in attendance.

Member agencies of the TPSC and the TPRG consist of the U.S. Departments of Commerce, Agriculture, State, Treasury, Labor, Justice, Defense, Interior, Transportation, Energy, Health and Human Services, Homeland Security, the Environmental Protection Agency, the Office of Management and Budget, the Council of Economic Advisers, the Council on Environmental Quality, the U.S. Agency for International Development, the Small Business Administration, the National Economic Council, and the National Security Council. The U.S. International Trade Commission is a non-voting member of the TPSC and an observer at TPRG meetings. Representatives of other agencies also may be invited to attend meetings depending on the specific issues discussed.

The Office of the U.S. Trade Representative is subject to The Freedom of Information Act (FOIA). Details of the program are available on the USTR website at <http://www.ustr.gov/about-us/reading-room/freedom-information-act-foia>. USTR received 66 new FOIA requests in 2014 and processed 71. USTR continues to raise the bar as to responsiveness, efficiency, and transparency in its administration of the FOIA.