

# **Executive Office of the President**



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

**Fiscal Year 2020 Budget**

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

**Salaries and Expenses**

**Resource Estimates Fiscal Year 2020**

**Congressional Budget Submission**

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# **FY 2020 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) 2020, the funding requirement for the Office of the United States Trade Representative is \$69.0 million, supporting a full-time equivalent (FTE) level of 284. This topline includes \$59.0 million available directly to USTR and \$10.0 million allocated through the Trade Enforcement Trust Fund (TETF). This request is (\$3,600,000) or (5%) below the FY 2019 estimated appropriation of \$72,600,000 provided by the annualized continuing resolution. The proposed staffing level for FY 2020 of 284 is an increase of four (4) FTEs above the FY 2019 estimated level of 280 FTE.

At this level, the budget will enable USTR to continue effectively leading President Trump's ambitious trade agenda by: (1) adopting trade policies that support our national security; (2) strengthening the U.S. economy; (3) negotiating better trade deals that work for all Americans; (4) enforcing U.S. trade laws and U.S. rights under existing trade agreements; and (5) reforming the multilateral trading system.

To achieve these key objectives, the Administration is undertaking a number of challenging and demanding trade tasks simultaneously. The Administration is urging Congress to approve the United States-Mexico-Canada Agreement (USMCA) – a new trade regime for North America that will treat American workers and businesses much better than the outdated NAFTA. The Administration continues to press China to address long-standing U.S. concerns about unfair practices in that country. The Administration is also launching new trade negotiations with Japan, the European Union, and the United Kingdom -- and potentially other countries as opportunities present themselves -- to upgrade and adjust U.S. trade policy to the realities of the 21<sup>st</sup> century economy.

Each of these trade agreement negotiations is resource intensive, requiring highly capable trade policy analysts and trade attorneys meeting aggressive time schedules both in the U.S. and overseas. Geographical offices as well as functional offices require staffing increases to conduct concurrent trade negotiations, and USTR currently expects eight hosted trade negotiating rounds in FY 2020.

These resources will also allow USTR to fulfill the Administration's trade agenda by vigorously monitoring and enforcing trade policy. The Administration will continue to monitor unfair trade practices and receive input from American industry and labor to aggressively self-initiate trade litigation, consistent with U.S. law. In addition, the United States is subject to more defensive legal actions at the World Trade Organization (WTO) than any other nation. Currently, USTR is pursuing 18 offensive disputes at the WTO, defending the United States in 32 disputes, and is a third party in another 20 disputes.

Congress created the TETF to support trade enforcement efforts by USTR and the interagency, such as monitoring trade agreement implementation, enforcing WTO and FTA obligations, and capacity-building in partner countries. Per section 611(d)(1) of the Trade Facilitation and Trade Enforcement Act of 2015, USTR can transfer funding in the TETF to other agencies where lawful and appropriate. USTR collaborated with OMB to propose language in the FY2020 Budget that will fix ongoing technical issues with the TETF that prevent the Fund from functioning as intended.

The Administration is committed to ensuring that CFIUS agencies have the resources needed to meet current and evolving challenges and to effectively implement the Foreign Investment Risk Review Modernization Act (FIRRMA). To this end, this request includes \$1.1 million specifically for FIRRMA implementation within the USTR topline of \$69.0 million.

## **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.

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

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

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

The private sector advisory committee system consists of 28 advisory committees, with a significant number of advisors. The system is arranged in three tiers: the President's Advisory Committee for Trade Policy and Negotiations (ACTPN); five policy advisory committees; and 22 technical, sectoral, and functional advisory committees. The President appoints 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**

*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, \$59,000,000 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, \$10,000,000, 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 2020 BUDGET REQUEST**

FY 2019 estimates reflect annualized continuing resolution

(in thousands of dollars)

	FY 2018 Enacted	FY 2019 Estimate	FY 2020 Request	FY19/FY20 Difference
USTR Direct Appropriation	57,600	57,600	59,000	1,400
Trade Enforcement Trust Fund (TETF)	15,000	15,000	10,000	-5,000

**FTE Levels by Fiscal Year**

	FY 2018 Actual	FY 2019 Estimate	FY 2020 Request	FY19/FY20 Difference
FTE	243	280	284	4



# SUMMARY OF RESOURCE REQUIREMENTS

## OBLIGATIONS BY OBJECT CLASSIFICATION

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

	FY 2018	FY 2019	FY 2020	FY19/FY20
	Actual	Estimate	Request	Difference
Personnel Compensation & Benefits	45,721	53,853	54,505	652
Travel and Transportation of Persons	4,037	7,291	4,792	-2,499
Transportation of Things	1	2	0	-2
Comm., Utilities, & Misc. Charges	755	1,943	765	-1,178
Printing and Reproduction	175	219	208	-11
Other Contractual Services	6,418	8,015	7,618	-397
Supplies and Materials	785	981	932	-49
Official Reception and Representation	40	124	124	0
Equipment	193	172	56	-116
Land and Structures	2	0	0	0
Claims & Liabilities	4	0	0	0
Totals	58,130	72,600	69,000	-3,600

## ***Personnel Compensation and Benefits***

(in thousands of dollars)

FY 18 Actual	FY 2019 Estimate	FY 2020 Request	FY19/FY20 Difference
45,721	53,853	54,505	652

USTR's pursuit of multiple, simultaneous bilateral trade agreements and aggressive trade enforcement initiatives play a key role in executing the President's Trade Agenda. An increase in staffing is necessary to effectively accomplish USTR's missions. Sufficient staffing is critical to USTR's ability to simultaneously address critical trade enforcement matters and conduct bilateral trade negotiations.

## ***Travel and Transportation of Persons***

(in thousands of dollars)

FY 18 Actual	FY 2019 Estimate	FY 2020 Request	FY19/FY20 Difference
4,037	7,291	4,792	-2,499

Increased travel costs are consistent with executing the Administration's trade negotiations and enforcement agenda with greater efficiency. During FY 2020, USTR will continue bilateral trade negotiations that commenced during FY 2019 and may launch new bilateral negotiations. USTR has made progress in FY 2018 and FY 2019 to increase its staffing to strengthen its trade enforcement capability.

## ***Transportation of Things***

(in thousands of dollars)

FY 18 Actual	FY 2019 Estimate	FY 2020 Request	FY19/FY20 Difference
0	2	0	-2

Transportation of Things covers storage and courier costs.

## ***Communications, Utilities, and Miscellaneous Charges***

(in thousands of dollars)

FY 18 Actual	FY 2019 Estimate	FY 2020 Request	FY19/FY20 Difference)
755	1,943	765	-1,178

Communications, Utilities and Miscellaneous charges consist of those costs incurred for supporting USTR hosted trade negotiations, Geneva and Beijing offices, rental of our Ambassador's residence in Geneva, and overtime utilities in our Washington office. The requested funding is necessary to support bilateral

negotiations anticipated in FY 2020. U.S. hosted negotiations have logistical requirements including meeting room rentals at hotel/conference center venues and audio/visual needs. These incremental costs are reported here. Multiple trade negotiation rounds (estimate 8) will require the necessary resources to host the negotiations, an important component to the success of the President's trade agenda.

### ***Printing and Reproduction***

(in thousands of dollars)

FY 18 Actual	FY 2019 Estimate	FY 2020 Request	FY19/FY20 Difference
175	219	208	-11

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 18 Actual	FY 2019 Estimate	FY 2020 Request	FY19/FY20 Difference
6,418	8,015	7,618	-397

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.

Trade negotiations during FY 2020 will mean logistical support is required as the protocol of rotating hosting negotiations is continued. U.S. hosted negotiations will require that we contract outside security to ensure the safety of negotiators and safeguarding of sensitive and confidential talks at the hotel/conference centers where the meetings are held. These costs are reported here in our forecast.

## ***Supplies and Materials***

(in thousands of dollars)

FY 18 Actual	FY 2019 Estimate	FY 2020 Request	FY19/FY20 Difference
785	981	932	-49

Proprietary databases, subscriptions and diverse supplies. Corresponds to the support requirements for bilateral trade negotiations and additional requirements for trade research. This is normal protocol for all-day negotiations with our foreign government counterparts.

## ***Official Reception and Representation***

(in thousands of dollars)

FY 18 Actual	FY 2019 Estimate	FY 2020 Request	FY19/FY20 Difference
40	124	124	0

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

## ***Equipment***

(in thousands of dollars)

FY 18 Actual	FY 2019 Estimate	FY 2020 Request	FY19/FY1920 Difference
193	172	56	-116

Minimal costs for this category because the majority of office and facility investment projects were completed in prior fiscal years.

# FISCAL YEAR 2020 GOALS AND MEASUREMENTS

USTR's 2020 Annual Performance Goals and Measurements support the overarching Strategic Goals and Objectives drawn from its Strategic Plan.

## ***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:**

- 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.
- 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.
- 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.
- 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.

### **Measurements:**

- With all free trade agreement (FTA) partners, identify and work to address priority trade issues of U.S. stakeholders, including the elimination of barriers to U.S. exports.
- With all free trade agreement (FTA) partners, assess if FTAs would benefit from updating to reflect recently negotiated outcomes.
- Develop and implement initiatives to promote U.S. trade objectives and respond to tariff differentiation, alternative regulatory approaches, and other potential impacts to U.S. exporters resulting from other countries' trade policies and practices.
- Engage in negotiations to resolve specific agricultural bilateral trade concerns in key U.S. export markets to ensure U.S. exporters are treated fairly.

- Secure expanded access for U.S. food, agricultural and manufactured goods exports to key markets through resolution of trade-restrictive sanitary and phytosanitary and technical barriers.
- Negotiate equivalency agreements with countries that are key markets for U.S. organic exports, promoting increased exports of U.S. organic food and agriculture products.
- Provide leadership in international fora on science-based regulatory approaches to promote trade in products derived from agricultural biotechnology.
- Advance U.S. interests in the development and adoption of standards in the Codex Alimentarius Commission that facilitate trade in U.S. food and agricultural products.
- Provide leadership in international fora to ensure that resolutions, commitments, and other international initiatives support and protect the interests of U.S. food and agricultural producers and exporters.
- Advance the protection and enforcement of intellectual property rights, and related innovation issues, through bilateral engagements and the negotiation and implementation of trade agreements.
- Negotiate and implement mutual recognition agreements (MRAs) with select countries to facilitate U.S. exports of telecommunications equipment and pharmaceuticals.
- Work with trading partners and relevant U.S. agencies to maintain or expand acceptance of U.S. automotive safety standards in overseas markets.
- Continue to engage key trade partners and stakeholders on ways to improve labor standards abroad.
- Develop and continue initiatives to combat timber and wildlife trafficking and related corruption and to stem illegal trade in timber and wildlife and related products.
- Develop and continue initiatives to combat Illegal, Unreported, and Unregulated (IUU) fishing and seafood fraud, including working closely with NOAA on implementation of the seafood traceability rule.
- Partner with the Department of State, the Environmental Protection Agency, and other U.S. government agencies to ensure outcomes under environmental agreements and negotiations are consistent with U.S. trade policy.
- Provide policy guidance and support for international negotiations or initiatives affecting the textile and apparel sector to ensure that the interests of U.S. industry and workers are taken into account and, where possible, to provide new or enhanced export opportunities for U.S. industry.
- Conduct reviews of commercial availability petitions regarding textile and apparel products and negotiate corresponding FTA rules of origin changes, where appropriate, in a manner that takes into account market conditions while preserving export opportunities for U.S. producers and employment opportunities for U.S. workers.

- In partnership with other agencies, such as the Small Business Administration and the Department of Commerce, encourage small and medium sized enterprises (SMEs) to expand trade through new and existing trade policy initiatives.
- Monitor implementation of improvements to the U.S.-Korea Free Trade Agreement (KORUS).
- Seek Congressional passage of the United States-Mexico-Canada Agreement (USMCA) implementation bill and monitor implementation of, and compliance with the USMCA by Canada and Mexico.
- Continue to work with Mexico to ensure effective implementation of labor justice reforms, including to protect worker representation in collective bargaining, as required by the USMCA labor provisions and the USMCA's Annex on Worker Representation and Collective Bargaining in Mexico.
- Continue to work with Mexico to ensure secure, efficient, and legal crossing of goods across our shared border.
- Advance implementation of environment commitments by trade agreement partners, including through environmental cooperation work programs designed to enhance implementation of FTA environment commitments. In particular, continue to work with Peru as it implements reforms to combat illegal logging, and monitor and enforce Peru's environmental obligations under the Peru Trade Promotion Agreement (PTPA).
- Advance implementation of labor commitments by trade agreement partners, including through labor cooperation mechanisms and capacity building initiatives designed to support their efforts. In particular, continue cooperative efforts with Mexico, Colombia, Peru, Guatemala, Honduras, the Dominican Republic, Bahrain and Korea as they implement legislative and administrative reforms and other changes to their labor regimes.
- Continue to engage with our Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) partners through bilateral interactions and through under CAFTA-DR mechanisms to strengthen implementation and ensure adherence to CAFTA-DR commitments to maximize U.S. export opportunities, promote American jobs, and protect and enforce U.S. intellectual property rights.
- Continue to engage under CAFTA-DR working groups and committees to strengthen the agreement and address not-tariff trade impediments; provide capacity building in trade-related regulation and practice on customs, border and market access issues, including agriculture and sanitary and phytosanitary regulation, to avoid barriers to trade.
- Engage key trade partners, including non-FTA partners such as China, India, Malaysia, and Vietnam, and stakeholders on ways to improve environmental protection, labor rights and working conditions, and intellectual property rights protection and enforcement in order to ensure a level playing field for U.S. workers.
- Continue engaging with potential trade agreement candidates in the Indo-Pacific region, Europe, sub-Saharan Africa, the Middle East, and the Western Hemisphere, to lay the groundwork for outcomes that create jobs, ensure fairness, and provide new export opportunities for U.S. agriculture and industry.

This engagement is also aimed at promoting U.S. services and investment objectives, strengthening protections and enforcement of intellectual property rights and promoting innovation and creativity, protecting worker rights, and enhancing environmental protection in participating countries, thereby helping to level the playing field for American workers and businesses.

- Negotiate with the European Union (EU) and its Member States, including through the Executive Working Group initiative launched by the President and European Commission President Juncker in July 2018, to address both tariff and non-tariff barriers and to achieve fairer, more balanced trade.
- Engage relevant trade partners to address regulatory issues potentially affecting the U.S. textile and apparel industry's market access opportunities.
- Negotiate the U.S.-UK Trade Agreement to address both tariff and non-tariff barriers and to achieve fairer and deeper trade with the United Kingdom.
- Continue to engage to ensure that U.S. exporters retain previously established market access into the UK and EU post-Brexit.
- Negotiate the U.S.-Japan Trade Agreement to address both tariff and non-tariff barriers and to achieve fairer, more balanced trade with Japan.
- Continue to engage with the Kenya through the U.S.-Kenya Trade and Investment Working Group to deepen bilateral trade and investment with a view to laying the groundwork for a potential, future FTA.
- Advance bilateral discussions with Israel on expanded access for U.S. food and agricultural exports.
- Work to achieve fundamental changes to China's trade regime by taking actions against state-led policies and practices such as market-distorting subsidies and other support measures, industrial policies designed to disadvantage foreign industries and companies, technology transfer, inadequate IP protection and enforcement, agricultural market access restrictions, and services sector market access restrictions.
- Utilize a full range of trade tools to ensure that China treats U.S. companies and U.S. exports fairly and that inward and outward investment promotes U.S. interests.
- Continue and enhance engagement with like-minded trading partners, such as Japan and the EU, to jointly address problematic Chinese trade policies and practices.
- Hold China fully accountable for strict adherence to its WTO obligations using WTO committee and council meetings and other WTO mechanisms, including dispute settlement as appropriate.
- Continue to engage in dialogue with Taiwan on continued areas of concern in our trade relationship, including removal of barriers for U.S. beef and pork exports, intellectual property protection and enforcement, including with respect to digital piracy, and issues related to pharmaceutical and medical devices, and explore opportunities for deepening our cooperation.



- Hold Russia accountable for full compliance with its WTO obligations by employing the platforms of numerous WTO committees to raise concerns about Russia's compliance with its WTO commitments and to highlight Russia's protectionist policies. In particular, focus on Russia's increasing reliance on local content requirements and import substitution policies. Continue to use the full panoply of tools at USTR's disposal to keep Russia's market open to U.S. exports and to address Russia's inadequate WTO compliance.
- Support the reform efforts of the governments of Ukraine, Moldova, Georgia, and Armenia through enhanced bilateral engagement to strengthen their economies and open their markets to U.S. exports.
- Continue to engage with India through the bilateral Trade Policy Forum (TPF), focusing on key priorities in intellectual property rights and market access, including for agriculture, non-agricultural goods, and services to achieve strong concrete outcomes to eliminate barriers in the Indian market and advance U.S. trade and investment interests.
- Continue to focus on advancing implementation by India of the WTO Trade Facilitation Agreement and promoting regulatory reforms in India.
- Continue to promote job-supporting, two-way trade and investment with Brazil through bilateral consultation mechanisms.
- Deepen trade and investment engagement with Argentina through the Trade and Investment Framework Agreement and its subsidiary Innovation and Creativity Forum.
- Provide policy guidance and support for the ongoing committee work at the WTO and other international trade organizations to represent U.S. interests effectively and resolve trade barriers negatively affecting U.S. suppliers.
- Intensify leadership of efforts to address key WTO institutional shortcomings, notably with regard to: differentiation among self-declared developing countries; notifications and transparency; and dispute settlement.
- As feasible, identify negotiating objectives within the WTO that are achievable and can promote freer and fairer trade benefitting U.S. stakeholders.
- Continue to develop and implement strategies to make systemic improvements to the WTO, including with regard to transparency and approaches to development.
- Conclude WTO accession agreements with candidates, including developing countries and least developed countries that undertake trade commitments that meet Administration priorities and are supported by the Congress.
- In cooperation with other relevant agencies, as appropriate, work to ensure that the WTO's work on Aid for Trade and other activities for assisting developing countries is aimed at integrating trade into the development plans of these countries and supports their effective participation in the international trading system while not exceeding the institutional mandate of the WTO as a trade organization.

- Work with U.S. Government agencies that provide trade capacity building assistance to ensure that their assistance programs help developing countries to implement international trade obligations in a transparent manner that opens export markets and promotes fair and reciprocal trade. Further, in cooperation with other relevant agencies, work with other donor countries and international institutions to make the most coherent and effective use of scarce capacity building resources, prioritizing assistance to those countries that have demonstrated a commitment to implementing pro-trade domestic reforms.
- Review the impact of existing and prospective international trade agreements and determine next steps, including with regard to the Information Technology Agreement (ITA) expansion, the Trade in Services Agreement (TiSA), and the Environmental Goods Agreement (EGA).
- Continue to advance negotiations in the WTO and bilateral and regional trade agreements to prohibit unfair and harmful fisheries subsidies, including those that contribute to IUU fishing, overfishing and overcapacity. Ensure that these negotiations do not result in an agreement that carves out many of the worlds' largest economies.
- Work with WTO Members to achieve full implementation of the WTO Trade Facilitation Agreement.
- Develop and implement strategic engagement at the WTO on resetting agriculture negotiations on domestic support, export competition, and market access through enhanced transparency and analysis of current problems facing agriculture trade.
- Building on U.S. leadership to promote transparent and science-based decision making for crop protection tools, build coalitions with other countries to advance understanding and adoption of science-based regulations for pesticide maximum residue levels.
- Promote cooperation with other countries to enhance trade in wine through active participation in the World Wine Trade Group.
- Work with U.S. Government agencies that have the lead on certain international organizations (WIPO, WFP, UNCTAD, OECD, G7, G20, WHO, FAO, PAHO, OAS, UN, HRC, and IDB) to ensure that these organizations operate within their defined scope and mandate with respect to trade-related issues and that their trade-related deliverables promote U.S. policies and objectives. Ensure that in these organizations, resolutions and outcomes are consistent with U.S. trade policy and do not promote trade-restrictive barriers.
- Utilize the OECD Trade Committee to produce economic analysis that supports open markets and to build coalitions of like-minded economies that can advance U.S. trade policy goals in multilateral institutions. Ensure OECD accessions, if any, support U.S. interests.
- Through APEC, promote the full implementation of the WTO Trade Facilitation Agreement by APEC economies.
- Achieve through the APEC forum concrete and meaningful outcomes to raise standards in APEC economies that address key trade and investment barriers, as well as unfair trade practices, affecting U.S. goods and services exports across the Asia-Pacific region.

- Promote through APEC's Committee on Trade and Investment key U.S. trade interests in areas such as digital economy, services, agriculture, and intellectual property, thereby preparing APEC economies to potentially participate in FTAs with the United States.
- Advance work in APEC to identify and address non-tariff barriers that distort trade and investment in all sectors, including environmental goods and services, manufactured goods, and agricultural products.
- Advance work in the APEC Experts Group on Illegal Logging and Associated Trade to identify cooperative actions and activities to combat illegal forest products trade that harms legitimate U.S. businesses.
- Develop work in APEC to document and address barriers to U.S. agricultural exports.
- Through APEC, promote adoption of international sanitary and phytosanitary (SPS) standards as well as science-based regulatory systems for agricultural biotechnology and address common challenges.
- In APEC, promote high standards for intellectual property and enforcement.
- Utilize APEC to promote the application of good regulatory practices in order to avoid barriers to trade.
- Continue to engage with Southeast Asian countries to encourage them to pursue trade policy reforms that will benefit the United States.
- Develop new initiatives with countries in East and Southeast Asia to break down barriers to U.S. exports in key sectors through negotiations, dispute settlement, and other actions as appropriate.
- Continue to develop initiatives and promote policy reforms under our Trade and Investment Framework Arrangement (TIFA) with ASEAN and our bilateral TIFAs to expand U.S. exports to this fast-growing region.
- Deepen trade and investment engagement with the Caribbean community (CARICOM) through the Trade and Investment Council Agreement.
- Develop and implement new initiatives under our TIFAs with Southeast Asian countries including Vietnam, Malaysia, Indonesia, Philippines, and Thailand, to address and resolve U.S. concerns and remove barriers to U.S. exports and improve IP protection and enforcement.
- Continue to develop cutting-edge trade commitments to advance the digital trade and digital services agenda in bilateral trade relations, including among countries in the Middle East and North Africa, and among ASEAN countries.
- Utilize the U.S.-Turkey TIFA and other mechanisms as appropriate to promote U.S.-Turkey trade and investment and to pursue U.S. trade and investment goals in the broader Middle East and North Africa (MENA) region.

- Use TIFAs and TIFA-like mechanisms with countries of North Africa and the Middle East, including in the Gulf region, as well as in the Caucasus, to remove trade and investment barriers, improve IP protection and enforcement, and to create opportunities for increased exports, investment, and trade.
- Pursue negotiations and other efforts, through existing FTAs, TIFAs or other mechanisms, as appropriate, to advance with countries of the Middle East and North Africa U.S. initiatives involving services, investment, intellectual property, information and communication technology, trade facilitation, agriculture, and other areas.
- Continue engagement on key issues with Mongolia through our TIFA, and continue to monitor Mongolia's compliance with the United States-Mongolia Transparency Agreement.
- Use TIFAs with sub-Saharan African countries and regional economic communities to address trade barriers in a timely manner, promote transparency, and to advance U.S.-Africa trade and investment cooperation.
- Explore opportunities to increase U.S. market access in important sub-Saharan African markets, particularly as the EU and other trading partners gain market access to African markets for their products.
- Continue to develop and implement initiatives that promote the U.S. trade agenda in Africa, including potential free trade agreements, promotion of U.S. exports and investment, and encouragement of trade and economic reforms that are consistent with U.S. trade priorities.
- Use TIFAs with South and Central Asian countries to address persistent barriers to U.S. exports and promote practices that ensure a level playing field for U.S. exporters and strengthen protection and enforcement of intellectual property. Additionally, encourage TIFA partners to initiate and follow through on key ease-of-doing-business reforms.
- Develop new initiatives to enhance trade and investment engagement with South and Central Asia countries and identify areas in which regional efforts to increase connectivity can contribute to increased U.S. exports to the region.
- Develop and intensify initiatives associated with implementation of TIFAs with South and Central Asia partners that expand opportunities for U.S. exports, including through working groups.
- Continue outreach efforts in low capacity developing countries in South and Central Asia, such as Afghanistan, Nepal, and Sri Lanka to explain U.S. preference programs.

## ***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-paying 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, farmers, ranchers, manufacturers, innovators, service providers, consumers, and investors receive fair treatment in trade and win the full benefit of the economic opportunities the United States has negotiated.

### **Objectives:**

- Effectively utilize USTR and leverage other U.S. government resources to break down foreign trade barriers and promote fair and reciprocal trade.
- Fully enforce U.S. trade laws, including Section 201, Section 301, and others.
- 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.
- 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.
- 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. trade agreements.
- Engage stakeholders to collaborate with USTR on enforcement issues.

### **Measurements:**

- Utilize Section 301 of the Trade Act of 1974 to take action against unfair trade practices that harm American workers, farmers, ranchers, services providers, and other businesses and to encourage foreign countries to adopt more market-friendly policies.
- Implement responsive actions as appropriate in connection with the Section 301 investigation into Chinese acts, policies, or practices that may be unreasonable or discriminatory and that may be harming American intellectual property rights, innovation, or technology development.
- In the Section 301 investigation of China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation, maintain as appropriate a fair and efficient system for considering requests for exclusions from trade actions taken in the investigation.
- Monitor and ensure China's full compliance with the Memorandum of Understanding addressing the importation and distribution of films for theatrical release in China and secure further meaningful compensation for the United States.

- Continue to pursue strong IP protection and enforcement and improve market access for Americans who rely on IP protection, with U.S. trading partners including in markets identified in the Special 301 Report and those with major pending IP legislation or regulations.
- Issue a timely, high-quality report to Congress, backed by year-round engagement with trading partners, on the adequacy and effectiveness of IP protection and enforcement and market access for Americans who rely on IP protection. Continue improvements to the Special 301 process (*e.g.*, hearings, notorious markets out-of-cycle review (OCR), and action plans for Priority Watch List countries). Use the Notorious Markets OCR to encourage reform by state and non-state actors to effectively combat piracy and counterfeiting.
- Conduct comprehensive annual Section 1377 review of telecommunications barriers and utilize this review to facilitate progress in removal of major foreign barriers impeding market access of U.S. telecommunications goods and services suppliers. Maintain effort to eliminate trade-restrictive barriers to the Internet and Internet-enabled services, including unjustified website blocking.
- Identify disputes to be pursued, including barriers to U.S. exports due to trade-distorting subsidization, use of border measures, localization measures discriminating against imported goods, and trade-restrictive SPS and TBT barriers.
- Coordinate USTR resources, and those of partner agencies, to identify priority foreign trade barriers and practices, analyze their consistency with international trade agreements, and devise effective strategies to bring about or maintain compliance with those agreements.
- Where positive outcomes have been achieved in offensive disputes, closely monitor trading partners' actions to ensure full implementation, and where trading partners have not complied, use all appropriate tools to obtain compliance.
- Vigorously pursue existing offensive trade disputes to ensure timely resolution. Through prudent management of personnel and disputes, use existing USTR and leverage other U.S. government resources effectively to maximize the likelihood of positive outcomes vindicating U.S. rights.
- Vigorously defend the United States in defensive trade disputes and, as necessary, devise appropriate implementation strategies to maintain effectiveness of U.S. measures, including trade remedy measures.
- Continue to coordinate within USTR and with partner agencies on incorporating and using the best analytical tools and providing the best analysis to measure damage from foreign trade partners' violations as well as defending U.S. laws and practices from any foreign trade partner's complaints.
- Continue to build a strong Interagency Center on Trade Implementation, Monitoring and Enforcement (ICTIME) organization to carry out ICTIME's statutory directives, including by obtaining additional staff with necessary regional, linguistic, and quantitative expertise in a variety of trade disciplines.
- Expand interagency contacts and coordination, identify appropriate interagency expertise for ICTIME regarding enforcement matters, and create mechanisms to simplify sharing of interagency expertise.

- Review implementation of trade agreements, particularly through the preparation of the *Annual Report of the President on the Trade Agreements Program*, and the *National Trade Estimate Report on Foreign Trade Barriers*, and identify strategies for resolving implementation problems.
- Continue robust monitoring of existing FTAs through annual Free Trade Commission and Joint Committee meetings.
- Employ trade agreement committees and bilateral engagements as appropriate to resolve identified breaches of U.S. trade agreements.
- Identify and negotiate resolution of trade-restrictive sanitary and phytosanitary barriers to U.S. food and agriculture exports in key export markets.
- Monitor and participate in international negotiations led by other agencies on topics affecting trade in food and agriculture, food regulations, and food and health policy.
- Work with existing FTA partners, including Australia, Bahrain, Canada, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Jordan, Korea, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, and Singapore, to ensure that agreements are fully and properly implemented, and address non-compliance issues that are identified.
- Work with industry, Congress, and Customs and Border Protection to address industry concerns about the effectiveness of Customs enforcement of U.S. trade agreements, in order to ensure the integrity of agreement commitments.
- Consult regularly with other agencies, Congress, stakeholders, and foreign officials to obtain information on new barriers to trade with bilateral and regional partners.
- Use all appropriate tools to deliver the full benefit of IP provisions of existing FTAs and other trade agreements to stakeholders. Priorities include the agreements with Korea, Colombia, Panama, CAFTA-DR, and Chile (including obligations with transition periods) as well as progress on outstanding implementation issues with other FTA partners and issue-specific agreements (*e.g.* China films, etc.).
- Continue to coordinate with other U.S. agencies, particularly the Departments of State and Labor, to prioritize opportunities to engage with FTA partner countries to improve respect for labor rights, including by advancing efforts to reform labor laws, improve labor institutional capacity, and monitor working conditions.
- Convene environmental affairs councils and related fora under existing FTAs to monitor and review implementation of FTA partners' environmental commitments, and engage with FTA partners at senior levels on specific environmental implementation issues.
- Continue to lead a robust interagency process for monitoring implementation of FTA environment obligations across all existing FTA partners, including by identifying and prioritizing environmental and conservation issues that can disadvantage U.S. manufacturers and exporters.

- Use all appropriate tools to closely monitor and enforce the Government of Peru's implementation of its obligations under the Peru Trade Promotion Agreement (PTPA) Environment Chapter and Forest Annex, including its efforts to combat illegal logging and associated trade.
- Chair the Interagency Committee on Trade in Timber Products from Peru, and ensure that the Committee continues to actively monitor Peru's implementation of its obligations under the PTPA, as well as the actions that Peru committed to take to address the Committee's timber verification findings and recommendations.
- In the Western Hemisphere, ensure that the secretariats that have been established under the CAFTA-DR, Colombia, Panama, and Peru FTAs to receive submissions from the public alleging that a Party is failing to enforce its environmental laws function fully and effectively.
- Closely collaborate with industry and other offices and Departments to monitor trade actions taken by partner countries on textiles and apparel to ensure that such actions are consistent with trade agreement obligations and do not impede U.S. export opportunities.
- Research and monitor policy support measures for the textile sector, in particular in China, India, and other large textile producing and exporting countries, to ensure compliance with international agreements.
- As a member of the interagency Committee on Foreign Investment in the United States (CFIUS), continue to ensure that CFIUS decisions effectively protect the national security consistent with applicable laws and regulations and the United States' overall investment policy.
- Monitor international negotiations and bilateral dialogues led by other agencies where services and investment issues may arise.
- Maintain a significant role in the interagency process regarding potential impacts of proposed cybersecurity-related legislation and policy on U.S. trade and investment interests.
- Monitor, provide input, and participate in international negotiations led by other agencies on any topics (*e.g.*, biodiversity, traditional knowledge, pharmaceuticals, and health) in which the proposed inclusion of IP language may have implications for trade policy.
- Consider and address enforcement concerns that affect small and medium-sized enterprises.
- Identify ways to engage small and medium-sized enterprises regarding trade, including small businesses owned by women and minorities, and agricultural and rural SMEs.
- Utilize existing USTR and leverage other U.S. government resources to effectively pursue the timely resolution of specific trade concerns addressed in the WTO standing committees.
- Effectively utilize the WTO standing committees to oversee the implementation of the WTO agreements, working with affected U.S. suppliers and with like-minded WTO Members to press countries that may be contravening WTO rules to address specific trade concerns. Utilize the Trade



Facilitation Committee to continue to promote the full implementation of the WTO Trade Facilitation Agreement.

- Monitor the development and implementation of EU regulations and policies, as well as those of EU Member States and other European countries that may impact U.S. exporter access to the European Union market or European trading partners and engage EU and its member states to address concerns regarding changes in its regulatory environment that impact U.S. exports.
- Engage with the European Union to resolve concerns on access for high quality beef under the US-EU beef memorandum of understanding and ensure U.S. producers receive adequate export benefits from the tariff rate quota.
- Ensure no loss in previously established U.S. market access into the UK and EU as a result of Brexit.
- Ensure greater market access for U.S. companies in South and Central Asia, focusing on the elimination of localization requirements, and other non-tariff barriers, and seek improved compliance with WTO obligations.
- Conduct the annual report to Congress on the Implementation and Enforcement of Russia's Commitments.
- Conduct the annual Report to Congress on China's WTO Compliance.
- Continue to press China to address its excess capacity in industrial sectors, particularly steel and aluminum through fora such as the OECD Steel Committee and the North American Steel Trade Committee.
- Seek fundamental changes to China's state-led trade regime in line with Administration objectives.
- Continue to push Chinese regulators to adopt international best practices, such as with regard to the regulation of innovative pharmaceutical products, active pharmaceutical ingredients, and medical devices.
- Continue vigorous U.S. participation in the WTO Committee on Trade-Related Investment Measures as well as bilateral efforts to promote elimination of distortive local content measures, including in Nigeria, Indonesia, Brazil, China, and India.
- Continue to make regular use of bilateral and multilateral fora, including WTO committees, to challenge India's localization requirements and other technical barriers to trade.
- Press for implementation of the government of India's obligation to eliminate all export subsidies for industrial goods, including textiles and apparel.
- Take pro-active measures to ensure that Generalized System of Preferences (GSP) beneficiary countries comply with the statutory eligibility criteria, based on the enhanced enforcement program the Administration announced in September 2017.

- Work closely with our inter-agency partners, including the Departments of State and Labor, to monitor, prioritize, and engage GSP beneficiary countries with respect to the worker rights, market access, intellectual property, and other criteria of our trade preference programs by facilitating prompt response to GSP petitions, continuing to advance efforts on worker rights and intellectual property in countries of special concern, and self-initiating reviews of eligibility when appropriate.
- Continue to work closely with other agencies and relevant stakeholders to promote the capacity of African nations to take advantage of AGOA and to foster the adoption of sound trade and investment policies, including through regular reviews of compliance with eligibility criteria.
- Continue to work with the U.S. textile and apparel industry to promote exports and other opportunities under our free trade agreements and preference programs, by actively engaging with stakeholders and industry associations and participating, as appropriate, in industry trade shows.

### ***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 interagency trade policy coordination to obtain broad-ranging input, provide accountability, and develop sound, strategic U.S. trade policies.

#### **Objectives:**

- 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.
- 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.
- Foster a robust Advisory Committee system by appointing, consulting, and engaging with an active group of advisors.
- Educate the public on the Advisory Committee system and its role in trade policy.
- Coordinate trade policy effectively through the Trade Policy Staff Committee (TPSC) and the Trade Policy Review Group (TPRG).

#### **Measurements:**

- Consult closely with the Congress and stakeholders on developments regarding all agreements, including their consideration by the Congress, entry into force, and the potential addition of new agreement partners.
- Consult broadly and intensively with Congressional committees of jurisdiction, other committees as appropriate, leadership offices, and Congressional advisors on pending trade policy issues and initiatives. Keep Committees and Congressional leaders abreast of key issues, opportunities, and constraints in trade negotiations. Keep Committees updated on the positions of our negotiating partners.
- Build support for Administration trade policy through existing Congressional coalitions and caucuses.
- Consult with Congress and key stakeholders on new initiatives to promote policy reforms that expand trade and investment with key trading partners in ways that increase U.S. employment and production.
- Work with the Congress on legislative initiatives, in particular the approval of trade agreements and provide advice on trade aspects of proposed legislation to help ensure consistency with U.S. international obligations.
- Work with Congress on GSP enforcement efforts.

- Consult with Congress and stakeholders on the U.S. –Caribbean Basin Trade Partnership Act (CBTPA) of the Caribbean Basin Initiative (CBI) that is set to expire in September 2020.
- Consult broadly with Congress and other stakeholders to develop a U.S.-sub-Saharan Africa trade partnership beyond African Growth and Opportunity Act (AGOA) preferences, including exploring possible new models for engagement and trade agreements with key African trading partners.
- Take the lead in providing policy advice and assistance in support of any Congressional initiatives to reform or re-examine preference programs that have an impact on the textile and apparel sector.
- Ensure that the *National Trade Estimate on Foreign Trade Barriers* report, the Special 301 Report, and other reports required by statute are developed in a transparent manner, with opportunity for input from the public at large as well as stakeholders and Members of Congress, and review the issues they address fully and accurately.
- Provide public access to U.S. submissions to WTO adjudicatory bodies so that stakeholders and interested members of the public may provide relevant input.
- Solicit public comment on WTO or FTA dispute settlement proceedings to ensure that USTR officials can develop U.S. positions and arguments based on all relevant available information.
- Ensure that meetings of environmental affairs councils and related fora under our existing FTAs include sessions open to the public, and provide for public input on the agendas for these meetings, consistent with legal and regulatory requirements.
- Ensure timely re-chartering of committees and appointment of members and ensure that committees meet statutory reporting requirements.
- Convene regular Advisory Committee meetings and briefings as needed in coordination with other relevant agencies.
- Ensure that the Advisory Committee system meets the needs of the 21st century economy and the U.S. national economic interest, by seeking advisory input on an ongoing basis as issues arise and posting documents for comment to the Secured Advisory Committee Website.
- Provide regular updates to USTR’s advisory committee website with relevant information and membership.
- Consult regularly with the Advisory Committee for Trade Policy and Negotiations (ACTPN) to provide relevant advice to the USTR on matters arising in connection with the development, implementation, and administration of trade policy.
- Continue working closely with the Trade Advisory Committee on Africa (TACA) to provide relevant advice to the USTR on strengthening the U.S.-Africa trade and investment relationship.

- Consult with the Industry Trade Advisory Committees (ITACs) to identify industry barriers and to provide input on economic opportunities and other trade policy matters.
- Consult with Agriculture Trade Advisory Committees on the development and implementation of agricultural trade policy priorities.
- Maintain regular consultation with the Labor Advisory Committee for Trade Negotiations and Trade Policy (LAC), and other stakeholders on issues related to implementation of labor rights obligations under FTAs and worker rights criteria of trade preference programs.
- Maintain regular consultation with the Intergovernmental Policy Advisory Committee on Trade (IGPAC), and other stakeholders on issues involving trade and development that have a significant relationship to the affairs of U.S. state and local governments.
- Maintain close collaboration with the Trade and Environment Policy Advisory Committee (TEPAC), and other stakeholders in developing U.S. negotiating positions on trade and environment matters, including in bilateral trade negotiations, APEC and WTO initiatives, and the implementation of environmental obligations in existing FTAs.
- Seek to ensure that the TEPAC represents a diverse, balanced group of stakeholder interests.
- Ensure smooth functioning of interagency policy development and review, including through providing all TPSC member agencies time, informed by TPSC guidelines, for review and approval of TPSC papers and other material.
- Use the TPSC process to ensure that all agencies with trade responsibilities are kept abreast of emerging issues, new initiatives, negotiations, enforcement, and other policy implementation.
- Make robust and effective use of TPSC subcommittees to frame issues and develop proposals for trade policy issues.
- Seek to resolve inter-agency trade policy issues at the TPSC level whenever possible, and in a timely manner, reserving only complex or sensitive decisions, or issues on which agencies are unable to reach consensus through TPSC deliberation, for resolution in the TPRG (Deputy USTR/Under Secretary level) or among Cabinet officers as the TPC.
- Use the National Security Council processes effectively to ensure USTR leadership on key Administration trade policy goals and initiatives.
- Contribute to informed policy making by means of a thorough and up-to-date understanding of the positions of other countries and entities based on direct contacts, input from U.S. diplomatic posts, and other sources.
- Work with U.S. development agencies and other government agencies so that appropriate assistance programs are in place when necessary to support implementation of trade agreements and key trade legislation.

## ***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:**

- 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.
- Enhance outreach to state and local governments on the benefits of the trade agenda.
- Work with the White House and with agency partners to implement an Administration-wide message on trade policy.
- Communicate, in consultation with other agencies, the Congress, and interested stakeholders, the Administration's unified message to foreign countries and their citizens explaining the benefits of trade with the United States, in order to build support for U.S. trade policies and initiatives.
- Inform 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.
- Communicate success to various stakeholders, including state and local elected officials.

### **Measurements:**

- Survey external research to gauge baseline of current public perceptions of U.S. trade policy and practices in order to adjust USTR's messaging strategy and develop trade education materials.
- Develop talking points, fact sheets, press releases, electronic newsletters, and internet strategy to explain Administration trade policy goals and achievements.
- Coordinate press statements with interested agencies and the White House in order to present coherent and mutually reinforcing trade information to the public.
- Organize press events around high profile trade achievements in negotiations, enforcement, and legislation.
- Prepare press statements and press events to respond to criticism of U.S. trade policy.
- Use speeches and other public events to make the case that U.S. trade agreements and initiatives can and should address urgent trade-related environmental challenges, and help to level the playing field for American workers and businesses.

- Present and discuss evolving U.S. trade and investment policies at business conferences and widely attended meetings of key private sector stakeholder organizations and relevant embassies.
- Use domestic and foreign travel by senior leadership to highlight the strategic importance of key African partners as well as to deepen our trade and investment policy engagement with them.
- Continue outreach to key AGOA stakeholders as part of an interagency initiative to enhance trade and investment in sub-Saharan Africa, broaden outreach to the private sector (especially SMEs), diaspora organizations and businesses, and others to ensure that they are well informed about a range of initiatives impacting U.S. trade with sub-Saharan Africa, and the growing opportunities for mutually beneficial U.S.-Africa ventures.
- Strategically select cities and organizations for trade speeches to demonstrate the importance of free and fair trade to the local economy.
- Establish a stronger state-level network of interested stakeholders and work with this network to offer opportunities for information exchange and trade education through USTR participation in conferences and external speaking engagements.
- Work with other trade agencies, congressional trade committees, and interested stakeholders to communicate the benefits of trade agreements and enforcement to the Congress, interested stakeholders, state and local governments, and the public.
- Work with the House Committee on Ways and Means and the Senate Committee on Finance, Congressional leadership, and other Committees as appropriate, to develop a strategy focusing on communicating the benefits of fair and reciprocal trade.
- Plan and organize press events hosted by USTR officials and Members of Congress during trade negotiations in Washington as well as at other negotiating sites in the United States and abroad.
- Conduct further outreach to U.S. industry stakeholders, congressional delegations, and state-level governments planning official visits and trade missions.
- Continue to conduct outreach to the public and to expand interagency coordination of enforcement efforts.
- Through cooperation with agencies at the U.S. Export Assistance Centers (USEACs), other key agencies and stakeholders, work to advance the goals of the President to support more U.S. companies in exporting to more overseas markets, including through efforts to educate U.S. businesses – especially SMEs – about global trade opportunities.
- Through cooperation with U.S. regulatory and health agencies, ensure that the Administration-wide message on trade policy is reflected in U.S. positions and delivered in meetings of international organizations where issues that impact trade are discussed (e.g. WIPO, WFP, UNCTAD, OECD, G7, G20, WHO, UN, HRC, PAHO, Codex).

- Build a network of private and non-governmental organizations, state-level and local officials to coordinate messaging on the benefits of fair and reciprocal trade.
- Develop and distribute educational materials based on available state and local trade export data to interested stakeholders, state representatives, and local networks.
- Work with USTR's public affairs counterparts in foreign governments to coordinate a communications strategy to advance trade negotiations and to explain trade disputes.
- Build relationships with foreign media and place press statements and attend press events that build support for fair and reciprocal trade in key foreign countries.
- Identify foreign constituencies that may be receptive to information regarding the benefits, including environmental and social benefits, of free and fair trade.
- Continue to update and implement USTR's Open Government Plan.
- Respond appropriately and timely to all statutory requests, such as Freedom of Information Act (FOIA) inquiries and Government Accountability Office (GAO) engagements.



## ***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:**

- Manage a security program that provides appropriate levels of protection for USTR personnel, facilities and sensitive information.
- Manage resources to maximize USTR future capabilities.
- Manage USTR more efficiently and effectively.
- Provide facilities that help USTR staff become more productive.
- Install information technology and communications systems that increase USTR's productivity and communicate trade benefits.
- Implement a human capital and services program that will maximize employee performance and engagement.

### **Measurements:**

- Implement a comprehensive information security program that meets E.O. 13526 and ISOO Directive One.
- Implement a physical security program that meets HSPD-12 and otherwise complies with applicable laws and regulations.
- Develop procedures to protect USTR personnel in high threat situations and environments and provide appropriate level of protection for the USTR office complex.
- Develop budget plan that will improve USTR's mission effectiveness; manage spending plan to maximize USTR's productivity and efficiency.
- Adopt administrative services procedures that provide responsive and timely support to USTR staff.
- Foster a high-performing administrative staff that provides efficient and effective support to USTR offices and employees.
- Manage USTR space utilization and allocation to provide the quality and quantity of office and meeting facilities appropriate for USTR's business requirements.

- Implement building maintenance strategies that facilitate mission accomplishment and promote employee health and well-being by providing clean and well-functioning facilities.
- Acquire and install information technology (IT) and communications equipment and services that facilitate mission accomplishment.
- Ensure that IT and communications systems for Geneva provide robust connectivity and continuity of operations.
- Employ just-in-time training, instructional seminars and job aids to ensure highest possible use of IT capabilities.
- Implement USTR strategic human capital management plans and develop strategies that ensure human capital is well managed; work closely with the Executive Resources Board (ERB) to capitalize on their insight and guidance.
- Perform operational responsibilities to ensure high quality administrative and human resources support.
- Collaborate with the Executive Office of the President (EOP) Health and Wellness Council to encourage employee participation in EOP activities related to health and wellness.
- Continue implementation of Presidential memo on “Enhancing Workplace Flexibilities and Work-Life Programs and EOP/OMB memo “Strengthening Employee Engagement and Organizational Performance.”
- Provide continued support and implement initiatives developed by USTR’s Employee Viewpoint Council.
- Implement USTR’s plan to maximize employee performance per OMB memo M-17-22; this includes:
  - Review and update formal agency policies,
  - Provide transparency around the performance improvement plan process,
  - Ensure managers and supporting HR staff are appropriately trained,
  - Ensure accountability in manager performance plans, and
  - Establish real-time manager support mechanisms.

# ANNUAL PERFORMANCE REPORT FOR FISCAL YEAR 2018

## *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 to help the agency measure its performance for FY 2018.

The Mission Statement and Strategic Goals were published in the Draft FY2018 – FY2022 Strategic Plan. The FY 2018 – FY 2022 Strategic Plan is developed in accordance with revisions made by Congress to the GPRA by the GPRA Modernization Act of 2010 and is available at <http://www.ustr.gov>.

Through trade policy, the Office of the United States Trade Representative (USTR) made great strides in advancing the President's economic agenda and primary goals of rebalancing American trade in order to support domestic jobs and economic growth. In 2018, the Administration built on record-breaking exports, engagement with trading partners, and trade enforcement to win strong results for American workers, manufacturers, service providers, farmers, ranchers, and small businesses. Below is a summary of the year's goals and accomplishments for American workers, farmers, ranchers, and businesses large and small.

### ***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 2018 include:

- ***Concluded negotiation of the United States – Mexico – Canada Agreement (USMCA).*** During FY 2018, the United States, Mexico, and Canada concluded negotiations of the USMCA, which is a comprehensive overhaul of the NAFTA. The USMCA was signed in November 2018. The USMCA modernizes the 25-year old NAFTA with state-of-the-art provisions for the 21<sup>st</sup>-century economy, including high standards for labor, environment, and intellectual property, a new chapter on digital economy, and a strengthened and modernized chapter on sanitary and phytosanitary measures; rebalances North American trade to incentivize greater production in the United States and North America; and includes groundbreaking new provisions to address the unfair trading practices of non-market economies. Under the USMCA, Canada will provide significant new access for U.S. dairy products, as well as improved access for U.S. poultry and egg products. USMCA requires Canada to change its milk pricing policy that has hurt American dairy exports and to eliminate its discrimination in grading of U.S. wheat. Once ratified, the USMCA will replace the NAFTA and will better serve the needs of U.S. businesses, farmers, ranchers, and workers.
- ***U.S.-Japan Trade Agreement Negotiations.*** In April 2018, building on the progress of the U.S.-Japan Economic Dialogue, President Trump and Prime Minister Abe announced an intensified series of trade and investment discussions, led by U.S. Trade Representative Lighthizer for the United States and Toshihiko Motegi, Japan's Economic Revitalization Minister. Ministerial-level consultations between Ambassador Lighthizer and Minister Motegi helped lay the groundwork for a late September 2018 announcement by President Trump and Prime Minister Abe that the United States and Japan would begin negotiations for a United States-Japan Trade Agreement.
- ***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. Despite consultations between U.S. and Chinese government officials, China failed to change its practices. As a result, the United States proceeded to take steps to impose a series of tariffs as permitted under Section 301. In December 2018, President Xi of China met with President Trump at the G-20 meeting in Buenos Aires, and agreed to engage in 90 days of negotiations on structural changes with respect to forced technology transfer, intellectual property protection, non-tariff measures, cyber intrusions and cyber theft, services, agriculture, and increased purchases of U.S. goods and services. For the last several months following this meeting, USTR has engaged in intense negotiations with China on structural issues with the aim of concluding an enforceable agreement. The Trump Administration continues to press China to address long-standing U.S. concerns about unfair trade practices, defend America's interests at the World Trade Organization, and vigorously enforce U.S. trade laws.
- ***Negotiated and Enforced Strong Labor Provisions in U.S. Trade Agreements.*** As part of modernizing NAFTA and concluding the USMCA in 2018, the Administration succeeded in bringing labor obligations into the core of the Agreement, and ensured they are subject to the same dispute settlement mechanism that applies to other enforceable obligations of the Agreement. USMCA labor obligations

represent the highest standard of any trade agreement, and 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. It 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. The USMCA also includes specific obligations related to collective bargaining rights in Mexico. USTR worked closely with Mexican trade and labor officials in 2018 to monitor implementation of landmark constitutional reforms that mandate the creation of new labor courts as part of a complete overhaul of Mexico's system of labor justice administration. The United States also engaged with trading partners in 2018 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.*** The Administration further succeeded in modernizing NAFTA by including in USMCA the most comprehensive set of enforceable environmental obligations of any U.S. trade agreement. In negotiating the USMCA Environment Chapter, the United States strengthened and improved the existing environmental framework under the North American Agreement on Environmental Cooperation (NAAEC) by bringing the environmental obligations into the core of the new trade agreement, rather than in a side agreement. The USMCA addresses key environmental challenges such as illegal, unreported, and unregulated (IUU) fishing and harmful fisheries subsidies and trafficking in wildlife, timber and fish. For the first time in a U.S. trade agreement, the USMCA also addresses other pressing environmental issues such as air quality and marine litter. Throughout 2018, the United States also continued to prioritize monitoring and implementation of FTAs currently in force. In particular, USTR was active in monitoring and enforcing the United States-Peru Trade Promotion Agreement (PTPA) and its unique Forest Annex. In February 2018, the United States invoked one of the monitoring tools provided for in the PTPA and requested that Peru verify that three timber shipments exported to the United States from Peru in 2017 complied with all applicable Peruvian laws and regulations.
- ***Negotiated Strong Textile Provisions in the USMCA.*** The Administration negotiated provisions in the USMCA to (1) incentivize greater U.S. and North American value-addition in textiles and apparel trade, (2) strengthen customs enforcement, and (3) facilitate broader consultation and cooperation with Canada and Mexico on issues related to textiles and apparel. The updated rules of origin and related provisions for textiles trade with Canada and Mexico will promote greater use of regional and made-in-the-USA fibers, yarns and fabrics. The Textiles and Apparel Goods chapter also established, for the first time in North American trade, textile-specific provisions on customs cooperation, verification, and determinations, including new tools for preventing fraud and circumvention.
- ***Negotiated the strongest disciplines on digital trade.*** As part of the conclusion of the United States, Mexico, and Canada Agreement (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. The provisions include: the prohibiting of customs duties and other discriminatory measures being applied to digital products distributed electronically (e-books, videos, software, games, etc.); ensuring that data can be transferred cross-border, and that limitations on where data can be stored and processed are minimized; 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 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, 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 to help ensure that our small businesses have the online information tools and resources they need to navigate the Canadian and Mexican markets and to ensure that the USMCA will work for small businesses as the Agreement is implemented.
- ***Engaged Strategically with Key Trade Partners on Intellectual Property Rights.*** USTR contributed significantly to the Administration priority of protecting trade secrets against theft and misappropriation, including through pursuing disciplines in bilateral (*e.g.*, China, Ecuador, and Taiwan) and plurilateral engagement (*e.g.*, USMCA and APEC) as well as in multilateral organizations (*e.g.*, OECD).
- ***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.
- ***Improving Operation and Terms of the U.S.-Korea Free Trade Agreement.*** USTR successfully reached agreement with Korea in FY 2018 on modifications and amendments to the U.S.-Korea Free Trade Agreement (KORUS). The amended agreement entered into force on January 1, 2019, and included improvements to address a number of regulatory and non-tariff barriers. USTR successfully secured outcomes to support manufacturing, particularly the U.S. auto industry, which included doubling from 25,000 to 50,000 the number of U.S.-origin vehicles per manufacturer per year that can be exported to Korea that meet U.S. safety standards, maintenance of U.S. tariffs on trucks for an additional 23 years, and environment-related provisions. Progress was also made on outstanding implementation issues, including in the area of customs and origin verification. To that end, a working group to address rules of origin-related issues was also established.
- ***Negotiated Regionalization Agreement with Korea on HPAI.*** In September 2018, Korea lifted the final restrictions related to avian influenza on U.S. poultry. In 2014, the last full year without any Highly Pathogenic Avian Influenza (HPAI)-related trade restrictions in place, South Korea purchased \$122 million in U.S. poultry products, including eggs, making it the tenth-largest market for U.S. exporters.

- ***Convened Free Trade Agreement Meeting on SPS Matters with Korea.*** USTR led the U.S. delegation for meetings of the Committee on Sanitary and Phytosanitary (SPS) Matters under the U.S.-Korea Free Trade Agreement (KORUS). The committee provides a mechanism for discussing issues of priority interest to both countries aimed at advancing the bilateral trade relationship. In 2017, U.S. agricultural exports to Korea were nearly \$6.88 billion.
- ***Re-opening of Australian market for U.S. heat-treated beef.*** After a 14-year ban, the United States gained access to Australia for U.S. exports of heat-treated beef products in May 2018. The Administration continues to work to achieve access to Australia for fresh and frozen U.S. beef.
- ***U.S.-Bahrain Memorandum of Understanding on Trade in Food and Agriculture Products:*** In April 2018, USTR signed a Memorandum of Understanding (MOU) on Trade in Food and Agriculture Products with the Kingdom of Bahrain. The MOU supports certainty and enhanced cooperation on requirements for U.S. exports of food and agriculture products to Bahrain. Additionally, the MOU provides that Bahrain will continue to accept existing U.S. export certifications for food and agricultural products. It also provides for consultations to address potential new requirements for food and agricultural products from the United States to Bahrain.
- ***Strengthened our Trade Relationship with FTA partners in Central America and the Dominican Republic.*** In 2018, the United States 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. The U.S. Government worked to improve the transparency and effectiveness of regulatory and TRQ administration procedures with our CAFTA-DR partners, which has resulted in improved access for U.S. exporters of several agricultural products including rice, potatoes, onions, and dairy products.
- ***Ending Argentina's Ban on American Pork.*** Following meetings by President Trump and Vice President Pence, and extensive engagement by USTR and USDA, Argentina opened its market to U.S. pork in 2018 for the first time since 1992. This agreement represents a potential \$10-million-per-year market for America's pork producers.
- ***Convened Free Trade Commission (FTC) meeting with Colombia.*** In August 2018, the United States and Colombia held the second FTC meeting to review implementation, and operation of the Colombia Trade Promotion Agreement (CTPA). Also in 2018, the United States and Colombia established certain elements related to the dispute settlement mechanism established under the CTPA.
- ***Colombia Enacted Copyright Law Amendments.*** Colombia's implementation of certain intellectual property rights (IPR) provisions of the CTPA was interrupted in 2013 when the Colombian Constitutional Court invalidated on procedural grounds a law enacting these obligations. After years of intensive engagement with Colombia bilaterally as well as through other fora, such as Colombia's accession to the OECD, the Colombian Congress passed the amendments in June 2018, and then-President Santos signed the law in July.
- ***Opened Morocco's Market to U.S. Poultry and Beef.*** In 2018, the United States and Morocco concluded negotiations for export certificates for U.S. poultry and beef to Morocco, which opened Morocco's market to these products. In August 2018, Morocco published the notice to importers and

opened its market to U.S. poultry. On November 28, 2018, Morocco opened its market to high quality and standard quality beef from the United States. Estimates are that Morocco will initially be an \$80 million market for beef and a \$10 million market for U.S. poultry.

- ***Paraguay Opened Market for U.S. Pork.*** In March 2018, USTR and USDA concluded negotiations which granted access for U.S. pork and product exports to Paraguay.
- ***Convened SPS Committee with Peru in Lima.*** In the September 2018 Committee meeting, the United States pressed Peru to clarify its efforts to modernize its food safety system and update certificate requirements for imports from the United States in order to avoid disruptions to trade as these efforts advance. The United States also raised concerns with Peru’s longstanding moratorium on the use of biotechnology for cultivation in Peru, and offered technical assistance to develop a science-based regulatory framework for biotechnology as the moratorium nears its conclusion in 2021.
- ***Ongoing Engagement with the Middle East/North Africa.*** The United States continued to monitor and enforce existing U.S. FTAs with Bahrain, Israel, Jordan, Morocco, and Oman and to consult under bilateral TIFAs with Egypt, Tunisia, Saudi Arabia, and Algeria on key issues impeding trade and investment. The United States continued to pursue dialogues with several countries to promote science-based food safety certification requirements and investment.
- ***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 introduced a narrative on the need to differentiate among developing countries at the WTO to promote advanced economies undertaking commitments commensurate with their role in the global economy. USTR successfully utilized a trilateral configuration with Japan and the EU to reinvigorated WTO work to better address the challenges faced by the institution due to the role of non-market economies and to address other institutional shortcomings. USTR-led efforts focused on revitalizing WTO standing committees, which had languished in recent years, including by organizing meetings of committee leads and encouraging them to look for new opportunities to ramp up activities in their areas of responsibility. USTR ensured that the renewed focus on WTO committee work is integrated into the public narrative on the continuing relevance of the WTO and continued to pursue improvements.
- ***Shaped a Successful 11<sup>th</sup> WTO Ministerial Conference.*** Despite overwhelmingly unrealistic expectations of WTO Members, USTR worked with Argentina and other WTO Member partners to deliver a successful WTO Ministerial Conference in Buenos Aires, Argentina in December 2017. The U.S. message, which is that the WTO must reform in order to be more effective, has become more accepted amongst WTO Members as a result of U.S. efforts at the Ministerial.
- ***Made Significant Progress on WTO Fisheries Subsidies Negotiations.*** The United States worked 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 in 2019.
- ***Advanced discussions on E-commerce and Digital Trade at the WTO.*** The United States engaged in productive exploratory work on digital trade at the WTO in 2018. The United States aims to continue



to advance these discussions in order to achieve an ambitious, high-standard agreement that creates strong, market-based rules in the area of digital trade and reduce barriers around the world that threaten to undermine growth of the digital economy, including restrictions on cross-border data flows and data localization requirements.

- ***WTO Agriculture Negotiations Reset.*** USTR made meaningful progress to reset negotiations in the WTO on agriculture domestic support, export competition, and market access at the 11<sup>th</sup> WTO Ministerial in December 2017. Focusing on the need for enhanced transparency of members' agriculture policies, the United States called for WTO Members to focus efforts on the current real-world problems facing agricultural trade today to promote free and fair trade for agricultural products.
- ***Concluded Successful WTO Trade Policy Reviews.*** USTR prepared questions and review materials for 23 trade policy reviews. The final products provided invaluable information on WTO monitoring activities and implementation issues with respect to major trading partners.
- ***Advance U.S. Food Interests in International Organizations.*** USTR led efforts to enhance U.S. government engagement at the Codex Alimentarius Commission and the World Health Organization to ensure science based decision-making and ensure fair practices in food trade. USTR also worked with interagency partners to initiate work at the Asia Pacific Economic Council to create a new dialogue for export certificates for food.
- ***Enhanced Cooperation on Wine.*** USTR advanced cooperation with other country members of the World Wine Trade Group at two meetings in 2018, continuing to work on joint initiatives to facilitate trade in wine and promote science-based approaches to the regulation of wine products.
- ***Deepened Trade and Investment Relations with the UK.*** In July 2017, the United States and the United Kingdom (UK) had established a Trade and Investment Working Group to advance bilateral trade relations prior to Brexit; ensure existing U.S.-EU agreements are transitioned to U.S.-UK agreements prior to Brexit; lay the groundwork for a potential future FTA after the UK leaves the EU; and collaborate on global trade issues. During FY 2018, the Group met in March, July and November 2018.
- ***Strengthened Economic, Trade and Investment Ties with Japan.*** In October 2017, Vice President Pence and Deputy Prime Minister Aso met in Washington DC for the second round of the U.S.-Japan Economic Dialogue, which included discussions related to trade and investment. Some initial progress was achieved under the Economic Dialogue, such as Japan lifting an import ban on Idaho potatoes and Japan agreeing to streamline noise and emissions testing procedures for U.S. automobile exports. In November 2017, President Trump met with Prime Minister Abe in Tokyo, and President Trump recognized further steps taken by Japan, such as in the areas of automotive standards and government financial incentives for automobiles. Working-level meetings of the Economic Dialogue's trade and investment pillar were held between January and April 2018 to continue to address non-tariff barriers to U.S. exports. Progress achieved during 2018 from these talks included the reopening of the Japanese market to U.S. lamb exports and Japan's extension of its copyright term for all works to 70 years or life of the author plus 70 years. The United States and Japan also worked closely in various fora to address issues of common interest, including those in third-country markets.

- ***Advanced Important Trade Initiatives in the Asia-Pacific Region through APEC.*** Throughout 2018, the United States made progress in advancing important initiatives to expand regional economic integration in the Asia-Pacific, including in the areas of digital trade, food and agricultural trade, regulatory transparency, environmental goods and services, and capacity building projects to assist in implementing trade facilitation measures, among others.
- ***Proposed New Avenues of Cooperation with the ten Association of Southeast Asian Nations (ASEAN).*** In 2018, with the goal of ensuring that ASEAN integration does not create new barriers to U.S. exports, the United States launched cooperation with ASEAN on agriculture biotechnology, proposed new areas of cooperation on 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 prohibiting localization requirements.
- ***Deepened U.S. Market Access in the Philippines.*** During FY 2018, the United States and the Philippines worked intensively under the bilateral TIFA to achieve progress on several trade issues. This culminated with the release, on October 22, 2018, of a Joint Statement highlighting the progress achieved. In the Joint Statement, the Philippines recognized the U.S. interest in the extension of Philippine concessional tariff rates on certain agricultural products and committed to expeditious consideration of petitions for the extension of such rates. In addition, the United States and the Philippines announced their intention to collaborate on the development of cold chain requirements and best practices in the Philippines, taking into account international guidelines and codes of practice regarding food hygiene adopted by the Codex Alimentarius Commission. With respect to GIs, the Philippines committed to ensuring transparency, due process, and fairness, including by respecting prior trademark rights and not restricting the use of common names. The Philippines confirmed that it would not provide automatic GI protection, including to terms exchanged as part of a trade agreement. The Philippines also committed to continue acceptance of vehicle imports that meet multiple high-standard automotive standards, including the U.S. Federal Motor Vehicle Safety Standards. Both Governments also agreed to continue technical dialogue and policy discussions on the National Retail Payments System (“NRPS”) and other measures related to electronic payment services, including domestic retail debit and credit electronic payment transactions.
- ***Deepened Trade and Economic Cooperation with Ukraine.*** In April 2018, after sustained engagement with USTR, Ukrainian President Petro Poroshenko signed into law legislation that fundamentally reforms Ukraine’s copyright management organization system. While the law is not perfect, it creates a framework in which U.S. right holders can receive proper and adequate compensation for their creative works sold in Ukraine.
- ***Bolstered the Trade and Investment Relationship with Georgia.*** In 2018, the United States and Georgia advanced their common agenda to strengthen trade and investment relations.
- ***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 Work to Deepen the Bilateral Trade and Investment Opportunities with Moldova.*** In 2018, the United States hosted the third meeting of the United States-Moldova Joint Commercial Commission in Washington, DC. The meeting highlighted the continued cooperation between the United States and Moldova to increase bilateral trade and grow investment opportunities. The participants discussed steps to facilitate commerce and expand trade, as well as steps to improve Moldova’s attractiveness as a destination for foreign investment.
- ***Continued Engagement with the Gulf Cooperation Council.*** In 2018, the United States pursued further engagement with the six Member States of the Gulf Cooperation Council through the “U.S.-GCC Framework Agreement for Trade, Economic, Investment and Technical Cooperation” to ensure that U.S. interests are fully represented as the GCC develops as a regional organization dedicated to harmonizing standards, import regulations, and conformity assessment systems among its member states.
- ***Strengthened Ties and Promoted Growth with the African Continent.*** In 2018, President Trump hosted two African Leaders at the White House to discuss ways to strengthen our bilateral relationship: Nigerian President Muhammadu Buhari, on April 30, and Kenyan President Uhuru Kenyatta, on August 27. In July, Ambassador Lighthizer hosted the annual African Growth and Opportunity Act (AGOA) Ministerial Forum in Washington, and outlined the Administration’s desire to strengthen trade and investment ties with Africa by pursuing a trade agreement with a willing African country that could be a model for others in the region.
- ***Established a Trade and Investment Working Group with Kenya.*** During their August 2018 meeting, Presidents Trump and Kenyatta announced the establishment of a Trade and Investment Working Group to explore ways to deepen the trade and investment ties between the two countries and to lay the groundwork for a stronger bilateral trade relationship. The Group will pursue exploratory talks on a future bilateral trade and investment framework; maximize the remaining years of the African Growth and Opportunity Act (AGOA) trade preference program, strengthen commercial cooperation; and develop short-term solutions to reduce barriers to trade and investment.
- ***Strengthened Engagement with India through the U.S.-India Trade Policy Forum.*** The U.S.-India Trade Policy Forum (TPF) is the premier bilateral forum for discussion and resolution of trade and investment issues between the United States and India and provides the venue for evaluating progress in the economic relationship at the Ministerial level. Under the auspices of the TPF and as part of a GSP review, the USTR had robust engagement with India this year on market access for U.S. goods, including medical devices, information and communication technology products, and agricultural products, including dairy products. USTR continued to press India for progress on a full range of bilateral trade issues, including the intellectual property and services sectors, where India has implemented trade-restrictive barriers to U.S. exports. USTR also chaired the second US-India Workshop on Trade Facilitation that included representatives from both the U.S. and Indian governments as well as stakeholders. The Workshop enhanced India’s implementation of the WTO Trade Facilitation Agreement as well as customs best practices.
- ***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, and tax predictability for U.S. companies. There has been a steady reduction of the U.S. Pakistan trade deficit over three years.

- ***Strengthened Ties with Bangladesh.*** In September 2018, the United States and Bangladesh met in Washington, D.C. under the United States-Bangladesh Trade and Investment Cooperation Framework Agreement (TICFA). The TICFA provides a mechanism for both governments to address a wide range of bilateral trade and investment issues, including labor rights and workplace safety under the GSP Action Plan and the Bangladesh Sustainability Compact and U.S. concerns with the business climate in Bangladesh.
- ***Engaging Pacific Islands on Trade.*** In September 2018, the United States met with government officials and businesses in Papua New Guinea and Fiji to advise on ways in which Pacific island countries can expand their trade with the United States, including by better utilizing GSP duty-free benefits while ensuring they effectively meet standards for eligibility. The trip highlighted U.S. efforts to maintain strong engagement with the Pacific Islands as an objective of the Indo-Pacific Strategy.
- ***Promoted Trade, Investment, and Regional Cooperation in Central Asia.*** During FY 2018, 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. Pakistan participated for the first time as an observer, which was a welcome step to 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 focused on issues including economic cooperation, customs, investment, standards, sanitary and phytosanitary measures, worker rights, intellectual property rights, and women's economic empowerment. Through our TIFA efforts, as well as our bilateral engagement, Uzbekistan took their first dramatic steps in worker rights and intellectual property rights. USTR also engaged the Government of Tajikistan on the use of licensed software.
- ***Promoted Trade and Investment with Afghanistan.*** During FY 2018, U.S. and Afghan officials continued their engagement under the U.S.-Afghanistan TIFA. Signed in 2004, the TIFA has been the primary forum for bilateral trade and investment discussions between the two countries. USTR is working with Afghanistan on obtaining full membership in the U.S.-Central Asia TIFA 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.
- ***Strengthen Trade and Investment Ties with Nepal:*** In November, the U.S.-Nepal TIFA Council met in Washington, D.C. to resolve trade barriers and expand bilateral U.S. -Nepal trade in both goods and services. USTR continued to support Nepal's recovery efforts from the 2015 earthquake by deepening our bilateral trade relationship and supporting the utilization of the Nepal Trade Preference Program.
- ***Promoted Trade and Investment Ties with Argentina.*** The United States and Argentina in 2018 continued engagement under the United States-Argentina Council on Trade and Investment, established under the U.S.-Argentina TIFA in March 2016. The second meeting of the Council was held in Washington, D.C. in October 2018, providing the opportunity to engage on agricultural trade, subsidy disciplines, and other matters important to the trade relationship. Under the Council the United States and Argentina also participate in the bilateral Innovation and Creativity Forum for Economic Development (the Forum) to discuss issues of mutual interest, including geographical indications, industrial designs, and the importance of intellectual property protections for SMEs. The third meeting

of the Forum was held in May 2018 in Buenos Aires, and the fourth meeting was held via digital video conference in November 2018.

- ***Re-engaged with Ecuador on Trade and Investment Matters.*** In 2018 the United States and Ecuador re-established bilateral engagement under the Trade and Investment Council after over a decade of limited dialogue. This led to the second meeting of the Council held in Washington, DC in November 2018. Several topics were covered including IP enforcement, key investment disputes, and issues in agricultural trade.
- ***Opened U.S.-Israel Negotiations for a Permanent Agreement on Trade in Agricultural Products (ATAP):*** In 2018 the United States resumed discussions with Israel on securing a permanent ATAP, which has been governed, since 1996, by two successive ATAPs: a 1996 ATAP and the successor 2004 ATAP, the latter of which has been renewed annually in one-year extensions. Negotiations on a permanent ATAP will address the remaining 10 and 28 percent of U.S. and Israel agricultural tariff lines, respectively, that are not duty-free.

## ***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-paying 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, farmers, ranchers, manufacturers, innovators, service providers, consumers, and investors 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 realized the benefits promised by those pacts. The Administration's robust enforcement efforts are securing a level playing field for American workers, farmers, ranchers, manufacturers, and service providers, increasing U.S. export opportunities, and helping U.S. producers stay globally competitive in a variety of sectors and industries. The President's comprehensive trade enforcement strategy also promotes and protects innovation critical to U.S. exports and well-paying 21<sup>st</sup> century jobs, and upholds key commitments to protect labor rights and the environment.

- ***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 to level the playing field for American workers and businesses. When trading partners have not been willing to negotiate settlements, the U.S. has pursued WTO disputes to conclusion, prevailing in 48 cases since 1995.

- ***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, focused on acts, policies and practices of the Government 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. In order to obtain the elimination of these unfair and harmful acts, USTR initially imposed increased duties on goods of China with an annual trade value of approximately \$50 billion. USTR also established an exclusion process in which stakeholders could request exclusions for specific products covered by the tariff lines subject to increased duties. When this initial tariff action proved to be insufficient due to Chinese retaliation, USTR modified the action by imposing increased duties on an additional \$200 billion worth of Chinese imports. With respect to an aspect of the investigation that involved WTO rules, USTR initiated dispute settlement at the WTO to challenge China’s discriminatory technology licensing regulations. Negotiations with the Chinese on these issues are ongoing.
- ***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 report also illustrates the specific telecommunications-related issues on which USTR will allocate monitoring and enforcement efforts over the coming year to protect the high quality jobs supported by telecommunications trade. Since last year’s 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.
- ***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.
- ***Secured a Victory in Challenge to Indonesia’s Import Restrictions on U.S. Agriculture.*** In December 2017, the United States prevailed against Indonesia’s wide-ranging import restrictions on fruits and vegetables, animal products, and other agricultural products in a dispute settlement case at the WTO. The WTO Appellate Body had previously affirmed that Indonesia’s prohibitions and restrictions unfairly limited opportunities for U.S. farmers and ranchers to export their world-class products. Indonesia is the fourth most populous country in the world and an increasingly important export market for many U.S. agricultural products, with exports of agricultural products affected by Indonesia’s import licensing regimes totaling nearly \$200 million at the time of their imposition in 2014.
- ***Continued to enforce U.S. WTO Rights with respect to Access to the Indian Market.*** Following a successful WTO challenge to India’s unwarranted restrictions on U.S. exports of poultry and related agricultural products to India, the United States has continued to pursue U.S. rights to obtain India’s full compliance with the dispute settlement findings. The United States has requested WTO authority to suspend tariff concessions to India, and has agreed to short term suspensions of further proceedings while the United States and India work on procedures to ensure full, meaningful market access for U.S. farmers. As part of these efforts, in March 2018 India and the United States agreed to veterinary export certificates for the shipment to India of U.S. poultry and poultry products.

- ***Resolved Barriers to U.S. Agricultural Exports.*** In 2018, USTR worked to resolve unwarranted barriers to U.S. food and agricultural products, including for beef and pork exports to Argentina, beef to Thailand, turkey exports to Malaysia, and dried distiller grains to Vietnam.
- ***Addressed Impediments to U.S. Agriculture Exports under the CAFTA-DR.*** Under the CAFTA-DR, USTR officials have successfully reached agreements and improved access for U.S. agricultural exports. USTR reached an agreement with Guatemala to eliminate tariffs on exports of poultry, improving the volume of poultry exports. Furthermore, USTR engaged Nicaragua and the Dominican Republic to address improper tariff-rate quota (TRQ) administration, resulting in improved TRQ administration and greater export opportunities for US farmers. Finally, USTR expanded greater trade prospects for U.S. exporters within the region by working with Costa Rica to secure the release of over \$150,000 of cheese that had been detained at the border, allowing both U.S. exporter and Cost Rican importer to benefit from the CAFTA-DR cheese TRQ.
- ***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. USTR also proposed stronger rules to enhance the transparency and reporting of Members' existing subsidy programs.
- ***Utilized the WTO Committee on Agriculture (COA).*** The COA held four formal meetings in February, June, September, and November 2018 to review progress on the implementation of commitments of the WTO Agreement on Agriculture (AoA). In total, 262 notifications were subject to review during 2018, and the United States asked 140 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, such as various issues concerning domestic support policies of multiple members; Canada's dairy and wine policies; India's export subsidy measures and quantitative restrictions on pulses; India's export subsidies for dairy products; and Brazil's Program for Product Flow (PEP) and Program for Producer-paid Equalization Subsidy (PEPRO). During 2018, the COA addressed several other issues related to the implementation of the WTO AoA, including convening the fifth annual discussion on export competition as follow-up to the Bali and Nairobi Ministerial Decisions. The United States used this process to question the export credit programs of several countries, including Argentina, Brazil, Canada, China, the European Union, India, Indonesia, Japan, Korea, the Russian Federation, Thailand, Turkey, and Vietnam. In addition, the United States, along with several other Members, revised its export subsidy schedule to reflect the elimination of all export subsidies for agricultural products, per the Nairobi Ministerial Decision. The United States participated in the ongoing review 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.
- ***Submitted the First-Ever Counter Notifications under the WTO COA:*** The United States submitted counter notifications under the WTO Agreement on Agriculture on India's market price support for rice and wheat in May 2018 and for cotton in November 2018. Both counter notifications, which found India to be vastly exceeding its WTO allowable levels of domestic support, received significant support by WTO Members.
- ***Addressed SPS Trade Barriers in the WTO.*** In 2018, the United States raised many concerns regarding SPS measures of other WTO Members in the WTO SPS Committee, regarding their adverse impact on



U.S. food and agricultural exports. These included China's restrictions on U.S. poultry exports ostensibly related to Highly Pathogenic Avian Influenza (HPAI); China's delays in approvals on biotechnology products; EU's hazard-based pesticide policies, particularly its proposal to assess, classify, and regulate chemicals classified as endocrine disruptors; and, Vietnam's restrictions on veterinary drugs. In addition, the United States heightened Members' focus on supporting the independent work of Codex in developing science-based standards; on unnecessary export certification requirements; and, on beef bans ostensibly related to bovine spongiform encephalopathy. The United States also held bilateral meetings on the margins of each WTO SPS Committee to address longstanding SPS issues, for example, Argentina's Porcine reproductive syndrome (PRRS) restrictions and trichinae testing regime that blocked exports of U.S. pork; Brazil's trichinae testing requirements that restricted U.S. pork exports; the EU's draft veterinary drug law that would impose restrictions on foreign producers shipping animal products to the EU; Turkey's restrictions on U.S. rice due to a pest that is already present in Turkey; and, Vietnam's finalization of pest risk analyses for U.S. citrus and blueberries. The SPS Committee also launched its Fifth Review of the operation and implementation of the SPS Agreement. To advance work under the Fifth Review, the United States has worked within several coalitions to advance U.S. agricultural trade priorities. These include recommendations to advance harmonization of pesticide maximum residue limits; enable greater access by farmers to tools and technologies by streamlining regulatory approaches at the national and regional level; advance implementation of obligations in the SPS Agreement on regionalization; and, strengthen coordination mechanisms on SPS issues at the national level to facilitate effective engagement at the regional and international level.

- ***Pursued Agricultural Enforcement Actions Against China in the WTO.*** In 2018, the United States continued to pursue its WTO dispute settlement cases against China regarding the level of domestic support provided to producers of corn, wheat and rice, and regarding China's administration of its tariff rate quotas to import certain agricultural products. Notably, a panel recently found in favor of the United States with respect to domestic support for wheat and rice.
- ***Initiated WTO challenges to Unwarranted Tariff increases on U.S. goods.*** USTR initiated six separate WTO disputes to challenge additional duties imposed by the EU, China, Canada, Mexico, Turkey and Russia 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.
- ***Initiated WTO Actions on Wine Sales to Canada.*** USTR initiated WTO dispute settlement proceedings against Canada on retail restrictions by British Columbia on imported wine. Two sets of consultations were held on Canada's discriminatory measures. In an exchange of letters signed November 30, 2018, Canada committed to ensure that British Columbia eliminate the discriminatory measures no later than November 1, 2019. The United States agreed to take no further action at the WTO prior to November 1, 2019.
- ***Negotiated Revised Agreement with European Union on Beef.*** In response to a request from the U.S. beef industry, USTR initiated a review of the suspension of trade retaliation against the EU in connection with the EU beef hormone dispute. USTR engaged in negotiations with the EU during the past year with the aim of finding a solution that will secure greater market access for U.S. producers. Agreement in principle was reached in 2018. A final agreement is expected in the first half of 2019.

- ***Monitored EU Biotechnology Approvals.*** USTR held one consultation in 2018 on the EU's implementation of its commitment under the 2006 EU Biotechnology dispute to normalize trade in products of biotechnology. The Commission appears to continue to act on opinions of the European Food Safety Agency (EFSA) roughly within established timeframes. However, EFSA is not keeping within the legal timeframes, slowing down total time approval to an average of seven years.
- ***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 IPR protection and enforcement, and also placed Canada on the Priority Watch List. USTR announced that it would conduct Out-of-Cycle Reviews of Colombia, Kuwait and Malaysia.
- ***Achieved meaningful commitments on geographical indications (GIs) in the Philippines:*** In September 2018, the United States and Philippines announced several outcomes related to GIs. The Philippines confirmed that it is continuing to protect GIs in a manner mutually beneficial to both countries by ensuring transparency, due process, and fairness in the laws, regulations, and practices that provide for the protection of GIs, including by respecting prior trademark rights and not restricting the use of common names. The United States welcomed the commitment of the Philippines to further discuss ways to ensure that Philippine laws, regulations, and policies do not restrict or prohibit entry of U.S. products in the Philippine market. The Philippines also confirmed that it will not provide automatic GI protection, including to terms exchanged as part of a trade agreement.
- ***Strengthened Monitoring and Enforcement of U.S. Intellectual Property Rights with Key Trading Partners.*** USTR identified a set of outstanding trade agreement provisions where implementation was lagging, ensuring that trading partners were adhering to international best practices on IP, including the International Union for the Protection of New Varieties of Plants (UPOV) treaty protecting plant varieties. USTR also led an intra-agency team in developing a multi-pronged strategy to bring attention to the issue, pushing governments to solve the issue, and prepare for dispute settlement, when appropriate. USTR convened internal strategy sessions regarding general IP monitoring and implementation matters, including with respect to safeguarding overseas markets for U.S. producers against the EU's efforts to impose, through their trade agreements, their market-access-restricting system of geographical indications.
- ***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), including lifting burdensome data and computer facilities localization requirements that impede the cross-border transfer of data; addressing specific SPS barriers and related issues; resolving specific non-tariff barrier issues to improve opportunities for U.S. auto manufacturers; and continuing to urge Korea to implement an improved, non-discriminatory approach to providing incentives for innovative medicines.
- ***Held Korea Accountable to Import U.S. Rice in 2018.*** As late as October 2018, Korea's imports of U.S. rice were far below average import quantities – by roughly 130,000 MT – over the same period in the years 2015-2017. USTR and USDA engaged Korea extensively to import more from the United States, resulting in Korea making up the substantial shortfall in the final months of 2018 and ensuring

that U.S. rice exports to Korea remained at the record levels achieved between 2015-2017, averaging approximately 150,000 MT and \$108 million per year over that period.

- ***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 and through bilateral and regional meetings of FTA environment oversight bodies. USTR participated in meetings of the environment committees established under our trade agreements to monitor and enforce the Environment Chapter obligations with officials from Bahrain, Central America and the Dominican Republic, Chile, Colombia, Jordan, Morocco, Oman, Panama, Peru, and Singapore.
- ***Promoted and Monitored Environmental Protection in Central America and the Dominican Republic.*** The United States and other Parties to the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) continued efforts to strengthen environmental protection and implement the commitments of the CAFTA-DR Environment Chapter. The Environmental Affairs Council met in June 2018 in Santo Domingo, Dominican Republic, and discussed challenges and progress in implementing the Environment Chapter obligations with a particular focus on collaboration among law enforcement agencies and institutions to combat wildlife trafficking and illegal logging. The Council also examined the role of environmental courts and tribunals in the enforcement of environmental laws and exchanged views on legislative, institutional, and procedural revisions that can help improve effective enforcement and promote high levels of environmental protection.
- ***Reinforced our Economic Relations with Chile.*** Throughout 2018, the United States worked effectively with the government of Chile to prepare for the 12<sup>th</sup> meeting of the U.S.-Chile FTC to address U.S. priority issues, including agriculture market access, environmental protection for endangered species, and intellectual property commitments. Parties convened the Technical Barriers to Trade Committee, the Committee on Sanitary and Phytosanitary Matters, and the Environmental Affairs Council of the U.S.-Chile Free Trade Agreement in preparation of the U.S.-Chile FTC meeting.
- ***Utilized Trade Agreements to Promote Marine Conservation and Ocean Sustainability.*** USTR worked with interagency partners and the Government of Mexico on actions to combat illegal fishing and conserve endangered species, such as the 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, in particular a seafood traceability program that entered into force on January 1, 2018.
- ***Advanced environmental protection and public participation under the United States-Panama Trade Promotion Agreement.*** The United States and Panama continued efforts to strengthen environmental protection and review implementation of the Trade Promotion Agreement Environment Chapter. The Environmental Affairs Council (Council) and Environmental Cooperation Commission (Commission) met in October 2018 in Panama City, Panama, to discuss challenges and progress in implementing the Environment Chapter obligations over the course of 2018, with a particular focus on wildlife trafficking, illegal logging, IUU fishing, and conservation of wetlands. The Council approved working procedures and a 2018-2019 work program for the operation of the independent Secretariat for Environmental Enforcement Matters (Secretariat).

- ***Reinforced our Economic Relations with Peru.*** In 2018, the United States and Peru worked through the U.S.-Peru Free Trade Commission process to address U.S. priority issues, including agriculture market access, environmental and labor cooperation, and implementation of the agreement.
- ***Enforced FTA Environment Provisions in Peru.*** USTR was active in monitoring and enforcing the United States-Peru Trade Promotion Agreement (PTPA) and its unique Forest Annex. In February 2018, the United States made its second request that Peru verify that exports of three timber shipments to the United States fulfill the laws, regulations, and other Peruvian measures governing the harvest and trade of timber products. This action was taken on behalf of the Interagency Committee on Trade in Timber Products from Peru (Timber Committee) following a 2016 verification exercise that revealed significant levels of illegality in an earlier timber shipment from Peru to the United States.
- ***Convened Free Trade Agreement Meeting on SPS Matters with Peru.*** In February and September 2018, the United States-Peru Trade Promotion Agreement Standing Committee on Sanitary and Phytosanitary Matters met for the eighth and ninth times by videoconference and in Lima, Peru, respectively. The committee provides a forum to discuss bilateral issues so that both countries' agricultural sectors can realize opportunities offered by the Agreement and resolve any undue barriers to trade. Among issues raised in the meeting, the U.S. delegation pressed Peru on its ten-year moratorium on the use of agricultural biotechnology, and questioned Peru's policy intentions as the moratorium nears expiration in 2021. U.S. total exports of agricultural products to Peru totaled \$1.2 billion in 2017, the United States' 21st largest agricultural export market.
- ***Promoted Labor Rights under FTAs with Bahrain, Colombia, Peru, and the Dominican Republic.*** USTR Monitored labor rights in Bahrain, Colombia, Peru, and the Dominican Republic under the United States-Bahrain FTA, the United States-Colombia TPA, the United States-Peru TPA, and CAFTA-DR, respectively. These efforts included continuation of labor consultations with Bahrain invoked under the labor chapter of that FTA, and close engagement with Colombia, Peru, and the Dominican Republic 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 has issued a public report that includes detailed recommendations to address labor rights concerns, and USTR worked closely with DOL in 2018 to monitor and promote progress on these issues. Accomplishments in this area include hundreds of new labor inspectors and resources for inspections in both Colombia and Peru, and new inspection efforts in the Dominican Republic's sugar sector.
- ***Made Progress with Bangladesh on Key Trade, Worker Safety, and Labor Issues.*** Subsequent to the suspension in 2013 of GSP benefits for Bangladesh, USTR formulated an Action Plan, which serves as a road map for restoration of GSP benefits. U.S. government agencies worked toward these goals directly with the Government of Bangladesh; through our association with the EU/GoB/ILO Bangladesh Sustainability Compact; through the private sector apparel buyer organizations (both the U.S. Bangladesh Alliance for Worker Safety and the EU based Bangladesh Accord on Fire and Building Safety); through U.S. unions (the AFL-CIO and their international arm Solidarity Center); the Bangladesh factory owners; foreign investors in the Bangladesh EPZs; and others. The incidence of factory fires and industrial accidents has declined dramatically, and serious casualties per incident have declined sharply.
- ***Promoted Labor and Worker Rights in Honduras.*** USTR and the Department of Labor worked closely with the Government of Honduras in 2018 to continue implementation of a detailed Monitoring and

Action Plan, signed in 2015, with specific commitments to improve protection of labor rights and enforcement of labor laws. In 2018, the Government of Honduras continued the implementation of a sweeping labor law reform passed in 2017, which significantly increases fines for labor violations and improves labor law enforcement and inspections.

- ***Made 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 2018, the Uzbekistan government made progress ending forced child labor and significantly reducing forced adult labor during the cotton harvest.
- ***Promoted Uzbekistan IP Enforcement:*** After sustained engagement with USTR under the GSP review on intellectual property rights since 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 and is now providing some protection for U.S. and other foreign sound recordings.
- ***Enforced Eligibility Criteria for key US Preference Programs, including GSP.*** In 2018, USTR completed the first round of the new triennial assessment process of the compliance of Asian and Pacific Island beneficiary countries with the program's 15 mandatory and discretionary eligibility criteria, resulting in new self-initiated eligibility reviews of India and Indonesia. In addition to worker rights reviews discussed above, USTR used GSP eligibility reviews to press GSP beneficiary country governments to make improvements to their market access commitments to the United States (India, Indonesia, and Thailand); their protection of intellectual property rights (Indonesia, Ukraine, and Uzbekistan); and their respect for Arbitral Awards in favor of U.S. companies (Ecuador).
- ***Suspended Rwanda's AGOA trade benefits due to barriers to U.S. trade and investment.*** In response to a petition filed by U.S. exporters of used clothing and footwear under AGOA procedures, in June 2017 USTR initiated an out-of-cycle review of Rwanda, Tanzania, and Uganda's AGOA eligibility and held a hearing. The petitioner asserted that Rwanda, Tanzania, and Uganda had increased tariffs to prohibitively high levels in an effort to ban such imports and that these actions and other nontariff barriers were negatively impacting U.S. jobs in the sector. While Tanzania and Uganda took steps to address the concerns raised in the petition, Rwanda did not. As a result, in March 2018 the President determined that Rwanda was not making sufficient progress toward the elimination of barriers to U.S. trade and investment, and was therefore out of compliance with the eligibility requirements of AGOA. In July 2018, the President suspended the duty-free treatment of all AGOA-eligible apparel products from Rwanda.
- ***Successfully Reversed import Ban on Certain products in Tanzania and Uganda.*** Following consultations with USTR and other U.S. officials, both Tanzania and Uganda reversed their earlier decisions to increase tariffs Rwanda on used clothing and footwear to prohibitively high levels, thereby averting a suspension of their respective AGOA apparel benefits.
- ***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 an interagency 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 2019. 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 a number of our key trade partners on the continent, including South Africa, Kenya, Nigeria, Angola, and Rwanda, to discuss trade barriers and impediments to doing business. Barriers included: adopted or proposed local content legislation; obstacles to U.S. agricultural goods, including poultry and pork products in South Africa; bans in place on used clothing exports; and problematic intellectual property protection policies. USTR staff also raised concerns with Mauritius and Ghana regarding their announced plans to restrict market access for foreign electronic payment service providers, resulting in both governments withholding implementation of those policies.
- ***Enforced Textiles and Apparel Provisions of U.S. Trade Agreements.*** USTR led interagency and public reviews of rules of origin changes proposed by several trading partners, ensuring that the commercial interests of U.S. producers and workers were not negatively affected.

### ***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 interagency 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 the USMCA negotiations, KORUS amendments and modifications, the Africa FTA initiative, enforcement activities, and other initiatives. These discussions, which amounted to thousands of hours, ensured that the Congress was constantly kept abreast of the content and progress of USTR activities and had continuous opportunities to shape ongoing U.S. negotiating efforts.
- ***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 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 NAFTA, KORUS and the WTO.

- ***Outreach to 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, 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 countries around the world.
- ***Continued Outreach to 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 segment of stakeholders including Members of TEPAC, the broader environmental community, other government agencies, Congress, and the private sector. This included outreach under existing FTAs with Central America and the Dominican Republic, Peru, and Oman. USTR engaged with environmental NGOs during the public sessions that took place alongside bilateral environmental meetings.
- ***Outreach and Consultations with U.S. Labor and Business Stakeholders.*** Communication with stakeholders provided a wide range of positions that were 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. 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, Just Jobs, Human Rights Watch, Humanity United, and Alliance to End Slavery and Trafficking, and U.S. and foreign employers, including Nike, Levi Strauss, Gap, Walmart, VF Corporation, Li & Fung, and Target, resulting in strengthened relationships and consulting mechanisms on trade-related labor matters. Relationships with key Hill staff, in particular Ways and Means, Finance, and the House Trade Working Group, resulted in broadening support for USTR trade policy, particularly with regard to the USMCA and worker rights implementation under GSP and FTAs. Strengthened the trade union advisory process with labor advisors, finding common ground and leading to unprecedented collaboration.
- ***Held Meetings and Consultations with Congress, Industry, Civil Society, and Other Stakeholders on IP Issues.*** Developed, tabled and successfully concluded intellectual property proposals. 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 interagency, 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 interagency 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 2018 USTR convened the U.S.-EU SME Workshop in partnership with SBA, Commerce, and the Department of Labor to engage directly with local SME



stakeholders regarding trade challenges they face in the European Union. In 2018, USTR joined by SBA and Commerce conducted the initial meetings of the U.S.-UK SME Dialogue under the auspices of the U.S.-UK Trade and Investment Working Group, in order to advance our SME cooperation and deepen trade ties between SME stakeholders on both sides.

- ***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, 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.
- ***Secured GSP Renewal and Modernization.*** USTR worked with Congress to secure renewal of the GSP Program, including several technical changes to improve the operation of the program.

## ***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 2018, 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. 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 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 many press calls to explain Administration positions with respect to USMCA 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 several 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, 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 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 with key stakeholders from African governments and the business community to advance the Administration's trade agenda with respect to Sub-Saharan Africa. In June, Ambassador Lighthizer convened a meeting of Trade Advisory Council on Africa (TACA) to discuss USTR's Africa Free Trade Agreement Initiative. USTR staff also spoke about this initiative at a high-level conference

on African Business held on the margins of the United Nations General Assembly in New York in September as well as at smaller events held throughout the year 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 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 effective implementation of the goals presented in the Strategic Plan require a workforce that is highly effective and motivated. It also requires a supportive work environment for USTR's employees, its most valuable asset. USTR, through its annual performance goals, will implement multi-year objectives in human capital planning, including succession planning, career and leadership development, space modernization and expansion, continuity of operations and physical security, training and information technology improvements. The Employee Viewpoint Survey will inform USTR's efforts to focus on those areas of greatest need.

- ***Security Management.*** Partnered with EOP to conduct building emergency drills to raise the awareness and readiness of all USTR employees; completed multiple updates of USTR COOP plan as EOP-sponsored exercises were conducted; managed successful exercises at Mt. Weather; prepared for potential of Hurricane Florence impact on the NCR. Worked to focus the security team on physical security, information security, and emergency preparedness and continuity of operations responsibilities. Domestic negotiation rounds security plans developed and implemented; often arranged FPS security guards on extremely short notice to cover 24/7 USMCA negotiations in Winder and 1724 F Street; new multi-year contract put in place for local security contractor for all future negotiations. Upgraded all SCIFs' monitoring capabilities to ensure the highest level of emergency response. Added critical modifications to the physical access control system (PACS) upgrade and maintenance contract for Winder and 1724 F Street; includes replacement of Cat 2 with Cat 6 cabling and increased power distribution network that will enable the addition of all new card readers (required

post-modified FIPS requirements) and digital video surveillance cameras. Completed USTR-wide annual security training on derivative classification; new Original Classification Authorities (OCA) trained to assume their duties. Developed and commenced USTR-wide information security self-inspections process with the objectives to ensure all security containers are properly maintained and stored information meets EO 13526; substantially reduced the number of containers maintained. Implemented a revised burn bag policy and process that more effectively addressed the need to properly and efficiently handle and safeguard classified material.

- **Resource Management.** Managed the FY 2018 spend plan and ensured effective and efficient use of USTR's spending authority to minimize impact of potential reductions and unexpected changes in funding levels. FY 2018 again was especially challenging with half-year continuing resolutions (CRs) with attendant potential shutdown planning activities and the first usable appropriation of the Trade Enforcement Trust Fund; ensured the most effective and efficient use of USTR's spending authority and best position USTR to minimize impact of potential reductions during the CRs and unexpected changes in priorities throughout the year. Worked closely with OA CFO and Treasury Department for successful accounting for the Trade Enforcement Trust Fund. Delivered FY 2019 Congressional Budget Submission and other supporting briefs, Q&A's, etc. to fully justify USTR resource needs; prepared all necessary background information for the USTR's Senate Appropriations Hearing; prepared and briefed initial FY 2020 request to OMB. Expeditiously completed required Congressional financial and other mandated reports. New travel authorization and voucher process working exceedingly well.
- **Administrative Management.** Made effective use of the paralegal contract to rapidly staff up in support of the 301 tariff exclusion process. Proactively addressed all special conferencing needs; provided conference planning support for meetings as they are determined, especially last minute USMCA negotiating sessions. Completed the significant declassification review for records at the Washington National Records Center to be permanently retired. Worked with NARA to update USTR records schedules to reflect current organizational needs; continued to work e-records management reform at USTR to meet NARA's goal that all records are to be electronic (Managing Government Records Directive). Kept workforce up-to-date on major issues that may affect them, e.g. plaza renovation project; sought means to mitigate impact of any potential workforce disruptions, such as encouraging use of workplace flexibilities and new Bike Subsidy policy.
- **Facilities Management.** Assisted GSA to ensure all special projects are commenced and/or completed expeditiously and with minimal impact on occupants (e.g. ballistic film installation, 1724 F Street exterior renovation). Project to replace blast curtains with ballistic film in both Winder and 1724 F Street building provided massive improvements to living conditions; followed on with Winder 2<sup>nd</sup> floor drape and window cleaning. Completed major upgrade to offices in Winder and 1724 F Street for improved utilization and work environment. Continued coordination with CFPB project and ensured all employees were kept up-to-date on all conditions that impact Winder Building access and their work environment. Addressed all workplace accommodations requested by employees to their satisfaction; especially challenging for employees relocating office space with multiple accommodation needs. Worked with GSA on additional space planning needs.
- **Information Technology Management.** Developed strategic tools to facilitate superior results for critical USTR processes, including correspondence/memorandum management, consultation management, staff directory management, agency report management and document management. Communicated IT plans and anticipated needs, both strategic and tactical. Worked with Front Office to open up access and provide maximum transparency to the USTR Correspondence & Memorandum processes. Through proactive development and deployment of new technologies, e.g. Wiki, webinar,

social networking technologies, enabled staff to work more efficiently and produce better outcomes. Continued to transition employees to SharePoint platform for file storage and team collaboration; monitoring implementation of additional capabilities. OGC Case and Document Management System work continues; assisted w/review of several commercial technology alternatives; focusing on pilot SharePoint DMS with ICTIME. Assisted 301 Team with timely posting of federal notices and managing the tariff exclusion process. Coordinated with WHIT to migrate all USTR staff to the new EOP "Greenfield" network; replaced all PCs with Windows 10 systems and replaced all iPhones; enabled access to all necessary applications and data on the new network. Upgraded existing public web site, [ustr.gov](http://ustr.gov), as required by new Administration. Approximately 10K changes made to the USTR Internet, Intranet site, and wiki sites; assisted USTR Negotiating Offices to add their content within required time frames. Coordinated with WHIT to complete network infrastructure upgrades, including Winder cabling project which provides POE backup on all phones, and installation of Wi-Fi throughout both buildings. Assisted with upgrades to security desks/systems at 1724 F St and Winder, including planning for transition to new PACS. Provided planning and travel support for USMCA, WTO ministerial and others as needed. Provided communications and IT travel equipment to the maximum extent allowed by EOP security policy. Worked with all offices to implement new process for facilitating international travel process on WHCA network. Worked with HR to optimize paperless performance review process (beginning with SES); assisted HR with implementation and training of new performance management system. Provided continuing support to the Western Hemisphere Office with use of Wiki site to conclude USMCA negotiations. Provided Congress, Advisors, and partner countries continuing access to the USMCA virtual library of 1000's of documents associated with negotiations; stakeholder outreach needs included assistance with new Congressional accounts and designing new pages to accommodate negotiating texts for USMCA renegotiation. Assisted Policy and Coordination Office with editing, formatting, and publishing the USTR Annual Report and National Trade Estimate via new SharePoint portal process.

- ***Human Capital Management.*** HR Director continued in-depth evaluation of HR functions and processes to ensure maximum efficiency and effectiveness. 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. Transitioned SES to web-based USAPerformance system. For Non-SES, met completion goals and ensured timely payout of performance awards. 2018 Employee Viewpoint Survey: provided information and analysis; as a whole, USTR continues to improve. Numerous training opportunities made available to staff, i.e. Rosetta Stone, supervisory skills courses; negotiations, writing skills. Provided proactive HR technical support and expertise to managers and employees in handling employee relations, performance, and conduct issues; ensured laws and policies were being observed. Counseled managers regarding performance issues with employees. Counseled employees regarding performance and attendance issues. Provided guidance and information to managers and employees on such matters as: position classification and position management, pay administration, leave administration, and disability retirement. Expedited numerous hiring/onboarding actions, including four especially delayed PAS's. Took on unprecedented hiring efforts to build the workforce; worked collaboratively with USTR offices and OA HRD with innovative hiring strategies such as shared certificates. Implemented comprehensive SharePoint onboarding and vacancy tracking system. Assisted agency SES appointments to ensure that their ECQs passed OPM QRB muster. USTR-tailored leadership, professional and career development program with special emphasis on preparing senior leaders is imbedded in our "maximizing employee performance plan" developed in response to OMB's government reform planning effort. Managed all office assignments with individual AUSTRs to ensure the best use of office space and smooth on-boardings. Annual Awards Ceremony and reception noteworthy success. Successfully managed backfills to the two Beijing positions of Minister-Counselor and trade attaché through a complex administrative process.

## 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
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
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
NEL.....	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
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