

VI. TRADE POLICY DEVELOPMENT

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

On September 22, 2010, President Obama released his strategy for development. The President’s approach to global development addresses the new strategic context faced by the United States through the following three pillars:

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

USTR participated actively in the preparation of this strategy, and will remain active in the implementation of the strategy. Throughout the past year, USTR has worked closely with USAID, MCC, and other USG agencies to support countries in their capacity to trade, as described in this section.

Trade policy and development assistance are key tools that together can help alleviate poverty and improve opportunities. These programs, also known as aid for trade, are about giving countries, particularly the least trade-active, the training and technical assistance needed to: make decisions about the benefits of trade arrangements and reforms; implement their obligations to bring certainty to their trade regimes; and enhance such countries’ ability to take advantage of the opportunities of the multilateral trading system and to compete in a global economy. Accordingly, U.S. assistance addresses a broad range of issues so that rural areas and small businesses, including female entrepreneurs, benefit from ambitious reforms in trade rules that are being negotiated in the World Trade Organization (WTO) and in other trade agreements.

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

The United States’ efforts build on its longstanding commitment to help partner countries benefit from the opportunities provided by the global trading system, both through bilateral U.S. assistance and through U.S. support for multilateral institutions. U.S. bilateral assistance includes programs such as targeted assistance for developing countries participating in U.S. preference programs; coordination of assistance through Trade and Investment Framework Agreements (TIFAs); TCB working groups that are integral elements of negotiations to conclude Free Trade Agreements (FTAs); and Committees on TCB created to

aid in the negotiation and or implementation of a number of FTAs, including the FTAs with the Dominican Republic and Central America, and Peru, and for some partners in the ongoing Trans-Pacific Partnership negotiations. Bilateral assistance also helps developing countries to work with the private sector and non-governmental organizations to transition to a more open economy, to prepare for WTO negotiations, and to implement their trade obligations. Multilaterally, the United States has supported and will continue to support trade-specific assistance mechanisms like the Enhanced Integrated Framework for Trade-Related Assistance to Least-developed Countries (EIF) and the WTO's Global Trust Fund for Trade-Related Technical Assistance.

1. The Enhanced Integrated Framework

The Enhanced Integrated Framework (EIF) is a multi-organization, multi-donor program that operates as a coordination mechanism for trade-related assistance to least-developed countries (LDCs) with the overall objective of integrating trade into national development plans. Participating organizations include the WTO, World Bank, IMF, UNCTAD, UNDP, UNIDO, and the International Trade Centre. The mechanism incorporates a country-specific diagnostic assessment and action plan formulated by one of the international organizations in cooperation with the participating LDC. The action plan, consisting of needs identified by the diagnostic assessment, is offered to multilateral and bilateral donors. Project design and implementation can be accomplished through the resources of the EIF Trust Fund or through multilateral or bilateral donor programs in the field (as the United States does through its development assistance programs). The EIF is exclusively for LDCs, with the goal of getting the least trade-active more involved. Of the 47 LDCs, 49 have joined the EIF. The EIF is supported by 22 donors. Institutionally, the EIF is overseen by a Board of Directors, composed of donor countries, least-developed countries, and participating international organizations. The EIF Secretariat, led by an executive director, is responsible for programmatic implementation, while the EIF Trust Fund Manager is responsible for financial aspects of the program.

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

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

International trade can play a major role in the promotion of economic growth and the alleviation of poverty. The WTO's Doha Development Agenda (DDA) recognizes that TCB can facilitate more effective integration of developing countries into the international trading system and enable them to benefit further from global trade. The United States provides leadership in promoting trade and economic growth in developing countries through comprehensive TCB programs. The United States also directly supports the WTO's trade-related technical assistance.

a. Global Trust Fund

The United States supports the trade-related assistance activities of the WTO Secretariat through voluntary contributions to the Doha Development Agenda Global Trust Fund. With an additional contribution of nearly \$1 million in 2010, total U.S. contributions to the WTO have amounted to almost \$10 million since the launch of DDA negotiations.

b. Aid for Trade

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

During 2010, Members actively worked on implementing many of the Task Force's recommendations. Of particular focus was the monitoring and evaluation of Aid for Trade programs. A monitoring framework was further developed, based largely on work undertaken by the OECD's Development Cooperation and Trade directorates, working closely with the WTO Secretariat, the World Bank, and donor and recipient countries, and work on best practices on evaluation began. The third global review of Aid for Trade, to be held at the WTO in July 2011, will focus on these topics.

c. WTO and Trade Facilitation

The United States has provided substantial assistance over the years in the areas of customs and trade facilitation. More recently, U.S. support for work in trade and development corridors in Africa, including through the Global Hunger and Food Security Initiative, is increasing. Through this assistance, the United States has supported the WTO Doha discussions by providing assistance to developing countries that seek help in responding to the regulatory proposals made by members in the Negotiating Group on Trade Facilitation.

d. WTO Accession

The United States provides technical support to countries that are in the process of acceding to the WTO. In 2010, WTO accession support was provided to Afghanistan, Azerbaijan, Ethiopia, Iraq, Kyrgyzstan, Laos, Lebanon, Russia, and Serbia.

3. TCB Initiatives for Africa

The United States has aggressively funded programs and developed several new initiatives at multilateral and bilateral levels to address the specific needs of sub-Saharan African countries with respect to reducing poverty and spurring economic growth. The United States has invested more than \$3.3 billion in trade-related projects in sub-Saharan Africa since 2001.

a. African Global Competitiveness Initiative

The centerpiece of U.S. support for building trade capacity in Africa for the past five years was the \$200 million African Global Competitiveness Initiative (AGCI). The program expired September 30, 2010. The primary focus of AGCI was to help expand African trade and investment with the United States, with other international trading partners, and regionally within Africa through improving the competitiveness of sub-Saharan African enterprises. AGCI's objectives were to: (1) improve the business climate for private sector-led trade and investment; (2) strengthen the knowledge and skills of sub-Saharan African private sector enterprises to take advantage of market opportunities; (3) increase access to financial services for trade and investment; and (4) facilitate investments in infrastructure.

A major focus of AGCI programs was to help African countries make the most of the trade opportunities available under the AGOA preference program. *(For additional information, see Chapter V.B.8.c.)*

AGCI supported AGOA through programs carried out by four USAID-funded Regional Hubs for Global Competitiveness – in Botswana, Kenya, Ghana, and Senegal – as well as through programs carried out by USAID bilateral missions. Although AGCI has expired, the Hubs continue to operate.

In 2009, the Hubs facilitated over \$71 million in transactions in the textile and apparel, specialty food, cut flowers, and other product categories, mostly through new commercial relationships under AGOA. These results reflect a strategic emphasis by the U.S. Government on providing marketing assistance to African exporters at major international trade shows. Under an agreement with USAID, USDA addresses sanitary and phytosanitary issues under AGCI, specifically in the areas of food safety and plant and animal health. Additionally, the U.S. Department of Commerce’s Commercial Law Development Program is working to improve protection of intellectual property rights.

b. Assistance to West African Cotton Producers

Since 2005, the United States has mobilized its development agencies to help West African countries—Benin, Burkina Faso, Chad, Mali, and Senegal—address obstacles they face in the cotton sector. The MCC, USAID, USDA, and the United States Trade and Development Agency continued to work with these nations as they sought to develop a coherent long-term development strategy to improve prospects in the cotton sector. Elements of such a strategy include improved productivity, domestic reforms, and other key issues. The United States will continue to coordinate with the WTO, World Bank, the African Development Bank, and others as part of the multilateral effort to address the development aspects of cotton. This includes active participation in the WTO Secretariat’s periodic meetings with donors and recipient countries to discuss the development and reform aspects of cotton.

The centerpiece of U.S. assistance to the cotton sector in West Africa is USAID’s West Africa Cotton Improvement Program (WACIP). The program is aimed at helping to improve the production and marketing of cotton in five countries: Benin, Burkina Faso, Chad, Mali, and Senegal. The WACIP is designed to help achieve the following objectives: (1) reduce soil degradation and expand the use of good agricultural practices; (2) strengthen private agricultural organizations; (3) establish a West African regional training program for ginners; (4) improve the quality of West African cotton through better classification of seed cotton and lint; (5) improve linkages between U.S. and West African research organizations involved with cotton; (6) improve the enabling environment for agricultural biotechnology; and (7) assist with policy/institutional reform.

A key element of the WACIP program is the identification of specific policy priorities through National Advisory Committees. Composed of stakeholders in each country, these committees undertook work to identify the specific projects that would yield the assistance and results sought by participants and these projects have been the basis of WACIP’s work. In 2010, WACIP was extended to March 2012.

The U.S. Government also provides complementary support to the cotton sector through other programs. MCC is implementing compacts with Benin (\$307 million), Burkina Faso (\$481 million), and Mali (\$460 million). In September 2009, the MCC signed a \$540 million compact with Senegal. The program will promote economic growth in the rural agriculture sector.

4. Free Trade Agreement (FTA) Negotiations

Although the WTO programs and the EIF are high priorities, they are only part of the U.S. TCB effort. In order to help U.S. FTA partners participate in negotiations, implement commitments, and benefit over the long-term, USTR has created TCB working groups in free trade negotiations with developing countries and Committees on TCB to prioritize and coordinate TCB activities during the transition and

implementation periods once an FTA enters into force. USAID and USDA, their field missions, and a number of other U.S. Government assistance providers actively participate in these working groups and committees so that the TCB needs identified can be quickly and efficiently incorporated into ongoing regional and country assistance programs. The Committees on TCB also invite non-governmental organizations, representatives from the private sector, and international institutions to join in building the trade capacity of the countries in each region. Trade capacity building is a fundamental feature of bilateral cooperation in support of the CAFTA-DR and the United States-Peru Trade Promotion Agreement. USTR also works closely with the U.S. Department of State and other agencies to track and guide the delivery of TCB assistance to Jordan, Morocco, Bahrain, and Oman.

a. Dominican Republic-Central America-United States Free Trade Agreement

The CAFTA-DR established a Committee on TCB. The CAFTA-DR was signed in 2004 and went into force for all countries except Costa Rica during 2006 and 2007, and for Costa Rica in 2009. The Committee on TCB has convened formally four times: in Guatemala City, Guatemala in February 2007; in Washington, D.C. in November 2007; in Santo Domingo, Dominican Republic in November 2008; and in Washington, D.C. on October 20-21, 2010. These meetings were attended by representatives of each of the member countries and by the Inter-American Development Bank (IDB), the Organization of American States (OAS), the Economic Commission for Latin America and the Caribbean (ECLAC), the *Organismo Internacional Regional de Sanidad Agropecuaria* (“OIRSA”), and at times, by the World Bank. The meetings provided the opportunity for the Committee to review updates of recipient members’ trade capacity building strategies and priorities as well as U.S. donor agencies’ and the international institutions’ trade capacity building activities. They additionally provided the opportunity for in-depth discussions of particular assistance areas, such as rural development and sanitary and phytosanitary assistance.

Efforts in 2010 included a range of activities to streamline customs procedures for importers and exporters, many of which directly support implementation of the FTA. Software for a virtual single window for imports was developed and/or strengthened in Nicaragua, Honduras and El Salvador. New rules of origin were implemented in a harmonized fashion. Implementation of risk based selection criteria has reduced the clearance time for goods. U.S. sanitary and phytosanitary TCB helped to enable farmers and small- and medium-sized rural enterprises to benefit from the agreement. As a result of SPS assistance, laboratories in the region have achieved international certifications, U.S. detentions due to labeling deficiencies have dropped from 68% regionally to less than 10%, and an estimated \$135 million of increased meat, dairy and vegetable exports to the United States were generated.

b. United States-Peru Trade Promotion Agreement

The United States-Peru Trade Promotion Agreement (PTPA) entered into force on February 1, 2009. Like the CAFTA-DR, the PTPA includes a provision that creates a Committee on TCB to build on work done during the negotiations by the TCB working group. The purpose of the Committee is to assist Peru in refining and implementing its national TCB strategy as well as to foster assistance to promote economic growth, reduce poverty, and adjust to liberalized trade. The Committee met in March 2009 in Peru. Peru presented a preliminary national trade capacity building strategy to address several specific objectives relating to implementation of the Agreement, highlighting areas such as telecommunications, intellectual property and agricultural standards. USAID/Peru is working closely with its government of Peru counterparts to ensure that activities respond directly to the Peru's trade capacity needs. To that end, in December 2009, USAID and USDA, along with Peruvian government and universities, began working together to strengthen Peru’s agricultural sector through targeted capacity building in the areas of sanitary and phytosanitary (SPS) regulatory and surveillance systems, agricultural research, and agricultural education. Additionally, USAID launched a trade capacity building project in July of 2010 that will work

with several Peruvian ministries and agencies to assist with the implementation of the PTPA and facilitate trade across a wide range of sectors. The first of these activities will focus, *inter alia*, on: implementation of the labor and intellectual property provisions; strengthening intellectual property enforcement training, patent processes and capacity to evaluate drug applications; and improving customs operations to both comply with the PTPA and facilitate trade. In addition, the United States is committed to providing support to assist Peru on implementing its obligations under the environmental provisions of the PTPA, including its obligations under the annex on forest sector governance. This support is contemplated under the United States-Peru Environmental Cooperation Agreement, an agreement concluded in parallel to the PTPA, and involves several ongoing projects in the region.

c. United States-Colombia and United States-Panama Trade Promotion Agreements

In November 2006, the United States and Colombia signed an FTA: The United States-Colombia Trade Promotion Agreement. On June 28, 2007, the United States-Panama Trade Promotion Agreement was signed. As with the United States-Peru Trade Promotion Agreement, these two agreements include the creation of Committees on TCB to build upon the progress made by the preceding TCB working groups on economic assistance and poverty alleviation.

B. Public Input and Transparency

Broadening opportunities for public input and increasing the transparency of trade policy is a key priority of USTR's Office of Intergovernmental Affairs and Public Engagement (IAPE) under the Obama Administration. IAPE works with USTR's Office of Public and Media Affairs and with regional and functional offices across the agency to ensure that timely trade information is available to the public and disseminated widely. This is accomplished in part via USTR's interactive website; a weekly e-newsletter that is available through our homepage at <http://www.ustr.gov>; online posting of *Federal Register* Notices soliciting public comment and input and publicizing Trade Policy Staff Committee (TPSC) public hearings; increased transparency regarding specific policy initiatives; managing the agency's increased outreach and engagement with small and medium-sized businesses; meetings with a broad array of domestic stakeholders including but not limited to agriculture groups, industry groups, labor groups, small businesses, NGOs, universities, think tanks, and state and local governments; and speeches to associations and conferences around the country regarding trade. In addition to public outreach, IAPE is responsible for administering USTR's statutory advisory committee system created by Congress under the Trade Act of 1974 as amended, as well as facilitating formal consultations with state and local governments regarding trade issues which may impact them. Each of these elements is discussed in turn below.

1. Public Outreach

a. Website and Weekly E-Newsletter

Launched in June 2009, the USTR website at <http://www.ustr.gov> has broadened the trade dialogue through technology, fulfilling President Obama's commitment of a government that is transparent, participatory, and collaborative.

Through the USTR blog and site pages on geographical areas, trade agreements, and key trade issues, <http://www.ustr.gov> shares updated information about USTR's efforts to support job creation by opening markets and enforcing America's rights in the rules-based global trading system.

Interactive tools on the site allow the public to participate more fully in USTR's day-to-day operations. People can share their questions through the Ask the Ambassador feature, and see the Ambassador's reply. The Share Your Stories feature, where American companies describe how engaging in the global market place helps to keep their business competitive and creates jobs here at home, serves as a venue for sharing how trade impacts and benefits daily life. The Interactive Map details Ambassador Ron Kirk's travel at home and abroad. It shows his efforts as he visits America's trading partners to gain market access for U.S. farmers, ranchers, manufacturers, workers, and service providers.

The public is invited to sign up on USTR's homepage to receive the weekly e-mail newsletter, which highlights USTR's efforts at outreach, opening of markets and enforcing trade agreements around the world. This is a useful tool for small businesses and stakeholders outside Washington, D.C. to stay informed about trade policy developments and new market opportunities.

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

Throughout 2010, USTR has issued *Federal Register* Notices online to solicit public comment, and has held public hearings at USTR regarding a wide array of trade policy initiatives. Public comments received in response to *Federal Register* Notices are available for inspection online at <http://www.regulations.gov>. Some examples of trade policy initiatives for which USTR has sought public comment this year include the following:

- *Trans-Pacific Partnership (TPP) Trade Agreement*: The United States has entered into negotiations on a TPP trade agreement with the objective of shaping a high-standard, broad-based regional agreement. USTR has sought and continues to seek public comments on all elements of the agreement in order to develop U.S. negotiating positions as well as seeking comment on including additional countries to participate in the agreement.
- *Scope of Viewpoints Represented on the Industry Trade Advisory Committees*: USTR recognizes that in order to have a well-rounded trade policy, it is necessary to include input from a broad range of interested and relevant parties. USTR has expanded the representation of non-industry stakeholders in the advisory committee system, and, in consultation with the other agencies who receive advice from the advisory committees, is determining the best and most effective way to ensure that these voices are heard.
- *Special 301 Out of Cycle Review of Notorious Markets*: In an effort to increase public awareness and guide related trade enforcement actions, USTR plans to begin publishing the notorious market list separately from the annual Special 301 report in which it has previously been included. The notorious markets list is a list of Internet and physical markets that have been the subject of enforcement action or that may merit further investigation for possible IPR infringements. In 2010, USTR requested comments and submissions from the public to help identify potential notorious markets that exist outside the United States and, after review of all submissions, will publish the notorious markets list in early 2011.

c. Policy Initiatives to Increase Transparency

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

- *Inclusion of stakeholders at Trans-Pacific Partnership Negotiations*: USTR created opportunities for the public to attend and meet with negotiators during the San Francisco round of negotiations.

Side rooms provided an opportunity for the public to interact with negotiators from all of the participating countries and provide presentations on various public health and interest issues.

- *Greater Transparency in Anti-Counterfeiting Trade Agreement (ACTA) Negotiations:* USTR sought and received input from an extremely broad range of stakeholders during the ACTA negotiations. On April 21, 2010, with the agreement of its negotiating partners, USTR released a draft text of the ACTA so that the public could have greater input into the negotiations. On October 6, with the agreement of our negotiation partners, USTR released a second draft text. On November 15, 2010, USTR released the final text of the agreement. In advance of signing the final text, USTR is seeking comments on the agreement through *Federal Register* Notices as well as meetings with the public.

d. Open Door Policy

USTR officials meet frequently with a broad array of stakeholder groups representing business, labor, environment, consumers, state and local governments, NGOs, think tanks, universities and high schools to discuss specific trade policy issues, subject to availability and scheduling. These meetings are coordinated by IAPE and, when likely to be of broader interest, are noted in the weekly e-newsletter.

2. The Trade Advisory Committee System

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

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

The system is arranged in three tiers: the President's Advisory Committee for Trade Policy and Negotiations (ACTPN); five policy advisory committees dealing with environment, labor, agriculture, Africa, and state and local issues; and 22 technical advisory committees in the areas of industry and agriculture. In 2004, the committees were streamlined and consolidated to better reflect the composition of the U.S. economy, in response to recommendations from the U.S. Government Accountability Office (GAO). Additional information on the advisory committees can be found on the USTR website at <http://www.ustr.gov/about-us/intergovernmental-affairs/advisory-committees>.

In 2007, the GAO recommended further steps USTR could take to provide greater transparency and accountability in the composition of the trade advisory committees, including reporting annually on how the committees meet the representation requirements of the relevant legislation, and clarifying which interests the members represent. Pursuant to these recommendations, a further description of committee representation is provided below, and the membership rosters of the committees with the organizations and interests represented are available online.

In cooperation with the other agencies served by the advisory committees, USTR has broadened the participation on committees to include more diversity of stakeholders, new voices, and fresh perspectives,

and continues exploring ways to further expand representation while ensuring the committees remain effective. With the rechartering of many of the advisory committees, USTR has also implemented White House guidelines prohibiting registered lobbyists from serving on committees. This has created opportunities to bring an influx of new members who have continued to provide USTR with the critical and necessary advice it seeks as it creates, negotiates and implements trade policy. This policy has also challenged USTR and the agencies that co-administer the advisory committees to think creatively and seek new resources to meet the needs of the committees.

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

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

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

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

b. Policy Advisory Committees

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

APAC:

The Secretary of Agriculture and the U.S. Trade Representative appoint members jointly. APAC members are appointed to represent a broad spectrum of agricultural interests including the interests of farmers, processors, renderers, and retailers from diverse sectors of agriculture, including fruits and vegetables, livestock, dairy, and wine. Members serve at the discretion of the Secretary of Agriculture and the U.S. Trade Representative. The Committee consists of approximately 35 members.

IGPAC:

The IGPAC consists of approximately 35 members appointed from, and representative of, the various states and other non-federal governmental entities within the jurisdiction of the United States. These entities include, but are not limited to, the executive and legislative branches of state, county, and municipal governments. Members may hold elective or appointive office. Members are appointed by and serve at the discretion of the U.S. Trade Representative.

LAC:

The LAC consists of not more than 30 members from the U.S. labor community, appointed by the U.S. Trade Representative and the Secretary of Labor, acting jointly. Members represent unions from all sectors of the economy. Members are appointed by, and serve at the discretion of, the Secretary of Labor and the U.S. Trade Representative.

TACA:

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

TEPAC:

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

c. Technical and Sectoral Committees

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

Agricultural Technical Advisory Committees (ATACs):

There are six ATACs, focusing on the following products: Animals and Animal Products; Fruits and Vegetables; Grains, Feed and Oilseeds; Processed Foods; Sweeteners and Sweetener Products; and Tobacco, Cotton, Peanuts, and Planting Seeds. Members of each Committee are appointed by and serve at the pleasure of the Secretary of Agriculture and the U.S. Trade Representative. Members must represent a U.S. entity with an interest in agricultural trade and should have expertise and knowledge of agricultural trade as it relates to policy- and commodity-specific products. In appointing members to the committees, balance is achieved and maintained by assuring the members appointed represent industries and other entities across the range of interests which will be directly affected by the trade policies of

concern to the committee (for example, farm producers, farm and commodity organizations, processors, traders, and consumers). Geographical balance on each committee will also be sought. A list of all the members of the committees and the diverse interests they represent is available on the USTR website.

Industry Trade Advisory Committees (ITACs):

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

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

Members of the ITACs are appointed jointly by the Secretary of Commerce and the U.S. Trade Representative and serve at their discretion. Committee members should have knowledge and experience in their industry and represent a U.S. entity that has an interest in trade matters related to the sectors or subject matters of concern to the individual committees. In appointing members to the Committees, balance is achieved and maintained by assuring the members appointed represent industries and other U.S. entities across the range of interests which will be directly affected by the trade policies of concern to the Committee. A list of all the members of the Committees and the diverse interests they represent is available on the USTR website (for example committees include exporters, importers, producers, and both small and large businesses).

3. State and Local Government Relations

USTR maintains consultative procedures between federal trade officials and state and local governments. USTR's Office of IAPE is designated as the "coordinator for state matters" and informs the states, on an ongoing basis, of trade-related matters that directly relate to, or that may have a direct effect on, them. U.S. territories may also participate in this process. IAPE also serves as a liaison point in the Executive Branch for state and local government and federal agencies to transmit information to interested state and local governments, and relay advice and information from the states on trade-related matters. This is accomplished through a number of mechanisms, detailed below.

a. State Point of Contact System and IGPAC

For day-to-day communications, pursuant to the NAFTA and Uruguay Round implementing legislation and Statements of Administrative Action, USTR created a State Single Point of Contact (SPOC) system. The Governor's office in each state designates a single contact point to disseminate information received from USTR to relevant state and local offices and assist in relaying specific information and advice from the states to USTR on trade-related matters.

The SPOC network ensures that state governments are promptly informed of Administration trade initiatives so their companies and workers may take full advantage of increased foreign market access and

reduced trade barriers. It also enables USTR to consult with states and localities directly on trade matters which may affect them. SPOCs regularly receive USTR press releases, *Federal Register* Notices, and other pertinent information. USTR convenes a regular monthly conference call for SPOCs and members of the Intergovernmental Policy Advisory Committee (*see description below*) to keep state and local governments apprised of timely trade developments of interest.

IGPAC makes recommendations to USTR and the Administration on trade policy matters from the perspective of state and local governments. In 2010, IGPAC was briefed and consulted on trade priorities of interest to states and localities, including: USTR's Small and Medium Sized Enterprises initiative; enforcement issues; the Buy America provisions of the American Recovery and Reinvestment Act of 2009; government procurement issues with Canada; the model Bilateral Investment Treaty (BIT) review; the Trans-Pacific Partnership; the National Export Initiative; and other matters. IGPAC members are also invited to participate in monthly teleconference call briefings along with State Points of Contact. Specific issues of interest to IGPAC and SPOCs include new enforcement mechanisms for Technical Barriers to Trade (TBT) and Sanitary and Phytosanitary (SPS) measures, the review of the model BITs, and foreign government challenges to state subsidies.

b. Meetings of State and Local Associations and Local Chambers of Commerce

USTR officials participate frequently in meetings of state and local government associations and local chambers of commerce to apprise them of relevant trade policy issues and solicit their views. For example, in January 2010, Ambassador Ron Kirk addressed the U.S. Conference of Mayors in Washington, D.C. He has met with individual governors, mayors, and state legislators to discuss trade issues of interest to states and localities, as well as hosting the Intergovernmental Policy Advisory Committee at USTR. Ambassador Kirk has also met with major local chambers of commerce to hear firsthand from local community officials and small businesses. USTR staff has met with the National Governors' Association, regional governors' associations, councils of state governments/state international development organizations, National Conference of State Legislatures, and other state commissions and organizations. USTR officials have addressed gatherings of state and local officials and port authorities as well as chambers of commerce around the country.

c. Consultations Regarding Specific Trade Issues

USTR initiates consultations with particular states and localities on issues arising under the WTO and other U.S. trade agreements and frequently responds to requests for information from state and local governments. Topics of interest included the application of the WTO Government Procurement Agreement (GPA) and Buy America provisions under the American Recovery and Reinvestment Act of 2009, General Agreement on Trade in Services issues, the review of the model Bilateral Investment Treaty (BIT), enforcement of trade agreements, NAFTA trucking issues, and consultations with individual states regarding specific anti-dumping and countervailing duty investigations.

C. Policy Coordination and Freedom of Information Act

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

The Trade Policy Review Group (TPRG) and the Trade Policy Staff Committee (TPSC), administered and chaired by USTR, are the subcabinet interagency trade policy coordination groups that are central to this process. The TPSC is the first-line operating group, with representation at the senior civil servant level. Supporting the TPSC are more than 80 subcommittees responsible for specialized issues. The TPSC regularly seeks advice from the public on its policy decisions and negotiations through *Federal Register* Notices and public hearings. In 2010, the TPSC held public hearings on China's Compliance with its WTO Commitments (October 6, 2010) and Malaysia's Participation in the Proposed Trans-Pacific Partnership Trade Agreement (November 19, 2010).

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

Member agencies of the TPSC and the TPRG consist of the Departments of Commerce, Agriculture, State, Treasury, Labor, Justice, Defense, Interior, Transportation, Energy, Health and Human Services, Homeland Security, the Environmental Protection Agency, the Office of Management and Budget, the Council of Economic Advisers, the Council on Environmental Quality, the International Development Cooperation Agency, the National Economic Council, and the National Security Council. The U.S. International Trade Commission is a non-voting member of the TPSC and an observer at TPRG meetings. Representatives of other agencies also may be invited to attend meetings depending on the specific issues discussed. The Small Business Administration joined the TPSC/TPRG as a full member in March 2010.

Separate from its policy coordination function, the Office of the U.S. Trade Representative is subject to The Freedom of Information Act (FOIA). Details of the program are available on the USTR website at <http://www.ustr.gov/about-us/reading-room/freedom-information-act-foia>. USTR received 41 new FOIA requests last year and processed 53. This year, the Department of Justice named USTR one of five agencies that had made particular efforts at increased disclosure in light of the Obama Administration's policies and Attorney General Holder's memo of March 19, 2009 to heads of executive departments and agencies. USTR participated in a special ceremony with Attorney General Holder to honor the five agencies' accomplishments.