

**EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE**

**Salaries and Expenses**

**PRESIDENT'S BUDGET, FISCAL YEAR 2010**

**Congressional Budget Submission**

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TABLE OF CONTENTS

|  | <u>Page Number</u> |
|--|--------------------|
| FY 2010 Budget Justification: General Statement..... | 3                  |
| President Obama’s Policy Priorities .....            | 5                  |
| Organization Summary .....                           | 8                  |
| Appropriation Language.....                          | 10                 |
| Summary of FY 2010 Budget Request .....              | 11                 |
| Fiscal Year 2010 Goals and Measurements.....         | 19                 |
| Fiscal Year 2008 Goals and Measurements.....         | 28                 |
| Glossary of Acronyms .....                           | 43                 |

## **FY 2010 Budget Justification: General Statement**

### **THE PRESIDENT'S TRADE AGENDA: MAKING TRADE WORK FOR AMERICAN FAMILIES**

President Obama has charted a course for economic recovery that will restore growth and promote broad-based prosperity. It will emphasize improvements in the living standards of American families while reorienting our economy to meet today's challenges – energy, the environment, and global competitiveness.

The President's trade agenda will contribute to achieving these objectives. It will reflect our respect for entrepreneurship and market competition, our environment, opportunity for all, and the rights of workers. We seek to benefit Americans and the world by pursuing trade policies that embody these values. We particularly recognize the need to pay special attention to how our policies influence the well being of people struggling both at home and in the poorest regions of the world. Fundamentally, our trade policy requires a keen appreciation of its economic consequences for our workers, their families, and their communities, a fact recognized in the progress our Congress is making to upgrade our existing adjustment assistance programs for workers.

Eliminating barriers to trade in the face of serious turmoil in our economy and financial markets will be a challenge. In enacting the Economic Recovery Act, the Congress affirmed our commitment to comply with the rules that govern international commerce and reached agreement to improve our trade adjustment assistance programs. These acts recognize the importance of trade to our economy and our responsibilities to those who face the highest hurdles in adjusting to changing trade patterns.

The President will use all available tools to address this economic crisis including achieving access to new markets for American businesses large and small. One of these tools is the authority Congress can grant the Executive to negotiate trade agreements and bring them to the legislature for an up or down vote. We request renewed trade negotiating authority after engaging in extensive consultation with Congress to establish the proper constraints on that authority and after we have assessed our priorities and made clear to the Congress and the American people how this will serve the economic interests of the United States.

Trade is a significant and increasingly important factor in contributing to the U.S. and global economies. In 2008, U.S. goods and services trade (exports plus imports) were equal to 30.8 percent of U.S. Gross Domestic Product (GDP), and exports alone accounted for 13.1 percent of the U.S. economy. World goods and services trade accounted for an estimated 33.5 percent of global GDP in 2008 (about \$20.8 trillion dollars). In other words, trade is a large and growing part of our everyday commerce, and the jobs produced by these transactions are significant and well-paying.

Yet, there are signs that trade, which has grown consistently in recent years, is slowing markedly. For the first time since 1982, global trade flows are projected to decline in 2009 by 2.1 percent to 2.8 percent. U.S. trade in goods and services already dropped by 14 percent between the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2008.

Pressing economic conditions require the discipline to respond to immediate problems while staying true to our long-term goals. The President's approach will be to promote adherence to the rules-based international trading system in order to promote economic stability, while introducing new concepts – including increasing transparency and promoting broader participation in the debate – to help revitalize economic growth and promote higher living standards at home and abroad. We are working rapidly to

address remaining areas of concerns, like tax havens and labor laws, which are an important step in determining when, in close consultations with Congress and as part of the President's broader trade strategy, the Panama Free Trade Agreement (FTA) should be considered by the House and Senate. We plan to establish benchmarks for progress on the Colombian and South Korean FTAs.

We also want to expand the universe of those who benefit from trade. For example, trade and commercial policies should help small and medium-sized firms become more integrated as effective competitors in the global marketplace. Our goal should not only be to help them respond to competitive imports, it also should be to create conditions that help them become effective exporters.

Open world markets can incentivize people and capital to move from less productive to more productive jobs and uses. This process ultimately stimulates higher wages and innovation while lowering prices for consumers. However, trade outcomes do not lift everyone up in the short run, and cause adjustments for some. It is the objective of this Administration to ensure that people receive the assistance they need to make those adjustments. Our trade policy requires a keen appreciation of the consequences of trade for our workers, their families, and their communities. The Congress has already made meaningful progress on this front by upgrading our existing adjustment assistance programs for workers.

To make support for global markets sustainable, our consideration of the effects of trade can not stop at the edge of our borders. Trade is more beneficial for the world, and fairer for everyone, if it respects the basic rights of workers. Our trade policies should build on the successful examples of labor provisions in some of our existing agreements.

As we tackle the issues of equity, we need to ask how trade policy can respond to mounting global environmental challenges. These range from climate change to dangerously depleted resources such as fisheries. We should aim to make trade a part of the tool kit of solutions for addressing international environmental challenges.

The clear implication of these global challenges is that simply lowering tariffs and eliminating tariffs will not produce a successful trade policy. Managing our nation's trade policy and engagement in the world economy has become an ever more complex challenge. Therefore, we must bring the same vigor and innovation to making trade policies more transparent and accountable that we are now applying to the process of developing and implementing our domestic economic policies.

## **PRESIDENT OBAMA'S POLICY PRIORITIES**

### **Support a rules-based trading system**

This Administration reaffirms America's commitment to a rules-based trading system that advances the well being of the citizens of the United States and our trading partners. We all win from building on the foundations for peaceful commercial exchange created since 1945.

We shall continue this country's commitment to the World Trade Organization's (WTO) system of multilateral trading rules and dispute settlement. The WTO is both a venue for multilateral liberalization through negotiation and a defense against protectionism. We will aggressively defend our rights and benefits under the rules-based trading system. This is in the interest of all Americans.

A strong, market-opening agreement for both goods and services in the WTO's Doha Round negotiations would be an important contribution to addressing the global economic crisis, as part of the effort to restore trade's role in leading economic growth and development. The Administration is committed to working with our trading partners for such an outcome. However, the Administration will work with other WTO members to seek a new approach to the negotiating process that is more transparent in identifying expected negotiating outcomes and to address the stalemate of the last three years.

### **Advance the social accountability and political transparency of trade policy**

As the scope of trade policy expands to address non-tariff and other barriers to trade, we need trade policy to meet strong standards of social accountability and political transparency.

Social accountability includes tackling adjustment issues for the work force that are created by changes in global trade. In the stimulus, the Congress expanded eligibility for Trade Adjustment Assistance (TAA) by adjusting the criteria for receiving benefits and broadening the sectors of the workforce (*e.g.*, services workers) eligible for TAA.

Social accountability also means working with our trading partners to improve the status, conditions, and protections of workers. We need to ensure that expanded trade is equitable and serves the interests of American and our trading partners' workers. Building on the provisions concerning labor in some of our FTAs is a way forward in this regard.

In addition to promoting social accountability, U.S. trade policy development needs to become more transparent. Many stakeholders are frustrated with the lack of consultation involved in the development and implementation of trade policy, but we can and should expand public participation in advising U.S. trade negotiators. The methods for doing so will have to evolve, but improved websites for the trade policy agencies and more public consultation venues outside the established advisory groups are important steps toward this goal.

### **Make trade an important policy tool for achieving progress on national energy and environmental goals**

The President has called for new policies to advance a cleaner environment, a stronger response to the challenge of climate change and more sustainable natural resources and energy supplies. Trade policy makers will be working to examine how trade can advance these goals.

We should build on the environmental goods and services negotiations begun in the Doha Round, whether at the WTO or in other negotiating arenas. We should assure that the frameworks for trade policy and for tackling global climate complement each other so as to reinforce sustainable economic growth. We should ensure that climate policies are consistent with our trade obligations, but we also should be creative and firm in assuring that trade rules do not block us from tackling this critical environmental task.

**Make sure that trade agreements are addressing the major unresolved issues that are responsible for trade frictions**

As tariff levels have declined, other impediments to world trade have become more significant. American firms increasingly focus on “behind the border” measures and other non-tariff barriers (NTBs) as major impediments to their access to other national markets. We will negotiate for improved transparency and due process in our partners’ trade practices and policies, including government procurement and the crafting of market regulations. We will seek to open markets and secure fair treatment for American services, which are an increasingly important element of our trading profile. We will protect American innovations and creativity by negotiating and enforcing strong and effective intellectual property protections. We will pursue trade facilitation and trade related measures involving consumer product safety (such as mutual recognition agreements) through plurilateral negotiations if appropriate. And we will work with our trading partners to develop and implement policies that address the heightened security threats associated with trade in the least trade-impeding manner possible.

**Build on existing Free Trade Agreements and Bilateral Investment Treaties in a responsible and transparent manner**

We will build on the pending Colombia, Korea, and Panama free trade agreements from the last administration. We will conduct extensive outreach and discourse with the public on whether these agreements appropriately advance the interests of the United States and our trading partners. We shall also review the implementation of our FTAs and bilateral investment treaties (BITs) to ensure that they advance the public interest.

We will also work with Canada and Mexico to identify ways in which NAFTA could be improved without having an adverse effect on trade. We will do this collaboratively and emphasize ways in which this process can benefit the citizens of all three countries. And, we will consider proposals for new bilateral and regional agreements when they promise to deliver significant benefits consistent with our national economic policies. If new negotiating authority is required, we will seek that from Congress.

**Uphold our commitment to be a strong partner to developing countries, especially the poorest developing countries**

Expanded trade can make an important contribution to boosting growth in developing countries and lift national income levels. Economic growth in these countries benefits the American economy by expanding markets for American exporters. We will promote trade policies, including technical assistance for capacity building that will help these countries engage successfully with the world economy.

Providing preferences for imports from developing countries creates an opportunity for entrepreneurs in these countries. However, the capacity to grasp the opportunity is often weak because the countries lack the administrative capacity to obtain the necessary permits or safety certifications for their exports. Building trade capacity in these countries through technical assistance will help them to reap the benefits.

In addition to preferences, building trade capacity in developing countries will help them to reap the benefits of the global economy. The United States is already the largest bilateral provider of trade capacity building assistance, and we will continue to support these efforts.

Finally, especially in this time of an international financial crisis, credit for trade financing is critical. We will work with international financial institutions and export credit facilities to ensure that there is adequate trade financing available, especially for small and medium-sized exporters.

## **Conclusion**

This agenda addresses the underlying goals and priorities for this Administration's trade policy within the context of a financial crisis and rapidly changing economies. A reading of the last Administration's trade policy record that follows in this volume makes clear that there are many strategic and programmatic choices that must be made to advance the President's agenda. These choices will be the work of 2009. Our agenda is to make trade policy a powerful contributor to the President's national economic agenda for revival of the global economy and renewal of growth that benefits all people. If we work together, free and fair trade with a proper regard for social and environmental goals and appropriate political accountability will be a powerful contributor to the national and global well being.

## **ORGANIZATION SUMMARY**

The Office of the U.S. Trade Representative is responsible for developing and coordinating America's trade policy, leading trade negotiations with other nations, and ensuring that U.S. trade laws are enforced. The U.S. Trade Representative is a cabinet-level member who acts as the principal trade advisor and negotiator for the President. The agency coordinates trade policy, resolves agency disagreements, and frames issues for presidential decision. "USTR" refers both to the agency and the agency head – the U.S. Trade Representative. There are three office locations: Washington, D.C., Geneva, Switzerland, and Beijing, China (since 2007), as well as a representative in Brussels as the U.S. Trade Representative to the European Commission's Directorate-General for Trade.

The Agency provides trade policy leadership and negotiating expertise in its major areas of responsibility. Among these are the following: all matters within the World Trade Organization (WTO), including the launch of negotiations following the Doha trade ministerial; implementation of the Uruguay Round of multilateral trade agreements; trade, commodity, and direct investment matters dealt with by international institutions such as the Organization for Economic Cooperation and Development (OECD) and the United Nations Conference on Trade Development (UNCTAD); industrial, textile, agricultural, and services trade policy; bilateral, regional, and multilateral trade and investment issues; trade-related intellectual property protection and environmental issues. The Agency is organized to accommodate sectoral, regional, and functional policy perspectives, which are integrated into the decision-making process and coordinated externally with the Congress, other government agencies, the private sector, and foreign entities.

Interagency coordination is accomplished by USTR through the Trade Policy Review Group (TPRG) and the Trade Policy Staff Committee (TPSC). These groups, administered and chaired by USTR and composed of 18 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 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 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 National Economic Council (NEC)/National Security Council (NSC), chaired by the President.

The USTR also serves as Vice Chairman 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.

The Agency also has administrative responsibility for the Generalized System of Preferences (GSP) program and Section 301 complaints against foreign unfair trade practices, as well as coordinating recommendations to the President on International Trade Commission (ITC) determinations under Section 337 and import relief cases under Section 201. Authority for the GSP program has been extended through December 31, 2008. The Omnibus Trade and Competitiveness Act of 1988 (Trade Act of 1988) transferred authority to the USTR to take action under Section 301, subject to the direction of the President.

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

The private sector advisory committee system consists of 28 advisory committees, with a significant number of advisors. The system is arranged in three tiers: the President's Advisory Committee for Trade Policy and Negotiations (ACTPN); five policy advisory committees; and 22 technical, sectoral, and functional advisory committees. The President appoints 45 ACTPN members for two-year terms. The 1974 Trade Act requires that ACTPN membership broadly represents key economic sectors affected by trade, and that the Committee consider trade policy issues in the context of the overall national interest.

The five policy advisory committees are appointed by the USTR alone or in conjunction with other Cabinet officers. Those managed solely by USTR are the Intergovernmental Policy Advisory Committee (IGPAC) and the Trade Advisory Committee on Africa (TACA). Those policy advisory committees managed jointly with the Departments of Agriculture, Labor, and Defense and the Environmental Protection Agency are the Agricultural Policy Advisory Committee (APAC), Labor Advisory Committee (LAC), and Trade and Environment Policy Advisory Committee (TEPAC). Each committee provides advice based upon the perspectives of its specific sector or area.

The 22 sector-specific, functional, and technical advisory committees are organized in two areas: industry and agriculture. Representatives are jointly appointed by the USTR and the Secretaries of Commerce and Agriculture, respectively. Each sectoral or technical committee represents a specific sector or commodity group (such as sewn products or dairy products) and provides specific technical advice concerning the effect that a trade policy decision may have on its sector. The 4 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 the Trade Representative's trade policymaking and negotiating functions and established close congressional relationships with the agency. 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, D.C. office has a range of operations: Bilateral and Regional activities: China Affairs; The Americas; Europe and the Mediterranean; African Affairs; Europe & the Mediterranean; South Asian Affairs; Southeast Asia & the Pacific; Japan, Korea & APEC Affairs); Multilateral Affairs (World Trade Organization and Multilateral Affairs); Sectoral Activities (Agriculture; Industry; Labor; Environment and Natural Resources; Textiles; Services and Investment, and Intellectual Property & Innovation); and General Support (General Counsel – including Monitoring and Enforcement; Congressional Affairs; Administration; Public and Media Affairs; Intergovernmental Affairs and Public Liaison; Economic Affairs; and Policy Coordination and Information).

The Geneva Office is organized to cover general WTO Affairs, Tariff and non-Tariff Agreements and Agricultural Policy and Commodity Policy. The Geneva Deputy USTR is the U.S. Ambassador to the WTO and to the United Nations Conference on Trade and Development (UNCTAD) on specific trade related issues. The Geneva staff represents the United States' interests in negotiation, and other contacts on trade and trade policy in both forums.

The recently established Beijing office is headed by a Minister Counselor who has two Foreign Service Nationals (FSNs) working under him. USTR's local Chinese presence will be important to USTR's effectiveness in a country with multiple trade related issues.

**Office of the United States Trade Representative  
Salaries and Expenses**

**APPROPRIATION 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 5 U.S.C. 3109, \$48,326,000, 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.

**Summary of FY 2010 Budget Request**

**Appropriation Levels by Year**  
(in thousands of dollars)

|        | <b>FY 2008</b> | <b>FY 2009</b> | <b>FY 2010</b> | <b>FY 09-10</b> |
|--------|----------------|----------------|----------------|-----------------|
|        | <u>Enacted</u> | <u>Enacted</u> | <u>Request</u> | <u>Change</u>   |
| Budget | 44,120         | 47,272         | 48,326         | 1,054           |

**FTE Levels by Fiscal Year**

|                       | <b>FY 2008</b> | <b>FY 2009</b>  | <b>FY 2010</b>  | <b>FY 09-10</b> |
|-----------------------|----------------|-----------------|-----------------|-----------------|
|                       | <u>Actual</u>  | <u>Estimate</u> | <u>Estimate</u> | <u>Change</u>   |
| Budget submission FTE | 225            | 229             | 229             | 0               |
| Total Positions       | 242            | 242             | 242             | 0               |

**Summary of Resource Requirements**  
**FY 2008 - FY 2010**  
(in thousands of dollars)

|                                    | FY 2008<br>Actual | FY 2009<br>Enacted<br>Budget | FY 2010<br>Request | % increase<br>FY 09-10 |
|------------------------------------|-------------------|------------------------------|--------------------|------------------------|
| Trade Coordination and Negotiation | 38,241            | 39,830                       | 40,537             | 2 %                    |
| Geneva Trade Negotiations          | 6,539             | 7,042                        | 7,113              | 1 %                    |
| Beijing Trade Negotiations         | 400               | 400                          | 676                | 69 %                   |
| Total Direct Program               | 45,180            | 47,272                       | 48,326             | 2.2%                   |

- USTR will manage operating costs by reducing costs where possible and prioritizing travel based on the President's trade agenda.
- Beijing's 69% increase in FY 2010 is due mainly to the hiring of additional staff which will help advance and enforce U.S. trade policy efforts. The President's request is to hire additional staff within the \$200,000 allotted for this purpose in the FY 2010 budget request. Capital Security Cost Sharing (CSC) assessments will commence for the Beijing office in FY 2010.

**Summary of Obligations by Object Classification**  
(in thousands of dollars)

|   | FY 2008<br>Actual | FY 2009<br>Budget<br>Enacted | FY 2010<br>Budget<br>Request | FY 09-10<br>Change |
|---|-------------------|------------------------------|------------------------------|--------------------|
| Personnel Compensation                          | 26,394            | 27,361                       | 28,040                       | 679                |
| Personnel Benefits: Civilian                    | 8,055             | 9,563                        | 9,801                        | 238                |
| Travel and Transportation of Persons            | 4,475             | 4,048                        | 4,048                        | 0                  |
| Transportation of Things                        | 60                | 29                           | 29                           | 0                  |
| Communications, Utilities, and<br>Miscellaneous | 983               | 977                          | 977                          | 0                  |
| Printing and Reproduction                       | 71                | 65                           | 65                           | 0                  |
| Other Services                                  | 4,394             | 4,683                        | 4,820                        | 137                |
| Supplies and Materials                          | 465               | 482                          | 482                          | 0                  |
| Equipment                                       | 283               | 64                           | 64                           | 0                  |
| <b>Obligations</b>                              | <b>45,180</b>     | <b>47,272</b>                | <b>48,326</b>                | <b>1,054</b>       |
| Reimbursements                                  | 897               | 500                          | 500                          | 0                  |
|   | <u>46,077</u>     | <u>47,772</u>                | <u>48,826</u>                | <u>1,054</u>       |

**FY 2010 Budget Request**  
**Summary of Financial Changes**  
**OBJECT CLASS SUMMARY**

**Personnel Compensation and Benefits**  
(in thousands of dollars)

|              | FY 2008 | FY 2009 | FY 2010 | % change<br>09 vs. 10 |
|--------------|---------|---------|---------|-----------------------|
| Compensation | 26,394  | 27,361  | 28,040  |                       |
| Benefits     | 8,055   | 9,563   | 9,801   |                       |
|              | 34,449  | 36,924  | 37,841  | 2.5%                  |

**Personnel Compensation and Benefits**

The budget request proposes \$37,841 for personnel compensation and benefits in FY 2010, which is an increase of \$917 from the FY 2009 estimate. The FY 2010 budget increase assumes a 2% increase (assumed to take effect in January 2010) and includes \$200 thousand to hire additional staff for USTR’s Beijing office.

The additional personnel in Beijing would include one American and one Foreign Service National (FSN). The American position is not counted as an FTE as he/she transfers to State and becomes their employee during the assignment. USTR has full responsibility for payroll and other costs related to the assignment. The two people would join a group that currently includes one American (similar status as proposed person) and two FSNs. They will strengthen our efforts to advance and enforce U.S. trade policy efforts.

With-in grade increases and promotions will further increase payroll costs and may require USTR reassign personnel based on mission priorities.

**Summary of Travel Funds**  
(in thousands of dollars)

| <u>FY 2008</u> | <u>FY 2009</u> | <u>FY 2010</u> | <u>09-10<br/>Change</u> |
|----------------|----------------|----------------|-------------------------|
| \$4,475        | \$4,048        | \$4,048        | - 0 -                   |

**Travel**

International travel is essential to achieving the President’s trade agenda. Negotiations often require face-to-face meetings and there are many bilateral and multilateral forums where the U.S. is a member and USTR must send delegations to participate. In order to maintain FY 2010 travel budget at prior year levels, USTR will prioritize travel based on the most important trade objectives as set by the President with the USTR budget and utilize videoconferencing in lieu of travel when possible. USTR has increased its investment in videoconferencing equipment to facilitate conducting business remotely which has reduced or mitigated travel costs.

**Changes in Transportation of Things**  
(in thousands of dollars)

|                       |          |
|-----------------------|----------|
| FY 2009 Base          | \$29     |
| FY 2010 Change        | <u>0</u> |
| Total FY 2010 Request | \$29     |

**Transportation of Things**

Transportation of Things covers costs for local courier services and storage costs for staff stationed in Geneva and Beijing. During FY 2010, we will work to manage costs within FY 2009 levels.

**Changes in Other Rent, Communications and Utilities**  
(in thousands of dollars)

|                       |          |
|-----------------------|----------|
| FY 2009 Base          | \$977    |
| FY 2010 Change        | <u>0</u> |
| Total FY 2010 Request | \$977    |

**Rent, Communication, and Utilities**

USTR is responsible for housing costs for both its Geneva based Ambassador and Deputy. These costs account for \$0.4 million of total expenses for this activity. Wireless telecommunications are an integral part of conducting business and are expected to remain steady at \$0.3 million. Geneva has \$0.1 million in copier equipment lease rentals for which we anticipate no change. All other costs account for the \$0.2 million remaining balance.

**Changes in Printing Costs**  
(in thousands of dollars)

|                       |          |
|-----------------------|----------|
| FY 2009 Base          | \$65     |
| FY 2010 Change        | <u>0</u> |
| Total FY 2010 Request | \$ 65    |

**Printing**

FY 2010 printing costs will be controlled to maintain spending at the FY 2009 level. USTR has recurring annual printing costs related to publication of the National Trade Estimates and USTR Annual Report. Federal Register publications represent the largest single type of printing cost and occur as a result of federal reporting requirements. Other printing costs will be managed through more efficient planning of job requirements where possible.

**Changes in Other Services Budget**  
(in thousands of dollars)

|                                      |             |
|--------------------------------------|-------------|
| FY 2009 Base                         | \$4,683     |
| FY 2010 Changes:                     |             |
| ICASS                                | 76          |
| FPS Security Guard contract          | 32          |
| Capital Security Costs               | 9           |
| Language Services                    | <u>20</u>   |
| Net Increase from FY 2009 to FY 2010 | 137         |
| <br>Total FY 2010 Request            | <br>\$4,820 |

Other Services represent a number of different activities. Included in this category is a wide range of commercial and government services such as contractual services, commercial repairs, equipment maintenance, training, and professional service constraints. Major expenditures include fiscal authorizations (fund cites) sent to State Department embassies and missions for services needed when USTR personnel travel internationally. Other costs include State Department charges for International Cooperative Administrative Support Services (ICASS) and Capital Security Costs (CSC), security guard costs, language services, meeting rooms, contractual services, etc.

**Other Services - ICASS Assessment:**  
(in thousands of dollars)

|         | <u>FY 2008</u> | <u>FY 2009</u> | <u>FY 2010</u> | <u>\$ Change</u> | <u>% Increase</u> |
|---------|----------------|----------------|----------------|------------------|-------------------|
| Geneva  | \$1,429        | \$1,659        | \$1,730        | 71               | 4.3%              |
| Beijing | 52             | 43             | 48             | 5                | 11.6%             |
| Total   | <u>\$1,481</u> | <u>\$1,702</u> | <u>\$1,778</u> | <u>\$76</u>      | <u>4.5%</u>       |

**ICASS**

During FY 2010, a 6% increase has been assumed for ICASS costs. USTR is subject to certain cost increases as a result of its overseas presence. Annually, State Department's ICASS assessments increase despite no fundamental changes in USTR's use of service. In FY 2009, ICASS increased 16% in Geneva. In addition, State has enacted a TDY policy on visits to Geneva that are 7 days or longer. Since a significant part of USTR travel is to Geneva, this will entail added costs as well. Since the program is in its early stages, it is difficult to estimate the impact, although we don't expect it to be too significant. Beijing ICASS will increase corresponding to increased staffing.

**Other Services - Capital Security Cost Sharing (CSC)**

(in thousands of dollars)

| <u>FY 2008</u> | <u>FY 2009</u> | <u>FY 2010</u> |
|----------------|----------------|----------------|
| \$736          | \$945          | \$954          |

**Capital Security Cost Sharing (CSC)**

In FY 2010, the State Department will continue to charge agencies to fund the construction of new embassies and consulates or to renovate existing facilities to withstand threats against U.S. property. Agency charges are based largely on the number of personnel from each agency based in foreign locations. The CSC costs for Geneva and Beijing have already been communicated for FY 2010. In FY 2010, USTR will be assessed for CSC for the first time in Beijing. The Geneva assessment will be slightly lower than last year which should largely offset the enactment of CSC charges in Beijing.

**Other Services –Security Guard Costs (Washington)**

(in thousands of dollars)

| <u>FY 2008</u> | <u>FY 2009</u> | <u>FY 2010</u> |
|----------------|----------------|----------------|
| \$498          | \$542          | \$574          |

**Security Guard Services**

USTR continues to incur higher Security Guard Service costs largely due to terms of a collective bargaining agreement under the Department of Homeland Security. At a minimum, it is anticipated that we will incur a 6% increase in FY 2010. Every effort will be made to operate within budget by reducing other operating expenses.

**Other Services - Interpretation/Translation:**

(in thousands of dollars)

| <u>FY 2008</u> | <u>FY 2009</u> | <u>FY 2010</u> |
|----------------|----------------|----------------|
| \$125          | \$400          | \$420          |

Language services are needed to facilitate communication in trade negotiations and other meetings where there are two or more languages spoken. Translation services are needed whenever text is prepared in a language other than English, and USTR staff needs clear and precise text interpretations. Requirements in FY 2010 will correlate highly with the level of negotiating activity and completed negotiations requiring official legally translated documents.

**Changes in Supplies and Materials Budget**  
(in thousands of dollars)

|                       |          |
|-----------------------|----------|
| FY 2009 Base          | \$482    |
| FY 2010 No Change     | <u>0</u> |
| Total FY 2010 Request | \$482    |

Supplies and materials and Representation Funds are included in this category. No change is expected in spending in this category during FY 2010.

**Changes in Equipment Budget**  
(in thousands of dollars)

|                       |          |
|-----------------------|----------|
| FY 2009 Base.         | \$64     |
| FY 2010 No Change     | <u>0</u> |
| Total FY 2010 Request | \$64     |

Funds will be used to cover the necessary and basic expenses only, i.e. in Information Technology and Security areas. This will cover expenses that are mandated and/or essential.

# Fiscal Year 2010 Goals and Measurements

## ANNUAL PERFORMANCE GOALS – FY 2010

### 1. Prioritize the Elimination of Economically Significant Trade Barriers

#### MEASUREMENTS:

- Complete a review of legacy issues from the last Administration to decide which issues, if any, need action in this fiscal year.
- Develop and implement a strategy for advancing the WTO Doha Round of multilateral negotiations into the final phase.
- Make decision on launching of TPP negotiations and other Asian Pacific trade initiatives. If approved, negotiate trade agreements that advance the trade and economic interests of the United States in accordance with Administration and Congressional trade objectives.
- Prioritize trade barriers enumerated in the National Trade Estimate Report and work to address the most significant.

### 2. Increase market access for U.S. investors and improve treatment of U.S. investments abroad.

#### MEASUREMENTS:

- Undertake an inclusive and expeditious review of the 2004 U.S. model Bilateral Investment Treaty (BIT) text to ensure that it is consistent with both the Administration's overall economic agenda and the public interest, while recognizing that the model text represents a carefully calibrated compromise among all key domestic stakeholders.
- Make substantial progress, on the basis of the U.S. model text, in ongoing technical BIT negotiations with China, Vietnam, and India.
- Consistent with Administration policy, seek to significantly advance exploratory discussions with other potential BIT partners, with a view towards the potential launch of BIT negotiations with at least one additional country.

### 3. Ensure the effective ongoing functioning of existing U.S. free trade agreements, as a means of enhancing U.S. trade and investment objectives and expanding trade and investment between the U.S. and partner countries.

#### MEASUREMENTS:

- Utilize existing bilateral Free Trade Commissions/Committees (and subsidiary structures) to advance U.S. international trade and economic objectives and to ensure that any problems with FTA implementation are promptly and effectively addressed.
- Review the implementation of our existing trade agreements, including the labor and environment provisions.
- Where appropriate, take steps to address capacity-related constraints on the part of U.S. FTA partners that may inhibit the fullest possible implementation of existing FTAs.

- Reach out to U.S. stakeholders in the private and non-governmental organization (NGO) sectors to engage them in efforts to ensure that existing FTAs are achieving their full potential for expanding trade and investment between the U.S. and FTA partner countries.
- Participate with FTA partner governments to raise awareness about the two-way trade and investment benefits available under the terms of existing FTAs.
- Where appropriate, utilize consultation, working group, and dispute settlement mechanisms of FTAs to bring about satisfactory resolution of FTA-related implementation issues.

**4. Integrate developing and emerging market countries into the rules-based system of international trade.**

**MEASUREMENTS:**

- Implement a strategy for advancing the WTO Doha Round of multilateral negotiations into the final phase
- Make concrete progress towards commercially meaningful WTO accession agreements with key emerging and developing economies.
- Assist developing countries in implementing trade commitments and help developing countries benefit from the market opportunities under trade agreements and preference programs. (WTO, FTAs, GSP, ATPA, CBI and AGOA).
- Contribute to economic development in developing and emerging market countries through the Generalized System of Preferences (GSP) and other trade preference programs. In consultation with Congress, advance a more targeted and effective GSP program focused on increasing U.S. imports from nascent sectors and from those countries whose exports need the most help to compete in the U.S. market. Improve workers' rights and the protection of intellectual property in GSP-eligible developing countries through the annual review of GSP country practice petitions. In consultation with Congress, and subject to enactment of necessary legislation, supplement existing preference programs through providing additional benefits and/or modifying product eligibility criteria through means such as "cumulation".
- Contribute to sustainable development by negotiating and implementing trade-related environmental agreements and relevant international commodity agreements.

**5. Maintain and Increase market access for U.S. agriculture, goods and services.**

**MEASUREMENTS**

- Advance key initiatives bilaterally and in regional fora, such as Asia Pacific Economic Cooperation (APEC) and Association of Southeast Asian Nations (ASEAN), that will contribute to the ability of U.S. agriculture, goods and services producers and suppliers to access markets abroad.

**6. Closely monitor our trading partners' implementation of existing trade agreements. Identify and seek to address foreign barriers and trade practices that breach applicable trade agreements and interfere with U.S. exports, investment, and intellectual property rights.**

**MEASUREMENTS:**

- Review on an ongoing basis implementation of trade agreements, including through the preparation of the National Trade Estimates Report, and identify strategies for resolving implementation problems.

- Regularly coordinate among USTR offices, and work with other agencies, industry, and other outside stakeholders to identify, monitor, and gather information on possible trade agreement breaches. Monitor FTA partner's implementation and enforcement of labor and environment standards that are in our FTAs and take appropriate action.

**7. Pursue enforcement through the full range of available tools, including informal consultations, formal bilateral and multilateral oversight fora, negotiations, and litigation.**

**MEASUREMENTS:**

- Once a problem trade barrier is identified, develop appropriate strategies to resolve the issue, drawing on the most effective tools available, and adjusting as appropriate to the circumstances.
- Implement the most effective means to address specific trade disputes.

**8. Identify cases where WTO or FTA dispute settlement procedures and/or U.S. trade statutes are the most effective means to address a trade concern. Work to resolve current dispute settlement proceedings on a basis favorable to the United States.**

**MEASUREMENTS:**

- Review status of existing cases and determine strategy to advance U.S. interests in the disputes.
- Consult interagency, with Congress, and with outside stakeholders when considering initiation of a new WTO or FTA case.
- When considering initiation of a new WTO or FTA case, determine whether initiating a new case serves the best interests of the United States and will advance the U.S. multilateral, regional, and bilateral trade agenda.
- Monitor dispute settlement cases to determine if settlement or another mutually satisfactory solution is possible and in the best interests of the United States.

**9. Analyze dispute settlement procedures and work to clarify and improve rules.**

**MEASUREMENTS:**

- Pursue proposals to clarify and improve WTO dispute settlement rules, including in the areas of transparency and greater flexibility and Member control over the process.
- Apply lessons from existing dispute settlement mechanisms when negotiating dispute mechanisms in new agreements
- Work with Congress to seek legislative changes that may be required to bring the U.S. into compliance with adverse WTO dispute settlement rulings against the U.S., in the interest of enhancing the credibility of U.S. efforts to seek similar compliance by U.S. trading partners.

**10. Lead and coordinate the interagency process with 20 other Federal agencies at the Trade Policy Staff Committee (TPSC) level and at the Trade Policy Review Group (TPRG) senior policy level. Participate actively in interagency decision-making processes that other agencies lead.**

**MEASUREMENTS:**

- Work with the regulatory agencies to increase their participation in the interagency process.

- Work to make 75 percent of decisions on trade policy matters at the TPSC (AUSTR / Assistant Secretary) level to ensure that only the most sensitive and/or important decisions are sent to the Deputies (Undersecretaries) at the TPRG level.
- Work with the State Department, through the circular 175 process, to ensure coordination and consistency of negotiations and agreements that other agencies conduct with implications for U.S. trade policy objectives.
- Work with USAID and NSC, through the Development Policy Coordination Committee, to ensure collaboration and coordination on trade-related development policy and assistance programs.

**11. Achieve a new level of Congressional access, contact, and consultation.**

**MEASUREMENTS:**

- Conduct and expand Congressional consultation with a focus on the Committees of jurisdiction but additional contact to include active caucuses, members, and other Committees interested in trade issues.
- Respond to Congressional inquiries in a timely manner and solicit viewpoints as issues arise.
- Conduct regular calls with interested staff to update them on the work of the USTR.
- Send a weekly email to Leadership and Committee of Jurisdiction lead staff for the upcoming week.

**12. Win Congressional support for our trade agenda and efforts.**

**MEASUREMENTS:**

- Win successful and broad support for our nominees.
- Present arguments effectively to staff and members for actions we need Congress to take including funding the agency, authorizing necessary programs, and approving trade agreements.
- Actively engage Congress to support passage of Afghanistan-Pakistan Reconstruction Opportunity Zone legislation, to enable the ROZs to have the greatest economic impact accompanied by an effective labor monitoring and enforcement program.

**13. Build broad coalitions with labor, business, environmental, small businesses, faith based groups, local activists, consumer, state and local government interests to inform and strengthen the U.S. trade agenda and to secure Congressional passage of legislation implementing trade agreements and other legislation. Continue to develop a robust advisory committee system through appointment and consultation with a diverse and experienced group of advisors.**

**MEASUREMENTS:**

- Expand USTR's definition of "outreach." Take the new USTR message(s) and ensure that our invitation reaches out to every group. Educate the public on how trade works for their families and communities every day.
- Rebrand the image of USTR to ensure that it reflects our open door message and that trade benefits for the average American are well understood.
- USTR will create new opportunities for interested parties to participate and provide a variety of viewpoints on trade in light of the changing global market and current administration's goals of transparency

- Enhance our Advisory Committee system to make it more reflective of a diversity of opinions and expertise. Increase transparency and increase public access to our experts, while ensuring the ability of USTR to negotiate effectively.

**14. Create a USTR-wide proactive communications strategy to explain the benefits of trade to domestic constituencies and interest groups.**

**MEASUREMENTS:**

- Use website as a communication tool to share information about USTR accomplishments and as an outreach tool to serve the needs of the public (industry, small business, consumer groups etc). Our “USTR Main Street,” will engage them with USTR action/accomplishments, showing how these activities can work for them. Encourage the public to share the news down their Main Street and share their story with “USTR Main Street.” (This tool will reflect real peoples stories and allow direct and personal communication)

**15. Enhance state and local government outreach and education efforts on benefits of trade.**

**MEASUREMENTS:**

- Build a database that is inclusive of all stakeholders. IAPL will use this database to share news, accomplishments and updates from USTR.

**16. Build support for U.S. trade policies and initiatives with a strong domestic and international press strategy that conveys the benefits of a robust, rules-based global trading system for American farmers, ranchers, manufacturers and service providers, and for our trading partners around the world.**

**MEASUREMENTS:**

- Communicate to the American people USTR’s ongoing mission to fulfill the President’s 2009 Trade Policy Agenda, through proactive press engagement and direct interaction with media and the public by Ambassador Kirk and a wide variety of USTR staff. Seek opportunities to amplify USTR’s domestic message by establishing or strengthening press partnerships with states, localities, and nongovernmental organizations.
- Communicate to our trading partners and to international audiences U.S. trade policies and positions, through relationship-building with foreign media, and by maximizing press opportunities as Ambassador Kirk and other USTR staff travel abroad.
- Communicate successes of a rules-based, robust and progressive global trading system to both domestic and international audiences.
- Conduct a review of all USTR practices to ensure greater transparency.

**17. Work in partnership with the White House and with interagency partners to coordinate Administration-wide message on trade.**

**MEASUREMENTS:**

- Coordinate across the Administration, with particular focus on those agencies whose missions intersect most with USTR (including the Department of State, Department of Commerce, Department of Agriculture, and the National Security Council) to accurately describe trade policy and to reflect the President’s Trade Policy Agenda, emphasizing together how smart trade policy translates into better lives and better jobs for American families.

- Create an informal trade communications group with these partners that meets periodically to examine trade messaging and opportunities for coordination.

**18. Work with USTR partners, particularly the Congressional Affairs and the Intergovernmental Affairs/Public Liaison offices, to increase transparency and communication with Congress and with trade stakeholders.**

**MEASUREMENTS:**

- Ensure website is a strong tool for planned outreach efforts such as the USTR Main Street Project; work with IAPL to highlight stories of American families, small businesses, and local economies that benefit from a smart and progressive trade policy.
- Establish website as a portal for input on trade policy from stakeholders and from the public at large
- Publish, in coordination with IAPL, a regular newsletter updating USTR actions, policies, and plans.
- Work cooperatively and in a bipartisan fashion, whenever possible, with members of Congress to promote shared trade goals in the press.

**19. Dramatically increase USTR's use of technology to increase transparency and to communicate the potential benefits of trade.**

**MEASUREMENTS:**

- Unveil entirely redesigned website in May 2009 to make USTR's mission and activities more accessible to the public; continually improve website and add additional features to ensure maximum use by members of the media, the public and stakeholders.
- Incorporate new media tools, consistent with White House efforts, to provide supplemental outreach and interaction with the public. Specifically, utilize web logs, video streams, and interactive graphics as additional avenues of dialogue regarding USTR's mission to make trade work for American families.

**20. Ensure human capital strategic plan aligns with USTR's mission, goals, and organizational objectives, and supports a well managed workforce in the successful accomplishment of USTR's mission.**

**MEASUREMENTS:**

- Implement an agency-wide accountability system to oversee the operations of all human capital management programs, and ensure human capital is well-managed.

**21. Manage USTR efficiently and effectively.**

**MEASUREMENTS:**

- Ensure new knowledge management processes improve mission performance, document security, recordkeeping, archiving, retrieval and accuracy of USTR trade policy information.
- Ensure employees in mission critical occupations have the right set of skills to accomplish USTR's mission.
- Ensure state-of-the-art administrative services procedures are fully implemented in order to provide responsive and timely support to USTR staff.

**22. Provide facilities that help USTR staff become more productive.**

**MEASUREMENTS:**

- Ensure the required quality and quantity of office and meeting facilities appropriate for USTR's mission achieved by implementing the long-range master plan for USTR space utilization and allocation.
- Complete USTR office complex upgrades and maintenance facilitates operations and promote an attractive work environment and employee health and well-being.

**23. Install information technology and communications systems that increase USTR's productivity.**

**MEASUREMENTS:**

- Ensure Information technology (IT) and communications technology appropriate for USTR's needs are acquired and installed.
- Ensure field offices' IT and communications systems provide robust connectivity and continuity of operations.
- Portable IT and communications technology for travelers and telecommuters balances capability with security.
- Just-in-time training, instructional seminars and job aids ensure highest possible use of IT capabilities.

**24. Manage resources to maximize USTR future capabilities.**

**MEASUREMENTS:**

- Review/audit spending (programs) to optimize funding resources, evaluate effectiveness, and minimize waste.
- Budget submittals meet all OMB and Congressional requirements and deadlines.
- Budgets requests submitted to OA/OMB fully justified.

**25. Implement a security program that provides a high-degree of protection for USTR personnel, facilities and sensitive information.**

**MEASUREMENTS:**

- USTR's comprehensive information security program meets E.O. 12958/13292 and ISOO Directive One.
- USTR's physical security program meets HSPD-12/ Federal Information Processing Standard (FIPS) 201.
- Procedures developed to protect USTR personnel in high threat situations and environments provide appropriate level of protection for the USTR office complex and mobile workforce; occupant emergency plans exercised.
- USTR Continuity of Operations Plan (COOP) implemented and exercised.

# ANNUAL PERFORMANCE REPORT

## I. Introduction

This section represents the Annual Performance Report for the Office of the United States Trade Representative (USTR). It has been developed to carry out USTR's obligations under the Government Performance and Results Act (GPRA) and to help the agency measure its performance for FY 2009. This report is the product of input from the Assistant U.S. Trade Representatives and other senior agency officials; no contribution was made by a non-Federal entity. Further information on all accomplishments is available in the 2009 Trade Policy Agenda and the 2008 Annual Report of the President of the United States on the Trade Agreements Program published in March 2009 and available at [www.ustr.gov](http://www.ustr.gov). The Mission Statement and Strategic Goals were published in the Strategic Plan issued in 2008. This document will be revised to take into account the priorities of the new Administration. For the moment, we will use the existing Mission Statement and Summary of Strategic Goals.

## II. Mission Statement

USTR seeks to contribute to U.S. economic growth, competitiveness and prosperity by opening markets and reducing trade and investment barriers around the world to create new commercial opportunities for U.S. goods and services industries, workers, ranchers and farmers.

## III. Summary of Strategic Goals

### Goal 1      **Opening Foreign Markets**

USTR will seek to open export markets and reduce trade and investment barriers and distortions consistent with the President's trade policy agenda by negotiating, concluding and implementing multilateral, regional and bilateral trade agreements as well as by effectively representing U.S. interests in international bodies, including those established under those agreements.

### Goal 2      **Monitoring and Enforcing U.S. Rights**

USTR will closely monitor and vigorously enforce U.S. rights under trade agreements to ensure that U.S. trade agreements are effective and to maximize their benefits for the U.S. economy. USTR will address foreign unfair trade practices, including through U.S. trade laws that USTR administers.

### Goal 3      **Developing Strategic and Transparent Policy**

USTR will: (1) lead interagency trade and investment policy coordination; (2) consult with the Congress; and (3) communicate with a wide range of stakeholders, including state and local government officials, on trade negotiations and initiatives to obtain broad-ranging input, provide accountability, and develop sound, strategic U.S. trade policies.

## **Goal 4      Effectively Communicating Trade Benefits**

USTR will communicate the benefits of free and fair trade and international investment to domestic and foreign audiences, thereby increasing public understanding of trade policy efforts and building support for opening markets around the world to trade and foreign investment.

## **Goal 5      Achieving Organizational Excellence**

USTR will enhance human capital through recruitment, promotion and retention initiatives and incentives. The Agency will afford professional development and training opportunities, and provide the administrative processes and infrastructure that will strengthen USTR's ability to recruit and retain the most qualified individuals possible, and establish a work place that promotes diversity, initiative, creativity and productivity.

# Fiscal Year 2008 Goals and Measurements

## ANNUAL PERFORMANCE GOALS

1. **Negotiate agreements that advance the trade and economic interests of the United States and further the intent and objectives of Trade Promotion Authority (TPA) and other trade legislation.**

### MEASUREMENTS:

- **Move the Doha Round (“Round”) forward toward a final agreement.**

**Accomplishment:** Held intensive negotiations in various formats throughout the year in an effort to move the Round forward, including numerous meetings at the ministerial and senior official level in addition to working level negotiating group meetings. Narrowed differences on a broad range of topics and received draft texts from the Chairs of the Agriculture, NAMA and Rules negotiating groups.

- **Complete at least two Free Trade Agreements (FTAs) in accordance with the objectives, consultation requirements, and procedures in TPA.**

**Accomplishment:** No new FTAs concluded in FY 2008.

- **Entry into force of FTAs, subject to Congressional approval of implementation legislation, with at least one country.**

**Accomplishment:** No new FTAs entered into force in FY2008.

- **Launch one new Bilateral Investment Treaty negotiation.**

**Accomplishment:** We launched bilateral treaty negotiations with China, India and Vietnam.

- **Review the Andean Trade Promotion and Drug Eradication Act (ATPDEA), Caribbean Basin Initiative (CBI), and African Growth and Opportunity Act (AGOA) and the Generalized System of Preferences (GSP) Program in light of existing and future negotiations to ensure these initiatives support enhanced two-way trade and advance the integration of GSP eligible countries into the global trading system.**

**Accomplishment -- ATPDEA and CBI:** USTR announced the termination of the review of two petitions for the removal of Andean Trade Preference Act (ATPA)/ATPDEA benefits for Peru. USTR also announced the suspension of Bolivia’s eligibility for the ATPA/ATPDEA program over its failure to meet certain of the program’s eligibility criteria. Working closely with other agencies and the Congress, USTR implemented the Haiti HOPE II Act, part of the Food, Conservation and Energy Act of 2008. The new legislation provides for duty-free access for certain apparel produced in Haiti. USTR released the “Seventh Report to Congress on the Operation of the Caribbean Basin Economic Recovery Act”, a review of the operation of the Caribbean Basin Initiative over the previous two years. The report noted that the CBI continues to generate important economic benefits for the region by providing duty-free access for qualifying goods.

**Accomplishment -- AGOA:** In May 2008, USTR released the “2008 Comprehensive Report on U.S. Trade and Investment Policy Toward Sub-Saharan Africa and Implementation of the African Growth and Opportunity Act,” an annual report to Congress on the implementation of AGOA. The report highlighted significant developments and analyzed trade under the program over the past year. Additionally, USTR is a major stakeholder in the annual U.S.-Sub-Saharan Africa Trade and Economic Cooperation Forum, last held in July 2008 in Washington, DC. The Forum facilitated a robust dialogue among government, private

sector, and civil society representatives on initiatives to promote mutually beneficial trade and development under AGOA.

USTR asked the U.S. International Trade Commission (USITC) to conduct a series of reports on factors affecting trade patterns of selected industries in sub-Saharan Africa. The applicable report for FY 2008 was released in April 2008 and focused on underlying factors affecting African competitiveness in 11 product sectors.

**Accomplishment -- GSP:** Reviewed petitions submitted in the 2007-2008 GSP Annual Review requesting product additions or continuations of GSP eligibility based on statutory criteria, including the beneficiary's provision of reasonable access for U.S. goods and services. Continued the eligibility reviews of seven GSP country beneficiaries concerning the provision of internationally recognized worker rights and the protection of intellectual property.

- **Initiate or conclude negotiations for at least two agreements that address the linkage between trade and environmental and conservation interests. Design and implement with interagency partners Environment Cooperation mechanisms, negotiated in parallel with FTAs, to build the capacity of U.S. trading partners to protect the environment and conserve natural resources.**

**Accomplishment:** Jointly signed with the State Department a first-ever agreement with China on addressing illegal logging and associated trade and convened the first meeting under its Bilateral Forum to move forward on implementation. Additionally, completed U.S. ratification of a new International Coffee Agreement and deposited the instrument of ratification in London. Reached agreement with Uruguay on a protocol to the Trade and Investment Framework Agreement (TIFA) on environment and promoting public participation. Made substantial progress in implementing environment chapters and associated cooperation mechanisms in recent FTAs with a focus on the unprecedented achievement of the Annex on Forest Sector Governance in the Peru FTA.

- **Work with negotiating partners to improve the application and enforcement of their labor laws during the course of FTA negotiations and through FTA Labor Cooperation Mechanisms in order to build their capacity to promote and protect the rights of workers.**

**Accomplishment:** Worked closely with Oman, Peru and Colombia to ensure consistency of domestic labor regimes with the labor obligations negotiated in the FTAs. Each country enacted labor reforms to address concerns in several areas, including freedom of association, collective bargaining, the right to strike, and subcontracting. Discussion of respect for internationally recognized labor rights was included in TIFA negotiations or TIFA Council meetings with the East African Community, the Southern African Customs Union, Uruguay, Vietnam, Ukraine, the Philippines, Afghanistan, Libya, and Sri Lanka. USTR and other U.S. Government agencies worked together to develop and implement projects funded with \$20.3 million from FY 2007 to strengthen labor ministries, modernize labor justice systems, reduce workplace discrimination, and promote a culture of compliance in the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) countries. FY 2008 funding of \$15 million was committed for further efforts in this area.

## **2. Integrate developing and emerging market countries into the rules-based system of international trade.**

### **MEASUREMENTS:**

- **Conclude negotiations on one WTO accession of a developing or emerging economy candidate country, contingent on obtaining commercially viable terms.**

**Accomplishment:** Completed Ukraine's WTO accession.

- **Assist developing countries to implement trade commitments (such as under the WTO or FTAs) and help developing countries to benefit from the market opportunities under trade agreements and preference programs. (WTO, FTAs, GSP, ATPA, CBI and AGOA).**

**Accomplishment:** In addition to ongoing informal engagement with countries, participated in 3 regional reviews and a global review of Aid for Trade under the auspices of WTO, along with numerous bilateral and plurilateral meetings (such as the AGOA forum or FTA Committee for TCB meetings) to improve and prioritize assistance to preference program beneficiaries and FTA partner countries. Actively engaged in the interagency process to set foreign assistance priorities.

- **Contribute to economic development in developing and emerging market countries through the GSP and other trade preference programs. In consultation with the U.S. Congress, administers a more targeted and effective GSP program focused on increasing U.S. imports from nascent sectors and from those countries whose exports need the most help to compete in the U.S. market. Improve workers' rights and the protection of intellectual property in GSP-eligible developing countries through the annual review of GSP country practice petitions.**

**Accomplishment:** The 2008 U.S. import data indicates that many beneficiaries have made progress in diversifying and expanding their exports to the United States under the GSP program, despite challenging economic conditions. For example, Georgia's exports under the GSP program grew from 12 types of products to 22, with its GSP trade more than doubling from \$64 million in 2007 to more than \$137 million in 2008 (through November). Imports under the GSP program from Mongolia, Ethiopia, and Samoa also broadened and expanded. Consultations are ongoing with the countries subject to petitions for potential removal from the GSP program because of worker rights and intellectual property rights concerns.

- **Contribute to sustainable development by negotiating trade-related environmental agreements, renegotiating certain international commodity agreements, and promoting cooperation among law enforcement bodies to enhance enforcement of international treaty provisions.**

**Accomplishment:** In addition to completing all steps for entry into force of the Memorandum of Understanding (MOU) with China on illegal logging and associated trade, moved ahead with other negotiating initiatives, including agreements with China and within Asia Pacific Economic Cooperation (APEC) to make progress in eliminating trade barriers to environmental goods and services, including climate-friendly technologies. Worked closely with key U.S. agencies, including those with enforcement responsibilities, to enhance efforts under the agreements with Indonesia and China on illegal logging and associated trade.

### **3. Increase market access for U.S. agriculture, goods and services and improve treatment of U.S. investments abroad.**

#### **MEASUREMENTS:**

- **Conclude a total of two agreements (e.g., Bilateral Investment Treaties (BITs), Trade and Investment Framework Agreements (TIFAs), or textile customs cooperation agreements) that will create the opportunity to expand U.S. exports and further U.S. economic interests.**

**Accomplishment:** Concluded agreement with Honduras to establish a safeguard measure on imports of socks in April 2008. First use of a bilateral FTA safeguard in response to an increase in FTA imports of socks from Honduras. The United States and Rwanda signed a bilateral investment treaty in February 2008. A TIFA with the East African Community was signed on July 16, 2008.

**4. Deploy USTR's resources to pursue the trade agreements and initiatives that advance United States interests consistent with the Administration's Trade Policy Agenda. Reduce trade barriers to goods and services through FTA negotiations, as well as the Doha Development Agenda (DDA) negotiations.**

**MEASUREMENTS:**

- **Majority of new hires deployed to offices that are negotiating, monitoring and enforcing agreements and initiatives.**

**Accomplishment:** Twenty of the thirty new hires in FY 2008 were deployed to offices that are supporting negotiating, monitoring and enforcing agreements and initiatives.

**5. Closely monitor our trading partners' implementation of existing trade agreements. Identify foreign barriers and trade practices that breach applicable trade agreements and interfere with U.S. exports, investment, and intellectual property rights.**

**MEASUREMENTS:**

- **Review on an ongoing basis implementation of trade agreements, including through preparation of the National Trade Estimates (NTE) Report, and identify strategies for resolving implementation problems.**

**Accomplishment:** Implementation of U.S. trade agreements was reviewed on an ongoing basis, including through the NTE Report, any monitoring mechanisms in the relevant agreement, and working with other agencies, private stakeholders, other members of the public, and Congress. As a result, USTR identified whether implementation problems should be addressed through informal consultations, negotiation, formal dispute settlement, or other means.

- **Regularly coordinate among USTR offices, and work with other agencies, industry, and other outside stakeholders to identify, monitor, and gather information on possible trade agreement breaches.**

**Accomplishment:** Coordinated with other USTR offices on an ongoing basis concerning possible trade agreement breaches and periodically surveyed other USTR offices to identify, monitor and gather information on possible breaches. Regularly met with other agencies to obtain information and develop concerns regarding such possible breaches as well as utilized advisory committees, Federal Register notices, and other contacts with outside stakeholders.

- **Monitor compliance of our trading partners with FTA labor and environment provisions of agreements to ensure that they comply with the terms of the agreement.**

**Accomplishment:** USTR, in conjunction with the Departments of Labor and State conducted a review of labor rights issues in Guatemala in response to a submission filed under the labor chapter of the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR). As part of the review, extensive consultations were held with the Government of Guatemala concerning specific allegations of the infringement of labor rights inconsistent with the CAFTA-DR. USTR worked with the Department of Labor to craft specific recommendations to address the outstanding labor concerns, as part of a public report that was released in connection with the review of the submission. USTR continued to engage with Jordan in response to allegations of labor rights violations in Qualifying Industrial Zones (QIZs) as part of broader cooperation under the United States-Jordan FTA. This engagement led to the enactment of laws by Jordan to protect the labor rights of domestic workers as well as new laws to address trafficking in persons. USTR engaged the Governments of El Salvador and the Dominican Republic concerning specific allegations of the infringement of labor rights inconsistent with the CAFTA-DR.

On the environmental front, focused efforts on preparing for implementation of the Peru FTA Annex on Forest Sector Governance, working with Peruvian authorities across several government agencies, U.S. Government agencies, Hill staffers and NGOs to ensure appropriate changes in Peru's relevant laws and regulations. Also, pressed ahead with activities under CAFTA-DR, including procedures for considering public submissions on alleged failures to effectively enforce environmental laws.

**6. 6. Pursue enforcement through the full range of available tools, including informal consultations, formal bilateral and multilateral oversight fora, negotiations, and litigation.**

**MEASUREMENTS:**

- **Once a problem trade barrier is identified, develop appropriate strategies to resolve the issue, drawing on most effective tools available, and adjusting, as appropriate, to the circumstances.**

**Accomplishment:** In consultation with relevant offices and stakeholders, USTR carefully chose a calibrated appropriate response to each trade barrier identified, including whether to approach it through negotiations, consultations, formal dispute settlement, or other means. The chosen approach was adjusted to respond to developments, such as an indication by the trading partner of flexibility or openness to resolve the barrier informally. As a result, several problems were settled at the informal consultation phase, in negotiations, including negotiations on a free trade agreement, or were referred to formal dispute settlement.

- **Implement most effective means to address specific trade disputes.**

**Accomplishment:** Once the appropriate response to a trade barrier was identified, including in consultation with relevant offices and stakeholders, the chosen response was implemented, resulting in increased market access for U.S. goods and services and increased protection of intellectual property rights.

**7. Identify cases where WTO or FTA dispute settlement procedures and/or U.S. trade statutes are the most effective means to address a dispute. Work to resolve current dispute settlement proceedings on a basis favorable to the United States.**

**MEASUREMENTS:**

- **Review the status of existing cases and determine a strategy to advance U.S. interests in the disputes.**

**Accomplishment:** Continually reviewed the status of each case to determine how best to advance U.S. interests, including through further dispute settlement proceedings, procedural agreements, or additional negotiation or consultation.

- **Consult interagency, with the Congress, and with outside stakeholders when considering initiation of a new WTO or FTA case.**

**Accomplishment:** Regularly consulted interagency, with the Congress, as well as outside stakeholders on the merits and likely trade benefits of initiating a new case. Obtained interagency review and clearance for each new case.

- **Determine whether initiating a new case serves the best interests of the United States and will advance the U.S. multilateral, regional, and bilateral trade agenda.**

**Accomplishment:** Based on consultations with other agencies, Congress and private stakeholders, determined prior to initiating each case whether it would be in the U.S. interest. Examples included the WTO disputes initiated against China on financial information services and against the European Union on

tariffs applied to information technology products, and the arbitration initiated against Canada under the Softwood Lumber Agreement concerning certain provincial subsidies.

- **Monitor dispute cases to determine if settlement or another mutually satisfactory solutions are possible and in the best interests of the United States.**

**Accomplishment:** In consultation with relevant officials and stakeholders, determined for each dispute whether settlement or other mutually satisfactory solution was possible. As a result, for example, the United States was able to successfully settle a dispute with China over prohibited subsidies after initiating the dispute.

## 8. Analyze dispute settlement procedures and work to clarify and improve rules.

### MEASUREMENTS:

- **Develop and pursue proposals to clarify and improve WTO dispute settlement rules, including in the areas of transparency and greater flexibility and Member control over the process.**

**Accomplishment:** Regularly participated in the Doha Round negotiations to clarify and improve the WTO dispute settlement rules, including revising U.S. proposals in response to comments from other delegations and meeting with other delegations in various settings to explain and advance the U.S. proposals.

- **Apply lessons of existing dispute settlement mechanisms when negotiating dispute mechanisms in new FTAs.**

**Accomplishment:** Updated and adjusted, as appropriate, U.S. proposals for dispute settlement mechanisms in new FTAs in light of lessons from existing mechanisms.

## 9. Lead and coordinate the interagency process with twenty other Federal agencies at the Trade Policy Staff Committee (TPSC) level and at the Trade Policy Review Group (TPRG) senior policy level.

### MEASUREMENTS:

- **Work to make 75 percent of decisions on trade policy matters at the TPSC level to ensure that only the most sensitive and/or important decisions are sent to the Deputies (Undersecretaries) at the TPRG.**

**Accomplishment:** Of the 141 decisions made by the Trade Policy Staff Committee, only 14 were sent to the TPRG. 90 percent of decisions were made at the TPSC level.

## 10. Consult with Congress regarding all issues mandated by trade legislation and Trade Promotion Authority.

### MEASUREMENTS:

- **Consultation with Congressional Oversight Group regarding all FTAs and significant trade policy developments.**

**Accomplishment:** Trade Promotion Authority which authorized the COG procedure expired.

- **Regularly brief Congressional Committees and staff regarding the U.S. trade agenda.**

**Accomplishment:** There were nearly 500 consultations with Congress in FY2008.

- **Respond to Congressional correspondence in a complete and timely manner.**

**Accomplishment:** 99 percent of all Congressional correspondence received in 2008 was responded to by the end of the year.

## **11. Obtain Congressional passage of legislation implementing negotiated agreements.**

### **MEASUREMENTS:**

- **100 percent passage of FTA legislation introduced in Congress.**

**Accomplishment:** Congress enacted the United States-Peru Trade Promotion Agreement Implementation Act on December 14, 2007. No other legislation implementing a bilateral FTA was introduced in the Congress.

## **12. Build broad coalitions with business, agricultural, consumer, state and local governments and non-governmental interests to inform and strengthen the U.S. trade agenda and to secure Congressional passage of legislation implementing trade agreements and other legislation. Continue to develop a robust advisory committee system through the appointment and consultation with, a diverse and experienced group of advisors.**

### **MEASUREMENTS:**

- **Convene regular meetings of the Advisory Committees. Assure that advisory reports to Congress on trade agreements are broadly supportive of the agreement.**

**Accomplishment:** 89 Advisory committee meetings were convened by USTR and its partner agencies co-managing the committees. For committees requiring recharter and reappointment before they could be convened, advisors continued to receive timely briefings in the interregnum. Reports to Congress on trade agreements reflected broad support and were posted on the public website

- **Reach out to outside stakeholders to develop constituency support for multilateral and bilateral trade initiatives.**

**Accomplishment:** USTR senior officials and staff regularly met with private sector representatives, associations, state and local governments, think tanks, and other domestic stakeholders to build support for Doha and U.S. free trade agreements.

- **Respond to stakeholder correspondence and inquiries in a complete and timely manner.**

**Accomplishment:** USTR responded to all tasked correspondence in a complete and timely fashion.

- **Provide regular conference calls with advisory committee chairpersons to inform them of current developments.**

**Accomplishment:** USTR provided monthly conference calls on the first Monday of the month for all advisory chairs to inform them of current and timely developments on the trade agenda for a total of 79 calls. USTR informed senior level staff of the opportunity to brief advisory chairs on issues in their portfolio.

- **Provide regular updates through the USTR website to strengthen support for key issues.**

**Accomplishment:** USTR's Office of Public and Media Affairs coordinated with Office of Intergovernmental Affairs and Public Liaison (IAPL) to provide regular updates and detailed Trade Facts sheets as needed to the USTR website to inform constituencies and strengthen support for key issues, particularly pending free trade agreements.

- **Develop and utilize opportunities for public engagement with private sector, state and local government, and small business stakeholders to build support for the trade agenda.**

**Accomplishment:** USTR senior officials and staff responded affirmatively to and actively sought and developed numerous public speaking engagements around the country to engage the private sector, state and local government, and small business to build support for the trade agenda. There were 193 interviews, 56 press events, 50 speeches and 19 trips by the USTR and senior officials.

### 13. **Create a USTR-wide proactive communications strategy to explain the benefits of trade to domestic constituencies and interest groups**

#### MEASUREMENTS:

- **Develop talking points, fact sheets, press releases, and an internet strategy including a regular e-mail newsletter to explain the benefits of trade.**

**Accomplishment:** In 2008, the USTR press office developed and regularly maintained an internal talking points document to coordinate consistent information. In 2008, the USTR press office produced and distributed 134 press releases highlighting major policy actions, statements made by the Ambassador, deputies and other key trade officials. Press releases were often distributed extensively to several issue and region-specific contact lists of over 1,200 media and industry contacts. In 2008, the press office also worked with other USTR offices to publish over 60 fact sheets explaining trade policy and proposals.

- **Organize press events around high profile trade liberalization achievements.**

**Accomplishment:** In 2008, the USTR press office coordinated over 56 press events including formal press conferences, media roundtables, speeches and photo opportunities. Many of these events drew substantial members of the media, as well as industry officials and members of Congress. Such events included the announcement of a WTO case challenging EU tariffs on certain technology products, and the announcement regarding U.S. negotiations to join the Trans-Pacific Strategic Economic Partnership Agreement. Internationally, Ambassador Schwab participated in the media roundtables and press conferences at events with other foreign ministers and heads of government, such as the Doha Mini-Ministerial, World Economic Forum, APEC and ASEAN summits.

- **Build a network of private and non-government organizations and coordinate messaging on the benefits of trade.**

**Accomplishment:** In 2008, the USTR press office built contact lists specifically aimed at non-government organizations. Through these lists, the USTR press office was able to keep relevant non-government organizations aware of trade actions taken by USTR.

- **Expand outreach via increased subscribers to the email newsletter.**

**Accomplishment:** In 2008, the USTR press office built and utilized contact lists including names and contact information of major trade reporters, members of Congress, issue groups, non-governmental organizations and other trade-relevant associations. Additionally, the USTR press office distributed a 'week ahead' notice that was sent to media, private and non-government organizations each week outlining the events that Ambassador Schwab or her deputies would be participating in that week.

**14. Enhance state and local government outreach and education efforts on benefits of trade, particularly the DDA.**

**MEASUREMENTS:**

- **Establish a stronger state level network, led by pro-trade states. Work with this network to offer better outreach/trade education through public speaking and media events around the country. Distribute educational materials to private sector and state/local networks.**

**Accomplishment:** USTR has worked with pro-trade states and municipalities to build support for the trade agenda through speeches, meetings with local editorial boards, statements of support and media events, in particular regarding free trade agreements, and distributed Trade Facts sheets on the free trade agreements widely to states.

**15. Work through the interagency process and with the White House to implement an Administration-wide message on the benefits of free and fair trade.**

**MEASUREMENTS:**

- **Coordinate press statements regarding trade issues across the Administration.**

**Accomplishment:** In 2008, the USTR press office coordinated messaging with several Administration offices including the Department of Agriculture, Department of Commerce, Department of Treasury, and the Department of State. Ambassador Schwab participated in numerous joint events where press releases and media advisories were coordinated with relevant communications offices in other agencies. An example of this was the Congressional delegation to Colombia in November 2007, led by Ambassador Schwab and Acting U.S. Secretary of Agriculture Chuck Conner. Another example was the 25<sup>th</sup> Anniversary meeting of the U.S. – China Joint Commission on Commerce and Trade in August 2008, hosted by Ambassador Schwab and U.S. Secretary of Commerce Carlos Gutierrez.

- **Create an informal trade communications working group that meets periodically to examine trade messaging and opportunities for interagency and White House coordination.**

**Accomplishment:** The USTR press office regularly hosted calls and meetings (i.e. Red Team meetings) with other communications officials from across the administration to update each other on upcoming events for that week and the activities of their principals.

- **Inject public relations and communications strategy analysis into the interagency review process.**

**Accomplishment:** In 2008, USTR along with other Administration communicators met regularly to discuss Administration trade policy goals. These meetings ensured that messages on trade reach wide and varying audiences across government, industry and organizations.

**16. Work with Congressional Committees with relevant jurisdiction to develop and advance messaging on the benefits of free and fair trade.**

**MEASUREMENTS:**

- **Plan and organize press events with USTR and Congressional representatives in D.C., at domestic rounds of trade negotiations, and abroad when there are Congressional delegations traveling regarding trade issues.**

**Accomplishment:** In 2008, the USTR press office organized several press events that were attended by Members of Congress such as the Anti-Counterfeiting Trade Agreement (ACTA) roll-out conference on Capitol Hill. Additionally, Ambassador Schwab, Ambassador Veroneau, and General Counsel Maruyama spoke to Members of Congress on numerous occasions where they discussed the benefits of pending free trade agreements. Ambassador Schwab also co-led a Congressional delegation to Colombia in November 2007 and another in April 2008.

- **Work with House Ways and Means, Senate Finance and other Committees, as appropriate, to develop the trade messaging strategy.**

**Accomplishment:** In 2008, the USTR press office worked with relevant communications officials on congressional committees to ensure coordinated and consistent messaging. An example would be the media coverage and messaging surrounding the Congressional delegation to Colombia in November 2007 and April 2008.

**17. Develop, in consultation with other agencies, the Congress, and stakeholders, messaging to foreign countries and their citizens explaining the benefits of free and fair trade, and to build support for U.S. trade policies and initiatives.**

**MEASUREMENTS:**

- **Identify foreign constituencies to educate regarding the benefits (including environmental and social benefits) of free and fair trade.**

**Accomplishment:** In 2008, the USTR press office worked with regional embassies and established media contacts to identify and target specific audiences while traveling abroad and while working domestically. Specific email and contact lists were designed to target news releases, advisories and other trade policy messaging (i.e. lists for reporters and groups in Canada on softwood lumber, lists for Africa on AGOA developments, etc.)

- **Build relationships with foreign media, place press statements, and attend press events that build support for free and fair trade in strategic foreign countries.**

**Accomplishment:** In 2008, members of the USTR press office worked with members of foreign media outlets including the *BBC*, the *Financial Times* (London), *Wall Street Journal-Asia* and the *Singapore Straits-Times* in promoting official travel and business conducted by Ambassador Schwab while in relevant foreign media markets. These efforts were aimed at distributing news and information regarding trade policy actions taken by Ambassador Schwab while traveling in foreign markets.

- **Work with USTR partners in foreign governments to coordinate a communications strategy to advance trade negotiations and to explain trade disputes.**

**Accomplishment:** In 2008, the USTR press office developed relationships with other government communicators abroad to collaborate with messaging and media coverage. An example is the cooperation between the USTR press office and the Colombian Government on message timing surrounding issues related to the U.S.- Colombia Free Trade Agreement.

**18. Enhance human capital through recruitment, promotion and retention initiatives and incentives, afford professional development and training opportunities, and provide the administrative processes and infrastructure that will strengthen USTR's ability to recruit and retain the most qualified individuals possible. Establish a work place that promotes diversity, initiative, creativity and productivity. Implement a human capital management program designed to help USTR accomplish its mission.**

- **Complete and implement the USTR strategic human capital management plan.**

**Accomplishment:** Submitted and approved by OPM; OPM asked to use our plan as a benchmark for other small agencies that are having difficulty finalizing their plans, and if we would be available to provide insight into how USTR accomplished this task.

- **Develop strategies that ensure human capital is well-managed.**

**Accomplishment:** Leadership and Management Development: Developed and distributed Career Development Needs Assessment Tools; surveyed managers regarding critical training needs; consolidated report for use in FY 2009 training budget and future IDP use for managers.

## 19. Manage USTR efficiently and effectively.

### MEASUREMENTS:

- **Develop a comprehensive work planning and management process that identifies all work, manpower and other resource requirements.**

**Accomplishment:** Obtained a 76 score on the Performance Appraisal Assessment Tool (PAAT) for the FY 2007 appraisal cycle; 50 point improvement from previous year and highest score of all small agencies. Obtained Full SES Certification. Minimized all vacancies and gaps in critical workforce needs; vacancy rate remained below 10 percent (7 percent most of the year). Major Human Capital Policies and Strategies: 2008 Federal Human Capital Survey; PAAT for Non-SES employees; USTR 101 – Orientation Program (How to do business at USTR); reviewed, revised and implemented human capital policies and processes as necessary, including a focus on improving USTR’s use of the alternative work schedules and telecommuting (policy was completely rewritten to streamline process). Developed comprehensive competency assessments tools for Attorneys, Policy Analyst (Trade) and Administrative Support Staff.

- **Evaluate knowledge management processes for improvement.**

**Accomplishment:** Awarded contract to scan all GSP and 301 documents (approx 500,000 pages) currently on file in the USTR “Reading Room” and “business confidential” storage room; scanned documents are now available and searchable on the USTR network and GSP clerk is successfully retrieving documents digitally. Coordinated with OMB and EPA to gain access to their Federal Document Management System (FDMS); began implementing FDMS as a better way to interact with the public to solicit comments to our Federal Register Notices (FRN) in areas such as GSP and section 301; configuration and training have been completed.

- **Adopt administrative services procedures that provide responsive and timely support to USTR staff.**

**Accomplishment:** Began a series of refresher training sessions which encompassed numerous GovTrip enhancements and travel process improvements that have been put in place during the past several months. Routinely met 90+ percent of offices’ needs. Conference center processes established to achieve an environment of a complete meeting package; improvements include daily monitoring checklist; strategically staged canteen items for all conference rooms; Meeting Check Sheet; change in Melwood personnel greatly improved the cleanliness of the kitchens/conference rooms. Developed desired improvements for the electronic scheduling process to prevent the double booking of meetings and adding a meeting request form for detailing specific needs often overlooked. Central Supply System: Established to manage office supplies; includes 100 percent of local storage spaces; 90+ percent of routine user needs met. Upgrades to 1724 F Street Conference Rooms: Completed and met all user needs (personally complemented by Ambassador). Wrote SOW and awarded \$50K contract to install audio visual upgrades to 1724 conference rooms 2nd and 4th floors, including interactive white board systems, permanent wide-

screen LCD projectors, and high-definition videoconferencing system; IT/communications upgrades to conference rooms 1 and 2 meet 100 percent of user needs.

## 20. Provide facilities that help USTR staff become more productive.

### MEASUREMENTS:

- **Establish a long-range master plan for USTR space utilization and allocation that provides the quality and quantity of office and meeting facilities appropriate for USTR's business requirements.**

**Accomplishment:** Long-range Master Plan: Completed and submitted as basis for 4th floor 1724 F Street additional office space request. Completed window curtain installation and microphone connections for Conference Rooms 1 and 2; first press conference after renovation major success. Winder Building Renovations: Restrooms completed 4th and 5th floors with additional work items accepted by GSA to resolve in new contract; completed security upgrades for "first impressions" project; 100 percent of user needs addressed. Office Moves: Completed all Winder moves on 1st, 3rd and 5th floors and met all occupants' needs. Processed approximately 100 new arrivals and over 100 office moves this period. Exceeded goal; all employees up and running by morning of first working day following arrival/move. Innovative Renovations: Rebuilt offices on 5th and 2nd floors 1724 F Street meets 100 percent of occupants' needs. Coordinated closely with facility manager and GSA to renovate approximately 20 offices/workspaces. All occupant computers, phones, and various other IT devices were operational by next workday following the move or renovation. Completed technology upgrade of offices including new wiring and fiber optics to all workspaces.

- **Implement USTR office complex upgrades and maintenance plan that facilitates operations and promotes attractive appearance, cleanliness and employee well-being and health.**

**Accomplishment:** Conference Center: Implemented environment that met 90+ percent of user needs; clean and comfortable facilities provided for each meeting after requesting Melwood to reassign personnel; all meetings implemented seamlessly; meeting room scheduler reviewed daily to ensure all issues timely resolved; 90+ percent conflicts in double bookings timely resolved. 95+ percent of USTR events have been successfully executed using these processes and procedures. USTR Office Complex: Exceptionally maintained for appearance, cleanliness and employee well-being and health; met all emergent needs within hours.

## 21. Install information technology and communications systems that increase USTR's productivity.

### MEASUREMENTS:

- **Acquire and install information technology (IT) and communications equipment appropriate for USTR's needs.**

**Accomplishment:** SIPRNet: Approximately 100 accounts established with workstation access; surpasses 77 employees who had accounts on USTR's original/previous classified network and exceeds 80 percent of the original plan. Based on a review of increasing threats to USTR's sensitive information, have substantially increased the number of employees designated to receive accounts and have successfully engaged senior management involvement to expedite account creation. Web Redesign: Completed thorough report detailing current state, future state, and "gap" analysis to achieve future state. Held facilitated planning session with 12 employees in Feb. 2008 and found that the current design inhibits site growth and expansion, poorly communicates USTR's brand, and is not inviting to user interaction. Conducted market research to identify potential vendors and cost for re-design. Wrote Statement of Objectives (SOO), Statement of Work (SOW) and a myriad of additional procurement documents. Solicitation for web site re-design issued. Redesign will address a number of issues including compliance

with Section 508 (accessibility for visually impaired). Redesign should complete within 6 months of contract award. Ordered and received new web server hardware last month and engineers at Dakota are beginning to install and prep it to host the redesigned site. CATV/Video to Employee Workspaces: Completed Winder fiber-optic upgrade which provides capability for robust video connectivity to 100 percent of employee workspaces. Completed procurement and OA/IA Certification and Accreditation for “V-Brick” system to provide capability for CATV access to every employee desktop. Procured two portable “desktop” DVC systems to allow DVC capability from any employee desktop. Robust/Secure Network: Successfully planned/managed/completed over \$1M in projects and equipment purchases enabling secure and robust network connectivity to all employee workspaces and inter-building fiber optic connectivity to carry all services with 400 percent spare capacity. Considering Winder is the oldest Federal office building in DC (1848), this was a significant challenge. Entailed removing a massive amount of existing copper cable to make room for the fiber in very tight conduits, required running 20,000 feet of 48/36 strand armored backbone fiber, 40,000 feet of 4 strand work area fiber, 40,000 feet of category 6 copper cable, and properly marking and terminating over 8000 connections. Every space in Winder was affected, which impacted all employees through multiple furniture moves and disconnect/reconnect of phones, computers, faxes, printers, etc.

- Field offices’ IT and communications systems provide robust connectivity and continuity of operations.

**Accomplishment:** Took all actions within scope of authority to improve USTR Geneva network performance; engaged USTR/OA senior managers to address the issue. OA/CIO went as far as obtaining quotes for new T1 line, however did not order the new line due to funding constraints.

- Just-in-time training, instructional seminars and job aids ensure highest possible use of IT capabilities.

**Accomplishment:** USTR IT trainer directly provided approximately 60 sessions this period including new arrivals, application-specific, and Geneva. Additionally, obtained approximately 30 training sessions via commercial trainer. Training requests were fulfilled exceeding required timeframes.

## 22. Manage resources to maximize USTR future capabilities.

### MEASUREMENTS:

- Develop performance-based resource management procedures.
- Employ risk management in making resource decisions.

**Accomplishment:** Initiated the process to develop a Performance-based Program Management system. In designing a new approach to the preparation and management of our budget, our objective was to describe “Cross-Cutting Mission Initiatives” and designate individual offices as “Project Leads” for managing these initiatives. This would be the first step in developing a process at USTR that we could then export to our trade partner agencies for their consideration in formulating their own budgets and evaluating resource needs, and enhanced interagency resource planning. In developing the first pilot for this new initiative, a multitude of inter-USTR office considerations arose that precluded our initial approach. Further effort in development and piloting is necessary. During this spend plan development, offices instructed to focus only on travel requirements to get the mission scope right (needs vice actual travel dollars) and also not on other miscellaneous small accounts. Thereafter, more precise budget allocations and effective monitoring of travel resources were taken largely through clear communication that the budget was constrained and travel had to be managed in a more disciplined manner. Offices were given early notifications if they were in danger of reaching their budget limits and the COS was informed; offices able to meet 100 percent of their travel needs.

All USTR’s mission and fiduciary responsibilities met through effective upfront communication and diligent monitoring. Although extremely challenging budget year and especially facing the prospect of a

long CR in FY 2009, carefully managed our limited funds to support mission capability; not one manager could argue that they didn't have the resources to do their job, and Administration was also able to pursue some high priority infrastructure upgrades in facilities and IT/communications after the spend picture became clearer as the year progressed; managed and properly husbanded our funds to ensure the taxpayers got the best return on their investment; resolute in reconciling accounts to avoid leaving money on the table to ensure we have the maximum funds available for our mission needs. Enhanced tracking report processes led to more effective results. During the current fiscal year, ramped up the pace of monthly reports/briefs to the Chief of Staff (COS) to avoid facing serious budget risks if spending plans were not revised; briefed the COS for several months every other week during the crisis period and only resumed monthly briefings once the issue had been resolved; briefings had direct impact on management decisions, agency priorities and strategies. Cost Savings Project: Achieved management savings which impacted our budget of approximately \$0.8 million; 16 times planned target; savings achieved through rigorous work with State Dept. to collect on a promise to commit \$0.3M to support language services, avoidance of \$0.2M in funds being needed to cover FY 2001 accounting issues, maximizing usage of funds through timely de-obligation of open fund cite and travel obligations, as well as other fiscal actions.

- **Coordinate with other trade agencies in resource planning.**

**Accomplishment:** USTR continued to effectively use the interagency consultation and clearance process. Resource needs, constraints and related issues are discussed and planned as necessary to achieve the Administration's initiatives. Our third strategic plan (the "Plan") of the Agency (FY 2007-2012) was developed in accordance with the USTR's obligations under the Government Performance and Results Act (GPRA) to help USTR plan for the next six years. All senior USTR officials collaborated in developing the Plan. The draft Plan was placed on our website with a request for public comment. The Plan took into account the advice received from USTR's statutorily mandated Advisory Committees, as well as advice from Trade Policy Staff Committee (TPSC) agencies, the Government Accountability Office, and the Congress. Key external factors noted included the extent of USTR/other trade agency appropriations. As noted in the Plan, accomplishing the strategic goals requires continuous coordination with other Federal agencies through many mechanisms and forms. Working effectively with our other Federal agency trade partners, the U.S. trade agenda continues to benefit from professionals joining the USTR team who are detailed from these other agencies to perform a range of negotiation, enforcement and economic functions. These resources are planned and closely coordinated with the other agencies. USTR relies on other Federal agencies to assist in conducting negotiations and compliance activities, where those agencies share responsibility for these functions. Where USTR incurs expenses for logistics and support costs in serving as the lead agency in these activities, USTR seeks and negotiates appropriate resource support from the other participating agencies. USTR remains committed to working with its interagency partners to allocate and deploy sufficient resources to achieve the trade policy objectives it has been tasked to lead and accomplish. Our consulting with other key agencies on trade policies that affect resource allocation continued to accelerate. Over the last three years (2005 to 2007), the Trade Policy Staff Committee (TPSC) met 123 times and cleared 734 papers. The amount of timely information shared with our partner agencies on trade initiatives has improved and gives these agencies the very latest insight as to trade agenda priorities and potential impact on resources. These agencies have access to our strategic and performance plans for outlooks on personnel and financial needs in the trade arena. Key agencies also assist us in developing the Trade Policy Agenda and Annual Report, an important document discussing anticipated trade initiatives.

## **23. Implement a security program that provides a high-degree of protection for USTR personnel, facilities and sensitive information.**

### **MEASUREMENTS:**

- **Implement a comprehensive information security program meeting E.O. 12958/13292 and ISOO Directive One.**

**Accomplishment:** Continued to refine the information security program in coordination with the Information Security Oversight Office (ISOO); revised as necessary previously published information security regulations and procedures; developed USTR Classification Guide; held required periodic security awareness briefings; ISOO reports completed on time; program in full compliance with the requirements of E.O. 12598 and ISOO Directive One for handling, storing, processing, and markings for all national security information.

- **Implement a physical security program that meets DD2637 Physical Security Evaluation Guide and HSPD-12.**

**Accomplishment:** Upgrade of Physical Access Control System: Successfully implemented the requirements of HSPD-12, FIPS-201 that met 100 percent of designated restricted area needs; contract awarded and completed; the new access control system (Lenel system replaced MDI system) is fully compliant with all security directives and provides an integrated smart card system for physical and logic access to all USTR facilities; first and only EOP component using the PIV cards for physical access. Completed installing fail-safe door latch mechanisms in 1724 F Street. Connection and test of both 1724 F Street and Winder security system with fire systems successful.

- **Develop procedures to protect USTR personnel in high threat situations and environments and provide appropriate level of protection for the USTR office complex.**

**Accomplishments:** Continued to improve the overall protective operations program; ensured liaison with all Federal law enforcement agencies, Department of State, local police agencies, and intelligence agencies concerning protective operations for the Ambassador and senior staff. Provided detail security protective operations in support of USTR missions in all high threat situations and environments and >90 percent for routine. Personal relationships built were instrumental in providing USTR with technical information and threat data that was utilized by senior management to make decisions regarding security measures for special events. Continued to provide security and physical protection for USTR leaders in Korean for follow on work on the Republic of Korea and United States (KORUS FTA). Developed and briefed detailed threat assessments to all USTR personnel traveling in all high threat areas around the world.

- **Implement the USTR Continuity of Operations Plan (COOP) and exercise occupant emergency plans.**

**Accomplishments:** Successfully participated in federal government-wide exercise of COOP (only EOP agency that staff the Dakota site); took a number of senior leaders out to the site for orientation. Rewrote COOP to integrate into EOP COOP (new direction); complimented by OA on the quality and comprehensiveness of our plan; replaced door hardware and rewired access control system both buildings to “failsafe” for egress during fire alarms.

## **Glossary of Acronyms**

|          |  |
|----------|--|
| AGOA     | African Growth and Opportunity Act   |
| APEC     | Asia Pacific Economic Cooperation  |
| ASEAN    | Association of Southeast Asian Nations   |
| ATPA     | Andean Trade Preference Act  |
| ATPDEA   | Andean Trade Promotion & Drug Eradication Act  |
| BIT      | Bilateral Investment Treaty  |
| CAFTA–DR | Dominican Republic–Central America Free Trade Agreement  |
| CBI      | Caribbean Basin Initiative   |
| CSC      | Capital Sharing Cost   |
| FTA      | Free Trade Agreement   |
| FTE      | Full–Time Equivalent   |
| GSP      | Generalized System of Preferences  |
| ICASS    | International Cooperative Administrative Support Services (cost allocations by State Department for services rendered) |
| MOU      | Memorandum of Understanding  |
| NTE      | National Trade Estimates   |
| NGO      | Non–Governmental Organization  |
| OECD     | Organization for Economic Cooperation and Development  |
| TIFA     | Trade & Investment Framework Agreement   |
| UNCTAD   | United Nations Conference on Trade & Development   |
| USITC    | U.S. International Trade Commission  |
| USTR     | United States Trade Representative   |
| WTO      | World Trade Organization   |