

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

**Salaries and Expenses**

**PRESIDENT'S BUDGET, FISCAL YEAR 2011**

**Congressional Budget Submission**

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DATE: March 2010

**TABLE OF CONTENTS**

FY 2011 BUDGET JUSTIFICATION: THE PRESIDENT’S TRADE AGENDA .....3  
ORGANIZATION SUMMARY .....17  
SALARIES AND EXPENSES.....19  
    Appropriation Language.....19  
SUMMARY OF FY 2011 BUDGET REQUEST .....20  
SUMMARY OF RESOURCE REQUIREMENTS .....21  
SUMMARY OF OBLIGATIONS BY OBJECT CLASSIFICATION .....22  
FY 2011 BUDGET REQUEST.....23  
Object Class Summary .....23  
    Personnel Compensation and Benefits .....23  
    Changes in Transportation of Things.....23  
    Changes in Other Rent, Communications and Utilities .....24  
    Changes in Printing Costs.....24  
    Changes in Other Services.....24  
    Changes in Supplies and Materials Budget .....26  
    Changes in Equipment Budget .....27  
FISCAL YEAR 2011 GOALS AND MEASUREMENTS .....28  
ANNUAL PERFORMANCE REPORT.....37  
    I. Introduction .....37  
    II. Mission Statement.....37  
    III. Summary of Strategic Goals .....37  
FISCAL YEAR 2009 GOALS AND ACCOMPLISHMENTS.....39  
GLOSSARY OF ACRONYMS .....64

## **FY 2011 BUDGET JUSTIFICATION: THE PRESIDENT'S TRADE AGENDA**

### **Our Goal: Making Trade Work for America's Working Families**

President Obama's economic strategy halted the slide into a deep economic crisis and laid the foundation for renewed American prosperity that is more sustainable, fairer for more of our citizens, and more competitive globally. This progress required bold policy decisions at home, bolstered by efforts abroad to keep world markets open and economies moving toward greater stability.

During the most severe recession since 1945, the nations of the world decisively rejected a protectionist panic. The steady resolve of the world's leadership preserved the basis of the global trading system – and the potential of that system to aid economic recovery – through the worst of the downturn. The G-20 nations each pledged to honor their obligations on trade and to work toward a balanced and ambitious outcome in the Doha Round of World Trade Organization (WTO) negotiations. In the United States, while crafting measures together to stimulate the American economy, Congress and the President reaffirmed our commitment to international trade obligations.

As we reiterated the U.S. commitment to the rules-based global trading system, we exercised American rights within that system to bring more of its promised benefits – jobs and economic opportunities – home to American families and businesses. Fighting for market access abroad and responding to unfair foreign competition at home sometimes required new dispute proceedings at the WTO or action through other venues; in other cases, long-standing disputes that had paralyzed American ranch and farm exports were resolved through reinvigorated negotiations. We also found new market opportunities in existing vehicles for trade consultations – for instance, through a Joint Commission on Commerce and Trade agreement to further open China's market to American wind energy products.

In 2010, American exports will be critical to the creation and support of new American jobs. Accordingly, President Obama has set a goal of doubling U.S. exports in the next five years – an increase that will support 2 million additional jobs in America. Smart trade policies will play an important role in helping to meet the President's goals as part of the new National Export Initiative.

As part of our daily focus on spurring economic growth and putting Americans back to work, the Administration began several months ago to craft a comprehensive plan for reaching the President's goal of increasing exports over the next five years. Key cabinet agency officials including the United States Trade Representative and the Secretary of Commerce, along with the Council of Economic Advisers, the National Economic Council, and the National Security Council carefully analyzed growth trends in the world economy and policies the Administration could pursue to help improve U.S. export performance over the 2009-2014 period.

The President's National Export Initiative includes a newly created Export Promotion Cabinet, an enhancement of funding for key export promotion programs, the mobilization of government officials to engage in export advocacy activities, the launch of export tools for small- and medium-sized businesses, the reduction in barriers to trade, and the opening of new markets.

Creating and implementing these and other forward-leaning policies requires a frank conversation with Congress and with the American people about the benefits and challenges of engagement with global trade and investment.

The President's Trade Policy Agenda for 2010 advances a robust American role in the global trading system by further outlining what trade can mean for American exports, jobs, and economic growth – and

also for global economic recovery and well-being. It discusses policies that implement our commitment to the rules-based trading system and the enforcement of our rights within that system. It outlines the steps that we will take to further stimulate jobs and growth here at home and around the world, and how we are building on existing trade agreements and pending pacts. It addresses how our trade policy partners the United States with the developing countries of the world. And it examines the Administration's commitments to the American people on energy and the environment, to making trade policy more reflective of American values – including the fundamental rights of workers – and to political transparency in trade policy.

## **Trade and American Jobs**

Effective trade policy helps increase exports that yield well-paying jobs for Americans – a win both for our companies and for our working families. Whether businesses are large or small, studies show that firms engaged in trade usually grow faster, hire more, and on average pay better wages than those that do not. In recent years, exports of manufactured goods have become an important source of employment, supporting almost one in five of all manufacturing jobs.

Commerce Department estimates suggest that over 10 million jobs were supported by exports in 2008 and doubling exports from 2009 to 2014 could help exports support millions more jobs. Export expansion will also bring broader benefits for American recovery: the U.S. economy began to expand again in the last six months of 2009, at a rate of four percent (on an annualized basis) – and rapidly growing U.S. exports contributed nearly two percentage points to this growth rate.

Trade is also the lifeblood of many American farms and ranches. Compared to the general economy, U.S. agriculture is twice as reliant on overseas markets. And our traditionally high levels of exports of such crops as wheat, rice, and corn are being joined by growing exports of fruits, vegetables, and animal products. The Agriculture Department estimates that our agricultural exports currently support jobs for more than 800,000 Americans.

To improve American prosperity, we must match other countries in seeking new international markets aggressively. About 95 percent of the world's customers and almost 80 percent of its economic production are already outside U.S. borders. International Monetary Fund forecasts indicate that nearly 87 percent of world growth over the next five years will take place outside of the United States. America cannot reach its full potential for generating jobs without selling more goods and services globally. As the President said in the State of the Union, "If America sits on the sidelines while other nations sign trade deals, we will lose the chance to create jobs on our shores."

We have to be frank in recognizing that some Americans lose jobs as markets shift in response to trade competition. Working with Congress, the President was able to sign into law in 2009 expanded eligibility and much-needed advances in Trade Adjustment Assistance (TAA), including covering service workers for the first time. There is more we can and must do to limit the impact of dislocation and to support new jobs for workers in transition, and we will continue our ongoing work with Congress to ensure adequate funding for TAA programs and to ensure that U.S. workforce programs complement each other.

Effective trade initiatives can open markets and ensure that more of trade's benefits accrue to American workers. Trade promotion policies can help to meet expanded export goals with new advocacy assistance for American firms, more trade related financing, and policies designed to stimulate innovative technologies. But trade policy alone cannot achieve our goals. Our policies for education, investment, labor markets, health care, energy, the environment and innovation also have to respond to changes in the

world economy. American workers will prosper and American firms will compete strongly only if we improve competitiveness at home.

A broad international effort is also vital. As President Obama said in November 2009, “for the sake of a stable and balanced global prosperity, the major economies must work together to rebalance the world economy and avoid the boom and bust cycle that has plagued us”. Trade policy has a key role in this rebalancing. As an economy, the United States needs to slow the rate of consumption growth, while it saves, invests, produces and exports more. Countries with large trade surpluses should increase their domestic consumption and imports as part of a more balanced growth strategy. Collectively, the community of nations has to break down long-standing barriers to trade and investment as well as newer impediments that obstruct trade and slow economic integration. Competitive global markets, governed by effective rules for trade and sound domestic policies, can advance our broader economic agenda for sustainable growth and prosperity shared by farmers, workers, ranchers, entrepreneurs large and small, and those who struggle economically here and around the world.

## **Our Policy Priorities**

### ***Support and Strengthen a Rules-Based Trading System***

In a time of global economic challenge, the United States has reaffirmed its commitment to the rules-based trade system anchored by the WTO’s system of multilateral trading rules and dispute settlement. The WTO is both a venue for multilateral liberalization through negotiation and a defense against protectionism. The alternative to respect for the rules is growing mutual suspicion and conflict among trade partners.

Strengthening of the trade system can occur through better enforcement of existing rights and through new rules negotiated to respond to changing economic conditions. Enforcement actions both increase public confidence in the fairness and effectiveness of trade rules, and they provide an equitable way to handle disagreements in a mature trade relationship. The WTO’s system of dispute settlement is a vital avenue for countries to resolve difficult disagreements while maintaining solid working relationships. Just as importantly, a strong dispute settlement system gives countries an incentive to negotiate earnestly to avoid the risk of litigation.

It is not enough just to preserve past progress in trade liberalization and enhance public confidence in existing rules. We seek to continue the process of reducing trade barriers in order to strengthen the commerce that yields good jobs.

Although there are many avenues for trade negotiation, the WTO remains the most comprehensive venue and influences the functioning of the rest of the trade system. As the President made clear in a November 2009 speech in Japan, the United States is “working toward an ambitious and balanced Doha agreement – not any agreement, but an agreement that will open up markets and increase exports around the world.” This is why we strongly support the work to complete an ambitious and balanced Doha Round agreement. A successful Doha Round will embrace a process of balanced and ambitious give and take among established or newly emerging trading powers, while giving due consideration to the special interests and circumstances of developing economies, including major achievements in regard to their development agenda.

There should be no mistake about the context for the Doha Round. The United States is the most open major market in the world. Similarly, the United States provides significant duty-free and quota-free market access to least-developed countries. The question is how to move forward based on this

foundation, and whether advanced developing economies will accept responsibility commensurate with their growing economic influence.

In terms of what is currently on the table in the Doha negotiations, the value of what the United States would give in market opening, along with a reduction of U.S. agriculture support, is well-known and easily calculable. In contrast, the value of new opportunities for our businesses, workers, farmers, and ranchers remains vague because of the broad flexibilities available to key emerging markets, like China, India, and Brazil that are fast growing economies and important markets of the future. To achieve further progress, it is essential to gain more clarity in the level of market access contributions by advanced developing countries, and ensure that the results provide significant market opportunities for American entrepreneurs and workers in agriculture, goods, and services. Such market access contributions also will underpin the development goals of the negotiations given that 70 percent of the tariffs developing countries pay are paid to other developing countries.

The Doha negotiations, launched in 2001, had been stalled for years when President Obama took office in 2009. Strict focus on the effort to negotiate broad, generally-applicable formulas for tariff reduction (so-called “modalities”) had produced no final agreement at ministerial gatherings in 2006, 2007, and 2008. Rather than agreeing to replicate the past negotiating process that had led to weak results, the United States has supported a different approach to the end game in order to gain a stronger outcome.

Since a review of the negotiations at the outset of this Administration, the United States clearly has indicated ways to advance the negotiations through a variety of mechanisms. These include pursuing negotiations focusing on tariff liberalization in selected industrial goods sectors (*e.g.*, chemicals, electronics, health care products, industrial machinery) and improved packages in services (providing new market access in key infrastructure services sectors such as financial services, information and communications technology, distribution, energy and express delivery). Meaningful progress on reducing non-tariff barriers that inhibit our exports is critical. The United States has led the way with proposals on remanufactured goods, and in sector-specific areas such as the automotive sector and electronics. The United States also remains a leader in advancing the Doha negotiations on trade facilitation aimed at reducing red tape and addressing other unwarranted customs barriers at the border – matters which especially concern U.S. exporters.

We remain convinced that a Doha success can be achieved if all major economies are willing to come to the negotiating table. Recent U.S.-led innovations in the negotiating process have supplemented the broad-based multilateral negotiations with direct bilateral engagement among key Members. The purpose is to achieve more clarity and to bridge gaps – especially with regard to ensuring sufficient market access contributions by advanced developing countries. In the Doha Round, the least developed countries are not being asked to make any commitments. In 2009, G-20 Leaders directed that a stock-taking of the Doha negotiations be conducted in early 2010, and the United States is committed to ensure that this be done in the most efficient and appropriate format that contributes to further progress.

A sound Doha agreement that provides meaningful liberalization in all three core market access areas – agriculture, goods and services – could boost the world economy, support many good jobs, assist poorer countries, and reinforce confidence in a rules-based trading system. In short, it would be good for the world and for the United States. But a weak agreement would not serve these interests and ultimately would weaken the WTO.

### ***Enforce Our Rights in the Rules-Based System***

The American people expect firm pursuit of our rights in the rules-based trading system in order to ensure fair competition with global trading partners. Americans succeed in global competition when partners play by the established rules for exporting and importing.

Our trade rights include protection of intellectual property, the ability to address a wide array of market access barriers to U.S. goods and services, and recourse to trade remedies when necessary. Taken together, these rights guarantee the economic opportunities of trade by reducing critical barriers to our exports and leveling the playing field among trading partners. Our rights also include the upholding of the American values embodied in basic international labor standards and in the implementation of international environmental agreements.

During 2009, this Administration responded to the call of the American people for more vigilant trade enforcement, and exercised our discretion to assert America's trade rights. Whether addressing a harmful surge of Chinese tire imports into the United States, challenging unjustified restrictions on U.S. exports of agricultural products in multiple countries, acting to implement a finding that Canada violated the softwood lumber agreement, winning distribution rights for American content companies in China, or filing suit over Chinese export quotas and duties on raw materials needed by core U.S. industrial sectors from steel and aluminum to chemicals, the Administration has taken actions under the legal remedies authorized by our trade agreements.

At the same time, we have made it clear that we welcome rapid and pragmatic resolution of trade disputes rather than prolonged uncertainty. In this spirit, we maintained some WTO-authorized trade sanctions, but refrained from imposing sanctions on new European Union products while working with the EU to address the long-standing American claims against policies that restricted imports of American beef.

We continue to strengthen our capacity to monitor markets and strongly enforce our rights and benefits under our trade agreements. This year, we will report and act on new measures instituted in 2009 to spot and address trade barriers that particularly affect America's agricultural producers and manufacturers, such as sanitary and phytosanitary measures restricting U.S. agricultural exports and technical barriers impeding our producers' ability to trade worldwide. We will continue to increase coordination between the Office of the United States Trade Representative (USTR) and the Departments of State, Labor, Commerce, Agriculture, and other federal agencies to spot and respond to violations of our trade rights more quickly and effectively.

Many of the most troublesome problems for our exporters involve behind the border barriers that are mingled with legitimate rules for important social purposes such as privacy, consumer protection, and food safety goals. These purposes are recognized fully and supported under trade agreements, but they sometimes serve as an excuse to introduce discriminatory trade measures. Too frequently, scientific judgments and internationally accepted guidelines are ignored when making policies for agricultural products, including rules governing poultry sanitation, restrictions on pork and pork products in response to the H1N1 virus, non-science-based restrictions on the import of U.S. beef, and regulations governing some genetically modified food products. Even in trading partners with sophisticated regulatory systems, such as the European Union and Japan, certain regulations and enforcement actions are inconsistent with scientific evidence and internationally accepted guidelines. More vigorous enforcement of existing trade rules may address some trade related problems for such high-growth industries as biotechnology. When making decisions to enforce our trade rights, we will be careful to consult with other U.S. agencies to ensure consistency with, and the protection of, our own domestic policy interests. Because the foundations of global agricultural trade depend on economies' adherence to scientific evidence and

internationally accepted guidelines, we will continue to rely on the best scientific advice when making our decisions.

Over the last year, we also instituted more vigorous scrutiny of foreign labor practices and began to redress practices that impinge upon labor obligations in our trade agreements, deny foreign workers their internationally recognized rights, and tilt the playing field away from American workers. We will enhance monitoring by the Office of the United States Trade Representative (USTR) and other agencies of labor practices in Free Trade Agreement (FTA) partner countries, ensure thorough review of all public submissions under FTA labor chapters, directly engage other governments to address areas of concern through dialogue and technical cooperation programs as appropriate, and invoke FTA consultation and arbitral panel provisions as needed. In addition to enforcement of labor provisions in trade agreements, we will intensify dialogue with key trade partners to ensure the discussion of labor rights as part of our trade discussions. In doing so, we will seek regular, high-level dialogue with key trade partners, including China, India, Mexico, Canada, and the EU, to elevate the discourse on the relationship between respect for labor rights and enhanced trade.

Monitoring our FTA partners' implementation of, and compliance with, environment chapter obligations is an important part of USTR's mission. USTR gathers information on implementation and compliance issues through regular meetings with our FTA partners, active engagement with our advisory committee members, and by engaging civil society in both the United States and our FTA partner countries. Recently, USTR created a Subcommittee of the Trade Policy Staff Committee (TPSC) to focus exclusively on monitoring of implementation and compliance issues for FTA environment chapters. These mechanisms and high-level dialogue on trade and environment issues with our FTA partners will provide USTR with the tools necessary to ensure our FTA partners are faithfully and fully adhering to their FTA environmental obligations.

We will enforce fully labor and environmental rights specified in our trade agreements, including through dispute settlement as necessary.

### ***Enhance U.S. Growth, Job Creation and Innovation***

American trade policy has to emphasize the pursuit of the most significant new market opportunities in ways that enhance sustainable growth, innovation, and good jobs through expanded trade.

Deepening engagement with major emerging markets is critical for American trade prospects. We placed a particular emphasis on countries such as China, India, Brazil, and Russia in 2009; these and other large emerging markets will figure prominently in the future. As a region, the Asia-Pacific will weigh much more prominently in American trade and world economic activity in the future, and it will take multiple initiatives to maximize the opportunities for the region. Deepening and strengthening our longstanding and vital trade ties with the European Union will build upon the already immense benefits of that relationship. Beyond geographic opportunities, we plan to target specific classes of market barriers that impede our trade, and focus on sectors that provide special opportunities for enhanced growth of jobs and innovation, working within and enhancing key bilateral and regional arrangements.

The U.S.-China Joint Commission on Commerce and Trade (JCCT) addressed numerous issues with our second largest trading partner in 2009. Some significant progress emerged on issues involving intellectual property (*e.g.*, combating Internet piracy), better access for American wind energy companies, and agriculture (*e.g.*, working to dismantle the barrier to U.S. pork products created over fears concerning the H1N1 virus), but many matters influencing market access remain unresolved including China's approach to industrial policies such as indigenous innovation. A greater understanding of best practices



regarding government policies for intellectual property protection, the setting of industry standards, and government procurement practices could promote government policies that foster, rather than hamper, the development of technology markets. China's industrial policies in various sectors, particularly steel, involve substantial government involvement in production and investment decisions, contributing to production overcapacity and unnecessary trade frictions. Concerns about transparency also continue. We must continue to improve the management of the U.S.-China relationship to address concerns in a timely, proactive way. In 2010, we will make the JCCT more effective by ensuring our priorities reflect evolving market conditions and changing Chinese policies and develop work plans with clear outcomes and responsibilities. A successful and productive JCCT in 2010 will reinforce the United States' other work with China, including the Strategic and Economic Dialogue.

Similarly, in 2009 the Administration sought to strengthen frameworks for America's growing relationship with India. U.S.-India trade has doubled in the last five years. To accelerate this trend, the most recent ministerial meeting of the U.S.-India Trade Policy Forum set out a significantly expanded work program and refreshed its advisory groups. In 2010, as part of the Trade Policy Forum, we intend to address key trade irritants and develop cooperative initiatives – especially on issues related to innovation, services, agriculture, market access, and investment. Our plans also include work on a commercial space launch agreement and continued negotiation of a Bilateral Investment Treaty.

After years of emphasis on the multilateral dimension and bilateral concerns in the U.S. trade relationship with Brazil, this Administration sought a more collaborative focus in 2009. U.S. exports and imports with Brazil more than doubled between 2001 and 2008 in a balanced trading relationship. We can do even better with a stronger bilateral mechanism for engagement, and in 2010 we will explore options for the creation of a more robust formal framework for trade dialogue between the United States and Brazil.

In 2009, the United States worked with Russia to develop a well-functioning and more mature trade relationship in keeping with the objective of both our governments for a stronger overall partnership. Even as we pressed strongly for changes in Russian policy to end significant barriers to American farm products and other exports, we still worked diligently with Russia on how it could achieve its goal of accession to WTO membership. Since the apparent reversal of Russia's announced plan to accede to the WTO as part of a customs union with Kazakhstan and Belarus, we have awaited clearer signals on its trade plans in 2010, including its intentions on how to resume work on its WTO accession and to resolve a bilateral trade concern. We will continue to work with Russia to ensure that trade and investment priorities keep pace with other important aspects of our bilateral relationship.

Bilateral relationships are crucial. But as we know, multi-faceted regional economic relationships are of major, and even growing, importance for United States and for the world.

The Asia-Pacific region, encompassing Asia and the Americas, already constitutes the largest share of the world economy, and that share will continue to grow in the coming decade. If the United States is to benefit from more exports, job expansion, and accelerated innovation through trade, the Asia-Pacific must take a central place in our trade agenda. And countries in that region must see the United States as a committed and engaged trading partner if we are to remain similarly at the center of its network of intensifying trade relationships.

Given the region's diverse institutions, an Asia-Pacific strategy necessarily must include multiple, complementary approaches. Finding the right vehicles for achieving our interests was a critical task for our trade agenda in 2009. Two initiatives with different approaches and constituencies will be central to our regional efforts in 2010 and 2011.

After a careful analysis and extensive consultation with Congress and with stakeholders, the United States announced in December 2009 that it intends to enter into negotiations of a regional, Asia-Pacific trade agreement, known as the Trans-Pacific Partnership (TPP) Agreement, with Australia, Brunei, Chile, New Zealand, Peru, Singapore, and Vietnam. The Administration believes that the TPP is the strongest vehicle for achieving economic integration across the Asia-Pacific region and advancing U.S. economic interests with the fastest-growing economies in the world. Building on the most forward-looking aspects of existing FTA and on the emerging special opportunities and challenges characterizing the Asia-Pacific market, the United States intends to shape a broad, deep, and high quality 21<sup>st</sup> century regional trade agreement. We believe that the dynamic economies of the countries involved in the negotiation, and its strong policy ambitions, will lead other countries to seek to join the undertaking.

The Administration will develop its negotiating objectives for the TPP Agreement consistent with its pledge to engage fully with diverse stakeholders in America. To that end, this Administration has embarked upon an unprecedented scale and scope of consultative outreach related to TPP involving all 50 states and key Congressional committees. We will organize advice not just by traditional industry boundaries, but also in response to cross-cutting concerns involving matters ranging from labor and the environment to the efficiency of regional supply chains and the concerns of small- and medium-sized businesses. This effort will also demonstrate that a properly designed process of expanded consultation with stakeholders and Congress does not have to slow down trade negotiations, but can in fact energize talks. We plan to participate in the first two negotiating sessions of the TPP in the first half of 2010, even as the consultative process progresses.

At the same time, we will continue work with our trading partners in the Asia-Pacific Economic Cooperation (APEC) forum to build consensus and advance work on critical trade and investment issues leading up to 2011 when the United States will host APEC. To this end, we are coordinating with the 2010 host nation, Japan, on an ambitious agenda that engages APEC's broad membership on crucial trade and investment topics for the region's future. Initiatives in APEC are a successfully demonstrated way of building a stronger and constructive American role in the Asia-Pacific market.

The expanded APEC agenda addresses many of the key prospects for growing jobs through expanded exports and faster rates of economic growth and innovation. For example, in 2009 APEC concluded work on an initiative co-sponsored by the United States, aimed at enhancing the cross-border trade of services that has become so vital for American exporters. APEC members also took steps to make it cheaper, easier, and faster for businesses to conduct trade in the region in order to expand exports and grow jobs. Specifically, we worked to simplify rules of origin and documentation, making it easier to take advantage of preferential trade deals in the region; to reduce the time, cost, and uncertainty of moving goods and services through the region by improving logistics and transportation networks; and to improve the transparency and accessibility of APEC economies' customs information and regulations. We believe that these new APEC work programs will stimulate the trade-driven growth of small- and medium-sized enterprises that particularly need less red tape and more cost-effective logistics. Additionally, APEC members agreed on an ambitious plan to address barriers to trade and investment in environmental goods and services.

The TPP and APEC initiatives will be complemented by other undertakings in the region. For example, we are committed to continue working with the ten Southeast Asian countries that comprise the Association of Southeast Asian Nations (ASEAN) to build our economic relationships in this region of commercial and strategic importance to the United States and to support ASEAN integration.

The Administration recognizes the maturity, stability, and immense mutual benefits of the U.S. trade relationship with the European Union. The instances of transatlantic trade tensions are dwarfed by the

depth of our investment and trade ties, much of which translates directly to jobs and which signifies the leadership of the United States and Europe in a 21<sup>st</sup> century innovation economy. A deepening of this partnership and removal of remaining impediments promises even greater returns. We will look for ways to respond more fully to the shared challenges we face as an innovation-driven transatlantic market, especially as other major trading partners assume a more prominent role in global trade. While fully respecting those who regulate on behalf of the health and safety of American and European citizens, we must also find means of minimizing trade conflict in the regulatory sphere, particularly in areas where technology is presenting new challenges. We also are confident that the United States and the EU can benefit from a fuller sharing of experiences about the vital roles of small- and medium-sized enterprises (SMEs) in our trade relationship. For example, a larger percentage of European SMEs export globally than do U.S. SMEs, and we will seek to identify lessons to help U.S. small businesses enjoy similar export successes.

Even as we address trade in bilateral and regional contexts, a smart trade policy must also pursue new ways to enhance our prospects in the high-growth, high-value-added markets at the core of American competitive strength in goods, services, and many parts of agriculture. This leads us to another set of trade initiatives focused on our biggest growth opportunities.

The significance of non-tariff barriers has increased in the global trading system as tariffs have declined. While enforcing existing rules governing non-tariff barriers is essential, we will pursue new initiatives on non-tariff barriers that bolster the legal protections of our exporters and investors within the rule-making and judicial processes of our trading partners. We will propose agreements on improving transparency in decision-making because they reinforce the right of American firms to be full players in the process. We will advocate for agreements reinforcing the rights of American firms to the same treatment as the firms of the host country, including the state-owned enterprises that often receive privileged treatment under national industrial policies.

We will tackle one of the most vexing problems for American firms on world markets: the costly and time-consuming regulatory review of products across many national markets. Whenever the prospects for success are reasonable and our own ability to regulate in the public interest can be fully protected, we will use trade policy to help American firms get their products to market more simply and more efficiently. For example, winning recognition of testing results issued by qualified U.S. laboratories by regulators in other countries could reduce costs and simplify safety certification while upholding safety standards.

Because fostering innovation is essential to our prosperity and to the support of countless jobs in the United States, we will protect American inventiveness and creativity with all the tools of trade policy. Insufficient protection of intellectual property rights undermines key U.S. comparative advantages in innovation and creativity, to the detriment of American businesses and workers. We will address insufficient protection of intellectual property rights by negotiating and enforcing effective intellectual property protection in a manner compatible with basic principles of the public welfare. This will also advance global welfare, as the innovation rewarded by creation of intellectual property rights will be essential for solving pressing global energy and environmental issues. At the same time, we will continue to recognize the need for timely transparency and public consultation when addressing intellectual property problems in rapidly changing markets, as our domestic legislation on intellectual property represents a careful and complex balancing of competing equities. This is why we have committed this year, with our trading partners, to assure meaningful public input on the proposed Anti-Counterfeiting Trade Agreement.

We will also pursue opportunities to improve trade rules in global and regional markets that present the largest opportunities for boosting innovation that can benefit American exports and even improve well-

being around the world. For example, a 1990s trade initiative on e-commerce cleared the way for the global expansion of markets that was newly possible due to the emergence of the World Wide Web. This created major opportunities for American exports of information products and services. Today, another wave of major change in information and communications technology goods and services has expanded people's opportunities to benefit from powerful information services around the world, enabling sweeping innovations ranging from smart energy grids to vastly expanded telemedicine. We will discuss with our trading partners how trade policy could best enhance these new infrastructure services and technologies that are the digital foundations for the global innovation at which American firms particularly excel. When trade policy can advance these or other large opportunities for growth, such as energy and environmental technologies, we will respond by being flexible about the forum and the means.

### ***Work to Resolve Outstanding Issues with Pending Free Trade Agreements and Build on Existing Trade and Investment Arrangements***

Like other members of the WTO, the United States has created an extensive series of bilateral and regional trade and investment agreements. Last year, we pledged to seek paths forward on three pending Free Trade Agreements, and to build on important existing agreements to better achieve our goals of more jobs, higher growth, and the promotion of our core values. We seized the opportunities offered by current Free Trade Agreements and Trade and Investment Framework Agreements to discuss problems and launched new initiatives with a number of partners. We promised a careful review of the North American Free Trade Agreement (NAFTA) and of the model text guiding our negotiators on Bilateral Investment Treaties (BITs).

The Administration continues to believe that proper resolution and implementation of FTAs with Panama, Colombia and Korea can bring significant economic and strategic benefits. However, there have been serious questions in America about some aspects of these pending pacts. Rather than brush these questions aside, we conducted extensive consultations with Congress, stakeholders, and the public on the pending Agreements, including a *Federal Register* Notice on Colombia and Korea to more precisely identify issues. We will continue to engage with the Governments of Panama, Colombia, and Korea as we further refine our analysis of these issues.

With Panama, we are tackling issues involving reform of its labor regime to achieve consistency with the pending trade agreement and are pursuing an understanding on tax transparency rules. We have begun working with Colombia to assess and improve the labor code and the measures to address violence against labor union officials to ensure that union rights in that country can be fully and freely exercised. With Korea, we are determining how best to address outstanding issues, particularly related to automobiles and beef, in light of the recent agreement between President Obama and President Lee to work together to move the agreement forward. If these outstanding issues can be successfully resolved, we will work with Congress on a timeframe to submit them for Congressional consideration so our producers can take full advantage of the opportunities presented by these agreements.

Our partnership with Canada and Mexico is strong. We will seek opportunities to further strengthen this relationship both bilaterally and through the NAFTA process during the coming year. Last year's trade agenda promised to examine how to recalibrate the NAFTA, so that it better responds to the challenges facing North American competitiveness and the needs of our societies in the United States, Canada, and Mexico. The task now is to determine how best to make improvements in labor practices and policies, and environmental practices and policies, into complements to our common NAFTA goal of accelerating job creation and economic growth. Our trade ministers have agreed to seek closer cooperation to strengthen our undertakings with regard to labor and environmental issues related to our trade relationships.

With all NAFTA commitments to eliminate duties and quotas now fully phased in, regulatory cooperation is the next big opportunity to facilitate trade in North America and increase our global competitiveness. Our three governments agreed to focus in 2010 on cooperating to reduce unnecessary regulatory differences on matters such as standards and technical regulations. This priority is in keeping with the Administration's commitment to increase exports by small- and medium-sized American enterprises, as they disproportionately experience the costs of regulatory disparities when seeking to expand exports throughout the NAFTA region.

Substantial investment in foreign markets has become an indispensable foundation for supporting many American exports. BITs are important tools for protecting the interests of American enterprises in overseas markets. As a result, these treaties have taken on greater significance for promoting American jobs and prosperity. We have to keep these agreements attuned to changing market conditions while maintaining their consistency with broader American values.

The Administration began a review of the "Model Bilateral Investment Treaty," co-led by USTR and the Department of State, in spring 2009. It particularly assessed the proper balance of investor and government rights under the BIT and the adequacy of investor protections in markets featuring a prominent role for state-owned enterprises. Extensive public outreach contributed to the analysis. The Administration is working to conclude the Model BIT review expeditiously, so that the United States can resume negotiations with carefully chosen countries, including with key emerging economies, such as China, India, Vietnam, and Mauritius.

### ***Facilitate Progress on National Energy and Environmental Goals***

The President is working with Congress to advance new energy and environmental policies for the United States, including a strong response to the challenge of climate change, investment in alternative energy supplies and improved sustainability of key natural resources. Good trade policy can accelerate the success of sound energy and environmental initiatives.

The United States will back trade initiatives that will lower the cost and enhance the efficacy of our energy and environmental strategies. For example, we fully support fast-tracking action with willing partners in the WTO's work on liberalizing trade in innovative, climate-friendly goods and services through tariff reductions that will stimulate their global markets. These technologies can make our societies more energy efficient and less dependent on imported fossil fuels. This is a good environmental policy with strong jobs potential through greater exports.

Trade policy can complement sustainable growth. By promoting investment in clean energy technologies, we can create jobs at home and reduce greenhouse gas emissions around the world. A smart and comprehensive approach to climate change will respect our international trade obligations and help U.S. industries gain a competitive edge in the new clean energy economy. And, we can continue to work to ensure emerging and less developed economies will reduce carbon emissions while protecting the intellectual property rights that provide incentives for firms to innovate.

There are many other possibilities for complementary progress on trade and the environment. The management of sustainable natural resources could benefit strongly from trade rules that help to balance competitive markets with sustainable yields. Improving efficiency, reducing production subsidies, and curbing trade in illegally produced products can reduce costs while strengthening responsible resource management. For this reason, we are advocating strong rules in the WTO on fisheries subsidies, which can effectively curb overcapacity and overfishing. We have also championed the APEC Framework for

Environmental Goods and Services and have used our trade dialogues with China and countries in Southeast Asia to introduce new initiatives on promoting trade in legally-harvested forest products. We will explore other trade measures to address the problem of illegal logging.

### ***Foster Stronger Partnerships with Developing and Poor Nations***

This Administration supports expanding trade opportunities to stimulate market-led growth in the poorer countries of the world and to lift their national income levels. Trade expansion can also be a powerful tool for restoring jobs to a nation devastated by natural disaster, such as Haiti. At the same time, the Administration recognizes that opportunities created by open markets require complementary measures to achieve the greatest boost for these countries.

Much can be done through the WTO. The United States stands by our Hong Kong commitment to provide duty-free and quota-free market access to least-developed countries as part of the implementation of a successful conclusion to the Doha Round. We also will champion the WTO's work on trade facilitation, as simplifying and modernizing customs procedures enhances trading opportunities, improves the investment climate and helps better integrate developing countries, particularly least developed countries (LDCs), into global supply networks. We also will continue support for the Enhanced Integrated Framework through bilateral trade capacity building assistance and on-the-ground presence in LDCs. This will include the work of USAID and the Millennium Challenge Corporation. We will work with developing countries to help prioritize trade in their development plans, particularly in critical undertakings such as food security. Entrepreneurs in developing countries are important champions for creating market-based prosperity.

Trade preference programs, such as the Generalized System of Preferences (GSP) and the African Growth and Opportunity Act (AGOA), help developing countries to find a place in the world trading system. We will continue to work with the Congress and other stakeholders to implement and improve these programs, and to better focus benefits on the poorest countries. We also will continue to provide trade-related technical assistance for these programs. Even as the United States retains its role as the world's largest donor of "aid for trade," countries benefiting from preference programs must also make the critical reforms and investments needed to diversify their exports and improve their competitiveness in the United States as well as regional and global markets.

In the world's poorest countries, ranging from Haiti to Sub-Saharan Africa, we will make special efforts to link trade and economic opportunity for countries that have been particularly ravaged by disaster or violence. For example, we will work with the Haitian government, the private sector and international institutions to promote the recovery of Haiti's job-generating export sectors. We will help Haiti to take maximum advantage of opportunities in the U.S. market, particularly through the implementation of the Haitian Hemispheric Opportunity through Partnership Encouragement (HOPE II) Act and will explore further steps that can be taken to encourage investment in Haiti and the development of a vibrant private sector.

Sub-Saharan Africa is the location of the world's largest cluster of extremely poor countries, but the beginnings of growth and reform are evident. The United States will continue to partner with African countries to perpetuate positive changes. Building on the success of last summer's AGOA Forum in Nairobi, USTR will work with Congress and stakeholders toward a new U.S.-Africa trade paradigm that takes into account new and evolving global trade developments. The next AGOA Forum of U.S. and African trade ministers, to be hosted by the United States this year, can promote the benefits of U.S.-Africa trade to the American public, develop plans to better incorporate small- and medium-sized businesses into trade with Africa, and work with Congress to help African countries take better advantage

of AGOA and other trade opportunities. The United States also will continue to work on a bilateral investment treaty with Mauritius, to work with African partners through existing Trade and Investment Framework Agreements (TIFAs), and to consider what other types of trade arrangements the United States can advance with African nations.

Finally, as the United States creates opportunities in developing economies, we will use trade policy and promotion measures to open markets for American businesses that are promising partners for comparable firms in developing countries. Credit for trade financing is critical. The United States strongly supported the G-20 call for international financial institutions and export credit facilities to assure adequate financing. The Administration is also coordinating all U.S. agencies to strengthen financing of small- and medium-sized American exporters.

### ***Reflect American Values in Trade Policy***

As trade's share in the national economy has grown – approximately tripling since 1970 to 30 percent of Gross Domestic Product – the consequences of trade policy for American governance and society have grown as well. The growing scope and impact of trade policy led this Administration to pledge greater transparency in the crafting of a trade policy that is more reflective of American values. We have turned these pledges into actions and these values inform our approach to the broad range of activities we pursue, ranging from market opening measures, enforcing trade agreements, and ensuring that regulatory regimes are consistent with trade obligations.

Reflecting American values in our trade policy begins with a keen appreciation of the relationship between trade and our workers, firms, farmers, and ranchers. It requires regular and thorough examination of how trade policy can best respond to the real people behind the shifting contours of the American economy – for instance, through increased attention to job-creating small- and medium-sized firms as the shift toward more sustainable and equitable growth for the United States decreases domestic consumption and increases the importance of exports. During the last 15 years, small- and medium-sized businesses have generated approximately 65 percent of all new jobs. It is for this reason that the U.S. Trade Representative designated an Assistant U.S. Trade Representative for Small Business, Market Access and Industrial Competitiveness, who will coordinate the agency's work on small- and medium-sized business trade priorities and enhance outreach to those firms, and why USTR has also requested extensive studies for delivery this year by the U.S. International Trade Commission on the export activities and potential of these key drivers of employment in the United States. We will continue to expand our focus on small and medium-sized firms' concerns across the broad range of initiatives we are pursuing to open markets.

We also have acted on this Administration's commitment to greater transparency in trade policy. In the past year, USTR has revamped its public information and public outreach efforts, with a completely new website at <http://www.ustr.gov> and an embrace of social networking tools. This has improved the information available to the public about trade policy, while inviting a broader range of stakeholder comments.

Membership on official trade advisory groups was reviewed to increase the diversity of perspectives from citizens with expertise on the issues. New membership rosters will be announced as committees come up for re-chartering, beginning in the first quarter of this year. In keeping with the President's goal of reducing the influence of special interests on U.S. policy, the Administration also has announced that registered lobbyists will not be appointed (or reappointed) to these committees in the future.

No trade policy can succeed without close cooperation with the Members and leadership of Congress. There is a lively debate in Congress over American trade policy. We promise to continue to fully inform and consult with all Members of Congress on all aspects of our trade policy, and will work closely with our committees of jurisdiction when defining priorities. We will fully and respectfully engage with Congress on finding ways to advance the goals and policies outlined in this Agenda. We are confident that the American people and their representatives in Congress can support trade agreements and policies that live up to the standards set in this Agenda, and we will seek appropriate Congressional authorities when needed.

In addition, we have undertaken a review of the transparency policies for trade negotiations. Confidentiality remains an essential tool of diplomacy; but, timely public debate and review of major agreements is also essential. In the case of significant agreements that do not require Senate advice and consent or Congressional approval, USTR is introducing other means to assist meaningful public comment. For example, in the Anti-Counterfeiting Trade Agreement, USTR has laid out the policy premises for the negotiation and the details of the negotiating process more fully than in the past. USTR sought advice from a broad group of experts, including representatives of intellectual property rights (IPR) holders, Internet intermediaries, Non-Government Organizations (NGO)s, and others, about prospective U.S. positions on IPR enforcement in the digital environment. And it won an endorsement from the countries in the negotiation of the importance of providing for meaningful public input to the negotiating process before its conclusion.

We also have extended the expansion of comment and advice into the Special 301 process that pinpoints key challenges for U.S. intellectual property-based businesses affected by piracy, counterfeiting, and other forms of IPR theft. In 2010 we will introduce a more far-ranging public hearing to assure that Special 301 decisions are based on a robust understanding of complicated issues involving intellectual property. Our commitment to public engagement will contribute to the development and implementation of sound, well-balanced trade policies to ensure the protection and enforcement of intellectual property rights. And we reaffirm our commitment to preserving developing countries' ability to protect public health and, in particular, to promote access to medicines for all, consistent with the principles laid out in the WTO Doha Declaration on the Trade Related Intellectual Property Rights (TRIPS) Agreement and Public Health.

## **Conclusion**

A trade policy focused on the largest opportunities for increasing American exports and jobs, on opening markets and boosting innovation, and based on the principles of a rules-based global trading system can contribute powerfully to the President's economic agenda for America. Our goal is sustainable economic growth that brings home the benefits of trade – including well-paying jobs – while also advancing global recovery. This will be done consistently with our goals for American values, including the rights of workers, environmental sustainability, and political accountability.

This Administration is committed to the hard work necessary to harness trade policy as an engine of growth and prosperity for America and for the world.



## ORGANIZATION SUMMARY

USTR 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. USTR coordinates trade policy, resolves Federal inter-agency disagreements, and frames issues for presidential decision. "USTR" refers both to the office and its head – the U.S. Trade Representative. There are three 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.

USTR provides trade policy leadership and negotiating expertise in its major areas of responsibility. Among these are the following: all matters within the 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 20 Federal agencies and departments, make up the sub-cabinet mechanism for developing and coordinating positions on international trade issues. The United States International Trade Commission 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.

USTR 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, 2010. 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 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 four functional advisory committees provide cross-sectoral advice on customs, standards, e-commerce, and intellectual property issues.

In the Trade Act of 1974, Congress broadened and codified USTR's trade policymaking and negotiating functions and established close congressional relationships with the office. As a matter of comity, five members from each House serve as congressional advisors on trade policy, and additional Members may serve as advisors on particular issues or negotiations. The Washington, 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 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, \$48,257,000, 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[:*Provided further*, That negotiations shall be conducted within the World Trade Organization to recognize the right of members to distribute monies collected from antidumping and countervailing duties: *Provided further*, That negotiations shall be conducted within the World Trade Organization consistent with the negotiating objectives contained in the Trade Act of 2002, Public Law 107-210].

## SUMMARY OF FY 2011 BUDGET REQUEST

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

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	FY 10-11 Increase
Budget	46,184	47,826	48,257	431

### FTE Levels by Fiscal Year

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	FY 10-11 Increase
FTE	227	229	229	0

**Summary of Resource Requirements**  
(in thousands of dollars)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	FY 10-11 % Increase
Trade Coordination and Negotiation	38,742	40,198	40,602	1.0%
Geneva Trade Negotiations	7,042	7,238	7,260	0.3%
Beijing Trade Negotiations	400	390	395	1.3%
Total Direct Program	46,184	47,826	48,257	0.90%

USTR will manage its operations efficiently and effectively, without compromising the President's trade agenda.

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

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	FY 10-11 Change
Personnel Compensation	28,337	29,177	29,500	+323
Personnel Benefits: Civilian	8,314	8,988	9,100	+112
Travel and Transportation of Persons	3,975	4,549	4,213	-336
Transportation of Things	33	28	28	0
Rent, Communications, & Utilities	972	1,058	1,058	0
Printing and Reproduction	64	65	65	0
Other Services	3,732	3,425	3,757	+332
Supplies and Materials	437	478	478	0
Equipment	320	58	58	0
Obligations Subtotal	46,184	47,826	48,257	+431
Reimbursements from Other Federal Agencies	897	678	678	0
Total	47,081	48,504	48,935	+431

## FY 2011 BUDGET REQUEST

### Summary of Financial Changes Object Class Summary

#### Personnel Compensation and Benefits

(in thousands of dollars)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	FY 10-11 % Increase
Compensation	28,337	29,177	29,500	1.1%
Benefits	8,314	8,988	9,100	1.2%
Total	36,651	38,165	38,600	1.1%

#### Personnel Compensation and Benefits

The budget request proposes \$38.6 million for personnel compensation and benefits in FY 2011, which is an increase of \$435,000, or 1.1%, from the FY 2010 estimate, due to inflation adjustments and within grade increases.

#### Travel

(in thousands of dollars)

FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	FY 10-11 Decrease
3,975	4,549	4,213	336

#### Travel

International travel is essential to achieving the President's trade agenda. There are many bilateral and multilateral forums where the U.S. is a member and USTR must participate. Negotiations often require face-to-face meetings. In order to reduce FY 2011 travel spending, USTR will prioritize travel based on the most important trade objectives as set by the President and utilize videoconferencing in lieu of travel when possible. USTR has increased its investment in videoconferencing equipment to facilitate conducting business remotely, which has and will continue to reduce or mitigate travel costs.

#### Changes in Transportation of Things

(in thousands of dollars)

FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	FY 10-11 Increase
33	28	28	0

#### Transportation of Things

Transportation of Things covers costs for local courier services and storage costs for staff stationed in Geneva and Beijing. There is no change in this object class of expense from the FY 2010 level.

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

FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	FY 10-11 Increase
972	1,058	1,058	0

**Rent, Communication, and Utilities**

USTR is responsible for housing costs for both its Geneva-based Ambassador and Deputy. These costs account for over \$400,000 of total expenses for this spending category. Wireless telecommunications are an integral part of conducting business and are expected to remain steady at almost \$300,000. All other costs account for approximately \$400,000 remaining balance. There is no change in this object class of expense from the FY 2010 level.

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

FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	FY 10-11 Increase
64	65	65	0

**Printing**

USTR has recurring annual printing costs related to publication of the National Trade Estimates and the USTR Annual Report. In FY 2010, USTR issued a Sanitary and Phytosanitary Measures report and a Technical Barriers to Trade report for the first time and will continue to do so annually. Federal Register publications represent the largest single type of printing cost and occur as a result of federal reporting requirements. Printing costs will be managed through more efficient planning of job requirements to keep this object class at the FY 2010 level.

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

FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	FY 10-11 Increase
3,732	3,425	3,757	332

**Other Services**

Other Services represent a number of different activities. Included in this category are a wide range of commercial and government services such as contractual services, commercial repairs, equipment maintenance, training, and professional service contracts. USTR estimates that the Department of State's International Cooperative Administrative Support Services (ICASS) will increase \$115,000. Other minor increases are Capital Security Costs (CSC), Federal Protective Services (FPS) Security Guard costs and Language Services. A further description of Other Services follows.



**Other Services – International Cooperative Administrative  
Support Services (ICASS) Assessment**  
(in thousands of dollars)

	FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	FY 10-11 Net Increase	FY 10-11 % Increase
Geneva	1,601	2,220	2,332	112	5.0%
Beijing	43	50	53	3	6.0%
Total	1,644	2,270	2,385	115	5.1%

**International Cooperative Administrative Support Services (ICASS)**

USTR's Geneva office has 13 employees and several locally employed staff. USTR occupies one floor of the U.S. Mission and is charged via ICASS for rent, security, administrative support services, and other costs. Since the Geneva delegation makes up a small part of the overall mission, our ability to influence the operational decisions is limited. Our assessment is approximately 13% of the total costs. USTR's ICASS assessment has increased 60% over the last two years as the Department of State has increased its staffing and services and passed on these costs to each occupant at the mission. In addition, the Department of State has enacted a TDY policy on visits to Geneva that are seven days or longer. Since a significant part of USTR travel is to Geneva, this will increase ICASS related charges in the future. Since the program is in its early stages, it is difficult to estimate the impact, although it is not expected to be significant. USTR will closely monitor ICASS costs, shifting any available funds as may be necessary to maintain overseas operation.

**Other Services - Capital Security Cost Sharing (CSC)**  
(in thousands of dollars)

FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	FY10- FY11 Increase
945	924	985	61

**Capital Security Cost Sharing (CSC)**

The Department of State charges Federal agencies for the cost to construct new embassies and consulates and 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 FY 2011 costs for USTR's Geneva and Beijing offices have already been communicated. USTR will be assessed for CSC for the first time in Beijing in FY 2011. The Geneva assessment will be slightly lower than FY 2010 which will partly offset the enactment of CSC charges in Beijing.

**Other Services –Security Guard Costs (Washington, DC)**  
(in thousands of dollars)

FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	FY 10-11 Increase
542	553	570	17

**Security Guard Services**

Security Guard Service costs are expected to increase approximately 3% in FY 2011, largely due to the terms of a collective bargaining agreement under the Department of Homeland Security.

**Language Services**  
(in thousands of dollars)

FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	FY 10-11 Increase
247	450	589	139

**Language Services**

Language services are essential in facilitating 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 2011 will correlate highly with the level of negotiating activity and completed negotiations requiring official legally translated documents. Whereas, language service costs declined dramatically following completion of negotiations on CAFTA, Colombia, Peru, Panama (all Spanish), the trend emerging is for increased requirements in connection with China. There have been more legal disputes, inquiries, and monitoring and enforcement issues which started in FY 2010. One project alone related to a poultry dispute inquiry cost USTR \$150,000 in translation costs. There are projected to be numerous actions of this nature. USTR hopes to be able to continue to partner with Federal agencies like the Department of Commerce, the U.S. Department of Agriculture, and the International Trade Commission in an effort to share these costs.

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

FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	FY 10-11 Increase
437	478	478	0

**Supplies and Material**

Supplies and materials (\$354,000) and funds for official reception and representation (\$124,000) are included in this category. No change is expected in spending in this category during FY 2011.

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

FY 2009 Actual	FY 2010 Enacted	FY 2011 Request	FY 10-11 Change
320	58	58	0

**Equipment**

This includes essential and/or mandated Information Technology and Security expenses. There is no change in this object class of expenses from the FY 2010 level.

## FISCAL YEAR 2011 GOALS AND MEASUREMENTS

### Annual Performance Goals

*Contribute to the President's goal to double exports in five years by negotiating new market access and eliminating economically significant trade barriers.*

Measurements:

- Develop and implement a strategy for advancing the WTO Doha Round of multilateral negotiations into the final phase.
- Continue to implement, as needed, a strategy to address concerns related to pending free trade agreements (FTAs), and, if possible, secure Congressional approval of these FTAs.
- Advance the TPP negotiations. If approved, negotiate trade agreements that advance the trade and economic interests of the United States in accordance with Administration and Congressional trade objectives.
- Contribute to Administration-wide effort to host successful Asia-Pacific Economic Cooperation forum (APEC) meetings in the United States in 2011 by achieving meaningful results related to U.S. trade and investment priorities.
- Identify and address the most significant standards (Technical Barriers to Trade) and sanitary and phytosanitary trade barriers.
- Identify and address the most significant weaknesses in protection and enforcement of intellectual property rights.
- Develop and implement a strategy for advancing services liberalization objectives.

*Increase market access for U.S. investors and improve treatment of U.S. investment abroad.*

Measurements:

- Conclude negotiations on bilateral investment treaties (BIT) with Mauritius and Georgia.
- 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.

***Maintain and increase market access for U.S. agriculture, goods, and services in multilateral and bilateral negotiations.***

Measurements:

- Advance key initiatives multilaterally, bilaterally, and in regional fora, such as APEC and ASEAN, which will contribute to the ability of U.S. agriculture, goods, and services producers and suppliers to access markets abroad.
- Enhance efforts to address key small business challenges and priorities in our policy initiatives.
- Advance key initiatives to support U.S. comparative advantage in innovation and creativity.

***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 Free Trade Commissions/Committees (and subsidiary bodies) 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.
- USTR trade capacity building efforts are funded by AID and the Department of Labor. Funds from these agencies will enable USTR to address capacity-related constraints on the part of U.S. FTA partners that may inhibit the fullest possible implementation of existing FTAs.
- Establish, as appropriate, FTA working groups on small and medium-sized enterprises (SMEs) to facilitate expanded SME trade opportunities under the FTA; invite SMEs from U.S. and FTA partner countries to provide input on the benefits and challenges to SME trade under the FTA.
- Reach out to U.S. stakeholders in the private sector and NGO community for their views on how to improve the export potential of our existing agreements.

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

Measurements:

- Develop and implement a strategy for advancing the WTO Doha Round of multilateral negotiations into the final phase. Budget permitting use opportunity of regional trade meetings (e.g. African Union Trade Ministerial, APEC) to identify and advance common goals/positions in WTO Doha Round.
- Make concrete progress towards concluding commercially meaningful WTO accession agreements.
- Foreign assistance budget permitting, assist developing countries in adopting and implementing trade commitments that promote regional integration, facilitate trade, and promote new market access opportunities (WTO, FTAs, TIFAs).

- Contribute to economic development in developing and emerging market countries by helping them to better utilize GSP and other trade preference programs (ATPA, CBI, AGOA), including through trade capacity building efforts to the extent possible given the foreign assistance budget. Continue to work with Congress to renew the preference programs without interruption. Help identify appropriate next steps, and, as needed, reform U.S. preference programs. Implement any legislative reforms to the preference programs.
- Contribute to sustainable development by negotiating and implementing trade agreements and relevant international commodity agreements that contribute to broader environmental goals, such as reducing illegal logging, advancing ocean and marine resource conservation, and reducing trade barriers to critical environmental technologies.
- Develop and implement a strategy to encourage developing countries to adopt more open trade policies for services and investment, including through the development of effective domestic regulatory regimes.

***Closely monitor USTRs trading partners' implementation of existing trade agreements. Identify and seek to address foreign barriers and trade practices that are inconsistent with applicable trade agreements and interfere with U.S. exports, investment, and intellectual property rights, labor, and environmental protections.***

Measurements:

- Review on an ongoing basis implementation of trade agreements, including through the preparation of the National Trade Estimate Report, Special 301 report, and Reports on Sanitary and Phytosanitary and Standards-Related Foreign Trade Barriers, identifying strategies for resolving implementation problems.
- Regularly coordinate among USTR offices, and work with other agencies, industry, and other stakeholders to identify, monitor, and gather information on possible trade agreement violations.

***Pursue elimination of trade barriers through the full range of available tools, including informal consultations, formal consultations, 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 issues.

***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 WTO or FTA dispute settlement proceeding.

- When considering initiation of a WTO or FTA dispute settlement proceeding, determine whether initiating dispute settlement 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.

***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 increasing transparency and allowing 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, Executive Branch agencies, state governments, and stakeholders, as appropriate, to seek changes that may be required to bring the U.S. into compliance with adverse WTO and FTA 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.

***Lead and coordinate the interagency process with 21 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 led by other agencies.***

Measurements:

- Work with Federal agencies providing assistance to SMEs (including the Small Business Administration, Eximbank, OPIC) to more effectively link their work to trade policy and trade promotion goals.
- 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 State, USAID, and NSC, through the Development Policy Coordination Committee, to ensure collaboration and coordination on trade-related development policy and assistance programs.

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

Measurements:

- Conduct and expand Congressional consultations with a focus on the Committees of jurisdiction, but with 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 and/or meetings with interested staff to update them on the work of the USTR.
- Regularly consult with Congressional Leadership and Committees of Jurisdiction lead staff for the upcoming week.
- Consult with Small Business Committees on initiatives aimed at increasing exports by small and medium-sized firms in the United States

***Seek Congressional support for USTRs trade agenda and efforts.***

Measurements:

- Gain successful and broad support for our nominees.
- Present arguments effectively to Members and staff for actions we need Congress to take including funding the agency, authorizing necessary programs, approving trade agreements, and supporting initiatives that encourage export promotion.
- Develop and implement a broad consultative process to help ensure support for the Trans-Pacific Partnership by our committees of jurisdiction, as well as other committees interested in trade.
- Actively engage Congress to support approval of legislation, if necessary, of programs for Afghanistan and the border areas of Pakistan, with the aim of combating the unemployment and economic underdevelopment that is fueling the insurgency. Ensure a coordinated message from critical Administration stakeholders, working with the Departments of Defense and State, and other agencies.

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

Measurements:

- Implement USTR's expanded 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 working Americans are explained.
- 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.

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

Measurements:

- Use USTR’s 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). Use “USTR Main Street,” to inform them of USTR actions/accomplishments, showing how these activities can work for them. Encourage the public to share news with “USTR Main Street.”
- Enhance state and local government outreach and education efforts on the benefits of trade.
- Build a database that is inclusive of all stakeholders. Use this database to share news, accomplishments and updates from USTR.

***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. In particular, increase use of stateside press to emphasize domestic benefits of trade.***

Measurements:

- Focus domestic trade communications on the potential for increased American exports to contribute to job growth and overall domestic economic recovery.
- Communicate USTR’s ongoing mission to fulfill the President’s Trade Policy Agenda to the American people through proactive press engagement and direct interaction with media and the public by Ambassador Kirk, the Deputies 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 U.S. trade policies and positions to our trading partners and to international audiences 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.
- Continue the review of all USTR practices to ensure greater transparency.

***Work in partnership with the White House and with interagency partners to coordinate an 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 connections with these interagency trade communications partners to examine trade messaging and opportunities for coordination
- Coordinate with export promotion agencies working with SMEs (including the Commerce Department, the Export-Import Bank, and the Small Business Administration) to integrate trade policy and trade promotion efforts in order to identify new opportunities for expanding SME trade.

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

Measurements:

- Ensure that the 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.
- Reinforce the website as a portal for input on trade policy from stakeholders and from the public at large.
- Publish a weekly newsletter updating USTR actions, policies, and plans.
- Work cooperatively and in a bipartisan fashion with members of Congress whenever possible to promote shared trade goals in the press.

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

Measurements:

- Continually improve USTR's redesigned website to make USTR's mission and activities more accessible to the public; add additional features to ensure maximum use by members of the media, the public, and stakeholders.
- Continue using new media tools, consistent with White House efforts, to provide supplemental outreach and interaction with the public to the extent possible given budget and staffing constraints. 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.

***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.

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

Measurements:

- Create and implement Knowledge Management (KM) roadmap to 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.

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

Measurements:

- Ensure the required quality and quantity of office and meeting facilities are 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 maintain facilities to promote an attractive work environment and ensure employee health and well-being.

***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.

***Manage resources to maximize USTR's future capabilities.***

Measurements:

- Review/audit spending on programs to optimize funding resources, evaluate effectiveness, and minimize waste.
- Ensure that budget submittals meet all OMB and Congressional requirements and deadlines.
- Ensure that budgets requests submitted to OA/OMB are fully justified and provide strong support for the mission-critical resources required to achieve the President's Trade Policy Agenda.

***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 2010 Trade Policy Agenda and the 2009 Annual Report of the President of the United States on the Trade Agreements Program published in March 2010 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 Strategic Plan will be revised to take into account the priorities of the new Administration.

## 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 2009 GOALS AND ACCOMPLISHMENTS

### Annual Performance Goals

*Negotiate agreements that advance the trade and economic interests of the United States and further the intent and objectives of U.S. trade legislation.*

Measurements:

- Concrete progress in the Doha Round toward a final agreement, assuming other WTO members are genuinely committed to concluding a successful agreement.

**Accomplishment:** Reoriented negotiations towards new approaches to moving into the final phase through persistent and disciplined messaging by the President of the United States, the USTR, and senior official in contacts with counterparts, and public statements throughout the year. Began work under one such approach, bilateral engagement with advanced developing countries, to close gaps on their market access contributions. Continued working level negotiating group meetings, including work to produce consolidated draft negotiating text in trade facilitation negotiations.

- Entry into force of all Free Trade Agreements (FTAs) that have been signed, subject to Congressional approval of implementation legislation.

**Accomplishment:** The Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) entered into force with respect to Costa Rica on January 1, 2009. This important regional free trade agreement is now in force for all seven countries that signed the agreement.

**Accomplishment:** The United States-Peru Trade Promotion Agreement entered into force on February 1, 2009.

**Accomplishment:** Achieved entry into force of the U.S.-Oman FTA, January 2009.

**Accomplishment:** Though Congress did not approve implementing legislation for the Panama and Colombia FTAs, USTR laid significant groundwork for such approval by working with those governments, stakeholders and the Congress to address the concerns that have been raised with respect to both agreements. For instance, in the case of Colombia, USTR solicited public comment through a Federal Register notice, led a fact finding trip to Colombia, and met with the Colombian government and Congressional staff to address concerns related to the exercise of union rights in Colombia. In the case of Panama, USTR worked to address concerns with certain aspects of Panama's labor regime and its tax transparency rules.

**Accomplishment:** Initiated a thorough review of the U.S.-Korea FTA, including consultations with a wide range of stakeholders, and gathered stakeholder comments through a *Federal Register* Notice to more fully understand the potential benefits of the Agreement, as well as concerns with the Agreement, and to develop the most effective means to address the concerns.

**Accomplishment:** Continued to work on implementation of the Costa Rica insurance and telecom commitments in the context of CAFTA implementation.

- Launch one or more new Bilateral Investment Treaty (BIT) negotiations and conclude at least one ongoing BIT negotiation.

**Accomplishment:** Launched Mauritius BIT. Neared completion of Georgia BIT. Made significant progress in China and Vietnam BIT negotiations. Held first round of BIT negotiations with India.

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

**Accomplishment:** USTR prepared the President's report to Congress on the eligibility of Bolivia and Ecuador for the Andean Trade Preferences Act (ATPA), and implemented the President's decision to suspend Bolivia's ATPA benefits effective July 1, 2009. USTR also released the biennial report on the operation of the ATPA program to Congress. The Administration certified to Congress that Haiti had met the necessary requirements to continue the duty-free treatment provided under the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II). As a result, Haiti will continue to be eligible for the benefits of HOPE II, which allows duty-free access to the U.S. market for certain Haitian-made apparel and other articles, with the goals of fostering stability and economic development in Haiti.

**Accomplishment:** On GSP, Congress did not take up changes to the program, but did extend GSP one-year. Therefore, review of the GSP program is ongoing.

**Accomplishment:** USTR used opportunity of numerous bilateral and regional meetings (including TIFAs) to discuss U.S.-Africa trade, full implementation of AGOA, the Doha Round, and other efforts important to Africa's integration into the global trading system. USTR also played a leading role in the 2009 AGOA Forum at which a range of U.S.-Africa trade and investment issues were discussed, including future policy options after AGOA's scheduled 2015 expiration date.

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

**Accomplishment:** USTR, during this period, took important action to address several pressing trade and environment challenges. With respect to illegal logging and associated trade, USTR built on existing bilateral agreements with Indonesia and China by launching a broader Asia-Pacific Regional Dialogue on Promoting Trade in Legally-Harvested Forest Products. The United States and Indonesia co-chaired the first meeting of this Regional Dialogue in Jakarta in September 2009 with the participation of trade and forestry officials from nine governments. USTR also made important progress in U.S. efforts to liberalize trade in environmental goods and services. In APEC, USTR secured agreement to a new APEC cross-cutting work plan and an Environmental Goods and Services Information Exchange interactive website, which will be



particularly valuable to small and medium-sized enterprises. USTR also worked with a core group of countries to advance their shared objective of fast-tracking tariff elimination for climate friendly technologies with the broader goal of concluding a WTO Environmental Goods and Services Agreement. Under the US-ASEAN Trade and Investment Framework Agreement, USTR secured agreement to begin a US-ASEAN Dialogue on Trade and Environment.

**Accomplishment:** Through cooperative programs related to implementation of free trade agreements, USTR worked closely with the State Department and other agencies to make tangible progress in improving capacity of the signatory governments of the CAFTA-DR, NAFTA, Peru FTA and other FTAs to implement their environmental commitments, with emphasis on enforcement of environmental laws and the improvement of environmental standards.

**Accomplishment:** USTR and the government of Uruguay implemented its TIFA protocol on Public Participation in Trade and Environment. The protocol, covering substantive commitments in the area of participation in trade and environment, entered into force on June 5, 2009.

- Address adherence to fundamental labor rights and enforcement of labor law by trading partners through negotiation on provisions in FTAs, Trade and Investment Framework Agreements (TIFAs), and other trade programs, as relevant, and through FTA Labor Cooperation mechanisms to build our trading partners' capacity to promote and protect labor rights.

**Accomplishment:** Negotiated labor rights provisions in Maldives TIFA signed in October. As part of the annual AGOA eligibility review, the review of GSP country practices, and in various bilateral and regional meetings with African officials, USTR discussed labor practices, particularly as related to child labor and internationally recognized worker rights. As an outcome of the AGOA country eligibility review, demarches were sent to countries whose labor issues were identified as problems.

**Accomplishment:** USTR engaged the Government of Colombia on efforts to ensure that Colombia's labor law meets international standards and to address violence against trade unionists, including initiatives to bring the perpetrators to justice. USTR worked with the Government of Panama to develop a strong package of labor reforms intended to clarify the application of labor law in Panama and the means for workers to assert their rights under the law. USTR ensured that a Better Work Program to assess compliance with core labor rights, an independent labor ombudsman's office, and a mechanism to ensure that producers that wish to be eligible for duty-free treatment participate in the Better Work program were established as required by the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II), thereby ensuring Presidential certification of Haiti's continued eligibility for tariff preferences under that act. USTR took steps to include a commitment by China for a dialogue on labor issues among the joint outcomes of the U.S.-China Strategic and Economic (SED) Dialogue. During the United States-Vietnam TIFA meeting, USTR sought progress by the government of Vietnam on providing freedom of association and collective bargaining rights in conformity with the worker rights requirements of GSP. USTR also discussed worker rights issues with Uzbekistan, Pakistan, Afghanistan, and Sri Lanka during TIFA and other bilateral meetings, and signed TIFAs with Angola and the Maldives, and a Trade and Investment Cooperation Forum agreement with Iceland, all of which contain commitments to promote respect for labor rights and to engage in discussions on trade and labor issues as part of an ongoing dialogue under the agreements.

**Accomplishment:** USTR and other agencies worked with the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) governments to advance programs, funded by the Department of State and USAID with \$14.9 million from FY 2008 and \$12.2 million from FY 2009, to strengthen and modernize the labor ministries and justice systems and promote a culture of compliance in the CAFTA-DR countries. USTR and the other agencies met with the CAFTA-DR Vice Ministers of Labor in February 2009 to review progress on the implementation of the CAFTA-DR labor chapter, discuss labor cooperation and capacity building efforts, and identify priorities for future capacity building activities.

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

Measurements:

- Concrete progress towards commercially meaningful WTO accession agreements with key emerging and developing economies.

**Accomplishment:** Advanced work on Samoan and Vanuatu accession into final stage based on commitments appropriate to LDCs. Completed bilateral negotiations with Montenegro for accession to the WTO and brought multilateral negotiations to the final stage.

**Accomplishment:** Concrete progress in goods and services market access in bilateral accession negotiations with Bosnia and Serbia.

- Assist developing countries in implementing 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:** USTR worked closely with all US assistance agencies, in particular USAID, MCC, and USDA to support preference programs and implementation of trade commitments. For example, in support of AGOA, in 2009, USAID facilitated over \$71 million of transactions in the textile and apparel, specialty food, cut flowers, and other product categories, mostly through new trade deals under AGOA. USDA is addressing sanitary and phytosanitary issues, specifically in the areas of food safety and plant and animal health and the U.S. Department of Commerce's Commercial Law Development Program is working to improve protection of intellectual property rights. Also, under the CAFTA-DR, these efforts included a range of activities to streamline customs procedures for importers and exporters, directly supporting implementation of the trade agreement. Corrective actions were established to comply with customs clearance deadlines established by the Agreement. In addition, U.S. sanitary and phytosanitary trade capacity building (TCB) enabled farmers and small and medium-sized rural enterprises to benefit from the agreement.

**Accomplishment:** USTR worked with its CAFTA-DR counterparts, U.S. Embassies, and other U.S. agencies to identify needs and provide TCB assistance to support full implementation of the agreements' obligations. USTR proposed and supported TCB initiatives in the areas of intellectual property rights, telecommunications and investment that responded to specific needs and requests from CAFTA-DR countries and directed other U.S. agencies' funding to effectively assist these countries to develop specific procedures and practices to operationalize and implement their trade commitments.

**Accomplishment:** As part of the annual Trade and Investment Framework Agreement (TIFA) Council meeting, organized U.S. trade mission to the formerly war-torn Eastern Province of Sri Lanka.

- Contribute to economic development in developing and emerging market countries through the 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".

**Accomplishment:** On December 28, 2009, the President signed into law a one-year extension of the GSP program. In 2009, USTR worked closely with key Congressional Committees and testified before the House Ways and Means Committee on preference reform. Congress legislated the extension without any changes; therefore, the work to modify the program will be done in FY2010. The 2009 (through October) data on exports to the United States 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, Sri Lanka's exports under the GSP program have grown to 253 different types of products. Exports under the GSP program from Bangladesh, Belize, Ethiopia, Samoa, Sierra Leone, and Tunisia also have diversified and expanded.

**Accomplishment:** In August 2009, USTR provided a seminar for Paraguayan private sector representatives on how to better utilize its access to the United States under the GSP program. The event was widely attended and resulted in immediate benefits for Paraguayan exporters, many of whom are small and medium-sized enterprises.

**Accomplishment:** Major role of trade in promoting economic development was key message in bilateral and regional meetings with African trade partners, including at the 2009 AGOA Forum.

**Accomplishment:** Pressed for improved workers' rights in Maldives resulting in reinstated GSP.

**Accomplishment:** Ensured that intellectual property and innovation issues received appropriate attention in developing country WTO accessions, GSP eligibility reviews, the Special 301 process, and other USTR activities.

- 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:** USTR focused on securing sustainable development opportunities presented through vigorous implementation of several recently renegotiated international commodity agreements, such as the International Coffee Agreement and the International Tropical Timber Agreement. During this period, USTR staff chaired the Council of the International Coffee Organization. Additionally, USTR worked closely with other U.S. Government agencies, including the Department of Justice, and Customs and Border Protection to advance efforts to counter trade in forest products manufactured from illegally harvested timber. These efforts occurred on multiple fronts, including under the bilateral agreements with Indonesia and China,

the U.S.-Peru Trade Promotion Agreement, and implementation of recent amendments to the Lacey Act.

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

Measurements:

- Conclude at least two agreements (e.g., bilateral or multilateral trade agreements), Bilateral Investment Treaties (BIT), 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:** Signed TIFAs with Iceland, Maldives and Angola.

**Accomplishment:** USTR and the government of Uruguay implemented its TIFA protocol on Trade Facilitation. The protocol, covering substantive commitments in the area of trade facilitation, entered into force on June 5, 2009.

**Accomplishment:** Concluded new “Strategic Partnership” on trade-related and investment issues with Egypt, effectively restarting bilateral engagement with this key Middle East country after a period of minimal bilateral contact. The Partnership encompasses an action plan which will enable USTR to pursue key U.S. trade policy objectives in areas such as IPR, customs, standards, labor, and environment.

**Accomplishment:** Neared completion of Georgia BIT negotiations. Tabled e-commerce text in Uruguay TIFA. Secured adoption of Cross-Border Services Principles at November 2009 WTO Ministerial.

**Accomplishment:** Together with Department of Commerce, pursued intensive bilateral engagement of China on key trade issues through US-China Joint Commission on Commerce and Trade (JCCT) working groups and dialogues and other bilateral meetings during the run-up to the 20<sup>th</sup> meeting of the JCCT, scheduled for October 2009.

**Accomplishment:** Launched BIT negotiations with India. Negotiated a US-India Framework for Cooperation on Trade and Investment. Launched negotiations on a Commercial Space Launch Agreement and dialogue on satellite services with India.

**Accomplishment:** Advanced U.S. trade and investment priorities in the Asia-Pacific region by:

- Breaking down long-standing trade and investment barriers that are slowing economic integration in the region, including by developing core principles to promote cross-border service trade;
- Making it cheaper, easier, and faster to trade in the region by eliminating obstacles to the flow of supply chains, simplifying rules of origin documentation and procedures, and improving the transparency and accessibility of APEC economies’ customs information and regulations; and
- Promoting environmentally sustainable growth in the Asia-Pacific by gaining agreement among APEC economies on an ambitious plan to address barriers to trade and investment in environmental goods and services in APEC.

**Accomplishment:** USTR led negotiation of an Anti-Counterfeiting Trade Agreement, achieving substantial progress in three rounds of negotiations during FY2009, as well as transitioning the negotiations to the new Administration.

**Accomplishment:** Used trade agreements and monitoring and enforcement tools to achieve notable improvements in intellectual property protection and enforcement in several markets, notably The Bahamas, Costa Rica, China, Korea, Oman, Peru, Singapore, and Taiwan, among others.

***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 implementation of trade agreements on an ongoing basis, including through the preparation of the National Trade Estimates 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, the Special 301 report, the 1377 Telecommunications Report, the China Compliance Report, monitoring mechanisms in relevant agreements (such as FTA annual reviews), WTO trade policy reviews, TIFA reviews, and by 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 (*e.g.*, with the Philippines over proposed changes to pork TRQ), negotiation (*e.g.*, with China over its restrictions on exports of strategic raw materials critical to U.S. production of aluminum, chemicals, and steel, and with the European Union on access for U.S. beef), formal dispute settlement (*e.g.*, WTO dispute against European Union on barriers to poultry exports), or other means (*e.g.*, imposition of duties on certain softwood lumber from Canada in response to Canada's failure to cure its breach of the Softwood Lumber Agreement).

- 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 USTR legal, functional, geographic, and legislative offices on an ongoing basis to identify, monitor and gather information on possible trade agreement breaches. Conducted survey of USTR offices of potential trade agreement concerns that could lead to formal dispute settlement. Regularly met with other executive branch agencies to obtain and develop information on, and to pursue concerns regarding, other possible breaches. Consulted with industry and intergovernmental advisory committees regularly. Solicited views from public on possible trade agreement violations through 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, undertook intensive engagement with the Government of Guatemala with respect to concerns arising under the labor chapter of the Dominican Republic-Central America Free Trade Agreement (CAFTA-

DR). As part of the engagement, extensive consultations were held with the Government of Guatemala and intensive research was undertaken regarding systemic concerns about Guatemala's enforcement of its labor laws. USTR worked with other agencies with respect to Guatemala's response to specific recommendations made during the previous fiscal year, which led to the resolution of some individual labor cases; USTR and other agencies continue to monitor and assess the overall situation carefully.

**Accomplishment:** Since entry into force of the U.S.-Peru Trade Promotion Agreement (TPA), USTR has worked actively with the Government of Peru to assure Peru's compliance with obligations under the Environment Chapter of that Agreement. USTR has also taken concrete steps to support Peru's implementation of commitments under the Chapter's Annex on Forest Sector Governance, including through continuous monitoring and engagement with the Government of Peru on the preparation of laws, regulations, and other measures directly related to forest sector resources. In undertaking these actions, USTR has worked closely with relevant Executive Branch agencies and interested Members of Congress, as well as with advisory committees and other non-governmental stakeholders in the United States and Peru.

**Accomplishment:** USTR led an interagency mission to Jordan in September 2009, during which officials from USTR and the Departments of Labor and State joined with officials from Jordan's Ministry of Labor to hold a meeting of the Labor Subcommittee established by the Joint Committee under the United States-Jordan Free Trade Agreement. During the mission, the U.S. delegation held extensive meetings with Jordanian government officials, labor union representatives, worker rights advocates, and business groups. U.S. officials also visited factories located in Qualifying Industrial Zones (QIZ) to monitor working conditions and urge the government of Jordan to continue making improvements on labor rights issues, especially with regard to migrant workers in the apparel factories. To support this effort, the United States and Jordan are funding an International Labor Organization Better Work program, which monitors working conditions in QIZ garment factories, and was launched in 2008 and began monitoring activities in 2009.

*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.

**Accomplishment:** In consultation with relevant internal offices and stakeholders, USTR carefully chose an appropriate, tailored response to identified trade barriers, including whether to approach each barrier 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, or were referred to formal dispute settlement (e.g., settlement in the China Financial Information Services dispute, a negotiated agreement in the EU Beef Hormones dispute, and decisions to pursue formal dispute settlement in the EU Poultry and China Export Restraints disputes).

- Implement most effective means to address specific trade disputes.

**Accomplishment:** Once the appropriate response to a trade barrier was selected, the chosen response was implemented, including in consultation with relevant offices, agencies and stakeholders, in order to obtain increased market access or protection from unfair trade practices for U.S. goods (e.g., achieving compliance by China in the Auto Parts dispute and imposing duties in response to Canada's failure to cure its overshipments of lumber in breach of the Softwood Lumber Agreement) and services (e.g. achieving a settlement agreement in the China Financial Information Services dispute) and increased protection of intellectual property rights (e.g., negotiating a period of time for China to rectify shortcomings in its regime for protecting intellectual property that were found WTO-inconsistent in the China IPR dispute).

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

**Accomplishment:** Continually reviewed the status of each pending or planned 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 Congress, and with outside stakeholders when considering initiation of a new WTO or FTA case.

**Accomplishment:** Regularly consulted interagency, with the Congress, and with 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 internal deliberation and external consultations, determined prior to initiating each case whether it would be in the U.S. interest. Examples included the WTO dispute initiated against the European Union on Poultry and the WTO dispute initiated against China on export restraints applied to various raw materials.

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

**Accomplishment:** In consultation with relevant officials, agencies, 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 financial information services after initiating the dispute and was able to sign an agreement with the European Union, as part of our dispute against the EU on Beef (Hormones) that provides new market access for U.S. beef producers for three years.

*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:** Continued to participate regularly in the WTO negotiations to clarify and improve the WTO dispute settlement rules, including pursuit of 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. Continued to make progress in opening WTO dispute settlement hearings to public observation by convincing several trading partners to agree to open hearings in pending disputes.

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

**Accomplishment:** No new FTAs negotiated in this fiscal year.

*Lead and coordinate the interagency process with twenty other Federal agencies at the TPSC level and at the TPRG senior policy level. Participate actively in interagency decision-making processes that other agencies lead.*

Measurements:

- 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.

**Accomplishment:** Due to the transition, this year 69 percent of all issues moved to the Deputy level. We will strive to reestablish the balance next year.

- Work with the CFIUS interagency committee to develop an Executive Order and regulations in a manner that effectively implements recent CFIUS reform legislation and establishes a more transparent review process and decision-making criteria.

**Accomplishment:** USTR has ensured timely case briefings and analysis of CFIUS cases and has ensured that USTR continues to provide effective representation on the CFIUS Committee.



- Work with the State Department, through the circular 175 process, to ensure coordination and consistency of negotiations and agreements that other agencies conduct with U.S. trade policy objectives.

**Accomplishment:** USTR worked with the State Department on the development of circular 175 authority to ensure that U.S. positions were consistent with U.S. trade policy objectives on several international environmental issues, including the negotiation of a global climate agreement, a global agreement to control mercury emissions, and the negotiation of modifications to an existing agreement to allow for the sequestration of captured carbon in the seabed.

**Accomplishment:** Successfully coordinated with the State Department on reviews of the IPR Annexes of Science and Technology agreements to ensure that they were consistent with U.S. trade policy objectives, including Framework Science and Technology Agreements with countries such as Colombia, Indonesia, Thailand, Finland, and Cyprus.

**Accomplishment:** USTR also worked cooperatively and constructively with OMB, EPA, and other agencies on several significant rulemakings, including suggesting changes to the renewable fuel standard (RFS2), which will facilitate a level playing field for all biofuels producers – both foreign and domestic -- consistent with our international trade obligations.

**Accomplishment:** USTR co-chairs BIT negotiations with State, and together we have undertaken a BIT review. With respect to BIT negotiations, we have also ensured that the negotiations are well coordinated and conducted in a manner that is consistent with US trade policy objectives.

***Consult with Congress regarding all issues mandated by trade legislation.***

Measurements:

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

**Accomplishment:** USTR briefed and consulted Congress on efforts to advance the WTO negotiations to liberalize trade in environmental goods and services, and received positive bipartisan feedback. USTR regularly briefed Congress on the Peru TPA Environment implementation issues and promptly responded to inquiries. USTR also facilitated meetings between Congressional staff and Peruvian officials from the Trade Ministry. USTR provided technical advice and consulted with Congress on trade-related provisions in landmark climate change legislation in the House.

**Accomplishment:** USTR consulted with relevant Congressional committees and staff on all major trade policy issues within our jurisdiction, including: DDA Services, WTO Internet Gambling case, BIT Review, Status of BIT negotiations, services, investment, e-commerce and financial services chapters of the TPP; the insurance aspects of the Administration's financial regulatory reform legislation; temp entry/H1 B legislation; and financial services and investment aspects of Columbia, Panama, Korea FTAs.

**Accomplishment:** USTR Congressional Affairs participated in two trips with Members of Congress and staff. In August 2009, we attended the AGOA forum in Nairobi, Kenya with Representative Jim McDermott (D-WA) and a bipartisan staff delegation of the House Ways & Means and Senate Finance Committees. Following that trip, we accompanied the Senate Finance Congressional Staff Delegation on a fact finding trip to India and Ethiopia to see how our

Preference Programs are working in those countries. In November 2009, USTR Congressional Affairs staffed Representatives Levin (D-MI) and Brady (D-TX) on their Congressional Delegation trip to the Asia-Pacific Economic Cooperation (APEC) Forum.

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

**Accomplishment:** Delays in answering Congressional correspondence during the transition were addressed with new correspondence review system.

***Obtain Congressional passage of legislation implementing negotiated agreements and obtain renewal of Trade Promotion Authority.***

Measurements:

- 100 percent passage of FTA legislation transmitted to Congress.

**Accomplishment:** No FTA was transmitted to Congress that required new Trade Promotion Authority (TPA); therefore, TPA was not discussed with committees of jurisdiction.

- Actively engage in dialogue with Congressional leadership and trade oversight committees on renewal of Trade Promotion Authority.

**Accomplishment:** No FTA was transmitted to Congress that required new Trade Promotion Authority (TPA); therefore, TPA was not discussed with committees of jurisdiction.

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

Measurements:

- Convene regular meetings of the Advisory Committees. Take steps to assure that through consultations with the advisory committees that their reports to Congress on trade agreements reflect the strength and importance of the agreements.

**Accomplishment:** 57 Advisory Committee meetings were convened by USTR and its partner agencies co-managing the committees. USTR and its partner agencies worked on timely recharter and reappointment of committees in accordance with dates of charter expiry, and implemented White House guidelines regarding federally-registered lobbyists. No mandated reports on trade agreements were required by advisory committees.

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

**Accomplishment:** Regularly met with a broad range of stakeholders to build support for trade policy initiatives.

**Accomplishment:** U.S. Chamber of Commerce partnered on major conference in support of Central Asia TIFA.

**Accomplishment:** Conducted regular briefings of the “Middle East Free Trade Area (MEFTA) Coalition”, seeking the Coalition’s views on U.S. trade policy approaches towards the Middle East under the Obama Administration.

**Accomplishment:** USTR did extensive outreach to private sector stakeholders in key sectors such as professional services (lawyers, accountants, engineers), express delivery, financial services (especially insurance), telecommunications, satellite services, computer and related services, energy services, and distribution.

- 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 chairpersons to inform them of current and timely developments on the trade agenda, and additional calls, as needed, for a total of 39 calls. USTR informed senior level staff of the opportunity to brief advisory chairs on issues in their portfolio and circulated detailed agendas in advance to committee chairs.

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

**Accomplishment:** USTR completely overhauled the website, making greater amounts of information more readily available and accessible for the purpose of informing constituencies and strengthening support for key issues. *Federal Register* notices were posted in order to solicit public comment and provide notification of public hearings, 165 updates were made to the new USTR blog, and responses to Ask the Ambassador public inquiries were written. More than 181,000 people have visited USTR.gov since its relaunch on June 1, 2009. The new USTR.gov has received over 960,470 page views, with a 60 percent increase in new visitors since the launch on June 1, 2009.

**Accomplishment:** USTR identified and then took the following steps in 2009 to keep the public informed about the ACTA negotiations:

- Established for the first time a dedicated ACTA web page on the USTR website;
- Issued and updated the very first public summary of issues under negotiation;
- Released, for the first time, agendas to the public on the ACTA web page before each meeting;
- Broadened the group of experts from which USTR seeks advice, including representatives of intellectual property right holders, Internet intermediaries, NGOs, and others, about prospective U.S. positions on enforcement of intellectual property rights in the digital environment;
- Consulted and shared relevant text with the Trade Committees and the Judiciary Committees in each chamber of Congress concerning our prospective positions; and

- Strengthened our educational efforts online by providing links on the ACTA webpage to valuable and relevant portions of past free trade agreements for review by those interested in understanding the U.S. approach to possible legal framework provisions of the ACTA.

Significantly, USTR received acknowledgment from ACTA partners at the Seoul Round in November 2009 of the need to allow the public to provide meaningful and timely input into the negotiations. This laid the groundwork for cooperative transparency efforts in 2010.

- 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 in order to build support for the Administration’s trade agenda.

Additionally, United States Trade Representative Ron Kirk and Deputy USTR Demetrios Marantis engaged frequently with the public through the domestic and international press, conducting more than 63 interviews, 84 press events, and 41 speeches, and taking 37 trips in the United States and abroad to discuss the American trade agenda. USTR senior officials conducted numerous other interviews, press events, speeches and trips.

- Expand outreach via fact sheets, meetings and conference calls with stakeholders and continuous website improvements.

**Accomplishment:** USTR has expanded outreach with meetings and calls with new constituencies and stakeholders representing small businesses, labor, state and local governments, non-governmental organizations, and religious communities.

**Accomplishment:** USTR continuously has improved the website with new fact sheets, frequent blog posts, and video content such as the proceedings of Ambassador Kirk’s small business conference, “Jobs on Main Street, Customers Around the World”.

**Accomplishment:** Expanded membership to, and revitalized the mission of, the Private Sector Advisory Group to the US-India Trade Policy Forum. Developed an initiative to promote SME participation in US-India trade.

***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 2009, the USTR press office developed and regularly maintained internal talking points to coordinate consistent information. In 2009, the USTR press office produced and distributed 171 press releases highlighting major policy actions, and statements made by the

Ambassador, deputies, and other key trade officials. Press releases were distributed extensively to one or more general or issue- and region-specific contact lists, which now total more than 2,200 contacts. The press office also worked with other USTR offices to develop fact sheets as needed to provide in-depth explanations of trade policy and proposals. In addition to revamping USTR.gov, the USTR press office created new USTR pages on Facebook, Twitter, Flickr, and Vimeo. Since the launch of these pages on July 1, the press office has added 332 Twitter followers and posted more than 140 updates, posted 82 notes on Facebook and added 115 fans, and received more than 13,000 views of 330 pictures on Flickr.

- Organize press events around high profile trade liberalization achievements.

**Accomplishment:** In 2009, the USTR press office coordinated more than 100 press events including formal press conferences, media roundtables, speeches, and photo opportunities. Such events included Ambassador Kirk's announcement on USTR's new enforcement initiative, a press conference at the announcement of the filing of a case at the World Trade Organization against China over export restraints on raw materials, and the announcement of USTR's new initiative on small and medium-sized businesses. Internationally, Ambassador Kirk participated in 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 – including the announcement of U.S. engagement in the Trans-Pacific Partnership – and the ASEAN summit.

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

**Accomplishment:** In 2009, USTR built contact lists specifically aimed at non-government organizations. Through these lists, USTR was able to keep relevant non-government organizations aware of trade actions taken by USTR.

**Accomplishment:** Convened and worked with a coalition of private sector and non-governmental organization representatives to develop a proposal for a public-private partnership with China to support efforts to combat illegal logging and associated trade and to develop transparent markets for legally harvested timber.

**Accomplishment:** USTR worked with its advisory committees, U.S. NGOs and Peruvian NGOs to develop a strong working group to provide input on the implementation of the Environment Chapter and Annex on Forest Sector Governance. Several meetings were held in 2009 and stakeholder groups provided important input for the process. NGOs praised USTR for its work and inclusiveness on implementation of the Peru Environmental Provisions.

**Accomplishment:** Provided periodic information to the press office and the website on FTA Environment Chapter implementation and monitoring efforts. USTR convened several meetings with advisors to brief on FTA-related developments and on implementation programs.

- Expand outreach via increased subscribers to the email newsletter.

**Accomplishment:** In 2009, the USTR press office and IAPE office continued to build contact lists and a social media network, including names and contact information of major trade reporters, members of Congress, issue groups, private sector, state and local governments, non-governmental organizations, and other trade-relevant associations. USTR led the move to a new

and more effective system of electronic outreach through Constant Comment, and highlighted meetings with stakeholders through the weekly e-newsletter sent by the USTR press office to that outreach list.

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

Measurements:

- Establish 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 state/local networks.

**Accomplishment:** USTR has worked with pro-trade states and municipalities to build support for the trade agenda through speeches, conference calls, meetings with local editorial boards, statements of support, and media events, and widely disseminated the weekly e-newsletter and *Federal Register* Notice requests for public comment and notice of hearings to state contacts. Convened regular monthly conference calls on the trade agenda with the state and local advisory committees and State Points of Contact, and sought state input for agendas distributed in advance. Ambassador Kirk addressed the National Conference of State Legislatures, the U.S. Conference of Mayors, local chambers of commerce, and met with individual state and local leaders on the trade agenda. USTR staff met with the National Governors' Association, Regional Governors' Associations, Councils of State Governments/State International Development Organizations, National Conference of State Legislatures, and other state organizations, and addressed gatherings of state and local officials and port authorities as well as chambers of commerce around the country.

***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:** USTR coordinated closely throughout the year with the National Security Council and with the White House press office to establish and disseminate appropriate messaging on major speeches and daily press on topics ranging from new trade enforcement measures to the announcement of new initiatives such as the President's intent to negotiate toward an agreement in the Trans-Pacific Partnership. USTR coordinated closely with the Departments of State, Commerce, and Agriculture on various public statements and press guidance throughout the year.

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

**Accomplishment:** USTR met directly on various occasions in 2009 with press staff from partner agencies including the Commerce and State Departments, and began preliminary outreach to trade agencies regarding a more formal structure to address trade issues. In 2010, USTR expects

the desired coordination to be fulfilled through the revitalized Trade Promotion Coordinating Committee in the service of the President's National Export Initiative.

***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 Washington, DC, at domestic rounds of trade negotiations, and abroad when there are Congressional delegations traveling regarding trade issues.

**Accomplishment:** USTR worked with key congressional offices to coordinate press outreach on major USTR activities including USTR's July 2009 announcement of new enforcement initiatives, the September 2009 announcement of the Presidential decision regarding tariffs on Chinese tires, and other events. USTR staff also coordinated directly with press staff for key committees on press outreach and response for major events such as nominations hearings.

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

**Accomplishment:** USTR coordinated with House Ways and Means and Senate Finance and other committees interested in trade on the benefits of our efforts to enforce our existing trade agreements and to pursue new market access for U.S. companies. Committees responded with supportive statements on key initiatives to achieve both goals.

***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 the course of trade negotiations, there was outreach to environmental non-governmental organizations, business entities, and other groups interested in environmental protection or conservation. For example, Peruvian President Alan Garcia stated that Peru created an Environment Ministry to ensure it complied with its environmental obligations in the US-Peru Trade Promotion Agreement.

- 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:** USTR has built relationships through direct engagement with foreign media on 37 international trips in 2009, and maintained those relationships through frequent contact and follow-up from the Washington, D.C. office. Particular areas of focus for this relationship-building were the press corps in Nairobi, Kenya; Dakar, Senegal; Sao Paulo and Brasilia, Brazil;

and Geneva, Switzerland, who were visited directly on two trips to Geneva and engaged at major events in East and West Africa, Brazil, Paris and Bali. The press was also engaged in Asia, where USTR is seeking to expand trade relations. Particular efforts also were made to build relationships with targeted press in Brazil and Africa. Each of USTR's 171 press releases in 2009 were transmitted to foreign media as well as domestic press. USTR held 12 foreign press conferences with Ambassador Kirk in 2009, plus numerous additional press events and foreign media interviews around the world with Deputy USTR Demetrios Marantis and senior USTR staff.

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

**Accomplishment:** USTR worked closely with press offices in trading partner countries to coordinate communications strategies and explain trade disputes together. USTR sent a senior press official to represent the United States at the first ever trade communicators' conference at the Organization for Economic Cooperation and Development in Paris, France, which invited senior communications staff from the OECD's 30 member countries to discuss trade challenges and strategies together. USTR also worked particularly closely with trading partners such as the EU to coordinate communications on disputes involving beef, and with Canada to coordinate communications on issues and disputes in that trading relationship.

*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.*

Measurements:

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

**Accomplishment:** Using the Human Capital Accountability Assessment Framework (HCAAF) as its system for accountability, developed USTR's first Human Capital System for Accountability Plan 2010-2012; obtained OPM approval with no major changes. Work included developing a HCAAF policy and associated implementation and accountability planning. Reviewed 2008 Federal Human Capital Survey (FHCS) results and developed an action plan to improve employee satisfaction. Developed a staffing plan that met OPM's requirements under the Accountability System.

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

**Accomplishment:** Provided responsive, professional, and highly effective operational human resource management; ensured a smooth transition of outgoing and incoming Administration personnel; expertly managed departures for outgoing Administration (22 employees) including coordinating benefits briefings and resignation letters with the White House; provided incoming Transition team with enormous amounts of human resources data covering prior Administration's eight years; minimized red-tape in processing new political hires (16 within a two-month period) without major delays or problems as experienced by other EOP agencies. Closed out all 2008



performance appraisals and performance awards in record time (October 2008). Developed and coordinated new initiative "USTR 101 - Trade Policy Background for New Employees" briefings.

**Accomplishment:** Expertly managed and implemented all human capital policies and strategies mandated by OPM, including:

- Human Capital Plan and Succession Plan updated to reflect current USTR workforce analysis; completed Career Development Needs Assessment;
- Completed Non-SES Performance Appraisal Assessment Tool (PAAT) for FY 2008 appraisal system; showed improved score of 84 – first small agency to receive a score above 80;
- Ensured all new political employees received performance plans and followed up to ensure their understanding of requirements with each employee and supervisor; and
- Ensured Annual Employee Survey results for 2008 were analyzed, results posted and incorporated into the Human Capital Assessment and Accountability Framework (HCAAF).

Measurements:

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

**Accomplishment:** Goal was modified with changeover in Administrations. Included establishing new processes to improve flow of information, comprehensive report/letter ticker procedures, weekly scheduling meetings, and improved methods of projecting and sharing requirements through a USTR-wide shared calendar. New Administration staff are delighted with these revised planning and management processes.

- 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); fully implemented 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 301. Enterprise Content Management (ECM): Implementation of Xerox DocuShare was the ECM pilot originally planned; however this was superseded and staff time redirected to implement Federal Document Management System (FDMS) as the ECM pilot. FDMS implementation has proved to be a much more effective and lower-risk ECM pilot since it's already operational at 10 other Agencies. FDMS captures and organizes content for USTR's GSP, 301, and TPSC programs, estimated at 30% of our Agency's overall content. OA in previous Administration was shifting to Documentum, but that project ended with the change in Administrations; potential use of Sharepoint being evaluated; meanwhile, moving ahead with implementing the ITC archiving project envisioned for completely documenting all future agreement negotiations.

**Accomplishment:** Electronic Record submission to the National Archives and Records Administration (NARA). Completed all processing and indexing of 380,000 pages of scanned paper documents. These files were submitted electronically to NARA for review and found to be acceptable for submission. All technical requirements for submission to NARA have been met

and final submission is now pending USTR management review and concurrence. Implemented an online rulemaking process (Regulations.gov), allowing other agencies and the public to add and review supporting documents associated with the notices. USTR's public solicitation and comment process is now not only fully accessible online, but also entirely paperless, avoiding the generation of approximately 30 linear feet of paper files per year. Developing a multi-year procurement for digitizing the documents currently stored at Geneva (est. 5.8 million).

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

**Accomplishment:** Reviewed New Employee Orientation process in light of many new hires with Administration changeover; found gaps and moved rapidly to close gaps by revision of program. Administrative services processes routinely meeting 90+% of offices' needs. Conference center processes established to affect an environment of a complete meeting package; improvements include daily monitoring checklist, strategically staged canteen items for all conference rooms, Meeting Check Sheet, and change in Melwood personnel, which greatly improved the cleanliness of the kitchens/conference rooms. Electronic scheduling process prevents the double booking of meetings and the added meeting request form captures specific needs often overlooked. High-performing Administrative Team resolved greater than 90 percent of the issues/problems within the promised time period; numerous compliments received on timeliness and quality of the response.

*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:** Completed and submitted as basis for successful fourth floor 1724 F Street additional office space request. Upon completion of designation and move of China Office to new 1724 F Street spaces, moved other offices in Winder to provide adequate room for increased GC staff.

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

**Accomplishment:** Winder Building restrooms renovations 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. Completed all Winder office moves on first, third, and fifth 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. Completed upgrades to 1724 F Street conference rooms and met all user needs (personally complimented by Ambassador). Wrote SOW and awarded \$50,000 contract to install audio visual upgrades to 1724 conference rooms on second and fourth floors, including interactive white board systems, permanent wide-screen LCD projectors, and high-definition videoconferencing system; IT/communications upgrades to conference rooms one and two meet 100 percent of user needs. Innovatively renovated (with "green" recycled systems furniture) offices on fifth and second floors 1724 F Street, meeting 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 renovation. Completed technology upgrade of offices including new wiring and fiber optics to all workspaces. USTR office complex exceptionally maintained for appearance, cleanliness, and employee well-being and health; met all emergent needs within hours. Established central supply system to manage office supplies; includes 100 percent of local storage spaces; greater than 90 percent of routine user needs met.

***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:** Presidential Transition Support: Completed 11-page new media survey to answer various wide-ranging technology and communication questions posed by the Presidential Transition Team. Created spreadsheet of all IT equipment to be collected from departing political personnel. Set up temporary laptops, Internet access, printers, desk phones, and CATV as needed for the Presidential Elect Transition Team and the new arrivals; removed previous Administration biographies from website on January 20, 2009.

**Accomplishment:** Secure Internet Protocol Router Network (SIPRNet) – approximately 125 SIPRNet accounts are now active, representing greater than 80 percent of all employees designated to receive accounts. Note that the number of employees designated to receive accounts was increased this FY based on a review of increasing threats to USTR's sensitive information. Successfully engaged senior management involvement to expedite account creation as needed.

**Accomplishment:** Unclassified desktop refresh – in FY 2009 deployed approximately 120 new desktops to USTR employees (represents 40% refresh of USTR's total workstation count). Blackberry refresh – refreshed 60% of the 8700 models with the newer 8230 Curve models.

**Accomplishment:** The USTR website, which had not been updated in many years, was updated as of May 30, 2009. The new design is easier to navigate and incorporates social networking technologies to foster trade communities. During this project, led development of an "Online Community Implementation Strategy and Planning Matrix" which has been used by USA.gov for inclusion in their government-wide social media strategy and also sent to Federal Web Managers Council (top web manager in cabinetdepartments).

**Accomplishment:** 1724 F Street Conference Rooms Upgrade – completed installation of \$50,000 contract to install audio visual upgrades to conference rooms, including interactive white board systems, permanent wide-screen LCD projectors, and high-definition video conferencing system.

**Accomplishment:** Electronic Record submission to NARA – completed all processing and indexing of 380,000 pages of scanned paper documents. These files were submitted electronically to NARA for review and found to be acceptable for submission. All technical requirements for submission to NARA have been met and final submission is now pending further USTR management review and concurrence.

**Accomplishment:** Web 2.0 – drafted policy and process for using FDMS WIKI for TPSC process; however, TPSC Director chose instead to move process onto SIPRNet for enhanced security beyond what an Internet-based WIKI could provide. Facilitated the TPSC SIPRNet process by deploying accounts and workstations to all TPSC staff and working with them to develop the TPSC secure e-mail distribution list. Implemented several Web 2.0 technologies into new public web site, including Ask the Ambassador, make a comment, Vimeo, Twitter, YouTube, Facebook, and Flickr.

**Accomplishment:** USTR Online Community Implementation Strategy and Planning Matrix – coordinated with USTR Public Affairs to develop framework to guide USTR’s online community implementation. USTR’s framework/approach has been recognized as “Superb” by WH New Media, who sent comment to USA.gov for inclusion in their government-wide social media strategy and also sent comment to Federal Web Managers Council (top web manager in cabinetdepartments).

**Accomplishment:** Real-time “webcast” of meetings – capability implemented on USTR Public web site on July 23, 2009. First live webcast featured Ambassador Kirk announcing dispute settlement consultations with the People’s Republic of China regarding China’s export restraints on numerous important raw materials. Webcast was watched online in real-time by over 200 viewers.

**Accomplishment:** Regulations.gov – in February, USTR implemented an online rulemaking process, allowing other agencies and the public to add and review supporting documents associated with the notices. USTR’s public solicitation and comment process is now not only fully accessible online, but also entirely paperless, avoiding the generation of approximately 30 linear feet of paper files per year.

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

**Accomplishment:** Completed long overdue upgrade of network connectivity for USTR’s field office in Geneva, Switzerland. New connection has ten times the capacity, fail-over capability, and meets requirements for continuity of operations.

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

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

*Manage resources to maximize USTR future capabilities.*

Measurements:

- Develop performance-based resource management procedures.

**Accomplishment:** Maintained strong controls previously developed and achieved superior reporting and forecasting processes. Effectively handled the additional demands related to the

financial budgeting and management process resulting from the new Administration's requirements. In addition, expanded the briefing reports provided to the Chief of Staff to make them more comprehensive. Deadlines met on a timely basis 99 percent of time and controls completed with 95 percent efficiency. During the year, USTR exercised strong financial management, which resulted in exiting FY 2009 with \$1.7 million in carryover funds available versus \$1 million entering the year, putting us in best possible position for the FY2010 budget year. Savings of \$100,000 were achieved through successfully disputing charges by outside vendors (Elite) and challenging charges under fund cites with various Department of State embassies, etc.

- Employ risk management in making resource decisions.

**Accomplishment:** Worked closely with offices to ensure funds are spent wisely, offered creative solutions to resolve funding issues with outside parties, and continually worked to ensure USTR's financial resources were optimized. USTR was successful in executing effective controls in the Agency with travel spending being a key focus. Through strong controls and timely reporting, successfully managed travel ceiling levels and made offices seek special approval from Chief of Staff when level needed to be increased to ensure excellent stewardship of funds as the fiscal year wound down. Met all budget and reporting requirements on a timely basis; adept at knowing how best to work within tight timetables. Always met EOP and OMB requirements on a timely and comprehensive basis; especially challenging this year with major new business planning and budgeting process implemented by the Management & Administration (M&A)/Office of the Chief Financial Officer (OCFO); met all deadlines and produced greater than 130 page plan ensuring all needs effectively communicated to the EOP. More precise budget allocations and effective monitoring of travel resources were taken largely through clear communication to the USTR community 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 Chief of Staff was informed. Budget execution evolved in response to the shifting operational requirements that existed during the year, resulting in completing the year with high success.

- Coordinate with other trade agencies in resource planning.

**Accomplishment:** Developed comprehensive three-year budget plan for Management and Administration (M&A) / Office of the Chief Financial Officer (OCFO) that provided for extensive consultation with and input from every USTR office. In plan development, each office was tasked with seeking perspectives/input from their OGA counterparts as necessary. Presented the FY 2010 budget to the House Appropriations senior staff in May. Due to the greater involvement of the M&A/OCFO, additional discipline was required to coordinate all responses to the Hill through OCFO first, which was handled most effectively and professionally. Proactively ensured that all external responses are coordinated with OCFO. When the new Administration established quarterly reviews with the Assistant to the President for Management & Administration, responded quickly to prepare and present comprehensive briefs to the EOP team on the USTR financial status and projections.

***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:** Annual USTR Information Security Training conducted for all personnel, ensuring requirements of E.O. 12958/13292 are clearly understood by all personnel and outlined in USTR instructions and guides; over 90 percent of employees attended training. Completed Annual ISOO 311 Report on classified documents, as well as all other ISOO information and reporting requirements. Continued revision/review of the draft USTR Classification Guide in order to finalize a complete and comprehensive guide for the entire agency. Continuously monitored the USTR Information Security Program to minimize security violations, including conducting inspections and increasing individual awareness. Completed a 100 percent classified document Inventory for USTR, including over 150 classified containers within USTR; inspected 100 percent of the work areas during the inventory process; four (4) security-related discrepancies identified with classified containers and appropriately corrected. Five de-classification reviews completed in accordance with ISOO Policy.

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

**Accomplishment:** Coordination, planning, and execution for numerous Executive Protection missions conducted in an exceptional manner, including official events in the National Capitol Region (NCR), domestic official travel, and foreign official travel requirements for the USTR. Revised the USTR Protective Services Standard Operating Procedures (SOP) to best support needs of the new Ambassador and best utilize available resources. Conducted continuous review of procedures for United States Secret Service (USSS) protection support to the USTR during overseas travel; maintained exceptional liaison with USSS for coordination of overseas travel requirements. Technical/policy guidance provided to USTR senior management as it relates to the protective responsibility for the Ambassador. Maintained 100% safety, security, and protection during the entire period.

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

**Accomplishment:** Detailed threat assessment provided to all USTR personnel conducting official travel overseas, particularly in areas currently identified as medium or high threat. Provided guidance and information for personnel conducting personal/leisure travel overseas as requested. Ensured physical security procedures and processes were in place and working to protect all USTR facilities; met 100 percent of employee needs for all potential threats and/or contingency situations. Continuous monitoring of automated access control system remains in full compliance with FIPS 201 and smart card integration; conducted quarterly assessments of the system; completed numerous security upgrades/enhancements to access control system. Upgrades included a new door and traffic pattern for the visitor area in the Winder Building, an Iphone video intercom installation at the main entrance of the Winder Building, and upgrades to servers controlling Lenel Automated Access Control System. Completed 100 percent key and lock inventory for all USTR offices. Reviewed, revised, and updated emergency action plans and procedures for all USTR facilities. Made preparations to conduct fire drills and exercise emergency action plans. Reviewed, revised, and updated Guard Post Orders for all guard posts to ensure currency and efficient/effective use of the Guard Force; ensured the smooth transition of

Contract Guard Force requirements as the new contract was implemented. Completed Physical Security Assessment of the USTR Mission in Geneva, including the Ambassador's residence.

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

**Accomplishment:** Revised, implemented and exercised the USTR Continuity of Operations Plan (COOP); participated in EOP-wide COOP exercises and followed-up to implement lessons learned; worked with Office of Security and Emergency Preparedness (OSEP) to upgrade security during exercises; indoctrinated and exercised new administration on COOP Plan and Community Emergency Response Team (CERT) responsibilities; led the COOP CERT Team during two successful EOP Emergency Response Exercises at the Dakota Site.

## GLOSSARY OF ACRONYMS

AD	Antidumping
AGOA	African Growth and Opportunity Act
APEC	Asia Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ATC	Agreement on Textiles and Clothing
ATPA	Andean Trade Preference Act
ATPDEA	Andean Trade Promotion & Drug Eradication Act
BIA	Built-in Agenda
BIT	Bilateral Investment Treaty
BOP	Balance of Payments
CACM	Central American Common Market
CAFTA-DR	Dominican Republic-Central America Free Trade Agreement
CARICOM	Caribbean Common Market
CBERA	Caribbean Basin Economic Recovery Act
CBI	Caribbean Basin Initiative
CFTA	Canada Free Trade Agreement
CITEL	Telecommunications division of the OAS
COMESA	Common Market for Eastern & Southern Africa
CSC	Capital Sharing Cost
CTE	Committee on Trade and Environment
CTG	Council for Trade in Goods
CVD	Countervailing Duty
DDA	Doha Development Agenda
DSB	Dispute Settlement Body
DSU	Dispute Settlement Understanding
EAI	Enterprise for ASEAN Initiative
EFTA	European Free Trade Association
EU	European Union
FOIA	Freedom of Information Act
FTA	Free Trade Agreement
FTAA	Free Trade Area of the Americas
FTE	Full-Time Equivalent
GATS	General Agreements on Trade in Services
GDP	Gross Domestic Product
GEC	Global Electronic Commerce
GPA	Government Procurement Agreement



GSP	Generalized System of Preferences
ICASS	International Cooperative Administrative Support Services (cost allocations by State Department for services rendered)
IFI	International Financial Institutions
IPR	Intellectual Property Rights
ITA	Information Technology Agreement
LDBDC	Least Developed Beneficiary Developing Country
MAI	Multilateral Agreement on Investment
MEFTA	Middle East Free Trade Area
MERCOSUL/MERCOSUR	Southern South American Common Market
MFA	Multifiber Arrangement
MFN	Most Favored Nation
MOSS	Market-Oriented, Sector-Selective
MOU	Memorandum of Understanding
MRA	Mutual Recognition Agreement
NAFTA	North American Free Trade Agreement
NEC	National Economic Council
NGO	Non-Governmental Organization
NIS	Newly Independent States
NSC	National Security Council
NTE	National Trade Estimates
NTR	Normal Trade Relations
OAS	Organization of American States
OECD	Organization for Economic Cooperation and Development
OPIC	Overseas Private Investment Corporation
PNTR	Permanent Normal Trade Relations
ROU	Record of Understanding
SACU	Southern African Customs Union
SADC	Southern African Development Community
SME	Small and Medium Size Enterprise
SPS	Sanitary and Phytosanitary Measures
SRM	Specified Risk Material
TAA	Trade Adjustment Assistance
TABD	Trans-Atlantic Business Dialogue
TACD	Trans-Atlantic Consumer Dialogue
TAEVD	Trans-Atlantic Environment Dialogue
TALD	Trans-Atlantic Labor Dialogue
TBT	Technical Barriers to Trade
TEP	Transatlantic Economic Partnership

TDY	Temporary Duty Yonder
TIFA	Trade & Investment Framework Agreement
TPP	Trans-Pacific Partnership
TPRG	Trade Policy Review Group
TPSC	Trade Policy Staff Committee
TRIMS	Trade Related Investment Measures
TRIPS	Trade Related Intellectual Property Rights
UAE	United Arab Emirates
UNCTAD	United Nations Conference on Trade & Development
UNDP	United Nations Development Program
URAA	Uruguay Round Agreements Act
USDA	U.S. Department of Agriculture
USITC	U.S. International Trade Commission
USTR	United States Trade Representative
USTR	United States Trade Representative
VRA	Voluntary Restraint Agreement
WAEMU	West African Economic & Monetary Union
WB	World Bank
WTO	World Bank Organization