I. THE PRESIDENT'S TRADE AGENDA

Bringing Trade's Benefits Home to American Families and Businesses

The global economy has started to grow again and with it, trade is increasing. Under President Obama's leadership, the United States is leading efforts to shape the global trading system, both to support growth and to obtain for Americans the jobs and economic benefits that will accompany trade's resurgence. In 2010, the Administration's extensive work to open world markets and enforce our rights under trade agreements delivered clear results for America's families and businesses. U.S. manufacturers sold more "Made in America" goods in markets from Indonesia to Israel; our farmers resumed sales of poultry in Russia and pork in China; and our companies and workers experienced significant growth in services trade.

The United States' efforts to expand and level the playing field for American producers have enhanced trade around the world. We have upheld science-based standards for agricultural exports. We have increased the protection of intellectual property against counterfeiting and piracy. We have insisted that foreign governments not unfairly advantage their own manufacturing industries in key sectors, from aerospace to clean energy.

In 2011, the Administration's trade policy will continue to provide leadership for the global economy and help American manufacturers, service providers, farmers, and ranchers sell more goods and services around the world, supporting more jobs here at home.

The President's Trade Policy Agenda for 2011 outlines an ambitious scope of work to meet these goals. Across the global stage, we will advance market-opening negotiations with our trading partners and bolster existing ties. We will continue to actively enforce U.S. rights under our trade agreements. We will conduct these efforts based on high standards that reflect American values on labor and on the environment, and on public engagement and transparency.

We look forward to working with Congress and with the American people to build broad support for this agenda. Our country's global competitiveness and the prosperity of our citizens depend on our shared effort.

Trade as a Source of Better Jobs and Greater Economic Strength

Two-way trade is essential to American economic growth and success. Ninety-five percent of consumers reside beyond our borders, and the International Monetary Fund forecasts that nearly 83 percent of world growth over the next five years will take place outside of the United States. To reach our full potential for employment and economic growth, America must engage globally to sell more goods and services abroad.

Expanding American exports supports jobs here at home. Every $1 billion in goods exports supports more than 6,000 jobs, and every $1 billion of services exports supports more than 4,500 jobs. Agriculture exports alone support nearly one million American jobs on and off the farm. Jobs supported by goods exports pay up to 18 percent more than the national average. Export-supported jobs in America's services sector – which employs 80 percent of America's private sector workforce – run the gamut from contractors to cargo handlers, and expanding America's highly competitive services companies into new markets will support more of these jobs here at home.

Imports can also play a positive role, serving as inputs to value-added U.S. production and supporting well-paying jobs here in the United States. Imports also offer U.S. consumers variety and affordability as they look to get the most out of their household budgets.

Global stability requires that the world's major economies share responsibility for sustaining overall demand for goods and services. Countries that have traditionally relied on greater trade surpluses for growth must expand domestic consumption and domestic investment. Conversely, the United States must rely less on household consumption, gradually increase national savings, and moderate our trade imbalance through export expansion. Continuing America's shift toward exports will help our own economy recover and will put the global economy on a more solid, balanced foundation for future growth.

With the goal of better jobs for more Americans, we will craft new trade initiatives to increase our country's and our citizens' ability to compete in the global marketplace. Policies that support education, infrastructure, innovation, and investment here at home will also support our export strategy and its expected dividend of better job growth here at home. As the President underscored in his 2011 State of the Union address, "… these investments – in innovation, education, and infrastructure – will make America a better place to do business and create jobs."

Our Policy Priorities

Enhance American Economic Growth and Employment

As an engine of economic growth and better jobs, trade has numerous benefits – among them, that the jobs and economic stimulus flowing from increased exports can be obtained without massive direct government spending. To further restore our country's economic stability and support jobs for more Americans, the expansion of smart, responsible trade must remain a central element of our economic agenda. The Administration is undertaking a number of key initiatives toward this end.

The National Export Initiative

In 2010, the Administration launched the National Export Initiative (NEI), an ambitious effort that has put the United States on course to double exports by 2015 – supporting millions of additional American jobs. The NEI's success will require a vigorous trade policy that opens markets and creates commercial opportunities for American firms. The President's Export Promotion Cabinet, comprised of Cabinet members and senior administration officials whose work affects exports, has developed and begun to implement 70 recommendations relating to enhanced export assistance, increased trade finance, and assertive policies to expand trade opportunities. Key elements include increased government outreach to facilitate exports by America's small- and medium-sized businesses, more export assistance, including with regard to untapped "next tier" markets, more aggressive commercial advocacy, and additional export financing.

As we have marshaled public resources for the NEI, we have recognized that America's private sector is our country's primary driver for innovation and job growth. A reinvigorated President's Export Council is a forum for strategic advice and expertise from business and labor leaders about opportunities, trends, and challenges to the competitiveness of U.S. exports. Recently, the Administration also created the President's Council on Jobs and Competitiveness to explore ways to invest in America's businesses, prepare our workers to compete internationally, and attract the best businesses and jobs to the United States. This comprehensive effort is succeeding. Over the past six quarters of steady economic recovery, exports have contributed significantly to America's total economic output. By the end of 2010, U.S. exports were up nearly 17 percent over the previous year. This export growth already has supported hundreds of thousands of additional American jobs – directly by the production of goods and services for export, and indirectly through the supply chains and services that attend our exporting firms, factories, farms, and ranches.

In 2011, the Administration will build on this success, continuing to implement the trade promotion and trade policy recommendations of the President's Export Promotion Cabinet. The cabinet also will deliver to Congress the first comprehensive interagency report on our progress in implementing the NEI across trade promotion, export financing, and trade policy. It will show that this effort is growing at a pace that will meet the President's goals.

An important cross-cutting NEI priority is to expand exports by small- and medium-sized businesses. These are significant contributors to economic growth in the United States and globally. Direct and indirect exports by these businesses supported an estimated four million U.S. jobs in 2007, and small- and medium-sized businesses generated approximately 65 percent of all net new private sector jobs between 1992 and 2009.

Federal agencies will continue to collaborate closely in helping these businesses to grow and to support additional jobs through trade. The Administration has expanded outreach to better integrate the concerns and priorities of small businesses into U.S. trade policy activities. In 2010, three new reports requested from the U.S. International Trade Commission by the Office of the United States Trade Representative (USTR) offered critical insights into key trade barriers affecting these businesses. We will continue to seek to reduce these barriers through negotiation and cooperation with our trading partners and through enforcement action when necessary.

In conjunction with the broad, overarching goals of the NEI, the Administration is pursuing several specific, key opportunities to support more American jobs through trade.

The United States-Korea Trade Agreement

On December 3, 2010, President Obama announced that his Administration had successfully negotiated a better deal for America's automotive sector as part of an effort to advance the pending United States-Korea trade agreement. New commitments will give American auto manufacturers and workers improved access to the Korean market and a level playing field to take advantage of that access. The agreement, which is expected to support at least 70,000 American jobs, also strengthens our ability to support manufacturing jobs in the United States; increases export opportunities for American farmers and ranchers; and further opens Korea's $580 billion services market to American companies. High standards for the protection of workers' rights and the environment are key elements of this agreement.

In working to address concerns with the United States-Korea trade agreement, the Administration obtained an unprecedented level of input from stakeholders, including industry and labor, as well as from Congress. This enhanced engagement led the Administration to obtain strong, enforceable commitments that give U.S. auto companies the opportunity to ramp up their efforts to increase sales to Korea; eliminate non-tariff barriers that severely restricted our automakers' access to the Korean market and raised the cost of producing vehicles for sale in that market; and protect American workers from sudden harmful import surges.

The Administration is continuing its close cooperation with Congress to secure approval of this landmark agreement as soon as possible.

Colombia and Panama Trade Agreements

The Administration is applying these same principles of engagement as we seek additional opportunities to support American jobs through the pending Colombia and Panama trade agreements.

Panama has already made significant progress in reforming its labor regime to achieve consistency with the pending trade agreement. Panama also has taken significant steps to achieve greater tax transparency, including the signature of a tax information exchange agreement with the United States in November 2010. In Colombia, the new Santos Administration has launched several major initiatives addressing the concerns of labor and human rights groups. The Administration is continuing to work to resolve outstanding issues related to each of these agreements, consistent with American values, as quickly as possible this year so that we can move them forward for Congressional consideration immediately thereafter. This is especially important as the Panamanian and Colombian governments pursue trade agreements with other countries, including Canada and the European Union, which could leave U.S. exporters to these markets at a competitive disadvantage.

The Trans-Pacific Partnership

Asia is home to many of the fastest-growing markets in the world. There are now more than 180 preferential trade agreements in force that include Asia-Pacific countries. More are on the way, with more than 20 agreements awaiting implementation and nearly 70 others under negotiation. Only full engagement by the United States in the emerging trade architecture and dynamic markets of the Asia-Pacific will enhance the competitiveness of American exporters to this region, growing the number of American businesses and workers who benefit from U.S. exports.

The Trans-Pacific Partnership (TPP) is a key initiative through which the Administration seeks to advance the United States' multi-faceted trade and investment interests in the Asia-Pacific region, by negotiating an ambitious, 21st-century regional trade agreement along with Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam. The TPP has begun with this initial group of like-minded countries with the goal of creating a platform for regional integration across the Asia-Pacific.

The United States is seeking to construct a broad and deep agreement that builds on the best of existing trade pacts and that more fully addresses new issues of concern for businesses and workers. In addition to the high-standard, market opening elements of current U.S. trade agreements, it will feature cross-cutting issues not tackled in previous trade agreements. These include promoting connectivity to deepen the links of U.S. companies to emerging Asia-Pacific production and distribution networks; increasing the compatibility of regulatory systems of TPP countries so that U.S. companies can operate more seamlessly in these markets; strengthening small- and medium-sized enterprises through greater participation in international trade; and promoting development. The TPP also will include strong disciplines that ensure respect for labor rights and environmental protection.

In 2010, negotiations on the TPP moved forward steadily. As an aggressive U.S. outreach strategy offered unprecedented transparency to stakeholders from business, labor, and nongovernmental organizations, negotiating teams reached agreement on technical details needed to exchange tariff offers and made solid progress in developing the legal texts of the agreement. In an important expansion of the initial membership, Malaysia joined the talks; Vietnam agreed to participate as a full member; and several other interested countries began preliminary consultations with the United States and other TPP partners.

In 2011, we intend to make significant progress toward the swift conclusion of the TPP. The first of five negotiating rounds planned for this year took place in Santiago, Chile in February, yielding continued progress. The Administration continues to believe that the TPP is the most promising vehicle for achieving economic integration across the Asia-Pacific region and advancing U.S. economic interests with the fastest-growing economies in the world.

U.S. Leadership in 2011 of the Asia-Pacific Economic Cooperation (APEC) Forum

Also key to the United States' robust engagement in the Asia-Pacific is the United States' role as 2011 chair and host of the Asia-Pacific Economic Cooperation (APEC) forum, the premier economic organization in the region. APEC's 21 member economies comprise nearly half the world's population and more than half the global economy, and the U.S. host year presents a historic opportunity to advance a trade and investment agenda that will revitalize economic recovery in the Asia-Pacific and support more jobs here at home.

USTR worked closely with 2010 host economy Japan to achieve real results at the November APEC Leaders Summit in Yokohama and to provide the foundation for a robust U.S. host year. Leaders agreed to take more concrete steps toward achieving a Free Trade Area of the Asia-Pacific, through, for example, regional agreements like the TPP. APEC economies also agreed to reduce the time, cost, and uncertainty of moving goods through the Asia-Pacific region; take steps to prevent the emergence of technical barriers to trade; and eliminate barriers to trade and investment in environmental goods and services.

In 2011, as the United States hosts APEC for the first time since 1993, we will seek practical and ambitious results on the important issues confronting U.S. exporters to the region. To that end, we will prioritize initiatives that can help to build a seamless regional economy, including those related to economic integration and trade expansion, enhanced green growth, and greater regulatory cooperation and convergence.

Doha Development Agenda Negotiations at the World Trade Organization

The United States maintained strong focus at the World Trade Organization (WTO) in 2010 on intensifying market-opening Doha Development Agenda (DDA) negotiations. That focus will continue this year. An ambitious, balanced, and market-opening outcome in the Doha Round negotiations can provide meaningful expansion of world trade and of U.S. exports in agriculture, goods, and services, boosting the world economy, supporting many good jobs, assisting poorer countries, and reinforcing confidence in a rules-based trading system.

The world has changed since the Doha Round negotiations began in 2001. The remarkable growth of emerging economies like China, India, and Brazil has fundamentally changed the landscape – and their growth is projected to continue in the coming years. In a negotiation in which the United States is being asked to significantly cut tariffs on all industrial and agricultural goods, we are asking these emerging economies to accept responsibility commensurate with their expanded roles in the global economy.

As the President stated at the Seoul G-20 meeting in November 2010, "just as emerging economies have gained a greater voice at international financial institutions . . . so, too, must they embrace their responsibilities to open markets to the trade and investment that creates jobs in all our countries."

The United States, already among the most open markets in the world, has been frank about the importance of obtaining increased access to these markets. Access to emerging economies is also vital for the poorest countries that have been a particular focus of the Doha negotiations. Developing country tariffs are four times higher than those of developed countries, and the poorest countries already have largely open access to major developed economies, like the United States, through trade preference programs.

The global rules for trade need updating to reflect the rise of the emerging economic powers. A successful Doha Round will require 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.

In 2011, the Administration will intensify efforts to engage key emerging economy partners bilaterally to raise the level of ambition for a final package. President Obama and fellow G-20 leaders have recognized 2011 as a "critical window of opportunity" for advancing towards conclusion of the WTO's Doha Round negotiations. In addition to progress on agriculture trade and rules, the talks must take a meaningful approach to sectoral liberalization in non-agricultural market access (NAMA) that will correct the ambition deficit currently reflected in the negotiation. Concrete progress is also necessary to show that the Round will produce meaningful new market access for services trade.

For these talks to remain relevant, they must address the world as it is and as it will be in the coming decades. Our requests of key emerging economies will continue to be based on the reasonable proposition that countries with rapidly expanding degrees of global competitiveness and exporting success should be prepared to contribute meaningfully towards trade liberalization. China, for example, should demonstrate tariff-cutting ambition in sectors such as chemicals, information technology and industrial machinery.

It is also essential that work on Doha during 2011 bring about improved packages in services, providing new market access in key sectors such as financial services, information and communications technology, distribution and express delivery. Meaningful progress on reducing non-tariff barriers, which especially concern U.S. exporters and for which the United States has offered both broad and sector-specific proposals, is also key.

Across the board, achieving a successful conclusion to the DDA in 2011 will mean shifting this long-running negotiation towards a clear focus on making markets – for industrial goods, services, and agriculture – much more open.

Bringing Russia and Other Countries into the WTO

The expansion of the WTO to include new members strengthens the global trading system and opens new and more secure markets to American exporters. A key Administration focus at the WTO is on efforts by Russia and others to complete negotiations on WTO accession.

Russia is an important potential market for U.S. exporters, but a trading partner with which we face significant challenges. Russia's membership in the WTO will benefit U.S. economic interests directly by integrating Russia into a system of fixed rules governing trade behavior, and by providing the means to enforce those rules and Russia's market access commitments.

The coming year should be significant with respect to Russia's efforts to join the WTO, and the United States will continue to exert leadership in this effort. The Administration has welcomed the energy and focus Russia is bringing to the process. Successful efforts to resolve a number of important outstanding bilateral issues in 2010 have paved the way for conclusion of remaining steps in the multilateral negotiation on Russia's accession. Russia has committed to reduce or eliminate many tariffs and to provide for improved market access for U.S. services, increasing opportunities for U.S. companies, farmers, ranchers, and workers to export and develop economic opportunities in Russia's rapidly growing economy. Recognizing continued progress in these negotiations, the Administration will seek to work with Congress this year to enact legislation terminating the application of the Jackson-Vanik Amendment to Russia and extending permanent normal trade relations status to Russian goods.

Likewise, the Administration expects to exert leadership in the WTO accession efforts of other prospective members in 2011, including Yemen, Kazakhstan, the Lao People's Democratic Republic, and Afghanistan. Advancing bids for WTO membership will encourage greater openness, further development of the rule of law, and economic reform in these and other candidate countries.

Enforce America's Rights and Protect Innovation in a Strong, Rules-Based Trading System

The Administration is committed to securing U.S. rights and benefits under existing international trade agreements. The United States' commitment to expanding markets and opposing protectionism in a multilateral, rules-based global trading system constitutes a central element of the Administration's trade policy agenda.

U.S. rights under trade agreements include the ability to address a wide array of market access barriers to U.S. goods and services, protection of intellectual property, and recourse when necessary to trade remedies. U.S. free trade agreements also include strong disciplines to protect labor rights and the environment.

The Administration has brought a strong, increased focus on ensuring that American workers, farmers, ranchers, and businesses receive the maximum benefit from U.S. trade agreements that are already in place, from multilateral agreements in the World Trade Organization (WTO) to regional agreements such as the North American Free Trade Agreement (NAFTA) and bilateral agreements as well. We have set strategic goals to address trade barriers and failures to adhere to agreements. To identify, monitor, and resolve a full range of issues, and to support more broadly the Administration's market opening agenda, we use a variety of tools, including consultations, negotiations, and litigation in formal dispute settlement proceedings.

In 2010, our approach to enforcement – using all of these resources and methods – proved valuable to the American people in real terms.

Enforcement at the World Trade Organization

Existing WTO rules, and the institutional structures established to ensure that members live up to those rules, provide the United States with critical tools for effectively enforcing America's trade rights, including through a dispute settlement system that has clearly produced value and preserved jobs in the U.S. economy. This system of dispute settlement is a vital avenue for countries to resolve difficult disagreements while maintaining solid working relationships.

We seek to work with our trading partners to build consensus on key issues. When cooperative approaches to resolving trade disputes have not proven successful, however, the Administration has repeatedly shown that it will vigorously pursue U.S. rights through WTO and other trade agreement dispute settlement procedures.

In addition, the Administration has not hesitated to apply trade remedies such as antidumping and countervailing duties consistent with our WTO obligations. We recognize trade remedies as a critical aspect of the rules-based global trading system. At the same time, we reserve the right to challenge any improper imposition of such measures by our trading partners.

More American workers, farmers, ranchers, manufacturers, and service providers realized the full benefits of our trade agreements as the United States prevailed in a range of key dispute settlement cases at the WTO. For example, the United States successfully challenged the EU's application of import duties to three technology products covered by the Information Technology Agreement, helping to ensure that U.S. producers of high-tech products will continue to be able to export those products duty-free to Europe.

The United States secured several key victories at the panel stage of proceedings, which await final adoption by the WTO. In the largest case ever heard by a WTO panel, the United States successfully argued that more than $18 billion in subsidies conferred on Airbus by the EU and several of its member countries were illegal, harming the U.S. aerospace industry and its workers through lost sales and loss of global market share. The United States continues to vigorously defend these findings against the EU's appeal in a dispute potentially affecting thousands of U.S. jobs.

A WTO panel also agreed that the United States had acted within its WTO rights in taking action to stop a harmful surge of Chinese tire imports into the United States – a decision made by President Obama in September 2009 that has helped to restore U.S. tire industry jobs. Another WTO panel upheld the U.S. application of antidumping and countervailing duties on four dumped and subsidized products from China.

The Administration also initiated new dispute settlement proceedings at the WTO during 2010. The United States challenged China on the imposition of duties that have reduced or blocked exports of important American steel products to that country, threatening American steelworkers' jobs. The United States is also suing China over China's restrictions on electronic payment services and suppliers, which are blocking participation by otherwise competitive American businesses in a thriving and lucrative market. In addition, the United States requested consultations with China regarding wind power equipment subsidies that appear to discriminate unfairly against parts and components made in the United States. The United States also initiated a dispute against the Philippines over its taxes on distilled spirits that appear to discriminate against U.S. exports.

Supporting and Strengthening the Rules-Based System of the WTO

The WTO's enforcement structure is only one part of its significant value to the United States and to the global economy. The WTO remains the key global driver of trade liberalization in a rules-based system, and a bulwark against protectionism.

The ongoing, day-to-day work of the WTO's various committees contributes enormously to promoting transparency of WTO member trade policies, and offers opportunities for agencies across the U.S. government to address barriers affecting U.S. commercial interests. Particularly in areas such as technical and sanitary and phytosanitary barriers to trade, these WTO committees remain a key venue for defending U.S. economic interests.

In a 2010 review of America's trade policies, WTO members acknowledged the crucial leadership role of the United States in upholding the rules-based multilateral system embodied in the WTO. The United States looks forward to the planned bi-annual Ministerial Conference of the WTO in December 2011 as an opportunity to foster continued strengthening of this vital system.

Expanding Enforcement under U.S. Trade Agreements

USTR also chose to initiate key trade enforcement actions in other fora – not only insisting on the benefits promised under various agreements, but realizing and strengthening the agreements' meaning through the exercise of their enforcement provisions.

Under the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR), the Administration filed the first labor case the United States has ever brought under a trade agreement. Following the Administration's 2009 promise to more vigorously scrutinize foreign labor practices, the case alleges that Guatemala failed to perform labor rights inspections, to take action to address labor law violations and to enforce orders involving labor rights. The Administration will continue to seek specific and effective action from Guatemala to address systemic failures in enforcing its labor laws.

Under the NAFTA, the United States requested that a dispute settlement panel be convened regarding Mexico's failure to move its dispute with the United States regarding "dolphin safe" labeling of tuna products from the WTO to the NAFTA. Mexico's actions appear to violate the "choice of forum" requirements in NAFTA, which are an important element of the NAFTA dispute settlement provisions.

Under the 2006 U.S.-Canada Softwood Lumber Agreement (SLA), the United States requested dispute settlement consultations with Canada over apparent subsidies being provided to producers in British Columbia. The challenged practices appear to be providing timber to Canadian softwood lumber producers at far below market price, thereby harming U.S. firms and workers in the softwood lumber industry. Also under the SLA, the United States won a significant victory in January 2011 in a separate arbitration concerning a number of provincial assistance programs put into place by Quebec and Ontario. Canada's imposition of remedial measures to cure its breach of the SLA will help restore a level playing field for workers and firms in the U.S softwood lumber industry.

Beyond litigation, in 2010 the United States sought and obtained pragmatic resolution of trade disputes to the benefit of American industries and workers. Intense negotiations led to the resumption of U.S. poultry exports to Russia, reopening a key market worth hundreds of millions of dollars to American farmers and processors.

Similarly, finding a path forward in the WTO dispute with Brazil regarding export credit guarantees for U.S. agricultural exports and domestic supports for upland cotton successfully averted Brazil's imposition of more than $800 million in countermeasures targeting U.S. industrial and agricultural products. Those measures, including more than $560 million in higher tariffs against U.S. exports such as motor vehicles, medicines, chemicals, and cosmetics, and agricultural products such as wheat, fruits, pork, food preparations, and dairy products – as well as possible additional countermeasures on U.S. intellectual property – could have caused significant economic harm to businesses and workers in the United States. By working cooperatively and constructively with Brazil, we developed a framework aimed at resolving the dispute and facilitating a closer economic relationship. The existence of cooperation with Brazil and with other trading partners even amidst disputes reflects the high ideals and inherent value of the rules-based system.

Sustained engagement on environmental issues also has allowed the United States and its trading partners to address concerns. For example, U.S. officials continue to work closely with the Government of Peru on the reform of Amazon forest management policies. Peru has increased criminal penalties for illegal logging and other activities, and put enforcement officers throughout Peru.

USTR's delivery of promised comprehensive reports on sanitary and phytosanitary barriers faced by U.S. food and farm exports, as well as on technical barriers impeding American exports worldwide, informed successful efforts to return key American products to key global markets, such as poultry in Russia and pork in China. These new tools were developed through increased coordination between USTR and the Departments of State, Labor, Commerce, Agriculture, and other federal agencies to spot and respond to trade concerns.

In 2011, such pragmatic, cross-cutting enforcement initiatives will continue to be a hallmark of the Administration's trade regime. Of course, we will continue to employ negotiation when possible and litigation when necessary to resolve trade disputes. At the same time, we will expand our capabilities to investigate, analyze, prioritize, and address increasingly complex trade barriers that present systemic problems for U.S. producers of goods and services.

This comprehensive approach will enable us to respond ever more effectively to emerging problems that our producers face in markets around the world. We will ensure that our trading partners' actions are consistent with WTO obligations, including reliance on scientific evidence and internationally accepted guidelines. We will affirm actively this Administration's respect for the environment and for the rights of workers. And we will provide a level playing field for U.S. workers and businesses. As with all of our trade policy efforts, the aim of every enforcement action will be to keep American workers and companies competitive around the world, and to accelerate employment and economic growth here at home.

Protecting American Innovation and Jobs

The United States is the global leader in fostering innovation and improvements in technology. The U.S. Chamber of Commerce estimates that intellectual property (IP)-intensive industries employ 18 million Americans. However, the competitive advantage of those American workers is eroded when piracy, counterfeiting, and other intellectual property theft threaten American brand-name products, copyrighted content, and patented inventions.

Whether American small businesses export and expand is frequently determined by their level of confidence that their intellectual property will not be stolen. Providing more certainty in this regard can embolden these American job-creators to export, and can help to create a global environment that encourages creative, innovative solutions to the world's most pressing problems.

In 2010, the United States made it a priority to engage with trading partners around the world to strengthen global intellectual property rights. Most notably, the Administration fulfilled a pledge to negotiate and enforce effective IP protection to the benefit of American innovators and the public at large. With partner countries representing more than half of global trade, we finalized the text of the Anti-Counterfeiting Trade Agreement (ACTA) – an important new tool to fight counterfeiting and piracy, which threaten American jobs that depend on innovation and creativity. The ACTA will strengthen international cooperation, enforcement practices, and the legal frameworks for addressing these challenges.

With expanded public input, we also used the Special 301 process – an annual review of the adequacy and effectiveness of intellectual property rights protection and enforcement around the world – to better identify key challenges for American businesses and create better markets for job-supporting American exports. We encouraged significant advances in intellectual property rights protections in countries from the Czech Republic to Saudi Arabia. We also secured a long-sought understanding with Israel that will enable U.S. manufacturers to sell medicine there with assurances that their clinical test data and other intellectual property rights are secure. Improving enforcement of intellectual property rights in these countries makes them more attractive markets for U.S. exports that support American jobs.

Administration efforts to oppose problematic aspects of China's "indigenous innovation" policies are also helping to protect U.S. intellectual property, technology, and jobs. For example, China agreed at the December 2010 Joint Commission on Commerce and Trade (JCCT) to prevent discrimination against goods or services in government procurement based on where their intellectual property is owned or developed. These and other commitments regarding innovation and intellectual property rights are discussed in more detail later in this report; these accomplishments have helped to anchor a more even-handed environment for U.S. exports to China and U.S. companies invested in China.

In 2011, we will build on these successes, looking forward to the entry into force of the ACTA and utilizing other IP rights enforcement tools to protect and open markets for American innovators and entrepreneurs, especially small businesses. We will continue to pay special attention to IP rights in our trade negotiations and enforcement efforts, while maintaining 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 TRIPS Agreement and Public Health. We will continue to engage with the public to develop sound, well-balanced IP rights policies and seek new ways to strengthen international support for IP rights.

Strengthen Trade Relationships with Global Partners

America's export potential and our access to the benefits of two-way trade depend on the strength and health of our trade relationships with economies around the world. Sustained engagement is increasingly important to a number of our dynamic trading relationships, where challenges and opportunities exist across a diverse set of issues. Trade agreements, including free trade agreements and other trade and investment mechanisms, fortify these key relationships. They increase cooperation on shared concerns, enhance dialogue on emerging issues, create opportunities for American businesses overseas, and protect those American interests once they enter foreign markets. Ultimately, well-established trade relationships serve our efforts to grow employment and economic opportunity here at home.

A forward-looking trade policy that supports better American jobs must also aggressively pursue new prospects in emerging high-growth markets. It is imperative to seek out these new markets and develop tools to open them to America's competitive goods, services, and agriculture products.

The Obama Administration places a high priority on reinforcing and deepening long-standing trade ties with major partners, and on using various trade and investment tools to expand American opportunity in key target markets. Some examples:

The Americas

Significant advances were made in 2010 with Canada and Mexico, our closest neighbors and largest export markets. In February, the United States resolved a key bilateral trade irritant with Canada and won permanent U.S. access to tens of billions of dollars' worth of Canadian provincial and territorial procurement contracts in accordance with the WTO Government Procurement Agreement (GPA). In August, Mexico recognized the equivalence of U.S. and Canadian standards covering certain electrical and electronic products, which will expedite the entry of these products into the Mexican market and reduce the costs for U.S. companies that export these products to Mexico.

In 2011, the NAFTA – both the United States' largest free trade agreement and one of our oldest – will be the basis for further deepening and enhancing these vital trade relationships. Several initiatives will build on work begun over the last two years. The U.S.-Mexico High-Level Regulatory Cooperation Council will identify sectors for more intensive cooperation as regulators develop new and revised frameworks to better protect and inform our citizens while enhancing the competitiveness of our economies. We also plan to sign in 2011 a Mutual Recognition Agreement for Conformity Assessment of Telecommunications Equipment between the United States and Mexico that reflects the agreement announced at the NAFTA Free Trade Commission in January. The three NAFTA partners also will increase cooperative activities to promote participation of small- and medium-sized enterprises in North American trade.

Monitoring and enforcement will remain a focus. The United States and Mexico have begun to negotiate an agreement on implementation of a new cross-border trucking program to resolve a long-standing dispute and end harmful retaliation by Mexico on U.S. exports. With Canada, a new U.S.-requested arbitration to ensure America's rights under the Softwood Lumber Agreement will proceed as the findings of previous arbitral panels are implemented.

As a group, Latin American countries represent one of the largest markets for U.S. exports after North America and the European Union. We are working to expand and diversify our economic relationship with Brazil, our second largest trading partner in Latin America. The two governments met in November 2010 on trade and investment policy matters under the auspices of the U.S.-Brazil Bilateral Consultative Mechanism. We are advancing negotiations on a new framework to build upon common and mutually beneficial interests, including trade facilitation, technical barriers to trade, intellectual property rights protection, and services and investment issues.

We look forward to reenergizing engagement in 2011 with our free trade agreement partners in Central America (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua) and the Dominican Republic and to expanding trade relations with Brazil as well. In February 2011, we held the first Free Trade Commission (FTC) Ministers' meeting under the CAFTA-DR to review its administration and implementation and to expand and broaden the benefits of trade under the agreement. There Ministers endorsed a positive, forward-looking agenda with a focus on trade facilitation and small and medium-sized enterprises.

We also plan to continue engaging bilaterally with our other hemispheric trade agreement partners, including pursuing intellectual property rights concerns with Chile and working to ensure Peru's implementation of its forest sector annex obligations. We also plan to engage with countries such as Uruguay, Paraguay and Ecuador, through established mechanisms for exchanges on trade and investment policy matters.

Europe

Collectively, the 27 countries of the European Union (EU) are America's largest trading partner and biggest investment market. Commerce between the United States and the EU is a critical pillar of U.S., European, and global prosperity. Despite successes in strengthening transatlantic trade and investment, our EU counterparts and we agree that we can do more to make our trade relationship a more productive source of new jobs, growth, and competitive advantage.

In 2010, the United States achieved significant benefits in the EU trade relationship through negotiation and through the enforcement process. By mid-2010, the U.S.-EU beef agreement negotiated by USTR in 2009 had helped American ranchers sell more high-quality American beef to Europe – nearly 10,000 tons valued at $100 million – than they had since the EU hormone ban went into effect in January 1989.

During 2011, the United States will pursue negotiations and policy initiatives that will help fulfill the promise of the transatlantic economic relationship. We will seek to identify with our EU counterparts potential new approaches to the reduction or elimination of barriers to our goods and services trade and investment. A key focus of this effort will be non-tariff barriers rooted in differences in U.S. and EU regulatory approaches – barriers that now constitute the most significant obstacles to expanded transatlantic trade and investment.

Non-tariff barriers are a concern across U.S. trade policy, and in December 2010 the Transatlantic Economic Council (TEC) – a group of cabinet-level U.S. and EU officials – launched several regulatory cooperation initiatives aimed at reducing existing non-tariff barriers and preventing new ones. Notably, we agreed to identify economically promising emerging technologies or sectors in which the United States and the EU could implement compatible regulatory approaches. We will also seek ways to improve each side's development of regulations and use of standards.

The United States will also intensify cooperation with the EU in addressing common concerns in major third-country markets with respect to market access barriers, intellectual property rights protection, and regulations or product standards that are too trade restrictive or not scientifically justified. We will seek to replicate the successful 2009 resolution of the long-standing U.S.-EU beef dispute with new efforts to resolve lingering WTO cases and other frictions. This will enable U.S. and EU officials to direct more time and attention to promising market-opening initiatives.

Asia

As the United States' third largest goods export market, China presents enormous economic opportunities for American businesses and workers. At the same time, our largest bilateral trade deficit is with China, and China often employs practices that impede trade. Striking an appropriate balance in this complex and challenging trade relationship requires sustained engagement and significant resolve on the part of the United States.

While using the WTO to litigate a number of difficult issues that dialogue could not solve, the United States and China continued important talks on trade and investment in the Strategic and Economic Dialogue (S&ED) and the Joint Commission on Commerce and Trade (JCCT).

The May 2010 S&ED produced near-term results in the trade area, including a commitment by China that its innovation policies will be consistent with the principles of non-discrimination, support for market competition and open international trade and investment, strong IP rights enforcement, and, consistent with WTO rules, leaving the terms and conditions of technology transfer, production processes, and other proprietary information to agreement between individual enterprises.

After changes to the JCCT including a first-ever mid-year review to ensure strong implementation of past commitments and to focus the work for the upcoming annual meeting, we achieved significant progress on a number of issues of concern. At the 2010 JCCT, the United States secured commitments from China to enforce intellectual property rights that would protect American jobs, including through increased purchase and use of legal software, as well as by addressing Internet piracy and piracy of electronic journals and cracking down on landlords who rent space to counterfeiters in China. China agreed to eliminate discriminatory "indigenous innovation" criteria used to select industrial equipment for preferential treatment, improving access to China's market for American machinery manufacturers, and committed to open and neutral standards for 3G and future technologies in one of the world's largest telecommunications markets. The Chinese also committed not to discriminate in government procurement decisions based on where the intellectual property component of the products was developed, or to discriminate against innovative products made by foreign suppliers operating in China.

Other Chinese commitments during the 2010 JCCT included openness, non-discrimination, and transparency in China's smart grid market, and cooperation on smart grid standards, creating more opportunities in a market that is estimated to be worth $600 billion. China committed to accelerate its accession to the WTO's Government Procurement Agreement (GPA), which will help America's innovators and entrepreneurs continue to support American jobs by selling to the Chinese government. The United States will continue active coordination with China regarding implementation of these JCCT commitments. The United States will also continue to pursue science-based market access for beef and beef products.

In 2011, the Administration will continue working to increase the benefits that the United States derives from trade and economic ties with China. We will focus again on outcome-oriented dialogue at all levels of engagement, while also taking concrete steps to enforce China's adherence to its international trade obligations. Already in 2011, the United States made important progress with China at the January Summit between President Obama and President Hu Jintao. Specifically, China agreed to delink its innovation policy from the provision of government procurement preferences, to audit its software legalization program and publish the results of those audits, and to cover sub-central entities in its 2011 revised offer to join the GPA.

During the rest of 2011, we will continue to pursue robust formal and informal meetings and dialogues with China. These will include numerous working groups and high-level meetings under the auspices of the S&ED and the JCCT, which will have a particular focus on trade irritants arising in the areas of intellectual property rights, industrial policies, trading rights, agriculture, services and transparency. At the same time, the United States will continue to use actively other tools, including WTO dispute settlement where appropriate on issues left unresolved by dialogue.

Japan is America's fourth-largest goods trading partner, and was a particularly important source of trade collaboration in 2010. Even as the United States coordinated with Japan on an ambitious APEC agenda, we also agreed on a bilateral basis to launch an Economic Harmonization Initiative that will facilitate trade, address business climate and individual issues, and advance coordination on regional issues of common interest. This important new initiative will begin in early 2011.

Also in 2011, we will continue to address longstanding irritants such as restricted access to Japan's beef market and level playing field concerns related to Japan Post. The United States will continue to work closely with Japan on addressing common concerns related to third country policies and practices.

As a whole, the 10 member countries of the Association of Southeast Asian Nations (ASEAN) together comprise the fourth largest export market of the United States and its fifth largest two-way trading partner. ASEAN includes Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, and Vietnam. Our regional work through the U.S.-ASEAN TIFA will be complemented by work under the bilateral TIFAs we have with countries in the region.

In South Asia, India presents one of the most significant markets for growth in U.S. exports and investment. The last decade witnessed a quadrupling of U.S. exports to India and significant growth in Indian investment into the United States. Tapping the tremendous potential for greater bilateral trade and investment between our two countries will require efforts in 2011 to eliminate numerous trade barriers. These include measures prohibiting the entry of several U.S. agricultural products into the Indian market or efforts designed to stimulate domestic industry at the expense of foreign competition; other barriers range from prohibitions and restrictions on foreign investment in key sectors to inadequate protection and enforcement of intellectual property rights. We will continue to use all available mechanisms – including the U.S.-India Trade Policy Forum and the WTO – to promote an open and transparent trade and investment regime in India that will ensure U.S. exporters and investors the opportunities afforded by India's growth.

The Middle East and North Africa

With a large and growing population of 450 million, a regional GDP equivalent to the world's sixth-largest economy, and close to $1 trillion in reserves, countries in the Middle East and North Africa are becoming significant potential export and investment markets for the United States. Our engagement with countries of this strategically important region in 2010 yielded key achievements. These included Saudi Arabia's removal after 20 years from USTR's Special 301 Watch List for intellectual property concerns, improved intellectual property rights protections for U.S. pharmaceutical exports to Israel, and significant progress in Yemen's WTO accession negotiations. In 2011, we will build on these successes by improving implementation of the U.S. free trade agreements with Israel, Jordan, Morocco, Bahrain, and Oman; by vigorously enforcing obligations; and by promoting the use of these agreements by U.S. firms to increase exports and support American jobs. We will use our various Trade and Investment Framework Agreements (TIFAs) and other forms of engagement to increase trade with non-FTA partners in the region, particularly the NEI priority market of Saudi Arabia. Beyond this, we will identify steps to promote further intra-regional trade integration, which should encourage economic reform, counter political unrest, and increase the region's attractiveness as a destination for U.S. firms and products.

Sub-Saharan Africa

Across sub-Saharan Africa, the African Growth Opportunity Act (AGOA) and other programs continue to increase trade and development by providing expanded duty-free access to 37 beneficiary countries in sub-Saharan Africa. In 2010, the United States hosted the annual AGOA Forum in Washington, D.C. and Kansas City, Missouri on the 10^{th} anniversary of the program, welcoming Trade Ministers and African and U.S. business leaders to discuss ways to enhance U.S.-sub-Saharan African trade and investment. USTR has worked closely with USAID to ensure that ongoing trade capacity building assistance to African nations, through the regional trade hubs as well as bilateral missions, enables them to take advantage of the market access provided by AGOA, and to link U.S. and African businesses – particularly small- and medium-sized enterprises – to expand their trade and investment ties. The United States and Zambia established the U.S.-Zambia Trade Working Group and approved an Action Plan to increase two-way U.S.-Zambian trade, with a special focus on Zambian efforts to diversify exports under the AGOA.

The United States also completed the first round of Bilateral Investment Treaty (BIT) negotiations with Mauritius to strengthen investor protections and encourage the continuation of market-oriented economic reforms.

While AGOA and other programs have helped to expand and diversify U.S.-African trade, there is a growing recognition that unilateral preferences alone are not enough to promote the trade-led economic growth we seek in sub-Saharan Africa. In 2011, the Administration will work with Congress, stakeholders, and our African partners toward next-generation strategies that foster increased U.S.-African two-way trade and investment and spur further economic development in Africa. For example, we will seek to deepen the United States-East African Community (EAC) trade and investment relationship, using the platform of the existing U.S.-EAC TIFA to negotiate trade and investment-related understandings and agreements that complement the preferential market access already granted to EAC countries under AGOA.

We will seek to expand and diversify our two-way trade with sub-Saharan Africa through efforts to improve AGOA utilization and through implementation of detailed TIFA work plans with 11 bilateral and regional partners to address a range of trade-related issues – for example, sanitary and phytosanitary issues in South Africa and import bans in Nigeria. We will work closely with Congress, our African partners, and other stakeholders as these efforts proceed. We look forward to continuing our dialogue on these and other related issues at the 10th annual AGOA Forum in Lusaka, Zambia in June.

Key Promising Markets

Another key focus of our bilateral engagement will be emerging growth opportunities in developing markets with great potential for U.S. exporters and investors. We are working to open markets such as Turkey, Ukraine, South Africa, and Indonesia through an array of trade policy tools, including, where applicable, TIFAs, BITs, Joint Committees on Trade and Investment, and a number of other dialogues and mechanisms.

Notwithstanding their promise, many of these growing markets are still characterized by significant barriers to trade and investment. Obtaining greater access, including by identifying and reducing significant tariff and non-tariff barriers, will expand opportunities for U.S. exporters and help support additional American jobs. Although the immediate gains may be small in comparison to more established markets, enhanced access will pay increasing dividends to the U.S. economy in the years to come. Our efforts today are laying the groundwork for stronger and more beneficial trade relationships.

In Turkey, we will use the new cabinet-level strategic framework and other formal engagements to meet our NEI goals and deepen bilateral commercial ties with that country. Similarly, in Ukraine we are engaging the new government in an effort to improve the business climate for U.S. firms, notably through the recently adopted action plan on enhanced protection of intellectual property rights.

In 2010, we re-activated the U.S.-South Africa TIFA, paving the way for our efforts this year to address bilateral concerns from anti-dumping to sanitary and phytosanitary issues. Our bilateral TIFA with Indonesia provided a basis in 2010 for returning American pork to the Indonesian market and keeping American packaged food products and American films flowing there. This year, we will use the TIFA to seek to address the remaining market access restrictions that block American exporters from Indonesia's agriculture, manufacturing, pharmaceuticals, telecommunications, and express delivery sectors.

The Model Bilateral Investment Treaty

The Administration is committed not only to strengthening trade relationships through the use of trade mechanisms, but to strengthening investment tools to better serve our economic growth and employment goals. For this reason, in 2011, the Administration will build on the substantial progress made in 2009-2010 in the review of the "Model Bilateral Investment Treaty." Our objective is to produce an updated model that preserves core investor protections without compromising governments' ability to regulate in the public interest, fosters competitive neutrality in foreign markets dominated by state-owned enterprises, and enhances transparency and labor and environmental protection. Completion of the Model BIT review will enable the intensification of negotiations with key emerging economies from China, India, and Vietnam to Mauritius and others, and the implementation of agreements that will expand American economic opportunity abroad.

Partner with Poor and Developing Countries on Trade and Development Issues

During the past six decades, the liberalization of world trade has moved hundreds of millions of people out of poverty and into the global middle class. However, well over two billion people still live on less than $2 a day. More than one billion people in the world live on half that. Increased trade holds the promise of boosting economic development and improving lives in poor and developing countries around the world. That is why this Administration is committed to working with our partners around the world to foster a trade-based prosperity that is more widely shared.

To be sure, trade and economic opportunity can reinforce each other in a virtuous growth cycle. Building markets abroad creates more customers for American exporters. In countries where governments are ready to partner with the United States to promote trade and economic development on a level playing field, we will work with their leaders to achieve those objectives and seek markets for American goods and services as well. Where we find unfair barriers to trade, an uneven playing field, or a lack of transparency and accountability, we will work with our partners to resolve those issues.

In 2010, a broad review of the United States' development goals and existing programs produced the first-ever Presidential Policy Directive (PPD) on Global Development, which includes trade as a critical component of a whole-of-government approach to development policy. A top priority is to build the capacity of developing countries' governments to drive development and eventually sustain economic growth on their own. As part of this strategy, the President has selected Ghana, the Philippines, Tanzania, and El Salvador to participate in Partnerships for Growth with the United States.

In 2011, the Administration will stress the importance of country ownership and responsibility in trade and development programs. This approach builds on the work of the Millennium Challenge Corporation (MCC), which promotes high standards of transparency, good governance, and accountability in MCC partner countries. Partnership and accountability are essential elements of the U.S. global development strategy.

In the context of this global development strategy, preference programs retain a key role in the United States' efforts to boost poor and developing economies through enhanced access to the American market. The Generalized System of Preferences (GSP), initiated in 1976, has offered duty-free treatment for as many as 4,800 products from 129 designated countries and territories throughout the world. AGOA is another highly successful program. U.S. preference programs also include the Andean Trade Preference Act (ATPA) program and the Caribbean Basin Initiative (CBI).

U.S. trade preference programs also benefit the American economy. While GSP is designed to promote economic growth across the developing world, U.S. businesses and consumers benefit through cost savings on imports, through access to more goods and services, and through import-supported jobs from docks to manufacturing plants to retail stores. Americans benefit in similar ways from AGOA, ATPA, and other programs. The ATPA also has a positive effect on drug-crop eradication and crop substitution in the Andean region where the raw material for cocaine is grown, as well as job growth in export-oriented industries there.

In December 2010, Congress passed a short-term extension of ATPA but was unable to renew GSP. As a result, authorization of the GSP program expired on December 31, 2010. On February 12, 2011, the short-term ATPA extension expired as well. Failure to renew and extend these programs will undermine the economic development efforts of many poor countries and negatively affect U.S. businesses and consumers. The Administration will work with Congress in 2011 to secure long-term reauthorization of these two essential trade programs.

The Administration will also continue to support special efforts to link trade and economic opportunity for countries that have been particularly ravaged by disaster or violence. In 2010, the U.S. Trade Representative's "Plus One for Haiti" Initiative secured pledges from U.S. brands and retailers to work toward sourcing one percent of their total apparel production from Haiti. In 2011, we will continue to help Haiti to take maximum advantage of opportunities in the U.S. market through efforts like these and the implementation of the Haitian Hemispheric Opportunity through Partnership Encouragement (HOPE II) Act, as amended and extended by the Haiti Economic Lift Program (HELP) Act of 2010. This year, we also will help our Pakistani partners recover from last year's devastating floods by seeking to build economic prosperity through trade. To this end, we will work with Congress to ensure renewal of GSP and to identify other mechanisms, including appropriate preference policies, that can provide Pakistan the opportunities necessary to overcome challenges like the 2010 floods.

U.S. businesses and non-governmental organizations also play an important role in our partnerships with developing countries. Many are actively engaged in capacity building efforts in thousands of communities around the world, helping to foster favorable conditions for economic growth and entrepreneurship. The Administration will continue to seek public-private partnerships that leverage combined resources and expertise to achieve the maximum impact for communities in poor and developing countries.

Looking to the future, the United States stands ready to fulfill our commitment, made at the 2005 WTO ministerial meeting in Hong Kong, to provide broad duty-free and quota-free market access to least developed countries as part of the implementation of a successful conclusion to the WTO's Doha Round. In the meantime, we will champion the WTO's work on trade facilitation to help better integrate developing countries, particularly least developed countries, into global supply networks. We also will continue to support the Aid for Trade initiative and the Enhanced Integrated Framework through bilateral trade capacity building assistance and on-the-ground presence in these countries.

Reflect and Uphold American Values in Trade Policy

The link between increased trade and better jobs, as well as trade's consumer benefits, is well established and on display in American society every day. Yet many Americans still feel strongly that trade's costs outweigh its benefits.

The Administration has deliberately considered the next direction for American trade policy, with the belief that this key component of economic recovery should and could be more responsive to Americans' concerns. We are confident that a trade policy focused on American employment and economic growth, incorporating labor and environmental concerns, and developed with greater transparency and public engagement, can give the American people greater assurance that trade can both serve our interests and reflect our values. We recognize that many job-supporting trade initiatives will only succeed if we orient U.S. trade policy toward these goals.

In 2010, the Administration's approach to trade demonstrated a strong commitment to these values.

Respect for the rights of workers was made evident – and achieved – in negotiations to advance the U.S.-Korea trade agreement, when the Administration obtained a special motor vehicle safeguard for America's auto workers. It was shown in a more responsive enforcement agenda that took up the concerns of American workers and included the first-ever case brought under a U.S. trade agreement for apparent violations of labor commitments.

We continued our effort to limit the impact of dislocations and to support new jobs for workers in transition through Trade Adjustment Assistance (TAA) and other U.S. workforce programs. The expiration in early 2011 of Trade Adjustment Assistance, the first trade priority of this Administration in 2009, needs to be advanced rapidly to protect workers negatively affected by trade. The Administration will continue to work with Congress to secure long-term reauthorization of this key program. We also recognize that the Administration's commitments to promote labor rights internationally must not be limited to ensuring strong protections in our trade agreements.

We remain committed to trade as a vehicle to facilitate progress on energy and environmental goals. We have shown this through our leadership in the WTO Doha negotiations to eliminate barriers to trade in environmental goods and services and to strengthen disciplines on harmful fisheries subsidies, in our ongoing work with Peru to ensure that it fulfills its commitments under the environmental chapter of our bilateral free trade agreement, and in our championing of the fight against illegal logging worldwide. As the host of APEC in 2011, the U.S. will push to address high tariffs and non-tariff barriers that disadvantage U.S. exporters of environmental goods.

The President's Advisory Committee on Trade Policy and Negotiations (ACTPN) was fully reconstituted in 2010 to include more representatives from non-governmental organizations, state and local government, public health, consumer interest, labor and environmental groups, while maintaining robust membership from the U.S. business community. These new ACTPN members will join congressional leaders and other American stakeholders in shaping trade policy that continues to work better for all Americans.

As key trade policies were formed in 2010, the Administration engaged in outreach of unprecedented scale and scope, including consultations with our partners in Congress, with workers, with businesses and with other interested parties nationwide. Efforts to address concerns with the U.S.-Korea trade agreement benefited enormously, as did finalizing the Anti-Counterfeiting Trade Agreement and the Special 301 process to identify barriers to American intellectual property exports. Outreach efforts reached groundbreaking levels in our work to advance the Trans-Pacific Partnership: Members of Congress and stakeholders were included at every stage, from the formulation of negotiating positions and a precedent-setting presence on-site at negotiations to a field hearing in Seattle with key environmental stakeholders and webinars for small business owners and others. These consultations proved the degree to which expanded consultation can inform and energize talks, especially in addressing and emerging trade issues and the concerns facing U.S. workers and businesses today.

The use of technology underpinned all of our efforts to expand the trade conversation among the American people. After a complete overhaul in 2009, www.ustr.gov was improved with a second re-design and update to better illustrate the impact of trade on communities around the country. A new, comprehensive website, www.export.gov, was launched to centralize for the public all information and resources regarding the National Export Initiative.

The effect of our broader, more responsive approach was apparent at the end of 2010. As a new agreement that will accompany the U.S.-Korea trade pact was announced, acclaim for the negotiations' result and for the Administration's transparent and inclusive process of consultations with a broad range of stakeholders was widespread. In 2011, we intend not only to replicate but also to build on this model of policy success through responsiveness to Americans' trade interests, values, and concerns.

Our pledge to achieve results that respect the rights of workers and that protect the environment will continue to shape our market-opening efforts and enforcement decisions. The input of stakeholders remains essential as we set trade policy priorities and execute them this year.

Close consultation with Congress will continue to be of paramount importance as we define future priorities, as we seek to bring home jobs and economic promise through approval of the U.S.-Korea trade agreement, and as we seek to resolve outstanding concerns and advance the Colombia and Panama trade agreements and WTO accessions. We will seek appropriate Congressional approval as necessary for the authorities to move forward with new and forward-looking pacts, such as TPP.

With regard to TPP, the Administration will also continue to develop its negotiating objectives in partnership with U.S. stakeholders and the Congress. We will continue the practice of inviting stakeholders to provide input directly to negotiators from the United States and the other TPP countries on the margins of formal negotiating rounds, to ensure that their views are fully reflected in the discussions.

Furthermore, we will sustain a high level of public engagement throughout 2011 when the United States hosts APEC. In addition to policy meetings, events will share the benefits of trade with the American public and educate our Asia-Pacific trade partners about the needs and concerns of American stakeholders. In this effort and across our trade agencies' work, we will continue to leverage the latest technology across multiple platforms to uphold high standards for transparency and public communication set by President Obama.

The goal of our labor and environmental efforts and of our outreach to Congress and stakeholders is to strengthen and restructure our country's trade policy. We seek to build a wider base of support that allows America to reach further around the world for the new markets and opportunities that American businesses and workers need to prosper here at home.

Conclusion

Trade is playing a significant role in America's economic recovery. In order to accelerate a job-rich, robust recovery here in America and balanced economic growth around the world, U.S. trade policy must be bold, with an appropriate focus on exports and a strong commitment to enforcing America's rights.

This Administration, the Congress, America's business and labor communities, and other stakeholders must work together. We have a shared responsibility to engage with the world through trade, instilling our values in a trade policy that advances our interests. We must capitalize on every opportunity to open markets and maintain a level playing field on which American manufacturers, farmers, ranchers, service providers, and workers can remain competitive, now and into the future. In doing so, we will support more jobs for hard-working Americans, expand prosperity at home and contribute to growth and development around the world.

Ambassador Ron Kirk
United States Trade Representative
March 1, 2011