

April 24, 2007

Ambassador Susan Schwab
United States Trade Representative
Executive Office of the President
600 17th Street, N.W.
Washington, D.C. 20508

Dear Ambassador Schwab:

Pursuant to Section 2104 (e) of the Trade Act of 2002 and Section 135 (e) of the Trade Act of 1974, as amended, I am pleased to transmit the report of the Industry Trade Advisory Committee on Standards and Technical Trade Barriers (ITAC 16) on the U.S.-Panama Trade Promotion Agreement reflecting a consensus opinion on the proposed Agreement.

Sincerely,

A handwritten signature in black ink, appearing to read "Wayne Morris". The signature is written in a cursive style with a large initial "W" and "M".

Wayne Morris
Chairman, ITAC 16

The U.S.-Panama Trade Promotion Agreement

**Report of the
Industry Trade Advisory Committee on Standards and
Technical Trade Barriers (ITAC 16)**

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Industry Trade Advisory Committee on Standards and Technical Trade Barriers (ITAC 16) Advisory Committee Report to the President, the Congress and the United States Trade Representative on the U.S. - Panama Trade Promotion Agreement

I. Purpose of the Committee Report

Section 2104 (e) of the Trade Act of 2002 requires that advisory committees provide the President, the U.S. Trade Representative, and Congress with reports required under Section 135 (e)(1) of the Trade Act of 1974, as amended, not later than 30 days after the President notifies Congress of his intent to enter into an agreement.

Under Section 135 (e) of the Trade Act of 1974, as amended, the report of the Advisory Committee for Trade Policy and Negotiations and each appropriate policy advisory committee must include an advisory opinion as to whether and to what extent the agreement promotes the economic interests of the United States and achieves the applicable overall and principle negotiating objectives set forth in the Trade Act of 2002.

The report of the appropriate sectoral or functional committee must also include an advisory opinion as to whether the agreement provides for equity and reciprocity within the sectoral or functional area.

Pursuant to these requirements, the ITAC 16 hereby submits the following report.

II. Executive Summary of Committee Report

The Members of ITAC 16 fully support the results of the U.S.-Panama Trade Promotion Agreement. The issues advanced by the ITAC 16 at the beginning of the negotiations have been adequately addressed. We are pleased with the work of the United States Government on this Agreement.

III. Brief Description of the Mandate of ITAC 16

The Committee shall perform such functions and duties and prepare reports, as required by Section 135 of the Trade Act of 1974, as amended, with respect to the sector and functional advisory committees.

The Committee advises the Secretary of Commerce and the USTR concerning the trade matters referred to in Sections 101, 102, and 124 of the Trade Act of 1974, as amended; with respect to the operation of any trade agreement once entered into; and with respect to other matters arising in connection with the development, implementation, and administration of the trade policy of the United States including those matters referred to in Reorganization Plan Number 3 of 1979 and Executive Order 12188, and the priorities for actions thereunder.

In particular, the Committee provides detailed policy and technical advice, information, and recommendations to the Secretary and the USTR regarding trade barriers and implementation of

trade agreements negotiated under Sections 101 or 102 of the Trade Act of 1974, as amended, and Sections 1102 and 1103 of the 1988 Trade Act, which affect the products of its sector; and performs such other advisory functions relevant to U.S. trade policy as may be requested by the Secretary and the USTR or their designees.

IV. Negotiating Objectives and Priorities of ITAC 16

The ITAC 16 discussed its negotiating objectives and priorities for the U.S.-Panama Trade Promotion Agreement and indicated their support for the Agreement's provisions that built upon WTO disciplines in the following areas:

1. The ITAC 16 supported U.S. negotiations, which would reinforce transparency obligations by specifically requiring agencies to disclose and/or publish their response to the comments received on proposed technical regulations with the final rule.
2. ITAC 16 supported U.S. negotiations, which would seek a national treatment in a binding sense. The ITAC 16 was opposed to having any transition period as given to Mexico under NAFTA. (Currently this is expressed as a weak obligation in TBT Article 6.4, and as a binding obligation in NAFTA Article 908.2.) The ITAC 16 also supported U.S. negotiations, which would acknowledge alternative approaches to conformity assessment.
3. ITAC 16 supported U.S. negotiations, which would seek an opportunity for direct participation on a non-discriminatory basis in the development of Standards-Related Measures (not covered by WTO rules; cf NAFTA 909.7).
4. ITAC 16 supported U.S. negotiations, which would seek to establish informal mechanisms for rapid resolution of disputes.
5. ITAC 16 recommended that the five-year implementation period for transparency obligations be minimized or eliminated in future agreements.

V. ITAC 16 Opinion on the U.S.-Panama Trade Promotion Agreement

The ITAC 16 has deliberated over the final text of the U. S.-Panama Trade Promotion Agreement, and the committee has limited its comments to the sections that specifically address Technical Barriers to Trade. The issues advanced by the ITAC 16 at the beginning of the negotiations have been adequately addressed. We affirm that the agreement effectively promotes the economic interests of the United States and achieves the overall and principal negotiation objectives set forth in Section 2102 of the Bipartisan Trade Promotion Authority Act of 2002. Likewise, we verify that the agreement adequately provides for equity and reciprocity as regards standards and technical trade barriers. We recommended that the five-year implementation period for transparency obligations included in the U.S.-Chile FTA, be minimized or eliminated in future agreements. We are disappointed the U.S. negotiators were unable to obtain a three-year implementation period for the transparency obligations in the U.S.-Panama Trade Promotion Agreement. We request that all future Trade Promotion Agreements

reduce this implementation period to no more than three years. Overall, we are pleased with the work of the United States Government on this Agreement.

VI. Membership of ITAC 16

Wayne Morris, Chair, Association of Home Appliance Manufacturers
Joan Cassidy, Vice-Chair, American Council of Independent Laboratories
Steven Butcher, Rubber Manufacturers Association
Thomas Catania, Whirlpool Corporation
Robert Daniels, Tile Council of America
Darrin Drollinger, Association of Equipment Manufacturers
Robert Glowinski, American Forest and Paper Association
Joe Bhatia, American National Standards Institute
John Meakem, National Electrical Manufacturers Association
June Ling, ASME International
David Miller, American Petroleum Institute
Robert Noth, Deere and Company
William Primosch, National Association of Manufacturers
Matt Williams, Aerospace Industry Association
Ronald Reimer, Rockwell Automation
Peggy Rochette, Food Products Association
AnnMarie Rollins, Information Technology Industry Council
James Thomas, American Society of Testing and Materials International
Peter Unger, American Association for Laboratory Accreditation
Jerome Walker, Institute of Electrical and Electronics Engineers, Inc.