VI. TRADE POLICY DEVELOPMENT

A. Trade Capacity Building ("Aid for Trade")

The President's approach to global development, as outlined in the U.S. global development policy released on September 22, 2010, addresses the new strategic context faced by the United States through the following three pillars:

- A policy focused on sustainable development outcomes that places a premium on broad-based economic growth, democratic governance, game-changing innovations, and systems for meeting basic human needs;

- A new operational model that positions the United States to be a more effective partner and to leverage U.S. leadership; and

- A modern architecture that elevates development and harnesses development capabilities spread across U.S. Government in support of common objectives – including a deliberate effort to leverage the engagement of and collaboration with other donors, foundations, the private sector, and NGOs – not just at the project level, but systemically.

USTR participated actively in the preparation of this strategy and remains active in its implementation. USTR has continued to work closely with the U.S. Department of State, USAID, MCC, USDA, and other U.S. Government agencies to support countries in their capacity to trade, as described in this section.

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

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

U.S. efforts build on our longstanding commitment to help partner countries benefit from the opportunities provided by the global trading system, both through bilateral assistance and multilateral institutions. U.S. bilateral assistance includes programs such as targeted assistance for developing countries participating in U.S. preference programs; coordination of assistance through Trade and Investment Framework Agreements (TIFAs); trade capacity building (TCB) working groups that are an integral part of preparing developing country partners for potential negotiations on Free Trade Agreements (FTAs); and Committees on TCB created to aid in the negotiation and/or implementation of a number of FTAs, including the FTAs with the Dominican Republic and Central America, Colombia, Panama, and Peru, and for some partners in the ongoing Trans-Pacific Partnership negotiations. The United States also provides bilateral assistance to developing countries to enable them to work with the private sector and non-governmental organizations to transition to a more open economy, to prepare for WTO negotiations, and to abide by their trade obligations. Multilaterally, the United States has supported and will continue to support trade-specific assistance mechanisms like the Enhanced Integrated Framework for Trade-Related Assistance to Least-Developed Countries and the WTO's Global Trust Fund for Trade-Related Technical Assistance.

1. The Enhanced Integrated Framework

The Enhanced Integrated Framework for Trade-Related Assistance to Least-Developed Countries (EIF) is a multi-organization, multi-donor program that operates as a coordination mechanism for trade-related assistance exclusively to least-developed countries (LDCs) with the overall objective of integrating trade into national development plans. Participating organizations include the WTO, World Bank, IMF, UNCTAD, UNDP, UNIDO, and the International Trade Center. The mechanism incorporates a country-specific diagnostic assessment, called the Diagnostic Trade Integration Study (DTIS), which aims to identify constraints to competitiveness, supply chain weaknesses, and sectors of greatest growth and/or export potential. The DTIS includes an action plan, consisting of a list of priority reforms identified by the DTIS, which is offered to multilateral and bilateral donors. Project design and implementation can be accomplished through the resources of the EIF Trust Fund or through multilateral or bilateral donor programs in the field (as the United States does through its development assistance programs).

The EIF aims to further the integration of the least trade-active countries into the multilateral trading system. Of the 49 LDCs, 47 have joined the EIF. As of December 2013, a total of 58 projects and 37 DTIS and DTIS updates were already under way in 43 countries. The EIF is supported by 23 donors. Institutionally, the EIF is overseen by a Board of Directors, composed of donor countries, least-developed countries, and participating international organizations. The EIF Secretariat, led by an executive director, is responsible for programmatic implementation, while the EIF Trust Fund Manager is responsible for financial aspects of the program.

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

During the Ninth WTO Ministerial Conference in Bali, Ministers of least-developed countries and donor countries to the EIF highlighted continued support for the EIF and stressed the importance of the forthcoming evaluation in 2014 to determine the future of the program. The evaluation, which should be completed in November 2014, will undertake an independent, systematic, and objective assessment of the implementation of the EIF program, with a particular focus on the results and impact achieved by the program over the past five-years. The evaluation will also seek to identity lessons learned, challenges and opportunities to aid future strategic programing.

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

International trade can play a major role in the promotion of economic growth and the alleviation of poverty. WTO Members recognize that TCB can facilitate effective integration of developing countries into the international trading system and enable them to benefit further from global trade. The United States provides leadership in promoting trade and economic growth in developing countries through a wide range of TCB activities. The United States also directly supports the WTO's trade-related technical assistance.

Global Trust Fund

The United States supports the trade-related assistance activities of the WTO Secretariat through voluntary contributions to the DDA Global Trust Fund. With an additional contribution of $1.092 million in 2013, total U.S. contributions for WTO technical assistance have amounted to over $14 million since 2001.

WTO's Aid for Trade Initiative

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

The Fourth Global Review of Aid for Trade was held in July 2013 and focused on Aid for Trade in the context of a global trading system increasingly characterized by national, regional, and global supply chains. The Global Review also considered related challenges that developing countries, and in particular LDCs, face in integrating and moving up value chains. The plenary sessions were structured around three broad themes: trade, development goals, and value chains; understanding value chains and development; and future perspectives on Aid for Trade. Additional side events were also organized by WTO Members, intergovernmental organizations, and non-governmental organizations, including a side event sponsored by the United States. USTR and USAID collaborated to organize a USAID-sponsored panel that showcased how, through its catalyzing role in the creation of the African Cashew Alliance (ACA) and the Global Shea Alliance (GSA), USAID helped to connect these two value chains to global end markets and helped the private sector add value in developing countries. Key themes that emerged from the Global Review included: the need to engage the private sector; the importance of services for adding value; the key role played by skills; the role that Aid for Trade could play in reducing investor risk; how Aid-for-Trade resources should leverage investment; the critical role of border management and transport services; and the importance of access to trade finance.

During the Ninth WTO Ministerial Conference in Bali, Ministers welcomed the progress on Aid for Trade and recognized the continuing need of Aid for trade for developing countries and in particular LDCs. Ministers reaffirmed their commitment to Aid for Trade. Members will undertake work in 2014 to update the Aid for Trade Work Program for 2014-2015.

WTO and Trade Facilitation

The United States has provided substantial assistance over the years in the areas of customs and trade facilitation and remains committed to continued support in light of the WTO Trade Facilitation Agreement agreed at the Ninth WTO Ministerial Conference in Bali in December 2013. In July 2013, on the margins of the Fourth Global Review, 14 donor Members including the United States, along with eight international organizations, issued a statement reaffirming ongoing support for implementation of a WTO Trade Facilitation Agreement. U.S. support for developing countries' implementation of trade facilitation reforms has been conducted through various mechanisms. For example, the United States provides support for building trade and development corridors in Africa, including through the U.S. Government's Global Hunger and Food Security Initiative. In November 2011, the United States announced the Partnership for Trade Facilitation, a flexible funding mechanism that supports developing countries' efforts to implement provisions of the WTO Trade Facilitation Agreement. In 2013 under the Partnership for Trade Facilitation, USAID partnered with 17 countries with the objective of streamlining the time and cost of importing and exporting goods.

WTO Accession

The United States provides technical support to countries that are in the process of acceding to the WTO. In 2013, the United States provided WTO accession support to several countries, including Afghanistan, Azerbaijan, Bosnia and Herzegovina, Iraq, Kazakhstan, Laos, and Liberia. Among current accession applicants, Algeria, Belarus, Ethiopia, Lebanon, Serbia, and Uzbekistan also received U.S. technical assistance earlier in their accession processes. At the request of Turkmenistan's government, which is considering whether to request initiation of negotiations to accede the WTO, USAID organized seminars on WTO accession for officials and other economic stakeholders in March and again in July of 2013.

3. TCB Initiatives for Africa

Through bilateral and multilateral channels, the United States has invested more than $4.9 billion in trade-related projects in sub-Saharan Africa since 2001 to spur economic growth and fight poverty.

Africa Competitiveness and Trade Expansion Initiative

The centerpiece of U.S. support for building trade capacity in Africa is the African Competitiveness and Trade Expansion (ACTE) Initiative which was announced in 2011. This initiative provides up to $120 million over four years to improve Africa's capacity to produce and export competitive, value-added products, including those that can enter the United States duty free under the African Growth and Opportunity Act (AGOA), and to address supply-side constraints that impede African trade. ACTE supports the work of three regional trade hubs, helps drive economic development in African countries, and enhances trade opportunities for Africans and Americans alike.

In the summer of 2013, President Obama launched Trade Africa, a new partnership between the United States and sub-Saharan Africa that seeks to increase internal and regional trade within Africa and expand trade and economic ties between Africa, the United States, and other global markets. Trade Africa will initially focus on the East African Community (EAC) and will combine the negotiation of trade and investment agreements, U.S. and EAC private sector engagement, and trade capacity building support provided both directly by the United States and through new partnerships with international donors.

Assistance to West African Cotton Producers

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

A key element in U.S. assistance to the cotton sector in West Africa has been USAID's West Africa Cotton Improvement Program (WACIP). The program aimed to improve the production and marketing of cotton in five countries: Benin, Burkina Faso, Chad, Mali, and Senegal. WACIP was designed to help achieve the following objectives: (1) reduce soil degradation and expand the use of good agricultural practices; (2) strengthen private agricultural organizations; (3) establish a West African regional training program for ginners; (4) improve the quality of West African cotton through better classification of seed cotton and lint; (5) improve linkages between U.S. and West African research organizations involved with cotton; (6) improve the enabling environment for agricultural biotechnology; and (7) assist with policy/institutional reform. Under WACIP, National Advisory Committees composed of stakeholders in each country worked to identify specific policy priorities and projects that would meet the associated goals.

In 2010, WACIP was extended to April 2012. The first iteration of WACIP had a positive impact raising smallholder incomes and food security through increased cotton and rotational food crop yields. Some of the key successes under WACIP included a 17 percent increase in yields for seed cotton, as well as increases in yields for the other food crops that are grown in rotation with cotton, namely an 18 percent increase for maize and a 31 percent for cowpeas. Returns for seed cotton increased by 43 percent, for maize by 7 percent, and for cowpeas by 153 percent. As a result, WACIP was extended in 2013, while USAID restructured its food security program to support a follow-on program, the Cotton Partnership Program. The Cotton Partnership Program will be funded up to $16 million over four years and activities under the new award are expected to start in early 2014.

The U.S. Government also provides complementary support to the cotton sector through other programs. MCC is implementing or has implemented compacts with Benin, Burkina Faso, Mali, and Senegal. The USDA also provides support to these countries through its Food for Progress program, which encourages development of the agriculture sector and market development. USDA further supports the West African cotton sector through its research and exchange programs, specifically the Borlaug Programs and the Cochran Program.

4. Free Trade Agreement Negotiations

In addition to the WTO programs and EIF, the United States helps U.S. FTA partners participate in negotiations, implement commitments, and benefit over the long term through TCB working groups. The FTA partners have also formed Committees on TCB to prioritize and coordinate TCB activities during the transition and implementation periods once an FTA enters into force. USAID and USDA, in Washington and in their field missions, along with a number of other U.S. Government assistance providers actively participate in these working groups and committees so that identified TCB needs can be quickly and efficiently incorporated into ongoing regional and country assistance programs. The Committees on TCB also invite non-governmental organizations, representatives from the private sector, and international institutions to join in building the trade capacity of the countries in each region.

For example, trade capacity building is a fundamental feature of bilateral cooperation in support of the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) and the United States-Peru Trade Promotion Agreement (PTPA). The CAFTA-DR provides for a Committee on TCB. The CAFTA-DR was signed in 2004 and entered into force for the United States, El Salvador, Guatemala, Honduras, and Nicaragua during 2006, for the Dominican Republic in 2007, and for Costa Rica in 2009. CAFTA-DR TCB Committee meetings have been attended by representatives of each of the CAFTA-DR Parties and by International Donor Organizations including the Inter-American Development Bank (IDB), the Economic Commission for Latin America and the Caribbean (ECLAC) and, as appropriate, by the Organization of American States (OAS). The meetings have provided an opportunity for the Committee to review TCB strategies and priorities, as well as the TCB activities of U.S. donor agencies and the international institutions.

Like the CAFTA-DR, the PTPA includes a provision that creates a Committee on TCB to build on work done during the negotiations by the TCB working group. The purpose of the Committee is to assist Peru in refining and implementing its national TCB strategy, as well as to foster assistance to promote economic growth, reduce poverty, and adjust to liberalized trade. Peru presented its preliminary national trade capacity strategy to the TCB Committee in March 2009, addressing several specific objectives relating to implementation of the PTPA and highlighting areas such as telecommunications, intellectual property, and agricultural standards. Since that time, USAID/Peru has been working closely with its Peruvian government counterparts to ensure that its activities respond directly to Peru's trade capacity needs. To that end, USAID and USDA, along with Peruvian government agencies and universities, have been working together to strengthen Peru's agricultural sector through targeted capacity building in the areas of SPS regulatory and surveillance systems, agricultural research, and agricultural education.

Additionally, USAID launched a trade capacity building project in July of 2010 through which it worked with several Peruvian ministries and agencies to assist with the implementation of the PTPA and facilitate trade across a wide range of sectors. The activities focused on the following areas: implementation of the labor and intellectual property provisions; strengthening intellectual property enforcement training, patent processes, strengthening capacity to evaluate drug applications; and improving customs operations to comply with the PTPA and to facilitate trade. Activities under this USAID facility – referred to as *Facilitando Comercio* – were concluded in September 2013.

The United States and Peru are also working closely on a number of environmental cooperation programs with respect to the obligations in the PTPA Environment Chapter and its Annex on Forest Sector Governance (Forest Annex). The Governments signed an Environmental Cooperation Agreement (ECA) in association with the PTPA, which laid the foundation for this extensive collaboration. With funding from USAID, the United States has invested over $60 million in environmental cooperation programs in Peru since 2009, the majority of which has been targeted at programs related specifically to implementation of the Environment Chapter and Forest Annex.

USTR also works closely with the U.S. Department of State and other agencies to track and guide the delivery of TCB assistance to Jordan, Morocco, Bahrain, and Oman (*for additional information on TCB-related activities under CAFTA-DR, the United States-Panama Trade Promotion Agreement, the United States-Morocco Free Trade Agreement, and the United States-Peru Trade Promotion Agreement, please refer to individual country and/or regional sections in Chapter III*).

5. Standards Alliance

In November 2012, the United States launched a new U.S.-sponsored assistance facility called the "Standards Alliance" with the goal of building capacity among developing countries to implement the WTO Agreement on Technical Barriers to Trade (TBT Agreement). The Standards Alliance, initiated as a result of collaboration between USTR and USAID, provides resources and expertise to enable developing countries to strengthen implementation of the TBT Agreement. The focus of these efforts in developing countries is guided by USTR, and includes efforts: to improve practices related to notification of technical regulations and conformity assessment procedures to the WTO; to strengthen domestic practices related to adopting relevant international standards; and to clarify and streamline regulatory processes for products. This program aims to reduce the costs and bureaucratic hurdles U.S. exporters face in foreign markets and increase the competitiveness of American products, particularly in developing markets.

In May 2013, USAID and the American National Standards Institute (ANSI) entered into a public-private partnership that will coordinate private-sector subject matter experts from ANSI member organizations in the delivery of training and other technical exchange with interested Standards Alliance countries on international standards and best practice. In coordination with USTR, the USAID-ANSI partnership will include activities in up to ten markets representing a variety of geographical regions and levels of economic development. In consultation with TPSC member agencies and private sector experts, ANSI reviewed the applications received based on consideration of bilateral trade opportunities, available private sector expertise that may be leveraged, demonstrated commitment and readiness for assistance, and potential development impact. Participating countries/regions for the first year will include: Central America (CAFTA-DR, Panama), Colombia, EAC, Indonesia, Middle East/North Africa, Peru, Southern Africa Development Community, developing ASEAN members, and Yemen.

Standards Alliance programming accomplishments in 2013 include a bilateral workshop on Good Regulatory Practices with Indonesia in June 2013, and a series of programs with Peru held between July and September 2013 on standards development, conformity assessment, Good Regulatory Practices, and implementation of the TBT Agreement, and were conducted both in Peru and the United States.

B. Public Input and Transparency

The Obama Administration has broadened opportunities for public input and increased the transparency of trade policy through initiatives carried out by USTR's Office of Intergovernmental Affairs and Public Engagement (IAPE). IAPE works with USTR's Office of Public and Media Affairs and with regional and functional offices across the agency to ensure that timely trade information is available to the public and disseminated widely to stakeholders. This is accomplished in part via USTR's interactive website; a weekly e-newsletter that is available through USTR's homepage at http://www.ustr.gov; online postings of *Federal Register* Notices soliciting public comment and input and publicizing Trade Policy Staff Committee (TPSC) public hearings; increasing transparency in all trade negotiations; managing the agency's outreach and engagement to a diverse set of all stakeholder sectors including small and medium-sized businesses, agriculture groups, environmental organizations, industry groups, labor unions, consumer advocacy groups, non-governmental organizations, academia, think tanks, trade associations and State and local Governments; and advocating the President's robust trade agenda to audiences at major domestic trade events and conferences. In addition to public outreach, IAPE is responsible for administering USTR's statutory advisory committee system created by the U.S. Congress under the Trade Act of 1974 as amended, as well as facilitating formal consultations with State and local Governments regarding the President's trade priorities and the status of current trade negotiations which may impact them. Each of these elements is discussed in turn below.

1. Public Outreach

E-Newsletter

The public is invited to sign up on USTR's homepage to receive a regularly distributed e-mail newsletter, which highlights USTR's efforts to engage the public, open markets and enforce trade agreements around the world. The USTR e-newsletter reaches over 7,000 contacts. This is a useful tool for small businesses and stakeholders outside Washington, D.C., to stay informed about trade policy developments, stakeholder events, and new market opportunities.

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

Throughout 2013, USTR issued *Federal Register* Notices online to solicit public comment and held public hearings at USTR regarding a wide array of trade policy initiatives. Public comments received in response to *Federal Register* Notices are available for inspection online at http://www.regulations.gov. Some examples of trade policy initiatives for which USTR has sought public comment during 2013 include the following:

- Trade in Services Agreement (TiSA): Three out of four Americans currently work in the service sector, and further opening services trade can support broader U.S. services exports and even American jobs. In March 2013, USTR solicited comments and input on U.S. negotiating objectives for TISA. The proposed agreement would include a diverse group of 21 like-minded partners, from Costa Rica to Turkey, all interested in growing services trade with the United States and with each other. The testimony and written submissions enabled USTR to further develop and refine U.S. objectives and goals and assisted negotiators in identifying barriers that constrain and disrupt the international supply of services.

- Transatlantic Trade and Investment Partnership Agreement (T-TIP): Over the course of two days USTR officials heard from over 60 stakeholders on the proposed agreement between the United States and the European Union aimed at achieving a substantial increase in transatlantic trade and investment to generate economic benefits on both sides of the Atlantic. On March 29 and 30, 2013, at a public hearing, stakeholders had an opportunity give their input and comments on the U.S. negotiating objectives for T-TIP. Over 300 written submissions were received in response to this opportunity.

- Japan's Participation in the Trans-Pacific Partnership (TPP): In April 2013, USTR formally notified Congress of the Obama Administration's intent to include Japan in the TPP negotiations. With Japan's entry, TPP countries would account for nearly 40 percent of global GDP and about one-third of all world trade. In July 2013, as part of the 90-day consultation period with Congress and the public, USTR hosted a hearing to solicit comments on negotiating objectives with respect to Japan's participation in TPP negotiations and for the U.S.-Japan parallel negotiations to address automotive and other non-tariff measure issues.

- Section 301 Investigation of Ukraine: In USTR's annual Special 301 Report, which reviews the global state of intellectual property rights (IPR) protection and enforcement, Ukraine was designated as a Priority Foreign Country due to concerns about its IPR acts, policies, and practices. Interested persons were invited to submit written comments and participate in a public hearing in September 2013 regarding the resulting section 301 investigation of Ukraine's IPR policies and practices.

Policy Initiatives to Increase Transparency

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

- Transparency in Trans-Pacific Partnership Negotiations: USTR worked with each TPP partner to plan events as part of negotiating rounds that were open to registered stakeholder participation. These events included briefings from chief negotiators and provided multiple opportunities to provide input into the negotiations, including those with respect to chapters addressing environment, tobacco, investment, pharmaceuticals and intellectual property. In addition, USTR created opportunities for the public and other interested stakeholders to receive real-time, detailed briefings from senior USTR officials and technical leads of the TPP negotiations at the conclusion of negotiating rounds.

- Inclusion of Stakeholders in the Transatlantic Trade and Investment Partnership (T-TIP) Negotiations. Stakeholder engagement events are an important opportunity for USTR and its trade negotiators to receive feedback on the ongoing talks, with the aim of ensuring the strongest possible outcomes for trade negotiations. In 2013, USTR hosted two separate forums during the U.S.-hosted rounds of the T-TIP. These events included over 350 global stakeholders, at each forum. Stakeholders were invited to give presentations, engage with negotiators, and to attend briefings hosted by the U.S. and EU Chief Negotiators. This is in addition to telephone calls USTR has hosted with large public participation from across the country on key trade issues on a regular basis. USTR also held stakeholder meetings specifically on issues related to the T-TIP that occur on a regular basis.

Open Door Policy

USTR officials meet frequently with a broad array of stakeholder groups representing business, labor unions, environment, consumers, small businesses, public interest groups, State and local Governments, NGOs, think tanks, and universities to discuss specific trade policy issues, subject to negotiator availability and scheduling.

2. The Trade Advisory Committee System

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

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

The system is arranged in 3 tiers: the President's Advisory Committee for Trade Policy and Negotiations (ACTPN); 5 policy advisory committees dealing with environment, labor, agriculture, Africa, and state and local issues; and 22 technical advisory committees in the areas of industry and agriculture. Additional information on the advisory committees can be found on the USTR website at http://www.ustr.gov/about-us/intergovernmental-affairs/advisory-committees.

In cooperation with the other agencies served by the advisory committees, USTR continues to look for ways to broadened the participation on committees to include a more diverse group of stakeholders, represent new interests, and fresh perspectives, and continues exploring ways to further expand representation while ensuring the committees remain effective. Since the White House implemented a policy to prohibit registered lobbyists from serving on advisory committees, USTR and the agencies that co-administer the advisory committees have been challenged to think creatively and seek new resources to meet the needs of the committees.

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

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

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

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

Policy Advisory Committees

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

APAC

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

IGPAC

The IGPAC consists of approximately 35 members appointed from, and representative of, the various States and other non-Federal Governmental entities within the jurisdiction of the United States. These entities include, but are not limited to, the executive and legislative branches of State, County, and Municipal Governments. Members may hold elective or appointive office. Members are appointed by and serve at the discretion of the U.S. Trade Representative.

LAC

The LAC consists of not more than 30 members from the U.S. labor community, appointed by the U.S. Trade Representative and the Secretary of Labor, acting jointly. Members represent unions from all sectors of the economy including steelworkers, farmers, automotive, aerospace, teachers, pilots, artists, machinists, service workers, and food and commercial workers. Members are appointed by, and serve at the discretion of, the Secretary of Labor and the U.S. Trade Representative.

TACA

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

TEPAC

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

Technical and Sectoral Committees

The 22 technical and sectoral advisory committees are organized into 2 areas: agriculture and industry. Representatives are appointed jointly by the U.S. Trade Representative and the Secretaries of Agriculture and Commerce, respectively. Each sectoral or technical committee represents a specific sector, commodity group, or functional area and provides specific technical advice concerning the effect that trade policy decisions may have on its sector or issue.

Agricultural Technical Advisory Committees (ATACs)

There are six ATACs, focusing on the following products: Animals and Animal Products; Fruits and Vegetables; Grains, Feed, and Oilseeds; Processed Foods; Sweeteners and Sweetener Products; and Tobacco, Cotton, Peanuts, and Planting Seeds. Members of each Committee are appointed by and serve at the pleasure of the Secretary of Agriculture and the U.S. Trade Representative. Each of the committees consists of not more than 35 members. Members must represent a U.S. entity with an interest in agricultural trade and should have expertise and knowledge of agricultural trade as it relates to policy and commodity-specific products. In appointing members to the committees, balance is achieved and maintained by assuring that the members appointed represent industries and other entities across the range of interests which will be directly affected by the trade policies of concern to the committee (for example, farm producers, farm and commodity organizations, processors, traders, and consumers). Geographical balance on each committee will also be sought. A list of all the members of the committees and the diverse interests they represent is available on the USTR website.

Industry Trade Advisory Committees (ITACs)

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

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

Members of the ITACs are appointed jointly by the Secretary of Commerce and the U.S. Trade Representative and serve at their discretion. Each of the Committees consists of not more than 50 members representing sectors including, but not limited to manufacturers, exporters, importers, service providers, producers, small and large business. Committee members should have knowledge and experience in their industry or interest area, and represent a U.S. entity that has an interest in trade matters related to the sectors or subject matters of concern to the individual committees. In appointing members to the Committees, balance is achieved and maintained by assuring that the members appointed represent industries and other U.S. entities across the range of interests in that sector, commodity group, or functional area which will be directly affected by the trade policies of concern to the Committee. A list of all the members of the Committees and the diverse interests they represent is available on the USTR website.

3. State and Local Government Relations

USTR maintains consultative procedures between Federal trade officials and State and local Governments. USTR's Office of IAPE informs the states, on an ongoing basis, of trade-related matters that directly relate to or may indirectly affect them. This is accomplished through a number of mechanisms, detailed below.

State Point of Contact System and IGPAC

State Points of Contact

For day-to-day communications, pursuant to the NAFTA and Uruguay Round implementing legislation and Statements of Administrative Action, USTR created a State Single Point of Contact (SPOC) system. The Governor's office in each state designates a single contact point to disseminate information received from USTR to relevant state and local offices and assist in relaying specific information and advice from the states to USTR on trade-related matters. USTR has worked with this point of contact, as well as the Governor's representative in Washington, D.C. to regularly update through formalized briefings, calls, and working with state organizations and associations. Governors' staff receive USTR press releases, *Federal Register* Notices, and other pertinent information.

The SPOC network ensures that State Governments are promptly informed of Administration trade initiatives and it also enables USTR to consult with states and localities directly on trade matters which may affect them. SPOCs regularly receive USTR press releases, *Federal Register* Notices, and other pertinent information. USTR convenes a regular monthly conference call for SPOCs and members of the Intergovernmental Policy Advisory Committee (IGPAC) to keep State and local Governments apprised of timely trade developments of interest.

Intergovernmental Policy Advisory Committee

IGPAC makes recommendations to USTR and the Administration on trade policy matters from the perspective of State and local Governments. In 2013, IGPAC was briefed and consulted on trade priorities of interest to states and localities, including: implementation efforts on Trade Agreements with Colombia and South Korea; the Trans-Pacific Partnership; the Trans-Atlantic Trade and Investment Partnership; Russia's Accession to the WTO; the Trade in Services Agreement; enforcement mechanisms with China; and other matters. IGPAC members are also invited to participate in monthly teleconference call briefings along with State Points of Contact. Specific issues of interest to IGPAC and SPOCs include: specific chapters of the Trans-Pacific Partnership negotiations such as State-Owned Enterprises, Technical Barriers to Trade, Sanitary and Phytosanitary Measures and Pharmaceuticals, Trade Promotion Authority, Government Procurement, and Foreign Government Challenges to State Subsidies.

Meetings of State and Local Associations

USTR officials frequently participate in meetings of State and local Government associations to apprise them of relevant trade policy issues and solicit their views. USTR senior officials have met with the National Governors' Association, regional governors' associations such as the Council of Great Lakes Governors, the National Conference of State Legislatures, and other state commissions and organizations. Additionally, USTR officials have addressed gatherings of state and local officials and port authorities around the country.

Consultations Regarding Specific Trade Issues

USTR initiates consultations with particular states and localities on issues arising under the WTO and other U.S. trade agreements and frequently responds to requests for information from State and local Governments. Topics of interest included the negotiations of the Trans-Pacific Partnership, the Trade in Services Agreement and the Transatlantic Trade and Investment Partnership and implementation of approved trade agreements with Colombia and South Korea, the application of the WTO Government Procurement Agreement, General Agreement on Trade in Services issues, enforcement of trade agreements, and consultations with individual states regarding applicable trade remedy investigations.

C. Policy Coordination and Freedom of Information Act

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

The Trade Policy Review Group (TPRG) and the Trade Policy Staff Committee (TPSC), administered and chaired by USTR, are the subcabinet interagency trade policy coordination groups that are central to this process. The TPSC is the first-line operating group, with representation at the senior civil servant level. Supporting the TPSC are more than 80 subcommittees responsible for specialized issues. The TPSC regularly seeks advice from the public on its policy decisions and negotiations through *Federal Register* Notices and public hearings. In 2013, the TPSC held public hearings regarding U.S. negotiation objectives for the Transatlantic Trade and Investment Agreement (May 2013), on the participation of Japan in the TPP (July 2013), and China's Compliance with its WTO Commitments (November 2013).

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

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

Separate from its policy coordination function, the Office of the U.S. Trade Representative is subject to The Freedom of Information Act (FOIA). Details of the program are available on the USTR website at http://www.ustr.gov/about-us/reading-room/freedom-information-act-foia. USTR received 97 new FOIA requests in 2013 and processed 82. USTR continues to raise the bar as to responsiveness, efficiency, and transparency in its administration of the FOIA.