

Executive Office of the President



Office of the United States Trade Representative

Fiscal Year 2013 Budget

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FY 2013 BUDGET JUSTIFICATION

Summary

The Office of the United States Trade Representative (USTR) is directly responsible to the President for the development and achievement of the Administration's trade policy agenda, including through the development and negotiation of free trade agreements, bilateral investment treaties and other bilateral and multilateral trade- and investment-related agreements. USTR is also responsible for the implementation and enforcement of international trade agreements, including enforcement of the United States' rights and benefits under the World Trade Organization (WTO). Finally, USTR leads the coordination, collaboration, and participation on trade policy initiatives within the Executive Office of the President (EOP) with other government agencies, Congress, the private sector, and the public.

In his 2010 State of the Union Address, President Obama stressed the need to export more American goods and services to support additional American jobs. He announced the National Export Initiative (NEI), setting the goal of doubling U.S. exports by 2014 to support 2 million additional jobs at home. Over the 12 month period (December 2010-November 2011), U.S. exports of goods and services totaled nearly 2.1 trillion, 32.6 percent above the level of exports in 2009. This is an annualized growth rate of 15.9 percent when compared to 2009, a pace greater than the 15 percent required to double exports by the end of 2014.

The President's FY 2013 budget for USTR invests in further critical efforts to provide jobs here at home by increasing two-way trade and, in particular, American exports of goods and services. It provides the resources necessary for USTR to achieve the President's trade goals and objectives, particularly those of the NEI and enforcement of U.S. rights under international trade agreements. The resources are concentrated in salaries and travel, necessary elements in allowing USTR to run and advance the broad array of initiatives, enforcement and market opening activities to support increased access and sales into the global market place. This \$1.79 million increase builds on the \$3.5 million increase in the FY 2012 appropriation and is coupled with three years of strong fiscal discipline at USTR, where office and travel expenses were carefully executed to ensure that this Administration is spending every dollar wisely. These additional resources will enhance our overall trade enforcement capabilities and support the creation of a new interagency trade enforcement unit that will bring together personnel from across the Federal Government to reduce or eliminate unfair trade practices among our foreign trading partners.

As the President's NEI extends through the end of 2014, efforts to support it will be a major priority that affects nearly every facet of USTR's budget planning. With primary responsibility under the NEI Executive Order for reducing trade barriers, USTR efforts expand export opportunities for American workers, farmers, ranchers, and service providers by opening key foreign markets – whether through the completion of pending trade agreements, the negotiation of new, forward-leaning trade agreements or through other means – and keeping them open through robust enforcement of our trade agreements.

In FY2013, USTR will be finalizing the legal text of and seeking Congressional approval for the first tranche of the TPP agreement, the President's signature trade initiative, and is expected to begin integrating additional TPP members including Japan, Canada and Mexico in what would be cumulatively the single largest trade agreement initiative by trade volume in U.S. history. Beyond its size, this agreement is also the major economic initiative in the Asia-Pacific region to enhance U.S. interests in this growing and dynamic region and supports the President's broader effort to expand the U.S. presence in Asia.

Beyond new trade agreements and robust enforcement, maintaining and strengthening relationships with a broad range of trade partners are also essential to continued international growth. For instance, the large emerging markets of China, India, Brazil, and Russia have increasingly important roles in the global trading system, presenting significant challenges as well as opportunities to increase American exports and thereby support additional American jobs. New challenges and opportunities will continue to proliferate amid the changing political dynamics of areas such as the Middle East and North Africa. Through bilateral dialogues, regional initiatives, and multilateral fora – including the World Trade Organization, where the United States under President Obama has pursued stronger enforcement of America’s trade rights, stood with our partner countries against protectionism, and led the way to a new, more forward-looking effort to seek results-oriented negotiating approaches after the stall of the Doha Round talks – USTR pursues an aggressive agenda seeking to improve opportunities for U.S. exporters and investors with their associated impacts on jobs, and frequently resolving these issues without having to seek formal dispute settlement.

Our well prioritized trade policy focuses on key opportunities for increasing American exports and investment opportunities to support additional jobs, on opening markets, reducing barriers and boosting innovation, and based on the principles of a rules-based global trading system is contributing powerfully to America’s economic recovery. Over the past ten quarters from when the economic recovery began (from the 3rd quarter of 2009 to the 4th quarter of 2011), U.S. real GDP is up 2.4 percent at an annual rate, and exports have contributed nearly 1.1 percentage points to this growth. Our goal is sustainable economic growth that brings home the benefits of trade—including well-paying jobs. We intend to achieve these ends done consistently with our values, including the rights of workers, environmental sustainability, and political accountability.

Program Initiatives

Six major goals are accomplished through twenty (20) program initiatives that represent the key activities of USTR.

I. Negotiations: Supporting Well-Paying American Jobs by Securing New Markets Abroad

USTR’s team of trade negotiators help to support well-paying jobs for American workers, farmers, ranchers, and service providers by securing high-standard, binding commitments from our trading partners to open their markets to U.S. goods and services exports. These binding agreements secure long-term market access in a broad range of markets and provide opportunities, not only for increased exports and investment, but also to secure improved intellectual property protection for U.S. innovators and producers, better regulatory transparency in foreign markets and to discipline new and emerging forms of anti-competitive behaviors by state-owned enterprises and other government-supported actors.

This goal is pursued through the following four program initiatives:

- Free Trade Agreements (FTAs)
- Bilateral Investment Treaties (BITs)

- WTO Negotiations and Committee Work
- Advancing WTO Accession Negotiations

USTR negotiators are simultaneously pursuing several kinds of market-opening trade agreements: negotiations among the 150+ Member economies of the WTO, bilateral and multilateral Free Trade Agreements (FTAs) such as the landmark Obama Administration initiative, the Trans-Pacific Partnership, and those currently awaiting implementation with Korea, Colombia, and Panama; Bilateral Investment Treaties (BITs) with key economies such as China, Vietnam, India, and Mauritius (currently awaiting conclusion of the Model BIT review); and WTO accession negotiations for prospective new WTO members Kazakhstan, Serbia, Laos, and Yemen. .

Free Trade Agreements (FTAs)

USTR's bilateral and regional trade negotiations result in agreements that enhance U.S. economic growth supporting employment and advance the Administration's goal of doubling U.S. exports in five years. Concluding a Trans-Pacific Partnership (TPP) agreement is a top Presidential trade priority. In FY2013, USTR will continue to carry out considerable responsibilities in the expected implementation of the three new FTAs (Korea, Colombia and Panama), to ensure that the negotiated benefits of these agreements are accruing to U.S. producers. An eventual TPP agreement will also be critical to deepening U.S. relations with the dynamic Asia-Pacific region. Continuing USTR leadership in negotiating trade agreements is essential to developing and advancing U.S. negotiating positions, maintaining stakeholder support, addressing the public's response to market-opening efforts, and building Congressional support for eventual market-opening, job-supporting agreements.

On a broad scale, a successfully concluded TPP would create and lock in benefits for U.S. exporters in the world's fastest growing economies. A resource-based failure to negotiate and conclude this and future trade agreements would result in a loss of similar export opportunities for American workers, farmers, and producers and will negatively impact efforts to support the creation and retention of U.S. jobs. As many U.S. competitors are negotiating trade agreements around the world -- more than 100 Asia-Pacific trade agreements already are in force in the region, of which the United States accounts for only two and many more are under negotiation or await implementation. Many of these initiatives are with China, which is asserting a larger economic and strategic role in the region. Failure to conclude additional bilateral and regional trade agreements will put U.S. goods and services exporters and U.S. workers at a disadvantage, hurting their export opportunities and resulting in lost market share to competitors from third countries.

USTR will also need to expand its work to address certain regional priorities. In May 2011 the President launched a Trade and Investment Partnership Initiative with the Middle East and North Africa to, inter alia, "build on existing agreements to promote integration with the U.S market." In addition, in FY 2012 the United States will continue to work with the Government of Israel to explore options for deepening the bilateral trade relationship through expanding the existing FTA or other mechanisms. In FY2012 and continuing in FY2013, as part of this initiative, USTR will be expending increased resources to ensure the FTAs in the region work to increase trade and investment.

USTR resources, both in terms of personnel, and travel funding for personnel, are necessary in order to negotiate bilateral and regional trade agreements face-to-face with our trading partners; otherwise, key job-supporting opportunities for our economy will be lost. For example, successfully concluded FTAs in the past have significantly increased job-supporting exports – by 324 percent with Jordan, by 455 percent with Morocco, by 477 percent with Chile, and by 547 percent with Israel (from year before entry into force through 2011 annualized based on 11 months of 2011 data). FTAs also give the U.S. government a dispute settlement mechanism, a strong enforcement tool to address exporters' concerns.

Bilateral Investment Treaties (BITs)

The removal of investment barriers, particularly in China, India and Russia, is key to promoting U.S. economic growth and supporting U.S. jobs, which is a Presidential priority. This is also crucial to maintain positive relations with poor and developing economies. The President's trade and investment partnership initiative for the Middle East and North Africa (MENA) targets increased investment integration both within the region and with the United States. Removing investment barriers strengthens the playing field for U.S. companies (e.g., in India, Russia), creates new economic opportunities, and protects U.S. investors. To date, U.S. investors have brought more than ninety (90) investor-State cases under U.S. BITs and the substantively similar investment chapters of U.S. FTAs, and have won or settled many of these cases, with awards ranging from tens of millions to hundreds of millions of dollars.

Successfully completing key negotiations will provide significant benefits for U.S. investors abroad and stimulate investment in the United States. These investment flows have a significant impact on U.S. jobs and export performance. For example, fully 20 percent of U.S. exports are by U.S. multinational corporations to the affiliates in which they are invested in foreign countries. In turn, affiliates of foreign multinationals invested in the United States export 10 percent of total U.S. exports to their home countries, and account for a total of 21 percent of U.S. exports abroad. The BIT program, which encourages this reciprocal investment and subsequent trade, directly supports our jobs and export goals. For instance, a BIT with China would open many of China's strategically closed markets, improve competitiveness of U.S. firms, and likely increase exports to U.S. investors in China. Moreover, it would provide another venue to pursue barriers to investment in China. Ensuring a level playing field with respect to third country investors is ever more important today given the European Union's newly assertive role in international investment negotiations. Under the Lisbon Treaty, the European Union now has authority to negotiate investment agreements on behalf of its member states; China, India, Russia, and Mercosur top the EU negotiating agenda.

WTO Negotiations and Committee Work

With the Doha Development Agenda negotiations (Doha Round) at an impasse as of early 2012, the United States is actively seeking to ensure that the negotiating functions of the World Trade Organization (WTO) remain viable and able to produce meaningful trade liberalizing benefits for U.S. exporters of goods, services, and agricultural products. Through multilateral and plurilateral agreements, the WTO remains one of the best opportunities to encourage and negotiate broad-based liberalization of goods and services that will support continued international growth and support jobs in the United States. In some cases, this will entail a continued focus on elements of the Doha Round where progress remains possible, such as Trade Facilitation. In addition, the United States will be pursuing additional, new initiatives in the WTO to produce market access gains and respond to the interests of U.S. exporters in areas such as services trade and information technology products. We will also be exploring, in conjunction with other WTO Members, prospects for negotiating additions and improvements to the WTO's "rule book" in areas reflecting the realities of the 21st century economy. Improving the rules governing trade remains an important objective for U.S. economic interests, especially as non-tariff trade barriers and anti-competitive behaviors that limit U.S. opportunities continue to evolve in the many different markets in which U.S. companies seek to operate.

In addition to negotiations, U.S. trade interests also depend extensively on making effective use of the WTO's array of standing committees, working groups, and other structures. Through these committees, the United States is able to raise current trade concerns, and engage with trading partners to resolve those concerns, helping to support additional American jobs in agriculture, trade in services, trade-related investment measures, pharmaceuticals, and intellectual property. The WTO's Trade Policy Review

Mechanism also remains an essential means of monitoring the trade policies of all 153 WTO Members, and active U.S. participation in this process is a critical component of our broader trade enforcement agenda. With the global economy remaining fragile, the United States will also need to contribute actively to the WTO's increasingly critical protectionism monitoring work.

Resources are necessary for USTR to participate fully and directly in WTO committee procedures and discussions, the principal avenue for resolving trade issues to the benefit of American workers and businesses. USTR must play a key role in the way in which WTO countries elaborate on existing trade rules. USTR's participation in committee proceedings is critical to the United States' ability to respond to questions about U.S. compliance with WTO rules and avoid WTO findings or disputes that may adversely affect U.S. commercial interests. Overall savings may actually be achieved if compliance issues can be resolved at the technical level in WTO bodies before they become disputes.

Additionally, USTR's efforts to secure China's participation in the WTO's Government Procurement Agreement will support the Presidential initiative of rebalancing the U.S.-China trade relationship by expanding U.S. sales into China's large government procurement market. Sufficient resources are necessary to negotiate China's timely and comprehensive accession and thereby ensuring that China does not impose even greater barriers to its \$90 billion government procurement market, including discriminatory "Buy China" policies. For Russia, ensuring full implementation of its WTO obligations is critical to the Presidential goal of integrating Russia into the international trading system.

Advancing WTO Accession Negotiations

This initiative carries out the key Presidential objective of creating American jobs through increased export opportunities, as well as supporting and strengthening a rules-based global trading system by expanding membership in the WTO and ensuring fair competition for U.S. interests, which has a direct impact on job prospects in the United States. The WTO is a key venue for multilateral trade liberalization through negotiation and also provides an institutional bulwark against protectionism, including, importantly, through the use of formal dispute settlement proceedings between members. The importance of WTO accession negotiations to the Administration has been demonstrated by the prominence of Russia's accession and the repeal of Jackson-Vanik status for Russia – allowing U.S. businesses and workers to realize the benefits of Russia's WTO commitments – as a key trade objective for President Obama.

Accession talks can be resource-intensive, requiring significant travel funding over time to conduct the requisite face-to-face negotiations and work through often complex implementation packages. The U.S. plays a key leadership role in securing high-standard, market-access-creating accession packages with new WTO members. Among the WTO accessions likely to be active in the near term are Kazakhstan, Laos, Yemen, and Serbia.

II. Enforcement: Bringing Home the Job-Creating Promise of America's Trade Agreements

Once the United States has entered into an international trade agreement, the permanent task of implementing that agreement and realizing its promised benefits – including new export opportunities, American job creation, increased wages, and economic growth – begins. USTR's vigilant and constant enforcement of trade agreements and of Americans' trading rights around the world is essential to securing and creating well-paying jobs for American workers, farmers, ranchers, and service providers.

This goal is pursued through the following four program initiatives:

- Monitoring and Addressing Trade Issues and Creating New Opportunities
- WTO Disputes and Improving the WTO Dispute Settlement System
- Administering, Monitoring, and Enforcing FTAs and Other Trade Agreements in Effect
- Implementing WTO Agreements and Participating in the Committee Process

With important WTO dispute victories regarding the European Union's unfair subsidies to Airbus, China's export restraints on key raw materials, and the Philippines' discriminatory taxes on alcoholic beverages, USTR now is engaged in assuring compliance with the rulings in those cases as well as in earlier U.S. victories such as those involving the European Union's market access for certain information technology products and China's barriers to U.S. copyright-intensive products. At USTR's request, the WTO recently established a dispute settlement panel to consider the U.S. challenge to China's imposition of additional duties on U.S. exports of broiler products, and USTR continues to pursue challenges to Canada's failure to abide by its obligations under the Softwood Lumber Agreement and Guatemala's failure to effectively enforce its labor laws. At the same time, USTR has defended the United States in such disputes as the European Union's challenge to alleged U.S. subsidies to Boeing, Canada and Mexico's challenges to U.S. country of origin labeling requirements, Indonesia's challenge to the U.S. ban on flavored cigarettes, and Mexico's challenge to U.S. dolphin safe labeling provisions on tuna. The complexity and breadth of this illustrative list of existing efforts will continue and grow to address the more complicated protectionist efforts abroad.

Our enforcement efforts seek to identify and address market barriers for goods and services with the goal of removing them through negotiation where possible and litigation where necessary. Among the considerations for prioritizing our enforcement efforts are the market impact of the issue, the positive systemic impact of resolution of the issue, and maximizing the leverage of our resources for the benefit of our producers, exporters, service providers, farmers, ranchers, and workers. Overall, our efforts are focused on supporting U.S. trade priorities.

Monitoring and Addressing Trade Issues and Creating New Opportunities

USTR's activities under this initiative support the President's goal of doubling exports within five years by identifying and addressing unnecessary obstacles to U.S. exports. USTR's monitoring of existing agreements and development of new ideas is critical to the ongoing effort to expand U.S. trade and investment, to support U.S. economic growth and job creation, and to ensure that international agreements on forest, marine and fishery issues are consistent with U.S. trade obligations.

USTR resources create opportunities to break down trade barriers and retain American jobs that may be lost. New issues not covered under current initiatives must be addressed to avoid hindering U.S. companies from competing effectively in the global marketplace. USTR's monitoring of services and investment issues enables adapting negotiation objectives to address new trade barriers. USTR must fully assist exporters and address issues before they become problems.

USTR will pursue initiatives to strengthen monitoring and enforcement. Robust monitoring and enforcement of U.S. rights under international trade agreements, and other domestic and international trade enforcement authorities, are crucial components of this Administration's strategy to expand exports and ensure fair competition with our foreign trading partners. Additional resources will enhance our overall trade enforcement capabilities and support the creation of a new interagency trade enforcement unit that will bring together personnel from across the Federal Government to reduce or eliminate unfair trade practices among our foreign trading partners. USTR will increase coordination of executive

departments and agencies to identify and reduce foreign trade barriers to ensure that U.S. workers, businesses, and consumers receive the maximum benefit from our international trade agreements.

WTO Disputes and Improving the WTO Dispute Settlement System

The President's Trade Agenda sets as a priority for USTR to enhance economic growth, job creation, and innovation by vindicating and defending U.S. rights. Pursuing and defending WTO disputes specifically addresses a priority item of enforcing U.S. rights in the rules-based trading system. USTR's trade rights monitoring and enforcement efforts demonstrate the Administration's commitment to negotiate and implement trade agreements that enhance U.S. commercial interests and fully secure U.S. trading rights. USTR's annual Report to Congress on China's WTO Compliance sets the enforcement of China's international trade obligations as a top priority for the Administration.

As part of these efforts, USTR has been instrumental in efforts to improve the WTO dispute settlement system, particularly through the negotiations underway in the WTO to clarify and improve the Dispute Settlement Understanding. In these negotiations the United States is seeking, for example, to increase the public's access to dispute settlement proceedings and to ensure that there is sufficient flexibility in the dispute settlement system and that WTO Members have the tools available to facilitate the resolution of trade problems between the parties to a dispute, and to address particular issues that have been identified based on the experience under the system to date.

Dispute settlement under the WTO Agreement can forestall other governments, including those with large markets such as China and Brazil, from closing or restricting with impunity their markets to U.S. products and services, or allowing the theft of U.S. intellectual property. In the case of China, for example, the WTO dispute settlement process is a key lever for addressing many of that country's numerous trade-restrictive and protectionist industrial policies, which would have significant adverse commercial effects on U.S. businesses and workers.

USTR must defend the United States against all claims brought against us in the WTO to avoid exposing the United States to trade retaliation and consequent job losses. USTR officials often must engage with their foreign counterparts in efforts to resolve disputes both before and after litigation proceedings are instituted, or to forestall the imposition of trade restrictive measures negatively impacting U.S. exporters. Both offensive and defensive trade enforcement efforts can be prolonged and resource-intensive, often requiring significant travel expenditures.

Administering, Monitoring, and Enforcing FTAs and Other Trade Agreements in Effect

USTR's efforts to ensure that the United States receives the full benefits of the trade agreements it negotiates serve to promote American job creation and retention, wage increase, and overall economic growth. Implementing and enforcing high labor and environment standards and protecting U.S. intellectual property rights in foreign markets, in particular, are Presidential and Administration priorities. USTR's efforts through this initiative also support and strengthen a global rules-based trading system.

Assuming that the Korea, Colombia, and Panama FTAs have entered into force by FY2013, USTR will expand its existing work to include administering, monitoring and enforcing the many provisions of these agreements, in addition to the seventeen (17) U.S. FTAs already in force. The Colombian Action Plan Related to Labor Rights, an important element of the Obama Administration's efforts to improve the Colombia FTA, will continue to require the Administration's monitoring and enforcement of labor rights to ensure thorough implementation and monitoring of these commitments.

Implementing WTO Agreements and Participating in the Committee Process

USTR's work to strengthen rules and resolve trade compliance issues through WTO Committees and other bodies ensures the ability of WTO agreements to create and sustain American jobs in agriculture, trade in services, trade-related investment measures, pharmaceuticals, and intellectual property.

Resources are necessary for USTR to participate fully and directly in WTO committee procedures and discussions, the principal avenue for resolving trade issues to the benefit of American workers and businesses. USTR must play a key role in the way in which WTO countries elaborate on existing trade rules. USTR's participation in committee proceedings is critical to the United States' ability to respond to questions about U.S. compliance with WTO rules and avoid WTO findings or disputes that may adversely affect U.S. commercial interests. Overall savings may actually be achieved if compliance issues can be resolved at the technical level in WTO bodies before they become disputes.

Additionally, USTR's efforts to secure China's participation in the WTO's Government Procurement Agreement will support the Presidential initiative of rebalancing the U.S.-China trade relationship by expanding U.S. sales into China's large government procurement market. Sufficient resources are necessary to negotiate China's timely and comprehensive accession and thereby ensuring that China does not impose even greater barriers to its \$90 billion government procurement market, including discriminatory "Buy China" policies. For Russia, ensuring full implementation of its WTO obligations is critical to the Presidential goal of integrating Russia into the international trading system.

III. Congress: Partnering to Pursue Legislative Priorities, Advising on Trade-Related Legislation, and Fulfilling Statutory Obligations

USTR's strong partnership with Congress is essential to pursuing the President's trade agenda.

This goal is pursued through the following three program initiatives:

- Pursuing Legislative Initiatives, Including Congressional Approval of Key Priorities
- Advising on Trade Aspects of Proposed Legislation
- Identifying and Addressing Trade Barriers and Providing Congressionally Mandated Reports

Given Congress's Constitutional authority over matters of international trade, USTR is in regular and intensive coordination with Congress to shape trade negotiating objectives, pursue legislative priorities, shape and advise on trade related legislation, and fulfill other statutory requirements. This robust Congressional partnership is important not only for forming new trade policies and negotiations, but also for monitoring and implementing existing policies. Sufficient personnel and resources to maintain strong relationships with USTR's committees of jurisdiction—the Senate Finance Committee and the Ways and Means Committee—are essential to a successful Administration trade policy.

Pursuing Legislative Initiatives, Including Congressional Approval of Key Priorities

USTR leads the Administration's efforts to develop and to move through Congress job-supporting trade legislation – including bills approving and implementing the results of Presidentially-prioritized negotiating efforts. Potential legislative action would likely include the Trans-Pacific Partnership and renewal of preference programs. USTR's participation in developing and reviewing other legislation is

critical to ensuring that it conforms to Administration trade and economic policy and gains necessary support in Congress and from industry and the public. The Administration will explore additional trade promotion authority necessary to approve future trade agreements. Working with Congress to successfully amend and ultimately extend AGOA will support the President's goals to enhance the U.S.-Africa economic relationship and support Africa's development in line with the Presidential Directive on Development.

Advising on Trade Aspects of Proposed Legislation

USTR's monitoring and advice regarding trade-related aspects of domestic legislation ensure that legislation is consistent with Presidential goals for trade policy and, where possible, enhances the prospect of meeting these goals, such as American job creation and economic growth through enhanced exports. USTR must work closely with Congress to ensure enacted legislation is consistent with U.S. trade obligations and does not subject U.S. businesses and workers to harmful trade retaliation and potential job losses at a time of fragile economic recovery.

Identifying and Addressing Trade Barriers and Providing Congressionally Mandated Reports

This initiative fulfills statutory requirements placed on the Administration by Congress. It also advances the President's goals of winning Congressional support for activities to opening markets and creating American jobs through the reduction of trade barriers to U.S. goods and services. Over the past year USTR has strengthened its efforts to monitor markets and more vigorously enforce our rights and benefits under our trade agreements. Congressional support for the Administration's trade agenda requires a comprehensive understanding of the substantial work being done to dismantle existing trade barriers. These reports are also an important component in discharging USTR's commitment to transparency and accountability to Congress and stakeholders. The President's NEI recognizes the role of the Report on Technical Barriers to Trade and the Report on Sanitary and Phytosanitary Measures, for instance, for identifying and reducing unnecessary obstacles to U.S. exports.

IV. Supporting National Priorities: Boosting Small Businesses; Defending Labor Rights; Protecting the Environment and Building the Foundation for a Clean Energy Economy; and Fostering Development

USTR's trade work directly supports many of the Administration's broader policy priorities, including encouraging job creation by small businesses. USTR is also working through trade preference and trade capacity building programs to support the President's prioritization of international development, enhancing the President's climate change agenda through green goods and services negotiations, and vigorously encouraging strong labor rights world-wide.

This goal is pursued through the following three program initiatives:

- Encouraging America's Small and Medium Enterprises (SMEs) to Export
- Supporting Development, Environmental Protection, Clean Energy, and Labor Rights Goals
- Advising and Supporting Other Administration Initiatives

Encouraging America's Small and Medium Enterprises (SMEs) to Export

This Administration promised a trade agenda that is more responsible and more responsive to the needs of American workers, farmers, ranchers, and service providers. American companies of all sizes must export

their goods and services to get our economy growing again. Small- and medium-sized enterprises are at the heart of employment and job creation in the United States. USTR must provide a heightened focus on helping this sector compete globally by “leveling the playing field” and thereby creating more and better-paying jobs at home. Under the Obama Administration, the U.S. Trade Representative has designated an Assistant U.S. Trade Representative for Small Business, Market Access and Industrial Competitiveness, who will continue in FY2013 to coordinate the agency’s work on small- and medium-sized business trade priorities and enhance outreach to those firms. We will continue to expand our focus on small- and medium-sized firms’ concerns across the broad range of initiatives we are pursuing to open markets.

In 2011, USTR launched new SME cooperative efforts with trading partners that will carry on throughout FY 2012 and 2013. The first Transatlantic Economic Council (TEC) SME Best Practices Exchange held in Brussels and Washington envisions ongoing cooperation in the areas of best practices in regulation, information and communication technology (ICT) services, enhanced SME networks and other areas. The President’s Trade and Investment Partnership Initiative for the Middle East and North Africa contains a robust SME component for Egypt, Tunisia and potentially other regional partners to strengthen the SME sector and trade opportunities, which will require sustained cooperation.

Supporting Development, Environmental Protection, Clean Energy, and Labor Rights Goals

Trade preferences and trade capacity building strengthen partnerships with poor, developing nations, and they enhance U.S. economic growth and job-creation. Development is a top priority for President Obama, as was made clear in his 2009 Presidential Study Directive (PSD) calling for a government-wide review of U.S. global development policy. USTR is central to that review, as it leads all trade preference programs for developing countries in support of Administration goals. The President has also recognized the Middle East and Northern Africa as a trade and investment development priority in his Trade and Investment Partnership Initiative.

The President has made environmental protection an Administration priority. Key international economic policy initiatives – like trade in green goods and services – will be critical to a successful environmental agenda.

The President has also made clear that his international trade policies will not only support jobs and growth in the United States, but must foster respect of internationally recognized workers’ rights worldwide.

USTR resources are necessary to conduct preference program and development assistance work face-to-face with our developing country partners. Pursuing key labor and environmental objectives frequently require face-to-face negotiation and coordination with trading partners.

Advising and Supporting Other Administration Initiatives

USTR’s advice and support ensures that trade-related aspects of Administration initiatives are fully analyzed and that sound options are developed and considered when appropriate. USTR has played an important role, for example, in supporting the Administration’s Afghanistan-Pakistan national security strategy, advancing strategic objectives with major trading partners such as India and China, promoting regional integration and promoting food security assistance funding for to Central America and Sub-Saharan Africa.

USTR also has been actively involved in formulating the Administration’s Joint Strategic Plan for intellectual property enforcement and its policy of reform in the Middle East and North Africa. USTR has worked closely with the Office of Management and Budget and other Executive Branch agencies to

promote new regulatory cooperation initiatives, aimed at reducing non-tariff-barriers to trade with the EU, Canada, and Mexico. USTR co-chairs the EOP-led Emerging Technology Interagency Policy Committee, which was established to create coherent, science-based, transparently-developed and WTO-consistent regulatory approaches on emerging technologies.

USTR is a key player in the Administration's efforts to develop an international consensus on global principles for internet governance, encourage cross-border data flows, and ensure that trade concerns are taken into account in the development of U.S. cybersecurity policies. In addition, USTR plays a major role in developing and implementing high-level trade and economic initiatives in connection with Presidential summits, including those held recently with Mexico, Russia and the EU. All of these responsibilities require commensurate resources, human and otherwise, to ensure success.

V. Supporting U.S. International Engagement: Enhancing and Building Relationships

USTR defends and advances the Administration's overall international policy goals through robust engagement in bilateral and regional economic forums. Work in these forums strengthens our overall relationships with China, Japan, India, the European Union, and other key countries by vigorous dialogue on strengthening trade and investment cooperation.

This goal is pursued through the following two program initiatives:

- Conducting Multilateral and Bilateral Forums and Initiatives
- Trade and Investment Framework Agreements (TIFAs)

Conducting Multilateral and Bilateral Fora and Initiatives

USTR engagement with trading partners under this initiative ultimately serves the Presidential goal of doubling exports under the National Export Initiative by opening new markets and maintaining open markets to increase job-creating export opportunities. Key multilateral Presidential initiatives include APEC, the core mission of which is to advance trade issues and to strengthen regional economic integration. USTR is the lead for the U.S. Government on trade and export-related issues in APEC and in 2013 will be working to build on progress made during the United States' and Russia's host years in 2011 and 2012, respectively.

China presents an enormous challenge for the policy and enforcement teams at USTR. As our third largest export market, it presents enormous opportunities; at the same time, the United States runs its largest bilateral trade deficit with China, and China often employs practices that impede trade. USTR must use all the tools available under U.S. law, at the WTO and through bilateral engagement to ensure that American firms and workers receive fair treatment.

In FY2013, USTR will be working on key bilateral Presidential trade initiatives identified during the U.S.-China Joint Commission on Commerce and Trade (JCCT) and U.S.-China Strategic and Economic Dialogue (S&ED), those being the key forums supporting the Presidential imperative to build a positive, cooperative, and comprehensive relationship with China. As the role of China as a large market for U.S. goods and services continues to expand, and the complexity of the relationship deepens, these two dialogues will continue to absorb resources and likely require additional efforts to address China's trade barriers. Likewise, the reduction of Chinese market access barriers is critical to the success of the President's National Export Initiative. Continued robust efforts at trade enforcement with regard to

China, just as we seek to enforce trade rules with all our trading partners, will be a resource-intensive effort.

The President specifically launched the MENA trade and investment partnership initiative, with the goals of increasing trade integration and promoting reforms, in May 2011, as a result of the Arab Spring events. We expect robust activity, requiring commensurate resources, on this strategic initiative in FY2013.

Trade and Investment Framework Agreements (TIFAs)

USTR's engagement with TIFA partner countries advances the Presidential goal of promoting growth and sound policies in various world trading regions, and further develops the capacity of countries to negotiate more comprehensive trade agreements. For example, TIFAs are our primary channel for engagement with some of the largest economies in the Europe and Middle East region, including Turkey and Saudi Arabia (two priority export targets identified for the NEI along with Ukraine).

With no FTAs with sub-Saharan African countries, TIFAs provide the primary means for promoting U.S. trade and investment interests in that region. The United States has TIFAs with eight countries and four regional economic communities. The TIFAs with African regional economic communities (RECs) – including the East African Community (EAC), the Common Market for Eastern and Southern Africa (COMESA), the West African Economic and Monetary Union (WAEMU), as well as the Trade, Investment, and Development Cooperative Agreement (TIDCA) with the Southern Africa Customs Unions (SACU) – also support the U.S. goal to advance regional economic integration amongst African economies and thereby create larger markets for U.S. exports and investment. Administering these processes requires a significant amount of effort.

TIFAs provide an important venue for discussions to resolve technical issues relating to foreign standards and regulations that negatively affect U.S. exports. USTR has resolved many specific trade concerns through these discussions, and they support the Administration's goal to increase respect for labor rights and provide a level playing field for American workers.

USTR resources provide the ability to eliminate key trade and investment barriers, opening markets to U.S. exports and creating export-driven jobs. For example, in 2009, USTR used its TIFA with the Philippines to prevent that country from disrupting \$85 million in U.S. pork and poultry exports. In 2010, USTR worked through its Indonesia TIFA to avert imposition of import barriers to more than \$500 million in U.S. exports of movies, pork, apples, processed food, dairy, and other products. Funding TIFAs provide for engaging key markets like the Mercosur countries (Brazil, Argentina, Paraguay, and Uruguay) and the Caribbean, and enable the TIFA as a means to prepare countries to engage in job-creating FTA negotiations. In the Middle East, the necessity of face to face contact in order to create and maintain critical relationships takes on particular relevance. These meetings require appropriate travel funds. Ongoing frameworks that TIFAs with many partner countries provide coordinated efforts to build sound economic relationships.

VI. Transparency, Outreach, and Coordination: Winning Support for Sound Trade Policies and Creating a More Open and Responsive Government

A key element of USTR's responsibility for developing and coordinating U.S. trade policy is outreach and communication to key stakeholders and the public, both for purposes of developing policy in an open and transparent manner and of ensuring sufficient public support for Administration trade policy goals. USTR supports the Administration's goals for a more open and transparent government through these activities as well as in its statutory role of interagency policy coordination. USTR also supports transparency and openness through timely responses to priority Freedom of Information Act (FOIA) requests and Government Accountability Office (GAO) investigations.

This goal is pursued through the following four program initiatives:

- Increasing Understanding, Participation, Collaboration and Transparency
- Developing and Coordinating Trade Policy & Participating on Trade-Related Boards
- Managing and Responding to High-Priority Statutory and Administrative Requests
- Providing Administrative Support

Increasing Understanding, Participation, Collaboration and Transparency

This initiative helps build and maintain support for the President's trade agenda, particularly through the Presidential objective of a more open and transparent trade policy. In keeping with the Open Government Initiative, the President is committed to maximum public input into policy formulation and implementation, especially that of international trade. This initiative ensures transparent and thoughtful policymaking that is informed by the private sector, Congress, and other stakeholders' priorities. It is critical to informing negotiators of support or opposition to USTR's proposed policies. It implements the Congressionally-mandated advisory committee system.

Sound, strategic, transparent media, in conjunction with public outreach and message management, helps to build support among Americans and in Congress for the Administration's goals and efforts toward effective trade policy, including the NEI, the Administration's focus on small- and medium-sized businesses, and high-profile efforts to advance trade agreements such as the TPP and other trade policy initiatives requiring approval by Congress in order to proceed. Personnel and financial resources are required to ensure appropriate management, monitoring, and implementation of consistent media and outreach strategies.

Developing and Coordinating Trade Policy and Participating on Trade-Related Boards

The President's Trade Policy Agenda mandates efforts to increase domestic support for U.S. trade policies. This requires a well-developed and coordinated trade policy. USTR participation in this initiative furthers the Administration goal of transparency in trade policy-making and implementation, as well as building public and Congressional understanding of and support for Administration trade initiatives like the NEI. Trade Policy Staff Committee/Trade Policy Review Group (TPSC/TPRG) and Deputies processes for consideration of trade policy proposals enable transparency and full participation

by all agencies. They support robust interagency debate that frames positions to ensure the Administration represents a unified voice regarding trade. It supports and strengthens a rules-based, transparent approach to trade. Some initiatives (e.g. Millennium Challenge Corporation (MCC)) contribute directly to a strong partnership with developing countries.

Managing and Responding to High-Priority Statutory and Administrative Requests

The President's first Executive Order established policies to increase transparency and disclosure under FOIA. This was later elaborated in a memo from Attorney General Eric Holder. Likewise, the Administration has prioritized U.S. trade policy that is based on a meaningful partnership with the Congress. GAO investigations are a critical element in Congress' ability to participate as an equal partner. Congressional oversight of U.S. trade policy through GAO investigations is likely to intensify with the entry-into-force of three FTA's (Colombia, Korea and Panama) and the conclusion of the Trans-Pacific Partnership agreement. Congress will seek to ensure rigorous Executive Branch monitoring and enforcement of the implementation of agreement provisions by our trade partners. This initiative ensures compliance with statutory and administrative requirements and supports transparency and responsiveness to all inquiries, including those from the public.

Providing Administrative Support

By ensuring the efficient and effective use of resources, this initiative directly supports every aspect of USTR's efforts to advance the President's Trade Policy Agenda. This program supports Administration goals for management excellence, improved government operations, and a productive working environment. In particular, the information technology collaboration necessary to implement new media outreach efforts helps to fulfill the key Administration goal of transparency to the public regarding USTR activities and policy initiatives. Aggressive budget management fulfills the President's goal of fiscal responsibility at a time when resource expenditures must be minimized.

At the beginning of this Administration, USTR embarked on an aggressive review of all administrative expenses in Washington and Geneva. Administrative costs were saved through new travel policies, decreased contract security guard hours at Washington offices, elimination of Washington garage parking, reduction in color printing, zeroing the furniture account, reduction of periodical and trade-related subscriptions, reduction in Geneva Deputy Chief of Mission (DCM) housing costs, etc. Personnel costs were tightly controlled. Vacancies were managed, hiring was judiciously made to fill critical positions, and detailees/interns were used to the maximum extent possible. Support staff positions in Washington and Geneva were reduced through improved information technology processes and equipment. Video teleconferencing substituted for travel where practicable.

These actions saved or avoided costs of more than \$2 million in FY 2011 and continue to generate savings of more than \$2M per year. This enabled USTR to shift resources to begin the pursuit of its multi-pronged approach to opening markets: (1) produce high-standard trade agreements, (2) hold trading partners to their commitments through strong enforcement of our rights, and (3) create new opportunities to strengthen trade relationships and eliminate barriers to U.S. exports.

ORGANIZATION SUMMARY

USTR is responsible for developing and coordinating America's trade policy, leading trade negotiations with other nations, and ensuring that U.S. trade laws are enforced. USTR also coordinates Federal agencies to resolve interagency positions on trade policy and to frame issues for presidential decision. "USTR" refers both to the office and its head, the U.S. Trade Representative, who is a member of the President's cabinet. USTR is the principal trade advisor and negotiator for the President. USTR operates in three locations: Washington, D.C., Geneva, Switzerland, and Beijing, China (since 2007), and has a representative in Brussels serving as the U.S. Trade Representative to the European Commission's Directorate-General for Trade.

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

Interagency coordination is accomplished by USTR through the Trade Policy Review Group (TPRG) and the Trade Policy Staff Committee (TPSC). These groups, administered and chaired by USTR and composed of twenty (20) Federal agencies and departments, make up the sub-cabinet mechanism for developing and coordinating positions on international trade issues. The United States International Trade Commission (ITC) is a non-voting member of the TPSC and an observer of TPRG meetings.

The TPSC is the first line operating group, with representation at the senior civil servant level. The TPSC is supported by eighty (80) subcommittees, each of which is chaired by a USTR staff member. If agreement is not reached in the TPSC, or if particularly significant policy questions are being considered, issues are taken up to the TPRG or the Deputy Group of the National Economic Council, two sub-cabinet-level groups. The final tier of the interagency trade policy mechanism is the National Economic Council (NEC)/National Security Council (NSC), chaired by the President.

USTR also serves as Vice Chairman of the Board of Directors of the Overseas Private Investment Corporation (OPIC), is a non-voting member of the Export-Import Bank, is a member of the National Advisory Committee (NAC) on International Monetary and Financial Policies, and on the Board of the Millennium Challenge Corporation (MCC).

USTR also has administrative responsibility for the Generalized System of Preferences (GSP) program, the African Growth and Opportunity Act (AGOA) preference program, and Section 301 complaints against foreign unfair trade practices, as well as coordinating recommendations to the President on ITC determinations under Section 337 and import relief cases under Section 201. The Omnibus Trade and Competitiveness Act of 1988 (Trade Act of 1988) transferred authority to the USTR to take action under Section 301, subject to the direction of the President.

USTR's private sector advisory committees provide information and advice on U.S. negotiating objectives and bargaining positions before entering into trade agreements, on the operation of any trade

agreement once entered into, and on other matters arising in connection with the development, implementation, and administration of U.S. trade policy.

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

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

The 22 sector-specific, functional, and technical advisory committees are organized in two areas: industry and agriculture. Representatives are jointly appointed by the USTR and the Secretaries of Commerce and Agriculture, respectively. Each sectoral or technical committee represents a specific sector or commodity group (such as sewn products or dairy products) and provides specific technical advice concerning the effect that a trade policy decision may have on its sector. The four functional advisory committees provide cross-sectoral advice on customs, standards, e-commerce, and intellectual property issues.

In the Trade Act of 1974, Congress broadened and codified USTR's trade policymaking and negotiating functions and established close congressional relationships with the office. As a matter of comity, five members from each House serve as congressional advisors on trade policy, and additional Members may serve as advisors on particular issues or negotiations. The Washington, D.C. office has a range of operations: Bilateral and Regional activities: (China Affairs; Western Hemisphere; Europe and the Middle East; African Affairs; Central & South Asian Affairs; Southeast Asia & the Pacific; Japan, Korea & APEC Affairs); WTO and Multilateral Affairs; Sectoral Activities (Agriculture; Labor; Environment and Natural Resources; Textiles; Small Business, Market Access & Industrial Competitiveness; Services and Investment; and Intellectual Property & Innovation); and General Support (General Counsel, including Monitoring and Enforcement; Congressional Affairs; Administration; Public and Media Affairs; Intergovernmental Affairs and Public Liaison; and Trade Policy and Economics).

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

The Beijing office is headed by a Minister Counsellor with one U.S. employee and two Foreign Service Nationals (FSNs) on staff. USTR's local presence in China is important to USTR's effectiveness in a country with a growing number of trade related issues.

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
SALARIES AND EXPENSES

Appropriation Language

For necessary expenses of the Office of the United States Trade Representative, including the hire of passenger motor vehicles and the employment of experts and consultants as authorized by 5 U.S.C. 3109, \$53,041,000 of which \$1,000,000 shall remain available until expended: *Provided*, That not to exceed \$124,000 shall be available for official reception and representation expenses.

SUMMARY OF FY 2013 BUDGET REQUEST

Appropriation Levels by Year
(in thousands of dollars)

	FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY 12-13 Difference
Budget	47,566	51,251	53,041	1,790

FTE Levels by Fiscal Year

	FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY 12-13 Difference
FTE	229	248	252	4

SUMMARY OF RESOURCE REQUIREMENTS

(in thousands of dollars)

	FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY 12-13 % Increase
Trade Coordination and Negotiation	40,486	43,255	45,045	4.1%
Geneva Trade Negotiations	6,702	7,157	7,157	--
Beijing Trade Negotiations	378	839	839	--
Total Direct Program	47,566	51,251	53,041	3.5%

SUMMARY OF OBLIGATIONS BY OBJECT CLASSIFICATION

(in thousands of dollars)

	FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY 12-13 Difference
Personnel Compensation	28,566	29,719	30,240	521
Personnel Benefits: Civilian	9,200	9,906	10,080	174
Travel and Transportation of Persons	4,374	5,000	5,360	360
Transportation of Things	18	17	17	0
Rental Payments to GSA	0	0	675	675
Comm., Utilities, & Misc. Charges	1,205	981	981	0
Printing and Reproduction	49	56	56	0
Other Contractual Services	3,809	4,989	5,049	60
Supplies and Materials	260	195	183	(12)
Official Entertainment	81	112	124	12
Equipment	4	276	276	0
Obligations Subtotal	47,566	51,251	53,041	1,790
Reimbursement	682	773	773	0
Total	48,248	52,024	53,814	1,790

**Summary of Financial Changes
by Object Class**

Personnel Compensation and Benefits
(in thousands of dollars)

FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY 12-13 Difference
37,766	39,625	40,320	695

The estimated fiscal year FY 2013 funding requirement for USTR payroll is \$40,320,000 which represents an increase of \$695,000 or 1.8 percent from FY 2012. These additional resources will enhance our overall trade enforcement capabilities.

Travel and Transportation of Persons
(in thousands of dollars)

FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY 12-13 Difference
4,374	5,000	5,360	360

International travel is essential to achieving the President's trade agenda. The Trans-Pacific Partnership (TPP) has required the greatest travel resources in FY 2011-12 and we anticipate the conclusion of the negotiations among the nine members in FY 2012. Increased travel, needed to support trade enforcement, represents the increase in this object class. Continuing travel will be necessary to implement the TPP and monitoring and enforcement of the Korean, Colombia and Panama free trade agreements. USTR will continue to prioritize travel based on the most important trade objectives as set by the President and utilize videoconferencing in lieu of travel when practicable.

Transportation of Things
(in thousands of dollars)

FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY 12-13 Difference
18	17	17	0

Transportation of Things covers commercial express delivery (including freight and other shipping costs) and storage costs for staff stationed in Geneva and Beijing. There is no net change assumed in this object class.

Rental Payments to GSA
(in thousands of dollars)

FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY 12-13 Difference
0	0	675	675

Increased GSA rental space, needed to support trade enforcement, represents the increase in this object class. The rental rate used for this budget plan is based on per capita costs that make up the current lease for USTR within its existing space.

Communications, Utilities, and Miscellaneous Charges
(in thousands of dollars)

FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY 12-13 Difference
1,205	981	981	0

USTR incurs costs for data, voice, wireless communications from commercial sources, equipment leasing, and housing costs for its Geneva-based Ambassador. Geneva housing costs account for approximately \$315,000 of total expenses for this spending category. Wireless telecommunications are an integral part of conducting business and are expected to remain steady at approximately \$300,000. All other costs account for approximately \$366,000 of the remaining balance. There is no net change in this object class from the FY 2012 level.

Printing and Reproduction

(in thousands of dollars)

FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY 12-13 Difference
49	56	56	0

Federal Register publications represent the largest single type of printing cost and occur as a result of federal reporting requirements. USTR has recurring annual printing costs related to publication of the National Trade Estimates and the USTR Annual Report. Printing costs will be managed through more efficient planning of job requirements to keep this object class at the FY 2012 level.

Other Contractual Services

(in thousands of dollars)

FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY 12-13 Difference
3,809	4,989	5,049	60

Other Services includes a wide range of commercial and government services such as equipment maintenance, training, professional service contracts and the Department of State's International Cooperative Administrative Support Services (ICASS) and Capital Security Costs (CSC). Associated language services needs for translation of documents account for the increase in this object class. A further description of State Department related Other Services follows.

Language Services

(in thousands of dollars)

FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY 12-13 Difference
173	225	285	60

The increase in language service costs, which are translation costs are related to legal documents, inquiries, and reports resulting from enhanced enforcement efforts. USTR will make every effort to manage these costs. Our recent experience has been that the local State Department embassies have been successful in getting work done in country on a quicker and less costly basis. This has been the case in both China and South Korea.

Other Services – International Cooperative Administrative

Support Services (ICASS) Assessment

(in thousands of dollars)

	FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY 12-13 Difference
Geneva	1,852	1,793	1,833	40
Beijing	0	52	52	0
Total	1,852	1,845	1,885	40

International Cooperative Administrative Support Services (ICASS)

USTR's Geneva office has eleven (11) employees and several locally employed staff. USTR occupies one floor of the U.S. Mission and is charged via ICASS for rent, security, administrative services and other support costs. Since the Geneva delegation makes up a minor part of the overall mission, our ability to influence the operational decisions is limited. USTR will closely monitor ICASS costs, shifting any available funds as may be necessary to maintain overseas operation. USTR ICASS declined in FY 2012 as a result of the reduction of staffing in our Geneva office. Some increase is assumed in FY 2013 due to local contracted employee wage increases covered under Swiss law.

Other Services - Capital Security Cost Sharing (CSC)

(in thousands of dollars)

	FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY 12-13 Difference
	984	812	852	40

Capital Security Cost Sharing (CSC)

The Department of State charges federal agencies for the cost to construct new embassies and consulates and to renovate existing facilities to withstand threats against U.S. property. Agency charges are based largely on the number of personnel from each agency based in foreign locations. The reduction in FY 2012 was due to State Department's Capital Security Cost budget request not being fully funded for its capital programs. FY 2013 cost information has been provided by the Department of State.

Supplies and Materials
(in thousands of dollars)

FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY 12-13 Difference
341	307	307	0

Supplies and materials, \$183,000, and funds for official reception and representation, \$124,000, are included in this category. There is no net change in this object class from the FY 2012 level.

Equipment and Furniture
(in thousands of dollars)

FY 2011 Actual	FY 2012 Enacted	FY 2013 Estimate	FY 12-13 Difference
4	276	276	0

There is no planned increase in costs for this category in FY 2013.

FISCAL YEAR 2013 GOALS AND MEASUREMENTS

USTR's 2013 Annual Performance Goals and Measurements support the overarching Strategic Goals and Objectives drawn from its Strategic Plan.

Goal 1: Support and Sustain U.S. Jobs by Opening Foreign Markets

Consistent with the President's trade policy agenda and with the primary goal of supporting and sustaining well-paying American jobs, USTR will seek to support the President's National Export Initiative by opening export markets around the world and reducing trade and investment barriers and distortions by negotiating, concluding and implementing multilateral, regional and bilateral trade agreements, as well as by effectively representing U.S. interests in international bodies, including those established under those agreements.

Objectives:

- Negotiate and implement agreements that create and sustain well-paying American jobs, advance the overall trade and economic interests of the United States, and further the intent and objectives of U.S. trade legislation.
- Integrate developing economies, economies in transition, and emerging economies into the global rules-based trading system, encouraging key emerging economies to take trade and investment actions consistent with their growing roles in the global economy, while helping other economies build their capacity to realize the full benefits of trade liberalization and protect the environment and worker rights.
- Effectively represent U.S. interests in international bodies that have been established under multilateral and other international agreements to achieve the Administration's international trade policy goals.

Measurements:

- Revitalize the trade negotiations dimension of the WTO, including, where possible, through conclusion of trade-liberalizing elements of the Doha Development Agenda (DDA), as well as proposing a new services plurilateral as well as other liberalization and rule-making initiatives that may lie outside the scope of the DDA.
- Conclude WTO accession agreements with candidates, including developing countries and emerging market economies that undertake trade commitments that meet Administration priorities and are supported by the Congress.
- Conclude Trans-Pacific Partnership (TPP) negotiations, obtain Congressional approval for the agreement, and implement.
- Conduct consultations with domestic stakeholders and the Congress regarding expressions of interest in joining the TPP from other countries to ensure they can meet the TPP's high standards for liberalizing trade and address specific issues of concern to the United States.
- Facilitate the timely entry into force of FTAs with Colombia, Korea, and Panama.
- Launch, negotiate and conclude Trade and Investment Framework Agreements (TIFAs) with strategically important areas, such as Central Asia and Arabian Gulf regions, and other appropriate countries that expand opportunities for U.S. exports.

- Advance negotiation of the new U.S.-East African regional trade and investment partnership, including a regional investment treaty, trade facilitation and other trade-enhancing agreements, a U.S.-EAC commercial dialogue, and trade capacity building to enable effective implementation of this new initiative.
- Achieve through the Asia-Pacific Economic Cooperation forum (APEC) concrete and meaningful outcomes to address key trade and investment barriers in the Asia-Pacific region.
- Launch negotiations and successfully conclude BITs with appropriate partners consistent with Administration criteria.
- Initiate negotiations and conclude agreements to reduce or eliminate specific trade barriers and distortions.
- Ensure full implementation of the WTO obligations of recently-acceded Members of the WTO.
- In partnership with other agencies, such as the Small Business Administration, encourage small- and medium-sized enterprises (SME) to export through new initiatives.
- Pursue negotiations and other efforts to implement the Trade and Investment Partnership Initiative for the Middle East and North Africa (MENA), to include agreements or other arrangements covering investment, trade facilitation, services and other areas, and trade capacity building to enable effective implementation of this new initiative.
- Advance protection and enforcement of intellectual property rights (IPR) through the negotiation and implementation of relevant trade agreements. Seek timely entry into force of the plurilateral Anti-Counterfeiting Trade Agreement, and use it to further effective IPR enforcement.
- Pursuant to the mandate issued by U.S. and EU leaders during their November 28, 2011 summit meeting, identify, develop, and implement economically promising and politically feasible new initiatives for increasing U.S.-EU trade and investment, with the aim of generating new jobs and growth on both sides of the Atlantic.
- Develop and implement with the EU joint principles and advocacy and outreach strategies for addressing trade-related challenges of common concern in key emerging economies.
- Further strengthen U.S.-Japan trade initiatives and engagement.
- Negotiate equivalency agreements with countries that are key markets for U.S. organic exports, promoting increased exports of U.S. organic food and agriculture products.
- Negotiate mutual recognition agreements (MRAs) with select countries to facilitate U.S. exports of telecommunications equipment.
- Utilize the Trade and Investment Partnership Initiative with the Middle East and North Africa and the U.S.-Turkey Strategic Framework to encourage U.S. trade and investment with this critical region and to foster convergence of these countries' trade and investment regimes with the requirements of the global trading system.
- Work with U.S. Government agencies that provide or fund trade capacity building assistance to ensure that their assistance programs assist developing countries to integrate more fully into the global trading system and, in cooperation with other relevant agencies, work with other donor countries and international institutions to make the most coherent and effective use of scarce resources.
- Apply U.S. trade preference programs in a manner that contributes to economic development in beneficiary countries while addressing U.S. bilateral trade and other policy concerns through annual reviews of GSP product and country practice petitions, and the annual AGOA eligibility review process.
- Work with Congress to extend AGOA's third country fabric provision and add South Sudan to list of potentially eligible sub-Saharan African countries when it meets AGOA eligibility criteria. Also, work with Congress on renewal of AGOA beyond 2015 and changes that may be needed to maximize AGOA's effectiveness as well as take account of evolving global trade relations and supply chain dynamics.

- Review the operation of preference programs in light of existing and future negotiations to determine how these programs may reduce incentives for beneficiary countries to enter into reciprocal market-opening agreements and to ensure that these programs advance the integration of those countries into the global trading system.
- In cooperation with other relevant agencies, design and implement environmental cooperation mechanisms with FTA partners and negotiate and conclude trade-related environmental agreements that increase the capacity of developing countries to protect the environment.
- Improve worker rights and the enforcement of labor laws by U.S. trade partners by negotiating strong labor provisions in the TPP and other relevant trade agreements and building the capacity of our trading partners to fully implement those commitments.
- Ensure that actions by WTO bodies support U.S. policies and objectives and are consistent with Congressional requirements.
- In cooperation with other relevant agencies, as appropriate, work to ensure that the WTO's work on Aid for Trade and other activities for assisting developing countries is aimed at mainstreaming trade into the development plans of these countries and supports their effective participation in the trading system while not exceeding the institutional mandate of the WTO as a trade organization.
- Work to ensure that other institutions that may engage on issues related to trade (WIPO, UNCTAD, OECD, WHO, OAS and IDB) promote Congressional and Administration U.S. policies and objectives.
- Work in the World Bank, IMF, OECD, and other international institutions to further Aid for Trade initiatives and promote U.S. trade objectives in the WTO.
- Advance U.S. interests in the development and adoption of standards in the Codex Alimentarius Commission that facilitate trade in U.S. food and agricultural products.

Goal 2: Support and Sustain U.S. Jobs by Monitoring and Enforcing U.S. Rights

Consistent with the President's trade policy agenda and with the primary goal of creating and sustaining well-paying American jobs, USTR will closely monitor and vigorously enforce U.S. rights under trade agreements to maximize their benefits for American workers, farmers, ranchers, producers, service providers, and businesses, addressing foreign unfair trade practices, including through U.S. trade laws that USTR administers.

Objectives:

- Effectively utilize USTR resources to monitor unfair foreign trade barriers and practices, as well as compliance by trading partners with U.S. trade agreements.
- Vigorously deploy all available tools to enforce U.S. rights under trade agreements, to ensure that these agreements meet their potential to create and sustain well-paying American jobs.

Measurements:

- Use WTO bodies to help ensure other members' compliance with obligations by pressing for timely compliance with notification requirements in the agreements to identify possible problems and by using meetings of these bodies to raise questions about the practices of Members and create pressure to comply.

- Employ monitoring mechanisms for trade agreements to identify potential issues and areas of concern, including by reviewing notifications that trading partners provide.
- Consult regularly with other agencies, interested stakeholders, Congress and foreign officials to obtain information on foreign trade barriers and practices.
- Review implementation of WTO, regional and bilateral trade agreements, particularly through the preparation of the Annual Report of the President on the Trade Agreements Program and the National Trade Estimate Report, and identify strategies for resolving implementation problems.
- Ensure that Colombia, Korea and Panama implement all the relevant FTA and related commitments as those agreements enter into force, and take action as necessary to ensure compliance after entry into force.
- Secure China's participation in the GPA to support rebalancing of the U.S.-China trade relationship by expanding U.S. sales into China's large government procurement market.
- Complete the annual Report to Congress on China's WTO Compliance.
- As Russia joins the WTO, monitor Russia's compliance with its WTO obligations and take action as necessary to ensure U.S. exports are treated consistently with WTO commitments.
- Complete annual reports and reviews regarding U.S. trade policy, identifying the chief trade barriers to U.S. exports maintained by our key trading partners, as well as efforts to reduce or eliminate them through negotiation, consultation, and dispute settlement.
- Promptly analyze issues identified through monitoring to determine if there is a breach of a U.S. trade agreement.
- Employ WTO and other trade agreement committees, bilateral engagement, and dispute settlement as appropriate to resolve identified breaches of U.S. trade agreements.
- Solicit public comment on WTO dispute settlement panel proceedings to ensure that USTR officials can develop U.S. positions and arguments based on all relevant available information.
- Provide public access to U.S. submissions to WTO adjudicatory bodies so that stakeholders and interested members of the public may provide relevant input.
- Identify new cases to be pursued under WTO and/or FTA dispute settlement procedures or under U.S. trade statutes, including barriers to U.S. exports due to lack of transparency and lack of science-based rule-making processes.
- Work to resolve pending dispute settlement proceedings on a basis favorable to the United States.
- Analyze and respond appropriately to petitions filed for action against perceived unfair trade barriers.
- Ensure compliance with high labor and environment standards and the protection and enforcement of U.S. intellectual property rights in foreign markets by deploying all available tools in U.S. trade agreements and programs, including, as relevant, enforcement mechanisms, technical assistance, and engagement.
- Utilize high-level bilateral discussions, including through strategic dialogues and at TIFA Council meetings, to address trade barriers identified with various bilateral and regional partners.

Goal 3: Develop Strategic and Transparent Policy

Consistent with the President's trade policy agenda, USTR will consult with the Congress, communicate with a wide range of stakeholders, including state and local government officials, and lead interagency trade and investment policy coordination on trade negotiations and initiatives to obtain broad-ranging input, provide accountability, and develop sound, strategic U.S. trade policies.

Objectives:

- Expand and broaden the existing coalition with Congress, interested stakeholders, state and local governments, and the public to inform and strengthen the U.S. trade agenda, develop Administration trade policies and initiatives, advance key trade legislation, including Congressional approval of trade agreement implementing bills.
- Foster a robust advisory committee system by appointing and consulting an active group of advisors.
- Employ constructive, consensus-building interagency coordination in the Trade Policy Staff Committee (TPSC) and the Trade Policy Review Group (TPRG).

Measurements:

- Work with other trade agencies, Congressional trade committees, and interested stakeholders to communicate the benefits of free trade and other agreements to the Congress, interested stakeholders, state and local governments, and the public.
- Work with U.S. development agencies and other government agencies so that appropriate assistance programs are in place to support trade agreements and key trade legislation.
- Consult broadly and intensively with Congressional committees of jurisdiction and the Congressional Oversight Group (COG) on pending trade policy issues and initiatives. Keep committees abreast of key issues, opportunities, and constraints in trade negotiations. Keep committees updated on the positions of our negotiating partners.
- Build support for trade agreements through existing pro-trade congressional coalitions and caucuses.
- Continue to consult regularly with interested stakeholders on trade negotiations, trade agreement implementation, and other issues.
- Strategically select cities and organizations for pro-trade speeches to demonstrate the importance of trade to the local economy.
- Engage Members interested in foreign policy generally.
- Consult broadly with Congress and other stakeholders to develop U.S.-sub-Saharan Africa trade partnership beyond African Growth and Opportunity Act (AGOA) preferences, including exploring possible new models for agreements with African regional economic communities (RECs) or with the proposed Continental Free Trade Area of Africa. In that context, work with Congress to amend and ultimately extend AGOA to enhance the U.S.-Africa economic relationship and support Africa's development in line with the Presidential Directive on Development.
- Convene regular advisory committee meetings and briefings as needed in coordination with other relevant agencies.
- Ensure timely re-chartering and appointment of committees and ensure that committees meet statutory reporting requirements.
- Expand the membership and strengthen the effectiveness of the Trade Advisory Committee on Africa (TACA) to provide relevant advice on enhancing the U.S.-Africa trade and investment relationship.
- Ensure that the advisory committee system meets the needs of the 21st century economy and the U.S. national economic interest, by seeking advisory input on an ongoing basis as issues arise and posting documents for comment to the Secured Advisory Committee Website.
- Engage the committees to assist in supporting the trade agenda and provide them with regular informative updates on USTR issues and activities.
- Seek to resolve inter-agency trade policy issues at the TPSC level whenever possible, and in a timely manner, reserving only complex or sensitive decisions for resolution in the TPRG (deputy head of agency level).
- Contribute to informed policy making by means of a thorough and up-to-date understanding of the positions of other countries/entities based on direct contacts, input from U.S. diplomatic posts, and other sources.

- Effectively utilize the NSS Deputies and sub-Deputies process to ensure USTR leadership on key Administration trade policy goals and initiatives.

Goal 4: Effectively Communicate Trade's Benefits

To ensure the advancement of the President's trade policy agenda, USTR will communicate the benefits of international trade and international investment to domestic and foreign audiences, thereby building public understanding of trade's job-creating potential and support for opening markets around the world to trade and foreign investment.

Objectives:

- Create and implement a USTR-wide, proactive communications strategy to explain the job-creating, economy-enhancing benefits of trade to domestic constituencies and stakeholders.
- Enhance outreach to state and local governments on the benefits of trade, particularly those benefits that flow from Free Trade Agreements (FTAs) and membership in the WTO.
- Work with the White House and with agency partners to implement an Administration-wide message on the benefits of international trade.
- Communicate, in consultation with other agencies, the Congress and interested stakeholders, a common message to foreign countries and their citizens explaining the benefits of trade with the United States, in order to build support for U.S. trade policies and initiatives.

Measurements:

- Develop talking points, fact sheets, press releases, electronic newsletters and internet strategy to explain the advantages of trade.
- Organize press events around high profile trade liberalization achievements.
- Build network of private and non-governmental organizations and coordinate messaging on the benefits of trade.
- Survey external research to gauge baseline of current public perceptions of trade and adjust USTR's messaging strategy and develop trade education materials.
- Establish a stronger state-level network of interested stakeholders and work with this network to offer opportunities for information exchange and trade education through USTR participation in conferences and external speaking engagements.
- Develop and distribute educational materials based on available state and local trade export data to interested stakeholders, state representatives and local networks, and seek improved state-level data.
- Coordinate press statements with interested agencies and the White House in order to present coherent and mutually reinforcing trade information to the public.
- Create an informal trade communications working group that meets periodically to examine trade messaging and opportunities for interagency and White House coordination.
- Through cooperation with agencies at the U.S. Export Assistance Centers (USEACs), other key agencies and stakeholders, work to advance the goals of the National Export Initiative (NEI) to increase U.S. exports, including through efforts to educate U.S. businesses – especially SMEs – about global trade opportunities.

- Plan and organize press events hosted by USTR officials and Members of Congress during trade negotiations in Washington as well as at other negotiating sites in the United States and abroad that Congressional delegations visit.
- Work with the House Ways and Means and Senate Finance Committees to develop a strategy focusing on communicating the benefits of trade.
- Anticipate and prepare press statements and press events to counter attacks on a liberalized trade policy.
- Identify foreign constituencies that may be receptive to information regarding the benefits, including environmental and social benefits, of free and fair trade.
- Build relationships with foreign media and place press statements and attend press events that build support for free and fair trade in key foreign countries.
- Work with USTR's public affairs counterparts in foreign governments to coordinate a communications strategy to advance trade negotiations and to explain trade disputes.
- Continue to update and implement USTR's Open Government Plan.
- Respond appropriately and timely to all statutory requests, such as Freedom of Information Act (FOIA) inquiries and Government Accountability Office (GAO) investigations/reports.

Goal 5: Achieve Organizational Excellence

Consistent with the President's goals for his entire Administration, USTR will provide the administrative processes and infrastructure that will strengthen USTR's ability to perform its core functions at the highest level of excellence, with the most qualified individuals possible, establishing a workplace that promotes diversity, initiative, creativity and productivity through the enhancement of human capital through recruitment, promotion and retention initiatives, and professional development and training opportunities.

Objectives:

- Implement a human capital management program designed to help USTR accomplish its mission.
- Manage USTR more efficiently and effectively.
- Provide facilities that help USTR staff become more productive.
- Install information technology and communications systems that increase USTR's productivity.
- Manage resources to maximize USTR future capabilities.
- Implement a security program that provides a high-degree of protection for USTR personnel, facilities and sensitive information.

Measurements:

- Implement the USTR strategic human capital management and succession plans and develop strategies that ensure human capital is well-managed and employee personal and career development opportunities are maximized.
- Perform operational responsibilities to ensure high quality administrative and human resources support.
- Adopt administrative services procedures that provide responsive and timely support to USTR staff.

- Foster a high-performing administrative staff that provides efficient and effective support to USTR offices and employees.
- Implement knowledge management roadmap.
- Implement the long-range master plan for USTR space utilization and allocation that provides the quality and quantity of office and meeting facilities appropriate for USTR's business requirements.
- Complete USTR office complex upgrades to provide attractive and functional offices and meeting space.
- Implement maintenance plan that facilitates mission accomplishment and promotes employee health and well-being by providing clean and well-functioning facilities.
- Acquire and install information technology (IT) and communications equipment that facilitates mission accomplishment.
- Ensure that field offices' IT and communications systems provide robust connectivity and continuity of operations.
- Employ just-in-time training, instructional seminars and job aids to ensure highest possible use of IT capabilities.
- Employ zero-based program budgeting in developing multi-year business plans.
- Manage spend plan to maximize USTR's productivity and efficiency.
- Coordinate with other agencies in resource planning for trade-related negotiations and events.
- Implement a comprehensive information security program that meets E.O. 13526 and ISOO Directive One.
- Implement a physical security program that meets HSPD-12.
- Develop procedures to protect USTR personnel in high threat situations and environments and provide appropriate level of protection for the USTR office complex.
- Implement the USTR Continuity of Operations Plan (COOP) and exercise occupant emergency plans.

ANNUAL PERFORMANCE REPORT FOR FISCAL YEAR 2011

I. *Introduction*

This section represents the Annual Performance Report for the Office of the United States Trade Representative (USTR). It has been developed to carry out USTR's obligations under the Government Performance and Results Act (GPRA) and to help the agency measure its performance for FY 2011. This report is produced with input from the Assistant U.S. Trade Representatives and other senior agency officials; no contribution was made by a non-Federal entity.

Further information on all accomplishments will be available in the 2012 Trade Policy Agenda and the 2011 Annual Report of the President of the United States on the Trade Agreements Program that will be published in March 2012 and available at <http://www.ustr.gov>. The Mission Statement and Strategic Goals were published in the Strategic Plan issued in 2008. The FY 2012 – FY 2016 Strategic Plan is being drafted in accordance with revisions made by Congress to the GPRA by the GPRA Modernization Act of 2010.

II. *Mission Statement*

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

III. *Summary of Strategic Goals*

Goal 1 Create and Sustain U.S. Jobs by Opening Foreign Markets

Consistent with the President's trade policy agenda and with the primary goal of creating and sustaining well-paying American jobs, USTR will seek to support the President's National Export Initiative by opening export markets around the world and reducing trade and investment barriers and distortions by negotiating, concluding and implementing multilateral, regional and bilateral trade agreements, as well as by effectively representing U.S. interests in international bodies, including those established under those agreements.

Goal 2 Create and Sustain U.S. Jobs by Monitoring and Enforcing U.S. Rights

Consistent with the President's trade policy agenda and with the primary goal of creating and sustaining well-paying American jobs, USTR will closely monitor and vigorously enforce U.S. rights under trade agreements to maximize their benefits for American workers, farmers, ranchers, producers, and businesses, addressing foreign unfair trade practices, including through U.S. trade laws that USTR administers.

Goal 3 Develop Strategic and Transparent Policy

Consistent with the President's trade policy agenda, USTR will consult with the Congress, communicate with a wide range of stakeholders including state and local government officials, and lead interagency trade and investment policy coordination on trade negotiations and initiatives to obtain broad-ranging input, provide accountability, and develop sound, strategic U.S. trade policies.

Goal 4 Effectively Communicate Trade's Benefits

To ensure the advancement of the President's trade policy agenda, USTR will communicate the benefits of international trade and international investment to domestic and foreign audiences, thereby building public understanding of trade's job-creating potential and support for opening markets around the world to trade and foreign investment.

Goal 5 Achieve Organizational Excellence

Consistent with the President's goals for his entire Administration, USTR will provide the administrative processes and infrastructure that will strengthen USTR's ability to perform its core functions at the highest level of excellence, with the most qualified individuals possible, establishing a workplace that promotes diversity, initiative, creativity and productivity through the enhancement of human capital through recruitment, promotion and retention initiatives, and professional development and training opportunities.

IV. FISCAL YEAR 2011 GOALS AND ACCOMPLISHMENTS

Goal 1: Create and Sustain U.S. Jobs by Opening Foreign Markets

Consistent with the President's trade policy agenda and with the primary goal of creating and sustaining well-paying American jobs, USTR will seek to support the President's National Export Initiative by opening export markets around the world and reducing trade and investment barriers and distortions by negotiating, concluding and implementing multilateral, regional and bilateral trade agreements, as well as by effectively representing U.S. interests in international bodies, including those established under those agreements.

Objectives:

1.1: Negotiate and implement agreements that create and sustain well-paying American jobs, advance the overall trade and economic interests of the United States, and further the intent and objectives of U.S. trade legislation.

1.2: Integrate developing economies, economies in transition, and emerging economies into the global rules-based trading system, encouraging key emerging economies to take trade and investment actions consistent with their growing roles in the global economy, while helping other economies build their capacity to realize the full benefits of trade liberalization and protect the environment and worker rights.

1.3: Effectively represent U.S. interests in international bodies that have been established under multilateral and other international agreements to achieve the Administration's international trade policy goals.

Accomplishments:

In concert with Congress and agencies across the Obama Administration, USTR is successfully advancing President Obama's [National Export Initiative \(NEI\)](#) to double U.S. exports by the end of 2014 and support two million additional U.S. jobs. The latest data (through October 2011) show U.S. exports have increased at an annualized rate of 16.1 percent compared to 2009 – a pace greater than the 15 percent annual growth required to meet the President's goal. Highlights of our export-boosting, job-supporting accomplishments for 2011 include:

- *Securing Congressional Approval of the U.S.-Korea Free Trade Agreement.* USTR worked with Members of Congress and stakeholders to help secure congressional approval of the [United States-Korea Free Trade Agreement \(KORUS FTA\)](#) with strong bipartisan support, including the largest-ever recorded vote in favor of a trade agreement in the U.S. Senate. This victory followed successful efforts to address outstanding concerns related to the KORUS FTA, including a separate December 2010 agreement that leveled the playing field for U.S. automakers and autoworkers competing for customers in both the United States and Korea. It is estimated that KORUS will increase U.S. exports by \$11 billion and support at least 70,000 trade-related jobs in America once it is fully implemented.

- *Securing Congressional Approval of the U.S.-Colombia Trade Promotion Agreement.* The Administration secured congressional approval of the [United States-Colombia trade agreement](#) by a strong margin after working closely with stakeholders and the government of Colombia to address serious concerns related to labor rights in Colombia. In April 2011 President Obama and Colombian President Santos announced the Colombian Action Plan Related to Labor Rights, which lays out a road map for the

Colombian government to take swift action to better protect labor rights, prevent violence against unionists, and prosecute the perpetrators of such violence. The Action Plan reflects President Obama's commitment to ensuring that U.S. trade agreements keep faith with workers and reflect U.S. values, including respect for labor rights. The United States will continue to work with the Colombian government to implement both the Action Plan and the U.S.-Colombia trade agreement, which is estimated to increase U.S. goods exports by over \$1 billion dollars annually and support thousands of additional American jobs.

- *Securing Congressional Approval of the U.S.-Panama Trade Promotion Agreement.* The Administration also secured strong support for congressional approval of the [United States-Panama trade agreement](#) after working with stakeholders and the government of Panama to address concerns related to tax transparency and labor rights. Panama has acted to improve its tax transparency practices, to address impediments in its domestic law to robust tax information exchange, and to enact several reforms related to labor rights. Once fully implemented, this agreement is estimated to support additional American jobs by removing barriers to U.S. exporters, investors, and service providers doing business between the United States and Panama.

- *Securing Legislation to Renew Trade Adjustment Assistance.* USTR and the Administration worked closely with Congress to renew [strengthened and streamlined Trade Adjustment Assistance \(TAA\)](#) at the same time that Congress approved the pending free trade agreements. The TAA renewal was consistent with the goals of the 2009 law that improved the scope and effectiveness of the program – for instance, covering Americans employed in the services sector in addition to U.S. workers in the manufacturing sector. The legislation also renewed TAA for firms, farmers, and fishermen. President Obama insisted that TAA reforms be included as part of a balanced trade package to ensure that workers get retraining and assistance for the 21st-century jobs they want and need.

- *Securing Legislation Extending Trade Preferences for Developing Countries, Building Better Markets for U.S. Exports.* The Administration worked with Congress to pass legislation to reauthorize the [Generalized System of Preferences \(GSP\)](#), which provides duty-free treatment for up to 4,800 products from 129 beneficiary developing countries. The President subsequently signed a bill to reauthorize GSP through July 2013. As part of the same package of trade legislation, the President also signed a bill to extend the Andean Trade Preference Act. The reauthorization of these key preference programs upholds our commitment to partner with the world's developing countries to promote economic growth and lift people out of poverty, and at the same time builds better global markets for U.S. exports.

- *Achieving Broad Outlines of an Ambitious, Groundbreaking Trans-Pacific Partnership.* In November, the United States and eight fellow participants in the [Trans-Pacific Partnership \(TPP\)](#) negotiations announced achievement of the broad outlines for an ambitious, 21st-century regional trade agreement. The TPP aims to enhance trade and investment among the TPP countries, promote innovation, increase economic growth and development, and support the creation and retention of jobs in America and around the Asia-Pacific region. Also in November, the Administration welcomed the interest expressed by Japan, Canada, and Mexico in joining the TPP negotiations. At that time, the Administration also conveyed that potential new entrants must be able to meet the high standards agreed by all TPP negotiating partners and prepared to address a range of U.S. priorities and issues. In the TPP negotiations, participants are addressing 21st-century trade issues, including many that have not been addressed in previous trade agreements. For example, TPP negotiating partners are seeking new disciplines on cross-cutting issues like increasing regulatory coherence, including ensuring that sanitary and phytosanitary measures are based on science; integrating small- and medium-sized exporters more fully into regional trade; and enhancing supply chain connectivity, competitiveness, and business facilitation. TPP negotiating partners are also considering new ways to address such issues as wildlife conservation, digital technology, and

state-owned enterprises.

- *Hosting a Banner Year of Trade-Enhancing Progress in APEC.* As [APEC host this year](#), the United States successfully secured concrete and meaningful outcomes that will increase regional economic growth and create additional export-supported jobs. APEC economies agreed to reduce tariffs on environmental goods to five percent or less by 2015 and eliminate local content requirements that distort trade and investment in these products and services; to implement a set of policies that will ensure innovation policy in the region is market-driven and non-discriminatory, preventing the emergence of barriers to U.S. technology in Asia-Pacific markets; to improve the quality of the regulatory environment in the region for U.S. exporters; to streamline import procedures for energy-efficient test vehicles; to facilitate trade in remanufactured goods by ensuring that they are treated “like new” at the border; to establish commercially useful de minimis values that will exempt low-value shipments from duties or taxes; to break down barriers to small business trading in the region, including by promoting small business engagement in global production chains through regional trade agreements; to establish a permanent Experts Group charged with developing additional APEC activities to combat illegal logging and associated trade in illegally-harvested forest products; and to create a Global Food Safety Partnership at the World Bank focused on strengthening food safety collaboration globally.

- *Expanding Job-Supporting Export Opportunities for U.S. Suppliers of Goods and Services through Revision of the World Trade Organization Government Procurement Agreement (GPA).* Meeting in Geneva on December 15, Ambassador Kirk and fellow Ministers representing Parties to the WTO Government Procurement Agreement reached a [landmark agreement to revise the text of the GPA](#) and expand the procurement that it covers. The revised GPA, which had been under consideration for more than ten years, will expand coverage of procurement to include a number of central and sub-central entities, as well as government enterprises, not formerly included in the GPA, and modernize the text to reflect current practices in procurement. Government procurement represents one of the most rapidly expanding areas of opportunity for traders of goods and services. With the revision of the GPA, suppliers in the United States will have the opportunity to support more American jobs with broader, deeper access to government procurement work in many partner economies. In addition, the revised agreement will also provide a strong foundation for China to accelerate its accession to the GPA, which has been a priority for the United States.

- *Eliminating Discriminatory Innovation Policies to Ensure Access to China’s Government Procurement Market.* USTR and the Administration secured China’s commitment to make changes that will knock down important barriers to China’s vast, multi-billion dollar government procurement market. In January 2011, President Hu promised to de-link China’s innovation policies from the provision of government procurement preferences. [During the November 2011 Joint Commission on Commerce and Trade \(JCCT\)](#) plenary meeting, China committed to strike down by December 1, 2011 all provincial and local government measures that are inconsistent with President Hu’s January commitment. Full implementation of these changes will abolish provisions that discriminate against products with foreign intellectual property and will keep a major market open. Implementing these changes will also facilitate China’s accession to the WTO Government Procurement Agreement (GPA) – which would provide even more market access for U.S. suppliers of goods and services.

- *Winning Commitments from China to Curb the Use of Illegal Software in China.* During President Hu’s state visit in January and at the 2011 Strategic & Economic Dialogue (S&ED), USTR and the Administration worked to get China’s commitment to ensure that its ministries budget for the purchase of legal software and use financial audits and strengthened physical inspections to weed out illegal software use. China also launched a pilot project with 30 state-owned enterprises on [software legalization](#). At the November 2011 JCCT plenary meeting, China agreed to enforce its rules for all types of software,

applying more resources to the effort, and agreed that its Vice Premier would lead the IP enforcement work using a stronger coordination structure. China also agreed to launch additional software legalization projects with enterprises. According to a study by the Business Software Alliance, the commercial value of pirated software in China exceeded \$7.7 billion in 2010.

- *Signing the Anti-Counterfeiting Trade Agreement to Protect American Jobs and Innovation.* On October 1, 2011, The United States and partner countries Australia, Canada, Japan, Republic of Korea, Morocco, New Zealand, and Singapore signed the [Anti-Counterfeiting Trade Agreement \(ACTA\)](#), in Tokyo, Japan. In addition, the European Union, Mexico, and Switzerland have announced that they are making preparations to sign the agreement as soon as possible. Consistent with the Administration's strategy for intellectual property enforcement, ACTA will modernize the fight against global proliferation of commercial-scale counterfeiting and piracy for the 21st century, which will help sustain American jobs in innovative and creative industries.

- *Helping to Bring Russia into the World Trade Organization's (WTO) Rules-Based System.* USTR, collaborating with Russia and with other WTO Members, contributed to the [completion of Russia's negotiations for Membership in the WTO](#) after nearly two decades. USTR worked with the Russian government to secure improvements as well as specific and targeted commitments that will protect U.S. intellectual property and secure access to Russia's large and growing market for U.S. exports of agricultural and manufactured goods. Russia is the largest economy remaining outside the WTO's framework of rules; its integration into the multilateral trading system will produce important benefits for U.S. exporters of goods, services, and agricultural products, and to the U.S. jobs that lie behind those exports. To ensure that American firms and American exporters will enjoy the same benefits of Russia's WTO membership as their international competitors, the Administration will work with Congress in 2012 to secure legislation ending application of the Jackson-Vanik amendment and granting permanent normal trade relations status to Russia as soon as possible.

- *Developing an Initiative with the Middle East and North Africa to Support Reform and Trade and Investment Integration.* In response to this year's historic transitions in the Middle East and Northern Africa (MENA), USTR coordinated with other federal agencies, outside experts, and stakeholders in both the United States and MENA partner countries to develop a trade and investment initiative to spur job growth and enhance regional trade. USTR also re-launched its Trade and Investment Framework Agreement (TIFA) with Tunisia, setting up specific working groups to develop the means of increasing trade and investment, and set up similar working groups with Egypt. USTR is also working in unprecedented collaboration with EU and MENA trading partners to promote common interests in the stability and prosperity of the region.

- *Launching a High-Level Working Group with the EU to Increase Exports and Jobs.* Following the U.S.-EU Summit meeting on November 28, President Obama and EU leaders launched a High-Level Working Group on Jobs and Growth that will identify and assess options for strengthening the U.S.-EU economic relationship. The [Transatlantic Economic Council](#) has been successful in increasing the already significant level of trade and investment integration between the United States and the EU. This High-Level Working Group responds to long-standing calls from the public to elevate the U.S.-EU relationship to the next level, and will examine all options to increase this level of integration even further, in order to increase exports and support additional jobs. The group will be co-chaired by Ambassador Kirk, and will report twice to U.S. and EU leaders on its conclusions and recommendations in the middle and end of 2012.

- *Securing Ratification of the Rwanda Bilateral Investment Treaty (BIT).* USTR worked with Congress to secure [ratification of the United States-Rwanda Bilateral Investment Treaty \(BIT\)](#) by the U.S. Senate in

September. This modern BIT – the first with an African nation in more than a decade – will provide confidence to U.S. businesses that are investing in or plan to invest in Rwanda.

- *Launching an East African Community Regional Trade and Investment Initiative.* Exploring a new approach to building trade and investment relationships in sub-Saharan Africa, USTR launched [a regional trade and investment initiative](#) with five East African Community (EAC) countries – Burundi, Kenya, Rwanda, Tanzania, and Uganda. This regional initiative will consider options for further trade and investment-enhancing agreements that could possibly serve as building blocks for a more comprehensive U.S.-EAC trade agreement in the future.

- *Advancing Shared Responsibility for the WTO’s Doha Round.* During 2011, USTR pushed successfully for a sober, honest assessment of the difficulties confronting the Doha Development Agenda (DDA) negotiations at the WTO. Recognizing that the problems in the DDA reflect deep substantive differences among WTO members, USTR’s negotiators continued to insist that for Doha to succeed, all major members – including successful developing countries – must make contributions commensurate with their roles in global trade. Through its approach to the 8th Ministerial Conference of the WTO, USTR set the stage for consideration of [innovative approaches to trade-liberalizing work in the WTO](#), including with respect to elements of the DDA that continue to hold promise.

- *Reinstating African Growth and Opportunity Act (AGOA) Eligibility for Cote d’Ivoire, Guinea, and Niger.* In October, [Cote d’Ivoire, Guinea, and Niger were re-instated as AGOA beneficiaries](#) based on their progress in strengthening democratic institutions and market-oriented economies. This decision resulted from an “out-of-cycle” AGOA eligibility review requested by President Obama.

- *Opening Global Markets for U.S. Agricultural Exports.* In coordination with USDA and interagency partners as well as key stakeholders, USTR successfully worked with trading partners around the world to restore and expand access to overseas markets for U.S. farmers, ranchers, and agricultural producers. Once implemented, the [Korea](#), [Colombia](#), and [Panama](#) agreements are estimated to boost combined U.S. agricultural exports to these three markets by over \$2.3 billion annually. USTR made major gains in securing access to Russia’s large and growing market by negotiating tariff-rate quotas (TRQ) for beef, pork, and poultry, and also secured specific commitments from Russia to make improvements in its sanitary and phytosanitary (SPS) regime that will ensure trade flows more smoothly. Additional market-opening accomplishments included improving the trade environment for U.S. wines, supporting specialty crop exports to Japan, and generating further opportunities for U.S. beef exports to Chile.

- *Signing a Mutual Recognition Agreement to Speed U.S. Telecommunications Exports into Mexico.* In May, [USTR signed a mutual recognition agreement \(MRA\) with Mexico](#) that will ease burdens on U.S. companies, especially smaller manufacturers, seeking to export telecommunications products to Mexico. This agreement will permit recognized U.S. laboratories to test telecommunications products for conformity with Mexican technical requirements, and vice versa, while maintaining high levels of safety protection. This saves American manufacturers the time and expense of additional product testing in Mexico and lowers prices for consumers. In 2010, two-way trade in products covered by the MRA with Mexico was approximately \$25 billion.

- *Concluding an Agreement to Facilitate Trade with the Philippines.* In November, USTR concluded a [trade facilitation and customs administration agreement](#) with the Philippines. The agreement includes specific commitments on trade facilitation, including on simplified customs procedures and transparency of customs administration. This will promote increased bilateral trade to the benefit of both the United States and the Philippines. The Philippine government has expressed interest in possibly joining the TPP in the future and this agreement is a building block toward that goal.

• *Creating Action Plans to Accelerate and Increase Trade with Canada.* In February, U.S. President Barack Obama and Canadian Prime Minister Stephen Harper announced two initiatives to ensure that the vital economic partnership between the United States and Canada continues to be the cornerstone of our economic competitiveness and security. Since the leaders' announcement, USTR and federal agencies worked with their Canadian counterparts to formulate the [Beyond the Border \(BTB\) Action Plan and the Regulatory Cooperation Council \(RCC\) Action Plan](#), both of which were released in December. BTB and RCC are complementary and promote transparency, efficiency, and the free and secure flow of people and trade across U.S.-Canadian borders while maintaining and expanding already robust relationships that keep people, goods, and services safe and secure. These measures further enhance the largest bilateral trade and investment relationship in the world. The United States and Canada are each other's largest export market, with roughly 20 percent of all U.S. goods exports destined to Canada. U.S. goods and services exports to Canada support an estimated 1.7 million jobs, and in 2010 U.S. exports to Canada grew faster than U.S. exports to the rest of the world.

• *Launching an Agreement on Trade and Economic Cooperation with Brazil.* In March, Ambassador Kirk and Minister of External Relations Antonio de Aguiar Patriota signed the [Agreement on Trade and Economic Cooperation \(ATEC\)](#), which creates a new bilateral trade dialogue with Brazil. The ATEC provides a framework to deepen cooperation on a number of issues of mutual concern, including innovation, trade facilitation and technical barriers to trade. It will serve as an effective mechanism for managing the bilateral trade relationship and offers a solid foundation for cooperation in other trade fora.

• *Announcing New Initiatives to Support the Growth of Least Developed Countries (LDCs) through Trade and Investment.* In advance of the 8th Ministerial Conference of the WTO in December, the Administration announced [new initiatives to boost trade and investment for LDC members of the WTO](#). These initiatives target ways that the United States can continue to promote development across the world through trade. New measures the Administration will be pursuing include expansion of duty-free-quota-free treatment for Upland cotton grown in LDCs; introduction of a new technical assistance program for West African cotton-producing countries, including the "Cotton Four" countries of Benin, Burkina Faso, Chad, and Mali, which will build on the successful West Africa Cotton Improvement Program (WACIP) that expires in April 2012; and additional help for countries seeking to make maximum use of existing U.S. trade preference programs such as the Generalized System of Preferences (GSP) and the African Growth and Opportunity Act (AGOA).

• *Launching the African Trade and Competitiveness Enhancement (ACTE) Initiative, Working Energetically with Congress to Extend, Enhance, and Renew AGOA.* At the June 2011 AGOA Forum in Zambia, Ambassador Kirk announced the [African Trade and Competitiveness Enhancement \(ACTE\) initiative](#), a new \$120 million commitment over four years that will help Africans produce and export their products both regionally and globally, including to the United States under AGOA. This new initiative reflects a mutual recognition that more can be done to help African producers take full advantage of the opportunities provided by U.S. trade preference programs like AGOA. The Administration has also announced it will be [working energetically with Congress to enact legislation extending AGOA's "third country fabric" provision](#) to 2015 and adding South Sudan as a potentially AGOA-eligible country, while moving toward a seamless renewal of AGOA beyond 2015.

• *Improving Textile and Apparel Trade and Exports throughout Central America and the Dominican Republic.* USTR concluded an agreement on certain technical modifications to the textile and apparel rules of origin in the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR). These modifications will promote greater use of regional inputs in textile and apparel trade between the United States and Central America and the Dominican Republic that will help advance American and regional jobs and export opportunities. USTR and the other CAFTA-DR Governments also worked with the Inter-

American Development Bank and industry leaders in the United States and Central America and the Dominican Republic to develop for the first time a [CAFTA-DR sourcing database](#). The database will greatly facilitate cross-border industry linkages that enable a vibrant regional supply chain for textiles and apparel.

- *Helping Afghanistan and Iraq Transition toward Increased Trade and Investment.* USTR engaged with Afghanistan, Iraq and their neighbors to strengthen local economies and export markets through trade expansion initiatives. For example, USTR has worked bilaterally to [help Afghanistan develop additional trade capacity for women-owned businesses](#) in handicrafts and apparel and advocated for U.S. investors in the agri-business area. USTR also engaged Central and South Asian nations to deepen Afghanistan's integration in regional trade. These activities complement USTR's ongoing assistance and support to Afghanistan's WTO accession efforts.

- *Signing an Agreement in Principle to Support the WTO Accession of Lao People's Democratic Republic (PDR).* On December 16, U.S. Ambassador to the WTO, Michael Punke, and Lao PDR Minister of Industry and Commerce, Dr. Nam Viyaketh, signed an [agreement in principle on bilateral market access](#), associated with Lao PDR's accession to the WTO. The agreement reflects an understanding of the industrial goods, agricultural goods, and services market access commitments that are to be reflected in Lao PDR's market access schedules when it becomes a Member of the WTO. The United States provides extensive technical assistance through USAID to support Lao PDR's WTO accession and economic reforms, and this agreement is an important step forward in Lao PDR's WTO accession process.

Goal 2: Create and Sustain U.S. Jobs by Monitoring and Enforcing U.S. Rights

Consistent with the President's trade policy agenda and with the primary goal of creating and sustaining well-paying American jobs, USTR will closely monitor and vigorously enforce U.S. rights under trade agreements to maximize their benefits for American workers, farmers, ranchers, producers, service providers, and businesses, addressing foreign unfair trade practices, including through U.S. trade laws that USTR administers.

Objectives:

2.1: Effectively utilize USTR resources to monitor unfair foreign trade barriers and practices, as well as compliance by trading partners with U.S. trade agreements.

2.2: Vigorously deploy all available tools to enforce U.S. rights under trade agreements, to ensure that these agreements meet their potential to create and sustain well-paying American jobs.

Accomplishments:

USTR actively asserted Americans' trade rights, taking appropriate enforcement actions to ensure that our trading partners uphold all of their trade obligations. USTR also vigilantly defended intellectual property rights and the American jobs that depend on them, working with trading partners to strengthen implementation and enforcement of policies that foster job-supporting innovation here in the United States and around the world.

- *Winning Again at the WTO Against EU Subsidies to Airbus.* On appeal of the largest case ever heard by a WTO panel, the WTO Appellate Body upheld that almost \$18 billion in subsidies conferred on Airbus by the EU and member countries were illegal, hurting the U.S. aerospace industry and its workers through lost sales in major markets. The Appellate Body decision affirming the United States' victory should lead

to a more level playing field for Boeing and its many small business suppliers across America. Well-paying jobs for U.S. workers from Washington State to Kansas and South Carolina are affected by whether the EU complies with this definitive ruling. The United States remains prepared to engage in any meaningful efforts, through [formal consultations](#) and otherwise, that will lead to the goal of ending subsidized financing at the earliest possible date.

- *Successfully Defending U.S. Aerospace Manufacturers Against EU Claims.* In a separate but related case, the EU asserted that the United States provided almost \$20 billion in subsidies to Boeing, but the [Panel rejected most of the EU claims](#). The EU has appealed several issues it had lost and the United States has appealed the Panel's findings with regard to the remaining \$2.7 billion, which consists primarily of aeronautics research conducted by NASA.

- *Winning a WTO Panel Decision Indicating China Must Ensure Access to Raw Materials.* In July, [a WTO panel agreed with the United States](#) that Chinese export restraints – including export quotas, duties, and minimum export prices – on a number of industrial raw materials violate China's WTO obligations. Such export restraints can skew the playing field against the United States in the production and export of numerous processed steel, aluminum and chemical products, and a wide range of further processed products. The export restraints can artificially increase world prices for these raw material inputs while artificially lowering input prices for Chinese producers. This enables China's domestic downstream producers to produce lower-priced products from the raw materials, creating significant advantages for China's producers when competing against U.S. producers both in China's market and other countries' markets. The situation of coke, an important steel input, serves as an example of the market distortions caused by such restraints. In 2008, China limited annual exports of coke to 12 million metric tons, only 3.6 percent of China's production, and levied additional duties on coke exported. As a result, while coke cost \$472 per metric ton in China, world price was \$740 per metric ton, providing a dramatic competitive advantage to Chinese companies. China has appealed the panel decision and the United States is vigorously defending its important victory at the panel.

- *Securing Agreement to Remove Local Content Requirements for Wind Power Equipment in China.* Following consultations in February pursuant to a previous WTO dispute settlement request by the United States, [China terminated a wind power equipment subsidy program](#), known as the Special Fund. This resolved a key issue raised in the Section 301 petition submitted to USTR last year.

- *Cracking Down on Markets Notorious for Job-Stealing Counterfeit Goods.* In February, USTR published the first separate Out-of-Cycle Review of Notorious Markets, which identified 34 Internet and physical markets that exemplify key challenges in the global struggle against job-stealing piracy and counterfeiting. Following publication of the Notorious Markets list, [several identified markets or local officials took actions intended to curtail distribution of pirated and/or counterfeit goods](#). Such positive response led to the removal of some markets from the December 2011 Notorious Markets List. For example, the Chinese website Baidu reached a precedent-setting licensing agreement with U.S. and international rights holders in the recording industry. Hong Kong customs officials took action to remove infringing goods from the Ladies Market, which is a popular open market in Hong Kong. And the Savelovskiy Market in Russia implemented an action plan to stop the distribution of infringing goods. USTR also issued its comprehensive "Special 301" report on intellectual property protection and enforcement by U.S. trading partners on May 1, 2011. This year, for the first time, the Report included an invitation to all trading partners listed in the report to develop action plans to resolve intellectual property rights issues that are of concern to the United States. In the past, successful completion of such action plans has led to changes in trading partners listing under Special 301. USTR has begun to work with several trading partners on developing and implementing such action plans.

- *Securing Passage of Historic Forest Sector Reforms in Peru.* USTR worked closely with the Government of Peru to facilitate [passage of comprehensive historic forest sector reform legislation](#) in July. The Government of Peru is in the process of developing detailed regulations and building up key oversight institutions. Additionally, USTR convened the Interagency Committee on Timber Imports from Peru to respond to any potential shipments from Peru of illegally-harvested forest products.

- *Securing Compensation and Continuing to Assert U.S. Rights Under the Canada Softwood Lumber Agreement (SLA).* The [United States prevailed](#) in a case before the London Court of International Arbitration (LCIA), which found that certain provincial assistance programs put into place by Quebec and Ontario to aid the Canadian softwood lumber industry breached the 2006 SLA. The LCIA ordered compensatory export measures to remedy the breach. The United States also moved forward in a separate case in January 2011, when it requested an arbitration panel with Canada to challenge apparent subsidies given to lumber producers in British Columbia. Allowing Canadian softwood lumber producers to purchase increasing amounts of high-quality timber harvested from public lands at salvage rates would circumvent Canada's obligations under the SLA. USTR with the Department of Justice continues to prosecute its claims vigorously in this dispute to ensure a level playing field for U.S. softwood lumber products and the communities whose jobs depend on them. Finally, to foster fair trade in lumber well into the future, the United States and Canada are negotiating a two-year extension of the SLA.

- *Winning at the WTO in Support of U.S. Distilled Spirits Exporters Selling in the Philippines.* The United States obtained a victory from a WTO panel in its challenge to discriminatory Philippine excise taxes on imported distilled spirits, which was subsequently [confirmed by the Appellate Body](#) in December. The U.S. industry had long raised concerns regarding the market access barriers created by this discriminatory tax regime, which taxes imported distilled spirits, such as whiskey and gin, at significantly higher rates than domestic distilled spirits. USTR will seek prompt implementation of this decision so that American producers and workers can benefit from the elimination of the discriminatory tax treatment of imported distilled spirits in the Philippines market.

- *Challenging Chinese Duties on U.S. Chicken Broiler Products.* In December, the United States requested the establishment of a WTO dispute settlement panel regarding China's apparent failure to abide by its obligations in imposing antidumping and countervailing duties on chicken broiler products from the United States. Prior to the imposition of duties by China, the United States annually exported nearly a billion dollars' worth of U.S. chicken broiler products exports to China. The practical effect of the duties has been to severely curtail U.S. exports. This case makes clear that the United States [will not permit China to threaten American agriculture jobs](#) by misusing antidumping and countervailing duties to protect its market.

- *Advancing the U.S. Challenge of Chinese Duties on Grain Oriented Electrical Steel (GOES).* Anti-dumping and countervailing duties imposed by China on hundreds of millions of dollars' worth of American steel exports to China have raised prices and reduced exports to that large and growing market. As previously requested consultations failed to resolve U.S. concerns, the United States elected to [move forward and request the establishment of a dispute settlement panel](#) to address China's apparent failure to abide by its substantive and procedural obligations in imposing the duties. This case remains an enforcement priority, as it makes clear that the United States will act to ensure that China does not misuse antidumping and countervailing duties to unfairly affect sales by American businesses and American steelworkers' jobs.

- *Advancing the U.S. Challenge of Chinese Measures Affecting Electronic Payment Services (EPS).* After previously requested consultations failed to resolve U.S. concerns, the United States decided to move forward by [requesting the establishment of a panel at the WTO over China's restrictions on foreign](#)

[suppliers of electronic payment services \(EPS\)](#) for card-based transactions. EPS are essential for the many millions of payment card transactions that occur every day in China. But China continues to block participation by foreign suppliers of EPS for payment card transactions – including American businesses. This case seeks to secure a level playing field for these companies, which are among the most competitive EPS suppliers in the world.

- *Exercising Our Rights to Notify the WTO of Trade Subsidy Programs in India and China.* In October, the United States utilized a rarely-used provision of the WTO Subsidies Agreement for the first time to “counter-notify” hundreds of subsidies that China and India had failed to report to the WTO for many years. Specifically, [USTR submitted to the WTO specific information it discovered regarding more than 200 subsidy programs in China and 50 subsidy programs in India](#). These efforts are holding China and India accountable for their WTO commitments and increasing the transparency of the Chinese and Indian subsidy regimes. They also enable U.S. industries and workers – and all WTO members – to assess more readily the impact of Chinese and Indian subsidies and to make better informed decisions about potential actions to address subsidized imports.

- *Taking the Next Step to Enforce Labor Rights Under CAFTA.* Following consultations requested last year in the first labor case the United States has ever brought under a free trade agreement, [the Administration broke new ground when USTR requested the establishment of an arbitral panel](#) pursuant to the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) for Guatemala’s apparent failure to effectively enforce its labor laws. This enforcement action reflects the Administration’s steadfast determination to protect the rights of workers in America and abroad, and to provide a level playing field for workers here at home.

- *Avoiding Potential Retaliation Related to Zeroing.* Although two WTO panels were scheduled to release reports determining amounts of retaliation that could be imposed on U.S. exports, the United States successfully suspended such findings and avoided retaliation by continuing to seek a final resolution of the so-called [zeroing](#) issue. The potential retaliation requested was several hundred million dollars.

- *Successfully Defending Bold Action Taken by President Obama Under the China Specific Safeguard Mechanism.* The [United States successfully defended its right](#) under U.S. and international law to impose additional duties on disruptive imports of certain passenger and light truck tires from China. In 2011, both a WTO panel and the WTO Appellate Body rejected all of China’s claims against additional duties imposed by President Obama in September 2009 pursuant to section 421 of the Trade Act of 1974, which implemented the transitional safeguard in China’s Protocol of Accession to the WTO. As a result of this win, the additional duties on imports of tires from China, which have helped to support U.S. tire industry jobs, will continue to be assessed at a rate of 25 percent until September 25, 2012.

- *Securing a Level Playing Field for U.S. Auto Manufacturers Competing in China’s New Energy Vehicle (NEV) Market.* During a 2011 JCCT meeting, USTR and the Department of Commerce received confirmation from China that it [will not require foreign automakers to transfer technology](#) to Chinese enterprises or establish Chinese brands in order to invest and sell in China. China also confirmed that foreign-invested enterprises are eligible on an equal basis for subsidies and other incentive programs for electric vehicles, and that these incentive programs will meet WTO rules. China plans to manufacture one million NEVs annually by 2015 and five million annually by 2020.

- *Securing Greater Transparency for U.S. Companies in China.* During the 2011 S&ED, USTR and the Administration worked with China to secure their agreement to issue a domestic measure requiring all proposed trade- and economic-related administrative regulations and rules to be published for public comment for at least 30 days from the date of publication, subject to limited exceptions. [Increased](#)

[regulatory transparency](#) is a top concern for U.S. stakeholders dealing with China.

- *Securing Market Access for U.S. Mobile Phone Service and Related Providers Now Competing in Costa Rica.* In January 2011, [Costa Rica](#) opened its market for mobile phone services, allowing competition with the former state-owned monopoly, in a much-anticipated breakthrough achievement required under the CAFTA-DR Agreement. This market opening also generates new opportunities for U.S. exports and employment by U.S. cell tower companies operating in Costa Rica.

- *Reducing Tariffs and Eliminating Export Restrictions in India.* Working with other government agencies, USTR successfully urged the government of [India](#) to lower or eliminate tariffs on several products including pistachios, cranberries, sun-dried dark raisins, aviation parts, and certain medical devices. USTR also successfully worked with India to eliminate export restrictions on cotton that had been in place since 2010.

Restoring U.S. Movie Exports to Indonesia. In early 2011, [USTR worked with Indonesian officials and business leaders](#) to resolve a significant disruption in U.S. movie exports that had resulted from several new import regulations in Indonesia. Thanks to successful negotiations, a mutually beneficial outcome was reached allowing the U.S. movie industry was able to resume exports to one of the largest, fastest-growing markets in Southeast Asia.

Goal 3: Develop Strategic and Transparent Policy

Consistent with the President's trade policy agenda, USTR will consult with the Congress, communicate with a wide range of stakeholders, including state and local government officials, and lead interagency trade and investment policy coordination on trade negotiations and initiatives to obtain broad-ranging input, provide accountability, and develop sound, strategic U.S. trade policies.

Objectives:

3.1: Expand and broaden the existing coalition with Congress, interested stakeholders, state and local governments, and the public to inform and strengthen the U.S. trade agenda, develop Administration trade policies and initiatives, advance key trade legislation, including Congressional approval of trade agreement implementing bills.

3.2: Foster a robust advisory committee system by appointing and consulting an active group of advisors.

3.3: Employ constructive, consensus-building interagency coordination in the Trade Policy Staff Committee (TPSC) and the Trade Policy Review Group (TPRG).

Accomplishments:

- *Securing Congressional Approval of the U.S.-Korea Free Trade Agreement.* USTR worked with Members of Congress and stakeholders to help secure congressional approval of the [United States-Korea Free Trade Agreement \(KORUS FTA\)](#) with strong bipartisan support, including the largest-ever recorded vote in favor of a trade agreement in the U.S. Senate. This victory followed successful efforts to address outstanding concerns related to the KORUS FTA, including a separate December 2010 agreement that leveled the playing field for U.S. automakers and autoworkers competing for customers in both the United States and Korea. It is estimated that KORUS will increase U.S. exports by \$11 billion and support at least 70,000 trade-related jobs in America once it is fully implemented.

• *Securing Congressional Approval of the U.S.-Colombia Trade Promotion Agreement.* The Administration secured congressional approval of the [United States-Colombia trade agreement](#) by a strong margin after working closely with stakeholders and the government of Colombia to address serious concerns related to labor rights in Colombia. In April 2011 President Obama and Colombian President Santos announced the Colombian Action Plan Related to Labor Rights, which lays out a road map for the Colombian government to take swift action to better protect labor rights, prevent violence against unionists, and prosecute the perpetrators of such violence. The Action Plan reflects President Obama's commitment to ensuring that U.S. trade agreements keep faith with workers and reflect U.S. values, including respect for labor rights. The United States will continue to work with the Colombian government to implement both the Action Plan and the U.S.-Colombia trade agreement, which is estimated to increase U.S. goods exports by over \$1 billion dollars annually and support thousands of additional American jobs.

• *Securing Congressional Approval of the U.S.-Panama Trade Promotion Agreement.* The Administration also secured strong support for congressional approval of the [United States-Panama trade agreement](#) after working with stakeholders and the government of Panama to address concerns related to tax transparency and labor rights. Panama has acted to improve its tax transparency practices, to address impediments in its domestic law to robust tax information exchange, and to enact several reforms related to labor rights. Once fully implemented, this agreement is estimated to support additional American jobs by removing barriers to U.S. exporters, investors, and service providers doing business between the United States and Panama.

• *Securing Legislation to Renew Trade Adjustment Assistance.* USTR and the Administration worked closely with Congress to renew [strengthened and streamlined Trade Adjustment Assistance \(TAA\)](#) at the same time that Congress approved the pending free trade agreements. The TAA renewal was consistent with the goals of the 2009 law that improved the scope and effectiveness of the program – for instance, covering Americans employed in the services sector in addition to U.S. workers in the manufacturing sector. The legislation also renewed TAA for firms, farmers, and fishermen. President Obama insisted that TAA reforms be included as part of a balanced trade package to ensure that workers get retraining and assistance for the 21st-century jobs they want and need.

• *Securing Legislation Extending Trade Preferences for Developing Countries, Building Better Markets for U.S. Exports.* The Administration worked with Congress to pass legislation to reauthorize the [Generalized System of Preferences \(GSP\)](#), which provides duty-free treatment for up to 4,800 products from 129 beneficiary developing countries. The President subsequently signed a bill to reauthorize GSP through July 2013. As part of the same package of trade legislation, the President also signed a bill to extend the Andean Trade Preference Act. The reauthorization of these key preference programs upholds our commitment to partner with the world's developing countries to promote economic growth and lift people out of poverty, and at the same time builds better global markets for U.S. exports.

• *Building Up Trade Advisory Committees with Broad Representation.* This year, the seven agricultural advisory committees that advise USTR and USDA on trade matters were reconstituted to include 72 first-time members, representing a diverse range of stakeholder interests including farmers, ranchers, agribusiness, state government, and public health groups. These new members, together with reappointed members, will provide critical input in the years ahead to help identify and capitalize on new and emerging trade opportunities for America's farmers, ranchers, businesses, workers, and families. Also this year, the Labor Advisory Committee on Trade Policy and Negotiations was expanded to include representatives from a broader range of labor organizations, strengthening the voice of American workers in shaping U.S. trade policy. These new members played an important role in informing USTR's efforts to develop trade initiatives that provide benefits to more workers across the United States. This increased

outreach was complemented by continuous transparency as readouts of the committee meetings were publicly posted on <http://www.ustr.gov/> and summarized in the weekly e-newsletter for stakeholders.

Goal 4: Effectively Communicate Trade's Benefits

To ensure the advancement of the President's trade policy agenda, USTR will communicate the benefits of international trade and international investment to domestic and foreign audiences, thereby building public understanding of trade's job-creating potential and support for opening markets around the world to trade and foreign investment.

Objectives:

4.1: Create and implement a USTR-wide, proactive communications strategy to explain the job-creating, economy-enhancing benefits of trade to domestic constituencies and stakeholders.

4.2: Enhance outreach to state and local governments on the benefits of trade, particularly those benefits that flow from Free Trade Agreements (FTAs) and membership in the WTO.

4.3: Work with the White House and with agency partners to implement an Administration-wide message on the benefits of international trade.

4.4: Communicate, in consultation with other agencies, the Congress and interested stakeholders, a common message to foreign countries and their citizens explaining the benefits of trade with the United States, in order to build support for U.S. trade policies and initiatives.

4.5: Provide an open government environment to increase participation, collaboration and transparency of trade policies, processes and information.

Accomplishments:

In 2011, USTR's ongoing and serious dialogue with the American people about trade and jobs produced real results across a wide range of issues and initiatives.

- *Leveraging Stakeholder Input to Build Unprecedented Support for Job-Supporting Trade Measures.* Trade agreements with Korea, Colombia, and Panama were advanced with an unprecedented level of input from stakeholders, including industry, labor, and Congress. As a result of these consultations and outreach efforts [across the United States](#), all three of these export-boosting, job-supporting trade agreements were approved by Congress and implementing legislation was signed by President Obama. In addition, the Trade Adjustment Assistance (TAA) program was strengthened and streamlined to ensure that workers who are adversely affected by trade can receive the training and benefits they need to find good jobs in growing industries.

- *Engaging with Stakeholders and Enhancing Transparency in TPP Negotiations.* USTR expanded the involvement of stakeholders and Congress in every step of [Trans-Pacific Partnership \(TPP\) activities](#) in 2011. At the Chicago round of talks in September, more than 250 stakeholders were invited to receive briefings and make presentations. More than 50 organizations accepted the offer and made presentations to TPP negotiators from all nine participating countries as well as several hundred registered stakeholders. Diverse groups also made presentations and received briefings from TPP Chief Negotiators, at the four international rounds of TPP negotiations, which took place in Chile, Singapore, Vietnam and Peru. USTR

consulted closely with Congress and a wide range of stakeholders in developing U.S. negotiating positions, including on issues related to labor rights, environmental protections, state-owned enterprises, agriculture, and market-driven innovation policies, among others. USTR also undertook creative efforts to develop strategic initiatives addressing critical 21st-century topics such as trade enhancing access to medicines and growing trade in environmental goods and services as well as the conservation of wildlife and wild plants. This dialogue will continue as USTR seeks broad input regarding rapidly advancing negotiations, and the important challenges and opportunities involved with potential new entrants joining TPP.

- *Creating Tools to Help U.S. Small Businesses Export More Made-in-America Products.* In March, USTR and other agencies launched the [FTA Tariff Tool](#), a new, free online tool that helps more small- and medium-sized businesses take better advantage of tariff reduction and elimination under U.S. trade agreements. Through the Transatlantic Economic Council, the U.S. and European Union launched the first-ever Best Practices Exchanges for small businesses in Brussels, Belgium and Washington, D.C.

- *Deploying New and Dynamic Online Features to Enhance Trade Communications.* During two APEC Ministerials – held in Montana in May and Honolulu in November – and the Chicago-hosted TPP round, [the USTR blog](#) was a one-stop shop for constituents to receive real-time updates, on-the-ground reports, and stories spotlighting export opportunities for small businesses. Digital newsletters also enhanced USTR’s direct public engagement. The weekly USTR newsletter was revamped to allow more access to blog postings, press releases and information on USTR participation in meetings and events, and USTR’s first-ever enforcement newsletter was created to spotlight the Obama Administration’s vigilant trade enforcement efforts. The USTR website, <http://www.ustr.gov/>, is continually being developed and maintained as a dynamic online destination for the latest trade news and features.

- *Creating an Open Government to Enhance Transparency, Collaboration and Participation.* Met numerous deadlines established by the White House for USTR’s Open Government Plan development and implementation. Added 18 new data sets to USTR web site and linked them to data.gov. These include for all FTAs: tariff schedules, long and short summaries, where available, as well as the chapter by chapter and Department of Commerce explanations that went to Congress. All open government initiatives either completed or on track.

Goal 5: Achieve Organizational Excellence

Consistent with the President’s goals for his entire Administration, USTR will provide the administrative processes and infrastructure that will strengthen USTR’s ability to perform its core functions at the highest level of excellence, with the most qualified individuals possible, establishing a workplace that promotes diversity, initiative, creativity and productivity through the enhancement of human capital through recruitment, promotion and retention initiatives, and professional development and training opportunities.

Objectives:

5.1: Implement a human capital management program designed to help USTR accomplish its mission.

5.2: Manage USTR more efficiently and effectively.

5.3: Provide facilities that help USTR staff become more productive.

5.4: Install information technology and communications systems that increase USTR’s productivity.

5.5: Manage resources to maximize USTR future capabilities.

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

Accomplishments:

• *Implementing an Effective Human Capital Program to Maximize Workforce Capability.* Performed human resources operational responsibilities that ensured high quality support services; recruitment maximized for authorized fill positions while ensuring that offices received coverage in the interim. Developed and submitted to the Office of Personnel Management (OPM) the 2010 Human Capital Management Report – an annual report required under 5 CFR Part 250 containing an assessment of USTR’s Human Capital Management goals, actions, and results for the past year. USTR employees provided a new free web-based training site (EOP-Learn). Employees now have 24/7 access to a diverse library of 2,500 self-paced online courses, books, and reference tools. Course topics include leadership, management, team building, finance and accounting, and practical budgeting skills. In response to new Telework law in December 2010, revised USTR Telework Policy. Implemented new policy and reviewed and approved new telework agreements; provided guidance to managers and employees on program. Developed USTR’s Leadership Training Plan and updated USTR’s Human Capital Plan for FY11. OPM’s Oversight and Accountability Office conducted USTR’s first Human Capital Management Evaluation August 2 – 5; results were extremely positive. Developed and released the Career Development Needs Assessment Tool online survey (competency gap assessment survey) for Attorney Advisors, Policy Analysts, and Administrative Assistants.

• *Improving the Effectiveness and Efficiency of USTR Support System.* Through on-site meetings with Geneva and State Department staff, conducted a comprehensive review of Geneva’s operations. Information shared with leadership in Washington as reviews of cost reductions were being evaluated. Annualized savings of \$300K were achieved through both operational and benefit reductions. Through a closer examination of State Department Capital Security Costs, a lower shared cost allocation was approved starting FY 2013. Developed proposal to reduce administrative and technology staff in Geneva; implementation completed and will save \$443K in FY 2012. Reduced delinquencies in travel card program by 15%; duration of open travel obligations reduced; communicated delinquencies and provided hands-on assistance to travelers. Sought and achieved numerous efficiencies in DC operations.

• *Improved the Quality of Office and Meeting Facilities to Increase Employee Productivity.* The long-range master plan for USTR space utilization and allocation continued to guide project implementation. A wide array of USTR office complex upgrades, facilities maintenance projects and renovations to promote an attractive work environment and employee health and well-being were pursued. Winder Building exterior stucco renewal was completed. This was a long process with many contract, performance and weather delays; result was an exemplary application of stucco and rehabilitation of exterior. Elevator renovations successfully completed in Winder; pursued reliability problems until issued satisfactorily resolved by contractor. Commenced complete renovation of Winder air conditioning and heating system as a high-performance green building (HPGB) project; this is the single greatest and critical upgrade to the Winder facility in four decades; moving expeditiously to complete entire building by summer 2012. 1724 F Street “first impressions” project underway with exemplary performance of a multitude of sub-contractors; will result in substantial upgrade to the look and feel of the building commensurate with the stature of USTR; slated for completion early CY 2012.

• *Improving Knowledge Management (KM).* Approximately 17 existing USTR processes migrated from current to future "target" process/technology. These included the Advisory Committee System, USTR

FOIA process, USTR Annual report process, USTR NTE process, USTR 301 process, USTR Intranet, USTR Litigation Management (wiki, Clearwell, Quickbase), TPSC / TPRG process, Congressional Affairs FTA Coordination outreach, budget development process, strategic planning process, OECD - Trade Committee, WTO Coordination, WTO – Services, APEC - Committee on Trade & Investment, Committee, and Telecommunications Market Analysis. USTR's KM roadmap updated to reflect these changes. Develop initial metrics for USTR's KM roadmap implementation. Pilot initiatives for case management, and project management were developed using Quickbase. Comprehensive e-mail search process for Obama e-mail achieved via Clearwell implementation.

- *Increasing Productivity through Information Technology Infrastructure Upgrades.* Secure Mobile Workstation deployment completed in DC (approx 100 new laptops). Fifteen Windows 7 pilot laptops deployed to assist w/ testing and development of new image that includes wifi and improved encryption. Completed replacement of all Blackberry (bb) Curves w/the new bb "Bold" devices (approx 200). Audiovisual and video teleconferencing capability upgraded throughout USTR. Coordinated with EOP telecom manager to splice / bypass bad section of Winder main telephone cable / trunk; avoided probable catastrophic failure of all communications to Winder. Completed testing of new, highly reliable secure voice circuit between Beijing and USTR and completed successful tests of the new "Viper" phones now available in Beijing. Continued support of the TPP Virtual Library (TPP-VL) wiki; on-boarded additional country to the wiki (Malaysia). There are currently 350 negotiators from 9 countries subscribed to the TPP-VL. It has become the focal point for coordination of the Trans-Pacific Partnership FTA negotiations. Completed updates to USTR web site in support of Open Government Initiative; added 18 new data sets to USTR web site and linked them to data.gov. Conducted review USTR web site in compliance with New Media / OMB web policies (e.g. records management with social networking technologies, properly identifying external links, and others); corrected several minor deficiencies. Implemented new framing for USTR.gov archive site to avoid confusion between live and archive site.

- *Improving Budget Planning and Execution.* For the FY 2012 Budget and Business Plan, successfully achieved OA and OMB support for \$51.3M, a 7% increase. For the FY 2013 Budget and Business Plan, USTR again met the deadline set by Office of Administration (OA) and provided a product that continued to be used as a model for other EOP components. This process continued with the Congressional Budget book preparation and submission. Leading up to Ambassador Kirk's House Appropriation's budget hearing, held pre-meetings with Congressional staff members to provide detailed supporting analyses. Significant preparatory work invested in Ambassador Kirk's House Appropriation's budget hearing; hearing was a success. At beginning of FY 2011, USTR leadership planned a robust travel program largely driven by TPP and WTO negotiations. Steps were taken initially to accommodate these requirements. Planning was challenged further by several Continuing Resolutions (CR). A government shutdown threat required astute contingency planning to anticipate ongoing requirements. Operating in an extremely challenging budget environment, kept EOP senior leadership abreast of USTR's budget situation and proposed an action plan to manage within the uncertainty. Travel spending was closely monitored on an ongoing basis; aggregate budget spending was controlled and finished at 85% of total budget allocation. A more restrictive business class travel policy was enforced during the year saving more than \$300K in business class eligible travel.

- *Improving Security Systems and Processes.* In accordance with E.O. 13526, "Classified National Security Information" (the Order) and 32 C.F.R Part 2001.16, completed a comprehensive review of USTR's classification guidance and ensured that the revised guidance reflected current policy and procedures for continued classification and de-classification. Developed USTR Classification and De-classification Guide and rolled out change to Original Classification Authority designation; significantly reduced number of Original Classification Authorities (OCAs) in accordance with Information Security Oversight Office (ISOO) direction. Ensured USTR's physical security program complied with HSPD-12/ Federal Information Processing Standard (FIPS) 201. Implemented new executive protection guidance

after completing a comprehensive review of USTR's Executive Protection program and ensured that the team maintained 100% protection for the Ambassador and was capable to respond to any threat situation. Reviewed USTR Guard post instructions and revised them to include responses from the Federal Protective Service and USSS. Developed and implemented building access and visitor control plans for Winder Building and 1724 F Street building.

- *Improving Emergency Preparedness.* Updated USTR Continuity of Operations Plan (COOP) and participated in EOP-wide COOP exercises and follow-up to implement lessons learned; indoctrinated all new personnel on COOP Plan and CERT responsibilities. Revised the occupant emergency and evacuation plans; established a training program for fire marshals and established procedures for communications in case of emergency. Conducted a comprehensive review of surveillance, access card systems, and monitoring systems to ensure a timely response to USTR facilities during duty and non duty hours by Federal Protective Service and USSS. Conducted a threat assessment with Federal Protective Service to determine the level of protection required at USTR; results are informing further security system upgrades. Completed upgrade to physical security system to enable remote monitoring of alarms by Federal protective Service (FPS).

GLOSSARY OF ACRONYMS

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

GEC	Global Electronic Commerce
GPA	Government Procurement Agreement
GSP.....	Generalized System of Preferences
ICASS.....	International Cooperative Administrative Support Services (cost allocations by State Department for services rendered)
IFI	International Financial Institutions
IPR.....	Intellectual Property Rights
ITA.....	Information Technology Agreement
ITC.....	Information and Communication Technology
ITEC.....	Interagency Trade Enforcement Center
JCCT.....	U.S.-China Joint Commission on Commerce and Trade
LDBDC.....	Least Developed Beneficiary Developing Country
MAI	Multilateral Agreement on Investment
MENA	Middle East and North Africa
MERCOSUL/MERCOSUR	Southern Common Market
MFA.....	Multifiber Arrangement
MFN.....	Most Favored Nation
MOSS	Market-Oriented, Sector-Selective
MOU.....	Memorandum of Understanding
MRA	Mutual Recognition Agreement
NAFTA.....	North American Free Trade Agreement
NEC	National Economic Council
NEI.....	National Export Initiative
NGO.....	Non-Governmental Organization
NIS.....	Newly Independent States
NSC	National Security Council
NTE	National Trade Estimates
NTR	Normal Trade Relations
OAS	Organization of American States
OECD	Organization for Economic Cooperation and Development
OPIC	Overseas Private Investment Corporation
PNTR.....	Permanent Normal Trade Relations
PSD.....	Presidential Study Directive
ROU.....	Record of Understanding
S&ED.....	U.S.-China Strategic and Economic Dialogue
SACU.....	Southern African Customs Union
SADC.....	Southern African Development Community
SME.....	Small and Medium Size Enterprise
SPS.....	Sanitary and Phytosanitary Measures
SRM	Specified Risk Material
TAA.....	Trade Adjustment Assistance

TABD	Trans-Atlantic Business Dialogue
TACD	Trans-Atlantic Consumer Dialogue
TAEVD.....	Trans-Atlantic Environment Dialogue
TALD.....	Trans-Atlantic Labor Dialogue
TBT.....	Technical Barriers to Trade
TEC.....	Transatlantic Economic Council
TEP	Transatlantic Economic Partnership
TDY	Temporary Duty Yonder
TIFA	Trade & Investment Framework Agreement
TPP	Trans-Pacific Partnership
TPRG.....	Trade Policy Review Group
TPSC.....	Trade Policy Staff Committee
TRIMS	Trade Related Investment Measures
TRIPS	Trade Related Intellectual Property Rights
UAE.....	United Arab Emirates
UNCTAD.....	United Nations Conference on Trade & Development
UNDP	United Nations Development Program
URAA	Uruguay Round Agreements Act
USDA	U.S. Department of Agriculture
USITC.....	U.S. International Trade Commission
USTR.....	Office of the United States Trade Representative
VRA.....	Voluntary Restraint Agreement
WAEMU.....	West African Economic & Monetary Union
WB.....	World Bank
WTO.....	World Trade Organization