

**Testimony of United States Trade Representative Ron Kirk**  
**Tuesday, April 5, 2011**

House Appropriations Subcommittee on Commerce, Justice, Science, and Related Agencies

**Washington, DC**

Good morning, Chairman Wolf, Ranking Member Fattah, and Members of the Committee. Thank you for the opportunity to discuss the President's budget request for the Office of the U.S. Trade Representative.

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. USTR is also responsible for the appropriate coordination, collaboration and participation on trade policy initiatives within the Executive Office of the President (EOP) and with other government agencies, Congress, the private sector, and the public.

President Obama took office at a time of economic crisis. His Administration has recognized that putting America back on track for sustainable long-term economic growth would require a multifaceted approach, and in his 2010 State of the Union Address, President Obama stressed the need to create additional American jobs by exporting more American goods and services. He announced the National Export Initiative (NEI), setting the goal of doubling U.S. exports by the end of 2014 to support 2 million additional jobs at home.

The President's FY 2012 budget for USTR invests in critical efforts to provide jobs here at home by increasing American exports to other countries. It provides the resources necessary for USTR to achieve the President's trade goals and objectives, particularly those of the NEI. This \$3.4 million increase follows two years of strong fiscal discipline at USTR, where office and essential travel expenses were pared back to ensure that the Administration is spending every dollar wisely. Now, this budget is making wise investments in a forward-leaning trade agenda—including the NEI and strong enforcement efforts—to get American businesses growing through exports and American workers back on the job.

Many of USTR's core activities directly support the NEI's objectives. 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 and keeping them open through robust enforcement of our trade agreements. As the President's NEI extends through the end of 2014, efforts to support it will be a major priority affecting nearly every facet of USTR's budget planning.

Beyond new trade agreements and robust enforcement, maintaining and strengthening relationships with key trade partners is also central to this Administration's trade agenda. For instance, the large emerging markets of China, India, Brazil, and Russia have an increasingly important role in the global trading system, presenting significant challenges as well as opportunities to increase American exports and thereby create American jobs. USTR's strategy for these markets spans all of our initiatives as well.

A well-prioritized trade policy focused on key opportunities for increasing American exports and jobs, opening markets, reducing barriers and boosting innovation, and based on the principles of a rules-based global trading system, can contribute powerfully to the President's economic agenda for America. Our goal is sustainable economic growth that brings home the benefits of trade—including well-paying jobs—while also advancing global recovery. This will be done consistently with our 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 market-opening efforts have been made increasingly important in light of the President's NEI, which aims to support two million additional American jobs through the doubling of American exports by the end of 2014.

USTR pursues this goal through the following four program initiatives:

- Free Trade Agreements (FTAs)
- Bilateral Investment Treaties (BITs)
- WTO Doha Development Agenda (DDA)
- Advancing WTO Accession Negotiations

USTR negotiators are simultaneously pursuing four kinds of market-opening trade agreements: negotiations with the 153 member countries in the WTO; bilateral and regional Free Trade Agreements (FTAs) such as those currently pending with Korea, Panama, Colombia, and the eight Trans-Pacific Partnership countries; pending completion of the Model Bilateral Investment Treaty Review (BIT) with China, Vietnam, India, and Mauritius; and WTO accession negotiations for prospective new WTO members.

#### Free Trade Agreements (FTAs)

USTR's bilateral and regional trade negotiations aim to enhance U.S. economic growth and 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. An eventual TPP agreement will also be critical to deepening U.S. relations with the dynamic Asia-Pacific region. 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-creating agreements.

USTR resources, both in terms of personnel and travel funding for them, are necessary to negotiate bilateral and regional trade agreements face-to-face with our trading partners and realize key job-creating opportunities for our economy. For example, successfully concluded Free Trade Agreements in the past have significantly increased goods exports – by 252 percent with Jordan, by 211 percent with Morocco, by 244 percent with Chile, and by 336 percent with Israel. FTAs also give the U.S. government a dispute settlement mechanism to address and resolve exporters’ concerns. A successfully concluded TPP would create and lock in benefits for U.S. exporters in the world’s fastest growing economies, a potential market representing 40 percent of the world’s population and 56 percent of global GDP. Without a satisfactory agreement with its TPP partners, the U.S. leadership position in the Asia-Pacific region is likely to erode as other economic agreements move forward. More than 180 Asia-Pacific preferential trade agreements already exclude the United States, another 70 are under negotiation, and 20 await implementation. Many of these initiatives are with China, which is asserting a larger economic and strategic role in the region.

#### Bilateral Investment Treaties (BITs)

The removal of investment barriers, particularly in China, India and Vietnam, is key to promoting U.S. economic growth and creating U.S. jobs, a Presidential priority. This initiative levels the playing field for U.S. companies, creates new economic opportunities, and protects U.S. investors in foreign markets. To date, U.S. investors have brought more than 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, recovering millions of dollars.

Successfully completing the Administration’s review of the Model BIT will permit the intensification of key BIT negotiations, will provide significant benefits for U.S. investors abroad, and, in turn, will benefit the U.S. economy and workers. 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 China. Ensuring a level playing field with respect to third country investors is even 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 Doha Development Agenda (DDA)

The President has set as a trade priority the negotiation of an ambitious and balanced outcome to the DDA negotiations – one that helps to create and sustain American jobs in consultation with Congress and key U.S. constituencies. A Doha agreement that provides meaningful liberalization in the three core areas of agriculture, goods and services will substantially increase market access and address competitive disadvantages U.S. exporters face. A successful conclusion is also essential to achieving President’s goal of supporting and strengthening a rules-based trading system and increasing economic growth in the United States and abroad.

An important Administration priority in the negotiations is opening new markets for key environmental technologies, particularly related to renewable energy and energy efficiency, which would open markets to exports, promote investment in innovative, climate-friendly technologies, and create new jobs.

A key impediment to progress remains the continued resistance of certain important trade partners to engage in sustained, meaningful negotiations. The United States has pressed certain advanced developing economies, including China, India and Brazil, to make contributions commensurate with their growing role in the global economy. Advancing negotiations will require direct bilateral engagement with key partners in order to achieve greater clarity and bridge gaps. This is a painstaking process, requiring intensive face-to-face discussions and substantial travel. Our ability to influence and successfully conclude the negotiations requires an appropriate level of resources to participate in these talks. The U.S. must avoid a sub-optimal Doha Round that would result in lost market access and fewer job-creating export opportunities for American workers, farmers and producers.

#### 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. 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 as a key objective between President Obama and President Medvedev; as the largest economy outside the WTO, Russia's accession would create significant opportunities for U.S. businesses.

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; talks with Russia have been particularly time-intensive. The U.S. plays a key leadership role in securing high-standard, market-access-creating accession packages with new WTO members.

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

Once the United States has entered into a 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:

- 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
- Monitoring and Addressing Trade Issues and Creating New Opportunities

In the first 18 months of this Administration, USTR has initiated disputes against China's export restraints on key raw materials, the Philippines' discriminatory taxes on alcoholic beverages, and Guatemala's failure to effectively enforce its labor laws; initiated a dispute settlement panel against the European Union's unjustified barriers to U.S. poultry exports; and pursued challenges to the EU's unfair subsidies to Airbus, deficiencies in China's intellectual property regime, China's barriers to U.S. copyright-intensive products, and Canada's failures to abide by its obligations under the Softwood Lumber Agreement. 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, various challenges to important U.S. trade remedies, China's challenge to U.S. food safety measures regarding Chinese poultry, Canada and Mexico's challenges to U.S. country of origin labeling requirements, Mexico's challenge to U.S. dolphin safe labeling provisions on tuna fish, and China's challenge to U.S. remedies for market disruption due to imports of Chinese tires.

#### 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 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. 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.

Enforcing U.S. rights under the WTO Agreement and other U.S. trade agreements 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, services and intellectual property. In the case of China, for example, the WTO dispute settlement process is a key lever for addressing 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. These efforts can be prolonged and resource-intensive, often requiring significant travel expenditures. For example, in June 2010, after several months of negotiations, USTR successfully concluded a framework agreement regarding the longstanding Cotton dispute with Brazil, thereby averting the imposition of more than \$800

million in retaliatory counter-measures against U.S. exports, including possible measures against U.S. intellectual property rights.

#### 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, better wages, 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.

These resources are necessary to fully monitor and enforce U.S. rights under FTAs and other trade agreements, especially environmental, labor, and intellectual property rights. USTR requires an ability to pursue cases, and defend the United States against claims under these agreements, to avoid significant economic harm to key constituencies, and erode the ability of the President to advance his trade agenda, including pending FTAs and new and ongoing trade negotiations.

#### 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.

These resources are necessary for USTR to fully participate in WTO committee procedures and discussions, the principal avenue for resolving trade issues to the benefit of American workers and businesses. USTR plays a key role in this multilateral process, which helps ensure that WTO countries comply with 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 ensure that China does not impose even greater barriers to its vast government procurement market worth hundreds of billions of dollars.

#### 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. 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.

### **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.

USTR pursues this goal through the following three program initiatives:

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

Given Congress's constitutional role in matters of international trade, USTR coordinates closely 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 developing new trade policies and negotiation strategies, but also for monitoring and implementing existing policies. 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 Pending FTAs

USTR leads the Administration's efforts to consult with Congress on developing and moving job-creating trade legislation. This includes bilateral trade agreements such as the pending agreements with Korea, Panama, and Colombia and ongoing regional negotiations in the Trans-Pacific Partnership (TPP). USTR's participation in developing trade legislation is critical to ensuring that it pursues Administration trade and economic priorities in consultation with Congress, industry, and the public. It is critical that USTR have sufficient resources to work closely with Congress to implement trade agreements and other trade initiatives.

#### 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 works in close partnership with Congress to review legislation for consistency with U.S. trade obligations and to ensure against provisions that would subject U.S. businesses and workers to harmful trade retaliation.

#### 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 open markets and create 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. Congressionally-mandate reports are an important component in discharging USTR's commitment to transparency and accountability to Congress and stakeholders. For example, the President's NEI recognized the role of the Report on Technical Barriers to Trade for identifying and reducing unnecessary obstacles to U.S. exports.

#### **IV. Supporting National Priorities: Boosting Small Businesses, Defending Labor Rights, Fighting Climate Change, 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 global development, 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, Climate Change, 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.

#### Supporting Development, Climate Change, 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 a part of that review,

as it leads all trade preference programs for developing countries in support of Administration goals. The President has made fighting climate change an Administration priority. Key international economic policy initiatives—like promoting trade in green goods and services—will be critical to a successful climate change agenda. The President has also made clear that his international trade policies will not only create jobs and growth in the United States, but must foster respect of internationally recognized workers' rights world-wide.

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 also 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, and promoting food security in the developing world. USTR also has been actively involved in formulating the Administration's Joint Strategic Plan for intellectual property enforcement. In addition, USTR plays a key role in developing and implementing high-level trade and economic initiatives in connection with Presidential summits, including those held recently with India and Mexico.

### **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 fora. Work in these fora strengthen our overall relationships with China, Japan, India, the European Union, and other key countries by vigorous dialogue on strengthening trade and investment cooperation.

USTR pursues this goal through the following two program initiatives:

- Conducting Multilateral and Bilateral Fora 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 opening new markets and maintaining open markets to increase job-creating export opportunities. Key multilateral Presidential initiatives include our leadership in the Asia Pacific Economic Cooperation forum (APEC), a forum to advance trade and investment issues and strengthen regional economic integration. USTR is the lead for the U.S. Government on trade and investment-related issues in APEC. In 2012 USTR will be working to build on progress made during the United States host year in 2011 which will include a Leaders' meeting hosted by the President in November of that year. Similarly, USTR will be working in 2012 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 Dialog (S&ED) with China, those being the key fora supporting the Presidential imperative to build a positive, cooperative, and comprehensive relationship with China. The reduction of Chinese market access barriers is critical to the success of the President's NEI.

#### 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 economic 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.

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. Ongoing frameworks that TIFAs provide with many partner countries provide coordinated efforts to build sound economic relationships.

## **VI. Winning Support for Sound Trade Policies Through 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 collaborative manner and of ensuring sufficient public support for Administration trade policy goals. USTR supports the Administration's goals for a more open and collaborative government through these activities as well as in its statutory role of interagency policy coordination. USTR also supports openness through timely responses to Freedom of Information Act (FOIA) requests and Government Accountability Office (GAO) investigations.

USTR pursues this goal through the following four program initiatives:

- Increasing Understanding, Participation, Collaboration and Openness

- 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 Openness

This initiative helps build and maintain support for the President's trade agenda, particularly through the Presidential objective of a more open and collaborative trade policy. In keeping with the Open Government Initiative, the President is committed to maximizing public input into policy formulation and implementation, especially that of international trade. This initiative ensures 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 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 TPP, the Anti-Counterfeiting Trade Agreement (ACTA) and other trade policy initiatives.

### Developing and Coordinating Trade Policy & 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 open and collaborative trade policy-making and implementation, as well as building public and Congressional understanding of and support for Administration trade initiatives. Trade Policy Staff Committee (TPSC)/Trade Policy Review Group (TPRG) and National Economic Council (NEC) process enables transparency and full participation by all agencies. The process also supports robust interagency debate that frames positions to ensure the Administration represents a unified voice, and supports and strengthens a rules-based approach to trade.

### Managing and Responding to High-Priority Statutory and Administrative Requests

The President's first Executive Order established policies to increase disclosure under the Freedom of Information Act (FOIA). This was later elaborated in a memo from Attorney General Eric Holder. The Administration has also prioritized developing U.S. trade policy through a meaningful partnership with the Congress. This includes improving the timeliness of responses to Congressional and GAO inquiries and investigations. This initiative not only ensures compliance with statutory and administrative requirements but also supports the broader goal of responsiveness to inquiries from the public and Congress.

### Providing Administrative Support and Improving Administrative Efficiency

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.

In developing its FY 2012 budget submission, 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, and reduction in Geneva Deputy Chief of Mission (DCM) housing costs. 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. Staff performance awards were eliminated.

## **Conclusion**

The United States Trade Representatives FY 2012 budget request is a roadmap to achieving the President's Trade Agenda to create jobs while ensuring the best use of resources. Starting in FY 2010, USTR proactively took steps to reduce costs to ensure that this Administration is spending every dollar wisely. These actions saved or avoided costs of more than \$2 million in FY 2010 and continue to generate out-year savings. It has enabled us to shift resources to pursue our 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. These priorities will help create a level playing field for American businesses and workers and ensure we can create and support jobs and new opportunities for all Americans.

Thank you.