

Remove Foreign Trade Barriers

Goal Leader(s):

Office of the Under Secretary for International Trade

Erin Walsh, Assistant Secretary for Global Markets and

Director General of the U.S. Foreign & Commercial Service

***Gary Taverman**, Assistant Secretary for Enforcement & Compliance

Anne Driscoll, Acting Assistant Secretary for Industry & Analysis

*Performing the non-exclusive functions and duties of the position.

Theme(s): International Affairs

Economic Security and Policy

Overview

Goal Statement

- **ITA will facilitate fair competition in international trade for U.S. firms and workers by improving the number of trade barriers reduced, removed, or prevented by 10 percent annually in fiscal years 2018 and 2019.**

Challenge

- The success of ITA in meeting this goal depends in part on foreign governments' willingness to voluntarily end discriminatory practices and/or comply with trade agreement obligations. In addition, achieving success often requires long term, sustained interactions that may not produce results within the timeframe of this goal.

Opportunity

- Improving the numbers of successes hinges on ITA's ability to increase the number of foreign trade barriers identified. This will be accomplished through:
 - outreach, education, and prioritization of resources; and,
 - increased collaboration among ITA units and partners.

Leadership



Goal Structure & Strategies

ITA will leverage the unique roles and skill-sets of each ITA unit to remove current trade barriers and develop plans for heading off new and emerging barriers. The ITA-wide effort includes:

- 1) Senior ITA leadership communicating the organizational-wide focus of the APG to all staff across all offices worldwide. Office Directors or their equivalent will reinforce the new priority and clarify roles in support of the APG. Additional efforts will include:
 - Outreach and education of ITA-staff; and,
 - Written guidance on the use of ITA's customer relationship management system to capture trade barrier cases and data patterns that point to possible barriers.
- 2) Implementing a unified process across all offices to identify and communicate early warnings of existing and potential trade barriers to staff across the organization, U.S. industry, and other stakeholders;
- 3) Rolling-out a unified system to gather and implement best practices and continuously improve approaches to identifying barriers and potential barriers;

Goal Structure & Strategies

- 4) Leveraging the expertise of issue, industry, and country experts to develop and improve solutions through collaboration; and,
- 5) Deploying senior officials (in and outside ITA) to engage with our trading partners at critical junctures, using all available tools to engage with foreign governments on problem issues.

Training and Outreach: ITA will coordinate education and training for all client-facing staff on their role in contributing to the Agency Priority Goal.

Foreign Engagement: Through multilateral/bilateral active engagement with foreign governments, ITA will endeavor to remove and/or mitigate foreign trade barriers adversely affecting U.S. exports in a commercially-meaningful timeframe that is faster and more cost-effective than pursuing formal legal dispute settlement proceedings.

Summary of Progress – FY 18 Q1

The number of cases successfully resolved for the first quarter of FY18 is 21, exceeding the quarterly target of 12. ITA is on track to meeting its FY18 annual goal of 126 successes.

- ITA recognizes the work on trade barriers, and related successes, is not a linear exercise and short-term gains provide no assurances of meeting year-end goals.
- To fulfill its annual target of 126 successes, ITA must remain vigilant in identifying trade barriers, developing strategies to overcome them, and continue to apply the necessary resources to this priority.
- Keys to success will be tied to the identification of new cases and persistent work on enforcement.

Key Milestones

Senior ITA leadership communicating the organizational-wide focus of the APG to all staff across all offices worldwide.

| Milestone Summary | | | | | |
|--|----------------------|------------------|------------------------|-------|--|
| Key Milestones | Milestone Due Date | Milestone status | Change from last month | Owner | Anticipated Barriers or other Issues Related to Milestone Completion |
| Establish roles and responsibilities of ITA staff in addressing trade barriers | January – March 2018 | | | | |
| Plan ITA-wide communication and messaging by senior leadership to reinforce the new priority and convey roles and responsibilities | February /March 2018 | | | | |
| Provide outreach and education to ITA-staff by the Trade Barrier Taskforce | January – June 2018 | | | | |
| Provide written guidance on the use of ITA's customer relationship management system and identify any changes therein. | February /March 2018 | | | | |
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Key Milestones

Implement a unified process across all offices to identify and communicate early warnings of existing and potential trade barriers to staff across the organization, U.S. industry, and other stakeholders.

| Milestone Summary | | | | | |
|--|----------------------|------------------|------------------------|-------|--|
| Key Milestones | Milestone Due Date | Milestone status | Change from last month | Owner | Anticipated Barriers or other Issues Related to Milestone Completion |
| Roll-out a unified system to identify and communicate early warning signals of existing or potential trade barriers across the organization, industry and our partners | February/ March 2018 | | | | |
| Develop external communications plan – to educate stakeholders about the existence of ITA’s trade barrier teams and resources available to industry | March 2018 | | | | |
| Create brochures and infographics | April/May 2018 | | | | |
| Create promotional video and updates for ITA’s website | August 2018 | | | | |
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Key Milestones

Roll-out a unified system to gather and implement best practices and continuously improve approaches to identifying barriers and potential barriers.

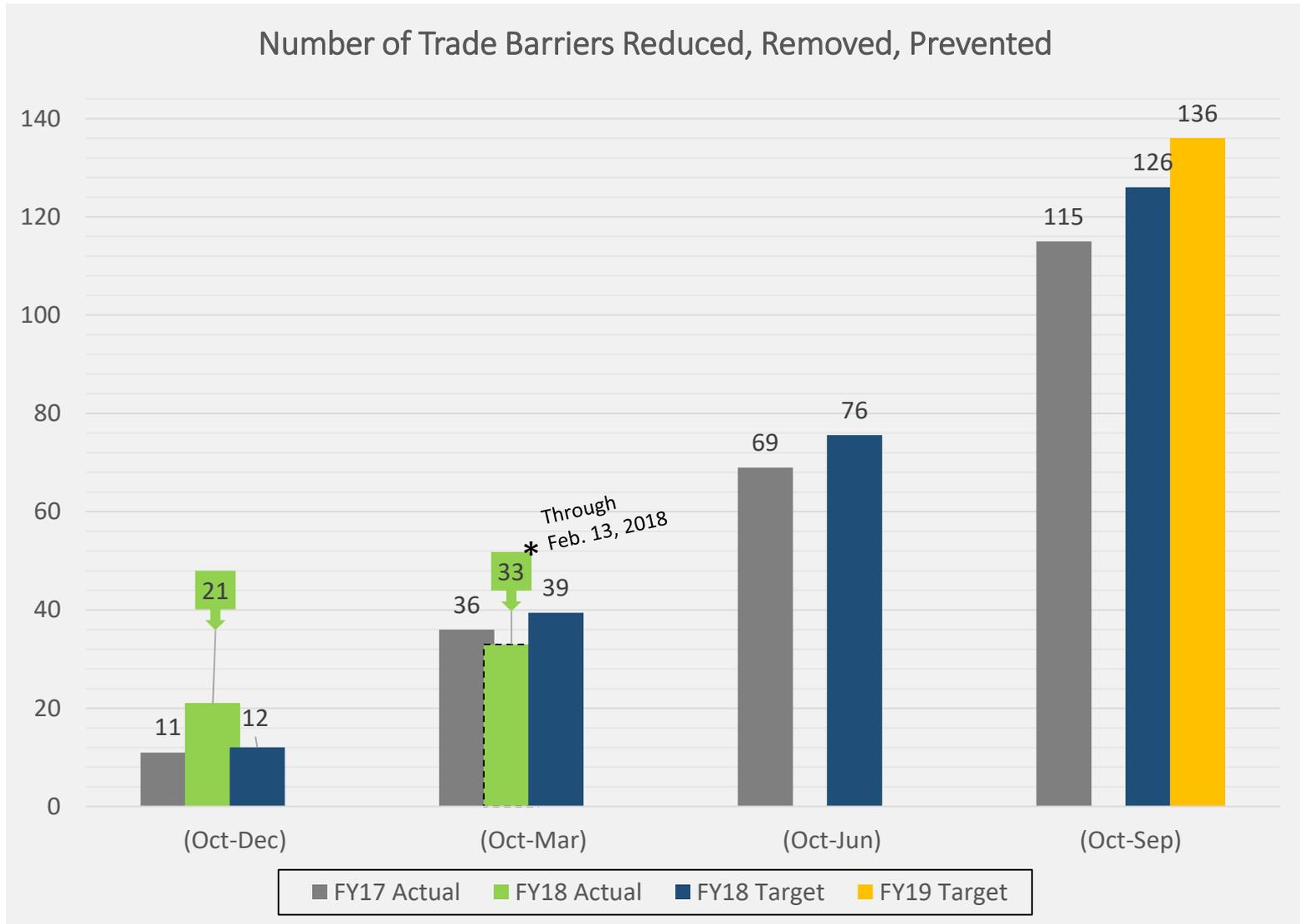
| Milestone Summary | | | | | |
|---|-----------------------|------------------|------------------------|-------|--|
| Key Milestones | Milestone Due Date | Milestone status | Change from last month | Owner | Anticipated Barriers or other Issues Related to Milestone Completion |
| Develop PowerPoint Training Materials – Trade Barrier 101 and 201 | January/February 2018 | | | | |
| Create online Training Module – 101, 201, specialized portfolio/issue training (IPR, Digital, Services, etc.) | April 2018 | | | | |
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Key Milestones

Leverage the expertise of issue, industry, and country experts to develop and improve solutions through collaboration.

| Milestone Summary | | | | | |
|--|--------------------|------------------|------------------------|-------|--|
| | Milestone Due Date | Milestone status | Change from last month | Owner | Anticipated Barriers or other Issues Related to Milestone Completion |
| Coordinate the expertise of issue, industry and market experts, from both government and the private sector to develop solutions to reduce, remove or prevent trade barriers | FY18-FY19 | | | | |
| Provide education and outreach to ITA constituents about ITA services and about existing or potential trade barriers | FY18-FY19 | | | | |
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Key Indicators



Data Accuracy and Reliability

MEASUREMENT: the number of trade barriers removed, reduced, or prevented. For additional insights into the impact of the APG, ITA will estimate the increase in U.S. export revenue for the first year after a barrier is removed and report this dollar value figure on an annual, lagging basis. This analysis will not extrapolate or estimate any longer-term or jobs impact of this work.

All numbers provided by industry sources will include Harmonized Tariff Schedule (HTS) coverage, export values, and valuation formulae. ITA economists will be responsible for evaluating and analyzing all trade barrier activities, particularly those that cannot be evaluated using a partial-equilibrium approximation formula, to ensure consistency and accuracy in valuation.

Three options can be used to estimate the export impact on the removal of the trade barrier:

- 1) Company sourced estimates – Industry will provide estimates of the dollar value of exports that will occur as a result of the removal of the trade barrier and the HTS numbers associated with its exports.
- 2) Use of a partial-equilibrium approximation formula – elasticity data will be sourced from the World Bank. The following formula will calculate the dollar impact of the removal of the trade barrier:

Initial Export Value x Import Demand Elasticity x Ad Valorem Equivalent Tariff Rate = \$ Change in Exports

- 3) Case-specific or tailored estimations (to be used in circumstances where the previous two options are not available) will be determined and calculated by ITA's economists.

Contributing Programs

Organizations:

- International Trade Administration (Industry & Analysis, Global Markets, and Enforcement & Compliance)
- Other Department of Commerce Bureaus (National Oceanic and Atmospheric Administration (NOAA), National Institute of Standards and Technology (NIST), United States Patent and Trademark Office (USPTO), Bureau of Industry and Security (BIS))
- Other U.S. Government agencies involved in trade (i.e., U.S. Trade Representative (USTR), U.S. Department of State, U.S. Department of Agriculture (USDA))

Program Activities:

- Achieve full implementation of the ITA Global Compliance Strategy
- Liaise with Industry Trade Advisory Committees (ITAC) that provide detailed policy and technical advice and recommendations

Other Federal Activities:

- Interagency Compliance Taskforce
- USDA Trade Barrier Team
- Executive Order on [Trade Agreement Violations and Abuses](#)
- [National Trade Estimate Report](#)
- World Trade Organization (WTO)/North American Free Trade Agreement Dispute Settlement
- Relevant Trade Law (e.g. Section 301) Enforcement

Stakeholders

- Efforts are underway to roll-out a unified system to identify and communicate early warning signals of existing or potential trade barriers across the organization, industry and our partners.
- ITA needs to leverage its resources and coordinate the expertise of issue, industry and market experts, from both government and the private sector, to develop solutions to reduce, remove or prevent trade barriers. A key role will be education and outreach to ITA constituents about ITA services and about existing or potential trade barriers.
- Important stakeholders include:
 - U.S. companies (including overseas affiliates)
 - American workers and their representatives
 - U.S. exporters (goods and services)
 - U.S. industry associations
 - Congressional representatives / constituents
 - Other U.S. government agencies (i.e., USTR, State Department, USDA)

External Communications Plan

External communications plan to include:

- Informing stakeholders about the existence of ITA's trade barrier teams and the resources that are available to industry to help them address barriers;
- Developing standard brochures and promotional materials to include videos and a streamlined website presence to support outreach and education on our trade barrier work;
- Issuing press releases and promotional pieces to share approved successes and highlight the benefits of ITA assistance;
- Conducting outreach and education for Congressional offices to share the work being done on behalf of their constituents;
- Conducting outreach and education to other U.S. government agencies about ITA's trade barrier work and how we can collaborate to address trade barriers globally; and
- Educating and leveraging support from international organizations like WTO, Asia-Pacific Economic Cooperation, The Organisation for Economic Co-operation and Development, The World Intellectual Property Organization, etc.