



Highlights of GAO-04-301T, a testimony before the Subcommittee on Oversight, of Government Management, the Federal Workforce and the District of Columbia, U.S. Senate

### Why GAO Did This Study

Recent developments in global trade have created human capital challenges for U.S. trade agencies. At least 17 federal agencies, with the Office of the U.S. Trade Representative (USTR) as the lead, negotiate, monitor, or enforce trade agreements and laws. These agencies' strategies for effectively aligning their current and emerging needs in handling international trade functions and their human capital resources are critical to improving agency performance.

GAO was asked to summarize its recent studies to illustrate important human capital challenges arising from current trade developments as U.S. trade agencies strive to negotiate, monitor, and enforce existing trade agreements and laws. For this testimony, GAO discussed the challenges that USTR, the Commerce Department, and the Bureau of Customs and Border Protection are facing in light of three recent developments in international trade: (1) the increased importance of security, (2) the ambitious U.S. negotiating agenda, and (3) the shifting global trade environment.

[www.gao.gov/cgi-bin/getrpt?GAO-04-301T](http://www.gao.gov/cgi-bin/getrpt?GAO-04-301T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Loren Yager at (202) 512-4347 or YagerL@gao.gov.

## HUMAN CAPITAL

# Significant Challenges Confront U.S. Trade Agencies

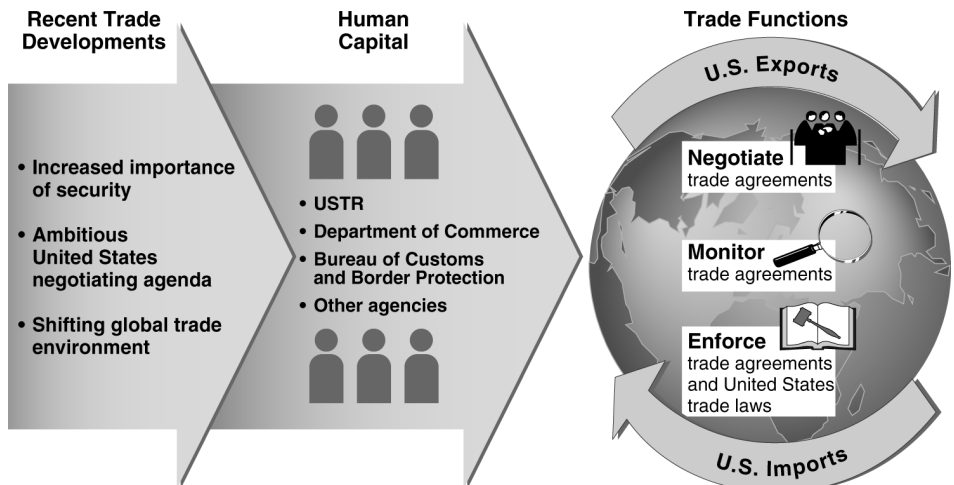
### What GAO Found

The importance of international trade to the U.S. economy has grown in the last decade, as have the responsibilities of federal agencies involved in implementing international trade functions. For example, the September 11, 2001, terrorist attacks have heightened the need for increased focus on security within the global trade environment. In response, the Bureau of Customs and Border Protection has implemented new programs to improve the security of the global supply chain. These new programs require greater attention to human capital strategies to ensure that they achieve their goals of facilitating trade while preventing terrorist acts.

In addition, the administration has continued to pursue multilateral negotiations within the World Trade Organization and with the Free Trade Area of the Americas countries as well as a series of new, bilateral and subregional trade negotiations. The increase in the number of initiatives has strained available human capital, leading to a USTR request for additional staff.

Finally, the shifting global trade environment has complicated efforts to monitor and enforce trade agreements. For example, the United States has become the most frequent defendant in World Trade Organization trade dispute proceedings. Furthermore, as the U.S. economy has shifted toward services and high-tech industries, the industry advisory committees that provide trade advice to the U.S. government have required structural realignment to reflect these changes. Also, China's growing influence in international trade has resulted in new challenges to its trading partners. These changing global forces require U.S. trade agencies to continuously ensure that their human capital strategies closely link to the nation's strategic trade functions.

Recent Trade Developments Create Human Capital Challenges in Performing Trade Functions



Source: GAO and Nova Development.