

Plan to Implement and Enforce the Dominican Republic – Central America – United States Free Trade Agreement

Prepared by the Office of Management and Budget

This report fulfills the requirements of Section 2108(a) of the Trade Act of 2002 (“the Act”). Section 2108(a) requires that when the President submits a trade agreement to Congress under the Act, the President also must submit a plan for implementing and enforcing the agreement. Specifically, the plan must include the following:

Section 2108(a)(1)—Border Personnel Requirements: A description of the additional personnel required at border entry points, including a list of additional customs and agricultural inspectors.

Section 2108(a)(2)—Agency Staffing Requirements: A description of additional personnel required by Federal agencies responsible for monitoring and implementing the trade agreement, including personnel required by the Office of the United States Trade Representative, the Department of Commerce, the Department of Agriculture (including additional personnel required to implement sanitary and phytosanitary (“SPS”) measures in order to obtain market access for United States exports), the Department of the Treasury, and such other agencies as may be necessary.

Section 2108(a)(3)—Customs Infrastructure Requirements: A description of the additional equipment and facilities needed by the United States Customs Service.

Section 2108(a)(4)—Impact on State and Local Governments: A description of the impact the trade agreement will have on State and local governments as a result of increases in trade.¹

Section 2108(a)(5)—Cost Analysis: An analysis of the costs associated with each of the above items.

The Office of Management and Budget has requested appropriate agencies to provide information on any additional staffing and equipment that will be required to implement and enforce the Dominican Republic – Central America – United States Free Trade Agreement (“CAFTA-DR” or “Agreement”) and the costs associated with these needs. The largest personnel effect is projected for the Bureau of Customs and Border Protection of the Department of Homeland Security (“DHS”), which estimates a need for an additional 20 personnel to implement the Agreement. The DHS also estimates that it will need an additional 17 personnel to detect and protect against potential transshipment of Asian-origin apparel under the Agreement. Neither estimated personnel increase is significant in light of the trade flows involved and the overall size of the Bureau of Customs and Border Protection (which employs approximately 33,000 civilian full-time equivalent personnel). The CAFTA-DR is estimated to have minimal initial impact on the quantity of U.S. imports of apparel, the principal U.S. import from the region, because the United States already provides duty-free treatment to most apparel imports from the region pursuant to the Caribbean Basin Economic Recovery Act.

¹ A statement on the impact of the trade agreement on State and local governments as required by Section 2108(a)(4) is provided below.

For those few areas where agencies have identified additional staffing needs, the Administration intends to adjust existing budgeted resources and does not anticipate requesting additional funding from Congress.

Section 2108(a)(1)—Border Personnel Requirements

The DHS's estimated requirements for 20 additional border personnel and for 17 additional transshipment detection staff are small relative to the trade flows involved and overall agency size. Further, these estimates may be on the high side given that U.S. import levels following entry into force of the Agreement are not estimated to increase significantly.

Section 2108(a)(2)—Agency Staffing Requirements

The following agencies have identified additional staffing needs to implement and enforce the CAFTA-DR. The costs associated with these needs are small relative to the trade flows involved and overall agency size.

Agency	# FTE	Purpose
Department of Commerce—PTO	1.5	Monitor, implement and help enforce intellectual property provisions and market access and compliance
Department of State	3.5	Trade and environment work (OES) and legal costs arising from possible investor-State claims
Department of Agriculture	3.0	Implement and monitor agreement as well as SPS follow up support
Department of Homeland Security	20.0	Customs and border protection
Department of Homeland Security	17.0	Detection and prevention of transshipment of Asian-origin apparel under the Agreement
Department of the Treasury	0.5	Financial services monitoring
Department of Labor	1.0*	Implementation of labor chapter
USTR	1.0	Monitoring of Agreement

Note: * indicates reassigned resources rather than indication of increased need.

Section 2108(a)(3)—Customs Infrastructure Requirements

It is anticipated that no significant additional equipment or facilities are needed by the Bureau of Customs and Border Protection of the DHS.

Section 2108(a)(5)—Cost Analysis

No additional budget proposals for FY 2006 or beyond are, at this time, anticipated to be required to implement and enforce the CAFTA-DR. The estimated staffing requirements are in all cases small relative to the overall size of the relevant agencies and the Agreement is not expected to have a significant effect on U.S. import levels.