

APPENDIX I:

LEGISLATIVE BACKGROUND: A HISTORY OF GROWING RESPONSIBILITY AND AUTHORITY

By law, USTR plays the leading role in the development of policy on trade and trade-related investment, as well as in the coordination of the interagency process on trade policy formulation. Under the Trade Expansion Act of 1962, the President established an interagency trade policy mechanism to assist with the implementation of these responsibilities. This organization, as it has evolved, consists of three tiers of committees: the Trade Policy Staff Committee (TPSC), the Trade Policy Review Group (TPRG), and the National Security Council/National Economic Council (NSC/NEC). Together, these committees constitute the principal mechanism for developing and coordinating U.S. Government positions on international trade and trade-related investment issues.

The Trade Expansion Act of 1962¹ required the President to appoint a Special Representative for Trade Negotiations and established an interagency trade organization to make recommendations to the President on policy issues arising from trade agreements. Through this legislation, Congress intended to better balance competing domestic and international interests in formulating and negotiating U.S. trade policy. The new Special Trade Representative was to serve as the chief representative for trade negotiations authorized under the Act and other trade negotiations authorized by the President.

Through executive orders issued in 1963, President John Kennedy created a new Office of the Special Trade Representative (STR) in the Executive Office of the President and designated two new Deputies, one in Washington, D.C., and the other in Geneva, Switzerland. Through the mid- 1960's, STR had the chief responsibility for U.S. participation in the Kennedy Round of multilateral trade negotiations held under the auspices of the General Agreement on Tariffs and Trade (GATT).

In the 1970s, the Congress substantially expanded the responsibilities of STR. Section 141 of the Trade Act of 1974 provided a legislative charter for STR as part of the Executive Office of the President and made it responsible for the trade agreements programs under the Tariff Act of 1930, the Trade Expansion Act of 1962, and the Trade Act of 1974. The 1974 Act also made STR directly accountable to both the President and the Congress for these and other trade responsibilities. Through Executive Order 11846, President Ford elevated the Special Trade Representative to cabinet level.

Reorganization Plan No. 3 of 1979 consolidated and further broadened STR's responsibilities. The 1979 reorganization and Executive Order 12188 of the next year renamed STR as the Office of the United States Trade Representative (USTR), centralized U.S. Government policy-making and negotiating functions for international trade, and greatly expanded USTR. These changes:

- Assigned overall responsibility to USTR for developing and coordinating the implementation of U.S. trade policy;

¹The source for much of the legislative background description is the *Overview and Compilation of U.S. Trade Laws*, dated June 25, 1997, by the U.S. House of Representatives, Committee on Ways and Means.

- Designated the Trade Representative as the principal advisor to, and chief spokesperson for, the President on trade agreements and trade policy, and as advisor on the impact of international trade on other U.S. Government policies;
- Made USTR responsible for asserting and protecting “the rights of the United States under all bilateral and multilateral international trade and commodity agreements.” This responsibility is exercised in conjunction with the Department of Commerce, which monitors “compliance with international trade agreements to which the United States is a party.”
- Made the Trade Representative the Vice Chairman of the Overseas Private Investment Corporation (OPIC), a non-voting member of the Export-Import Bank Board of Directors, and a member of the National Advisory Committee on International Monetary and Financial Policies;
- Made USTR responsible for developing and coordinating trade in services; and
- Made USTR responsible for direct investment matters. A separate memorandum of understanding between USTR and the Department of State spells out specific responsibilities for the two agencies in the OECD, UNCTAD and other multilateral and bilateral activities. The Department of State serves as chief representative to the OECD Committee on Investment and Multilateral Enterprises and its subgroups (except for the subgroup on National Treatment), including the OECD Working Group on Bribery.

The U.S. Trade Representative’s authority was again enhanced through the Omnibus Trade and Competitiveness Act of 1988. Section 1601 of the 1988 legislation codified the status and responsibilities of USTR previously established through Reorganization Plan No. 3 and Executive Order 12188. In so doing, the legislation reinforced the Congressional-Executive Partnership for the conduct of U.S. trade policy. Among those enumerated responsibilities were:

- To have primary responsibility for developing and coordinating the implementation of U.S. international trade policy;
- To serve as the principal advisor to the President on international trade policy and advise the President on the impact of other U.S. Government policies on international trade;
- To have lead responsibility for the conduct of, and be chief U.S. representative for, international trade negotiations, including commodity and direct investment negotiations;
- To coordinate trade policy with other agencies;
- To act as the principal international trade policy spokesperson of the President;
- To report and be responsible to the President and the Congress on the administration of the trade agreements program, and to advise on non-tariff barriers, international commodity agreements, and other matters relating to the trade agreements program; and
- To be Chairman of the Trade Policy Committee.

The 1988 legislation also included a Sense of the Congress statement that the USTR should be the senior

representative on any body the President establishes to advise him on overall economic policies in which international trade matters predominate and that the USTR should be included in all economic summits and other international meetings in which international trade is a major topic. Finally, this legislation further elevated the importance of USTR in trade matters by shifting to USTR the Presidential responsibility for implementing actions under Section 301, subject to specific direction, if any, from the President.

The Uruguay Round Agreements Act, enacted in 1994, specifies that USTR has lead responsibility for all negotiations under the auspices of the WTO. The conclusion of such major comprehensive trade agreements as the North American Free Trade Agreement (NAFTA) and the WTO Agreement has vastly expanded USTR's responsibility for implementation and enforcement.

The Trade and Development Act of 2000 created within USTR the positions of Chief Agricultural Negotiator and Assistant United States Trade Representative for African Affairs. The principal function of the Chief Agricultural Negotiator is to conduct trade negotiations and enforce trade agreements relating to United States agricultural interests and products. The Assistant United States Trade Representative for African Affairs serves as the chief advisor to the U.S. Trade Representative on issues of trade and investment with Africa and serves as coordinator and point of contact within the Administration on such issues.

APPENDIX II:

**EXECUTIVE BRANCH AGENCIES ON THE TRADE POLICY
STAFF COMMITTEE AND THE TRADE POLICY REVIEW GROUP**

Council of Economic Advisors
Council on Environmental Quality
Department of Agriculture
Department of Commerce
Department of Defense
Department of Energy
Department of Health and Human Services
Department of Interior
Department of Justice
Department of Labor
Department of State
Department of Transportation
Department of Treasury
Environmental Protection Agency
Agency for International Development
National Economic Council
National Security Council
Office of Management and Budget
Office of the United States Trade Representative – Chairman
U.S. International Trade Commission (non-voting member)

APPENDIX III:

CONGRESSIONAL COMMITTEES REGULARLY CONSULTED ON TRADE POLICY

Primary jurisdiction:

- House Ways and Means Committee
- Senate Finance Committee
- Leadership Office of the House
- Leadership Office of the Senate

Other House committees:

- Appropriations
- Agriculture
- Banking
- International Relations
- Judiciary
- Commerce

Other Senate committees:

- Appropriations
- Agriculture
- Banking
- Commerce
- Foreign Relations
- Judiciary
- Environment and Public Works

**APPENDIX IV:
LIST OF ADVISORY COMMITTEES**

| | <u>Coordinating Agency</u> | <u>Members</u> |
|--|----------------------------|----------------|
| Advisory Committee for Trade Policy and Negotiations (ACTPN) | [USTR] | 31 |
| Agricultural Policy Advisory Committee for Trade (APAC) | [Agriculture] | 36 |
| Agricultural Technical Advisory Committee for Trade (ATACs): | [Agriculture] | |
| in Animal and Animal Products | | 41 |
| in Fruits and Vegetables | | 55 |
| in Tobacco, Cotton and Peanuts | | 27 |
| in Sweeteners | | 18 |
| in Grains, Feed and Oilseeds | | 42 |
| Defense Policy Advisory Committee for Trade (DPACT) | [Defense] | 12 |
| Industry Functional Advisory Committee (IFACs): | [Commerce] | |
| IFAC 1: Customs Matters | | 13 |
| IFAC 2: Standards | | 14 |
| IFAC 3: Intellectual Property Rights | | 10 |
| IFAC 4: Electronic Commerce | | 18 |
| Industry Sector Advisory Committees (ISACs): | [Commerce] | |
| ISAC 1: Aerospace Equipment | | 17 |
| ISAC 2: Capital Goods | | 14 |
| ISAC 3: Chemicals and Allied Products | | 25 |
| ISAC 4: Consumer Goods | | 23 |
| ISAC 5: Electronics and Instrumentation | | 11 |
| ISAC 6: Energy | | 11 |
| ISAC 7: Ferrous Ores and Metals | | 12 |
| ISAC 8: Footwear, Leather and Leather Products | | 10 |
| ISAC 9: Building Products and Other Material | | 10 |
| ISAC 10: Lumber and Wood Products | | 12 |
| ISAC 11: Nonferrous Ores & Metals | | 13 |
| ISAC 12: Paper and Paper Products | | 8 |
| ISAC 13: Services | | 31 |
| ISAC 14: Small and Minority Business | | 19 |
| ISAC 15: Textiles and Apparel | | 19 |
| ISAC 16: Transportation, Construction and Agricultural Equipment | | 9 |
| ISAC 17: Wholesaling and Retailing | | 15 |
| Intergovernmental Policy Advisory Committee (IGPAC) | [USTR] | 20 |
| Labor Advisory Committee (LAC) | [Labor] | 58 |
| Trade Advisory Committee for Africa (TACA) | [USTR] | 9 |
| Trade and Environment Policy Advisory Committee (TEPAC) | [USTR] | 16 |
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| TOTAL MEMBERS | | 679 |

