

USTR AGENDA AND BUDGET REQUEST

**Testimony of Ambassador Peter F. Allgeier
Deputy United States Trade Representative**

**Before the House Committee on Ways and Means
Subcommittee on Trade
July 17, 2001**

Mr. Chairman and Members of the Committee, I welcome this opportunity to appear before the Subcommittee to present the budget request for the Office of the United States Trade Representative.

I will keep my remarks brief and will of course be happy to respond to any questions the Committee may have about USTR, its budget or its activities.

I want to begin by thanking the Committee for its unwavering support of our missions to open markets, expand trade, and enforce trade laws and trade agreements. We greatly value our close working relationship and look forward to continued constructive work on trade promotion authority and other trade priorities.

STATUS OF FISCAL YEAR 2001 FUNDING

25 new Positions

We are also grateful to the Congress for its support of USTR's budget in FY 2001. This year, the Congress authorized an increase of \$4 million and 25 full time equivalent staff to help USTR manage growing responsibilities and rising workloads. I am pleased to report that we are using those funds for exactly the purposes intended by the appropriation.

More than half of the new positions are targeted for enforcement and compliance. We have distributed these positions to strengthen litigation and legal services in our Office of General Counsel, and to improve our capabilities to monitor the practices of our training partners through staffing increases in geographic, sectoral and multilateral offices, such as the offices of China, Agriculture, Industry, and Services, Investment & Intellectual Property.

Twelve of the new positions this year are for new negotiators. We have allocated these to offices that will be impacted heavily by the trade agenda and the burgeoning workloads that will flow from the launch of a new Round and from other trade initiatives vital to the President's trade agenda. New negotiator positions are being assigned to the offices of WTO and Multilateral Affairs; Agriculture; Africa; the Environment; Asia; the Americas; and Japan.

Two of the 25 new positions are being assigned to USTR's Geneva Office, and one has been set aside for a full time Security Officer at USTR.

Congressional approval of the new positions in FY 2001 allows us to have the new staff on board at the start of FY 2002, which will go a long way in our preparations to launch a new Round after the WTO Ministerial in Doha, Qatar in November. These new staff will also help as we pursue regional agreements through the Free Trade Area of the Americas, and in APEC, and bilateral agreements with countries like Chile and Singapore.

Equally important, the new compliance positions will permit USTR to sustain a strong monitoring and enforcement program. In FY 2000, USTR brought 32 cases before the WTO, and was a third party in 26 others. This year, we expect to increase these numbers. The addition of compliance staff in our bilateral and sectoral offices will also help us in identifying violations and pursuing enforcement actions at an early stage.

Computer and Security Improvements

This fiscal year, the Congress also allocated additional funding to strengthen computer security at USTR, and I am delighted to report that we are making real progress on this front. By the end of the FY 2001, we will have upgraded the firewall protecting USTR's computer network from unauthorized access via the internet.

We will also have tightened password protections, further insulating USTR's network from intrusions via remote locations.

With the additional funds provided by the Congress this year, we will also create the capacity to send cables to the State Department electronically, rather than relying on hard copy transmissions. That use of technology should save negotiators' time and speed the delivery of cables, especially classified cables, to intended recipients.

We plan to have each of these improvements operational by the Fall.

SENIOR LEVEL APPOINTMENTS

In the past six months, we have been comparatively successful in filling all senior level filled positions. Of the five statutory positions authorized in *The Trade Act of 1974, as Amended*, three officials have been confirmed: Ambassador Zoellick, Ambassador Linnet Deily, our Geneva Deputy, and myself as one of the two Washington Deputies. President Bush has nominated Jon Huntsman to be the other Deputy in the Washington Office, and Allen Johnson to be the Chief Agricultural Negotiator. We are hopeful that the Senate will act on the nominations of Jon Huntsman and Allen Johnson this month.

BUDGET REQUEST FOR FY 2002

The President's budget includes \$30.1 million and 203 Full time Equivalent staff for the Office of the U.S. Trade Representative in Fiscal Year 2002. This is the same staffing authorization and a \$645,000 funding increase above the FY 2001 appropriation.

Together with funds carried over from FY 2001, the \$30.1 million budget request will allow us to meet anticipated employee pay raise cost increases next year, and satisfy other rising costs of doing business in FY 2002.

In FY 2002, we will continue to use approximately 35 personnel detailed from other Federal agencies, such as the Departments of State and Agriculture. With these non-reimbursable details, the loaning agency pays the detail's salary and benefits, while USTR pays the cost of travel and office equipment and supplies. The direct salary and benefit value of these details is more than \$3 million annually, and the contribution that these trade professionals make to USTR is incalculable.

CONCLUSION

In conclusion, Mr. Chairman, USTR's budget request for FY 2002 is a modest one, amounting to just 2.2 percent more funds than appropriated by the Congress for the current year.

Throughout its history, USTR has been a lean and effective organization, staffed with employees who are talented, industrious and dedicated. I can assure you that the current roster of USTR employees continues this rich tradition. You can be sure that the hard working staff of the agency will provide the President, the Congress, and the American public a great return on each dollar

invested.

I thank you for your attention and I would be pleased to respond to your questions.