## Trade:

# U.S. Desires to Conclude Doha Round and Increase Trade with Developing Nations

## Press Release from the Office of the U.S. Trade Representative, April 6, 2009[1]

United States Trade Representative Ron Kirk today announced that the United States is imposing 10 percent ad valorem customs duties on imports of softwood lumber products from four Canadian provinces (Ontario, Quebec, Manitoba, and Saskatchewan).

The United States is exercising its right to take this action in response to Canada's failure to cure a breach of the 2006 Softwood Lumber Agreement between the United States and Canada (SLA) and failure to impose the compensatory measures determined by the Tribunal. These duties will remain in place until such time as the United States has collected $54.8 million.

On February 26, 2009, a tribunal operating under the auspices of the LCIA (formerly the London Court of International Arbitration) issued its decision on a remedy in the softwood lumber arbitration in which Canada was found to have breached the SLA by failing to calculate quotas properly during the first six months of 2007. In that decision, the tribunal determined that Canada must cure the breach by March 28, 2009. "The United States is taking this action today to enforce our rights under the Softwood Lumber Agreement," said U.S. Trade Representative Ronald Kirk.

"We regret that Canada has chosen not to meet its commitments and has made this action necessary. The Softwood Lumber Agreement brought more stability and certainty to an industry that sorely needed it. Current conditions—extremely weak demand and severely depressed prices for the softwood lumber industry—only make it clearer that Canada needs to fulfill its obligations under the Agreement and not continue to avoid the market consequences of its earlier breach."

The LCIA tribunal determined that, as an appropriate adjustment to compensate for its breach, Canada must collect an additional 10 percent ad valorem export charge on softwood lumber shipments from Eastern Canadian provinces until CDN $68.26 million has been collected. (Based on the exchange rate at the time of the award, the U.S. dollar equivalent is $54.8 million).

Canada has not imposed the compensatory measures determined by the tribunal. On March 27, 2009, Canada offered instead to tender a payment of US$36.66 million to the United States Government. The United States does not consider that such an offer cures the breach identified by the tribunal, and the United States formally rejected Canada's offer on April 2, 2009. That matter is the subject of separate proceedings under the LCIA. The SLA provides that if Canada fails to cure its breach within the time prescribed by the tribunal and does not make the compensatory adjustments determined by the tribunal, the United States may impose customs duties in an amount not to exceed the additional export charges that the tribunal has specified as compensation for the breach.

## Statement by Ambassador Allgeier, April 14, 2009[2]

The United States thanks Director-General Lamy and the Secretariat for this Report on the Financial and Economic Crisis and Trade-Related Developments that monitors the trade-related implications of individual economies' responses to the ongoing economic crisis.

We appreciate Members' contributions to the latest report, which we found quite useful. Everyone can take issue with some of the report's inclusions and exclusions, but we understand the challenge faced by the Secretariat in putting such a report together and compliment them on this second report.

The results of our own monitoring are similar to the factual contents of the report. We understand the danger of an incremental buildup of restrictions but do not think that the facts bear out the suggestion in the introduction of the report that "there has been significant slippage" since the beginning of the year. The Director-General this morning used the term "some slippage," which we think is more accurate. Overall, in the face of strong pressures in many capitals, major protectionist measures have been avoided. Our monitoring has also made us aware of numerous restrictive measures being considered by our trading partners but which have ultimately been rejected. We appreciate such decisions.

We interpret the results as showing that—thus far—the system is working, largely due to a combination of the presence and awareness of WTO rules along with the effects of very visible individual and collective monitoring efforts.

That said, there is no doubt that the global trading system is currently being tested severely, and as the Director-General pointed out, the importance of great vigilance in monitoring the situation is



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obvious.

We applaud the renewed focus in the committees regarding notifications, which is exactly the kind of institutional work that helps keep the global trading system in good operating order. That exercise is both timely and very useful.

And beyond notifications, we would again note that these times also demand a new energy by all of us in our day to day work here in Geneva that often gets little public attention. For a number of the measures in the Secretariat's report—and for some others not on the list—the United States has begun to work with some of our partners to use the relevant committees, working parties and councils to address our concerns.

We look forward to continuing this work with other Members, as we try to meet the challenges we all still face.

I wish to reiterate that the U.S. remains committed to conclude (as the G-20 leaders said) "an ambitious and balanced" DDA. In that regard, we support India's request for details on the $150 billion figure in the report for estimated tariff savings from DDA.

And, finally, we appreciate Director-General Lamy's continuing efforts to raise the awareness of problems on the trade finance side and the need to maintain our Aid for Trade efforts, and we welcome the actions of the G-20 on these matters.

## Remarks by U.S. Trade Representative Kirk, April 23, 2009[3]

***Ambassador Ron Kirk delivered these remarks in Washington, DC***

**Ambassador Kirk.** Thank you very much. And thanks to Dean Alex Aleinikoff and all of Georgetown Law School for the opportunity to join you today.

This is an important opportunity to talk about U.S. trade policy—and why trade has become such a tough subject here in Washington and around the country.

Even before the bottom fell out of the world economy, U.S. trade policy had its problems. If you gave Americans the opportunity over the last few years to take a no-confidence vote on our U.S. trade policy, it probably would have passed with flying colors.

To many Americans, U.S. trade policy has lacked rhyme or reason. People wondered whether we were getting enough out of the agreements that were negotiated.

Many people have felt that enforcement was being neglected, and that our trading partners have been running roughshod over us, pulling good jobs overseas.

They've been concerned that lower labor and environmental standards have allowed other countries to undercut U.S. producers.

The benefits of trade, and the reasons for pursuing a strong trade agenda, have not always been as evident as some of trade's negative effects.

On that shaky foundation, the economic crisis is now weighing down.

An aggressive effort to keep trade flowing and open more markets to American goods and services absolutely must be a big part of our economic recovery here at home.

Trade is a major element of our economy already: exports accounted for a record 13 percent of our Gross Domestic Product last year.

And while some may think that if we just stop trading, everything will be okay, we need trade to grow our economy.

In the three years leading up to the global recession, export expansion accounted for almost half—47 percent—of America's overall GDP growth.

But in the context of this crisis, U.S. exports have fallen 16 percent, while U.S. unemployment has risen.

To get our economy back on track, we need to increase exports. That means we need access to growing economies abroad.

The rational response is to reach out and do more.

But in times of extraordinary crisis, it's hard for people and for nations to remain objective.

The temptation is to turn inward.

People worry that trade will cost them their jobs—and no wonder!

The closure of a plant due to international competition usually makes a lot more news than the hiring of additional workers because of new markets overseas.

But the truth is that jobs do come when trade policy is done right.

While the pain of trade can be concentrated at times—its benefits are lasting and widespread.

One in six American manufacturing jobs is already supported by trade.

Agricultural exports support nearly a million more.

Services account for 8 out of every 10 jobs in the United States—and there's significant potential in our ongoing trade talks to grow more services jobs here at home.

And jobs supported by exports of goods pay 13 to 18 percent more than the national average.

So a strong case can be made for trade as a creator not just of jobs, but of the better-paying jobs that Americans want and need today.

That's why President Obama and I are committed to opening markets abroad for American products and services, to leveling the playing field, and to ensuring that foreign governments play by the rules and treat our companies and workers fairly.

On trade, we will take a new approach.

There has to be a new paradigm. So we are looking at everything.

We will keep what has worked in the 60 years since GATT was signed in 1947.

And we'll update what needs updating for the global, interconnected world we live in today.

The economic crisis gives us a unique opportunity to rethink trade.

Rather than go along the same path we've followed before, we can and should play to America's strengths in our new trade agenda.

For instance, we're looking to boost small businesses. Fully 97 percent of America's exporters have fewer than 500 employees.

So, if we make trade work for small and medium-sized businesses, we make trade work for America.

It's time to show those businesses, and our workers, that the President and the United States Trade Representative have their backs—at the negotiating table, in the enforcement process, and in those instances when competition forces a worker to transition from one job to another.

It's time for a trade policy that makes sense to the American people—a trade policy that translates into better jobs and better lives for our families.



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Americans will be glad to have a robust trade agenda if we know it means better-paying jobs for us here at home.

So how are we going to do this?

First, we're opening up the process already—doing thorough reviews and making sure Congress and the public have access to better information about our trade efforts.

We're looking for new solutions to the issues that have dragged on in existing Free Trade Agreements.

We believe there is strong bipartisan support for the pending free trade agreement with Panama, and I'm working to resolve some labor and other issues before we ask Congress to consider it.

At the Summit of the Americas, President Obama instructed me to lead a review of the Colombia agreement to deal with outstanding issues there.

And we are continuing our dialogue on issues related to the Korea free trade agreement, too.

Meanwhile, we're working to open new markets for American goods and services—and to promote economic development—by bringing developing countries to the table.

At its best, trade policy can be an innovative tool to grow the world economy, while helping American workers and firms here at home.

So we will seek ways to sharpen U.S. trade policy, and to shore up the foundations of global trade today.

One way we're doing that, is by rejecting protectionism and supporting the global rules-based trading system.

At the recent G-20 Summit and at the Summit of the Americas, President Obama strongly reaffirmed America's commitment to those principles, and we are encouraged that our trading partners joined him in doing so.

We identified barriers to U.S. market access in the National Trade Estimate report on March 31.

We are following up to determine which ones are costing America the most jobs and opportunities.

And we will use all the tools in USTR's toolbox to go after those trade barriers.

There will often be expedient and productive ways to work things out, through direct dialogue or formal consultations in the WTO.

When it becomes necessary, we can employ litigation in the WTO as well.

Stepping up trade enforcement is about opening up markets, not closing them down.

Strengthening the rules-based system will restore confidence in trade, and boost trade for the long term.

We've also strengthened support for American workers when trade takes a negative toll.

President Obama supported Congress's significant expansion and improvement of Trade Adjustment Assistance in the American Recovery and Reinvestment Act.

Americans know that we'll be there if trade causes a job loss.

And we're showing Americans that we want their input on the front end.

Our office is already reaching out to more stakeholders, and sharing more information about policy and process.

That's what we're doing now. The question is—what's next?

What's next is taking this new attitude to the rest of the world.

Since 2001, 153 WTO members have struggled—and failed—to reach a successful conclusion in the Doha Development Round of talks.

The complexities are immense. But so are the opportunities.

And the stakes are high.

The WTO says global trade will fall by nine percent this year—which has us on pace for the biggest drop since World War Two.

That's why President Obama and I are committed to a successful conclusion of Doha.

Now is not the time to turn inward.

Now is not the time to be timid.

Now is the time to revive global trade, and to lay the groundwork for an even more robust, more open trading system in future decades.

At this moment of economic uncertainty, we should make our best effort to create the strong global trading system of tomorrow.

As President Obama said at the G-20 Summit and at the Summit of the Americas, the U.S. is closely reviewing the Doha round to determine how best to bring it to a successful conclusion.

In the coming weeks, we will say more about how we think Doha can finally move forward.

Our goal remains the same—to see the mission of the Doha round fulfilled through the creation of new economic opportunities and a major contribution to global development and growth.

For America, that means meaningful market access for our farmers, ranchers, manufacturers and services providers.

It means a clearer picture of what we get as well as what we're expected to give.

It means a balanced and ambitious outcome that yields meaningful new trade flows for all.

Getting there will require ideas and input from all our trading partners about how to put Doha on a straighter path to a successful outcome.

I'll be talking to our fellow WTO members about proactive, positive options for moving the Doha round forward both procedurally and substantively, and asking for the same from them.

The world's trading partners want a Doha agreement.

Persistence is key.

We should embrace this once-in-a-generation opportunity to forge a strong framework for the future of global trade.

An agreement that takes the global terms of trade beyond the current status quo will provide benefits for years to come.

Among those who can share in Doha's benefits, of course, are the developing countries of the world.

An important element of the round should be to recognize the diversity of interests among developing countries, and to better integrate developing countries as full participants in the global rules-based trading system.

The global trade lineup has changed, and it's a welcome thing that some of our trading partners are moving up.

A few emerging economies are now becoming significant players on the global stage, and as the world emerges from the current economic situation much of the growth is going to come from a number of these key markets.

These advanced developing countries have rightfully claimed a bigger role in Doha.

But those who lead at the WTO are also the ones who have to compromise and make hard choices about opening their markets.

The trading system relies on this leader-



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ship.

The United States is ready to step forward, but success will only follow from all key stakeholders doing the same, including the more advanced developing countries.

We can also provide more assistance to those developing countries most in need.

The world's poorest developing nations have a special place in the Obama trade agenda.

Trade may have fallen for all nations in the last few months, but the least developed countries have seen their small share of the trade pie shrink by one-third since 1970.

That trend is unacceptable.

It's not in any of our interests for developing countries to drop off the cliff—because in today's global community, we all rise and fall together.

There are also economic opportunities for the U-S when we work with developing countries.

When income levels rise in other countries because of trade, American goods find new markets.

So we are committed to promoting policies that help even the poorest developing countries succeed at trade.

From preference policies to technical assistance to building trade capacity, we can help lift up people who need lifting up, get them the goods they need, and grow the American economy in the process.

Trade can be an avenue to encourage investment, create jobs, and even provide alternatives to conflict.

That is why President Obama has called on Congress to create Reconstruction Opportunity Zones in Afghanistan and Pakistan—because trade opportunities can bolster the legitimate economy and enhance security in that critical area.

There is bipartisan support for that idea in both the House and Senate, and we will work with Congress to move it forward.

It's the kind of trade policy that's good for our partners, and is also good for America.

That's the attitude we have to take toward trade.

Our efforts to trade fairly and freely with the world must work for Americans here at home.

As United States Trade Representative, that's the metric I am using as I review our existing trade deals... as I look at Panama in an effort to complete that Free Trade Agreement... and as I seek a way forward on the Colombia and Korea FTA's as well.

When it's time to strike new trade deals, we'll seek bigger ones that access major markets for American workers, farmers, ranchers, manufacturers, and service providers.

And those trade deals will reflect our values on the rights of workers and protection of the environment, in ways that also level the playing field for workers here at home.

Congress knows how committed I am.

I was clear during my confirmation hearing, and I will go back to the Hill as much as necessary, to show that this Administration is ready to work with our citizens' elected representatives to reach these goals.

We are seeking to understand what our critics want—on both sides of the aisle.

We want those who strongly support open markets and those who are more skeptical to bring their best ideas to the table for how global trade policy can help create prosperity here at home.

We will be responsive where we can, and we will always be respectful when we disagree.

We will work with Congress to assess trade agreements and actions on their individual merits, and also as part of a much larger strategy for long-term economic recovery and renewal.

Communication and transparency in the policy-making process will help us to conclude deals that not only win support when Congress votes, but as we implement trade commitments for years to come.

Addressing Americans' concerns—whether it's through Congress, or by talking to the public directly—is what the United States Trade Representative's office will be all about.

The only way to restore confidence in the country's trade efforts is if people can see what we're doing and understand why.

It's a big job to negotiate trade with other nations.

But a huge part of my time will be spent reaching out to the American people here at home—to provide the transparency and clarity that can revive our trade agenda.

As USTR leads the effort to fulfill the promises of President Obama's trade agenda, we're not going to hide under a bushel.

In addition to all our other efforts, soon we'll roll out a brand-new website at www.ustr.gov to provide more information to the public—and get more input from the public—than ever before.

Our work is to show you that this Administration is on your side.

You will begin to see that when we strike a trade agreement, we're looking for jobs just as hard as you are.

More jobs, and the better-paying jobs that come to our workers when the world knows that America is open for business.

A robust, progressive, responsible trade agenda can help this country fight its way out of the economic crisis.

Right now, we can cement good trade policy as a pillar of our long-term economic prosperity.

So—I've got my work cut out for me.

But it's a great task to take on.

Working together with our people here at home, and with our partners around the world, we can make trade a vital part of a brighter future.

## Press Release from the Office of the U.S. Trade Representative, April 27, 2009[4]

U.S. Trade Representative Ron Kirk held his first meeting today with the Chinese Commerce Minister, Chen Deming and exchanged views on a range of bilateral and multilateral trade issues. Ambassador Kirk and Minister Chen discussed the importance of avoiding protectionism and of utilizing cooperative mechanisms such as the Joint Commission on Commerce and Trade (JCCT) to resolve bilateral trade issues whenever possible. They also discussed the World Trade Organization (WTO) Doha Round and the importance of achieving a successful outcome that will spur new economic opportunities and contribute to global development and growth.

"Particularly during the current difficult global economic circumstances, both the



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United States and China have a tremendous stake in maintaining a vibrant, open international trading system to revive and sustain growth," Ambassador Kirk said. "With the size and importance of our bilateral trade flows, we also have a shared interest in ensuring that our bilateral trade relationship is fair, sustainable and mutually beneficial. I look forward to working with Minister Chen to put the Doha Round on a path to success. We will continue to work energetically to meet our global responsibilities, and we look to China to do the same, and also to work hard with us to resolve the many challenging issues in our bilateral trade relationship."

## Press Release from the Office of the U.S. Trade Representative, April 27, 2009[5]

United States Trade Representative Ronald Kirk met today with Canadian Trade Minister Stockwell Day. This was the first meeting between the two trade ministers. Ambassador Kirk and Minister Day discussed the importance of the U.S.-Canada bilateral trading relationship and how it stands as a model of mutually-beneficial trade relations.

The two ministers discussed the World Trade Organization (WTO) Doha Round and the importance of achieving a successful outcome that will spur new economic opportunities and contribute to global development and growth. The Ministers engaged in a discussion of specific bilateral issues including softwood lumber, intellectual property rights, country-of-origin labeling (COOL), and a U.S. tax credit designed to encourage the use of alternative fuels.

"During President Obama's trip to Ottawa in February, the President made it clear that the United States wants to "grow trade and not contract it" and he underscored the importance of trade to the United States, Canada and the global economy, I sent that same message to Minister Day today" Ambassador Kirk said. "Minister Day and I discussed how trade plays a key role in our nations' economies and the world economy as well. Canada is the United States' largest bilateral trading partner. Since 1989, our trading relationship has been anchored by a free trade agreement. Our trading relationship is dynamic and deeply integrated, with more than $1.6 billion in goods crossing our border each day. I look forward to working with Minister Day to find ways to make our trading relationship even stronger. We have a great track record here to build upon."

## Statement by U.S. Trade Representative Kirk, April 30, 2009[6]

United States Trade Representative Ron Kirk welcomed the re-appointment of Pascal Lamy to a second four-year term as Director-General of the World Trade Organization:

"At this critical time for the world's economy and the global trading system, Director-General Lamy's reappointment will provide welcome and much-needed continuity at the WTO. The United States is committed to growing opportunities around the world in a rules-based trading system that works for Americans here at home and produces new and tangible benefits in which all WTO Members can share. We look forward to working with Director-General Lamy and with our partner nations to achieve those vital goals."

## Press Release from the Office of the U.S. Trade Representative, May 7, 2009[7]

United States Trade Representative Ron Kirk, Canadian Minister of International Trade and Minister for the Asia Pacific Gateway Stockwell Day, and Mexican Secretary of the Economy Gerardo Ruiz Mateos today issued the following statement calling for an end to unscientific bans on pork imports from their respective countries due to the fears of the H1N1 flu virus, noting the large and negative economic impact of such bans. More than a dozen countries worldwide have sought to ban pork imports from H1N1-affected nations:

"We would like to express our concern for the victims of the current outbreak of H1N1 human influenza. Our governments remain committed to doing everything possible to bring the outbreak under control. "We are also concerned that some trading partners are imposing restrictions on trade in swine, pork and other meat products from North America that are without scientific justification and inconsistent with their international obligations. These unjustified restrictions will likely result in serious trade disruptions without cause and result in significant economic damage.

"On May 2, the World Health Organization [WHO], the World Organization for Animal Health [OIE], the Food and Agriculture Organization [FAO] and the World Trade Organization issued a statement saying that 'there is no evidence that the virus is transmitted by food. There is currently therefore no justification in the OIE Terrestrial Animal Health Standards Code for the imposition of trade measures on the importation of pigs or their products.' They stressed that 'pork and pork products, handled in accordance with good hygienic practices recommended by the WHO, FAO, Codex Alimentarius Commission and the OIE, will not be a source of infection.'

"In view of the above, we urge our trading partners to remove these restrictions on our products immediately. We will continue to follow this situation closely, and will take any steps to prevent the enforcement of unjustified measures against our exports, as appropriate."

## Remarks by U.S. Trade Representative Kirk, May 11, 2009[8]

***Ambassador Ron Kirk delivered these remarks in Geneva, Switzerland***

**Ambassador Kirk.** I'm really glad to be



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here.

**Q. Who are you going to be meeting with here?**

**Ambassador Kirk.** Fortunately I'm going to get to meet quite a few of my colleagues here. I'll be meeting with a group from Latin America and the Caribbean countries at this meeting, then having lunch with a number of the other Ambassadors, then meeting with some of the negotiating chairs, and then lots of multilateral meetings. So it's a great opportunity to meet a number of my colleagues that I'll look forward to working with over the next several years.

**Q. Are you going to make any suggestions?**

**Ambassador Kirk.** We are going to listen. I'm going to follow the lead of the President. I think President Obama has set a wonderful example, and I think the world has been remarkably impressed at his willingness to engage our partners around the world in a thoughtful way, but to do that first by listening, realizing that the world has given us an opportunity to reset our relationships with a lot of our partners. So this is as much an opportunity for me to hear their perspectives as much as to share my own.

**Q. Ambassador Kirk, you are meeting Commissioner Ashton tomorrow. You were successful last week in resolving a long standing dispute on the beef hormones. Do you anticipate any discussions on other outstanding disputes, for example the Airbus-Boeing one, maybe going back to the negotiating table and trying to get that resolved?**

**Ambassador Kirk.** What I would say broadly is I think it was a great fortuitous moment that literally within six hours of my having been confirmed I had a chance to meet Ambassador Ashton over dinner. And what we agreed to broadly was that given the historic strength of the relationship between the United States and the EU, in both of our minds somewhat of a tragedy that we spent so much of our time on dispute matters, at the WTO and otherwise, and that if we could attempt to resolve any of those by direct negotiations, very difficult negotiations, that anything we could come to agreement on would enable us to focus more on the positive. So what I will say is that assuming that we get the beef issue finally put to bed, which we are 99 percent there, then we will look and see about other issues we might be able to address as well. We are going to do a formal press conference on Wednesday, so I will see you all then. Look forward to working with, and meeting all of you.

## Press Release from the Office of the U.S. Trade Representative, May 13, 2009[9]

Today United States Trade Representative Ron Kirk announced the signing of a Memorandum of Understanding (MOU) between the United States and the European Commission (EC) in the beef hormones dispute. The agreement, which was signed in Geneva, will provide U.S. producers significant additional access, at zero duty, to the European Union (EU) market for high-quality beef produced from cattle that have not been treated with growth-promoting hormones. The EU import quota would be set at 20,000 tons in each of the first three years, and this would increase to 45,000 tons in the fourth year. Under the MOU, the United States and the EC will seek to use experience gained in the first phase to enter into the second phase. Before the end of the second phase, they would seek to conclude a follow-on agreement that will extend the arrangement for a number of additional years.

"I am very pleased that we've found a way to get substantial quantities of high-quality U.S. beef back into an important market that has been largely closed for far too long," said Ambassador Kirk. "This agreement will give U.S. beef producers substantially increased access to the EU market. And in contrast to the existing access, which is subject to a 20 percent duty, the new access will be duty-free.

"The agreement gives us an opportunity to add the EU to the leading export destinations for high-quality U.S. beef, which will provide a substantial boost for U.S. ranchers and meat packers and their employees. The EU remains one of the few markets to ban beef from cattle given growth-promoting hormones—beef that is perfectly safe to eat—but we see this agreement as a pragmatic way forward," said Ambassador Kirk.

"This agreement also shows what we can accomplish when we adopt a practical, problem-solving approach to trade barriers," continued Ambassador Kirk. "Our ability to conclude this agreement was enhanced by the excellent cooperation of the U.S. beef industry. I appreciate the industry's engagement and support. I'm also grateful for the strong work of the U.S. Department of Agriculture, which was our partner in these negotiations, and for the skilled contributions of EU Trade Commissioner Catherine Ashton, who worked hard to get this agreement done."

U.S. Secretary of Agriculture Tom Vilsack also applauded the beef agreement. "The agreement signed today will provide America's cattle producers with critical new market access to one of the world's most affluent markets," said Secretary Vilsack. "After 20 years of disputes over this issue, it appears we have found a way forward that creates economic opportunity here at home and benefits consumers in Europe. I commend the USTR-USDA team for their tireless efforts to reach this agreement, which I am hopeful will lead to a long-term agreement that will benefit us for years to come."

## Remarks by U.S. Trade Representative Kirk, May 13, 2009[10]

***Ambassador Ron Kirk delivered these remarks in Geneva, Switzerland***

**Ambassador Kirk.** Good morning. Thank you all for joining us.

Let me first begin by expressing my very sincere gratitude to the Director-General and the wonderful staff here at the WTO for welcoming me on my initial visit to the World Trade Organization as the United States Trade Representative. I



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have had a very successful and productive week, had an opportunity to meet with, I understand, over half of the members representing the delegations here in the WTO, and I also want to extend my thanks to our Ambassador Peter Allgeier and our great team here at the U.S. Trade Representative's Mission here in Geneva.

From my very first meeting with my colleagues involved in GRULAC to my dinner last night with Commissioner Catherine Ashton from the European Union, I've had an opportunity to engage in some very frank and candid but useful discussions with many of our trading partners and I very much appreciated their sense of engagement and their willingness to share with me some of their very candid thoughts about some of the issues that challenge those of us in the global trading community.

Of course one of the key topics of our discussions has been the intentions of the United States with regard to the Doha Development Round. The United States continues to review the negotiations. In fact part of my rationale for being here this early in my tenure is a continuation of that review and to try to gain a deeper understanding of the perspectives of many of our partners of where we are in the negotiations and the best path for us to go forward. But as I have discussed Doha this week with my colleagues, I will share with you some of the points I have made from the U.S. perspective.

First of all, and most importantly, President Obama and I are both committed to a successful conclusion to the Doha Development Round. We see it not only as a critical component of what the President believes should be an overall, worldwide response to the current economic crisis, but it's also critical to the sustenance of many of our least developed countries.

To us, success means a balanced and ambitious agreement with meaningful market access gains for all involved.

The United States is critically aware that this is a development round and we do not believe that the least developed countries should share the biggest burden of this or make the sacrifices necessary in order to bring Doha to a successful conclusion.

We do believe, however, that there is an opportunity for leadership among many of the advanced developing countries, to make the kind of choices that are required for those of us who choose to seek leadership here at the WTO.

While the United States stands ready to work toward a successful conclusion to Doha, we humbly recognize that our participation is not the only factor necessary to bring this round to a successful conclusion. It will take hard work and cooperation from all the negotiators at the table to reach the successful conclusion we all desperately desire. We should all be willing to consider changes to the process that could put the negotiations on a more direct path to success. The United States does not believe that we should start the Doha Round over or change its underlying mandate. We also don't believe that we should throw out all of the hard work that's been done. We seek to build on the progress that we've made and find the best way forward, and we collectively want to think about a new path to address the remaining issues.

These have been the most substantive points of my discussions and interventions with my colleagues this week. I've also enjoyed a number of informal bilateral exchanges with various of our trading partners and had a number of very useful meetings with WTO officials including Director-General Lamy with whom I've shared much of what I shared with you all today. Recognizing the shortness of our time and your readiness to engage me, I'll be happy to take your questions. And I do thank you all for your patience in accommodating us in terms of this press conference this morning. Thank you.

**Q. You mentioned today and you did mention in your Georgetown speech a couple of weeks ago the importance of advanced developing countries stepping up to the plate and contributing. Did you hear anything from them this week, in particular from Brazil, India or China, which gives you reason to believe that they've accepted this message and will be making better efforts to meet U.S. demands? Thank you.**

**Ambassador Kirk.** I'm encouraged that all of the countries that you mentioned I have had an opportunity to engage with and share our thoughts going forward thus far. And I would suggest to you, Dan, that I think they will all analyze and review Doha from their own unique perspectives. But we will continue to press and make the case that we believe that as the emerging economies that they are, in particular Brazil, India, China and to some degree South Africa, they can play I think a very unique and productive role in us finding a path to go forward.

**Q. My question is perhaps on the timing issue. This might take a while still. You are reviewing your policy as well internally. What is the U.S. strategy, for example, for the Americas since this might, let's say it takes a year, year and a half or even two years to complete. Are you going to follow bilateral strategies to have bilateral agreements as well? Or this is basically it, the WTO?**

**Ambassador Kirk.** In the spirit of this morning I'm going to take that as one very long question, Jamil. Let me take them backwards and try to do it briefly.

I think all of you would recognize that with any change in administration there is some requisite period of time to develop your strategy, both in terms of tone and substance and how you want to proceed. Overall, what we have sought to do at the U.S. Trade Representative's Office is not take a tactical approach to that and decide whether we wanted to just go forward with Panama or Colombia in the case of agreements with South America, or Doha, or Korea. But in addition to our work on Doha what we have done is take a step back and try to look holistically at what we would like an Obama administration's trade policy to look like. So in that spirit we have looked at a number of things and charted the path in which we want to go forward.

With respect to Doha, we are driven by a couple of firmly established principles. One, the President strongly believes that the best help that we can give to some of the least developed nations is to get to a successful conclusion of the Doha Round as soon as possible. Many of them are suffering tremendously because of the economic downturn, and while that pain is being felt obviously in the United States and China and others, the pain in the least developed countries is almost unbearable. So one, we have an overarching theme that we'd like to get them relief as soon as possible.

Secondly, we are not arrogant enough to



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believe that by our showing up now, that everyone is going to wait to hear what we have to say and we're going to get to that conclusion. Part of our getting there has to be a thoughtful engagement of our trading partners to see if we can't begin to find some ways that we can narrow the gaps of differences that we might have that have prevented us to getting to a successful conclusion.

So we haven't set a definitive timeline. We know everyone wants relief now, but we believe the substance of our talks will drive the process which will ultimately define the timeline.

**Q. Listening to your opening statement, there's a lot of continuity from the message we received from the previous administration in terms of the need for market access but also balancing it with consideration for least developed countries, yet a need for the advanced developing countries to step up. When you came here to Geneva, since you've been here, what have you learned from some of these officials about their disappointments or what they felt was lacking in the previous administration's approach to the Doha Round? And in what ways are you hoping to address those concerns?**

**Ambassador Kirk.** Brad, I will tell you the most important lesson and welcome lesson is how enthusiastically my colleagues were waiting to hear from the United States. What I have found here was somewhat what I expected, that most of our global partners, whether it has been through the G8 or through the United Nations, have enthusiastically celebrated the change in tone and style from the Obama administration from the previous administration.

What I find somewhat curious, though is that that change in tone and style is not only welcomed but almost joyously celebrated in terms of our approach to engaging our partners on issues of national security, in terms of our engaging our partners through the G8, but that in the one fora that I might have expected differently here at the WTO, the one place that we are sort of being asked to stand still in terms of where the previous administration left off, is with respect to Doha. And in making that observation to a number of our colleagues, I think it has at least relaxed some of their apprehension about the time we've taken to have a review and what we might consider as changes that could be helpful to moving forward, as something that should be welcomed as part of that change in tone that they've come to appreciate in the new administration. I hope that is responsive to your question.

**Q. Mr. Kirk, what do you think about some countries stop the import of U.S. pork (in response to) influenza H1N1? Please tell me your opinion.**

**Ambassador Kirk.** I was especially grateful, I think it was a week ago Saturday, that with the strong leadership of Director-General Lamy and the WTO, that the WTO, the World Health Organization, the OIE, and a number of organizations, all reiterated that based on the existing science of what we know there was no reason to conclude that the consumption of prepared pork products would in any way make anyone likely to get the H1N1 virus, and that any country that acted to restrict the imports of pork or swine or live hogs from the United States or Canada or Mexico should only do so based on the sound scientific phytosanitary standards established by the WTO. So we are appreciative of that and the United States believes there is no reason whatsoever for anyone to be concerned about the consumption of prepared pork products. And we would hope that in light of what is a very legitimate and very serious now worldwide health crisis, that none of our partners within the WTO would act precipitously to gain from that in a financial way and cause further erosion to a world trading community that's already seeing a significant decline.

**Q. Ambassador Kirk, could you say something more about what you meant by a change in process that might help bring the Doha Round to a successful conclusion?**

**Ambassador Kirk.** Frances, I guess I start with the basic presumption—Well, let me say this in response to Brad's question. The most welcoming lesson I've learned here, first of all, is the sincerity, the commitment and the passion of the members of the WTO towards a successful conclusion of the Doha Round. And contrary somewhat to my, I guess, basic belief as a mayor that everything can be done more quickly than not, that an extraordinary amount of effort and time has gone into trying to make that happen.

Having said that, with respect to the good substantive work that has been done, obviously something needs to happen differently to get us to a successful conclusion. And inasmuch as the last three times we have come together for whatever reason and tried to bring a conclusion to the Doha Round we have not been able to do so. What I have inartfully suggested to my colleagues, perhaps whether it's a bicycle or the bus or whatever vehicle we've all been loaded on to to try to get to Doha, hasn't gotten us there. Perhaps we should think less about the vehicle but make sure we keep everybody, what's important, is in the bus, not the vehicle. If we need to look at a different delivery mechanism, let's be open to do that. But let's not sacrifice the basic underlying principles, but make sure that we're open to whatever it is that might drive us to a successful conclusion.

**Q. Ambassador, I was wondering, sir, the perception in some business circles is that while leaders are flip-flopping on the Doha issue, in November they set a deadline for modalities to be reached in the Washington meeting. In April in London they set no deadline. And I have an issue with reference to your comments about an early relief of assistance to the poorest countries in the world. African countries have been waiting from the United States for four years to hear what you're going to deliver up front as agreed in Hong Kong on cotton. When do you think the African countries can get your answer? Thank you.**

**Ambassador Kirk.** One, I won't try to be a spokesman for all of the world leaders or the G20. That might be a bit ambitious even for the United States.

With respect to Africa, I am very proud of the track record of the United States in terms of our conscious efforts through AGOA, through trade capacity assistance, and through USAID for Trade being one of the largest contributors to that process,



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to engage our African brothers and sisters in a way that leans more towards commerce and trade rather than traditional foreign aid. We will continue to drive that process.

Secondly, we continue to believe that whether it's the issue of cotton or any other issue associated with Doha, they will best be resolved in the context as we've all agreed on with the completion of that Doha Round.

**Q. Will you please tell me, if President Obama said to President Medvedev that the United States would facilitate Russia's accession to the WTO, whether you are going to undertake some steps to make this process move.**

**Ambassador Kirk.** President Obama and your Russian President had a very productive meeting at the G20 Summit in London in which President Obama did reconfirm the United States' support for Russia's accession to the WTO. Now there is a defined path for that to happen. In our office working with our counterparts in Russia, frankly, Russia has done a remarkable amount of good work on a number of those issues. However, there are a number of issues in which Russia frankly has kind of made a U-Turn and gone backwards. But we believe the responsibility for addressing that is with Russia, and not the United States.

We've had very candid conversations with our colleagues, particularly on agriculture, and you heard the reference earlier to the H1N1 crisis and Russia's banning of products from the United States and Canada. And I think the more quickly that Russia can address those issues, the more collaboratively we'll be able to work on the issue of accession.

**Q. Given the two lunches and the two dinners, several dinners that you had, the general message that you have got is that a change in the process is not much warranted and this is not the time to go for a change in the process.**

**Many countries are also asking what is the U.S. contribution to the Doha Round? U.S., they say, have got a range of flexibilities, whether it's countercyclical payments in agriculture or for your sense to tariffs. Can you elaborate or illuminate us on what exactly is the U.S. contribution to the Doha Round?**

**Ambassador Kirk.** Anyone that reads and has followed this process understands the United States has one of the most open markets to all of our developing countries that in most cases, particularly the least developed countries, in almost most cases have about 98 percent access to our markets.

What we believe can be helpful in bringing the Doha Round to a conclusion is to provide an opportunity for meaningful market access for all of the countries involved, including the developed and the, what we define as the advanced developing countries. And considering that we for the most part have opened our markets for some of the least developed countries, their next frontiers aren't going to be in the United States because they already have access. Where they can have an opportunity to have additional market access is places like India and China and Brazil and South Africa.

So we think it's important that those countries that are growing stronger be invited to the table to see if they can't be helpful in perhaps finding ways that we can create additional opportunities for all of us so that this is a win/win/win solution for all of the countries involved.

**Q. Could you give us an idea when you expect to conclude the review of trade policy that you're conducting? And going back to some of the earlier questions, would that review involve on process moving away from a focus on modalities to something more like a request of a bilateral process which has been raised by some people here?**

**Ambassador Kirk.** Jonathan, let me say in terms of our overarching review of our U.S. trade policy, we have for the most part kind of worked through that process.

Doha is a little bit different because of the extraordinary potential of it but also its complexities. That review was bumped up to the level of our National Economic Council. The first stage was our review within the U.S. The next stage has been and will be our continued engagement with our partners here at the WTO because we understand this is not simply a matter of the United States showing up and saying here's the silver bullet that we've all been searching for. So we will continue to engage our partners now and over the next several weeks to see if we can't collectively come up with some common themes and maybe find that thread that helps us thread the needle to move forward.

We are not locked in, Jonathan, to any particular process in terms of whether we stick with negotiating existing modalities or go to scheduling. We are suggesting that we have to be open to all possibilities.

**Q. Two quick questions. First I'd like to know whether you saw sincerity, commitment and passion on the part of India? Are you concerned at all that isn't there as much as you'd like it to be?**

**Secondly, during your talks with Catherine Ashton I'd like to know whether on the tail of the successful solution for the beef hormone case you discussed what's the next case to have a negotiated solution to and whether Boeing AirBus came up. Thank you.**

**Ambassador Kirk.** Let me take the first question. I think I'd like to refrain from characterizing or trying to put in context any one particular country's intent or integrity in terms of going forward. I would say broadly, Catherine, that my reception could not have been better among all of my colleagues, and I have genuinely enjoyed, first of all, the opportunity to meet them on a personal level, and I would grant them the same benefit of the doubt in terms of their expression of their passion, their intents regarding our work here at the WTO as I would hope they would grant me as well.

With respect to my dinner with, I don't know if I should call her Baroness or Commissioner Ashton, it was much more celebratory than anything else, in that I was, through sheer accident of good timing, fortune, as you know, within six hours of my having been confirmed in this position a little less than two months ago I had the opportunity to have dinner and meet Commissioner Ashton. And while we didn't agree on anything substantively at that time, what we did agree was that considering the extraordinary success of the relationship in this case between the



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United States and the European Commission in terms of trade, we both considered it a tragedy to some degree that the relationship, because of the nature of you all's work, is almost singularly defined by our disputes at the WTO. And lost is the fact that this is an incredibly successful trade relationship on which hundreds of thousands of jobs are dependent and people are doing good, solid business every day.

Within that context we agreed that to the degree we could begin to pick up the phone and engage one another directly on some very difficult issues and get any of them resolved, that would be a much, much welcomed change in our relationship.

Obviously the first example of that was the beef dispute. So last night, frankly, was an opportunity for us to celebrate and thank our two negotiators who were most responsible for that, and commit ourselves then to reviewing broadly what might happen next. We did not try to define or identify any one matter that might be the subject.

But I think we've at least set a welcome template between the United States and EU and hopefully some of our other partners will look at that and say we don't have to wait four or five years for all these to move through the dispute settlement process. Forgive me, but we must catch a plane. Thank you all for being so kind and for your patience. If I didn't talk to you today, we'll have a chance to talk to you on future trips. Thank you.

## Press Release from the Office of the U.S. Trade Representative, May 14, 2009[11]

U.S. Trade Representative Ron Kirk held his first meeting with Korea's Minister for Trade Kim Jong-Hoon on May 14 to discuss a range of multilateral and bilateral trade issues, including the pending U.S.-Korea Free Trade Agreement.

"Korea is a crucial ally of the United States and an important trading partner," Ambassador Kirk said. "The U.S.-Korea Free Trade Agreement has the potential to bring significant economic and strategic benefits to both countries, while demonstrating the U.S. commitment to expanding our economic engagement and leadership in Asia.

"I brought Minister Kim up to date on our review of the FTA and how we plan to consult with Congress and stakeholders regarding their concerns. I look forward to working closely with the Minister to address such concerns, while also taking into account Korea's interests, so that we can best determine how to move this important Agreement forward," said Ambassador Kirk. "Both Korea and the United States also have a tremendous stake in an open international trading system, and I look forward to continued close cooperation between Korea and the United States in working to achieve progress in the Doha negotiations," Ambassador Kirk concluded.

## Press Release from the Office of the U.S. Trade Representative, May 15, 2009[12]

Today United States Trade Representative Ron Kirk met with Indonesian Minister of Trade Mari Pangestu in their first meeting under the U.S.-Indonesia Trade and Investment Framework Agreement (TIFA). Ambassador Kirk and Minister Pangestu discussed a wide range of bilateral, regional and multilateral trade issues. Ambassador Kirk emphasized the importance avoiding protectionism and of using the TIFA to help find ways to address the growing number of bilateral trade issues between the two countries. The two ministers also discussed the prospective Comprehensive Partnership between the United States and Indonesia, agreeing on the value of deepening bilateral relations, including in the economic arena, and exchanging views on possible approaches. They also agreed on the importance of working together to achieve a balanced conclusion to the World Trade Organization's Doha Development Agenda and to cooperate closely to advance work in APEC and under the U.S.-ASEAN TIFA.

"With the current global economic downturn, it is extremely important that the world's economies demonstrate their firm commitment to a strong, open, and dynamic international trading system," Ambassador Kirk said. "The United States and Indonesia have a common interest in further expanding and deepening our economic relationship by taking specific steps to resolve outstanding issues as well as through potential new initiatives."

Prior to the meeting between Ambassador Kirk and Minister Pangestu, the two sides held three days of detailed discussions on the range of bilateral trade and investment issues. The United States raised concerns about Indonesia's imposition of import licensing requirements on a wide array of goods, new restrictions on pharmaceutical trade, recently imposed import restrictions on pork products, local content requirements in the telecommunications sector, burdensome new registration requirements for imported food products, and the need for improved protection and enforcement of intellectual property rights.

## Remarks by U.S. Trade Representative Kirk, May 18, 2009[13]

***Ambassador Ron Kirk delivered these remarks in Washington, DC***

**Ambassdor Kirk.** Thanks to all of you, and thank you particularly to Mr. Tom Donohue for your kind invitation to speak. I offer my greetings to the Ambassadors and friends from other nations who are here today.

I am eager to speak to the Chamber today, because there's no doubt that you appreciate the importance of trade to our economy.

In a time when some aren't sure there should be next steps on trade, you're eager to map a course for the future.

President Obama and I are committed to a robust, progressive trade agenda that takes hold of the opportunities that many of you envision for trade, while also acknowledging and including the ideas of those who want our trade policy to be



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more responsive and responsible to American workers and families.

Today, I've come to talk about trade tasks we're working on now... some new areas we will tackle... and frankly, a new mentality we all must embrace if any of our trade efforts are to succeed.

USTR is working diligently to carry out a trade policy that is more coherent and more resonant with the American people.

We're vigorously enforcing America's rights under existing trade agreements and seeking to resolve long-term disputes.

We're seeking to finalize the Panama free trade agreement, working to resolve outstanding issues on the Colombia and Korea agreements, and seeking a way forward on the Doha Development Round of World Trade Organization talks.

USTR is also crafting new goals for the coming months and years.

The dynamics of the world economy are changing every day. New and major players are emerging. We intend to watch and work with those regions that need our focus if America is to compete globally, and prosper.

But before I go into detail on our specific, I want to talk about what may be the most important task that we have if U.S. trade is to thrive in the next few years.

Those of us on both sides of the trade debate in this country can and should be more introspective about the battles we continually wage with one another.

I'm starting this speech with a little bit of preaching because frankly, it won't matter how hard we try to craft a new international trade agenda if squabbles here at home just bog it down.

To truly fulfill the promise of a trade agenda that works for America's working families and businesses, we're going to have to stop the name-calling that keeps us divided on trade.

Reflexive labeling of foes as either protectionists or anti-worker does little to foster the discussion of genuine concerns that need to be considered and addressed if we are to move forward successfully.

One of my favorite African proverbs may be of some value here: it simply says that two people in a burning hut don't have time to argue.

Our economy is in trouble, and the steep decline in global trade is only exacerbating the crisis here and abroad. We need to work together to get our economy back on track.

It's time to lay down our arms, come out of our bunkers, and start supporting important initiatives on their merits, not reject them for tradition's sake.

The President is working to help struggling families through health care reform, investments in education, a more balanced tax system, and incentives to build a green economy that will fuel America's economic growth in the future.

Those initiatives will make America more competitive, reduce economic inequalities here at home, and even help to balance trade by stopping the flow of dollars to petroleum producers abroad.

I would respectfully submit that this community, the business community, can play a vital role by working for these priorities just as hard as you would fight for any pending trade agreement.

A stronger health care system will free up dollars that companies—including our country's small businesses—can use to grow and expand.

A stronger education system will help to create the highly-skilled American workforce necessary to drive the innovative entrepreneurial efforts of tomorrow's economy.

These are problems we must solve if we are to keep America economically competitive, and they are necessary corollaries to a strong trade policy.

By that same token, those who may support health reform, education, and other key domestic initiatives while rejecting global trade should acknowledge the important role that trade plays in creating and sustaining better-paying jobs here at home, and take note of the improvements already being made to our trade policy as well.

U-S-T-R negotiators are focused on ensuring the rights of workers in markets abroad just as we are on protecting the rights of businesses to fair treatment.

Already, labor and environmental provisions are now core provisions in the text of trade agreements on par with commercial rights.

Protecting workers and our environment are not only appropriate elements of trade discussions, and critical to leveling the playing field of competition. They are also goals that reflect our values.

USTR is also responding to concerns about trade by vigorously monitoring and securing America's rights and benefits under international agreements.

As President Obama promised, we are focusing plenty of attention on something that's a priority for the Chamber: non-tariff barriers to trade.

Like you, we're seeking transparency and due process in our partners' trading practices from government procurement to market regulation, and insisting on strong protections for our intellectual property.

We're using all the tools in our toolbox—including consultations, negotiations, and litigation in the WTO when necessary.

My strong preference is to use direct diplomacy when we can to solve long-standing problems—and it is working.

Last week, we signed an agreement with the EU that secures significant additional access, at zero duty, to the EU market for high-quality beef produced from cattle that have not been treated with growth-promoting hormones.

This has been a 20-year dispute, in which the WTO had found that America was suffering more than $100 million in trade damage every year from the EU's refusal to take our beef.

This agreement won't fix all of that damage in the first phase, but our beef industry is getting major market access it didn't have before—and they're getting it now.

This progress proves that this administration is already changing the game on trade, and assuring that American farmers, ranchers, businesses and workers receive the benefits they deserve in the global, rules-based trading system.

We are preserving the rights of American companies and workers in these ways—and that's a trade initiative that all of us can support.

In the first weeks of this administration, President Obama also acknowledged some of the tough realities of trade and supported Congress's effort to dramatically expand access to Trade Adjustment Assistance.

That was the right thing to do, and we applaud Congress for their leadership.

But the need for a Trade Adjustment Assistance program does not change the fact that trade and trade expansion are also necessary for America's economic recovery and the world's.

Trade can be a major boon to American



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companies and workers, and to the country as a whole.

The numbers bear this out.

Last year, exports reached a record 13 percent of U.S. Gross Domestic Product.

More than a quarter of a million U.S. firms export goods. Ninety-seven percent of those firms are small- and medium-sized businesses who particularly need our help accessing global markets.

Three-quarters of global purchasing power and nearly 95 percent of world's consumers are outside our borders.

Obviously, one of the best ways to grow America's businesses—both large and small—is to open additional markets for their goods and services.

That's one of the best ways to support workers as well. Six million U.S. jobs are supported by the export of manufactured products alone—not even counting the trade we do in services and intellectual property.

Exporting firms tend to increase employment more rapidly, have higher productivity, and can pay as much as 13 to 18 percent more than the national average.

That's the kind of trade we can all embrace.

The Peterson Institute told us in 2005 that since World War Two, trade liberalization had increased our incomes by about one trillion dollars a year.

Eliminating remaining barriers to trade could increase America's income gains by $650 billion more today.

That's a prize worth fighting for on behalf of America's businesses, farmers, ranchers, consumers, workers, and investors.

That is why this Administration is working to finish agreements in process, and seeking new opportunities for the future to open significant markets for U.S. business and workers.

On Panama, it's no secret that we've has been working very hard with the Panamanian government in recent weeks to resolve outstanding issues so that this free trade agreement can be sent up to our Congress for consideration.

We have had very productive discussions on both labor and international tax issues and our efforts are continuing.

While it is important not to exaggerate the benefits of the Panama agreement, neither should we minimize them.

Many of Panama's products already enjoy duty-free access to American markets. This agreement will give American farmers, ranchers, manufacturers, producers, and workers reciprocal access to consumers in Panama.

At the Summit of the Americas, President Obama tasked me with conducting a thorough review of our pending free trade agreement with Colombia, and finding a way forward. That work is actively in progress.

I have had very productive meetings with Trade Minister Plata toward that end, and our USTR team is actively engaging with stakeholders here in the United States to get their perspectives.

If a U.S.-Colombia trade agreement is done well, it can provide a strong incentive for Colombia and other countries seeking to diversify their economies beyond the drug trade that plagues a number of nations across the Americas—even as we open up a significant new market for U-S exporters.

The U.S.-Korea Free Trade Agreement has the potential to bring significant economic and strategic benefits to both countries, while demonstrating the U.S. commitment to expanding our economic engagement and leadership in Asia.

I met with Minister Kim last Thursday, and we had a very candid and productive discussion about the domestic political concerns that must be addressed in both our countries so that we can proceed.

We committed to work diligently to address those concerns so that we can best determine how to move this important Agreement forward.

Our success in resolving outstanding issues will determine the pace at which we move forward with our FTAs.

In the same way that we are addressing these pending free trade agreements, USTR is taking what we've inherited in the Doha Development Round of World Trade Organization talks, and breathing fresh life into the effort.

President Obama and I are committed to a successful conclusion of the Doha round, to revive confidence in global trade and lay the groundwork for the robust trading system of tomorrow.

To date, our review of the Round has included a close look at what's been achieved, a distillation of the outstanding issues, and ongoing discussions with our trading partners to gain their perspective as well.

As many of you know, I just returned last week from my first trip to Geneva as USTR. I met with a number of our important trading partners, including groups representing the Latin American and Caribbean countries, the African and Least Developed Countries, Director-General Lamy, and counterparts from Switzerland and the EU.

In all, I met with representatives of more than half the membership of the WTO.

I was impressed by the genuine commitment of all of those with whom I met to secure a successful conclusion to this development round, not only for the survival of the least developed countries but also because of what we collectively believe Doha can do to help the world recover from the current economic crisis and set the stage for future growth.

I will share with you today what I shared with my colleagues and counterparts in Geneva.

To the United States, success at Doha means a balanced and ambitious agreement with meaningful market access gains for all involved.

The United States is very aware that this is a Development round, and quite rightly the least developed countries are not being asked to make sacrifices to complete a Doha agreement.

We do, however, see an opportunity for leadership among Advanced Developing Countries such as China, India, Brazil, and South Africa, to make the kinds of choices that are required of those who would lead in the global trading community.

And while the United States stands ready to work toward a successful conclusion to Doha, we are not arrogant enough to believe that our participation is the only factor necessary to do the deal. It will take hard work and cooperation from all the negotiators to get a good deal done.

Therefore, all 153 WTO members should be willing to consider adjustments to help put the negotiations on a more direct path to success.

This does not mean that we should start the Round over, or discard the hard work that's been done.

We should build on the progress that we've made and find the best way forward.



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For the U-S, that means that we will complete our internal consultations, think about new paths to address remaining issues and build on the dialogue I began with our trading partners last week.

Some of these partners have already begun to get past some of the stale arguments of the recent years, to explore new ideas to move toward agreement.

A successful conclusion at Doha can be a critical element of reviving trade and breathing new life into the world's economies, including ours here at home.

Concluding the Doha negotiations will also give us the chance to turn our attention to new vistas on the trade agenda.

One of my goals, personally and in the service of President Obama's trade policy agenda, is to take a robust look at US trade policy toward Asia.

Now, I had intended to speak to the US-Korea Business Council on this topic last month, but it was postponed at the last minute. I fully intend to re-use that speech, so I won't give it all away here.

But needless to say, the Asia-Pacific is a worldwide center of economic activity—and a key driver of economic growth.

The United States has benefited greatly from a burgeoning trade relationship with the Asia-Pacific in recent years, with the value of our trade there tripling in the last decade and a half.

Even more effective engagement with Asia will be a key component of the Obama administration's outlook on trade.

In addition to working toward resolution of outstanding issues in the pending trade agreement with our strong ally and trading partner, Korea, we are engaging elsewhere as well.

I recently met with Chinese Minister Chen. It was very productive and friendly.

As two former Mayors, we talked about what we had learned from our past experiences—particularly the importance of being pragmatic and focusing on concrete problems that impact our constituencies.

We discussed a range of bilateral and multilateral trade issues, and emphasized on the importance of avoiding protectionism—and utilizing cooperative mechanisms such as such as the Joint Commission on Commerce and Trade to resolve bilateral trade issues whenever possible.

We also discussed the potential of Doha to spur economic growth.

From Panama to Doha to Asia, all of this is part of our effort to make America's trade policy work for working families—for the people who help to drive the business community.

As I travel the world in my new job, I am reminded of another African proverb—that one should take no comfort in the hole at the other end of your boat.

As the current economic crisis has shown us, in the interconnected global community in which we live—we sail, or sink, together.

It's time to internalize that concept here at home. We are all citizens of this extraordinary country, and we are all in this extraordinary economic crisis together.

The secret is that trade champions and trade skeptics both sincerely desire what's best for our nation's economy and for our people.

We should try to learn from each other—and together, craft trade policy that does better by the American families and businesses we serve. I look forward to working with all of you.

## Press Release from the Office of the U.S. Trade Representative, May 19, 2009[14]

Today, United States Trade Representative Ronald Kirk and Angola Minister of External Affairs Assunção Afonso de Sousa dos Anjos signed a Trade and Investment Framework Agreement (TIFA) that will provide a forum to address trade issues and help enhance trade and investment relations between the United States and Angola.

"It is a testament to the people of Angola and to its leadership, that after a troubled history of war and unrest, Angola is taking the positive steps to realize its full potential as a nation. We applaud the Government of Angola's efforts to promote reform that fosters transparency and accountability, diversifies the economy, and encourages an improved business environment," said Ambassador Kirk. "We look forward to using this TIFA as an opportunity to enhance and diversify the U.S.-Angolan trade and investment relationship."

A United States-Angolan Council on Trade and Investment will be formed under the TIFA to address a wide range of trade and investment issues that include, but are not limited to, trade capacity building, intellectual property, labor, environmental issues, and enhancing the participation of small- and medium-sized enterprises in trade and investment. The TIFA Council will establish an ongoing dialogue which will help increase commercial and investment opportunities by identifying and removing impediments to trade flows.

## Press Release from the Office of the U.S. Trade Representative, May 27, 2009[15]

Today United States Trade Representative Ron Kirk and Egyptian Minister of Trade and Industry Rachid Mohammed Rachid met to discuss ways to expand U.S.-Egyptian economic ties. Ambassador Kirk and Minister Rachid also signed a Plan for a Strategic Partnership, which aims to further promote economic cooperation between United States and Egypt. They issued the following statement at the conclusion of their meeting:

"Today's meeting demonstrates the continuing close friendship and collaboration that characterizes the relations between our countries. It is our firm belief that greater economic cooperation between us will benefit both sides by supporting sound government policies that create jobs, boost investment, and build sustainable development. Strengthened cooperation in the economic sphere is particularly important during this difficult time for the global economy. It will also help to sustain Egypt's important recent economic reform efforts.

"Today we signed the United States—Egypt Plan for a Strategic Partnership, which instructs our senior officials to develop a framework over the next 90 days for cooperation in a number of trade and investment areas. We also welcome and strongly encourage private sector



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involvement in our discussions, recognizing that our efforts should be focused on practical solutions that effectively address the challenges our businesses face.

"In the months ahead, we have dedicated ourselves to pursuing a program of intensified U.S.-Egyptian cooperation on economic, trade, and investment issues. We are convinced that these efforts will serve as a welcome complement to the already strong cooperation our countries share on political and security matters.

"Additionally, we would like to take this opportunity to recognize the designation earlier this year, in cooperation with Israel, of two additional Qualifying Industrial Zones in Upper Egypt. The expansion of the QIZ program in Egypt to the new zones of Beni Suief and Al Minya is another indication of our desire to strengthen U.S. trade relations with the region."

## Remarks by U.S. Trade Representative Kirk, June 2, 2009[16]

***Ambassador Ron Kirk delivered these remarks in Washington, DC***

**Ambassador Kirk.** Thank you, President John Frisbie and the U.S.-China Business Council. It is a pleasure to speak to all of you.

We meet at a moment when the world is working to emerge from an economic crisis.

This crisis, as you know, has touched both the United States and China. Families have struggled and businesses have failed in both our countries.

President Obama has made leading America out of this recession job number one... job number two... job number three... and job number four.

He has launched initiatives to get America working again. He has acted to fix our banking system, to get lending going again. He has sought to work through the challenges facing major industries.

These things have been done to help American families survive this time of turmoil.

The outlook for the economy remains unclear. And while there are some positive signs, there remains a great deal of work to do.

No one policy has been powerful enough to end this economic downturn. Only a carefully coordinated effort is making things right again.

And today, I can tell you: international trade can and should play an important role in America's continuing economic recovery, and the world's.

The President believes that the United States needs a new framework for trade.

He recognizes that trade is essential to America's prosperity. It has the potential to lift up workers in America and around the world.

But to accomplish this, trade agreements need to work for all Americans.

They need to have strong labor and environmental standards.

We need to do a better job of enforcing our trade agreements.

And we need domestic policies to help Americans succeed in an increasingly dynamic economy.

The President will be outlining this framework in the near future.

In the meantime, the Office of the United States Trade Representative is moving forward on trade goals that every American can get behind.

We're seeking to cultivate better paying jobs here at home. We are doing that by opening markets around the world to U.S. goods and services.

We are working to enforce the rights of the U.S. in the global trading system. We want to make sure that Americans feel the many benefits of trade, far more than its costs.

China is one of our most important trading partners. Improving our relationship with China will be an important part of achieving the President's goals.

As a matter of fact, Treasury Secretary Timothy Geithner is in China this week, working to strengthen our nations' bilateral relationship.

I had the opportunity last month to meet with Chinese Minister of Commerce Chen Deming.

We agreed to work together on the task set out by Presidents Obama and Hu... that is, the construction of a positive, cooperative, and comprehensive relationship between the U.S. and China.

Our countries have significant challenges. But our relationship presents a great opportunity as well.

In 2001, China became a member of the rules-based global trading community by joining the WTO.

Since then, exports of U.S. goods to China have gone up by 273 percent.

By comparison, U.S. exports to the rest of the world rose by just 73 percent in the same time frame.

China's WTO commitments also enabled U.S. services companies to gain footholds in China's market.

These gains occurred in key sectors such as financial and distribution services, and express delivery.

Granted, we started from a low baseline of market access with China.

But these gains for the U.S. indicate significant progress.

And they speak of the extraordinary opportunities for job creation here in the United States if we shrink our trade imbalance with China, and if China further opens its market to U.S. goods and services.

It's hard to find any silver lining in this current economic crisis, which has hurt so many families and businesses. But the recession has caused many countries, including China, to reexamine their overall economic policies.

As a result, China has acknowledged its need to become less export dependent, and to build more of its own consumer market to stimulate domestic demand.

Such a shift could create a great opportunity for American farmers, ranchers, producers, and workers.

The benefits would be seen not just in greater balance in the U.S. relationship with China, but in jobs created here at home.

The health and growth of our bilateral relationship with China will depend, in part, on this job-creating access to China's markets for U.S. goods, services and investment.

We are committed to working closely with China to fully develop that relationship.

There are two primary ways that the U.S. will pursue this.

Our approach to China will involve both direct diplomacy and strong enforcement of America's rights in the global trading system.

USTR's preferred instruments are those



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of engagement with China, through dialogue, ongoing efforts to negotiate a bilateral investment treaty, and coordinated efforts with like-minded trading partners.

Our principal tools for engaging with China include the Joint Commission on Commerce and Trade, and the Strategic and Economic Dialogue.

Commerce Secretary Locke and I, along with Vice-Premier Wang Qishan, will convene a meeting of the JCCT later this fall.

Soon, Ambassador Demetrios Marantis will make his first trip to China as Deputy USTR to begin our preparations for this important meeting.

At this meeting, the U.S. and China can join together in affirming open trade and investment, and working together in a cooperative fashion.

We can reaffirm the commitment we both made at the G-20 to avoid protectionist measures that undermine trade rules.

We can address immediate trade frictions, such as regulatory and market access issues that impede U.S. businesses in China.

But the JCCT must go further. We must make meaningful progress on bedrock trade concerns that spring from the U.S. and China's differing economic approaches.

In some cases, China's industrial and procurement policies, as well as standards and licensing procedures, favor domestic and state-owned enterprises and discriminate against foreign firms. We intend to deepen our dialogue and seek solutions on these important issues where we differ.

And here at home, this Administration is working across a number of agencies to coordinate our economic engagement with China.

USTR and the Commerce Department are working closely with State and Treasury to determine a clearer, and more productive, division of objectives for the upcoming Strategic and Economic Dialogue and the JCCT.

Each forum can tackle a distinctive set of important challenges and opportunities that face the U.S. and China.

Dialogue and negotiation normally resolve trade frictions far more quickly than litigation. And in a tough economy, time is not on our side.

American producers need enhanced market access now to save jobs and create new, better-paying jobs here at home. So we need results sooner rather than later.

This approach has been productive.

And China has shown itself willing to resolve issues through negotiation.

Most recently, China decided not to impose inappropriate standards that would have significantly disrupted trade in information security products.

So the U.S. will continue to urge China to adopt policies that will lead to more balanced growth...

... that will encourage foreign participation, and discipline state-led economic development...

... and that will strengthen accountability, transparency, and the rule of law.

China should also make a serious effort to accelerate the growth of its services sector.

And China must do a better job of enforcing intellectual property rights ... and standards on the environment, labor, and product safety.

Changes to these policies are not only in America's interest. I respectfully submit that they are in China's interest as well.

When negotiation offers the fastest, best, and surest way to achieve our goals with China, the United States will take that road.

But when our preferred course doesn't work, we will not hesitate to use other tools, such as dispute settlement, to enforce the rules as written. The seven WTO cases that we have taken against China show that.

Dispute settlement is a normal and healthy part of relations between major trading partners.

It provides an important forum for resolving issues that otherwise could create significant strains.

We are committed to working positively and cooperatively with China. But we will always put the interests of American businesses and workers at the fore.

We will not yield on enforcing the right of American businesses and exporters to compete on a level playing field with China.

If we can do it by trade diplomacy, we will. If we have to file at the WTO, we'll file. And as appropriate, the U.S. will also apply trade remedies fully and fairly as provided for under WTO rules.

The way that USTR approaches disputes with China will be an important element... and an important example... of this new administration's new focus on enforcement.

USTR intends to move more aggressively to ensure the rights of the American exporters.

We intend to restore confidence that there can be a level playing field for our workers and businesses.

President Obama and I believe that on that level playing field, Americans can compete in any sector—from services to manufacturing to agriculture.

So we will pull out all the stops to see our rights made real for the sake of working families here at home.

The American people deserve this Administration's best effort to ensure a fair game on trade. They deserve the smartest possible engagement and enforcement.

It will take both to craft a trade policy that is more responsive and more responsible to the American people's concerns.

It will take both to forge the strongest, most beneficial relationship with the People's Republic of China.

The Obama Administration is committed to achieving these goals.

We look forward to working with you, and with our counterparts in China, to do so.

We believe we have a strong foundation for better cooperation with China, bilaterally and multilaterally.

I take our Chinese partners at their word: that China will work with the United States toward a positive and cooperative relationship on trade, investment, and economic issues.

This commitment should encompass not only our bilateral relationship, but also multilateral efforts such as the Doha Round of talks within the World Trade Organization.

President Obama and I are committed to a successful conclusion to the Doha round.

We seek a balanced and ambitious agreement that yields meaningful new market flows for all.

China has been clear that it is prepared to shoulder its responsibilities as an important member of the WTO.

The U.S. believes that China can play a constructive role in the Doha talks, commensurate with its standing as a global trading power.



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The United States recognizes that Doha is a development round. The least developed countries are not being asked to engage in further market openings to get a Doha deal done.

However, we do see a role for advanced developing countries like China—and India, and South Africa, and Brazil—to make the hard choices that are required of those who would move to the fore of the global trading community.

China and the United States can and should consider changes that will put Doha's multilateral negotiations on a straighter path to success.

I am ready to work with Vice-Premier Wang, Minister Chen, and other senior Chinese officials toward this end—and to make sure that America's bilateral relationship with China continues to grow and prosper.

Working within the rules-based system, the U.S. and China can build on the progress that we have made. We can cement smart trade policies as a pillar of our future together.

Thank you.

## Press Release from the Office of the U.S. Trade Representative, June 5, 2009[17]

The third meeting of the Trade and Investment Council (TIC), established by the United States—Uruguay Trade and Investment Framework Agreement (TIFA), was held today in Washington. The U.S. delegation was headed by Assistant United States Trade Representative (AUSTR) for the Americas Everett Eissenstat. Uruguayan Minister of Foreign Affairs Gonzalo Fernández led the Uruguayan delegation.

"Today's meeting demonstrates the continuing close friendship and collaboration that continues to characterize the trade relations between our countries," said Everett Eissenstat, Assistant United States Trade Representative for the Americas. "I am especially pleased that our two governments met with the Trade and Environment Policy Advisory Committee (TEPAC) earlier this week to discuss enhancing public participation under our agreed TIFA protocol on Trade and Environment. This demonstrates the commitment we share to fully implementing the protocols under our agreement."

"I agree that the protocols on trade and environment and trade facilitation are very important," expressed the Minister of Foreign Affairs of Uruguay Gonzalo Fernández. "I am pleased that we also reviewed progress to date on a number of important issues covered under our work program and note the importance of continued progress in these areas."

During today's meeting, Minister Fernández and AUSTR Eissenstat took stock of discussions undertaken pursuant to the TIFA Work Program. In doing so, both governments acknowledged the strong progress that has been made in deepening and broadening the United States-Uruguay trade and investment relationship since the TIC last met in Washington, D.C. on April 30, 2008. Some of the work completed includes the signing of two protocols to the TIFA covering substantive commitments in the areas of trade facilitation and public participation in trade and environment.

Prior to today's meeting, representatives of both governments met with the Members and Liaisons of the Trade and Environment Policy Advisory Committee (TEPAC) to discuss the commitments made under the TIFA Protocol concerning public participation in trade and the environment. The TEPAC members and liaisons provided advice on how to promote public participation and increase transparency in trade and environmental policies and decision-making based on their experience in the United States.

## Press Release from the Office of the U.S. Trade Representative, June 9, 2009[18]

United States Trade Representative Ron Kirk issued the following statement at the conclusion of the 33rd Cairns Group Ministerial Meeting. While attending the Bali ministerial, Ambassador Kirk met with a number of Cairns Group ministers and other attendees to discuss U.S. agricultural trade policies. From Ambassador Kirk:

"The 33rd Cairns Group Ministerial Meeting has been, in my view, a very productive three days. In plurilateral and bilateral meetings, I have discussed a number of trade issues important to the Cairns ministers and to the United States. As you can imagine, few issues have been more important in our talks than the Doha round of world trade talks, and the importance that all of us place on meaningful market openings for agriculture as we proceed.

"This week in Bali, I have reiterated the U.S. commitment to a successful conclusion to the Doha round.

"To the United States, a successful conclusion will mean an ambitious and balanced result with new market openings for all, and significant contributions to global economic recovery and long-term economic growth and development.

"While we should not discard the progress made to date in the Doha round, we must consider new ideas to get these talks moving again. It will take some creativity, and quiet and informal work by ministers and by senior officials. Some countries have already begun offering suggestions to adjust the process.

"The United States will continue to work with Cairns Group members and with all of our partners in the World Trade Organization to explore solutions, and ultimately to reach consensus on how to put the Doha negotiations on a path to success."

## Press Release from the Office of the U.S. Trade Representative, June 11, 2009[19]

Today United States Trade Representative Ron Kirk and Mongolia's Minister for Foreign Affairs and Trade, Sukhbaatar Batbold, announced the launch of negotiations for a United States-Mongolia Transparency Agreement following a meeting yesterday in Washington held by General



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Counsel Timothy Reif and Assistant United States Trade Representative Timothy Stratford with Minister Batbold. In their discussions, the officials noted the importance of transparency with regard to trade and investment policies and practices. They also reiterated the importance of U.S.-Mongolia trade and economic relations and their mutual desire to promote trade cooperation through the U.S.-Mongolia Trade and Investment Framework Agreement.

Ambassador Kirk and Minister Batbold issued a joint statement saying: "Transparency is critical to the proper and efficient functioning of the international trading system. Businesses need the predictability that comes with a clear understanding of the policies and practices that are going to be applied. We believe that an agreement setting forth mutual commitments on transparency will help to develop the U.S.-Mongolia trade relationship, to the benefit of both of our economies."

## Press Release from the Office of the U.S. Trade Representative, June 12, 2009[20]

Today the United States Trade Representative (USTR) announced that the Administration plans to move forward with the negotiation of an Anti-Counterfeiting Trade Agreement (ACTA) to step up the fight against global counterfeiting and piracy.

"The ACTA negotiations provide an opportunity to toughen international standards for the enforcement of intellectual property rights, making it harder for counterfeit and pirated products to enter our country, and making the world safer for the innovation and creativity that are so critical to the U.S. economy," said United States Trade Representative Ron Kirk. "As we proceed with these negotiations, we will ensure that the public is kept well informed and has further opportunities to give input."

The Obama Administration has been conducting an overall review of current and pending trade agreements, including the ACTA. Ambassador Kirk emphasized that ACTA remains an important part of the U.S. trade agenda and, accordingly, the United States is ready to continue negotiations. In keeping with President Obama's transparency goals, USTR will continue its efforts to ensure that the public is well-informed about the negotiations. In addition to the April 6 release of a detailed summary of issues under negotiation, USTR has established a dedicated ACTA page on the USTR website. Also, USTR will maintain our "open-door" policy toward all stakeholders, and will hold "town hall" meetings to engage with members of the public.

The participants in the ACTA negotiations will next meet in Morocco in July to continue their discussions with a goal of reaching an agreement in 2010. Today's announcement underscores the participants' goal of combating global infringements of intellectual property rights (IPR), particularly in the context of counterfeiting and piracy, by increasing international cooperation, strengthening the framework of practices that contribute to effective enforcement, and strengthening relevant IPR enforcement measures themselves.

## Press Release from the Office of the U.S. Trade Representative, June 17, 2009[21]

Today, United States Trade Representative Ron Kirk congratulated the U.S. Department of Agriculture and the Canadian Food Inspection Agency for their decisions to recognize each other's national organic program as equivalent. The decisions of both national regulatory authorities allow products certified to either U.S. or Canadian standards to be sold or labeled in both countries as organically produced. Under the concurrent equivalence determinations, negotiated by USTR, USDA and CFIA, both the USDA Organic seal and the Canada Organic Biologique logo may be used on certified products from both countries.

"This close cooperation is the first of its kind in international organics trade and a real achievement for both countries," Ambassador Kirk said.

Canada is the largest export market for U.S. organic products and USDA estimates that more than 75 percent of Canada's organic consumption comes from the United States. Estimates of the total market for organic products in Canada range from $2.1 to $2.6 billion.

## Remarks by U.S. Trade Representative Kirk, June 23, 2009[22]

***Ambassador Ron Kirk delivered these remarks in Washington, DC***

**Ambassador Kirk.** Good morning. Thank you all for joining us. Forgive me for being a few minutes late.

Before I begin my remarks about the subject of our press conference, the mayor in me has to take a moment and express our thoughts and prayers to the families of those who were killed in the horrible train accident yesterday and extend our support to Mayor Fenty and his team as they struggle to work through this tragedy and make some sense of it and learn from it. So our thoughts and prayers are with all those who lost their lives and those who may have been injured.

This morning I have an opportunity to talk to you about a matter that is critically important not just to our mission here at the United States Trade Representative's Office, but also, we believe, to all the businesses that are involved in helping keep America strong by being in the export business which allows them to create important and good jobs here at home.

Now more than ever, trade is essential to keeping America's economy afloat. We know that as a result of the decline in global trade over the last 18 months or so, to its lowest levels since World War II, and we've seen the effect that's had not only on our economy but on economies around the world.

More significantly, 97 percent of America's exporters are small and medium sized businesses that employ millions upon millions of citizens. Many of them are subcontractors to some of the larger compa-



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nies with whom you may be more familiar.

And jobs dependent on trade in many cases are better-paying jobs that Americans want and desperately need—with salaries that can range from 13 to 18 percent higher than the national average.

Thus access to markets around the world that help us retain and create good-paying jobs are the kind of trade that Americans can support and that President Obama believes is a critical part of our economic recovery.

Thus barriers to trade can slow our ability to recover from this current economic crisis.

The Obama Administration has been clear with our trading partners that we wish to work together to keep global trade flowing and provide economic opportunities for all of our citizens. But we will always, and that's always, expect our trading partners to play by the rules.

Now, our preferred tools of engagement are direct dialogue and discussions to resolve differences as quickly as possible so that we can keep trade flowing efficiently. But there are instances when our talks don't work as well as we would like for them to, and we've always reserved the right to take action. We will enforce the rights of American manufacturers, farmers, ranchers, our services providers, and our workers through the rules-based global trading system at the World Trade Organization.

So today the Obama administration is insisting on the rights of American businesses and workers to a level playing field. Thus we are initiating formal consultations with China in the World Trade Organization, because we see a major problem in one particular area.

The United States believes that China is unfairly restricting exports of raw materials. These actions are hurting American steel, aluminum and chemical manufacturers, among other industries, that desperately need these materials to make their products. These actions also endanger thousands of jobs in America for those employed in these important sectors.

USTR is very concerned that China appears to be restricting these export materials at the expense of U.S. industries that need these materials for their production. And this appears to be occurring despite very strong and clear WTO rules designed to discipline export restraints.

And we are most troubled that this appears to be a conscious policy to create unfair preferences for Chinese industries by making raw materials cheaper for China's companies to get, and goods more economical for them to produce.

These export restrictions by China skew the playing field against American workers and businesses, but also other industries around the world dependent on these raw materials. And they unfairly advantage Chinese producers.

Under WTO rules, such distortion of the playing field on trade is simply not allowed. It is not okay in specific cases like the one that we raised today. It is certainly not okay as an underpinning of a country's overall industrial policy regime.

Now, more than ever, we must fight against this kind of domestic favoritism.

Earlier this month, I had an opportunity to speak to the US-China Business Council and I made it clear that the United States and our office seek a productive, cooperative relationship with China to advance our mutual economic relationship. This is particularly true in the field of trade.

But I also made it equally clear that the United States will not yield on enforcing the right of American businesses and exporters to compete on a level playing field with China.

And I made it plain that if we can do it by trade diplomacy, that we would do so where we had problems that arise. But if we have to file cases at the WTO, then we would do so.

So after more than two years of urging China to lift these unfair restrictions with no result, we are filing at the WTO today.

Now before many of you run off and write stories that we're escalating tension between the U.S. and China, I want to remind you of one thing. The WTO is a wonderful mechanism for resolving trade disputes that inevitably occur in mature relationships. It's been less than ten years, if you think about it, since China has been admitted to the World Trade Organization. During that time the United States has brought seven cases against China and China has brought four cases against us. And in many of those cases we have been able to resolve them by mutual understanding through Memorandum of Agreements before these cases go from the consultation stage to the appellate body.

So at this stage what we are simply doing is initiating this process by requesting formal consultations with China in a further attempt to find a negotiated solution to this problem. It is very much our hope that we will not have to proceed to the next stage which is requesting a WTO panel to examine this matter.

This is not a step that we have taken lightly, but we are taking it deliberately and it is a necessary step to enforce the rights of America's manufacturers.

It's also the fulfillment of a promise. One that I made during my confirmation hearings to Members of the House and Senate, and it's one that President Obama promised in his 2009 Trade Policy Agenda, that one of the highest priorities of our trade policy would be our standing up for the rights of American workers and businesses in the rules-based global trading system.

President Obama and I are of the firm belief that given a level playing field, American workers and businesses can compete with the best of those anywhere in the world, and we can win.

China's policies on these raw materials seem to put a giant thumb on the scale in favor of Chinese producers. It's our job to make sure we remove that thumb from the scale.

Today's action is proof of our commitment to level the playing field in this area. It is our hope that this dispute is resolved speedily and to the fair benefit of U.S. industries and workers and other industries around the world as well.

Our steelworkers, our aluminum producers, and workers in countless other industries deserve the chance to compete fairly with their Chinese counterparts. This case is simply designed to give them that chance.

I'll be happy to take your questions, and I would remind you after our questions and answers, that our China team and lawyers will be available for a more detailed briefing for you if you have specific questions.

**Q. Jim Berger, Washington Trade Daily.**

**I assume you meet with the Chinese Minister later in the week in Paris. Did you find it to be of no purpose to bring this dispute up then for settlement? Or**



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**is it just off the table?**

**Ambassador Kirk.** I do hope to have an opportunity to visit with my counterpart. I'm not sure of my final schedule, Jim, when I attend the OECD. But we believe that after two years of discussion and dialogue with no resolution it was well past the time to take this step at this particular time.

This also, frankly, may give me an opportunity to have a more fruitful conversation with my colleagues with us having taken this first step.

**Q. Thank you, Mr. Ambassador, Zengxin Li from Caijing Magazine.**

**We all know that China is right now highly dependent on investments [inaudible]. [Inaudible] consider the risk of Chinese economy collapsing and endanger the world recovery and even U.S. jobs? Thank you.**

**Ambassador Kirk.** Our first priority is making sure that the United States economy is restored and as part of that economic recovery we believe that trade can become a much more central part of that. But in order for that to happen, trade has to be fair.

One of the reasons the United States made I think the right decision and a wise decision to support China's admission to the WTO was so that we would have a forum to address these types of problems. And I'll be honest, I can't imagine that our resolving trade disputes in a manner that is consistent with commitments that China made when it was admitted to the WTO and it expressly made the commitment that it would not engage in this type of behavior. We think that asking our trading partners to play by the rules that we agreed to will in no way endanger their economy. And we think asking Chinese exporters, frankly, to compete with us on an even playing field will make them stronger and not weaker.

So it's not only good for American manufacturers, we think it will be good for China's economy in the long run.

**Q. Dan Neumann, Inside U.S. Trade.**

**You talked about how these discussions have been going on for over two years. It was our understanding that the Bush administration considered filing a case on this problem at the end of its time in office but declined to.**

**What changed that calculation for the Obama administration? Was it simply a fact that the talks have gone on for two years? Or is this an example of the Obama administration being tougher on China?**

**Ambassador Kirk.** Well Dan, in Texas we say that's not a question, that's an answer. I don't mean to be—

**Q. What would you say in Washington?**

**Ambassador Kirk.** I'd remind you that I'm not standing here as the third Trade Representative of the Bush administration, but as the first Trade Representative for President Obama. And we made a commitment that we would revisit our trade policy in every aspect. President Obama and I both believe that trade can play and should play a role in our overall economic recovery. But we were equally concerned that more and more Americans have become cynical about trade, and one of the reasons is that they believe that the United States has either lack of will or the resources to force our trading partners to play by the rules.

So we think that a critical step, first of all, is restoring America's confidence in our trade policy, and that we have to take the fairly pragmatic step of asking our partners to do what they committed to do. So it's not necessarily an indictment of the previous administration, but we believe if we're going to ask Americans to believe in our trade policy that we have to have our trading partners play by the rules.

**Q. Jim Puzzanghera with the LA Times.**

**Given that this is the first filing by the Obama administration, and following up what you just said, what message do you hope this sends to other trading partners beyond China about the administration's intent to handle trade policy?**

**Ambassador Kirk.** Hopefully all of our partners will realize that we're serious about this.

Secondly, for all of our economies, all of us have parroted the words that we don't want to engage in anti-protectionism, but we have to give real meaning to that. In order to keep global trade flowing and to keep trade liberalization an important part of all of our economic future, we have to engage in behavior that's consistent with the commitments that we made, whether it's through the WTO, or through any of our other Free Trade Agreements.

I want them to know, first of all, the United States is still open for business. We believe that trade can be a critical part of our economic and other countries' economic revival, but if you're going to do business with the United States you're going to have to play by the rules.

**Q. Jose Lopez of the Mexican News Agency.**

**You said you support China's accession to the WTO to have a body to resolve these disputes. However, in March you tried to block the installation of a plant due to the complaint of Buy Mexico and the tuna dolphin safe label. Is there a double standard here?**

**Ambassador Kirk.** No.

**Q. Can you explain, please?**

**Ambassador Kirk.** Yes. Listen, the whole purpose of entering, whether it's a Free Trade Agreement or the WTO is we make certain commitments about how we will conduct ourselves with respect to trade. We also set up a body and a framework for how we will resolve disputes. In the case of the tuna dolphin matter between the U.S. and Mexico, that is a matter that clearly should be resolved within the context of NAFTA and that dispute resolution mechanism.

In this case Mexico and the United States which have an extraordinarily close relationship culturally, trade, geographically. Mexico believes that the proper forum should have been the WTO. We have a firm belief that it should be within NAFTA. I don't see any inherent conflict in us insisting or at least pursuing the resolution of that through NAFTA which we think is the more appropriate forum.

**Q. Sam Gilston with Washington Tariff and Trade Letter.**

**I'm trying to understand this. Despite all the complaints about the U.S. trade**



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**deficit with China and the antidumping and countervailing duty complaints against Chinese steel and chemicals, you're now saying that China's not exporting enough to the United States. I'm trying to get that in my mind to understand that. Can you clarify what specific products are not being exported that we want more exports from China now?**

**Ambassador Kirk.** Sam, it does seem a bit counter-intuitive, but let me see if I can do it this way.

One, what we want is a non-distorted market between the United States and China. However that may occur, we will work to remove that distortion.

In the case of antidumping and those issues, that tends to be where we have a business that unfairly dumps an excessive amount of material or supplies of products into the United States over and above what we anticipated.

In this particular case we have China, we think, through the exercise of export restraints and other means unfairly restricting the flow of raw materials that are critical to the steel, aluminum and other chemical industries that causes two things. One, it limits our access to supplies that we have to have to make steel. SO it increases the cost of our supplies for American manufacturers. It increases the availability of those materials within China and reduces their costs which then can distort the market.

I'll give you one example. There is a product that's essential to making steel tubes that we call coke. In 2008 China produced 336 million metric tons of coke around the world. By putting export restraints on coke, the amount of exports dropped to 12 million metric tons. You can pretty quickly figure out the impact that had on manufacturers and producers outside of China and the competitive advantage that it gave to China's domestic producers.

So in this case the distortion of the market is caused by the export restraints, not the excess of products that are being shipped. But in every case our goal is clear. We want a market that is not distorted by either unfair tariffs, other non-tariff barriers, or export restraints.

Thank you all for coming.

Again, we have Claire Reade, Tim Stratford, members of our legal team that are happy to go through and give you a much more technical explanation of what we've done. We will give you the complete list of raw materials that are involved. We appreciate your time and attention this morning.

Thank you.

## Press Release from the Office of the U.S. Trade Representative, June 25, 2009[23]

United States Trade Representative Ron Kirk issued a brief statement today at the conclusion of the 2009 OECD Ministerial Council Meeting. While attending the Paris meeting, Ambassador Kirk met with a number of key trade ministers and other leaders to discuss international trade policies and the future of the Doha round of world trade talks. From Ambassador Kirk:

"I was pleased this week to make my first visit to the OECD as United States Trade Representative. The office of the United States Trade Representative is working to ensure that trade serves as a pillar of America's economic recovery—one that sustains and creates the better-paying jobs that American workers want and need in these tough times.

"This week at the OECD, my trade counterparts and I have agreed: nations need trade to aid our recoveries. Open markets can help us fight the economic crisis together.

"In this context, few issues have been more important in our discussions than the Doha round of trade talks. A good Doha deal can boost global trade well into the next decade, while providing a significant development result. I have reiterated at senior official-level meetings in Geneva, at the Cairns Group in Bali, and here in Paris that the United States wants a balanced and ambitious Doha agreement as quickly as possible, with meaningful new market access for all.

"To move forward, we must build creatively on the progress made so far, with intensified multilateral work in Geneva and serious bilateral engagement among key partners.

"OECD members and all of the world's nations should work together to keep trade flowing, and to speed global economic recovery."

## Remarks by U.S. Trade Representative Kirk, June 25, 2009[24]

***Ambassador Ron Kirk delivered these remarks in Paris, France***

**Ambassador Kirk.** It's my pleasure to join you for the first time at the OECD. Now, all of us are here because the OECD has a critical role to play in helping us advance our shared agenda of ensuring a strong and dynamic global trading system that can generate sustained economic growth and overcome the challenges of this current global economic crisis.

For example, the recent OECD Participants agreements to extend terms and make repayment profiles more flexible for nuclear and renewable energy production projects are a major policy success. They create strong financial incentives for investments in energy sources that can help us achieve our broader energy security and CO2 reduction objectives. We should all be proud of this collective accomplishment.

We should also encourage the OECD to enhance its positive and supportive work on intellectual property. Adequate and effective IPR protection and enforcement is critical to innovation and economic development. And this should be reflected fully in ongoing discussions with accession candidates, as well as in OECD projects such as the Innovation Strategy.

But despite some stabilization of financial markets, concerns about the near-term performance of the world economy continue to be pervasive. The World Bank just released growth estimates for the world economy for this year, forecasting a 2.9 percent decline in global output and a 4.2 percent decline in the output OECD countries. Most developing, as well as developed, countries are being affected. And while many now foresee some recovery, the timing, strength and extent remain



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uncertain.

The response to the financial and economic crisis itself has been global. This is not a North-South issue. In the United States, we continue to be engaged in a number of very large scale efforts to stabilize our markets and help restore growth to our economy and, by extension, the world's economy. Other countries are also engaged in similar efforts. But in an open and integrated economy, such steps at the national level, particularly when reinforced by appropriate policy action, are central to restoration of global economic health.

Now, I am keenly aware of the contraction in world trade now occurring. The WTO estimates that global trade will decline by 9 percent this year, the sharpest decline since the Second World War. And though trade may be contracting, however, economic recovery will mean that trade will have to expand. Thus, it is imperative, in this time of economic turmoil, that we work together to keep our markets open. As our WTO Director-General Pascal Lamy has stated, trade can and should be a potent tool to help lift the world out of this economic doldrum.

At the national level, we need to work to keep vigilant about how we respond to this economic crisis. We think the last WTO report on responses to the crisis actually shows the situation better than some predicted. And we thank the WTO for giving us a rules-based system to review procedures and the very visible individual monitoring of countries that is needed.

At the global level, all of us here today, OECD Members and observers, must commit to reaching an ambitious and balanced conclusion to the Doha Development Round and build on the progress already made and find new approaches to make substantial progress toward the conclusion of the Round. Successful conclusion of the Doha Round can be a critical element for reviving trade and breathing new life into the world's economies. And we need to build on our multilateral efforts through direct, bilateral engagement with one another to move to the final phase of negotiations as quickly as possible. What better way is there to assure that trade once again becomes an engine of growth and better economic futures for all than the conclusion of this important multilateral round?

We all know that the economic situation demands a Doha outcome that delivers for all the world new and real market opportunities. The United States is ready to do our part. President Obama and I are fully committed to achieving an ambitious and balanced Doha outcome. And I invite all of you to join us in the upcoming weeks to explore ways to move forward to a successful conclusion.

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2. Office of the U.S. Trade Representative, April 14, 2009.
3. Office of the U.S. Trade Representative, April 23, 2009.
4. Office of the U.S. Trade Representative, April 27, 2009.
5. Office of the U.S. Trade Representative, April 27, 2009.
6. Office of the U.S. Trade Representative, April 30, 2009.
7. Office of the U.S. Trade Representative, May 7, 2009.
8. Office of the U.S. Trade Representative, May 11, 2009.
9. Office of the U.S. Trade Representative, May 13, 2009.
10. Office of the U.S. Trade Representative, May 13, 2009.
11. Office of the U.S. Trade Representative, May 14, 2009.
12. Office of the U.S. Trade Representative, May 15, 2009.
13. Office of the U.S. Trade Representative, May 18, 2009.
14. Office of the U.S. Trade Representative, May 19, 2009.
15. Office of the U.S. Trade Representative, May 27, 2009.
16. Office of the U.S. Trade Representative, June 2, 2009.
17. Office of the U.S. Trade Representative, June 5, 2009.
18. Office of the U.S. Trade Representative, June 9, 2009.
19. Office of the U.S. Trade Representative, June 11, 2009.
20. Office of the U.S. Trade Representative, June 12, 2009.
21. Office of the U.S. Trade Representative, June 17, 2009.
22. Office of the U.S. Trade Representative, June 23, 2009.
23. Office of the U.S. Trade Representative, June 25, 2009.
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