

Remarks to International Policy Council by Ambassador Islam Siddiqui
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As prepared for delivery

Good morning and thank you Charlotte for that kind introduction. I am pleased to be able to attend this important gathering, and to see so many familiar faces.

And though it seems like just yesterday that I addressed this group last year, I think you will agree with me when I say that much has changed in US trade policy since then. This is truly an exciting time, particularly in my field of agricultural trade!

As you may be aware, we are currently celebrating World Trade Month, and it's particularly special for me because this year we also mark the 50th anniversary of the creation of USTR.

Until the early 1960s, the Department of State was responsible for administering the President's trade agenda. But in the Trade Expansion Act of 1962, Congress called for the appointment of a Special Representative for Trade Negotiations.

President Kennedy chose a former Governor of Massachusetts named Christian Herter to fill the post.

To be sure, I'm a bit biased on this point, but I think it's a testament to the unique value of USTR that such a stellar reputation has been maintained across administrations for at least two generations now. Our shared sense of purpose gives our small agency the energy and ability to outperform – or as Ambassador Kirk likes say, 'we punch above our weight.'

Simply put, the work we do at USTR – to open markets, level the playing field, and keep America competitive – is enormously relevant for hard-working families across the United States. And as we do everything we can to renew economic growth, trade and exports will remain a vital part of the President's blueprint to build an economy that lasts with better jobs for more Americans.

And specifically for those of you here today, I'm proud to say that as our economic recovery continues, agriculture is truly leading the way.

Last year in 2011, U.S. agricultural exports reached a record high of \$137.4 billion, and supported over 1 million American jobs. So clearly, trade in agricultural products has been good for our farmers, ranchers and businesses.

There is a clear relationship between agricultural exports and job creation.

USDA's Economic Research Service has estimated that each \$1 billion in agricultural exports supports around 8,400 jobs on and off the farm.

That is why the Obama Administration, through a series of new trade agreements and partnerships, is working hard to open new markets and support more jobs here at home.

Today, I would like to tell you exactly how President Obama's trade agenda—and the work we do at USTR—will help to realize those important goals.

FTAs

As I have said many times before, last October of 2011 was truly a month for the record books!

President Obama signed new trade agreements with Korea, Colombia, and Panama that will support tens of thousands of U.S. jobs, put unemployed Americans back to work, and open new opportunities for American businesses, especially in agriculture. And simultaneously, we passed the Trade Adjustment Assistance Act and renewed our trade preference programs.

As I mentioned before, our landmark trade agreement with Korea entered into force on March 15th, and our agreement with Colombia entered into force just 3 days ago on the 15th of May.

These record implementation timetables underscore the steadfast commitment the Obama Administration has to creating jobs through expanding our exports.

Of the three trade agreements enacted last year, the U.S.-Korea trade agreement offers the largest potential expansion for U.S. agricultural; total export gains in the booming Korean market are estimated at over \$1.9 billion annually, an increase of about 27 percent.

The U.S.-Korea trade agreement eliminated tariffs on more than two-thirds of agricultural products. Other tariffs on remaining agricultural products will be phased out within 15 years.

Likewise, the liberalization of Colombia's market occurred in a similar fashion, and tariffs on more than 75% of agricultural products were eliminated.

The Colombia trade agreement's entry into force is good news for U.S. farmers and ranchers who are ready to export more U.S. agricultural products to Colombia's growing market.

Similarly, it's good news for Colombia, which stands to gain from economic growth, jobs, and access to the world's largest market here in the U.S.

President Obama and President Santos were unwavering in their shared commitment to secure a historic trade agreement that boosts trade and jobs and that works for businesses and workers in both our countries.

And lastly—like with Korea and Colombia—liberalization of Panama’s market will occur through tariff elimination on more than 50% of agricultural products, and through phased tariff reductions for the remaining products upon entry into force.

We are currently working with the government of Panama to fulfill their commitments so that the Panama trade agreement can take effect as soon as possible.

TPP

Now, let me turn to another signature initiative we are currently pursuing.

USTSR is moving full speed ahead in the Trans-Pacific Partnership (TPP), and our staff has been in Dallas this week working hard on the 12th round of negotiations.

The TPP is an historic endeavor that embodies the Obama Administration’s vision for the American economy, the future of trade, and the United States’ central role in the Asia-Pacific.

Building on the broad outlines announced last November, we are seeking to conclude a landmark TPP agreement by the end of this year.

Through the TPP, we are negotiating with Australia, Brunei, Malaysia, New Zealand, Singapore, Vietnam, Chile, and Peru, to create a high-standards, broad-based regional trade agreement that addresses new and emerging trade issues, and that harnesses the competitive strengths of the Asia-Pacific region.

Our teams reported that the “better-than-expected” progress achieved during this Dallas round has further narrowed differences in the text, and the teams can now see a clear path forward toward conclusion of most of the chapters of the agreement. The next round of TPP negotiations will be held in San Diego, California from July 2-10.

From the launch of the TPP, partner countries have shared a core mission of tackling new challenges, not only to help our businesses and workers today, but to enhance regional trade for the next generation of producers and consumers in every Asia-Pacific economy.

USTR believes that the TPP has the potential to be a real game-changer, and will serve as the key platform for future U.S. economic engagement in this vital Asia-Pacific region.

That's because it's the fastest growing region in the world, and includes some of the world's most dynamic economies, representing more than 40% of global trade. It is a key destination for U.S. products and services – last year accounting for over 60% of total U.S. goods exports and nearly 75% of our total agricultural exports.

Negotiation of the TPP is an enormous undertaking, not only for the combined size of the economies participating, but also for the scope and ambition of the agreement itself.

As many of you know, too often we encounter non-tariff barriers in other countries that are imposed without notification. Often, these trade barriers are not based on science and sound risk assessments.

By requiring a separate Sanitary and Phytosanitary (SPS) chapter in the TPP agreement we are aiming to gain new commitments that would improve transparency around the development of SPS regulations and strengthen the science and risk analysis disciplines to support a SPS measure.

TPP partners are also working together in areas where we share common values. For example, all of the TPP countries are strong advocates for environmental protection and open markets. That's why we are actively pursuing initiatives covering environmental concerns that have growing relevance for economies at every stage of development.

The dynamic environmental proposals on the table right now in TPP break new ground, including commitments that would deter illegal wildlife and plant trade and prohibit harmful fishing subsidies, for example.

In addition, TPP partners in the negotiations are discussing how to ensure trade and development are inclusive. We are working together to craft approaches

that will help both developed and developing economies meet the obligations of a high-standard agreement.

We are addressing the development concerns of workers and small businesses throughout the region by designing new ways to ensure that the benefits of trade agreements can be shared more broadly in each of our countries.

As we address critical next generation trade issues, TPP partners are seeking an agreement that is both durable and flexible. That is why we are developing an agreement that is open to new entrants. Currently, TPP partners are continuing consultations with Japan, Canada, and Mexico regarding their interest and readiness to join TPP.

Indeed, the advances made in the TPP agreement can serve as a model for future trade agreements. The final goal of the TPP is to build a Free Trade Area of the Asia Pacific, an achievement that would bring tremendous benefits to the countries in the region and the global economy.

With TPP negotiations marching toward conclusion, now is the time for all TPP partners to do the hard work and make the tough choices necessary to achieve our ambitious goals.

Doha

Just one more point before concluding.

I'm sure you want to know what's happening at the WTO and the Doha Round, thinking about the question, 'Where do we want to take the WTO and Doha from here?'

As many of you know, gaps in Doha remain wide and many ministers at the Geneva Ministerial Conference last winter agreed with our assessment that we must 'turn the page' to resolve the Doha impasse.

Ministers have emphasized that 'business as usual' has not worked, and won't work going forward. We simply can't afford to allow the development of an

impression that we are pulling apart at the WTO. We have to stay focused on our shared commitment to the value of the institution.

Equally important, is the need to reinforce that the WTO must remain true to its fundamental missions – liberalizing trade, serving as a bulwark against protectionist pressures, and generating enforceable rules that provide essential stability to the global trading system.

The valuable work of the committees in overseeing WTO agreements – including agriculture, SPS, and others – has perhaps suffered from some neglect in recent years due to the overwhelming amount of time and resources devoted to the Doha round. But this is critical work, and we need to work to make sure the committees are meeting their full potential.

As Ambassador Punke recently stated at the US Chamber of Commerce in March, “the recent discussions in Geneva on services have been exciting. Frankly speaking, it’s been refreshing to engage with a group of members who actively want to pursue an honest trade-liberalizing initiative.”

However, we also acknowledge that the road ahead in a potential agreement on services will be challenging.

While I can appreciate the impulse of some to encourage that a services agreement encompass the broadest possible circle of WTO members, the big emerging economies have made it abundantly clear that they are not ready to engage seriously in services liberalization.

To say nothing can be done without them means that nothing can be done. The U.S. does not support that view. We cannot afford to see the recent Doha history repeat itself.

We must and we will approach an international services agreement with a keen awareness that a plurilateral structure should be a stepping stone for advancing multilateral liberalization. This is possible; there are ways to do it. And we are ready to move now.

Because our trading system only works when all partners play by the rules, the U.S. will continue to use dialogue when possible—and WTO dispute settlement process when necessary—to insist that markets remain open for our agricultural producers.

Our Administration has a clear record of taking trade enforcement seriously, as evidenced by our willingness to bring cases before the WTO and also by President Obama’s establishment of the Interagency Trade Enforcement Center.

In closing, I would like to emphasize USTR’s strong commitment to ensuring that the United States plays a leading role in the continued growth of US agricultural exports.

Our focus remains on enforcing existing trade agreements, negotiating new agreements, and leveling the playing field for our farmers, ranchers, and businesses thus ensuring greater prosperity for American agriculture and for the entire American economy. Thank you.