



Committee On Finance

Max Baucus, Ranking Member

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Baucus Presses for Greater Focus on Trade Enforcement

(WASHINGTON, D.C.) Today, the Government Accountability Office (GAO) released a report evaluating the effectiveness of the U.S. government's efforts to monitor and enforce trade agreements. The GAO study found current practices of the government fall short of providing a comprehensive and coordinated framework for identifying and pursuing trade agreement enforcement issues. The report also noted both human and financial resources devoted to enforcement are not sufficient to address the growing workload.

U.S. Senator Max Baucus, ranking member of the Senate Finance Committee, requested the study and made the following statement after the report was released:

"The results of this study are a call to action for everyone who cares about enforcing America's rights under trade agreements.

"The list of trade agreements the United States currently has on the books tops 250 and we are adding new ones at a rapid clip. When our nation concludes a trade agreement, our workers, farmers, and businesses expect to receive the full benefits of the bargain. But the truth is that, much of the time, we really don't know if that is happening or not.

"At least 18 different federal agencies and thousands of government employees stationed around the world play a role in monitoring and enforcement of trade commitments. With hundreds of agreements and tens of thousands of individual commitments to monitor, there are many challenges involved in crafting and managing an effective enforcement strategy.

"What we need is a more proactive approach to setting enforcement priorities, training and allocating staff for monitoring activities, and enhancing inter-agency coordination. The GAO's report presents a practical, common-sense roadmap for doing better. In fact, I think their recommendations are really just the beginning.

"Right now, 97 percent of U.S. exports go to WTO member countries and 43 percent to countries with which we have a free trade agreement. Successful completion and implementation of all the new free trade agreements currently under negotiation will cover only about 3 percent of our trade. These statistics make it all too clear that there is much more trade at stake in enforcing WTO and existing FTA commitments than in negotiating new agreements with small economies.

"This doesn't mean we should stop negotiating new trade agreements. But it means we should be at least as focused on enforcement in key areas, like intellectual property and standards, that affect much more trade. We need to reverse the trend toward decreased staffing

of monitoring efforts in some of these areas and increase monitoring and enforcement resources overall.

“When the public suspects that our government is not holding our trading partners to their obligations, they become skeptical of the benefits of trade and the policies that facilitate more open trade. That is why a focus on monitoring and enforcement of existing trade commitments is essential in order for our government to build and maintain – and indeed to deserve – public support for pro-trade policies.

“I stand ready to roll up my sleeves and get to work on these priorities. I look forward to working with my colleagues in Congress and the Administration to win America’s confidence in our trade enforcement efforts.”

The full text of the report, “International Trade: Further Improvements Needed to Handle Growing Workload for Monitoring and Enforcing Trade Agreements”, GAO-05-537, can be found on the GAO website at <http://www.gao.gov/>.

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