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AN ANNOTATED GUIDE TO THE UNITED STATES OMNIBUS TRADE AND
COMPETITIVENESS ACT OF 1988

CONTENTS

	<u>Page</u>
PRESENTATION	v
I. INTRODUCTION	1
II. OPENING MARKETS	4
III. THE NEW TREND AGENDA	10
IV. ANNOTATED GUIDE	14
Notes	14

PRESENTATION

The purpose of this document is to contribute to a better understanding of the Unites States Omnibus Trade and Competitiveness Act of 1988. The core of the document is chapter IV, which takes the form of a table containing an annotated guide to the contents of the law. This table is preceded by an introduction that deals briefly with the trade deficit of the Unites States, as well as with the role of trade policy, followed by two separate chapters describing, respectively, several measures aimed at opening markets and the elements of the new international trading agenda.

The document is aimed basically at those decision- and policy-makers who have to deal with the titles, subtitles, parts, subparts and sections contained in the more than 1 500 pages of what constitutes the most sweeping trade legislation approved in the Unites States in many years.

I. INTRODUCTION

During the 1980s, enormous imbalances emerged among the main participants in world trade. Almost three-quarters of total trade flows took place among a small number of industrialized countries in 1988, compared with less than two-thirds in 1980.

The main sources of the present trade imbalances are easy to identify, given the United States pivotal role in the world trading system in which it accounts for almost 15% of total trade flows, and the heavy relative participation of West Germany and Japan, which each account for around 10% of world trade. In 1987, the United States had the largest trade deficit in the world, amounting to almost US\$175 billion, while the largest trade surpluses were recorded by Japan and West Germany, with US\$80 billion and US\$66 billion, respectively.

The U.S. trade deficit

From the end of the Second World War until the early 1980s, the trading position of the United States was balanced. This position began to deteriorate in 1983, when the trade deficit reached an unprecedented US\$65 billion, and continued to get worse until it peaked in 1987.^{1/}

By products, the trade deficit of the United States covered most of the major categories, with consumer goods accounting for the bulk. Automobiles alone represented almost one-third of the overall deficit.

By regions, the U.S. trade deficit was also widespread throughout the world, although on average, during the 1980s, more than two-thirds was accounted for by deficits with Japan (35%), the newly industrialized economies --Hong Kong, Singapore, South Korea and Taiwan-- (20%), and West Germany (10%).

Given the widespread distribution of the trade imbalance across commodities and regions, the Federal Reserve Bank of New York (FRBNY) concludes that this "poor trade performance has been driven largely by macroeconomic forces", among which are a national output/spending gap and a saving/investment gap. In this connection, the trade deficit is related to what are considered "exceptionally high levels of domestic spending on consumption and a sharp decline in the national saving rate".

To these domestic macroeconomic forces the FRENCH adds to its explanation of the U.S. trade imbalance two more factors of an international nature: the slower rates of economic growth found among the main U.S. trading partners during the 1980s, and the overvaluation of the dollar.^{2/}

The role of trade policy

If the interplay between domestic factors and international circumstances is responsible for the imbalance presently exhibited by the United States' external trading position, the role of trade policy is quite limited. Unless the domestic and international dimensions of the trade imbalance are addressed together over the medium term, there is little that trade policy—and when applied for this same purpose, monetary policy—can contribute by themselves.

The main contribution that can be expected from trade policy is to placate the considerable protectionist pressures generated by the trade deficit, thus furnishing the breathing space needed for macroeconomic correction to be effective in the medium term. If protectionist pressures are left unchecked, their most visible consequence will be the adoption of retaliatory postures that will exacerbate international tensions and destroy the relatively open international trading system that has evolved in the second half of this century.

It is within this broader context that the adoption by the United States of the Omnibus Trade and Competitiveness Act of 1988 must be placed. The very peculiar tension that traditionally prevails in matters of trade policy between Congress and the Executive branch must also be considered. This tense relationship has characterized the history of U.S. trade policy at least since the Great Depression, and is known as the "cry-and-sigh" syndrome.^{3/}

In this process, mounting protectionist pressures—the cry—converge upon Congress. After dire predictions and threats, the debates conclude with the approval—the sigh—of a trade bill that is not as protectionist as anticipated and that consequently preserves the relatively open trading relationships that have characterized the postwar international economic system.

In great measure, the passage of the recently approved Omnibus Trade and Competitiveness Act of 1988, considered one of the most sweeping pieces of trade policy legislation ever approved, conforms to the "cry-and-sigh" pattern. The bill does not clearly tilt towards protectionism or free trade but lays the procedural groundwork for either to prevail.

Admittedly, the loudness of some of the immediate reactions voiced against the bill and the initial application of some of its procedures seem to contradict this conclusion. Only practical experience of its application will confirm or dispel the present arguments, however, and it is therefore important to understand the procedures contained in the law, for only the anticipation of their application will permit the avoidance of some of their potentially harmful consequences.

This report deliberately avoids any attempt to decide beforehand if the procedures provided for in the law will be protectionist or liberalizing, or harmful or beneficial, for the international trading system. Instead, this document tries to contribute to a better understanding of the provisions and procedures contained in the Act.

This document is divided in three parts. The first describes different measures aimed at opening markets. The second highlights those aspects that can be considered elements of a new trade agenda. Finally, to facilitate its use, the document closes with an annotated guide to the contents of the law.

II. OPENING MARKETS

The 1988 Omnibus Trade Act enumerates several measures aimed at opening foreign markets to U.S. exports. Title I lists procedures for carrying out negotiations with trading partners, as well as methods for enforcing rights derived from international agreements and possible responses to international trade practices that are judged unfair. The law also addresses export promotion, especially the export of agricultural products.

One of the major provisions contained in Title I authorizes the President to negotiate trade agreements and spells out the following policy objectives: more open, equitable and reciprocal market access; the reduction or elimination of policies and practices judged to be trade-distorting; and a more effective system of international discipline and procedures.

More relevant to Latin America and the Caribbean are those trade policy objectives directed towards developing countries. The latter are requested to assume "the fullest possible measure of responsibility to maintain an open trading system by providing reciprocal benefits and assuming equivalent obligations with respect to their import and export practices".

With reference to the agricultural sector, the objective is to achieve more open and fair conditions of trade in agricultural commodities by developing, strengthening and clarifying rules for agricultural trade, with particular attention to trade-distorting practices, including subsidies, as well as market pricing and market access.

Negotiations

The President of the United States is granted authority to complete, by December 1990, the Uruguay Round of trade negotiations, which is characterized as having the highest priority (see section XII of table 3).

Under the direction of the President, the United States Trade Representative (USTR) has primary responsibility for developing and co-ordinating the implementation of international trade policy. He is the principal advisor to the President on international trade policy and is chief representative in international trade negotiations.

Most significant also is the renewal, through 1993, of Presidential authority to follow "fast-track" procedures for approval of the results of bilateral and multilateral trade negotiations on tariff or non-tariff barriers. This assures immediate consideration by Congress of negotiated agreements, without any possibility of amendment or postponement. The "fast-track" procedures apply to the ratification of agreements entered into on or before 31 May 1991, and will remain in force until two years later unless overturned by Congress.

The presentation of a progress report to Congress reviewing the results of trade negotiations as of 1 March 1991 will allow the President to request the extension of "fast-track" procedures for ratifying negotiated agreements. The House or the Senate may deny such a request by 15 May 1991, and thereby terminate Presidential authority to negotiate trade agreements that can be submitted to "fast-track" procedures on 31 May 1991.

Section 301 and Super 301

Section 301 can be considered the key element of the strategy for opening markets contained in the 1988 Omnibus Trade Act. It originated in previous trade legislation requiring the enforcement of those U.S. rights that emanate from trade agreements, and specifies the action to be taken in response to certain foreign trade practices judged pernicious to U.S. exports (see section XV of table 3).

Supplemented by "Super 301", the definition of unfair trade practices is expanded beyond individual commodities to include general patterns of trading behaviour. For obvious reasons, these dispositions are aimed primarily at the major Asian trading partners of the United States, although as demonstrated by their first application, on 28 April 1989, to Japan, India and Brazil, they can be applied to other trading partners as well.^{4/}

Section 301 and Super 301 specifically mandate the USITR to determine if any U.S. rights derived from existing trade agreements are being denied by an act, policy or practice of a trading partner. The law directs the USITR to initiate actions, under the direction of the President, "to enforce such rights or to obtain the elimination of such act, policy or practice".

The USITR is not required to take action in those cases in which, under the General Agreement on Tariffs and Trade (GATT), a policy is not in violation of U.S. rights or does not deny benefits to the United States. The same holds if the USITR finds that the trading partner is taking "satisfactory measures to grant the rights of the United States under a trade agreement", or that it has agreed to eliminate or phase out such practices. Finally, exception is granted if action under Section 301 would "cause serious harm" to the security of the United States.

The actions taken must be aimed at goods and services of the trading partner in amounts equivalent in value to the burden or restriction imposed on U.S. trade. Under this provision, the USITR is authorized to take any of the following three actions. First, the application of "benefits of trade agreements concessions" can be suspended or prevented. Second, duties or

other import restrictions can be imposed. The third alternative involves binding agreements committing the trading partner to eliminate or phase out the practice, burden, or restriction, or providing the United States with compensatory trade benefits.

These actions may be taken against "any goods or economic sector", on a non-discriminatory basis, or solely against the country concerned, "without regard to whether or not such goods or economic sector were involved in the act" or policy subject to the retaliatory action. In any case, the USTR will give preference to the imposition of duties over the imposition of other import restrictions.

The potential for broad application of the revised Section 301 is evident from the wide-ranging definitions provided in the law. For instance, commerce is defined as including not only trade in goods, but also trade in services and foreign direct investment by U.S. citizens.

An act, policy or practice that burdens or restricts U.S. exports may include direct subsidies, as well as those granted for the construction of commercial transportation.

An act or policy will be judged unreasonable if, while "not necessarily in violation of the international legal rights" of the United States, it is otherwise deemed "unfair and inequitable". Additionally, an act will be considered unreasonable if it denies "fair and equitable opportunities" for the establishment of an enterprise; if it denies market opportunities or adequate protection of intellectual property; if it constitutes "export targeting", or, finally, if it constitutes a "persistent pattern of conduct" that denies worker rights. Nonetheless, in this last case, if the USTR concludes that measures are being taken to improve worker rights, or if these are "not inconsistent with the level of economic development", such acts may not be considered "unreasonable".

Under the law, export targeting is defined as any government plan consisting of co-ordinated actions which assist an enterprise, industry or group to "become more competitive" in the export of merchandise.

An act or policy will be deemed unjustifiable if it violates or is inconsistent with United States international legal rights. Such "unjustifiable" acts or policies include those which deny most-favoured nation treatment or protection of intellectual property rights.

Finally, acts or policies considered discriminatory are those which deny national or most-favoured nation treatment to U.S. goods, services or investments.

The procedures for applying Section 301 may be initiated by the USTR, under the direction of the President. Additionally, any interested person, including industry representatives, trade groups or business councils, may also file a petition requesting that action be taken under Section 301. In cases initiated by petition, the USTR is required to review the petition within 45 days to determine whether to initiate an investigation.

Upon making an affirmative determination and initiating an investigation, the USTR will request consultations with the country concerned. The period of investigation and consultation can last from 12 to 18 months. On the basis of such investigations, public hearings and consultations, the USTR will determine the "rights to which the United States is entitled under any trade agreement" that are being denied. He will also determine if the "act, policy or practice" so identified corresponds to any one of those described in Section 301. Unless "expeditious action is required", before adopting a decision the USTR can provide an opportunity for the "presentation of views by interested persons", including a public hearing, if requested.

If the determination is affirmative, within 30 days the USTR will specify, under Presidential Direction, the action that should be taken. Delays of up to 180 days may be granted, however, if requested by a petitioner or if it is deemed that sufficient progress is being made in the negotiations (see table 1).

Finally, the USTR is mandated to "monitor the implementation of each measure undertaken" or agreement entered into, with the purpose of determining, in case of unsatisfactory implementation, whether further actions are required.

Several reporting requirements provide for a system of recording Section 301 activities. Semiannually, a report will be submitted to Congress describing the petitions filed and the determinations made; the current status of each investigation; the actions taken or the reasons for failure to take action and the commercial effects of each action taken.

The USTR uses the National Trade Estimate Report on Foreign Trade Barriers to determine which investigations will be pursued under Section 301. This report is based on the petitions filed, as well as on information collected independently, and it is issued annually on 31 March of each year. It identifies "priority practices" and "priority foreign countries", taking into account the number and pervasiveness of the acts, policies or practices involved. It also includes estimates of the amount by which U.S. exports of goods and services would have increased during the preceding year, if the priority practices had not existed.

The report's date of presentation to the U.S. Congress marks the initiation of the period of 21 days within which the USTR has to begin investigating the priority practices applied in each of the identified priority countries.

The follow-up to the investigations consists of holding consultations with each priority foreign country, during which the USTR "shall seek to negotiate an agreement" providing for the elimination of, or compensation for, the priority practices identified, as well as for the reduction of such practices over a three-year period.

Table 1

ACTIONS ON TRADE BARRIERS AND TRADE-DISTORTING PRACTICES REQUIRED UNDER SUPER 301

Annually, the USTR will present the National Trade Estimate Report on Foreign Trade Barriers (NTE), identifying:

- 1) Foreign trade practices against U.S. exports; and
- 2) priority countries according to the number and pervasiveness of significant barriers to U.S. exports.^{1/}

At any time, in response to a petition or on its own initiative, the USTR may designate a priority country.

30 days after designation or 75 days after the date of petition, USTR must initiate investigations of the following practices in designated priority countries:

- exclusionary government procurement
- technical barriers to trade
- trade-related investment measures
- barriers to trade in services.

12- to 18-month investigatory and consultative period.

If no agreement is reached with designated country, USTR will determine whether a practice should be considered "unfair";^{2/} and can adopt any of the following actions:

- a) suspension of trade agreement benefits and concessions;
- b) duties or import restrictions on goods and services of designated country;
- c) binding obligations to eliminate practice or provide compensatory benefits.

Source: ECLAC, on the basis of information provided by the Office of the United States Trade Representative.

^{1/} Decision reached in consultation with other U.S. government agencies, and subject to Presidential approval.

^{2/} Initiation of an investigation does not prejudice a decision on whether a practice is unfair.

Starting in 1991, and during each of the succeeding three years, the USTR must submit to Congress an annual report containing evidence of "substantial progress", in the form of increased U.S. exports, toward eliminating the priority practices.

Agricultural trade

Title IV of the Omnibus Trade Act of 1988 is devoted to agricultural trade. It expresses concern about the 36% decline in U.S. agricultural exports since 1981; about the drop of 20% between 1981 and 1987 in the U.S. share of the world market of agricultural commodities; and about the monthly agricultural trade deficits incurred, in 1986, for the first time in 15 years (see section I, table 1).

The objective of U.S. policy regarding agricultural trade is to "eliminate or reduce substantially" existing constraints. The USTR invested with statutory authority to be used against practices deemed unfair, including export promotion programmes and restrictions applied against imports of U.S. agricultural products.

The GATT will be used for promoting open and fair trade in agricultural products. The Secretary of Agriculture is required to submit to Congress, by 14 February 1990, a report describing the status of the GATT negotiations on agricultural trade, specifying whether "significant progress" has been made. It is to be noted that, unless progress is made to phase out global farm subsidies by January 1990, the Omnibus Trade Act authorizes an estimated US\$500 million in additional payments to U.S. wheat, feedgrain and oilseed producers.

A specific section dedicated to agricultural trade initiatives also directs the Secretary of Agriculture to submit an annual report on a long-term agricultural trade strategy. The report will recommend policy goals and corresponding levels of spending for international activities.

Also promoted are agricultural exports, in various forms. For instance, food aid and export assistance programmes to developing countries are advocated for stimulating economic activity. Private voluntary organizations and co-operatives are recognized as "important and successful partners" in U.S. food aid and development programmes. Specifically, food aid will be promoted for use in sale and barter operations, for humanitarian reasons and because such aid leads to the establishment of infrastructure deemed "essential to the expansion of markets" for U.S. agricultural commodities.

Other initiatives include the joint development assistance agreements with certain trading partners. It is prescribed that any country with a "substantial positive trade balance" with the United States may develop a plan to purchase U.S. agricultural commodities for export to developing countries. Also, under a specific provision for food and market development, recipient countries of food assistance will be encouraged to give preference to U.S. food and food products in future purchases.

The Trade Act also contains an increase in funding for the Export Enhancement Program, under which exporters are paid in government surplus crops of grain and other agricultural products.

An Intermediate-Term Export Credit Guarantee Program is intended to provide credit and other trade assistance for the establishment of facilities in importing countries to improve marketing of imported agricultural commodities; to increase livestock production in order to enhance the demand for U.S. feed grains; and also to increase markets for U.S. livestock and livestock products.

III. THE NEW TRADE AGENDA

The Omnibus Trade and Competitiveness Act of 1988 addresses several issues which are receiving extensive treatment for the first time in U.S. trade legislation. Coverage of these novel issues is a trail-blazing step, because its intention is to adapt legal instruments to actual needs often far beyond those anticipated by existing national and international rules. The inclusion of these new issues amounts to updating the international trade agenda by incorporating technological breakthroughs or other subjects that circumstances have linked to trade.

Questions of the protection of intellectual property rights (IPRs), as well as the problems of trade in services, are constantly imposing strains on existing rules and procedures. The negotiation of these agenda-setting changes is frequently surrounded by controversy because of the opposition of those who resist treading new ground.

Among the new issues covered in the 1988 Trade Act are the protection of IPRs; trade in telecommunications; international finance and the indebtedness of developing countries; and special trading arrangements such as those with Mexico or Canada or preferential schemes such as the Caribbean Basin Initiative (CBI).

Intellectual Property Rights (IPRs)

The case of IPRs illustrates the way in which the accelerated pace of technological innovation has overtaken and surpassed existing norms and mechanisms. The status quo is represented by instruments such as the Berne Convention for the Protection of Literary and Artistic Works of 1971, the Paris Convention for the Protection of Industrial Property, and the Universal Copyright Convention administered by UNESCO and by the World Intellectual Property Organization (WIPO), with headquarters in Geneva.

These instruments are adequate to protect the production and trade of products corresponding to previous levels of technological capability, but circumstances have made the existing instruments obsolete. For example, patent violation now includes unauthorized copying of highly sophisticated agrochemicals and pharmaceuticals and even the reproduction of parts for aircraft, unauthorized copying of computer software, and duplication of microchip designs.

These transformations are straining internationally accepted procedures. The classification of IPRs as non-tariff barriers (NTBs) placed them outside the bounds of GATT. Also, due to certain complacency with the status quo, support was given to the acceptance of the harmonization of national legislation as the preferred instrument to deal with patent protection. Finally, the debate about IPRs was framed within a confrontation that pitted supposedly privileged innovators, endowed with technological capabilities, against those who lack such comparative advantages.

The legislative process in the United States began to transcend the terms of this confrontation with the approval of the Trade and Tariff Act of 1984. First, the granting of benefits under the U.S. Generalized System of Preferences (GSP) was conditioned to the behaviour exhibited by the potential beneficiary in the protection of IPRs. Second, the same kind of requirement for obtaining the status of potential beneficiary appeared in the geographically restricted preferences granted under the Caribbean Initiative (CBI). Finally, this increased attention in domestic legislation to IPR protection culminated with the drafting of the relevant section contained in the Punta del Este Ministerial Declaration launching the Uruguay Round of multilateral negotiations within GATT. This section represents rather definitive clarification that henceforth the protection of IPRs falls within the jurisdiction of GATT.

Consequently, the 1988 Trade Act lists specific objectives regarding IPRs. The first purpose is described as ensuring that trading partners undertake "the enactment and effective enforcement" of national and international rules, as well as compliance with procedures that recognize and adequately protect intellectual property, including copyrights, trademarks, semiconductor chip designs, and other trade secrets (see section VIII of table 3).

Additionally, in order to "supplement and strengthen standards" agreed upon in international organizations, including "their expansion to cover new and emerging technologies", the 1988 Trade Act includes a section specifically dedicated to the "Identification of Countries that Deny Protection of Intellectual Property Rights". This section has been baptized as "Special 301" to distinguish it from other sections dedicated to opening markets, "Super 301" and "Section 301".

As stated in the Trade Act, the purpose of "Special 301" is to develop "a strategy to ensure adequate and effective protection of intellectual property rights and fair and equitable market access, for U.S. citizens relying on such rights". The procedures under which this strategy will be implemented are summarized in table 2.

Telecommunications

Another issue area that the Omnibus Trade Act of 1988 incorporates into the new trade agenda is telecommunications. First, the law states that foreign markets for telecommunication products, services and investments are characterized by extensive government intervention, which adversely affects U.S. exports, as well as investments. This situation is considered an

Table 2

ACTIONS ON INTELLECTUAL PROPERTY RIGHTS (IPRs) REQUIRED UNDER SPECIAL 301

Annually,^{1/} the USTR must:

1) Identify countries that a) deny fair and effective protection of IPRs; or b) deny fair and equitable market access to U.S. persons that rely on intellectual property protection; and

2) Determine which are priority countries.

At any time, in response to a petition or on his own initiative, the USTR may designate a priority country.

within 30 days after identification, USTR must initiate investigations of designated countries' intellectual property practices.

within 6 months of initiating investigation,^{2/} USTR has unlimited discretion to retaliate against denial of intellectual property rights.

Source: ECLAC, on the basis of information provided by the Office of the United States Trade Representative.

^{1/} Thirty days after the National Trade Estimate Report, that is to say, on 31 May 1989 and on 30 April thereafter.

^{2/} Investigations may be extended up to 9 months if a) complex issues are involved, or b) substantial progress is made.

Table 3

ANNOTATED GUIDE TO EXECUTIVE AND LEGISLATIVE MANDATES, OBJECTIVES AND DEADLINES CONTAINED IN THE OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1988

MANDATE	DEADLINE	OBJECTIVE
I. AGRICULTURE		
1. Two-year monitoring and <u>investigation of lamb meat imports</u> by the International Trade Commission. (Section 1937)	07 Sept 90	To respond to requests for provisional relief from imports.
2. Secretary of Agriculture will submit to the House Agriculture and Ways and Means Committees and the Senate Agriculture and Finance Committees a <u>report on the results of a study of the U.S. market for lamb meat products</u> . (Section 4508)	19 Feb 89	Long-term increase in per capita consumption of lamb meat products, to encourage a more profitable and productive domestic industry.
3. Secretary of Agriculture will submit to USTR the results of a <u>study of the Canadian Wheat Board import licensing programme</u> . [Section 4501(c)]	21 Nov 88	To assess the effect on U.S. wheat producers, processors, and exporters of the Canadian Wheat Board import licensing programme.
4. Secretary of Agriculture and USTR will consult with the House Agriculture and Ways and Means Committees and the Senate Agriculture and Finance Committees on the status of efforts to negotiate the <u>elimination of the Canadian Wheat Board import licensing requirements</u> . [Section 4501 (b)]	21 Feb 89	To keep Congress informed on negotiations undertaken to eliminate the Canadian Wheat Board import licensing requirements.
5. Secretary of Agriculture will submit to the House Agriculture and Ways and Means Committees and the Senate Agriculture and Finance Committees the results of a <u>study on the effect of imported honey on U.S. honey producers</u> . [Section 4503(b)]	21 Nov 88	To determine if imports of honey interfere with the honey price support programme of the Department of Agriculture.
6. Secretary of Agriculture will submit to Congress a <u>report on the inspection of imported meat, poultry products, eggs, and egg products for pesticides, drugs and other residues</u> . (Section 4506)	21 Nov 88 and 15 Nov 89	To impose penalties for violations of laws and regulations governing the level of residues permitted in imported covered products.
7. Secretary of Health and Human Services will submit a report to Congress on <u>foreign pesticide residue monitoring and control</u> . [Section 4703(d)]	One year after date of enactment of this act	To monitor compliance with the pesticide tolerance requirements of the Federal Food, Drug and Cosmetic Act with regard to imported food.
8. Secretary of Agriculture will submit to the House Agriculture and Ways and Means Committees and the Senate Agriculture and Finance Committees a <u>study to determine the impact on dairy price support programmes of reducing dairy import quotas</u> . [Section 4504(b)]	19 Feb 89	To explore the consequences of reducing protectionism as a result of negotiations.

Table 3 (cont. 1)

MANDATE	DEADLINE
1. AGRICULTURE (cont'd)	
9. Secretary of Agriculture will submit to the House Agriculture and Foreign Affairs Committees and the Senate Agriculture Committee a <u>report on the use of intermediate credit financing for the establishment of facilities to increase markets for U.S. agricultural exports.</u> (Section 4505)	19 Feb 89
10. Comptroller General will conduct a <u>study regarding circumvention of sugar and dairy import quotas.</u> (Section 4507)	19 Feb 89
11. International Trade Commission will complete a <u>study of the rose industry</u> and submit the results to the House Agriculture and Ways and Means Committees and the Senate Agriculture and Finance Committees and to various executive branch agencies. [Section 4509(a)]	20 Apr 89
12. Secretary of Agriculture will issue <u>statistical report on production, consumption and imports of raw and processed agricultural products.</u> (Section 4502)	23 Aug 89 and annually thereafter
13. President will submit to the House Ways and Means Committee and the Senate Finance Committee updates of the <u>reports required under the Wine Equity and Exports Expansion Act of 1984.</u> (Section 1125)	22 Sept 89
14. President will submit to the House Agriculture, Foreign Affairs, and Ways and Means Committees and the Senate Finance and Agriculture Committees a <u>progress report</u> describing the status of <u>GATT negotiations on agricultural trade.</u> [Section 4301(a)]	16 Feb 90
15. The Administrator of the Foreign Agriculture Service will submit a <u>report</u> to the House Agriculture Committee and the Senate Agriculture Committee detailing the type of information on the establishment of a <u>trade assistance office.</u> [Section 4206(d)]	29 Nov 90 and annually thereafter

OBJECTIVE

To finance export infrastructure.

To determine whether products containing refined sugar and/or dairy products are imported to the U.S. circumventing or avoiding quantitative restrictions.

To identify competitive factors affecting the domestic rose-growing industry, including competition from imports and barriers to exports.

To generate statistical information on agricultural products.

To identify tariff or non-tariff barriers to trade in U.S. wines.

To provide information on general areas of disagreement, anticipated date of completion and the changes in domestic farm programmes that are likely to be necessary upon conclusion of the GATT negotiations.

To assist U.S. exporters of agricultural commodities and products.

Table 3 (cont. 2)

MANDATE	DEADLINE
I. AGRICULTURE (cont'd)	
16. Secretary of Agriculture will prepare, and the President will submit to Congress, a <u>Long-Term Agricultural Trade Strategy Report</u> , with the budget for each fiscal year. [Section 4201(a)]	Annually
17. Secretary of Agriculture will compile and make available to the Congress and others a compilation of the information contained in U.S. <u>agricultural attaché reports</u> . (Section 4307)	Annually
II. CUSTOMS PROVISIONS	
1. Effective date for provisions regarding enforcement of restrictions against <u>imported pornography</u> . [Section 1901(b)]	07 Sept 88
2. Effective date for provisions on <u>duty-free sales enterprises</u> . [Section 1908(c)]	07 Sept 88
3. Deadline for Secretary of the Treasury to prescribe and implement regulations requiring <u>imported Native-American style jewelry and arts and crafts to be permanently marked regarding country of origin</u> . [Section 1907(c)]	23 Aug 89
III. COMPETITIVENESS	
1. Creates a <u>Competitiveness Policy Council</u> and requires that a report on its functioning be submitted to Congress. (Sections 5203 and 5208)	Annually
2. Expiration date for requirement that the Administration include a <u>competitiveness impact statement</u> in every recommendation or report to Congress on legislation that may affect the ability of U.S. firms to compete domestically and internationally. [Section 5421(c)]	23 Aug 94
3. Secretary of the Treasury to report to Congress on <u>foreign treatment of U.S. financial institutions</u> . (Section 3602)	01 Dec 90 and at least once every four years thereafter

OBJECTIVE

To set trade goals for each agricultural commodity and to determine the levels of federal spending required to meet such goals.

To compile a list of foreign trade barriers and actions undertaken to reduce or eliminate such barriers.

To enforce the forfeiture, confiscation and destruction of the products seized.

To institute uniformity and consistency of regulations.

To enforce rules of origin.

To develop long-range strategies for the international competitiveness of U.S. industries.

To inform Congress on the ability of U.S. firms to compete in foreign or domestic markets.

To eliminate discrimination toward U.S. financial firms.

Table 3 (cont. 3)

MANDATE	DEADLINE
IV. ETHANOL	
1. International Trade Commission and Comptroller General will submit to the House Ways and Means Committee and the Senate Finance Committee a <u>report on the definition of ethyl alcohol and mixtures thereof</u> for purposes of the 1986 Tax Reform Act. [Section 1910(b)(2)]	18 Feb 89
2. Expiration date of <u>ethanol exemption</u> from subsection (a) of section 423 of the Tax Reform Act of 1986. [Section 1910(a)(1)]	31 Dec 89
V. EXPORT PROMOTION	
1. Deadline for Secretary of Commerce to submit report to Congress on the feasibility of integrating the functions and personnel of <u>foreign and domestic export promotion operations</u> within the International Trade Administration (ITA) of the Department of Commerce. [Section 2301(g)]	23 Aug 89
2. Secretary of Commerce will <u>report</u> to Congress on the activities of the United States and Foreign Commercial Service to <u>promote U.S. exports to Japan, South Korea and Taiwan</u> . [Section 2306(b)]	Periodically
3. Secretary of Commerce will submit to Congress a <u>report on the sale of U.S.-made auto parts in Japanese markets</u> . [Section 2123(b)]	Annually
VI. GOVERNMENT PROCUREMENT	
1. Administrator of Federal Procurement Policy will prescribe <u>policy guidance regarding Federal procurement of construction services</u> . (Section 7002)	19 Feb 89
2. Administrator of Federal Procurement Policy will submit to the appropriate House Committees and the Senate Governmental Affairs Committee a <u>report on current rules under the Buy American Act for determining country of origin</u> . (Section 7002)	23 Feb 90

OBJECTIVE

To determine if the definitions of ethyl alcohol or mixtures thereof encourage the economic development of the beneficiaries of the Caribbean Basin Economic Recovery Act (CBERA) and of the insular possessions of the United States.

The exemption covers certain Caribbean firms which are allowed to produce ethanol with a lower domestic content and to export it under the CBERA.

To rationalize the institutional framework for export promotion.

To monitor the performance of export promotion agencies in specific countries.

To monitor sales of U.S.-made auto parts to Japan.

Federal Agencies shall not award contracts for the procurement of an article, material or supply produced in a foreign country that discriminates against U.S. products or services.

To evaluate alternatives to rules of origin, including those that require a determination of total cost.

Table 3 (cont. 4)

MANDATE	DEADLINE
VI. GOVERNMENT PROCUREMENT (cont'd)	
3. President will submit to the appropriate House Committees and the Senate Govern. Affairs Committee a <u>report on the extent to which foreign countries discriminate against U.S. products or services in making government procurements.</u> (Section 7003)	30 Apr 90 and annually thereafter until 30 Apr 96
4. USTR will request promptly formal <u>dispute settlement proceedings under the Government Procurement Code</u> with respect to signatory countries that have been identified as, and continue to be, not in compliance with the Code. (Section 7003)	29 Jun 90 and annually thereafter until 30 Apr 96
5. President will impose <u>sanctions against any signatory country of the Government Procurement Code</u> that has been identified as, and continues to be, not in compliance with the Code. (Section 7003)	30 Jun 91 and annually thereafter until 30 Jun 96
6. President will impose <u>sanctions against any country identified as discriminating</u> against U.S. products or services in government procurement. (Section 7003)	30 Jun 90
7. President will <u>report to the appropriate House Committees and the Senate Governmental Affairs Committee on the actions taken pursuant to Section 7003 -Procedures to Prevent Government Procurement Discrimination.</u> (Section 7003)	30 Apr 94
8. Expiration of amendments made by <u>Title VII Buy American Act of 1988.</u> (Section 7004)	30 Apr 96
VII. HARMONIZED TARIFF SYSTEM	
1. <u>U.S. accession to the International Convention on the Harmonized Commodity Description and Coding System.</u> (Section 1217(a))	23 Aug 88
2. <u>Adoption of the Harmonized Tariff Schedule.</u> (Section 1217(b))	01 Jan 89
3. International Trade Commission (ITC) will submit to the President and Congress a <u>report on the operation of the Harmonized Tariff Schedules.</u> (Section 1216)	30 Jun 90

OBJECTIVE

To initiate consultations with any country identified as discriminating in government procurement.

To enforce the Government Procurement Code through negotiations.

If dispute settlement procedures do not conclude within one year of their initiation, on the day after, the President shall revoke the waiver on discriminatory purchasing requirements granted to the signatory country of the Government Procurement Code.

To retaliate against any country that does not eliminate discriminatory procurement practices.

To evaluate the adequacy and effectiveness of actions taken to eliminate discriminatory government procurement practices against U.S. businesses.

To grant discretion to the President to modify or terminate any or all actions taken pursuant to such amendments.

Tariff reform and modernization.

Table 3 (cont. 5)

MANDATE	DEADLINE
VII. HARMONIZED TARIFF SYSTEM (cont'd)	
4. ITC will <u>report</u> to the House Ways and Means Committee and the Senate Finance Committee regarding protests and petitions under the customs law related to the <u>implementation of the Harmonized Tariff Schedules.</u> [Section 1211(d)(2)(B)]	01 Sept 90
5. ITC will publish <u>summary records of the Harmonized System Committee</u> of the Customs Co-operation Council and the Explanatory Notes, Classification Opinions, and other instruments of the Customs Co-operation Council. [Section 1210(c)]	As soon as practicable after date of enactment and periodically thereafter
VIII. INTELLECTUAL PROPERTY	
1. USTR will <u>identify priority foreign countries that deny protection of intellectual property rights</u> or equitable market access to U.S. persons that rely on intellectual property protection. [Section 1303(b)]	30 Apr 90 and annually thereafter
2. USTR will initiate <u>investigations</u> under Section 302(b)(2) of the Trade Act of 1974 with respect to practices of <u>priority foreign countries</u> that deny protection of intellectual property rights or equitable market access to U.S. persons that rely on intellectual property protection. [Section 1301(a)]	30 May 90 and annually thereafter
IX. INTERNATIONAL DEBT	
1. Secretary of the Treasury will submit to the House Banking Committee and the Senate Banking and Foreign Relations Committees an <u>interim report on the progress being made in studying the feasibility and advisability of establishing the International Debt Management Authority.</u> [Section 3111(c)]	23 Feb 89 and 23 Aug 89
2. Comptroller of the Currency, Federal Reserve, and Federal Deposit Insurance Corporation will report to Congress on <u>study of regulatory obstacles to negotiated reductions in debt service obligations associated with foreign debt.</u> [Sec.3122(c)]	23 Feb 89

OBJECTIVE

To regulate protests and petitions during transition to the Harmonized Tariff Schedule.

To make available Customs Co-operation Council publications.

To enforce the "Special 301" procedure for opening markets.

To initiate investigations with the purpose of applying sanctions.

To examine the feasibility of a managed alternative for overcoming the indebtedness of developing countries.

To explore whether regulations contribute to discourage debt reduction.

Table 3 (cont. 6)

MANDATE	DEADLINE
IX. INTERNATIONAL DEBT (cont'd)	
3. The International Monetary Fund and the World Bank will prepare separate <u>reviews and analyses of the debt burden of the developing countries.</u> [Sec.3113(a) and (b)]	23 Aug 89
X. INTERNATIONAL FINANCE POLICY	
1. Deadline for Secretary of the Treasury to submit to the House Banking Committee and the Senate Banking Committee a <u>report on international economic policy, including exchange rate policy.</u> (Section 3005)	15 Oct 89 and annually thereafter with an update on 15 Apr of each year
XI. NATIONAL SECURITY	
1. The Academies of Science and Engineering will submit a report to the President and the Congress on the results of a study on <u>National security export controls.</u> [Section 2433(d)]	Not later than 18 months after study was begun
2. Deadline for USTR to report to Congress on proposals to improve the enforcement of <u>restrictions on imports from Cuba.</u> (Section 1911)	21 Nov 88
3. Deadline for Advisory Council on Federal Participation in SEMATECH to submit to the appropriate House Committees and the Senate Armed Services and Governmental Affairs Committees a report concerning <u>Federal participation in SEMATECH.</u> [Section 5422(a)]	01 Feb 89 and annually thereafter
4. Deadline for Secretary of Commerce to submit to Congress a report on <u>new market orientation of the People's Republic of China.</u> [Section 1336(a)]	23 Aug 89
5. President shall submit to Congress a report on the operation of Section 232 of the Trade Expansion Act of 1962 regarding <u>imports that threaten national security.</u> [Section 1501(b)]	Annually
6. President shall submit to Congress a <u>report on the status of any sanctions imposed for violations of multilateral export controls.</u> [Section 2444]	Annually

OBJECTIVE

To examine alternatives for dealing with the debt problem, including new lending instruments, rescheduling and refinancing of existing debt, securitization and debt conversion techniques, discounted debt repurchases, and the International Debt Management Authority.

To analyse the linkages between monetary and trade policies.

To evaluate the study on the adequacy of the current export administration system in safeguarding United States international competitiveness and Western technological pre-eminence.

To prevent indirect shipments or other means of circumvention.

To identify potential sources of funding from department and agency budgets for SEMATECH, a consortium for research and development in semiconductor manufacturing technology.

To analyse the consequences of the turn towards a more market-oriented economy.

To enhance the effectiveness of controls.

To monitor sanctions imposed.

Table 3 (cont. 7)

MANDATE	DEADLINE
XI. NATIONAL SECURITY (cont'd)	
1. President shall submit to Congress a <u>report on defence costs arising from illegal technology transfers.</u> (Section 2445)	Annually
XII. NEGOTIATING AUTHORITY	
1. Advisory Committee for Trade Policy and Negotiations will submit to the Congress a <u>progress report on trade negotiations.</u> [Section 1103(b)(3)]	01 Mar 91
2. The President may submit to the Congress a <u>report requesting extension through May 1993 of "fast track procedures" for trade agreements.</u> [Section 1103(b)(2)]	01 Mar 91
3. Last date on which any Congressional resolution disapproving the President's request for an <u>extension of "fast track procedures"</u> for trade agreements may be reported to either House of Congress in order to be eligible for consideration. [Section 1103(b)(5)(D)(iii)]	15 May 91
4. <u>Expiration of Presidential authority to enter into trade agreements to be implemented through "fast track procedures".</u> [Section 1103(b)(1)(A)]	31 May 91
5. Last date on which either House of Congress may disapprove the President's request for an <u>extension of "fast track procedures" for trade agreements.</u> [Section 1103(b)(1)(B)(ii)]	31 May 91
6. President will determine whether any major industrial country has failed to make <u>concessions under trade agreements entered into under Sections 1102(a) and (b).</u> [Section 1105(b)(1)]	31 May 93

OBJECTIVE

To quantify impact on U.S. defence expenditures.

To give Congress the necessary information to extend Presidential authority to negotiate.

To allow the extension of flexible procedures for ratifying negotiated agreements.

To limit Congressional discretion to deny the application of flexible procedures for ratification of negotiated agreements.

To limit Presidential authority to negotiate agreements that can be submitted to "fast track procedures".

To limit Congressional discretion to extend "fast track procedures".

To monitor the granting of concessions contained in trade agreements.

Table 3 (cont. 8)

MANDATE	DEADLINE
XIII. SMALL BUSINESS	
1. Comptroller General will submit to the House Small Business and Ways and Means Committees and the Senate Small Business and Governmental Affairs Committees a <u>report on costs to small businesses of pursuing rights under the trade laws.</u> (Section 8010)	01 Dec 88
2. Small Business Administration International Trade Office will <u>report</u> to the House Small Business Committee and the Senate Small Business Committee on <u>trade issues and programmes affecting small businesses.</u> (Section 8003)	23 Feb 89
3. Small Business Administration Office of International Trade will <u>report</u> to the House Small Business Committee and the Senate Small Business Committee on its <u>progress in implementing</u> the requirements in Section 8003: <u>Changes in Existing Small Business Administration Office of International Trade</u> (Section 8003)	Annually
XIV. SUBSIDIES	
1. USTR will initiate <u>review of all bilateral subsidy commitments entered into by foreign governments with the United States</u> and submit to the House Ways and Means Committee and the Senate Finance Committee a report on the results of such review. [Section 1336(b)]	21 Nov 88 and 19 Feb 89
XV. SUPER 301	
1. USTR will submit to the President, the appropriate House Committees, and the Senate Finance Committee the <u>National Trade Estimate</u> report (NTE) required by Section 181 of the Trade Act of 1974. [Section 1304(b)(i)]	30 Apr 89 and on or before 31 March of each succeeding calendar year
2. USTR will submit to the House Ways and Means Committee and Senate Finance Committee a <u>report on U.S. trade liberalization priorities.</u> [Section 1302(a)]	30 May 89 and on or before 30 April of each succeeding calendar year

To determine the costs for small businesses of seeking the application of trade remedy laws.

To give specific attention to small business trade problems.

To monitor the functioning of the Small Business Administration Office of International Trade.

22

To monitor compliance of agreed subsidy commitments and to inform Congress.

To analyse significant foreign barriers and distortions against U.S. trade.

To design a trade liberalization strategy.

Table 3 (cont. 9)

MANDATE	DEADLINE
XV. SUPER 301 (cont'd)	
3. USTR will initiate <u>investigations under Section 302 of the Trade Act of 1974 with respect to U.S. trade liberalization priorities.</u> [Section 1302(a)]	20 June 89 and on or before 21 May of each succeeding calendar year
4. USTR will submit to the House Ways and Means Committee and the Senate Finance Committee a <u>report containing revised estimates, evidence of increased U.S. exports, and a description of actions taken under Section 301 of the Trade Act of 1974 with respect to U.S. trade liberalization priorities identified in 1989.</u> [Section 1302(a)]	30 Apr 90 and annually thereafter
XVI. TELECOMMUNICATIONS	
1. USTR will conduct an <u>investigation to identify priority foreign countries</u> with regard to telecommunications trade barriers. (Section 1374)	23 Jan 89
2. USTR will submit to the President and appropriate Congressional Committees a <u>report on its investigation to identify priority foreign countries</u> with regard to telecommunications trade barriers. The President shall enter into negotiations with countries identified. [Section 1374 and 1375(a)]	22 Feb 89 or no later than 30 days after the date on which investigation is completed
3. Secretary of Commerce will submit to the President and the Congress a <u>report on the competitiveness of the U.S. telecommunications industry.</u> (Section 1381)	23 August 89
4. Secretary of the Treasury will submit to Congress a <u>summary of information</u> received, through the use of Federal Communications Commission Form 740, with regard to <u>telecommunications imports.</u> [Section 1380(b)(3)]	Annually (until expiration of negotiating authority)
XVII. TRADE ADJUSTMENT ASSISTANCE	
1. Sets effective dates for giving <u>notice to workers of benefits available under the Trade Adjustment Assistance programme.</u> [Sections 1422 and 1430(e)]	22 Sept 88

OBJECTIVE

To investigate priority practices in foreign countries identified in the National Trade Estimate Report.

To monitor the results achieved by the enforcement of Super 301.

To identify countries that deny mutually advantageous market opportunities to telecommunications products and services of U.S. firms.

To lift trade barriers through negotiations.

To monitor U.S. competitiveness.

To improve information-gathering on imports.

To provide information to adversely affected workers.

Table 3 (cont. 10)

MANDATE	DEADLINE
XVII. TRADE ADJUSTMENT ASSISTANCE (cont'd)	
2. Workers are required to participate in <u>training programmes</u> in order to <u>receive cash assistance</u> under Trade Adjustment Assistance. [Section 1430(f)]	21 Nov 88
3. Secretary of Labor will submit to Congress a <u>report on methods of worker certification for Trade Adjustment Assistance</u> . [Section 1429(b)]	23 Feb 89
4. President will submit to Congress a <u>report on negotiations with U.S. trading partners to allow the imposition of an import fee to fund Trade Adjustment Assistance</u> or on the President's determination that such an import fee is not in the national interest. [Section 1428(a)]	23 Aug 90
5. <u>Import fee to fund Trade Adjustment Assistance will be applied</u> unless the President submits notice of determination that such a fee is not in the national interest, or Congress disapproves the President's determination. [Section 1430(b)]	22 Sept 90
6. Secretary of Labor will submit to Congress a <u>report on the supplemental wage allowance demonstration project</u> . [Section 1423(d)]	23 Aug 91
7. <u>Eligibility of workers and firms for Trade Adjustment Assistance</u> . [Section 1430(d)]	22 Sept 91
8. <u>Expiration date for authorization of Trade Adjustment Assistance</u> . [Section 1426(a)]	30 Sept 93
9. Office of Management and Budget (OMB) will submit to Congress an <u>analysis of the budget's impact on the international competitiveness of U.S. business and the U.S. balance of payments position</u> as part of the President's annual budget submission. (Section 5303)	Annually (for fiscal years 1989 through 1992)

OBJECTIVE

To regulate the conditions of payment to workers of trade readjustment allowances.

To expedite the certification of adversely affected workers.

To generate revenues for funding programmes to directly assist adjustment to import competition.

To determine conditions under which import fee for trade adjustment assistance might not be applied.

24

To determine whether the supplemental wage allowance should be available on a permanent basis.

To determine if increases of directly competitive imports contribute to declines in sales or production.

To set a temporary limit on the provision of assistance.

To identify the contribution of the budget to the U.S. balance-of-payments position.

Table 3 (cont. 11)

	MANDATE	DEADLINE
XVII.	TRADE ADJUSTMENT ASSISTANCE (Cont'd)	
10.	Secretary of Labor will submit to the House Ways and Means Committee and the Senate Finance Committee a <u>report on training exemptions allowed under the Trade Adjustment Assistance programme</u> [Section 1423(a)]	Annually
11.	Secretary of the Treasury to submit to the House Ways and Means Committee and the Senate Finance Committee a <u>report on the Trade Adjustment Assistance Trust Fund.</u> [Section 1427(a)]	Annually
XVIII.	TRADE DATA	
1.	Director of the Census will submit a <u>report to the House Ways and Means Committee and the Senate Finance Committee on the feasibility of developing and publishing an index that measures the real volume of merchandise trade.</u> [Section 1931(b)]	23 Aug 89
2.	Secretary of Commerce will submit to the House and the Senate Banking and Governmental Affairs Committees an <u>interim report describing actions taken pursuant to Subtitle E: Trade Data and Studies.</u> [Section 5413(a)]	23 Aug 89
3.	Secretary of Commerce will submit to the House Banking and Government Operations Committees and the Senate Banking and Governmental Affairs Committees a <u>report on trade data and the National Trade Data Bank.</u> [Section 5413(b)]	23 Aug 91
4.	Secretary of Commerce will establish <u>National Trade Data Bank.</u> (Section 5406)	23 Aug 90
5.	Secretary of Commerce will provide <u>comprehensive information on the service sector of the economy.</u> [Section 5408(c)]	Annually

OBJECTIVE

To regulate training assistance to workers.

To monitor trade readjustment allowances.

To refine the measurement of trade volumes.

To improve the statistical information on services.

To assess the quality, comprehensiveness and access to trade data.

To establish data systems on the international economy and on export promotion.

To improve the availability of information on services.

Table 3 (cont. 12)

	MANDATE	DEADLINE
XIX.	TRADE AGREEMENTS	
	1. Deadline for President to submit to Congress a report on the operation of the trade agreements programme and the national trade policy agenda. (Section 1641)	01 Mar 89 and annually thereafter
	2. International Trade Commission (ITC) shall submit to Congress a <u>report on the operation of the trade agreements programme</u> (Section 1641)	At least annually
XX.	TRADING LIBERALIZATION PRIORITIES	
	1. Deadline for President and Chairman of the Export-Import Bank to submit to the Speaker of the House and the President Pro Tempore of the Senate a <u>report identifying and analysing tied aid practices of other countries.</u> [Section 3302(c)]	31 Dec 88
	2. Deadline for USTR to include in the National Trade Estimate report (NTE) the findings of a <u>study of trade barriers established by auto-producing countries to auto imports and their impact on the U.S. market.</u> [Section 1936(b)]	30 Apr 89
	3. Deadline for Secretary of State to transmit to the House Foreign Affairs and Ways and Means Committees and the Senate Finance and Foreign Relations Committees a <u>report on economic policies and trade practices of U.S. trading partners.</u> (Section 2202)	31 Jan 89 and annually thereafter
	4. Expiration date of the <u>Fair Trade in Auto Parts Act of 1988.</u> (Section 2125)	31 Dec 93
	5. USTR shall report to Congress on its authority to respond to <u>unfair international trade practices.</u> [Section 1301(a)]	After date of enactment and semiannually

OBJECTIVE

To keep Congress informed about the operation of bilateral trading agreements.

To avoid losing export sales because of tied aid practices.

To evaluate the impact of trade barriers in diverting automobile imports.

Monitor macroeconomic policies and trade barriers to U.S. exports on the basis of reports submitted by U.S. officials posted in all trading partners.

To set a limit on the promotion of exports of U.S.-made auto parts and accessories in Japanese markets.

To enforce U.S. rights under trade agreements and to respond to certain foreign trade practices.

Table 3 (cont. 13)

MANDATE	DEADLINE	OBJECTIVE
XXI. WORKER RIGHTS		
1. Secretary of State will study and <u>report</u> to Congress on the improvement of U.S. <u>monitoring of the status of internationally recognized worker rights in foreign countries.</u> (Section 2207)	23 Feb 89	To upgrade the capacity to monitor the observance of worker rights.
2. Secretary of Labor will submit to Congress a <u>report identifying the extent to which countries recognize and enforce, and producers fail to comply with, internationally recognized worker rights.</u> [Section 6306(b)]	Biennially	To identify countries that violate the following recognized worker rights: association, to organize and bargain collectively, to be free of forced labour, minimum age for employment of children, and acceptable conditions of work.

Source: ECLAC, based on Selected Deadlines and Effective Dates in the Omnibus Trade and Competitiveness Act of 1988, 28 February 1989 (document prepared by the Trade Staff of the U.S. Senate Finance Committee).

imbalance that should be corrected through mutually advantageous trading opportunities. Otherwise, access by the same products, services and investments to the U.S. market will be curtailed (see section XVI of table 3).

The stated objective consists of the development of an open world trading system in telecommunications. To attain this objective, a set of procedures to open markets is established in the Trade Act of 1988 (see table 2).

The USITR may at any time identify a foreign country that denies market opportunities in telecommunications trade as a priority country. Within 30 days of such identification, the President must begin negotiations, which may continue for up to one year. If no agreement is reached, the President may take action first in the area that most directly affects trade in telecommunications but, if necessary, may resort to action in other trade areas. The USITR is required to treat failure to comply with agreements as a trade agreement violation under Section 301, thereby mandating retaliation.

International financial policy

The inclusion in the Trade Act of a set of guidelines addressing the issue of exchange rate co-ordination (see section X of table 3) and the indebtedness of developing countries constitutes a benchmark recognizing the decisive influence that the overvaluation of the dollar, as well as the adjustment processes of highly indebted countries (HICs), have exercised over the size of the U.S. trade deficit. With the inclusion of these guidelines, the U.S. Congress aims to monitor both issue areas by means of regular reports from the Department of the Treasury, with the purpose of increasing the accountability of the Executive branch.^{5/}

Because of the overwhelming presence of Latin American economies among the ranks of the so-called HICs, it is worthwhile summarizing the sections of the Omnibus Trade Act that deal with the indebtedness of developing countries.

First, it is recognized that growth in developing countries with substantial external debts "has been significantly constrained over the last several years by a combination of high debt service obligations and insufficient new flows of financial resources to these countries". Furthermore, it is expressly recognized that while "negative resource transfers severely depress investment and growth in the debtor countries and force debtor countries to reduce imports and expand exports", adjustment efforts "limit the growth of export markets for United States industries".

In what is already one of its most controverted sections, the Omnibus Trade Act calls for the creation of "new international mechanisms to improve the management of the debt problem and to expand the range of financing options available to developing countries". The different studies that are mandated for this purpose are briefly described in section IX of table 3.

Special trading arrangements

The acceptance of bilateral trading agreements in the Trade Act of 1988 indicates that beyond the universal principle of free trade, there is the recognition of certain special trading relationships. For instance, the framework agreement with Mexico is specifically mentioned (section 2101 of the 1988 Trade Act). The Trade Act also supports the Caribbean Basin Initiative (CBI) (section 1909 of the 1988 Trade Act).

The recognition of bilateral instruments raises the question of whether they are tactical devices to strengthen multilateralism, or if they weaken GATT.6/

IV. ANNOTATED GUIDE

The core of this document is the following table containing an annotated guide to the contents of the Omnibus Trade and Competitiveness Act of 1988. The table lists alphabetically the different subjects covered by the law, and it is divided into three columns. The first describes the mandates and identifies the section of the law where each can be found. The middle column shows the deadlines for compliance, and the third offers a brief description of the objective of each mandate. The table demonstrates that, given the complexity and extensiveness of its contents and the procedural nature of its dispositions, the Omnibus Trade Act requires close and constant monitoring of its application.

Notes

1/ The following remarks are based on the analysis of the U.S. current account deficit by M.A. Akhtar, "Adjustment of U.S. External Imbalances", in Federal Reserve Bank of New York, Seventy-Fourth Annual Report, December 1988.

2/ Ibid., pp. 12, 21.

3/ See Robert Pastor, "The Cry-and-Sigh Syndrome: Congress and Trade Policy", in Making Economic Policy in Congress, ed. Allen Schick (Washington D.C.: American Enterprise Institute for Public Policy Research, 1983), pp. 158-195.

4/ On the application of Super 301 to Japan in 1989, see "'Super 301' Trade Liberalization Priorities", Fact Sheet issued by the Office of the USTR, 25 May 1989.

5/ In accordance with Section 3045 of the Trade Act, the Department of the Treasury submitted the Report to the Congress on International Economic and Exchange Rate Policy on 15 October 1988 and in April 1989. In March 1989, the Treasury, in compliance with Sections 3112 and 3123, presented the Interim Report to the Congress Concerning International Discussions on an International Debt Management Authority and the Report to the Congress on a Limited Purpose Allocation of Special Drawing Rights for the Poorest Heavily Indebted Countries.

6/ See Jeffrey J. Schott, "More Free Trade Areas?" in Institute for International Economics, Policy Analyses in International Economics (No. 27), May 1989, as well as the companion volume, Free Trade Areas and U.S. Trade Policy, ed. Jeffrey J. Schott (Washington D.C.: Institute for International Economics, 1989).