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THE INDUSTRY CONSULTATIONS PROGRAM

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HOW IS THE PRIVATE SECTOR INVOLVED IN FORMULATING TRADE POLICY?

U.S. companies are faced with many obstacles in trying to export their goods and services into foreign markets. U.S. government policy makers rely on industry representatives to identify obstacles and provide advice on how business is hindered by these trade issues. One way that the private sector is directly involved is through the advisory committees of the Industry Consultations Program, which are jointly administered by the U.S. Department of Commerce and the United States Trade Representative (USTR). Business executives work side-by-side with U.S. trade negotiators to eliminate trade barriers so that U.S. firms are able to compete more fairly in today's global economy.

The program now includes over 400 industry representatives who serve as advisors on trade policy matters to the U.S. Government.

HOW DID THE INDUSTRY CONSULTATIONS PROGRAM BEGIN?

Before 1974, U.S. trade negotiators did not regularly consult with the private sector when formulating trade policy. To reflect the commercial interest of the United States, Congress reasoned that government negotiators should talk to the private sector before deciding what objectives to pursue in bilateral or multilateral trade negotiations. The Industry Consultations Program emerged from the Trade Act of 1974, where Congress established the private sector advisory committee system on trade.

After the advisors played a pivotal role in the successful conclusion of the Tokyo Round of Trade Negotiations, Congress continued and expanded the Industry Consultations Program. With a broader mandate for the Program under the Trade Agreements Act of 1979 and the Omnibus Trade and Competitiveness Act of 1988, advisors now provide advice on foreign trade practices and business needs.

HOW IS THE INDUSTRY CONSULTATIONS PROGRAM STRUCTURED?

The ISACs provide advice and information on issues that affect specific sectors of U.S. industry:

- ISAC 1 - Aerospace and Equipment
- ISAC 2 - Capital Goods
- ISAC 3 - Chemicals and Allied Products
- ISAC 4 - Consumer Goods
- ISAC 5 - Electronics and Instrumentation
- ISAC 6 - Energy
- ISAC 7 - Ferrous Ores and Metals
- ISAC 8 - Footwear, Leather, and Leather Products
- ISAC 9 - Building Products and Other Materials
- ISAC 10 - Lumber and Wood Products
- ISAC 11 - Nonferrous Ores and Metals
- ISAC 12 - Paper and Paper Products
- ISAC 13 - Services
- ISAC 14 - Small and Minority Business
- ISAC 15 - Textiles and Apparel
- ISAC 16 - Transportation, Construction, Mining and Agricultural Equipment
- ISAC 17 - Wholesaling and Retailing

The IFACs provide advice and information on functional or issue-oriented trade policy matters:

- IFAC 1 - Customs Matters
- IFAC 2 - Standards Issues
- IFAC 3 - Intellectual Property Rights
- IFAC 4 - Electronic Commerce

Committee of Chairs

The chairs of each of the committees meet collectively as a separate group to address crosscutting issues and priorities of the sectoral and functional advisory committees.

WHAT KIND OF ADVICE DO COMMITTEE MEMBERS PROVIDE?

Committee members provide advice on a variety of trade policy matters, including multilateral and bilateral trade negotiations that are relevant to their respective committees. For example, last year the members of the Aerospace Equipment advised U.S. Government officials on Accelerated Tariff Liberalization (ATL) on civil aircraft in the Asia Pacific Economic Cooperation (APEC) forum, while members of the Capital Goods, Energy and Services ISACs provided technical expertise and advice on mandated WTO Services negotiations. Members of the Small and Minority Business ISAC focused on customs procedures, standards, and electronic commerce issues for the Free Trade Agreement for the Americas

(FTAA), World Trade Organization (WTO) and APEC. Additionally, they completed a study on challenges faced by minority business exporters and issued a report on electronic commerce issues that effect small and minority businesses.

Other trade policy issues on which committees have provided advice include:

- Tariff Reductions
- Market Access
- E-Commerce-related trade issues
- WTO Negotiations, including the accession of China and Russia
- North American Free Trade Agreement
- Free Trade Agreements with Chile, Singapore, and Jordan
- Free Trade Area of the Americas



HOW OFTEN DO THE COMMITTEES MEET?

Most of the committees meet at least three to four times a year. However, some ISACs and IFACs meet more frequently, depending on pace and nature of trade negotiations.

Meetings are usually held in Washington, D.C., at the Department of Commerce. However, as appropriate, committee meetings may be held in other locations, subject to the availability of resources and relevant national security considerations.



WHO QUALIFIES FOR MEMBERSHIP AND WHAT ARE SELECTION CRITERIA?

Committee members serve as representatives of U.S. industry. They represent U.S. manufacturing or service firms that trade internationally, or industry associations of those firms. Exceptions are members of the IFACs, ISAC 13 (Services), and ISAC 14 (Small and Minority Business), whose firms do not have to trade directly if they represent a U.S. entity that provides services in direct support of the international trading activities of other entities.

Also, an environmental representative serves on each of the following ISACs: ISAC 10 (Lumber and Wood), ISAC 12 (Paper and Paper Products), and ISAC 3 (Chemicals and Allied Products).

Committee members must represent entities incorporated in the United States or if unincorporated, having their principal place of business in the United States, and controlled by U.S. citizens or another U.S. entity. Entities that are 50 percent plus one share foreign-owned are not eligible to be represented on the advisory committees. Committee

members must be U.S. citizens who are not employees of a government entity or registered foreign agents.

Other considerations for membership include:

- Demonstrated expertise and knowledge of the industry represented and of trade policy matters relevant to the committee;
- Preserving diversity among sectors, product lines, firm size, geographic representation, and demographic groups.



HOW LONG DO MEMBERS SERVE ON THE COMMITTEES?

Committees are chartered for two years and are considered for renewal at the end of each charter period. As openings arise, the Secretary of Commerce and the United States Trade Representative appoint members for the duration of the committee charters. Members may be reappointed when the charters are renewed.



HOW CAN I GET INVOLVED IN THE ADVISORY COMMITTEE PROCESS?

Most committees are actively recruiting and to become a candidate send a nomination letter from your company or association, along with your resume, and an overview of the sponsoring company, to the Director of Industry Consultations Program (ICP) at the address below. Nominations may be self-initiated.

The ICP conducts an initial evaluation for eligibility and then sends application materials to the candidate, which must be completed and returned. Materials include secret security clearance forms since members have access to classified information. ■

To find out more information on how to become involved in developing trade policy, contact:

The Industry Consultations Program

U.S. Department of Commerce

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