

# ENFORCING COMPLIANCE WITH OUR TRADE AGREEMENTS

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The trade agreements concluded by the United States have opened markets around the world and created new opportunities and new benefits for U.S. exporters. The Administration works with Congress to ensure that American businesses, farmers and workers receive the full benefits of these agreements we have negotiated with our trading partners. Commerce Secretary Donald Evans has made compliance and enforcement the highest

Within MAC, the Trade Compliance Center (TCC) is the U.S. Government's one-stop-shop for U.S. businesses concerned with foreign compliance with trade obligations or problems in exporting to overseas markets. The TCC maintains the Department's "Trade Complaint Hotline," a service that allows U.S. exporters, especially small and medium-sized firms, to request federal government assistance in resolving market access and agreement-related difficulties.

The Department's compliance program involves monitoring—actively

search for problems. The TCC established a Compliance Liaison Program, a public/private partnership of trade associations and local business export councils to facilitate communication and prompt action on compliance issues. As one of his first actions in office, Secretary Evans expanded this effort and asked all members of Congress to identify a staff person to work with the Compliance Team to refer constituent market access or compliance problems.

In addition to these outside sources of trade complaints, we also learn about potential problems from all different

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**"I HAVE MADE COMPLIANCE AND ENFORCEMENT THE HIGHEST PRIORITY FOR ALL THE UNITS WITHIN THE INTERNATIONAL TRADE ADMINISTRATION."**

— DONALD L. EVANS, SECRETARY OF COMMERCE  
(TESTIMONY BEFORE THE U.S. SENATE COMMERCE COMMITTEE AUGUST 1, 2001)

priority for all units within the International Trade Administration (ITA) and has emphasized solving problems and getting results.

While all parts of the Department within ITA are involved in this effort, Market Access and Compliance (MAC) unit is responsible for spearheading the Department's compliance efforts. MAC's overriding objectives are to obtain market access for American firms and workers and to achieve full compliance by foreign nations with trade agreements they sign with our country.

searching for instances in which foreign countries may not be living up to their trade obligations; compliance action—coordinating Commerce resources to solve the problems that are identified with calls, letters and meetings at all government levels; and outreach—helping U.S. firms and workers know their rights and opportunities under U.S. trade agreements.

The first step in ensuring compliance is to identify the problems with foreign implementation of agreements. The Department uses many government and private sources as "nets" to actively

parts of the Department, including a worldwide network of 160 international offices in 85 countries and 105 Export Assistance Centers throughout the United States, our industry and country desks and trade agreement specialists. Embassy reporting and information from the U.S. Trade Representative (USTR) and other agencies are also used.

Once a compliance problem is identified, a team from all parts of the organization will address the problem, comprising all appropriate ITA country, industry, functional and legal experts as well as

experts from other agencies as appropriate. The compliance team analyzes the problem, examines the provisions of relevant trade agreements, consults with appropriate interagency staff and develops a strategy to resolve the complaint. These compliance advocacy efforts include letters, phone calls and meetings between Departmental and foreign government officials—beginning at the staff level and working up to the Secretary as needed.

Compliance Coordinators meet bi-weekly and include representatives from all relevant Commerce Department agencies, to promote the sharing of their expertise on compliance issues facing the Department and American exporters. For example, the National Institute of Standards and Technology, for example, may help ITA analyze whether a country is abiding by the WTO Agreement on Technical Barriers to Trade when it proposes a new standard or a testing and certification requirement that affects U.S. exporters. Similarly, the Patent and Trademark Office assists ITA in determining whether the actions of certain countries are consistent with the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights. ITA and the National Telecommunications and Information Administration (NTIA) work together to promote pro-competitive regulatory environments in foreign telecommunications markets, including monitoring and enforcement of commitments made in the WTO Agreement on Basic Telecommunications Services. ITA relies on NTIA for its expertise on the telecommunications policy in the United States so that these principles can be effectively advocated with foreign governments.

This approach is designed to resolve problems more quickly by focusing resources on the problem and having the foreign country come into compliance voluntarily, saving the time and effort required in formal dispute settlement. When compliance cannot be achieved voluntarily, ITA works with USTR's Enforcement Office to bring

cases under WTO or NAFTA dispute settlement or under other provisions of U.S. trade law.

Commerce's Trade Compliance program has been successful in this approach. For example, in May, the Department helped a Virginia company referred by Senator George Allen's office to gain access to the Canadian market for agricultural equipment. In June, after inquiries initiated by Commerce's Compliance Team, Taiwan announced that it would recognize National Marine Manufacturing Association certification for U.S. recreational watercraft exported to Taiwan. U.S. companies can now sell pleasure boats to Taiwan without having to undergo additional and costly inspections and will no longer be required to make modifications to their boats to meet Taiwan-specific requirements. In another case, the European Commission recently agreed to modify its proposal for a motorcycle driving license directive, removing an engine size restriction, which would have severely limited U.S. exports of motorcycles to the European Union, the largest foreign market for U.S. motorcycle exports.

The Compliance program also engages in extensive outreach activities to help U.S. firms and workers know their rights and opportunities under trade agreements—helping them use these benefits to build their exports and investments. In addition to the interactive Trade Complaint Hotline where U.S. businesses can register their complaints online, the "TCC On-Line" web site, [www.mac.doc.gov/tcc](http://www.mac.doc.gov/tcc), serves as a resource to help American exporters facing foreign trade barriers. This free service contains a comprehensive, fully searchable database of nearly 300 bilateral and multilateral trade agreements, U.S. exporter guides and Market Monitor News, as well as information on proposed foreign technical regulations and government procurement opportunities. For further information, visit the web site at [www.mac.doc.gov/tcc](http://www.mac.doc.gov/tcc) or call the Center at 202-482-1191. ■

## HARLEY DAVIDSON SUCCESS

As a result of coordinated efforts between Harley-Davidson and U.S. Department of Commerce officials in Brussels and Washington, DC, the European Commission removed an engine size restriction in its proposed EU Motorcycle Driving License Directive, which would have severely limited U.S. exports of motorcycles to the European Union. Under the WTO Agreement on Technical Barriers to Trade, government regulations should be implemented in a way that is least disruptive to trade while still meeting the country's public welfare objectives. The government-industry team working with the Association of European Motorcycle Manufacturers was successful in convincing the Commission that it could achieve its desired safety objective without the engine size limitation that it had proposed. According to Harley-Davidson chairman Jeffrey Bleustein, "Had this limitation remained, it would have made it much more difficult for new riders to own a Harley in the EU, which is by far our largest market outside the United States."