Report on Identification of Trade Expansion Priorities Pursuant to Section 310 of the Trade Act of 1974

AGENCY: Office of United States Trade Representative.

ACTION: Notice.

SUMMARY: Notice is hereby given that the United States Trade Representative (USTR) transmitted on September 28, 1995, the report published herein to the Committee on Finance of the United States Senate and the Committee on Ways and Means of the United States House of Representatives identifying trade expansion priorities pursuant to the provisions in section 310 of the Trade Act of 1974 ("Super 301") (19 U.S.C. 2420). Section 310 was last amended by section 314(f) of the Uruguay Round Agreements Act.

FOR FURTHER INFORMATION CONTACT: Irving Williamson, Chairman, Section 301 Committee, Office of the U.S. Trade Representative, 600 17th Street, NW., Washington, DC 20506, (202) 395–3432.

SUPPLEMENTARY INFORMATION: The text of the USTR report is as follows:

Identification of Trade Expansion Priorities Pursuant to Section 310 of the Trade Act of 1974

This report is submitted pursuant to the provisions in section 310 of the Trade Act of 1974. Section 310 requires the United States Trade Representative (USTR) to "review United States trade expansion priorities and identify priority foreign country practices, the elimination of which is likely to have the most significant potential to increase United States exports, either directly or through the establishment of a beneficial precedent."

In identifying priority foreign country practices, the USTR must take into account all relevant factors, including:

(a) The major barriers and trade distorting practices described in the National Trade Estimate Report;

The trade agreements to which a country is a party and its compliance with those agreements;

The medium- and long-term implications of foreign government procurement plans; and

The international competitive position and export potential of U.S. products and services.

Section 310 permits the USTR to include, if appropriate, "a description of foreign country practices that may in the future warrant identification as priority foreign country practices that may in the future warrant identification as priority foreign country practices." The USTR may also include "a statement about other foreign country practices that were not identified because they are already being addressed by provisions of United States trade law, by existing bilateral trade agreements, or as part of trade negotiations with other countries and progress is being made toward the elimination of such practices."

Trade Expansion Priorities

We remain committed to ensuring that our trade policies support our effort to promote U.S. economic growth, competitiveness, and high-wage jobs. The principal components of U.S. trade policy remain enforcement of U.S. trade laws and U.S. rights under trade agreements and securing increasing and reciprocal access to the markets of our trading partners.

We are dedicated to achieving our trade policy goals by using all mechanisms at our disposal: multilateral fora such as the World Trade Organization (WTO); regional or bilateral agreements; and our trade laws.

In the multilateral context, the United States will continue to push for full and rapid implementation of the results of the Uruguay Round. The Round produced the most comprehensive trade agreement in history and provided for significant reductions in tariff and nontariff barriers, the establishment of the WTO and a new and effective dispute resolution mechanism. We will continue to make maximum use of the WTO to require our trading partners to accept their share of responsibility for global growth and maintenance of the global trading system and to open their markets to competitive U.S. exports.

In the regional and bilateral context, we are continuing our pursuit of U.S. trade interests under the historic North American Free Trade Agreement (NAFTA) and the NAFTA dispute settlement procedures, and are committed to negotiating Chile's accession to the NAFTA. In the Americas, we are committed to achieving a Free Trade Area of the Americas (FTAA) by 2005. In the Pacific, we are pursuing market opening objectives under the Asia Pacific Economic Cooperation (APEC) forum. With Europe, we are exploring market opening through the Trans Atlantic Agreement (TAA) initiative.

Finally, we will continue to make maximum use of our trade laws to advance U.S. interests. Section 301 remains a key tool for enforcing U.S. rights under existing trade agreements and, where necessary, for addressing foreign unfair trade barriers not covered by trade agreements. In this regard, we have used the review of our trade expansion priorities required by Super 301 to ensure that we are pursuing effectively the elimination of trade barriers that inhibit the growth of U.S. exports and the growth in employment resulting from increased exports.

Priority Foreign Country Practices

As a result of the review of the United States trade expansion priorities under section 310 and recent negotiations, the USTR has decided not to identify any priority foreign country practices at this time.

Other Practices

A. The following practices may in the future warrant identification as priority foreign country practices:

 Japan Market Access for Paper & Paper Products: In the April 1992 U.S.-Japan paper agreement, Japan, agreed to take GATT-consistent measures to increase substantially market access in Japan for foreign paper and paperboard products. Nevertheless, structural barriers such as exclusionary business practices and a closed distribution system continue to impede U.S. paper companies' access to the Japanese paper and paper products market. In addition, the U.S. remains concerned about lax Japanese implementation of the measures contained in the paper agreement and inadequate enforcement of Japan's Anti-Monopoly Act. The United States and Japan have consulted on ways to strengthen and enhance implementation of the agreement. Further consultations are planned later this year with a view to reaching agreement on ways to strengthen and enhance implementation.

 Japan Market Access for Wood Products: In the 1990 U.S.-Japan Wood Products Agreement, Japan agreed to reduce tariffs substantially, to reduce subsidies, to speed up product certification, and to adopt performancebased standards and building codes. Although Japan has made progress in implementing the agreement, barriers continue to impede market access. Tariffs, although reduced in the Uruguay Round, remains a significant impediment. Adoption of performancebased standards and building codes continues to be slow, and Japan still maintains a parallel unliberalized set of building standards for housing loans. Subsidies to the wood products industry still appear to be rising. The United States has consulted with Japan on these issues, and further consultations are planned later this year with a view to reaching agreement on ways to strengthen and enhance implementation.