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Highlights

Highlights of [GAO-08-59](#), a report to the Chairman, Committee on Finance, U.S. Senate

Why GAO Did This Study

Congress granted the President Trade Promotion Authority (TPA) to negotiate agreements, including free trade agreements (FTA) in 2002. TPA stipulated negotiating objectives and procedural steps for the administration, including consulting with Congress and trade advisory committees. TPA lapsed in July 2007 amidst questions about its use. GAO was asked to review: (1) What FTAs have been pursued under TPA and why? (2) Overall, what is the economic significance of these agreements for the United States? (3) What is the nature of the consultation process for Congress and how well has it worked in practice? (4) What is the nature of the consultation process for trade advisory committees, and how well has it worked in practice? GAO interviewed staff of the Office of the U.S. Trade Representative (USTR), the International Trade Commission (ITC), congressional committees with jurisdiction, trade advisory committees, and others, and reviewed USTR documents.

What GAO Recommends

GAO is making recommendations to USTR and other managing agencies to improve information access and timeliness of congressional consultations, as well as timeliness of rechartering trade advisory committees. GAO also recommends USTR report to Congress on how it meets statutory representation requirements in advisory committee composition. In addition, Congress should consider extending the deadlines for advisory committee and ITC reports by 15 days.

To view the full product, including the scope and methodology, click on [GAO-08-59](#). For more information, contact Loren Yager at (202) 512-4347 or yagerl@gao.gov.

INTERNATIONAL TRADE

An Analysis of Free Trade Agreements and Congressional and Private Sector Consultations under Trade Promotion Authority

What GAO Found

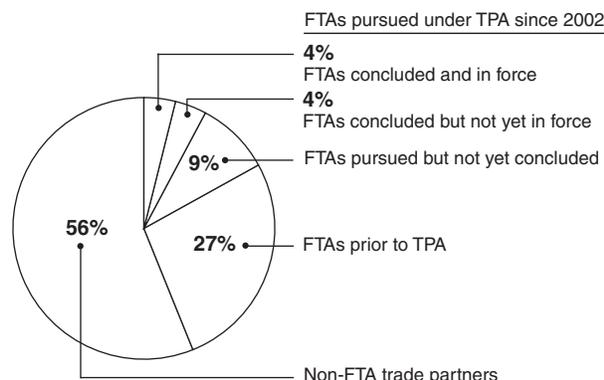
In the 5-year period that TPA was granted to the President, from 2002-2007, the United States pursued 17 FTAs with 47 countries for a variety of foreign and economic policy reasons. Six FTAs have been approved and are in force, and negotiations for another 4 FTAs have been concluded. The United States has simultaneously pursued comprehensive, high-standard trade agreements on the bilateral and multilateral levels.

Trade with countries for which FTAs were pursued under TPA comprises about 16 percent of U.S. trade and foreign direct investment. Twenty-seven percent of U.S. trade is with countries with FTAs in force prior to TPA (e.g., Canada and Mexico); 56 percent is with countries with which the United States does not have FTAs. The largest U.S. trade partners not pursued under TPA are the European Union, Japan, and China; the rest account for relatively small shares of U.S. trade.

USTR held 1,605 consultations with congressional committee staff from August 2002 through April 2007, but satisfaction with the consultations was mixed. About two-thirds of these meetings were with the House and Senate trade and agriculture committees. Almost all the congressional staff GAO contacted viewed the consultations as providing good information, but slightly more than half said that they did not provide opportunities for real input or influence. These staff often said that they were not given sufficient time to provide meaningful input.

The trade advisory committee chairs GAO contacted said that USTR and managing agencies consulted with their committees fairly regularly, although process issues at times hindered some from functioning effectively. For example, about half said that the 30-day deadline for reporting on the likely impact of FTAs can be difficult to meet, and the ITC had a similar problem. In addition, adherence to statutory representation requirements is not always transparent. Several committees have not been able to meet while their charters were expired, or members had not been reappointed. However, USTR and managing agencies are not required to report to Congress such lapses in a committee's ability to meet.

Total U.S. Trade by Status of FTA Negotiations under TPA as of 2006



Source: GAO analysis of official U.S. trade statistics from the U.S. Census Bureau.