

# GAO Highlights

Highlights of [GAO-14-102](#), a report to congressional requesters

## Why GAO Did This Study

China is the largest destination for U.S. exports outside North America and also the source of the largest U.S. bilateral trade deficit. The countries engage in two high-level dialogues to address trade barriers and cross-cutting economic issues. These are the JCCT, co-led for the United States by Commerce and USTR, and the economic track of the S&ED, led by Treasury. GAO was asked to review China's bilateral trade commitments made in these dialogues. This report (1) describes trade and investment commitments China has made at the JCCT and S&ED; (2) describes U.S. agency tracking of China's implementation of these commitments; and (3) evaluates U.S. agency reporting on implementation. GAO analyzed documents, including public fact sheets stating commitments; interviewed officials, industry representatives, and other experts; used a structured process to categorize commitments; and reviewed reports officials identified as reporting implementation status of commitments.

## What GAO Recommends

To improve understanding of progress through the bilateral dialogues in increasing access to China's markets, USTR, in conjunction with Commerce and Treasury, should work to improve reporting on China's implementation of JCCT and S&ED trade and investment commitments. In written comments, USTR and Commerce did not directly agree or disagree with the recommendation, but raised several concerns. USTR maintained current reporting is comprehensive and Commerce noted resource constraints. GAO continues to believe improved reporting would benefit policymakers.

View [GAO-14-102](#). For more information, contact David Gootnick at (202) 512-3149 or [gootnickd@gao.gov](mailto:gootnickd@gao.gov).

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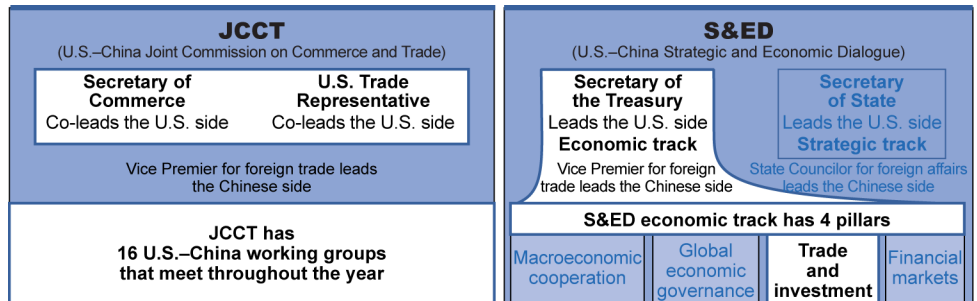
## U.S.-CHINA TRADE

### United States Has Secured Commitments in Key Bilateral Dialogues, but U.S. Agency Reporting on Status Should Be Improved

## What GAO Found

GAO identified 298 trade and investment commitments made by China in the U.S.-China Joint Commission on Commerce and Trade (JCCT)—184 since 2004—and the U.S.-China Strategic and Economic Dialogue (S&ED) and its predecessor—114 since 2007. The commitments range from affirmations of open trade principles to sector-specific actions. GAO identified 11 issue areas to characterize the content of each commitment. The prominence of issue areas, measured in number of commitments associated with an issue area, differs between the dialogues, reflecting differences in the dialogues' structure and focus. Intellectual property rights commitments are among those most common in the JCCT and investment commitments are among those most common in the S&ED. (For a detailed inventory of commitments and their categorization, see [GAO-14-224SP](#).)

#### U.S. Agency Roles in the JCCT and S&ED



Source: GAO analysis of information from Commerce, USTR, Treasury, and State.

U.S. agencies track commitment implementation through several means, including outreach to domestic stakeholders, issue-based working groups with China in the JCCT, and consultations in advance of S&ED annual meetings. No single document is used to track implementation, according to U.S. officials. In addition, although there have been calls to use metrics such as exports and sales in developing commitments, agencies identified only one such commitment in the dialogues and cited challenges in identifying appropriate data.

Although several reports on trade barriers present information on JCCT and S&ED commitments, information on commitment implementation in these reports does not provide a clear and comprehensive picture of progress across the dialogues. The Office of the U.S. Trade Representative (USTR) produces these reports with assistance from other agencies, including the Departments of Commerce (Commerce) and Treasury (Treasury). GAO's analysis of 10 software commitments from 2008-2011 shows, for example, that the implementation status of most could not be clearly identified. More comprehensive reporting would give Congress and other policy makers a clearer understanding of progress and the role of the dialogues as they continue to assess challenges in the U.S.-China relationship.