

The United States' Bogor Goals Progress Report (as at 8 August 2014)*

Highlights of Achievements and Areas for Improvement

- Approximately 70 per cent of the imports for consumption entered the United States duty-free.
- Some MFN tariffs in the footwear, textile, clothing and agriculture are relatively high. Non ad-valorem tariffs are common in agricultural products.
- Tariff rate quotas are applied for some products. Import licenses are required for 15 product categories.
- No export taxes are applied. Export restrictions are adopted in some cases due to security issues, compliance with international agreements and shortages of scarce materials.
- The investment regime is considered free and open. Free movement of capital and profits. Some restrictions on foreign ownership remain.
- New laws on food safety focusing on preventing food safety problems.
- Implementation of customs-related initiatives to facilitate trade and strengthen security is expanding.
- Strong intellectual property rights system. Emphasis on law enforcement. Laws have been approved to increase the criminal penalties for infringements.
- The Buy American Act requires the Federal Government to purchase domestic goods. However, exceptions to this rule apply in many cases.
- Retrospective review of regulations. Removal of unnecessary burdens to save time and costs. Efforts have saved several billion dollars in regulatory costs.
- Expansion of Visa Waiver Program and the trusted traveler program, Global Entry.
- All proposed and final regulations are available online.

Summary of Topics

Tariffs

In 2013, 70 per cent of imports for consumption entered the United States duty-free. The United States' trade-weighted applied tariff average, including preferences and FTAs, was equal to 1.4 per cent.

Nevertheless, MFN tariff peaks remain in certain sectors, such as footwear, textile, clothing and agricultural products. Many agricultural products are subject to non-ad valorem tariffs.

Non-Tariff Measures

Tariff rate quotas are still applied to some products (e.g. raw cane sugar, tuna fish). The current laws and regulations allow the implementation of restrictions or prohibitions on imported products, which are used for health and security reasons, or protect the economy of the United States. Import licenses (automatic or non-automatic) are required for 15 product categories (e.g. animals and animal products, steel, tobacco).

* This brief report was prepared with information from the United States' submission of 2014 APEC Individual Action Plan (IAP) template; the 2013 WTO Trade Policy Review – Report by the Secretariat – United States; the WTO SPS and TBT Information Systems; and information from the White House, the Office of the United States Trade Representative, and the U.S. Food and Drug Administration websites.

No export taxes are applied. Export restrictions are adopted in some cases due to security issues, compliance with international agreements and addressing shortages of scarce materials. Export subsidies have been applied to some dairy products, in conformance with the WTO Agreement on Agriculture.

Investment

The investment regime in the United States allows for free movement of capital and profits. Minimum investment thresholds are not applied. However, foreign ownership is restricted in some sectors such as air transport, mining, energy, radio communications and banking, among others.

Standards and Conformance

In May 2012, the Executive Order on Promoting International Regulatory Co-Operation was signed. This Executive Order provides a framework for promoting efforts to eliminate unnecessary regulatory differences and related costs, burdens, and delays associated with domestic regulatory approaches.

In January 2011, the Food and Drug Administration (FDA) Food Safety Modernization Act entered into force. The new law enables FDA to focus more on preventing food safety problems rather than reacting after they occur.

By the end of 2013, 28 specific trade concerns raised against the United States at the WTO SPS Committee had not reported a resolution. The concerns raised in 2013 are related to proposed rules on good manufacturing practices for human food and the accreditation of third-party bodies to conduct food safety audits and issue certifications. Similarly, 44 specific trade concerns against the United States raised at the WTO TBT Committee had not reported a resolution. Some of the most recent concerns raised in 2013 were related to some chemical substances, an energy conservation program for consumer products, and a renewable fuel standards program.

Customs Procedures

The implementation of the International Trade Data System (ITDS), which allows to collect and share data among agencies, is ongoing. The Executive Order – Streamlining the Export/Import Process for America’s Business, was issued in February 2014 and establishes a deadline for the completion of the ITDS. Currently, 49 government agencies are participating in ITDS.

The Automated Commercial Environment (ACE), a single window for cargo shipments, reported 22,600 ACE portal accounts for trade users (including importers, brokers and carriers) by February 2014. The ACE assists the U.S. Customs and Border Protection to facilitate trade while strengthening border security.

The United States has reported efforts to promote trade resumption policies and practices that will provide for a coordinated restoration of the movement of goods, following a potential disruption, by developing and implementing domestic and global guidelines, standards, policies and programs.

Intellectual Property Rights

The United States has been implementing actions to improve law enforcement concerning IPR matters. In 2012, in order to mitigate the theft of trade secrets, the Theft of Trade Secrets Clarification Act and the Foreign and Economic Espionage Enhancing Penalties Act were passed at the Congress. In addition, the Congress passed the National Defense Authorization Act, which increased criminal penalties for counterfeit goods and services sold to, or for use by, U.S. military forces. The Food and Drug Administration Safety and Innovation Act was also approved, which increased penalties for trafficking counterfeit drugs.

As part of the strategy to fight against infringements of IPR, the United States has been collaborating closely with authorities around the world by providing capacity-building to government officials, enhance awareness about IPR laws and regulations, and coordinating with foreign counterparts in investigations and the deployment of law enforcement operations. Efforts have also expanded to the cyber world. For instance, in June 2013, as part of an international effort, the U.S. authorities seized over 1,600 websites that were illegally selling counterfeit or misbranded drugs that alleged to be branded as pharmaceuticals.

Competition Policy

In 2013, the Federal Trade Commission issued the final changes to the premerger notification rules that require companies in the pharmaceutical sector to report certain proposed acquisitions of exclusive patent rights to the competition authorities for antitrust reviews.

In the same year, the Department of Justice and the FTC issued a joined model waiver of confidentiality for individuals and companies to use in merger and non-civil merger matters involving concurrent reviews by the competent authorities and non-U.S. competition authorities. The model waiver aims to streamline the waiver process, reducing the time involved in negotiating waivers. This mechanism also allows for the sharing of confidential information only among the competition agencies listed in the waiver.

Government Procurement

The United States has reported that the FTAs with Korea, Panama and Colombia, which entered into force in 2012, include chapters on government procurement.

The Buy American Act requires the Federal Government to purchase domestic goods. However, exceptions to this rule apply in many cases, such as 1) purchases above the thresholds set in FTAs and the WTO Government Procurement Agreement from the signing parties; 2) it is deemed inconsistent with public interest; 3) the cost is unreasonable; 4) the products are for use outside the United States; 5) the products are not produced or manufactured in the United States in sufficient quantities or satisfactory quality 6) the procurement is for less than USD 2,500.

Deregulation/Regulatory Reform

On 10 May 2012, an Executive Order was signed by President Obama, institutionalizing retrospective review in the United States. It emphasized that flexibility and the removal of unnecessary burdens are essential elements in the rulemaking process. Agencies have to report regularly on the process and their efforts have produced savings for more than USD 10 billion in regulatory costs.

Mobility of Business People

The United States reported that wait times and capacity for visa applicants have improved in recent years. In addition, Chinese Taipei was added to the Visa Waiver Program in 2012. Chile was added in 2014. Also, the United States is expanding its trusted traveler program, Global Entry, which allows travelers to reduce time to go through immigration procedures in selected airports.

Transparency

All proposed and final regulations are available online to the public. The rulemaking system enables citizens to participate in the process to create, review and change rules.

RTA/FTAs

The United States reported that three new FTAs entered into force in 2012. 14 RTA/FTAs are currently in force¹. The United States is also participating in the negotiations of the Trans-Pacific Partnership Agreement and the Transatlantic Trade and Investment Partnership.

¹ The United States' RTA/FTAs in force are the following ones: United States-Israel (1985), NAFTA (1994), United States-Jordan (2001), United States-Singapore (2004), United States-Chile (2004), United States-Australia (2005), United States-Morocco (2006), United States-Dominican Republic-Central America (2009), United States-Bahrain (2006), United States-Oman (2009), United States-Peru (2009), United States-Colombia (2012), United States-Panama (2012), and United States-Korea (2012).