International Trade and Finance: Key Policy Issues for the 112th Congress, 2nd Session

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Summary

During the first session of the 112th Congress, Congress approved three long-stalled free trade agreements (FTAs) with South Korea, Colombia, and Panama. Passage of these FTAs was facilitated by agreement to consider legislation extending the Trade Adjustment Assistance (TAA) program that is designed to assist workers displaced by foreign trade. All four bills passed by wide margins. The TAA bill also renewed the General System of Preferences (GSP), a program that allows certain duty-free imports from eligible developing countries. In addition, Congress authorized full U.S. participation in general capital increases (GCIs) at the World Bank and four other regional development banks.

With these issues resolved, Congress may address other international trade and finance issues in the second session. In addition to monitoring implementation of the three FTAs passed in 2011, the most prominent issues include the ongoing Trans-Pacific Partnership (TPP) FTA negotiations, Russia’s accession to the WTO, the Doha Round stalemate and alternative WTO approaches to trade liberalization, China trade and currency developments, the Administration’s trade reorganization proposal, trade sanctions, customs reauthorization, export promotion, trade finance, and the impact that the Eurozone crisis could have on the U.S. economy.

- The Administration’s top trade liberalizing priority this year is the current nine country regional TPP FTA negotiations. If the negotiations move rapidly, the Administration could begin discussions with Congress on the extension of Trade Promotion Authority (TPA)—formerly fast-track negotiating authority.

- Russia is expected to become a member of the WTO early this year. In order for U.S. businesses to gain full commercial benefits from Russia’s accession, Congress may vote on according Russia permanent normal trade relations (PNTR) status.

- Congress can be expected to continue to press China for currency reforms, stronger intellectual property rights protection, and market access liberalization. Congress may also address issues raised by the Federal Circuit’s December 19, 2011, determination that the U.S. countervailing duty law (CVD), as currently written, does not apply to non-market economy (NME) countries, such as China and Vietnam.

- On January 13, 2012, President Obama asked Congress for authority to reorganize and consolidate the business-and trade-related functions of six federal entities into one department. Congress could react to the proposal in a number of ways.

- With the WTO Doha Round negotiations entering their 11th year, Congress may examine a range of new ideas on how to break the stalemate, as well as new trade liberalizing proposals that some members of the World Trade Organization (WTO) may undertake.

- Congress approved new trade sanctions on Iran in late 2011, and can be expected to consider additional sanctions on Iran, as well as North Korea and Syria, this year.

- Congress may also consider legislation to reauthorize U.S. Customs and Border Protection (CBP), examine limitations on funding for the Export-Import Bank, monitor the Administration’s National Export Initiative (NEI), and continue oversight hearings on the Eurozone crisis.
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Policymaking in a Global Economy

The 112th Congress, in both its legislative and oversight capacities, faces numerous international trade and finance issues. Many of the major issues identified and briefly summarized in this report are ones confronted in the first session of the 112th Congress. Others may emerge for the first time this year. All the issues discussed are important to Congress because of their growing effect on the health of the U.S. economy, the success of U.S. business and their workers, and the standard of living of most Americans. A list of CRS reports covering each of the issues in more detail is provided at the end of the report.

Trade and finance issues are complex, and policy deliberation is often made more challenging by developments in the global economy. First, the world continues to recover unevenly from the 2008 global financial crisis, with many developed countries experiencing weak growth compared to large emerging economies. The sovereign debt crises in Europe and increased vulnerability of the Eurozone are perhaps the most visible examples of developed country economic weakness. Second, developing country influence is growing, as witnessed by changing trade and investment patterns, as well as the ascendance of the Group of 20 economies (G-20) as a major forum for international economic cooperation. The rise of China, Brazil, and India present new challenges in developing global trade and finance agreements. Third, economic tensions emanating from large international imbalances have not eased.

While the U.S. economy has stabilized and is experiencing productivity gains following its worst recession in eight decades, it continues to struggle with moderate growth, high unemployment, and a large federal debt. These domestic imbalances are connected to international ones, including the large trade deficit, rising holdings of U.S. debt by foreign countries, and downward pressure on the dollar. The United States has long consumed more than it has produced, giving rise to the expanding trade deficit, which is financed by capital inflows. The counterpart is large saving balances, trade surpluses, and capital outflows in other countries, including China, Japan, and Germany.

The call for “global rebalancing” implies a reversal of these trends, which would require national and foreign responses. For the United States, this would involve increased saving (less spending) relative to investment that would produce a rise in net exports (reduction in trade deficit). Implicit in this mix is a reduction of the fiscal deficit, the major source of U.S. dissaving since 2000. For trade surplus countries, it implies the opposite—an increase in domestic demand and decrease in saving relative to investment that would lead to a fall in net exports (reduction in trade surplus). Rebalancing also implies changes in relative exchange rates, including the likely depreciation of the dollar against major U.S. trade partner currencies and appreciation of China’s currency.

On the trade policy side, Congress passed three reciprocal bilateral free trade agreements with Colombia, Panama, and South Korea in 2011. President Obama also continues to promote the goal of doubling U.S. exports in five years as one solution to the challenge of generating faster economic and employment growth. The rationale is based on the view that foreign demand is needed to supplement an American consumer likely to spend more frugally in the years ahead and

1 Written by J.F. Hornbeck, Specialist in International Trade and Finance, 7-7782.
2 The fundamentals are covered in Oliver Blanchard and Gian Maria Milesi-Ferretti, Global Imbalances: In Midstream?, International Monetary Fund, Staff Position Note 09/29, Washington, D.C., December 22, 2009.
a federal government faced with unsustainable budget deficits. With an estimated 95% of the world’s consumers living outside U.S. borders, some view exports as a critical force for the future growth of the U.S. economy. U.S. exports have recovered briskly since 2009, but meeting the goal of doubling exports will be difficult because trade policy is limited in affecting the trade deficit and aggregate output, which will require changes in domestic and foreign macroeconomic policies, vibrant global economic growth, and a more competitive (weaker) dollar.

Foreign country policies, however, may not align easily with U.S. priorities. The European Union is wrestling with its own financial crisis and Japan is mired in persistently slow growth. Large emerging economies, whose recent strong growth represents expanding markets for U.S. goods, may also be turning to less expansionist macroeconomic policies, fearful of overheating fueled in part from large capital inflows. So despite U.S. policies directed at trade promotion and encouraging macroeconomic changes abroad, U.S. economic recovery will depend on a balance of increased domestic investment and demand, which could actually worsen the trade deficit if increased saving is not also part of the mix.³

On the finance side, policy-driven currency misalignments and the specter of “currency wars” point to the other side of the global imbalances problem. Global leaders are discussing the need for more coordinated and equitable exchange rate policies, if not a broader rethinking of the international monetary system. Attention has turned also to the relevance of the International Monetary Fund (IMF) and other multilateral economic institutions in this process, including reevaluating their role, structure, and governance in addressing exchange rate and other policies. A current concern is the threat of competitive devaluations that could or would likely inflame trade tensions, prevent the rebalancing of the global economy, and undermine the stability of the global economy. China is not alone in this behavior, but receives the most attention because of its closed capital account and large holdings of U.S. Treasury securities.

U.S. international economic policy must also contend with “globalization,” or the increasing integration of markets and supply chain networks brought about by advances in technology, communications, transportation, and lower barriers to trade. Globalization has spurred tremendous growth in trade, particularly of intermediate goods, which now account for over 60% of the world’s commercial exchange.⁴ It has also contributed to rising incomes. In the United States, jobs are supported by U.S. exports to foreign affiliates, U.S. production abroad, as well as foreign firms operating in the United States. These complex production arrangements further complicate the trade and employment debate, and raise other questions such as what constitutes an “American-made” product. At the same time, global economic integration has also exposed U.S. firms and workers to increased competition, increasingly from state-owned-enterprises (SOEs). Because of the larger volume of imports of goods and services, U.S. firms are sometimes forced to make costly adjustments. In some cases, these adjustments have been in the form of layoffs and shifts to production abroad.

In short, U.S. costs and benefits linked to an increasingly interconnected global economy may run in many directions. The discussion is no longer simply about free trade versus protectionism. The debate involves domestic and foreign macroeconomic policies, the participation of foreign states

³ On the trade offs and challenges of dealing with the trade deficit, see: CRS Report RL31032, The U.S. Trade Deficit: Causes, Consequences, and Policy Options, by Craig K. Elwell.
in markets, the competitiveness of U.S. firms and workers, and the stability of the international economy. For the United States, an overarching goal is to maintain its high standard of living by remaining innovative, productive, and internationally competitive, while safeguarding those stakeholders who otherwise may be left behind in a fast-changing global economy, suggesting a strong supporting role for complementary domestic policies.

Congress is in a unique position to address these issues, particularly given its constitutional mandate for legislating and overseeing international trade and financial policy, as discussed below. In addition to the broader congressional oversight of the economic and political context of the current U.S. participation in the global economy, this report highlights major international trade and finance issues Congress may address this year.

The Role of Congress in International Trade and Finance

The U.S. Constitution assigns express authority over foreign trade to Congress. Article I, Section 8, gives Congress the power to “regulate commerce with foreign nations ...” and to “... lay and collect taxes, duties, imposts, and excises.” For roughly the first 150 years of the United States, Congress exercised its authority over foreign trade by setting tariff rates on all imported products. Congressional trade debates in the 19th century often pitted members from northern manufacturing regions, who benefitted from high tariffs, against those from largely southern raw material exporting regions, who advocated for low tariffs.

A major shift in U.S. trade policy occurred after Congress passed the highly protective “Smoot-Hawley” Tariff Act of 1930, which, by raising U.S. tariffs rates to an all-time high level, led U.S. trading partners to respond in kind. In the process, world trade declined rapidly, exacerbating the impact of the Great Depression. Since the passage of this tariff act, Congress has delegated much of its trade authority to the executive branch. First, Congress enacted the Reciprocal Trade Agreements Act of 1934, which authorized the President to negotiate reciprocal agreements that reduced tariffs within congressionally preapproved levels, and to implement the new tariffs by proclamation without additional legislation. This authority was subject to periodic congressional renewal. Second, Congress enacted the landmark Trade Act of 1974, which required congressional approval for trade agreements that involved changes in U.S. law, including multilateral trade agreements and bilateral and regional free trade agreements. This change responded to the growing role of non-tariff barriers, such as government regulations, in trade and trade agreement negotiations, and has been amended several times since 1974.

In the Trade Act of 1974, Congress also enacted so-called “fast track” trade authority (now called trade promotion authority—TPA), which allows implementing bills for trade agreements to be considered under expedited legislative procedures—limited debate, no amendments, and an up or down vote—provided the President observes certain statutory obligations in negotiating trade agreements, including pursuing certain trade negotiating objectives and notifying and consulting with Congress. The purpose of TPA is to preserve the constitutional role of Congress with respect to consideration of implementing legislation for trade agreements that require changes in

5 Written by William H. Cooper, Specialist in International Trade and Finance, 7-7749.
domestic law, while also bolstering the negotiating credibility of the executive branch. TPA is subject to renewal, and the latest authority expired on July 1, 2007.

The 112th Congress may consider renewal of TPA. Because of TPA’s special provisions governing trade implementing bills, its renewal is widely considered necessary to approve and implement new FTAs. TPA is not, however, a prerequisite for initiating or concluding trade agreement negotiations, and positions differ in Congress as to when there may be a need for new legislation. Many experts argue that TPA would have to be renewed if the United States is to be a credible negotiator in concluding the Trans-Pacific Partnership (TPP) regional FTA negotiations.

Congress also exercises trade policy authority through the enactment of laws authorizing trade programs and governing trade policy generally. These include such areas as tariffs; non-tariff barriers; trade remedies; import and export policies; political and economic security; and the trade policy functions of the federal government. In addition, Congress conducts oversight of the implementation of trade policies.

Congress has an important role in international finance as well. It has the ultimate authority over the level of U.S. financial commitments to the multilateral development banks (MDBs), including the World Bank, and to the International Monetary Fund (IMF). The 112th Congress addressed the issue of funding levels for the MDBs during the first session. Congress also has oversight responsibilities over these institutions, as well as the Federal Reserve and the Treasury Department, whose activities affect international capital flows.

Policy Issues for Congress

Trade Agreements and Negotiations

Among the trade issues for the second session of 112th Congress are the implementation of comprehensive bilateral free trade agreements (FTAs) with Colombia, Panama, and South Korea that received congressional approval in the first session of the 112th. Other trade agreements and negotiations that the Congress is likely to address in 2012 include U.S. negotiations with the countries of the Trans-Pacific Partnership (TPP)—now nine countries and possibly three more—to create a comprehensive and high standards regional FTA. Furthermore, Members are likely to weigh in on the future of the stalled WTO Doha Round and new negotiating proposals and to decide whether to authorize permanent normal trade relations (PNTR) status for Russia. In addition, Congress is likely to monitor the Administration’s trade liberalizing initiatives with the Middle East and North Africa region and with the European Union.

Implementation of Free Trade Agreements

Over four years after the George W. Bush Administration first negotiated FTAs with Colombia, Panama, and South Korea, Congress approved revised agreements on October 12, 2011. The agreements will not enter into force until the Obama Administration certifies that all three countries have their legal structures in place to meet their obligations under the agreements. The timing could vary from country to country, with full implementation expected to occur during 2012 for South Korea and Panama, but not necessarily Colombia.
As shown in Table 1, all three agreements passed by between 3:1 and 4:1 margins on the Senate side and by comfortable margins on the House side. The majority of opposition on the House side came from Democrats. The President signed the legislation on October 21, 2011 (P.L. 112-41, P.L. 112-42, and P.L. 112-43).

Table 1. Passage of the Colombia, Panama, and South Korean FTAs

<table>
<thead>
<tr>
<th>FTA Partner</th>
<th>Bill Number</th>
<th>Vote</th>
<th>Public Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colombia</td>
<td>H.R. 3078/S. 1641</td>
<td>House (262-167); Senate (66-33)</td>
<td>P.L. 112-42, October 21, 2011</td>
</tr>
<tr>
<td>Panama</td>
<td>H.R. 3079/S. 1643</td>
<td>House (300-129); Senate (77-22)</td>
<td>P.L. 112-43, October 21, 2011</td>
</tr>
<tr>
<td>South Korea</td>
<td>H.R. 3080/S. 1642</td>
<td>House (278-151); Senate (83-15)</td>
<td>P.L. 112-41, October 21, 2011</td>
</tr>
</tbody>
</table>

Like the other 11 FTAs the United States has in force covering 17 countries, these new agreements will eliminate tariffs and a range of non-tariff barriers that burden or constrain U.S. exports of goods and services. The majority of U.S. exports of goods will become duty-free upon implementation of the agreements, with most of the remaining tariffs phased out over a 10-year period. Tariffs on agricultural exports are subject to somewhat longer phase in periods. The agreements also provide enhanced intellectual property protection for U.S. exporters and investors. In addition, the agreements increase access that Colombian, Panamanian, and South Korean exporters and investors will have to the U.S. market by eliminating or reducing many remaining U.S. trade barriers.

Given that South Korea is the sixth largest market for U.S. exports and the seventh largest U.S. trading partner, this FTA could have substantial implications for the U.S. economy and economic interests. Colombia and Panama are much smaller than South Korea in terms of size and economic importance and account for less than 1% of U.S trade; therefore, their FTAs with the United States are expected to have small but positive impacts on the U.S. economy upon full implementation.

Trans-Pacific Partnership FTA

The Trans-Pacific Partnership (TPP) is an evolving regional FTA which may become a vehicle to create a wider Asian-Pacific free trade area, as well as a U.S. policy response to the rapidly increasing economic and strategic linkages among Asian states. The TPP was originally an FTA concluded in 2006 among Singapore, New Zealand, Chile, and Brunei; however, the United States, Australia, Peru, and Vietnam joined and expanded the negotiations in the fall of 2008 under the Bush Administration. President Obama endorsed the negotiations in November 2009, and Malaysia joined as a full participant in October 2010. In addition, Canada, Japan, and Mexico

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6 In chronological order, these agreements are with Israel, Canada and Mexico (North American Free Trade Agreement), Jordan, Chile, Singapore, Australia, Morocco, Oman, Bahrain, Costa Rica-El Salvador-Guatemala-Honduras, Nicaragua-and Dominican Republic (Central American Free Trade Agreement), and Peru.

7 Written by Ian F. Fergusson, Specialist in International Trade and Finance, 7-4997.
have engaged in consultations with existing TPP participants with potential interest in joining this emerging trade grouping. Nine rounds of negotiations have occurred since the beginning of 2010.

If enacted, the TPP FTA would eliminate 11,000 tariff lines among the parties, and with 26 chapters under negotiation, the goal of the TPP is to create a high-level, comprehensive FTA to which other nations can accede. The participants are also discussing new issues such as supply chain management, regulatory coherence, and the participation of small and medium-sized enterprises to create what the Obama Administration calls a “21st century trade agreement.” Should TPP negotiations conclude in the near future, the 112th Congress may consider legislation to approve and implement the agreement.

In November 2011, the TPP participants announced a broad outline of an agreement at the Asia Pacific Economic Cooperation (APEC) forum, with the intention of concluding the negotiations in 2012. While this may be considered an ambitious goal, the Administration’s emphasis on these negotiations suggests the possibility that trade promotion authority (TPA) may be sought or debated during the 2nd session of the 12th Congress.

The WTO and WTO Doha Round

The World Trade Organization (WTO) is an international organization that administers the trade rules and agreements negotiated by 153 participating parties—with Montenegro, Russia, and Samoa approved for accession—and serves as a forum for dispute settlement and trade liberalization negotiations. The United States was a major force behind the creation of the WTO in 1993 and the establishment of new rules and trade liberalization that occurred as a result of the Uruguay Round of multilateral trade negotiations (1986-1994). The WTO succeeded the General Agreement on Tariffs and Trade (GATT), first established in 1947.

The WTO Doha Round of multilateral trade negotiations, begun in November 2001, has entered its 11th year of negotiation. The negotiations have been characterized by persistent differences among the United States, the European Union, and advanced developing countries on major issues, such as agriculture, industrial tariffs and nontariff barriers, services, and trade remedies. Partly as a result of being labeled a “development round” to entice developing countries to participate in the first place, developing countries (including emerging economic powerhouses such as China, Brazil, and India) have sought the reduction of agriculture tariffs and subsidies among developed countries, non-reciprocal market access for manufacturing sectors, and protection for their services industries. Developed countries have sought increased access to developing countries’ industrial and services sectors, while attempting to retain some measure of protection for their agricultural sectors. Given the differences, which were not meaningfully resolved by the 8th Ministerial of the WTO in December 2011, there is frustration over the ability of WTO members to reach a comprehensive Doha Round agreement.

Despite the lack of agreement on existing issues at the December Ministerial, some observers have suggested that the WTO start to address trade-related challenges in such subjects as climate change, food security, exchange rates, and energy in order to maintain relevancy in a changing policy environment. While no decision was made to adopt a work program on these issues, a revamped plurilateral government procurement agreement was agreed to by 42 member states (including the 27 members of the European Union) at the Ministerial. In addition, the United

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8 Written by Ian F. Fergusson, Specialist in International Trade and Finance, 7-4997.
States, with support of some other members, favor launching plurilateral negotiations to supplement the present General Agreement on Trade in Services. Certain WTO members expressed support for an “early harvest” of Doha issues seen as achieving consensus support. While trade facilitation and certain industrial sector agreements have been mentioned, in the end members could not reach consensus at the December 2011 Ministerial on which issues to include in an early outcome package.

Russia, WTO Accession, and PNTR

On December 16, 2011, the 153 members of the World Trade Organization (WTO) invited Russia (along with Montenegro and Samoa) to become a member. Russia’s accession to the WTO is expected to be completed 30 days after its parliament—the State Duma—approves the accession package, which contains the conditions Russia has agreed to for accession. Russian officials announced that the Duma will act on the package after the first quarter of 2012. In joining the WTO, Russia commits to new market access commitments and to bring its trade laws and practices into compliance with WTO rules. Those commitments include: nondiscriminatory treatment of imports of goods and services; binding tariff levels; ensuring transparency when implementing trade measures; limiting agriculture subsidies; enforcing intellectual property rights for foreign holders of such rights; and forgoing the use of local content requirements and other trade-related investment measures.

Congress does not have a direct role in Russia’s accession to the WTO, but it has an indirect role in relation to permanent normal trade relations (PNTR) status. “Normal trade relations” (NTR), or “most-favored-nation” (MFN), trade status denotes non-discriminatory treatment of a trading partner compared to that of other countries. The WTO requires that its members apply MFN tariff treatment “immediately and unconditionally” to the goods of every other WTO member. Title IV of the U.S. Trade Act of 1974 applies conditions on Russia’s status—compliance with freedom-of-emigration criteria under Section 402—the so-called Jackson-Vanik amendment—as well as the requirement of a special bilateral commercial agreement (Section 404). Therefore, the United States would not be in compliance with the MFN principle without Congress lifting Title IV as it applies to Russia and authorizing the President to grant Russia PNTR before Russia enters the WTO. If a WTO member determines that it cannot, for any reason, comply with this or any other WTO rule toward a newly acceding member, it must “opt-out” of its obligations toward that member by invoking the non-application provision. In so doing, the WTO member declares that the WTO obligations, rules, and mechanisms (e.g., the binding dispute settlement mechanism) will not apply in its trade with the new member in question. Nor would Russia be obligated to extend to U.S. exporters and investors the benefits of many of the commitments it made on trade liberalization as part of its accession. The United States did invoke the non-application provision on December 16, 2011, but it can “disinvoke” it, if and when Congress grants PNTR. The 112th Congress may take up the issue of PNTR for Russia in early 2012.

9 Written by William H. Cooper, Specialist in International Trade and Finance, 7-7749.
10 MFN has been used in international agreements and at one time was used in U.S. law to denote the fundamental trade principle of nondiscriminatory treatment. However, “MFN” was replaced in U.S. law, on July 22, 1998, by the term “normal trade relations.” (P.L. 105-206). MFN is still used in international trade agreements. The terms are used interchangeably in this report.
U.S. Trade and Investment Partnership Initiative in the Middle East and North Africa

In light of the profound political changes taking place in the Middle East and North Africa (MENA), various parts of the U.S. government have indicated their desire to expand U.S. trade and investment with countries in the region, which could help to foster economic growth and provide support for successful democratic transitions. For example, in a speech delivered at the State Department on May 19, 2011, President Obama outlined a new plan for U.S. engagement with countries in the MENA region. A key part of this plan is launching a “Trade and Investment Partnership Initiative” with MENA countries. The objectives of the initiative are to facilitate trade within the region; promote greater trade and investment with the United States and with other global markets; and “open the door to willing and able MENA partners—in particular those adopting high standards of reform and trade liberalization—to construct a regional trade arrangement.”

Some Members of Congress have also expressed interest in supporting deeper trade and investment ties with MENA countries. Congress could consider a number of approaches. One approach would be to maintain the status quo until the impact of the political changes in MENA countries is clearer. Alternatively, on a unilateral basis, Congress could evaluate approaches such as creating a U.S. trade preference program that grants preferential market access in the United States to exports from MENA countries and increasing assistance from U.S. federal export agencies to the region. At the bilateral or regional level, Congress could consider negotiating new trade and/or investment agreements with countries in the region that do not already have them. Egypt and Tunisia have been mentioned by some U.S. policymakers as the most likely candidates for FTAs. At the multilateral level, Congress could provide technical assistance to countries working towards WTO membership.

There are a number of factors that policymakers in Congress and elsewhere may want to weigh when considering using trade and investment policy tools to support transitioning MENA countries. There are questions about the effectiveness of these policy tools in promoting increased trade and investment, as well as their impact on political transitions, and how quickly the benefits of these policy options would be borne out. Additionally, how these policies are designed could have substantial implications for U.S. interests. However, in a tight budget environment, trade and investment may be attractive policy tools for supporting MENA economies compared to

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11 Written by Shayerah Ilias, Analyst in International Trade and Finance, 7-9253.
12 Office of the Press Secretary, “Remarks by the President on the Middle East and North Africa,” The White House, State Department, Washington, DC, May 19
other options, such as foreign aid, while also potentially creating new economic opportunities for U.S. exporters.  

**Deepening U.S. Economic Ties with the European Union**

The United States and European Union (EU) share a large, dynamic, and mutually beneficial economic relationship. Concerns about slow growth, job creation, and increased competition from emerging markets, however, have prompted calls from stakeholders on both sides of the Atlantic to reduce or eliminate remaining barriers to their trade and investment and to work more closely in addressing global economic challenges.

At the November 28, 2011, EU-U.S. Summit meeting, leaders from both sides directed the Transatlantic Economic Council (TEC) to establish a High Level Working Group on Jobs and Growth. The Working Group, which will be led by U.S. Trade Representative Ron Kirk and EU Trade Commissioner Karel de Gucht, was tasked with assessing options for strengthening the U.S.-EU trade and investment relationship, especially those that have the highest potential to support jobs and growth. The findings and recommendations of the Group are due by the end of 2012. The Working Group will provide an interim update to Leaders in June 2012.

There are many options the Working Group could explore for greater liberalization of the transatlantic economic relationship. They range from a comprehensive and traditional free trade agreement to parallel but separate negotiations in areas such as elimination of tariffs on trade in goods, liberalization of services trade and foreign investment restrictions, and reduction of regulatory barriers. Congress is likely to monitor the evolution of the Working Group’s recommendations this year.

**China**

U.S.-Chinese economic ties have deepened extensively over the past three decades. China is the United States’ second-largest trading partner, its largest source of imports, and its third-largest export market. Since embarking on economic reforms in 1979, China has been one of the world’s fastest-growing economies. Total U.S.-China trade rose from $2 billion in 1979 to an estimated $510 billion in 2011. China is also a major part of the global supply chain for U.S. companies as a source of their assembly of consumer products or parts that are used as inputs for manufactured products in the United States. China’s large-scale purchases of U.S. Treasury securities have helped the federal government finance its budget deficits, thus helping to keep U.S. real interest rates relatively low. Low-cost imports from China benefit U.S. consumers and help control inflation. Over the past decade or so, China has been the fastest growing U.S. export market. Yet, the United States faces a number of significant trade-related challenges in its relationship with China.

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16 For additional information, see CRS Report R42153, *U.S. Trade and Investment in the Middle East and North Africa: Overview and Issues for Congress*, by Rebecca M. Nelson, Mary Jane Bolle, and Shayerah Illias.
17 Written by Raymond J. Ahearn, Specialist in International Trade and Finance, 7-7629.
18 Written by Wayne M. Morrison, Specialist in Asian Trade and Finance, 7-7767.
19 China is the largest foreign holder of U.S. Treasury securities, at over $1.1 trillion as of September 2011.
Major Trade Issues with China

China’s accession to the WTO in 2001 was an important step in China’s transition toward a market-based economic system and a more open trade regime. However, commercial ties have become strained in recent years over China’s growing use of distortive economic and trade policies that many contend violate its WTO commitments, harm U.S. economic interests, and may be largely responsible for large and growing U.S. trade deficits with China (which totaled an estimated $295 billion in 2011). Some members contend that, given the high rate of U.S. unemployment, unfair Chinese trade policies can no longer be tolerated. Some of the policies of greatest concern to Congress have included China’s undervalued currency, its poor record on protecting U.S. intellectual property rights (IPR), and its growing use of industrial policies to promote and protect domestic industries. These issues are summarized below.

An Undervalued Currency. Since 1994, the Chinese government has maintained a policy of intervening in currency markets to limit or halt the appreciation of its currency, the renminbi (RMB), against the U.S. dollar. Critics charge that this policy has made Chinese exports to the United States significantly cheaper and U.S. exports to China more expensive than would occur under free market conditions. Many contend that this policy acts as a subsidy for Chinese exports to the United States, while imposing a trade barrier to U.S. exports to China. They further claim that this practice is a major cause of the large annual U.S. trade deficits with China and the extensive loss of U.S. manufacturing jobs in recent years. In addition, some economists claim that China’s currency policy induces other countries to intervene in currency markets in an effort to hold down the value of their currencies against the dollar in order to enable their firms to remain competitive vis-à-vis Chinese firms. Several bills have been introduced that would seek to address China’s currency policy. In October 2011, the Senate passed S. 1619, which would require specified action against certain “priority” countries that were determined to have currencies that are in fundamental misalignment.20 In the House, H.R. 639 would make a “fundamentally undervalued currency” an actionable subsidy under U.S. countervailing duty law.21 Opponents of currency legislation argue that certain provisions of the bills may run counter to U.S. obligations in the WTO, and hence, could be challenged by China if such legislation were enacted. Other analysts contend that inducing China to appreciate its currency would likely do little to boost the U.S. economy in the short-run.

IPR. Lack of effective and consistent protection and enforcement in China of U.S. IPR have been cited by U.S. firms as one of the most significant problems they face in doing business in China. Although China has significantly improved its IPR protection regime over the past few years, U.S. industry officials complain that piracy rates in China remain unacceptably high. A study by the U.S. International Trade Commission estimated that U.S. intellectual property-intensive firms that conducted business in China lost $48.2 billion in sales, royalties, and license fees in 2009 because of IPR violations in China.

Industrial Policies. Numerous policies have been implemented by China to promote the development of industries deemed critical for future economic growth. The Chinese government announced in 2006 that one of its central goals is to change the country from a major

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20 For example the bill would require the Commerce Department to factor in the estimated of a currency’s misalignment (undervaluation) when determining antidumping or countervailing duties.
21 H.R. 639 is nearly identical to legislation (H.R. 2378) that was passed by the House in September 2010 (111th Congress) but was not taken up by the Senate.
manufacturing center to a major global source of innovation within 15 years. To that end, China has subsidized several priority industries (e.g., aerospace, renewable energy, computer science, and life sciences). In addition, it has implemented discriminatory trade and investment policies to assist and protect Chinese firms, such as limiting competition from foreign firms or inducing foreign firms to set up operations in China and share their technology with Chinese partners in exchange for access to China’s huge market. In addition, the Chinese government has sought to establish policies that establish preferential government procurement policies to Chinese firms that have developed IPR in China (referred to as “indigenous innovation”). U.S. trade officials have called China’s increasing use of industrial policies “troubling” They contend that such policies are a major source of trade tensions with the United States and that they represent a major deficiency in China’s full implementation of its WTO commitments.

Several U.S. companies have complained about a number of recent Chinese government circulars that would establish an “Indigenous Innovation Product Accreditation” system for public procurement projects, estimated to be worth $88 billion annually. U.S. firms charge the policy is “protectionist” because it would require that Chinese public procurement projects provide preference to suppliers who have been accredited by the government as having developed their intellectual property in China.

Some progress was made in 2011 to address U.S.-China trade tensions. During the state visit of Chinese President Hu Jintao to the United States in January 2011, the White House announced that Chinese and U.S. firms had concluded a number of commercial agreements (estimated to generate $45 billion in increased U.S. exports to China over time). China agreed to further strengthen IPR protection (such as boosting efforts to ensure that Chinese government agencies use legal software), to eliminate discriminatory indigenous innovation policies on government procurement, and to intensify efforts to join the WTO’s Government Procurement Agreement (GPA). In November 2011, the Chinese government “confirmed” that it does not and will not mandate the transfer of technology by firms producing new energy vehicles in China and that such firms will receive equal treatment in China in regards to government subsidies and preferential policies given to Chinese firms. In addition, the government stated that local and provincial governments in China had been directed to eliminate discriminatory government procurement policies relating to indigenous innovation goals. It pledged to make permanent a special high-level government campaign that had been established in 2010 to coordinate IPR enforcement and to improve efforts to ensure that government agencies at all levels use only legitimate software.

Challenges for the 112th Congress

Opinions differ as to the most effective way of dealing with China on major economic issues. Some support a policy of engagement with China using various forums, such as the U.S.-China Strategic and Economic Dialogue (which holds government discussions on major issues at the cabinet level). Others support a somewhat mixed policy of using engagement when possible, coupled with a more aggressive use of WTO dispute settlement procedures to address China’s unfair trade policies. Still others, who see China as a growing threat to the U.S. economy and the global trading system, advocate a policy of trying to contain China’s economic power and using punitive measures when needed to force China to “play by the rules.”

How the United States responds to China’s economic rise and how it deals with China on major bilateral trade disputes are likely to be closely monitored by the 112th Congress. Some members may press the Administration to boost efforts to induce China to abide by its WTO commitments,
including by bringing more trade dispute resolution cases against China in the WTO. They may also introduce new bills that seek to address China’s currency policy, trade restrictions, and lack of effective IPR protection.

Reorganization of Federal Trade-Related Agencies

Over the past several decades, Congress, the Administration, and other stakeholders have crafted and debated proposals to reorganize the trade functions of the federal government in order to enhance the effectiveness of U.S. trade promotion efforts, improve U.S. trade policy coordination, avoid duplication of functions and activities, and for other reasons. Previous proposals have called for a range of actions, such as consolidating U.S. export- or trade-related programs under one federal agency (such as a “Department of Trade”); terminating or transferring functions of departments and agencies considered to be duplicative or unnecessary to U.S. trade policy priorities; or strengthening coordination of federal agencies involved in export promotion, such as through the Trade Promotion Coordinating Committee (TPCC).

U.S. policy interest in the organizational structure of U.S. government agencies with trade functions has grown in recent years, stimulated by federal efforts to promote U.S. exports and employment through the National Export Initiative, as well as national debates on reducing federal spending and the size of the U.S. government. On January 13, 2012, President Obama asked Congress for authority to reorganize and consolidate the business- and trade-related functions of six federal entities—Department of Commerce, Ex-Im Bank, OPIC, Small Business Administration (SBA), Trade and Development Agency (TDA), and Office of the United States Trade Representative (USTR)—into one department. This announcement follows President Obama’s issuance of a memorandum last year directing the Office of Management and Budget (OMB) to review “federal agencies and programs involved in trade and competitiveness, including analyzing their scope and effectiveness, areas of overlap and duplication, unmet needs, and possible cost savings,” and to submit recommendations on reorganizing and streamlining federal government functions in these areas.

On the one hand, proponents of consolidation proposals believe that they may eliminate duplication of federal trade functions, provide a more streamlined rationale for U.S. export promotion services based on more clearly defined goals, and reduce overall costs of U.S. trade policy programs. They argue that federal trade policy efforts could be enhanced through a more centralized government body. On the other hand, critics contend that such proposals could result in the creation of a large, costly federal bureaucracy. They also assert that the diffusion of trade functions across federal government agencies helps to advance various aspects of U.S. trade policy. Advocates of particular types of exporters, such as small- and medium-sized or agricultural exporters, may be concerned that such a "one-stop" federal source may not be responsive to their unique needs.

Members of Congress would play a significant role in a trade reorganization debate. Congress could conduct oversight, engage in consultations with the Administration, hold hearings, grant reorganizational authority to the President, and/or introduce and enact trade reorganization legislation separate from the President’s plan.

22 Written by Shayerah Ilias, Analyst in International Trade and Finance, 7-9253.
U.S. Export Promotion\textsuperscript{23}

For many years, the U.S. government has promoted exports by providing credit, finance, and insurance programs that are administered by the Export-Import Bank (Ex-Im Bank), the Department of Agriculture, and the Overseas Private Investment Corporation (OPIC). In addition, the Department of Commerce, through the International Trade Administration, promotes U.S. exports of goods and services, particularly by small and medium-sized companies. Federal export promotion has been elevated with the Obama Administration’s introduction of the National Export Initiative (NEI) in the 2010 State of the Union Address.

The 112\textsuperscript{th} Congress may consider issues such as the effectiveness of promoting exports through the NEI or alternative approaches; the reauthorization of Ex-Im Bank and OPIC; and the organizational structure of federal government agencies involved in export promotion. The heightened focus on export promotion by the Administration could be an opportunity for Congress to clarify national export promotion goals and policies.

National Export Initiative

The NEI, announced by President Obama in the 2010 State of the Union address and formalized by Executive Order 13534, is a strategy for doubling U.S. exports over the next five years, to help generate 2 million new U.S. jobs. The NEI aims to improve coordination and funding of federal export promotion activities; provide greater U.S. export financing; enhance government advocacy on behalf of U.S. exporters; and negotiate new trade agreements and enforce existing trade agreements more robustly. The NEI also focuses on facilitating exports by U.S. small businesses and promoting “green” exports. In addition, the NEI established an Export Promotion Cabinet, which includes Secretaries or Directors of key federal agencies involved in export promotion, to coordinate with the existing Trade Promotion Coordinating Committee (TPCC) on implementing the NEI.\textsuperscript{24}

There appears to be limited consensus over the effectiveness of the NEI in facilitating U.S. exports. Some policymakers welcome its high-level focus on export promotion, while others contend that the NEI amounts to bureaucratic reorganization and fails to address shortcomings in federal efforts. Some contend that the NEI’s focus on direct forms of export assistance will have marginal effects on export levels. They encourage the Administration to focus more on broader trade and macroeconomic policy issues—such as negotiating and enforcing U.S. free trade agreements, reducing foreign trade barriers, addressing foreign currency intervention issues, and working to rebalance the global economy—which they consider to be more effective mechanisms for boosting exports.

In terms of the NEI, the 112\textsuperscript{th} Congress could consider export promotion issues in a number of ways. Congress could conduct oversight hearings on the effectiveness of the NEI and the role of individual federal government agencies involved in export promotion; examine, and possibly renew or revise, the authorities of federal agencies with export promotion functions; review

\textsuperscript{23} Written by Shayerah Ilias, Analyst in International Trade and Finance, 7-9253.

\textsuperscript{24} Report to the President on the National Export Initiative: The Export Promotion Cabinet’s Plan for Doubling U.S. Exports in Five Years, Washington, DC, September 2010. The inter-agency TPCC was established by executive order in 1993 to coordinate the export promotion and export financing activities of the executive branch.
appropriations for federal agencies and programs related to export promotion; and enact legislation on issues related to the NEI.

Reauthorization of the Export-Import (Ex-Im) Bank and Overseas Private Investment Corporation (OPIC)

Ex-Im Bank and OPIC are among the core federal agencies involved in export promotion. Ex-Im Bank provides direct loans, guarantees, and insurance to help finance U.S. exports, when the private sector is unable or unwilling to do so, with the goal of contributing to U.S. employment. OPIC, based on U.S. foreign policy objectives, provides political risk insurance and finance to support U.S. investment in developing countries, which may contribute to U.S. exports and employment. Both agencies are self-sustaining; they use offsetting collections, generated from fees charged for their services and other sources, to fund their activities. Congress, as part of its legislative responsibilities, approves an annual appropriation that sets an upper limit on each of the agencies’ administrative and program expenses.

Congress plays an important role in reauthorizing Ex-Im Bank and OPIC. The Export-Import Bank Reauthorization Act of 2006 (P.L. 109-438), enacted on December 20, 2006, reauthorized Ex-Im Bank's authority through September 30, 2011. The most recent long-term, stand-alone reauthorization of OPIC was through the Overseas Private Investment Corporation Amendments Act of 2003 (P.L. 108-158), which reauthorized OPIC through November 1, 2007. In the first session of the 112th Congress, legislation was introduced that, if passed, would extend the authority of Ex-Im Bank (H.R. 2072, S. 1547) and OPIC (H.R. 2762) through FY2015. In the meantime, Congress has extended the authorities of the agencies through appropriations vehicles. The FY2012 Consolidated Appropriations Act (P.L. 112-74) extended Ex-Im Bank’s authority through May 31, 2012, and OPIC’s authority until September 30, 2012.

Reauthorization of Ex-Im Bank and OPIC remains a legislative issue in the second session of the 112th Congress. Reauthorization may raise several issues for Congress, including:

- Advocates of federal export promotion activities, such as those of Ex-Im Bank and OPIC, argue that such efforts address market failures and help to offset foreign governments’ export promotion efforts. Others hold that government involvement in export promotion distorts market conditions by displacing private sector activity and encouraging commercially unviable activities.

- Ex-Im Bank and OPIC assert that their self-sustaining programs support U.S. exports and jobs without burdening U.S. taxpayers. Others contend that, because their transactions are backed by the full faith and credit of the U.S. government, the agencies place a potential risk on taxpayers if they suffer losses. Such concerns have been heightened amid current global economic conditions.

- Congress requires Ex-Im Bank and OPIC’s programs and transactions to meet criteria in areas such as U.S. and host country economic impacts, U.S. small business interests, environmental issues, and foreign policy. While supporters may defend the importance of striking a balance among multiple U.S. policy goals, certain industry groups argue that such requirements constrain U.S. export

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25 Market failures such as imperfect information and barriers to entry may constrain U.S. exporters in international markets.
levels; limit U.S. competitiveness vis-à-vis the official credit agencies of foreign countries, such as China, which place fewer restrictions on their export programs; and, blur the missions of the agencies.

- Congress could examine and revise other limitations on Ex-Im Bank, such as the ceiling on the Bank's total credit and insurance exposure, which is statutorily fixed at $100 billion. Ex-Im Bank’s exposure at the end of FY2011 was about $89 billion. Some U.S. businesses are concerned that Ex-Im Bank may reach its exposure ceiling soon if it is not raised, which may adversely affect its ability to financing large export transactions.

Export Controls and Sanctions

Congress has authorized the President to control the export of various items for national security, foreign policy, and economic reasons. Separate programs and statutes for controlling different types of exports exist for nuclear materials and technology, defense articles and services, and dual-use goods and technology. Under each program, licenses of various types are required before an export can be undertaken. The Departments of Commerce, State, and Defense administer these programs. At the same time, Congress also legislates country-specific sanctions that restrict aid, trade, and other transactions to address U.S. policy concerns about proliferation, regional stability, and human rights. In the 112th Congress, these controls and sanctions may raise difficult issues of how to balance U.S. foreign policy and national security objectives against U.S. commercial and economic interests.

The President’s Export Control Initiative

During the 111th Congress, the Obama Administration announced the launch of a comprehensive review of the U.S. export control system. In the current system, responsibility for controlling exports is divided among the Commerce, State, and Treasury Departments based on the nature of the product (munitions or dual-use goods) and basis for control, with enforcement shared among these agencies, as well as the Departments of Justice and Homeland Security. Former Defense Secretary Robert M. Gates announced key elements of the Administration's agenda for reform in a speech on April 20, 2010, and later proposed a four-pronged approach that would create a single export control licensing agency for both dual-use and munitions exports, adopt a unified control list, create a single integrated information technology system, which would include a single database of sanctioned and denied parties, and establish a single enforcement coordination agency.

The Administration's blueprint envisions that these changes would be implemented in three phases with the final tier requiring legislative action. To date, efforts have been undertaken to harmonize the Commerce Control List (CCL) which focuses on dual-use items, with the U.S. Munitions List (USML). This has been done through an ongoing category-by-category review of USML items and a migration of what the Administration deems as less sensitive items to the CCL. Proposed regulations have been submitted to move items in the tanks and military vehicles, aircraft, gas turbine engines, and vessels of war and submersibles categories to the CCL. An

26 Written by Raymond J. Ahearn, Specialist in International Trade and Finance, 7-7629.
27 Written by Ian F. Fergusson, Specialist in International Trade and Finance, 7-4997.
Export Enforcement Coordination Center, which was created by executive order on November 9, 2010, has been set up within the Department of Homeland Security to synchronize enforcement efforts. An integrated information technology system based on the Defense Department’s USXports platform is being adopted by the Departments of State and Commerce.

During the 112th Congress, members may scrutinize this effort through oversight and may need to approve certain changes proposed by the Administration. Congressional notification is required if items are moved from the munitions list to the dual-use list; the manner by which this notification is accomplished reportedly is being negotiated by the Administration and the congressional committees of jurisdiction. The creation and placement of the proposed licensing agency may require legislation and may be proposed in the 112th Congress.

Alternatively, Congress may consider export control legislation that has been introduced in the House of Representatives. The Export Administration Act Renewal Act of 2012 (H.R. 2122), would renew the 1979 EAA until 2015, provide enhanced penalty and enforcement authority, provide for congressional review of export control regulations, toughen Iran sanctions, and authorize differential treatment of parts and components on the USML. Meanwhile, the Technology Security Act of 2011 (H.R. 2004) would completely rewrite the EAA, vesting the President with the authority to control exports for national security, foreign policy, proliferation, terrorism, or disruption of critical infrastructure reasons under certain guidelines. A third bill, the Safeguarding United States Satellite Leadership and Security Act of 2011 (H.R. 3288) would authorize the President to remove commercial communications satellites from the USML and place them on the CCL, but would prohibit satellites or components from being transferred to China, or the governments or entities of Cuba, Iran, Sudan, Syria, or North Korea.

**Economic Sanctions**

The first session of the 112th Congress pursued a vigorous use of economic sanctions in national security and foreign policymaking. The Committees on Foreign Affairs and Foreign Relations each held numerous hearings in 2011 on human rights, international terrorism, religious freedom, proliferation of weapons of mass destruction, international narcotics trafficking, trafficking in persons, high seas piracy, corruption, money laundering, child abduction, and child soldiers, all of which are cause in current law for imposing economic sanctions. The 112th Congress also made clear its intention to influence U.S. foreign policy, through legislation, funding, and oversight, toward countries the governments of which engage in these objectionable activities. In its waning days, the first session enacted legislation (Section 1245 in the National Defense Authorization Act, P.L. 112-81) to designate Iran’s entire financial sector—including its Central Bank—as a “primary money laundering concern,” and further strengthened its call to the President to punish foreign countries’ financial sectors that engage with Iran.

The second session of the 112th Congress will likely examine the President’s implementation of the new Iran sanctions. In addition, the House has passed to the Senate two other measures (H.R. 1905 and H.R. 2105) that would further toughen sanctions on Iran, North Korea and Syria in an effort to curtail those countries’ weapons proliferation programs. Congress is also likely to continue to seek an active role in determining the U.S. relationship with Burma, as it moves toward a possible democratic opening; and with Sudan, particularly for its acts of aggression against its newest neighbor of South Sudan. Sanctions initiatives introduced in the first session

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28 Written by Dianne E. Rennack, Specialist in Foreign Policy Legislation, 7-7608.
that focus on particular countries—Brazil, Burma, China, Cuba, Egypt, Iran, Libya, Mexico, North Korea, Pakistan, Russia, Sudan, Syria, Venezuela, and Vietnam—remain pending.

Defined as coercive economic measures taken against a target to bring about a change in policies, economic sanctions typically include measures such as trade embargoes; restrictions on particular exports or imports; denial of foreign assistance, loans, and investments; or control of foreign assets and economic transactions that involve U.S. citizens or businesses. The United States currently maintains robust sanctions regimes against foreign governments it has identified as supporters of acts of international terrorism (Cuba, Iran, Sudan, and Syria), nuclear arms proliferators (Iran, North Korea, Syria), and egregious violators of international human rights standards (Burma, Cuba, Iran, North Korea).

**Import Policies**

U.S. policies affecting imports tend to be shaped by a mixture of economic objectives, political considerations, and foreign policy interests. The case for supporting a relatively open market for the purchase of goods and services rests on the view that it yields substantial economic benefits (lower prices, more consumer choice, and increased competition). Selected decisions to deviate from that rationale are also sanctioned by international trade rules that provide specific groups that are injured by certain kinds of both “fair” and “unfair” competition with recourse to petition the government for temporary protection. Additionally, efforts to forge closer economic and political ties with specific regions and countries may also lead to more open or less restrictive policies vis-à-vis the extension of preferential access to the U.S. market.

Congressional actions in the 112th Congress reflect the interaction of these basic forces in the following six categories: (1) trade remedies; (2) trade preferences; (3) border security and trade facilitation; (4) miscellaneous tariff bills; (5) NAFTA trucking provisions; and (6) trade adjustment assistance.

**Trade Remedies**

The United States and its trading partners use laws known as trade remedies to mitigate the injury (or threat thereof) of various trade practices to domestic industries and workers. The three most frequently applied U.S. trade remedies are *antidumping* (AD, provides relief from injurious imports sold at less than fair market value), *countervailing duty* (CVD, provides temporary relief from injurious imports subsidized by a foreign government or public entity), and *safeguards* (provides relief from import surges of fairly traded goods). These laws are enforced primarily through the administrative procedures of two U.S. government agencies: the Department of Commerce (DOC) and the International Trade Commission (ITC). In AD and CVD cases, the remedy is an additional duty assessed to offset the calculated amount of dumping or subsidy. In safeguard cases that are determined by the President, an import quota or a tariff may be assessed.

One issue that may emerge in the second session of 112th Congress relates to a December 19, 2011, finding by the United States Court of Appeals for the Federal Circuit that found that, in existing U.S. law, countervailing duty laws do not apply to non-market economy (NME).

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29 Written by Raymond J. Ahearn, Specialist in International Trade and Finance, 7-7629.
30 Written by Vivian C. Jones, Specialist in International Trade and Finance, 7-7823.
countries, such as China.\textsuperscript{31} Thus, Congress may consider legislation seeking to amend the Tariff Act of 1930 to expressly provide for finding subsidies and assessing countervailing duties to products from NME countries.

A second issue that may receive congressional attention is the DOC methodology to calculate AD and CVD duty amounts using “zeroing”. This practice has been the subject of several WTO disputes, and Congress may consider legislation aimed at bringing the U.S. practice in line with WTO panel rulings. This is controversial for some in Congress who support the continued use of zeroing methodology.

A third policy issue relates to the under-collection of AD and CV duties, which continues to be a priority trade issue (PTI) for U.S. Customs and Border Protection (CBP). Legislation could be reintroduced in the second session of the 112\textsuperscript{th} Congress seeking to prevent importers from circumventing these duties. Fourth, in the 2010 Consolidated Appropriations Act (P.L. 111-117), Congress directed the DOC to conduct an analysis of prospective versus retrospective duty collections. This report, completed in November 2010, could lead to legislative proposals to revise duty collection methods. Fifth, legislative proposals seeking to direct administrative officials to treat currency misalignment, under certain circumstances, as a subsidy under U.S. countervailing duty law, could be considered in the second session of the 112\textsuperscript{th} Congress.

**Trade Preferences\textsuperscript{32}**

Since 1974, Congress has created five trade preference programs designed to foster economic growth, reform, and development in poorer countries. These preferences are the Generalized System of Preferences (GSP, applies to all eligible developing countries); the Andean Trade Preference Act (APTA); the Caribbean Basin Economic Recovery Act (CBERA); the Caribbean Trade Partnership Act (CBTPA); the African Growth and Opportunity Act (AGOA); and the Haitian Opportunity through Partnership Encouragement (HOPE) Act. These programs give temporary, non-reciprocal, duty-free U.S. market access to selective exports of eligible countries. Congress authorizes and conducts regular oversight of these programs, and has revised them through legislation, and may continue to do so in the 112\textsuperscript{th} Congress.

The 111\textsuperscript{th} Congress approved extensions of the GSP and APTA programs until December 31, 2010, and of the CBTPA through September 2020. In the aftermath of the Haitian earthquake, Congress also provided more flexible and generous tariff preferences for Haiti and extended the preferences through September 2020. In the first session of the 112\textsuperscript{th} Congress, Congress approved an additional extension of the GSP program (P.L. 112-40) until July 31, 2013. In addition, implementing legislation for the U.S.-Colombia FTA extended APTA until July 31, 2013 (P.L. 112-42). In the second session of the 112\textsuperscript{th} Congress, Congress may consider extending the third-country fabric provision in AGOA by three years to 2015. This provision, which expires in September 2012, allows countries to use fabrics from third countries to make apparel that is eligible for duty-free entry into the U.S. market. In addition, Congress may consider legislative action on a broader revision of preference programs based on oversight hearings held in both the House and the Senate during the previous two Congresses.


\textsuperscript{32} Written by Vivian C. Jones, Specialist in International Trade and Finance, 7-7823.
U.S. Customs and Border Protection Reauthorization

Trade facilitation aims to improve the efficiency of international trade by harmonizing and streamlining customs procedures, such as duplicative documentation requirements, customs processing delays, and non-transparent or unequally enforced importation rules and requirements. Efforts to streamline these procedures as part of the WTO Doha Round are supported by many WTO members; however, differences exist on the scope and level of increased obligations reforms should involve. If a trade facilitation agreement is reached as part of the now-stalled Doha negotiations, the 112th Congress could consider additional trade facilitation obligations as part of an overall WTO package.

In the second session, Congress may also consider legislation to reauthorize U.S. Customs and Border Protection (CBP)—providing CBP with additional authority and responsibility for expediting the processing of legitimate trade and transportation at U.S. ports of entry.

Oversight into CBP efforts to enhance cargo security may also receive congressional attention as part of or separate from consideration of a possible reauthorization. For example, the Implementing Recommendations of the 9/11 Commission Act of 2007 as passed by Congress (P.L. 110-53), included a statutory mandate to scan all U.S. maritime cargo with non-intrusive inspection equipment at overseas ports of loading by July 2012. In a House report (H.Rept. 111-157 on H.R. 2892), appropriators recently recognized, however, that this goal is not feasible, “and even if it were, would come at an unacceptably high cost monetarily and in the displacement of other efforts.” Nonetheless, Congress may continue to evaluate the feasibility of 100% cargo screening through hearings and eventual legislation.

Miscellaneous Tariff Bill (MTB)

Importers often request suspension of tariffs on chemicals, raw materials, or other non-domestically-made components used as inputs in the manufacturing process. The rationale for these requests is that they help domestic producers of manufactured goods reduce costs, thus making their products more competitive, and subsequently passing on savings to the consumer. The most recent MTB, the United States Manufacturing Enhancement Act of 2010 (P.L. 111-227), was enacted on August 11, 2010.

In the 111th Congress, the House-passed version of H.R. 6517 (December 15, 2010) sought to include provisions on duty-free access to an additional 290 products. The Senate-passed amendment to H.R. 6517 (which was subsequently passed by the House) did not contain duty suspension provisions (P.L. 111-344). Legislation could emerge in the second session of 112th Congress to enact these and other duty suspensions, as well as on possible procedural changes to the duty suspension vetting process in order to facilitate their consideration. However, it is also possible that due to congressional moratoriums on earmarks and “limited tariff benefits” such as duty suspensions, that an MTB may not be considered during the 112th session.

33 Written by Vivian C. Jones, Specialist in International Trade and Finance, 7-7823.
34 P.L. 110-53, Section 1701. This mandate may be postponed for a certain port or ports in two-year increments by the Secretary of Homeland Security if certain conditions are met.
35 Written by Vivian C. Jones, Specialist in International Trade and Finance, 7-7823.
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NAFTA Trucking

Under the North American Free Trade Agreement (NAFTA), which has been in effect since January 1994, the United States agreed to give Mexican commercial trucks full access throughout the United States by 2000. The United States did not implement these provisions, however, due to concerns about the safety of Mexican commercial trucks. Mexico filed a complaint and, in 2001, a NAFTA dispute resolution panel supported Mexico’s position. The two countries cooperated on resolving the issue through the implementation of a pilot trucking program in 2007 that temporarily allowed a limited number of Mexican trucks into the United States. However, the 111th Congress terminated the program and, in 2009, the Mexican government began imposing retaliatory tariffs on 89 U.S. products with a value of $2.4 billion in exports to Mexico. In August 2010, Mexico revised the list of retaliatory tariffs by taking some products off the list and adding 26 new products for a total of 99 U.S. products with a value of $2.5 billion. Mexico’s intention was to put more pressure on the United States to implement the NAFTA trucking provisions.

In January 2011, the Obama Administration moved forward to resolve the issue by presenting an “initial concept document” to Congress and the Mexican government on a new long-haul trucking program with numerous safety inspection requirements. In April, the Transportation Departments’ Federal Motor Carrier Safety Administration (FMCSA) announced a three-year pilot program to allow some Mexican trucks to operate throughout the United States. On July 8, 2011, Mexico agreed to the program and cut retaliatory duties in half, stating that it would suspend the remaining tariffs once the first Mexican commercial truck gained entry into the United States. On October 21, 2011, Mexico suspended the remaining retaliatory tariffs, after the first Mexican tractor-trailer crossed the border under the new program. Mexico said it would continue to cooperate with the United States on the program, but that it retained the right to reinstate duties if the program is canceled. On September 2, 2011, the International Brotherhood of Teamsters and Public Citizen filed a lawsuit in the U.S. Court of Appeals for the Ninth Circuit seeking to block the FMCSA from running the program. They contend that the pilot program violates U.S. laws and does not employ with U.S. environmental laws. On November 23, 2011, the two organizations, along with the Sierra Club, filed an amended petition with the U.S. Court of Appeals for the District of Colombia Circuit with an additional environmental claim to block the program.

The 112th Congress may consider legislation on whether to keep the pilot program active or not. Some Members have expressed concerns about the safety of the program, while others support the program and argue that Mexico’s retaliatory tariffs hurt local U.S. industries and affected U.S. jobs, especially in the agricultural sectors. Those in favor of the program contend that the United States was in violation of NAFTA by not implementing these provisions and that Mexican trucks are safe because they are required to meet U.S. safety standards.

36 Written by M. Angeles Villarreal, Specialist in International Trade and Finance, 7-0321.
39 Rosella Brevetti, “Mexico Suspends Tariffs as Trucking Program is Launched,” International Trade Reporter, October 27, 2011.
Trade Adjustment Assistance\textsuperscript{41}

Congress created Trade Adjustment Assistance (TAA) in the Trade Expansion Act of 1962 to help workers and firms adjust to dislocation that may be caused by increased trade liberalization. It is justified now, as it was then, on grounds that the government has an obligation to help the “losers” of policy-driven trade opening. TAA is also presented as an alternative to policies that would restrict imports, and so provides assistance while bolstering freer trade and diminishing prospects for potentially costly tension (retaliation) among trade partners. As in the past, critics strongly debate the merits of TAA on equity, efficiency, and budgetary grounds. Democratic leaders and the Obama Administration, however, considered TAA essential for passage of three implementing bills for free trade agreements (FTAs) with Colombia, Panama, and South Korea. With this understanding, Congress reauthorized TAA and the FTAs with bipartisan support. President Obama signed the TAA bill into law on October 21, 2011 (P.L. 112-40).

The TAA bill reauthorized the workers, firms, and farmers programs through December 31, 2013, but discontinued TAA for communities because it was considered duplicative of other federal programs. Many, but not all, of the enhanced programs passed in the 2009 reauthorization were continued, keeping eligibility to services workers and firms, increasing income support for workers undergoing job training, raising the Health Coverage Tax Credit, expanding funding for training benefits, and reinstituting more detailed program evaluation and reporting requirements. Funding was reduced for job search, relocation assistance, wage insurance for older workers, and eligibility for public sector workers was discontinued. The firms and farmers TAA programs were reauthorized at annualized levels $16 million and $90 million, respectively, much less than the 2009 authorized levels, but equal to current (and historical) appropriated levels.

Intellectual Property Rights in U.S. Trade Policy\textsuperscript{42}

The protection and enforcement of intellectual property rights (IPR), such as patents, copyrights, and trademarks, internationally is a major component of U.S. trade policy, due to the importance of IPR to the U.S. economy and the potentially negative commercial, health and safety, and security consequences associated with counterfeiting and piracy. The United States pursues IPR objectives using a range of trade policy mechanisms, including multilaterally through the WTO; regionally and bilaterally through the negotiation of FTAs; and domestically through U.S. trade laws.

Anti-Counterfeiting Trade Agreement

The Anti-Counterfeiting Trade Agreement (ACTA) is an agreement that was negotiated by the United States and nearly 40 other primarily advanced industrialized countries. It is intended to build on the minimum standards for IPR protection and enforcement set forth in the 1995 WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) and to address emerging IPR issues believed to be not addressed adequately in the TRIPS Agreement, such as counterfeiting and piracy in the digital environment. Negotiated outside of the WTO, the ACTA establishes a legal framework for IPR enforcement, increased international cooperation, and enhanced enforcement measures.

\textsuperscript{41} Written by J.F. Hornbeck, Specialist in International Trade and Finance, 7-7782.

\textsuperscript{42} Written by Shayerah Ilias, Analyst in International Trade and Finance, 7-9253.
ACTA negotiations concluded in October 2010, nearly three years after they began, and participants in the negotiations released a finalized text of the agreement in May 2011. Since then, the governments of Australia, Canada, the European Union and its 22 member states, Japan, South Korea, Morocco, New Zealand, Singapore, and the United States have signed the ACTA. Of the original negotiating parties, Mexico and Switzerland have not signed the ACTA to date. Countries have until May 1, 2013 to sign the agreement. The ACTA will enter into force after the sixth instrument of ratification, acceptance, or approval (“formal approval”) is deposited. Parties to the ACTA negotiations are submitting the agreement to “their respective domestic authorities to undertake relevant domestic processes.” Parties to the ACTA negotiations are submitting the agreement to “their respective domestic authorities to undertake relevant domestic processes.” According to the USTR, the United States has not submitted a formal instrument of approval to date.

The ACTA negotiations have spurred various policy debates. While IPR-based industries have voiced strong support for the ACTA, other groups have expressed concern about the ACTA’s potential impact on trade in legitimate goods, consumer privacy, and the free flow of information. There also have been concerns about the scope, transparency, and inclusiveness of the negotiations. Some have questioned the rationale behind creating a new IPR agreement and have advocated, instead, for better enforcement of existing IPR agreements.

Congress played an oversight and consultative role during the ACTA negotiations, and can conduct oversight of the implementation of the ACTA. The 112th Congress may examine issues related to its role in the ACTA approval process. The Administration negotiated the ACTA as an executive agreement, meaning that the agreement would not be subject to congressional approval, unless it were to require statutory changes to U.S. law. The USTR maintains that the ACTA is consistent with existing U.S. law and does not require the enactment of implementing legislation from Congress. As such, the USTR further maintains that the United States may enter into and carry out the requirements of the ACTA under existing legal authority. However some Members argue that implementation of the ACTA without congressional approval may raise constitutionality issues, since the U.S. Constitution gives authority to Congress to regulate foreign commerce and promote IPR.

Congress also may consider questions raised by the ACTA for the future of U.S. trade policy. Does the ACTA set a precedent for advancing IPR goals primarily or increasingly outside of multilateral frameworks? How might ACTA provisions coincide or conflict with negotiating objectives set by Congress in any future trade promotion authorities given to the President? Would accession to the ACTA be a requirement for signatories to future U.S. FTAs? Would provisions of the ACTA serve as a model for future U.S. FTA negotiating texts, such as the proposed Trans-Pacific Partnership?

Section 337 Process and Online Copyright Infringement and Piracy

Among the domestic tools that the United States has to pursue IPR-related trade policy is Section 337 of the Tariff Act of 1930 (19 U.S.C. §1337), as amended, which authorizes the U.S. International Trade Commission (ITC) to prohibit imports of products into the United States that infringe valid on U.S. intellectual property. Under Section 337, the ITC is authorized to order the U.S. Customs and Border Protection (CBP) to stop imports from entering the U.S. border.

In the 112th Congress, Section 337 has been a focus of legislative efforts to address jurisdictional problems associated with holding foreign websites accountable for piracy and counterfeiting. The Online Protection and Enforcement of Digital Trade Act (OPEN Act; S. 2029, H.R. 3782) would amend the Tariff Act of 1930 by authorizing the ITC to investigate foreign websites that allegedly engage in willful intellectual property infringement. It would authorize the ITC to issue a cease and desist order against the infringing foreign website; such an order may be used by the right holder to oblige the financial transaction providers or Internet advertising services to stop doing business on the website. The OPEN Act was presented as an alternative to other bills introduced in the 112th Congress—the Prevent Real Online Threats to Economic Creativity and Theft of Intellectual Property Act (PROTECT IP Act, S. 968) and the Stop Online Piracy Act (SOPA, H.R. 3261)—that also seek to address online piracy issues. In contrast to the OPEN Act, the PROTECT IP Act and SOPA would rely primarily on the authority of the federal judiciary for their enforcement measures.

These bills have renewed congressional and public debate about the balance between protecting U.S. intellectual property and promoting innovation. The PROTECT IP Act and SOPA, in particular, have elicited significant controversy. Many IPR-based business groups have been supportive of the PROTECT IP Act and SOPA as tools for promoting U.S. economic growth and competitiveness and protecting consumer health and safety. Other stakeholders have raised concerns such as the potential impact of the bills on freedom of expression and the flow of information on the Internet. The OPEN Act also has been the subject of mixed reaction. Some advocates say the OPEN Act weighs IPR protection and promotion of innovation in a more balanced manner, while others say that the bill falls short of adequately addressing issues related to online piracy.

International Financial Institutions, the G-20, and the Eurozone Crisis

The International Financial Institutions (IFIs) include the International Monetary Fund (IMF), whose main task is ensuring international monetary and financial stability, and several multilateral development banks (MDBs), including the World Bank and four regional development banks—the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, and the Inter-American Development Bank. The United States is a member and major contributor to these institutions.

The IFIs and the Group of Twenty major economies (G-20) were at the forefront of the global response to the worldwide economic crisis, dramatically increasing their lending during 2008 and 2009 to help developing countries absorb the impact of reduced economic growth and its impacts on trade and financial flows. As lending increased, the IMF and the MDBs sought new donor resources. At several G-20 summits, world leaders committed to ensure sufficient resources for the IFIs to support their macroeconomic stability and development mandates. Many of these
efforts, which were directed at stabilizing the world economy in the midst of the 2008-2009 global economic crisis, are now focused on resolving the Eurozone debt crisis to ensure that it does not undermine the stability and growth of the world economy.

**International Monetary Fund**

During the first session of the 112th Congress, attention centered on the use of IMF resources, including recent U.S. contributions, since the onset of the global economic crisis in 2008 and amidst growing concern about the sustainability of fiscal deficits in several Eurozone economies. Three Eurozone countries, Ireland, Greece, and Portugal are currently receiving IMF-budget support, and some analysts expect additional countries to seek funding in 2012.

Discussions about the size of IMF resources will likely continue throughout the remainder of the 112th Congress. On November 11-12, 2010, IMF member states agreed on a further package of reforms, the core of which is a doubling of IMF quota to about $755 billion, to be finalized by September 2012. If the reforms are implemented, the 10 largest members of the IMF will consist of the United States, Japan, the four largest European economies (France, Germany, Italy, and the United Kingdom) and Brazil, China, India, and Russia.

Although world leaders hoped to complete the IMF quota increase by fall 2012, to date, there are no indications that the Obama Administration is planning to submit a request to meet the U.S. commitment for this quota increase in its FY2012 budget request.

**Multilateral Development Banks**

Following several years of elevated lending, the Obama Administration and other governments agreed over the past two years to substantial general capital increases (GCIs) at the MDBs. Collectively, these capital increases are worth over $338 billion. During the first session of the 112th Congress, Congress provided full authorization for U.S. participation in these GCIs.

Contributions to the GCIs are expected to be spread out over a five- to eight-year period, depending on the institution. In FY2012, Congress also appropriated funds for several MDB concessional lending facilities and more targeted MDB funds.

Many policymakers view U.S. participation in MDB capital increases as important, since the United States is the largest shareholder among the MDBs, and U.S. funding commitments also maintain U.S. veto power where relevant. The Obama Administration has strongly supported capital increases at the MDBs, but cautioned that the increases must be tied to policy reforms. The Administration’s broad MDB reform objectives are to improve transparency, accountability, and governance; better align management performance and incentives with improved development outcomes; and more clearly delineate the division of labor between the World Bank and the regional development banks.

47 Written by Martin A. Weiss, Specialist in International Trade and Finance, 7-5407.
48 Written by Martin A. Weiss, Specialist in International Trade and Finance, 7-5407.
49 The capital that shareholders contribute to the MDBs come in two forms: “paid-in-capital,” which generally requires the payment of cash to the MDB; and “callable capital,” which is funds that shareholders agree to provide, but only when necessary to avoid a default on a borrowing or payment under a guarantee. Only a small portion (typically less than 5%) of the value of these capital shares is actually paid to the MDB. The vast bulk is callable capital which serves as ultimate backing for MDBs borrowing in capital markets.
As Congress considers the remaining appropriations requests for the GCI s, Members may evaluate whether the MDBs are using their existing capital effectively, and decide whether to participate in any or all of the capital increases and, if so, whether to seek additional reforms. Critics of increased MDB funding question MDB effectiveness and the need for additional funding given the increased availability of other sources of financing for development.

**G-20**

The Group of 20, or G-20, is a group of 19 major advanced and emerging-market countries (Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom, and the United States) plus the European Union (EU). The G-20 was established in 1999, in the wake of the Asian financial crisis, but rose to greater prominence during the global financial crisis of 2008-2009 and is currently considered the “premier” forum for international economic coordination. Previously, it had been accepted that the G-7, a small group of advanced economies (France, Germany, Italy, Japan, Canada, the United States, and the United Kingdom) was the lead forum for international economic coordination.

During the height of the global financial crisis of 2008-2009, the G-20 reached a number of arguably substantial agreements, including creating a new framework to address global imbalances, coordinating fiscal stimulus and financial regulatory reform, and increasing IMF resources. As the immediate urgency of that crisis has waned, however, some analysts argue that recent G-20 meetings have failed to deliver on or reach concrete agreements in recent meetings, and that it has failed to provide adequate leadership at the global level in response to the on-going Eurozone crisis. Others argue that the G-20 serves as an important institution in the international economy. They argue that the G-20 is a critical forum for discussing major policy initiatives across major countries and encouraging greater cooperation, even if agreement on policies is not always reached. They also argue that it serves as a useful institution for setting the agenda at other international organizations, such as the IMF, and that having the G-20 policy-making infrastructure in place is important for timely international responses to future crises.

During the second session of the 112th Congress (2012), Congress may want to exercise oversight of U.S. participation in the G-20 and the G-8, which still meets even though the G-20 has risen in prominence. U.S. participation in the G-20 and the G-8 is managed primarily by the Treasury Department. In particular, during 2012, the United States holds the rotating chair of the G-8, and will have a great deal of influence in setting the G-8’s agenda. The G-8 summit will be held in Chicago in May 2012. The G-20, chaired by Mexico in 2012, will hold its summit in June in Los Cabos. In the first session of the 112th Congress, the Security and International Trade and Finance Subcommittee of the Senate Banking Committee held a hearing on the G-20 and global economic and financial risks. 

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50 Written by Rebecca M. Nelson, Analyst in International Trade and Finance, 7-6819.
Eurozone Debt Crisis

Over the past two years, the Eurozone has grappled with a sovereign debt crisis that threatens economic stability in Europe and beyond. Some governments in the Eurozone “periphery” have high levels of public debt and large budget deficits, and three Eurozone governments—Greece, Ireland, and Portugal—are receiving financial assistance from other Eurozone governments and the IMF. There are also concerns about the European banking sector, in particular about capital flight from some European banks, illiquidity in the banking sector, and low levels of capital in the system. The crisis is slowing growth not just in the Eurozone periphery, but in the Eurozone “core,” such as Germany and France.

The crisis has tested the solidarity of EU member states and strained the capacity of European Union (EU) leadership and institutional structures. European leaders have held a number of summits and announced several rounds of unprecedented policy measures to try to resolve the crisis. However, analysts have routinely criticized these measures as delivering too little, too late. Concerns persist about whether some Eurozone governments could default on their debt in a disorderly fashion; vulnerabilities in the European banking sector could trigger broad financial turmoil; the Eurozone could enter a long and protracted economic recession; and/or one or more countries could exit the Eurozone.

The United States and Europe have the biggest bilateral economic relationship in the world, and some Members of Congress have expressed concern about the potential impacts of the Eurozone crisis on the U.S. economy. The crisis could impact the U.S. economy through a number of channels, including the exposure of the U.S. financial sector, trade, and the exchange rate, among others. Additionally, some Members have expressed concerns about the role of the IMF in the crisis, particularly since the United States is the largest shareholder in the institution. During the first session of the 112th Congress, a number of committees held hearings on various aspects of the Eurozone crisis. Given the possible risks that persist, the Eurozone crisis may be an issue of continuing congressional interest in the second session.

Relevant CRS Reports

Trade Agreements and Negotiations


CRS Report RL34470, The U.S.-Colombia Free Trade Agreement: Background and Issues, by M. Angeles Villarreal

CRS Report RL32540, The U.S.-Panama Free Trade Agreement, by J. F. Hornbeck

52 Written by Rebecca M. Nelson, Analyst in International Trade and Finance, 7-6819.

53 A total of 17 states of the 27-member European Union (EU) use the euro as the single currency. The 17 countries include: Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Spain, and Slovenia.

CRS Report RL33743, *Trade Promotion Authority (TPA) and the Role of Congress in Trade Policy*, by J. F. Hornbeck and William H. Cooper

CRS Report RS21004, *Trade Promotion Authority and Fast-Track Negotiating Authority for Trade Agreements: Major Votes*, by Carolyn C. Smith

CRS Report 97-896, *Why Certain Trade Agreements Are Approved as Congressional-Executive Agreements Rather Than as Treaties*, by Jeanne J. Grimmett


CRS Report R40502, *The Trans-Pacific Partnership Agreement*, by Ian F. Fergusson and Bruce Vaughn

CRS Report R42085, *Russia’s Accession to the WTO and Its Implications for the United States*, by William H. Cooper


**China**


CRS Report RL34314, *China's Holdings of U.S. Securities: Implications for the U.S. Economy*, by Wayne M. Morrison and Marc Labonte

CRS Report R40844, *Chinese Tire Imports: Section 421 Safeguards and the World Trade Organization (WTO)*, by Jeanne J. Grimmett

Reorganization of Federal Trade-Related Agencies


Export Promotion and Financing


CRS Report R41202, *Agricultural Export Programs: Background and Issues*, by Charles E. Hanrahan


Export Controls and Sanctions

CRS Report R41916, *The U.S. Export Control System and the President’s Reform Initiative*, by Ian F. Fergusson and Paul K. Kerr


CRS Report RS20871, *Iran Sanctions*, by Kenneth Katzman


Import Policies


CRS Report RL32371, *Trade Remedies: A Primer*, by Vivian C. Jones


CRS Report RS22548, *ATPA Renewal: Background and Issues*, by M. Angeles Villarreal


CRS Report R41922, *Trade Adjustment Assistance (TAA) and Its Role in U.S. Trade Policy*, by J. F. Hornbeck and Laine Elise Rover

CRS Report R42012, *Trade Adjustment Assistance (TAA) for Workers*, by Benjamin Collins


CRS Report R40206, *Trade Adjustment Assistance for Farmers*, by Remy Jurenas

International Property Rights in U.S. Trade Policy


International Financial Institutions and International Finance


CRS Report R41672, *Multilateral Development Banks: General Capital Increases*, by Martin A. Weiss


CRS Report R42019, *International Monetary Fund: Background and Issues for Congress*, by Martin A. Weiss


CRS Report RL32462, *Foreign Investment in U.S. Securities*, by James K. Jackson

CRS Report RL32461, *Outsourcing and Insourcing Jobs in the U.S. Economy: Evidence Based on Foreign Investment Data*, by James K. Jackson