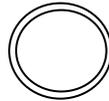


Trans-Pacific Partnership ENFORCEMENT

When the United States negotiates a trade agreement, we expect our trading partners to abide by the rules and obligations in that agreement. TPP builds on the United States' strong history of trade agreement enforcement by establishing strong mechanisms that ensure effective, timely, and transparent settlement of agreement violations by our trade partners. This mechanism, because it is so strong, also plays an important role by deterring our partners from violating their TPP obligations in the first place.



Enforcing Our Trade Agreements

Trade agreements work when the commitments in the agreements are implemented, monitored, and enforced. When trade partners violate their commitments, the threat of strong trade enforcement, backed by a willingness to pursue enforcement cases, is essential to protect American interests and motivate our partners to comply with their obligations.

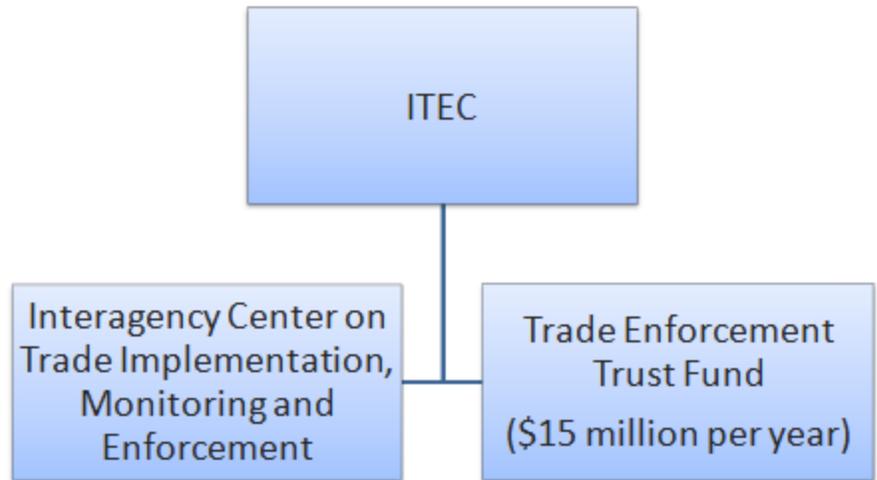
Enforcement begins before the TPP even comes into effect. The Executive branch started working with TPP partners on implementation and compliance shortly after the TPP was signed in February of this year. This work is essential, because the President must certify that each country is in compliance with the agreement before it can be brought into effect with that country.

TPP provides a strong mechanism for enforcing its high-standard obligations because it has effective disciplines to resolve disputes. These disciplines apply to a broad range of commitments covered by the TPP in traditional areas, such as market access and services trade, as well as intellectual property rights, labor obligations, and environmental protection obligations. These disciplines apply to new areas of the TPP agreement as well, including to protect the freedom of cross-border data flows and prevent unfair preferences being accorded to state-owned enterprises. The enforcement procedures are transparent – they allow the public to follow the proceedings by ensuring that submissions to dispute panels are made public; require that hearings are open to the public; and ensure that final decisions made by panels are publicly available. In addition, non-governmental organizations (NGOs) have the right to request the opportunity to make written submissions to panels during disputes.

Trade enforcement works when all of the relevant U.S. federal agencies combine their resources to identify, monitor, enforce and resolve international trade issues. Since 2012, this process has been institutionalized in the Interagency Trade Enforcement Center (ITEC), which was created to bring together expertise from across the federal government to investigate foreign trade practices and evaluate possible enforcement actions that should be taken.

The recently enacted bipartisan *Trade Facilitation and Trade Enforcement Act of 2015* (Trade Enforcement Act) permanently establishes, by legislation, a successor to ITEC – the Interagency Center on Trade Implementation, Monitoring and Enforcement. This interagency structure will have the benefit of a Trade Enforcement Trust Fund to provide new resources – authorized at \$15 million per year – purely for trade enforcement efforts.

U.S. Trade Enforcement Resources for TPP



The U.S. History of Successful Trade Enforcement

The United States has a strong history of enforcement and is committed to continued enforcement of its trade agreements. All U.S. trade agreements since 1989, as well as the World Trade Organization (WTO) agreements, have included dispute settlement procedures to adjudicate disputes over compliance. The United States has been very successful in bringing (and winning) WTO cases, with 20 complaints brought since 2009, more than any other WTO member. Eleven of those cases have been against Chinese practices and the remaining cases involved illegal trade practices in the European Union, India, Indonesia, and Argentina. Of those cases, the Office of the U.S. Trade Representative (USTR) has prevailed in every case that has been decided to date – 12 through litigation and one in a favorable settlement. Many of these WTO enforcement cases have targeted business practices that are particularly harmful to small business exporters, such as discriminatory agricultural or technical regulations, overly restrictive licensing requirements and unfair subsidies to local companies.

Even outside of the enforcement cases, there are many more examples of pre-dispute engagement involving trade compliance issues. This engagement aims to pressure trading partners to meet their obligations without having to resort to formal dispute settlement proceedings. In recent years, hundreds of trade agreement concerns have been resolved without the need for litigation. These include numerous barriers blocking U.S. agriculture exports and many intellectual property issues, including those identified in the “Special 301” process. One recent example of this type of engagement is the 2016 Work Plan announced in March by the United States and Honduras. Under the Work Plan, Honduras agreed to address numerous concerns raised by USTR relating to that country’s CAFTA-DR intellectual property commitments, including increasing their intellectual property rights criminal enforcement.