

# 2004 Current Fiscal Year Report: Industry Sector Advisory Committee on Chemicals and Allied Products for Trade Policy Matters (ISAC 3)

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<b>1. Department or Agency</b>		<b>2. Fiscal Year</b>	
Department of Commerce		2004	
<b>3. Committee or Subcommittee</b>		<b>3b. GSA Committee No.</b>	
Industry Sector Advisory Committee on Chemicals and Allied Products for Trade Policy Matters (ISAC 3)		338	
<b>4. Is this New During Fiscal Year?</b>	<b>5. Current Charter</b>	<b>6. Expected Renewal Date</b>	<b>7. Expected Term Date</b>
No	03/17/2004	03/18/2004	06/16/2004
<b>8a. Was Terminated During Fiscal Year?</b>	<b>8b. Specific Termination Authority</b>		<b>8c. Actual Term Date</b>
Yes			06/16/2004
<b>9. Agency Recommendation for Next Fiscal Year</b>	<b>10a. Legislation Req to Terminate?</b>		<b>10b. Legislation Pending?</b>
Terminate	No		
<b>11. Establishment Authority</b> Statutory (Congress Created)			
<b>12. Specific Establishment Authority</b>	<b>13. Effective Date</b>	<b>14. Committee Type</b>	<b>14c. Presidential?</b>
19 U.S.C. 2155	01/03/1975	Continuing	No
<b>15. Description of Committee</b> National Policy Issue Advisory Board			
<b>16a. Total Number of Reports</b> 4			
<b>16b. Report Date</b> Report Title			
Statutory Advisory Report on 03/11/2004 U.S.-Australia Free Trade Agreement			

Statutory Advisory Report on  
03/19/2004 U.S.-Central America Free Trade  
Agreement

Statutory Advisory Report on  
04/06/2004 U.S.-Morocco FTA

Statutory Advisory Report on  
04/22/2004 U.S.-Dominican Republic FTA

**Number of Committee Reports Listed: 4**

**17a.** 6 **17b. Closed** 0 **17c. Partially Closed** 0 **Other Activities** 0 **17d. Total** 6  
**Open**

## Meetings and Dates

Purpose	Start	End
To discuss negotiating strategy in the post-Cancun era, advise on certain provisions in the FTAA, discuss tariff compensation possibly due from the EU enlargement, and comment on provisions in the Australian FTA and CAFTA.	10/15/2003	10/15/2003
To advise about deficient offers by parties seeking accession to the WTO, offer recommendations to improve the CAFTA and FTAA negotiations, and discuss current issues with the negotiators of the Australian and Morocco FTAs and offer recommendations to improve current provisions in those agreements.	11/19/2003	11/19/2003
To advise to which U.S. tariff lines EU tariff compensation due under its enlargement might best be applied to enhance U.S. trade, to recommend changes to market access offers by Morocco and Central American countries in FTA negotiations, to review Australian FTA negotiations and advise about improvements to certain provisions, and to discuss trade problems resulting from Australia's policy on pharmaceutical pricing.	12/17/2003	12/17/2003
To discuss U.S.-India Trade Issues, Improved Department of Commerce Import Administration reporting of WTO dumping cases filed by other countries. The Rule of Origin used in the Jordan, Moroccan, and Bahrain FTAs, and Australian FTA negotiations.	01/28/2004	01/28/2004
To compose the statutorily required Advisory Committee reports on the Australian-U.S. Free Trade Agreement and the Central American Free Trade Agreement.	02/25/2004	02/25/2004

To discuss investment opportunities in Jordan under the FTA, approve the ISAC's statutorially required report on the CAFTA, advise on CAFTA and NAFTA negotiations, Advise on tariff compensation due from EU 03/17/2004 - 03/17/2004 enlargement, review WTO accessions, advise negotiators on possible changes to the NAFTA rule of origin, and comment on the Dominican Republic's joining CAFTA.

**Number of Committee Meetings Listed: 6**

	<b>Current FY</b>	<b>Next FY</b>
<b>18a(1). Personnel Pmts to Non-Federal Members</b>	\$0.00	\$0.00
<b>18a(2). Personnel Pmts to Federal Members</b>	\$0.00	\$0.00
<b>18a(3). Personnel Pmts to Federal Staff</b>	\$39,000.00	\$0.00
<b>18a(4). Personnel Pmts to Non-Member Consultants</b>	\$0.00	\$0.00
<b>18b(1). Travel and Per Diem to Non-Federal Members</b>	\$0.00	\$0.00
<b>18b(2). Travel and Per Diem to Federal Members</b>	\$0.00	\$0.00
<b>18b(3). Travel and Per Diem to Federal Staff</b>	\$0.00	\$0.00
<b>18b(4). Travel and Per Diem to Non-member Consultants</b>	\$0.00	\$0.00
<b>18c. Other(rents,user charges, graphics, printing, mail, etc.)</b>	\$0.00	\$0.00
<b>18d. Total</b>	\$39,000.00	\$0.00
<b>19. Federal Staff Support Years (FTE)</b>	0.40	0.00

**20a. How does the Committee accomplish its purpose?**

ISAC 3 provides advice to the Secretary of Commerce and the Office of the U.S. Trade Representative on a wide range of trade issues. ISAC 3 consults with U.S. negotiators on trade and/or international environmental agreements

with trade impacts, and will, upon request, develop sectoral trade proposals, e.g., lists of products nominated for tariff reduction or elimination, which represent the interests of the sector and strengthen the position of the US negotiators in various negotiating fora. ISAC 3 also renders advice to Government officials on all tariff offers submitted by countries seeking accession to the WTO. The ISAC assists negotiators with technical advice deemed instrumental in tariff, standards or Intellectual Property Rights (IPR) negotiations. ISAC 3 members have shown strong commitment in expressing consensual priorities on trade policy matters to the benefit of the overall US government in world trade negotiations.

**20b. How does the Committee balance its membership?**

ISAC 3 members represent organic, inorganic, and petrochemical industries. Also, members represent the pharmaceutical, plastic, dyes and pigments, biotechnology, paints and coatings, advanced composite materials, fertilizer, and agricultural chemicals. Among the membership, twelve advisors reside outside the beltway and one in a foreign country. The members residing within the Beltway represent companies headquartered in geographic areas from the entire federation. Furthermore, ISAC 3 members represent small to large manufacturers and major trade associations.

**20c. How frequent and relevant are the Committee Meetings?**

The Committee usually meets on a monthly basis, with the exception of August. However, a lawsuit filed by Earthjustice Legal Defense Fund in April 2000, to obtain environmental representation on the Committee, caused six meetings to be

canceled. Agendas consist of issues upon which government officials request advice for major domestic or international meetings. These issues generally comprised market access issues with the Chile, Singapore, and VietNam Free Trade Agreements, China's accession to the WTO, the addition of chemicals to the Pharmaceutical Zero/Zero List for tariff elimination, and preparations for the WTO Ministerial. The advice provided through the advisory system constitutes a very unique and committed way for the entire industry to formulate consensual advice. It has become an intrinsic part of the development of U.S. negotiating positions in multilateral negotiations.

**20d. Why can't the advice or information this committee provides be obtained elsewhere?**

The Committee structure ensures a unique source of information to the Government. All members have security clearances and through a continuing dialogue with Government officials are made aware of Government trade policy at a level not otherwise available to the private sector. Because this Committee remains current in the broad spectrum of trade policy rather than a single facet--as would be the case in the absence of a committee structure--the private sector input from the committee is more pertinent. The advisory committee program, legislatively mandated, is the single formal comprehensive consultative link between the U.S. Government and U.S. industry and has the responsibility to address all issues concerning trade policy.

**20e. Why is it necessary to close and/or partially closed committee meetings?**

The Industry Consultations Program was established by the Trade Act of 1974 and in

accordance with the Federal Advisory Committee Act (FACA). Subsection 135(f) of the Trade Act provides that the ISACs shall be exempt from the provisions of the FACA relating to open meetings, public notice, public participation, and public availability of documents when it is determined that the proceedings would, if disclosed, seriously compromise the Government's negotiating objectives or bargaining positions regarding trade policy matters. ISAC meetings routinely involve these kinds of discussions. The United States Trade Representative (USTR) evaluates each meeting agenda and issues a Notice of Determination when it is necessary to close meetings.

## 21. Remarks

### Designated Federal Officer

Mike Kelly DFO

Committee Members	Start	End	Occupation	Member Designation
Anderson, Lori	03/17/2002	06/16/2004	The Society of Plastics Industry, Inc.	Special Government Employee (SGE) Member
Branand, Robert	03/17/2002	06/16/2004	National Paint & Coatings Association	Special Government Employee (SGE) Member
Chafetz, Morris	03/17/2002	06/16/2004	Hemisphere Polymer & Chemical Company	Special Government Employee (SGE) Member
DeLisi, V.M.	03/17/2002	06/16/2004	Fanwood Chemical, Inc	Special Government Employee (SGE) Member
Dutilh, Katherine	03/17/2002	06/16/2004	Milliken & Company	Special Government Employee (SGE) Member
Ellison, Donald	03/17/2002	06/16/2004	SACMA	Special Government Employee (SGE) Member

Ellsworth, Phillip	03/17/2002	06/16/2004	Pfizer Service Center	Special Government Employee (SGE) Member
Gamble, Geoffrey	03/17/2002	06/16/2004	E.I. du Pont de Nemours & Company	Special Government Employee (SGE) Member
Haynes, Mildred	03/17/2002	06/16/2002	3M Corp.	Special Government Employee (SGE) Member
Hertzfeld, Shannon	03/17/2002	06/16/2004	Pharmaceutical Research & Manufacturers of America	Special Government Employee (SGE) Member
Levenson, Nancy	03/17/2002	06/16/2004	S.C. Johnson & Son, Inc.	Special Government Employee (SGE) Member
Mannix, Brian	12/12/2002	06/16/2004	The Mercatus Center at George Mason University	Special Government Employee (SGE) Member
McGrath, Matthew	07/18/2003	06/16/2004	Representing Immune Inc.	Special Government Employee (SGE) Member
O'Brien, Rosemary	03/17/2002	06/16/2004	CF Industries, Inc.	Special Government Employee (SGE) Member
O'Connor, John	07/05/2002	06/16/2004	Eli Lilly and Company	Special Government Employee (SGE) Member
O'Connor, K.	03/17/2002	06/16/2004	American Chemistry Council	Special Government Employee (SGE) Member
Rolofson, George	03/17/2002	06/16/2004	American Crop Protection Association	Special Government Employee (SGE) Member
Santucci, Louis	03/17/2002	06/16/2004	The Cosmetic, Toiletry and Fragrance Association	Special Government Employee (SGE) Member
Simonetti, Arthur	03/17/2002	06/16/2004	Honeywell International, Inc.	Special Government Employee (SGE) Member
Sutphin, Albert	05/22/2003	06/16/2004	Braden Sutphin Ink Company	Special Government Employee (SGE) Member

Turnipseed, Max	03/17/2002	06/16/2004	Representing Dow Chemical Company	Special Government Employee (SGE) Member
Vila, Aracelia	03/17/2002	06/16/2004	Schering-Plough Pharmaceuticals	Special Government Employee (SGE) Member
Waskow, David	02/24/2003	06/16/2004	Friends of the Earth	Special Government Employee (SGE) Member
West, Ford	03/17/2002	06/16/2004	The Fertilizer Institute	Special Government Employee (SGE) Member
Wilson, L.	03/17/2002	06/16/2004	Rubber Manufacturers Association	Special Government Employee (SGE) Member

### **Number of Committee Members Listed: 25**

### **Narrative Description**

The Committee shall perform such functions and duties and prepare reports, as required by Section 135 of the Trade Act of 1974, as amended, and Sections 1102 and 1103 of the 1988 Trade Act, with respect to the sector and functional advisory committees. The Committee advises the Secretary and the USTR concerning the trade matters referred to in Sections 101, 102, and 124 of the Trade Act of 1974, as amended; with respect to the operation of any trade agreement once entered into; and with respect to other matters arising in connection with the development, implementation, and administration of the trade policy of the United States including those matters referred to in Reorganization Plan Number 3 of 1979 and Executive Order 12188, and the priorities for actions thereunder. In particular, the Committee provides detailed policy and technical advice, information, and recommendations to the Secretary and the USTR regarding trade barriers and implementation of trade agreements negotiated under Sections 101 or 102 of the Trade Act of 1974, as amended, and Sections 1102 and 1103 of the 1988 Trade Act, which affect the products of its sector; and performs such other advisory functions relevant to U.S. trade policy as may be requested by the Secretary and the USTR or their designees.



**What are the most significant program outcomes associated with this committee?**

Checked if  
Applies

- |   |                                     |
|---|-------------------------------------|
| Improvements to health or safety                  | <input type="checkbox"/>            |
| Trust in government                               | <input type="checkbox"/>            |
| Major policy changes                              | <input checked="" type="checkbox"/> |
| Advance in scientific research                    | <input type="checkbox"/>            |
| Effective grant making                            | <input type="checkbox"/>            |
| Improved service delivery                         | <input type="checkbox"/>            |
| Increased customer satisfaction                   | <input type="checkbox"/>            |
| Implementation of laws or regulatory requirements | <input type="checkbox"/>            |
| Other   | <input type="checkbox"/>            |

**Outcome Comments**

NA

**What are the cost savings associated with this committee?**

Checked if Applies

- |                            |                                     |
|----------------------------|-------------------------------------|
| None                       | <input checked="" type="checkbox"/> |
| Unable to Determine        | <input type="checkbox"/>            |
| Under \$100,000            | <input type="checkbox"/>            |
| \$100,000 - \$500,000      | <input type="checkbox"/>            |
| \$500,001 - \$1,000,000    | <input type="checkbox"/>            |
| \$1,000,001 - \$5,000,000  | <input type="checkbox"/>            |
| \$5,000,001 - \$10,000,000 | <input type="checkbox"/>            |
| Over \$10,000,000          | <input type="checkbox"/>            |
| Cost Savings Other         | <input type="checkbox"/>            |

**Cost Savings Comments**

NA

**What is the approximate Number of recommendations produced by this committee for the life of the committee?**

**Number of Recommendations Comments**

Most advice is rendered orally while the trade negotiators are in the room; however, 4 advisory committee reports were filed with USTR in fulfillment of statutory reporting requirement at the conclusion of trade agreements. In FY'04, these included Australia FTA, CAFTA, Dominican Republic, and Morocco.

**What is the approximate Percentage of these recommendations that have been or will be Fully implemented by the agency?**

60%

**% of Recommendations Fully Implemented Comments**

NA

**What is the approximate Percentage of these recommendations that have been or will be Partially implemented by the agency?**

60%

**% of Recommendations Partially Implemented Comments**

NA

**Does the agency provide the committee with feedback regarding actions taken to implement recommendations or advice offered?**

Yes ☒ No ☐ Not Applicable ☐

**Agency Feedback Comments**

Most feedback is rendered orally by trade negotiators to the committee members during their meetings; formal written advice is responded to by the Secretary of Commerce and the USTR.

**What other actions has the agency taken as a result of the committee's advice or recommendation?**

Checked if Applies

Reorganized Priorities	<input checked="" type="checkbox"/>
Reallocated resources	<input type="checkbox"/>
Issued new regulation	<input type="checkbox"/>
Proposed legislation	<input type="checkbox"/>
Approved grants or other payments	<input type="checkbox"/>
Other	<input checked="" type="checkbox"/>

**Action Comments**

Issued new text in trade agreemetns

**Is the Committee engaged in the review of applications for grants?**

No

**Grant Review Comments**

NA

**How is access provided to the information for the Committee's documentation?**

Checked if Applies

Contact DFO	<input checked="" type="checkbox"/>
Online Agency Web Site	<input checked="" type="checkbox"/>
Online Committee Web Site	<input type="checkbox"/>
Online GSA FACA Web Site	<input checked="" type="checkbox"/>
Publications	<input type="checkbox"/>
Other	<input type="checkbox"/>

**Access Comments**

NA