

**GAO**  
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**Highlights**

Highlights of [GAO-03-560](#), a report to the Chairmen, Senate Committee on Finance, and House Committee on Ways and Means

**Why GAO Did This Study**

Establishing a 34-nation Free Trade Area of the Americas agreement has been under negotiation since 1998. This agreement would eliminate tariffs and create common trade and investment rules for these nations. Most recently, the United States, along with Brazil, assumed the leadership of the negotiations. GAO was asked to analyze (1) the challenges for the current negotiating phase, which will include a ministerial meeting in Miami, Florida, in November 2003; and (2) the U.S.'s readiness to serve as co-chair of the negotiations and host of the November 2003 ministerial.

**What GAO Recommends**

The Office of the U.S. Trade Representative (USTR) should intensify preparations and regularly evaluate whether current resources and plans are sufficient to carry out the tasks and mitigate the risks associated with its responsibilities as co-chair of the negotiations and host of the November ministerial. These are related to USTR's (1) increased workload, (2) planning for the ministerial, (3) funding sources, and (4) security needs at the ministerial.

USTR and the Department of State generally agreed with GAO's message but sought amplification on certain issues.

[www.gao.gov/cgi-bin/getrpt?GAO-03-560](http://www.gao.gov/cgi-bin/getrpt?GAO-03-560).

To view the full report, including the scope and methodology, click on the link above. For more information, contact Loren Yager at (202) 512-4347, or [YagerL@gao.gov](mailto:YagerL@gao.gov).

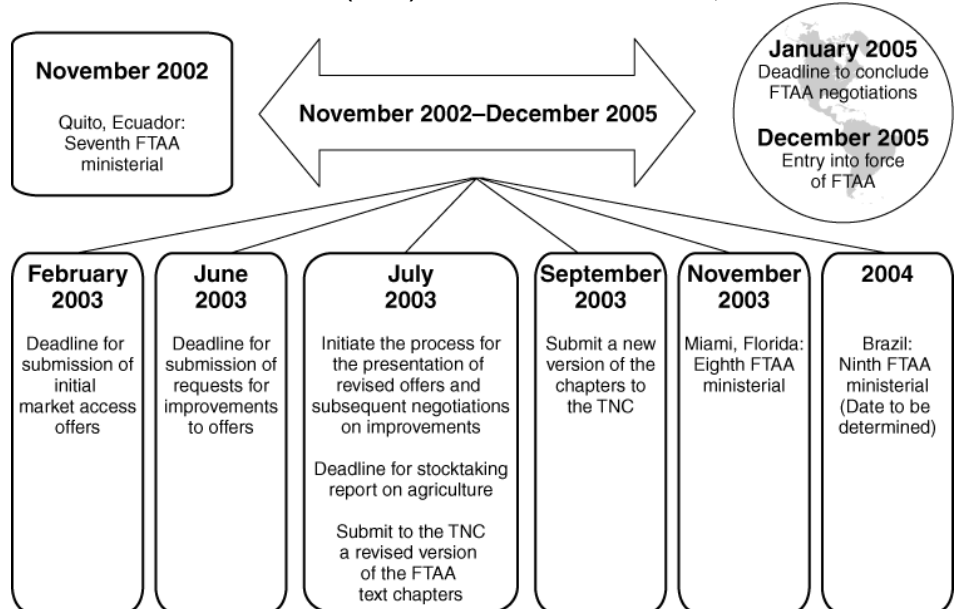
**FREE TRADE AREA OF THE AMERICAS**  
**Negotiations Progress, but Successful Ministerial Hinges on Intensified U.S. Preparations**

**What GAO Found**

USTR, which is responsible for co-chairing the Free Trade Area of the Americas negotiations and hosting the November 2003 ministerial meeting, faces challenges to its readiness to assume these responsibilities. During the current negotiating phase, achieving improved market access for the 34 nations is paramount. It may be difficult, however, for participants to make ambitious offers to lower tariffs and other trade barriers. Another challenge involves the resolution of issues such as subsidies for agriculture. The resolution of this issue has been linked to ongoing negotiations at the World Trade Organization, but these talks are bogged down. A further challenge is ensuring the momentum and the political will of the United States and Brazil to move the process forward to a timely completion by January 2005.

As co-chair of the negotiations, USTR also faces risks to assuring its readiness as host of the November ministerial. First, USTR has little experience in hosting a major ministerial meeting, and its staff remains small and is stretched thin. Second, plans for the meeting are at an early stage, and much remains to be done. Third, USTR is counting on funding that has not yet been secured. And finally, USTR is likely to encounter protestors at the November ministerial. Factoring security for the invited participants into the logistical arrangements for the ministerial is a prime concern.

**Free Trade Area of the Americas (FTAA) Time Frames and Milestones, 2002-2005**



TNC = Trade Negotiations Committee

Source: GAO.