2017 Trade Policy Agenda

and

2016 Annual Report

of the President of the United States on
the Trade Agreements Program

Office of the United States Trade Representative

FOREWORD

The 2017 Trade Policy Agenda and 2016 Annual Report of the President of the United States on the Trade Agreements Program are submitted to the Congress pursuant to Section 163 of the Trade Act of 1974, as amended (19 U.S.C. 2213). Chapter II and Annex II of this document meet the requirements of Sections 122 and 124 of the Uruguay Round Agreements Act with respect to the World Trade Organization. In addition, the report also includes an annex listing trade agreements entered into by the United States since 1984. Goods trade data are for full year 2016. Services data by country are only available through 2015.

The Office of the United States Trade Representative (USTR) is responsible for the preparation of this report and gratefully acknowledges the contributions of all USTR staff to the writing and production of this report and notes, in particular, the contributions of Dorothea E. Cheek, Caper Gooden, Mark C. Jordan, and Katherine Standbridge. Thanks are extended to partner Executive Branch agencies, including the Environmental Protection Agency and the Departments of Agriculture, Commerce, Health and Human Services, Justice, Labor, State, and Treasury.

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LIST OF FREQUENTLY USED ACRONYMS

AD	Antidumping
AGOA	African Growth and Opportunity Act
APEC	Asia Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
ATC	Agreement on Textiles and Clothing
ATPA	Andean Trade Preferences Act
ATPDEA	Andean Trade Promotion & Drug Eradication Act
BIA	Built-In Agenda
BIT	Bilateral Investment Treaty
BOP	Balance of Payments
CACM	Central American Common Market
CAFTA	Central American Free Trade Area
CARICOM	Caribbean Common Market
CBERA	Caribbean Basin Economic Recovery Act
CBI	Caribbean Basin Initiative
CFTA	Canada Free Trade Agreement
CITEL	Telecommunications division of the OAS
COMESA	Common Market for Eastern & Southern Africa
CTE	Committee on Trade and the Environment
CTG	Council for Trade in Goods
CVD	Countervailing Duty
DDA	Doha Development Agenda
DOL	Department of Labor
DSB	Dispute Settlement Body
EAI	Enterprise for ASEAN Initiative
DSU	Dispute Settlement Understanding
EU	European Union
EFTA	European Free Trade Association
FTAA	Free Trade Area of the Americas
FOIA	Freedom of Information Act
GATT	General Agreement on Tariffs and Trade
GATS	General Agreements on Trade in Services
GDP	Gross Domestic Product
GEC	Global Electronic Commerce
GSP	Generalized System of Preferences
GPA	Government Procurement Agreement
IFI	International Financial Institution
IPR	Intellectual Property Rights
ITA	Information Technology Agreement
LDBDC	Least-Developed Beneficiary Developing Country
MAI	Multilateral Agreement on Investment
MEFTA	Middle East Free Trade Area
MERCOSUL/MERCOSUR	Southern Common Market
MFA	Multifiber Arrangement
MFN	Most Favored Nation
MOSS	Market-Oriented, Sector-Selective

MOU	Memorandum of Understanding
MRA	Mutual Recognition Agreement
NAFTA	North American Free Trade Agreement
NEC	National Economic Council
NIS	Newly Independent States
NSC	National Security Council
NTR	Normal Trade Relations
OAS	Organization of American States
OECD	Organization for Economic Cooperation and Development
OPIC	Overseas Private Investment Corporation
PNTR	Permanent Normal Trade Relations
ROU	Record of Understanding
SACU	Southern African Customs Union
SADC	Southern African Development Community
SME	Small and Medium Size Enterprise
SPS	Sanitary and Phytosanitary Measures
SRM	Specified Risk Material
TAA	Trade Adjustment Assistance
TABD	Trans-Atlantic Business Dialogue
TACD	Trans-Atlantic Consumer Dialogue
TAEVD	Trans-Atlantic Environment Dialogue
TALD	Trans-Atlantic Labor Dialogue
TBT	Technical Barriers to Trade
TEP	Transatlantic Economic Partnership
TIFA	Trade & Investment Framework Agreement
TPRG	Trade Policy Review Group
TPP	Trans-Pacific Partnership
TPSC	Trade Policy Staff Committee
TRIMS	Trade Related Investment Measures
TRIPS	Trade Related Intellectual Property Rights
T-TIP	Trans-Atlantic Trade and Investment Partnership
UAE	United Arab Emirates
UNCTAD	United Nations Conference on Trade & Development
UNDP	United Nations Development Program
URAA	Uruguay Round Agreements Act
USDA	U.S. Department of Agriculture
USITC	U.S. International Trade Commission
USTR	United States Trade Representative
VRA	Voluntary Restraint Agreement
WAEMU	West African Economic & Monetary Union
WB	World Bank
WTO	World Trade Organization

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THE PRESIDENT'S 2017 TRADE POLICY AGENDA

I. THE PRESIDENT'S TRADE POLICY AGENDA

I. INTRODUCTION

Pursuant to 19 U.S.C. § 2213(a)(1)(B), we hereby submit the President's National Trade Policy Agenda for 2017. This submission is normally prepared under the direction of the United States Trade Representative (USTR). In fact, U.S. law provides that the USTR shall have "primary responsibility for developing" United States international trade policy. 19 U.S.C. § 2171(c)(1)(A). U.S. law also provides that the USTR shall "act as the principal spokesman of the President on international trade." 19 U.S.C. § 2171(c)(1)(E). Accordingly, we intend to submit a more detailed report on the President's Trade Policy Agenda after the Senate has confirmed a USTR, and that USTR has had a full opportunity to participate in developing such a report. In the meantime, and in order to comply with the statutory deadline of March 1, *see* 19 U.S.C. § 2213(a), we hereby submit this statement of the trade policy agenda for 2017.[1]

II. THE TRADE POLICY OBJECTIVES AND PRIORITIES OF THE UNITED STATES FOR 2017, AND REASONS THEREFOR

A. Key Principles and Objectives of the Trump Administration's Trade Policy

In 2016, voters in both major parties called for a fundamental change in direction of U.S. trade policy. The American people grew frustrated with our prior trade policy not because they have ceased to believe in free trade and open markets, but because they did not all see clear benefits from international trade agreements. President Trump has called for a new approach, and the Trump Administration will deliver on that promise.

The overarching purpose of our trade policy – the guiding principle behind all of our actions in this key area – will be to expand trade in a way that is freer and fairer for all Americans. Every action we take with respect to trade will be designed to increase our economic growth, promote job creation in the United States, promote reciprocity with our trading partners, strengthen our manufacturing base and our ability to defend ourselves, and expand our agricultural and services industry exports. As a general matter, we believe that these goals can be best accomplished by focusing on bilateral negotiations rather than multilateral negotiations – and by renegotiating and revising trade agreements when our goals are not being met. Finally, we reject the notion that the United States should, for putative geopolitical advantage, turn a blind eye to unfair trade practices that disadvantage American workers, farmers, ranchers, and businesses in global markets.

In addition to these basic principles, we will focus on the following key objectives:

- Ensuring that U.S. workers and businesses have a fair opportunity to compete for business – both in the domestic U.S. market and in other key markets around the world.

- Breaking down unfair trade barriers in other markets that block U.S. exports, including exports of agricultural goods.

- Maintaining a balanced policy that looks out for the interests of all segments of the U.S. economy, including manufacturing, agriculture, and services, as well as small businesses and entrepreneurs.

[1] At this time, the Trump Administration is not proposing legislation with respect to the objectives or priorities outlined in this statement. *See* 19 U.S.C. § 2213(a)(3)(A)(iii).

- Ensuring that U.S. owners of intellectual property (IP) have a full and fair opportunity to use and profit from their IP.

- Strictly enforcing U.S. trade laws to prevent the U.S. market from being distorted by dumped and/or subsidized imports that harm domestic industries and workers.

- Enforcing labor provisions in existing agreements and enforcing the prohibition against the importation and sale of goods made with forced labor.

- Resisting efforts by other countries – or Members of international bodies like the World Trade Organization (WTO) – to advance interpretations that would weaken the rights and benefits of, or increase the obligations under, the various trade agreements to which the United States is a party.

- Updating current trade agreements as necessary to reflect changing times and market conditions.

- Ensuring that United States trade policy contributes to the economic strength and manufacturing base necessary to maintain – and improve – our national security.

- Strongly advocating for all U.S. workers, farmers, ranchers, services providers, and businesses, large and small – to assure the fairest possible treatment of American interests in the U.S. market and in other markets around the world.

B. Top Priorities and Reasons Therefor

To achieve the objectives described above, the Trump Administration has identified four major priorities: (1) defend U.S. national sovereignty over trade policy; (2) strictly enforce U.S. trade laws; (3) use all possible sources of leverage to encourage other countries to open their markets to U.S. exports of goods and services, and provide adequate and effective protection and enforcement of U.S. intellectual property rights; and (4) negotiate new and better trade deals with countries in key markets around the world. Each of these priorities – and the reasons they are so important – are discussed in greater detail below.

1. Defending Our National Sovereignty Over Trade Policy

In late 1994, Congress approved the Uruguay Round Agreements Act, thereby paving the way for the United States' entry into the WTO. WTO members agreed to provisions to ensure that, if a country lost a dispute at the WTO and failed to bring its measure into compliance with WTO rules, to provide compensation, or otherwise to reach a mutually satisfactory solution, the complaining countries would have the right to be authorized to retaliate by imposing trade sanctions on the losing country.

The anchor for this new dispute settlement system was an agreement known as the Understanding on Rules and Procedures Governing the Settlement of Disputes, often called the Dispute Settlement Understanding (DSU). The core provision of the DSU was the express legal requirement that the WTO, through its dispute settlement findings and recommendations, could not "add to or diminish the rights or obligations" of the United States, or other countries under the WTO agreements. This requirement was so critical that it was included not once, but twice in the text of the DSU, once in Article 3 as a specific direction to the WTO's Dispute Settlement Body in adopting its recommendations, and once in Article 19 as a specific direction to WTO panels and the Appellate Body in setting out their findings and recommendations to be adopted by the DSB. The Clinton Administration and Congress both made clear that this language was essential to winning American support for the DSU.

At the time, the American people were assured that, by the express terms of the DSU itself, this dispute settlement process would not alter the terms of what the United States had agreed to in the WTO

Agreements, and what Congress thereafter expressly approved when it passed the Uruguay Round Agreements Act. In other words, the United States entered into written agreements that contained rules on a range of matter such as trade-related aspects of intellectual property rights, import licensing, sanitary and phytosanitary standards, antidumping, technical standards, subsidies and countervailing duties, investment measures, and safeguards. The United States also entered into the DSU, which contained a clear and express legal limitation that the WTO dispute settlement process could not add to U.S. obligations or diminish U.S. rights under those agreements. By insisting on and negotiating the express terms of these agreements, the United States established clear and firm parameters for the role of the WTO in regulating trade.

Given this history, it is important to recall also that Congress had made clear that Americans are not directly subject to WTO decisions. The Uruguay Round Agreements Act states that, if a WTO dispute settlement report "is adverse to the United States, [the U.S. Trade Representative shall] consult with the appropriate congressional committees concerning whether to implement the report's recommendation and, if so, the manner of such implementation and the period of time needed for such implementation," confirming that these WTO reports are not binding or self-executing. 19 U.S.C. § 3533(f). The Uruguay Round Agreements Act also specifically provides that "No provision of any of the Uruguay Round Agreements, nor the application of any such provision to any person or circumstance, that is inconsistent with any law of the United States shall have effect." 19 U.S.C. § 3512(a)(1). In other words, even if a WTO dispute settlement panel – or the WTO Appellate Body – rules against the United States, such a ruling does not automatically lead to a change in U.S. law or practice. Consistent with these important protections and applicable U.S. law, the Trump Administration will aggressively defend American sovereignty over matters of trade policy.

2. Strictly Enforcing U.S. Trade Laws

For decades, Congress has maintained a series of laws designed to prevent the U.S. market from being distorted by unfair practices such as injuriously dumped or subsidized imports, or by harmful surges of imports. These laws have been a critical aspect of the bargain between the U.S. government and American workers, farmers, ranchers, and businesses (large and small) that has long supported the free and fair trade system in this country. These laws have also reflected the core principles and legal rights of the multilateral trading system since its founding in 1947 with the General Agreement on Tariffs and Trade (GATT). It is notable that Article VI of the GATT in the strongest language possible, states that injurious dumping "is to be condemned." Trade remedies are a foundation to the implementation of the WTO agreements, and to avoid market distortions, and it is critical that WTO members fully recognize their centrality to the international trading system.

Consistent with the strong textual foundation in the GATT and WTO Agreement, Title VII of the Tariff Act of 1930 provides the United States with the authority to impose antidumping (AD) and countervailing duties (CVD) on imports that are either "dumped" (sold at less than their fair value) or subsidized – if such imports cause or threaten material injury to a domestic industry. The AD/CVD laws are fully consistent with our WTO obligations – and, indeed, the WTO agreements specifically provide for such laws. For decades, domestic producers have had the right to file cases seeking AD and/or CVD relief. The U.S. Department of Commerce also has the right to self-initiate such cases if circumstances warrant.

Other long-standing laws address other situations in which government action may be appropriate. Under Section 201 of the Trade Act of 1974, the President may impose relief if increasing imports are a substantial cause of serious injury to a domestic industry. This "safeguard" provision, used most recently by President George W. Bush in response to a harmful surge of steel imports, can be a vital tool for industries needing temporary relief from imports to become more competitive. USTR has the authority to ask for a safeguard investigation in the appropriate circumstances.

Section 301 of the Trade Act of 1974 authorizes the USTR to take appropriate action in response to foreign actions that violate an international trade agreement or are unjustifiable, or unreasonable or discriminatory, and burdens or restricts United States commerce. Investigations leading to these important actions may be initiated pursuant to requests by private U.S. workers and businesses or a determination by

the USTR. Properly used, section 301 can be a powerful lever to encourage foreign countries to adopt more market-friendly policies.

The Trump Administration believes that it is essential to both the United States and the world trading system that all U.S. trade laws be strictly and effectively enforced. We strongly support true market-based competition – and we welcome the partnership of any country that agrees with us. Unfortunately, however, large portions of the global economy do not reflect market forces. Important sectors of the global economy, and significant markets around the world, have been at times distorted by foreign government subsidies, theft of intellectual property, currency manipulation, unfair competitive behavior by state-owned enterprises, violations of labor laws, use of forced labor, and numerous other unfair practices.

The Trump Administration will not tolerate unfair trade practices that harm American workers, farmers, ranchers, services providers, and other businesses large and small. These practices lower living standards for *all* Americans by distorting U.S. and global markets and preventing resources from being allocated in the most efficient manner. These practices distort *global* efficiencies by preventing developing or emerging economies from competing against non-market based rivals that drive them from markets before they can even get a foothold. And, when the WTO adopts interpretations of WTO agreements that undermine the ability of the United States and other WTO Members to respond effectively to these real-world unfair trade practices with remedies expressly allowed under WTO rules, those interpretations undermine confidence in the trading system. None of these outcomes is in the interest of the United States or a healthy global economy. Accordingly, the Trump Administration will act aggressively as needed to discourage this type of behavior – and encourage true market competition.

3. Using Leverage to Open Foreign Markets

The Trump Administration believes that U.S. workers, farmers, ranchers, services providers, and businesses large and small should have a free and fair chance to compete around the world. Such access benefits the U.S. economy, as Americans would have larger and more competitive markets in which to sell their goods and services. Indeed, exports – of manufactured goods, agricultural products, and services – are an important and essential aspect of the U.S. economy. Exports already support millions of high-paying jobs for American citizens, and the Administration wants to see them grow. At the same time, increased market access for American goods and services will also help the global economy, as everyone benefits from a system that rewards hard work and innovation.

Unfortunately, U.S. exports face significant barriers in many markets. The causes of market obstruction and closure are numerous. In some instances, trading partners maintain high tariffs and other non-tariff barriers, which block market access to U.S. goods and agricultural exports. In others, foreign producers can benefit from subsidies that give them an unfair advantage over their U.S. competitors. Other countries have looked to harm U.S. companies by blocking or unreasonably restricting the flow of digital data and services, or through theft of trade secrets. In still others, foreign countries can use technical barriers – such as unnecessary regulations on particular items – to limit competition, including in the services sector. Concerns have also been raised over currency practices and their impact on the competitiveness of U.S. goods and services. These are only a few examples of the tactics that can be used to block or impede the competitiveness of U.S. exporters.

For decades, the U.S. government has engaged in efforts to break down such barriers and open foreign markets to U.S. competition. The Trump Administration recognizes that such efforts are inherently difficult, as foreign governments often have strong political reasons to protect certain industries in their home markets. However, the *status quo* is unsustainable – for too long Americans have lost business to other countries, in part because our businesses and workers are not being given a fair opportunity to compete abroad.

There are at least two fundamental challenges that we must finally address. The first challenge is that the WTO rules, and those of some bilateral and plurilateral trade agreements, are often written with the implicit understanding that countries implementing those rules are pursuing free-market principles. In a world in which there are several important players in the global economy that do not fully adhere to the

free-market principles in the organization of their economic systems, systematic analysis of such economies relative to economic principles must become more acute. Furthermore, the drafting, implementation, and application of trading rules must find ways to adjust.

The second challenge is that WTO rules, and those of bilateral and plurilateral trade agreements, are often written with the implicit understanding that countries implementing those rules have functional legal and regulatory systems that are transparent. In practice, transparent systems are critical to the functioning of trade rules because transparency enables stakeholders and governments to understand the rules of the road, and prepare effective diplomatic or legal challenges to those rules when they are not in conformity with international obligations. Once again, the world in which we find ourselves is one in which there are a number of important players whose legal and regulatory systems are not sufficiently transparent. These countries make it difficult for the global trading system to hold them accountable. The inability of the system to hold those countries accountable in turn leads to a loss of confidence in the system.

It is time for a more aggressive approach. The Trump Administration will use all possible leverage to encourage other countries to give U.S. producers fair, reciprocal access to their markets. The purpose of this effort is to ensure that more markets are truly open to American goods and services and to enhance, rather than restrict, global trade and competition. Such a policy will help grow the global economy by breaking down long-standing trade barriers and promoting increased competition.

4. Negotiating New and Better Trade Deals

Since the late 1980's, the United States has entered into a wide variety of trade deals, including the North American Free Trade Agreement, the Uruguay Round Agreements that created the WTO, China's 2001 Protocol of Accession to the WTO, and a series of trade agreements. Together, these and other agreements have created a framework for globalization that establishes the rules and conditions that govern U.S. trade and investment. For years, Americans have been promised that this system would lead to stronger economic growth and greater opportunities for U.S. workers and businesses. And, in fact, this system has generated substantial benefits to some American workers, farmers, ranchers, services providers, and other businesses – particularly in the form of increased export opportunities.

Unfortunately, a review of what has happened since 2000 – the last full year before China joined the WTO – shows a period of slowed GDP growth, weak employment growth, and sharp net loss of manufacturing employment in the United States. Many factors contribute to this, notably the financial crisis of 2008-2009 and the broad impact of automation. But the trade data are striking. Rather than showing that the results of this system have lived up to expectations, they portray a very different reality:

- In 2000, the U.S. trade deficit in manufactured goods was $317 billion. Last year, it was $648 billion – an increase of 100 percent.

- Our trade deficit in goods and services with China soared from $81.9 billion in 2000 to almost $334 billion in 2015 (the last year for which such data are available), an increase of more than 300 percent.

- Of course, a rising trade deficit may be consistent with a stronger economy. However, that has not been the experience of the typical American household. In 2000, U.S. real median household income (in 2015 dollars) was $57,790. In 2015 (the most recent year for which data are available), it was $56,516. In fact, despite the recovery since the financial crisis, real median household income in the United States remains lower today than it was 16 years ago.

- In January 2000, there were 17,284,000 manufacturing jobs in the United States – a figure roughly in line with the total number of U.S. manufacturing jobs going back to the early 1980s. In January

2017, there were only 12,341,000 manufacturing jobs in the United States – a loss of almost 5 million jobs.

- In the 16 years before China joined the WTO – from 1984 to 2000 – U.S. industrial production grew by almost 71 percent. In the period from 2000 to 2016, U.S. industrial production grew by less than 9 percent.

These are alarming results. They reflect numerous challenges facing U.S. policy other than trade – and the Trump Administration is committed to taking all possible steps to create a more vibrant, and more competitive, economy. We intend to work with the Congress to lower taxes, reduce regulations, increase funding for infrastructure, and take other steps to stimulate U.S. economic growth. At the same time, these figures indicate that while the current global trading system has been great for China, since the turn of the century it has not generated the same results for the United States.

There are significant reasons to be concerned with other major agreements as well. For years now, the United States has run trade deficits in goods with our trading partners in the North American Free Trade Agreement (NAFTA). In 2016, for example, our combined trade deficit in goods with Canada and Mexico was more than $74 billion. As long ago as 2008, both Barack Obama and Hillary Clinton called for the United States to renegotiate NAFTA – and to withdraw from NAFTA if such renegotiations were unsuccessful.

Further, the largest trade deal implemented during the Obama Administration – our free trade agreement with South Korea – has coincided with a dramatic increase in our trade deficit with that country. From 2011 (the last full year before the U.S.-Korea FTA went into effect) to 2016, the total value of U.S. goods exported to South Korea fell by $1.2 billion. Meanwhile, U.S. imports of goods from South Korea grew by more than $13 billion. As a result, our trade deficit in goods with South Korea more than doubled. Needless to say, this is not the outcome the American people expected from that agreement.

Plainly, the time has come for a major review of how we approach trade agreements. For decades now, the United States has signed one major trade deal after another – and, as shown above, the results have often not lived up to expectations. The Trump Administration believes in free and fair trade, and we are looking forward to developing deeper trading relationships with international partners who share that belief. But, going forward, we will tend to focus on bilateral negotiations, we will hold our trading partners to higher standards of fairness, and we will not hesitate to use all possible legal measures in response to trading partners that continue to engage in unfair activities.

III. NEXT STEPS

The Trump Administration has already begun making progress on the objectives and priorities described above.[2] By withdrawing from the Trans-Pacific Partnership (TPP), the President sent a clear signal that the United States would take a new approach to trade issues, and paved the way for potential bilateral talks with the remaining TPP countries. The President has begun his consultations with Congress on the ways in which future trade agreements can work for all Americans more effectively than they have in the past. The President has also put together a strong team of officials who are committed to defending America's national sovereignty, enforcing U.S. trade laws, and using American leverage to open markets for our goods and services. We anticipate more activity on all of these fronts in the near future.

[2] According to 19 U.S.C. § 2213(a)(3)(A)(iv), the President should report on "the progress that was made *during the preceding year* in achieving" the trade policy objectives and priorities discussed above. Since the Trump Administration did not take office until January 20, 2017, our statement is limited to progress since that date.

IV. CONCLUSION

For more than 20 years, the United States government has been committed to trade policies that emphasized multilateral and other agreements designed to promote incremental change in foreign trade practices, as well as deference to international dispute settlement mechanisms. The hope was that such a system could obtain better treatment for U.S. workers, farmers, ranchers, and businesses. Instead, we find that in too many instances, Americans have been put at an unfair disadvantage in global markets. Under these circumstances, it is time for a new trade policy that defends American sovereignty, enforces U.S. trade laws, uses American leverage to open markets abroad, and negotiates new trade agreements that are fairer and more effective both for the United States and for the world trading system, particularly those countries committed to a market-based economy. The Trump Administration is committed to this policy to increase the wages of American workers; give our farmers, ranchers, services providers, and agricultural businesses a better chance to grow their exports; strengthen American competitiveness in both goods and services; and provide all Americans with a better and fairer chance to improve their standard of living.

2016 ANNUAL REPORT
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II. THE WORLD TRADE ORGANIZATION

A. Introduction

This chapter outlines the work of the World Trade Organization (WTO) in 2016 – particularly relating to implementing the results of the Ninth Ministerial Conference in Bali and Tenth Ministerial Conference in Nairobi and the work anticipated in 2017. This chapter also details work of WTO Standing Committees and their subsidiary bodies, provides an overview of the implementation and enforcement of the WTO Agreement, and discusses accessions of new Members to this rules-based organization. The focus of this chapter is on actions taken by the Obama Administration during 2016. Going forward, and as discussed in the President's Trade Agenda in Chapter I, the Trump Administration will provide more details regarding its policies with respect to the WTO.

The WTO provides a forum for enforcing U.S. rights under the various WTO agreements to ensure that the United States receives the full benefits of WTO membership. On a day-to-day basis, the WTO operates through its more than 20 standing committees (not including numerous additional working groups, working parties, and negotiating bodies). These groups meet regularly to permit WTO Members to exchange views, work to resolve questions of Members' compliance with commitments, and develop initiatives aimed at systemic improvements.

The Doha Development Agenda (DDA), launched in November 2001, was the ninth round of multilateral trade negotiations since the end of World War II. At the WTO's Eighth Ministerial Conference in Geneva, Switzerland in December 2011, there was a consensus among Ministers that the DDA was at an impasse, with "significantly different perspectives on possible results." The agreed summary for the Ministerial Conference noted that "Members need to more fully explore different negotiating approaches," and reiterated previous ministerial guidance that, where progress can be achieved on specific elements of the DDA, provisional or definitive agreements might be reached before all elements of the negotiating agenda are fully resolved.

During the course of 2012 and 2013, Members with this guidance worked collectively to complete at the WTO's Ninth Ministerial Conference in December 2013 a "Bali Package," which included, in the form of the Trade Facilitation Agreement (TFA), the first new multilateral agreement in the nearly 20 year history of the WTO. The TFA is designed to ensure that all WTO Members apply a variety of trade facilitating customs and related measures that promise to substantially decrease the costs associated with trading and increase the value and volume of global trade creating opportunities for U.S. manufacturers, farmers, workers, and logistics and information firms. The Bali Package also included important results on agriculture, such as decisions on food security, tariff-rate quota administration, export competition, and development, including a new Monitoring Mechanism to allow experience based reviews of the implementation and operation of special and differential treatment provisions in WTO agreements. WTO Members agreed on November 27, 2014 to three decisions that support the implementation of the Bali package, one each on the TFA, public stockholding for food security and the post-Bali work program.

At the WTO's Tenth Ministerial Conference in Nairobi, Kenya, in December 2015, Ministers collectively acknowledged that there was no consensus to reaffirm the DDA's mandates. As a result, the WTO initiated a move away from the DDA architecture, which had proven over time to be imbalanced and unable to keep up with changing global trading trends, such as the increased role of large emerging economies. Ministers also agreed in Nairobi to important results on agriculture, particularly a Ministerial Decision to end export subsidies and discipline other forms of export competition, and on least developed countries. From Nairobi to the end of 2016, WTO Members exchanged views on how to move ahead with unresolved Doha issues,

even if not under the DDA architecture, and on taking up new issues in the WTO. During the course of 2016, a group of WTO Members announced their intention to advance negotiations on the crucial Doha issue of fisheries subsidies through efforts to conclude a plurilateral WTO agreement, without prejudice to continuing initiatives to advance negotiations multilaterally. WTO Members also focused attention on the new issues of digital trade and the needs of micro-, small-, and medium-sized enterprises (MSMEs). Members also shared views on how to move forward with pending agriculture issues, and the United States emphasized the importance of developing updated information on current trade and policies on agricultural trade before exchanging views on new approaches that might offer prospects for future successful negotiations.

Beyond WTO negotiations, the United States and other WTO Members in 2016 renewed their focus on the day-to-day work of the WTO's standing committees and other bodies. These bodies are supposed to promote transparency in WTO Members' trade policies, and they provided a fora for monitoring and resisting market-distorting pressures. Through discussions in these fora, Members sought detailed information on individual Members' trade policy actions and collectively considered them in light of WTO rules and their impact on individual Members and the trading system as a whole. The discussions enabled Members to assess their trade-related actions and policies in light of concerns that other Members raised and to consider and address those concerns in domestic policymaking. The United States also took advantage of opportunities in standing committees to consider how implementation of existing WTO provisions can be enhanced and to discuss areas that may hold potential for developing future rules.

B. WTO Negotiating Groups

1. Committee on Agriculture Special Session

Status

WTO Members agreed to initiate negotiations for continuing the agricultural trade reform process one year before the end of the Uruguay Round implementation period, *i.e.*, by the end of 1999. Talks in the Special Session of the Committee on Agriculture began in early 2000 under the original mandate of Article 20 of the Agreement on Agriculture (Agriculture Agreement). At the Fourth WTO Ministerial Conference in Doha, Qatar in November 2001, the agriculture negotiations became part of the single undertaking, and negotiations in the Special Session of the Committee on Agriculture were conducted under the mandate agreed upon at Doha, which called for: "substantial improvements in market access; reductions of, with a view to phasing out, all forms of export subsidies; and substantial reductions in trade-distorting domestic support." This mandate, which called for ambitious results in three areas (so called "pillars), was augmented with specific provisions for agriculture in the framework agreed by the General Council on August 1, 2004, and at the Hong Kong Ministerial Conference in December 2005. However, at the WTO's Tenth Ministerial Conference in Nairobi, Kenya in December 2015, Members acknowledged in the Ministerial Declaration that there was no consensus to reaffirm Doha mandates. Since then, Members have been reflecting on what is next for the agriculture negotiations in the WTO. The Nairobi Ministerial package included a new decision adopted by WTO Ministers related to export competition, in which Members agreed to the elimination of all forms of export subsidies, as well as new disciplines on export financing and international food aid. The package also included decisions on public stockholding for food security purposes, which Members reaffirmed their commitment to negotiate, and a special safeguard mechanism, which Members agreed to continue to negotiate as part of a broader market access package.

Major Issues in 2016

In 2016, the United States led the effort to approach the agriculture negotiations with a focus on new approaches to the three pillars (market access, domestic support, and export competition). There has been an effort to increase transparency with respect to which trade distortions are the most prevalent in today's global agricultural trade, and what approaches countries might realistically use to work together to address these trade distorting measures. The Chairs of the Agriculture Negotiations held negotiations in formal and informal settings to assess Members' views on substantive issues on the agriculture negotiations. The United States continued to urge Members to approach the overall agriculture negotiations on the basis of a realistic assessment of possibilities for progress. Throughout 2016, U.S. negotiators undertook discussions at various levels (technical and political) and in various formats (bilateral and small group) to determine Members' views on new approaches and look for ways to move the negotiations forward, in line with U.S. interests and priorities.

Prospects for 2017

A major focus in 2017 will be discussions about the future direction of multilateral agricultural liberalization in the lead up to the WTO's Eleventh Ministerial Conference in Buenos Aires, Argentina at the end of the year, drawing on lessons learned from the Doha negotiations and new developments in and approaches to international agricultural trade since the Nairobi Ministerial.

2. Council for Trade in Services Special Session

Status

The Special Session of the Council for Trade in Services (CTS-SS) was formed in 2000 pursuant to the Uruguay Round mandate of the General Agreement on Trade in Services (GATS) to undertake new multi-sectoral services negotiations. The Doha Declaration of November 2001 recognized the work already undertaken in the services negotiations and set deadlines for initial market access requests and offers. The services negotiations thus became one of the core market access pillars of the Doha Round, along with agriculture and nonagricultural goods. However, at the WTO's Tenth Ministerial Conference in Nairobi, Kenya in December 2015, Members acknowledged in the Ministerial Declaration that there was no consensus to reaffirm Doha mandates. Since then, Members have been reflecting on what is next for the services negotiations in the WTO.

Major Issues in 2016

The CTS-SS met on a few occasions during 2016 to consider possibilities for advancing negotiations on services. No viable options were identified.

Prospects for 2017

The United States will continue to pursue new ideas and approaches to promote free and fair trade in services.

3. Negotiating Group on Non-Agricultural Market Access

Status

The U.S. Government's longstanding objective in WTO Non-Agricultural Market Access (NAMA) negotiations – which cover manufactures, mining, fuels, and fish products – has been to obtain a balanced market access package that provides new export opportunities for U.S. businesses through the liberalization of global tariffs and non-tariff barriers. Trade in industrial goods accounts for more than 90 percent of world merchandise trade[3] and more than 90 percent of total U.S. goods exports. Meanwhile, 52 percent of developing economies countries' merchandise exports went to other "developing economies" in 2015 - up from 41 percent in 2005. So at least for merchandise trade as a whole, developing economies now buy the majority of developing economy exports.[4] Therefore, there is a substantial interest in improving market access conditions among developing countries, which also results in greater market access for U.S. business. Yet, many emerging economies still charge very high tariffs on imported industrial goods, with ceiling tariff rates exceeding 150 percent in some cases.

The NAMA negotiations have remained at an impasse since the WTO's Eighth Ministerial Conference in Geneva in 2011. Without significant market-opening commitments from advanced developing economies, it is clear that there is little prospect for achieving robust trade liberalization for industrial goods on a multilateral basis. This reality contributed to the result at the WTO's Tenth Ministerial Conference in Nairobi, Kenya in December 2015, when Members acknowledged in the Ministerial Declaration that there was no consensus to reaffirm the Doha mandates.

Major Issues in 2016

There were a few informal meetings of the Negotiating Group on Market Access in 2016 but no new substantive discussions occurred related to either the tariff or nontariff elements of the NAMA negotiations.

Prospects for 2017

In 2017, the United States intends to work with other WTO Members to pursue fresh and credible approaches to meaningful multilateral trade liberalization.

4. Negotiating Group on Rules

Status

At the Doha Ministerial Conference in 2001, Ministers agreed to negotiations aimed at clarifying and improving disciplines under the Agreement on Implementation of Article VI of the GATT 1994 (the Antidumping Agreement) and the Agreement on Subsidies and Countervailing Measures (the SCM Agreement), while preserving the basic concepts, principles, and effectiveness of these Agreements and their instruments and objectives. Ministers directed that the negotiations take into account the needs of developing and least developed country Members. The Doha Round mandate also called for clarified and improved WTO disciplines on fisheries subsidies.

The Negotiating Group on Rules (the Rules Group) has based its work primarily on written submissions from Members, organizing its work in the following categories: (1) the antidumping remedy, often

[3] WTO, International Trade Statistics 2016.
[4] WTO World Trade Statistical Review 2016

including procedural and domestic industry injury issues potentially applicable to the countervailing duty remedy; (2) subsidies and the countervailing duty remedy, including fisheries subsidies; and (3) regional trade agreements (RTAs). Over the past years, Members have considered draft texts for antidumping, subsidies, including disciplines on fisheries subsidies, and countervailing measures, yet no consensus was reached. The most recent Chairman's report was issued in 2011.[5]

The Doha Declaration also directed the Rules Group to clarify and improve disciplines and procedures governing RTAs under the existing WTO provisions. To that end, the General Council in December 2006 adopted a decision for the provisional application of the "Transparency Mechanism for Regional Trade Agreements" to improve the transparency of RTAs. A total of 238 RTAs have been considered under the Transparency Mechanism since then. Pursuant to its mandate, in the past, the Rules Group has explored the establishment of further standards governing the relationship of RTAs to the global trading system. However, such discussions failed to produce common ground on how to clarify or improve existing RTA rules and have not been further pursued in the Rules Group.

Major Issues in 2016

The Rules Group met informally in March, May, June, November, and December 2016. The purpose of the March and May meetings was largely to provide an opportunity for the Chair to provide transparency reporting regarding his consultations with Members on the way-forward for the Rules Group following the WTO Ministerial Conference in December 2015 (MC10), where no agreement was reached among Ministers to continue the Doha mandates. The Chair reported that while delegations expressed diverging views on whether and how to continue to engage on the various Rules issues in a post-MC10 environment, a large number of delegations stressed the importance of work on fisheries subsidies and of moving away from old linkages and stalemates between the Rules pillars. The June meeting was focused on a fisheries subsidies paper presented by New Zealand and a group of co-sponsors, which posed several question to Members in an effort to re-engage the negotiating group on the substance of a discipline for fisheries subsidies. The November meeting was focused on another transparency report by the Chair following a series of Member consultations, as well as a preliminary review of a fisheries subsidies paper presented by the European Union. The December meeting consisted of a dedicated session on fisheries subsidies, with focus on proposals from the ACP group, Peru/Argentina and a group of co-sponsors, and the European Union.

In September 2016, the United States joined 12 other Members to launch a plurilateral initiative to negotiate fisheries subsidies disciplines, with the goal of delivering an ambitious, high-standard agreement for MC-11. Throughout the remainder of 2016, the plurilateral group met four times in order to organize its work and discuss the scope of the negotiations.

Prospects for 2017

In 2017, the United States will continue to focus on preserving the effectiveness of trade remedy rules, improving transparency and due process in trade remedy proceedings, and strengthening existing subsidies rules in a post-Doha environment. The United States will continue to support stronger disciplines and greater transparency in the WTO with respect to fisheries subsidies.

On RTAs, the United States will continue to advocate for increased transparency and strong substantive standards. The Transparency Mechanism will continue to be applied in the consideration of additional RTAs.

[5] TN/RL/W/252, TN/RL/253, TN/RL/W/254, all dated April 21, 2011.

5. Preparatory Committee on Trade Facilitation

Status

In 2013, Members concluded negotiations on the WTO TFA on December 6 at the Ninth WTO Ministerial Conference in Bali. This agreement establishes transparent and predictable multilateral trade rules under the WTO that should reduce opaque customs and border procedures and unwarranted delays at the border that can add costs that are the equivalent of significant tariffs and are the types of nontariff barriers that U.S. and other exporters most frequently cite as barriers to trade.

Members established a Preparatory Committee on Trade Facilitation (PCTF) at the Ninth Ministerial Conference. The PCTF subsumed the Negotiating Group on Trade Facilitation and was established to conduct the legal review of the TFA, accept Category A notifications from developing country Members (that is, commitments that will be implemented upon entry into force of the agreement without a transition period), and draft a Protocol to amend the WTO Agreement to insert the TFA into Annex 1A of the Marrakesh Agreement Establishing the World Trade Organization (WTO Agreement). Inserting the TFA into Annex 1A of the WTO Agreement allows it to enter into force once two-thirds of WTO Members notify the WTO of their acceptance. The PCTF completed the legal review in July 2014, and Members reached agreement on the Protocol text, which they adopted on 27 November 2014. In 2015, the PCTF reviewed Members' efforts to notify their acceptance and implement the TFA.

For many Members, the TFA will bring improved transparency and an enhanced rules-based approach to border regimes, and will be an important element of broader ongoing domestic strategies to increase economic output and attract greater investment. There is also the possibility that the TFA will squarely address factors holding back increased regional integration and south-south trade. Implementation of the TFA should also bring particular benefits to small and medium-sized businesses, enabling them to increase participation in the global trading system.

Major Issues in 2016

In 2016, the PCTF met primarily to receive developing country Members' notifications of Category A commitments, as well as review progress made and Members' experiences with their acceptance of the Protocol. The PCTF met in March, June, and November 2016. During these meetings, a number of Members reported on their experiences in carrying out domestic reforms needed to meet the commitments under the TFA, their efforts to secure ratification under their domestic acceptance processes, and any challenges they faced. The discussions revealed that Members are actively taking steps to complete their respective domestic acceptance processes, thereby enabling them to notify their acceptance of the TFA Protocol to the WTO. Many developing country Members recognize that they and their exporters have an interest in seeking implementation by their neighbors of the TFA commitments.

The United States submitted its letter of acceptance to the WTO on January 23, 2015. As of December 31, 2016, 103 WTO Members had notified their acceptance of the TFA. In addition to the United States, acceptances have been submitted by: Afghanistan, Albania, Australia, Bahrain, Bangladesh, Belize, Botswana, Brazil, Brunei, Cambodia, Canada, Chile, China, Cote d'Ivoire, Dominica, El Salvador, EU (on behalf of its 28 Member States), Gabon, Georgia, Grenada, Guyana, Honduras, Hong Kong, China, Iceland, India, Jamaica, Japan, Kazakhstan, Kenya, Korea, Kyrgyz Republic, Lao PDR, Lesotho, Liechtenstein, Macau, China, Madagascar, Malaysia, Mali, Mauritius, Mexico, Moldova, Mongolia, Montenegro, Burma (Myanmar), New Zealand, Nicaragua, Niger, Norway, Pakistan, Panama, Paraguay, Peru, Philippines, Russian Federation, St. Kitts and Nevis, Saint Lucia, Samoa, Saudi Arabia, Senegal, Seychelles, Singapore, Sri Lanka, Swaziland, Switzerland, Chinese Taipei, Thailand, The former Yugoslav Republic of

Macedonia, Togo, Trinidad and Tobago, Turkey, Ukraine, United Arab Emirates, Uruguay, Vietnam, and Zambia.

Substantial capacity building assistance is provided for trade facilitation. As part of this, over the course of the negotiations and since the Bali Ministerial, the WTO and multilateral and bilateral assistance organizations like the U.S. Agency for International Development (USAID) have undertaken training programs with developing country Members to help them assess their individual situations regarding capacity and make progress in implementing the provisions of the TFA. Further, to meet its commitment to help developing countries and LDCs implement the TFA, the United States, along with four other donors, announced the launch of the Global Alliance for Trade Facilitation (GATF) during the 2015 WTO Ministerial Conference in Kenya. The GATF is a new multi-donor model of assistance that partners with the private sector to support rapid and full implementation of the TFA. In addition to support provided by the United States, Australia, Canada, Germany, and the United Kingdom, the partnership is supported by a Secretariat created by the World Economic Forum, the International Chamber of Commerce, and the Center for International Private Enterprise, and by private sector representatives and others who are contributing their expertise and resources for this mission.

Prospects for 2017

In 2017, WTO Members will continue to undertake necessary steps to complete their respective domestic acceptance processes, thereby enabling them to accept the TFA Protocol. The PCTF will continue to accept Category A notifications and convene for Members to share experiences in implementation of the TFA.

There will also be a focus on ensuring that developing country Members seeking to obtain technical assistance to implement fully provisions of the TFA are matched with donors and that technical assistance projects are prioritized and funded.

6. Dispute Settlement Body Special Session

Status

Following the Doha Ministerial Conference in 2001, the Trade Negotiations Committee (TNC) established the Special Session of the Dispute Settlement Body (DSB-SS) to fulfill the Ministerial mandate found in paragraph 30 of the Doha Declaration, which provides: "We agree to negotiations on improvements and clarifications of the Dispute Settlement Understanding. The negotiations should be based on the work done thus far, as well as any additional proposals by Members, and aim to agree on improvements and clarifications not later than May 2003, at which time we will take steps to ensure that the results enter into force as soon as possible thereafter." In July 2003, the General Council decided that: (1) the timeframe for conclusion of the negotiations on clarifications and improvements of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) be extended by one year (*i.e.*, to aim to conclude the work by May 2004 at the latest); (2) this continued work will build on the work done to date, and take into account proposals put forward by Members as well as the text put forward by the Chair of the DSB-SS; and (3) the first meeting of the DSB-SS when it resumed its work be devoted to a discussion of conceptual ideas. Due to complexities in negotiations, deadlines were not met. In August 2004, the General Council decided that Members should continue work toward clarification and improvement of the DSU, without establishing a deadline, and these negotiations have continued since.

Major Issues in 2016

The DSB-SS met six times during 2016. In previous phases of the review of the DSU, Members had engaged in a general discussion of the issues. Following that general discussion, Members tabled proposals

to clarify or improve the DSU. Members then reviewed each proposal submitted and requested explanations and posed questions to the Member(s) making the proposal. Members also had an opportunity to discuss each issue raised by the various proposals. The Chair of the review issued a Chair's text in July 2008 "to take stock of" the work to date and to provide a basis for its continuation. In 2016, delegations continued to engage on the basis of the comments received in the previous phase, seeking to advance the work on their proposals.

The United States has advocated two proposals, both of which are reflected in the Chair's text. One would expand transparency and public access to dispute settlement proceedings. The proposal would open WTO dispute settlement proceedings to the public as the norm and give greater public access to submissions and panel reports. In addition to open hearings, public submissions and early public release of panel reports, the U.S. proposal calls on WTO Members to consider rules for "*amicus curiae*" submissions – submissions by nonparties to a dispute. WTO rules currently allow such submissions but do not provide guidelines on how they are to be considered. Guidelines would provide a clearer roadmap for handling such submissions.

In addition, the United States and Chile submitted a proposal to help improve the effectiveness of the WTO dispute settlement system in resolving trade disputes among Members. The joint proposal contained specifications aimed at giving parties to a dispute more control over the process and greater flexibility to settle disputes. Under the present dispute settlement system, parties are encouraged to resolve their disputes, but do not always have all the tools with which to do so. As part of this proposal, the United States has also proposed guidance for WTO Members to provide to WTO adjudicative bodies in particular areas where important questions have arisen in the course of various disputes.

Prospects for 2017

In 2017, Members will continue to work to complete the review of the DSU. Members will be meeting a number of times over the course of 2017.

7. Council for Trade-Related Aspects of Intellectual Property Rights Special Session

Status

The Council for Trade-Related Aspects of Intellectual Property Rights (TRIPS Council) Special Session met briefly two times in 2016 in order for the Chairman of the Special Session to provide an update to the Membership on the results of Chair-led consultations with individual Members. The status had not changed since the previous year's reporting: there was no consensus among Members to continue engaging in this negotiation until progress was first made in other areas.

Major Issues in 2016

In 2016, the United States and a group of other Members continued to maintain their common position that the establishment of a multilateral system for notification and registration of geographical indications for wines and spirits must: be voluntary; have no legal effects for non-participating members; be simple and transparent; respect different systems of protection of geographical indications (GIs); respect the principle of territoriality; preserve the balance of the Uruguay Round; and, consistent with the mandate, be limited to the protection of wines and spirits. The United States and this group of Members (the Joint Proposal group) continued to maintain that the mandate of the TRIPS Council Special Session is clearly limited to the establishment of a system of notification and registration of GIs for wines and spirits and that discussions cannot move forward on any other basis. The United States, together with Argentina, Australia,

Canada, Chile, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Israel, Japan, Korea, Mexico, New Zealand, Nicaragua, Paraguay, South Africa, and the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu support the Joint Proposal under which Members would voluntarily notify the WTO of their GIs for wines and spirits for incorporation into a registration system. During 2011, Israel formally became a cosponsor of the Joint Proposal.

The EU, together with a number of other Members, continued to support their alternative proposal for a binding, multilateral system for the notification and registration of GIs for all products, not only wines and spirits, which all Members would be required to use. The effect of this proposal would be to expand the scope of the negotiations to all GI products and to propose that any GI notified to the EU's proposed register would benefit from a presumption of eligibility for protection as a GI in other WTO Members. Although a third proposal, from Hong Kong, China remains on the table, this proposal has received little support.

Prospects for 2017

If discussions resume, in light of the failure in Nairobi to reaffirm the DDA, Members will discuss whether negotiations are limited to GIs for wines and spirits (the position of the Joint Proposal proponents, based on the unambiguous text of Article 23.4 of the TRIPS Agreement) or whether these negotiations should be extended to cover GIs for goods other than wines and spirits (the position of the EU and certain other WTO members). The United States will continue to aggressively oppose expanding negotiations, will continue to pursue additional support for the Joint Proposal in the coming year, and will seek a more flexible and pragmatic approach from supporters of the EU proposal.

8. Committee on Trade and Development Special Session

Status

The Special Session of the Committee on Trade and Development (CTD-SS) was established by the TNC in February 2002, to review all WTO special and differential (S&D) with a view to improving them. Under existing S&D provisions, Members provide developing country Members with technical assistance and transitional arrangements toward implementation of WTO agreements. S&D provisions also enable Members to provide developing country Members with better-than-MFN access to markets.

As part of the S&D review, developing country Members submitted a total of 88 Agreement-Specific Proposals (ASPs). Thirty-eight of these proposals were referred to other negotiating groups and WTO bodies for consideration (Category II proposals). Members reached an "in principle" agreement on draft decisions for 28 of the remaining proposals at the 2003 Cancun Ministerial Conference (Cancun 28). While these proposals were supposed to be a part of a larger package of agreements, they were never adopted due to the breakdown of the ministerial negotiations.

At the 2005 Hong Kong Ministerial Conference, Members reached agreement on five ASPs: access to WTO waivers; coherence; duty-free and quota-free treatment (DFQF) for LDC Members; Trade-Related Investment Measures (TRIMS); and flexibility for LDC Members that have difficulty implementing their WTO obligations. The decisions on these proposals are contained in Annex F of the Hong Kong Ministerial Declaration. Ministers at Hong Kong also instructed the CTD-SS to expeditiously complete the review of the outstanding ASPs and report to the General Council, with clear recommendations for a decision. With respect to the 38 Category II proposals, Ministers instructed the CTD-SS to continue to coordinate its efforts with relevant bodies to ensure that work was concluded and recommendations for a decision made to the General Council. Ministers also mandated the CTD-SS to resume work on all outstanding issues, including

a proposal submitted in 2002 by the African Group to negotiate a Monitoring Mechanism for effective monitoring of S&D provisions.

Following the Hong Kong Ministerial, the CTD-SS conducted a thorough "accounting" of the remaining ASPs, working in conjunction with the relevant Chairs of the negotiating groups and Committees to which they had been referred, but consensus could not be reach on any of them. However, discussions continued on certain proposals that were revised and some of the Chairs of the negotiating bodies indicated that a number of the issues raised in the proposals formed an integral part of the ongoing negotiations.

At the Eighth Ministerial Conference in December 2011, Ministers agreed to expedite work to finalize the Monitoring Mechanism and to take stock of the Cancun 28 proposals. Members reached agreement on the establishment of the Monitoring Mechanism, and adopted the corresponding text at the Ninth Ministerial in December 2013. As a result, regular meetings of the newly established Monitoring Mechanisms now take place in dedicated sessions of the Committee on Trade and Development. By contrast, Members did not reach convergence on the Cancun 28 ASPs, despite intensive engagement in 2013.

In July 2015, the G90 submitted new textual proposals on 25 S&D provisions. The CTD-SS worked intensively on these proposals during the fall of 2015. After numerous Members expressed concerns about the proposals, the discussion moved into small group meetings and began focusing on the text. On the basis of these discussions, the G90 tabled 16 revised proposals in the lead up to MC10 in Nairobi. However, Members were not able to reach convergence on the revised proposals, based in part, on major disagreement over whether the proposals should apply to all developing countries.

Major Issues in 2016

The CTD-SS met once in 2016, in July, to receive the Chair's briefing on her consultations with Members on possible ways forward. The Chair's view was that Members needed more time to reflect before work could be restarted in the CTD-SS, in part because of the lack of support for resuming work on the 25 ASPs. The Chair also reported divergent views among Members on whether to discuss differentiation and whether to utilize the Monitoring Mechanism. The short discussion among Members laid bare strong disagreements regarding prospects for work in the CTD-SS without a real change in approach.

Prospects for 2017

The United States continues to view with optimism the potential for constructive discussion and work in the Committee on Trade and Development's Monitoring Mechanism. The Mechanism, which was mandated to cover all S&D provisions contained in all multilateral WTO agreements and Ministerial and General Council Decisions, presents a useful forum for Members to raise concerns with the implementation of existing S&D provisions, as well as successes. Further, the Mechanism is not precluded from making recommendations to relevant WTO bodies, including recommendations that propose the initiation of negotiations aimed at improving the S&D provision.

C. Work Programs Established in the Doha Development Agenda

1. Working Group on Trade, Debt, and Finance

Status

Ministers at the 2001 Doha Ministerial Conference established the mandate for the Working Group on Trade, Debt, and Finance (WGTDF). Ministers instructed the WGTDF to examine the relationship between trade, debt, and finance and to examine and make recommendations on possible steps, within the mandate and competence of the WTO, to enhance the capacity of the multilateral trading system to contribute to a durable solution to the problem of external indebtedness of developing and least-developed country Members. Ministers further instructed the WGTDF to consider possible steps to strengthen the coherence of international trade and financial policies, with a view to safeguarding the multilateral trading system from the effects of financial and monetary instability.

Major Issues in 2016

The WGTDF met twice in 2016: on May 31 and October 20. Both meetings focused on trade finance issues, with a paper from the WTO Director General on "Trade Finance and SMEs" serving as the focal point of discussion. This paper, which was generally welcomed by Members of the Working Group, outlined the Director General's views on how the WTO might work with multilateral development banks and other partners to (1) enhance existing trade finance facilitation programs, with a view to reducing gaps in trade finance; and (2) foster dialogue with regulators; and (3) monitor trade finance gaps. During the October meeting, the Working Group focused on the difficulties that MSMEs face in obtaining access to trade finance. The WTO Secretariat also provided an update on the Director General's ongoing interaction with the heads of partner institutions regarding global trade finance issues and challenges. Bearing in mind that the WTO is not itself mandated as a trade finance institution, Members expressed support for the Director General's advocacy for a greater institutional focus on the trade finance needs of MSMEs.

During 2016, the WGTDF did not pursue its examination, reflected in previous years, of issues related to exchange rates and trade, due to an absence of relevant submissions from Members.

On November 11, 2016, the Working Group adopted its annual report for submission to the General Council.

Prospects for 2017

WGTDF Members are expected to maintain a principal focus on the trade finance aspects of the group's mandate during the course of 2017. The particular relevance of trade finance to the integration of MSMEs in global trade appears to be of ongoing interest to a broad range of Members.

2. Working Group on Trade and Transfer of Technology

Status

During the 2001 Doha Ministerial Conference, WTO Ministers agreed to an "examination . . . of the relationship between trade and transfer of technology, and of any possible recommendations on steps that might be taken within the mandate of the WTO to increase flows of technology to developing countries." To fulfill that mandate, the TNC established the Working Group on Trade and Transfer of Technology (WGTTT), under the auspices of the General Council, and tasked the WGTTT to report on its progress to

the 2003 Ministerial Conference at Cancun. At that meeting, Ministers extended the time period for the WGTTT's examination. WTO Ministers further continued this work during the 2005 Hong Kong Ministerial Conference. During the 2013 Ministerial Conference in Bali, WTO Ministers noted that the working group "has covered a number of issues and has helped to enhance Members' understanding of the complex issues that encompass the nexus between trade and transfer of technology." However, they also observed that more work remains to be done, and directed "that the Working Group should continue its work in order to fully achieve the mandate of the Doha Ministerial Declaration."

Major Issues in 2016

The WGTTT met in March, June, and November of 2016. WTO Members continued their consideration of the relationship between trade and transfer of technology on the basis of submissions by WTO Members. In June, Chinese Taipei made a presentation on a technology transfer project they had undertaken in St. Lucia to improve disease prevention for banana crops. Discussion in the WGTTT also focused on a 2008 proposal by India, Pakistan, and the Philippines for steps WTO Members could take to support transfer of technology, including enhancements to the WTO web site.

Prospects for 2017

No WGTTT meetings have been scheduled yet for 2017, and the status and future focus of the working group is not clear at this time.

3. Work Program on Electronic Commerce

Status

Pursuant to the 2005 Hong Kong Ministerial Declaration, Members continue to work on ways to advance the Work Program on Electronic Commerce. At the 2015 Tenth Ministerial Conference in Nairobi, Ministers agreed to extend once again, until the next Ministerial Conference, the current practice of not imposing customs duties on electronic transmissions. In addition, they agreed to continue the Work Program.

Major Issues in 2016

A number of WTO Members submitted discussion papers to CTS addressing various issues related to electronic commerce. The United States contributed a paper offering a range of proposals, including proposals to ensure cross-border information flows and to prohibit localization requirements.

Prospects for 2017

The United States will continue to work with other Members to maintain a liberal trade environment for electronically traded goods and services, seeking to ensure that trade rules are appropriate and fair with respect to the digital economy. As in the past, the General Council will continue to assess the Work Program's progress and consider any recommendations, including with respect to the status of the customs duties moratorium on electronic transmissions.

D. General Council Activities

The WTO General Council is the highest level decision-making body in the WTO that meets on a regular basis during the year. It exercises all of the authority of the Ministerial Conference, which is required to meet no less than once every two years.

Only the Ministerial Conference and the General Council have the authority to adopt authoritative interpretations of the WTO Agreements, submit amendments to the WTO Agreement for consideration by Members, and grant waivers of obligations. The General Council or the Ministerial Conference must approve the terms for all accessions to the WTO. Technically, both the Dispute Settlement Body (DSB) and the Trade Policy Review Body (TPRB) are General Council meetings that are convened for the purpose of discharging the responsibilities of the DSB and TPRB, respectively.

Four major bodies report directly to the General Council: the Council for Trade in Goods, the Council for Trade in Services, the Council for Trade-Related Aspects of Intellectual Property Rights, and the Trade Negotiations Committee. In addition, the Committee on Trade and Environment, the Committee on Trade and Development, the Committee on Balance of Payments Restrictions, the Committee on Budget, Finance and Administration, and the Committee on Regional Trade Agreements report directly to the General Council. The Working Groups established at the First Ministerial Conference in Singapore in 1996 to examine investment, trade and competition policy, and transparency in government procurement also report directly to the General Council, although these groups have been inactive since the Cancun Ministerial Conference in 2003. A number of subsidiary bodies report to the General Council through the Council for Trade in Goods or the Council for Trade in Services. The Doha Ministerial Declaration approved a number of new work programs and working groups with mandates to report to the General Council, such as the Working Group on Trade, Debt, and Finance and the Working Group on Trade and Transfer of Technology.

The General Council uses both formal and informal processes to conduct the business of the WTO. Informal groupings, which generally include the United States, play an important role in consensus building. Throughout 2016, the Chairman of the General Council, together with the WTO Director General, conducted informal consultations with large groupings comprising the Heads of Delegation of the entire WTO Membership and as well as a wide variety of smaller groupings of WTO Members at various levels. The Chairman and Director General convened these consultations with a view to resolving outstanding issues on the General Council's agenda.

Major Issues in 2016

Activities of the General Council in 2016 included:

Implementation of the Bali and Nairobi Outcomes: The General Council discussed the status of implementation in each area agreed at the Ninth and Tenth WTO Ministerials in Bali and Nairobi in December 2013 and 2015, respectively.

Work begun under the Doha Work Program: The General Council continued its discussions, first established under the Doha agenda, related to small economies, LDCs, Aid for Trade, and the development assistance aspects of cotton and e-commerce.

WTO Accessions: A new chairman was named by the General Council to lead discussions on Algeria's accession to the WTO.

Waivers of Obligations: The General Council adopted decisions concerning the introduction of Harmonized System 2002, 2007, and 2012 nomenclature changes into WTO schedules of tariff concessions as well as U.S. waivers specific to trade preferences for Nepal and the Pacific Islands. The General Council also reviewed a number of previously agreed waivers, including the U.S. waiver related to the Caribbean Basin Economic Recovery Act. Annex II of this report contains a detailed list of Article IX waivers currently in force.

Trade Restrictions: Russia's trade restrictions against the Ukraine were discussed by WTO Members in the General Council. The United States also raised the African Union levy proposal and the need for it to be implemented in a transparent and WTO consistent manner.

Prospects for 2017

In addition to its management of the WTO and oversight of implementation of the WTO Agreement, the General Council will have detailed discussions throughout the year to implement the decisions taken at MC10 in Nairobi as well as prepare for MC11 in Buenos Aires in December 2017.

E. Council for Trade in Goods

Status

The WTO Council for Trade in Goods (CTG) oversees the activities of 12 committees (Agriculture, Antidumping Practices, Customs Valuation, Import Licensing, Information Technology, Market Access, Rules of Origin, Safeguards, Sanitary and Phytosanitary Measures, Subsidies and Countervailing Measures, Technical Barriers to Trade, and Trade-Related Investment Measures) and the Working Party on State Trading Enterprises.

The CTG is the central oversight body in the WTO for all agreements related to trade in goods and the forum for discussing issues and decisions that may ultimately require the attention of the General Council for resolution or a higher-level discussion, and for putting issues in a broader context of the rules and disciplines that apply to trade in goods. For example, the CTG considers the use of the waiver provisions under Article IX of the Marrakesh Agreement and in 2016 gave initial approval to waivers for trade preferences, including those that the United States granted to the Former Trust Territories of the Pacific and Nepal.

Major Issues in 2016

In 2016 the CTG held three formal meetings, in April, July, and November. The CTG devoted its attention primarily to providing formal approval of decisions and recommendations proposed by its subsidiary bodies. The CTG also served as a forum for raising concerns regarding actions that individual Members had taken with respect to the operation of goods-related WTO agreements. In 2016, this included extensive discussions initiated by the United States and other WTO Members on Indonesia's policies restricting imports and exports; the Russian Federation's trade restricting measures; Nigeria's import restrictions, bans, and local content requirements; Ecuador's measures restricting imports; Pakistan's discriminatory taxes; and India's import restricting measures, among other serious market access issues. In addition, three other major issues were discussed in the CTG in 2016:

Waivers: In light of the introduction of Harmonized System (HS) 2002, 2007, and 2012 changes to the Schedules of Tariff Concessions, the CTG approved three collective requests for extensions of waivers related to the implementation of the Harmonized Tariff System. The CTG forwarded these approvals to

the General Council for adoption. The CTG also considered and approved requests by the United States relating to the Former Trust Territory of the Pacific and a new preference program for Nepal. The CTG continued to consider, but did not approve, a waiver request from Jordan relating to export subsidies.

EU Enlargement: In accordance with procedures under Article XXVIII:3 of the GATT 1994, the CTG considered and approved the EU's requests to extend the time period for the withdrawal of concessions regarding the 2013 enlargement to include Croatia.

EAEU Enlargement: In accordance with procedures under Article XXVIII:3 of the GATT 1994, the CTG considered and approved Armenia and the Kyrgyz Republic's requests to extend the time period for the withdrawal of concessions regarding their respective accessions to the Eurasian Economic Union (EAEU).

Prospects for 2017

The CTG will continue to be the focal point for discussing agreements in the WTO dealing with trade in goods. Waiver requests and goods-specific market access concerns are likely to continue to be prominent issues on the CTG agenda.

1. Committee on Agriculture

Status

The WTO Committee on Agriculture oversees the implementation of the Agriculture Agreement and provides a forum for Members to consult on matters related to provisions of the Agreement. In many cases, the Agriculture Committee resolves problems of implementation, permitting Members to avoid invoking dispute settlement procedures. The Agriculture Committee also has responsibility for monitoring the possible negative effects of agricultural reform on least developed countries (LDC) and net food importing developing country (NFIDC) Members.

Since its inception, the Agriculture Committee has proven to be a vital instrument for the United States to monitor and enforce the agricultural trade commitments undertaken by Members in the Uruguay Round. Under the Agriculture Agreement, Members agreed to provide annual notifications of progress in meeting their commitments in agriculture, and the Agriculture Committee has met frequently to review the notifications and monitor activities of Members to ensure that trading partners honor their commitments.

Major Issues in 2016

The Agriculture Committee held four formal meetings, in March, June, September, and November 2016, to review progress on the implementation of commitments negotiated in the Uruguay Round. At the meetings, Members undertook reviews based on notifications by Members in the areas of market access, domestic support, export subsidies, export prohibitions and restrictions, and general matters relevant to the implementation of commitments.

In total, 206 notifications were subject to review during 2016. The United States participated actively in the review process and raised specific issues concerning the operation of Members' agricultural policies. For example, the United States regularly raised points with respect to domestic support in many Members, including Afghanistan, China, Costa Rica, Cuba, Georgia, India, the Russian Federation, South Africa, Switzerland, Tunisia, and the United Arab Emirates. The United States used the review process to question Canada's dairy and wine policies; India's price support policies; Brazil's Program for Product Flow (PEP – *Prêmio para Escoamento do Produto)* and Program for Producer-paid Equalization Subsidy

(PEPRO – *Prêmio de Equalização pago ao Produtor)* for rice, wheat, and corn; Costa Rica's rice support program; India's Export Assistance programs; Moldova's poultry tariffs; Thailand's rice policies; and Turkey's wheat flour export policies under the Turkish Grain Board. The United States raised questions with respect to tariff-rate-quota fill issues with China, Guatemala, and Switzerland. The United States also raised questions regarding Canada's export subsidy notifications for butter, and questioned missing information in Afghanistan's export subsidy notification tables. Finally, the United States raised questions with the Russian Federation's food aid notification to ensure it was consistent with WTO practices, and encouraged countries including China and Turkey to bring their notifications up to date.

During 2016, the Agriculture Committee addressed a number of other issues related to the implementation of the Agriculture Agreement, such as: (1) convening the third annual dedicated discussion on export competition, as follow-up to the Bali and Nairobi Ministerial outcomes; and (2) exchanging views on approaches to strengthening Committee work relating to transparency.

Prospects for 2017

The United States will continue to make full use of the Agriculture Committee to promote transparency through timely notification by Members and to enhance surveillance of Uruguay Round commitments as they relate to export subsidies, market access, domestic support, and trade-distorting practices of WTO Members. The United States will also work with other Members as the Agriculture Committee continues to implement Bali and Nairobi Ministerial decisions. In addition, the United States will continue to work closely with the Agriculture Committee Chair and Secretariat to find ways to improve the timeliness and completeness of notifications and to increase the effectiveness of the Committee overall.

The Agriculture Committee will continue to monitor and analyze the impact of Measures Concerning the Possible Negative Effects of the Reform Program on LDCs and NFIDCs in accordance with the Agriculture Agreement. The Committee agreed to hold regular meetings in March, June, September, and November of 2017.

2. Committee on Market Access

Status

In January 1995, WTO Members established the Committee on Market Access (MA Committee), which is responsible for the implementation of concessions related to tariffs and non-tariff measures that are not explicitly covered by another WTO body, as well as for verification of new concessions on market access in the goods area. The Committee reports to the WTO Council on Trade in Goods.

Major Issues in 2016

The MA Committee held two formal meetings in April and October 2016, and four informal sessions or consultations, to discuss the following topics: (1) ongoing and future work on WTO Members' tariff schedules to reflect changes to the HS tariff nomenclature and any other tariff modifications; (2) the WTO Integrated Data Base (IDB) and Consolidated Tariff Schedules (CTS) database; (3) Member notifications of quantitative restrictions; and (4) other market access issues and specific trade concerns as raised by Members.

Updates to the HS nomenclature: The MA Committee examines issues related to the transposition and renegotiation of the schedules of Members that adopted the HS in the years following its introduction on January 1, 1988. Since then, the World Customs Organization has amended the HS tariff classification

system relating to tariff nomenclature in 1996, 2002, 2007, 2012, and 2017. Using agreed examination procedures, WTO Members have the right to object to modifications in another Member's tariff schedule that result from changes in the HS nomenclature, if such modifications affect the Member's bound tariff commitments. Members may pursue unresolved objections under Article XXVIII of GATT 1994. Given the technical nature of this work, these reviews are often time-consuming, but this is an important aspect of enforcing WTO Members' trade commitments.

In 2016, the MA Committee continued its work concerning the introduction and verification of HS2002 changes to Members' WTO tariff schedules. Throughout the year, the United States worked closely with other Members and the WTO Secretariat to ensure that all Members' bound tariff commitments are properly reflected in their updated schedule. To date, the HS2002 files for 127 Members – including the United States – have been certified, with only four files outstanding.

Multilateral review of tariff schedules under the HS2007 procedures continued at informal Committee meetings throughout 2016. The multilateral verification process in the Committee will be ongoing through 2017. The U.S. 2007 transposition file was circulated for multilateral review and approved by the Committee during the first half of 2015.

With respect to the HS2012 nomenclature changes, the General Council approved procedures (WT/L/831) in 2011 to introduce those changes to schedules of concessions using the Consolidated Tariff Schedules (CTS) database. However, that work will not commence for some time in the Committee since it is in the midst of updating Members' bound commitments into HS2007 nomenclature. This lag can create difficulties in determining whether Members' MFN duties – which were applied in HS2012 nomenclature beginning January 1, 2012 – are consistent with their WTO bound commitments. The United States was the first WTO Member to submit its tariff schedule in HS2012 nomenclature to the WTO Secretariat in September 2012. In preparation for the HS2017 nomenclature changes, the Committee adopted a decision (G/MA/W/124, G/MA/W/124/CORR.1) regarding the introduction of HS2017 changes into Members' schedules of concessions.

Integrated Data Base (IDB): Members are required to notify information on annual tariffs and trade data, linked at the level of tariff lines, to the IDB as a result of a General Council Decision adopted in July 1997. On the tariff side, the IDB contains MFN current bound duties and MFN current applied duties. Additional information covering preferential duties is also included if provided by Members. On the trade side, it contains value and quantity data on imports by country of origin by tariff line. The WTO Secretariat periodically reports on the status of Member submissions to the IDB, the most recent of which can be found in WTO document G/MA/IDB/2/Rev.43 and 44. The United States notifies this data in a timely fashion every year. However, several other WTO Members are not up to date in their submissions. The public can access tariff and trade data notified to the IDB through the WTO's Tariff Online Analysis (TAO) facility at https://tariffanalysis.wto.org.

Consolidated Tariff Schedules (CTS) database: The MA Committee continued work on implementing an electronic structure for tariff and trade data. The CTS database includes tariff bindings for each WTO Member that reflect its Uruguay Round tariff concessions, HS 1996, 2002, and 2007 amendments to tariff nomenclature and bindings, and any other Member rectifications/modifications to its WTO schedule (*e.g.*, participation in the Information Technology Agreement). The database also includes agricultural support tables.

Notification Procedures for Quantitative Restrictions (QRs): On December 1, 1995, the Council for Trade in Goods adopted a revised Decision on Notification Procedures for Quantitative Restrictions. On 3 July 2012, the Council for Trade in Goods adopted a Decision on Notification Procedures for Quantitative Restrictions (G/L/59/Rev.1), which provides that WTO Members should make complete notifications of

the quantitative restrictions (QRs), which they maintain at two-year intervals thereafter, and shall notify changes to their QRs when these changes occur.

Under the revised notification procedures for quantitative restrictions, the Committee continued to examine the quantitative restrictions notifications submitted by Members (G/MA/QR/4). The United States mostly recently notified its quantitative restrictions for the 2016-2018 cycle. In 2016, the United States raised questions with respect to measures on encryption devices in the Russian Federation's 2014-2016 QR notification, reiterated questions on export restrictions on raw materials in China's notifications, and urged Brazil to submit a revised QR notification given the existence of non-notified measures that would appear to qualify as quantitative restrictions.

Other Market Access Issues: Working with other Members, the United States raised strong concerns in the Committee regarding India's decision to impose import tariffs on certain telecommunication products covered under the Information Technology Agreement (ITA), as well as India's tariff increases in a number of sectors that impact U.S. exports to India. The United States also raised concerns that Oman's increase of a specific tariff on agriculture products may result in Oman exceeding its WTO bindings for such products.

Prospects for 2017

The ongoing work program of the MA Committee, while highly technical, aims to ensure that all WTO Members are honoring and implementing their WTO market access commitments, and that their schedules of tariff commitments are up to date and available in electronic spreadsheet format. The Committee will continue its work to finalize Members' amended schedules based on the HS2002 amendments, continue work on the transposition of Members' tariff schedules to HS2007 nomenclature, and begin work on 2012 schedules.

3. Committee on the Application of Sanitary and Phytosanitary Measures

Status

The Committee on the Application of Sanitary and Phytosanitary Measures (the SPS Committee) provides a forum for review of the implementation and administration of the Agreement on the Application of Sanitary and Phytosanitary Measures (the SPS Agreement), consultation on Members' existing and proposed SPS measures, technical assistance, other informational exchanges, and the participation of the international standard setting bodies recognized in the SPS Agreement. These international standard setting bodies are: for food safety, the Codex Alimentarius Commission (Codex); for animal health, the World Organization for Animal Health (OIE); and for plant health, the International Plant Protection Convention (IPPC).

The SPS Committee also discusses and provides guidelines on specific provisions of the SPS Agreement. These discussions provide an opportunity to develop procedures to assist Members in meeting specific SPS obligations. For example, the SPS Committee has issued procedures or guidelines regarding: notification of SPS measures; the "consistency" provision of Article 5.5 of the SPS Agreement; equivalence; transparency regarding the provisions for S&D; and regionalization. Participation in the SPS Committee, which operates by consensus, is open to all WTO Members. Governments negotiating accession to the WTO may attend Committee meetings as observers. In addition, representatives from a number of international organizations attend Committee meetings as observers on an *ad hoc* meeting-by-meeting basis, including: the Food and Agriculture Organization; the World Health Organization; Codex;

the IPPC; the OIE; the International Trade Center; the Inter-American Institute for Cooperation on Agriculture; and the World Bank.

Major Issues in 2016

In 2016, the SPS Committee held meetings in March, June, and October. In these meetings, Members exchanged views regarding the implementation of SPS Agreement provisions with respect to risk assessment, transparency, and use of international standards, equivalence, and regionalization.

The United States views these exchanges as useful, as they facilitate ongoing familiarity with the provisions of the SPS Agreement and increased recognition of the value of the SPS Committee as a forum for Members to discuss SPS-related trade issues. Many Members, including the United States, utilized these meetings to raise concerns regarding new and existing SPS measures of other Members. In 2016, the United States raised a number of concerns with existing or proposed measures of other Members, including proposed changes by China relating to approvals for "genetically modified organisms," implementation of China's transparency obligations, Costa Rica's suspension of the issuance of import certificates for avocados, and the EU's proposals to assess, classify and regulate chemicals classified as endocrine disruptors. Further, the United States, with a view to transparency, informed the SPS Committee of U.S. measures, both new and proposed. A workshop on the trade impact of issues related to the establishment and use of maximum residue limits (MRLs) for pesticides was held on the margins of the October Committee meeting.

The Committee did not conclude work on its report of the SPS Committee's fourth review of the implementation of the SPS Agreement due to differences of views among Members on the role of the SPS Committee with respect to private and commercial standards. The United States remains concerned about whether private and commercial standards is an appropriate issue to which the SPS Committee should be devoting resources and continues to work with the Committee and other Members to address that concern.

Notifications: Because it is critical for trading partners to know and understand each other's laws and regulations, the SPS notification process, with the Committee's consistent encouragement, is a significant mechanism in the facilitation of international trade. The process also provides a means for Members to report on determinations of equivalence and S&D. The United States made 154 SPS notifications to the WTO Secretariat in 2016, and submitted comments on 143 SPS measures notified by other Members.

Prospects for 2017

The SPS Committee will hold three meetings in 2017 with informal sessions anticipated to be held in advance of each meeting. The Committee has a standing agenda for meetings that can be amended to accommodate new or special issues. The SPS Committee will continue to monitor Members' implementation activities, and the discussion of specific trade concerns will continue to be an important part of the Committee's activities.

In 2017, the SPS Committee will also continue to monitor the use by Members, and development by Codex, the OIE, and the IPPC, of international standards, guidelines, and recommendations. We expect the Committee to continue its work on trade issues related to pesticide MRLs in 2017.

4. Committee on Trade-Related Investment Measures

Status

The Agreement on Trade-Related Investment Measures (the TRIMS Agreement) prohibits investment measures that are inconsistent with national treatment obligations under Article III:4 of the GATT 1994 and reinforces the prohibitions on quantitative restrictions set out in Article XI:1 of the GATT 1994. The TRIMS Agreement requires the elimination of certain measures imposing requirements on, or linking advantages to, certain actions of foreign investors, such as measures that require, or provide benefits for, the use of local inputs (local content requirements) or measures that restrict a firm's imports to an amount related to the quantity of its exports or foreign exchange earnings (trade balancing requirements). The Agreement includes an illustrative list of measures that are inconsistent with Articles III:4 and XI:1 of the GATT 1994.

Developments relating to the TRIMS Agreement are monitored and discussed both in the Council for Trade in Goods and in the Committee on Trade-Related Investment Measures (TRIMS Committee). Since its establishment in 1995, the TRIMS Committee has been a forum for the United States and other Members to address concerns, gather information, and raise questions about the maintenance, introduction, or modification of trade-related investment measures by Members.

Major Issues in 2016

The TRIMS Committee held two formal meetings during 2016, in June and October, during which the United States and other Members continued to discuss particular local content measures of concern to the United States. The United States explored these concerns through written questions to certain countries to seek a better understanding of a variety of potentially trade-distortive local content requirements.

Some of the local content measures discussed by the Committee remain in place after several years, while new measures continue to emerge. For example, the United States, joined by Japan and the EU, continued to raise questions about possible local content requirements in Indonesia's measures pertaining to mineral and coal mining and oil and gas exploration, noting that it had raised these concerns every year since 2009. The United States, the EU, and Japan also posed questions to Indonesia regarding measures in the telecommunications sector that have been the subject of discussion in the Committee since 2009. The United States also continued to raise questions, first posed in 2015, about apparent local content requirements with respect to 4G LTE equipment in Indonesia. The United States also posed questions to the Russian Federation on programs related to SOE purchases generally, and to SOE purchases of agricultural equipment specifically, in order to determine whether these programs are conditioned on use of local content. Finally, the United States also raised concerns about a new proposal by China that would appear to require acquisition of domestically produced technology and software by investors in the insurance sector.

Prospects for 2017

The United States will continue to engage other Members in efforts to promote compliance with the TRIMS Agreement.

5. Committee on Subsidies and Countervailing Measures

Status

The SCM Agreement provides rules and disciplines for the use of government subsidies and the application of remedies – through either WTO dispute settlement or countervailing duty action taken by individual WTO Members – to address subsidized trade that causes harmful commercial effects. Subsidies contingent upon export performance or the use of domestic over imported goods are prohibited. All other subsidies are permitted but are actionable (through countervailing duty or WTO dispute settlement actions) if they are (i) "specific", *i.e.*, limited to a firm, industry, or group thereof within the territory of a WTO Member, and (ii) found to cause adverse trade effects, such as material injury to a domestic industry or serious prejudice to the trade interests of another Member.

Major Issues in 2016

The Committee on Subsidies and Countervailing Measures (the SCM Committee) held two regular meetings and two special meetings in 2016, in April and October. The SCM Committee continued to review the consistency of Members' domestic laws, regulations, and actions with the SCM Agreement's requirements, as well as Members' notifications of their subsidy programs to the SCM Committee. Other items addressed in the course of the year included: the fourth "counter notifications" by the United States of unreported subsidy programs in China; examination of ways to improve the timeliness and completeness of subsidy notifications; the "export competitiveness" of India's textile and apparel sector; a submission by the European Union, Japan, Mexico and the United States on contributing factors to overcapacity in a number of industrial sectors; a U.S. proposal to enhance the transparency of fisheries subsidies notifications; review of the export subsidy program extension mechanism for certain small economy developing country Members; filling the opening on the five-member Permanent Group of Experts; and updating the eligibility threshold for developing countries to provide export subsidies under Annex VII(b) of the SCM Agreement. Further information on these various activities is provided below.

Review and Discussion of Notifications: Throughout the year, Members submitted notifications of: (1) new or amended countervailing duty legislation and regulations; (2) countervailing duty investigations initiated and decisions taken; and (3) Members' subsidy programs. Notifications of countervailing duty legislation and actions, as well as subsidy notifications, were reviewed and discussed by the SCM Committee at its April and October meetings.

In reviewing notified countervailing duty legislation and subsidies, SCM Committee procedures provide for the exchange in advance of written questions and answers in order to clarify the operation of the notified measures and their relationship to the obligations of the SCM Agreement. As of October 2016, 110 WTO Members (counting the EU as a single Member) have notified their countervailing duty legislation or lack thereof, and 26 Members have so far failed to make a legislative notification.[6] In 2016, the SCM Committee reviewed notifications of new or amended countervailing duty laws and regulations from Australia; Bahrain; Cameroon; Canada; Dominican Republic; India, Kazakhstan; Kuwait; Kyrgyz Republic; Lesotho; Oman; Pakistan; Qatar; Russian Federation; Saudi Arabia; Seychelles; United Arab Emirates; United States; and Vanuatu. [7]

[6] These notifications do not include notifications submitted by Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, the Slovak Republic, and Slovenia before these Members acceded to the European Community.

[7] In keeping with WTO practice, the review of legislative provisions which pertain or apply to both antidumping and countervailing duty actions by a Member generally took place in the Antidumping Committee.

As for countervailing duty measures, 14 Members notified countervailing duty actions they took during the latter half of 2015, and 15 Members notified actions they took in the first half of 2016. The SCM Committee reviewed actions taken by: Australia, Brazil, Canada, China, Egypt, the EU, India, Kazakhstan, Kyrgyz Republic, Pakistan, Peru, Russian Federation, Turkey, the United States, and Ukraine.

In 2016, the SCM Committee examined dozens of new and full subsidy notifications covering various time periods. Unfortunately, numerous Members have not submitted a notification in many years or have yet to make even an initial subsidy notification to the WTO, although many of them are least-developed country Members.

Counter notifications: Under Article 25.1 of the SCM Agreement, Members are obligated to regularly provide a subsidy notification to the SCM Committee. Prior to October 2011, China had only submitted a single subsidy notification, in 2006 (covering the years 2001 – 2004). The United States and other Members have repeatedly expressed deep concern about the notification record of China and India (among others). During the 2010 fall meeting of the SCM Committee, the United States foreshadowed potential resort to the counter notification mechanism under Article 25.10 of the SCM Agreement. This provision states that when a Member fails to notify a subsidy, any other Member may bring the matter to the attention of the Member failing to notify.

Pursuant to Article 25.10, the United States filed counter notifications in October 2011 with respect to over 200 unreported subsidy measures in China and 50 unreported subsidy measures in India – the first counter notifications ever filed by the United States. Although not required by the SCM Agreement, included as part of the counter notification of China was access to translations of each measure in the counter notifications. While China submitted its second subsidy notification (covering 2005 – 2008) shortly after the U.S. counter notification, it covered very few of the subsidy programs referenced in the U.S. counter notification.

In the fall of 2014, the United States submitted its second counter notification of subsidy measures in China. This counter notification was based on the Article 25.8 questions submitted to China in October 2012. Because China did not respond to these questions after two years, the United States was compelled to counter notify the measures at issue. This counter notification included 110 subsidy measures, covering, *inter alia*, steel, semiconductors, non-ferrous metals, textiles, fish, and various sector-specific stimulus initiatives. As part of this counter notification, the United States provided hyperlinks in its submission to complete translations of each measure counter notified.

In the fall of 2015, the United States submitted its third counter notification of subsidy measures in China. All of the measures in this counter notification pertain to China's policy of promoting its "strategic, emerging industries" (SEI). This counter notification was based on the Article 25.8 questions submitted to China in the spring of 2014. Once again, because China did not respond to these questions, the United States was compelled to counter notify the measures at issue. Over 60 subsidy measures were included in the counter notification. The specific sectors China has selected as SEIs include the following: (1) new energy vehicles, (2) new materials (a category that includes textile products), (3) biotechnology, (4) high-end equipment manufacturing, (5) new energy, (6) next generation information technology, and (7) energy conservation and environmental protection. As with other industrial planning measures in China, sub-central governments appear to play an important role in implementing China's SEI policy. While China submitted its third subsidy notification (covering 2009 – 2014) shortly after the third U.S. counter notification, it covered very few of the subsidy programs referenced in the U.S. counter notifications.[8]

[8] In the summer of 2016, China submitted its first subsidy notification covering sub-central government subsidy programs since becoming a WTO Member in 2001. While this is a positive development, the number and range of programs covered appears to be a small fraction of the programs administered at the sub-central levels of

In the spring of 2016, the United States submitted its fourth counter notification of subsidy measures in China. All of the measures in this counter notification pertain to China's fisheries subsidies. This counter notification was based on Article 25.8 questions submitted to China in the spring of 2015. Once again, because China did not respond to these questions, the United States was compelled to counter notify the measures at issue. The measures counter notified included measures to support fishing vessel acquisition and renovation; a 100 percent corporate income tax exemption; grants for new fishing equipment; subsidies for insurance; subsidized loans for processing facilities; fuel subsidies; preferential provision of water, electricity, and land; grants to explore new offshore fishing grounds; grants for establishing famous brands; and special funds for strategic emerging industries in the marine economy. Over 40 subsidy measures were included in the counter notification. Full translations of each measure, though not required under the Subsidies Agreement, were included in the counter notification.

Taking all four counter notifications into account, the United States has now counter notified over 400 Chinese subsidy measures. As noted, China has included in its subsidy notifications only a small number of programs identified by the United States in its counter notifications, and has argued that other measures counter notified have, in fact, previously been notified. However, China has refused to engage in bilateral technical discussions to address this issue.

Notification improvements: In March 2009, the Chairman of the Trade Policy Review Body, acting through the Chairman of the General Council, requested that all committees discuss "ways to improve the timeliness and completeness of notifications and other information flows on trade measures." The United States fully supported the continuation of this initiative in 2016 in light of Members' poor record in meeting their subsidy notification obligations. In 2010, the United States took the initiative under this agenda item to review the subsidy notification record of several large exporters in failing to provide complete and timely subsidy notifications. Of primary concern in this regard was China. As noted above, the United States continues to devote significant time and resources to researching, monitoring, and analyzing China's subsidy practices. The United States has also been working with several other larger exporting countries bilaterally to assist and encourage them to meet their subsidy notification obligations.

In 2011, the United States submitted a specific proposal under Article 25.8 of the SCM Agreement to strengthen and improve the notification procedures of the SCM Committee. As noted above, under Article 25.8, any Member may make a written request for information on the nature and extent of a subsidy subject to the requirement of notification. Unfortunately, many requests under Article 25.8 have not been answered or are only partially answered orally after significant delay. To address this problem, the United States proposed that the SCM Committee establish deadlines for the submission of written answers to Article 25.8 questions and include all unanswered Article 25.8 questions on the bi-annual agendas of the SCM Committee until the questions are answered.[9] In 2016, the United States continued to advocate for a revised proposal, which sets out specific deadlines for responses to questions.[10] Many Members supported the proposal, while several other Members, such as China, India, South Africa, and Brazil, voiced concerns.

The "export competitiveness" of India's textile and apparel sector: Under the SCM Agreement, developing countries receive special and differential treatment with respect to certain subsidy disciplines under Article 27. For developing countries listed in Annex VII of the SCM Agreement, which includes India, the general prohibition on export subsidies does not apply until: (1) per capita GNP reaches a designated threshold of $1,000 per annum, or (2) eight years after the country achieves "export competitiveness" for a particular product. Article 27.6 of the SCM Agreement defines export competitiveness as the point when an exported

government. Some subsidy programs in this notification were first raised in one or more of the counter notifications submitted by the United States.

[9] G/SCM/W/555; 21 October 2011.

[10] G/SCM/W/557/Rev.1; September 22, 2014.

product reaches a share of 3.25 percent of world trade for two consecutive calendar years. Export competitiveness is determined to exist either via notification by the Annex VII developing country having reached export competitiveness or on the basis of a computation undertaken by the WTO SCM Committee Secretariat at the request of any Member.

In February 2010, the United States formally requested the Secretariat, pursuant to Article 27.6 of the SCM Agreement, to compute the export competitiveness of India's textile and apparel sector. The Secretariat submitted its results to the Committee in March 2010. The calculations appear to support the conclusion that India has reached export competitiveness in the textile and apparel sector. In light of the Secretariat's calculations, the United States continues to press India to identify the current export subsidy programs that benefit the textile and apparel sector and commit to end all such programs to the extent they benefit the textile and apparel sector. In response, India has raised certain technical questions as to the appropriate definition of "product" and the precise starting point of the phase-out period under Articles 27.5 and 27.6 of the SCM Agreement. The United States will continue to pursue this issue.

Overcapacity submission: At the fall meeting of the Subsidies Committee, a paper on the problem of overcapacity in certain sectors (*e.g.*, steel and aluminum) was submitted by the European Union, Japan, Mexico, Korea and the United States. The paper was a follow-up to the recognition by the G-20 Leaders that industrial overcapacity has become a major problem for the global economy. It suggested that the Subsidies Committee could usefully examine the extent to which subsidies contribute to overcapacity and how such subsidies could be further disciplined in the interest of providing a level playing field and an environment where trade and resource allocation is not distorted. Several countries spoke in favor of continuing work in this area, while China argued that the Subsidies Committee was not the appropriate forum.

Extension of the transition period for the phase out of export subsidies: Under the SCM Agreement, most developing country Members were obligated to eliminate their export subsidies by December 31, 2002. To address the concerns of certain small economies, a special procedure within the context of Article 27.4 of the SCM Agreement was adopted at the 2001 Doha Ministerial Conference to provide for facilitated annual extensions of the time available to eliminate certain notified export subsidies.[11] In 2007, the General Council, acting on an SCM Committee recommendation, decided to extend the application of the special procedure. An important outcome of these negotiations, upon which the United States and other developed and developing countries insisted, was that the beneficiaries must eliminate all export subsidy programs no later than 2015 and that they will have no recourse to further extensions beyond 2015. The final two-year phase-out period (2014-2015) is provided for in Article 27.4 of the SCM Agreement and ended on December 31, 2015. In 2016, the SCM Committee continued its efforts to ensure that all extension recipients either had terminated the programs at issue or were in the process of doing so.

Enhanced Fisheries Subsidies Notification: In light of the rapid depletion of global fisheries, the role of fishery subsidies in facilitating overfishing and overcapacity, and the difficulty of reaching agreement on stricter rules limiting fishery subsidies at the WTO, the United States has proposed as a realistic and practical first step that WTO Members consider providing additional information (*e.g.*, information beyond that required under the Subsidies Agreement) when notifying their fisheries subsidies. The United States has noted that additional information regarding, for example, the health of the relevant fish stocks and the applicable management regime, could be voluntarily included in a Member's regular subsidy notification.

[11] Antigua and Barbuda, Barbados, Belize, Costa Rica, Dominica, the Dominican Republic, El Salvador, Fiji, Grenada, Guatemala, Jamaica, Jordan, Mauritius, Panama, Papua New Guinea, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Uruguay have made yearly requests since 2002 under these special procedures.

Many Members spoke in favor of developing such an approach, while others, such as China and India expressed reservations.

Permanent Group of Experts: Article 24 of the SCM Agreement directs the SCM Committee to establish a Permanent Group of Experts (PGE), "composed of five independent persons, highly qualified in the fields of subsidies and trade relations" and that "[t]he experts will be elected by the Committee and one of them will be replaced every year." The SCM Agreement articulates three possible roles for the PGE: (1) to provide, at the request of a dispute settlement panel, a binding ruling on whether a particular practice brought before that panel constitutes a prohibited subsidy within the meaning of Article 3 of the SCM Agreement; (2) to provide, at the request of the SCM Committee, an advisory opinion on the existence and nature of any subsidy; and (3) to provide, at the request of a Member, a "confidential" advisory opinion on the nature of any subsidy proposed to be introduced or currently maintained by that Member. To date, the PGE has not yet been called upon to perform any of the aforementioned duties.

At the beginning of 2016, the members of the Permanent Group of Experts were: Mr. Zhang Yuqing (China); Mr. Welber Barral (Brazil), Mr. Chris Parlin (United States), Mr. Subash Pillai (Malaysia); and Mr. Ichiro Araki (Japan). Ms. Luz Elena Reyes de la Torre (Mexico) was elected at the regular spring meeting to replace the outgoing Mr. Zhang Yuqing. Therefore, at the end of 2016, the five members of the PGE were: Mr. Welber Barral (until 2017), Mr. Chris Parlin (until 2018), Mr. Subash Pillai (until 2019), Mr. Ichiro Araki (until 2020) and Ms. Luz Elena Reyes de la Torre (2021).

The Methodology for Annex VII (b) of the SCM Agreement: Annex VII of the SCM Agreement identifies certain lesser developed country Members that are eligible for particular special and differential treatment. Specifically, the export subsidies of these Members are not prohibited, and therefore, are not actionable as prohibited subsidies under the dispute settlement process. The Members identified in Annex VII include those WTO Members designated by the United Nations as "least-developed countries" (Annex VII(a)) as well as countries that had, at the time of the negotiation of the SCM Agreement, a per capita GNP under $1,000 per annum and are specifically listed in Annex VII(b).[12] A country automatically "graduates" from Annex VII(b) status when its per capita GNP rises above the $1,000 threshold. In 2001, at the WTO Fourth Ministerial Conference in Doha, decisions were made, which, *inter alia*, led to the adoption of an approach to calculate the $1,000 threshold in constant 1990 dollars and to require that a Member be above this threshold for three consecutive years before graduation. The WTO Secretariat updated these calculations in 2016.[13]

Prospects for 2017

In 2017, the United States will continue to analyze the latest subsidy notifications submitted by China in the fall of 2015 and summer of 2016, and will focus on other possible subsidy programs in China not notified, particularly those that may be prohibited under the SCM Agreement and those provided to sectors for which China has yet to notify any subsidies (*e.g.*, steel and aluminum), as well as new programs being implemented under the 13th Five Year Plan. The United States will continue to seek to engage India bilaterally to commit to a phase-out of its export subsidy programs to the extent that they benefit the textile and apparel sector. More generally, the SCM Committee will continue to work in 2017 to improve the timeliness and completeness of Members' subsidy notifications and, in particular, will continue to discuss

[12] Members identified in Annex VII(b) are: Bolivia, Cameroon, Congo, Cote d'Ivoire, Dominican Republic, Egypt, Ghana, Guatemala, Guyana, India, Indonesia, Kenya, Morocco, Nicaragua, Nigeria, Pakistan, Philippines, Senegal, Sri Lanka, and Zimbabwe. In recognition of the technical error made in the final compilation of this list and pursuant to a General Council decision, Honduras was formally added to Annex VII(b) on January 20, 2001.
[13] *See* G/SCM/110/Add.13.

the proposal made by the United States to improve and strengthen the SCM Committee's procedures under Article 25.8 of the SCM Agreement. As to the proposal to enhance the transparency of fisheries subsidies, the United States will work with like-minded Members to develop specific elements for inclusion in an enhanced fisheries subsidies notification. Finally, the subsidy notification of the United States, covering fiscal years 2014 and 2015, will likely be submitted in the summer of 2017.

6. Committee on Customs Valuation

Status

The purpose of the Agreement on the Implementation of GATT Article VII (known as the WTO Agreement on Customs Valuation, referred to herein as the "Valuation Agreement) is to ensure that determinations of the customs value for the application of duty rates to imported goods are conducted in a neutral and uniform manner, precluding the use of arbitrary or fictitious customs values. Adherence to the Valuation Agreement is designed to ensure that market access opportunities achieved through tariff reductions are not negated by unwarranted and unreasonable "uplifts" in the customs value of goods to which tariffs are applied. The use of arbitrary and inappropriate "uplifts" in the valuation of goods by importing countries when applying tariffs can result in an unwarranted doubling or tripling of effective duties.

Major Issues in 2016

The Valuation Agreement is administered by the Committee on Customs Valuation (the Customs Valuation Committee), which held two formal meetings in 2016. The Valuation Agreement also established a Technical Committee on Customs Valuation under the auspices of the World Customs Organization (WCO), with a view to ensuring, at the technical level, uniformity in interpretation and application of the Valuation Agreement. The Technical Committee held two meetings in 2016.

In accordance with a 1999 recommendation of the WTO Working Party on Preshipment Inspection that was adopted by the General Council, the Customs Valuation Committee continued to provide a forum for reviewing the operation of various Members' preshipment inspection regimes and the implementation of the WTO Agreement on Preshipment Inspection.

No Members currently maintain the Special & Differential Treatment (S&D) reservation concerning the use of minimum values, which is a practice inconsistent with the obligations of the Valuation Agreement. However, there are still Members employing these practices, which continue to create concerns for traders.

The United States has used the Customs Valuation Committee to address concerns on behalf of U.S. exporters across all sectors – including agriculture, automotive, textile, steel, and information technology – that have experienced difficulties related to the conduct of customs valuation and pre-shipment inspection regimes.

Achieving universal acceptance of the Valuation Agreement was an objective of the United States in the Uruguay Round. The Valuation Agreement was initially negotiated in the Tokyo Round, but until entry into force of the WTO Agreement, adherence to it was voluntary. A proper valuation methodology, avoiding arbitrary determinations or officially established minimum import prices, is essential for the realization of market access commitments. Furthermore, the implementation of the Valuation Agreement often is an initial concrete and meaningful step by developing country Members toward reforming their customs administrations, diminishing corruption, and ultimately moving to a rules-based trade facilitation environment.

An important part of the Customs Valuation Committee's work is the examination of customs valuation legislation to implement Valuation Agreement commitments and individual Member practices. As of December 2016, 96 Members had notified their national legislation on customs valuation (these figures do not include the 28 individual EU Member States, which also are WTO Members). In addition, 65 Members have notified its "Implementation and Administration of the Agreement on Customs Valuation" checklist of issues created by the Tokyo Round Committee on May 5, 1981. Thirty-five Members have not yet made any notification of their national legislation on customs valuation. At the Committee's April and October 2016 meetings, the Committee undertook its examination of the customs valuation legislation of: the Kingdom of Bahrain, Belize, Cabo Verde; Colombia, Ecuador; the Gambia; Guinea, Honduras, Mali; the Republic of Moldova; Montenegro, Nepal, Nicaragua; Nigeria; Russian Federation; Rwanda; and Sri Lanka. In addition, the Committee concluded the review of the national legislation of Ecuador, Montenegro, South Africa, and Ukraine. Where the Committee's examination of these Members' customs valuation legislation was not concluded because of outstanding responses, or Members have reverted in 2016, the examination will continue in 2017.

Working with information provided by U.S. exporters, the United States played a leading role in these examinations, submitting in some cases detailed questions as well as suggestions for improved implementation. In addition to its examination of Members' customs valuation legislation, the United States submitted and is still awaiting replies to questions to Indonesia requesting notification of its pre-shipment inspection program to the Committee.

The Customs Valuation Committee's work throughout 2016 continued to reflect a cooperative focus among all Members to ensure implementation of the Valuation Agreement. The Committee also took note of technical assistance activities carried out by the Secretariat of the WCO and its Members related to customs valuation. The Committee also noted that technical assistance in the area of customs valuation is now incorporated into the WTO-wide technical assistance program, which encompasses regional activities on market access issues, including customs valuation.

Prospects for 2017

The Customs Valuation Committee's work in 2017 will include reviewing the relevant implementing legislation and regulations notified by Members, along with addressing any further requests by other Members concerning implementation deadlines. The Committee will monitor progress by Members with regard to their respective work programs that were included in the decisions granting transitional reservations or extensions of time for implementation. In this regard, the Committee will continue to provide a forum for sustained focus on issues arising from practices of Members with regard to their implementation of the Valuation Agreement, to ensure that Members' customs valuation regimes do not utilize arbitrary or fictitious values, such as through the use of minimum import prices. In addition, the United States will continue to showcase the benefits of advance rulings on valuation for traders and customs administrations, including by sharing best practices and experience. Further, the United Sates will continue to emphasize the synergy between the Customs Valuation Agreement and the TFA. In particular, as part of Technical Assistance discussions in the Customs Valuation Committee, the United States intends to explore using TFA technical assistance capacity building to further Members' understanding and compliance with the Valuation Agreement in order to address technical assistance issues, which the Committee considers as a matter of high priority.

7. Committee on Rules of Origin

Status

The objective of the Agreement on Rules of Origin (the ROO Agreement) is to increase transparency, predictability, and consistency in both the preparation and application of rules of origin. The ROO Agreement provides important disciplines for conducting preferential and non-preferential origin regimes, such as the obligation on Members to provide, upon request of a trader, an assessment of the origin their authorities would accord to a good within 150 days of that request. In addition to setting forth disciplines related to the administration of rules of origin, the ROO Agreement provides for a work program to develop harmonized rules of origin for non-preferential trade. The Harmonization Work Program (HWP) is more complex than initially envisioned under the ROO Agreement, which provided for the work to be completed within three years after its commencement in July 1995. This HWP continued throughout 2016 and will continue into 2017.

The ROO Agreement is administered by the Committee on Rules of Origin (the ROO Committee), which held meetings in April and September of 2016. The Committee also serves as a forum to exchange views on notifications by Members concerning their national rules of origin along with relevant judicial decisions and administrative rulings of general application. The ROO Agreement also established a Technical Committee on Rules of Origin (Technical Committee) under the auspices of the World Customs Organization to assist in the HWP.

Major Issues in 2016

As of December 2016, 95 Members have notified the WTO concerning non-preferential rules of origin. In these notifications, 47 Members notified that they apply non-preferential rules of origin, and 56 Members notified that they did not have a non-preferential rule of origin regime. Thirty-five Members have not notified non-preferential rules of origin. All WTO Members have notified the WTO, either through the ROO Committee or other WTO bodies, that they apply at least one set of preferential rules of origin.

The ROO Agreement has provided a means for addressing and resolving many problems facing U.S. exporters pertaining to origin regimes, and the ROO Committee has been active in its review of the ROO Agreement's implementation. Virtually all issues and concerns cited by U.S. exporters as arising under the origin regimes of U.S. trading partners arise from administrative practices that are not transparent, allow discrimination, and lack predictability. The ROO Committee has given substantial attention to the implementation of the ROO Agreement's disciplines related to transparency.

The ongoing HWP has attracted a great deal of attention and resources from WTO Members. Members working through the Technical Committee and the ROO Committee have made progress toward completion of this effort, despite the large volume and magnitude of complex issues, which must be addressed for hundreds of specific products.

U.S. proposals for the HWP have been developed based on a Section 332 study, which was conducted by the U.S. International Trade Commission (USITC) pursuant to a request by USTR. The U.S. proposals reflect input received from ongoing consultations with the private sector as the negotiations have progressed from the technical stage to deliberations in the ROO Committee. Representatives from several U.S. Government agencies continue to be involved in the HWP, including USTR, U.S. Customs and Border Protection, the U.S. Department of Commerce (Commerce), and the U.S. Department of Agriculture (USDA).

While the ROO Committee made some progress towards fulfilling the mandate of the ROO Agreement to establish harmonized non-preferential rules of origin since the start of the HWP, a number of fundamental issues, including many with respect to product-specific rules for agricultural and industrial goods and the scope of the prospective obligation to apply the harmonized non-preferential rules of origin equally for all purposes, remain to be resolved.

Because of the impasse among Members on: (i) the product specific rules related to the 94 core policy issues; (ii) the absence of a common understanding of the scope of the prospective obligation to apply the harmonized non-preferential rules of origin equally for all purposes; and (iii) the growing concern among Members that the final result of the HWP negotiations would not be consistent with the objectives of the HWP set forth in Article 9 of the ROO Agreement, the General Council recognized that its guidance was needed on how to resolve these issues. In 2007, the General Council endorsed the recommendation of the ROO Committee that substantive work on these issues be suspended until the ROO Committee receives the necessary guidance from the General Council on how to reconcile the differences among Members on the aforementioned issues.

In 2016, the ROO Committee agreed to initiate an educational exercise to exchange information about non-preferential rules of origin and better understand the impact that existing rules have on international trade. Members participated in two information sessions and heard presentations about the impact of rules of origin on international trade and on the operation of businesses.

The ROO Committee held dedicated discussions on preferential rules of origin for LDCs, in particular in light of the outcomes of the 2013 and 2015 Ministerial Decisions on this issue. In that context, the ROO Committee reviewed the availability of trade data regarding preferential trade arrangements, reviewed the status of notifications of preferential rules of origin, and discussed a template for the notification of preferential rules of origin.

Prospects for 2017

The Committee will continue to discuss the future organization of the Committee's work and divergences in Members' views of how to continue the HWP. In accordance with the decision taken by the General Council in July 2007, and subject to future guidance from the General Council, the ROO Committee will continue to focus on technical issues, including the technical aspects of the overall architecture of the HWP product specific rules, through informal consultations. The ROO Committee will continue to report periodically to the General Council on its progress in resolving these issues. The Committee will also review the implementation of the Ministerial Decision on Preferential Rules of Origin for LDCs that was adopted at the Nairobi Ministerial (WT/MIN(15)/47).

8. Committee on Technical Barriers to Trade

Status

The Agreement on Technical Barriers to Trade (the TBT Agreement) establishes rules and procedures regarding the development, adoption, and application of voluntary standards and mandatory technical regulations for products and the procedures (such as testing or certification) used to determine whether a particular product meets such voluntary standards or technical regulations (conformity assessment procedures). One of the main objectives of the TBT Agreement is to prevent the use of regulations as unnecessary barriers to trade while ensuring that Members retain the right to regulate, *inter alia*, for the protection of health, safety, or the environment, at the levels they consider appropriate.

The TBT Agreement applies to industrial as well as agricultural products, although it does not apply to SPS measures or specifications for government procurement, which are covered under separate agreements. TBT Agreement rules help to distinguish legitimate standards, conformity assessment procedures, and technical regulations from protectionist measures and other measures that act as unnecessary obstacles to trade. For example, the TBT Agreement requires Members to apply standards, technical regulations, and conformity assessment procedures in a nondiscriminatory fashion and, in particular, requires that technical regulations be no more trade restrictive than necessary to meet a legitimate objective and be based on relevant international standards, except where international standards would be ineffective or inappropriate to meet a legitimate objective.

The Committee on Technical Barriers to Trade (the TBT Committee) serves as a forum for consultation on issues associated with implementing and administering the TBT Agreement. The TBT Committee is composed of representatives of each WTO Member and provides an opportunity for Members to discuss concerns about specific standards, technical regulations, and conformity assessment procedures that a Member proposes or maintains. The TBT Committee also allows Members to discuss systemic issues affecting implementation of the TBT Agreement (*e.g.*, transparency, use of good regulatory practices, regulatory cooperation), and to exchange information on Members' practices related to implementing the TBT Agreement and relevant international developments.

Transparency: The TBT Agreement requires each Member to establish a central contact point, known as an inquiry point, which is responsible for responding to requests for information on its standards, technical requirements, and conformity assessment procedures, or making the appropriate referral. The TBT Agreement also requires Members to notify proposed technical regulations and conformity assessment procedures and to take comments received from other Members into account. These obligations provide a key benefit to the public. Through the U.S. Government's implementation of these obligations, the public is able to obtain information on proposed technical regulations and conformity assessment procedures of other WTO Members and to provide written comments for consideration on those proposals before they are finalized.

The National Institute of Standards and Technology (NIST) serves as the U.S. inquiry point for purposes of the TBT Agreement (NIST can be contacted via email at: usatbtep@nist.gov or notifyus@nist.gov or via the Internet at: http://www.nist.gov/notifyus). The inquiry point responds to requests for information concerning Federal and State standards, technical regulations, and conformity assessment procedures, as well as voluntary standards and conformity assessment procedures developed or adopted by nongovernmental bodies. Upon request, NIST will provide copies of notifications of proposed technical regulations and conformity assessment procedures that other Members have made under the TBT Agreement, as well as contact information for other Members' TBT inquiry points. NIST maintains the "Notify U.S. Service" through which U.S. entities receive, via e-mail, WTO notifications of proposed or revised domestic and foreign technical regulations and conformity assessment procedures for manufactured products. U.S. entities can access the services through the website: https://www.nist/notifyus. NIST refers requests for information concerning SPS measures to USDA, which is the U.S. inquiry point pursuant to the SPS Agreement.

The opportunity provided by the TBT Agreement for interested parties in the United States to influence the development of proposed technical regulations and conformity assessment procedures being developed by other Members by allowing them to provide written comments on proposed measures and submit them through the U.S. inquiry point helps to prevent the establishment of technical barriers to trade. The TBT Agreement has functioned well in this regard, although discussions on how to improve its operation occur as part of the triennial review process *(see below)*. Obligations, such as the prohibition on discrimination and the requirement that technical regulations not be more trade restrictive than necessary to fulfill

legitimate regulatory objectives, have been useful in evaluating potential trade barriers and in seeking ways to address them.

The TBT Committee also plays an important monitoring and oversight role. It has served as a constructive forum for discussing and resolving issues and avoiding disputes. Since its inception, an increasing number of Members, including developing countries, have used the Committee to highlight trade problems.

Article 15.4 of the TBT Agreement requires the Committee to review the operation and implementation of the TBT Agreement every three years. Six such reviews have now been completed (G/TBT/5, G/TBT/9, G/TBT/13, G/TBT/19, G/TBT/26, and G/TBT/32), the most recent in 2012. From the U.S. perspective, a key benefit of these reviews is that they prompt WTO Members to review and discuss all of the provisions of the TBT Agreement, which facilitates a common understanding of Members' rights and obligations. The reviews have also prompted the Committee to host workshops on various topics of interest, including technical assistance, conformity assessment**,** labeling, good regulatory practice, international standards, and regulatory cooperation.

Major Issues in 2016

The TBT Committee met three times in 2016, March (G/TBT/M/68), June (G/TBT/M/69), and November (G/TBT/M/70). At these meetings, Members made statements informing the Committee of measures they had taken to implement the TBT Agreement and to administer measures in compliance with the Agreement. Members also used Committee meetings to raise concerns about specific technical regulations, standards, or conformity assessment procedures that have been proposed or adopted by other Members. Measures garnering significant Committee attention included nutrition labeling requirements for food (Chile, Ecuador, Peru, and Indonesia); measures that may unnecessarily restrict labeling, advertising and promotion of food to infants and young children (Thailand, Hong Kong, Malaysia); regulations on alcoholic beverages (Ireland, Korea, East African Community, Mexico, Russia, Thailand, and Ecuador); and continued concern regarding regulations for Registration of Chemicals (Korea, and the EU); the development of China-specific standards in the information technology sphere for the banking and insurance sectors; testing procedures for toys (Brazil, Colombia, Turkey, Gulf Cooperation Council, Eurasian Economic Commission, and Indonesia); the EU's proposal to regulate potential endocrine disruptors; and Egypt's product registration and conformity assessment requirements.

The African Organization for Standardization and CARICOM Regional Organisation for Standards and Quality became observers to the TBT Committee in 2016.

The Seventh Triennial Review of the Operation and Implementation of the TBT Agreement was implemented. Ninety-four proposals made by 22 Members through papers and during informal discussions of the TBT Committee include: Good Regulatory Practices, Regulatory Cooperation, Conformity Assessment Procedures, Standards, Transparency, Technical Assistance, Special and Differential Treatment, and on the Operation of the Committee.

- Outcomes on Good Regulatory Practices include continuing to exchange information on Good Regulatory Practice mechanisms adopted by Members and continuing to discuss how Regulatory Impact Assessment can facilitate the implementation of the TBT Agreement, including a discussion of the challenges faced by developing countries.

- Regulatory Cooperation was a new topic identified by Members for discussion in the Seventh Triennial Review. With respect to Regulatory Cooperation, the Committee agreed to deepen its information exchange on Regulatory Cooperation between Members, to share information and experiences related to emerging or ongoing issues in specific sectors, and to discuss effective

elements of Regulatory Cooperation. It is anticipated that the first discussion on Regulatory Cooperation will focus on energy efficiency standards.

- The recommendations on Conformity Assessment include three areas of work identified in the Sixth Triennial Review: approaches to conformity assessment, use of relevant international standards and guides, and facilitating the recognition of conformity assessment results.

- The recommendations on Standards relate to exchanging information on how Members reference standards in technical regulations, and developing further transparency in standards setting, including the publication of work programs and comment periods for draft standards on websites, and compliance to the Code of Good Practice for local government and non-government standardizing bodies.

- Recommendations for improved Transparency focused on the functioning of Inquiry Points, coherent use of WTO notification formats for proposed technical regulations, increasing the availability of translations, and improving the use and function of on-line tools managed by the WTO Secretariat.

- For Technical Assistance and Special and Differential Treatment, the Committee will continue to exchange information.

- Finally, with respect to the Operation of the Committee, Members agreed to continue holding thematic sessions.

The complete outcomes of the Seventh Triennial Review are summarized in G/TBT/37.

Of those Seventh Triennial Review priorities, the TBT Committee exchanged information and experiences through a series of informal thematic sessions in 2016. In March, the TBT Committee held two thematic sessions on Regulatory Impact Assessment and how it can facilitate the implementation of the TBT Agreement, and on the developments in international and regional conformity assessment systems and obligations related to conformity assessment in Regional Trade Agreements (RTAs), relating to the recognition and acceptance of conformity assessment results.[14] In June, the Committee held thematic session on how to reference Standards in technical regulations, and on Regulatory Cooperation on Energy Efficiency Standards.[15] In November, the Committee conducted the Eighth Special Meeting on Procedures for Information Exchange, and held thematic sessions on Technical Assistance[16] and Regulatory Cooperation on Food Labeling[17]. In the thematic discussions the United States offered expert presentations from the U.S. Government including representatives from the U.S. Department of Agriculture, the National Institute of Standards and Technology, U.S. Environmental Protection Agency, U.S. Department of Energy, and the U.S. Food and Drug Administration, as well as the private sector, including Underwriters Laboratories, the Association of Home Appliance Manufacturers, Information Technology Industry

[14] Thematic Session on Good Regulatory Practice Report of the Chairperson (G/TBT/GEN/191) and Conformity Assessment Procedures Report of the Chairperson (G/TBT/GEN/190): https://www.wto.org/english/tratop_e/tbt_e/tbt_events_e.htm

[15] Thematic Session on Energy Efficiency Presentations and Report from the Moderators' (G/TBT/GEN/198) and Thematic Session on Use of Standards in Technical Regulations Presentations and Report from the Moderator (G/TBT/GEN/199): https://www.wto.org/english/tratop_e/tbt_e/tbtcomjune16_e.htm

[16] Thematic Session on Technical Assistance Chairperson's Report (G/TBT/GEN/204)

[17] Thematic Session on Food Labeling Presentations and Chairperson's Report (G/TBT/GEN/205): https://www.wto.org/english/tratop_e/tbt_e/tbtnov16_e.htm

Council, Consumer Electronics Association, American National Standards Institute, ASTM International, Grocery Manufacturers Association, Mondelez International, and the American Pediatrics Association.

In an effort to improve transparency of WTO Members, in November 2016, the WTO, in cooperation with the International Trade Centre (ITC) and United Nations Department of Economic and Social Affairs, launched a new service called e-Ping, which enables timely access to the regulatory notifications made to the Sanitary and Phytosanitary (SPS) and Technical Barriers to Trade (TBT) Committees and facilitates dialogue amongst the public and private sector in addressing potential trade problems at an early stage.[18] While the United States will continue to use Notify US as its WTO TBT notification system, e-Ping provides a similar services to Notify US for the rest of the world.

In 2016 the WTO Secretariat launched an effort to develop a Guide on Best Practices for TBT Inquiry Points. In the last quarter of 2016, the Secretariat conducted a survey of Inquiry Points to gather data for the Guide.

Prospects for 2017

In 2017, the TBT Committee will continue to monitor Members' implementation of the TBT Agreement. The United States will continue efforts to resolve specific trade concerns, as well as monitor the outcomes of the Seventh Triennial Review.

9. Committee on Antidumping Practices

Status

The Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (the Antidumping Agreement) sets forth detailed rules and disciplines prescribing the manner and basis on which Members may take action to offset the injurious dumping of products imported from another Member. Implementation of the Antidumping Agreement is overseen by the Committee on Antidumping Practices (the Antidumping Committee), which operates in conjunction with two subsidiary bodies, the Working Group on Implementation (the Working Group) and the Informal Group on Anticircumvention (the Informal Group).

The Antidumping Committee is supposed to be a venue for reviewing Members' compliance with the detailed provisions in the Antidumping Agreement, improving mutual understanding of those provisions, and providing opportunities to exchange views and experiences with respect to Members' application of antidumping remedies.

The Working Group is an active body, which focuses on practical issues and concerns relating to implementation. The activities of the Working Group are designed to permit Members to develop a better understanding of their respective policies and practices for implementing the provisions of the Antidumping Agreement based on discussion of relevant topics and papers submitted by Members on specific topics. Where possible, the Working Group endeavors to develop draft recommendations on the topics it discusses, which it forwards to the Antidumping Committee for consideration. To date, the Antidumping Committee has adopted Working Group recommendations on the following five antidumping topics: (1) the period of data collection for antidumping investigations; (2) the timing of notifications under Article 5.5; (3) the contents of preliminary determinations; (4) the time period to be considered in making a determination of

[18] Access the e-Ping notification service: http://www.epingalert.org/en

negligible imports for purposes of Article 5.8; and (5) an indicative list of elements relevant to a decision on a request for extension of time to provide information pursuant to Articles 6.1 and 6.1.1.

The Working Group has drawn a high level of participation by Members, in particular capital-based experts and officials of antidumping administering authorities. Since the inception of the Working Group, the United States has submitted papers on most topics and has been an active participant at all meetings. While not a negotiating forum in either a technical or formal sense, the Working Group serves an important role in promoting improved understanding of the Antidumping Agreement's provisions and exploring options for improving practices among antidumping administrators.

At Marrakesh in 1994, Ministers adopted a Decision on Anticircumvention directing the Antidumping Committee to develop rules to address the problem of circumvention of antidumping measures. In 1997, the Antidumping Committee agreed upon a framework for discussing this important topic and established the Informal Group. Many Members, including the United States, recognize the importance of using the Informal Group to pursue the 1994 decision by Ministers.

Major Issues in 2016

In 2016, the Antidumping Committee held meetings in April and October. At its meetings, the Antidumping Committee focused on implementation of the Antidumping Agreement, in particular, by continuing its review of Members' antidumping legislation. The Antidumping Committee also reviewed reports required of Members that provide information as to preliminary and final antidumping measures and actions taken over the preceding six months.

The following is a list of the more significant activities that the Antidumping Committee, the Working Group, and the Informal Group undertook in 2016.

Notification and Review of Antidumping Legislation: To date, 79 Members have notified that they currently have antidumping legislation in place, and 37 Members have notified that they maintain no such legislation. In 2016, the Antidumping Committee reviewed new notifications of antidumping legislation and/or regulations submitted by Australia, Kingdom of Bahrain, Brazil, Canada, Colombia, Dominican Republic, India, Kazakhstan, State of Kuwait, Kyrgyz Republic, Oman, Pakistan, Qatar, Russian Federation, Kingdom of Saudi Arabia, Seychelles, United Arab Emirates, United States, and Vanuatu. Several Members, including the United States, were active in formulating written questions and in making follow up inquiries at the Antidumping Committee meetings.

Notification and Review of Antidumping Actions: In 2016, 46 Members notified that they had taken antidumping actions during the latter half of 2015, while 45 Members reported having taken actions in the first half of 2016. Members identified these actions, as well as outstanding antidumping measures currently maintained by Members, in semi-annual reports submitted for the Antidumping Committee's review and discussion. The semi-annual reports for the second half of 2015 were issued in document series "G/ADP/N/280/…," and the semi-annual reports for the first half of 2016 were issued in document series "G/ADP/N/286/…" At its April and October 2016 meetings, the Antidumping Committee also reviewed Members' notifications of preliminary and final actions pursuant to Article 16.4 of the Antidumping Agreement.

Other Business: During both the April and October 2016 meetings of the Antidumping Committee, among other items, China made a statement regarding the expiry of section 15(a)(ii) of its Protocol of Accession. Comments were made by the European Union, Mexico, and the United States.

Working Group on Implementation: The Working Group held meetings in April and October 2016. Beginning in 2003, the Working Group has held discussions on several agreed topics, including: (1) export prices to third countries vs. constructed value under Article 2.2 of the Antidumping Agreement; (2) foreign exchange fluctuations under Article 2.4.1; (3) conduct of verifications under Article 6.7; (4) judicial, arbitral, or administrative reviews under Article 13; and (5) price undercutting by dumped imports. In 2009, the Working Group agreed to include the following additional topics for discussion: (1) constructed export prices; (2) other known causes of injury; (3) threat of material injury; (4) accuracy and adequacy of evidence to justify the initiation of an investigation; and (5) the determination of the likelihood of continuation or recurrence of dumping and injury in sunset reviews. The discussions in the Working Group on all of these topics have focused on submissions by Members describing their own practice.

At the April 2016 meeting, the Working Group discussed the gathering and compilation of injury data. A representative from Mexico served as a discussant and several Members, including the United States, made informal presentations.

For the October 2016 meeting, the Working Group selected the topic of treatment of confidential information in antidumping investigations. A representative from the United States served as the discussant and several Members, including the United States, made informal presentations.

Informal Group on Anticircumvention: The Informal Group held meetings in April and October 2016. At the April 2016 meeting, the Informal Group discussed a paper submitted by the United States describing the Trade Facilitation and Enforcement Act of 2015. This Act put in place a new mechanism to combat antidumping duty evasion. The United States provided a detailed explanation of this act and the Informal Group engaged in an active question and answer session regarding this Act.

At the October 2016 meeting, the United States presented its implementing regulations for duty evasion investigations and the Informal Group engaged in an active question and answer session.

Prospects for 2017

Work will proceed in 2017 on the areas that the Antidumping Committee and the Working Group addressed this past year, and the Informal Group will continue to meet on relevant topics as the Members deem appropriate. The Antidumping Committee will pursue its review of Members' notifications of antidumping legislation, and Members will continue to have the opportunity to submit additional questions concerning previously reviewed notifications. This review process is supposed to ensure that Members' antidumping laws are properly drafted and implemented. Since notifications of antidumping legislation are not restricted documents, U.S. exporters will continue to enjoy access to information about the antidumping laws of other Members, which should assist them in better understanding the operation of such laws and in taking them into account in commercial planning.

The preparation by Members and review in the Antidumping Committee of semi-annual reports and reports of preliminary and final antidumping actions will also continue in 2017. The semi-annual reports are accessible to the general public on the WTO website. This transparency promotes improved public knowledge and appreciation of the trends and focus of all WTO Members' antidumping actions.

Discussions in the Working Group will continue to play an important role as more Members enact antidumping laws and begin to apply them. There has been a sharp and widespread interest in the technical issues related to understanding how Members implement these rules when administering their laws pursuant to the Antidumping Agreement. For these reasons, the United States will continue to use the Working Group to learn in greater detail about other Members' administration of their antidumping laws, especially as that forum provides opportunities to discuss not only the laws as written, but also the operational practices

that Members employ to implement them. In 2017, the Working Group will continue to assess the effectiveness of the topic-centered discussion approach and decide whether to continue this approach for upcoming meetings and, if so, discuss and select topics accordingly.

The work of the Informal Group will also continue in 2017 according to the framework for discussion on which Members have agreed.

10. Committee on Import Licensing

Status

The Committee on Import Licensing (the Import Licensing Committee) was established to administer the Agreement on Import Licensing Procedures (Import Licensing Agreement) and to monitor compliance with the mutually agreed rules for the application of these widely-used measures. The Import Licensing Committee normally meets twice a year to review information on import licensing requirements submitted by WTO Members in accordance with the obligations set out in the Import Licensing Agreement. The Committee also serves as a forum for Members to submit questions on the licensing regimes of other Members, whether or not those regimes have been notified to the Committee, and to address specific observations and complaints concerning Members' licensing systems. The Committee activities are not intended to substitute for dispute settlement procedures; rather, they offer Members an opportunity to focus multilateral attention on licensing measures and procedures that they find problematic, to receive information on specific issues and to clarify problems, and possibly to resolve concerns.

Major Issues in 2016

In 2016, the Import Licensing Committee held its meetings in April and October. In accordance with Articles 1.4(a), 5.4, and 8.2(b) of the Import Licensing Agreement and procedures agreed to by the Committee, all Members, upon joining the WTO, must notify the sources of the information pertaining to their laws, regulations, and administrative procedures relevant to import licensing. Any subsequent changes to these measures must also be published and notified. Since the entry into force of the WTO Agreement, 110 Members[19] have notified the Committee of their measures or publications under these provisions. During 2016, the Committee reviewed 25 notifications from the following 13 Members: Afghanistan; Bolivia; Brazil; Ecuador; the European Union; Macau; Paraguay; Philippines; Russian Federation; Seychelles; the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Tajikistan; and Thailand. These notifications can be found in document series G/LIC/N/1/- (http://www.wto.org/english/res_e/res_e.htm).

With regard to notifications of new import licensing procedures or changes in such procedures (required by Articles 5.1 through 5.4 of the Agreement), the Committee reviewed 18 notifications relating to the institution of new import licensing procedures or changes in these procedures from 11 Members: Argentina; Bolivia; Brazil; El Salvador; the European Union; Hong Kong; Indonesia; Jamaica; Malaysia; Paraguay; and Russian Federation.[20] These notifications can be found in documents series G/LIC/N/2/- (http://www.wto.org/english/res_e/res_e.htm).

Article 7.3 of the Import Licensing Agreement requires all Members to provide replies to the annual Questionnaire on Import Licensing Procedures; Committee procedures set a deadline of September 30 each year for Members to submit replies. Not all Members provide replies each year; however, since the entry

[19] The EU and its Member States counted as one Member for purposes of this notification.
[20] New notifications were received from Argentina and the Philippines after October 20, 2016, and will be reviewed at the next Committee meeting.

into force of the WTO Agreement, 112 Members have provided replies under this provision. The number of Members submitting replies to the annual Questionnaire has increased from 11 Members in 1995, when the WTO was established, to 38 Members in 2016. Replies to the Questionnaire, including the U.S. replies (G/LIC/N/3/USA/12), are notified to the WTO and may be found in document series G/LIC/N/3/- (http://www.wto.org/english/res_e/res_e.htm). (Other notifications made under the Import Licensing Agreement may also be found in this document series).

In 2016, the United States used the Import Licensing Committee to gather information and to discuss import licensing measures applied to its trade by other Members. In 2016, the United States raised concerns about the import licensing procedures of: Bangladesh (pharmaceuticals); India (boric acid); Indonesia (cell phones, handheld computers, and tablets); Mexico (steel); and Vietnam (distilled spirits; transparency). The United States and other Members submitted written questions on these and other issues. Written questions from Members and replies to those questions submitted to the Committee concerning notifications and import licensing procedures may be found in document series G/LIC/Q/- (http://www.wto.org/english/res_e/res_e.htm).

Notifications and Other Documentation: The United States continues to work within the Committee to seek to enhance Members' efforts to comply with the Agreement's notification requirements. There is a concern that potential overlap in notification requirements in different provisions in the Import Licensing Agreement, as well as duplications in the current notification templates, might contribute to the low level of submissions of required notifications. In this context, in 2016, several informal meetings were held on improving transparency and streamlining the notification procedures and templates. To facilitate the discussion, the Secretariat prepared a number of background papers and presentations, which have been circulated in documents RD/LIC/6, 7, 8 and 9. Members have started to discuss possible new approaches to improving transparency, and the technical work is ongoing.

Prospects for 2017

The administration of import licensing procedures continues to be a significant topic of discussion in the day-to-day implementation of Members' WTO obligations. The use of such measures to monitor and to regulate imports has increased. Import licensing also remains a factor in the administration of tariff-rate quotas and the application of safeguard measures, technical regulations, and sanitary and phytosanitary requirements. The proliferation of import licensing requirements is a continuing source of concern, as many such requirements appear to be administered in a manner that restrict trade. The United States will continue to advocate for increased transparency and proper use of import licensing procedures, as well as to closely monitor licensing procedures to ensure that the procedures do not, in themselves, restrict imports in a manner inconsistent with Members' WTO obligations. The United States also expects to be active in the examination of the current notification procedures and templates, with a view towards ensuring that all of the substantive information as required by the Import Licensing Agreement can be efficiently provided.

11. Committee on Safeguards

Status

The Committee on Safeguards (the Safeguards Committee) was established to administer the WTO Agreement on Safeguards (the Safeguards Agreement). The Safeguards Agreement establishes rules for the application of safeguard measures as provided in Article XIX of GATT 1994. Effective rules on safeguards are important to the viability and integrity of the multilateral trading system. The availability of a safeguard mechanism gives WTO Members the assurance that they can act quickly to help industries adjust to import surges, providing them with flexibility they would not otherwise have to open their markets

to international competition. At the same time, WTO rules on safeguards ensure that such actions are of limited duration and are gradually less restrictive over time.

The Safeguards Agreement requires Members to notify the Safeguards Committee of their laws, regulations, and administrative procedures relating to safeguard measures. It also requires Members to notify the Safeguards Committee of various safeguards actions, such as: (1) the initiation of an investigatory process; (2) a finding by a Member's investigating authority of serious injury or threat thereof caused by increased imports; (3) the taking of a decision to apply or extend a safeguard measure; and (4) the proposed application of a provisional safeguard measure.

Major Issues in 2016

The Safeguards Committee held two regular meetings in April and October 2016.

During its two meetings in 2016, the Safeguards Committee continued its review of Members' laws, regulations, and administrative procedures based on notifications required under Article 12.6 of the Safeguards Agreement. The Safeguards Committee reviewed the national legislation of the Kingdom of Bahrain, Dominican Republic, Kazakhstan, Kyrgyz Republic, State of Kuwait, Oman, Pakistan, Qatar, Russian Federation, Kingdom of Saudi Arabia, Seychelles, United Arab Emirates, and Vanuatu.

The Safeguards Committee reviewed Article 12.1(a) notifications regarding the initiation of a safeguard investigatory process relating to serious injury or threat thereof and the reasons for it, or the initiation of a review process relating to the extension of an existing measure, from the following Members: Chile on Steel Wire, Steel Nails, and Steel Mesh; China on Sugar; Egypt on Polyethylene Terephthalate; India on Hot-Rolled Flat Sheets and Plates (Excluding Hot-Rolled Flat Products in Coil Form) of Alloy or Non-Alloy Steel, and Unwrought Aluminium (Aluminium Not Alloyed and Aluminium Alloys); Jordan on Aluminium Bars, Rods and Profiles; Kyrgyz Republic on Harvesters and Modules Thereof, and Tableware and Kitchenware of Porcelain; Malaysia on Steel Concrete Reinforcing Bar and Steel Wire Rod and Deformed Bar-In-Coil; Kingdom of Saudi Arabia on Flat-Rolled Products of Iron or Non-Alloy Steel and Ferro Silico Manganese; South Africa on Flat-Rolled Products of Iron or Non-Alloy Steel, and Certain Flat-Rolled Products of Iron, Non-Alloy Steel or Other Alloy Steel; Thailand on Structural Hot-Rolled H-Beam with Alloy and Non Alloy Hot-Rolled Steel Flat Products in Coils and Not in Coils; and Vietnam on Pre-Painted Galvanized Steel Sheet and Strip, and Semi-Finished and Certain Finished Products of Alloy and Non-Alloy Steel.

The Safeguards Committee reviewed Article 12.1(b) notifications, regarding a finding of serious injury or threat thereof caused by increased imports from the following Members: Chile on Steel Wire Rod; Egypt on Automotive Batteries; India on Hot-Rolled Flat Sheets and Plates (Excluding Hot-Rolled Flat Products in Coil Form) of Alloy or Non-Alloy Steel, Unwrought Aluminium (Aluminium Not Alloyed and Aluminium Alloys), and Hot-Rolled Flat Products of Non-Alloy and Other Alloy Steel in Coils; Kyrgyz Republic on Harvesters and Modules Thereof, and Tableware and Kitchenware of Porcelain; Morocco on Paper in Rolls and Reams, and Cold-Rolled Sheets in Coils or Cut, and Plated or Coated Sheets; Philippines on Testliner Board; Ukraine on Flexible Porous Plates, Blocks and Sheets of Polyurethane Foams; and Vietnam on Semi-Finished and Certain Finished Products of Alloy and Non-Alloy Steel.

The Safeguards Committee reviewed Article 12.1(c) notifications regarding a decision to apply or extend a safeguard measure from the following Members: Chile on Steel Wire Rod; India on Hot-Rolled Flat Products of Non-Alloy and Other Alloy Steel in Coils; Kyrgyz Republic on Harvesters and Modules Thereof, and Tableware and Kitchenware of Porcelain; Morocco on Wire Rods and Reinforcing Bars, Paper in Rolls and Reams, and Cold-Rolled Sheets in Coils or Cut, and Plated or Coated Sheets; Philippines on Testliner Board; Thailand on Hot-Rolled Steel Flat Products with Certain Amounts of Alloying Elements;

Ukraine on Flexible Porous Plates, Blocks and Sheets of Polyurethane Foams; and Vietnam on Semi-Finished and Certain Finished Products of Alloy and Non-Alloy Steel.

The Safeguards Committee reviewed Article 12.4 notifications regarding the application of a provisional safeguard measure from the following Members: Jordan on Aluminium Bars, Rods and Profiles; Malaysia on Steel Concrete Reinforcing Bar and Steel Wire Rod and Deformed Bar-in-Coil; Kingdom of Saudi Arabia on Ferro Silico Manganese; and Vietnam on Semi-Finished and Certain Finished Products of Alloy and Non-Alloy Steel, and Monosodium Glutamate.

The Safeguards Committee received notifications of the termination of a safeguard investigation with no definitive safeguard measure imposed, or the expiration or termination of a definitive safeguard measure, from the following Members: Egypt on White Sugar; Jordan on Bars and Rods of Iron and Steel; Kyrgyz Republic on Wheat Flour; and Ukraine on Motor Cars.

Also, at the meeting in April, at the request of Australia, Canada, Chinese Taipei, European Union, Ukraine, and the United States, the Safeguards Committee separately discussed the issue of notification of developing countries that were excluded from a measure under Article 9, footnote 2 of the Safeguards Agreement, and the United States questioned why certain Members were not providing a list of the developing countries to be excluded. Between the April and October meetings, the Secretariat released a factual compilation of Members' notifications practices under this Article and the compilation was discussed at the October meeting.

Also at the April meeting, the Committee separately discussed the issue put forth by the United States regarding what types of notifications should be automatically put onto the agenda of each Committee meeting. An informal meeting was also held in September to discuss this issue and there was wide support of the idea that the Secretariat should automatically include more items into the agenda of Safeguards Committee meetings than under current practice. At the October meeting, the Chairman informed Members that the Safeguards Committee will test this idea in future meetings.

At both the April and October meetings, the Safeguards Committee separately discussed an idea put forth by Brazil regarding the creation of a working group on implementation, where experts could engage in horizontal technical discussions on safeguards investigations without reference to specific investigations. The United States supported the creation of such a group, but requested that certain changes be made to the rules and procedures under which the group would function. Other divergent views were expressed, and the Chairman suggested that informal consultations be held to further discuss this issue.

Also at both the April and October meetings, the Safeguards Committee separately discussed a proposal made by Australia to include, in the relevant annex of the Safeguards Committee's annual report, the timing of the notification of key actions taken under Article 21.1 of the Safeguards Agreement. While there was wide support for the idea, one delegation needed more time to consider it. This issue will be taken up again in future meetings.

Finally, at the Safeguards Committee meeting in April, the Friends of Safeguards Procedures (FSP) – a 12 delegation group of WTO Members, including the United States – organized an informal discussion group. The informal discussion group consisted of presentations by various WTO Members on (1) the duration of a measure and mid-term reviews, and (2) structure and staffing of investigating authorities. At the informal discussion group meeting in October, the group discussed what additional topics Members would benefit from in the form of a technical exchange in future sessions.

Prospects for 2017

The Safeguards Committee's work in 2017 will continue to focus on the review of safeguard actions that have been notified to the Safeguards Committee and on the review of notifications of any new or amended safeguards legislation. The United States will also work on its own, as well as with the FSP, to continue to address systemic issues of concern with safeguard proceedings as issues arise.

12. Working Party on State Trading Enterprises

Status

Article XVII of the GATT 1994 requires Members, *inter alia*, to ensure that state trading enterprises (STEs), as defined in that Article, act in a manner consistent with the general principles of nondiscriminatory treatment, and make purchases or sales solely in accordance with commercial considerations. The Understanding on the Interpretation of Article XVII of the GATT 1994 (the Article XVII Understanding) defines a state trading enterprise for the purposes of providing a notification. Members are required to submit new and full notifications to the Working Party on State Trading Enterprises (WP-STE) for review every two years.

The WP-STE was established in 1995 to review, *inter alia*, Member notifications of STEs and the coverage of STEs that are notified, and to develop an illustrative list of relationships between Members and their STEs and the kinds of activities engaged in by these enterprises.

Major Issues in 2016

The WP-STE held two formal meetings, on June 9, 2016 and October 21, 2016. During the period of review, the WP-STE reviewed new and full notifications from the following Members: Afghanistan, Argentina, Australia, Barbados, Brazil, Canada, China, Costa Rica, Egypt, El Salvador, European Union, Hong Kong, Jamaica, Japan, Kazakhstan, Korea, Liechtenstein, Macau, Mauritius, Morocco, Montenegro, New Zealand, Norway, Seychelles, Singapore, Chinese Taipei, South Africa, Switzerland, Tunisia, Ukraine, United States, and Vietnam. The WP-STE also returned to the previously reviewed notifications of Canada, China, India, Indonesia, Malaysia, New Zealand, and Vietnam.

During one or both of the WP-STE's meetings, the following agenda items were taken up: (1) agricultural exporting state trading enterprises (item requested by Canada); (2) STE notification of the Russian Federation (item requested by the European Union and the United States); (3) Russia Federation – Russian United Grain Company (item requested by the European Union and the United States); (4) European Union – Alko, Inc. (Finland) (item requested by the Russian Federation); (5) non-notification and overdue notifications (item requested by Australia, the European Union, and the United States); (6) non-notification of state trading enterprises by the United Arab Emirates (item requested by the United States); and (7) transparency in the working party (item requested by the United States).

Prospects for 2017

The WP-STE will continue its review of new notifications and its examination of how to improve Member compliance with STE notification obligations to enhance the transparency of STEs. The WP-STE is formally scheduled to meet in May and October 2017. Also, the United States will continue to work with other WTO Members on the Russia and United Arab Emirates notification issues.

F. Council on Trade-Related Aspects of Intellectual Property Rights

Status

The TRIPS Council monitors implementation of the TRIPS Agreement, provides a forum in which WTO Members can consult on intellectual property matters, and carries out the specific responsibilities assigned to the Council in the TRIPS Agreement. The TRIPS Agreement sets minimum standards of protection for copyrights and related rights, trademarks, geographical indications (GIs), industrial designs, patents, integrated circuit layout designs, and undisclosed information. The TRIPS Agreement also establishes minimum standards for the enforcement of intellectual property rights (IPR) through civil actions for infringement, actions at the border and, at least with respect to copyright piracy and trademark counterfeiting, in criminal actions.

The TRIPS Agreement is important to U.S. interests and has yielded significant benefits for U.S. industries and individuals, from those engaged in the pharmaceutical, agricultural, chemical, and biotechnology industries to those producing motion pictures, sound recordings, software, books, magazines, and consumer goods.

Developed Members were required to fully implement the obligations of the TRIPS Agreement by January 1, 1996, and developing country Members generally had to achieve full implementation by January 1, 2000. LDC Members have had their transition period for full implementation of the TRIPS Agreement extended to July 1, 2021. The extension of this deadline provides, as before, that "This Decision is without prejudice to the Decision of the Council for TRIPS of June 27, 2002, on 'Extension of the Transition Period under Article 66.1 of the TRIPS Agreement for Least-Developed Country Members for Certain Obligations with respect to Pharmaceutical Products' (IP/C/25), and to the right of least developed country Members to seek further extensions of the period provided for in paragraph 1 of Article 66 of the Agreement." On November 6, 2015, the TRIPS Council extended the transition period for LDC Members to implement Sections 5 and 7 of the TRIPS Agreement with respect to pharmaceutical products until January 1, 2033, and recommended waiving Articles 70.8 and 70.9 of the TRIPS Agreement with respect to pharmaceuticals also until January 1, 2033, which was adopted by the WTO General Council on November 30, 2015.

Major Issues in 2016

In 2016, the TRIPS Council held three formal meetings. In addition to its continuing work on reviewing the implementation of the Agreement, the TRIPS Council's activities in 2016 focused on the positive relationship between intellectual property (IP) and innovation, under agenda items co-sponsored by the United States and other WTO Members. The TRIPS Council also continued its consideration of the relationship of the TRIPS Agreement to the Convention on Biological Diversity of issues addressed in the Doha Ministerial Declaration and the Declaration on the TRIPS Agreement and Public Health, and of technology transfer and technical cooperation.

Intellectual Property and Innovation: At the March, June, and November TRIPS Council meetings, the United States co-sponsored agenda items on the positive contributions of IP to innovation.

In March 2016, the United States advanced an agenda on the integral role of IP and innovation-related education in the diffusion of innovation. Including IP in education curricula is an essential part of any innovation strategy to ensure that innovators understand not only how to protect their hard work, but to use IP to grow resources for future research and development (R&D), attract investment, structure collaboration and partnerships, and to create jobs, among other critical objectives. As a threshold matter, supporting widespread high-quality education in science, technology, engineering and math (STEM) is essential in an

increasingly knowledge-intensive economy. Such support includes increasing the number of STEM teachers, attracting students to STEM and graduating students with a strong STEM education. STEM career opportunities have grown more rapidly and offer relatively higher salaries than many other professions. Education regarding IP is also a vital aspect of a national innovation education strategy. Intellectual property is critical to translating ideas into outcomes. While scientists may create start-ups, and engineers may be future entrepreneurs, without a strong understanding of IP, the potential of innovation may never be realized. Intellectual property systems, including patent registration systems, themselves provide a key educational resource, making vast amounts of knowledge available, often at a click of a button, for students and educators as well as innovators and creators. Beyond the significant investment in its IP registration systems, the United States and other Members have realized the priority of IP education through a range of educational initiatives, as exemplified by initiatives sponsored by the Office of Innovation Development of the U.S. Patent and Trademark Office (USPTO). Such education also provides an essential conduit for diffusion. University classrooms and laboratories often serve as international collaboration centers, massing the respective contributions of innovators from around the world. Idea-sharing is indeed the essence of education. And university laboratories and research centers engage in the daily incremental application of innovations from one context to the pressing questions in other fields of technology and from other regions. In short, while education in STEM and IP facilitates the innovation that drives technological change, education also provides one of the best ways to diffuse the benefits of innovation, to absorb such change and to catalyze future innovation.

In June 2016, the United States advanced an agenda item on the integral role of IP and innovation in sustainable resource and low emission technology strategies. This item offered Members the opportunity to highlight their laws, policies and other initiatives that advance resource conservation and emissions reductions, and how technological innovation features in such strategies. Among other things, the item addressed IP and innovation in relation to renewable and related technologies such as biofuels, biomass, carbon capture, energy efficiency, fuel cells, geothermal, hydro/marine, low emission, solar photovoltaic, solar thermal, and wind. The development and diffusion of such critical technologies cannot be assumed. Instead, such technologies must be supported and protected through IPR protection and enforcement. There are positive signs of progress around the world. Since the WTO TRIPS Agreement entered into force, patenting rates – including patent applications filed and patents granted – for clean energy technologies have increased by approximately 20 percent per year - with the most intensive patenting growth rates occurring for biofuels, carbon capture, hydro/marine, solar photovoltaic, and wind. Similar trends are evident at a regional level. In Latin America, for example, patent application filings for adaptation technologies – including desalination, off-grid water supply, remote energy services and weather-related technologies – have increased by 51 percent on average per year since 2000. Similarly, in Africa, a study by the United Nations Environment Program and the European Patent Office concluded that there has been a relatively high level of clean energy innovation occurring in Africa, where energy storage/hydrogen/fuel cell technologies account for 37 percent of patents for such innovation and renewable energy technologies account for 25 percent of patents on such technologies. The African growth rate for mitigation technologies is 59 percent, and the average rate for patent applications for adaptation technologies is 17 percent per year. The United States also supports renewable energy and resource conservation technologies in a number of ways. Without innovation, sustained by IPR, there is a real risk of a technology drought that could undermine the ability to meet future energy demands and environmental and stewardship responsibilities.

In November 2016, the United States sponsored an agenda item relating to regional innovation models. The agenda item focused discussion on the extent to which regional integration has come to provide a transformative feature of the innovation landscape.

Review of Developing Country Members' TRIPS Agreement Implementation: During 2016, the TRIPS Council continued to conduct ongoing reviews of developing country Members' and newly acceded Members' implementation of the TRIPS Agreement and to provide assistance to developing country

Members in implementing the Agreement. The United States continued to press for full implementation of the TRIPS Agreement by developing country Members and participated actively during the reviews of legislation by highlighting specific concerns regarding individual Members' implementation of the Agreement's obligations.

Intellectual Property and Access to Medicines:

On January 23, 2017, an amendment to TRIPS entered into force to implement the August 30, 2003 solution (the General Council Decision on "Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health). With the acceptance of this amendment by two thirds of the WTO Membership in January 2017, the amendment has taken effect as of that date. The January 2017 outcome preserves all substantive aspects of the August 30, 2003 solution and does not alter the substance of the previously agreed to solution. The United States was the first Member to submit its acceptance of the amendment to the WTO in December 2005.

TRIPS-related WTO Dispute Settlement Cases: In April 2007, the United States initiated WTO dispute settlement proceedings over deficiencies in China's legal regime for the protection and enforcement of IPR by requesting consultations with China. The Panel circulated its report on January 26, 2009. The Panel found that China's denial of copyright protection to works that did not meet China's content review standards was inconsistent with the TRIPS Agreement. The Panel also found it inconsistent with the TRIPS Agreement for China to provide for simple removal of an infringing trademark as the only precondition for the sale at public auction of counterfeit goods seized by Chinese customs authorities.

With respect to the U.S. claim regarding thresholds in China's law that must be met in order for certain acts of trademark counterfeiting and copyright piracy to be subject to criminal procedures and penalties, the panel clarified that China must provide for criminal procedures and penalties to be applied to willful trademark counterfeiting and copyright piracy on a commercial scale. The Panel agreed with the United States that Article 61 of the TRIPS Agreement requires China not to set its thresholds for prosecution of piracy and counterfeiting so high as to ignore the realities of the commercial marketplace. The Panel did find, however, that it needed more evidence in order to decide whether the actual thresholds for prosecution in China's criminal law are so high as to allow commercial-scale counterfeiting and piracy to occur without the possibility of criminal prosecution. The DSB adopted the panel report on March 20, 2009, and China made a number of changes to its legal regime. The United States continues to monitor China's compliance with the DSB recommendations and rulings.

The United States also continues to monitor EU compliance with a 2005 ruling of the DSB that the EU's regulation on food-related GIs was inconsistent with the EU's obligations under the TRIPS Agreement and the GATT 1994. The United States has raised certain questions and concerns with regard to the revised EU regulation and its compliance with the DSB findings and recommendations, and continues to monitor implementation in this dispute.

The United States also continues to monitor WTO Members' implementation of their TRIPS Agreement obligations and will consider the further use of the WTO dispute settlement mechanism as appropriate.

Technical Cooperation and Capacity Building: As in each past year, the United States and other Members provided reports on their activities in connection with technical cooperation and capacity building for consideration at the fall TRIPS Council meeting (November 2016) (see IP/CW/W/617/Add.5). Priority needs reports submitted by LDCs were discussed in the TRIPS Council as well as in informal consultations.

Implementation of Article 66.2: Article 66.2 of the TRIPS Agreement requires developed country Members to provide incentives for enterprises and institutions in their territories to promote and encourage technology

transfer to LDC Members in order to enable them to create a sound and viable technological base. This provision was reaffirmed in the Doha Decision on Implementation related Issues and Concerns, and the TRIPS Council was directed to put in place a mechanism for ensuring monitoring and full implementation of the obligation. Developed country Members are required to provide detailed reports every third year, with annual updates, on these incentives. In November 2016, the United States provided an updated report on specific U.S. Government institutions and incentives (*see* IP/C/W/616/Add.5).

Implementation of the TRIPS Agreement by LDCs: On June 11, 2013, the TRIPS Council reached consensus on a decision to extend the transition period under Article 66.1 of the TRIPS Agreement for least-developed WTO Members. Under this decision, LDCs are not required to apply the provisions of the TRIPS Agreement, other than Articles 3, 4, and 5, until July 1, 2021, or until such a date on which they cease to be a LDC Member, whichever date is earlier. On November 6, 2015, the TRIPS Council reached consensus to extend the transition period for LDC Members to implement Sections 5 and 7 of the TRIPS Agreement with respect to pharmaceutical products until January 1, 2033, and reached consensus to recommend waiving Articles 70.8 and 70.9 of the TRIPS Agreement with respect to pharmaceuticals also until January 1, 2033, which the WTO General Council adopted on November 30, 2015.

Non-Violation and Situation Complaints: On November 23, 2015, the TRIPS Council reached agreement to extend the moratorium on non-violation and situation complaints under the TRIPS Agreement for two years until the next Ministerial in 2017. The moratorium was originally introduced in Article 64 of the TRIPS Agreement, for a period of five years following the entry into force of the WTO Agreement (i.e., until December 31, 1999). The moratorium has been referred to and extended in several WTO Ministerial documents, most recently in 2013. In 2015, the TRIPS Council intensified its discussions on this issue, including on the basis of a communication by the United States to the Council outlining the U.S. position on non-violation and situation complaints. This communication (document number IP/C/W/599) addressed the relevant TRIPS Agreement provisions, WTO and GATT disputes, and provided responses to issues raised by other WTO Members.

Prospects for 2017

In 2017, the TRIPS Council will continue to focus on IP and innovation as well as its built-in agenda, including possibly issues related to the LDC transition period for implementing the TRIPS Agreement, on the relationship between the TRIPS Agreement and the Convention on Biological Diversity (CBD), and on traditional knowledge and folklore, as well as enforcement and other relevant new developments.

U.S. objectives for 2017 continue to be to:

- resolve differences through consultations and use of dispute settlement procedures, where appropriate;
- continue efforts to ensure that developing country Members fully implement the TRIPS Agreement;
- engage in constructive dialogue with WTO members, including regarding the technical assistance and capacity-related needs of developing countries, and especially LDCs, in connection with TRIPS Agreement implementation;
- continue to encourage a fact-based discussion within the TRIPS Council regarding TRIPS Agreement provisions;
- ensure that provisions of the TRIPS Agreement are not weakened;
- continue to advance discussions on IP and Innovation, including through data-driven discussions on IPR that promote concrete outcomes; and

- intensify discussions within the TRIPS Council on the application of non-violation nullification and impairment (NVNI) under the TRIPS Agreement.

G. Council for Trade in Services

Status

The Council for Trade in Services (CTS) oversees implementation of the GATS and reports to the General Council. This includes a technical review of GATS Article XX.2 provisions; review of waivers from specific commitments pursuant to paragraphs 3 and 4 of Article IX of the Marrakesh Agreement Establishing the WTO; a periodic review of developments in the air transport sector; the transitional review mechanism under Section 18 of the Protocol on the Accession of the People's Republic of China; implementation of GATS Article VII; a review of Article II exemptions (to most-favored nation treatment); and notifications made to the General Council pursuant to GATS Articles III.3, V.5, V.7, and VII.4. Four subsidiary bodies report to the CTS: The Committee on Specific Commitments, the Committee on Trade in Financial Services, the Working Party on Domestic Regulation, and the Working Party on GATS Rules.

Major Issues in 2016

The CTS met several times during 2016, receiving a number of notifications pursuant to GATS Article III:3 (transparency) and GATS Article V:7 (economic integration). The operationalization of the LDC services waiver was discussed, and several notifications of preferential treatment were approved during the year. A total of 23 Members have submitted notifications to date, including the United States.

The Committee continued to discuss its role in the Work Programme on Electronic Commerce by exchanging information and ideas for future work. A proposal for a seminar on the services trade aspects of e-commerce is under consideration. Brazil notified its intention to give legal effect to its commitments on financial services pursuant to the Fifth Protocol to the GATS, which was adopted in 1997.

The Committee decided to undertake the fourth review of MFN exemptions and agreed on procedural arrangements to be followed.

Prospects for 2017

The CTS will continue discussions related to its mandated reviews and various notifications related to GATS implementation, as well as other topics raised by Members. The fourth review of MFN exemptions will be conducted during the first half of 2017.

1. Committee on Trade in Financial Services

Status

The Committee on Trade in Financial Services (CTFS) provides a forum for Members to explore financial services market access and regulatory issues, including implementation of existing trade commitments.

Major Issues in 2016

The CTFS met in March, June, October, and November 2016.

Members continued to monitor acceptance of the Fifth Protocol to the GATS. In accepting the protocol, financial services commitments made in 1994 would be replaced by those agreed to during the 1995-1997 extended negotiations on financial services. Brazil, the only Member not to have accepted the protocol, did so at the March meeting.

The CTFS continued its work on regulatory issues in financial services. The Global Forum on Transparency and Exchange of Information for Tax Purposes, the International Monetary Fund and the Islamic Financial Services Board made presentations on recent developments in their respective areas of competence.

The topic of trade in financial services and development continued to receive attention from the CTFS. During the year, the CTFS continued discussion on financial inclusion, based on the Background Note, "Financial Inclusion and the GATS" prepared by the Secretariat at the request of CTFS members. At the meetings in June and October 2016, the representative of Jamaica, on behalf of the members of the Caribbean Community (CARICOM), drew Members' attention to the impact of "de-risking" on correspondent banking relationships in the region.

Prospects for 2017

At this time, no meetings of the CTFS have been scheduled during 2016, and the future focus of Committee is not clear.

2. Working Party on Domestic Regulation

Status

GATS Article VI:4 on Domestic Regulation provides for Members to develop any necessary disciplines relating to qualification requirements and procedures, technical standards, and licensing requirements and procedures. In May 1999, the CTS established the Working Party on Domestic Regulation (WPDR), which took on the mandate of GATS VI:4.

Major Issues in 2016

The WPDR met in March, June, and October 2016.

During 2016, Members continued discussing their experiences with domestic regulation disciplines in services provisions of regional trade agreements (RTAs). The discussion has revealed that domestic regulation provisions in RTAs have generally been based upon existing GATS obligations, as well as the negotiating mandate contained in Article VI:4. There was no text-based negotiation of domestic regulation disciplines in the WPDR during 2015. However, during the October meeting Members introduced two proposals for future negotiations: one proposal by a group of Members lead by Australia provided a text proposal on "Administration of Measures," while the other communication, by India, presented a "Concept Note for an Initiative on Trade Facilitation in Services."

The United States continues to take the view that any horizontal disciplines must advance regulatory transparency while respecting the right of WTO Members to regulate, as recognized by the GATS.

Prospects for 2017

At this time, no meetings of the WPDR have been scheduled during 2017, and the future focus of the Working Group is not clear.

3. Working Party on GATS Rules

Status

The Working Party on GATS Rules (WPGR) provides a forum to discuss the possibility of new disciplines on emergency safeguard measures, government procurement, and subsidies.

Major Issues in 2016

The WPGR met in March and June 2016. The delegations of Brunei Darussalam, Cambodia, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar, Philippines, Thailand, and Vietnam renewed their interest in developing emergency safeguard provisions, and the European Union restated its interest in government procurement disciplines for services. There was little engagement by other Members.

Prospects for 2017

At this time, no meetings of the WPGR have been scheduled for 2017, and the future focus of the Committee is not clear.

4. Committee on Specific Commitments

Status

The Committee on Specific Commitments (CSC) examines ways to improve the technical accuracy of scheduling commitments, primarily in preparation for the GATS negotiations, and oversees the application of the procedures for the modification of schedules under GATS Article XXI. The CSC also oversees implementation of commitments in Members' schedules in sectors for which there is no sectoral committee, which is currently the case for all sectors except financial services.

Major Issues in 2016

The CSC held meetings in March, June, and October 2016. The main substantive area of discussion was uncertainty caused by vaguely described schedule entries on economic needs tests. The Committee agreed to task the Secretariat with updating a Note on Economic Needs Tests. The Secretariat presented the updated Note in June 2016.

Prospects for 2017

Work will continue on technical issues as raised by Members.

H. Dispute Settlement Understanding

Status

The Understanding on Rules and Procedures Governing the Settlement of Disputes (Dispute Settlement Understanding or DSU), which is annexed to the WTO Agreement, provides a mechanism to settle disputes under the Uruguay Round Agreements.

The DSU is administered by the DSB, which consists of representatives of the entire membership of the WTO and is empowered to establish dispute settlement panels, adopt panel and Appellate Body reports, oversee the implementation of panel recommendations adopted by the DSB, and authorize retaliation. The DSB makes all its decisions by consensus unless the WTO Agreement provides otherwise.

Major Issues in 2016

The DSB met 18 times in 2016 to oversee disputes and to address responsibilities such as appointing members to the Appellate Body and approving additions to the roster of governmental and nongovernmental panelists.

Roster of Governmental and Non-Governmental Panelists: Article 8 of the DSU makes it clear that panelists may be drawn from either the public or private sector and must be "well-qualified," such as persons who have served on or presented a case to a panel, represented a government in the WTO or the GATT, served with the Secretariat, taught or published in the international trade field, or served as a senior trade policy official. Since 1985, the Secretariat has maintained a roster of nongovernmental experts for GATT 1947 dispute settlement, which has been available for use by parties in selecting panelists. In 1995, the DSB agreed on procedures for renewing and maintaining the roster, and expanding it to include governmental experts. In response to a U.S. proposal, the DSB also adopted standards increasing and systematizing the information submitted by roster candidates. These modifications aid in evaluating candidates' qualifications and encouraging the appointment of well-qualified candidates who have expertise in the subject matters of the Uruguay Round Agreements. In 2016, the DSB approved by consensus a number of additional names for the roster. The United States scrutinized the credentials of these candidates to assure the quality of the roster.

Pursuant to the requirements of the Uruguay Round Agreements Act (URAA), the present WTO panel roster appears in the background information in Annex II. The list in the roster notes the areas of expertise of each roster member (goods, services, and/or TRIPS).

Rules of Conduct for the DSU: The DSB completed work on a code of ethical conduct for WTO dispute settlement and, on December 3, 1996, adopted the Rules of Conduct for the Understanding on Rules and Procedures Governing the Settlement of Disputes. A copy of the Rules of Conduct was printed in the Annual Report for 1996 and is available on the WTO and USTR websites. There were no changes in these Rules in 2016.

The Rules of Conduct elaborate on the ethical standards built into the DSU to maintain the integrity, impartiality, and confidentiality of proceedings conducted under the DSU. The Rules of Conduct require all individuals called upon to participate in dispute settlement proceedings to disclose direct or indirect conflicts of interest prior to their involvement in the proceedings and to conduct themselves during their involvement in the proceedings so as to avoid such conflicts.

The Rules of Conduct also provide parties an opportunity to address potential material violations of these ethical standards. The coverage of the Rules of Conduct exceeds the goals established by the U.S. Congress in section 123(c) of the URAA, which directed USTR to seek conflict of interest rules applicable to persons serving on panels and members of the Appellate Body. The Rules of Conduct cover not only panelists and Appellate Body members, but also: (1) arbitrators; (2) experts participating in the dispute settlement mechanism (*e.g.*, the Permanent Group of Experts under the SCM Agreement); (3) members of the WTO Secretariat assisting a panel or assisting in a formal arbitration proceeding; and (4) the support staff of the Appellate Body.

As noted above, the Rules of Conduct established a disclosure based system. Examples of the types of information that covered persons must disclose are set forth in Annex II to the Rules, and include: (1) financial interests, business interests, and property interests relevant to the dispute in question; (2) professional interests; (3) other active interests; (4) considered statements of personal opinion on issues relevant to the dispute in question; and (5) employment or family interests.

Appellate Body: Pursuant to the DSU, the DSB appoints seven persons to serve on an Appellate Body, which is to be a standing body with members serving four year terms, except for three initial appointees determined by lot whose terms expired at the end of two years. At its first meeting on February 10, 1995, the DSB formally established the Appellate Body, and agreed to arrangements for selecting its members and staff. The DSB also agreed that Appellate Body members would serve on a part-time basis and sit periodically in Geneva. The original seven Appellate Body members were Mr. James Bacchus of the United States, Mr. Christopher Beeby of New Zealand, Mr. Claus-Dieter Ehlermann of Germany, Mr. Said El-Naggar of Egypt, Mr. Florentino Feliciano of the Philippines, Mr. Julio Lacarte-Muró of Uruguay, and Mr. Mitsuo Matsushita of Japan. On June 25, 1997, it was determined by lot that the terms of Messrs. Ehlermann, Feliciano, and Lacarte-Muró would expire in December 1997. The DSB agreed on the same date to reappoint them for a final term of four years commencing on December 11, 1997. At its meeting held on October 27, 1999 and November 3, 1999, the DSB agreed to renew the terms of Messrs. Bacchus and Beeby for a final term of four years, commencing on December 11, 1999, and to extend the terms of Mr. El-Naggar and Mr. Matsushita until the end of March 2000. On April 7, 2000, the DSB agreed to appoint Mr. Georges Michel Abi-Saab of Egypt and Mr. A.V. Ganesan of India to a term of four years commencing on June 1, 2000. On May 25, 2000, the DSB agreed to the appointment of Mr. Yasuhei Taniguchi of Japan to serve through December 10, 2003, the remainder of the term of Mr. Beeby, who passed away on March 19, 2000. On September 25, 2001, the DSB agreed to appoint Mr. Luiz Olavo Baptista of Brazil, Mr. John S. Lockhart of Australia, and Mr. Giorgio Sacerdoti of Italy to a term of four years commencing on December 11, 2001. On November 7, 2003, the DSB agreed to appoint Ms. Merit Janow of the United States to a term of four years commencing on December 11, 2003, to reappoint Mr. Taniguchi for a final term of four years commencing on December 11, 2003, and to reappoint Mr. Abi-Saab and Mr. Ganesan for a final term of four years commencing on June 1, 2004. On September 27, 2005, the DSB agreed to reappoint Mr. Baptista, Mr. Lockhart, and Mr. Sacerdoti for a final term of four years commencing on December 12, 2005. On July 31, 2006, the DSB agreed to the appointment of Mr. David Unterhalter of South Africa to serve through December 11, 2009, the remainder of the term of Mr. Lockhart, who passed away on January 13, 2006. At its meeting held on November 19 and 27, 2007, the DSB agreed to appoint Ms. Lilia R. Bautista of the Philippines and Ms. Jennifer Hillman of the United States as members of the Appellate Body for four years commencing on December 11, 2007, and to appoint Mr. Shotaro Oshima of Japan and Ms. Yuejiao Zhang of China as members of the Appellate Body for four years commencing on June 1, 2008. On November 12, 2008, Mr. Baptista notified the DSB that he was resigning for health reasons, effective in 90 days. On December 22, 2008, the DSB decided to deem the term of the position to which Mr. Baptista was appointed to expire on June 30, 1999, and to fill the position previously held by Mr. Baptista for a four-year term. On June 19, 2009, the DSB agreed to appoint Mr. Ricardo Ramírez Hernández of Mexico as a member of the Appellate Body for four years commencing on July 1, 2009, to appoint Mr. Peter Van den Bossche of Belgium as a member of the Appellate Body for four years commencing on December 12, 2009, and to reappoint Mr. Unterhalter for a final term of four years commencing on December 12, 2009. On November 18, 2011, the DSB agreed to appoint Mr. Thomas Graham of the United States and Mr. Ujal Bhatia of India as members of the Appellate Body for four years commencing on December 11, 2011. On May 24, 2012, the DSB agreed to appoint Mr. Seung Wha Chang of Korea as a member of the Appellate Body for four years commencing on June 1, 2012, and to reappoint Ms. Zhang for a final term of four years commencing on June 1, 2012. On March 26, 2013, the DSB agreed to reappoint Mr. Ramírez Hernández of Mexico for a final term of four years commencing on July 1, 2013. On November 25, 2013, the DSB agreed to reappoint Mr. Van den Bossche of Belgium for a final term of four years commencing on December 12, 2013. On September 26, 2014, the DSB agreed to appoint Mr.

Shree Baboo Chekitan Servansing of Mauritius to a term of four years commencing on October 1, 2014. On November 25, 2015, the DSB agreed to reappoint Mr. Bhatia of India and Mr. Graham of the United States for a final term of four years each commencing on December 11, 2015. On November 23, 2016, the DSB agreed to appoint Ms. Zhao Hong of China and Mr. Hyun Chong Kim of Korea to a term of four years commencing on December 1, 2016 (*the names and biographical data for the Appellate Body members during 2016 are included in Annex II of this report*).

The Appellate Body has also adopted Working Procedures for Appellate Review. On February 28, 1997, the Appellate Body issued a revision of the Working Procedures, providing for a two year term for the first Chairperson, and one year terms for subsequent Chairpersons. In 2001, the Appellate Body amended its working procedures to provide for no more than two consecutive terms for a Chairperson. Mr. Lacarte-Muró, the first Chairperson, served until February 7, 1998; Mr. Beeby served as Chairperson from February 7, 1998 to February 6, 1999; Mr. El-Naggar served as Chairperson from February 7, 1999 to February 6, 2000; Mr. Feliciano served as Chairperson from February 7, 2000 to February 6, 2001; Mr. Ehlermann served as Chairperson from February 7, 2001 to December 10, 2001; Mr. Bacchus served as Chairperson from December 15, 2001 to December 10, 2003; Mr. Abi-Saab served as Chairperson from December 13, 2003 to December 12, 2004; Mr. Taniguchi served as Chairperson from December 17, 2004 to December 16, 2005; Mr. Ganesan served as Chairperson from December 17, 2005 to December 16, 2006; Mr. Sacerdoti served as Chairperson from December 17, 2006 to December 17, 2007; Mr. Baptista served as Chairperson from December 18, 2007, to December 17, 2008; Mr. Unterhalter served as Chairperson from December 18, 2008 to December 16, 2010; Ms. Bautista served as Chairperson from December 17, 2010 to June 14, 2011; Ms. Hillman served as Chairperson from June 15, 2011 until December 10, 2011; Ms. Zhang served as Chairperson from December 11, 2011 to December 31, 2012; Mr. Ramirez served as Chairperson from January 1, 2013 to December 31, 2014; Mr. Peter Van den Bossche served as Chairperson from January 1, 2015 to December 31, 2015; and Mr. Thomas Graham served as Chairperson from January 1, 2016 to December 31, 2016.

In 2016, the Appellate Body issued six reports on the following issues: (1) on a challenge by China to EU compliance concerning antidumping measures on fasteners; (2) on a challenge by Panama to Argentina's financial, taxation, foreign exchange, and registration measures on certain services and service suppliers; (3) on a challenge by Panama to Colombia's tariff on textiles, apparel, and footwear; (4) on a challenge by Korea to U.S. antidumping and countervailing duties on residential washers; (5) on a challenge by the United States to India's domestic content requirements for solar cells and/or modules; and (6) on a challenge by Argentina to EU dumping regulations and EU anti-dumping duties on biodiesel. In the disputes in which it was not a party, the United States participated as a third party.

Dispute Settlement Activity in 2016: During the DSB's first 22 years in operation, WTO Members filed 517 requests for consultations (25 in 1995, 42 in 1996, 46 in 1997, 44 in 1998, 31 in 1999, 30 in 2000, 27 in 2001, 37 in 2002, 26 in 2003, 19 in 2004, 11 in 2005, 20 in 2006, 14 in 2007, 19 in 2008, 14 in 2009, 17 in 2010, 8 in 2011, 27 in 2012, 17 in 2013, 14 in 2014, 13 in 2015, and 16 in 2016). During that period, the United States filed 110 complaints against other Members' measures and received 126 complaints on U.S. measures. Several of these complaints involved the same issues as other complaints. A number of disputes commenced in earlier years remained active in 2016. What follows is a description of those disputes in which the United States was a complainant, defendant, or third party during the past year.

Prospects for 2017

The United States has used the opportunity of the ongoing review to seek improvements in the dispute settlement system, including greater transparency. In 2017, the United States expects the DSB to continue to focus on the administration of the dispute settlement process in the context of individual disputes. Experience gained with the DSU will be incorporated into the U.S. litigation and negotiation strategy for

enforcing U.S. WTO rights, as well as the U.S. position on DSU reform. Participants will continue to consider reform proposals in 2017.

Disputes Brought by the United States

In 2016, the United States continued to be one of the most active participants in the WTO dispute settlement process. This section includes brief summaries of dispute settlement activity in 2016 where the United States was a complainant (listed alphabetically by responding party).

Argentina — Measures Affecting the Importation of Goods (DS444)

On August 21, 2012, the United States requested consultations with Argentina regarding certain measures affecting the importation of goods into Argentina. These measures include the broad use of non-transparent and discretionary import licensing requirements that have the effect of restricting U.S. exports as well as burdensome trade balancing commitments that Argentina requires as a condition for authorization to import goods.

Between 2008 and 2013, Argentina greatly expanded the list of products subject to non-automatic import licensing requirements, with import licenses required for approximately 600 eight-digit tariff lines in Argentina's goods schedule. In February 2012, Argentina adopted an additional licensing requirement that applies to all imports of goods into the country. In conjunction with these licensing requirements, Argentina has adopted informal trade balancing requirements and other schemes, whereby companies seeking to obtain authorization to import products must agree to export goods of an equal or greater value, make investments in Argentina, lower prices of imported goods, and/or refrain from repatriating profits.

Through these measures, the United States was concerned that Argentina was acting inconsistently with its WTO obligations, including with Article XI:1 of the General Agreement on Tariffs and Trade 1994 (GATT 1994), which generally prohibits restrictions on imports of goods, including those made effective through import licenses. The United States was also concerned the measures breached various provisions of the *Agreement on Import Licensing Procedures*, which contains requirements related to the administrative procedures used to implement import licensing regimes.

The United States and Argentina held consultations on September 20-21, 2012, but these consultations failed to resolve the dispute. On December 17, 2012, the United States, together with the EU and Japan, requested the WTO to establish a dispute settlement panel to examine Argentina's import restrictions, and a panel was established on January 28, 2013. The Director General composed the panel as follows: Ms. Leora Blumberg, Chair; and Ms. Claudia Orozco and Mr. Graham Sampson, Members.

Argentina repealed its product-specific non-automatic import licenses, which had been the subject of consultations and the U.S. panel request on January 25, 2013. However, it continued to maintain a discretionary non-automatic import licensing requirement applicable to all goods imported into Argentina, as well as informal trade balancing and similar requirements.

On August 22, 2014, the Panel issued its report. The Panel found Argentina's import licensing requirement and its trade balancing requirements to be inconsistent with Article XI of the GATT 1994.

On September 26, 2014, Argentina appealed the panel findings. The parties made written submissions to the Appellate Body during the fall of 2014, and the Appellate Body held an oral hearing on November 3 and 4, 2014.

The Appellate Body issued its report on January 15, 2015. In its report, the Appellate Body rejected Argentina's arguments, upholding the Panel's findings that Argentina's import licensing requirement and trade balancing requirements are inconsistent with Article XI of the GATT 1994. On January 26, 2015, the DSB adopted the panel and Appellate Body reports.

At the DSB meeting held on February 23, 2015, Argentina informed the DSB that it intended to implement the DSB's recommendations and rulings in a manner that respects its WTO obligations, and that it would need a reasonable period of time (RPT) to do so. The United States and Argentina agreed that the RPT would be 11 months and 5 days, ending on December 31, 2015. Since December 2015, Argentina has issued modified import licensing requirements. The United States has significant questions about how the adoption of these measures could serve to bring Argentina's import licensing measures into compliance with its WTO obligations, and the United States is working to address these concerns.

China – Measures Affecting Trading Rights and Distribution Services for Certain Publications and Audiovisual Entertainment Products (DS363)

On April 10, 2007, the United States requested consultations with China regarding certain measures related to the import and/or distribution of imported films for theatrical release, audiovisual home entertainment products (*e.g.*, video cassettes and DVDs), sound recordings, and publications (*e.g.*, books, magazines, newspapers, and electronic publications). On July 10, 2007, the United States requested supplemental consultations with China regarding certain measures pertaining to the distribution of imported films for theatrical release and sound recordings.

Specifically, the United States was concerned that certain Chinese measures: (1) restricted trading rights (such as the right to import goods into China) with respect to imported films for theatrical release, audiovisual home entertainment products, sound recordings, and publications; and (2) restricted market access for, or discriminated against, imported films for theatrical release and sound recordings in physical form, and foreign service providers seeking to engage in the distribution of certain publications, audiovisual home entertainment products, and sound recordings. The Chinese measures at issue appeared to be inconsistent with several WTO provisions, including provisions in the GATT 1994 and GATS, as well as specific commitments made by China in its WTO accession agreement.

The United States and China held consultations on June 5-6, 2007 and July 31, 2007, but they did not resolve the dispute. On October 10, 2007, the United States requested the establishment of a panel, and on November 27, 2007, a panel was established. On March 27, 2008, the Director General composed the panel as follows: Mr. Florentino P. Feliciano, Chair; and Mr. Juan Antonio Dorantes and Mr. Christian Häberli, Members.

The report of the panel was circulated to WTO Members and made public on August 12, 2009. In the final report, the panel made three critical sets of findings. First, the panel found that China's restrictions on foreign invested enterprises (and in some cases foreign individuals) from importing films for theatrical release, audiovisual home entertainment products, sound recordings, and publications are inconsistent with China's trading rights commitments as set forth in China's protocol of accession to the WTO. The panel also found that China's restrictions on the right to import these products are not justified by Article XX(a) of the GATT 1994. Second, the panel found that China's prohibitions and discriminatory restrictions on foreign owned or controlled enterprises seeking to distribute publications and audiovisual home entertainment products and sound recordings over the Internet are inconsistent with China's obligations under the GATS. Third, the panel also found that China's treatment of imported publications is inconsistent with the national treatment obligation in Article III:4 of the GATT 1994.

In September 2009, China filed a notice of appeal to the WTO Appellate Body, appealing certain of the panel's findings. First, China contended that its restrictions on importation of the products at issue are justified by an exception related to the protection of public morals. Second, China claimed that while it had made commitments to allow foreign enterprises to partner in joint ventures with Chinese enterprises to distribute music, those commitments did not cover the electronic distribution of music. Third, and finally, China claimed that its import restrictions on films for theatrical release and certain types of sound recordings and DVDs were not inconsistent with China's commitments related to the right to import because those products were not goods and therefore were not subject to those commitments. The United States filed a cross appeal on one aspect of the panel's analysis of China's defense under GATT Article XX(a). On December 21, 2009, the Appellate Body issued its report. The Appellate Body rejected each of China's claims on appeal. The Appellate Body also found that the Panel had erred in the aspect of the analysis that the United States had appealed. The DSB adopted the Appellate Body and panel reports on January 19, 2010. On July 12, 2010, the United States and China notified the DSB that they had agreed on a 14 month period of time for implementation, to end on March 19, 2011.

China subsequently issued several revised measures, and repealed other measures, relating to the market access restrictions on books, newspapers, journals, DVDs and music. As China acknowledged, however, it did not issue any measures addressing theatrical films. Instead, China proposed bilateral discussions with the United States in order to seek an alternative solution. The United States and China reached agreement in February 2012 on a Memorandum of Understanding (MOU) providing for substantial increases in the number of foreign films imported and distributed in China each year and substantial additional revenue for foreign film producers. The MOU will be reviewed after five years in order to discuss additional compensation for the U.S. side.

China – Measures Relating to the Exportation of Various Raw Materials (DS394)

On June 23, 2009, the United States requested consultations with China regarding China's export restraints on a number of important raw materials. The materials at issue are: bauxite, coke, fluorspar, magnesium, manganese, silicon metal, silicon carbide, yellow phosphorus, and zinc. These materials are inputs for numerous downstream products in the steel, aluminum, and chemical sectors.

The United States challenged China's export restraints on these raw materials as inconsistent with several WTO provisions, including provisions in the GATT 1994, as well as specific commitments made by China in its WTO accession agreement. Specifically, the United States challenged certain Chinese measures that impose: (1) quantitative restrictions in the form of quotas on exports of bauxite, coke, fluorspar, silicon carbide, and zinc ores and concentrates, as well as certain intermediate products incorporating some of these inputs; and (2) export duties on several raw materials. The United States also challenged other related export restraints, including export licensing restrictions, minimum export price requirements, and requirements to pay certain charges before certain products can be exported, as well as China's failure to publish relevant measures.

The United States and China held consultations on July 30 and September 1-2, 2009, but did not resolve the dispute. The EU and Mexico also requested and held consultations with China on these measures. On November 19, 2009, the EU and Mexico joined the United States in requesting the establishment of a panel, and on December 21, 2009, the WTO DSB established a single panel to examine all three complaints. On March 29, 2010, the Director General composed the panel as follows: Mr. Elbio Rosselli, Chair; Ms. Dell Higgie and Mr. Nugroho Wisnumurti, Members.

The panel's final report was circulated to Members on July 5, 2011. The panel found that the export duties and export quotas imposed by China on various forms of bauxite, coke, fluorspar, magnesium, manganese, silicon carbide, silicon metal, and zinc constitute a breach of WTO rules and that China failed to justify

those measures as legitimate conservation measures, environmental protection measures, or short supply measures. The panel also found China's imposition of minimum export price, export licensing, and export quota administration requirements on these materials, as well as China's failure to publish certain measures related to these requirements inconsistent with WTO rules.

On January 30, 2012, the Appellate Body issued a report affirming the panel's findings on all significant claims. In particular, the Appellate Body confirmed that: China may not seek to justify its imposition of export duties as environmental or conservation measures; China failed to demonstrate that certain of its export quotas were justified as measures for preventing or relieving a critical shortage; and the Panel correctly made recommendations for China to bring its measures into conformity with its WTO obligations. The Appellate Body also found that the panel erred in making findings related to licensing and administration claims, declaring those findings moot, and erred in its legal interpretation of one element of the exception set forth in Article XX(g) of the GATT 1994.

The DSB adopted the Appellate Body report, and the panel report as modified by the Appellate Body report, on February 22, 2012. The United States, the EU, Mexico, and China agreed that China would have until December 31, 2012, to comply with the rulings and recommendations.

At the conclusion of the RPT for China to comply, it appeared that China had eliminated the export duties and export quotas on the products at issue in this dispute, as of January 1, 2013. However, China maintains export licensing requirements for a number of the products. The United States continues to monitor actions by China that might operate to restrict exports of raw materials at issue in this dispute.

China – Certain Measures Affecting Electronic Payment Services (DS413)

On September 15, 2010, the United States requested consultations with China concerning issues relating to certain restrictions and requirements maintained by China pertaining to electronic payment services (EPS) for payment card transactions and the suppliers of those services. EPS enable transactions involving credit card, debit card, charge card, check card, automated teller machine (ATM) card, prepaid card, or other similar card or money transmission product, and manage and facilitate the transfers of funds between institutions participating in such card-based electronic payment transactions.

EPS provide the essential architecture for card-based electronic payment transactions, and EPS are supplied through complex electronic networks that streamline and process transactions and offer an efficient and reliable means to facilitate the movement of funds from the cardholders purchasing goods or services to the individuals or businesses that supply them. EPS consist of a network, rules and procedures, and operating system that allow cardholders' banks to pay merchants' banks the amounts they are owed. EPS suppliers receive, check and transmit the information that processors need to conduct the transactions. The rules and procedures established by the EPS supplier give the payment system stability and integrity, and enable net payment flows among the institutions involved in card-based electronic transactions. The best known EPS suppliers are credit and debit card companies based in the United States.

China instituted and maintains measures that operate to block foreign EPS suppliers, including U.S. suppliers, from supplying these services, and that discriminate against foreign suppliers at every stage of a card-based electronic payment transaction. The United States challenged China's measures affecting EPS suppliers as inconsistent with China's national treatment and market access commitments under the GATS.

The United States and China held consultations on October 27 and 28, 2010, but these consultations did not resolve the dispute. The United States requested the establishment of a panel on February 11, 2011. On March 25, 2011, the DSB established a panel to consider the claims of the United States. On July 4, 2011, the Director General composed the panel as follows: Mr. Virachai Plasai, Chair; and Ms. Elaine

Feldman and Mr. Martín Redrado, Members. The panel held its meetings with the parties on October 26-27, 2011, and December 13-14, 2011.

The Panel issued its report to the Parties on May 25, 2012. The Panel Report was circulated to the WTO Membership on July 16, 2012. China did not appeal the Panel's findings, and the Panel Report was adopted by the DSB on August 31, 2012.

The United States prevailed on significant threshold issues, including:

- EPS is a single service (or EPS are integrated services) and each element of EPS is necessary for a payment card transaction to occur.

- EPS is properly classified under the same subsector, item (viii) of the GATS Annex on Financial Services, which appears as subsector (d) of China's Schedule (All payment and money transmission services, including credit, charge, and debit cards…) as the United States argued, and no element of EPS is classified as falling in item (xiv) of the GATS Annex on Financial services (settlement and clearing of financial assets, including securities, derivative products, and other negotiable instruments), as China argued and for which China has no WTO commitments.

- In addition to the "four-party" model of EPS (*e.g.*, Visa and MasterCard), the "three-party" model (*e.g.*, American Express) and other variations, and third party issuer processor and merchant processors also are covered by subsector (d) of China's Schedule.

With respect to the U.S. GATS national treatment claims, the Panel found the following violations:

- China imposes requirements on issuers of payment cards that payment cards issued in China bear the "Yin Lian/UnionPay logo," and therefore China requires issuers to become members of the CUP network; that the cards they issue in China meet certain uniform business specifications and technical standards; and that these requirements fail to accord to services and service suppliers of any other Member treatment no less favorable than China accords to its own like services and service suppliers;

- China imposes requirements that all terminals (ATMs, merchant processing devices, and point of sale (POS) terminals) in China that are part of the national card inter-bank processing network be capable of accepting all payment cards bearing the Yin Lian/UnionPay logo, and that these requirements fail to accord to services and service suppliers of any other Member treatment no less favorable than China accords to its own like services and service suppliers;

- China imposes requirements on acquirers (those institutions that acquire payment card transactions and that maintain relationships with merchants) to post the Yin Lian/UnionPay logo, and furthermore, China imposes requirements that acquirers join the CUP network and comply with uniform business standards and technical specifications of inter-bank interoperability, and that terminal equipment operated or provided by acquirers be capable of accepting bank cards bearing the Yin Lian/UnionPay logo, and that these requirements fail to accord to services and service suppliers of any other Member treatment no less favorable than China accords to its own like services and service suppliers;

With respect to the U.S. GATS market access claims, the Panel found that China's requirements related to certain Hong Kong and Macau transactions are inconsistent with Article XVI:2(a) of the GATS because,

contrary to China's Sector 7.B(d) mode 3 market access commitments, China maintains a limitation on the number of service suppliers in the form of a monopoly.

The United States and China agreed that a RPT for China to implement the DSB recommendations and rulings would be 11 months from the date of adoption of the recommendations and rulings, that is, until July 31, 2013.

In April 2015, the State Council of China issued a formal decision announcing that China's market would be open to foreign suppliers that seek to provide EPS for domestic currency payment card transactions. The People's Bank of China followed this in July 2015 by publishing a draft licensing regulation for public comment. This draft licensing regulation was finalized in June 2016. However, to date no foreign EPS supplier is permitted to operate in the domestic Chinese market. The United States has urged China to ensure that approvals for foreign EPS suppliers to operate in China occur without delay, in accordance with China's WTO obligations, and continues to monitor the situation closely.

China — Measures Related to the Exportation of Rare Earths, Tungsten and Molybdenum (DS431)

On March 13, 2012, the United States requested consultations with China regarding China's export restraints on rare earths, tungsten and molybdenum. These materials are vital inputs in the manufacture of electronics, automobiles, steel, petroleum products, and a variety of chemicals that are used to produce both everyday items and highly sophisticated, technologically advanced products, such as hybrid vehicle batteries, wind turbines, and energy efficient lighting.

The United States challenged China's export restraints on these materials as inconsistent with several WTO provisions, including provisions in the GATT 1994, as well as specific commitments made by China in its WTO accession agreement. Specifically, the United States challenged: (1) China's quantitative restrictions in the form of quotas on exports of rare earth, tungsten, and molybdenum ores and concentrates, as well as certain intermediate products incorporating some of these inputs; (2) China's export duties on rare earths, tungsten, and molybdenum; and (3) China's other export restraints on these materials, including prior export performance and minimum capital requirements.

The United States, together with the EU and Japan, held consultations with China on April 25-26, 2012, but the consultations did not resolve the dispute.

On June 29, 2012, the EU and Japan joined the United States in requesting the establishment of a panel, and on July 23, 2012, the WTO DSB established a single panel to examine all three complaints. On September 24, 2012, the Director General composed the panel as follows: Mr. Nacer Benjelloun-Touimi, Chair; Mr. Hugo Cayrús and Mr. Darlington Mwape, members. The panel held its meetings with the parties on February 26-28, 2013, and June 18-19, 2013.

On March 26, 2014, the panel issued its report. The panel found that the export quotas and export duties imposed by China on various forms of rare earths, tungsten, and molybdenum constitute a breach of WTO rules and that China failed to justify those measures as legitimate conservation measures or environmental protection measures, respectively. The panel also found China's imposition of prior export performance and minimum capital requirements inconsistent with WTO rules.

On August 7, 2014, the Appellate Body issued a report affirming the panel's findings on all significant claims. In particular, the Appellate Body confirmed that China may not seek to justify its imposition of export duties as environmental measures. The Appellate Body also confirmed that, while modifying some of the panel's original reasoning, China had failed to demonstrate that its export quotas were justified as measures for conserving exhaustible natural resources.

On August 29, 2014, the DSB adopted the panel and Appellate Body reports. In September 2014, China announced its intention to implement the DSB recommendations and rulings in the dispute, and stated that it would need a RPT in which to do so. The United States, the EU, Japan, and China agreed that China would have until May 2, 2015, to comply with the recommendations and rulings.

China announced that it had eliminated its export quotas on the products at issue in this dispute as of January 1, 2015, and its export duties as of May 1, 2015.

China maintains export licensing requirements for these products, however. Accordingly, the United States continues to monitor actions by China that might operate to restrict exports of the materials at issue in this dispute.

China — Anti-Dumping and Countervailing Duty Measures on Broiler Products from the United States (DS427)

On September 20, 2011, the United States filed a request for consultations regarding China's imposition of antidumping and countervailing duties on imports of chicken broiler products from the United States.

On September 27, 2009, China's Ministry of Commerce (MOFCOM) initiated antidumping and countervailing duty investigations of imports of chicken broiler products from the United States. On September 26, 2010 and August 30, 2010, China imposed antidumping and countervailing duties, respectively. The United States' review of MOFCOM's determinations sustaining antidumping and countervailing duties indicated that China was acting inconsistently with numerous WTO obligations, such as abiding by applicable procedures and legal standards, including by finding injury to China's domestic industry without objectively examining the evidence, by improperly calculating dumping margins and subsidization rates, and by failing to adhere to various transparency and due process requirements.

The United States and China held consultations on October 28, 2011, but were unable to resolve the dispute. On December 8, 2011, the United States requested the establishment of a panel. The DSB established a panel on January 20, 2012. On May 24, 2012, the WTO Director General composed the panel as follows: Mr. Faizullah Khilji, Chair; and Mr. Serge Fréchette and Ms. Claudia Orozco, Members. The Panel held its meetings with the parties on September 27-28, 2012, and December 4-5, 2012.

The Panel's report, which upheld nearly all the claims brought by the United States, was circulated on August 2, 2013. In particular, the Panel found MOFCOM's substantive determinations and procedural conduct in levying the duties was inconsistent with China's WTO obligations. With respect to the substantive errors, the Panel's report found China breached its obligations by:

- Levying countervailing duties on U.S. producers in excess of the amount of subsidization;
- Relying on flawed price comparisons for its determination that China's domestic industry had suffered injury;
- Unjustifiably declining to use the books and records of two major U.S. producers in calculating their costs of production; failing to consider any of the alternative allocation methodologies presented by U.S. producers and instead using a weight-based methodology resulting in high dumping margins; improperly allocating distinct processing costs to other products inflating dumping margins; and allocating one producer's costs in producing non-exported products to exported products creating an inflated dumping margin; and
- Improperly calculating the "all others" dumping margin and subsidy rates.

With respect to the procedural failings, the Panel found that China breached its WTO obligations by:

- Denying a hearing request during the investigation;
- Failing to require the Chinese industry to provide non-confidential summaries of information it provided to MOFCOM; and
- Failing to disclose essential facts to U.S. companies including how their dumping margins were calculated.

The DSB adopted the panel report on September 25, 2013. On December 19, 2013, the United States and China agreed that China would have until July 9, 2014 to comply with the panel's findings.

MOFCOM announced on December 25, 2014 that it was initiating a reinvestigation of U.S. producers in response to the panel report. MOFCOM released re-determinations on July 8, 2014, that maintained recalculated duties on U.S. broiler products.

The United States considered that China failed to bring its measures into compliance with WTO rules, and on May 10, 2016, requested consultations. The United States and China held consultations on May 24, 2016 but did not resolve the dispute. On May 27, 2016, the United States requested the establishment of a compliance panel, which was established on July 18, 2016.

China — Certain Measures Affecting the Automobile and Automobile-Parts Industries (DS450)

On September 17, 2012, the United States requested consultations with China concerning China's automobile and automobile parts "export base" program. Under this program, China appears to provide extensive subsidies to automobile and automobile parts exporting enterprises located in designated regions known as "export bases." It appears that China is providing these subsidies in contravention of its obligation under Article 3 of the SCM Agreement, which prohibits the provision of subsidies contingent upon export performance. China also appears to have failed to comply with various transparency related obligations, including its obligation to notify the challenged subsidies as required by the SCM Agreement, and to publish the measures at issue in an official journal and to translate the measures into one or more of the official languages of the WTO as required by China's Protocol of Accession.

The United States and China held consultations in November 2012. After consultations, China removed or did not renew key provisions. The United States continues to monitor China's actions with respect to the matters at issue in this dispute.

China — Measures related to Demonstration Bases and Common Service Platform Programs (DS489)

On February 11, 2015, the United States requested consultations regarding China's "Demonstration Bases-Common Service Platform" export subsidy program. Under this program, China appears to provide prohibited export subsidies through "Common Service Platforms" to manufacturers and producers across seven economic sectors and dozens of sub-sectors located in more than 150 industrial clusters, known as "Demonstration Bases."

Pursuant to this Demonstration Bases-Common Service Platform program, China provides free and discounted services as well as cash grants and other incentives to enterprises that meet export performance criteria and are located in 179 Demonstration Bases throughout China. Each of these Demonstration Bases is comprised of enterprises from one of seven sectors: (1) textiles, apparel and footwear; (2) advanced materials and metals (including specialty steel, titanium and aluminum products); (3) light industry; (4) specialty chemicals; (5) medical products; (6) hardware and building materials; and (7) agriculture. China

maintains and operates this extensive program through over 150 central government and sub-central government measures throughout China.

The United States held consultations with China on March 13 and April 1-2, 2015. On April 9, 2015, the United States requested the establishment of a panel, and on April 22, 2015, the WTO DSB established a panel to examine the complaint. The United States and China held additional consultations following the establishment of the panel and reached agreement in April 2016 on a Memorandum of Understanding (MOU). Pursuant to the MOU, China agreed to terminate the export subsidies it had provided through the Demonstration Bases-Common Service Platform program. The United States continues to monitor China's actions with respect to its compliance with the terms of the MOU.

China – Tax Measures Concerning Certain Domestically Produced Aircraft (DS501)

On December 8, 2015, the United States requested consultations with China concerning its measures providing tax advantages in relation to the sale of certain domestically produced aircraft in China. It appears that China exempts the sale of certain domestically produced aircraft from China's value-added tax (VAT), while imported aircraft continue to be subject to the VAT. The aircraft subject to the exemptions appear to include general aviation, regional, and agricultural aircraft. China has also failed to publish the measures that establish these exemptions.

These measures appear to be inconsistent with Articles III:2 and III:4 of the GATT 1994. China also appears to have acted inconsistently with its obligations under Article X:1 of the GATT 1994, as well as a number of specific commitments made by China in its WTO accession agreement.

The United States and China held consultations on January 29, 2016. Following consultations, the United States confirmed that China rescinded the discriminatory tax exemptions at issue, and the United States made those relevant measures public.

China — Export Duties on Certain Raw Materials (DS508)

On July 13, 2016, and July 19, 2016, the United States requested consultations with China regarding China's restraints on the exportation of antimony, chromium, cobalt, copper, graphite, indium, lead, magnesia, talc, tantalum, and tin. These materials are critical to the production of downstream products made in the United States in industries including aerospace, automotive, construction, electronics, and steel.

The United States challenged China's export restraints on these materials as inconsistent with several WTO provisions, including provisions in the GATT 1994, as well as specific commitments made by China in its WTO accession agreement. The export restraints include export quotas, export duties, and additional requirements that impose restrictions on the trading rights of enterprises seeking to export various forms of the materials, such as prior export performance requirements.
The United States, together with the EU, held consultations with China on September 8-9, 2016. Consultations did not resolve the dispute.

Pursuant to a request by the United States, the WTO DSB established a panel on November 8, 2016.

European Union – Measures concerning meat and meat products (hormones) (DS26, 48)

The United States and Canada challenged the EU ban on imports of meat from animals to which any of six hormones for growth promotional purposes had been administered. The panel found that the EU ban is inconsistent with the EU's obligations under the SPS Agreement, and that the ban is not based on science, a risk assessment, or relevant international standards.

Upon appeal, the Appellate Body affirmed the panel's findings that the EU ban fails to satisfy the requirements of the SPS Agreement. The Appellate Body also found that, while a country has broad discretion in electing what level of protection it wishes to implement, in doing so it must fulfill the requirements of the SPS Agreement. In this case, the ban imposed is not rationally related to the conclusions of the risk assessments the EU had performed.

Because the EU did not comply with the recommendations and rulings of the DSB by May 13, 1999, the final date of its compliance period as set by arbitration, the United States sought WTO authorization to suspend concessions with respect to certain products of the EU. The value of the suspension of concessions represents an estimate of the annual harm to U.S. exports resulting from the EU's failure to lift its ban on imports of U.S. meat. The EU exercised its right to request arbitration concerning the amount of the suspension. On July 12, 1999, the arbitrators determined the level of suspension to be $116.8 million. On July 26, 1999, the DSB authorized the United States to suspend such concessions and the United States proceeded to impose 100 percent *ad valorem* duties on a list of EU products with an annual trade value of $116.8 million.

On November 3, 2003, the EU notified the WTO that it had amended its hormones ban. On November 8, 2004, the EU requested consultations with respect to "the United States' continued suspension of concessions and other obligations under the covered agreements" in the EU – Hormones dispute. The Appellate Body issued its report in the *U.S. – Continued Suspension* (WT/DS320) dispute on October 16, 2008.

On October 31, 2008, USTR announced that it was considering changes to the list of EU products on which 100 percent *ad valorem* duties had been imposed in 1999. A modified list of EU products was announced by USTR on January 15, 2009.

On December 22, 2008, the EU requested consultations with the United States and Canada pursuant to Articles 4 and 21.5 of the DSU, regarding the EU's implementation of the DSB's recommendations and rulings in the EU–Hormones dispute. In its consultations request, the EU stated that it considered that it has brought into compliance the measures found inconsistent in EU–Hormones by, among other things, adopting its revised ban in 2003. Consultations took place in February 2009.

Pursuant to a Memorandum of Understanding (MOU) between the United States and the EU, further litigation in the EU-Hormones compliance proceeding has been suspended.

For additional information on the U.S. suspension of concessions and the MOU, please see the discussion of the associated Section 301 investigation in section 5.B.1 of this report.

European Union – Measures affecting the approval and marketing of biotechnology products (DS291)

Since the late 1990s, the EU has pursued policies that undermine agricultural biotechnology and trade in biotechnological foods. After approving a number of biotechnological products through October 1998, the EU adopted an across-the-board moratorium under which no further biotechnology applications were allowed to reach final approval. In addition, six Member States (Austria, France, Germany, Greece, Italy, and Luxemburg) adopted unjustified bans on certain biotechnological crops that had been approved by the EU prior to the adoption of the moratorium. These measures have caused a growing portion of U.S. agricultural exports to be excluded from EU markets, and unfairly cast concerns about biotechnology products around the world, particularly in developing countries.

On May 13, 2003, the United States filed a consultation request with respect to: (1) the EU's moratorium on all new biotechnology approvals; (2) delays in the processing of specific biotech product applications; and (3) the product-specific bans adopted by six EU Member States (Austria, France, Germany, Greece, Italy, and Luxembourg). The United States requested the establishment of a panel on August 7, 2003. Argentina and Canada submitted similar consultation and panel requests. On August 29, 2003, the DSB established a panel to consider the claims of the United States, Argentina, and Canada. On March 4, 2003, the Director General composed the panel as follows: Mr. Christian Häberli, Chair; and Mr. Mohan Kumar and Mr. Akio Shimizu, Members.

The panel issued its report on September 29, 2006. The panel agreed with the United States, Argentina, and Canada that the disputed measures of the EU, Austria, France, Germany, Greece, Italy, and Luxembourg are inconsistent with the obligations set out in the SPS Agreement. In particular:

- The panel found that the EU adopted a *de facto*, across-the-board moratorium on the final approval of biotechnological products, starting in 1999 up through the time the panel was established in August 2003.

- The panel found that the EU had presented no scientific or regulatory justification for the moratorium, and thus that the moratorium resulted in "undue delays" in violation of the EU's obligations under the SPS Agreement.

- The panel identified specific, WTO inconsistent "undue delays" with regard to 24 of the 27 pending product applications that were listed in the U.S. panel request.

- The panel upheld the United States' claims that, in light of positive safety assessments issued by the EU's own scientists, the bans adopted by six EU Member States on products approved in the EU prior to the moratorium were not supported by scientific evidence, and were thus inconsistent with WTO rules.

The DSB adopted the panel report on November 21, 2006. At the meeting of the DSB held on December 19, 2006, the EU notified the DSB that the EU intended to implement the recommendations and rulings of the DSB in these disputes, and stated that it would need a RPT for implementation. On June 21, 2006, the United States, Argentina, and Canada notified the DSB that they had agreed with the EU on a one year period of time for implementation, to end on November 21, 2007. On November 21, 2007, the United States, Argentina, and Canada notified the DSB that they had agreed with the EU to extend the implementation period to January 11, 2008.

On January 17, 2008, the United States submitted a request for authorization to suspend concessions and other obligations with respect to the EU under the covered agreements at an annual level equivalent to the annual level of nullification or impairment of benefits accruing to the United States resulting from the EU's failure to bring measures concerning the approval and marketing of biotechnology products into compliance with the recommendations and rulings of the DSB. On February 6, 2008, the EU requested arbitration under Article 22.6 of the DSU, claiming that the level of suspension proposed by the United States was not equivalent to the level of nullification or impairment. The EU and the United States mutually agreed to suspend the Article 22.6 arbitration proceedings as of February 18, 2008. The United States may request resumption of the proceedings following a finding by the DSB that the EU has not complied with the recommendations and rulings of the DSB.

Subsequent to the suspension of the Article 22.6 proceeding, the United States has been monitoring EU developments and has been engaged with the EU in discussions with the goal of normalizing trade in biotechnology products.

European Union and certain Member States – Measures affecting trade in large civil aircraft (DS316)

On October 6, 2004, the United States requested consultations with the EU, as well as with Germany, France, the United Kingdom, and Spain, with respect to subsidies provided to Airbus, a manufacturer of large civil aircraft. The United States alleged that such subsidies violated various provisions of the SCM Agreement, as well as Article XVI:1 of the GATT 1994. Consultations were held on November 4, 2004. On January 11, 2005, the United States and the EU agreed to a framework for the negotiation of a new agreement to end subsidies for large civil aircraft. The parties set a three month time frame for the negotiations and agreed that, during negotiations, they would not request panel proceedings.

The United States and the EU were unable to reach an agreement within the 90 day time frame. Therefore, the United States filed a request for a panel on May 31, 2005. The panel was established on July 20, 2005. The U.S. request challenged several types of EU subsidies that appear to be prohibited, actionable, or both.

On October 17, 2005, the Deputy Director General composed the panel as follows: Mr. Carlos Pérez del Castillo, Chair; and Mr. John Adank and Mr. Thinus Jacobsz, Members. The panel met with the parties on March 20-21 and July 25-26, 2007, and met with the parties and third parties on July 24, 2007. The panel granted the parties' request to hold part of its meetings with the parties in public session. This portion of the panel's meetings was videotaped and reviewed by the parties to ensure that business confidential information had not been disclosed before being shown in public on March 22 and July 27, 2007.

The Panel issued its report on June 30, 2010. It agreed with the United States that the disputed measures of the EU, France, Germany, Spain, and the United Kingdom were inconsistent with the SCM Agreement. In particular:

- Every instance of "launch aid" provided to Airbus was a subsidy because in each case, the terms charged for this unique low interest, success-dependent financing were more favorable than were available in the market.

- Some of the launch aid provided for the A380, Airbus's newest and largest aircraft, was contingent on exports and, therefore, a prohibited subsidy.

- Several instances in which German and French government entities created infrastructure for Airbus were subsidies because the infrastructure was not general, and the price charged to Airbus for use resulted in less than adequate remuneration to the government.

- Several government equity infusions into the Airbus companies were subsidies because they were on more favorable terms than available in the market.

- Several EU and Member State research programs provided grants to Airbus to develop technologies used in its aircraft.

- These subsidies caused adverse effects to the interests of the United States in the form of lost sales, displacement of U.S. imports into the EU market, and displacement of U.S. exports into the markets of Australia, Brazil, China, Chinese Taipei, Korea, Mexico, and Singapore.

The EU filed a notice of appeal on July 21, 2010. The WTO Appellate Body conducted an initial hearing on August 3, 2010 to discuss procedural issues related to the need to protect business confidential information and highly sensitive business information and issued additional working procedures to that end on August 10, 2010. The Appellate Body held two hearings on the issues raised in the EU's appeal of the Panel's findings of WTO inconsistent subsidization of Airbus. The first hearing, held November 11-17, 2010, addressed issues associated with the main subsidy to Airbus, launch aid, and the other subsidies challenged by the United States. The second hearing held December 9-14, 2010, focused on the Panel's findings that the European subsidies caused serious prejudice to the interests of the United States in the form of lost sales and declining market share in the EU and other third country markets. On May 18, 2011, the Appellate Body issued its report. The Appellate Body affirmed the Panel's central findings that European government launch aid had been used to support the creation of every model of large civil aircraft produced by Airbus. The Appellate Body also confirmed that launch aid and other challenged subsidies to Airbus have directly resulted in Boeing losing sales involving purchases of Airbus aircraft by easyJet, Air Berlin, Czech Airlines, Air Asia, Iberia, South African Airways, Thai Airways International, Singapore Airlines, Emirates Airlines, and Qantas – and lost market share, with Airbus gaining market share in the EU and in third country markets, including China and South Korea, at the expense of Boeing. The Appellate Body also found that the Panel applied the wrong standard for evaluating whether subsidies are export subsidies, and that the Panel record did not have enough information to allow application of the correct standard.

On December 1, 2011, the EU provided a notification in which it claimed to have complied with the DSB recommendations and rulings. On December 9, 2011, the United States requested consultations regarding the notification and also requested authorization from the DSB to impose countermeasures. The United States and the EU held consultations on January 13, 2012. On December 22, 2011, the EU objected to the level of suspension of concessions requested by the United States, and the matter was referred to arbitration pursuant to Article 22.6 of the DSU. On January 19, 2012, the United States and the EU requested that the arbitration be suspended pending the conclusion of the compliance proceeding.

On March 30, 2012, in light of the parties' disagreement over whether the EU had complied with the DSB's recommendations and rulings, the United States requested that the DSB refer the matter to the original Panel pursuant to Article 21.5 of the DSU. The DSB did so at a meeting held on April 13, 2012. On April 25, 2012, the compliance Panel was composed with the members of the original Panel: Mr. Carlos Pérez del Castillo, Chair; Mr. John Adank and Mr. Thinus Jacobsz, Members.

The parties filed submissions in the compliance proceeding in late 2012, and the compliance Panel held a meeting with the parties on April 16-17, 2013.

On September 22, 2016, the report of the Article 21.5 Panel was circulated to the Members. The panel found that the EU breached Articles 5(c) and 6.3(a), (b), and (c) of the SCM agreement, and that the EU and certain Member States failed to comply with the DSB recommendations under Article 7.8 of the SCM Agreement to "take appropriate steps to remove the adverse effects or … withdraw the subsidy."

Significant findings by the compliance panel against the EU include:

- 34 out of 36 alleged compliance "steps" notified by the EU did not amount to "actions" with respect to the subsidies provided to the Airbus or the adverse effects that those subsidies were to have caused in the original proceeding.
- As a result, the EU failed to withdraw the subsidies, as recommended by the DSB.

- Those subsidies were a genuine and substantial cause of lost sales to U.S. aircraft, and displacement and impedance of exports of U.S. aircraft to Australia, China, India, Korea, Singapore, and the United Arab Emirates.

On October 13, 2016, the EU notified the DSB of its decision to appeal certain issues of law and legal interpretations developed by the compliance panel. The Division hearing the appeal is Ricardo Ramirez-Hernandez (Chair), Peter van den Bossche and Ujal Singh Bhatia.

European Union – Regime for the importation, sale, and distribution of bananas – Recourse to Article 21.5 of the DSU by the United States (WT/DS27)

On June 29, 2007, the United States requested the establishment of a panel under Article 21.5 of the DSU to review whether the EU had failed to bring its import regime for bananas into compliance with its WTO obligations and the DSB recommendations and rulings adopted on September 25, 1997. The request related to the EU's apparent failure to implement the WTO rulings in a proceeding initiated by Ecuador, Guatemala, Honduras, Mexico, and the United States. That proceeding had resulted in findings that the EU's banana regime discriminated against bananas originating in Latin American countries and against distributors of such bananas, including a number of U.S. companies. The EU was under an obligation to bring its banana regime into compliance with its WTO obligations by January 1999. The EU committed to shift to a tariff only regime for bananas no later than January 1, 2006. Despite these commitments, the banana regime implemented by the EU on January 1, 2006 included a zero duty tariff-rate quota allocated exclusively to bananas from African, Caribbean, and Pacific countries. All other bananas did not have access to this duty-free tariff-rate quota and were subject to a 176 euro per ton duty. The United States brought challenges under GATT Articles I:1 and XIII.

Ecuador requested the establishment of a similar compliance panel on February 23, 2007, and a panel was composed in response to that request on June 15. In response to the United States request, the Panel was established on July 12, 2007. On August 13, 2007, the Director General composed the Panel as follows: Mr. Christian Häberli, Chair; and Mr. Kym Anderson and Mr. Yuqing Zhang, Members. Mr. Häberli and Mr. Anderson were members of the original Panel in this dispute.

The Panel granted the parties' request to open the substantive meeting with the parties, as well as a portion of the third-party session, to the public. The public observed these meetings from a gallery in the room in which the meetings were conducted.

The Panel issued its report on May 19, 2008. The Panel agreed with the United States that the EU's regime was inconsistent with the EU's obligations under Articles I:1, XIII:1, and XIII:2 of the GATT 1994, and that the EU had failed to implement the recommendations and rulings of the DSB.

On August 28, 2008, the EU filed a notice of appeal. The Appellate Body granted a joint request by the parties to open its hearing to the public, and the public was able to observe the hearing via a closed circuit television broadcast. The Appellate Body issued its report on November 26, 2008. The Appellate Body found that the EU had failed to bring itself into compliance with the recommendations and rulings of the DSB. In particular, the Appellate Body rejected all of the EU's procedural arguments alleging the United States was barred from bringing the compliance proceeding and agreed with the panel that the EU's duty-free tariff-rate quota reserved only for some countries was inconsistent with Article XIII of the GATT 1994. The Panel in this dispute had also found that the EU's banana import regime was in violation of GATT Article I. The EU did not appeal that finding. The DSB adopted the Appellate Body report on December 22, 2008.

On December 15, 2009, the United States and the EU initialed an agreement designed to lead to settlement of the dispute. In the agreement, the EU undertakes not to reintroduce measures that discriminate among bananas distributors based on the ownership or control of the distributor or the source of the bananas, and to maintain a nondiscriminatory, tariff only regime for the importation of bananas. The United States-European Union agreement complements an agreement initialed on the same date between the EU and several Latin American banana supplying countries (the GATB). That agreement provides for staged EU tariff cuts that will bring the EU into compliance with its obligations under the WTO Agreement. The GATB was signed on May 31, 2010, and the United States-European Union agreement was signed on June 8, 2010. The agreements will enter into force following completion of certain domestic procedures. Upon entry into force, the EU will need to request formal WTO certification of its new tariffs on bananas. The GATB provides that once the certification process is concluded, the EU and the Latin American signatories to the GATB will settle their disputes and claims. Once that has occurred, the United States will also settle its dispute with the EU.

The GATB entered into force on May 1, 2012, following completion of certain domestic procedures. The EU's revised tariff commitments on bananas were formally certified through the WTO certification process (document WT/Let/868 of October 30, 2012). Pursuant to the GATB, the EU, and the Latin American signatories to the GATB settled their disputes and claims on November 8, 2012. As the GATB has entered into force and both the EU and the United States have completed necessary domestic procedures, the United States-European Union agreement entered into force on January 24, 2013. The United States will also settle its dispute with the EU.

European Communities – Certain Measures Affecting Poultry Meat and Poultry Meat Products from the United States (DS389)

On January 16, 2009, the United States requested consultations regarding certain EU measures that prohibit the import of poultry meat and poultry meat products that have been processed with chemical treatments designed to reduce the amount of microbes on poultry meat, unless such pathogen reduction treatments (PRTs) have been approved. The EU further prohibits the marketing of poultry meat and poultry meat products if they have been processed with PRTs. In December 2008, the EU formally rejected the approval of four PRTs whose approval had been requested by the United States, despite the fact that EU scientists have repeatedly concluded that poultry meat and poultry meat products treated with any of these four PRTs does not present a health risk to European consumers. The EU's maintenance of its import ban and marketing regulation against PRT poultry appears to be inconsistent with its obligations under the SPS Agreement, the Agriculture Agreement, the GATT 1994, and the TBT Agreement. Consultations were held on February 11, 2009, but those consultations failed to resolve the dispute. The United States requested the establishment of a panel on October 8, 2009, and the DSB established a panel on November 19, 2009.

India — Measures Concerning the Importation of Certain Agricultural Products from the United States (DS430)

On March 6, 2012, the United States requested consultations with India regarding its import prohibitions on various agricultural products from the United States. India asserts these import prohibitions are necessary to prevent the entry of avian influenza into India. However, the United States has not had an outbreak of highly pathogenic avian influenza since 2004. With respect to low pathogenic avian influenza (LPAI), the only kind of avian influenza found in the United States since 2004, international standards do not support the imposition of import prohibitions, including the type maintained by India. The United States considers that India's restrictions are inconsistent with numerous provisions of the SPS Agreement, including Articles 2.2, 2.3, 3.1, 5.1, 5.2, 5.5, 5.6, 5.7, 6.1, 6.2, 7, and Annex B, and Articles I and XI of GATT 1994.

The United States and India held consultations on April 16-17, 2012, but were unable to resolve the dispute. The United States requested the establishment of a WTO panel on May 24, 2012. At its meeting on June 25, 2012, the WTO DSB established a panel. On February 18, 2014, the WTO Director General composed the Panel as follows: Mr. Stuart Harbinson as Chair; and Ms. Delilah Cabb and Mr. Didrik Tønseth, Members. The panel held meetings with the Parties on July 24-25, 2013 and December 16-17, 2013.

The Panel issued its report on October 14, 2014. In its report, the panel found in favor of the United States. Specifically, the Panel found that India's restrictions breach its WTO obligations because they: are not based on international standards or a risk assessment that takes into account available scientific evidence; arbitrarily discriminate against U.S. products because India blocks imports while not similarly blocking domestic products; constitute a disguised restriction on international trade; are more trade restrictive than necessary since India could reasonably adopt international standards for the control of avian influenza instead of imposing an import ban; fail to recognize the concept of disease free areas and are not adapted to the characteristics of the areas from which products originate and to which they are destined; and were not properly notified in a manner that would allow the United States and other WTO Members to comment on India's restrictions before they went into effect. India filed its notice of appeal on January 26, 2015.

On 4 June 2015, the Appellate Body issued its report in this dispute, upholding the Panel's findings that India's restrictions: are not based on international standards or a risk assessment that takes into account available scientific evidence; arbitrarily discriminate against U.S. products because India blocks imports while not similarly blocking domestic products; are more trade restrictive than necessary since India could reasonably adopt international standards for the control of avian influenza instead of imposing an import ban; and fail to recognize the concept of disease-free areas and are not adapted to the characteristics of the areas from which products originate and to which they are destined.

On July 13, 2015, India informed the DSB that it intended to implement the DSB's recommendations and rulings and would need a RPT to do so. On December 8, 2015, the United States and India agreed that the RPT would be 12 months, ending on June 19, 2016.

On July 7, 2016, the United States requested the authorization of the DSB to suspend concessions or other obligations pursuant to Article 22.2 of the DSU. India objected to the request, referring the matter to arbitration. The United States is reviewing certain measures notified by India, which appear to continue to impose import prohibitions on account of avian influenza, including LPAI. In the meanwhile, the United States has maintained its request to suspend concessions or other obligations.

India – Solar Local Content I / II (DS456)

In February 2013, the United States requested WTO consultations with India concerning domestic-content requirements for participation in an Indian solar power generation program known as the National Solar Mission (NSM). Under Phase I of the NSM, which India initiated in 2010, India provided guaranteed, long-term payments to solar power developers contingent on the purchase and use of solar cells and solar modules of domestic origin. India continued to impose domestic content requirements for solar cells and modules under Phase II of the NSM, which India launched in October 2013. In March 2014, the United States held consultations with India on Phase II of the NSM. In April 2014, after two rounds of unsuccessful consultations with India, the United States requested that the WTO DSB establish a dispute settlement panel. In May 2014, the DSB established a WTO panel to examine India's domestic content requirements under its NSM program. On September 24, 2014, the parties agreed to compose the Panel as follows: Mr. David Walker as Chair; and Mr. Pornchai Danvivathana and Mr. Marco Tulio Molina Tejeda, Members. The Panel held meetings with the Parties on February 3-4, 2015, and April 28-29, 2015.

The Panel issued its final public report on February 24, 2016, finding in favor of the United States on all claims. The Panel found that India's domestic content requirements under its National Solar Mission are inconsistent with India's national treatment obligations under Article III:4 of the GATT 1994, and Article 2.1 of the Agreement on Trade-related Investment Measures (TRIMS Agreement). Because an Indian solar power developer may bid for and maintain certain power generation contracts only by using domestically produced equipment, and not by using imported equipment, India's requirements accord "less favorable" treatment to imported solar cells and modules than that accorded to like products of Indian origin.
India appealed this decision to the WTO Appellate Body on April 20, 2016. The Appellate Body issued its report on September 16, 2016. The Appellate Body affirmed the Panel's finding that India's domestic content requirements (DCR measures) under its National Solar Mission are inconsistent with India's national treatment obligations under Article III:4 of the GATT 1994 and Article 2.1 of the TRIMS Agreement. The Appellate Body also affirmed that Panel's rejection of India's defensive claims under Articles III:8(a), XX(j) and XX(d) of the GATT 1994.

The DSB adopted the panel and Appellate Body reports during a special meeting of the DSB on October 14, 2016. At that meeting, India informed the DSB that India intended to implement the DSB's recommendations and rulings in a manner that respects its WTO obligations, and that it would need an RPT to do so.

Indonesia – Import Restrictions on Horticultural Products, Animals, and Animal Products (DS455, DS465 and DS478)

On May 8, 2014, the United States, joined by New Zealand, requested consultations with Indonesia concerning certain measures affecting the importation of horticultural products, animals, and animal products into Indonesia. The measures on which consultations were requested include Indonesia's import licensing regimes for horticultural products and for animals and animal products, as well as certain prohibitions and restrictions that Indonesia imposes through these regimes.

The United States previously had requested consultations on prior versions of Indonesia's import licensing regimes. Indonesia established import licensing regimes governing the importation of horticultural products and animals and animal products in 2012. The United States was concerned about these regimes and certain measures imposed through them and, on January 10, 2013, requested consultations with Indonesia. Indonesia subsequently amended or replaced its import licensing regulations, changing their structure and requirements. The United States requested consultations again, this time joined by New Zealand, on August 30, 2013. Indonesia again amended its import licensing regimes shortly thereafter, and the consultation request in the current dispute (DS478) followed.

The United States is concerned that Indonesia, through its import licensing regimes, imposes numerous prohibitions and restrictions on the importation of covered products, including: (1) prohibiting the importation of certain products altogether; (2) imposing strict application windows and validity periods for import permits; (3) restricting the type, quantity, and country of origin of products that may be imported; (4) requiring that importers actually import a certain percentage of the volume of products allowed under their permits; (5) restricting the uses for which products may be imported; (6) imposing local content requirements; (7) restricting imports on a seasonal basis; and (8) setting a "reference price" below which products may not be imported. The Indonesian measures at issue appeared to be inconsistent with several WTO provisions, including Article XI:1 of the GATT 1994 and Article 4.2 of the Agriculture Agreement.

The United States and New Zealand held consultations with Indonesia on June 19, 2014, but these consultations failed to resolve the dispute. On March 18, 2015, the United States, together with New Zealand, requested the WTO to establish a dispute settlement panel to examine Indonesia's import

restrictions. A panel was established on May 20, 2015. The Director General Composed the panel as follows: Mr. Christian Espinoza Cañizares, Chair; and Mr. Gudmundur Helgason and Ms. Angela Maria Orozco Gómez, Members. The panel held meetings with the Parties on February 1-2, 2016 and April 13-14, 2016.

The Panel circulated its report on December 22, 2016. The Panel found that all of Indonesia's import restricting measures for horticultural products and animal products are inconsistent with Article XI:1 of the GATT 1994. The Panel also found that Indonesia has failed to demonstrate that the challenged measures are justified under any general exception available under the GATT 1994.

China – Domestic Supports for Agricultural Producers (DS511)

On September 13, 2016, the United States requested consultations with China concerning certain measures through which China provides domestic support in favor of agricultural producers, in particular, to those producing wheat, Indica rice, Japonica rice, and corn. It appears that China's level of domestic support is in excess of its commitment level of "nil" specified in Section I of Part IV of China's Schedule CLII because, for example, China provides domestic support in excess of its product-specific *de minimis* level of 8.5 percent for each of wheat, Indica rice, Japonica rice, and corn.

China's level of domestic support appears to be inconsistent with Articles 3.2, 6.3, and 7.2(b) of the Agriculture Agreement. The parties consulted on this matter on October 20, 2016, but the consultations did not resolve the dispute.

At a meeting of the Dispute Settlement Body on December 16, 2016, the United States requested the establishment of a panel to examine the complaint.

China — Administration of Tariff-Rate Quotas for Certain Agricultural Products (DS517)

On December 15, 2016, the United States requested consultations with China regarding the administration of tariff-rate quotas for certain agricultural products, namely, wheat, corn, and rice.

The measures identified in the request establish a system by which the National Development and Reform Commission (NDRC) annually allocates quota to eligible enterprises, and reallocates quota returned unused, based on eligibility requirements and allocation principles that are not clearly specified. The tariff-rate quotas for these commodities have underfilled, even in years where market conditions would suggest demand for imports. China's administration of these tariff-rate quotas inhibits the filling of the tariff-rate quotas, restricting opportunities for U.S. and other trading partners to export wheat, corn, and rice to China.

In its Accession Protocol China agreed to ensure that the tariff-rate quotas were administered on a transparent, predictable, uniform, fair and non-discriminatory basis using clearly specified timeframes, administrative procedures and requirements that would provide effective import opportunities; that would reflect consumer preference and end-user demand; and that would not inhibin the filling of each tariff-rate quota. In addition to acting inconsistent with tariff-rate quota-specific commitments in its Accession protocol, China's administration is inconsistent with Article XIII:3(b) of the General Agreement on Tariffs and Trade of 1994 (GATT 1994) because China fails to provide public notice of quantities permitted to be imported and changes to quantities permitted to be imported under each TRQ. China's administration is inconsistent with Article XI:1 of the GATT 1994, which generally prohibits restrictions on imports of goods other than duties, taxes, or other charges. Finally, China's administration is inconsistent with Article X:3(a) of the GATT 1994 because China does not administer its tariff-rate quotas in a reasonable manner.

On February 9, 2017, the United States and China held consultations in Geneva. The European Union, Canada, Australia, and Thailand requested to join the consultations as third parties but China denied the third parties' requests. Following consultations, China committed to provide certain additional information and responses after conferring with the relevant authorities.

Disputes Brought Against the United States

Section 124 of the URAA requires, *inter alia*, that the Annual Report on the WTO describe, for the preceding fiscal year of the WTO: each proceeding before a panel or the Appellate Body that was initiated during that fiscal year regarding Federal or State law, the status of the proceeding, and the matter at issue; and each report issued by a panel or the Appellate Body in a dispute settlement proceeding regarding Federal or State law. This section includes summaries of dispute settlement activity in 2016 for disputes in which the United States was a responding party (listed by DS number).

United States – Section 110(5) of the Copyright Act (DS160)

As amended in 1998 by the Fairness in Music Licensing Act, section 110(5) of the U.S. Copyright Act exempts certain retail and restaurant establishments that play radio or television music from paying royalties to songwriters and music publishers. The EU claimed that, as a result of this exception, the United States was in violation of its TRIPS obligations. Consultations with the EU took place on March 2, 1999. A panel on this matter was established on May 26, 1999. On August 6, 1999, the Director General composed the panel as follows: Ms. Carmen Luz Guarda, Chair; and Mr. Arumugamangalam V. Ganesan and Mr. Ian F. Sheppard, Members. The Panel issued its final report on June 15, 2000 and found that one of the two exemptions provided by section 110(5) is inconsistent with the U.S. WTO obligations. The Panel report was adopted by the DSB on July 27, 2000, and the United States has informed the DSB of its intention to respect its WTO obligations. On October 23, 2000, the EU requested arbitration to determine the period of time to be given the United States to implement the Panel's recommendation. By mutual agreement of the parties, Mr. J. Lacarte-Muró was appointed to serve as arbitrator. He determined that the deadline for implementation should be July 27, 2001. On July 24, 2001, the DSB approved a U.S. proposal to extend the deadline until the earlier of the end of the then current session of the U.S. Congress or December 31, 2001.

On July 23, 2001, the United States and the EU requested arbitration to determine the level of nullification or impairment of benefits to the EU as a result of section 110(5)(B). In a decision circulated to WTO Members on November 9, 2001, the arbitrators determined that the value of the benefits lost to the EU in this case was $1.1 million per year. On January 7, 2002, the EU sought authorization from the DSB to suspend its obligations *vis-à-vis* the United States. The United States objected to the details of the EU request, thereby causing the matter to be referred to arbitration.

However, because the United States and the EU had been engaged in discussions to find a mutually acceptable resolution of the dispute, the arbitrators suspended the proceeding pursuant to a joint request by the parties filed on February 26, 2002.

On June 23, 2003, the United States and the EU notified the WTO of a mutually satisfactory temporary arrangement regarding the dispute. Pursuant to this arrangement, the United States made a lump sum payment of $3.3 million to the EU, to a fund established to finance activities of general interest to music copyright holders, in particular, awareness raising campaigns at the national and international level and activities to combat piracy in the digital network. The arrangement covered a three year period, which ended on December 21, 2004.

United States – Section 211 Omnibus Appropriations Act (DS176)

Section 211 addresses the ability to register or enforce, without the consent of previous owners, trademarks or trade names associated with businesses confiscated without compensation by the Cuban government. The EU questioned the consistency of Section 211 with the TRIPS Agreement and requested consultations on July 7, 1999. Consultations were held September 13 and December 13, 1999. On June 30, 2000, the EU requested a panel. A panel was established on September 26, 2000, and at the request of the EU, the WTO Director General composed the panel on October 26, 2000. The Director General composed the panel as follows: Mr. Wade Armstrong, Chair; and Mr. François Dessemontet and Mr. Armand de Mestral, Members. The Panel report was circulated on August 6, 2001, rejecting 13 of the EU's 14 claims and finding that, in most respects, section 211 is not inconsistent with the obligations of the United States under the TRIPS Agreement. The EU appealed the decision on October 4, 2001. The Appellate Body issued its report on January 2, 2002.

The Appellate Body reversed the Panel's one finding against the United States and upheld the Panel's favorable findings that WTO Members are entitled to determine trademark and trade name ownership criteria. The Appellate Body found certain instances, however, in which section 211 might breach the national treatment and most favored nation obligations of the TRIPS Agreement. The Panel and Appellate Body reports were adopted on February 1, 2002, and the United States informed the DSB of its intention to implement the recommendations and rulings. The RPT for implementation ended on June 30, 2005. On June 30, 2005, the United States and the EU agreed that the EU would not request authorization to suspend concessions at that time and that the United States would not object to a future request on grounds of lack of timeliness.

In January 2016, the United States notified the EU of positive developments that resolved a longstanding issue of concern to the EU and others, which helped moved this dispute into a more cooperative phase.

United States – Antidumping measures on certain hot-rolled steel products from Japan (DS184)

Japan alleged that Commerce and the USITC's preliminary and final determinations in their antidumping investigations of certain hot-rolled steel products from Japan, issued on November 25 and 30, 1998, February 12, 1999, April 28, 1999, and June 23, 1999, were erroneous and based on deficient procedures under the U.S. Tariff Act of 1930 and related regulations. Japan claimed that these procedures and regulations violate the GATT 1994, as well as the Antidumping Agreement and the Agreement Establishing the WTO. Consultations were held on January 13, 2000, and a panel was established on March 20, 2000. In May 2000, the Director General composed the panel as follows: Mr. Harsha V. Singh, Chair; and Mr. Yanyong Phuangrach and Ms. Lidia di Vico, Members. On February 28, 2001, the Panel circulated its report, in which it rejected most of Japan's claims, but found that, *inter alia*, particular aspects of the antidumping duty calculation, as well as one aspect of the U.S. antidumping duty law, were inconsistent with the WTO Antidumping Agreement. On April 25, 2001, the United States filed a notice of appeal on certain issues in the Panel report.

The Appellate Body report was issued on July 24, 2001, reversing in part and affirming in part. The reports were adopted on August 23, 2001. Pursuant to a February 19, 2002 arbitral award, the United States was given 15 months, or until November 23, 2002, to implement the DSB's recommendations and rulings. On November 22, 2002, Commerce issued a new final determination in the hot-rolled steel antidumping duty investigation, which implemented the recommendations and rulings of the DSB with respect to the calculation of antidumping margins in that investigation. The RPT ended on July 31, 2005. With respect to the outstanding implementation issue, on July 7, 2005, the United States and Japan agreed that Japan

would not request authorization to suspend concessions at that time and that the United States would not object to a future request on grounds of lack of timeliness.

United States – Continued Dumping and Subsidy Offset Act of 2000 (CDSOA) (DS217/234)

On December 21, 2000, Australia, Brazil, Chile, the EU, India, Indonesia, Japan, South Korea, and Thailand requested consultations with the United States regarding the Continued Dumping and Subsidy Offset Act of 2000 (19 U.S.C. § 754), which amended Title VII of the Tariff Act of 1930 to transfer import duties collected under U.S. antidumping and countervailing duty orders from the U.S. Treasury to the companies that filed the antidumping and countervailing duty petitions. Consultations were held on February 6, 2001. On May 21, 2001, Canada and Mexico also requested consultations on the same matter, which were held on June 29, 2001. On July 12, 2001, the original nine complaining parties requested the establishment of a panel, which was established on August 23, 2001. On September 10, 2001, a panel was established at the request of Canada and Mexico, and all complaints were consolidated into one panel. The panel was composed of: Mr. Luzius Wasescha, Chair; and Mr. Maamoun Abdel-Fattah and Mr. William Falconer, Members.

The Panel issued its report on September 2, 2002, finding against the United States on three of the five principal claims brought by the complaining parties. Specifically, the Panel found that the CDSOA constitutes a specific action against dumping and subsidies and, therefore, is inconsistent with the Antidumping and SCM Agreements as well as Article VI of the GATT 1994. The Panel also found that the CDSOA distorts the standing determination conducted by Commerce and, therefore, is inconsistent with the standing provisions in the Antidumping and SCM Agreements. The United States prevailed against the complainants' claims under the Antidumping and SCM Agreements that the CDSOA distorts Commerce's consideration of price undertakings (agreements to settle antidumping and countervailing duty investigations). The Panel also rejected Mexico's actionable subsidy claim brought under the SCM Agreement. Finally, the Panel rejected the complainants' claims under Article X:3 of the GATT, Article 15 of the Antidumping Agreement, and Articles 4.10 and 7.9 of the SCM Agreement. The United States appealed the Panel's adverse findings on October 1, 2002.

The Appellate Body issued its report on January 16, 2003, upholding the Panel's finding that the CDSOA is an impermissible action against dumping and subsidies, but reversing the Panel's finding on standing. The DSB adopted the Panel and Appellate Body reports on January 27, 2003. At the meeting, the United States stated its intention to implement the DSB recommendations and rulings. On March 14, 2003, the complaining parties requested arbitration to determine a RPT for U.S. implementation. On June 13, 2003, the arbitrator determined that this period would end on December 27, 2003. On June 19, 2003, legislation to bring the Continued Dumping and Subsidy Offset Act into conformity with U.S. obligations under the Antidumping Agreement, the SCM Agreement, and the GATT of 1994 was introduced in the U.S. Senate (S. 1299).

On January 15, 2004, eight complaining parties (Brazil, Canada, Chile, the EU, India, Japan, South Korea, and Mexico) requested WTO authorization to retaliate. The remaining three complaining parties (Australia, Indonesia, and Thailand) agreed to extend to December 27, 2004 the period of time in which the United States had to comply with the WTO rulings and recommendations in this dispute. On January 23, 2004, the United States objected to the requests from the eight complaining parties to retaliate, thereby referring the matter to arbitration. On August 31, 2004, the Arbitrators issued their awards in each of the eight arbitrations. They determined that each complaining party could retaliate, on a yearly basis, covering the total value of trade not exceeding, in U.S. dollars, the amount resulting from the following equation: amount of disbursements under CDSOA for the most recent year for which data are available relating to antidumping or countervailing duties paid on imports from each party at that time, as published by the U.S. authorities, multiplied by 0.72.

Based on requests from Brazil, the EU, India, Japan, South Korea, Canada, and Mexico, on November 26, 2004, the DSB granted these Members authorization to suspend concessions or other obligations, as provided in DSU Article 22.7 and in the Decisions of the Arbitrators. The DSB granted Chile authorization to suspend concessions or other obligations on December 17, 2004. On December 23, 2004, January 7, 2005 and January 11, 2005, the United States reached agreements with Australia, Thailand, and Indonesia that these three complaining parties would not request authorization to suspend concessions at that time, and that the United States would not object to a future request on grounds of lack of timeliness.

On May 1, 2005, Canada and the EU began imposing additional duties of 15 percent on a list of products from the United States. On August 18, 2005, Mexico began imposing additional duties ranging from 9 to 30 percent on a list of U.S. products. On September 1, 2005, Japan began imposing additional duties of 15 percent on a list of U.S. products.

On February 8, 2006, U.S. President George W. Bush signed the Deficit Reduction Act into law. That Act included a provision repealing the CDSOA. Certain of the complaining parties nevertheless continued to impose retaliatory measures because they considered that the Deficit Reduction Act failed to bring the United States into immediate compliance. Thus, on May 1, 2006, the EU renewed its retaliatory measure and added eight products to the list of targeted imports. Japan renewed its retaliatory measure on September 1, 2006, retaining the same list of targeted imports. Mexico adopted a new retaliatory measure on September 14, 2006, imposing duties of 110 percent on certain dairy products through October 31, 2006. Since that date, Mexico has taken no further retaliatory measures. Canada did not renew its retaliatory measures once they expired on April 30, 2006.

On May 13, 2016, the EU announced that it would maintain unchanged the list of products subject to retaliation, and would decrease the duty on those products from 1.5 percent to 0.45 percent. According to the EU, the total value of trade covered does not exceed $887,696. On August 22, 2016, Japan notified the DSB that it would continue its non-application of retaliatory measures for the coming year, due to a low amount of relevant disbursements in fiscal year 2015.

United States – Measures Affecting the Cross-Border Supply of Gambling and Betting Services (DS285)

On March 13, 2003, Antigua and Barbuda (Antigua) requested consultations regarding its claim that U.S. Federal, State, and territorial laws on gambling violate U.S. specific commitments under the GATS, as well as Articles VI, XI, XVI, and XVII of the GATS, to the extent that such laws prevent or can prevent operators from Antigua from lawfully offering gambling and betting services in the United States. Consultations were held on April 30, 2003.

Antigua requested the establishment of a panel on June 12, 2003. The DSB established a panel on July 21, 2003. At the request of Antigua, the WTO Director General composed the panel on August 25, 2003, as follows: Mr. B. K. Zutshi, Chair; and Mr. Virachai Plasai and Mr. Richard Plender, Members. The Panel's final report, circulated on November 10, 2004, found that the United States breached Article XVI (Market Access) of the GATS by maintaining three U.S. Federal laws (18 U.S.C. §§ 1084, 1952, and 1955) and certain statutes of Louisiana, Massachusetts, South Dakota, and Utah. It also found that these measures were not justified under exceptions in Article XIV of the GATS.

The United States filed a notice of appeal on January 7, 2005. The Appellate Body issued its report on April 7, 2005, in which it reversed and/or modified several Panel findings. The Appellate Body overturned the Panel's findings regarding the state statutes, and found that the three U.S. Federal gambling laws at issue "fall within the scope of 'public morals' and/or 'public order'" under Article XIV. To meet the

requirements of the Article XIV chapeau, the Appellate Body found that the United States needed to clarify an issue concerning Internet gambling on horse racing.

The DSB adopted the Panel and Appellate Body reports on April 20, 2005. On May 19, 2005, the United States stated its intention to implement the DSB recommendations and rulings. On August 19, 2005, an Article 21.3(c) arbitrator determined that the RPT for implementation would expire on April 3, 2006.

At the DSB meeting of April 21, 2006, the United States informed the DSB that the United States was in compliance with the recommendations and rulings of the DSB in the dispute. On June 8, 2006, Antigua requested consultations with the United States regarding U.S. compliance with the DSB recommendations and rulings. The parties held consultations on June 26, 2006. On July 5, 2006, Antigua requested the DSB to establish a panel pursuant to Article 21.5 of the DSU, and a panel was established on July 19, 2006. The chair of the original panel and one of the panelists were unavailable to serve. The parties agreed on their replacements, and the panel was composed as follows: Mr. Lars Anell, Chair; and Mr. Mathias Francke and Mr. Virachai Plasai, Members. The report of the Article 21.5 Panel, which was circulated on March 30, 2007, found that the United States had not complied with the recommendations and rulings of the DSB in this dispute.

On May 4, 2007, the United States initiated the procedure provided for under Article XXI of the GATS to modify the schedule of U.S. commitments so as to reflect the original U.S. intent of excluding gambling and betting services.

The DSB adopted the report of the Article 21.5 panel on May 22, 2007. On June 21, 2007, Antigua submitted a request, pursuant to Article 22.2 of the DSU, for authorization from the DSB to suspend the application to the United States of concessions and related obligations of Antigua under the GATS and the TRIPS Agreement. On July 23, 2007, the United States referred this matter to arbitration under Article 22.6 of the DSU. The arbitration was carried out by the three panelists who served on the Article 21.5 Panel.

On December 21, 2007, the Article 22.6 arbitration award was circulated. The arbitrator concluded that Antigua's annual level of nullification or impairment of benefits is $21 million, and that Antigua may request authorization from the DSB to suspend its obligations under the TRIPS Agreement in this amount. On December 6, 2012, Antigua submitted a request under Article 22.7 of the DSU for authorization to suspend concessions or other obligations under the TRIPS Agreement consistent with the award of the Arbitrator. At the DSB meeting of January 28, 2013, the DSB authorized Antigua to suspend concessions or other obligations under the TRIPS Agreement consistent with the award of the Arbitrator.

During 2007 and early 2008, the United States reached agreement with every WTO Member, aside from Antigua, that had pursued a claim of interest in the GATS Article XXI process of modifying the U.S. schedule of GATS commitments so as to exclude gambling and betting services. Antigua and the United States have continued in their efforts to achieve a mutually agreeable resolution to this matter.

United States – Subsidies on large civil aircraft (DS317)

On October 6, 2004, the EU requested consultations with respect to "prohibited and actionable subsidies provided to U.S. producers of large civil aircraft." The EU alleged that such subsidies violated several provisions of the SCM Agreement, as well as Article III:4 of the GATT. Consultations were held on November 5, 2004. On January 11, 2005, the United States and the EU agreed to a framework for the negotiation of a new agreement to end subsidies for large civil aircraft. The parties set a three month timeframe for the negotiations and agreed that, during negotiations, they would not request panel proceedings. These discussions did not produce an agreement. On May 31, 2005, the EU requested the

establishment of a panel to consider its claims. The EU filed a second request for consultations regarding large civil aircraft subsidies on June 27, 2005. This request covered many of the measures covered in the initial consultations, as well as many additional measures that were not covered.

A panel was established with regard to the October claims on July 20, 2005. On October 17, 2005, the Deputy Director General established the panel as follows: Ms. Marta Lucía Ramírez de Rincón, Chair; and Ms. Gloria Peña and Mr. David Unterhalter, Members. Since that time, Ms. Ramirez and Mr. Unterhalter have resigned from the Panel. They have not been replaced.

The EU requested establishment of a panel with regard to its second panel request on January 20, 2006. That panel was established on February 17, 2006. On December 8, 2006, the WTO issued notices changing the designation of this panel to DS353. The summary below of *United States – Subsidies on large civil aircraft (Second Complaint) (DS353)* discusses developments with regard to this panel.

United States – Subsidies on large civil aircraft (Second Complaint) (DS353)

On June 27, 2005, the EU filed a second request for consultations regarding large civil aircraft subsidies allegedly applied by the United States. The section above on *United States – Subsidies on Large Civil Aircraft (DS317)* discusses developments with regard to the dispute arising from the initial request for consultations. The June 2005 request covered many of the measures in the initial consultations, as well as many additional measures that were not covered. The EU requested establishment of a panel with regard to its second panel request on January 20, 2006. That panel was established on February 17, 2006. On November 22, 2006, the Deputy Director General composed the panel as follows: Mr. Crawford Falconer, Chair; and Mr. Francisco Orrego Vicuña and Mr. Virachai Plasai, Members.

The Panel granted the parties' request to open the substantive meetings with the parties to the public via a screening of a videotape of the public session. The sessions of the Panel meeting that involved business confidential information and the Panel's meeting with third parties were closed to the public.

On March 31, 2011, the Panel circulated its report with the following findings:

Findings against the EU

- Most of the NASA research spending challenged by the EU did not go to Boeing.
- Most of the U.S. Department of Defense (DoD) research payments to Boeing were not subsidies or did not cause adverse effects to Airbus.
- Treatment of patent rights under U.S. Government contracts is not a subsidy specific to the aircraft industry.
- Treatment of certain overhead expenses in U.S. Government contracts is not a subsidy.
- Washington State infrastructure and plant location incentives were not a subsidy or did not cause adverse effects.
- Commerce research programs were not a subsidy specific to the aircraft industry.
- The U.S. Department of Labor payments to Edmonds Community College in Snohomish County, Washington, were not specific subsidies.

- Kansas and Illinois tax programs were not subsidies or did not cause adverse effects.

- The Foreign Sales Corporation/Extraterritorial Income tax measures were a WTO inconsistent subsidy, but as the United States removed the subsidy in 2006, there was no need for any further recommendation.

Findings against the United States

- NASA research programs conferred a subsidy to Boeing of $2.6 billion that caused adverse effects to Airbus.

- Tax programs and other incentives offered by the State of Washington and some of its municipalities conferred a subsidy of $16 million that caused adverse effects to Airbus.

- Certain types of research projects funded under the U.S. Department of Defense's Manufacturing Technology and Dual Use Science and Technology programs were a subsidy to Boeing of approximately $112 million that caused adverse effects to Airbus.

On April 1, 2011, the EU filed a notice of appeal on certain findings, and on April 28, 2011, the United States filed a notice of other appeal. The Appellate Body held hearings on August 16-19, 2011, and October 11-14, 2011. On March 12, 2012, the Appellate Body circulated its report with the following findings:

- The Panel erred in its analysis of whether NASA and DoD research funding was a subsidy. However, the Appellate Body affirmed the Panel's subsidy finding with regard to NASA research funding and DoD research funding through assistance instruments on other grounds. The Appellate Body declared the Panel's findings with regard to DoD procurement contracts moot, but made no further findings.

- The Panel correctly found that NASA and DoD rules regarding the allocation of patent rights were not, on their face, specific subsidies. The Appellate Body found that Panel should have addressed the EU allegations of de facto specificity, but was unable to complete the Panel's analysis of this issue.

- The Panel correctly found that Washington State tax measures and industrial revenue bonds issued by the City of Wichita were subsidies.

- The Panel erred in concluding that the WTO DSB was not obligated to initiate information-gathering procedures requested by the EU, but this error did not require any modification in the panel's ultimate findings.

- The Panel correctly concluded that NASA research funding and DoD funding of research through assistance instruments caused adverse effects to Airbus.

- The Panel erred in analyzing the effects of the Wichita industrial revenue bonds separately from other tax measures. The Appellate Body grouped the Wichita measure with the other tax benefits.

- The Panel erred in concluding that Washington State tax benefits, in tandem with FSC/ETI tax benefits, caused lost sales, lost market share, and price depression of the Airbus A320 and A340

product lines. The Appellate Body found that the evidence before it justified a finding of lost sales only in two instances, involving 50 A320 airplanes.

On March 23, 2012, the DSB adopted its recommendations and rulings in this dispute. At the following DSB meeting, on April 13, 2012, the United States informed the DSB of its intention to implement the recommendations and rulings of the DSB in connection with this matter. On September 23, 2012, the United States notified the DSB that it has brought the challenged measures into compliance with the recommendations and rulings of the DSB.

On September 25, 2012, the EU requested consultations regarding the U.S. notification. The United States and the EU held consultations on October 10, 2012. On October 11, 2012, the EU requested that the DSB refer the matter to the original Panel pursuant to Article 21.5 of the DSU. The DSB did so at a meeting held on October 23, 2012. On October 30, 2012, the compliance Panel was composed with the members of the original Panel: Mr. Crawford Falconer, Chair; and Mr. Francisco Orrego Vicuña and Mr. Virachai Plasai, Members. The compliance Panel held a meeting with the parties on October 29-31, 2013. The Panel is expected to issue a report in 2017.

On September 27, 2012, the EU requested authorization from the DSB to impose countermeasures. On October 22, 2012, the United States objected to the level of suspension of concessions requested by the EU, and the matter was referred to arbitration pursuant to Article 22.6 of the DSU. On November 27, 2012, the United States and the EU each requested that the arbitration be suspended pending the conclusion of the compliance proceeding.

United States – Measures Concerning the Importation, Marketing, and Sale of Tuna and Tuna Products (WT/DS381)

On October 24, 2008, Mexico requested consultations regarding U.S. dolphin-safe labeling provisions for tuna and tuna products. These provisions prohibit labeling tuna and tuna products as dolphin-safe if the tuna was caught by using purse-seine nets intentionally set on dolphins, a technique Mexico uses to catch tuna in the Eastern Tropical Pacific Ocean. Mexico challenged three U.S. measures: (1) the Dolphin Protection Consumer Information Act (19 U.S.C. § 1385); (2) certain dolphin-safe labeling regulations (50 C.F.R. §§ 216.91-92); and (3) the Ninth Circuit decision in Earth Island v. Hogarth, 494 F.3d. 757 (Ninth Cir. 2007). On April 20, 2009, at Mexico's request, the DSB established a WTO panel to examine these measures. Mexico alleged that these measures accord imports of tuna and tuna products from Mexico less favorable treatment than like products of national origin and like products originating in other countries and fail to immediately and unconditionally accord imports of tuna and tuna products from Mexico any advantage, favor, privilege, or immunity granted to like products in other countries. Mexico further alleged that the U.S. measures create unnecessary obstacles to trade and are not based on relevant international standards. Mexico alleged that the U.S. measures are inconsistent with Articles I and III of the GATT 1994 and Article 2 of the TBT Agreement.

On December 14, 2009, the Panel was composed by the Director-General to include Mr. Mario Matus, Chair, Ms. Elizabeth Chelliah, and Mr. Franz Perrez. The Panel issued its interim report on May 5, 2011, and its final report to the parties on July 8, 2011. The final report was circulated to Members and the public on September 15, 2011.

The Panel found the U.S. dolphin-safe provisions are technical regulations within the meaning of Annex 1.1 of the TBT Agreement; not inconsistent with Article 2.1 of the TBT Agreement because they do not afford less favorable treatment to Mexican tuna products; inconsistent with Article 2.2 of the TBT Agreement because they are more trade restrictive than necessary to achieve their objectives; and not inconsistent with Article 2.4 of the TBT Agreement because the alternative measure put forth by Mexico

would not be an effective means of achieving the objective of the U.S. measures. The Panel exercised judicial economy with respect to the GATT 1994 claims in light of its findings under Article 2.1 of the TBT Agreement.

The United States appealed aspects of the report on January 20, 2012, and Mexico appealed aspects of the report on January 25, 2012. The Appellate Body circulated its report on May 16, 2012. In its key findings, the Appellate Body rejected the U.S. appeal and upheld the Panel's finding that the measure at issue is a technical regulation; agreed with Mexico's appeal and overturned the Panel's finding that the U.S. measure is consistent with the national treatment provisions of Article 2.1 of the TBT Agreement; agreed with the U.S. appeal and overturned the Panel's finding that the measure at issue is more trade restrictive than necessary under Article 2.2 of the TBT Agreement; and agreed with the U.S. appeal and overturned the Panel's finding that the Agreement on the International Dolphin Conservation Program (AIDCP) is a relevant international standard within the meaning of Article 2.4 of the TBT Agreement.

On June 13, 2012, the DSB adopted the Appellate Body report, and the Panel report as modified by the Appellate Body report. On September 17, 2012, the United States and Mexico notified the DSB that they agreed on a RPT for the United States to implement the recommendations and rulings of the DSB, ending on July 13, 2013.

On July 23, 2013, the Unites States announced that it had fully complied with the DSB's recommendations and rulings through a final rule of the National Oceanic and Atmospheric Administration (NOAA) that came into effect on July 13, 2013. The final rule enhances the documentary requirements for certifying that no dolphins were killed or seriously injured in the sets or other gear deployments in which the tuna were caught outside the Eastern Tropical Pacific.

On November 25, 2013, Mexico requested that the DSB establish a compliance panel to determine whether the U.S. dolphin-safe labeling provisions, as amended by the new final rule, are consistent with U.S. WTO obligations. At its meeting on January, 22 2014, the DSB referred the matter to the original Panel, and on January 27, 2014 the Panel was composed with the members of the original Panel. Mexico has claimed that the U.S. dolphin-safe labeling provisions are inconsistent with Article 2.1 of the TBT Agreement and Articles I:1 and III:4 of the GATT 1994.

The Panel met with the parties on August 19-21, 2014. The Panel issued its report on April 14, 2015. In its report, the Panel found that the amended dolphin-safe labeling measure was inconsistent with Article 2.1 of the TBT Agreement and Articles I:1 and III:4 of the GATT 1994 and, although the measure was preliminarily justified under Article XX(g) of the GATT 1994, was not applied consistently with the Article XX chapeau.

The United States appealed aspects of the compliance panel's report on June 5, 2015, and Mexico appealed aspects of the report on June 10, 2015. The Appellate Body circulated its report on November 20, 2015. The Appellate Body found that the compliance panel had erred in its analytical approach to the amended measure, and it reversed the Panel's findings as to the measure's consistency with the covered agreements as to the eligibility criteria, the certification requirements, and the tracking and verification requirements. The Appellate Body found, however, that because the compliance panel had not made a proper factual assessment of the matter, the Appellate Body could not complete the analysis and made no findings as to those three regulatory distinctions under either Article 2.1 of the TBT Agreement or Article XX of the GATT 1194. The Appellate Body also found that analysis of other aspects of the measure did not depend on factual findings and that these aspects rendered the measure inconsistent with Article 2.1 of the TBT Agreement and Article XX of the GATT 1994.

On March 10, 2016, Mexico sought authorization to suspend concessions or other obligations under the covered agreements. The United States objected to Mexico's proposed level of suspension of concessions or other obligations on March 22, 2016, which referred the matter to arbitration pursuant to Article 22.6 of the DSU. The arbitrator held a meeting with the parties on October 25-26, 2016. The proceeding is ongoing.

On March 22, 2016, NOAA promulgated an interim final rule amending the U.S. dolphin safe labeling measure, and, on April 11, 2016, the United States requested that the DSB establish a compliance panel to determine whether the U.S. dolphin-safe labeling provisions, as amended by the new final rule, are consistent with U.S. WTO obligations. The DSB referred the matter to the original panel at its meeting on May 9, 2016. On May 27, 2016, the compliance panel was composed, including a new chairperson, Mr. Stefan Johannesson, due to the unavailability of the original chairperson. On June 9, 2016, Mexico also requested the establishment of a compliance panel pursuant to Article 21.5 of the DSU. At its meeting on June 22, 2016, the DSB referred the matter to the same panel as the other compliance proceeding. The schedules of the two proceedings have been harmonized, and the United States and Mexico submitted written submissions in fall of 2016.

United States – Certain Country of Origin Labeling (COOL) Requirements (Canada) (DS384)

On December 1, 2008, Canada requested consultations with the United States regarding U.S. mandatory country of origin labeling (COOL) provisions. Canada requested supplemental consultations with the United States regarding this matter on May 7, 2009. Canada challenged the COOL provisions of the *Agricultural Marketing Act of 1946*, as amended by the *Farm, Security and Rural Investment Act of 2002* (2002 Farm Bill), and *Food, Conservation, and Energy Act, 2008* (2008 Farm Bill), the USDA Interim Final Rule on COOL published on August 1, 2008 and on August 28, 2008, respectively, the USDA Final Rule on COOL published on January 15, 2009, and a February 20, 2009 letter issued by the Secretary of Agriculture. These provisions relate to an obligation to inform consumers at the retail level of the country of origin of covered commodities, including beef and pork.

Canada alleged that the COOL requirements were inconsistent with Articles III:4, IX:2, IX:4, and X:3(a) of the GATT 1994, Articles 2.1, 2.2, and 2.4 of the TBT Agreement, or in the alternative, Articles 2, 5, and 7 of the SPS Agreement, and Articles 2(b), 2(c), 2(e), and 2(j) of the Agreement on Rules of Origin. Canada asserted that these violations nullified or impaired the benefits accruing to Canada under those Agreements and further appeared to nullify or impair the benefits accruing to Canada within the meaning of GATT 1994 Article XXIII:1(b).

Consultations were held on December 16, 2008, and supplemental consultations were held on June 5, 2009. On October 7, 2009, Canada requested the establishment of a panel, and on November 19, 2009, the DSB established a single panel to examine both this dispute and Mexico's dispute regarding COOL (see WT/DS386). On May 10, 2010, the Director General composed the panel as follows: Mr. Christian Häberli, Chair; and Mr. Manzoor Ahmad and Mr. Joao Magalhaes, Members.

The Panel circulated its final report on November 18, 2011. The final report found that the COOL measure (the COOL statute and USDA's Final Rule together), in respect of muscle cut meat labels, breached TBT Article 2.1 because it afforded Canadian livestock less favorable treatment than it afforded U.S. livestock. With respect to Article 2.2 of the TBT Agreement, the Panel found that the objective of the COOL measure was to provide consumers with information about the origin of the meat products that they buy at the retail level, and that consumer information on origin is a legitimate objective that WTO Members, including the United States, are permitted to pursue with their measures. However, the Panel found that the COOL measure breached TBT Article 2.2 because it failed to fulfill its legitimate objective of providing consumer information on origin with respect to meat products. The Panel also found that the Vilsack Letter breached

GATT Article X:3 because it did not constitute a reasonable administration of the COOL measure. On April 5, 2012, USDA withdrew the Vilsack Letter.

On March 23, 2012, the United States appealed the Panel's findings on Article 2.1 and 2.2. On March 28, 2012, Canada appealed certain aspects of the Panel's Article 2.2 analysis, the Panel's failure to make a finding on its claim under Articles III:4 of the GATT 1994, and made a conditional appeal on its claim under Article XXIII:1(b) of the GATT 1994. The Appellate Body agreed with the United States that the Panel's Article 2.2 analysis was insufficient. Moreover, the Appellate Body found that, due to the absence of relevant factual findings by the Panel and the lack of sufficient undisputed facts on the record, the Appellate Body was unable to complete the analysis under Article 2.2, and Canada's claim must fail. With regard to Article 2.1, the Appellate Body upheld the Panel's finding that the COOL measure was inconsistent with the national treatment obligation, albeit with different reasoning. The Appellate Body first upheld the Panel's finding that the COOL measure had a disparate impact on Canadian livestock. However, the Appellate Body reasoned that the analysis could not end there but that the Panel should have analyzed whether the detrimental impact stemmed exclusively from a legitimate regulatory distinction. The Appellate Body found that the COOL measure did not as it imposed costs that were disproportionate to the information conveyed by the labels. Having upheld the Panel's Article 2.1 finding, the Appellate body found it unnecessary to make findings on Canada's appeals under Articles III:4 and XXIII:1(b) of the GATT 1994.

On December 4, 2012, a WTO arbitrator determined that the RPT for the United States to comply with the DSB recommendations and rulings was 10 months, ending on May 23, 2013.

On May 24, 2013, the United States announced that it had fully implemented the DSB's recommendations and rulings through a new final rule issued by USDA on May 23, 2013. The final rule modified the labeling provisions for muscle cut covered commodities to require the origin designations to include information about where each of the production steps (*i.e.*, born, raised, slaughtered) occurred and removes the allowance for commingling.

On September 25, 2013, at the request of Canada, the DSB referred the matter raised by Canada in its panel request to a compliance panel to determine whether the COOL program, as amended by the May 23 final rule, was consistent with U.S. WTO obligations. Canada made claims under Articles 2.1 and 2.2 of the TBT Agreement and Articles III:4 and XXIII:1(b) of the GATT 1994.

On October 20, 2014, the compliance Panel circulated its final report. The Panel found that the amended COOL measure was inconsistent with Article 2.1 of the TBT Agreement because it accorded imported Canadian livestock treatment less favorable than that accorded to like domestic livestock. In particular, the Panel found that this was so because the measure resulted in a detrimental impact on the competitive opportunities of Canadian livestock, and this detrimental impact did not stem exclusively from a legitimate regulatory distinction. The Panel further found that Canada had not made a *prima facie* case that the amended COOL measure was more trade restrictive than necessary and, therefore, inconsistent with Article 2.2 of the TBT Agreement. With respect to the GATT 1994 claims, the Panel found that the amended COOL measure violated Article III:4 of the GATT 1994 because it had a detrimental impact on the competitive opportunities of imported Canadian livestock, and thus accorded "less favourable treatment" to imported products. In light of this finding, the Panel exercised judicial economy with regard to Canada's non-violation claim under Article XXIII:1(b) of the GATT 1994.

On November 28, 2014, the United States filed its notice of appeal, and on December 5, 2014, the United States filed its appellant submission. The United States appealed the Panel's findings on Article 2.1 of the TBT Agreement and on Article III:4 of the GATT 1994. The United States also challenged the Panel's

failure to address the availability of the exceptions provided for in Article XX of the GATT 1994. On December 12, 2014, Canada appealed other of the Panel's findings.

On May 18, 2015, the Appellate Body circulated its report. The Appellate Body upheld the compliance Panel's findings with respect to Article 2.1. of the TBT Agreement. In particular, it maintained the compliance Panel's conclusions with respect to the alleged lack of accuracy of the labels, the burdens imposed by "heightened" recordkeeping and verification requirements, and the relevance of exemptions from the labeling requirements. The Appellate Body also upheld the compliance Panel's ultimate determination with respect to Article 2.2 of the TBT Agreement.

On June 4, 2015, Canada sought authorization to suspend concessions under the covered agreements. On June 16, 2015, the United States objected to the level of suspension of concessions or obligations sought by Canada, thus referring the matter to arbitration pursuant to Article 22.6 of the DSU. On December 7, 2015, the decision by the Arbitrator was circulated to Members. In considering the level of nullification or impairment of the benefits accruing to Canada, the Arbitrator rejected requests to consider the domestic effect of the amended COOL measure on Canadian prices, and instead focused on the trade impact of the amended COOL measure. The Arbitrator found that the level of nullification or impairment attributable to the amended COOL measure was CAD 1,054,729 million annually. On December 21, 2015, the DSB granted authorization to Canada to suspend concessions consistent with the award of the Arbitrator, and pursuant to the DSU, the authorization shall be equivalent to the level of nullification or impairment.

On December 18, 2015, the President signed legislation repealing the country of origin labeling requirement for beef and pork. This action withdrew the measure at issue, thus bringing the United States into compliance with the WTO's recommendations and rulings.

United States – Certain Country of Origin Labeling (COOL) Requirements (Mexico) (DS386)

On December 17, 2008, Mexico requested consultations regarding U.S. mandatory country of origin labeling (COOL) provisions. Mexico requested supplemental consultations with the United States regarding this matter on May 7, 2009. Mexico challenged the COOL provisions of the *Agricultural Marketing Act of 1946*, as amended by the *Farm, Security and Rural Investment Act of 2002* (2002 Farm Bill), and the *Food, Conservation, and Energy Act, 2008* (2008 Farm Bill), the USDA Interim Final Rule on COOL published on August 1, 2008 and on August 28, 2008, respectively, the USDA Final Rule on COOL published on January 15, 2009, and a February 20, 2009 letter issued by the Secretary of Agriculture. These provisions relate to an obligation to inform consumers at the retail level of the country of origin of covered commodities, including beef and pork.

Mexico alleged that the COOL requirements are inconsistent with Articles III:4, IX:2, IX:4, and X:3(a) of the GATT 1994, Articles 2.1, 2.2, 2.4, 12.1, and 12.3 of the TBT Agreement, or in the alternative, Articles 2, 5, and 7 of the SPS Agreement, and Articles 2(b), 2(c), and 2(e), of the Agreement on Rules of Origin. Mexico asserted that these violations nullify or impair the benefits accruing to Mexico under those Agreements and further appeared to nullify or impair the benefits accruing to Mexico within the meaning of GATT 1994 Article XXIII:1(b).

Consultations were held on February 27, 2009, and supplemental consultations were held on June 5, 2009. On October 9, 2009, Mexico requested the establishment of a panel in this dispute, and November 19, 2009, the DSB established a single panel to examine both this dispute and Canada's dispute regarding COOL (see WT/DS384). On May 10, 2010, the Director General composed the panel as follows: Mr. Christian Häberli, Chair; and Mr. Manzoor Ahmad and Mr. Joao Magalhaes, Members.

The Panel circulated its final report on November 18, 2011. The final report found that the COOL measure (the COOL statute and USDA's Final Rule together), in respect of muscle cut meat labels, breached TBT Article 2.1 because it afforded Mexican livestock less favorable treatment than it afforded U.S. livestock. Under TBT Article 2.2, the Panel found that the objective of the COOL measure was to provide consumers with information about the origin of the meat products that they buy at the retail level, and that consumer information on origin is a legitimate objective that WTO Members, including the United States, are permitted to pursue with their measures. However, the Panel found that the COOL measure breached TBT Article 2.2 because it failed to fulfill its legitimate objective of providing consumer information on origin with respect to meat products.

The Panel rejected Mexico's claim under TBT Article 2.4 that the United States was required to base origin under the COOL measure on the principle of substantial transformation, concluding that using this principle would be an ineffective and inappropriate means to fulfill the legitimate U.S. objective of providing consumers with information about the origin of the meat products they buy. The Panel also rejected Mexico's claims under TBT Articles 12.1 and 12.3, concluding that the United States did not fail to take account of Mexico's needs as a developing country Member.

Finally, the Panel found that the Vilsack Letter breached GATT Article X:3 because it did not constitute a reasonable administration of the COOL measure. On April 5, 2012, USDA withdrew the Vilsack Letter.

On March 23, 2012, the United States appealed the Panel's findings on Article 2.1 and 2.2. On March 28, 2012, Mexico appealed certain aspects of the Panel's Article 2.2 analysis, and made a conditional appeal on its claims under Articles III:4 and XXIII:1(b) of the GATT 1994. The Appellate Body agreed with the United States that the Panel's Article 2.2 analysis was insufficient. Moreover, the Appellate Body found that, due to the absence of relevant factual findings by the Panel and the lack of sufficient undisputed facts on the record, the Appellate Body was unable to complete the analysis under Article 2.2, and Canada's claim must fail. With regard to Article 2.1, the Appellate Body upheld the Panel's finding that the COOL measure was inconsistent with the national treatment obligation, albeit with different reasoning. The Appellate Body first upheld the Panel's finding that the COOL measure has a disparate impact on Mexican livestock. However, the Appellate Body reasoned that the analysis could not end there but that the Panel should have analyzed whether the detrimental impact stemmed exclusively from a legitimate regulatory distinction. The Appellate Body found that the COOL measure did not as it imposed costs that are disproportionate to the information conveyed by the labels. Having upheld the Panel's Article 2.1 finding, the Appellate body found it unnecessary to make findings on Mexico's appeals under Articles III:4 and XXIII:1(b) of the GATT 1994.

On December 4, 2012, a WTO arbitrator determined that the RPT for the United States to comply with the DSB recommendations and rulings was 10 months, ending on May 23, 2013.

On May 24, 2013, the United States announced that it had fully implemented the DSB's recommendations and rulings through a new final rule issued by USDA on May 23, 2013. The final rule modifies the labeling provisions for muscle cut covered commodities to require the origin designations to include information about where each of the production steps (*i.e.*, born, raised, slaughtered) occurred and removes the allowance for commingling.

On September 25, 2013, at the request of Mexico, the DSB referred the matter raised by Mexico in its panel request to a compliance Panel to determine whether the COOL program, as amended by the May 23 final rule, was consistent with U.S. WTO obligations. Mexico made claims under Articles 2.1 and 2.2 of the TBT Agreement and Articles III:4 and XXIII:1(b) of the GATT 1994.

On October 20, 2014, the compliance Panel circulated its final report. The Panel found that the amended COOL measure was inconsistent with Article 2.1 of the TBT Agreement because it accorded imported Mexican livestock treatment less favorable than that accorded to like domestic livestock. In particular, the Panel found that this was so because the measure resulted in a detrimental impact on the competitive opportunities of Mexican livestock, and this detrimental impact did not stem exclusively from a legitimate regulatory distinction. The Panel further found that Mexico had not made a *prima facie* case that the amended COOL measure was more trade restrictive than necessary and, therefore, inconsistent with Article 2.2 of the TBT Agreement. With respect to the GATT 1994 claims, the Panel found that the amended COOL measure violated Article III:4 of the GATT 1994 because it had a detrimental impact on the competitive opportunities of imported Mexican livestock, and thus accorded "less favourable treatment" to domestic products. In light of this finding, the Panel exercised judicial economy with regard to Mexico's non-violation claim under Article XXIII:1(b) of the GATT 1994.

On November 28, 2014, the United States filed its notice of appeal, and on December 5, 2014, the United States filed its appellant submission. The United States appealed the Panels' findings on Article 2.1 of the TBT Agreement and on Article III:4 of the GATT 1994. The United States also challenged the Panel's failure to address the availability of the exceptions provided for in Article XX of the GATT 1994. On December 12, 2014, Mexico appealed other of the Panel's findings.

On May 18, 2015, the Appellate Body released its report. The Appellate Body upheld the compliance Panel's findings with respect to Article 2.1. of the TBT Agreement. In particular, it maintained the compliance Panel's conclusions with respect to the accuracy of the labels, the burdens imposed by recordkeeping and verification requirements, and the impact of exemptions. The Appellate Body also upheld the compliance Panel's ultimate determination with respect to Article 2.2 of the TBT Agreement. However, in the context of Article 2.2., the Appellate Body found that the compliance Panel should have completed its analysis regarding the "gravity of the consequences of non-fulfilment," noting that difficulties and imprecision that arise in this analysis do not excuse the Panel from reaching an overall conclusions.

On June 4, 2015, Mexico sought authorization to suspend certain concessions and other obligations under the covered agreements. On June 12, 2015, Mexico revised the amount of suspension of concessions sought. Mexico removed this item from the agenda of the DSB meeting on June 17, 2015, and submitted a revised request for authorization from the DSB. On June 22, 2015, the United States objected to the level of suspension of concessions or obligations sought by Mexico, thus referring the matter to arbitration pursuant to Article 22.6 of the DSU. On December 7, 2015, the decision by the Arbitrator was circulated to Members. In considering the level of nullification or impairment of the benefits accruing to Mexico, the Arbitrator rejected requests to consider the domestic effect of the amended COOL measure on Mexican prices, and instead focused on the trade impact of the amended COOL measure. The Arbitrator found that the level of nullification or impairment attributable to the amended COOL measure was $227,758 million annually. On December 21, 2015, the DSB granted authorization to Mexico to suspend concessions consistent with the award of the Arbitrator, and pursuant to the DSU, the authorization shall be equivalent to the level of nullification or impairment.

On December 18, 2015, the President signed legislation repealing the country of origin labeling requirement for beef and pork. This action withdrew the measure at issue, thus bringing the United States into compliance with the WTO's recommendations and rulings.

United States – Anti-dumping Measures on Certain Shrimp from Vietnam (DS404)

On February 1, 2010, the United States received from Vietnam a request for consultations pertaining to antidumping duties imposed by the United States pursuant to the final results issued by Commerce in several administrative reviews of the antidumping duty order on imports of certain frozen and canned warm

water shrimp from Vietnam. Vietnam claimed that certain actions by Commerce and U.S. Customs and Border Protection with respect to several administrative reviews and with respect to any ongoing or future administrative review or sunset review concerning this antidumping duty order, as well as various U.S. laws, regulations, administrative procedures, practices, and policies, both as such and as applied, are inconsistent with U.S. commitments and obligations under Articles I, II, VI:1, and VI:2 of the GATT 1994; Articles 1, 2.1, 2.4, 2.4.2, 6.8, 6.10, 9.1, 9.3, 9.4, 11.2, 11.3, 18.1, and 18.4 and Annex II of the Antidumping Agreement; Article XVI:4 of the Marrakesh Agreement Establishing the World Trade Organization; and Vietnam's Protocol of Accession.

The United States and Vietnam held consultations on March 23, 2010. On April 19, 2010, Vietnam requested that the DSB establish a panel. The DSB did so at its meeting on May 18, 2010. On July 26, 2010, the Director General composed the panel as follows: Mr. Mohammad Saeed, Chair; and Ms. Deborah Milstein and Mr. Iain Sanford, Members.

The Panel circulated its report on July 11, 2011. The Panel found that the use of "zeroing" in the second and third administrative reviews of the shrimp antidumping order was inconsistent with Article 2.4 of the Antidumping Agreement, and the use of "zeroing" in administrative reviews is inconsistent "as such" with Article 9.3 of the Antidumping Agreement and Article VI:2 of the GATT 1994. The Panel also found that the use of antidumping margins determined using "zeroing" to calculate the "all others" rate in the second and third administrative reviews was inconsistent with Article 9.4 of the Antidumping Agreement. The Panel found that the application to the Vietnam-wide entity of an antidumping margin different from the "all others" rate was also inconsistent with Article 9.4 of the Antidumping Agreement. The Panel rejected Vietnam's claim that Commerce's determination to limit the number of individually examined respondents was inconsistent with various provisions of the Antidumping Agreement, and the Panel rejected Vietnam's claims relating to "continued use," finding those claims to be outside the Panel's terms of reference.

On September 2, 2011, the DSB adopted its recommendations and rulings as set out in the Panel's report. The United States and Vietnam agreed that the RPT for the United States to implement the recommendations and rulings of the DSB would end on July 2, 2012.

On July 18, 2016, the United States and Vietnam signed an agreement that resolved this matter as well as in *United States — Anti-Dumping Measures on Certain Frozen Warmwater Shrimp from Vietnam* (WT/DS429). On July 18, 2016, the United States and Vietnam also notified the DSB, in accordance with Article 3.6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes, that the parties have reached a mutually agreed solution in this dispute.

United States — Anti-Dumping Measures on Certain Frozen Warmwater Shrimp from Vietnam (DS429)

On February 21, 2012, the United States received from Vietnam a request for consultations pertaining to antidumping duties imposed by the United States pursuant to the final results issued by Commerce in a number of administrative reviews and the sunset review of the antidumping duty order on imports of certain frozen and canned warm water shrimp from Vietnam. Vietnam claimed that certain actions by Commerce with respect to the administrative reviews identified, and with respect to any ongoing or future administrative review, as well as the sunset review concerning this antidumping duty order, as well as various U.S. laws, regulations, administrative procedures, practices, and policies, both as such and as applied, are inconsistent with U.S. commitments and obligations under Articles 1:1, VI: 1, VI:2, and X:3(a) of the GATT 1994; Articles 1, 2.1, 2.4, 2.4.2, 6, 9, 11, 17.6(i), and Annex II of the Antidumping Agreement; Article XVI:4 of the Marrakesh Agreement Establishing the World Trade Organization; Articles 3.7, 19.1, 21.1, 21.3, and 21.5 of the DSU; and Vietnam's Protocol of Accession. Specifically, Vietnam complained that Commerce used "zeroing" in the administrative reviews of the antidumping duty order on imports of shrimp, Commerce failed to provide most Vietnamese respondents seeking a review an opportunity to

demonstrate the absence of dumping by being permitted to participate in a review, the treatment of the Vietnam-wide entity as a "single entity" and the application of adverse facts available to the entity, the use of dumping margins determined using a "zeroing" methodology in the final determination of the sunset review, and the use of WTO-inconsistent antidumping duty assessment rates applied to unliquidated entries that are assessed following a section 129 determination that implements an adverse DSB ruling.

The United States and Vietnam held consultations on March 28, 2012. On December 17, 2012, Vietnam requested the establishment of a panel. Vietnam filed a revised panel request on January 17, 2013. The DSB established a panel on February 27, 2013 and the Parties agreed to the composition of the panel on July 12, 2013, as follows: Mr. Simon Farbenbloom, Chair; and Mr. Adrian Makuc and Mr. Abd El Rahman Ezz El Din Fawzy, Members.

The Panel met with the parties on December 10-11, 2013 and March 25-26, 2014.

The Panel circulated its report on November 17, 2014. The Panel rejected Vietnam's claim that the use of "zeroing" in administrative reviews was inconsistent "as such" with Article 9.3 of the Antidumping Agreement and Article VI: of the GATT 1994, but found that the use of "zeroing" was inconsistent with these provision "as applied" in three of the administrative reviews at issue. The Panel found that Commerce's presumption that all producers and exporters in Vietnam belonged to a single, non-market (NME) entity was inconsistent "as such" and "as applied" in the administrative reviews at issue with Articles 6.10 and 9.2 of the Antidumping Agreement. The Panel rejected Vietnam's claim that the manner in which Commerce determined the NME-wide entity rate, in particular concerning the use of facts available, was inconsistent "as such" with Articles 6.8 and 9.4 and Annex II of the Antidumping Agreement; but found that the United States acted inconsistently with Article 9.4 of the Antidumping Agreement in assigning the NME-wide entity a duty rate exceeding the ceiling applicable under that provision in the administrative reviews at issue. The Panel also rejected Vietnam's claim that section 129(c)(1) was inconsistent with Articles 1, 9.2, 9.3, 11.1, and 18.1 of the Antidumping Agreement. Finally, the Panel found that Commerce's reliance on WTO-inconsistent margins of dumping in its likelihood-of-dumping determination in the first sunset review was inconsistent with Article 11.3 of the Antidumping Agreement; and that Commerce's reliance on WTO-inconsistent margins of dumping in its treatment of requests for revocation made by certain Vietnamese producers/exporters in two of the administrative reviews at issue was inconsistent with Article 11.2 of the Antidumping Agreement.

On January 6, 2015, of its Vietnam appealed the Panel's finding that Vietnam had failed to establish that Section 129(c)(1) is inconsistent "as such" with Articles 1, 9.2, 9.3, 11.1, and 18.1 of the Antidumping Agreement. On January 26, 2015, the United States filed an appellee's submission in opposition to Vietnam's appeal. The oral hearing in the appeal was held on March 2, 2015.

On April 7, 2015, the Appellate Body issued its report. The Appellate Body upheld the Panel's finding that Vietnam had not established that section 129(c)(1) is inconsistent "as such" with Articles 1, 9.2, 9.3, 11.1, and 18.1 of the Antidumping Agreement.

On April 22, 2015, the DSB adopted its recommendations and rulings in the dispute. On May 20, the United States stated its intention to comply with the DSB's findings in a manner that respects its WTO obligations and that it would need a RPT to do so.

On September 17, 2015, Vietnam requested that the RPT be determined through arbitration pursuant to Article 21.3(c) of the DSU.

By joint letter dated October 7, 2015, Vietnam and the United States agreed on Mr. Simon Farbenbloom as the Arbitrator. On December 15, 2015, the Arbitrator issued his award, deciding that the RPT would be 15 months, ending on July 22, 2016.

On July 18, 2016, the United States and Vietnam signed an agreement that resolved this matter as well as in *United States – Anti-dumping Measures on Certain Shrimp from Vietnam* (WT/DS404). On July 18, 2016, the United States and Vietnam also notified the DSB, in accordance with Article 3.6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes, that the parties have reached a mutually agreed solution in this dispute.

United States — Countervailing Measures on Certain Hot-Rolled Carbon Steel Flat Products from India (DS436)

On April 24, 2012, India requested consultations concerning countervailing measures on certain hot-rolled carbon steel flat products from India. India challenged the Tariff Act of 1930, in particular sections 771(7)(G) regarding accumulation of imports for purposes of an injury determination and 776(b) regarding the use of "facts available." India also challenged Title 19 of the Code of Federal Regulations, sections 351.308 regarding "facts available" and 351.511(a)(2)(i)-(iv), which relates to Commerce's calculation of benchmarks. In addition, India challenged the application of these and other measures in Commerce's countervailing duty determinations and the USITC's injury determination. Specifically, India argued that these determinations were inconsistent with Articles I and IV of the GATT 1994 and Articles 1, 2, 10, 11, 12, 13, 14, 15, 19, 21, 22, and 32 of the SCM Agreement. The DSB established a panel to examine the matter on August 31, 2012. The panel was composed by the Director General on February 18, 2013, as follows: Mr. Hugh McPhail, Chair; Mr. Anthony Abad and Mr. Hanspeter Tschaeni, Members.

The Panel met with the parties on July 9-10, 2013, and on October 8-9, 2013. The Panel circulated its report on July 14, 2014. The Panel rejected India's claims against the U.S. statutes and regulations concerning facts available and benchmarks under Articles 12.7 and 14(d) of the SCM Agreement, respectively, but found that the U.S. statute governing accumulation was inconsistent with Article 15 of the SCM Agreement because it required the accumulation of both dumped and subsidized imports in the context of countervailing investigations. Consequently, the Panel also found that the ITC's injury determination breached U.S. obligations under Article 15.

The Panel rejected India's challenges under Article 1.1(a)(1) of the SCM Agreement to Commerce's "public body" findings in two instances, as well as most of India's claims with respect to Commerce's application of facts available under Article 12.7 in the determination at issue. The Panel also rejected most of India's claims against Commerce's specificity determinations under Article 2.1, and its calculation of certain benchmarks used in the proceedings under Article 14(d). The Panel found that Commerce's determination that certain low-interest loans constituted "direct transfers" of funds was consistent with Article 1.1(a)(1), but that Commerce's determination that a captive mining program constituted a financial contribution was not consistent with Article 1.1(a). Finally, the Panel found that Commerce did not act inconsistently with Articles 11, 13, 21 and 22 of the SCM Agreement when it analyzed new subsidy allegations in the context of review proceedings.

On August 8, 2014, India appealed the Panel's findings; on August 13, 2014, the United States also appealed certain of the Panel's findings. The Appellate Body released its report on December 8, 2014.

The Appellate Body upheld the Panel's findings regarding the U.S. benchmarks regulation, but found that certain instances of Commerce's application of these regulations were inconsistent with Article 14(d). The Appellate Body also upheld the Panel's findings regarding accumulation, finding that the application of the U.S. statute in the injury determination at issue was inconsistent with Article 15 of the SCM Agreement,

and that the U.S. statute was inconsistent with that provision, although on different grounds than those found by the Panel. The Appellate Body rejected India's interpretation of "public body" under Article 1.1(a)(1), but reversed the Panel's finding that Commerce acted consistently in making the public body determination at issue on appeal. Regarding specificity, the Appellate Body rejected each of India's appeals under Article 2.1(c), as it did with respect to India's challenge to the Panel's finding under Article 1.1(a)(1)(i) relating to "direct transfers of funds." The Appellate Body also reversed the Panel's finding that Commerce had acted inconsistently with Article 1.1(a)(1)(iii) in finding that captive mining program constituted a provision of goods. Finally, the Appellate Body upheld the Panel's rejection of India's claims under Articles 11, 13 and 21 regarding new subsidy allegations. The Appellate Body reversed the Panel's findings under Article 22 of the SCM Agreement, but was unable to complete the analysis. The DSB adopted the Appellate Body report and the Panel report, as modified by the Appellate Body report, on December 19, 2014.

At the DSB meeting held on January 16, 2015, the United States notified the DSB of its intention to comply with the recommendations and rulings and indicated it would need a RPT to do so. On March 24, 2015, the United States and India informed the DSB that they had agreed on a RPT of 15 months, ending on March 19, 2016. At the United States' request, India then agreed to a 30 day extension to April 18, 2016.

On March 7, 2016, USITC issued a Section 129 determination in the hot-rolled steel from India countervailing duty (CVD) proceeding to comply with the findings of the Appellate Body. On March 18, 2016, DOC issued its preliminary determination memos in the Section 129 proceedings, and on April 14, 2016, DOC issued its final Section 129 determinations. On April 22, 2016, the United States informed the DSB that it had complied with the recommendations and rulings in this dispute.

United States — Countervailing Duty Measures on Certain Products from China (DS437)

On May 25, 2012, China requested consultations regarding numerous U.S. countervailing duty determinations in which the U.S. Department of Commerce had determined that various Chinese state-owned enterprises were "public bodies" under Article 1.1(a)(1) of the SCM Agreement, with a view towards extending the Appellate Body's analysis in DS379 to those determinations. China challenged various other aspects of these investigations as well, including but not limited to Commerce's calculation of benchmarks, initiation standard, determination of specificity of the subsidies, use of facts available, and finding that export restraints were a countervailable subsidy.

Consultations were held in July 2012, and a panel was established in September 2012. The Panel was composed by the Director-General on November 26, 2012, as follows: Mr. Mario Matus, Chair; Mr. Scott Gallacher and Mr. Hugo Perezcano Díaz, Members. The Panel met with the parties on April 30-May 1, 2013, and on June 18-19, 2013. The panel circulated its report on July 14, 2014. The Panel found that Commerce's determinations in 12 investigations that certain state-owned enterprises were "public bodies" were inconsistent with Article 1.1(a)(1) of the SCM Agreement, based on the Appellate Body's analysis in DS379. However, the Panel found in favor of the United States with respect to China's claims regarding Commerce's calculation of benchmarks, initiation of investigations, and use of facts available, and the Panel upheld most of Commerce's specificity determinations. The Panel also found that China established that Commerce acted inconsistently with Article 11.3 of the SCM Agreement by initiating countervailing duty investigations of export restraints.

On August 22, 2014, China appealed the Panel's findings regarding Commerce's calculation of benchmarks, specificity determinations, and use of facts available. On August 27, 2014, the United States appealed the Panel's finding that a section of China's panel request setting forth claims related to Commerce's use of facts available was within the panel's terms of reference. The Appellate Body held a

hearing in Geneva on October 16-17, 2014, with Ujal Singh Battia and Seung Wha Chang as Members, and Peter Van den Bossche as Chairman.

On December 18, 2014, the Appellate Body circulated its report. On benchmarks, the Appellate Body reversed the Panel and found that Commerce's determination to use out-of-country benchmarks in four countervailing duty investigations was inconsistent with Articles 1.1(b) and 14(d) of the SCM Agreement. On specificity, the Appellate Body rejected one of China's claims with respect to the order of analysis in *de facto* specificity determinations. However, the Appellate Body reversed the Panel's findings that Commerce did not act inconsistently with Article 2.1 when it failed to identify the "jurisdiction of the granting authority" and "subsidy programme" before finding the subsidy specific. On facts available, the Appellate Body accepted China's claim that the Panel's findings regarding facts available were inconsistent with Article 11 of the DSU, and reversed the Panel's finding that Commerce's application of facts available was not inconsistent with Article 12.7 of the SCM Agreement. Lastly, the Appellate Body rejected the U.S. appeal of the Panel's finding that China's panel request failed to meet the requirement of Article 6.2 of the DSU to present an adequate summary of the legal basis of its claim sufficient to present the problem clearly.

The DSB adopted the Appellate Body report and the Panel report, as modified by the Appellate Body report, on January 16, 2015. In a letter dated February 13, 2015, the United States notified the DSB of its intention to comply with its WTO obligations and indicated it would need a RPT to do so.

On June 26, 2015, China requested that the RPT be determined through arbitration pursuant to Article 21.3(c) of the DSU. On July 17, 2015, the Director General appointed Mr. Georges M. Abi-Saab as the arbitrator. On October 9, 2015, the arbitrator issued his award, deciding that the RPT would be 14 months and 16 days, ending on April 1, 2016.

Commerce subsequently issued redeterminations in 15 separate countervailing duty investigations and with respect to one "as such" finding of the DSB. Commerce implemented these determinations on April 1, 2016, and May 26, 2016. On June 22, 2016, the United States notified the DSB that it had brought the challenged measures into compliance with the recommendations and rulings of the DSB.

On May 13, 2016, China requested consultations regarding the U.S. implementation. The United States and China held consultations on May 27, 2016. On July 8, 2016, China requested that the DSB refer the matter to the original Panel pursuant to Article 21.5 of the DSU. The DSB did so at a meeting held on July 21, 2016. On October 5, 2016, the compliance Panel was composed with one member of the original Panel: Mr. Hugo Perezcano Diaz, Chair; and with two additional panelists selected to replace unavailable members of the original panel: Mr. Luis Catibayan and Mr. Thinus Jacobsz, Members. The compliance Panel is tentatively scheduled to hold a meeting with the parties in May 2017. The Panel is expected to issue a report in 2017.

United States — Measures Affecting the Importation of Animals, Meat and Other Animal Products from Argentina (DS447)

On August 30, 2012, Argentina requested consultations regarding inaction by the United States to authorize importation of fresh bovine meat from Argentina. U.S. law prohibits the importation of fresh meat from countries, pending a determination by the USDA as to whether, and under what import conditions, if any, such products can be safely imported without introducing foot-and-mouth disease (FMD) into the United States. At issue in this matter were the status of three applications by Argentina to the USDA to revise its prohibition and permit the importation of fresh bovine meat. Specifically, Argentina contended that U.S. measures are inconsistent with Articles 1.1, 2.2, 2.3, 3.1, 3.3, 5.1, 5.2, 5.4, 5.6, 6.1, 6.2, 8, and 10.1 of the SPS Agreement; and Articles I:1 and XI:1 of the GATT 1994.

Consultations were held on October 18 and 19, 2012. Argentina requested the establishment of a panel on December 6, 2012, and the DSB established a panel on January 28, 2013. On August 8, 2013, the Director General composed the Panel as follows: Mr. Eirik Glenne, Chair; and Mr. Jaime Coghi and Mr. David Evans, Members. The Panel met with the parties on January 28 and 29, 2014, and September 2, 4-5, 2014.

The final report was issued on July 24, 2015. The Panel's report concluded that the U.S. measures were inconsistent with U.S. obligations under the SPS Agreement and the GATT 1994.

Prior to the issuance of the panel report, USDA issued two administrative documents (in August 2014 and July 2015) that lift the FMD ban on Argentina, and permit the importation of fresh bovine meat under certain conditions. In light of the regulatory actions taken by USDA prior to the conclusion of the panel proceeding, the United States notified the DSB at its meeting held on August 31, 2015, that the United States had addressed the matters raised in this dispute.

United States — Measures Affecting the Importation of Fresh Lemons (DS448)

On September 3, 2012, Argentina requested consultations regarding the U.S. failure thus far to grant import authorization for fresh lemons from Northwest Argentina. Consultations were held on October 17-18, 2012, in Geneva, Switzerland. Argentina submitted its request for establishment of a dispute settlement panel on December 6, 2012.

United States — Countervailing and Anti-Dumping Measures on Certain Products from China (DS449)

On September 17, 2012, the United States received a request for consultations from China regarding Public Law 112-99 (P.L. 112-99) and determinations and actions made by Commerce, the USITC, and U.S. Customs and Border Protection in connection with 31 joint antidumping and countervailing duty proceedings. China alleged in its consultation request that the retroactive nature of Section 1 of P.L. 112-99 and the difference in effective dates between Sections 1 and 2 of P.L. 112-99 were violations of GATT Article X. China further alleged that dozens of antidumping and countervailing duty proceedings initiated between November 20, 2006 and March 13, 2012 violated the United States' WTO obligations because the United States had no basis under domestic law to identify and avoid "double remedies" and U.S. authorities failed to "investigate and avoid double remedies."

China and the United States held consultations on November 5, 2012. On November 30, China requested the establishment of a panel. China and the United States held consultations on November 5, 2012. On November 30, China requested the establishment of a panel, and on December 17, 2012 a panel was established. On March 4, 2013, the Director General composed the panel as follows: Mr. José Graça Lima, Chair; and Mr. Donald Greenfield and Mr. Arie Reich, Members. The panel met with the parties on July 2-3, 2013, and August 27-28, 2013.

On March 27, 2014, the panel issued a report that rejected all of China's claims concerning the WTO-consistency of P.L. 112-99. However, the panel found that U.S. authorities failed to "investigate and avoid double remedies." Therefore, the panel found that 25 countervailing duty proceedings involving imports from China initiated between November 20, 2006, and March 13, 2012 were inconsistent with U.S. WTO obligations.

On April 8, 2014, China appealed the panel's interpretation of Article X:2 of the GATT 1994. On April 17, 2014, the United States filed its own appeal, challenging the sufficiency of China's panel request under Article 6.2 of the DSU, and requesting reversal of the panel's findings relating to the 25 countervailing duty proceedings involving imports from China.

On July 7, 2014, the Appellate Body issued its report. The Appellate Body found that the panel erred in its legal interpretation of Article X:2 of the GATT, and reversed the Panel's findings with respect to P.L. 112-99. The Appellate Body was unable to complete the analysis to determine the consistency of P.L. 112-99 with Article X:2 due to the lack of undisputed facts on the record. The Appellate Body found that China's panel request complied with Article 6.2 of the DSU.

On July 22, 2014, the DSB adopted its recommendations and rulings in the dispute. On August 21, 2014, the United States stated its intention to comply with the DSB recommendations and rulings, and that it would need a RPT to do so. The United States and China initially agreed to a RPT of 12 months. The United States and China subsequently agreed to extend the RPT, so as to expire on August 5, 2015. At the DSB meeting on August 31, 2015, the United States notified the DSB that it had implemented the recommendations and rulings of the DSB in the dispute.

United States – Anti-Dumping and Countervailing Measures on Large Residential Washers from Korea (DS464)

On August 29, 2013, the United States received from Korea a request for consultations pertaining to antidumping and countervailing duty measures imposed by the United States pursuant to final determinations issued by Commerce following antidumping and countervailing duty investigations regarding large residential washers (washers) from Korea. Korea claimed that Commerce's determinations, as well as certain methodologies used by Commerce, were inconsistent with U.S. commitments and obligations under Articles 1, 2, 2.1, 2.4, 2.4.2, 5.8, 9.3, 9.4, 9.5, 11, and 18.4 of the AD Agreement, Articles 1.1, 1.2, 2.1, 2.2, 10, 14, and 19.4 of the SCM Agreement; Articles VI, VI:1, VI:2, and VI:3 of the GATT 1994; and Article XVI:4 of the WTO Agreement. Specifically, Korea challenged Commerce's alleged use of "zeroing" and application of the second sentence of Article 2.4.2 of the AD Agreement, as applied in the washers antidumping investigation and "as such." Korea also challenged Commerce's determinations in the washers countervailing duty investigation that Article 10(1)(3) of Korea's Restriction of Special Taxation Act (RSTA) is a subsidy that is specific within the meaning of Article 2.1 of the SCM Agreement, Commerce's determination of the amount of subsidy benefit received by a respondent under Article 10(1)(3) of the RSTA, Commerce's determination that Article 26 of the RSTA is a regionally specific subsidy, and Commerce's imposition of countervailing duties on one respondent that were attributable to tax credits that the respondent received for investments that it made under Article 26 of the RSTA.

The United States and Korea held consultations on October 3, 2013. On December 5, 2013, Korea requested that the DSB establish a panel. On January 22, 2014, a panel was established. On June 20, 2014, the Director General composed the panel as follows: Ms. Claudia Orozco, Chair; and Mr. Mazhar Bangash and Mr. Hanspeter Tschaeni, Members. The panel held meetings with the parties on March 10-11, 2015, and on May 20-21, 2015.

The panel circulated its report on March 11, 2016. The panel found that aspects of Commerce's antidumping determination were inconsistent with the second sentence of Article 2.4.2 of the AD Agreement, including the determination to apply an alternative, average-to-transaction comparison methodology and the application of that methodology to all transactions rather than just to so-called pattern transactions. The panel rejected other claims asserted by Korea, including Korea's argument that Commerce acted inconsistently with Article 2.4.2 by determining the existence of a pattern exclusively on the basis of quantitative criteria.

The panel found that aspects of Commerce's differential pricing methodology are inconsistent "as such" with the second sentence of Article 2.4.2 of the AD Agreement. The panel also found that the United States' use of zeroing when applying the average-to-transaction comparison methodology is inconsistent

with the second sentence of Article 2.4.2 and Article 2.4, both "as such" and as applied in the washers antidumping investigation.

In addition, the panel made several findings on the CVD issues raised by Korea. The Panel found that Commerce's disproportionality analysis, in its original and remand determinations, was inconsistent with Article 2.1(c) of the SCM Agreement. But the panel rejected Korea's remaining claims – i.e., its claim that Commerce's regional specificity determination was inconsistent with Article 2.2 of the SCM Agreement, and its claims concerning the proper quantification of subsidy ratios.

On April 19, 2016, the United States appealed certain of the panel's findings. Korea filed another appeal on April 25, 2016. The oral hearing in the appeal was held on June 20-21, 2016, in Geneva.

On September 7, 2016, the Appellate Body circulated its report. The Appellate Body upheld several of the panel's findings under the AD Agreement, including the panel's finding that the average-to-transaction comparison methodology should be applied only to so-called pattern transactions, the panel's finding that the use of zeroing is inconsistent with the second sentence of Article 2.4.2 and Article 2.4, both "as such" and as applied, and the panel's finding that the differential pricing methodology is inconsistent "as such" with the second sentence of Article 2.4.2 of the AD Agreement. The Appellate Body reversed other findings made by the panel. For instance, the Appellate Body found that an investigating authority must assess the price differences at issue on both a quantitative and qualitative basis, and the Appellate Body mooted the panel's finding concerning systemic disregarding, finding instead that the combined application of comparison methodologies is impermissible. With respect to the CVD issues, the Appellate Body upheld the panel's rejection of Korea's regional specificity claim, but found that certain aspects of Commerce's calculation of subsidy rates were inconsistent with Article 19.4 of the SCM Agreement and Article VI:3 of the GATT 1994.

On September 26, 2016, the DSB adopted the panel and Appellate Body reports. On October 26, 2016, the United States stated that it intends to implement the recommendations of the DSB in this dispute in a manner that respects U.S. WTO obligations, and that it will need a reasonable period of time in which to do so.

United States – Certain Methodologies and their Application to Anti-Dumping Proceedings Involving China (DS471)

On December 3, 2013, the United States received from China a request for consultations pertaining to antidumping measures imposed by the United States pursuant to final determinations issued by Commerce following antidumping investigations regarding a number of products from China, including certain coated paper suitable for high-quality print graphics using sheet-fed presses, certain oil country tubular goods, high pressure steel cylinders, polyethylene terephthalate film, sheet, and strip; aluminum extrusions; certain frozen and canned warm water shrimp; certain new pneumatic off–the-road tires; crystalline silicon photovoltaic cells, whether or not assembled into modules; diamond sawblades and parts thereof; multilayered wood flooring; narrow woven ribbons with woven selvedge; polyethylene retail carrier bags; and wooden bedroom furniture. China claimed that Commerce's determinations, as well as certain methodologies used by Commerce, are inconsistent with U.S. obligations under Articles 2.4.2, 6.1, 6.8, 6.10, 9.2, 9.3, 9.4, and Annex II of the AD Agreement; and Article VI:2 of the GATT 1994. Specifically, China challenges Commerce's application in certain investigations and administrative reviews of a "targeted dumping methodology," "zeroing" in connection with such methodology, a "single rate presumption for non-market economies," and a "NME-wide methodology" including certain "features". China also challenges a "single rate presumption" and the use of "adverse facts available" "as such."

The United States and China held consultations on January 23, 2014. On February 13, 2014, China requested that the DSB establish a panel, and a panel was established on March 26, 2014. On August 28,

2014, the Director General composed the panel as follows: Mr. José Pérez Gabilondo, Chair; and Ms. Beatriz Leycegui Gardoqui and Ms. Enie Neri de Ross, Members. The panel held meetings with the parties on July 14-16, 2015, and on November 17-19, 2015.

The panel circulated its report on October 19, 2016. The panel found that a number of aspects of the "targeted dumping methodology" applied by Commerce in three challenged investigations were not inconsistent with the requirements of the AD Agreement, including certain quantitative aspects of Commerce's methodology. However, the Panel found fault with other aspects of Commerce's methodology and with Commerce's explanation of why resort to the alternative methodology was necessary. The panel also found that Commerce's application of the alternative methodology to all sales, rather than only to so-called pattern sales, and Commerce's use of "zeroing" in connection with the alternative methodology, were inconsistent with the second sentence of Article 2.4.2 of the AD Agreement. The panel found that Commerce's use of a rebuttable presumption that all producers and exporters in China comprise a single entity under common government control – the China-government entity – to which a single antidumping margin is assigned, both as used in specific proceedings and generally, is inconsistent with certain obligations in the WTO Antidumping Agreement concerning when exporters and producers are entitled to a unique antidumping margin or rate. Finally, the Panel agreed with the United States that China had not established that Commerce has a general norm whereby it uses adverse inferences to pick information that is adverse to the interests of the China-government entity in calculating its antidumping margin or rate. The panel also decided to exercise judicial economy with respect to the information Commerce utilized in particular proceedings.

On November 18, 2016, China appealed certain of the panel's findings regarding Commerce's "targeted dumping methodology," use of "adverse facts available," and the "single rate presumption." The Appellate Body is expected to hold a hearing in Geneva and issue a report in 2017.

United States – Conditional Tax Incentives for Large Civil Aircraft (DS487)

On December 19, 2014, the EU requested consultations with the United States with respect to "conditional tax incentives established by the State of Washington in relation to the development, manufacture, and sale of large civil aircraft." The EU alleges that such tax incentives are prohibited subsidies that are inconsistent with Articles 3.1(b) and 3.2 of the SCM Agreement. Consultations were held on February 2, 2015, and a panel was established on February 23, 2015. The panel was composed by the Director General on April 22, 2015, as follows: Mr. Daniel Moulis, Chair; Mr. Terry Collins-Williams and Mr. Wilhelm Meier, Members.

On November 28, 2016, the panel report was circulated to the Members finding only the Washington State B&O tax incentive to be a prohibited subsidy. Six other tax incentives were found to be subsidies, but they were not deemed to be illegal under WTO rules.

<u>Findings against the EU</u>

- The EU failed to demonstrate that the aerospace tax measures are *de jure* contingent upon the use of domestic over imported goods with respect to the First Siting Provision in Washington State's Engrossed Substitute Senate Bill (ESSB 5952) considered separately.

- The EU failed to demonstrate that the reduced B&O tax rate for the manufacture and sale of commercial airplanes is *de jure* contingent upon the use of domestic over imported goods with respect to the Second Siting Provision in ESSB 5952 considered separately.

- The EU failed to demonstrate that the aerospace tax measures are *de jure* contingent upon the use of domestic over imported goods with respect to the First Siting Provision and the Second Siting Provision considered jointly.

Findings against the United States

- The seven aerospace tax measures at issue constitute a subsidy within the meaning of Article 1 of the SCM Agreement.

- The Washington State B&O tax rate for the manufacturing or sale of commercial airplanes under the 777X program is inconsistent with Article 3.1(b) of the SCM Agreement.

- The United States acted inconsistently with Article 3.2 of the SCM Agreement.

On November 28, 2016, the panel report was circulated to the Members finding only the Washington State B&O tax incentive to be a prohibited subsidy. Six other tax incentives were found to be subsidies, but they were not deemed to be illegal under WTO rules.

The United States appealed certain aspects of the Panel's findings on December 16, 2016.

United States — Anti-Dumping Measures on Oil Country Tubular Goods from Korea (DS488)

On April 18, 2014, the United States received from Korea a request for consultations pertaining to antidumping duties imposed on oil country tubular goods from Korea. Korea claimed that the calculation by Commerce of the constructed value profit rate for Korean respondents was inconsistent with U.S. obligations under Articles 2.2, 2.2.2, 2.4, 6.2, 6.4, 6.9, and 12.2.2 of the Antidumping Agreement and Articles I and X:3 of the GATT 1994. Korea also claimed that Commerce's decision regarding the affiliation of a certain Korean respondent to a supplier, and the effects of that decision, was inconsistent with Articles 2.2.1.1 and 2.3 of the Antidumping Agreement and that its selection of two mandatory respondents was inconsistent with Article 6.10, including Articles 6.10.1 and 6.10.2. Korea further claimed that Commerce's methodology for disregarding a respondent's exports to third-country markets was inconsistent "as such" and "as applied" in the investigation at issue with Article 2.2 of the Antidumping Agreement.

The United States and Korea held consultations on January 21, 2015. On February 23, Korea requested the establishment of a panel. The DSB established a panel on March 25, 2015, and the Parties agreed to the composition of the panel on July 13 as follows: Mr. John Adank, Chair; and Mr. Abd El Rahman Ezz El Din Fawzy and Mr. Gustav Brink, Members. Subsequently, Mr. Adank withdrew as Chair prior to the second substantive meeting of the Panel, and the Parties agreed that Mr. Crawford Falconer would replace Mr. Adank as Chair.

The Panel met with the parties on July 20-21, 2016, and November 1-2, 2016. The panel is expected to issue its report in 2017.

United States – Anti-Dumping and Countervailing Measures on Certain Coated Paper from Indonesia (DS491)

On March 13, 2015, Indonesia requested consultations concerning antidumping and countervailing duty measures pertaining to certain coated paper suitable for high-quality print graphics using sheet-fed presses.

Indonesia alleges inconsistencies with Article VI of the GATT 1994, Articles 1, 3.5, 3.7 and 3.8 of the Antidumping Agreement, and Articles 2.1, 12.7, 10, 14(d), 15.5, 15.7 and 15.8 of the SCM Agreement.

With respect to the countervailing duty measures, Indonesia challenges Commerce's determinations that Indonesia's provision of standing timber, log export ban and debt forgiveness program are countervailable subsidies. Indonesia claims that Commerce determined both that the standing timber was provided for less than adequate remuneration and that the log export ban distorted prices without factoring in prevailing market conditions. Indonesia also alleges, in regards to all three subsidies, that Commerce failed to examine whether there was a plan or scheme in place sufficient to constitute a "subsidy programme" within the meaning of the SCM Agreement. Indonesia further claims that Commerce did not identify whether each subsidy was "specific to an enterprise … within the jurisdiction of the granting authority," as required by the SCM Agreement. In addition, Indonesia challenges Commerce's facts available determination in which it concluded that the government of Indonesia forgave debt.

With respect to both the antidumping and countervailing duty measures, Indonesia alleges that the USITC threat of injury determination breached both the AD Agreement and SCM Agreement because it relied on allegation, conjecture, and remote possibility; was not based on a change in circumstances that was clearly foreseen and imminent; and showed no causal relationship between the subject imports and the threat of injury to the domestic industry.

Indonesia also raised an "as such" claim with respect to 19 U.S.C. § 1677(11)(B). Indonesia contends that the law does not consider or exercise "special care'" as a result of the requirement that a tie vote in a threat of injury determination must be treated as an affirmative ITC determination.

Consultations between Indonesia and the United States took place in Geneva on June 25, 2015. A panel was established on September 28, 2015, and on February 4, 2016, the Director-General composed the panel as follows: Mr. Hanspeter Tschani, Chair; and Mr. Martin Garcia and Ms. Enie Neri de Ross, Members. The panel held its first substantive meeting with the parties, in Geneva, on December 6-7, 2016.

United States — Measures Concerning Non-Immigrant Visas (DS503)

On March 3, 2016, India requested consultations with the United States regarding certain measures relating to (1) fees for the L-1 and H-1B categories of non-immigrant visas, under which the United States permits the temporary entry of foreign workers that meet certain criteria; and (2) an alleged U.S. commitment to issue a certain amount of H-1B visas to nationals of Singapore and Chile on an annual basis. India's request alleges that these measures are inconsistent with Articles II, III:3, IV:1, V:4, VI:1, XVI, XVII, and XX of the GATS; and paragraphs three and four of the GATS Annex on the Movement of Natural Persons Supplying Services. Consultations between India and the United States took place in Geneva on May 11-12, 2016.

United States – Countervailing Measures on Supercalendered Paper from Canada (DS505)

On March 30, 2016, Canada requested consultations with the United States to consider claims related to U.S. countervailing duties on supercalendered paper from Canada (Investigation C-122-854). Consultations between the United States and Canada took place in Washington, D.C. on May 4, 2016.

On June 9, 2016, Canada requested the establishment of a panel challenging certain actions of the U.S. Department of Commerce with respect to the countervailing duty investigation and final determination, the countervailing duty order, and an expedited review of that order. The panel request also presents claims with respect to alleged U.S. "ongoing conduct" or, in the alternative, a purported rule or norm, with respect

to the application of facts available in relation to subsidies discovered during the course of a countervailing duty investigation.

Canada alleges that the U.S. measures at issue are inconsistent with obligations under Articles 1.1(a)(1), 1.1(b), 2, 10, 11.1, 11.2, 11.3, 11.6, 12.1, 12.2, 12.3, 12.7, 12.8, 14, 14(d), 19.1, 19.3, 19.4, 22.3, 22.5, and 32.1 of the Agreement on Subsidies and Countervailing Measures (SCM Agreement); and Article VI:3 of the General Agreement on Tariffs and Trade 1994 (GATT 1994).

A panel was established on July 21, 2016. On August 31, 2016, the Panel was composed by the Director-General to include: Mr. Paul O'Connor, Chair; and Mr. David Evans and Mr. Colin McCarthy, Members.

United States – Certain Measures Relating to the Renewable Energy Sector (DS510)

On September 9, 2016, India requested WTO consultations regarding alleged domestic content requirement and subsidy measures maintained under renewable energy programs in the states of Washington, California, Montana, Massachusetts, Connecticut, Michigan, Delaware, and Minnesota. India's request alleges inconsistencies with Articles III:4, XVI:1 and XVI:4 of the GATT 1994, Article 2.1 of the TRIMS Agreement; and Articles 3.1(b), 3.2, 5(a), 5(c), 6.3(a), 6.3(c), and 25 of the SCM Agreement. Consultations between India and the United States took place in Geneva on November 16-17, 2016.

United States – Countervailing Measures on Cold- and Hot-Rolled Steel Flat Products from Brazil (DS514)

On November 11, 2016, Brazil requested consultations concerning countervailing duty measures pertaining to cold- and hot-rolled steel flat products from Brazil. Brazil alleges inconsistencies with Article VI of the GATT 1994; Articles 1, 2, 10, 11 (in particular, Articles 11.2, 11.3, 11.4, and 11.9), 12 (in particular, Articles 12.3, 12.5, and 12.7), 14, 15, 16, 17, 19, and 32.1, and Annexes II and III of the SCM Agreement.

Brazil characterizes its claims as claims related to the procedures applied in the countervailing duty investigations, claims related to the determinations of injury and domestic industry, claims related to the characterization of certain measures as countervailable subsidies, and claims related to the calculation and determination of the subsidy margins for certain tax legislation and loans. With respect to the procedures, Brazil alleges that the United States initiated countervailing duty investigations in the absence of sufficient evidence and inappropriately drew adverse inferences or relied upon adverse facts available. With respect to the determination of injury and domestic industry, Brazil claims that it is not clear that the decision on injury was based on positive evidence or an objective examination of the facts, and that the domestic industry definition did not refer to the domestic producers as a whole. With respect to the characterization of certain measures as countervailable subsidies, Brazil alleges that the United States failed to demonstrate that certain legislation (related to the "IPI" (tax on industrialized products) levels for capital goods, the integrated drawback scheme, the *ex-tarifario*, the "REINTEGRA," the payroll tax exemption, and the FINAME and "Desenvolve Bahia) entailed a financial contribution and conferred a benefit within the meaning of the SCM Agreement; that the United States failed to demonstrate that the tax legislation is specific within the meaning of the SCM Agreement; and that, with regard to FINAME, the United States failed to demonstrate that the loans conferred a benefit and were specific within the meaning of the SCM Agreement. Finally, with respect to the calculation and determination of subsidy margins for tax legislation and loans, Brazil alleges that the subsidies were calculated in excess of the actual benefit provided, because the benchmarks used were flawed.

The parties consulted on this matter on December 19, 2016.

United States – Measures Related to Price Comparison Methodologies (DS515)

On December 12, 2016, China requested consultations with the United States regarding its use of a non-market economy (NME) methodology in the context of anti-dumping investigations involving Chinese producers. In its request, China asserts that WTO Members were required to terminate the use of an NME methodology by December 11, 2016, and thereafter apply the provisions of the AD Agreement and the GATT 1994 to determine normal value.

Specifically, China alleges that the following U.S. measures are inconsistent with Articles 2.1, 2.2, 9.2, 18.1, and 18.4 of the AD Agreement and Articles I:1, VI:1, and VI:2 of the GATT 1994:

(1) the NME provisions of the U.S. AD statute (Sections 771(18) and 773 of the Tariff Act of 1930);
(2) the NME provisions of the AD regulations (19 C.F.R. § 351.408);
(3) the U.S. Department of Commerce's 2006 determination that China is an NME; and
(4) the failure of the United States to revoke the 2006 determination or otherwise modify its laws with respect to AD investigations and reviews of Chinese products initiated and/or resulting in preliminary or final determinations after December 11, 2016.

China also challenges Section 773(e) of the Tariff Act of 1930 – the constructed value provision that applies to market economies – to the extent that it permits the use of "surrogate values."

Consultations took place on February 7-8, 2017, in Geneva.

I. Trade Policy Review Body

Status

The Trade Policy Review Body (TPRB) is the subsidiary body of the General Council, created by the Marrakesh Agreement Establishing the WTO, to administer the Trade Policy Review Mechanism (TPRM). The TPRM examines domestic trade policies of each Member on a schedule designed to review the policies of the full WTO Membership on a timetable determined by trade volume. The express purpose of the review process is to strengthen Members' adherence to WTO provisions and to contribute to the smoother functioning of the multilateral trading system. Moreover, the review mechanism serves as a valuable resource for improving the transparency of Members' trade and investment regimes. Members continue to value the review process, because it informs each government's own trade policy formulation and coordination.

The Member under review works closely with the WTO Secretariat to provide pertinent information for the process. The Secretariat produces an independent report on the trade policies and practices of the Member under review. Accompanying the Secretariat's report is the Member's own report. In a TPRB session, the WTO Membership discusses these reports together, and the Member under review addresses issues raised in the reports and answers questions about its trade policies and practices. Reports cover the range of WTO agreements – including those relating to goods, services, and intellectual property – and are available to the public on the WTO's website at http://www.wto.org. Documents are filed on the website's "Documents Online" database under the document symbol "WT/TPR."

TPRs of LDC Members often perform a technical assistance function, helping them improve their understanding of their trade policy structure's relationship with the WTO Agreements. The reviews have also enhanced these countries' understanding of the WTO Agreements, thereby better enabling them to comply and integrate into the multilateral trading system. In some cases, the reviews have spurred better

interaction among government agencies. The reports' wide coverage of Members' policies also enables Members to identify any shortcomings in policy and specific areas where further technical assistance may be appropriate.

The TPRM requires Members, in between their reviews, to provide information on significant trade policy changes. The WTO Secretariat uses this and other information to prepare reports by the Director General on a regular basis on the trade and trade-related developments of Members and Observer Governments. The reports are discussed at informal meetings of the TPRB. The Secretariat consolidates the information it collects and presents it in the Director General's Annual Report on Developments in the International Trading Environment.

Major Issues in 2016

During 2016, the TPRB reviewed the trade regimes of 23 Members. Members reviewed were Albania, China, Democratic Republic of the Congo, El Salvador, Fiji, Georgia, Guatemala, Honduras, Korea, Malawi, Maldives, Morocco, Russian Federation, Saudi Arabia (Kingdom of), Singapore, Solomon Islands, Sri Lanka, Tunisia, Turkey, Ukraine, United Arab Emirates, the United States, and Zambia.

Since its inception in 1989 to the end of 2016, the TPRB has conducted 452 reviews. The reviews have covered 153 of 164 Members. Those Members not yet reviewed by the end of 2016 are Afghanistan, Cuba, Kazakhstan, Lao PDR, Liberia, Montenegro, Samoa, Seychelles, Tajikistan, Vanuatu, and Yemen. Of the 36 LDC Members of the WTO, the TPRB had reviewed 31 by the end of 2016.

While each review highlights the specific issues and measures concerning the individual Member, certain common themes emerged during the course of the reviews conducted in 2016. These included:

- transparency in policy making and implementation;
- economic environment and trade liberalization;
- implementation of the WTO Agreements (including acceptance and implementation of the WTO TFA);
- regional trade agreements and their relationship with the multilateral trading system;
- tariff issues, including the differences between applied and bound rates;
- customs valuation and customs clearance procedures;
- the use of trade remedy measures such as antidumping and countervailing duties;
- technical regulations and standards and their alignment with international standards;
- sanitary and phytosanitary measures;
- intellectual property rights legislation and enforcement;
- government procurement policies and practices;
- trade-related investment policy issues;
- sectoral trade policy issues, particularly liberalization in agriculture and certain services sectors; and
- technical assistance in implementing the WTO Agreements and experience with Aid for Trade, and the Enhanced Integrated Framework.

In December, WTO Members completed the sixth appraisal of the Trade Policy Review Mechanism and agreed on several reforms that aim to improve the TPRB's review of Members' trade policies and practices and its monitoring of the global trading environment. Most significantly, Members agreed to adjust the cycle of TPRs amid the rising number of WTO Members. Currently, Members undergo a TPR every two, four, or six years depending on the size of their economy. From 2019, the frequency will be changed to three, five, or seven years, respectively. Members agreed to revise the timeline for the TPR question-and-

answer process for those Members who opt to provide early written answers to other Members' questions. For Members reviewed on a two-year cycle, such as the United States, it was agreed that the Secretariat Report may focus on the implementation of issues highlighted in the previous review and on actual changes due to legislation or related to new issues arising from recent WTO ministerial decisions. Further, Members agreed to create a regular item on the agenda of trade monitoring meetings to allow Members to provide brief reports on significant changes in their trade policies.

Prospects for 2017

The TPRM will continue to be an important tool for monitoring Members' compliance with WTO commitments and an effective forum in which to encourage Members to meet their obligations and to adopt further trade liberalizing measures. For 2017, the proposed program of reviews is Belize, Bolivia (Plurinational State of), Brazil, Cambodia, European Union, Iceland, Jamaica, Japan, Mexico, Mozambique, Nigeria, Paraguay, Sierra Leone, Switzerland, Liechtenstein, the Gambia, and the West African Economic and Monetary Union (Benin, Burkina Faso, Cote d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo).

J. Other General Council Bodies/Activities

1. Committee on Trade and Environment

Status

The WTO General Council created the Committee on Trade and Environment (CTE) on January 31, 1995, pursuant to the Marrakesh Ministerial Decision on Trade and Environment. Since then, the CTE has discussed a broad range of important trade and environment issues. These issues include: market access associated with environmental measures; the TRIPS Agreement and the environment; labeling for environmental purposes; and capacity-building and environmental reviews, among others.

Major Issues in 2016

In 2016, the CTE met twice under the Chairmanship of the Permanent Representative of Chile, in June and November, 2016.

Both meetings of the CTE covered a range of trade and environment issues, including fisheries, illegal logging, wildlife trafficking, biodiversity, chemicals and waste, climate change, fossil fuel subsidies, and environmental provisions in regional trade agreements. Across this range of issues, WTO Members provided updates on their respective policies and programs. The United States provided an update on trade policy tools used to combat wildlife trafficking. Additionally, several international organizations, including the Organization for Economic Cooperation and Development (OECD), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Framework Convention on Climate Change (UNFCCC), and the International Tropical Timber Organization (ITTO), briefed the CTE on recent activities. The Secretariat also provided an update of the Environmental Database (EDB) and sought input from WTO Members regarding how to make the database more accessible for Members. The EDB contains all environment-related notifications submitted by WTO members as well as environmental measures and policies mentioned in the Trade Policy Reviews (TPRs) of WTO members and is updated on an annual basis. Negotiation of the Environmental Goods Agreement (EGA) is a plurilateral initiative outside the work of the CTE. For more on EGA, see section IV .A Trade and Environment.

Prospects for 2017

The United States will use the CTE to discuss trade and environment issues, and will continue to explore fresh and innovative approaches to challenging issues.

2. Committee on Trade and Development

Status

The Committee on Trade and Development (CTD) was established in 1965 to strengthen the GATT 1947's role in the economic development of less developed GATT Contracting Parties. In the WTO, the CTD is a subsidiary body of the General Council. Since the Doha Development Round was launched, Members have established four additional subgroups of the CTD: a Subcommittee on LDCs; a Dedicated Session on Small Economies; a Dedicated Session on Regional Trade Agreements (RTAs); and a Dedicated Session on the Monitoring Mechanism.

The CTD addresses trade issues of interest to Members with particular emphasis on issues related to the operation of the "Enabling Clause" (the 1979 Decision on Differential and More Favorable Treatment, Reciprocity, and Fuller Participation of Developing Countries). In this context, the CTD focuses on the Generalized System of Preferences (GSP) programs, the Global System of Trade Preferences among developing country Members, and regional integration efforts among developing country Members. In addition, the CTD focuses on issues related to the fuller integration of all developing country Members into the international trading system, technical cooperation and training, trade in commodities, market access in products of interest to developing countries, and the special concerns of LDCs, small, and landlocked economies.

The CTD has been the primary forum for discussion of broad issues related to the nexus between trade and development. Since the initiation of the DDA, the CTD has intensified its work on issues related to trade and development. The CTD has focused on issues such as transparency in preferential trade agreements, expanding trade in products of interest to developing country Members, the WTO's technical assistance and capacity building activities, and an overall assessment of the development aspects of the DDA and sustainable development goals. As directed in the 2005 Hong Kong Ministerial Declaration, the CTD also conducts annual reviews of steps taken by WTO Members to implement the decision on providing DFQF market access to the LDC Members.

Work in the Subcommittee on LDCs and the Dedicated Sessions on Small Economies and RTAs has included review of market access challenges related to exports of LDC Members, LDC accessions to the WTO, trade-related needs of small, vulnerable economies, including island and landlocked states, and review of Member RTAs notified under the Enabling Clause.

The Monitoring Mechanism was established in 2013 at the Ninth Ministerial Conference. It serves as a focal point within the WTO to analyze and review the implementation of special and differential treatment provisions. The Monitoring Mechanism operates on the basis of submissions by Members. To date, no submissions have been made.

Major Issues in 2016

The CTD in Regular Session held three formal sessions in March, July, and November 2016. Activities of the CTD and its subsidiary bodies in 2016 included:

- *Focused Work on Trade and Development:* At the Eighth Ministerial Conference of the WTO, "Ministers reaffirm[ed] that development is a core element of the WTO's work. They also reaffirm[ed] the positive link between trade and development and call[ed] for focused work in the Committee on Trade and Development" (WT/MIN(11)/11). In 2016, Members continued their consideration of submissions containing proposals for work under the MC8 mandate through the consideration of specific proposals.

- *Technical Cooperation and Training:* The Committee took note of the 2015 Annual Report on Technical Assistance and Training (WT/COMTD/W/216). According to the report, a total of 269 activities were undertaken by the Secretariat in 2015, a slight drop from the previous year. Overall, approximately 15,000 participants were trained during the year, which was an increase of two percent over 2014. The Committee also monitored the external evaluation of the WTO's trade-related technical assistance. The Committee is expected to convene in early 2017 to consider the final evaluation report.

- *Notifications Regarding Market Access for Developing and LDCs:* In 2016, notifications under the Enabling Clause were made concerning the GSP schemes of the United States (WT/COMTD/N/1/Add.9) and Norway (WT/COMTD/N/6/Add.5/Corr.1 and WT/COMTD/N/48). The CTD also considered issues relating to the notification status of the Gulf Cooperation Council Customs Union, ASEAN-Korea RTA, and the India-Korea RTA.

- *Duty Free, Quota Free Market Access for LDC Members:* The Decision taken at the Hong Kong Ministerial Conference on DFQF market access for LDCs remains a standing item on the CTD's agenda. A number of Members shared information on the steps they are taking to provide DFQF market access to LDCs' products, including in respect of preferential rules of origin. Benin, on behalf of the LDC group, circulated draft terms of reference for a proposed Secretariat study on DFQF implementation.

- *Dedicated Session on Small Economies:* The Dedicated Session on Small Economies held three formal meetings, in March, July, and November 2016. Each of these meetings was preceded by an information session on sectors discussed in the 2015 Secretariat research paper on "Challenges and Opportunities experienced by Small Economies when linking into Global Value Chains in Trade in Goods and Services."

- *Aid for Trade:* The CTD held three sessions on Aid for Trade in 2016, in February, May, and October. The Subcommittee reviewed the implementation of the 2016-2017 Biennial Work Programme, which was finalized in February 2016. The work program continues to focus on reducing trade costs, and extends it to the areas of electronic commerce, services, and infrastructure. In July 2016, the WTO and OECD launched the 2016 Aid-for-Trade monitoring and evaluation exercise. In October, the Chairman of the General Council announced that the Sixth Global Review would be held on July 11-13, 2017, and the theme would be "Promoting Connectivity."

- *LDC Subcommittee:* The LDC Subcommittee also held three meetings in 2016, in April, June, and October. During those meetings, Members considered market access for LDCs and trends in LDC trade, trade-related technical assistance and accession of LDCs. The Secretariat provided

the Subcommittee with a report on developments in preferential rules of origin. In July, the Secretariat reported on technical assistance to LDCs.

Prospects for 2017

The CTD is expected to continue to monitor developments as they relate to issues of concern to developing country Members, including technical assistance and market access. It is anticipated that efforts to identify "focused work" will continue, taking into consideration the relevant sections of the Bali and Nairobi Ministerial Declarations. Members will also continue to work with the Secretariat in dedicated sessions to identify the challenges and opportunities experienced by small economies when linking into global value chains. In addition, the CTD's examination of RTAs between developing country Members will continue as new RTAs are notified to the WTO. Work will continue on implementing the transparency mechanism for preferential trade agreements. The implementation of the Monitoring Mechanism, agreed to at the Bali Ministerial (WT/MIN(13)/W/17), will also continue in dedicated sessions of the CTD.

3. Committee on Balance-of-Payments Restrictions

Status

The Uruguay Round Understanding on Balance-of-Payments (BOP) clarified GATT disciplines on balance-of-payments-related trade measures. The Committee on Balance-of-Payments Restrictions works closely with the International Monetary Fund (IMF) in conducting consultations on balance of payments issues. Full consultations involve examining a Member's trade restrictions and BOP situation, while simplified consultations provide for more general reviews. Full consultations are held when restrictive measures are introduced or modified, or at the request of a Member in view of improvements in its BOP.

Major Issues in 2016

On April 2, 2015, Ecuador notified the introduction of temporary tariff surcharges for balance of-payments purposes (WTO document WT/BOP/N/79 and Add.1, Add.2). Ecuador indicated that the measure, which came into force on March 11, 2015, would be in place for 15 months. The Committee held full consultations with Ecuador in June and October 2015, in accordance with the terms of reference of Article XVIII:B of the GATT 1994 and the Understanding on the Balance of-Payments Provisions of the GATT 1994. During these consultations, the United States and many other members expressed their concerns regarding the compatibility of the measures with Ecuador's commitments and called for the elimination of these measures, while at the same time recognizing the difficulties of the situation. Following the October meeting, Ecuador presented a timetable for the dismantlement of the measure (WT/BOP/G/23), offering to reduce the tariff surcharges and then eliminate them in June 2016.

The Committee continued its full consultations with Ecuador in February 2016. On May 9, 2016, Ecuador notified Resolution No. 006-2016, which deferred elimination of the surcharge until June 2017. Ecuador's notification justified this change of plans based on an April earthquake that it claimed further worsened its balance of payments. The Committee met to review the situation in June and November 2016. On October 4, 2016, Ecuador notified Resolution No. 021-2016, which stated that it was taking steps to lower the surcharges. The Committee met again in November 2016, with the United States and other Members pressing Ecuador to eliminate its surcharges as soon as possible in 2017.

Prospects for 2017

The Committee is scheduled to continue its full consultations with Ecuador and will press it to ensure that its surcharges are terminated as soon as possible in 2017.

4. Committee on Budget, Finance and Administration

Status

The Committee on Budget, Finance and Administration (the Budget Committee) is responsible for establishing and presenting the budget for the WTO Secretariat to the General Council for Members' approval. The Budget Committee meets throughout the year to address the financial requirements of the WTO. The budget process in the WTO operates on a biennial basis; the WTO is currently in the sixth consecutive year of "zero nominal growth" budgets. As is the practice in the WTO, decisions on budgetary issues are taken by consensus. The United States is an active participant in the Budget Committee.

In the WTO, the assessed contribution of each Member is based on the share of that Member's trade in goods, services, and intellectual property. The United States, as the Member with the largest share of world trade, makes the largest contribution to the WTO budget. For the 2016 budget, the U.S. assessed contribution was 11.240 percent of the total budget assessment, or Swiss Francs (CHF) 21,974,200 (about $22 million) (*details required by Section 124 of the Uruguay Round Agreements Act on the WTO's consolidated budget are provided in Annex II*).

Major Issues in 2016

The Committee met periodically throughout the year and presented six reports to the General Council in 2016. The Committee obtained and reviewed on a quarterly basis reports on the financial and budgetary situation of the WTO, the arrears of contributions from Members and Observers, the WTO Pension Plan, WTO risk management and internal oversight activities, and the financial situation due to negative interest impact. The Committee reviewed and took note of the annual report on diversity in the WTO Secretariat, the staff learning program, and the Human Resources annual report on grading structure and promotions. The Committee also reviewed and approved proposed revisions to the WTO Financial Rules. A dedicated working group examined the possible establishment of an Audit Committee for the WTO, as recommended by the WTO's external and internal auditors; however, this working group was unable to reach a consensus on whether an Audit Committee was necessary or appropriate for the particular circumstances of the WTO. Members of the Budget Committee also monitored the development, by the WTO Secretariat, of a strategy for addressing long-term sustainability of the medical insurance plan provided to WTO employees and retirees. The Committee also received regular updates on an Organizational Review process launched by the Director General in December 2013.

Prospects for 2017

The Budget Committee will continue to monitor the financial and budgetary situation of the WTO on an ongoing basis. The Committee is expected, among other 2017 priorities, to establish a budget for the 2018-2019 biennium and to continue to monitor implementation of the strategy for sustainability in the WTO's provision of health insurance. The Committee may also continue its consideration of the possible establishment of an Audit Committee for the WTO.

5. Committee on Regional Trade Agreements

Status

The Committee on Regional Trade Agreements (CRTA), a subsidiary body of the General Council, was established in early 1996 as a central body to oversee all regional agreements to which Members are party.

The CRTA is charged with conducting reviews of individual agreements, seeking ways to facilitate and improve the review process, implementing the biennial reporting requirements established in the Uruguay Round Agreements, and considering the systemic implications of such agreements and regional initiatives for the multilateral trading system. Prior to 1996, these reviews were typically conducted by a "working party" formed to review a specific agreement.

GATT Article XXIV is the principal provision governing free trade areas (FTAs), customs unions (CUs), and interim agreements leading to an FTA or CU concerning goods. Additionally, the 1979 Decision on Differential and More Favorable Treatment, Reciprocity and Fuller Participation of Developing Countries, commonly known as the "Enabling Clause," provides a basis for certain agreements between or among developing country Members, also concerning trade in goods. The Uruguay Round added three more provisions: the Understanding on the Interpretation of Article XXIV, which clarifies and enhances the requirements of Article XXIV of GATT 1994; and Articles V and Vbis of the GATS, which govern services and labor markets integration agreements. FTAs and CUs are authorized departures from the principle of MFN treatment, if relevant requirements are met.

Major Issues in 2016

As of December 15, 2016, 464 regional trade agreements (RTAs) have been notified to the GATT or WTO, of which 271 are in force (133 covering goods only, 1 covering services only, and 137 covering goods and services). RTAs include bilateral or plurilateral free trade agreements (FTAs), customs unions, and services agreements covered under GATS Articles V and Vbis.

At the end of 2006, the General Council established, on a provisional basis, a new transparency mechanism for all RTAs. The main features of the mechanism, agreed upon in the Negotiating Group on Rules, include: the early announcement of any RTA; guidelines regarding the notification of RTAs; the preparation by the WTO Secretariat, on its own responsibility and in full consultation with the parties, of a factual presentation on each notified RTA to assist Members in their consideration of the notified RTA; timeframes associated with the consideration of RTAs; provisions regarding subsequent notification and reporting with respect to notified RTAs; technical support for developing countries; and a division of work between the CRTA, entrusted to implement the mechanism *vis-à-vis* RTAs falling under Article XXIV of GATT 1994 and Article V of the GATS, and the Committee on Trade and Development (CTD), entrusted to do the same for RTAs falling under the Enabling Clause.

Since the implementation of the transparency mechanism in 2007, 238 agreements, counting goods and services notifications separately, have been considered (18 factual presentations representing 29 notifications in 2016). Of these agreements, 231 have been reviewed in the CRTA and seven in the CTD. In 2016, the United States-Panama FTA and the CAFTA-DR were reviewed under the transparency mechanism. All U.S. FTAs currently in force have now been reviewed in the CRTA for transparency.

Under the transparency mechanism, the WTO Secretariat was tasked to establish and maintain an updated electronic database on individual RTAs. The database was launched in January 2009 and includes extensive

information, all of which is available to the public. The RTAs database may be accessed at: http://rtais.wto.org.

Prospects for 2017

Four sessions of the Committee on Regional Trade Agreements are foreseen in 2017. The United States will continue to push other Members to comply with WTO transparency obligations applicable to their RTAs.

6. Accessions to the World Trade Organization

Status

In 2016, the WTO welcomed two new Members, Liberia and Afghanistan. Liberia became the 163rd WTO Member on July 14, and Afghanistan became the 164th Member on July 29.

The number of current applicants for WTO Membership stood at 21 at the end of 2016. At its meeting in December, the General Council established a Working Party (WP) to negotiate the terms of accession for Timor-Leste and Somalia, the first new applicants since 2007. Of the 21 applicants[21] remaining, only four appear to be actively pursuing completion of their negotiations: Azerbaijan convened a WP in July; Belarus will have a WP meeting in January 2017; Comoros held its first WP meeting in December; and Sudan will have a WP meeting in January 2017. Timor-Leste indicated that it is working on its Memorandum of Foreign Trade Regime, which is required for negotiations to commence. While Lebanon did not record activity on its accession, it expressed interest to the WTO Secretariat in possibly moving forward next year.

Four WTO accession applicants (Equatorial Guinea, Libya, Sao Tome and Principe, and Syria) have not submitted the initial documents describing their respective foreign trade regimes. As a result, negotiations on their accessions have not commenced. Working parties and bilateral negotiations with eleven other applicants – Algeria, Andorra, the Bahamas, Bhutan, Bosnia and Herzegovina, Ethiopia, Iran, Iraq, Lebanon, Serbia, and Uzbekistan – remained dormant in 2016.

Background

Countries and separate customs territories seeking to join the WTO must negotiate the terms of their accession with current Members, as Article XII of the WTO Agreement provides. The accession process, with its emphasis on the implementation of WTO provisions and the establishment of stable and predictable market access for goods and services, provides a proven framework for the adoption of policies and practices that encourage trade and investment and promote growth and development.

In a typical accession negotiation, a government writes the WTO Director General seeking accession to the WTO. This application is circulated to WTO Members and placed on the agenda of the next meeting of the WTO General Council, which establishes a WP composed of all interested WTO Members to review the applicant's trade regime, conduct the negotiations, and to make a recommendation to the General Council on the application. To initiate negotiations for the terms of its WTO Membership, the applicant then provides an initial description of its trade practices, *i.e.*, a Memorandum on the Foreign Trade Regime, (MFTR) and responds to questions and comments submitted by Members on that document. The WTO Secretariat schedules a first meeting of the WP and subsequent meetings as justified by new developments

[21] Accession Working Parties continue for Algeria, Andorra, Azerbaijan, Bahamas, Belarus, Bhutan*, Bosnia and Herzegovina, Comoros*, Equatorial Guinea*, Ethiopia*, Iran, Iraq, Lebanon, Libya, Sao Tome and Principe*, Serbia, Somalia*, Sudan*, Syria, Timor-Leste*, and Uzbekistan (the 8 countries marked with an asterisk are LDCs).

and documentation. The number of WP meetings needed to complete the negotiations, as well as the overall length of the accession process, largely depends on the speed with which the applicant addresses the issues identified by Members in the WP and moves to conclude negotiations on trade liberalization, specific commitments on market access for industrial and agricultural goods, as well as for services, based on requests from WP Members. In addition, applicants are expected to make necessary legislative changes to implement WTO institutional and regulatory requirements and to eliminate existing WTO-inconsistent measures. Almost all "developed country" accession applicants, and many "developing country" accession applicants, take all of these actions on WTO rules prior to conclusion of the accession negotiations.[22]

At the conclusion of its work, the WP adopts the documents recording the agreed results of the negotiations (the "terms of accession" for the applicant developed with WP Members in bilateral and multilateral negotiations) and transmits them with its recommendation for approval to the General Council or to the Ministerial Conference. These terms, *i.e.*, the accession "package," consist of the "Report of the Working Party" and "Protocol of Accession," consolidated schedules of specific commitments on market access for goods and services, and agriculture schedules that include commitments on export subsidies and domestic supports. After General Council or Ministerial Conference approval, accession applicants submit the package to their domestic authorities for acceptance (ratification).[23] Thirty days after the WTO receives the applicant's instrument accepting the terms of accession, the applicant becomes a WTO Member.

The accession process requires attention and active engagement from both applicants and WTO Members. Undertaking accession negotiations is a serious decision for any country. Applicants already committed to economic reform, or that demonstrate a strong interest in using WTO provisions as the basis for their trade regimes, usually are the most successful in moving their accession towards completion (*e.g.*, by submitting usable documentation, market access offers, and legislation for WP review on a timely basis). Thus, the pace of the accession process generally depends on the applicant.

The accession process strengthens the international trading system by ensuring that new Members understand and implement WTO rules from the outset. The process also offers current Members the opportunity to secure market access opportunities from acceding countries, to work with accession applicants towards full implementation of WTO obligations, and to address outstanding trade issues covered by the WTO in a multilateral context.

U.S. Leadership and Technical Assistance: The United States has traditionally taken a leadership role in all aspects of the accession negotiations, including in the bilateral, plurilateral, and multilateral aspects of the negotiations. The U.S. objectives are to ensure that the applicant fully implements WTO provisions when it becomes a Member, to encourage trade liberalization in developing and transforming economies, and to use the opportunities provided in these negotiations to expand market access for U.S. exports. The United States also has provided technical assistance to countries seeking accession to the WTO to help them meet the requirements and challenges presented, both by the negotiations and the process of implementing WTO provisions in their trade regimes. The U.S. Agency for International Development (USAID), the USDA, the Commercial Law Development Program (CLDP) of the U.S. Department of Commerce, and the U.S. Trade and Development Agency have provided this assistance on behalf of the United States.

[22] As outlined below, negotiations with applicants designated as "least developed" by the United Nations are subject to special procedures and guidelines, and they do not, as a rule, fully implement WTO provisions prior to accession. Transitional periods may also be negotiated, if necessary, with developing or other applicants that request them and can justify their necessity.

[23] The WP decision to adopt the accession package is by "consensus," *i.e.*, without objection by any WP Member. While there are provisions in the WTO Agreement for the Ministerial Conference or General Council to approve accessions by an affirmative vote of two-thirds of all Members, in practice, the Ministerial Conference or General Council also approve the terms of accession by consensus.

The U.S. assistance can include providing short term technical expertise focused on specific issues (*e.g.*, customs procedures, intellectual property rights protection, or sanitary and phytosanitary matters and technical barriers to trade), and/or a WTO expert in residence in the acceding country or customs territory. A number of the WTO Members that have acceded since 1995 received technical assistance in their accession process from the United States at one time or another, including Afghanistan, Albania, Armenia, Bulgaria, Cape Verde, Croatia, Estonia, Georgia, Jordan, Kazakhstan, Kyrgyz Republic, Latvia, Laos, Liberia, Lithuania, Macedonia, Moldova, Montenegro, Nepal, Russia, Tajikistan, Ukraine, Vietnam, and Yemen. The United States provided resident experts for most of these countries for some portion of the accession process.

In 2016, the United States provided WTO accession assistance to Afghanistan and Iraq. Among current accession applicants, Algeria, Azerbaijan, Belarus, Bosnia and Herzegovina, Ethiopia, Iraq, Lebanon, Serbia, and Uzbekistan received U.S. technical assistance earlier in their accession processes. In addition, Afghanistan, Albania, Georgia, Lao People's Democratic Republic, Macedonia, Nepal, Tajikistan, Ukraine, and Vietnam continue to receive assistance with implementing their membership commitments.

Major Issues in 2016

Liberia and Afghanistan concluded their accession negotiations in 2015, in October and in November, respectively, and WTO Members approved their terms of accession at the 10th Ministerial Conference in Nairobi. Liberia became a WTO Member on July 14, 2016, and Afghanistan became a WTO Member on July 29, 2016. Two formal WP meetings occurred in 2016: Azerbaijan (1) and Comoros (1).

Azerbaijan

Azerbaijan's 13th WP meeting convened in July 2016. WTO Members and Azerbaijan were unable to reach a solution on systemic issues identified in earlier meetings. Members and Azerbaijan also made little progress with respect to their bilateral negotiations on goods and services.

LDC Accessions

WTO Members are committed to facilitating the accession processes of LDCs and to making WTO accession more accessible to these applicants. The accession negotiations for all LDC accession applicants are guided by the simplified and streamlined procedures developed for these countries in response to the WTO General Council Decision on Accessions of Least Developed Countries (WT/L/508) adopted at the end of 2002, and in its addendum, adopted in July 2012 by the General Council.[24] The expanded guidelines established by these documents include provisions under the following pillars: (i) Benchmarks on Goods Concessions; (ii) Benchmarks on Services Commitments; (iii) Transparency in Accession Negotiations; (iv) Special and Differential (S&D) Treatment and Transition Periods; and, (v) Technical Assistance. Points (i) and (ii) establish that market access negotiations for the WTO accession of LDCs are to be guided by special principles and benchmarks more appropriate to the development level of LDC applicants. The transparency provisions confirm evolving practice in LDC accessions for the use of the good offices of the Chairperson of the Sub-Committee on LDCs, as well as the Chairpersons of the LDCs' Accession Working Parties to assist the conclusion of the accession process for LDCs. S&D treatment and technical assistance provisions of the guidelines also confirm the need for restraint and the broad use of transitional provisions when constructing market access commitments, as well as the need for action plans for transitional implementation of WTO provisions. Further, the guidelines confirm the need for enhanced technical assistance and capacity building in LDC accessions.

[24] WT/L/508 and WT/L/508/Add.1.

The United States and other developed country WTO Members support both the 2002 and the 2012 Decisions on LDC Accessions, adhering to the guidelines established by these documents in formulating more flexible negotiating positions on market access and WTO implementation commitments for LDCs. The purpose of the guidelines is to ensure that LDCs are prepared for the responsibilities of WTO Membership by promoting use of technical assistance and structuring transitional periods with action plans, and, in general, making extra efforts to facilitate LDC integration into the multilateral trading system. The guidelines will continue to establish the WTO accession process for LDCs as a tool for economic development, incorporating the applicant's own development program and schedule for receiving technical assistance into an action plan for progressive implementation of WTO rules.

Developments in 2016: With the WTO accession applications of Somalia and Timor-Leste in December 2016, the number of LDCs seeking WTO accession rose to eight.[25] Comoros convened a WP meeting in 2016, and Sudan issued new documents for Members' review at a WP meeting in January 2017. The accession processes of Bhutan and Ethiopia remain dormant. Sao Tome and Principe and Equatorial Guinea have not yet provided documentation to begin negotiations.[26]

Comoros

Comoros' WP was established in October 2007, and the first meeting of the WP was held in December 2016. In September and October 2016, Comoros submitted to WP Members a full set of inputs, including Questions and Replies, a legislative action plan, questionnaires on import licensing and state trading, information on technical barriers to trade, the implementation and administration of the Customs Valuation Agreement, and the implementation of the TRIPS Agreement, and illustrative SPS issues. Members have provided a thorough set of questions and comments for Comoros to review and address. Additional work is expected in 2017.

Prospects for 2017

After a relatively quiet period in 2016, several countries are expected to make progress on their accessions in 2017. Belarus and Sudan have WP meetings scheduled for January 2017, and Comoros aims to prepare for another WP meeting in the first half of the year. Lebanon and Timor-Leste have also expressed interest in making progress in 2017. While Serbia's accession package is relatively advanced, Serbia cannot accede to the WTO until it removes a longstanding legislative ban on trade in biotechnology products, and there are no signs thus far that the ban will be lifted in 2017. Bosnia and Herzegovina's accession could move in 2017 once its outstanding market access negotiations are concluded. Azerbaijan has made efforts to resume work, but its negotiations are not at an advanced stage. Another eight applicants have not made progress for over six years.[27]

K. Plurilateral Agreements

1. Committee on Trade in Civil Aircraft

[25] Bhutan, Comoros, Equatorial Guinea, Ethiopia, Sao Tome and Principe and Sudan.
[26] LDCs that have not yet applied for WTO accession include Eritrea, Timor-Leste, Somalia, South Sudan, Kiribati, and Tuvalu.
[27] Andorra, Bhutan, Equatorial Guinea, Iraq, Libya, Sao Tome and Principe, Syria, and Uzbekistan.

Status

The Agreement on Trade in Civil Aircraft (Aircraft Agreement) entered into force on January 1, 1980, and is one of two WTO plurilateral agreements (along with the Agreement on Government Procurement) that are in force only for those WTO Members that have accepted it.[28]

The Aircraft Agreement requires Signatories to eliminate tariffs on civil aircraft, engines, flight simulators, and related parts and components, and to provide these benefits on a nondiscriminatory basis to other signatories. In addition, the Signatories have agreed provisionally to provide duty-free treatment for ground maintenance simulators, although this item is not covered under the current agreement. The Aircraft Agreement also establishes various obligations aimed at fostering free market forces. For example, signatory governments pledge that they will base their purchasing decisions strictly on technical and commercial factors.

There are currently 32 Signatories to the Aircraft Agreement: Albania, Canada, the EU[29] (the following 20 EU Member States are also Signatories to the Aircraft Agreement in their own right: Austria, Belgium, Bulgaria, Denmark, Estonia, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Romania, Spain, Sweden and the United Kingdom), Egypt, Georgia, Japan, Macau, Montenegro, Norway, Switzerland, Chinese Taipei and the United States. WTO Members with observer status in the Committee are: Argentina, Australia, Bangladesh, Brazil, Cameroon, China, Colombia, Gabon, Ghana, India, Indonesia, Israel, South Korea, Mauritius, Nigeria, Oman, the Russian Federation, Saudi Arabia, Singapore, Sri Lanka, Tajikistan, Trinidad and Tobago, Tunisia, Turkey, and Ukraine. The IMF and UNCTAD are also observers.

The Committee on Trade in Civil Aircraft (Aircraft Committee), permanently established under the Aircraft Agreement, provides the Signatories an opportunity to consult on the operation of the Aircraft Agreement, to propose amendments to the Agreement, and to resolve any disputes.

Major Issues in 2016

The Aircraft Committee held a regular meeting on November 3, 2016. At the regular meeting, the Committee agreed by consensus to grant Tajikistan observer status in the Committee. The Committee also discussed a proposal to start another round of discussions to further update the aviation products list covered by the agreement to align with the 2012 version of the Harmonized System. Members had various views on this idea and the Chairman stated that he will hold informal consultations in due course.

Prospects for 2017

The Aircraft Committee agreed to hold its next regular meeting in November 2017. The United States will continue to encourage recently-acceded WTO Members to become Signatories pursuant to their respective protocols of accession, and will continue to encourage current Committee observers and other WTO Members to become Signatories to the Aircraft Agreement.

[28] Additional information on this agreement can be found on the WTO's website at: http://www.wto.org/english/tratop_e/civair_e/civair_e.htm.

[29] Currently comprising 28 Member States: Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden, and the United Kingdom.

2. Committee on Government Procurement

Status

Membership

The WTO Agreement on Government Procurement (GPA) is a "plurilateral" agreement included in Annex 4 to the WTO Agreement. As such, it is not part of the WTO's single undertaking and its membership is limited to WTO Members that specifically signed the GPA in Marrakesh or that have subsequently acceded to it. WTO Members are not required to join the GPA, but the United States strongly encourages all WTO Members to participate in this important agreement.

Forty-seven WTO Members are parties to the GPA: Armenia; Canada; the EU and its 28 Member States (Austria, Belgium, Bulgaria, Croatia, Czech Republic, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, and the United Kingdom); Hong Kong; Iceland; Israel; Japan; South Korea; Liechtenstein; Moldova; Montenegro; the Netherlands with respect to Aruba; New Zealand; Norway; Singapore; Switzerland; Chinese Taipei; Ukraine; and the United States (collectively the GPA Parties).

As of the end of 2016, nine Members were in the process of acceding to the GPA: Albania; Australia; China; Georgia; Jordan; Kyrgyz Republic; Oman; Russia; and Tajikistan. Three additional Members have provisions in their respective Protocols of Accession to the WTO regarding accession to the GPA: the Republic of Macedonia; Mongolia; and Saudi Arabia.

Australia

Australia applied for accession to the GPA in June 2015 and submitted its initial market access offer on September 8, 2015. Australia submitted a revised offer on September 20, 2016. Australia has set out an ambitious goal of completing its accession in 2017.

China

When China joined the WTO in 2001, it committed to commence negotiations to join the GPA "as soon as possible." In April 2006, China agreed in the United States – China Joint Commission on Commerce and Trade (JCCT) to submit its initial offer of coverage by the end of 2007. Based on these commitments, China submitted its application for accession to the GPA and its Initial Appendix I Offer on December 28, 2007. The United States submitted its Initial Request for improvements in China's Initial Offer in May 2008. In accordance with a commitment that China made at the United States-China Strategic and Economic Dialogue in July 2009, China submitted a report to the GPA Committee on its plans for submission of a revised offer and the difficulties it has encountered in revising its offer.

At the JCCT meeting in October 2009, China committed to table a revised offer in 2010. China submitted its first Revised Offer in July 2010. The United States submitted its Second Request for improvements in China's revised offer in September 2010. China also submitted its responses to the Checklist of Issues for Provision of Information Relating to Accession in September 2008.

In April 2010, the United States submitted questions to China on its responses to the Checklist of Issues. China replied to U.S. questions in October 2010. At the JCCT meeting in December 2010, China committed to table a second revised offer in 2011. During President Hu's January 2011 visit to Washington, China

expressly committed that its second revised offer would include sub-central entities. On November 30, 2011, China submitted its second Revised Offer, which included several sub-central entities. On July 3, 2012, the United States submitted its Third Request for improvements in China's offer. On November 29, 2012, China submitted its third Revised Offer. On December 30, 2013, China submitted its fourth Revised Offer, which included lower thresholds, increased coverage of sub-central entities, and improvements in other areas. During the 24th JCCT meeting in December 2013, China committed to circulate a further revised offer later in 2014, which would provide coverage commensurate, on the whole, with that of existing GPA Parties.

China reconfirmed this at the GPA Committee's meetings in June and October 2014. Parties requested that China submit its further revised offer as early as possible and certainly before the end of 2014, in order to enable the Committee to give appropriate consideration to it at the Committee's meeting scheduled for February 2015.

On December 22, 2014, China submitted its fifth Revised Offer. While this fulfilled China's 2013 JCCT commitment to submit an offer in 2014, it did not meet the U.S. request for improvements and was not commensurate with the coverage provided by the United States and other GPA Parties. In 2016, the United States and China held bilateral discussions on China's accession, but as of November 2016, China had submitted no new offer.

Jordan

Jordan submitted its initial offer of coverage in 2002. It has submitted several revised offers, in response to requests by the United States and other GPA Parties for improvements. Negotiations on Jordan's accession did not make progress in 2016.

Kyrgyz Republic

The Kyrgyz Republic's accession to the GPA, which had been inactive since 2003, moved forward in 2009 when it submitted updated responses to the Checklist of Issues. In January 2016 the Kyrgyz Republic circulated its newly revised Law on Public Procurement and submitted a "revised initial offer." The Kyrgyz Republic followed up with its second and third revised offer on May 26, 2016 and October 4, 2016, respectively. While the third revised offer addressed most GPA Parties' requests for improvements, the Parties continue to engage with the Kyrgyz Republic on the remaining outstanding issues. The GPA Parties continue to review the Kyrgyz Republic's procurement procedures to ensure consistency with WTO GPA obligations.

Russia

In its WTO Protocol, Russia committed to request observer status in the GPA and to begin negotiations to join the GPA within four years of its WTO accession. Russia became a GPA observer on May 29, 2013, and informed the GPA Parties on August 19, 2016 of its intent to initiate negotiations to join the GPA. As of November 2016, Russia has not submitted its initial offer, which would officially initiate negotiations.

Tajikistan

Consistent with Tajikistan's commitment to initiate GPA accession negotiations, made in the course of its accession to the WTO in March 2013, Tajikistan applied for accession to the GPA and submitted its initial offer in February 2015. In February, June, and October 2016, Tajikistan submitted a revised market access offer, second revised offer, and third revised offer, respectively.

Observerships

Twenty-nine WTO Members have observer status in the GPA Committee: Albania, Argentina, Australia, Bahrain, Cameroon, Chile, China, Colombia, Costa Rica, Georgia, India, Indonesia, Jordan, Kazakhstan, the Kyrgyz Republic, Malaysia, Mongolia, Oman, Pakistan, Panama, Russia, Saudi Arabia, Seychelles, Sri Lanka, Tajikistan, Thailand, the former Yugoslav Republic of Macedonia, Turkey, and Vietnam. (The observership of Kazakhstan was approved in 2016). Four intergovernmental organizations, the IMF, ITC, OECD, and UNCTAD, also have observer status.

Revised GPA

On December 15, 2011, the GPA Parties reached agreement on the conclusion of negotiations, which had been conducted over more than a decade, to revise the GPA. The outcome included a revision of the text of the GPA to streamline and clarify its obligations, to incorporate flexibilities that reflect modern procurement practices, and to facilitate its implementation. The revised GPA also significantly expanded the procurement covered under the GPA. As part of the GPA package, the GPA parties adopted a set of Future Work Programs to be undertaken by the GPA Committee following the entry into force of the revised GPA. These include programs related to: (i) the treatment of small and medium sized enterprises; (ii) sustainable procurement; (iii) the collection and dissemination of statistical data; (iv) exclusions and restrictions in GPA Parties' Annexes; and (v) safety standards in international procurement. The GPA Committee has also approved a decision relating to the use of electronic means to fulfill notification requirements under Articles XIX and XXII of the revised GPA.

In March 2012, the GPA Parties formally adopted the results of the revision of the GPA. The GPA Parties also agreed to undertake the necessary domestic approval procedures so that the revised GPA could enter into force as soon as possible. On December 2, 2013, the United States deposited its instrument of acceptance. On December 3, 2013, the GPA parties committed to bring the revised GPA into force by March 31, 2014.

The revised GPA entered into force on April 6, 2014 after 10 Parties, two-thirds of the Parties[30] to the GPA at that time, deposited their instruments of acceptance. As of November 2016, 14 Parties had deposited their instruments of acceptance. Only Switzerland has yet to deposit its instruments of acceptance. U.S. obligations to Switzerland are defined under the 1994 GPA.

Major Issues in 2016

The GPA Committee formally adopted arbitration procedures as called for under the revised GPA. The arbitration procedures provide a tool for the resolution of disputes arising in the context of modifications or rectifications to coverage pursuant to Article XIX of the revised GPA.

The GPA Committee accelerated its implementation of the four (of five) Work Programs that were adopted as part of the revised GPA covering: small and medium enterprises, sustainable procurement, the collection and reporting of statistical data, and exclusions and restrictions in Parties' Annexes. The Work Programs were established to facilitate the implementation of the GPA and inform any furture negotiations. While

[30] On April 6, 2014 the 15 Parties to the GPA were: Armenia, Canada, the EU (and its 28 Member States -- Austria, Belgium, Bulgaria, Croatia, Czech Republic, Cyprus, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, and the United Kingdom), Hong Kong, Iceland, Israel, Japan, the Republic of Korea, Liechtenstein, the Netherlands with respect to Aruba, Norway, Singapore, Switzerland, Chinese Taipei, and the United States.

the GPA Committee made progress on all four Work Programs, work on sustainable procurement and small and medium enterprises was particularly notable in 2016. In the small business work program, the GPA Parties submitted follow-up questions and responses to those questions. In the sustainable procurement work program, the GPA Parties agreed to hold a symposisum with sustainable procurement experts to learn more about the issue.

In January, the Kyrgyz Republic restarted its accession process. In May 2016, the GPA entered in force for Ukraine. In July, the GPA entered into force for Moldova.

During 2016, the GPA Committee held four formal and informal meetings (in February, June, October, and November) focused on accessions, new members, arbitration procedures, and Work Programs. In addition, the GPA Committee held further discussions at the informal meetings on the accessions to the GPA of Australia, China, the Kyrgyz Republic, Russia, Saudi Arabia, and Tajikistan.

Prospects for 2017

The GPA Committee will continue to work to advance GPA accessions, in particular, of Australia, China, the Kyrgyz Republic, and Tajikistan. The GPA Committee will continue its work on implementing the Work Programs.

3. The Information Technology Agreement and the Expansion of Trade in Information Technology Products

Status

The ITA[31] is a plurilateral agreement to eliminate tariffs on certain information and communications technology (ICT) products. The ITA covers a wide range of ICT products, including computers and computer peripheral equipment, electronic components including semiconductors, computer software, telecommunications equipment, semiconductor manufacturing equipment, and computer-based analytical instruments. To date, 82 WTO Members are ITA participants. Among these 82 ITA participants, however, Morocco has yet to submit the formal documentation to implement its ITA commitments, and El Salvador has indicated that implementation would begin after the completion of domestic legal procedural requirements.

In 2012, a subset of ITA participants launched negotiations to expand significantly the product coverage of the ITA. Those negotiations were concluded in 2015, and participants began implementation of their tariff commitments this year, as elaborated below.

Major Issues in 2016

<u>The Expansion of Trade in Information Technology Products</u>:

The United States and over 50 WTO Members announced the landmark agreement to expand the list of ICT products subject to duty elimination in 2015. This agreement, referred to as "ITA Expansion," commits parties to phase out hundreds of tariffs on additional ICT products.[32] ITA Expansion requires tariff

[31] More formally known as the "WTO Ministerial Declaration on Trade in Information Technology Products" (WT/MIN(96)/16).
[32] "Declaration on the Expansion of Trade in Information Technology Products" (WT/L/956).

elimination on a list of 201 products, including advanced semiconductors, high-tech medical devices, global positioning systems, software media, video game consoles, and high-tech ICT testing instrumentation. This is the first major tariff-elimination deal at the WTO in 18 years.

In 2016, the Parties took steps to implement ITA Expansion. Under the agreement, each Party agreed to implement its initial tariff reductions for covered products by 1 July 2016, subject to completion of its domestic procedural requirements. The majority of Parties, including key U.S. export markets, such as China, Korea, and the EU, have completed implementation of their initial tariff reductions and have put in place procedures to make subsequent reductions as called for in ITA Expansion. In addition, the majority of Parties have submitted, in accordance with the relevant WTO procedures,[33] modifications to their WTO tariff schedules of concessions, which will incorporate these duty-free tariff commitments into their overall WTO tariff commitments.

The WTO estimates that ITA Expansion will eliminate tariffs on roughly $1.3 trillion in annual global trade of ICT products, which global industry estimates will increase annual global gross domestic product by an estimated $190 billion. With implementation of ITA Expansion, over $180 billion in annual American technology exports will no longer face burdensome tariffs in key markets around the globe.

ITA Committee:

The ITA established the Committee of Participants on the Expansion of Trade in Information Technology Products (the ITA Committee) to carry out the provisions of the ITA, among which are to review the current product coverage with a view to incorporate additional products, and consider any divergence among ITA participants in classifying ITA products. The ITA Committee does not cover the ITA Expansion agreement; however, ITA Expansion Parties provide regular updates to the ITA Committee on the status of implementation. ITA Expansion contains a review clause through which the Parties will review ITA Expansion product coverage by no later than January 1, 2018.

The ITA Committee held two formal meetings in April and November 2016.[34] In those meetings, the ITA Committee continued its deliberations on the Non-Tariff Measures (NTMs) Work Program. With regard to its work on the Electro-Magnetic Compatibility/Electro-Magnetic Interference (EMC/EMI) Pilot Project, the ITA Committee took note that 33 ITA participants (including the EU as one participant) have provided survey responses to the ITA Committee, and encouraged those that had not provided the information to do so without further delay. In considering ways to advance and expand its work on NTMs beyond EMC/EMI, the ITA Committee continues to discuss the main issues raised by Members, including transparency, standards for recognition of test results, and electronic-labeling.

The ITA Committee also continued a discussion of classification divergences on certain ITA products. These discussions are aimed at eliminating differences in the way ITA participants classify ITA products in their national tariff schedules. In 2013, the ITA Committee adopted a decision to endorse the classification of 18 ITA Attachment B items in the Harmonized System (HS) 1996 nomenclature. For the 37 remaining items listed in Attachment B, or identified as "for Attachment B" in section 2 of Attachment A, the ITA Committee agreed on a Decision for the HS 2007 classification of 15 additional items.[35] The WTO Secretariat prepared and circulated a list of these remaining 22 items and their possible classification in HS2007 nomenclature. ITA participants are required to indicate those items for which

[33] The relevant procedures are detailed in the "Decision on 26 March 1980 on Procedures for Modification and Rectification of Schedules of Tariff Concessions" (BISD 27S/25).
[34] The minutes of these Committee meetings are contained in WTO documents G/IT/M/64 and G/ITA/M/65 (not yet released).
[35] The ITA Committee Decision is contained in WTO document G/IT/29.

their classification diverges from the list prepared by the Secretariat; if an ITA participant's classification differs, then it must identify the HS2007 sub-heading (*i.e.* HS 6-digit level) under which it classifies the Attachment B product in question. After receiving responses from ITA participants, the WTO Secretariat compiled and circulated the answers to the ITA Committee.[36] On that basis, ITA participants are able to assess the next steps to reduce any remaining divergences in the classification of such ITA products.

Prospects for 2017

With respect to implementation of ITA Expansion, the Parties will continue to implement tariff reductions and to take the steps necessary to bind these tariff commitments in accordance with WTO procedures.

The ITA Committee will hold a symposium on June 27-28, 2017, to mark the 20th Anniversary of the ITA, and continue its on-going work to reduce divergences in the classification of products covered by the ITA as well as continue to examine non-tariff measures that impact the sector. The next meeting of the ITA Committee will be held in the first quarter of 2017.

[36] The comments on the additional items are contained in WTO document G/IT/W/40 and its addenda and supplements.

III. BILATERAL AND REGIONAL NEGOTIATIONS AND AGREEMENTS

A. Free Trade Agreements

As with Chapter II, the primary focus of this chapter is on actions taken by the U.S. Government during 2016. The Trump Administration continues to review the various negotiations and agreements discussed in this chapter, and will provide further guidance as the year continues.

1. Australia

The United States-Australia Free Trade Agreement (FTA) has supported bilateral trade and investment with Australia, supporting jobs and new economic opportunities in both countries. Since the FTA entered into force, two-way goods trade has increased 47.7 percent, from $21.5 billion in 2004 to $31.8 billion in 2016. Two-way services trade nearly tripled in the same period, from $10.4 billion in 2004 to $29.3 billion in 2015 (latest data available). The United States had a $12.7 billion goods trade surplus with Australia in 2016 and a $15.3 billion services trade surplus in 2015 (latest data available). In May 2016, officials from the United States and Australia held a meeting of the United States-Australia FTA Joint Committee to review implementation of the agreement, and discussed issues related to goods, services, investment, plant and animal health, and intellectual property. U.S. officials also engaged bilaterally with Australian officials on these issues throughout 2016. In addition, the United States and Australia have been close partners through WTO, APEC, and other regional initiatives.

2. Bahrain

The United States-Bahrain Free Trade Agreement (FTA), which entered into force on August 1, 2006, continues to generate export opportunities for the United States. Since the FTA entered into force, two-way goods trade has doubled from $782 million to $1.7 billion. The FTA provided for 100 percent of the two way trade in industrial and consumer products to flow without tariffs from the date of its entry into force. In addition, Bahrain opened its services market, creating important new opportunities for U.S. financial service providers and U.S. companies that offer telecommunication, audiovisual, express delivery, distribution, healthcare, architecture, and engineering services. The United States-Bahrain Bilateral Investment Treaty, which took effect in May 2001, covers investment issues between the two countries.

To manage implementation of the FTA, the agreement establishes a central oversight body, the United States-Bahrain Joint Committee, chaired jointly by USTR and Bahrain's Ministry of Industry and Commerce.

During 2016, U.S. Government officials continued to engage with officials from Bahrain's Ministries of Labor, Industry and Commerce, and Foreign Affairs, as well as labor unions and business representatives, to address labor rights concerns highlighted during consultations that began in 2013 under the United States-Bahrain FTA. Areas of ongoing discussion include: enhancing outreach and enforcement of labor laws on freedom of association and collective bargaining; considering legal amendments to improve the consistency of Bahraini labor laws with international labor standards; encouraging regular tripartite dialogue on labor matters; addressing concerns about visa denials that prevent Bahraini and international labor stakeholders from participation in labor conferences, trainings and panels in Bahrain and abroad; and improving Bahrain's capacity to respond to cases of employment discrimination. The government of Bahrain signed

an agreement during 2014 with the General Federation of Bahrain Trade Unions and the Bahrain Chamber of Commerce and Industry to address many of these concerns, including employment discrimination. That agreement led to the closing of a complaint filed with the International Labor Organization by Bahrain's unions. However, challenges remain in fulfilling the terms of the agreement.

For a discussion of environment related activities in 2016, see Chapter IV.A.2.

3. Central America and the Dominican Republic

Overview

On August 5, 2004, the United States signed the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR or Agreement) with five Central American countries (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua) and the Dominican Republic. CAFTA-DR eliminates tariffs, opens markets, reduces barriers to services, and promotes transparency.

Central America and the Dominican Republic represent the third largest U.S. goods export market in Latin America, behind Mexico and Brazil. U.S. goods exports to the CAFTA-DR countries were valued at $28.9 billion in 2016. Combined total two-way trade in 2016 between the United States and Central American CAFTA-DR Parties and the Dominican Republic was $52.3 billion.

The Agreement has been in force since January 1, 2009, for all seven countries that signed the CAFTA-DR. It entered into force for the United States, El Salvador, Guatemala, Honduras, and Nicaragua during 2006, for the Dominican Republic on March 1, 2007, and for Costa Rica on January 1, 2009.

Elements of the CAFTA-DR

Operation of the Agreement

The central oversight body for the CAFTA-DR is the Free Trade Commission (FTC), composed of the U.S. Trade Representative and the trade ministers of the other CAFTA-DR Parties or their designees. The CAFTA-DR Coordinators, who are technical level staff of the Parties, met in August 2016 in Managua, Nicaragua to follow up on agreements reached by the FTC at its meeting in the Dominican Republic on March 26, 2015, to advance technical and administrative implementation issues under the CAFTA-DR, and to define the agenda for a subsequent meeting of the FTC. At the 2015 FTC meeting, the CAFTA-DR Parties reviewed the implementation of the Agreement and accomplishments of the CAFTA-DR committees and institutions, and endorsed various means to further strengthen the operation of the Agreement (see other implementation matters, below).

In this eleventh year of the CAFTA-DR, U.S. export and investment opportunities with Central America and the Dominican Republic have continued to grow. All the CAFTA-DR partners have committed to strengthening trade facilitation, regional supply chains, and implementation of the Agreement. All U.S. consumer and industrial goods may enter duty free in all the other CAFTA-DR countries' markets. Nearly all U.S. textile and apparel goods meeting the Agreement's rules of origin have been entering the other CAFTA-DR countries' markets duty free and quota free, promoting regional integration and opportunities for U.S. and regional fiber, yarn, fabric, and apparel manufacturing companies. Under the CAFTA-DR, exports of sensitive products under tariff rate quotas constitute two-thirds of U.S. agricultural exports to the region. These quotas continue to increase annually until all tariffs are eliminated by no later than 2025.

Labor

Guatemala

Continuing a process that began in 2008, on September 19, 2014, the United States moved ahead with the dispute settlement proceedings for the labor enforcement case brought by the United States against Guatemala under the CAFTA-DR that had previously been suspended while the disputing Parties worked together on a labor Enforcement Plan. Upon resumption of the dispute, Guatemala and the United States exchanged written submissions pursuant to the Rules of Procedure for dispute settlement under the CAFTA-DR. Eight nongovernmental entities also provided written submissions to the arbitral panel regarding the dispute. On June 2, 2015, a hearing was held in Guatemala City during which the arbitral panel received the oral submissions of both disputing Parties. The proceedings were suspended on November 4, 2015, when a panelist resigned from the panel, and resumed on November 27, 2015, with a new panelist. The panel considered the complex issues under this dispute and the final report is expected in 2017. For additional information, visit https://ustr.gov/issue-areas/labor/bilateral-and-regional-trade-agreements/guatemala-submission-under-cafta-dr.

In August 2016, the U.S. Department of Labor (DOL) posted an official in-house at the Ministry of Labor (MOL) to provide guidance on improving labor law enforcement. In November 2016, the government of Guatemala submitted to Congress proposed labor reforms that would restore administrative sanction authority to the MOL and address long-standing concerns of the International Labor Organization related to freedom of association and collective bargaining, including reducing the number of workers needed to form an industry union and reducing the number of workers needed to approve a strike.

Dominican Republic

In December 2011, a public communication was filed with the DOL alleging that the government of the Dominican Republic failed to ensure the effective enforcement of labor laws in the Dominican sugar sector. The DOL accepted the communication for review and issued a public report in September 2013 which highlighted concerns about potential and apparent violations of Dominican Republic labor laws in the sugar sector with respect to: (1) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health; (2) a minimum age for the employment of children and the prohibition and elimination of the worst forms of child labor; and (3) a prohibition on the use of any form of forced or compulsory labor. The DOL also noted concerns in the sugar sector with respect to Dominican labor law on freedom of association, the right to organize, and collective bargaining. In addition, the report raised significant concerns about procedural and methodological shortcomings in the inspection process that undermine the government's capacity to effectively identify labor violations. The United States engaged with the government of the Dominican Republic as well as with the sugar industry and civil society on the concerns identified in this report, including through multiple visits to the Dominican Republic. During 2016, the DOL, in consultation with USTR and the U.S. Department of State, issued its fifth periodic review on implementation of the recommendations in its 2013 report noting positive steps taken by the Dominican Republic and the sugar industry to address the concerns raised in the report.

Honduras

In March 2012, the American Federation of Labor and Congress of Industrial Organizations and 26 Honduran worker and civil society groups filed a public submission with the DOL alleging that the government of Honduras had failed to effectively enforce its labor laws under the CAFTA-DR labor chapter. Since then, the U.S. Government has engaged with Honduran officials as well as labor unions and employer groups regarding the submission, and on February 27, 2015, the DOL issued a public report with detailed recommendations to improve respect for labor rights in Honduras and address the concerns

identified in the submission. U.S. Government officials from USTR, the DOL and the U.S. Department of State were joined by Honduran officials for the release of the report which took place in Tegucigalpa, Honduras during a joint press conference. Both governments pledged to work together to address the issues raised in the DOL report and issued a joint statement to announce their intention to develop a plan with concrete commitments and timelines to bolster labor enforcement. (For additional information on the DOL report and the joint statement, visit https://ustr.gov/about-us/policy-offices/press-office/press-releases/2015/february/statement-us-trade-representative, and http://www.dol.gov/opa/media/press/ilab/ILAB20150066.htm.).

On December 8, 2015, the DOL and Honduras announced they had concluded a multi-year Monitoring and Action Plan (MAP) that includes comprehensive commitments by Honduras to address legal and regulatory frameworks for labor rights, undertake institutional improvements, intensify targeted enforcement, and improve transparency. Upon full implementation, the plan will address shortcomings noted in the DOL's review concerning labor inspections, access of inspectors to enterprises, illegal dismissals of workers, and other issues. For more information, visit https://ustr.gov/about-us/policy-offices/press-office/blog/2015/december/honduras-monitoring-and-action-plan-shows and http://www.dol.gov/opa/media/press/ilab/ILAB20152378.htm.

In March 2016, the DOL published an assessment of the progress made by Honduras. During the remainder of the year, USTR and the DOL continued to engage closely with the government of Honduras and other stakeholders on the implementation of the MAP. Throughout the year, the government of Honduras has continued to make significant progress implementing the MAP, including by passing a comprehensive new inspection law in January 2017 and convening four tripartite meetings with private sector and labor stakeholders to discuss progress under the MAP.

The U.S. Government is also funding a number of technical cooperation projects in Honduras to support employment and labor rights, including programs supported by USAID and by the U.S. Department of State to promote freedom of association, union formation, and labor-management relations, a $7 million DOL project to reduce child labor and improve labor rights, and a $13 million DOL project to support vocational training for vulnerable youth in El Salvador and Honduras, including youth at risk of migrating.

Capacity Building

Ongoing labor capacity building activities are supporting efforts to promote workers' rights and improve the effective enforcement of labor laws in the CAFTA-DR countries. This includes ongoing support from USAID for efforts to protect the rights of workers in the informal economy and to lift barriers to formalization; for building the capacity of workers and their organizations to constructively advocate for workers' rights with public authorities and employers; and for ensuring that workers and employers develop skills and expertise to resolve disputes. In 2016, USAID continued to support these activities as part of its Global Labor Program, and the U.S. Department of State continued its funding of a program to strengthen the capacity of unions to organize and represent workers, and a program to combat labor violence in Honduras and Guatemala.

Environment

For a discussion of environment related activities in 2016, see chapter IV.A.2.

Trade Capacity Building

In addition to the labor and environment programs discussed above, trade capacity building programs and planning in other areas continued throughout 2016 under the Central America Strategy with the Office of

the U.S. Trade Representative and other agencies. The Central America Strategy promotes trade facilitation in the region and directs diplomatic engagement and programs toward increasing trade capacity within existing free trade agreements. USAID and other donors, including agencies such as the U.S. Departments of Agriculture (USDA), State, and Commerce, carried out bilateral and regional projects with the CAFTA-DR partner countries.

In 2016, USAID continued implementing the Regional Trade and Market Alliances Project to build trade and institutional capacity in Central America and improve trade facilitation. Through this project, USAID supports Central American governments and businesses in areas related to coordinated border management, including customs administration and other border control agencies, promoting improved information technology and efficient procedures, harmonizing regulations, and other steps to reduce the time and cost to trade across borders. Additional funds were committed to focus on key commercial border crossings between the Northern Triangle countries of El Salvador, Guatemala and Honduras. USAID also fosters enhanced public-private dialogue regarding trade facilitation, paving the way for the implementation of the WTO Trade Facilitation Agreement. During 2016, USAID, in partnership with the International Finance Corporation, continued progress on the implementation of an information technology platform for mutual recognition of sanitary registries with Central American Ministries of Health, which is now operational for food and beverage products being produced by and traded among Costa Rica, El Salvador, Guatemala, and Honduras.

USAID has also partnered with USDA to continue supporting CAFTA-DR countries so that their private sectors can take advantage of the trade agreement. In 2016, USAID continued the Food and Agricultural Sustainability Training Program, under which USDA provides assistance in Central America, South America, and the Caribbean to inform countries and private sector exporters of ways to meet new U.S. import requirements. USAID and USDA continued coordinating closely with FDA to build awareness of the U.S. Food Safety Modernization Act, possible impacts thereof, and practical ways to operate domestic food safety processes. Through an interagency agreement signed in 2010 and focused on Central America, USAID and USDA support for trade capacity building and food security has contributed to meeting CAFTA-DR obligations. USAID and USDA provide technical assistance and capacity building on various agricultural technical issues, such as market information systems, as well as sanitary and phytosanitary measures as they relate to intraregional trade and exports to the U.S. market.

Other Implementation Matters

The FTC committed to addressing inefficiencies and obstacles to cross-border trade in the region to increase the transparency and predictability of trade and doing business. The CAFTA-DR countries are poised to reap great benefits from reforming customs practices and reducing the costs and time associated with goods crossing borders because of the highly integrated manufacturing and supply chain linkages throughout the region.

The FTC further emphasized the need for greater regional integration and agreed to support supply chain systems in the region through several project initiatives. Some of these initiatives include a series of measures affecting the U.S. textile and apparel industry in order to strengthen utilization of the agreement.

During 2015, the FTC agreed on changes to the product-specific rules of origin to reflect the changes to the International Convention on the Harmonized Commodity Description and Coding System in 2012 and during 2016 countries took domestic actions necessary to implement the changes. These changes will facilitate the proper implementation of the Agreement. In December 2016, President Obama proclaimed the implementation of the 2007 and 2012 changes for the United States, effective on the date, as announced by USTR in the *Federal Register*. The FTC also agreed to eliminate Costa Rica's tariffs on certain crude vegetable oils, promoting increased trade and competitiveness.

On May 24, 2016, the U.S. International Trade Commission (USITC) issued a report finding that none of the proposed changes, contained in the package of changes to certain product-specific rules of origin, agreed upon at the technical level under CAFTA-DR (Article 4.14), would likely have significant or substantial effects on total U.S. imports, total U.S. exports, or U.S. production. USTR staff had reached agreement with CAFTA-DR partners in 2014 to modify the rules of origin for a package of products, including fishing lures, gaming machines, a type of plastic, and chemicals, in order to create additional opportunities for trade under the Agreement. U.S. exports of these products to the other CAFTA-DR countries were $2.4 billion in 2015, and U.S. imports from the other CAFTA-DR countries were $398 million during the same period. At the 2015 CAFTA-DR Free Trade Commission (FTC) meeting, countries agreed to undertake their respective domestic procedures required to implement these changes. As part of that process, in November 2015, USTR asked the USITC to conduct the study of the probable economic effects of these changes. The next step is for the CAFTA-DR FTC to enter into a formal agreement to implement these changes.

The United States also continued to work closely with its CAFTA-DR partners on bilateral matters related to the Agreement, with a particular focus on ensuring that its partners properly implement the Agreement. For example, the U.S. Government continued to work with several CAFTA-DR partners on implementation of agricultural trade matters. The U.S. Government worked to improve the transparency and effectiveness of tariff rate quota administration procedures, which led to improved access for U.S. exporters of several agricultural products including rice, onion, and potatoes. The U.S. Government also worked with several countries to ensure implementation of CAFTA-DR intellectual property (IP) commitments, including those related to the protection of plant varieties, the protection of certain undisclosed data, and the protection and enforcement of trademarks and geographical indications, as reflected in the CAFTA-DR. In March 2016, following engagement with USTR, Honduras committed to an IP Work Plan consisting of actions to enhance the protection and enforcement of IP in Honduras (https://ustr.gov/sites/default/files/IP-Work-Plan-Honduras-02292016-FINAL.pdf).

4. Chile

Overview

The United States-Chile Free Trade Agreement (FTA) entered into force on January 1, 2004, and with the 12th annual tariff reductions having taken effect on January 1, 2015, 100 percent of originating goods exports can now enter the United States and Chile duty free under the agreement.

The FTA is a comprehensive free trade agreement that resulted in significant liberalization of trade in goods and services between the United States and Chile, with a U.S. goods and services trade surplus with Chile of $9.1 billion in 2015 (latest data available for goods and services trade).

The FTA eliminates tariffs and opens markets, reduces barriers for trade in services, provides protection for intellectual property, promotes regulatory transparency, guarantees nondiscrimination in the trade of digital products, commits the Parties to maintain competition laws that prohibit anticompetitive business conduct, and requires effective enforcement of the Parties' respective labor and environmental laws. In 2016, U.S. goods exports to Chile decreased by 16.2 percent to $12.9 billion, while U.S. goods imports from Chile increased by 0.3 percent to $8.8 billion. Chile is currently our 29th largest goods trading partner with $21.7 billion in total (two-way) goods trade during 2016. The U.S. goods trade surplus with Chile was $4.1 billion in 2016. The United States has a services trade surplus of $2.4 billion with Chile in 2015, up 7.4 percent from 2014.

U.S. foreign direct investment in Chile (stock) was $27.3 billion in 2015, a 1 percent increase from 2014. U.S. direct investment in Chile is led by mining, finance/insurance, and manufacturing.

Elements of the United States-Chile FTA

Operation of the Agreement

The central oversight body for the FTA is the United States-Chile Free Trade Commission (FTC), comprised of the U.S. Trade Representative and Chile's Director General of International Economic Affairs or their respective designees. In December 2016, the FTC held its 11th meeting. Both Parties recognized the value of their dialogue regarding the implementation of Chapter 17 (Intellectual Property Rights) and reaffirmed the interest in continuing this discussion. The United States pressed Chile on the outstanding intellectual property rights issues and explained how the U.S. Trade Facilitation and Trade Enforcement Law Act will be implemented. Concurrently, two of the FTA's committees, the Committee on Technical Barriers to Trade and the Committee on Sanitary and Phytosanitary Matters, also met.

The FTC reviewed implementation of the FTA, including the need to update product-specific rules of origin in the FTA to reflect the 2017 changes to the Harmonized System. The FTC also reaffirmed the goal of resolving SPS concerns and continued cooperation in international fora on SPS matters. At the meeting, Chile provided information on how its pension system is functioning and reforms Chile is considering to address concerns raised by pensioners.

Labor

The FTA Labor Chapter establishes a Labor Cooperation Mechanism for the United States and Chile to work together to improve labor standards and advance common commitments. In this regard, in June 2016, a delegation from the Chilean Ministry of Labor visited Washington, D.C. for a working group meeting of the Inter-American Conference of Ministers of Labor, during which it visited the Jobs Corps center of the U.S. Department of Labor (DOL) to study and learn U.S. practices. In the area of labor protections relevant to the FTA Labor Chapter, Chile has enacted several key pieces of labor legislation over the past decade, covering areas such as the rights of subcontracted workers (2006), equal pay for men and women (2009), victims of trafficking for sexual exploitation and forced labor (2011), domestic workers (2014), and the rights of workers to collective bargaining (2016). The most recent change, which is scheduled to enter into effect in April 2017, limits the ability of employers to replace striking workers, expands collective bargaining rights to some temporary workers and apprentices, and removes obstacles that previously inhibited bargaining beyond the individual enterprise level. In its 2016 annual report on Findings on the Worst Forms of Child Labor, the DOL recognized Chile as having made "significant advancement" and noted positive measures taken in the areas of law enforcement, policy, legislative efforts, and social programs.

Environment

For a discussion of environment related activities in 2016, see Chapter IV.A.2.

5. Colombia

Overview

The United States-Colombia Trade Promotion Agreement (CTPA) entered into force on May 15, 2012. U.S. two-way goods trade with Colombia totaled $26.9 billion in 2016, with U.S. goods exports to

Colombia totaling $13.1 billion. The sixth set of annual tariff reductions was effective on January 1, 2017. Under the CTPA, duties on over 80 percent of U.S. exports of consumer and industrial products to Colombia were eliminated immediately upon entry into force, with remaining tariffs phased out over 10 years. More than half of U.S. agricultural exports to Colombia became duty free immediately upon entry into force, with virtually all remaining tariffs to be eliminated within 15 years. Tariffs on a few most sensitive agricultural products will be phased out in 17 to 19 years. In addition, with limited exceptions, U.S. services suppliers gained access to Colombia's services market, estimated at $172 billion in 2015 (lasted data available). Colombia also agreed to important new disciplines in investment, government procurement, intellectual property rights, labor, and environmental protection.

Elements of the United States-Colombia TPA

Operation of the Agreement

The CTPA's central oversight body is the United States-Colombia Free Trade Commission (FTC), composed of the U.S. Trade Representative and the Colombian Minister of Trade, Industry, and Tourism or their designees. The FTC is responsible for overseeing implementation and operation of the CTPA. The FTC met on November 19, 2012. At that meeting, the two sides discussed the functioning of the agreement and ways to improve its operation. In 2016, the United States and Colombia continued to work together to carry out initiatives launched at the FTC meeting, such as consideration of accelerating the elimination of tariffs for certain goods under the Agreement, establishment of certain elements related to the dispute settlement mechanism, and updates to the Agreement's rules of origin. USTR expects to hold the second FTC meeting to review implementation of the CTPA in 2017.

Labor

The CTPA Labor Chapter includes commitments requiring both countries to adopt and maintain in laws and practices the fundamental labor rights as stated in the 1998 Declaration of Fundamental Principles and Rights at Work of the International Labor Organization, and not to fail to effectively enforce their labor laws or to waive or derogate from those laws in a manner affecting trade or investment. The obligations of the Labor Chapter are subject to the same dispute settlement provisions as the rest of the CTPA and are subject to the same remedies. The entry into force of the CTPA was accompanied by progress by Colombia under the Action Plan Related to Labor Rights (Action Plan), which was developed jointly by the Parties and launched in 2011, and includes specific commitments by the Colombian government to address key areas of concern.

2016 marked the five-year anniversary of the Action Plan, and the United States continued engagement with the Colombian government to support its efforts to improve the protection of workers' rights, prevent violence against trade unionists, and ensure the prosecution of the perpetrators of such violence. The Colombian government took steps to implement the Action Plan in 2016, including issuing a Presidential Decree to crack down on illegal forms of subcontracting that violate labor rights and carrying out the initial review of twenty cases of alleged illegal subcontracting under that decree. The United States will continue to work closely with Colombia on remaining challenges, including the collection of assessed fines for illegal subcontracting, inspections in priority sectors, and implementation of the new decree on illegal forms of subcontracting.

To address the issue of violence, Colombia's Prosecutor General's Office has 20 prosecutors who work on cases of violence against unionists and 83 investigators to support the work of the prosecutors. The United States has worked with Colombia to increase the number of successful prosecutions in cases of violence and threats against unionists. In cases of employers violating certain workers' rights under Article 200 of

the criminal code, the Prosecutor General's Office reported 84 case conciliations through October 2016. In addition, 628 cases under Article 200 remain under investigation; no case has yet completed the trial phase and resulted in a conviction.

Ongoing engagement with Colombian officials in 2016 included videoconferences with Colombia's Minister of Labor and other officials regarding the new subcontracting decree; a July meeting in Washington, DC with Colombia's new Minister of Labor; and a November mission to Colombia by USTR and U.S. Department of Labor (DOL) officials that included a meeting with the Labor Vice Minister, as well as meetings with Colombian labor stakeholders, business representatives, and the Prosecutor General's Office. In addition, DOL and the U.S. Agency for International Development fund four labor-related technical assistance projects in Colombia that aim to: (1) improve the government's capacity to enforce workers' rights; (2) improve workers' access to information on their rights and their ability to protect and assert them; and (3) reduce child labor in the informal and artisanal mining sector, including the promotion of safe work and mitigation of the risk of injuries for adult workers.

The DOL posted a labor attaché at the U.S. Embassy in Bogotá beginning in 2015. Colombia is one of only three countries where the DOL has posted a labor attaché, highlighting the importance of ensuring close engagement with Colombia on labor rights. In 2016, USTR, the DOL, and the U.S. Department of State continued to work in close collaboration with stakeholders in both countries and with the Colombian government to achieve the underlying goals of the Action Plan and to support the efforts of workers to exercise their fundamental rights. The Labor Attaché met frequently with the Vice Minister of Labor and other labor officials.

In May 2016, the DOL received a public submission under the Labor Chapter of the CTPA, from labor unions and NGOs in the United States and Colombia. The submission alleged that the government of Colombia has failed to effectively enforce labor laws and has not adopted and maintained laws that protect fundamental labor rights. The DOL accepted the submission for review in July and issued a report on the submission. The report recommends that the government of Colombia take steps to improve the labor law inspection system, improve the application and collection of fines for employers who violate labor laws, particularly regarding violations for abusive subcontracting arrangements, and improve the investigation and prosecution of cases of violence and threats against unionists. The report also recommends that the U.S. Government initiate consultations between the contact points of the two governments under the Labor Chapter of the trade agreement, to discuss the questions and concerns identified in the review and explore options for implementing the report's recommendations, or similar measures.

Environment

For a discussion of environment related activities in 2016, see Chapter IV.A.2.

6. Israel

The United States-Israel Free Trade Agreement (FTA) is the United States' first FTA. It entered into force in 1985 and continues to serve as the foundation for expanding trade and investment between the United States and Israel by reducing barriers and promoting regulatory transparency. In 2016, U.S. goods exports to Israel decreased 2.5 percent to $13.2 billion.

The United States-Israel Joint Committee (JC) is the central oversight body for the FTA and at its last meeting in February 2016, the JC explored potential new collaborative efforts to increase bilateral trade and investment. During the meeting, the United States and Israel noted progress made in addressing a number of specific standards-related and customs impediments to bilateral trade and agreed to continue to

support existing dialogues that address these issues. Israel continues to revise its standards regime aiming to expand significantly the recognition of standards of internationally respected standards bodies, including those of the United States. The 2014 Israeli standards law has facilitated the enhanced importation into Israel of a broad range of U.S. products. The United States and Israel are also working to make it easier for exporters to gain approvals when claiming duty-free status under the FTA for individual products.

Also at the February JC meeting, Israel proposed resuming negotiations on a permanent agreement to the U.S-Israel Agreement on Trade in Agricultural Products (ATAP). Negotiated initially in 1996, the ATAP was the result of a disagreement between the United States and Israel over the interpretation of the 1985 FTA's provisions on agriculture. The 1996 ATAP allowed for some preferential market access to Israel for U.S. products, but fell far short of the FTA's objective of free trade in agriculture. Renegotiation of the ATAP in 2004 achieved modest additional market access opportunities in Israel for U.S. agricultural products. The renegotiated ATAP was to remain in effect only until December 2008, but Israel and the United States to date have been unable to conclude a successor agreement and have since extended the 2004 ATAP on an annual basis.

In July 2016, the United States proposed revised modalities for a new permanent ATAP agreement, seeking to capitalize on progress in negotiations to date while liberalizing trade to the maximum degree possible. Each side is reviewing the proposals put forward by the other in preparation for the next round of negotiations. In December 2016, the two sides agreed to extend the ATAP agreement through December 31, 2017, while the aforementioned negotiations continue.

7. Jordan

In 2016, the United States and Jordan continued to benefit from their economic partnership. A key element of this relationship is the United States-Jordan Free Trade Agreement (FTA), which entered into force on December 17, 2001, and was implemented fully on January 1, 2010. In addition, the Qualifying Industrial Zones (QIZs) program, established by the U.S. Congress in 1996, allows products to enter the United States duty free if manufactured in Jordan, Egypt, or the West Bank and Gaza, with a specified amount of Israeli content.

U.S. goods exports to Jordan were an estimated $1.5 billion in 2016, up 10 percent from 2015. QIZ products account for about five percent of Jordanian exports to the United States. The QIZ share of these exports is declining relative to the share of exports shipped to the United States under provisions of the FTA.

At the Joint Committee's most recent meeting in May 2016, the United States and Jordan discussed labor, agriculture, specifically current technical barriers to agricultural trade, acceptance of the WTO Trade Facilitation Agreement and accession to the WTO Government Procurement Agreement. The parties opened a dialogue to outline concrete steps to boost trade and investment bilaterally, and between Jordan and other countries in the Middle East region. After the meetings concluded, the issue regarding import licensing of poultry from the United States was resolved to allow the importation of U.S. poultry into Jordan.

The United States also continued to work with Jordan in the area of labor standards, particularly through ongoing efforts under the Implementation Plan Related to Working and Living Conditions of Workers in Jordan, signed in 2013. The Plan addresses labor concerns in Jordan's garment factories including anti-union discrimination against foreign workers, conditions of accommodations for foreign workers, and gender discrimination and harassment. In 2016, the Jordanian Ministries of Health and Labor signed an agreement that will ensure labor inspections include garment dormitories, one of the pending commitments in the Implementation Plan. During 2016, the

United States and Jordan continued to work towards completion of the Implementation Plan.

The Ministry of Labor is working with the DOL-funded ILO Better Work program to improve their understanding of internationally recognized labor standards and the process for conducting audits in the garment sector, including by assigning labor inspectors to the project. Ongoing engagement focuses on internalizing lessons learned from Better Work to build labor inspector capacity, conducting inspections that include dormitories in the QIZs, and continuing outreach efforts to ensure that stakeholders understand their legal rights to participate in unions and enjoy workplaces free of discrimination and harassment. Jordan also worked with Better Work Jordan to ensure that factory-level audits will be publicly available starting in 2017.

DOL also concluded a $4.04 million capacity building project carried out by the ILO through August 2016 to strengthen enforcement efforts to identify and eliminate child labor and to refer children and families vulnerable to child labor, including Syrian refugees, to relevant social services. The project conducted a national child labor survey that included data on Syrian refugee children, developed and trained officials on a child labor monitoring system, raised awareness of child labor, and referred at-risk children and families to social services and educational and vocational opportunities.

Garments from Jordan had been included in DOL's List of Goods Produced by Child Labor or Forced Labor since 2009. During 2016, DOL removed Jordanian garments from the list on the grounds that there had been a significant reduction in the incidence of forced labor in Jordan's garment sector.

For a discussion of environment related activities in 2016, see Chapter IV.A.2.

8. Republic of Korea

Overview

The United States-Korea Free Trade Agreement (KORUS or Agreement) entered into force on March 15, 2012. As of January 1, 2017, five rounds of tariff cuts have taken place under KORUS. Imports of passenger vehicles from the United States began entering Korea duty free as of January 1, 2016. United States exports of goods to Korea fell from $43.5 billion in 2011 to $42.3 billion in 2016. Meanwhile, U.S. imports of goods from Korea rose from $56.7 billion in 2011 to $69.9 billion in 2106. Thus, the U.S. trade deficit in goods with Korea rose from $13.2 billion in 2011 to $27.6 billion in 2016.

Operation of the Agreement

The Agreement's central oversight body is the Joint Committee, chaired by the U.S. Trade Representative and the Korean Trade, Industry and Energy Minister. Senior Officials meetings are typically held just prior to the Joint Committee meetings to coordinate and report on the activities of the committees and working groups established under the agreement.

In 2016, nine committees and working groups established under KORUS met to discuss issues related to the Agreement. USTR consults closely with stakeholders regarding the work of the FTA committees, including with respect to potential agenda items.

The United States also participated in quarterly financial services meetings with Korea. The European Union, which also has a free trade agreement with Korea, participated in the government-to-government sessions of these financial services meetings. The most recent meeting was held on September 6, 2016, which Australia joined.

In May 2016, the third meeting of the Committee on Trade in Goods was held, followed by the fifth meeting of the Medicines and Medical Devices Committee and the third meeting of the Committee on Trade Remedies in September 2016. In October 2016, the second meeting of the Committee on Textiles and Apparel and the fourth meeting of the Professional Services Working Group were held, followed by the second meetings of the Committees on Financial Services and on Technical Barriers to Trade.

The Committee on Trade in Goods focused on the Korea Customs Service's interpretation of Rules of Origin and verification procedures under KORUS. As a result of the meeting, two outstanding customs reviews of U.S. manufacturers were successfully closed. The Committee also discussed concerns with new customs clearance procedures for express delivery packages at Incheon airport, emphasizing the need for customs clearance times to remain consistent with commitments under KORUS and for U.S. express delivery companies to be afforded national treatment. On both an *ad hoc* basis and through the Trade in Goods Committee, USTR will continue to ensure KORUS commitments to provide preferential tariff treatment for originating U.S. goods are honored, and that KCS origin verification cases are handled quickly and reasonably.

The Medicines and Medical Devices Committee discussed Korea's import pricing system, each side's respective patent linkage system, and updates on draft regulations related to pharmaceutical drugs in Korea.

The Professional Services Working Group discussed mechanisms for enhancing trade in professional services, Korea's interest in Mutual Recognition Agreements in the areas of engineering, architectural, and veterinary services.

The Committee on Sanitary and Phytosanitary Matters discussed a range of topics, including Korea's process for reviewing and approving new biotechnology events, outstanding respective plant and animal market access issues, and issues related to maximum residue limits (MRLs) for pesticides, which are the maximum legally acceptable levels of pesticide residues in food and agricultural products. Regarding MRLs, the United States and Korea had a constructive exchange on ideas for facilitating the transparent and efficient establishment of tolerance levels under Korea's ongoing transition to a positive list system. Topics discussed in the Committee on Agricultural Trade included KORUS tariff-rate quota administration, an essential component in ensuring that the established tariff-rate quotas deliver their intended benefits.

In November 2016, USTR and the U.S. Department of Labor traveled to Korea for technical-level conversations concerning matters related to the KORUS labor chapter. These discussions were held with the Korean Ministry of Employment and Labor (KMOEL), unions, employers, companies, NGOs, and national labor law experts. As follow-up to a 2015 United States–Korea workshop, the U.S. delegation and KMOEL also discussed cooperative efforts to facilitate corporate compliance with the international labor standards in global supply chains.

Throughout 2016, in line with work being done under the auspices of the Autos Working Group, USTR closely followed implementation of a new fuel economy standard in Korea, new emissions testing requirements, and the implementation of new consumer protection policies covering: (1) disclosure by manufacturers to consumers of repairs made to a vehicle prior to sale; and (2) the right of repair shops to access information needed to service vehicles. In May, USTR and Ministry of Land, Infrastructure and Transportation officials met in Seoul to discuss progress being made in regard to right to repair and damage disclosure issues. The United States and Korea also emphasized the need for further harmonization of Korean regulations, continued involvement of stakeholders into the regulatory process, and the need for quality regulatory analysis.

The U.S. Government also addresses KORUS compliance and other trade issues on a continual basis through regular inter-sessional consultations, through respective embassies, and through other engagements

with the Korean government (including at senior levels) in order to resolve issues in a timely manner. In 2016, the United States focused on trade and implementation issues including regulatory transparency, competition policy, customs policies, automotive trade, intellectual property, market access for electronic mapping services, and medical devices. Through U.S. engagement with Korea, the United States succeeded in making significant progress in addressing issues in many of these areas.

For a discussion of environment related activities in 2016, see chapter IV.A

9. Morocco

The United States-Morocco Free Trade Agreement (FTA) entered into force on January 1, 2006. The FTA supports the significant economic and political reforms that are underway in Morocco and provides improved commercial opportunities for U.S. exports to Morocco by reducing and eliminating trade barriers.

Since the entry into force of the FTA, two way U.S.-Morocco trade in goods has grown from $927 million in 2005 (the year prior to entry into force) to $2.9 billion in 2016. U.S. goods exports to Morocco in 2016 were $1.9 billion, up 14.8 percent from the previous year. Corresponding U.S. imports from Morocco in 2016 were $1 billion, up 1.0 percent from 2015. Services trade in 2015 (the most recent year available) included $657 million in exports and $585 million in imports.

The United States and Morocco held the fourth meeting of the FTA Joint Committee (JC) on February 20, 2015, in Rabat. American and Moroccan officials noted the productive cooperation both sides had pursued under the Labor and Environment FTA subcommittees, which had last met in 2014. They highlighted recent improvements to Morocco's legislative regime for the protection of intellectual property rights and outlined Morocco's steps to implement the bilateral Customs and Mutual Assistance and Trade Facilitation agreements, signed in 2013, as well as the multilateral 2013 WTO Trade Facilitation Agreement.

During the JC meeting, the U.S. delegation raised questions regarding recent Moroccan trade legislation; certain local content requirements in government tenders, which had the potential to hinder the competitiveness of U.S. firms in bidding processes; Morocco's July 2014 implementation of an export and harvest quota for Gigartina seaweed, a key input for a U.S. processor; and a pending Moroccan-EU agreement on the protection of geographical indications for EU products in the Moroccan market. In an effort to better understand U.S. market access procedures and to streamline Morocco's export model, the Moroccan delegation requested information on how U.S. ports efficiently manage security and container processing, in addition to asking for assistance in liaising with U.S. investment-promotion entities.

U.S. and Moroccan officials held an Agriculture and SPS FTA Sub-Committee meeting in October 2016 in Washington, DC. The two-day meeting covered a full range of agricultural and SPS issues between the countries and provided opportunities for technical consultations. The delegations completed the process to allow export of bovine genetics and pet food from the United States to Morocco; the Moroccan delegation announced that the country would allow imports of poultry and poultry products from U.S. regions not currently affected by highly pathogenic avian influenza.

With regard to labor, the U.S. Department of Labor continued to fund two projects under the FTA labor cooperation mechanism: one to reduce child labor and help build the capacity of relevant government agencies to combat child labor, and another to support the development and implementation of gender parity in employment policies, including by supporting civil society groups that are working to expand women's access to work. The government of Morocco also passed a domestic worker law in 2016 that addresses an area of concern raised by the United States during the 2014 FTA Labor Sub-Committee meeting. The law, which takes effect in August 2017, extends protections and benefits to domestic workers by setting a

minimum wage, establishing a minimum age for employment, limiting weekly hours of work, and providing such workers with a day of rest.

For a discussion of environment-related activities in 2016, see Chapter IV.A.2.

10. North American Free Trade Agreement

Overview

On January 1, 1994, the North American Free Trade Agreement between the United States, Canada, and Mexico (NAFTA) entered into force. Tariffs were eliminated progressively, with all final duties and quantitative restrictions eliminated, as scheduled, by January 1, 2008. In 2016, the United States exported $266.8 billion worth of goods to Canada, and imported $278.1 billion worth of goods from Canada, for a bilateral trade deficit in goods of more than $11.2 billion. During the same year, the United States exported almost $231 billion worth of goods to Mexico, and imported $294.2 billion worth of goods from Mexico, for a bilateral trade deficit of $63.2 billion. The United States has had a trade deficit in goods with both Mexico and Canada in every year since 1994.

Elements of NAFTA

Operation of the Agreement

The NAFTA's central oversight body is the NAFTA Free Trade Commission (FTC), composed of the U.S. Trade Representative, the Canadian Minister for International Trade, and the Mexican Secretary of Economy, or their designees. The FTC is responsible for overseeing implementation and elaboration of the NAFTA and government-to-government dispute settlement.

The FTC held its most recent meeting in Washington, D.C. on April 3, 2012. Since October 2012, trade ministers, senior officials, and experts from the United States, Canada, and Mexico have met regularly to expand and deepen trade and investment opportunities in North America , and will continue to do so.

NAFTA and Labor

The North American Agreement on Labor Cooperation (NAALC), a supplemental agreement to the NAFTA, promotes effective enforcement of domestic labor laws and fosters transparency in their administration. The NAALC established a tri-national Commission for Labor Cooperation, composed of a Ministerial Council and an administrative Secretariat. In addition, each NAFTA Party has established a National Administrative Office (NAO) within its Labor Ministry to serve as a contact point with the other Parties and the Secretariat, to provide publicly available information to the Secretariat and the other NAOs, and to provide for the submission and review of public communications on labor law matters. The NAOs, together with the Secretariat, can also carry out cooperative activities promoted by the Council.

In 2016, the U.S. Department of Labor (DOL) and the Mexican Secretariat of Labor and Social Welfare (STPS) published a joint report that summarized the educational and outreach activities completed in 2015 on the rights of workers in the United States under H-2A and H-2B visas. In the United States, the DOL held 29 outreach events in 15 states, reaching more than 2,300 workers and 1,000 employers. In Mexico, STPS held 11 events, reaching approximately 1,600 people. Additionally, the Mexican NAO received a submission in July 2016 from two former H-2 workers, the Centro de los Derechos del Migrante, and 27 other organizations, alleging gender discrimination in the H-2 system visa system in the United States. The Mexican NAO accepted the submission for review in August 2016, and it remains pending. Also in 2016,

the U.S. NAO published its report of review on U.S. Submission 2015-04 (Mexico) concerning Mexico's obligations under the NAALC regarding workers' rights. DOL received Submission 2015-04 in November 2015 from the United Food & Commercial Workers Local 770, the Frente Auténtico del Trabajo, the Los Angeles Alliance for a New Economy, and the Project on Organizing, Development, Education, and Research. DOL accepted the submission for review on January 11, 2016. The U.S. NAO found that there was insufficient evidence at that time to support specific conclusions related to the Mexican government's application of labor laws at the chain of stores referenced in the submission. Nevertheless, the report discusses in detail DOL's longstanding concerns related to protection contracts and the primary factors that facilitate them, such as structural bias in the Conciliation and Arbitration Boards (CABs) that administer labor justice in Mexico. The report notes that constitutional and legislative reforms proposed by President Enrique Peña Nieto would address the underlying factors related to these concerns. The constitutional reforms abolishing the CABs and creating a system of labor courts were introduced in April 2016 and were approved by Mexico's Congress in November 2016. As of January 2017, a majority of Mexico's state legislatures had approved the constitutional reforms, as required by law for ratification, and the reforms are expected to be implemented by early 2018. Additional legislative reforms to address protection contracts and union representation challenges are pending in Mexico's Congress. The report urged expeditious passage and implementation of the reforms, and the U.S. NAO will continue to monitor and engage with the Mexican government on these and other issues in the submission.

NAFTA and the Environment

The North American Agreement on Environmental Cooperation (NAAEC) established the Commission for Environmental Cooperation (CEC), comprised of a Council, a Secretariat, and a Joint Public Advisory Committee. The Council, comprised of the environmental ministers from the United States, Canada and Mexico, met for its annual Council session on September 8 and 9, 2016 in Merida, Mexico. The Council reiterated its commitment to clean and sustainable growth, committed to deliver results in support of the NALS agreements, identified marine litter and food waste as future areas of work within the organization, and recognized the work on a key priority, sustainable communities and ecosystems, including projects on the relationship between ecosystems, job creation, gender impacts and income generation. The Secretariat also reported on another key priority, promoting green growth across North America, which included work to foster harmonized private sector approaches to energy management, strategies for sustainable trade in select CITIES Appendix II species, and aligning mercury trade statistics in North America.

Articles 14 and 15 of the NAAEC establish a process for nongovernmental individuals or entities residing or established in the United States, Canada, or Mexico to file a public submission asserting that a Party is failing to effectively enforce its environmental law. In 2016, the CEC Parties continued the practice of reporting on actions taken on public submissions on enforcement matters concluded over the previous year. This is part of the CEC's commitment to transparency and good governance.

Additionally, since 1993, Mexico and the United States have helped border communities with environmental infrastructure projects in furtherance of the goals of the NAFTA and the NAAEC. The Border Environment Cooperation Commission (BECC) and the North American Development Bank (NADB) are working with communities throughout the United States-Mexico border region to address their environmental infrastructure needs.

11. Oman

The United States-Oman Free Trade Agreement (FTA), which entered into force on January 1, 2009, complements other U.S. FTAs in the Middle East and North Africa (MENA) to promote economic reform

and openness throughout the MENA region. In 2016, the United States exported $1.78 billion worth of goods to Oman, and imported $1.1 billion worth of goods from Oman.

The central oversight body for the FTA is the United States-Oman Joint Committee (JC), chaired jointly by USTR and Oman's Ministry of Commerce and Industry. Meetings of the JC have addressed a broad range of trade issues, including efforts to increase bilateral trade and investment levels; efforts to ensure effective implementation of the FTA's customs, investment and services chapters; possible cooperation in the broader MENA region; and additional cooperative efforts related to labor rights and environmental protection.

The Oman trade union federation was formed in 2006, as a result of major labor reforms by the government of Oman enacted in the context of entry into force of the FTA, which allowed independent unions in Oman for the first time. Oman has since seen a rapid increase in unionization with over 200 enterprise-level unions and a sub-federation for trade unions established in the oil and gas sectors. The program continued to work with the Omani government in 2016, in collaboration with unions and businesses, to promote social dialogue and resolve labor disputes, improve labor inspections, and strengthen technical and vocational training programs.

For a discussion of environment related activities in 2016, see Chapter IV.A.2.

12. Panama

Overview

The United States-Panama Trade Promotion Agreement (TPA) entered into force on October 31, 2012. The United States' two-way goods trade with Panama was $6.6 billion in 2016, with U.S. goods exports to Panama totaling $6.1 billion. Under the TPA, tariffs on 86 percent of U.S. consumer and industrial goods exports to Panama (based on 2011 trade flows) were eliminated upon entry into force, with any remaining tariffs phased out within 10 years. Additionally, nearly half of U.S. agricultural exports became duty free, with most remaining tariffs to be phased out within 15 years. Tariffs on a few of the most sensitive agricultural products will be phased out in 18 to 20 years. Following the first tariff reduction under the TPA on October 31, 2012, subsequent tariff reductions occur on January 1 of each year; the sixth round of tariff reductions took place on January 1, 2017. The TPA also provides new access to Panama's estimated over $36 billion services market (2015 data; most recent available) and includes disciplines related to customs administration and trade facilitation, technical barriers to trade, government procurement, telecommunications, electronic commerce, intellectual property rights, and labor and environmental protection. As of 2015, U.S. services trade with Panama included $1.6 billion in exports and $1.3 billion in imports.

Elements of the United States-Panama TPA

Operation of the Agreement

The TPA's central oversight body is the United States-Panama Free Trade Commission (FTC), composed of the U.S. Trade Representative and the Panamanian Minister of Trade and Industry or their designees. The FTC is responsible for overseeing implementation and operation of the TPA. The United States and Panama continued to work cooperatively during 2016 to continue to implement the provisions of the TPA and address the few issues of concern that arose during the year. The United States and Panama held an FTC meeting on November 22, 2016, to review progress on implementation of the TPA, including the establishment of the Environment Secretariat in December 2015 and efforts to hire an Executive Director

for the Secretariat in 2016. The FTC also discussed Panama's next steps on outstanding intellectual property commitments such as Internet Service Provider Liability (Article 15.11.27) and pre-established damages (Article 15.11.8), and bilateral concerns related to trade in agricultural products. Both sides agreed that implementation was proceeding and providing new opportunities for traders and investors, and agreed on next steps on ongoing issues.

Recognizing the importance of an effective dispute settlement procedure to ensuring both countries' rights and benefits under the Agreement, in 2016, both sides continued to work to establish four rosters of potential panelists for disputes that may arise under the TPA concerning general matters, as well as under the Labor, Environment, and Financial Services chapters of the TPA. The finalization of the rosters will complete the establishment of the dispute settlement infrastructure for the Agreement, building on the 2014 FTC decisions establishing model rules of procedures for the settlement of disputes, a code of conduct for panelists, and remuneration of panelists, assistants, and experts, and the payment of their expenses. In December 2016, the United States and Panama agreed to update the TPA's rules of origin to correspond to the 2007 and 2012 changes in the Harmonized System (HS) nomenclature.

Labor

The TPA includes a Labor Chapter with commitments requiring both countries to adopt and maintain in laws and practices the fundamental labor rights as stated in the 1998 Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), and not to fail to effectively enforce their labor laws or to waive or derogate from those laws in a manner affecting trade or investment. The obligations under the Labor Chapter are subject to dispute settlement provisions, just as other obligations in the TPA are, and therefore are subject to the same remedies.

Panama undertook a series of major legislative and administrative actions beginning in 2009 to 2016 to further strengthen its labor laws and labor enforcement, including new laws to protect the right to strike, eliminate restrictions on collective bargaining, update the list of hazardous occupations prohibited for children, and protect the rights of temporary workers. Panama has also taken administrative actions to address concerns in the areas of subcontracting, temporary workers, employer interference with unions, bargaining with non-union workers, strikes in essential services, and labor rights in the maritime sector. U.S. Government officials met with government officials from the Panamanian Ministry of Labor in February of 2016 in Washington D.C., and discussed labor law enforcement issues and best practices in the areas of child labor, wage-and-hour protections and occupational safety and health.

In addition, the Department of Labor (DOL) is currently funding three projects in Panama to further combat exploitative child labor, including a $6.5 million, four-year project implemented by Partners of the Americas to address the worst forms of child labor among the most vulnerable populations in Panama, including Afro-descendants and migrant and indigenous children and their families, by providing them with educational and livelihood services. DOL is also funding a $3.5 million, four-year project implemented by the ILO to strengthen the enforcement of child labor and occupational safety laws in Panama that runs through 2017.

For a discussion of environment related activities in 2016, see Chapter IV.A.2.

13. Peru

Overview

The United States-Peru Trade Promotion Agreement (PTPA) entered into force on February 1, 2009.

The United States' two-way trade in goods with Peru was $14.3 billion in 2016, with U.S. goods exports to Peru totaling $8.0 billion, and U.S. goods imports from Peru totaling $6.2 billion. U.S. exports of agricultural products to Peru totaled $1.1 billion in 2016. Leading categories include: corn ($452 million), soybean meal ($108 million), and wheat ($89 million). U.S. foreign direct investment (FDI) in Peru (stock), primarily in the mining sector, was $6.9 billion in 2015 (latest data available), a 6.4 percent increase from 2014.

The PTPA eliminates tariffs, removes barriers to U.S. goods and services, provides a secure and predictable legal framework for investors, and strengthens protections for intellectual property, workers' rights, and the environment.

Elements of the PTPA

Operation of the Agreement

The PTPA establishes a Free Trade Commission (FTC) to supervise the implementation of the PTPA. The last meeting of the FTC was held in November 2015 in Washington D.C. The government of Peru will host the next FTC meeting in early 2017. SPS and TBT work continued throughout 2016 *(see below)*. This year, much of the work with Peru centered on logging issues under the Annex on Forest Sector Governance (Forest Annex) *(see environment below)*. The Forest Annex includes concrete steps to be taken to strengthen forest sector governance and combat illegal logging and illegal trade in timber and wildlife products. The Forest Annex also includes monitoring tools such as a requirement that Peru conduct audits and verifications of particular producers and exporters upon request from the United States.

Agriculture (SPS)

Following extensive technical-level exchanges, and numerous engagements by USTR and USDA officials in a variety of fora, including the PTPA Standing Committee on Sanitary and Phytosanitary Matters, an official letter exchange was finalized with Peru in March 2016 resulting in the removal of remaining bovine spongiform encephalopathy-related trade restrictions. Since the PTPA entered into force, Peru has become one of the fastest growing markets for U.S. beef in Latin America and it is expected to further increase as result of the exchange of letters resulting in the removal of the BSE-related trade restrictions. U.S. exports of beef and beef products to Peru were valued at $25.4 million in 2015, a nearly fourfold increase from the $6.4 million posted in pre-PTPA 2008.

Labor

In July 2015, the International Labor Rights Forum and several Peruvian labor groups filed a public communication with the U.S. Department of Labor (DOL) alleging that the government of Peru had failed to meet its obligations under the PTPA Labor Chapter. The communication raised issues related to Peru's adoption and maintenance of laws and practices that protect fundamental labor rights and the effective enforcement of labor laws, particularly with regard to Peru's laws on non-traditional exports and the use of temporary contracts in the textiles sector and agricultural industry. Review of the submission included a fact-finding mission to Peru by USTR and DOL in December 2015 to gather additional information on the issues raised by the submission, including through meetings with the Peruvian government, the submitters, workers' organizations, employers, and other relevant stakeholders. In March 2016, DOL issued a report on the matter, raising significant concerns regarding freedom of association in Peru's non-traditional export sectors, which includes exports such as textiles, apparel, and certain agricultural products. In addition, while recognizing a number of positive steps taken by the Peruvian government to improve its labor law enforcement since signing the PTPA in 2007, the report raised questions about the effectiveness of the country's labor law enforcement. To help guide subsequent engagement between the U.S. Government and

the government of Peru, the report provided six recommendations aimed at addressing the questions and concerns, and notes the U.S. Government's commitment to assess any progress by Peru within nine months and thereafter, as appropriate. The U.S. Government held several videoconference meetings with Peruvian trade and labor officials after the report was published, and discussed ways to address the recommendations in the DOL report, including by improving labor inspections and through technical cooperation. DOL published its nine month review statement in December 2016, which noted progress by Peru in the area of labor inspections, but concerns remain regarding the right to freedom of association in Peru's non-traditional export sectors USTR, DOL, and the State Department continue to engage with the government of Peru to review progress on addressing the issues identified in the report. Further information on the Peru labor communication is available at: http://www.dol.gov/ilab/trade/agreements/fta-subs.htm.

In December 2014, DOL awarded $2 million to a Peruvian NGO (Capital Humano y Social Alternativo) to implement a project to help build the labor law enforcement capacity of the Peruvian Ministry of Labor and Employment Promotion's (MTPE) recently-formed National Superintendency of Labor Inspection (SUNAFIL). The project, which runs through 2018, focuses particularly on improving the MTPE's enforcement of laws, regulations, and other legal instruments governing subcontracting, outsourcing, and the use of short-term employment contracts, especially in the textile and apparel and agricultural export sectors. In November 2015, DOL awarded to the Solidarity Center a $1 million project to complement the SUNAFIL project by building the capacities of workers' organizations to effectively assist their constituents to identify abusive short-term employment contracting and unlawful subcontracting and to productively engage with employers and the government to address identified problems. This project also runs through 2018. In addition, DOL funds five projects, either focused exclusively on Peru or as part of global projects that work to reduce child labor and forced labor in Peru.

Environment

For a discussion of environment related activities in 2016, see Chapter IV.A.2.

14. Singapore

The United States-Singapore Free Trade Agreement has been in force since January 1, 2004. Two-way goods trade has increased 40.9 percent from $32 billion in 2003 to $44.7 billion in 2016. The United States had a $9.1 billion goods trade surplus with Singapore in 2016. Two-way services trade has more than doubled, increasing from $8.1 billion in 2003 to $21.1 billion in 2015 (latest data available). The United States had a $7.6 billion services trade surplus with Singapore in 2015. The United States engaged regularly with Singapore in 2016 to further build and expand the bilateral relationship and address bilateral issues. The United States and Singapore have been close partners in the WTO, APEC, ASEAN, and other regional initiatives.

B. Other Bilateral and Regional Initiatives

1. The Americas

Trade and Investment Framework Agreements and other Bilateral Trade Mechanisms

USTR chairs bilateral meetings with non-FTA partners in the Americas to discuss market opening opportunities, including improving access for small and medium sized enterprises (SMEs) and resolving trade issues with those governments. The United States has Trade and Investment Framework Agreements (TIFAs) with Argentina, signed in March 2016; with Uruguay, signed in January 2007; and with the Caribbean Community, signed in May 2013 (to update and enhance a prior TIFA signed in 1991). The

United States and Paraguay established a Bilateral Council on Trade and Investment in 2004, which last met in November 2015 (see below). The United States and Brazil signed the Agreement on Trade and Economic Cooperation in 2011, which last met in March 2016 (see below).

Other Priority Work

The United States continued its engagement with other countries in the region, aimed at fostering bilateral trade relations and resolving trade problems during 2016. Highlights of USTR's other priority activities in the region include:

Argentina

In March 2016, the United States and Argentina signed a TIFA, which established the United States–Argentina Council on Trade and Investment. The Council serves as a forum for engagement on a broad range of bilateral trade issues, such as market access, intellectual property rights protection, and cooperation on shared objectives in the World Trade Organization and other multilateral fora. The first meeting of the Council was held in Buenos Aires in November 2016. One action of the Council was to establish an "Innovation and Creativity Forum" to discuss issues of mutual interest, including geographical indications, industrial designs, and the importance of intellectual property protections for small- and medium-sized enterprises. The Forum held its first meeting on December 6, 2016 in Buenos Aires.

Brazil

Bilateral dialogue with Brazil is conducted through the United States–Brazil Commission on Economic and Trade Relations (the Commission) established by the Agreement on Trade and Economic Cooperation (ATEC), which was signed in 2011. The ATEC was intended to deepen U.S. engagement with Brazil and expand the trade and investment relationship on a broad range of issues including trade facilitation, intellectual property rights and innovation, and technical barriers to trade. The most recent Commission meeting under the ATEC was held in March 2016 at the ministerial level. The next Commission meeting will be held in 2017 in Brazil.

Canada

Trade tensions over softwood lumber are longstanding and deeply-rooted. In the United States, most of the fiber used to make softwood lumber is privately owned and sold; in Canada, provincial governments own and control most of the fiber supply and most set the price for harvesting timber rather than allowing the market to determine such prices.

In early 2016, the United States responded to Canada's interest in a new long-term agreement, for trade in softwood lumber, which would impose restrictions on Canadian softwood lumber imports. The most recent agreement expired in 2015.

On June 29, 2016, the two countries released a statement that a new softwood lumber agreement would be designed to maintain Canadian exports at or below an agreed market share. On November 25, 2016, the U.S. Lumber Coalition initiated actions under U.S. trade remedy laws challenging the harmful effects of Canadian lumber in the U.S. market that are unfairly subsidized or "dumped". This marks the fifth time in approximately 30 years that U.S. industry has availed itself of U.S. trade remedy laws to address this

imbalance, often resulting in bilateral softwood lumber dispute settlement agreements. The governments remain engaged in exploring a possible solution to the ongoing softwood lumber issue.

As a result of the 1998 United States-Canada Record of Understanding on Agricultural Matters, the United States-Canada Consultative Committee on Agriculture (CCA) and the Province/State Advisory Group were formed in 1999 to strengthen bilateral agricultural trade relations and to facilitate discussion and cooperation on matters related to agriculture. The CCA met in February and September 2016 to address bilateral trade issues, and strengthen collaboration on issues of mutual interest, including trade barriers in third countries.

Mexico

In May 2013, the United States and Mexico established the High Level Economic Dialogue (HLED) to further elevate and strengthen the bilateral commercial and economic relationship. On February 25, 2016, the third meeting of the HLED was held, where officials of both countries noted success in meeting 2015 strategic goals. USTR also participated in a mid-year DVC on December 8, 2016, which took stock of the year's activities.

In 2007, the United States and Mexico signed a Memorandum of Understanding on agricultural trade, which established the current bilateral Consultative Committee on Agriculture (CCA). The CCA serves as a high-level forum for dialogue on issues related to agricultural trade. The CCA met in Mexico City in May 2016 to discuss a wide range of bilateral trade issues, and to strengthen cooperation on issues of mutual interest.

Paraguay

In June 2015, the United States and Paraguay signed a Memorandum of Understanding on Intellectual Property Rights, under which Paraguay committed to take specific steps to improve its IPR protection and enforcement environment, and USTR removed Paraguay from the Special 301 Watch List. In November 2015, Paraguay hosted the twelfth meeting of the Bilateral Council on Trade and Investment. The United States and Paraguay discussed a broad range of bilateral trade and investment issues, including increased collaboration to expand economic opportunities for businesses and investors, implementation of the MOU on IPR, and market access issues. The next meeting of the Joint Council on Trade and Investment will be held in 2017.

Uruguay

In May 2016, Uruguay hosted the seventh meeting of the United States–Uruguay Trade and Investment Council under the TIFA which was signed in 2007. The United States and Uruguay discussed a range of bilateral trade and investment issues, including trade facilitation, improving opportunities for SMEs, and market access matters. The next meeting of the Trade and Investment Council will be held in Washington in 2017.

Cuba

In addition to the United States-Cuba Regulatory Dialogue established in 2015, the U.S. Department of State held a meeting of the United States-Cuba Economic Dialogue in September 2016, during which the United States and Cuba agreed to create the Trade and Investment Working Group, which would be chaired by USTR on the U.S. side and Ministry of Foreign Trade and Investment on the Cuban side.

2. Europe and the Middle East

USTR's Office of Europe and the Middle East is responsible for bilateral trade relations with the European Union (EU) and its 28 Member states, non-EU European countries, Russia, certain countries of western Eurasia, the Middle East, and North Africa. The United States works with these countries through FTA, BITs, TIFAs, and other mechanisms to promote enhanced trade and investment ties, increase U.S. exports, encourage the development of intraregional economic engagement, foster partner country policies grounded in the rule of law, and, where relevant, advance countries' accessions to the WTO (*see Chapter II.J.6. for more information on WTO accessions*).

During 2016, the Office of Europe and the Middle East focused on negotiations for a comprehensive trade and investment agreement with the EU, the Transatlantic Trade and Investment Partnership (T-TIP); monitored Russia's implementation of its WTO commitments; promoted policies in Eurasia that foster economic diversity and independence; and supported initiatives in the Middle East/North Africa (MENA) region centered on ongoing political and economic reforms, as well as trade and investment integration.

Deepening U.S.-EU Trade and Investment Relations

The U.S. trade and investment relationship with the EU is the largest and most complex economic relationship in the world. Transatlantic trade flows (goods and services trade plus earnings and payments on investment) averaged an estimated $4.8 billion *each day* of 2016.[37] The total stock of transatlantic investment was $4.5 trillion in 2015 (latest data available). These enormous trade and investment flows constitute a key source of economic prosperity for the United States and Europe.

Early in 2013, the United States announced its intention to pursue the T-TIP agreement with the EU. The negotiations were formally launched during a June 2013 meeting, and the first negotiating round was held in July 2013. By the end of 2016, U.S. and EU negotiators had met in fifteen formal rounds, including four in 2016, and had engaged in a wide range of discussions and negotiating sessions between rounds. However, as 2016 concluded, important differences remained on critical negotiating areas of the agreement, The Trump Administration is currently evaluating the status of these negotiations.

Over the course of the negotiations, the goal has been to achieve an ambitious and comprehensive agreement that would promote economic growth and jobs, strengthen the strategic partnership, and reflect our shared values. In establishing U.S. negotiating objectives for the T-TIP agreement, USTR consulted with Congress and a wide range of private sector stakeholders. These consultations shaped U.S. negotiating goals, which are, *inter alia*, to:

- Further open EU markets to increase the $499 billion in goods and services the United States exported in 2015 (latest data available) to the European Union, our largest goods and services export market;
- Strengthen rules-based investment to grow the world's largest investment relationship;
- Eliminate all tariffs on trade in goods;
- Obtain improved market access for trade in services;
- Address and prevent unnecessary nontariff barriers and significantly reduce costs associated with unnecessary differences in standards and regulations by, for example, promoting greater transparency, public participation, and accountability in regulatory procedures and by achieving greater compatibility in the U.S. and EU approaches to regulation in several economically

[37] Based on the first three quarters of 2016.

significant sectors—while maintaining our high levels of health, safety, and environmental protection;
- Develop rules, principles, and new modes of cooperation on issues of global concern, including intellectual property, and market-based disciplines addressing state-owned enterprises; and,
- Promote the global competitiveness of small- and medium-sized enterprises.

Ongoing Engagement with Turkey and the Middle East/North Africa

The revolutions and other changes that swept through the MENA region beginning in 2011 have provided new opportunities and posed new challenges with respect to U.S. trade and investment relations with MENA countries (especially countries in transition such as Tunisia, Morocco, Jordan, Egypt, and Libya). USTR has coordinated with other Federal agencies, outside experts, and stakeholders in both the United States and MENA partner countries to explore prospective areas for cooperation that could yield the quickest results in terms of increased trade and investment, in addition to developing longer-term trade and investment objectives with regional trading partners. In 2016, the United States continued to monitor, implement, and enforce existing U.S. FTAs in the region (Bahrain, Israel, Jordan, Morocco, and Oman); pursued TIFA consultations with Egypt, Tunisia, Qatar, and Algeria (including attempts to revive engagement with the Algerian government in its WTO accession efforts); and sought new opportunities to cooperate more closely with Saudi Arabia.

The United States also continued to pursue engagement with the Gulf Cooperation Council (GCC) countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) as a group through the U.S.-GCC Framework Agreement for Trade, Economic, Investment and Technical Cooperation. Enhanced U.S. dialogue with the GCC is aimed at ensuring that U.S. interests are fully represented as the GCC continues to develop as a regional organization dedicated to harmonizing standards, import regulations, and conformity assessment systems among its member states.

Recognizing Turkey's growing importance as a trade and investment partner, the U.S. Trade Representative and the Secretary of Commerce co-chair U.S participation in a ministerial level forum designed to enhance bilateral engagement on economic issues, known as the Framework for Strategic Economic and Commercial Cooperation (FSECC). U.S. and Turkish officials have conducted three formal FSECC meetings: October 2010 (Washington); June 2012 (Ankara); and May 2014 (Washington). Given Turkey's concerns about the potential for U.S.-EU T-TIP negotiations to affect its trade relations with both the United States and the European Union, the United States and Turkey agreed in May 2013 to form a High Level Committee (HLC), associated with the FSECC and chaired by the USTR and Minister of Economy, to assess such potential impacts and seek new ways to promote bilateral trade and investment. Expert level contacts under the HLC have been conducted on several occasions since its creation.

Promoting Transparent and Rules-Based Economies in Eurasia

U.S. support for economic policies that are transparent, predictable and based on the rule of law has long gone hand in hand with promoting democracy and self-determination. Throughout 2016, the United States worked with countries on Europe's eastern periphery and in the Caucasus to reinforce the open trade policies of the WTO and promote economic growth.

For example, the United States has continued to provide significant technical and financial support to the government of Ukraine to support its continuing efforts to reform the Ukrainian economy, and to promote the strong enforcement and promotion of intellectual property rights. In October, the United States hosted the sixth meeting of the United States-Ukraine Trade and Investment Council in Washington, D.C., at which the delegations exchanged ideas and identified practical steps to deepen their bilateral trade and investment relationship. The United States has also continued discussions with Georgia and Armenia on efforts to

further strengthen trade and investment ties through the United States-Georgia High-Level Dialogue on Trade and Investment and the United States-Armenia Trade and Investment Framework Agreement.

Russia, unfortunately, continues to discriminate against imports, using unjustified and retaliatory trade measures against many of its neighbors, as well as against the United States. Although the United States continues to restrict its bilateral engagement with Russia as a result of Russia's failure to implement the terms of the Minsk Agreement, it has not hesitated, where appropriate, to highlight the potential WTO inconsistency of its protectionist trade policies. The United States has closely monitored Russia's implementation of its WTO obligations, and employed various WTO mechanisms to pursue full compliance where Russia appeared to fall short. The United States will continue to monitor Russia's implementation of its WTO obligations and use all available tools of the WTO, as appropriate, to enforce those obligations. The United States will also continue to follow and evaluate the actions of the Eurasian Economic Commission (EEC), the administrative arm of the Eurasian Economic Union (EAEU; comprising Armenia, Belarus, Kazakhstan, Kyrgyzstan, and Russia), and, where appropriate, work with the EEC, Russia, and the individual EAEU member states to ensure compliance with the WTO rules and to open the EAEU's markets to exports of U.S. goods.

3. Japan, Republic of Korea, and the Asia-Pacific Economic Cooperation Forum

Japan

In 2016, the United States continued to engage Japan on a broad array of trade and trade-related issues to eliminate barriers to trade and expanding access to Japan's market.

The United States worked closely with Japan in multilateral fora in 2016 to address trade issues of common interest, including those in third-country markets. This work included closely coordinating on World Trade Organization (WTO) dispute settlement matters and working toward full implementation of the expanded WTO Information Technology Agreement. The United States and Japan also worked together with other economies to advance negotiations on the Trade in Services Agreement and Environmental Goods Agreement. The United States and Japan are working closely together in the Asia-Pacific Economic Cooperation (APEC) forum on advancing next generation issues like digital trade; creating an enabling environment for innovation by promoting the *Best Practices in Trade Secret Protection and Enforcement Against Misappropriation*; and ensuring that APEC member economies continue to implement their groundbreaking commitment to reduce tariffs on environmental goods.

Republic of Korea (Korea)

(*See Chapter III.A.8 for discussion of the United States-Korea Free Trade Agreement.*)

In addition to close engagement with counterparts in the Korean government in committee meetings and working groups established under the United States-Korea Free Trade Agreement (FTA), USTR continues to hold bilateral consultations with Korea in a variety of formats to address bilateral trade issues in a timely fashion, as well as to discuss emerging issues that may fall outside the scope of the FTA. These meetings, which USTR leads, and in which other U.S. agencies participate, are augmented by senior-level engagement. In 2016, the United States and Korea held a number of bilateral trade consultations, in which the United States addressed issues including the importance of good regulatory practice to the maintenance of an open and welcoming business environment, proper enforcement of intellectual property and competition policy, market access for electronic mapping services, and agricultural market access.

Korea has continued to import U.S. beef and beef products from animals less than 30 months of age since reopening its market to imports of U.S. beef in June 2008. In 2016, U.S. exports of beef and beef products to Korea were valued at $1.1 billion, making Korea the second largest U.S. beef export market.

The United States and Korea cooperated extensively in a range of multilateral and regional fora to advance opening markets. In APEC, the two countries worked together closely to strengthen regional economic integration in the Asia-Pacific by improving supply chain performance in the region, advancing issues related to digital trade, and ensuring that APEC member economies continue to implement their commitment to reduce tariffs on environmental goods. The United States also supported Korea's capacity-building initiative for helping developing economies participate in ongoing regional trade agreements. Finally, Korea and the United States continued working together to advance the Trade in Services Agreement (TISA) negotiations during 2016.

APEC

Overview

Since it was founded in 1989, the Asia-Pacific Economic Cooperation (APEC) forum has been instrumental in promoting regional and global trade and investment. APEC provides a unique opportunity to reduce barriers to U.S. exports and to more closely link our economy with the dynamic Asia-Pacific region.

In 2016, Peru hosted APEC under the theme: "Quality Growth and Human Development." This theme has four priority areas: 1) advancing regional economic integration and quality growth; 2) enhancing the regional food market; 3) modernizing micro-, small-, and medium-sized enterprises in the Asia-Pacific; and 4) developing human capital. Peru proposed that this theme, implemented in the framework of free market policies and openness to trade, will provide sustainability and legitimacy to the development processes. The United States worked with Peru to advance important policy objectives, particularly in the area of enhancing regional economic integration.

APEC Leaders and Ministers in their meetings in Lima on November 19-20 agreed to a number of outcomes for 2016 to promote regional economic integration by preventing trade barriers, creating more transparent and open regulatory cultures, and reducing trade costs by making supply chains more efficient. The activities below describe the key outcomes that advance the U.S. trade and investment agenda in the region. According to the APEC Secretariat, the 21 member economies collectively account for approximately 40 percent of the world's population, approximately 57 percent of world GDP and about 45 percent of world trade (if intra-EU trade is included in world trade, or 59 percent if intra-EU trade is excluded). In 2016, United States-APEC total trade in goods was $2.4 trillion. Total trade in services was $475 billion in 2015 (latest data available). The significant volume of U.S. trade in the Asia-Pacific region underscores the importance of the region as a market for U.S. exports.

2016 Activities

Services and Digital Trade: APEC economies adopted the APEC Services Competiveness Roadmap that will focus APEC work in the field of services. The APEC Services Competitiveness Roadmap sets APEC-wide and individual targets to be achieved by 2025. In the area of digital trade, APEC continued pursuing a U.S.-led initiative to facilitate the development of policies that promote digital trade as a next generation trade and investment issue. In 2017, APEC will continue its thorough review of the issue with the objective of identifying barriers to digital trade (including blocking of data flows and forced localization requirements), and policy responses to these barriers in a way that facilitates digital trade. The United States also advanced a Pathfinder initiative with 11 other APEC economies to support a permanent customs duty moratorium on electronic transmissions, including electronically transmitted content.

Supply Chain Connectivity and Performance: In 2016, APEC economies continued to make progress toward meeting the APEC-wide target of achieving a 10 percent improvement in supply chain performance in connection with the Supply Chain Connectivity Framework Action Plan (SCFAP). APEC approved the second phase of the SCFAP, and work in 2017 will continue to focus on areas relevant to the implementation of the WTO Trade Facilitation Agreement. In addition, APEC continued its work in this area by:

(1) engaging in targeted capacity building in individual economies to improve supply chain performance and implement the WTO Trade Facilitation Agreement; and

(2) renewing the U.S.-led initiative known as the APEC Alliance for Supply Chain Connectivity, a public-private group that focuses on helping with this capacity building.

APEC's supply chain work will make it significantly cheaper, easier, and faster for businesses to trade in the region. In 2016, progress was made on a number of projects in the Capacity Building Plan to Improve Supply Chain Performance (pre-arrival processing, advance rulings, expedited shipments, release of goods and electronic payments).

Trade Secrets: APEC economies endorsed the *Best Practices in Trade Secret Protection and Enforcement Against Misappropriation*, thereby recognizing the importance of trade secrets protection and enforcement to innovation, foreign direct investment, and the commercialization of research and development.

Regulatory Transparency: In 2016, APEC economies continued to build on earlier work related to good regulatory practices (GRP), including regulatory transparency. In August 2016, the Economic Committee organized the 9th Conference on Good Regulatory Practices, which included panels on simplification strategies, promoting high level support for reform, capacity building and stakeholder engagement, promoting inclusive growth, international regulatory cooperation, and cooperation that delivers results for business. At the GRP conference, the United States presented the preliminary results of the third update to the 2011 survey of GRP in the APEC region. The Food Safety Cooperation Forum Partnership Training Institute Network, which strengthens capacity in food safety, held a workshop on enhancing food safety regulation through increased transparency and public consultation. The Wine Regulatory Forum developed a model wine export certificate, which ministers adopted in May 2016. This certificate will reduce administrative burdens on wine producers and traders through the creation of a single model document that all APEC economies can use.

Free Trade Area of the Asia-Pacific (FTAAP): In 2016, APEC completed the Collective Strategic Study on issues related to the eventual realization of the FTAAP, and adopted a set of Recommendations to advance work in areas to enhance regional economic integration.

Supporting the Multilateral Trading System and the World Trade Organization: APEC Leaders in November 2016 reaffirmed the value, centrality, and primacy of the multilateral trade system under the auspices of the WTO. APEC economies reiterated their commitment to strengthening the rules-based, transparent, non-discriminatory, open, and inclusive multilateral trading system. APEC Leaders also reaffirmed their commitment to roll back protectionist and trade distorting measures and extended their standstill commitment to refrain from protectionist measures.

4. China, Hong Kong, Taiwan, and Mongolia

China

See 2016 USTR Report to Congress on China's WTO Compliance: https://ustr.gov/sites/default/files/2016-China-Report-to-Congress.pdf

United States-Hong Kong Trade Relations

The United States continued its efforts to expand trade with Hong Kong, a Special Administrative Region of the People's Republic of China. Following a partial market expansion for beef exports to Hong Kong in 2013 and the World Organization for Animal Health's upgrade of the U.S. risk classification for bovine spongiform encephalopathy to negligible risk, Hong Kong opened its market fully to all U.S. beef and beef products in 2014.

United States-Taiwan Trade Relations

The United States-Taiwan Trade and Investment Framework Agreement (TIFA) Council, held under the auspices of the American Institute in Taiwan and the Taipei Economic and Cultural Representative Office in the United States, is the key forum for both economies to resolve and make progress on a wide range of issues affecting the U.S.-Taiwan trade and investment relationship. The 2016 TIFA Council meeting was held on October 4, 2016 in Washington, D.C. Prior to the October TIFA Council meeting, authorities from both sides convened meetings at the working group level and held expert level discussions on issues including intellectual property rights, agriculture, medical devices, and pharmaceuticals.

In 2016, the TIFA process yielded important concrete results for U.S. stakeholders. The United States welcomed efforts by Taiwan authorities to follow through on the 2015 TIFA commitments related to intellectual property rights (IPR), pharmaceuticals, medical devices, and registration of chemical substances. With respect to intellectual property, the TIFA talks took stock of progress on pharmaceutical IP protection and committed to strengthen engagement on Taiwan's intellectual property rights legislation, promote the use of legitimate educational materials, and enhance enforcement cooperation. The 2016 TIFA also provided a platform for both sides to deepen exchanges and cooperation in the area of transparency. Both sides also agreed to continue the exchange of views on pending revisions to Taiwan's Copyright Act.

Furthermore, at the 2016 TIFA Council meeting, the United States and Taiwan held in-depth discussions on a range of agricultural issues and agreed that more needed to be done to secure meaningful progress. In addition, both the United States and Taiwan recognized the need for further engagement on improving the time-to-market of medical devices, including streamlining regulatory approvals.

The United States continues to express serious concerns about Taiwan's agricultural policies that are not based upon science. Removing Taiwan's bans on U.S. pork and certain beef products produced using ractopamine, as well as continued barriers to U.S. beef offal products, are priorities. Other key areas of focus include Taiwan's rice procurement systems and barriers to U.S. agricultural biotechnology products and certified organic products in Taiwan.

The United States will continue to work to address and resolve the broad range of trade and investment issues important to U.S. stakeholders through engagement under the TIFA framework as well as through multilateral fora such as the WTO. In addition to agricultural issues, the United States will continue to engage on IPR issues as Taiwan revises its Copyright Act and works to ensure transparency and predictability in pharmaceutical and medical device pricing and reimbursement. The United States will

continue to utilize the Investment Working Group for dialogue with Taiwan authorities to address a robust set of priority investment issues to improve Taiwan's investment climate, and also continue to conduct exchanges under the TBT Working Group to ensure that technical regulations do not create excessive burdens for the industries that they affect, such as chemicals, cosmetics, and consumer products.

U.S.-Mongolia Trade Relations

The United States and Mongolia renewed their engagement under the United States.-Mongolia Trade and Investment Framework Agreement (TIFA) in 2015, holding a meeting in Ulaanbaatar on May 18. This 5th TIFA meeting was the first one since the two sides launched negotiations over a bilateral agreement on transparency in matters relating to trade and investment in 2009. The two sides reviewed Mongolia's ongoing efforts to make the legal changes necessary for their bilateral transparency agreement, signed by the two sides in 2013 and ratified by the Mongolian Parliament in 2014, to enter into force. The TIFA meeting also provided the opportunity to discuss recent changes to Mongolia's investment and mining laws aimed at encouraging more foreign investment into Mongolia as well as a range of investor concerns about Mongolia's investment climate.

In January 2017, the United States and Mongolia exchanged letters enabling their bilateral transparency agreement to enter into force, effective 60 days later. This agreement applies to matters relating to international trade and investment and includes joint commitments to provide opportunities for public comment on proposed laws and regulations and to publish final laws and regulations. This publication commitment includes the obligation to publish final laws and regulations in English, which should make it easier for U.S. and other foreign enterprises to do business in, and invest in, Mongolia. The transparency agreement also commits the two parties to ensure that administrative agencies apply fair, impartial and reasonable procedures and that persons affected by the decisions of administrative agencies have a right to appeal those decisions. Additional commitments address the application of disciplines on bribery and corruption.

5. Southeast Asia and the Pacific

Free Trade Agreements

The United States continued to monitor and enforce its FTAs with Singapore and Australia (*See Chapter III.A for additional information*).

Trans-Pacific Partnership

The United States and the 11 other countries (Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam) signed the TPP Agreement on February 4, 2016, following the conclusion of TPP negotiations in October 2015 and finalization of the legal text of the agreement.

Throughout 2016, the Obama Administration negotiated with the U.S. Congress and consulted with stakeholders to prepare for Congressional consideration of the TPP Agreement. Following the February signing of the TPP agreement, on April 1 the Obama Administration transmitted to Congress the expected list of changes to existing law required to bring the United States into compliance with obligations under TPP. On August 12, the Administration transmitted to Congress the draft Statement of Administrative Action and draft implementing legislation for TPP. President Obama never submitted the implementing legislation to Congress.

Meanwhile, some TPP countries are working to conclude other regional free trade agreements, including the Regional Comprehensive Economic Partnership, an agreement that includes the ten ASEAN countries, China, Japan, Korea, India, Australia, and New Zealand, and that other TPP countries are exploring joining. TPP countries are also negotiating other regional agreements, including the Pacific Alliance, an agreement being negotiated by Mexico, Chile, Peru, and Colombia, to which many other countries have joined as observers, and a number of TPP countries also are negotiating trade agreements with the European Union.

On January 24, 2017, President Trump instructed USTR to issue formal notice to the TPP countries that the United States intended to formally withdraw from the discussions. USTR issued formal notice on January 30, 2017. However, USTR intends to continue strong bilateral engagement with our Asia-Pacific partners to maintain American influence in the region. The Trump Administration formally began this process on February 2, 2017, when the President invited leaders of the Senate Finance and House Ways and Means Committees to the White House in order to begin consultations related to bilateral discussions with our trading partners in the region. These bilateral discussions will present unique opportunities to engage our Asia-Pacific partners in areas in which the TPP failed to provide adequate market access of American-made goods and agriculture products.

Managing United States-Southeast Asia and Pacific Trade Relations

In 2016, the United States continued to deepen economic relations with ASEAN countries, both bilaterally and as a group, under a network of Trade and Investment Framework Agreements (TIFAs). The United States has TIFAs with Burma, Cambodia, Indonesia, Philippines, Thailand, and Vietnam, and signed a TIFA with Laos in February 2016.

The United States used these dialogues to implement initiatives designed to strengthen trade and investment ties and address bilateral trade issues, and monitor TIFA partners' implementation of their WTO commitments. For example, under our bilateral TIFA with Thailand, the United States and Thailand agreed to a work plan to address concerns with Thailand's intellectual property rights regime. The U.S. Government worked with Laos to support its implementation of its WTO accession commitments and commitments under the United States-Laos Bilateral Trade Agreement. U.S. TIFA and other bilateral meetings also provided opportunities to coordinate on capacity building and economic assistance projects in ASEAN countries, including on customs and trade facilitation, environment, and labor rights and protections.

The United States also intends to use these meetings to coordinate and advance ASEAN, APEC, and WTO initiatives.

Expanded Economic Engagement/U.S.-ASEAN Trade and Investment Framework Arrangement

In addition to bilateral dialogues, the United States engaged with ASEAN under the United States-ASEAN TIFA and the ASEAN-United States Expanded Economic Engagement (E3) initiative, initiatives developed in order to deepen trade ties with ASEAN countries, which collectively represent the fourth largest U.S. trading partner. The United States held several high-level meetings with ASEAN in 2016 to advance initiatives under E3 and the U.S.-ASEAN TIFA, including in the areas of environment, transparency, investment, information and communications technology, trade facilitation, small- and medium-sized enterprise development, and the expansion of cooperative work on standards development and practices, including on technical barriers to trade and good regulatory practices. In follow up to the U.S.-ASEAN Special Leader Summit in February 2016, the United States hosted the ASEAN Ministers for meetings in San Francisco and Silicon Valley to showcase economic and trade policies that support innovation and entrepreneurship. In 2016, the United States also launched the U.S.-ASEAN Trade Workshops aimed at

providing ASEAN information on elements of high-standard trade agreements and in cooperation with Singapore delivered workshops on electronic commerce and intellectual property rights. The United States and ASEAN also finalized joint principles with ASEAN on investment and on transparency and good regulatory practices.

6. Sub-Saharan Africa

Overview

Throughout the year, USTR maintained an active program to promote U.S. trade and investment interests across sub-Saharan Africa through a range of events and initiatives, including by hosting the AGOA Forum, participating in the United States-East African Community (EAC) Trade and Investment Partnership, and holding meetings under Trade and Investment Framework Agreements (TIFAs) with certain African countries and regional economic communities.

AGOA Forum

On September 26, 2016, USTR chaired the annual AGOA Ministerial Forum in Washington, D.C. (*for more information on AGOA, see Chapter V.B.8c*). The theme of this Forum was "Maximizing United States-Africa Trade and Investment: AGOA and Beyond." The discussion served both to encourage AGOA beneficiary countries to take full advantage of the decade-long extension of the program and to begin a conversation of how to move the trade and investment relationship to the next level, beyond AGOA. The discussion was informed by a USTR report released the week prior at the United States-Africa Business Forum in New York entitled, "Beyond AGOA: Looking to the Future of United States Africa Trade and Investment."

World Economic Forum on Africa

During May 12-14, 2016, USTR participated in the World Economic Forum on Africa, held in Kigali, Rwanda. It met with African heads of state and other government and private-sector leaders to advance U.S. trade and investment-related issues in Africa, and, in particular, to consult on the future of United States-Africa trade and investment. While in Rwanda, the delegation toured a women's cooperative that produces high-end bags and accessories for export under AGOA.

Trade Africa/U.S.-EAC Trade and Investment Partnership

The United States announced in 2013 the Trade Africa initiative, which is a partnership between the United States and the countries in sub-Saharan Africa that seeks to increase regional trade within Africa and expand trade and economic ties between Africa and the United States. Trade Africa initially focused on the Partner States of the East African Community (EAC) – Burundi, Kenya, Rwanda, Tanzania, and Uganda.

On September 26, 2016, USTR hosted a ministerial meeting with Trade Ministers and senior officials from the EAC Partner States. The United States and the EAC concurred on the need to develop a strategic way forward on deepening the U.S.-EAC Trade and Investment Partnership beyond AGOA. The United States and the EAC also continued discussions on the possibility of negotiating a U.S.-EAC investment treaty to contribute to a more attractive investment environment in East Africa.

On September 27, 2016, senior officials from the United States and EAC held a U.S.-EAC TIFA meeting where they discussed implementation of the EAC-U.S. "Cooperation Agreement on Trade Facilitation, Sanitary and Phytosanitary Measures, and Technical Barriers to Trade," signed on February 26, 2015;

efforts to increase two-way trade through the development of regional and national AGOA strategies; and a strategic way forward on deepening the U.S.-EAC Trade and Investment Partnership.

Total two-way goods trade between the United States and the EAC was $1.5 billion in 2016, with $706 million in U.S. goods exports, and U.S. goods imports totaling $785 million. Kenya was by far the United States' top trading partner within the EAC, with two-way goods trade totaling $945 million, followed by Tanzania with $309 million, Uganda with $121 million, Rwanda with $100 million, and Burundi with $15 million. Top U.S. exports to EAC countries were aircraft, machinery, and electrical machinery. Top U.S. imports included apparel, coffee, macadamia nuts, ores, and semi-precious stones.

U.S.-COMESA Trade and Investment Framework Agreement

On February 8, 2016, senior officials from the United States and the Common Market for Eastern and Southern Africa (COMESA) held the eighth meeting of the United States-COMESA TIFA in Lusaka, Zambia. Among the topics discussed were the U.S.-COMESA trade and investment relationship under AGOA, deepening U.S.-COMESA trade, enhancing agricultural productivity and trade, and the business climate and investment policies in COMESA.

U.S.-ECOWAS Trade and Investment Framework Agreement

On September 27, 2016, USTR hosted officials of the Economic Community of West African States (ECOWAS) for the second meeting of the United States-ECOWAS TIFA Council. Among the topics discussed were a review of current activities in support of shared trade and investment objectives, a vision for the ECOWAS – U.S. trade relationship in the medium- to long-term and broadening ECOWAS – U.S. trade and investment cooperation to new areas.

United States-Mozambique Trade and Investment Framework Agreement

On November 8, 2016, senior officials from the United States and Mozambique held the fifth meeting of the United States-Mozambique TIFA in Maputo, Mozambique. Among the topics discussed was the United States-Mozambique Trade Africa partnership, which seeks to help Mozambique meet its WTO obligations and address capacity issues that constrain trade, improve Mozambique's business and investment climate, and expand and diversify bilateral trade and investment, including under AGOA.

7. South and Central Asia

India

Two-way U.S.-India trade in goods and services in 1980 was only $4.8 billion; it grew to an estimated $109 billion in 2015 (latest data available for goods and services trade) – an annual growth rate over this period of better than 9 percent. Although existing Indian trade and regulatory policies have inhibited an even more robust trade and investment relationship, India's economic growth and development could support significantly more U.S. exports in the future India's reform of its goods and services tax could help create a common internal market that significantly lowers transaction costs. Additionally, India's new National Intellectual Property Rights policy could protect U.S. innovations. While these reforms are encouraging, there has also been a general trend of tariff increases in India, which reflects an active pursuit of import substitution policies.

In 2017, the United States will press India to make meaningful progress in relation to these ambitious goals. Among other actions, USTR will follow through with work plans agreed to during the October 2016 U.S.-

India Trade Policy Forum (TPF), which will include convening digital video conferences and in-person meetings on intellectual property rights, promoting investment in manufacturing, agriculture, and trade in goods and services. This regularized engagement will provide an opportunity to achieve meaningful results on a wide range of trade and investment issues, and allow the United States and India to partner on issues of mutual interest in advance of the 2017 TPF.

Contributing to Regional Stability

In 2016, in support of U.S. national security objectives in Afghanistan, Pakistan, Iraq, and around the region, USTR strengthened engagement with South and Central Asia as part of a broader effort to boost trade, trade-fostering investment, employment, poverty reduction, and sustainable development. Working with other U.S. agencies, USTR participated in bilateral and other high-level meetings with officials from Afghanistan, Pakistan, and Iraq. Key highlights from 2016 include the following:

- USTR continued its work with Afghanistan to reform its legal and regulatory regime related to trade and investment to provide a pathway to a more stable and growing economy. Under the United States-Afghanistan Trade and Investment Framework Agreement (TIFA), both sides focused on efforts on improving trade and investment flows, as well as continuing to assist Afghanistan in the implementation of the accession to the World Trade Organization (WTO), a milestone that was achieved in 2015. We look forward to convening a TIFA Council meeting with Afghanistan in the spring of 2017 to promote greater trade and address the country's critically high levels of unemployment and poverty.

- USTR worked with Iraq to identify ways to address the critical revenue shortfall caused by low oil prices and the fight against ISIS. Working with U.S. Customs and Border Protection, USTR advised Iraqi officials on revamping Iraq's customs procedures, an undertaking that is expected to increase revenues by $2 billion annually. Other discussions focused on boosting USTR's cooperation with Iraqi sub-central governments such as Kurdistan and Basra, WTO accession, establishment of dispute resolution procedures, and the use of international standards in agriculture and government procurement. USTR continues to review Iraq's eligibility for the GSP in response to a petition from the American Federation of Labor and Congress of Industrial Organizations that alleges violations of internationally recognized worker rights. During 2016, Iraq implemented labor reforms supported by stakeholders that directly address a number of the chief complaints in the GSP workers' rights petition.

- USTR and Minister of Commerce of Pakistan convened the Eighth U.S. Pakistan Trade and Investment Framework Agreement (TIFA) Council meeting in October 2016. During the TIFA meeting, the U.S. delegation advocated for market access for U.S. beef products, electronic filing of customs documents, and tax predictability for U.S. companies. USTR also engaged directly with the Prime Minister, Minister Finance and other key government officials on these and other issues.

- During Pakistan Prime Minister Nawaz Sharif's October 2015 visit to the United States, USTR unveiled an Augmented Joint Action Plan to Increase Trade and Investment that is to be implemented over the next five years. We actively engaged on this plan in 2016. Among other initiatives, in 2017, Pakistan and the United States will intensify engagement on trade and investment issues by bringing together U.S. and Pakistani companies, addressing investment climate issues, and conducting outreach to the private sector in Pakistan to promote a better understanding of the U.S. GSP program.

- With USTR, the USAID Missions in Afghanistan and Pakistan, and Central Asia have developed and supported implementation of cross-border trade agreements throughout the region, including the Afghanistan-Pakistan Transit Trade Agreement and the South Asian Free Trade Area Agreement. Border crossing procedures have been streamlined with joint training and collaboration. Afghanistan's recent accession to the WTO will provide an impetus to efforts to foster improved transit trade and regional connectivity. Such efforts will be important to our work for 2017.

Supporting Workers' Rights in Bangladesh

Following the 2013 suspension of Bangladesh's GSP benefits based on shortcomings related to workers' rights, USTR dedicated significant time in 2014 and 2015 to work with the government of Bangladesh and other stakeholders to monitor Bangladesh's progress in addressing U.S. concerns. In September 2015, USTR led a senior delegation to Bangladesh to assess the status of efforts to address workers' rights and workers' safety issues. Although Bangladesh has made some progress on these issues, especially with respect to workplace safety, more progress is necessary before GSP benefits can be restored, particularly with respect to rights of association, union registration, and the protection of labor leaders from violent reprisals. USTR will continue to work with all stakeholders in 2017 to encourage additional progress on workers' rights and workers' safety issues. USTR continues to watch this issue carefully as there has been labor unrest as recently as January 2017.

In November 2015, the United States and Bangladesh met under the United States-Bangladesh Trade and Investment Cooperation Forum Agreement (TICFA). The TICFA provides a mechanism for both governments to discuss trade and investment issues and areas of cooperation, and provides an additional means for the U.S. Government to exchange views on Bangladeshi efforts to improve workers' safety and workers' rights.

For 2017, USTR plans to continue its efforts to promote stronger respect for workers' rights in Bangladesh. The U.S. Department of State, the U.S. Department of Labor, and USAID continue to implement technical assistance projects aimed at addressing the concerns that led to the withdrawal of GSP. USTR continues to coordinate its efforts with the government of Bangladesh, the European Union, the International Labour Organization (ILO), and multi-stakeholder initiatives, such as the Alliance for Bangladesh Worker Safety and the Bangladesh Accord on Fire and Building Safety. A planned meeting of the Bangladesh Sustainability Compact, which includes the European Union, the Bangladesh government, the U.S. Government, and the ILO, will be one focus of bilateral efforts, along with an envisioned meeting of the U.S.-Bangladesh TICFA Council the spring of 2017 in Bangladesh.

Communicating the Importance of Ensuring Women's Economic Empowerment through Trade and Investment Agreements in Central and South Asia

In 2016, the United States continued to work with partner governments in the region, the private sector, think tanks, the media, and U.S. Embassies to effectively explain the economic importance of empowering women entrepreneurs and business owners to better take advantage of trade and investment opportunities. USTR worked to fully implement the 2014 Memoranda of Understanding (MOU) with the governments of Pakistan and Kazakhstan on Women's Economic Empowerment, and initiated discussions with a number of other South Asian countries on negotiating similar MOUs.

Advancing U.S. Engagement with Central Asia

USTR's historic support for WTO membership for the Central Asian countries helped facilitate Kazakhstan attaining WTO membership in 2015. Support for WTO accession of Uzbekistan and Turkmenistan

continued. For 2017, USTR plans to review accession issues for these two countries, especially considering that there is a new Uzbek government in place. Also, the United States-Central Asia TIFA Council meeting convened in Bishkek, Kyrgyzstan, with the five Central Asian countries – Kazakhstan, Uzbekistan, Kyrgyzstan, Turkmenistan, and Tajikistan – as Members, plus Afghanistan as an Observer. We hope to convene the next TIFA Council meeting in the fall of 2017 and will focus on actions to boost regional economic cooperation and connectivity; customs issues; women's economic empowerment; energy trade; and, country-specific trade/investment issues, via Bilateral Working Group consultations with each of the TIFA Parties.

Improving Trade and Investment Relations with Sri Lanka, Nepal, and the Maldives

In late 2014, Sri Lankan voters elected a reform-minded government focused on human rights and accountability for actions during Sri Lanka's long war against Tamil insurgents. This development has enhanced U.S.-Sri Lankan relations. The new Sri Lankan government has committed to wide ranging political and economic reforms; in the latter area, Sri Lanka plans to implement a world class trade and investment regime within five years – a first for South Asia. In support, USTR has developed a new mechanism for promoting bilateral trade and investment—a Joint Action Plan to Boost Bilateral Trade and Investment (JAPTI). The JAPTI sets out a roadmap that could double U.S.-Sri Lanka trade and FDI flows over the next five years by targeting the laws, regulations, and practices that have hindered Sri Lankan external trade and investment. In 2016, USTR finalized and launched the JAPTI. We will have a TIFA intersessional meeting in spring of 2017 to coordinate the implementation of the several key actions of the JAPTI.

As a follow-up to the first ever TIFA meeting with the Maldives in 2014, USTR continued to monitor efforts to improve workers' rights in the Maldives, including through U.S. Department of Labor technical assistance. USTR also continued discussions aimed at implementing best strategies to increase bilateral trade and investment in the country's fishing and tourism industries.

Nepal is still recovering from a devastating earthquake that struck the country in 2015. In 2016, the United States implemented the Nepal preference program, which provides duty-free treatment for 66 types of items from Nepal, including certain carpets, headgear, shawls, scarves, and travel goods. This program is authorized for ten years and is designed to improve export competitiveness and help Nepal's economic recovery following the earthquakes. In 2017, the United States will continue to work with Nepal and provide technical assistance, aid its recovery, and deepen bilateral trade engagement.

IV. OTHER TRADE ACTIVITIES

As with the other Chapters in this report, Chapter IV focuses primarily on actions taken by the U.S. government during 2016. The Trump Administration continues to develop its plans with respect to the issues discussed below.

A. Trade and the Environment

In 2016, the United States and 16 other WTO Members continued to work on the Environmental Goods Agreement (EGA) negotiations, which would eliminate tariffs on environmental technologies such as wind turbines, water treatment filters, and solar water heaters. In addition, the United States and 12 other WTO Members announced their plans to negotiate in the WTO a first of its kind, rules-based plurilateral agreement to prohibit harmful fisheries subsidies.

The United States continued to prioritize implementation of the free trade agreements (FTAs) currently in force. In particular, in February 2016, the United States made use of an important monitoring and enforcement tool under the Annex on Forest Sector Governance of the United States-Peru Trade Promotion Agreement (PTPA) to request that the government of Peru verify that a shipment of timber products exported to the United States complied with all applicable Peruvian laws and regulations. The results of the verification demonstrated that a majority of the shipment was illegally sourced, due to challenges that remain in Peru's forestry regime. The verification process catalyzed a series of actions to improve enforcement of Peruvian forestry laws, for example, improvements to Peru's export documentation requirements for timber. In 2016, the United States also met with officials from Dominican Republic-Central America Free Trade Agreement (CAFTA-DR) countries (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic), as well as Chile, Colombia, Korea, Morocco, Panama, and Singapore to discuss implementation of and monitor progress under the environment chapters of our FTAs.

USTR also contributed significantly to implementation of the National Strategy to Combat Wildlife Trafficking and the Action Plan to Combat Illegal, Unreported, and Unregulated (IUU) Fishing and Seafood Fraud. These initiatives call for addressing these challenges, including by using existing and future U.S. trade agreements, environmental cooperation mechanisms, and other trade-related initiatives.

1. Multilateral and Regional Fora

Regional Engagement

In APEC, the United States worked to ensure that economies that had not yet implemented APEC Leaders' 2011 commitment to reduce tariffs on environmental goods to five percent or less fulfilled their commitment to cut these tariffs. As a result of USTR's efforts, Vietnam and Thailand have joined other APEC economies in cutting tariffs on environmental goods, resulting in the reduction of tariffs on hundreds of tariff lines across the Asia-Pacific region, impacting billions of dollars of U.S. exports.

In 2016, the United States launched a new initiative under APEC's Regulatory Cooperation Advancement Mechanism aimed at facilitating trade and investment in sustainable materials management (SMM) solutions. This effort will catalogue APEC economy definitions of waste-related terms (*e.g.*, municipal solid waste, recyclable material, renewable energy) that impact trade and investment in SMM solutions as a first step towards addressing the barriers these diverse and inconsistent definitions may occasionally create.

Through the APEC Experts Group on Illegal Logging and Associated Trade (EGILAT), the United States worked with other Asia-Pacific economies to combat illegal logging and associated trade. This work included developing a law enforcement network, a workshop on strengthening forest control systems in APEC economies, and improved reporting on APEC economies' laws and regulations based on a common understanding of illegal logging and associated trade agreed to by EGILAT economies.

Additionally, in November 2016, the United States held the seventh meeting of the United States - China Bilateral Forum on Illegal Logging and Associated Trade. During this meeting, the United States and China shared information on domestic actions and advances in enforcement, including enforcement of the U.S. Lacey Act; discussed several specific trade flows as case studies to reflect on identified challenges and efforts to address them; identified areas for continued and future cooperation around sharing of trade data and lessons learned in enforcement and wood traceability; and highlighted our work with stakeholders on addressing illegal logging and promoting legal trade in timber products.

WTO and Other Multilateral Engagement

As described in more detail in Chapter II of this report, the United States continues to explore and advance fresh and innovative approaches to all aspects of the WTO's trade and environment work.

The United States and the 16 other WTO Members participating in the EGA negotiations made continued their discussions in 2016. Trade Ministers and other senior officials from all 17 EGA members met in Geneva on December 3 and 4, where negotiations stalled. Participants are currently assessing appropriate next steps for 2017. The In addition to the United States, Australia, Canada, China, Costa Rica, the European Union, Hong Kong, Iceland, Israel, Japan, Korea, New Zealand, Norway, Singapore, Switzerland, Chinese Taipei, and Turkey are participating in the negotiations.

In September 2016, the United States and 12 other WTO Members (Argentina, Australia, Canada, Chile, Colombia, New Zealand, Norway, Papua New Guinea, Peru, Singapore, Switzerland, and Uruguay), issued a joint statement announcing their intention to negotiate a plurilateral agreement in the WTO to prohibit harmful fisheries subsidies, particularly those that contribute to overfishing and overcapacity or are linked to IUU fishing, and to increase transparency in reporting of fisheries subsidies. Since the announcement, three other WTO Members (Brazil, Iceland, and Panama) have joined this initiative, and the group is discussing plans for advancing the negotiations in 2017.

In 2016, USTR supported the U.S. efforts on a number of multilateral environmental agreements and related international initiatives to ensure consistency with international trade obligations, including: the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the International Convention for the Conservation of Atlantic Tunas, International Maritime Organization conventions, the Montreal Protocol on Substances that Deplete the Ozone Layer, the Basel Convention on the Control of Trans-boundary Movements of Hazardous Wastes and their Disposal, Strategic Approach to International Chemicals Management, the Stockholm Convention on Persistent Organic Pollutants, the United Nations Framework Convention on Climate Change, the Minamata Convention on Mercury, and the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade. USTR is also engaged in and contributes expertise to U.S. fisheries policy development, regional fisheries management organizations, and the International Tropical Timber Organization.

2. Bilateral and Regional Activities

In 2016, USTR continued to convene meetings of the TPSC Subcommittee on FTA Environment Chapter Monitoring and Implementation to consider actions taken by U.S. FTA partners, in accordance with the Subcommittee's plan for monitoring implementation of FTA environment chapter obligations. The monitoring plan forms part of the Administration's ongoing efforts to ensure that U.S. trading partners comply with their FTA environmental obligations and to monitor progress achieved. USTR's actions to improve monitoring the forestry commitments under the PTPA were particularly noted.

T-TIP Negotiations

By the end of 2016, United States and European Union teams had met in fifteen formal T-TIP negotiating rounds, including four in 2016, and had engaged in a wide range of discussions and negotiating sessions between rounds. The T-TIP negotiations stalled in late 2016. Substantial negotiations on several critical issues will be required to complete the agreement during the Trump Administration. The Administration is currently evaluating the status of the negotiations.

Bahrain FTA

In 2016, U.S. Government officials and experts engaged and worked closely with officials from Bahrain's Supreme Council for Environment to develop a revised Plan of Action, pursuant to the United States-Bahrain Memorandum of Understanding on Environmental Cooperation accompanying and supporting implementation of the Environment Chapter under the FTA. The Plan of Action identifies goals and cooperation activities that will help Bahrain strengthen its capacity to protect the environment while promoting sustainable development in concert with the trade relationship established under the FTA. The Plan of Action is awaiting Bahraini cabinet approval.

CAFTA-DR

The United States and other Parties to the CAFTA-DR continued efforts to strengthen environmental protection and implement the commitments of the CAFTA-DR Environment Chapter. The officials responsible for trade and environment under CAFTA-DR met and held three in-person meetings and one video conference in 2016 to discuss priorities for environmental cooperation funding, monitoring and implementation of Environment Chapter obligations, and the preparation for senior-level meetings of the Environmental Affairs Council (Council). The Council met on July 7-8 in San Salvador, El Salvador, to commemorate the ten year anniversary of CAFTA-DR and discussed the successes and challenges of implementing the Environment Chapter obligations over the past ten years, with a particular focus on institutional strengthening, wildlife legislation, regional cooperation, public participation in environmental decision-making, and private sector engagement. The Council decided to focus future efforts on the illegal trade of timber, wildlife, and marine resources, promoting public participation, the conservation of coastal and marine ecosystems, solid waste management, air pollution, and water resources management.

The Council also received an update from the independent CAFTA-DR Secretariat for Environmental Matters (Secretariat) and recognized the high number of public submissions as a positive demonstration of increased public participation and environmental awareness. Since 2007, the Secretariat has received 37 submissions regarding effective enforcement of environmental laws and has disseminated information about the submission mechanism to over 3,800 people from non-governmental organizations, academia, the private sector, and governments. The Council also adopted the "San Salvador Declaration: United Protecting the Environment," reaffirming the commitment to "promote sound environmental policies that

ensure high levels of environmental protection and to encourage trade and investment in line with such policies."

The Council also hosted a public session that included a press conference, live-streamed panel discussions, and an expo for approximately 300 attendees. The event provided the opportunity for an interactive exchange of views between government representatives, environmental groups, academia, and private sector representatives on monitoring and implementation of the chapter and environmental cooperation programs.

Chile FTA

In 2016, Chile enacted a new wildlife law to implement its obligations under the Convention on International Trade in Endangered Species of Fauna and Flora (CITES). The United States has long supported Chile's efforts to strengthen its CITES implementing legislation as part of our ongoing environmental cooperation program under the auspices of the Joint Commission for Environmental Cooperation. The United States supported other environmental cooperation activities in Chile in 2016. For example, the U.S. Environmental Protection Agency, with the U.S. Department of Justice's participation, trained over 400 people in Chile on environmental enforcement and compliance matters, including environmental crimes, continuous emissions monitoring systems, and environmental forensics. The U.S. Department of the Interior worked with Chilean counterparts to: (1) finalize a wildlife crime scene manual and produce five tutorial videos; (2) organize an "Environmental Crimes Seminar" in partnership with Chile's Attorney General's Office to explain wildlife crimes under the new wildlife law; and (3) draft a conflict resolution manual in partnership with Chile's Ministry of the Environment to help park rangers and administrators address socio-environmental conflicts related to protected areas. The United States also supported preparation and completion of a study by World Wildlife Fund that compares Chile's IUU fisheries law with similar laws and measures in the United States, New Zealand, and Australia, and presented it to Chile's Parliament, which led to a draft bill to strengthen Chile's laws against IUU fishing.

Colombia TPA

The United States worked closely with Colombia to advance the establishment of an independent Secretariat to receive and consider submissions from the public on matters regarding enforcement of environmental laws pursuant to Article 18.8 of the United States – Colombia Trade Promotion Agreement (CTPA). The Secretariat promotes public participation in the identification and resolution of environmental enforcement issues by receiving and considering submissions from the public on matters regarding enforcement of environmental laws. The United States and Colombia selected Fondo Accion, a Colombian non-governmental organization, as the host entity and the Department of State awarded a grant to Fondo Accion in the spring of 2016 to house the Secretariat.

The United States provided capacity building assistance under the United States - Colombia Environmental Cooperation Work Program 2014-2017 to support Colombia's implementation of its environmental obligations under the CTPA. The U.S. Agency for International Development (USAID) supports the bulk of this environmental cooperation and in 2016 invested more than $20 million in activities that directly supported the work program. USAID worked to improve the informal mining sector's compliance with law, including the development of an air-borne mercury monitoring protocol that has produced the mercury pollution baseline for eight municipalities. Programs supported by U.S. biodiversity funding have focused on conservation efforts in Colombia's Andean Amazon, Caribbean Tropical Dry Forest and Pacific Humid Tropical Forest regions, including training on resource management for approximately 15,000 people from communities living in sensitive ecosystems and biodiversity hotspots. USAID also supported the development of the forest monitoring, verification, and reporting system and conducted capacity building for the National Forest Inventory.

Jordan FTA

In accordance with the United States-Jordan FTA and the United States-Jordan Joint Statement on Environmental Technical Cooperation, the United States and Jordan have worked closely together on a range of environmental matters under the 2014-2017 Work Program for Environmental Technical Cooperation which includes cooperation on institutional strengthening for the effective enforcement of environmental laws, biodiversity conservation, improved cleaner production processes, and increased public participation and transparency in environmental decision making and enforcement in Jordan. In 2016, the U.S. Forest Service (USFS) continued to support improved management of areas of biological significance through partnerships with Jordan's Royal Society for the Conservation of Nature. Also in 2016, the USFS provided technical assistance to the Ministry of Agriculture/Forestry Department to improve reforestation practices including technical assistance for native nurseries to grow more vigorous seedlings, increase seedling survival rates, and conserve soil and water.

Korea FTA

In accordance with the United States-Republic of Korea FTA and the United States-Republic of Korea Environmental Cooperation Agreement, the United States and South Korea have worked closely together on a range of environmental matters under the 2016-2018 Work Program. In January 2016, South Korea ratified the FAO Port State Measures Agreement to combat IUU fishing, which entered into force on June 5, 2016. Also in 2016, the National Oceanic and Atmospheric Administration (NOAA) participated in South Korea's fisheries training program for third country nationals, which uses materials developed by NOAA in conjunction with FAO and other regional fisheries organizations. In June 2016, South Korea's National Institute of Environmental Research (NIER) concluded a six-week study on local air quality with the U.S. National Aeronautics and Space Administration (NASA). The study included specific air quality testing by three planes, ground aerial observation, air quality modeling, and satellite data analysis. Having installed equipment capable of remotely observing air pollutants in six locations of South Korea, NASA plans to provide researchers with real-time data to support particulate matter forecasting. NIER said that the joint research would help South Korea improve its air quality observation capacity.

Morocco FTA

In accordance with the United States-Morocco FTA and the United States-Morocco Joint Statement on Environmental Cooperation, the United States and Morocco have worked closely together on a range of environmental matters under the 2014-2017 Plan of Action, which identifies priority areas for cooperation, including: strengthening institutions and policies for effective implementation and enforcement of environmental laws; promoting green growth and green jobs, related research and development and the diffusion of environmentally sound technologies and practices; enhancing biodiversity conservation and improving management of protected areas and other ecologically important ecosystems while improving livelihoods; and increased public participation and transparency in environmental decision making and enforcement in Morocco.

A key achievement in 2016 under the United States - Morocco Joint Statement was signing and launching a new sister park arrangement between Great Basin National Park in Nevada and Toubkal National Park in Morocco with support from the Department of Interior's International Technical Assistance Program. This is the first National Park Service sister park arrangement with a country in the Middle East/North African (MENA) region.

The U.S. Forest Service also worked with the High Commission for Water, Forests, and the Fight Against Desertification to provide technical assistance, including by providing training on the principles of incident command and fire response tactics and tools, watershed management, and tree nursery and reforestation best practices.

The National Oceanic and Atmospheric Administration worked with the Moroccan National Agency for Development of Aquaculture and aquaculture cooperative members to install new mussel longline demonstration farms, provide training on marine aquaculture, and develop siting guidelines, monitoring standards, and environmental models for aquaculture.

Oman FTA

In accordance with the United States-Oman FTA and the United States-Oman Memorandum of Understanding (MOU) on Environmental Cooperation, the United States and Oman have worked closely together on a range of environmental matters. In 2016, progress on environmental cooperation continued through the plan of action implementing the MOU. As part of this effort, the U.S. Department of the Interior worked with the Omani Ministry of Environment and Climate Affairs (MECA) to build technical capacity for the implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora and to conduct a sea turtle population assessment with the aim of increasing awareness and improving conservation efforts. The U.S. Department of Justice worked with MECA to review Oman's environmental legal regime, including ambient air quality regulations. In addition, the Environmental Protection Agency worked with MECA to provide technical assistance and training on use of air quality monitoring equipment and data assessment for effective implementation of air quality regulations.

Panama TPA

In November 2016, the United States and Panama held a meeting of the Free Trade Commission and discussed progress in meeting the obligations under the United States – Panama TPA, including next steps in staffing an independent Secretariat, pursuant to Article 17.8 of the TPA. In December 2015, the United States and Panama signed an agreement for the establishment of the Secretariat and the agreement entered into force on August 27, 2016. The secretariat mechanism is intended to promote public participation in the identification and resolution of environmental enforcement issues and receive and consider submissions from the public on matters regarding enforcement of environmental laws. The Secretariat is housed in the Water Center for the Humid Tropics of Latin America and the Caribbean, an international environmental organization for the region located in Panama City, Panama. The Environmental Affairs Council is in the process of finalizing the appointment of an Executive Director for the Secretariat.

The Department of State continued to support environmental cooperation led by the Environmental Protection Agency (EPA) focused on the implementation and enforcement of environmental laws in Panama. In May 2016, EPA conducted a training workshop for judicial prosecutors focusing on management of environmental cases, remediation measures, and evaluation of environmental damages; and in June 2016, a compliance inspection training course. EPA is also consulting with Panama's Environment Ministry on drafting improved wastewater regulations.

In November 2016, Panama ratified the Port State Measures Agreement (PSMA), joining the United States, 35 other countries, and the European Union in an international treaty to prevent, deter, and eliminate illegal, unreported, and unregulated fishing.

Peru TPA

The United States and Peru held multiple meetings to discuss and monitor implementation of obligations under the PTPA's Environment Chapter and Forest Annex, with broad participation from a range of government agencies and stakeholders. This regular engagement provided important opportunities to monitor implementation and gather information about new laws, regulations, and policies that Peru is implementing, particularly in the forest sectors, and to gain a better understanding of their environmental and trade impacts. In July 2016, as part of its ongoing review of the monitoring of environmental

commitments in FTAs (GAO-15-161), the Government Accountability Office (GAO) indicated it was encouraged by USTR's actions to improve monitoring of forest commitments under the PTPA.

The Forest Annex has catalyzed significant reforms in Peru's forest sector; however, Peru continues to face challenges in combating illegal logging. In February 2016, following public reports of illegal timber products from Peru entering the United States, USTR, on behalf of the U.S. Interagency Committee on Trade and Timber in Peru (Timber Committee), invoked one of the monitoring tools provided for in the PTPA Forest Annex, and requested the government of Peru to verify that a specific shipment of wood products exported to the United States in 2015 complied with all applicable Peruvian laws and regulations. Peru completed the requested verification, which revealed that significant portions of the timber shipment were not compliant with Peru's laws on harvest and trade in timber products. In August 2016, the Timber Committee issued a set of recommended actions to address the issues identified in the verification. In November 2016, USTR reached an understanding with Peru on a set of actions responsive to the verification findings that Peru committed to take to address ongoing challenges in combating illegal logging and associated trade. The actions include amending export documentation to improve traceability throughout the supply chain, risk-based measures to improve timely detection of illegally harvested timber, and steps to improve the accuracy of annual timber harvest plans. USTR and other agencies will continue to engage closely with Peru to ensure that Peru implements the actions it has committed to take and to monitor their impact.

In November 2016, the United States and Peru held senior-level meetings of the Environmental Affairs Council (EAC), the Environmental Cooperation Commission (ECC), and the Subcommittee on Forest Sector Governance in Lima, Peru. U.S. and Peruvian officials also held a public session with stakeholders to share information and exchange views on implementation of the chapter and environmental cooperation.

During the meetings of the EAC and Subcommittee on Forest Sector Governance, Peru presented information on measures taken to implement its environmental commitments, including the issuance of the Forest and Wildlife Regulations which implement the Forest and Wildlife Law 29763; the implementation of the National System on Forest and Wildlife Management; and the passage of legislative decrees 1220 and 1237 which enhance the authority of Peruvian enforcement agencies to seize timber and increase penalties for illegal logging and related crimes, among other actions. The United States discussed progress in implementing the Minamata Convention on Mercury, the establishment of new marine protected areas, and ongoing efforts to enforce environmental laws. The United States and Peru also engaged in detailed discussions on the results of the Timber Committee's verification request, resulting in agreement on the set of actions referenced above. During the EAC, the United States and Peru also approved and announced the hiring of a new Executive Director for the independent Secretariat established to receive submissions from the public on effective enforcement of environmental laws. The Secretariat is housed in Washington, D.C. in the Organization of American States, a regional organization with 35 member states from the Western Hemisphere.

The United States and Peru continued to make progress implementing the Environmental Cooperation Agreement Work Program (2015-2018), including the signing of a Memorandum of Understanding between the United States and the Environmental Protection Agency and the Peruvian Agency for Environmental Assessment and Enforcement to support Peru's efforts to strengthen enforcement of and compliance with environmental laws. The United States, through USAID, continued to support the implementation of an electronic system to verify and track the legal origin and proper chain of custody of timber harvested from Peru's forests, from stump to port. USAID and USFS are also supporting the development of a public database that will include land use and mapping information for natural resource management and land use decision-making and the analysis and publication of near real-time deforestation information, including detection of illegal logging activities. USAID and USFS have assisted with the training of Forest Regents, who approve forest management plans in publicly awarded timber concessions

and thus serve as one of the first points of control in legal forest management as well as management by local communities. To support the prosecution of environmental cases, U.S. Government assistance has supported training for environmental prosecutors and has helped to launch satellite monitoring in Loreto which will allow prosecutors to build stronger cases against illegal logging.

Singapore FTA

In accordance with the United States-Singapore FTA and the United States-Singapore Memorandum of Intent on Cooperation in Environmental Matters, the United States and Singapore have worked closely together on a range of environmental matters under the 2016-2017 Plan of Action for Environmental Cooperation. The Plan of Action includes: (1) cooperation on strengthening institutions for the effective implementation and enforcement of environmental laws; (2) participating in regional initiatives related to the conservation and sustainable use of and trade in natural resources; and (3) exchanging information on environmental policies, best practices and use of innovative environmental technology and pollution management techniques. Notable achievements in 2016 include cooperative investigations with Singapore authorities and U.S. Immigration and Customs Enforcement and Homeland Security Investigations to help facilitate Singapore's interdiction of illegal wildlife products. The Energy Market Authority of Singapore and the U.S. Department of Energy also signed a Joint Statement of Intent on Clean Energy Cooperation, which provides a framework to identify and achieve shared energy goals. The U.S. Environmental Protection Agency, U.S. Coast Guard, U.S. Army Corps of Engineers, U.S. Geological Survey, Federal Emergency Management Agency, and National Oceanic and Atmospheric Administration provided technical assistance to Singapore's Ministry of the Environment and Water Resources and National Environment Agency on emergency preparedness and crisis management with respect to hurricanes, floods, oil spills, and volcanic ash.

B. Trade and Labor

The U.S. Government continued to engage with trade partners on labor rights through the formal mechanisms of trade agreements and trade preference programs, as well as through innovative initiatives, capacity building, and technical assistance. In 2016, labor issues were an aspect of trade and investment negotiations and dialogue with the Asia-Pacific, Latin America, China, and the European Union, including through Labor Affairs Council or labor affairs subcommittee meetings under existing trade agreements, Trade and Investment Framework Agreements (TIFAs), and multilateral fora, such as the International Labor Organization (ILO), the Asia Pacific Economic Cooperation (APEC), and the Organisation for Economic Co-operation and Development (OECD).

The United States has used available trade policy tools to improve labor rights in trading partners including pursuing dispute settlement against Guatemala, removing trade preference benefits from Bangladesh and Swaziland, placing labor experts full-time in Bangladesh, Colombia, and Vietnam and negotiating an extensive monitoring and action plan with Honduras.

The Administration has supported the Trade Adjustment Assistance (TAA) program, which assists American workers adversely affected by global competition and helps to ensure that they are given the best opportunity to acquire skills and credentials to get good jobs, as an essential component of trade policy (*for additional information, see Chapter V.B.7*).

1. Bilateral Agreements and Preference Programs

FTAs

Since 2007, U.S. trade agreements have included obligations to ensure the consistency of each party's labor laws with fundamental labor rights as stated in the 1998 ILO *Declaration on Fundamental Principles and Rights at Work*. These agreements include obligations not to fail to effectively enforce each party's labor laws and not to waive or derogate from those laws in a manner affecting trade or investment. The Department of Labor' s (DOL) Bureau of International Labor Affairs (ILAB), along with USTR's Office of Labor Affairs serves as the contact point for the labor chapters of U.S. free trade agreements. For additional information on ILAB, its Procedural Guidelines, the responsible office within ILAB (the Office of Trade and Labor Affairs), and the process for filing a communication, visit https://www.dol.gov/agencies/ilab/about-us/offices#otla. The Procedural Guidelines are also available in Arabic, French, and Spanish.

The U.S. Government has historically engaged on labor issues as part of our ongoing monitoring and implementation of U.S. trade agreements. It has also worked with trading partners to advance labor rights through technical cooperation efforts, including in the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) countries, Morocco, Jordan, Peru, Korea, Mexico, and Colombia (*for additional information, see Chapter III.A*). In 2016, consultations continued with Bahrain under the Labor Chapter of the United States-Bahrain Free Trade Agreement on concerns about freedom of association and employment discrimination. In November 2016, USTR and DOL officials met with government officials and stakeholders in Korea to follow up on the labor commitments under the United States-Korea Free Trade Agreement (KORUS). In particular, discussions were held with respect to Korea's commitments to adopt and maintain the rights to freedom of association and collective bargaining, and the elimination of discrimination in employment (*for additional information see Chapter III.A.8*).

In 2016, the United States worked closely with Colombia to continue implementation of the Colombian Action Plan Related to Labor Rights, which focuses on improving protection of labor rights, preventing violence against trade unionists, and prosecuting perpetrators of such violence. The Colombian government continued to take steps to implement the Action Plan, including by issuing a Presidential Decree to address abusive forms of subcontracting. The Colombian Ministry of Labor began to implement the decree and took steps to levy significant fines against employers that use illegal subcontracting arrangements to undermine labor rights. In October, a USTR official visited Colombia to monitor the implementation of the Action Plan, and held meetings with high-level government officials, including the Vice Minister of Labor, and extensive discussions with interested stakeholders. Officials from USTR and the DOL also met with a team from the Attorney General's Office of Colombia to discuss ongoing initiatives to prosecute perpetrators of violence against trade unionists. In May 2016, the DOL received a public submission under the Labor Chapter of the United States-Colombia Trade Promotion Agreement, from labor unions and NGOs in the United States and Colombia. The submission alleged that the government of Colombia has failed to effectively enforce its labor laws and to adopt and maintain laws that protect fundamental labor rights. The DOL accepted the submission for review in July and per its internal procedures, will issue a public report based on its review by January 11, 2017, which recommended undertaking consultations between the contact points designated under the Labor chapter to address concerns raised in the report including with respect to labor inspections and improving labor law enforcement (*for additional information, see Chapter III.A.5*).

In February 2015, the DOL released a report on labor issues in Honduras based on a submission by the American Federation of Labor and Congress of Industrial Organizations and 26 Honduran labor unions, pursuant to the CAFTA-DR Labor Chapter. The report addressed allegations that the government of

Honduras (GOH) failed to effectively enforce its labor laws, and included recommendations for actions by the GOH to improve enforcement efforts in the agriculture, manufacturing, and port sectors. Pursuant to the report's recommendations, in December 2015, the United States and Honduras signed a labor Monitoring and Action Plan that includes commitments to increase inspection resources, provide training for inspectors, and establishes timeframes for improvements to labor enforcement mechanisms. The GOH took important steps to implement the Plan in 2016, including hiring more than 25 new inspectors, doubling the budget of the labor inspectorate (an increase of $1.6 million), and passing a comprehensive legal reform for labor inspections that significantly increases fines for violations of labor rights. The GOH also continued an intensive consultation process and sharing of labor law enforcement information with stakeholders and the public, per commitments in the Plan (*for additional information, see Chapter III.A.3*). Labor officials from the United States and Morocco continued to strengthen areas of cooperation under the United States-Morocco Free Trade Agreement. Officials from the DOL visited Morocco on multiple occasions during 2016 to oversee technical assistance projects, including the two funded by DOL designed to address child labor and gender equity, and to explore areas of continued cooperation, building on discussions held during the 2014 Labor Subcommittee meeting (*for additional information, see Chapter III.A.9).*

In September 2016, the dispute settlement panel adjudicating the dispute brought by the United States against Guatemala issued its non-public initial report to the disputing Parties for their review and comment. In this case, the United States maintains that Guatemala has failed to effectively enforce its labor laws contrary to Guatemala's obligations under the CAFTA-DR. Also in 2016, the United States noted ongoing concerns with similar labor enforcement issues in Guatemala in the context of an Article 26 complaint before the ILO. At the ILO Governing Body meeting in November, the United States recognized progress by Guatemala in the area of pending labor legislation to restore the authority of labor inspectors to impose penalties, but also noted serious concerns regarding enforcement of labor court orders, as well as impunity for violence against trade unionists (*for additional information, see Chapter III.A.3*).

In 2016, the United States continued to monitor and assess progress towards addressing the labor concerns identified in a 2013 public report issued by the DOL concerning labor rights in the Dominican Republic. This report was issued following a review by DOL a public submission it received pursuant to the labor chapter of the CAFTA-DR. In October, the DOL, in consultation with USTR and State, issued a public update on its findings, noting a number of positive steps taken by the government and by industry designed to address the labor issues identified in the 2013 report and pointing to areas of potential collaboration. Among other areas of note, the Ministry of Labor of the Dominican Republic added 15 vehicles to its inspection fleet to help reach more remote areas and developed plans to extend labor inspections of the sugar industry throughout the year.

Also in 2016, the DOL issued reports for two additional public submissions on labor rights, one involving Mexico and the other involving Peru. The DOL's report on the Mexico submission under the North American Agreement on Labor Cooperation (the NAFTA labor side agreement), recommends expeditious passage and effective implementation of constitutional and legislative initiatives that the government of Mexico introduced in 2016 to reform and modernize the system of labor justice administration. In November, Mexico's Congress passed constitutional reforms to create new labor courts and significantly reform Mexico's system of labor justice administration. In January 2017, the reforms were approved by a majority of Mexican states, as required by the ratification process, and will be implemented over the course of the year. In addition, legislative reforms to address concerns with registration of collective bargaining agreements and with the voting process to decide union representation challenges were pending before Mexico's Congress at year's end.

The DOL's report on the Peru submission under the United State-Peru Trade Promotion Agreement recommends that the government of Peru take steps to address problems with temporary contracts in special

export regimes, primarily textiles and agriculture, where there are increasing concerns that employers use these arrangements to undermine the free exercise of labor rights (*for additional information, see Chapter III.A.3).*

Other Bilateral Agreements and Preference Programs

Pursuant to requirements of the Haitian Hemispheric Opportunity through the Partnership Encouragement Act of 2008 (HOPE II), producers eligible for duty-free treatment under HOPE II must comply with core labor standards. The DOL, in consultation with USTR, is charged with publically identifying noncompliant producers on a biennial basis and providing assistance to such producers to come into compliance. In addition, DOL provides support to at-risk producers to help ensure that they do not fall out of compliance. In the 2015/2016 reporting period, DOL did not identify any new non-compliant producers for the biennial reporting period, but continued to provide support to at-risk producers throughout 2015 and 2016. During 2016, DOL worked with several producers to address preliminary concerns related to industrial relations and the proper payment of wages and benefits to prevent non-compliance. USTR and DOL also continued to work closely with the government of Haiti, the ILO, and other U.S. Government agencies on implementation of the Technical Assistance Improvement and Compliance Needs Assessment and Remediation (TAICNAR) program to monitor factories' compliance with core labor standards. (For additional information, view the 2016 USTR Annual Report on the Implementation of the TAICNAR program at: https://ustr.gov/sites/default/files/USTR-Report-Haiti-HOPE-II-2016.pdf).

U.S. trade preference programs, including the Africa Growth and Opportunity Act (AGOA), the Caribbean Basin Trade Partnership Act, trade preferences for Haiti, Nepal, and the Generalized System of Preferences (GSP), require beneficiaries to meet statutory eligibility criteria pertaining to worker rights and child labor. In 2015, the GSP program was reauthorized after a lapse of two years. Congress also extended both the AGOA and HOPE preference programs and subsequently authorized trade preferences for Nepal.

During 2016, USTR renewed its engagement with governments and stakeholders involved in ongoing GSP worker rights-related reviews of Fiji, Georgia, Iraq, Niger, Burma, and Uzbekistan, and began its review of Thailand. The U.S. Government has provided technical assistance to a number of countries to help them address the concerns raised under GSP worker rights reviews. For example, the DOL provided technical assistance to Georgia during the year to help re-establish a labor inspectorate in that country and funded a labor rights program in Uzbekistan to help address forced and child labor in the cotton sector. The Department of State funded the creation of a labor consultative mechanism for stakeholders in Burma to advise the government on continuing labor reforms. Based on recent reforms in law and practice, and other important progress made by the government of Burma with respect to workers' rights, President Obama restored GSP eligibility for Burma in November 2016. USTR also announced the closure of worker rights reviews of Fiji and Niger in January2017, reflecting progress made by both countries in addressing labor rights concerns. In Fiji, a tripartite agreement brokered by the ILO between trade unions, employers, and the government addressed all of the concerns raised in the third party petition submitted by the AFL-CIO. In Niger, the USTR announced a closure of the review citing progress by the government in raising awareness of and combatting forced and child labor.

Bangladesh was suspended from GSP eligibility in June 2013 based on worker rights concerns. At the time of the suspension, USTR provided Bangladesh with an Action Plan which, if implemented, could provide a basis for the restoration of benefits. In July 2013, the Administration also joined the Sustainability Compact for continuous improvements in labor rights and factory safety, a public declaration of commitments that now includes the governments of Bangladesh, the European Union, the U.S., Canada, and the ILO, that was substantially similar to the GSP Action Plan. In January 2016, USTR led an interagency delegation to Bangladesh to assess progress towards the goals of the Sustainability Compact and GSP Action Plan and to reiterate to the government of Bangladesh that although some initial steps had

been taken more needs to be done to improve worker rights and worker safety issues in the country. During the year, Compact participants continued to communicate regularly to assess progress and identify areas for priority action, such as continued reports of unfair labor practices in the ready-made garment sector, increasing rejections of independent union applications, and the need to ensure freedom of association and collective bargaining rights in the country's export processing zones. USTR also coordinated with the two private sector safety initiatives, the Alliance and the Accord, in their efforts to ensure worker safety and factory remediation.

The United States continued to engage with African countries on AGOA workers' rights criteria through the AGOA annual eligibility review and bilateral and multilateral fora. USTR and the DOL also organized and hosted a Trade and Labor Ministerial as a part of the annual AGOA Forum. The two-day roundtable discussion at DOL featured the participation of both African trade and labor ministers in order to highlight the need for better coordination between trade and labor ministries in the effort to promote and sustain inclusive economic growth. The DOL announced several new technical assistance projects as part of the forum to better integrate trade and labor strategies in Africa and to increase productivity and exports while pulling people out of poverty.

The United States and China committed to a dialogue on labor and employment issues in 2009 during the first United States-China Strategic and Economic Dialogue. In May 2016, the DOL and the China Ministry of Human Resources and Social Security (MOHRSS) held this annual dialogue, and discussed topics such as labor and employment challenges at the national level, workers' rights to freedom of association and collective bargaining, entrepreneurship and skills training, and strategic enforcement of labor laws.

The fourteenth meeting of the United States-Vietnam Labor Dialogue took place in November 2016 in Hanoi, at which the DOL and Vietnam's Ministry of Labor, Invalids, and Social Affairs (MOLISA) discussed the 2016 list of goods produced by child labor and ways to cooperate in the future to monitor and enforce laws prohibiting child labor in Vietnam. They also discussed continuation of U.S. assistance to the ILO Better Work program in Vietnam, as well as U.S. technical assistance for Vietnam to address consistency with international labor standards within its system of industrial relations more broadly.

USTR also engaged with several countries in 2016 on labor issues in the context of TIFA meetings and other bilateral trade mechanisms. For example, discussions with Chile, Philippines, Thailand, and Sri Lanka highlighted the importance of ensuring that labor laws are compliant with internationally recognized workers' rights and that government agencies have the capacity to enforce domestic labor laws.

In 2016, USTR continued to coordinate U.S. Government engagement around the *Initiative to Promote Fundamental Labor Rights and Practices in Myanmar*, including through organization and participation in the second annual multi-stakeholder meeting in Burma. The *Initiative*, an innovative multi-stakeholder effort launched by the government of Burma and USTR in 2014, aims to improve the respect for and protection of labor rights in Burma, with development assistance and advice from interested governments, worker organizations, business interests and civil society. The September 2016 forum brought together partner governments, including the governments of Burma, the United States, Japan, Denmark, and the European Union, with the ILO and business and labor interests to provide practical input into and to affirm the commitment of the newly elected democratic government of Burma to ongoing labor and social reforms. In support of the *Initiative*, the DOL and State announced technical assistance programs aimed at assisting Burma's own comprehensive labor reforms and efforts to establish productive and cooperative industrial relations among social stakeholders.

2. Multilateral and Regional Fora

In 2016, the United States furthered its efforts to broaden international consensus on the relationship between trade and labor and the benefit of ensuring protection of labor provisions as part of trade policy. In the Ministerial Declaration adopted during the World Trade Organization (WTO) Ministerial Conference in Singapore (1996) and reaffirmed in Ministerial Declarations adopted during Ministerial Conferences in Doha (2001) and Hong Kong (2005), WTO Members renewed their commitment to observe internationally recognized core labor standards and took note of collaboration between the WTO and the International Labor Organization (ILO) Secretariats. In support of this collaboration, in 2016, USTR and DOL officials continued their participation in ILO-led research and dialogue as part of a multi-year project to study the inclusion of labor provisions in trade and investment agreements. In 2016, the ILO also issued an *Assessment of Labour Provisions in Trade and Investment Arrangements* (http://www.ilo.org/global/publications/books/WCMS_498944/lang--en/index.htm), in which the ILO found, among other things, that labor provisions have been an important tool for raising awareness and improving laws and legislations with respect to workers' rights and developing domestic institutions to better monitor and enforce labor standards.

The United States also continued to promote labor rights as one of the topics relevant to the effort to strengthen economic integration and to build high quality trade agreements in the Asia-Pacific region. In APEC, the United States has continued to support inclusion by APEC economies of labor and social issues in next generation trade agreements. This includes, in particular, emphasis on non-discrimination in the workplace and gender-related issues.

C. Small and Medium Size Business Initiative

USTR has implemented a Small Business Initiative to increase export opportunities for U.S. small and medium sized enterprises (SMEs), and has expanded efforts to address the specific export challenges and priorities of SMEs and their workers in our trade policy and enforcement activities. During 2016, USTR continued to engage with its interagency partners and with trading partners to develop and implement new and continuing initiatives that support small business exports.

U.S. small businesses are key engines for our economic growth, jobs, and innovation, and USTR is focused on making trade work for the benefit of American SMEs, helping them increase their sales to customers abroad, access and participate in global supply chains, and support jobs at home. USTR does this by negotiating with foreign governments to open their markets and by enforcing our existing trade agreements to ensure a level playing field for U.S. workers and businesses of all sizes. USTR is working to better integrate specific SME issues and priorities into our trade policy development, increase outreach to SMEs around the country, and expand collaboration and coordination with our interagency colleagues.

USTR is supporting efforts to help more American companies – especially SMEs – reach overseas markets by improving data, leveraging new technology applications, and empowering local export efforts. USTR works closely with the U.S. Small Business Administration (SBA), the U.S. Department of Commerce and other agencies to help provide U.S. SMEs information, assistance, and counselling on specific export opportunities. In 2016, USTR undertook significant actions in continued support of our SME objectives.

1. USTR SME-Related Trade Policy Activities

Tariff barriers, burdensome customs procedures, discriminatory or arbitrary standards, and lack of transparency relating to relevant regulations in foreign markets present particular challenges for our SMEs in selling abroad. Under the SME Initiative, USTR's small business office, regional offices, and functional

offices are pursuing initiatives and advancing efforts to address these issues. For example, USTR is hopeful that the WTO Trade Facilitation Agreement will eliminate red tape and bureaucratic delay for goods shipped around the globe. Small businesses would benefit tremendously from such a development since their size poses unique challenges in navigating restrictive rules around the world. USTR is also leading efforts to strengthen and enforce intellectual property rights, reduce services market barriers, and simplify government procurement rules.

U.S. trade agreements, as well as other trade dialogues and fora, provide a critical opportunity to address specific concerns of U.S. SMEs and facilitate their participation in export markets. For example:

- In the Asia-Pacific Economic Cooperation (APEC) forum, APEC continues to implement the 2015 Boracay Action Agenda to Globalize Micro, Small and Medium Enterprises (MSMEs), as well as the APEC Iloilo Initiative: Growing Global SMEs for Inclusive Development, a guiding framework for integrating SMEs into international trade and Global Value Chains (GVCs). APEC also advanced the U.S.- led initiative on the Digital Economy Action Plan for MSMEs to further assist SMEs' access to international markets. The United States, through the APEC Alliance for Supply Chain Connectivity (A2C2), continued supporting capacity building activities closely linked to the WTO's Trade Facilitation Agreement, including assistance for economies to further simplify customs procedures and document requirements that will in turn benefit SMEs that often lack the resources necessary to navigate overly complex requirements to deliver their goods to overseas markets in the region. APEC's new website called the APEC Trade Repository (APECTR) at http:/tr.apec.org, should continue to help SMEs seeking tariff rates, customs procedures, and other information for doing business in APEC markets.

- With respect to Free Trade Agreement (FTA) partners in the Western Hemisphere, USTR is working with SBA, the U.S. Department of State, and other agencies to support the Small Business Network of the Americas (SBNA), which helps small businesses participate in international trade by linking U.S. small business development centers (SBDCs) with international counterparts via web-based platforms and facilitates direct contacts between centers and small business clients seeking foreign customers and partners. USTR worked with SBA and the State Department on preparations for the America's Small Business Development Centers annual meeting in Orlando, and supported the SBNA matchmaking workshop of SBDCs in the United States with potential sister centers in countries in the Western Hemisphere and other regions.

- In the WTO context, USTR is exploring the development of further work with other WTO members on issues of interest to SME stakeholders, such as tariff bindings, duty-free treatment of digital goods, transparency of regulatory processes, and implementation of trade facilitation measures.

- USTR also discussed SME issues in other bilateral fora with trading partners in Europe and the Middle East. In the U.S.-Georgia High Level Dialogue on Trade and Investment, parties are exploring further work on SME issues with a particular focus on best practices and policies for expanding SME e-commerce and digital trade. USTR also discussed SME issues in a meeting under the U.S.-Qatar Trade and Investment Framework Agreement, with a particular focus on best practices with Small Business Development Centers and training.

2. USTR Interagency SME Activities

USTR participates in the Trade Promotion Coordinating Committee's (TPCC) Small Business Working Group, collaborating with agencies including the U.S. Department of Commerce, SBA, the U.S. Department of State, U.S. Export-Import Bank, the U.S. Department of Agriculture, and others across the

U.S. Government to promote small business exports. The TPCC Small Business Working Group connects SMEs to trade information and resources to help them begin or expand their exports and take advantage of existing trade agreements. USTR collaborates as a key member of the TPCC SME Task Force, which is chaired by SBA, on formulating policies to connect SMEs to international trade opportunities and increase their ability to compete in international markets. As a result of work by the Task Force, USTR, the U.S. Department of Commerce and SBA created the FTA Tariff Tool. This free, online tool (http://export.gov/FTA/ftatarifftool/index.asp) was designed to help small businesses take better advantage of the reduction and elimination of tariffs under U.S. FTAs. The FTA Tariff Tool has been expanded to include tariff information on textiles and apparel products as well as rules of origin under U.S. FTAs. Additionally, the TPCC SME Task Force worked to eliminate registration costs for USA Trade Online, a data tool provided by the U.S. Census Bureau that gives users access to current and cumulative U.S. export and import data. Users can create customized reports and charts detailing international trade data at different levels, which can be especially helpful for small businesses.

3. USTR's SME Outreach and Consultations

In 2016, USTR participated in engagements around the country to hear from local stakeholders about the trade opportunities and challenges they face. On an interagency basis, USTR is working with the TPCC to improve trade information relevant for SMEs and highlight interagency programs to assist SMEs with their individual export needs.

USTR staff regularly consult with the Industry Trade Advisory Committee for Small and Minority Business (ITAC 11) to seek its advice and input on U.S. trade policy negotiations and initiatives, and meets frequently with individual SMEs and associations representing SME members on specific issues. USTR spoke at several SME events around the country and abroad in 2016 regarding the U.S. trade agenda, including at the Kansas World Trade Center in Kansas City, MO; the Ohio State University Fisher College of Business Global Summit in Columbus, OH, the National District Export Council meeting in Washington, D.C., the Friedrich Ebert Foundation meeting in Austin, Texas; small businesses from around the country convening at the White House Business Council; the Small Business Committee of the President's Export Council; and other events aimed at apprising small businesses of international trade opportunities and encouraging them to begin or expand their exports.

D. Organization for Economic Cooperation and Development

Thirty-five democracies in Europe, the Americas, the Middle East, and the Pacific Rim comprise the Organization for Economic Cooperation and Development (OECD), established in 1961 and headquartered in Paris. The OECD is a grouping of economically significant countries and serves as a policy forum covering a broad spectrum of economic, social, environmental, and scientific areas, from macroeconomic analysis to education to biotechnology. The OECD helps countries, both OECD Members and non-Members, reap the benefits and confront the challenges of a global economy by promoting economic growth, free markets, and the efficient use of resources. A committee of Member government officials, supported by Secretariat staff, covers each substantive area. The emphasis is on discussion and peer review rather than negotiation. However, some OECD instruments, such as the Anti-Bribery Convention, are legally binding. Most OECD decisions require consensus among Member governments. The like-mindedness of the OECD's membership on the core values of democratic institutions, the rule of law, and open markets uniquely positions the OECD to serve as a valuable policy forum to address issues relevant to the global economy and the multilateral trading system. In the past, analysis of issues in the OECD has often been instrumental in forging a consensus among OECD countries to pursue specific negotiating goals in other international fora, such as the WTO.

The United States has a longstanding interest in trade issues studied by the OECD. On trade and trade policy, the OECD engages in meaningful research, and provides a forum in which OECD Members can discuss complex and sometimes difficult issues. The OECD is also active in studying the balance between domestic objectives and international trade.

1. Trade Committee Work Program

In 2016, the OECD Trade Committee, its subsidiary Working Party, and its joint working parties on environment and agriculture, continued to address a number of issues of significance to the multilateral trading system. The Trade Committee met in April and November 2016, and its Working Party met in March, June, October, and December. The Trade Committee and its subsidiary groups paid significant attention to trade facilitation, government procurement, global value chains and trade in value-added, services trade, data localization, technology transfer, local content policies, state-owned enterprises, and international regulatory cooperation. The trade page on the OECD website (http://www.oecd.org/trade) contains up-to-date information on published analytical work and other trade-related activities.

The Trade Committee continued its analysis and work surrounding barriers affecting trade in services. In 2016, the Committee initiated consideration of two horizontal themes; work on trade policy-making in the digital economy, which dovetails with the OECD-wide horizontal project on Digital Policy, and work on trade and investment, which includes close collaboration and coordination with the Investment Committee, the Committee on Industry, Innovation and Entrepreneurship and the Statistics Directorate. Looking ahead, the Trade Committee will also continue its work on participation in global value chains, trade facilitation, trade in services, the digital economy, export credits, environmental policies, and trade-related international regulatory cooperation.

The OECD Ministerial Council Meeting took place in June 2016 in Paris. USTR participated in the Trade Session, which focused on implementing the Bali and Nairobi Ministerial agreements and enabling a more productive future at the WTO. As part of this session, ministers recognized the need to boost trade and investment to foster productivity and achieve inclusive and sustainable growth. Ministers welcomed WTO-consistent and WTO-supportive bilateral, regional, and plurilateral initiatives aimed at promoting trade. They also encouraged the integration of new and emerging issues, such as digital trade, regulatory coherence, competition and investment, in the post-Nairobi multilateral negotiating agenda. Ministers urged the OECD to deepen its analytical work on the provisions of regional trade agreements to better understand them and their impact. Ministers welcomed the formal launch of the LAC Regional Programme, which aims to shape strategic responses related to increasing productivity, advancing social inclusion, and strengthening institutions and governance.

2. Trade Committee Dialogue with Non-OECD Members

The OECD conducts wide-ranging activities to reach out to non-Member countries, business, and civil society, in particular through its series of workshops and "Global Forum" events held around the world each year. Non-Members may participate as committee observers when Members believe that participation will be mutually beneficial. Key partners—Brazil, China, India, Indonesia, and South Africa—participate to varying degrees in OECD activities through the Enhanced Engagement program, which seeks to establish a more structured and coherent partnership, based on mutual interest, between these five major economies and OECD Members. Argentina, Brazil, and Hong Kong (China) are regular invitees to the Trade Committee and its Working Party. The OECD also carries out a number of regional and bilateral cooperation programs with non-Members.

The OECD Trade Committee continued its contacts with non-Member countries in 2016. The Committee has embarked on an active outreach effort with G20 countries as well as major economies in Southeast Asia, with modest but growing success. Contributing to trade-related discussions at the G20 and other relevant international fora (G7, APEC, ASEAN, etc.), through the timely use of the Committee's evidence-based analysis and policy insights, remains a high priority.

Latvia became a full member of the OECD in July 2016. Also in 2016, the Trade Committee continued discussions on the draft Market Openness Reviews of Colombia, Costa Rica, and Lithuania. At the April 2016 Trade Committee meeting, Members considered Lithuania's draft Formal Opinion and a revised Market Openness Review of Colombia. The Market Openness Review of Costa Rica was submitted for discussion at the April 2016 Trade Committee meeting, and the Formal Opinion of the Trade Committee on the Accession of Costa Rica was approved for adoption under written procedure in January.

At the 2013 Ministerial Council Meeting, OECD Ministers called for the establishment of a comprehensive OECD Southeast Asia Regional Programme, the main objective of which is to strengthen engagement between the OECD and Southeast Asian countries with a view to supporting regional integration and national reform priorities. The OECD Southeast Asia Regional Forum 2016 on Boosting Productivity and Inclusiveness in Southeast Asia and the Second Steering Group Meeting of the OECD Southeast Asia Regional Programme took place in Hanoi, Vietnam in June 2016. The forum focused on raising productivity growth, integrating SMEs into global value chains, and promoting a more inclusive social agenda.

The OECD held a Global Forum on Trade in November 2016. The Forum focused on "International trade and investment: How to keep pace with new business models and the emerging digital economy?" The purpose of the forum was to identify ways the OECD can contribute to bolstering the role of trade in productivity improvement and growth, particularly in regard to regulatory coherence.

The Trade Committee also continued its dialogue with civil society and discussed aspects of its work and issues of concern with representatives of civil society, including Members of the OECD's Business and Industry Advisory Council and Trade Union Advisory Council.

3. Other OECD Work Related to Trade

Representatives of the OECD Member countries meet in specialized committees to advance ideas and review progress in specific policy areas, such as economics, trade, science, employment, education, and financial markets. There are about 200 committees, working groups, and expert groups.

E. Localization Barriers to Trade

A growing number of America's trading partners have imposed or are contemplating what are called "localization barriers to trade"—measures designed to protect, favor, or stimulate domestic industries, service providers, or intellectual property (IP) at the expense of goods, services, or IP from other countries. Localization barriers can serve as trade barriers when they unreasonably differentiate between domestic and foreign products, services, IP, or suppliers, and may or may not be consistent with WTO rules. Examples of localization barriers include:

- Local content requirements, *i.e.*, requirements to purchase domestically manufactured goods or domestically supplied services;

- Subsidies or other preferences that are only received if producers use local goods, locally owned service providers, or domestically owned or developed IP, or IP that is first registered in that country;
- Requirements to provide services using local facilities or infrastructure;
- Measures to force the transfer of technology or IP;
- Requirements to comply with country- or region-specific or design-based standards that create unnecessary obstacles to trade; and,
- Unjustified requirements to conduct or carry out duplicative conformity assessment procedures in-country.

Disadvantaging or excluding foreign goods, services, or IP in a market compared to domestic goods, services, or IP distorts trade, discourages foreign direct investment, and pushes other trading partners to impose similarly detrimental measures. Consequently, often over the long term, these measures can actually stand in the way of the economic growth and competitiveness objectives that they were intended to achieve.

For these reasons, the United States has historically advocated against localization barriers and has encouraged trading partners to pursue instead policy approaches that help their economic growth and competitiveness without discriminating against imported goods or services.

In 2016, USTR worked with U.S. industry and other stakeholders, along with trading partners around the world, to reduce market access challenges posed to U.S. goods, services, and IP by localization barriers. In 2017, the United States will seek to build on the APEC and OECD initiatives and take additional steps to continue to address localization barriers around the world.

F. Trade in Services Agreement

Twenty-three economies participated in negotiations on the Trade in Services Agreement (TiSA) in 2016: Australia, Canada, Chile, Colombia, Costa Rica, the European Union, Hong Kong, Iceland, Israel, Japan, Liechtenstein, Mauritius, Mexico, New Zealand, Norway, Pakistan, Panama, Peru, the Republic of Korea, Switzerland, Taiwan, Turkey, and the United States. Negotiations are held in Geneva, Switzerland, but there is no relationship between TiSA and the World Trade Organization.

Negotiations intensified during 2016, focusing on market access and the text of additional disciplines.

V. TRADE ENFORCEMENT ACTIVITIES

The focus of this chapter is on actions taken by the U.S. government in 2016. As discussed in Chapter I, trade enforcement will be a major priority of the Trump Administration.

A. Enforcing U.S. Trade Agreements

1. Overview

USTR coordinates the U.S. Government monitoring of foreign government compliance with trade agreements to which the United States is a party and pursues enforcement actions using dispute settlement procedures and applying the full range of U.S. trade laws when appropriate. Vigorous monitoring and investigation efforts by USTR and relevant expert agencies, including the U.S. Departments of Agriculture, Commerce, Justice, Labor, and State, help ensure that these agreements yield the maximum benefits in terms of ensuring market access for Americans, advancing the rule of law internationally, and creating a fair, open, and predictable trading environment. The Interagency Center on Trade Implementation, Monitoring, and Enforcement, the successor to the Interagency Trade Enforcement Center (ITEC), brings together research, analytical resources, and expertise from across the Federal Government into one organization within USTR, significantly enhancing the capability of the United States to investigate foreign trade practices that are potentially unfair or adverse to U.S. commercial interests.

Ensuring full implementation of U.S. trade agreements is one of the strategic priorities of the United States. USTR seeks to achieve this goal through a variety of means, including:

- Asserting U.S. rights through the World Trade Organization (WTO), and the WTO bodies and committees charged with monitoring implementation and surveillance of agreements and disciplines;
- Vigorously monitoring and enforcing bilateral and plurilateral agreements;
- Invoking U.S. trade laws in conjunction with bilateral, plurilateral, and WTO mechanisms to promote compliance;
- Providing technical assistance to trading partners, especially in developing countries, to ensure that key agreements such as the Agreement on Basic Telecommunications and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) are implemented on schedule; and,
- Promoting U.S. interests under free trade agreements (FTAs) through work programs, accelerated tariff reductions, and use or threat of use of dispute settlement mechanisms, including with respect to labor and environmental obligations.

Through the vigorous application of U.S. trade laws and active use of WTO dispute settlement procedures, the United States opens foreign markets to U.S. goods and services and helps defend U.S workers, businesses, and farmers against unfair practices. The United States also has used the incentive of preferential access to the U.S. market to encourage improvements in the protection of workers' rights and reform of intellectual property laws and practices in other countries. These enforcement efforts have resulted in major benefits for U.S. firms, farmers, and workers, and workers around the world.

Favorable Resolutions or Settlements

By filing disputes, the United States aims to secure benefits for U.S. stakeholders rather than to engage in prolonged litigation. Therefore, whenever possible, the United States has sought to reach favorable resolutions or settlements that eliminate the foreign breach without having to resort to panel proceedings.

The United States has been able to achieve this preferred result in 34 disputes concluded so far, involving: Argentina's protection and enforcement of patents; Australia's ban on salmon imports; Belgium's duties on rice imports; Brazil's automotive investment measures; Brazil's patent law; Canada's antidumping and countervailing duty investigation on corn; China's value-added tax exemptions for certain domestically produced aircraft; China's Demonstration Base / Common Service Platform export subsidy program; China's Automobile and Automobile Parts Export Bases prohibited subsidy program; China's value-added tax on integrated circuits; China's use of prohibited subsidies for green technologies; China's treatment of foreign financial information suppliers; China's subsidies for so-called Famous Brands; China's support for wind power equipment; Denmark's civil procedures for intellectual property enforcement; Egypt's apparel tariffs; the EU's market access for grains; an EU import surcharge on corn gluten feed; Greece's protection of copyrighted motion pictures and television programs; Hungary's agricultural export subsidies; India's compliance regarding its patent protection; Indonesia's barriers to the importation of horticultural products (2 disputes); Ireland's protection of copyrights; Japan's protection of sound recordings; Korea's shelf-life standards for beef and pork; Mexico's restrictions on hog imports; Pakistan's protection of patents; the Philippines' market access for pork and poultry; the Philippines' automotive regime; Portugal's protection of patents; Romania's customs valuation regime; Sweden's enforcement of intellectual property rights; and Turkey's box office taxes on motion pictures.

Litigation Successes

When U.S. trading partners have not been willing to negotiate settlements, the United States has pursued its cases to conclusion, prevailing in 47 cases to date. In 2016, the United States prevailed in a dispute involving India's discriminatory local-content requirements for solar cells and modules under its National Solar Mission (two merged complaints). The United States also prevailed before panels in two ongoing proceedings: a dispute challenging Indonesia's barriers on the importation of horticultural products, beef, poultry, and animals; and a compliance challenge on the subsidies to Airbus for large civil aircraft granted by the European Union, Germany, France, the United Kingdom, and Spain that continue to breach WTO rules. In prior years, the United States prevailed in complaints involving: Argentina's import licensing restrictions and other trade-related requirements; Argentina's tax and duties on textiles, apparel, and footwear; Australia's export subsidies on automotive leather; Canada's barriers to the sale and distribution of magazines; Canada's export subsidies and an import barrier on dairy products; Canada's law protecting patents; China's charges on imported automobile parts; China's measures restricting trading rights and distribution services for certain publications and audiovisual entertainment products; China's enforcement and protection of intellectual property rights; China's measures related to the exportation of raw materials; China's countervailing and antidumping duties on grain oriented flat-rolled electrical steel from the United States; China's claim of compliance in the dispute involving China's countervailing and antidumping duties on grain oriented flat-rolled electrical steel from the United States; China's measures affecting electronic payment services; China's countervailing and antidumping duties on broiler parts from the United States; China's countervailing and antidumping duties on automobiles from the United States; China's export restrictions on rare earths and other materials; the EU's subsidies to Airbus for large civil aircraft; the EU's import barriers on bananas; the EU's ban on imports of beef; the EU's regime for protecting geographical indications; the EU's moratorium on biotechnology products; the EU's non-uniform classification of LCD monitors; the EU's tariff treatment of certain information technology products; India's ban on poultry meat and various other U.S. agricultural products allegedly to protect against avian influenza; India's import bans and other restrictions on 2,700 items; India's protection of patents on pharmaceuticals and agricultural

chemicals; India's and Indonesia's discriminatory measures on imports of U.S. automobiles; Japan's restrictions affecting imports of apples, cherries, and other fruits; Japan's barriers to apple imports; Japan's and Korea's discriminatory taxes on distilled spirits; Korea's restrictions on beef imports; Mexico's antidumping duties on high fructose corn syrup; Mexico's telecommunications barriers; Mexico's antidumping duties on rice; Mexico's discriminatory soft drink tax; the Philippines' discriminatory taxation of imported distilled spirits; and Turkey's measures affecting the importation of rice.

USTR also works in consultation with other U.S. Government agencies to ensure the most effective use of U.S. trade laws to complement its litigation strategy and to address problems that are outside the scope of the WTO and U.S. free trade agreements. USTR has applied Section 301 of the Trade Act of 1974 to address unfair foreign government measures, "Special 301" for intellectual property rights protection and enforcement, and Section 1377 of the Omnibus Trade and Competitiveness Act of 1988 for telecommunications trade problems (*the application of these trade law tools is described in greater detail in Chapter V.B.*).

ITEC

On February 28, 2012, Executive Order 13601 established the Interagency Trade Enforcement Center, or ITEC, to bring additional approaches to addressing unfair trade practices and foreign trade barriers, and to significantly enhance the Government's capabilities to challenge such barriers and practices around the world. ITEC increased the efforts devoted to trade enforcement, as well as leveraged existing resources more efficiently across the Administration. Personnel from various contributing Government agencies comprise a deep pool of analytical support for trade enforcement efforts.

On February 24, 2016, the Trade Facilitation and Trade Enforcement Act of 2015 was signed into law. Section 604 of it establishes at USTR the Interagency Center on Trade Implementation, Monitoring, and Enforcement (ICTIME). ICTIME is to support the activities of USTR in investigating potential disputes under the auspices of the WTO and pursuant to bilateral and regional trade agreements; monitoring and enforcing trade agreements to which the United States is a party; and monitoring implementation by foreign parties to trade agreements. The statute expressly provides that federal agencies may detail employees to ICTIME to support its functions.

In 2016, ITEC/ICTIME continued its work. ITEC/ICTIME has played a role in providing research and analysis in support of multiple important WTO matters including Argentina's import licensing restrictions and other trade-related requirements; China's export subsidies in export bases for automobiles and automotive parts; Indonesia's restrictive import licensing; India's local content restrictions on certain solar energy products; China's export subsidies in demonstration bases for various industries; China's use of hidden and discriminatory tax exemptions for certain Chinese-produced aircraft; China's domestic support for corn, wheat, and rice production; and China's administration of tariff-rate quotas for corn, wheat, and rice. USTR took action at the WTO to address these practices that the United States considers are inconsistent with WTO rules and affect opportunities for U.S. exporters. In addition, ITEC/ICTIME has also provided research and analysis to assist in defending disputes brought against the United States at the WTO and acquired translations of hundreds of foreign laws, regulations, and other measures related to trading partners' adherence to international trade obligations.

ITEC/ICTIME has provided an important monitoring and analysis function to evaluate China's compliance with the WTO reports regarding the raw materials, rare earths, and electronic payment services cases. In addition, ITEC/ICTIME, in coordination with the Department of Labor, provided extensive analysis, translations, and other critical support for the case filed under the Dominican Republic – Central American Free Trade Agreement (CAFTA-DR) involving labor rights in Guatemala.

In coordination with other offices at USTR and other agencies, ITEC/ICTIME has identified priority projects for research and analysis regarding a number of countries and issues. ITEC/ICTIME staff are researching those projects intensively and these efforts are being supplemented by research conducted by other agencies in coordination with ITEC/ICTIME.

2. WTO Dispute Settlement

The United States had some enforcement successes in 2016. Most notably: (i) The United States prevailed in a challenge (also resolving two previous complaints) to Indonesia's import barriers against U.S. agricultural products from beef to fruits and vegetables to poultry. The panel agreed Indonesia's import restrictions and prohibitions were against WTO rules. Those import barriers are limiting opportunities for American farmers. (ii) The United States successfully challenged the EU's claim of compliance in the large civil aircraft dispute. A WTO compliance panel issued a report finding that the European Union, Germany, France, the United Kingdom, and Spain continue to breach WTO rules through subsidies the WTO previously found to have caused adverse effects to the United States. The compliance panel also found that these European governments further breached WTO rules by granting more than $4 billion in new subsidized financing for the A350 XWB – causing tens of billions of dollars in additional adverse effects to the U.S. industry. (iii) The United States prevailed in a dispute (covering two complaints) to India's "localization" rules that discriminate against U.S. solar cells and modules by requiring use of Indian products. American solar exports to India dropped 90 percent after the prohibited requirements took effect.

The United States also resolved three WTO disputes in 2016 without undertaking panel proceedings: (i) The United States reported that China has ended discriminatory value-added tax exemptions for certain aircraft produced in China. China had exempted domestic aircraft from a 17 percent value-added tax (VAT) while imposing those taxes on imported aircraft. (ii) China signed a Memorandum of Understanding with the United States in which China agreed to take specific actions that would remove all the WTO-inconsistent elements of its "Demonstration Bases-Common Service Platform" export subsidy program. Those prohibited export subsidies were being given to manufacturers and producers across seven economic sectors and dozens of sub-sectors located in more than one hundred and fifty industrial clusters throughout China. (iii) The United States had challenged a Chinese export subsidies program to auto and auto parts enterprises in China and reported that the instruments challenged in this dispute are no longer supporting these programs.

The United States launched four WTO actions in 2016, with USTR requesting WTO consultations: (i) With China on its administration of tariff-rate quotas (TRQs) for rice, wheat, and corn. China's administration of these TRQs is not transparent, predictable, or fair, and China's TRQ administration restricts imports. (ii) With China regarding its excessive support for farmers. By setting prices for rice, wheat, and corn well above market levels, China encourages overproduction by its farmers, disadvantaging U.S. farmers seeking export opportunities in China. (iii) With China on its export duties and quotas on various forms of nine different raw materials. These raw materials are key inputs into a variety of Made-in-America products from a range of sectors, including aerospace, automotive, electronics, chemicals, and more. (iv) With China following China's failure to bring its AD/CVD orders against imports of U.S. chicken broiler products into compliance with WTO rules.

The cases described in Chapter II.H of this report provide further detail about U.S. involvement in the WTO dispute settlement process. Further information on WTO disputes to which the United States is a party is available on the USTR website: https://ustr.gov/issue-areas/enforcement/overview-dispute-settlement-matters

3. Other Monitoring and Enforcement Activities

Subsidies Enforcement

The WTO Agreement on Subsidies and Countervailing Measures (Subsidies Agreement) establishes multilateral disciplines on subsidies. Among its various disciplines, the Subsidies Agreement provides remedies for subsidies that have adverse effects not only in the importing country's market, but also in the subsidizing government's market and in third-country markets. Prior to the Subsidies Agreement coming into effect in 1995, the U.S. countervailing duty law was, in effect, the only practical mechanism for U.S. companies to address subsidized foreign competition. However, the countervailing duty law focuses exclusively on the effects of foreign subsidized competition in the United States. Although the procedures and remedies are different, the multilateral remedies of the Subsidies Agreement provide an alternative tool to address foreign subsidies that affect U.S. businesses in an increasingly global marketplace.

Section 281 of the Uruguay Round Agreements Act of 1994 (URAA) and other authorities set out the responsibilities of USTR and the U.S. Department of Commerce (Commerce) in enforcing U.S. rights in the WTO under the Subsidies Agreement. USTR coordinates the development and implementation of overall U.S. trade policy with respect to subsidy matters; represents the United States in the WTO, including the WTO Committee on Subsidies and Countervailing Measures and in WTO dispute settlement relating to subsidies disciplines; and leads the interagency team on matters of policy. The role of Commerce's Enforcement and Compliance (E&C) is to enforce the countervailing duty (CVD) law, and in accordance with responsibilities assigned by the Congress in the URAA, to pursue certain subsidies enforcement activities of the United States with respect to the disciplines embodied in the Subsidies Agreement. The E&C's Subsidies Enforcement Office (SEO) is the specific office charged with carrying out these duties.

The primary mandate of the SEO is to examine subsidy complaints and concerns raised by U.S. exporting companies and to monitor foreign subsidy practices to determine whether there is reason to believe they are impeding U.S. exports to foreign markets and are inconsistent with the Subsidies Agreement. Once sufficient information about a subsidy practice has been gathered to permit it to be reliably evaluated, USTR and Commerce confer with an interagency team to determine the most effective way to proceed. It is frequently advantageous to pursue resolution of these problems through a combination of informal and formal contacts, including, where warranted, dispute settlement action in the WTO. Remedies for violations of the Subsidies Agreement may, under certain circumstances, involve the withdrawal of a subsidy program or the elimination of the adverse effects of the program.

During 2016, USTR and E&C staff have handled numerous inquiries and met with representatives of U.S. industries concerned with the subsidization of foreign competitors. These efforts continue to be importantly enhanced by E&C officers stationed overseas (*e.g.*, in China), who help gather, clarify, and check the accuracy of information concerning foreign subsidy practices. U.S. Government officers stationed at posts where E&C staff are not present have also handled such inquiries.

The SEO's electronic subsidies database continues to fulfill the goal of providing the U.S. trading community with a centralized location to obtain information about the remedies available under the Subsidies Agreement and much of the information that is needed to develop a CVD case or a WTO subsidies complaint. The website (http://esel.trade.gov) includes an overview of the SEO, helpful links, and an easily navigable tool that provides information about each subsidy program investigated by Commerce in CVD cases since 1980. This database is frequently updated, making information on subsidy programs quickly available to the public.

Monitoring and Challenging Foreign Antidumping, Countervailing Duty, and Safeguard Actions

The WTO Agreement on Implementation of Article VI (Antidumping Agreement) and the WTO Subsidies Agreement permit WTO Members to impose antidumping (AD) duties or CVDs to offset injurious dumping or subsidization of products exported from one Member to another. The United States actively monitors, evaluates, and where appropriate, participates in ongoing AD and CVD cases conducted by foreign countries in order to safeguard the interests of U.S. industry and to ensure that Members abide by their WTO obligations in conducting such proceedings.

To this end, the United States works closely with U.S. companies affected by foreign countries' AD and CVD investigations in an effort to help them better understand Members' AD and CVD systems. The United States also advocates on their behalf in connection with ongoing investigations, with the goal of obtaining fair and objective treatment that is consistent with the WTO Agreements. In addition, with regard to CVD cases, the United States provides extensive information in response to questions from foreign governments regarding the subsidy allegations at issue in a particular case.

Further, E&C tracks foreign AD and CVD actions, as well as safeguard actions involving U.S. exporters, enabling U.S. companies and U.S. Government agencies to monitor other Members' administration of such actions. Information about foreign trade remedy actions affecting U.S. exports is accessible to the public via E&C's website at http://enforcement.trade.gov/trcs/index.html. The stationing of E&C officers to certain overseas locations and close contacts with U.S. Government officers stationed in embassies worldwide has contributed to the Administration's efforts to monitor the application of foreign trade remedy laws with respect to U.S. exports. In addition, E&C promotes fair treatment, transparency, and consistency with WTO obligations through technical exchanges and other bilateral engagements.

During the past year, over 100 trade remedy actions involving exports from the United States were closely monitored, notable examples of which include: (Antidumping) Brazil's investigation of acetic esters; Canada's investigation of gypsum board; China's separate investigations of distilled dried grains and iron-based amorphous alloy ribbon (strip); El Salvador's investigation of latex paint; and Korea's investigation of butyl glycol ether; and Turkey's investigation of cotton, (Countervailing Duty) China's investigation of distilled dried grains, (Safeguards) Chile's separate investigations of steel wire and steel nails; Malaysia's investigation of steel concrete reinforcing bar; the Gulf Cooperation Council's separate investigations of flat-rolled products of iron or non-alloy steel, and ferro silico manganese; Vietnam's investigation of semi-finished and certain finished products of alloy and non-alloy steel; and Zambia's investigation of flat-rolled products of iron, non-alloy steel, trailers and semi-trailers.

Members must notify, on an ongoing basis and without delay, their preliminary and final determinations to the WTO. Twice a year, WTO Members must also notify the WTO of all AD and CVD actions they have taken during the preceding six-month period. The actions are identified in semiannual reports submitted for discussion in meetings of the relevant WTO committees. Finally, Members are required to notify the WTO of changes in their AD and CVD laws and regulations. These notifications are accessible through the USTR and E&C website links to the WTO's website.

Disputes under Free Trade Agreements

CAFTA – DR: In the Matter of Guatemala – Issues Relating to the Obligations under Article 16.2.1(a) of the CAFTA-DR

On July 30, 2010, the United States requested cooperative labor consultations with Guatemala pursuant to Article 16.6.1 of the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR). In its request, the United States stated that Guatemala appeared to be failing to meet its obligations

under Article 16.2.1(a) with respect to the effective enforcement of Guatemalan labor laws directly related to the right of association, the right to organize and bargain collectively, and acceptable conditions of work. The request specifically stated that the United States had identified significant failures by Guatemala to enforce its labor laws, through a sustained or recurring course of action or inaction, in a manner affecting trade, including: (1) the Ministry of Labor's (MOL) failure to investigate alleged labor law violations; (2) the MOL's failure to take enforcement action once it had identified a labor law violation; and (3) the judicial system's failure to enforce labor court orders in cases involving labor law violations.

The United States and Guatemala held consultations on September 8-9, 2010, and on December 6, 2010, but were unable to resolve the matter. On May 16, 2011, the United States requested a meeting of the Free Trade Commission (FTC) under CAFTA-DR Article 20.5.2. The FTC met on June 7, 2011, but was unable to resolve the dispute.

On August 9, 2011, the United States requested the establishment of a panel under CAFTA-DR Article 20.6.1. The Panel was constituted on November 30, 2012, with Mr. Kevin Banks as Chair and with Mr. Theodore Posner and Mr. Mario Fuentes Destarac serving as the other members.

The Parties agreed to suspend the work of the Panel while they negotiated a Labor Enforcement Plan in which Guatemala agreed to take significant actions to strengthen its enforcement of its labor laws. On April 26, 2013, the Parties signed the 18-point Enforcement Plan and agreed to maintain the arbitral panel's suspension during its implementation and review.

On September 19, 2014, after having concluded that Guatemala had not achieved sufficient progress in realizing the commitments and aims of the Enforcement Plan, the United States proceeded with the dispute settlement proceedings. Both disputing Parties presented a series of written submissions to the Panel in accordance with the Rules of Procedure for Chapter 20 (Dispute Settlement) of the CAFTA-DR. Eight non-governmental entities also submitted written views to the Panel as provided under the CAFTA-DR.

The Panel held a hearing in Guatemala City on June 2, 2015. On November 4, 2015, the proceedings were temporarily suspended after Mr. Fuentes Destarac resigned from the Panel for reasons of availability. The Panel resumed work on November 27, 2015, when Mr. Ricardo Ramírez Hernández accepted his nomination to serve as a member of the Panel. The Panel's final report in the proceedings is expected in 2017.

CAFTA – DR: United States – Dehydrated Ethyl Alcohol

On April 1, 2014, Costa Rica requested formal consultations under the dispute settlement provisions of the CAFTA-DR regarding the tariff treatment by the United States of ethyl alcohol (ethanol) dehydrated in Costa Rica from non-originating feedstock. On April 8, 2014, El Salvador notified the United States that it considers it has a substantial trade interest in the matter and would therefore participate in the consultations. Formal consultations were held on June 11, 2014. On September 29, 2014, Costa Rica requested a meeting of the Free Trade Commission, and the FTC meeting took place on November 6, 2014. The United States is continuing to engage with Costa Rica on the matter.

4. Monitoring Foreign Standards-related Measures and SPS Barriers

The Administration deploys significant resources to identify and confront unjustified barriers stemming from sanitary and phytosanitary (SPS) measures as well as from technical regulations, standards, and conformity assessment procedures (standards-related measures) that restrict U.S. exports of safe, high-quality products. SPS measures, technical regulations, and standards serve a vital role in safeguarding

countries and their people, including by protecting health, safety, and the environment. Conformity assessment procedures are procedures such as testing and certification requirements used to determine that products comply with underlying standards and technical requirements.

U.S. trade agreements provide that SPS and standards-related measures enacted by U.S. trading partners to meet legitimate objectives, such as the protection of health and safety as well as the environment, must not act as unnecessary obstacles to trade. Greater engagement with U.S. trading partners and increased monitoring of their practices can help ensure that U.S. trading partners are complying with their obligations. This engagement helps facilitate trade in safe, high-quality U.S. products. USTR, through its Trade Policy Staff Committee (TPSC) works to ensure that SPS and standards-related measures do not act as discriminatory or otherwise unwarranted restrictions on market access for U.S. exports.

USTR uses tools, including its annual reports and the National Trade Estimate Report (NTE), to bring greater attention and focus to addressing SPS and standards-related measures that may be inconsistent with international trade agreements to which the United States is a party or that otherwise act as significant barriers to U.S. exports. These reports describe the actions that USTR and other agencies have taken to address the specific trade concerns identified through their outreach, as well as ongoing processes for monitoring SPS and standards-related actions that affect trade. USTR's activities in the WTO SPS Committee and the WTO TBT Committee are at the forefront of these efforts (*for additional information, see Chapter II.E.3 and Chapter II.E.8.*). USTR also engages on these issues with U.S. trading partners through mechanisms established by free trade agreements, such as NAFTA, and through regional and multilateral organizations, such as the APEC and the OECD.

In 2017, USTR will continue to deploy significant resources to identify and confront unjustified SPS and standards-related barriers. The NTE Report will continue to highlight the increasingly critical nature of these issues to U.S. trade policy, to identify and call attention to problems resolved during the past year, in part as models for resolving ongoing issues, and to signal new or existing areas in which more progress needs to be made.

B. U.S. Trade Laws

1. Section 301

Section 301 of the Trade Act of 1974 (Trade Act) is designed to address foreign unfair practices affecting U.S. exports of goods or services. Section 301 may be used to enforce U.S. rights under bilateral and multilateral trade agreements and also may be used to respond to unreasonable, unjustifiable, or discriminatory foreign government practices that burden or restrict U.S. commerce. For example, Section 301 may be used to obtain increased market access for U.S. goods and services, to provide more equitable conditions for U.S. investment abroad, and to obtain more effective protection worldwide for U.S. intellectual property.

Operation of the Statute

The Section 301 provisions of the Trade Act provide a domestic procedure whereby interested persons may petition the USTR to investigate a foreign government act, policy, or practice that may be burdening or restricting U.S. commerce and take appropriate action. USTR also may self-initiate an investigation.

In each investigation, USTR must seek consultations with the foreign government whose acts, policies, or practices are under investigation. If the acts, policies, or practices are determined to violate a trade agreement or to be unjustifiable, USTR must take action. If they are determined to be unreasonable or

discriminatory and to burden or restrict U.S. commerce, USTR must determine whether action is appropriate and if so, what action to take.

Actions that USTR may take under Section 301 include to: (1) suspend trade agreement concessions; (2) impose duties or other import restrictions; (3) impose fees or restrictions on services; (4) enter into agreements with the subject country to eliminate the offending practice or to provide compensatory benefits for the United States; and/or (5) restrict service sector authorizations. After a Section 301 investigation is concluded, USTR is required to monitor a foreign country's implementation of any agreements entered into, or measures undertaken, to resolve a matter that was the subject of the investigation. If the foreign country fails to comply with an agreement or USTR considers that the country fails to implement a WTO dispute panel recommendation, USTR must determine what further action to take under Section 301.

Developments during 2016

USTR received no Section 301 petitions during 2016. As described below, there were developments in the following Section 301 matter.

European Union – Measures Concerning Meat and Meat Products (Hormones)

The European Union (EU) prohibits imports into the EU of animals and meat from animals to which certain hormones have been administered (the "hormone ban). The result is a ban on all but specially produced U.S. beef. In 1996, the United States initiated a WTO dispute with respect to the ban (at that time, as embodied in a directive of the European Communities (EC), the predecessor to the EU). A WTO panel and the Appellate Body found that the hormone ban was inconsistent with WTO obligations because the ban was not based on scientific evidence, a risk assessment, or relevant international standards. Under WTO procedures, the EC was to have come into compliance with its obligations by May 13, 1999, but it failed to do so. Accordingly, in May 1999, the United States requested authorization from the Dispute Settlement Body (DSB) to suspend the application to the EC, and Member States thereof, of tariff concessions and related obligations under the GATT 1994. The EC did not contest that it had failed to comply with its WTO obligations, but it objected to the level of suspension proposed by the United States.

On July 12, 1999, a WTO arbitrator determined that the level of nullification or impairment suffered by the United States as a result of the WTO-inconsistent hormone ban was $116.8 million per year. Accordingly, on July 26, 1999, the DSB authorized the United States to suspend the application to the EC and its Member States of tariff concessions and related obligations under the GATT 1994, covering trade up to $116.8 million per year. In a notice published in the *Federal Register* in July 1999, USTR announced that the United States was exercising this authorization by using authority under Section 301 to impose 100 percent *ad valorem* duties on a list of certain products of certain EC Member States.

In February 2005, a WTO panel was established to consider the EU's claims that it had brought its hormone ban into compliance with its WTO obligations and that the increased duties imposed by the United States were no longer covered by the DSB authorization. The WTO panel concluded its work in 2008, and the panel report was appealed to the WTO Appellate Body. In October 2008, the Appellate Body confirmed that the July 1999 DSB authorization to the United States to suspend the application of tariff concessions and related obligations remained in effect.

In January 2009, USTR decided to modify the action taken in July 1999 by: (1) removing some products from the list of products subject to 100 percent *ad valorem* duties since July 1999; (2) imposing 100 percent *ad valorem* duties on some new products from certain EU Member States; (3) modifying the coverage with respect to particular EU Member States; and (4) raising the level of duties on one of the products that was being maintained on the product list. The trade value of the products subject to the modified action

continued not to exceed the $116.8 million per year level authorized by the WTO in July 1999. The effective date of the modifications was to be March 23, 2009.

In March 2009, USTR decided to delay the effective date of the additional duties (items two through four above) imposed under the January 2009 modifications in order to allow additional time for reaching an agreement with the EU that would provide benefits to the U.S. beef industry. The effective date of the removal of duties under the January modifications remained March 23, 2009. Accordingly, subsequent to March 23, 2009, the additional duties put in place in July 1999 remained in place on a reduced list of products.

In May 2009, the United States and the EU announced the signing of an MOU in the EU-Beef Hormones dispute. Under the first phase of the MOU, which was scheduled to conclude in August 2012, the EU was obligated to open a new beef tariff-rate quota (TRQ) for beef not produced with certain growth-promoting hormones in the amount of 20,000 metric tons at zero rate of duty. The United States in turn was obligated not to increase additional duties above those in effect as of March 23, 2009. The MOU provides for a possible second phase in which the EU would expand the beef TRQ to 45,000 metric tons, and the United States would suspend all additional duties imposed in connection with the Beef Hormones dispute.

On August 3, 2012, the United States and the EU, by mutual agreement, entered into the second phase of the MOU. USTR met the second phase obligations of the United States by terminating the remaining additional duties. As provided in the MOU, the EU in turn expanded the TRQ for beef produced without certain growth promoting hormones.

Under the MOU, phase two originally was to last for a period of one year. In August 2013, USTR announced that the United States and the EU planned to extend phase two for an additional two years, or until August 2015. In October 2013, the United States and the EU formally amended the MOU to reflect the extension of phase two. Since that time, USTR has monitored the operation of the TRQ.

On December 9, 2016, representatives of the U.S. beef industry requested that USTR reinstate trade action against the EU because the TRQ is not providing benefits sufficient to compensate for the harm caused by the EU's hormone ban. On December 28, 2016, USTR published a *Federal Register* notice seeking public comments and scheduling a hearing in connection with the request.

2. Special 301

Pursuant to Section 182 of the Trade Act of 1974, as amended by the Omnibus Trade and Competitiveness Act of 1988, the Uruguay Round Agreements Act (enacted in 1994), and the Trade Facilitation and Trade Enforcement Act of 2015 (19 U.S.C. § 2242), USTR must identify those countries that deny adequate and effective protection for intellectual property rights (IPR) or deny fair and equitable market access for persons that rely on intellectual property protection. Countries that have the most onerous or egregious acts, policies, or practices and whose acts, policies, or practices have the greatest adverse impact (actual or potential) on relevant U.S. products are designated as "Priority Foreign Countries" (PFC), unless those countries are entering into good faith negotiations or are making significant progress in bilateral or multilateral negotiations to provide adequate and effective protection of IPR. Priority Foreign Countries are subject to an investigation under the Section 301 provisions of the Trade Act of 1974, unless USTR determines that the investigation would be detrimental to U.S. economic interests.

In addition, USTR has created a Special 301 "Priority Watch List" (PWL) and "Watch List" (WL). Placement of a trading partner on the PWL or WL indicates that particular problems exist in that country with respect to IPR protection, enforcement, or market access for persons relying on intellectual property.

Countries placed on the PWL receive increased attention in bilateral discussions with the United States concerning problem areas.

Additionally, under Section 306 of the Trade Act of 1974, USTR monitors whether U.S. trading partners are in compliance with bilateral intellectual property agreements with the United States that are the basis for resolving investigations under Section 301. USTR may take action if a country fails to satisfactorily implement such an agreement.

The Special 301 list not only indicates those trading partners whose intellectual property protection and enforcement regimes most concern the United States, but also alerts firms considering trade or investment relationships with such countries that their IPR may not be adequately protected.

2016 Special 301 Review Results

On April 27, 2016, USTR announced the results of the 2016 Special 301 Review. The 2016 Special 301 Report was the result of stakeholder input and interagency consultation.

In 2016, USTR continued to enhance public engagement in the Special 301 process, to facilitate sound, well balanced assessments of IPR protection and enforcement efforts of particular trading partners, and to help ensure that the Special 301 Review is based on a full understanding of the various IPR issues in trading partner markets. USTR requested written submissions from the public through a notice published in the *Federal Register* on January 11, 2016 (https://www.regulations.gov, Docket Number USTR-2015-0022). In addition, on March 2, 2016, USTR conducted a public hearing that provided the opportunity for interested persons to testify before the interagency Special 301 Subcommittee about issues relevant to the review. The hearing featured testimony from representatives of foreign governments, industry groups, and nongovernmental organizations. The USTR posted on its website the transcript and video of the Special 301 hearing, and also offered a post-hearing comment period during which hearing participants and interested parties could submit additional information in support of, or in response to, hearing testimony. The 2016 *Federal Register* notice – and post hearing comment period – drew submissions from 62 interested parties, including 16 trading partner governments. The submissions that USTR received were available to the public online at https://www.regulations.gov.

For more than 25 years, the Special 301 Report has identified positive advances as well as areas of continued concern. The Report has reflected changing technologies, promoted best practices, and situated these critical issues in their policy context, underscoring the importance of intellectual property rights protection and enforcement to the United States and our trading partners.

During this period, there has been significant progress in a variety of countries. For instance, Korea, which appeared on the Priority Watch List in the original 1989 Fact Sheet, has since been removed from both the Priority Watch List and the Watch List. There have also been important advances in many other markets over the past 27 years that have been reflected in the Special 301 Report, including in Australia, Israel, Italy, Japan, Philippines, Qatar, Spain, Taiwan, the United Arab Emirates, and Uruguay.

Still, considerable concerns remain. In 2016, USTR received stakeholder input on nearly 100 trading partners, but focused the review on the 73 nominations contained in submissions that complied with the requirement in the *Federal Register* notice to identify whether a particular trading partner should be designated as PFC, or placed on the PWL or WL, or not listed in the Report, and that were filed by the deadlines provided in the notice. Following extensive research and analysis, USTR listed 11 countries on the Priority Watch List and 23 countries on the Watch List. Several countries, including Chile, China, India, Indonesia, Thailand, and Turkey, have been listed every year since the Report's inception. The 2016 listings are as follows:

Priority Watch List: Algeria; Argentina; Chile; China; India; Indonesia; Kuwait; Russia; Thailand; Ukraine; and Venezuela.

Watch List: Barbados; Bolivia; Brazil; Bulgaria; Canada; Colombia; Costa Rica; Dominican Republic; Ecuador; Egypt; Greece; Guatemala; Jamaica; Lebanon; Mexico; Pakistan; Peru; Romania; Switzerland; Turkey; Turkmenistan; Uzbekistan; and Vietnam.

When appropriate, USTR may conduct an Out-of-Cycle Review (OCR) to encourage progress on IPR issues of concern. OCRs provide an opportunity for heightened engagement with trading partners and others to address and remedy such issues. In the case of a country specific OCR, successful resolution of identified IPR concerns can lead to a change in a trading partner's status on the Special 301 list outside of the typical time frame for the annual Special 301 Report. In some cases, USTR calls for the OCR; in others, the trading partner governments can request an OCR based on projections for improvements in IPR protection and enforcement. For example, in 2015-2016, USTR removed Tajikistan from the Watch List in 2016 after conducting an OCR which identified steps Tajikistan had taken to improve IPR protection and enforcement including providing *ex officio* authority to customs authorities. Although Spain is not listed in the 2016 Special 301 Report, USTR determined that the OCR first announced in 2013 focusing on whether Spain had met certain specific benchmarks related to tackling copyright piracy on the Internet should continue. USTR also announced that it would conduct OCRs of Watch List countries Colombia and Pakistan, as well as of Tajikistan which was not listed. These four reviews are ongoing.

USTR also conducts an OCR focused on online and physical marketplaces that are reportedly engaged in piracy and counterfeiting and have been the subject of enforcement action or that may merit further investigation for possible IPR infringements. USTR has identified notorious markets in the Special 301 Report since 2006. In 2010, USTR announced that it would begin to publish the Notorious Markets List separately from the Special 301 Report, as an "Out-of-Cycle Review of Notorious Markets," in order to increase public awareness and guide related enforcement efforts. The results of the 2016 Notorious Markets OCR were published on December 21, 2016 and highlight developments since the issuance of the previous Notorious Markets OCR in December 2015. Since publication of the first Notorious Markets List, several online markets closed or saw their business models disrupted as a result of enforcement efforts. In some instances, in an effort to legitimize their overall business, companies made the decision to close down problematic aspects of their operations; others cooperated with authorities to address unauthorized conduct on their site. Notwithstanding the progress that has occurred, online piracy and counterfeiting continue to grow, requiring robust, sustained, and coordinated responses by governments, private sector stakeholders, and consumers.

The Special 301 Review, including its country specific and Notorious Markets OCRs, serves a critical function by identifying opportunities and challenges facing U.S. innovative and creative industries in foreign markets. Special 301 promotes the job creation, economic development, and many other benefits that adequate and effective intellectual property protection and enforcement support. The Special 301 Report and Notorious Markets List inform the public and our trading partners and serves as a positive catalyst for change. USTR remains committed to meaningful and sustained engagement with our trading partners, with the goal of resolving these challenges. Information related to Special 301 (including transcripts and video), the Notorious Markets List, and USTR's overall IPR efforts can be found at https://ustr.gov/issue-areas/intellectual-property.

3. Section 1377 Review of Telecommunications Agreements

Section 1377 of the Omnibus Trade and Competitiveness Act of 1988 requires USTR to review by March 31 of each year the operation and effectiveness of U.S. telecommunications trade agreements. The purpose of this review is to determine whether any act, policy, or practice of a foreign country that has entered into a telecommunications-related agreement with the United States: (1) is not in compliance with the terms of the agreement; or (2) otherwise denies, within the context of the agreement, to telecommunications products and services of U.S. firms, mutually advantageous market opportunities in that country.

In its 2016 Section 1377 Review, USTR focused on barriers for Internet-enabled services, including restrictions on cross-border data flows; independent and effective regulators; limits on foreign investment; barriers to competition; international termination rates; satellites services; telecommunications equipment trade; and local content requirements. USTR described these issues in its annual National Trade Estimate report. This approach allowed USTR to describe, in one comprehensive report, all of the overlapping barriers concerning telecommunications services and goods, along with related digital trade issues.

4. Antidumping Actions

Under the antidumping law, duties are imposed on imported merchandise when the U.S. Department of Commerce (Commerce) determines that the merchandise is being dumped (sold at "less than fair value) and the U.S. International Trade Commission (USITC) determines that there is material injury or threat of material injury to the domestic industry, or material retardation of the establishment of an industry, "by reason of" those imports. The antidumping law's provisions are incorporated in Title VII of the Tariff Act of 1930 and have been substantially amended by the Trade Agreements Act of l979, the Trade and Tariff Act of 1984, the Trade and Competiveness Act of 1988, and the 1994 Uruguay Round Agreements Act.

An antidumping investigation usually starts when a U.S. industry, or an entity filing on its behalf, submits a petition alleging, with respect to certain imports, the dumping and injury elements described above. If the petition meets the applicable requirements, Commerce initiates an antidumping investigation. In special circumstances, Commerce also may initiate an investigation on its own motion.

After initiation, the USITC decides, generally within 45 days of the filing of the petition, whether there is a "reasonable indication" of material injury or threat of material injury to a domestic industry, or material retardation of an industry's establishment, "by reason of" the allegedly dumped imports. If this preliminary injury determination by the USITC is negative, the investigation is terminated and no duties are imposed; if it is affirmative, Commerce will make preliminary and final determinations concerning the allegedly dumped sales into the U.S. market. If Commerce's preliminary determination is affirmative, Commerce will direct U.S. Customs and Border Protection (CBP) to suspend liquidation of entries and require importers to post a bond or cash deposit equal to the estimated weighted-average dumping margin.

If Commerce's final determination regarding dumping is negative, the investigation is terminated and no duties are imposed. If affirmative, the USITC makes a final injury determination. If the USITC determines that there is material injury or threat of material injury, or material retardation of an industry's establishment, by reason of the dumped imports, an antidumping order is issued and CBP collects antidumping duties on imported goods. If the USITC's final injury determination is negative, the investigation is terminated and the cash deposits are refunded or the bonds posted are released.

Upon request of an interested party, Commerce conducts annual reviews of dumping margins pursuant to Section 751 of the Tariff Act of 1930. Section 751 also provides for Commerce and USITC review in cases

of changed circumstances and periodic review in conformity with the five-year "sunset" provisions of the U.S. antidumping law and the WTO Antidumping Agreement.

Most antidumping determinations may be appealed to the U.S. Court of International Trade, with further judicial review possible in the U.S. Court of Appeals for the Federal Circuit. For certain investigations involving Canadian or Mexican merchandise, appeals may be made to a binational panel established under the NAFTA.

The United States initiated 35 antidumping investigations in 2016 and imposed 30 antidumping orders.

5. Countervailing Duty Actions

The U.S. countervailing duty (CVD) law dates back to late 19th century legislation authorizing the imposition of CVDs on subsidized sugar imports. The current CVD provisions are contained in Title VII of the Tariff Act of 1930, as amended by subsequent legislation including the Uruguay Round Agreements Act. As with the antidumping law, the USITC and the U.S. Department of Commerce (Commerce) jointly administer the CVD law, and U.S. Customs and Border Protection (CBP) collects and enforces CVD orders on imported goods.

The CVD law's purpose is to offset certain foreign government subsidies that benefit imports into the United States. CVD procedures under Title VII are very similar to antidumping procedures, and CVD determinations by Commerce and the USITC are subject to the same system of judicial review as antidumping determinations. Commerce normally initiates investigations based upon a petition submitted by a U.S. industry or an entity filing on its behalf. The USITC is responsible for investigating material injury issues. The USITC makes a preliminary finding as to whether there is a reasonable indication of material injury or threat of material injury, or material retardation of an industry's establishment, by reason of imports subject to investigation. If the USITC's preliminary determination is negative, the investigation terminates; otherwise, Commerce issues preliminary and final determinations on subsidization. If Commerce's final determination of subsidization is affirmative, the USITC proceeds with its final injury determination. If the USITC's final determination is affirmative, Commerce will issue a CVD order. CBP collects CVDs on imported goods.

The United States initiated 16 CVD investigations and imposed 16 new CVD orders in 2016.

6. Other Import Practices

Section 337

Section 337 of the Tariff Act of 1930, as amended, makes it unlawful to engage in unfair acts or unfair methods of competition in the importation of goods or sale of imported goods. Most Section 337 investigations concern alleged infringement of intellectual property rights, such as U.S. patents.

The United States International Trade Commission (USITC) conducts Section 337 investigations through adjudicatory proceedings under the Administrative Procedure Act. The proceedings normally involve an evidentiary hearing before a USITC administrative law judge who issues an Initial Determination that is subject to review by the USITC (all sitting commissioners). If the USITC finds a violation, it can order that imported infringing goods be excluded from the United States and/or issue cease and desist orders requiring firms to stop unlawful conduct in the United States, such as the sale or other distribution of imported infringing goods in the United States. A limited exclusion order covers only certain imports from particular named sources, namely some or all of the parties who are respondents in the proceeding. A

general exclusion order, on the other hand, covers certain products from all sources. Cease and desist orders are generally directed to entities maintaining inventories of infringing goods in the United States. The USITC is also authorized to issue temporary exclusion or cease and desist orders before it completes an investigation if it determines that there is reason to believe there has been a violation of Section 337. Additionally, seizure orders can be issued for repeat or multiple attempts to import merchandise already subject to a general or limited exclusion order. Many Section 337 investigations are terminated after the parties reach settlement agreements or agree to the entry of consent orders.

In cases in which the USITC finds a violation of Section 337, it must decide whether certain public interest factors nevertheless preclude the issuance of a remedial order. The four public interest considerations are the order's effect on public health and welfare, on competitive conditions in the U.S. economy, on the production of similar or directly competitive U.S. products, and on U.S. consumers. If the USITC issues an affirmative determination and concomitant remedial order(s), it transmits the determination, order, and supporting documentation to the President for policy review. In July 2005, President Bush assigned these policy review functions, which are set out in Section 337(j)(1)(B), Section 337(j)(2), and Section 337(j)(4) of the Tariff Act of 1930, to the USTR. The USTR conducts these reviews in consultation with other agencies. Importation of the subject goods may continue during this review process if the importer pays a bond in an amount determined by the USITC. If the President (or the USTR, exercising the functions assigned by the President) does not disapprove the USITC's determination within 60 days, the USITC's order becomes final. If the President or the USTR disapproves or formally approves a determination before the end of the 60 day review period, the order is nullified, or becomes final, as the case may be, on the date the President or the USTR notifies the USITC. USITC Section 337 determinations are subject to judicial review on the merits in the U.S. Court of Appeals for the Federal Circuit, with possible appeal to the U.S. Supreme Court.

During calendar year 2016, the USITC instituted 54 new Section 337 investigations and commenced 17 proceedings based on requests for modification or rescission of outstanding Commission orders. The USITC also issued, in calendar year 2016, remedial orders in ten investigations, as follows: *Certain Beverage Brewing Capsules*, 337-TA-929; *Certain Stainless Steel*, 337-TA-933; *Certain Dental Implants*, 337-TA-934; *Certain Personal Transporters*, 337-TA-935; *Certain Footwear Products*, 337-TA-936; *Certain Three-Dimensional Cinema Systems*, 337-TA-939; *Certain Network Devices*, 337-TA-944; *Certain Ink Cartridges*, 337-TA-946*; Certain Document Cameras*, 337-TA-967; *Certain Computer Cables*, 337-TA-975. All of these orders became final after presidential review.

Section 201

Section 201 of the Trade Act of 1974 provides a procedure whereby the President may grant temporary import relief to a domestic industry if increased imports are a substantial cause of serious injury or the threat of serious injury. Relief may be granted for an initial period of up to four years, with the possibility of extending the relief to a maximum of eight years. Import relief is designed to redress the injury and to facilitate positive adjustment by the domestic industry; it may consist of increased tariffs, quantitative restrictions, or other forms of relief. Section 201 also authorizes the President to grant provisional relief in cases involving "critical circumstances" or certain perishable agricultural products.

For an industry to obtain relief under Section 201, the USITC must first determine that a product is being imported into the United States in such increased quantities as to be a substantial cause (a cause which is important and not less than any other cause) of serious injury, or the threat thereof, to the U.S. industry producing a like or directly competitive product. If the USITC makes an affirmative injury determination (or is equally divided on injury) and recommends a remedy to the President, the President may provide relief either in the amount recommended by the USITC or in such other amount as he finds appropriate.

The criteria for import relief in Section 201 are based on Article XIX of the GATT 1994—the so-called "escape clause"—and the WTO Agreement on Safeguards.

As of January 1, 2017, the United States had no measures in place under Section 201. The United States did not impose any Section 201 measures during 2016, and did not commence any safeguard investigations.

7. Trade Adjustment Assistance

Overview and Assistance for Workers

The Trade Adjustment Assistance (TAA) for Workers, Alternative Trade Adjustment Assistance (ATAA), and Reemployment Trade Adjustment Assistance (RTAA) programs are authorized under Title II of the Trade Act of 1974, as amended. These programs, collectively referred to as the Trade Adjustment Assistance Program (TAA Program), provide assistance to workers who have been adversely affected by foreign trade.

The Trade Adjustment Assistance Reauthorization Act of 2015 (TAARA 2015), title IV of the Trade Preferences Extension Act of 2015 (Public Law 114-27), was signed into law on June 29, 2015. The TAA Program offers trade-affected workers an opportunity to retrain and retool for new jobs.

The TAA Program currently offers the following services to eligible workers: rapid response, employment and case management services, tailored training, out of area job search and relocation allowances, weekly income support through Trade Readjustment Allowances (TRA), ATAA/RTAA wage supplements for older workers, and a health coverage tax credit to eligible TAA recipients.

In FY 2016, $626,806,000 was allocated to State Governments to fund aspects of the TAA program. This included $391,452,000 for "Training and Other Activities," which includes funds for training, job search allowances, relocation allowances, employment and case management services, and related state administration; $209,374,000 for TRA benefits; and $25,980,000 for ATAA/RTAA benefits.

For a worker to be eligible to apply for TAA, the worker must be part of a group of workers that is the subject of a petition filed with the U.S. Department of Labor (DOL). Three workers of a company, a company official, a union or a duly authorized representative, or the American Job Center operator or partner may file a petition with the DOL. In response to the filing, DOL conducts an investigation to determine whether foreign trade was an important cause of the workers' job loss or threat of job loss. If the DOL determines that the workers meet the statutory criteria for group certification of eligibility for the workers in the firm to apply for TAA, DOL will issue a certification. In FY 2016, the program served an estimated 126,844 workers.

The DOL administers the TAA Program through the Employment and Training Administration (ETA), with State Governments administering TAA benefits on behalf of the United States for members of TAA-certified worker groups. Once covered by a certification, individual workers apply for benefits and services through the American Job Center network. American Job Centers can be located on the Internet at http://www.careeronestop.org/ReEmployment/, or by calling 1-877-US2-JOBS. Most benefits and services have specific individual eligibility criteria that must be met, such as prior work history, unemployment insurance eligibility, and individual skill levels.

Trade Adjustment Assistance for Farmers

On January 6, 2015, the U.S. Congress passed the Trade Preferences Extension Act of 2015, which reauthorized the TAA for Farmers Program for fiscal years 2015 through 2021. However, the U.S. Congress did not appropriate funding for new participants for FY 2016. As a result, USDA did not accept any new petitions or applications for benefits in FY 2016.

Assistance for Firms and Industries

The U.S. Economic Development Administration's (EDA) Trade Adjustment Assistance for Firms Program (the TAAF Program) is authorized by chapters 3 and 5 of title II of the Trade Act of 1974, as amended (19 U.S.C. § 2341 et seq.) (Trade Act). Public Law 93-618, as amended, provides for trade adjustment assistance for firms and industries (19 USC §§2341-2355; 2391). The Trade Preferences Extension Act (P.L. 114-27), Title IV of the Act, entitled the "Trade Adjustment Assistance Reauthorization Act of 2015," authorizes the TAAF Program through June 30, 2022.

The TAAF Program provides technical assistance to help U.S. firms experiencing a decline in sales and employment to become more competitive in the global marketplace. To be certified for the program, a firm must show that an increase in imports of like or directly competitive articles contributed importantly to the decline in sales or production and to the separation or threat of separation of a significant portion of the firm's workers. The Secretary of the U.S. Commerce Department is responsible for administering the TAAF Program and has delegated the statutory authority and responsibility under the Trade Act to the U.S. Department of Commerce's Economic Development Administration (EDA). The U.S. Economic Development Administration's regulations implementing the TAAF Program are codified at 13 CFR Part 315 and may be accessed at: http://www.gpo.gov/fdsys/pkg/FR-2014-12-19/pdf/2014-28806.pdf.

In Fiscal Year (FY) 2016, EDA awarded a total of $20 million in TAAF Program funds to its national network of 11 Trade Adjustment Assistance Centers, each of which is assigned a different geographic service area. During FY 2016, EDA certified 67 petitions for eligibility and approved 78 adjustment proposals.

Additional information on the TAAF Program (including eligibility criteria and application process) is available at http://www.eda.gov/about/investment-programs.htm.

8. United States Preference Programs

Overview

The United States has a number of programs designed to encourage economic growth in developing countries by offering access to the U.S. market in the form of preferential duty reduction or elimination for eligible imports. These programs are: the African Growth and Opportunity Act (AGOA), the Generalized System of Preferences (GSP), and the Caribbean Basin Initiative (CBI)/Caribbean Basin Trade Partnership Agreement (CBTPA). Individual countries may be covered by more than one program. In such countries, exporters may choose among programs when seeking preferential access to the U.S. market.

U.S. imports benefiting from preferential access under these programs totaled $29.0 billion during 2016, up 6 percent from 2015. This compares to an overall 2.3 percent increase in total U.S. goods imports for consumption from the world over the same period. The increase was largely due to an 18 percent increase ($1.4 billion) in the value of U.S. imports under AGOA (excluding GSP) due to a rise in U.S. mineral fuel imports (mostly oil) and a $1.0 billion increase in GSP due mainly to jewelry, plastics, and electrical

machinery imports. The increase was somewhat offset by a $660 million decline in imports (mostly organic chemicals) under CBI/CBTPA.

As a share of total U.S. goods imports for consumption, imports under the U.S. preference programs increased from 1.2 percent in 2015 to 1.3 percent in 2016. Each program's respective share of total U.S. preferential imports in 2016 was as follows: GSP, 65 percent; AGOA (excluding GSP), 32 percent; and the CBI/CBTPA, 3 percent. See the sections below for more information on developments related to specific preference programs.

Generalized System of Preferences

History and Purposes

The U.S. Generalized System of Preferences (GSP) program was initially authorized by the Trade Act of 1974 (19 U.S.C. §§ 2461 et seq.) for a ten-year period, beginning on January 1, 1976. Congress has extended the program 13 times, most recently in June 2015, continuing through December 31, 2017. Calendar year 2016 marked GSP's first full year of operations since 2012, after a lapse between the program's expiration in June 2013 and its renewal in June 2015.

The GSP program is designed to promote economic growth in the developing world by providing preferential duty-free entry for a wide range of products imported from designated beneficiary countries and territories. Through various mechanisms, the GSP program encourages beneficiaries to: (1) eliminate or reduce significant barriers to trade in goods, services, and investment; (2) take steps to afford workers' internationally recognized worker rights; and (3) provide adequate and effective intellectual property rights protection and enforcement. U.S. industry has noted that a country's participation in the GSP program helps to promote a business and investment environment that benefits U.S. investors as well as the beneficiary countries. The GSP program also helps to lower the cost of imported goods for U.S. consumers and businesses, including inputs used to manufacture goods in the United States.

Beneficiaries

As of January 1, 2017, there were 120 designated GSP beneficiary developing countries (BDCs) and territories, including 44 countries and territories that are least-developed beneficiary developing countries (LDBDCs), which are eligible for a broader range of duty-free benefits.

On September 30, 2015, the President announced that Seychelles, Uruguay, and Venezuela had become "high income" countries as defined by the World Bank and that, consistent with the GSP statute, they would become ineligible for GSP benefits effective January 1, 2017. On September 14, 2016, the President announced that Burma would be added to the GSP program as a LDBDC, and that Burma would also be added to the list for the ASEAN group (which allows cumulation with other ASEAN members, including non-LDBDC GSP beneficiaries, to make it easier to qualify for GSP's value added requirement). This designation became effective on November 13, 2016.

Eligible Products

At the end of 2016, approximately 5,000 products were eligible for duty-free treatment under GSP, with nearly 1,500 products reserved for LDBDCs only. The list of GSP-eligible products from all beneficiaries includes most dutiable manufactures and semi-manufactures; selected agricultural and fishery products; and many types of chemicals, minerals, and building materials that are not otherwise duty free. The GSP statute precludes certain import-sensitive articles from receiving GSP treatment, including most textiles and apparel, watches, most footwear, glassware considered to be import-sensitive, and some gloves and leather

products.[38] The products that receive preferential market access only when imported from LDBDCs include crude petroleum, certain refined petroleum products, certain chemicals, plastics, animal and plant products, prepared foods, beverages, and rum, as well as many other products. On June 30, 2016, the U.S. Government announced that duty-free treatment under GSP would be expanded to include "travel goods": handbags, luggage, backpacks and goods found in pockets (such as wallets and eyeglass cases) for LDBDCs (and AGOA beneficiaries). At the same time, the United States deferred a decision on whether to also extend duty-free treatment for these products for other GSP beneficiaries.

Although GSP benefits for textiles and apparel are limited, certain handmade folkloric products are among the textile products eligible for GSP treatment. Currently, the United States has agreements providing for certification and GSP eligibility of certain handmade, folkloric products with the following BDCs: Afghanistan, Botswana, Cambodia, Egypt, Jordan, Mongolia, Nepal, Pakistan, Paraguay, Thailand, Timor-Leste, Tunisia, Turkey, and Uruguay.

Program Results

- *Value of Trade Entering the United States under the GSP program*: The value of U.S. imports claimed under the GSP program in 2016 was 18.07 billion, a 5.69 percent increase over 2015. This represented roughly 0.8 percent of all U.S. goods imports; 9.2 percent of goods imports from beneficiary countries; and 18.2 percent of goods imports from the beneficiary countries that would otherwise be subject to tariffs. By comparison, total U.S. imports of all products (both GSP eligible and non-eligible products) from GSP beneficiary countries decreased by 2.3 percent, by value, over the same period.[39] Top U.S. imports under the GSP program in 2016, by trade value, were motor vehicle parts; jewelry of precious metal; worked monumental or building stone and articles thereof; new pneumatic rubber tires; ferroalloys; flavored waters including mineral and aerated waters; electric motors and generators; air conditioning machines; optical fiber cables, insulated wire and electrical conductors; and taps, cocks, and valves for pipes, boiler shells, tanks and parts thereof.

  In 2016, based on trade value, the top five GSP BDC suppliers were, in order: India, Thailand, Brazil, Indonesia, and the Philippines. Nine of the top 50 GSP BDCs in 2015 were LDBDCs. In order of GSP trade value, these were Cambodia, Congo (DRC), Mozambique, Nepal, Ethiopia, Malawi, Bhutan, Burma (Myanmar) and Madagascar.

- *The GSP Program's Contribution to Economic Development in Developing Nations*: The GSP program helps countries diversify and expand their exports, an important development goal. A new USTR report on the Impact of Trade Preference on Poverty and Hunger (available at https://ustr.gov/sites/default/files/TPEA-Preferences-Report.pdf) provides statistics and examples that provide additional information on this contribution. For instance, Cambodia became the third largest bicycle exporter to the United States (though still far below China and Taiwan) as a result of the eligibility of bicycles for GSP for least developed countries only. Cambodia is also rapidly expanding its exports of the newly eligible travel goods. Several GSP beneficiaries witnessed significant increases in GSP trade in 2016, including Pakistan, Uruguay, Cambodia, and Ghana.

- *Efforts to promote wider distribution of the use of GSP benefits among beneficiaries*: As directed by the U.S. Congress, the Obama Administration sought to broaden the use of the GSP program's benefits among beneficiary countries. In 2016, USTR facilitated or carried out GSP outreach

[38] The Trade Preferences Extension Act of 2015 (Public Law 114-27), allows certain handbags, luggage, and flat goods to be considered for designation for duty-free treatment under GSP. These products were previously prohibited by law (19 USC 2463) from receiving GSP treatment.
[39] Based on GSP-eligible countries as of July 31, 2016.

activities in Armenia, Burma, Pakistan, Paraguay, and Ukraine as well as briefings at the government-to-government level with a number of countries. For additional details and multiple-language GSP guides and country-specific analyses, go to "GSP in Use – Country Specific Information" under "Generalized System of Preferences" on the USTR website at https://ustr.gov/issue-areas/trade-development/preference-programs/generalized-system-preferences-gsp/gsp-use-%E2%80%93-coun.

Annual Reviews

The GSP Annual Review provides an opportunity to add or remove countries and/or products from eligibility under GSP based on petitions submitted by stakeholders and taking into account shifting market conditions (with respect to products) and concerns about individual beneficiaries' conformity with the statutory criteria for eligibility.

Conclusion of the 2015-2016 GSP Annual Product Review

The results of the 2015-2016 GSP Annual Product Review were announced in a Presidential Proclamation dated June 30, 2016. As discussed above, there was a significant expansion of GSP eligibility for "travel goods" for LDBDCs and AGOA beneficiaries. Consideration of duty-free treatment for those products for other BDCs was deferred at that time; an additional hearing was held regarding possible duty-free benefits for other BDCs on October 18, 2016. This issue was still pending at the end of 2016.

Product addition petitions for three other products were either denied or deferred. Three products were removed from GSP eligibility for India, and two more products of India lost GSP eligibility as a result of exceeding Competitive Need Limitations, as did one product from the Philippines. Three products were granted waivers of Competitive Need Limitations (one each from Brazil, Thailand, and Tunisia). The complete results of the 2015/2016 Annual Product Review and related Federal Register notices are available on the USTR website at https://ustr.gov/issue-areas/preference-programs/generalized-system-preferences-gsp/current-reviews/gsp-20152016 and https://ustr.gov/issue-areas/trade-development/preference-programs/generalized-system-preference-gsp.

A number of outstanding country practice petitions remained under review at year's end including petitions on Indonesia, Ukraine, and Uzbekistan regarding IPR protection; petitions on Georgia, Iraq, Thailand and Uzbekistan regarding worker rights or child labor concerns; and a petition on Ecuador regarding arbitral awards. USTR actively engaged with all of these countries, noting the link between their compliance with the GSP statutory criteria and their continued GSP eligibility. A country eligibility petition from Argentina was accepted for review on November 7, 2016, while the country eligibility review for Laos remained pending at the end of 2016. A complete list of the country practice and country eligibility petitions that remained under review as of December 2016 is available at https://ustr.gov/node/6526.

USTR announced the closure of two eligibility reviews during the year. Eligibility reviews focused on workers' rights were concluded for Fiji and Niger based on steps taken in those countries to address concerns raised in third party petitions.

2016/2017 GSP Annual Review

On August 25, 2016, a notice was published in the *Federal Register* launching the 2016/2017 GSP Annual Review. That notice is available at https://ustr.gov/issue-areas/preference-programs/generalized-system-preferences-gsp/current-reviews/gsp-20162017. USTR has decided to accept for review five petitions to add a product to the list of those eligible for duty-free treatment under GSP, one petition to remove a product from GSP eligibility for all GSP beneficiary countries, and seven petitions to waive CNLs. Petitions

submitted in response to that notice may be found at the same web site. Results from the 2016/2017 review are expected to be announced in June 2017.

The African Growth and Opportunity Act

The African Growth and Opportunity Act (AGOA), enacted in 2000, provides eligible sub-Saharan African countries with duty-free access to the U.S. market for over 1,800 products beyond those eligible under the GSP program. The additional products include value-added agricultural and manufactured goods such as processed food products, apparel, and footwear. In 2016, 38 sub-Saharan African countries were eligible for AGOA benefits.

AGOA Eligibility Review

AGOA requires the President to determine annually which of the sub-Saharan African countries listed in the Act are eligible to receive benefits under the legislation. These decisions are supported by an annual interagency review, chaired by USTR, that examines whether each country already eligible for AGOA has continued to meet the eligibility criteria and whether circumstances in ineligible countries have improved sufficiently to warrant their designation as an AGOA beneficiary country. The AGOA eligibility criteria include, among others, establishing or making continual progress in establishing a market-based economy, rule of law, poverty-reduction policies, a system to combat corruption and bribery, and protection of internationally recognized workers' rights. AGOA also requires that eligible countries do not engage in activities that undermine U.S. national security or foreign policy interests, or engage in gross violations of internationally recognized human rights. The annual review takes into account information drawn from U.S. Government agencies, the private sector, civil society, African governments, and other interested stakeholders. Through the AGOA eligibility review process, the annual AGOA Forum meeting *(see below)*, and ongoing dialogue with AGOA partners, AGOA provides incentives to promote economic and political reform as well as trade expansion in AGOA-eligible countries in support of broad-based economic development. The annual review conducted in 2016 resulted in the reinstatement of the Central African Republic (CAR)'s AGOA eligibility, effective January 1, 2017, as a result of steps the government of CAR has undertaken to meet eligibility criteria related to rule of law issues.

An out-of-cycle review of South Africa's AGOA eligibility was initiated on July 21, 2015. On November 5, 2015, President Obama determined that South Africa had not made continual progress toward the elimination of several longstanding barriers to U.S. trade and investment, including unwarranted barriers to U.S. poultry, pork, and beef, and, therefore, was out of compliance with AGOA eligibility requirements. As a result, he notified Congress and the government of South Africa of his intent to suspend duty-free treatment for all AGOA-eligible agricultural goods from South Africa. On January 11, 2016, President Obama issued a proclamation to suspend South Africa's AGOA benefits in the agricultural sector on March 15, 2016. The two-month delay in the suspension of benefits was intended to provide South Africa with time to implement actions negotiated with the United States to resolve the outstanding barriers to U.S. trade. South Africa subsequently took the necessary actions to come into compliance with the relevant AGOA criteria. As a result, President Obama issued a proclamation on March 14, 2016 that revoked the earlier proclamation, and thus allowed South Africa's AGOA benefits in the agricultural sector to continue.

AGOA Forum

The annual United States-Sub-Saharan Africa Trade and Economic Cooperation Forum, informally known as the "AGOA Forum," is a ministerial level meeting that brings together senior U.S. officials and their African counterparts to discuss ways to enhance trade and investment relations. At the September 2016 AGOA Forum held in Washington, DC, USTR and senior officials from more than a dozen U.S. Government agencies met with numerous African trade ministers, leaders of African regional economic

organizations, and representatives of the African and American private sectors and civil society to discuss issues and strategies for advancing trade, investment, and economic development in Africa, as well as ways to increase two-way U.S.-African trade in light of the recent 10 year extension of AGOA. Based on a year-long strategic review to consider past experiences and emerging trends, and to identify paths forward toward a more sustainable long-term U.S.-Africa trade and investment partnership, in September 2016 USTR issued a report entitled "Beyond AGOA—Looking to the Future of U.S.-Africa Trade and Investment." The report presents the case for deepening U.S.-Africa economic engagement beyond AGOA, explores substantive building blocks potentially important to a new U.S.-Africa trade architecture, and outlines several options for moving forward.

Total AGOA (including GSP) imports rose to $10.58 billion in 2016 compared to $9.27 billion in 2015 mostly due to an increase in AGOA imports of oil (up 24.6 percent) to $6.41 billion in 2016 compared to $5.15 billion in 2015. AGOA non-oil trade rose (1.1 percent) to $4.2 billion in 2016 from $4.1 billion in 2015, primarily due to an increase in transportation equipment imports under AGOA (8.3 percent) to $1.65 billion in 2016 compared to $1.52 billion in 2015. There were also increases in AGOA apparel trade ($1.01 billion compared to $992.6 million in 2015), agriculture trade ($487.5 million compared to $480.5 million in 2015), miscellaneous manufactures ($114.9 million compared to $76.8 million in 2015), and footwear trade ($23.6 million compared to $20.2 million in 2015). These increases were partly offset by sharp declines in AGOA minerals and metals trade ($545.3 million in 2016 compared to $607.2 million in 2015), chemicals and related products ($276.9 million compared to $367.8 million in 2015), and machinery trade ($18.4 million compared to $25.1 million in 2015),

Top U.S. imports under the AGOA program in 2016, by trade value, were mineral fuels, motor vehicles and parts, woven apparel, knit apparel, and iron and steel. In 2016, based on trade value, the top five AGOA suppliers were, in order, Nigeria, South Africa, Angola, Chad, and Kenya.

Caribbean Basin Initiative

The Caribbean Basin Initiative (CBI) is the term used to describe a collection of legislation that offers duty-relief for Caribbean imports into the United States, providing Caribbean products with a tariff advantage over other competing producers from developed countries with which the United States does not have such tariff preference programs. During the review period, the CBI remained a vital element in the United States' economic relations with its neighbors in Central America and the Caribbean.

The CBI began with the Caribbean Basin Economic Recovery Act (CBERA) and subsequently was expanded through the United States-Caribbean Basin Trade Partnership Act (CBTPA). In 2016, 17 countries and territories received benefits under the program: Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, British Virgin Islands, Curaçao, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago. Countries which enter bilateral trade agreements with the United States cease to be eligible for CBI benefits under the CBERA or CBTPA; Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, the Dominican Republic, and Panama are in this category.

CBI benefits were further expanded with the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006 (HOPE Act), the HOPE II Act of 2008 (HOPE II Act), and the Haitian Economic Lift Program Act of 2010 (HELP Act), which provided Haiti preferential treatment for its textile and apparel products. The U.S. Government works closely with the government of Haiti and other national and international stakeholders to promote the viability of Haiti's apparel sector, to facilitate producer compliance with labor eligibility criteria, and to ensure full implementation of the Technical Assistance Improvement and Compliance Needs Assessment and Remediation requirements (*see* https://ustr.gov/sites/default/files/Final%20Report%20Haiti%20HOPE%20II%202015.pdf) in accordance

with the provisions of the HOPE II Act. In June 2015, the Trade Preferences Extension Act of 2015 (TPEA) extended trade benefits provided to Haiti in the HOPE Act, HOPE II Act, and the HELP Act until September 30, 2025. The TPEA also extended the value-added rule for apparel articles wholly assembled or knit-to-shape in Haiti until December 19, 2025.

In December 2015, USTR submitted its most recent biannual report to the U.S. Congress on the operation of the CBERA and its companion programs under the CBI. The report can be found on the USTR website, https://ustr.gov/issue-areas/trade-development/preference-programs/caribbean-basin-initiative-cbi.

Program Results:

- The total value of U.S. imports from beneficiary countries in 2014 was $8.2 billion, a decrease of $687.7 million from the previous year and of $3.6 billion from 2012. The decline in U.S. imports from CBI beneficiaries in both 2013 and 2014 was mostly due to a sharp decrease in U.S. imports of crude petroleum and refined petroleum products, reflecting falling U.S. consumption, coupled with increased U.S. production of crude petroleum. The shut down and maintenance of several refinery plants by Trinidad's Petrotrin refinery may also have impacted imports.

- The CBI's share of total U.S. imports was 0.4 percent in 2014 and 2013.

- The total value of U.S. exports to beneficiary countries was $12.8 billion in 2014,[40] up $314.6 million from 2013, but down $6.5 billion from 2012, due primarily to the entry into force of the U.S.-Panama TPA. The CBI's share of total U.S. exports was 0.9 percent in 2014 and 2013. The CBI region as a whole ranked as the 23rd largest market for U.S. exports.

[40] Domestic exports, free alongside ship (F.A.S.) value.

VI. TRADE POLICY DEVELOPMENT

A. Trade Capacity Building

Historically, the United States has provided training and technical assistance to help developing countries integrate into the global trading community. This section reports on these efforts.

1. The Enhanced Integrated Framework

The Enhanced Integrated Framework for Trade-Related Assistance to Least-Developed Countries (EIF) is a multi-organization, multi-donor program that operates as a coordination mechanism for trade-related assistance exclusively to least-developed countries (LDCs), with the overall objective of integrating trade into national development plans and integrating LDCs into the multilateral trading system. Participating organizations include the WTO, World Bank, IMF, UNCTAD, UNDP, UNIDO (observer), UNOPS (as Trust Fund Manager), World Tourism Organization (observer), and the International Trade Center. The mechanism incorporates a country-specific diagnostic assessment, called the Diagnostic Trade Integration Study (DTIS), which aims to identify constraints to competitiveness, supply chain weaknesses, and sectors of greatest growth or export potential. The DTIS includes an action plan, consisting of a list of priority reforms identified by the DTIS, which is offered to multilateral and bilateral donors. Project design and implementation can be accomplished through the resources of the EIF Trust Fund or through multilateral or bilateral donor programs in the field (as the United States does through its development assistance programs).

Phase One of the EIF (2009-15) delivered 141 projects totaling $140.7 million across 51 countries. Of these projects, 105 supported trade and development capacity while 36 projects aimed to help countries address supply-side constraints and to increase their ability to trade. Phase Two, which began in 2016, is intended to retain the core structure of Phase One while strengthening the EIF's efficiency and effectiveness. Among the key features of the new program are (1) more tailored support to enhance the sustainability of results; (2) a stronger partnership between LDCs, EIF donors and EIF partner agencies; (3) greater stakeholder communication at all levels; (4) a new focus on leveraging contributions at the country level; and (5) stronger governance and program management.

The United States has supported the EIF primarily through complementary bilateral assistance to EIF participating countries. USAID bilateral assistance to LDC participants supports initiatives both to integrate trade into national economic and development strategies and to address high priority capacity building needs designed to accelerate integration into the global trading system.

2. U.S. Trade-Related Assistance under the World Trade Organization Framework

International trade can play a major role in the promotion of economic growth and the alleviation of global poverty. Trade Capacity Building (TCB) is intended to facilitate effective integration of developing countries into the international trading system and enable them to benefit further from global trade. The United States has historically promoted trade and economic growth in developing countries through a wide range of TCB activities. The United States also directly supports the WTO's trade-related technical assistance.

Global Trust Fund

The United States has long supported the trade-related assistance activities of the WTO Secretariat through voluntary contributions to the DDA Global Trust Fund (DDAGTF). Overall, the United States has contributed over $16 million since 2001, with an additional contribution of $600,000 in November 2016. The United States serves on the Steering Committee that is evaluating WTO trade-related technical assistance from 2010 to 2015, including assistance funded by the DDAGTF, to assess effectiveness and efficiency.

WTO's Aid for Trade Initiative

The WTO's 2005 Hong Kong Ministerial Declaration created a new WTO framework to discuss and prioritize Aid for Trade. In 2006, the Aid for Trade Task Force was created to operationalize Aid for Trade efforts and offer recommendations to improve the efficacy and efficiency of these efforts among WTO Members and other international organizations. The United States has been an active partner in the Aid for Trade discussion.

WTO and Trade Facilitation

The United States has provided substantial assistance over the years in the areas of customs and trade facilitation, and remains committed to continued support in light of the WTO Trade Facilitation Agreement (TFA). Following conclusion of the TFA negotiations in December 2013, U.S. assistance helped prepare a number of countries to understand and implement the TFA. USAID supported over 28 countries in conducting WTO Trade Facilitation Needs assessments. Working with the Southern African Development Community, USAID assisted in creating a comprehensive trade facilitation plan for the regional economic community. Assistance has been provided to a number of the National Trade Facilitation Committees that are required under the TFA, for example in Ghana, Serbia, Vietnam, Guatemala, and Honduras. Direct assistance in support of simplifying customs procedures was also provided in such places as Cote d'Ivoire, Chile, Malaysia, Mozambique, Senegal, Ukraine, Vietnam, and Zambia. Several governments have also received assistance with implementing Single Window customs procedures through ASEAN and throughout Southern Africa.

On December 17, 2015, the Global Alliance for Trade Facilitation was launched during the 10th Ministerial Conference of the WTO as a unique, multi-stakeholder platform that leverages business and development expertise for commercially meaningful reforms. The United States catalyzed the creation of this initiative and is a founding donor, joined by the governments of Australia, Canada, Germany, and the United Kingdom. The Secretariat of the Alliance is hosted by the Center for International Private Enterprise, the International Chamber of Commerce, and the World Economic Forum. The Alliance aims to accelerate ambitious trade facilitation reforms for robust economic growth and poverty reduction. The Alliance's in-country projects leverage the expertise and resources of the private sector to work collaboratively with governments to support effective reforms. In its pilot phase, the Alliance is currently working in four countries: Colombia, Ghana, Kenya, and Vietnam.

WTO Accessions

For information on technical assistance during the accession process, see Chapter 6.J.6.

3. TCB Initiatives for Africa

Through bilateral and multilateral channels, the United States has invested more than $5.2 billion in trade-related projects in sub-Saharan Africa since 2001 to spur economic growth and alleviate poverty.

Africa Competitiveness and Trade Expansion Initiative

The United States has established an interagency Trade and Investment Capacity Building Steering Group, tasked with providing recommendations for the coordinated, strategic use of U.S. Government programs aimed at supporting trade and investment capacity building efforts in sub-Saharan Africa. In concert with the Steering Group's work, the United States has now increased its commitment to trade and investment capacity building in the region to $75 million annually for FY 2015 and FY 2016. This increase in funding has permitted the broadening of the scope of the three hubs to become trade and investment hubs and the expansion of the Trade Africa initiative beyond the East African Community to new partnerships with Côte d'Ivoire, Ghana, Mozambique, Senegal, Zambia, and the Economic Community of West African States (ECOWAS). *(See the section on Sub-Saharan Africa, Chapter III.B.6, for more information on the Steering Group and Trade Africa.)*

Assistance to West African Cotton Producers

Since 2005, the United States has mobilized its development agencies, including USAID, USDA, and the U.S. Trade and Development Agency, to help the West African countries of Benin, Burkina Faso, Chad, Mali, and Senegal address obstacles they face in the cotton sector. A key element in U.S. assistance to the cotton sector in West Africa has been USAID's West Africa Cotton Improvement Program (WACIP), which was implemented from December 2006 to November 2013. The program has boosted the productivity and profitability of the cotton sector in these West African countries. The WACIP raised smallholder incomes and food security through increased cotton and rotational food crop yields.

With the completion of WACIP, USAID created a successor program, the C-4 Cotton Partnership (C4CP), which also aims to increase food security and incomes for cotton farmers in targeted areas of Benin, Burkina Faso, Chad and Mali (known as the four cotton-producing countries, or "C-4). These programs were the U.S. Government's direct response to concerns raised by the C-4 at WTO meetings. The C4CP will be implemented from 2014-2018 and will raise the incomes of cotton producers and processors by introducing competitive and sustainable strategies to boost farm productivity and improve post-harvest processes. The project was intended to forge partnerships with a wide array of regional and national actors and stakeholders in the value chains for cotton and its rotational crops in the C-4, to leverage resources and scale up the dissemination of technical packages produced by the project. The project was also intended to address the challenges women face in cotton-producing households, introducing economic and social strategies to benefit these farmers.

The United States also provides complementary support to the cotton sector through other programs, including MCC compacts and USDA programs such as Food for Progress, the Borlaug Programs, and the Cochran Program.

4. Free Trade Agreements

In addition to the WTO programs, the United States has heled U.S. FTA partners implement FTA commitments, and benefit over the long term through TCB working groups and other FTA-related projects. The United States and FTA partners have held TCB Committee meetings to prioritize and coordinate TCB activities during the transition and early implementation periods once an FTA enters into force. USAID and USDA, in Washington and through their field presence, along with a number of other U.S. Government assistance providers, actively participate in these working groups and committees so that identified TCB needs can be quickly and efficiently incorporated into ongoing regional and country assistance programs. The Committees on TCB also invite non-governmental organizations, representatives from the private sector, and international institutions to join in building the trade capacity of the countries in each region.

USTR works closely with USAID, the U.S. Department of State, and other agencies to track and guide the delivery of TCB assistance related to FTA commitments. (*For additional information, please refer to the individual country, region, labor, and environment-specific sections of this report.*)

5. Standards Alliance

In November 2012, the United States launched a new U.S.-sponsored assistance facility called the "Standards Alliance" with the goal of building capacity among developing countries to implement the WTO Agreement on Technical Barriers to Trade (TBT Agreement). The Standards Alliance, initiated as a result of collaboration between USTR and USAID, provides resources and expertise to enable developing countries to strengthen implementation of the TBT Agreement. The focus of these efforts in developing countries is shaped through an interagency process guided by USTR and USAID, and includes efforts: to improve practices related to notification of technical regulations and conformity assessment procedures to the WTO; to strengthen domestic practices related to adopting relevant international standards; and to clarify and streamline regulatory processes for products. This program aims to reduce the costs and bureaucratic hurdles U.S. exporters face in foreign markets and increase the competitiveness of U.S. products, particularly in developing markets.

In May 2013, USAID entered into a public-private partnership with the American National Standards Institute (ANSI) to make ANSI the implementing partner of the Standards Alliance (ANSI is the official U.S. representative to the International Organization for Standardization (ISO); its membership comprises numerous standards stetting organizations and firms). The USAID-ANSI partnership coordinates private sector subject matter experts from ANSI member organizations in the delivery of training and other technical exchange with interested Standards Alliance countries on international standards, and best practices, and other subjects supporting implementation of the TBT Agreement. In coordination with USTR, the USAID-ANSI partnership includes activities in numerous markets representing a variety of geographical regions and levels of economic development. In consultation with TPSC member agencies and private sector experts, ANSI requested and reviewed applications for assistance based on consideration of bilateral trade opportunities, available private sector expertise that may be leveraged, demonstrated commitment and readiness for assistance, and potential development impact. Since 2013, participating countries and regions have included: Central America (CAFTA-DR, Panama), Colombia, the East African Community, Indonesia, Middle East/North Africa, Peru, Southern Africa Development Community (SADC), and developing ASEAN members. In September 2016, ANSI and USAID also finalized an expansion of the Standards Alliance to support TBT-related assistance in five countries - Cote d'Ivoire, Ghana, Mozambique, Senegal, and Zambia – that are part of the U.S. Government's Trade Africa initiative. ANSI and U.S. officials conducted needs assessment visits to these countries in 2016.

The highlights of Standards Alliance programming in 2016 include:

- A High Level Symposium to Enhance Regulator Expertise on the WTO TBT Agreement, held in Mexico City for Mexican regulators (February 2016);
- A workshop on WTO transparency requirements and procedures on TBT and SPS measures, held in Nairobi for member states of the East African Community (EAC) (March 2016);
- A workshop on automotive standards and regulations in the Americas, held in Guayaquil, Ecuador for participants from over 20 different countries who are members of the Pan-American Standards Commission (April 2016);
- A workshop on textiles standards and regulations, held in Lima, for Peruvian manufacturers, regulators, and industry associations (June 2016);

- Focused training on conformity assessment and its connection to trade facilitation for public and private sector representatives from member states of the African Regional Standards Organization held in Arusha, Tanzania (June 2016); and
- Dedicated assistance to the TBT national enquiry points and notification authorities in EAC and SADC member countries, which resulted in Zambia's first TBT notifications to the WTO since 2007.

B. Public Input and Transparency

Reflecting Congressional direction, and to draw advice from the widest array of stakeholders in business, labor, civil society, and other groups, USTR has broadened opportunities for public input, created new institutional guarantees of public access including the appointment of a Chief Transparency Officer late in 2015 and the formalization of comprehensive Guidelines for Consultation and Engagement, and worked to ensure the transparency of trade policy through initiatives carried out by USTR's Office of Intergovernmental Affairs and Public Engagement (IAPE).

IAPE works with USTR's Office of Public and Media Affairs, coordinating with the agency's 13 regional and functional offices, the Office of WTO and Multilateral Affairs, Office of General Counsel, and the Office of Trade Policy and Economics to ensure that timely trade information is available to the public and disseminated widely to stakeholders. This is accomplished in part via USTR's interactive website; online postings of *Federal Register* Notices soliciting public comment and input and publicizing public hearings held by the Trade Policy Staff Committee (TPSC) on such issues as Chinese and Russian implementation of WTO commitments; offering opportunities for public comment and interaction with negotiators during trade negotiations; managing the agency's outreach and engagement to a diverse set of all stakeholder sectors including State and local Governments, business and trade associations, small and medium-sized businesses, agriculture groups, environmental organizations, industry groups, labor unions, consumer advocacy groups, non-governmental organizations, academia, think tanks, and others; and participating in discussions of trade policy at major domestic trade events and academic conferences. In addition to public outreach, IAPE is responsible for administering USTR's statutory advisory committee system, created by the U.S. Congress under the Trade Act of 1974 as amended, as well as facilitating consultations with State and local Governments regarding the President's trade priorities and the status of current trade negotiations which may impact them. Each of these elements is discussed in turn below.

1. Transparency Guidelines and Chief Transparency Officer

The Bipartisan Congressional Trade Priorities and Accountability Act of 2015 set a goal of improving Congressional oversight of negotiations and enforcement, encouraging public participation in policymaking, broadening stakeholder access and input, and ensuring senior-level institutional attention to transparency across the range of USTR work. 2016 marked the first full year in which the guidelines developed for compliance with the Act were in place. These included:

- *Chief Transparency Officer:* The Act directed USTR to appoint a senior agency official to serve as Chief Transparency Officer, charged with taking concrete steps to increase transparency in trade negotiations, engage with the public, and consult with Congress on transparency policy. The USTR General Counsel served in this position throughout 2016.

- *Consultation with Congress:* During 2016, USTR agreed to a memorandum developed after passage of the Bipartisan Congressional Trade Priorities and Accountability Act, to broaden access to negotiating texts and further encourage Congressional participation. These included providing access to U.S. text proposals and consolidated text of agreements under negotiation

to professional staff of the Committees on Finance and Ways and Means with an appropriate security clearance, to professional staff from other Committees interested in reviewing text relevant to that Committee's jurisdiction, to personal office staffers with appropriate clearance of a member of the Committees on Finance and Ways and Means, and to personal office staff with appropriate clearance accompanying his or her Member of Congress. These also include ensuring that any member of the House or Senate Advisory Group on Negotiations, or any member designated a congressional advisor on trade policy and negotiations by the Speaker of the House or the President *pro tempore* of the Senate (in both cases after consultation with the Chairman and Ranking member of the appropriate committees of jurisdiction) will be accredited to negotiating rounds.

- *Public Engagement:* USTR also implemented new transparency guidelines providing additional means of access for the public and interested stakeholders to policymaking. These new means of access include regular release of information on the schedules of negotiating rounds, publishing summaries of negotiating objectives issued at least 30 days before initiating negotiations for a trade agreement, publication of *Federal Register* Notices for each agreement under consideration, public hearings on negotiations and other trade priorities; regular public events during negotiations in which stakeholders and the public can meet directly with USTR negotiators directly involved in particular agreements; and other means.

2. Public Outreach

Federal Register Notices Seeking Public Input/Comments and Public Hearings

Throughout 2016, USTR issued no fewer than 26 *Federal Register* Notices online to solicit public comment on negotiations and policy decisions, on a wide range of issues including the effects of the WTO accession agreements with China and Russia, potential listings of "Notorious Markets" of pirated and counterfeit goods, dispute settlement, the functioning of the African Growth and Opportunity Act and the Generalized System of Preferences, and other topics. Public comments received in response to *Federal Register* Notices are available for inspection online at http://www.regulations.gov.

USTR also held public hearings regarding a variety of trade policy initiatives, including unprecedented public hearings on steel overcapacity in April 2016 and on U.S.-African economic relations beyond AGOA in January 2016, as well as country and product eligibility for the Generalized System of Preferences, and implementation of the Russian and Chinese WTO accession agreements. These hearings were web-cast live, and the submissions of all parties posted online.

Open Door Policy

USTR officials, including the U.S. Trade Representative, Deputies, and line officers from regional, functional, and multilateral offices as well as IAPE, meet frequently with a broad array of stakeholders, including agricultural commodity groups and farm associations, labor unions, environmental organizations, consumer groups, large and small businesses, faith groups, development and poverty relief organizations, other public interest groups, State and local Governments, NGOs, think tanks, and academics to discuss specific trade policy issues, subject to negotiator availability and scheduling.

3. The Trade Advisory Committee System

The trade advisory committee system, established by the U.S. Congress by statute in 1974, was created to ensure that U.S. trade policy and trade negotiating objectives adequately reflect U.S. public and private sector interests. Substantially broadened and reformed over the subsequent four decades, the system remains in the 21st century a central means of ensuring that USTR's senior officers and line negotiators receive ideas, input, and critiques from a wide range of public interests. The system now consists of 28 advisory committees, with a total membership of up to approximately 700 advisors. USTR manages the advisory committee system, in collaboration with the U.S. Departments of Agriculture, Commerce, and Labor, to ensure compliance with legal requirements. The advisory committee system includes the President's Advisory Committee for Trade Policy and Negotiations (ACTPN), 5 policy advisory committees, and 22 technical advisory committees in the areas of industry (ITACs) and agriculture (ATACs).

The trade advisory committees provide information and advice on U.S. negotiating objectives, the operation of trade agreements, and other matters arising in connection with the development, implementation, and administration of U.S. trade policy. Additional information on the advisory committees can be found on the USTR website at https://ustr.gov/about-us/advisory-committees.

In cooperation with the other agencies served by the advisory committees, USTR continues to look for ways to broaden the participation on committees to include a more diverse group of stakeholders, represent new interests, and fresh perspectives, and continues exploring ways to expand further representation while ensuring the committees remain effective.

Recommendations for candidates for committee membership are collected from a number of sources, including members of the U.S. Congress, associations and organizations, publications, other Federal agencies, responses to *Federal Register* Notices, and self-nominated individuals who have demonstrated an interest in, and knowledge of, U.S. trade policy. Membership selection is based on qualifications, diversity of sectors represented and geography, and the needs of the specific committee to maintain a balance of the perspectives represented. Committee members are required to have a security clearance in order to serve and have access to confidential trade documents on a secure encrypted website. Committees meet regularly in Washington, D.C. to provide input and advice to USTR and other agencies. Members pay for their own travel and related expenses.

President's Advisory Committee on Trade Policy and Negotiations (ACTPN)

The ACTPN consists of no more than 45 members who are broadly representative of the key economic sectors of the economy, particularly those most affected by trade. The President appoints ACTPN members to four year terms not to exceed the duration of the charter. The ACTPN is the highest level committee in the system that examines U.S. trade policy and agreements from the broad context of the overall national interest.

Members of ACTPN are appointed to represent a broad variety of entities, including non-Federal Governments, environmental organizations, labor unions, agricultural interests, technology, small business, service industries, and retailers. A current roster of ACTPN members and the interests they represent is available on the USTR website.

Policy Advisory Committees

Members of the five policy advisory committees are appointed by the USTR or in conjunction with other Cabinet officers. The Intergovernmental Policy Advisory Committee on Trade (IGPAC), the Trade and Environment Policy Advisory Committee (TEPAC), and the Trade Advisory Committee on Africa (TACA) are appointed and managed solely by USTR. Those policy advisory committees managed jointly with the U.S. Departments of Agriculture, and Labor are, respectively, the Agricultural Policy Advisory Committee (APAC), and the Labor Advisory Committee for Trade Negotiations and Trade Policy (LAC). Each committee provides advice based upon the perspective of its specific area and its members are chosen to represent the diversity of interests in those areas. A list of all the members of the Committees and the diverse interests they represent is available on the USTR website.

Agricultural Policy Advisory Committee (APAC)

The U.S. Secretary of Agriculture and the U.S. Trade Representative appoint members jointly. APAC members are appointed to represent a broad spectrum of agricultural interests including the interests of farmers, ranchers, processors, renderers, retailers, and public advocacy from diverse sectors of agriculture, including commodities, fruits and vegetables, livestock, dairy, sweeteners, wine and tobacco. Members serve at the discretion of the U.S. Secretary of Agriculture and the U.S. Trade Representative. The Committee consists of not more than 40 members.

Intergovernmental Policy Advisory Committee on Trade (IGPAC)

The IGPAC consists of not more than 35 members appointed from, and representative of, the various States and other non-Federal Governmental entities within the jurisdiction of the United States. These entities include, but are not limited to, the executive and legislative branches of State, County, and Municipal Governments. Members may hold elective or appointive office. Members are appointed by, and serve at the discretion of, the U.S. Trade Representative.

Labor Advisory Committee (LAC)

The LAC consists of not more than 30 members from the U.S. labor community, appointed by the U.S. Trade Representative and the Secretary of Labor, acting jointly. Members represent unions from all sectors of the economy including steel, automotive, aerospace, farmworkers, teachers, pilots, artists, machinists, service workers, and food and commercial workers. Members are appointed by, and serve at the discretion of, the U.S. Secretary of Labor and the U.S. Trade Representative.

Trade Advisory Committee on Africa (TACA)

TACA consists of not more than 30 members, including, but not limited to, representatives from industry, labor, investment, agriculture, services, academia, and non-profit development organizations. The members of the Committee are appointed to be broadly representative of key sectors and groups with an interest in trade and development in sub-Saharan Africa, including non-profit organizations, producers, and retailers. Members of the committee are appointed by, and serve at the discretion of, the U.S. Trade Representative.

Trade and Environment Policy Advisory Committee (TEPAC)

TEPAC consists of not more than 35 members, including, but not limited to, representatives from environmental interest groups, industry, services, academia, and non-Federal Governments. The Committee is designed to be broadly representative of key sectors and groups of the economy with an

interest in trade and environmental policy issues. Members of the Committee are appointed by, and serve at the discretion of, the U.S. Trade Representative.

Technical and Sectoral Committees

The 22 technical and sectoral advisory committees are organized into two areas: agriculture and industry. Representatives are appointed jointly by the U.S. Trade Representative on the one hand and the U.S. Secretaries of Agriculture or Commerce, respectively, on the other. Each sectoral or technical committee represents a specific sector, commodity group, or functional area and provides specific technical advice concerning the effect that trade policy decisions may have on its sector or issue.

Agricultural Technical Advisory Committees (ATACs)

There are six ATACs, focusing on the following products: (1) Animals and Animal Products; (2) Fruits and Vegetables; (3) Grains, Feed, Oilseeds, and Planting Seeds; (4) Processed Foods; (5) Sweeteners and Sweetener Products; and, (6) Tobacco, Cotton, and Peanuts. Members of each Committee are appointed by, and serve at the pleasure of, the U.S. Secretary of Agriculture and the U.S. Trade Representative. Members must represent a U.S. entity with an interest in agricultural trade and should have expertise and knowledge of agricultural trade as it relates to policy and commodity-specific products. In appointing members to the committees, balance is achieved and maintained by assuring that the members appointed represent entities across the range of agricultural interests that will be directly affected by the trade policies of concern to the committee (for example, farm producers, farm and commodity organizations, processors, traders, and consumers). Geographical balance on each committee is also sought. A list of all the members of the committees and the diverse interests they represent is available on the U.S. Department of Agriculture website: http://www.fas.usda.gov/topics/trade-policy/trade-advisory-committees.

Industry Trade Advisory Committees (ITACs)

There are 16 industry trade advisory committees (ITACs). These committees are: Aerospace Equipment (ITAC 1); Automotive Equipment and Capital Goods (ITAC 2); Chemicals, Pharmaceuticals, Health/Science Products and Services (ITAC 3); Consumer Goods (ITAC 4); Distribution Services (ITAC 5); Energy and Energy Services (ITAC 6); Forest Products (ITAC 7); Information and Communication Technologies Services and Electronic Commerce (ITAC 8); Building Materials, Construction and Non-Ferrous Metals (ITAC 9); Services and Finance Industries (ITAC 10); Small and Minority Business (ITAC 11); Steel (ITAC 12); Textiles and Clothing (ITAC 13); Customs Matters and Trade Facilitation (ITAC 14); Intellectual Property Rights (ITAC 15); and Standards and Technical Trade Barriers (ITAC 16).

The ITAC Committee of Chairs was established to coordinate the work of the 16 ITAC committees and advise the U.S. Secretary of Commerce and the U.S. Trade Representative concerning the trade matters of common interest to the 16 ITACs. Members of this committee are the elected chairs from each of the 16 ITACs.

Members of the ITACs are appointed jointly by the U.S. Secretary of Commerce and the U.S. Trade Representative and serve at their discretion. Each of the Committees consists of not more than 50 members representing diverse interests and perspectives including, but not limited to, labor unions, manufacturers, exporters, importers, service providers, producers, and representatives of small and large business. Committee members should have knowledge and experience in their industry or interest area, and represent a U.S. entity that has an interest in trade matters related to the sectors or subject matters of concern to the individual committees. In appointing members to the Committees, balance is achieved and maintained by assuring that the members appointed represent private businesses, labor unions, and other U.S. entities across the range of interests as provided in law in a particular sector, commodity group, or functional area

that will be directly affected by the trade policies of concern to the Committee. A list of all the members of the Committees and the diverse interests the Committees and their respective memberships represent is available on the U.S. Department of Commerce website: http://ita.doc.gov/itac/.

3. State and Local Government Relations

USTR has historically maintained consultative relationships between federal trade officials and State and local Governments. USTR the states, on an ongoing basis, of trade-related matters that directly relate to or may indirectly affect them. This is accomplished through a number of mechanisms, detailed below.

State Point of Contact System and IGPAC

State Points of Contact

For day-to-day communications, USTR has operated a State Single Point of Contact (SPOC) system to disseminate information received from USTR to relevant state and local offices and assist in relaying specific information and advice from states and localities to USTR on trade-related matters. USTR has worked with this point of contact, as well as the Governor's representative in Washington, D.C., and state organizations and associations, to update state and local offices through formalized briefings, calls and other forms of communication. Governors' staff receive USTR press releases, *Federal Register* Notices, and other pertinent information.

Intergovernmental Policy Advisory Committee on Trade

IGPAC makes recommendations to USTR and the Administration on trade policy matters from the perspective of State and local Governments. In 2016, IGPAC was briefed and consulted on trade priorities of interest to states and localities.

Meetings of State and Local Associations

USTR officials participate in meetings of State and local Government associations to apprise them of relevant trade policy issues and solicit their views. USTR senior officials have met with the National Governors' Association, regional governors' associations such as the Council of Great Lakes Governors, the National Conference of State Legislatures, and other state commissions and organizations. Engaging with the National Association of Attorneys General is critical for understanding concerns and addressing issues from Attorneys General in the states, especially as issues arise that relate to state and local legislation. Further, the U.S. Conference of Mayors is an invaluable partner with maintaining points of contact with major metropolitan areas, especially as mayors develop initiatives to make their cities more global and take advantage of the resources from which they benefit. Additionally, USTR officials have addressed gatherings of state and local officials and port authorities around the country.

Consultations Regarding Specific Trade Issues

USTR initiates consultations with particular states and localities on issues arising under the WTO and other U.S. trade agreements and frequently responds to requests for information from State and local Governments.

C. Policy Coordination and Freedom of Information Act

The U.S. Trade Representative has primary responsibility, with the advice of the interagency trade policy organization, for developing and coordinating the implementation of U.S. trade policy, including on commodity matters (*e.g.*, coffee and rubber) and, to the extent they are related to trade, direct investment matters. Under the Trade Expansion Act of 1962, the U.S. Congress established an interagency trade policy mechanism to assist with the implementation of these responsibilities. This organization, as it has evolved, consists of three tiers of committees that constitute the principal mechanism for developing and coordinating U.S. Government positions on international trade and trade-related investment issues.

The Trade Policy Review Group (TPRG) and the Trade Policy Staff Committee (TPSC), administered and chaired by USTR, are the subcabinet interagency trade policy coordination groups that are central to this process. The TPSC is the first-line operating group, with representation at the senior civil servant level. Supporting the TPSC are more than 100 subcommittees responsible for specialized issues. The TPSC regularly seeks advice from the public on its policy decisions and negotiations through *Federal Register* Notices and public hearings. In 2016, the TPSC held public hearings regarding China's Compliance with its WTO Commitments (October 2016) and Russia's Implementation of the WTO Commitments (September 2016).

Through the interagency process, USTR requests input and analysis from members of the appropriate TPSC subcommittee or task force. The conclusions and recommendations of this group are then presented to the full TPSC and serve as the basis for reaching interagency consensus. If agreement is not reached in the TPSC, or if particularly significant policy questions are being considered, issues are referred to the TPRG (Deputy USTR/Under Secretary level) or to the Deputies Committee of the National Security Council/National Economic Council. Issues of the greatest importance move to the Principals Committee of the NSC/NEC for resolution by the Cabinet, with or without the President in attendance.

Member agencies of the TPSC and the TPRG consist of the U.S. Departments of Commerce, Agriculture, State, Treasury, Labor, Justice, Defense, Interior, Transportation, Energy, Health and Human Services, Homeland Security, the Environmental Protection Agency, the Office of Management and Budget, the Council of Economic Advisers, the Council on Environmental Quality, the U.S. Agency for International Development, the Small Business Administration, the National Economic Council, and the National Security Council. The U.S. International Trade Commission is a non-voting member of the TPSC and an observer at TPRG meetings. Representatives of other agencies also may be invited to attend meetings depending on the specific issues discussed.

The Office of the U.S. Trade Representative is subject to The Freedom of Information Act (FOIA). Details of the program are available on the USTR website at http://www.ustr.gov/about-us/reading-room/freedom-information-act-foia. USTR received 118 new FOIA requests in 2016 and processed 118. USTR continues to raise the bar as to responsiveness, efficiency, and transparency in its administration of the FOIA.

ANNEX I

U.S. TRADE IN 2016

I. 2016 Overview

U.S. trade (exports and imports of goods and services) decreased by 2.0 percent in 2016,[41] the second consecutive year of nominal decreases in a row (figure 1). U.S. exports of goods and services declined by 2.3 percent while U.S. imports of goods and services declined by 1.8 percent. As a percent of GDP, total trade (exports plus imports) declined as well, representing 26.5 percent in 2016, down from 27.8 percent in 2015, and down from the high of 30.9 percent in 2011 (figure 2). Exports represented 11.9 percent of GDP in 2016, down from 12.5 percent in 2015 and from the high of 13.7 percent in 2013. Imports represented for 14.6 percent in 2016, down from 15.3 percent in 2015, and down from the high of 17.3 percent in 2008.[42]

Source: U.S. Department of Commerce

Although trade was down in nominal terms for 2016, it was up 0.8 percent in real terms (adjusting for price fluctuations), though down from the 2.5 percent growth rate in 2016.[43] Real exports of goods and services were up 0.4 percent (up from 0.1 percent growth in 2015), while real imports of goods and services were

[41] On a balance of payments (BOP) basis.
[42] The broadest measure of commercial trade is from the Current Account and includes goods and services as well as earnings/payments on foreign investment (but not transfer payments). Earnings are considered trade because they are the payment made/received to foreign/U.S. residents for the service rendered by the use of foreign/U.S. capital. Based on the Current Account, trade declined by 2.0 percent in 2016 and accounted for 36.0 percent of GDP, down from 37.7 percent in 2015 and the high of 42.1 percent in 2008. Data are annualized based on the first 3 quarters of 2016.
[43] On a National Income Products Account basis.

up 1.1 percent (down from 4.6 percent growth in 2015). Exports contributed very little to economic growth in 2016 (0.04 percentage points of the 1.6 percent growth of the economy).

Source: U.S. Department of Commerce

The deficit on goods and services trade increased by $1.9 billion (0.4 percent) in 2016 to $502.3 billion. Although this was the third consecutive year of the deficit increasing, it was still 29.3 percent lower than its pre-recession level of $708.7 billion in 2008 and 34.1 percent lower than the 2006 high of $761.7 billion. As a share of GDP, the deficit decreased from 2.8 percent of GDP in 2015 to 2.7 percent of GDP in 2016, and is down from its high of 5.5 percent in 2006.

The U.S. deficit in goods trade alone decreased by $12.5 billion (1.6 percent) from $762.6 billion in 2015 to $750.1 billion in 2016, while the services trade surplus decreased by $14.4 billion (5.5 percent), from $262.2 billion in 2015 to $247.8 billion in 2016. As a share of GDP, the goods deficit declined from 4.2 percent to 4.0 percent, and the services surplus declined from 1.5 percent in 2015 to 1.3 percent in 2016.

II. Export Growth

U.S. exports of goods and services were down by 2.3 percent in 2016 (but up 3.9 percent since 2011), to $2.2 trillion (table 2). Goods exports were down 3.3 percent ($50.5 billion) to $1.5 trillion, while services exports were down 0.2 percent ($1.3 billion) to $749.6 billion *(table 1).*

U.S. exports to related parties (either to a foreign parent or affiliate) accounted for 30 percent of goods exports in 2014 (latest year available) and 29 percent of U.S. exports of services, in 2015 (latest year available).

Table 1 - U.S. Exports					
	Value ($Billions)			% Change	
	2011	2015	2016	11-16	15-16
Total Goods and Services	**2,127.0**	**2,261.2**	**2,209.4**	**3.9%**	**-2.3%**
Goods on a BOP Basis	**1,499.2**	**1,510.3**	**1,459.8**	**-2.6%**	**-3.3%**
Foods, Feeds, Beverages	126.2	127.7	130.7	3.5%	2.3%
Industrial Supplies	501.1	426.0	397.8	-20.6%	-6.6%
Capital Goods	494.0	539.4	519.4	5.1%	-3.7%
Automotive Vehicles	133.0	151.9	150.0	12.7%	-1.3%
Consumer Goods	175.3	197.7	193.6	10.5%	-2.1%
Other Goods	52.9	59.8	63.2	19.4%	5.6%
Petroleum (Addendum)	113.7	97.4	89.7	-21.1%	-8%
Manufacturing (Addendum)	1,277.8	1,316.3	1,265.4	-1.0%	-3.9%
Agriculture (Addendum)	140.4	137.3	139.4	-0.7%	1.5%
Services	**627.8**	**750.9**	**749.6**	**19.4%**	**-0.2%**
Maintenance and repair services	16.4	24.0	26.3	60.1%	9.5%
Transport	79.8	87.2	84.7	6.1%	-2.9%
Travel	150.9	204.5	207.9	37.8%	1.6%
Insurance services	15.1	17.1	17.9	18.3%	4.3%
Financial services	78.3	102.5	95.1	21.6%	-7.1%
Charges for the use of intellectual property	123.3	124.7	120.3	-2.4%	-3.5%
Telecom, computer, and information services	29.2	35.9	37.7	29.1%	4.9%
Other business services	112.6	134.6	139.9	24.2%	3.9%
Government goods and services	22.2	20.3	19.8	-10.7%	-2.3%

Source: U.S. Department of Commerce, Balance of Payments basis for total, Census basis for sectors.

A. Goods Exports

Goods exports decreased in 2016, by 3.3 percent to $1.46 trillion (*table 1 and figure 3*). Manufacturing exports, which accounted for 87 percent of total goods exports, were down 3.9 percent in 2016. Agricultural exports, which accounted for 9.5 percent of total goods exports, were up 1.5 percent in 2016. U.S. goods exports decreased for four of the six major end-use categories in 2016, with the largest decrease in industrial supplies, down 6.6 percent ($28.2 billion). U.S. petroleum exports, a subset of industrial supplies, were down 8 percent ($7.7 billion), due to the decline in oil prices. The next largest decreases were in capital goods, down 3.7 percent ($20 billion), consumer goods, down 2.1 percent ($4.1 billion), and automotive vehicles and parts, down 1.3 percent ($1.9 billion). Increases were led by foods, feeds, and beverages, up 2.3 percent ($3.0 billion).

Over the last 5 years, between 2011 and 2016, U.S. goods exports have increased by 3.9 percent ($82.4 billion). U.S. agricultural exports decreased by 0.7 percent ($1 billion) and manufacturing exports decreased by 1 percent ($12.5 billion), over the same time period. Of the major end-use categories, capital goods saw the largest increase (up $25.4 billion, or 5.1 percent), the second largest increase was in consumer goods, up $18.3 billion (10.5 percent), and the third largest increase in automotive vehicles and parts, up $16.9 billion (12.7 percent). Industrial Supplies and materials was the only major end-use category with a decrease, down $103.3 billion (20.6 percent). U.S. petroleum exports, a subset of industrial supplies and materials, decreased by 21.1 percent ($24.0 billion) from 2011 to 2016.

Table 2 - U.S. Goods Exports to Selected Countries/Regions					
	Value ($Billions)			% Change	
	2011	2015	2016	11-16	15-16
Canada	281.3	280.6	266.0	-5.5%	-5.2%
Mexico	198.3	235.7	231.0	16.5%	-2.0%
China	104.1	116.1	115.8	11.2%	-0.3%
Japan	65.8	62.4	63.3	-3.9%	1.3%
European Union (28)	269.6	272.0	270.3	0.3%	-0.6%
Latin America (excluding Mexico)	169.0	152.5	136.6	-19.2%	-10.4%
Pacific Rim (excluding Japan and China)	198.5	191.8	183.4	-7.6%	-4.4%
FTA Countries (Addendum)	679.9	710.3	676.6	-0.5%	-4.7%
Advanced Economies (Addendum)	895.8	894.0	873.1	-2.5%	-2.3%
Emerging Markets and Developing Economies (Addendum)	586.7	608.6	581.5	-0.9%	-4.4%

Source: U.S. Department of Commerce, Census basis

Advanced Economies and Emerging Markets as defined by the IMF

In 2016, U.S. goods exports decreased to the top 3 export markets, Canada (down 5.2percent), Mexico (2.0 percent), and China (0.3 percent), while they increased to the fourth largest market Japan (up 1.3 percent) (table 2). In addition, U.S. goods exports to our 20 FTA partners decreased by 4.7 percent[44]. U.S. goods exports to advanced economies, accounting for 60.0 percent of U.S. total goods exports, decreased by 2.3 percent, while goods exports to emerging markets and developing economies decreased by 4.4 percent.

B. Services Exports

U.S. exports of services increased by 0.8 percent to a record $716.4 billion in 2014 *(table 1)*. U.S. services exports accounted for 32.1 percent of the level of U.S. goods and services exports in 2015.

The decline in U.S. services exports was led by financial services (down 7.1 percent, $7.3 billion), and intellectual property (down 3.5 percent, $4.4 billion). While the top increases were in other business services (e.g. professional and management consulting services, and research and development services) (up 3.9 percent, $5.3 billion) and travel services (up 1.6 percent, $3.3 billion).

U.S. services exports have increased by 19.4 percent over the past 5 years. Of the $121.8 billion increase in U.S. services exports between 2011 and 2016, travel services accounted for 46.8 percent ($57 billion) of the increase, while other business services and financial services accounted for 22.4 percent ($27.3 billion) and 13.8 percent (16.9 billion), respectively.

Detailed services exports to countries/regions are available only through 2015. The United Kingdom was the largest purchaser of U.S. services exports in 2015, accounting for 8.9 percent ($66.9 billion) of total U.S. services exports. The next 5 largest purchasers of services exports in 2015 were: Canada ($56.4 billion), China ($48.4 billion), Japan ($44.3 billion), Ireland ($41.9 billion), and Mexico ($31.5 billion). Regionally, in 2015, the United States exported $226.8 billion in services to the EU, $214.5 billion to the

[44] The 20 FTA countries currently entered into force accounted for 46.5 percent of total goods exports in 2016.

Asia/Pacific region ($121.7 billion excluding Japan and China), $87.9 billion to NAFTA countries, and $69.8 billion to South and Central America (excluding Mexico).

III. Imports

U.S. imports of goods and services were down by 1.8 percent in 2016, due in large part to the decline in oil prices (but up 1.3 percent since 2011), to $2.7 trillion. Goods imports were down 2.8 percent ($63.0 billion) to $2.2 trillion and services imports are up 2.7 percent ($13.1 billion) to a record $501.8 billion (*table 3*).

U.S. imports from related parties (either from a foreign parent or affiliate) accounted for 51% of U.S. goods imports for consumption, in 2014 (latest year available) and 29% of U.S. imports of services, in 2015 (latest data available).

Table 3 - U.S. Imports

	Value ($Billions)			% Change	
	2011	2015	2016	11-16	15-16
Total Goods and Services	**2,675.6**	**2,761.5**	**2,711.7**	**1.3%**	**-1.8%**
Goods on a BOP Basis	**2,239.9**	**2,272.9**	**2,209.9**	**-1.3%**	**-2.8%**
Foods, Feeds, Beverages	107.5	127.8	130.3	21.2%	1.9%
Industrial Supplies	755.8	485.8	443.8	-41.3%	-8.6%
Capital Goods	510.8	602.0	590.0	15.5%	-2.0%
Automotive Vehicles	254.6	349.2	350.3	37.6%	0.3%
Consumer Goods	514.1	594.3	583.8	13.6%	-1.8%
Other Goods	65.2	89.2	90.9	39.5%	2.0%
Petroleum (Addendum)	439.3	182.0	146.5	-66.6%	-19%
Manufacturing (Addendum)	1,717.5	1,946.3	1,913.1	11.4%	-1.7%
Agriculture (Addendum)	99.1	113.8	114.6	15.6%	0.7%
Services	**435.8**	**488.7**	**501.8**	**15.1%**	**2.7%**
Maintenance and repair services	8.2	9.0	8.2	0.1%	-8.3%
Transport	81.4	97.1	97.0	19.3%	0.0%
Travel	89.7	112.9	121.6	35.6%	7.8%
Insurance services	55.7	47.8	47.9	-13.9%	0.3%
Financial services	17.4	25.2	24.9	43.4%	-1.0%
Charges for the use of intellectual property	36.1	39.5	42.4	17.4%	7.3%
Telecom, computer, and information services	32.8	36.4	37.4	14.1%	2.6%
Other business services	83.3	99.4	101.5	21.9%	2.2%
Government goods and services	31.3	21.5	20.7	-33.7%	-3.6%

Source: U.S. Departmment of Commerce, Balance of Payments basis, Census basis for goods sectors.

A. Goods Imports

U.S. goods imports decreased by 2.8 percent in 2016 to $2.2 trillion, accounting for 81% of total imports (*table* 3 *and figure 4*). U.S. manufacturing imports, which accounted for 87 percent of total goods imports, decreased by 1.7 percent in 2016. Agriculture imports, accounting for 5.2 percent of total goods imports, increased by 0.7 percent.

By end-use category, the decline in goods imports was led by industrial supplies and materials which declined (down 8.6 percent, $42 billion). Petroleum imports, a subset of industrial goods imports, declined by 19 percent ($35.5 billion), 100 percent of this decrease in petroleum imports was driven by price. The next largest decreases were in capital goods (down 2.0 percent, $12.0 billion), and consumer goods (down 1.8 percent, $10.5 billion). Increases were seen in food feeds and beverages (up 1.9 percent, $2.5 billion) and automotive vehicles and parts (up 0.3 percent, $1.1 billion).

U.S. goods imports have decreased by 1.3 percent since 2011. Over this same time period imports of agriculture and manufactured goods have increased by 15.6 percent and 11.4 percent, respectively. For the major end-use categories, U.S. imports of industrial supplies and materials (down 41.3 percent, $312 billion), more than accounted for the decline in goods imports. Petroleum products, a subset of this category, decreased by 66.6 percent ($292.8 billion). The other 5 end-use categories saw increases, led by automotive vehicles and parts (up 37.6 percent, $95.6 billion), and capital goods (up 15.5 percent, $79.2 billion).

Table 4 - U.S. Goods Imports from Selected Countries/Regions

	Value ($Billions)			% Change	
	2011	2015	2016	11-16	15-16
China	399.4	483.2	462.8	15.9%	-4.2%
Mexico	262.9	296.4	294.2	11.9%	-0.8%
Canada	315.3	296.2	278.1	-11.8%	-6.1%
Japan	128.9	131.4	132.2	2.5%	0.6%
European Union (28)	368.9	427.6	416.7	12.9%	-2.5%
Latin America (excluding Mexico)	174.3	115.9	107.8	-38.1%	-7.0%
Pacific Rim (excluding Japan and China)	189.3	217.0	214.2	13.1%	-1.3%
FTA Countries (Addendum)	759.8	774.3	748.8	-1.5%	-3.3%
Advanced Economies (Addendum)	1,376.5	1,518.2	1,469.9	6.8%	-3.2%
Emerging Markets and Developing Economies (Addendum)	831.4	730.1	719.1	-13.5%	-1.5%

Source: U.S. Department of Commerce, Census basis

Advanced Economies and Emerging Markets as defined by the IMF

In 2016, U.S. goods imports decreased from 3 of our top 4 import suppliers, Mexico (down 0.8%), Canada (down 6.1%) and China (down 4.2%) *(table 4)*, while they increased with Japan (up 0.6%). U.S. goods imports from our 20 FTA partners shrunk by 3.3 percent in 2016.[45] U.S. goods imports from advanced economies, accounting for 67.2% of U.S. total goods imports, decreased by 3.2 percent, while goods imports from emerging markets and developing economies decreased by 1.5 percent.

B. Services Imports

U.S. services imports increased by 2.7 percent ($13.1 billion) to $501.8 billion in 2016 (*table 3*). Increases in services imports were led by travel services, up 7.8 percent ($8.8 billion), intellectual property, up by 7.3 percent ($2.9 billion) and other business services (e.g. professional and management consulting services, and research and development services), up 2.2 percent ($2.1 billion). The largest decreases in broad services categories were in government goods and services (down 3.6 percent, $781 million) and

[45] The 20 FTA countries currently entered into force accounted for 34.2 percent of total goods imports in 2016.

maintenance and repair services (down 8.3 percent, $751 million). U.S. services imports accounted for roughly 19 percent of the level of U.S. goods and services imports in 2016.

U.S. services imports have increased by 15.1% ($66.0 billion) since 2011. Travel services for all purposes (including education) accounted for 48 percent of the total increase in services imports over the last 5 years, while other business services, and transport accounted for 27.6 and 23.6 percent, respectively.

As with exports, services imports from countries/regions are available only through 2015. The United Kingdom remained our largest supplier of services, accounting for 10.8 percent of total U.S. services imports in 2015. The next 5 largest suppliers of U.S. services imports in 2015 were: Germany ($31.7 billion), Japan ($29.4 billion), Canada ($29.0 billion), Bermuda ($25.1 billion), and India ($24.7 billion). Regionally, the United States imported $172.8 billion of services from the European Union in 2015, $129.3 billion from the Asia/Pacific region ($84.8 billion, excluding Japan and China), $50.9 billion from NAFTA, and $28.2 billion from South and Central America (excluding Mexico).

IV. The U.S. Trade Balance

The total deficit in goods and services trade[46] increased by $1.9 billion in 2016 to $502.3 billion. The deficit was 29.3 percent lower than its pre-recession level of $708.7 billion in 2008 and 34.1percent lower than the 2006 high of $761.7 billion. While as a share of GDP the deficit decreased, from 2.8 percent of GDP in 2015 to 2.7 percent of GDP in 2016, substantially lower than its high of 5.5% in 2006.

The U.S. deficit in goods trade alone decreased by $12.5 billion from $762.6 billion in 2015 (4.2 percent of GDP) to $750.1 billion in 2016 (4.0 percent of GDP), while the services trade surplus decreased by $14.4 billion, from $262.2 billion in 2015 (1.5 percent of GDP) to $247.8 billion in 2016 (1.3 percent of GDP).

Table 5 - U.S. Trade Balances

	2011	2012	2013	2014	2015	2016
U.S. Trade Balances as a share of GDP						
Goods and Services	**-3.5%**	**-3.3%**	**-2.8%**	**-2.8%**	**-2.8%**	**-2.7%**
Goods	-4.8%	-4.6%	-4.2%	-4.3%	-4.2%	-4.0%
Services	1.2%	1.3%	1.4%	1.5%	1.5%	1.3%
U.S. Trade Balances with the World ($Billions)						
Goods and Services	**-548.6**	**-536.8**	**-461.9**	**-490.2**	**-500.4**	**-502.3**
Goods	-740.6	-741.2	-702.2	-752.2	-762.6	-750.1
Services	192.0	204.4	240.4	262.0	262.2	247.8

Source: U.S. Department of Commerce

In 2016, the increase in the overall deficit was more than accounted for by an increase in the nonpetroleum goods deficit (up $15.2 billion, 2.2 percent) and the decrease in the services surplus, (down $14.4 billion, 5.5 percent), offset somewhat by the petroleum deficit which continued to decline in 2016, by $27.7 billion (32.8 percent). The U.S. deficit in petroleum accounted for 11.3 percent of the overall goods and services trade deficit in 2016, down from 16.9 percent, in 2015.

[46] On a balance of payments basis.

ANNEX II

BACKGROUND INFORMATION ON THE WTO

Negotiated Outcomes

1. Doha Declaration on the TRIPS Agreement and Public Health (see table)
2. Doha Declaration on Implementation-Related Issues and Concerns (see table)
3. Bali Ministerial Declaration and Related Decisions (see table)
4. Nairobi Ministerial Declaration and Related Decisions (see table)
5. Amendment of the TRIPS Agreement

Institutional Issues

1. Membership of the WTO
2. 2014 Budgets for the WTO
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4. Waivers Currently in Force
5. WTO Secretariat Personnel Statistics
6. WTO Accession Application and Status
7. Indicative List of Governmental and Non-Governmental Panelists
8. Proposed Nomination for the Indicative List of Governmental and Non-Governmental Panelists
9. Appellate Body Membership
10. Where to Find More Information on the WTO

NEGOTIATED OUTCOMES

Document Name	Document Number
Doha Declaration on the TRIPS Agreement and Public Health	WT/MIN(01)/DEC/2 (Nov. 20, 2001)
Doha Declaration on Implementation-Related Issues and Concerns	WT/MIN(01)/17 (Nov. 20, 2001)
Bali Ministerial Declaration	WT/MIN(13)/DEC (Dec. 7, 2015)
Nairobi Ministerial Declaration and Related Decisions	N/A

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WORLD TRADE ORGANIZATION

WT/L/641
8 December 2005

(05-5842)

AMENDMENT OF THE TRIPS AGREEMENT

Decision of 6 December 2005

The General Council;

Having regard to paragraph 1 of Article X of the Marrakesh Agreement Establishing the World Trade Organization (the WTO Agreement);

Conducting the functions of the Ministerial Conference in the interval between meetings pursuant to paragraph 2 of Article IV of the WTO Agreement;

Noting the Declaration on the TRIPS Agreement and Public Health (WT/MIN(01)/DEC/2) and, in particular, the instruction of the Ministerial Conference to the Council for TRIPS contained in paragraph 6 of the Declaration to find an expeditious solution to the problem of the difficulties that WTO Members with insufficient or no manufacturing capacities in the pharmaceutical sector could face in making effective use of compulsory licensing under the TRIPS Agreement;

Recognizing, where eligible importing Members seek to obtain supplies under the system set out in the proposed amendment of the TRIPS Agreement, the importance of a rapid response to those needs consistent with the provisions of the proposed amendment of the TRIPS Agreement;

Recalling paragraph 11 of the General Council Decision of 30 August 2003 on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health;

Having considered the proposal to amend the TRIPS Agreement submitted by the Council for TRIPS (IP/C/41);

Noting the consensus to submit this proposed amendment to the Members for acceptance;

Decides as follows:

1. The Protocol amending the TRIPS Agreement attached to this Decision is hereby adopted and submitted to the Members for acceptance.

2. The Protocol shall be open for acceptance by Members until 1 December 2007 or such later date as may be decided by the Ministerial Conference.

3. The Protocol shall take effect in accordance with the provisions of paragraph 3 of Article X of the WTO Agreement.

ATTACHMENT

PROTOCOL AMENDING THE TRIPS AGREEMENT

Members of the World Trade Organization;

Having regard to the Decision of the General Council in document WT/L/641, adopted pursuant to paragraph 1 of Article X of the Marrakesh Agreement Establishing the World Trade Organization (the WTO Agreement);

Hereby agree as follows:

- The Agreement on Trade-Related Aspects of Intellectual Property Rights (the "TRIPS Agreement) shall, upon the entry into force of the Protocol pursuant to paragraph 4, be amended as set out in the Annex to this Protocol, by inserting Article 31*bis* after Article 31 and by inserting the Annex to the TRIPS Agreement after Article 73.

- Reservations may not be entered in respect of any of the provisions of this Protocol without the consent of the other Members.

- This Protocol shall be open for acceptance by Members until 1 December 2007 or such later date as may be decided by the Ministerial Conference.

- This Protocol shall enter into force in accordance with paragraph 3 of Article X of the WTO Agreement.

- This Protocol shall be deposited with the Director-General of the World Trade Organization who shall promptly furnish to each Member a certified copy thereof and a notification of each acceptance thereof pursuant to paragraph 3.

- This Protocol shall be registered in accordance with the provisions of Article 102 of the Charter of the United Nations.

Done at Geneva this sixth day of December two thousand and five, in a single copy in the English, French and Spanish languages, each text being authentic.

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ANNEX TO THE PROTOCOL AMENDING THE TRIPS AGREEMENT

Article 31bis

1. The obligations of an exporting Member under Article 31(f) shall not apply with respect to the grant by it of a compulsory license to the extent necessary for the purposes of production of a pharmaceutical product(s) and its export to an eligible importing Member(s) in accordance with the terms set out in paragraph 2 of the Annex to this Agreement.

2. Where a compulsory licence is granted by an exporting Member under the system set out in this Article and the Annex to this Agreement, adequate remuneration pursuant to Article 31(h) shall be paid in that Member taking into account the economic value to the importing Member of the use that has been authorized in the exporting Member. Where a compulsory licence is granted for the same products in the eligible importing Member, the obligation of that Member under Article 31(h) shall not apply in respect of those products for which remuneration in accordance with the first sentence of this paragraph is paid in the exporting Member.

3. With a view to harnessing economies of scale for the purposes of enhancing purchasing power for, and facilitating the local production of, pharmaceutical products: where a developing or least-developed country WTO Member is a party to a regional trade agreement within the meaning of Article XXIV of the GATT 1994 and the Decision of 28 November 1979 on Differential and More Favourable Treatment Reciprocity and Fuller Participation of Developing Countries (L/4903), at least half of the current membership of which is made up of countries presently on the United Nations list of least-developed countries, the obligation of that Member under Article 31(f) shall not apply to the extent necessary to enable a pharmaceutical product produced or imported under a compulsory licence in that Member to be exported to the markets of those other developing or least-developed country parties to the regional trade agreement that share the health problem in question. It is understood that this will not prejudice the territorial nature of the patent rights in question.

4. Members shall not challenge any measures taken in conformity with the provisions of this Article and the Annex to this Agreement under subparagraphs 1(b) and 1(c) of Article XXIII of GATT 1994.

5. This Article and the Annex to this Agreement are without prejudice to the rights, obligations and flexibilities that Members have under the provisions of this Agreement other than paragraphs (f) and (h) of Article 31, including those reaffirmed by the Declaration on the TRIPS Agreement and Public Health (WT/MIN(01)/DEC/2), and to their interpretation. They are also without prejudice to the extent to which pharmaceutical products produced under a compulsory licence can be exported under the provisions of Article 31(f).

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ANNEX TO THE TRIPS AGREEMENT

1. For the purposes of Article 31*bis* and this Annex:

   (a) "pharmaceutical product" means any patented product, or product manufactured through a patented process, of the pharmaceutical sector needed to address the public health problems as recognized in paragraph 1 of the Declaration on the TRIPS Agreement and Public Health (WT/MIN(01)/DEC/2). It is understood that active ingredients necessary for its manufacture and diagnostic kits needed for its use would be included[47];

   (b) "eligible importing Member" means any least-developed country Member, and any other Member that has made a notification[48] to the Council for TRIPS of its intention to use the system set out in Article 31*bis* and this Annex (system) as an importer, it being understood that a Member may notify at any time that it will use the system in whole or in a limited way, for example only in the case of a national emergency or other circumstances of extreme urgency or in cases of public non-commercial use. It is noted that some Members will not use the system as importing Members[49] and that some other Members have stated that, if they use the system, it would be in no more than situations of national emergency or other circumstances of extreme urgency;

   (c) "exporting Member" means a Member using the system to produce pharmaceutical products for, and export them to, an eligible importing Member.

2. The terms referred to in paragraph 1 of Article 31*bis* are that:

   (a) the eligible importing Member(s)[50] has made a notification[2] to the Council for TRIPS, that:

      (i) specifies the names and expected quantities of the product(s) needed[51];

      (ii) confirms that the eligible importing Member in question, other than a least-developed country Member, has established that it has insufficient or no manufacturing capacities in the pharmaceutical sector for the product(s) in question in one of the ways set out in the Appendix to this Annex; and

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[47] This subparagraph is without prejudice to subparagraph 1(b).

[48] It is understood that this notification does not need to be approved by a WTO body in order to use the system.

[49] Australia, Canada, the European Communities with, for the purposes of Article 31*bis* and this Annex, its member States, Iceland, Japan, New Zealand, Norway, Switzerland, and the United States.

[50] Joint notifications providing the information required under this subparagraph may be made by the regional organizations referred to in paragraph 3 of Article 31*bis* on behalf of eligible importing Members using the system that are parties to them, with the agreement of those parties.

[51] The notification will be made available publicly by the WTO Secretariat through a page on the WTO website dedicated to the system.

(iii) confirms that, where a pharmaceutical product is patented in its territory, it has granted or intends to grant a compulsory licence in accordance with Articles 31 and 31*bis* of this Agreement and the provisions of this Annex[52];

(b) the compulsory licence issued by the exporting Member under the system shall contain the following conditions:

(i) only the amount necessary to meet the needs of the eligible importing Member(s) may be manufactured under the licence and the entirety of this production shall be exported to the Member(s) which has notified its needs to the Council for TRIPS;

(ii) products produced under the licence shall be clearly identified as being produced under the system through specific labelling or marking. Suppliers should distinguish such products through special packaging and/or special colouring/shaping of the products themselves, provided that such distinction is feasible and does not have a significant impact on price; and

(iii) before shipment begins, the licensee shall post on a website[53] the following information:

- the quantities being supplied to each destination as referred to in indent (i) above; and

- the distinguishing features of the product(s) referred to in indent (ii) above;

(c) the exporting Member shall notify[54] the Council for TRIPS of the grant of the licence, including the conditions attached to it.[55] The information provided shall include the name and address of the licensee, the product(s) for which the licence has been granted, the quantity(ies) for which it has been granted, the country(ies) to which the product(s) is (are) to be supplied and the duration of the licence. The notification shall also indicate the address of the website referred to in subparagraph (b)(iii) above.

3. In order to ensure that the products imported under the system are used for the public health purposes underlying their importation, eligible importing Members shall take reasonable measures within their means, proportionate to their administrative capacities and to the risk of trade diversion to prevent re-exportation of the products that have actually been imported into their territories under the system. In the event that an eligible importing Member that is a developing country Member or a least-developed country Member experiences difficulty in implementing this provision, developed country Members shall provide, on request and on mutually agreed terms and conditions, technical and financial cooperation in order to facilitate its implementation.

4. Members shall ensure the availability of effective legal means to prevent the importation into, and sale in, their territories of products produced under the system and diverted to their markets inconsistently with its provisions, using the means already required to be available under this Agreement. If any Member

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[52] This subparagraph is without prejudice to Article 66.1 of this Agreement.

[53] The licensee may use for this purpose its own website or, with the assistance of the WTO Secretariat, the page on the WTO website dedicated to the system.

[54] It is understood that this notification does not need to be approved by a WTO body in order to use the system.

[55] The notification will be made available publicly by the WTO Secretariat through a page on the WTO website dedicated to the system.

considers that such measures are proving insufficient for this purpose, the matter may be reviewed in the Council for TRIPS at the request of that Member.

5. With a view to harnessing economies of scale for the purposes of enhancing purchasing power for, and facilitating the local production of, pharmaceutical products, it is recognized that the development of systems providing for the grant of regional patents to be applicable in the Members described in paragraph 3 of Article 31*bis* should be promoted. To this end, developed country Members undertake to provide technical cooperation in accordance with Article 67 of this Agreement, including in conjunction with other relevant intergovernmental organizations.

6. Members recognize the desirability of promoting the transfer of technology and capacity building in the pharmaceutical sector in order to overcome the problem faced by Members with insufficient or no manufacturing capacities in the pharmaceutical sector. To this end, eligible importing Members and exporting Members are encouraged to use the system in a way which would promote this objective. Members undertake to cooperate in paying special attention to the transfer of technology and capacity building in the pharmaceutical sector in the work to be undertaken pursuant to Article 66.2 of this Agreement, paragraph 7 of the Declaration on the TRIPS Agreement and Public Health and any other relevant work of the Council for TRIPS.

7. The Council for TRIPS shall review annually the functioning of the system with a view to ensuring its effective operation and shall annually report on its operation to the General Council.

APPENDIX TO THE ANNEX TO THE TRIPS AGREEMENT

Assessment of Manufacturing Capacities in the Pharmaceutical Sector

Least-developed country Members are deemed to have insufficient or no manufacturing capacities in the pharmaceutical sector.

For other eligible importing Members insufficient or no manufacturing capacities for the product(s) in question may be established in either of the following ways:

(i) the Member in question has established that it has no manufacturing capacity in the pharmaceutical sector;

or

(ii) where the Member has some manufacturing capacity in this sector, it has examined this capacity and found that, excluding any capacity owned or controlled by the patent owner, it is currently insufficient for the purposes of meeting its needs. When it is established that such capacity has become sufficient to meet the Member's needs, the system shall no longer apply.

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MEMBERSHIP OF THE WORLD TRADE ORGANIZATION
As of 30 December, 2016 (164 Members)

Government	Entry Into Force/Membership	Government	Entry Into Force/Membership
Afghanistan	July 29, 2016	Cambodia	October 12, 2004
Albania	September 8, 2000	Cameroon	December 13, 1995
Angola	November 23, 1996	Canada	January 1, 1995
Antigua and Barbuda	January 1, 1995	Cape Verde	July 23, 2008
Argentina	January 1, 1995	Central African Republic	May 31, 1995
Armenia	February 5, 2003	Chad	October 19, 1996
Australia	January 1, 1995	Chile	January 1, 1995
Austria	January 1, 1995	China	December 11, 2001
Bahrain	January 1, 1995	Colombia	April 30, 1995
Bangladesh	January 1, 1995	Congo	March 27, 1997
Barbados	January 1, 1995	Costa Rica	January 1, 1995
Belgium	January 1, 1995	Côte d'Ivoire	January 1, 1995
Belize	January 1, 1995	Croatia	November 30, 2000
Benin	February 22, 1996	Cuba	April 20, 1995
Bolivia	September 12, 1995	Cyprus	July 30, 1995
Botswana	May 31, 1995	Czech Republic	January 1, 1995
Brazil	January 1, 1995	Democratic Republic of Congo	January 1, 1997
Brunei Darussalam	January 1, 1995	Denmark	January 1, 1995
Bulgaria	December 1, 1996	Djibouti	May 31, 1995
Burkina Faso	June 3, 1995	Dominica	January 1, 1995
Burundi	July 23, 1995	Dominican Republic	March 9, 1995

Government	Entry Into Force/Membership	Government	Entry Into Force/Membership
Ecuador	January 21, 1996	Ireland	January 1, 1995
Egypt	June 30, 1995	Israel	April 21, 1995
El Salvador	May 7, 1995	Italy	January 1, 1995
Estonia	November 13, 1999	Jamaica	March 9, 1995
European Union	January 1, 1995	Japan	January 1, 1995
Fiji	January 14, 1996	Jordan	April 11, 2000
Finland	January 1, 1995	Kazakhstan	November 30, 2015
France	January 1, 1995	Kenya	January 1, 1995
Gabon	January 1, 1995	Korea, Republic of	January 1, 1995
Georgia	June 14, 2000	Kuwait	January 1, 1995
Germany	January 1, 1995	Kyrgyz Republic	December 20, 1998
Ghana	January 1, 1995	Latvia	February 10, 1999
Greece	January 1, 1995	Lao People's Democratic Republic	February 2, 2013
Grenada	February 22, 1996	Lesotho	May 31, 1995
Guatemala	July 21, 1995	Liberia	July 14, 2016
Guinea	October 25, 1995	Luxembourg	January 1, 1995
Guinea Bissau	May 31, 1995	Macao, China	January 1, 1995
Guyana	January 1, 1995	Macedonia	April 4, 2003
Haiti	January 30, 1996	Madagascar	November 17, 1995
Honduras	January 1, 1995	Malawi	May 31, 1995
Hong Kong, China	January 1, 1995	Malaysia	January 1, 1995
Hungary	January 1, 1995	Maldives	May 31, 1995
Iceland	January 1, 1995	Mali	May 31, 1995
India	January 1, 1995	Malta	January 1, 1995
Indonesia	January 1, 1995	Mauritania	May 31, 1995

Government	Entry Into Force/Membership	Government	Entry Into Force/Membership
Mauritius	January 1, 1995	Portugal	January 1, 1995
Mexico	January 1, 1995	Qatar	January 13, 1996
Moldova	July 26, 2001	Romania	January 1, 1995
Mongolia	January 29, 1997	Russian Federation	August 22, 2012
Montenegro	April 29, 2012	Rwanda	May 22, 1996
Morocco	January 1, 1995	Saint Kitts and Nevis	February 21, 1996
Mozambique	August 26, 1995	Saint Lucia	January 1, 1995
Myanmar	January 1, 1995	Saint Vincent and the Grenadines	January 1, 1995
Namibia	January 1, 1995	Samoa	May 10, 2012
Nepal	April 23, 2004	Saudi Arabia	December 11, 2005
Netherlands (for the Kingdom in Europe and Netherlands Antilles)	January 1, 1995	Senegal	January 1, 1995
New Zealand	January 1, 1995	Seychelles	April 26, 2015
Nicaragua	September 3, 1995	Sierra Leone	July 23, 1995
Niger	December 13, 1996	Singapore	January 1, 1995
Nigeria	January 1, 1995	Slovak Republic	January 1, 1995
Norway	January 1, 1995	Slovenia	July 30, 1995
Oman	November 9, 2000	Solomon Islands	July 26, 1996
Pakistan	January 1, 1995	South Africa	January 1, 1995
Panama	September 6, 1997	Spain	January 1, 1995
Papua New Guinea	June 9, 1996	Sri Lanka	January 1, 1995
Paraguay	January 1, 1995	Suriname	January 1, 1995
Peru	January 1, 1995	Swaziland	January 1, 1995
Philippines	January 1, 1995	Sweden	January 1, 1995
Poland	July 1, 1995	Switzerland	July 1, 1995

Government	Entry Into Force/Membership	Government	Entry Into Force/Membership
Taiwan (referred to in the WTO as Chinese Taipei)	January 1, 2002	Ukraine	May 16, 2008
Tajikistan	March 2, 2013	United Arab Emirates	April 10, 1996
Tanzania	January 1, 1995	United Kingdom	January 1, 1995
Thailand	January 1, 1995	United States of America	January 1, 1995
The Gambia	October 23, 1996	Uruguay	January 1, 1995
Togo	May 31, 1995	Vanuatu	August 24, 2012
Tonga	July 27, 2007	Venezuela	January 1, 1995
Trinidad and Tobago	March 1, 1995	Vietnam	January 11, 2007
Tunisia	March 29, 1995	Yemen	June 26, 2014
Turkey	March 26, 1995	Zambia	January 1, 1995
Uganda	January 1, 1995	Zimbabwe	March 5, 1995

Consolidated 2016 Budget for the WTO Secretariat and the Appellate Body and its Secretariat
(in thousand Swiss francs)

Part	Section	Line	2016	2017	Inc/ Dec 2017
A Staffing Resources	1. Staff Expenditure	i) Staff Remuneration	90,482	90,482	0
		ii) Staff Pension & Post-Employment Benefits	22,110	22,110	0
		iii) Staff Health & Invalidity Insurance	5,944	5,944	0
		iv) Staff Family & International Benefits	11,069	11,069	0
		v) Other Staff Expenditure	1,810	1,810	0
	1. Staff Expenditure Total		131,415	131,415	0
	2. Temporary Assistance	i) Short-Term Staff	9,013	9,013	0
		ii) Consulting	6,770	6,770	0
		iii) Panelists & Appellate Body Members Fees	1,506	1,506	0
	2. Temporary Assistance Total		17,289	17,289	0
A Staffing Resources Total			**148,705**	**148,705**	**0**
B Other Resources	3. General Services	i) Telecommunication & Post	831	831	0
		ii) Contractual Services & Maintenance	10,681	10,681	0
		iii) Energy & Supplies	2,251	2,251	0
		iv) Documentation & Publication	1,479	1,479	0
		v) Other / Miscellaneous	89	89	0
	3. General Services Total		15,331	15,331	0
	4. Travel & Hospitality	i) Travel	7,135	7,135	0
		ii) Hospitality	216	216	0
	4. Travel & Hospitality Total		7,351	7,351	0
	5. Implementing Partners	i) Implementing Partners	213	213	0
	5. Implementing Partners Total		213	213	0
	6. Capital Expenditure	i) Procurement of Fixed Assets	1,430	1,430	0
		ii) Rental & Leasing of Equipment	920	920	0
	6. Capital Expenditure Total		2,350	2,350	0
	7. Financial Expenditure	i) Bank & Interest Charges	80	80	0
		ii) Building Loan Reimbursement	1,200	1,200	0

	7. Financial Expenditure Total		1,280	1,280	0
B Other Resources Total			**26,524**	**26,524**	**0**
C Operating Funds and ITC	8. Contributions to ITC & Special Reserves	i) Contribution to ITC	18,775	18,775	0
		ii) Appellate Body Operating Fund	2,000	2,000	0
		iii) Ministerial Conference Operating Fund	600	600	0
		iv) Building Renovation Fund	600	600	0
	8. Contributions to ITC & Special Reserves Total		21,975	21,975	0
C Operating Funds and ITC Total			**21,975**	**21,975**	**0**
Grand Total			**197,204**	**197,204**	**0**

2016 Budget for the WTO Secretariat
(in thousand Swiss francs)

Part	Section	Line	2016	2017	Inc/ Dec 2017
A Staffing Resources	1. Staff Expenditure	i) Staff Remuneration	87,221	87,157	-65
		ii) Staff Pension & Post-Employment Benefits	21,400	21,380	-20
		iii) Staff Health & Invalidity Insurance	5,770	5,765	-5
		iv) Staff Family & International Benefits	10,773	10,773	0
		v) Other Staff Expenditure	1,767	1,767	0
	1. Staff Expenditure Total		126,931	126,842	-89
	2. Temporary Assistance	i) Short-Term Staff	8,958	8,958	0
		ii) Consulting	6,745	6,745	0
		iii) Panellists	715	715	0
	2. Temporary Assistance Total		16,418	16,418	0
A Staffing Resources Total			**143,349**	**143,260**	**-89**
B Other Resources	3. General Services	i) Telecommunication & Post	822	822	0
		ii) Contractual Services & Maintenance	10,663	10,663	0
		iii) Energy & Supplies	2,231	2,231	0
		iv) Documentation & Publication	1,469	1,469	0
		v) Other / Miscellaneous	87	87	0
	3. General Services Total		15,271	15,271	0
	4. Travel & Hospitality	i) Travel	7,085	7,085	0
		ii) Hospitality	215	215	0
	4. Travel & Hospitality Total		7,300	7,300	0
	5. Implementing Partners	i) Implementing Partners	213	213	0
	5. Implementing Partners Total		213	213	0
	6. Capital Expenditure	i) Procurement of Fixed Assets	1,405	1,405	0
		ii) Rental & Leasing of Equipment	920	920	0
	6. Capital Expenditure Total		2,325	2,325	0
	7. Financial Expenditure	i) Bank & Interest Charges	80	80	0
		ii) Building Loan Reimbursement	1,200	1,200	0
	7. Financial Expenditure Total		1,280	1,280	0

B Other Resources Total			**26,388**	**26,388**	**0**
C Operating Funds and ITC	8. Contributions to ITC & Special Reserves	i) Contribution to ITC	18,775	18,775	0
		iii) Ministerial Conference Operating Fund	600	600	0
		iv) Building Renovation Fund	600	600	0
	8. Contributions to ITC & Special Reserves Total		19,975	19,975	0
C Operating Funds and ITC Total			**19,975**	**19,975**	**0**
Grand Total			**189,713**	**189,624**	**-89**

2016 Budget for the Appellate Body Secretariat
(in thousand Swiss francs)

Part	Section	Line	2016	2017	Inc/ Dec 2017
A Staffing Resources	1. Staff Expenditure	i) Staff Remuneration	3,261	3,326	65
		ii) Staff Pension & Post-Employment Benefits	710	730	20
		iii) Staff Health & Invalidity Insurance	174	179	5
		iv) Staff Family & International Benefits	296	296	0
		v) Other Staff Expenditure	43	43	0
	1. Staff Expenditure Total		4,484	4,573	89
	2. Temporary Assistance	i) Short-Term Staff	55	55	0
		ii) Consulting	25	25	0
		iii) Appellate Body Member Fees	791	791	0
	2. Temporary Assistance Total		871	871	0
A Staffing Resources Total			**5,355**	**5,444**	**89**
B Other Resources	3. General Services	i) Telecommunication & Post	10	10	0
		ii) Contractual Services & Maintenance	18	18	0
		iii) Energy & Supplies	20	20	0
		iv) Documentation & Publication	10	10	0
		v) Other / Miscellaneous	2	2	0
	3. General Services Total		60	60	0
	4. Travel & Hospitality	i) Travel	50	50	0
		ii) Hospitality	1	1	0
	4. Travel & Hospitality Total		51	51	0
	6. Capital Expenditure	i) Procurement of Fixed Assets	25	25	0
		ii) Rental & Leasing of Equipment	0	0	0
	6. Capital Expenditure Total		25	25	0
B Other Resources Total			**136**	**136**	**0**
C Operating Funds and ITC	8. Contributions to ITC & Special Reserves	ii) Appellate Body Operating Fund	2,000	2,000	0
	8. Contributions to ITC & Special Reserves Total		2,000	2,000	0
C Operating Funds and ITC Total			**2,000**	**2,000**	**0**
Grand Total			**7,491**	**7,580**	**89**

Scale of Contributions for 2016

Member	2016 Contribution CHF	2016 Contribution %	2017 Contribution CHF	2017[56] Contribution %
Afghanistan	-	-	48,875	0.025%
Albania	48,875	0.025%	44,965	0.023%
Angola	504,390	0.258%	496,570	0.254%
Antigua and Barbuda	29,325	0.015%	29,325	0.015%
Argentina	805,460	0.412%	780,045	0.399%
Armenia	33,235	0.017%	35,190	0.018%
Australia	2,772,190	1.418%	2,754,595	1.409%
Austria	2,046,885	1.047%	1,978,460	1.012%
Bahrain, Kingdom of	170,085	0.087%	168,130	0.086%
Bangladesh	287,385	0.147%	297,160	0.152%
Barbados	29,325	0.015%	29,325	0.015%
Belgium	3,884,585	1.987%	3,800,520	1.944%
Belize	29,325	0.015%	29,325	0.015%
Benin	29,325	0.015%	29,325	0.015%
Bolivia, Plurinational State of	86,020	0.044%	93,840	0.048%
Botswana	64,515	0.033%	72,335	0.037%
Brazil	2,568,870	1.314%	2,586,465	1.323%
Brunei Darussalam	72,335	0.037%	80,155	0.041%
Bulgaria	318,665	0.163%	316,710	0.162%
Burkina Faso	29,325	0.015%	31,280	0.016%
Burundi	29,325	0.015%	29,325	0.015%
Cabo Verde	29,325	0.015%	29,325	0.015%
Cambodia	82,110	0.042%	86,020	0.044%
Cameroon	70,380	0.036%	64,515	0.033%
Canada	5,069,315	2.593%	5,022,395	2.569%
Central African Republic	29,325	0.015%	29,325	0.015%
Chad	48,875	0.025%	44,965	0.023%
Chile	791,775	0.405%	787,865	0.403%
China	17,927,350	9.170%	18,756,270	9.594%

[56] Due to the fact that the WTO banks introduced negative interest rates in 2015, no interest was earned in 2015. Therefore, no adjustments are made to the 2017 contributions due from any Member.

Member	2016 Contribution CHF	2016 Contribution %	2017 Contribution CHF	2017[56] Contribution %
Colombia	561,085	0.287%	576,725	0.295%
Congo	89,930	0.046%	91,885	0.047%
Costa Rica	132,940	0.068%	142,715	0.073%
Côte d'Ivoire	101,660	0.052%	105,570	0.054%
Croatia	240,465	0.123%	224,825	0.115%
Cuba	148,580	0.076%	146,625	0.075%
Cyprus	107,525	0.055%	119,255	0.061%
Czech Republic	1,407,600	0.720%	1,397,825	0.715%
Democratic Republic of the Congo	93,840	0.048%	103,615	0.053%
Denmark	1,567,910	0.802%	1,515,125	0.775%
Djibouti	29,325	0.015%	29,325	0.015%
Dominica	29,325	0.015%	29,325	0.015%
Dominican Republic	156,400	0.080%	154,445	0.079%
Ecuador	234,600	0.120%	240,465	0.123%
Egypt	541,535	0.277%	510,255	0.261%
El Salvador	76,245	0.039%	74,290	0.038%
Estonia	175,950	0.090%	179,860	0.092%
European Union[57]	0	0.000%	0	0.000%
Fiji	29,325	0.015%	29,325	0.015%
Finland	983,365	0.503%	944,265	0.483%
France	7,606,905	3.891%	7,470,055	3.821%
Gabon	64,515	0.033%	68,425	0.035%
The Gambia	29,325	0.015%	29,325	0.015%
Georgia	62,560	0.032%	64,515	0.033%
Germany	14,805,215	7.573%	14,294,960	7.312%
Ghana	148,580	0.076%	152,490	0.078%
Greece	692,070	0.354%	672,520	0.344%
Grenada	29,325	0.015%	29,325	0.015%
Guatemala	138,805	0.071%	140,760	0.072%
Guinea	29,325	0.015%	29,325	0.015%
Guinea-Bissau	29,325	0.015%	29,325	0.015%

[57] The European Union is not subject to contributions. However, its 28 members are assessed individually. The total share of members of the European Union represents 34.04% of the total assessed contributions for 2017.

Member	2016 Contribution CHF	2016 Contribution %	2017 Contribution CHF	2017[56] Contribution %
Guyana	29,325	0.015%	29,325	0.015%
Haiti	29,325	0.015%	29,325	0.015%
Honduras	78,200	0.040%	76,245	0.039%
Hong Kong, China	5,126,010	2.622%	5,157,290	2.638%
Hungary	1,067,430	0.546%	1,030,285	0.527%
Iceland	60,605	0.031%	60,605	0.031%
India	4,371,380	2.236%	4,463,265	2.283%
Indonesia	1,788,825	0.915%	1,800,555	0.921%
Ireland	1,955,000	1.000%	1,955,000	1.000%
Israel	832,830	0.426%	832,830	0.426%
Italy	5,677,320	2.904%	5,436,855	2.781%
Jamaica	56,695	0.029%	52,785	0.027%
Japan	8,476,880	4.336%	8,345,895	4.269%
Jordan	164,220	0.084%	164,220	0.084%
Kazakhstan	631,465	0.323%	639,285	0.327%
Kenya	111,435	0.057%	121,210	0.062%
Korea, Republic of	5,890,415	3.013%	5,947,110	3.042%
Kuwait, the State of	682,295	0.349%	694,025	0.355%
Kyrgyz Republic	37,145	0.019%	39,100	0.020%
Lao People's Democratic Republic	29,325	0.015%	29,325	0.015%
Latvia	152,490	0.078%	156,400	0.080%
Lesotho	29,325	0.015%	29,325	0.015%
Liberia	-	-	29,325	0.015%
Liechtenstein	60,605	0.031%	62,560	0.032%
Lithuania	301,070	0.154%	310,845	0.159%
Luxembourg	789,820	0.404%	848,470	0.434%
Macao, China	277,610	0.142%	303,025	0.155%
Madagascar	31,280	0.016%	29,325	0.015%
Malawi	29,325	0.015%	29,325	0.015%
Malaysia	2,191,555	1.121%	2,084,030	1.066%
Maldives	29,325	0.015%	29,325	0.015%
Mali	31,280	0.016%	29,325	0.015%
Malta	103,615	0.053%	125,120	0.064%

Member	2016 Contribution CHF	2016 Contribution %	2017 Contribution CHF	2017[56] Contribution %
Mauritania	29,325	0.015%	29,325	0.015%
Mauritius	60,605	0.031%	58,650	0.030%
Mexico	3,436,890	1.758%	3,503,360	1.792%
Moldova, Republic of	37,145	0.019%	37,145	0.019%
Mongolia	50,830	0.026%	54,740	0.028%
Montenegro	29,325	0.015%	29,325	0.015%
Morocco	355,810	0.182%	351,900	0.180%
Mozambique	58,650	0.030%	62,560	0.032%
Myanmar	82,110	0.042%	91,885	0.047%
Namibia	56,695	0.029%	56,695	0.029%
Nepal	39,100	0.020%	41,055	0.021%
Netherlands	5,671,455	2.901%	5,821,990	2.978%
New Zealand	443,785	0.227%	451,605	0.231%
Nicaragua	48,875	0.025%	48,875	0.025%
Niger	29,325	0.015%	29,325	0.015%
Nigeria	752,675	0.385%	785,910	0.402%
Norway	1,569,865	0.803%	1,530,765	0.783%
Oman	377,315	0.193%	391,000	0.200%
Pakistan	344,080	0.176%	340,170	0.174%
Panama	236,555	0.121%	254,150	0.130%
Papua New Guinea	54,740	0.028%	64,515	0.033%
Paraguay	111,435	0.057%	113,390	0.058%
Peru	412,505	0.211%	416,415	0.213%
Philippines	652,970	0.334%	660,790	0.338%
Poland	2,103,580	1.076%	2,107,490	1.078%
Portugal	823,055	0.421%	793,730	0.406%
Qatar	735,080	0.376%	791,775	0.405%
Romania	660,790	0.338%	666,655	0.341%
Russian Federation	4,379,200	2.240%	4,418,300	2.260%
Rwanda	29,325	0.015%	29,325	0.015%
Saint Kitts and Nevis	29,325	0.015%	29,325	0.015%
Saint Lucia	29,325	0.015%	29,325	0.015%
Saint Vincent and the Grenadines	29,325	0.015%	29,325	0.015%
Samoa	29,325	0.015%	29,325	0.015%

Member	2016 Contribution CHF	2016 Contribution %	2017 Contribution CHF	2017[56] Contribution %
Saudi Arabia, Kingdom of	2,449,615	1.253%	2,490,670	1.274%
Senegal	44,965	0.023%	43,010	0.022%
Seychelles	29,325	0.015%	29,325	0.015%
Sierra Leone	29,325	0.015%	29,325	0.015%
Singapore	4,703,730	2.406%	4,723,280	2.416%
Slovak Republic	778,090	0.398%	764,405	0.391%
Slovenia	318,665	0.163%	308,890	0.158%
Solomon Islands	29,325	0.015%	29,325	0.015%
South Africa	1,069,385	0.547%	1,051,790	0.538%
Spain	4,078,130	2.086%	3,800,520	1.944%
Sri Lanka	152,490	0.078%	158,355	0.081%
Suriname	29,325	0.015%	29,325	0.015%
Swaziland	29,325	0.015%	29,325	0.015%
Sweden	2,183,735	1.117%	2,142,680	1.096%
Switzerland	3,460,350	1.770%	3,554,190	1.818%
Chinese Taipei	2,991,150	1.530%	3,000,925	1.535%
Tajikistan	29,325	0.015%	29,325	0.015%
Tanzania	89,930	0.046%	91,885	0.047%
Thailand	2,359,685	1.207%	2,367,505	1.211%
The former Yugoslav Republic of Macedonia	52,785	0.027%	52,785	0.027%
Togo	29,325	0.015%	29,325	0.015%
Tonga	29,325	0.015%	29,325	0.015%
Trinidad and Tobago	121,210	0.062%	115,345	0.059%
Tunisia	226,780	0.116%	217,005	0.111%
Turkey	1,968,685	1.007%	1,998,010	1.022%
Uganda	54,740	0.028%	54,740	0.028%
Ukraine	782,000	0.400%	746,810	0.382%
United Arab Emirates	2,699,855	1.381%	2,774,145	1.419%
United Kingdom	7,446,595	3.809%	7,366,440	3.768%
United States of America	21,974,200	11.240%	21,968,335	11.237%
Uruguay	117,300	0.060%	119,255	0.061%
Vanuatu	29,325	0.015%	29,325	0.015%
Venezuela, Bolivarian Republic of	711,620	0.364%	705,755	0.361%

Member	2016 Contribution CHF	2016 Contribution %	2017 Contribution CHF	2017[56] Contribution %
Viet Nam	1,024,420	0.524%	1,114,350	0.570%
Yemen	101,660	0.052%	99,705	0.051%
Zambia	78,200	0.040%	86,020	0.044%
Zimbabwe	50,830	0.026%	48,875	0.025%
TOTAL	**195,500,000**	**100.000%**	**195,500,000**	**100.000%**

WAIVERS CURRENTLY IN FORCE (as of December 20, 2016)

WAIVER	DECISION	DATE of ADOPTION of DECISION	GRANTED UNTIL	REPORT in 2016[58]
Granted in 2015				
Introduction of Harmonized System 2002 Changes into WTO Schedules of Tariff Concessions[59]	WT/L/996	7 December 2016	31 December 2017	-
Introduction of Harmonized System 2007 Changes into WTO Schedules of Tariff Concessions[60]	WT/L/997	7 December 2016	31 December 2017	-
Introduction of Harmonized System 2012 Changes into WTO Schedules of Tariff Concessions[61]	WT/L/998	7 December 2016	31 December 2017	-
Introduction of Harmonized System 2017 Changes into WTO Schedules of Tariff Concessions[62]	WT/L/999	7 December 2016	31 December 2017	-
United States – Former Trust Territory of the Pacific Islands	WT/L/1000	7 December 2016	31 December 2026	-
United States – Trade Preferences granted to Nepal	WT/L/1001	7 December 2016	31 December 2025	-
European Union – Application of Autonomous Preferential Treatment to the Western Balkans	WT/L/1002	7 December 2016	31 December 2021	-
Cuba – Article XV:6 – Extension of waiver	WT/L/1003	7 December 2016	31 December 2021	-

[58] Applicable if so stipulated in the corresponding waiver Decision.
[59] The Members which have requested to be covered under this waiver are: Argentina; China; and, European Union.
[60] The Members which have requested to be covered under this waiver are: Argentina; Brazil; China; Dominican Republic; European Union; Israel; Malaysia; Mexico; New Zealand; Philippines; Switzerland; and, Thailand.
[61] The Members which have requested to be covered under this waiver are: Argentina; Australia; Brazil; Canada; China; Colombia; Costa Rica; Dominican Republic; El Salvador; European Union; Guatemala; Honduras; Hong Kong, China; India; Israel; Korea, Republic of; Macao, China; Malaysia; Mexico; New Zealand; Norway; Pakistan; Philippines; Russian Federation; Singapore; Switzerland; Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Thailand; and, United States.
[62] The Members which have requested to be covered under this waiver are: Argentina; Brazil; Canada; China; Colombia; Costa Rica; El Salvador; European Union; Hong Kong, China; Korea, Republic of; New Zealand; Norway; Paraguay; Russian Federation; Switzerland; Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; United States; and, Uruguay.

WAIVER	DECISION	DATE of ADOPTION of DECISION	GRANTED UNTIL	REPORT in 2016[63]
Previously granted – in force in 2016				
Implementation of Preferential Treatment in favour of Services and Service Suppliers of LDCs and Increasing LDC Participation in Services Trade[64]	WT/L/982 WT/MIN(15)/48	19 December 2015	31 December 2030[65]	-
Introduction of Harmonized System 2002 Changes into WTO Schedules of Tariff Concessions[66]	WT/L/967	30 November 2015	31 December 2016	-
Introduction of Harmonized System 2007 Changes into WTO Schedules of Tariff Concessions[67]	WT/L/968	30 November 2015	31 December 2016	-
Introduction of Harmonized System 2012 Changes into WTO Schedules of Tariff Concessions[68]	WT/L/969	30 November 2015	31 December 2016	-
United States – African Growth and Opportunity Act	WT/L/970	30 November 2015	30 September 2025	-
Least-Developed country Members – Obligations under Article 70.8 and Article 70.9 of the TRIPS Agreement with respect to Pharmaceutical Products	WT/L/971	30 November 2015	1 January 2033	-
Canada - CARIBCAN	WT/L/958	28 July 2015	31 December 2023	WT/L/987
United States – Caribbean Basin Economic Recovery Act	WT/L/950	5 May 2015	31 December 2019	WT/L/988
Philippines – Special Treatment for Rice	WT/L/932	24 July 2014	30 June 2017	-

[63] Applicable if so stipulated in the corresponding waiver Decision.

[64] This Ministerial Decision was adopted in furtherance of the waiver on Preferential Treatment to Services and Service Suppliers of Least-developed Countries adopted in 2011 (WT/L/847) and of the subsequent Decision on the Operationalization of the Waiver concerning Preferential Treatment to Services and Service Suppliers of Least-developed countries adopted in 2013 (WT/MIN(13)/43 - WT/L/918). See also below.

[65] At the Nairobi Ministerial Conference, Ministers decided to extend the 2011 waiver on Preferential Treatment to Services and Service Suppliers of Least-developed Countries (WT/L/847). See also below.

[66] The Members which have requested to be covered under this waiver are: Argentina; China; and, European Union.

[67] The Members which have requested to be covered under this waiver are: Argentina; Brazil; China; Dominican Republic; El Salvador; European Union; Israel; Korea; Malaysia; Mexico; New Zealand; Philippines; Switzerland; and, Thailand.

[68] The Members which have requested to be covered under this waiver are: Argentina; Australia; Brazil; Canada; China; Costa Rica; Dominican Republic; El Salvador; European Union; Guatemala; Honduras; Hong Kong, China; India; Israel; Korea, Republic of; Macao, China; Malaysia; Mexico; New Zealand; Norway; Pakistan; Philippines; Russian Federation; Singapore; Switzerland; Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Thailand; and, United States.

WAIVER	DECISION	DATE of ADOPTION of DECISION	GRANTED UNTIL	REPORT in 2016[63]
Previously granted – in force in 2016				
Operationalization of the Waiver concerning Preferential Treatment to Services and Service Suppliers of Least-Developed Countries[69]	WT/MIN(13)/43 WT/L/918	7 December 2013	-	-
Kimberly Process Certification Scheme for Rough Diamonds - Extension of Waiver[70]	WT/L/876	11 December 2012	31 December 2018	-
Cuba – Article XV:6 – Extension of waiver	WT/L/850	14 February 2012	31 December 2016	WT/L/994
Preferential Treatment to Services and Service Suppliers of Least-developed countries[71]	WT/L/847	17 December 2011	15 years from the date of its adoption[72]	-
European Union – Application of Autonomous Preferential Treatment to the Western Balkans	WT/L/836	30 November 2011	31 December 2016	WT/L/993
Preferential Tariff Treatment for Least-Developed Countries – Decision on Extension of waiver	WT/L/759	27 May 2009	30 June 2019	-
United States – Former Trust Territory of the Pacific Islands	WT/L/694	27 July 2007	31 December 2016	WT/L/990 and Corr.1
Implementation of Para. 6 of the Doha Declaration on the TRIPS Agreement and Public Health	WT/L/540 and Corr.1	30 August 2003	See WT/L/540 and Corr.1	-

[69] This Ministerial Decision was adopted in furtherance of the waiver on Preferential Treatment to Services and Service Suppliers of Least-developed Countries adopted in 2011 (WT/L/847). It does not represent a new waiver. See above in addition to the decision in WT/L/847, above.

[70] Annex: Australia, Botswana, Brazil, Canada, Croatia, European Union, India, Israel, Japan, Korea, Mexico, New Zealand, Norway, Philippines, Russian Federation, Singapore, Chinese Taipei, Thailand, Turkey, United States, and Bolivarian Republic of Venezuela.

[71] Two decisions were subsequently adopted by the Ministerial Conference in furtherance of this waiver: in 2013 (WT/MIN(13)/43 – WT/L/918) and in 2015 (WT/MIN(15)/48 – WT/L/982). See also page 3 and the decision in WT/MIN(13)/43 – WT/L/918, above.

[72] At the Nairobi Ministerial Conference, Ministers decided to extend the waiver until 31 December 2030 (WT/MIN(15)/48 – WT/L/982) - see also page 2, above.

Number of WTO Staff Members by Country on January 1, 2017
(as per information available on January 1, 2017)

Country	Senior	Professional	Support	Total
American	1	27	7	35
Argentine		2	5	7
Australian		7	1	8
Austrian		4		4
Bangladeshi		1		1
Barbadian		1		1
Belgian		1	3	4
Beninese		2		2
Bolivian		1		1
Brazilian	1	10	1	12
British		20	34	54
Bulgarian		3		3
Burundian		1		1
Canadian		16		16
Chadian		1		1
Chilean			1	1
Chinese	1	13	1	15
Colombian		6	2	8
Congolese, RDC		1	2	3
Costa Rican		2		2
Croatian		1		1
Cuban			1	1
Czech		1		1
Danish		2	1	3
Dutch		4	1	5
Ecuadorian		1		1
Egyptian		5		5
Estonia		1		1
Finnish		3		3
French		52	116	168
Gambian		1		1
German	1	20	2	23
Ghanaian		2		2
Greek		3	1	4
Guatemalan		1	1	2
Guinean		2		2
Honduran			2	2
Hungarian		2	1	3
Indian		12	1	13
Irish		4	8	12
Italian		20	3	23
Jamaican		1		1
Japanese		4		4
Jordanian		1		1
Kenyan		1		1

Malawian		1		1
Malaysian		2		2
Mauritian		1	1	2
Mexican		7	1	8
Moroccan		3	1	4
Motswana		1		1
Nepalese		2		2
New Zealand		1		1
Nigerian	1	1		2
Norwegian		1	1	2
Pakistani		3	1	4
Paraguayan			1	1
Peruvian		4	5	9
Philippine		9	5	14
Polish		2	1	3
Portuguese		2	2	4
Republic of Korea		4		4
Romanian		1	1	2
Russian		3		3
Rwandan		1		1
Senegalese		1	1	2
Sierra Leonean		1		1
South African		2		2
Spanish		24	15	39
Swedish		3		3
Swiss		27	23	50
Tanzanian		1		1
Trinidad and Tobago		1		1
Tunisian		3	1	4
Turkish		3		3
Ugandan		3		3
Ukrainian		1		1
Uruguayan		2	3	5
Venezuelan		3	1	4
Vietnamese		1		1
Zambian		1		1
Zimbabwean		2		2
Grand Total	5	391	259	655

Note: Senior Management includes the Director-General and Deputies Director-General

WTO ACCESSION APPLICATIONS AND STATUS

(as of December 31, 2016)

Applicant[1]	Status of Multilateral and Bilateral Work
Afghanistan* (2004)	Afghanistan completed its accession negotiations at the fifth Working Party (WP) meeting on November 11, 2015, and its accession package was approved by the 10th Ministerial Conference on December 15, 2015. The United States provided technical assistance throughout the negotiations. Afghanistan became the 164th Member of the WTO on July 29, 2016.
Algeria (1987)	**Inactive.** The last WP meeting convened in March 2014, but there have been no meetings or work since that time.
Andorra (1997)	**Inactive.** The last WP meeting in October 1999 reviewed Andorra's legislative implementation schedule and goods and services market access offers.
Azerbaijan (1997)	The thirteenth WP meeting was held in July 2016 to continue bilateral market access negotiations as well as discussions on how to bring Azerbaijan's trade regime into compliance with WTO disciplines. The date of the next WP meeting will depend on Azerbaijan's submission of inputs, including responses to Members' questions, additional draft/adopted legislation to implement WTO obligations, and an updated Legislative Action Plan. Completion of the process will require active efforts by Azerbaijan on market access negotiations and legislative implementation of WTO disciplines.
The Bahamas (2001)	**Inactive.** The second WP meeting was held in June 2012, and the Bahamas circulated responses to questions from Members in August 2013. Bilateral market access negotiations are ongoing on the basis of an initial market access offer on goods, circulated in March 2012, and a revised market access offer on services, circulated in August 2013. The WTO Secretariat has encouraged the Bahamas to resume negotiations.
Belarus (1993)	Belarus' next formal WP meeting—and the first since May 2005—is scheduled for January 2017. An informal WP discussion was last held in May 2013. In December 2016 Belarus submitted updated documentation, including a draft Working Party Report, a legislative action plan, and revised checklists on the implementation of various agreements. Belarus is expected to provide additional information on its participation in the Eurasian Economic Union (EAEU) with Russia, Kazakhstan, the Kyrgyz Republic, and Armenia.
Bhutan * (1999)	**Inactive.** The fourth WP meeting was held in January 2008 to review additional documentation and to conduct market access negotiations for goods and services. Bhutan has not requested further work on its WTO accession since that time, and no WP meetings are scheduled.

* Designates "least developed country" applicant.

[1] "Applicant" column includes date the Working Party was formed. Pre-1995 dates indicate that the original WP was formed under the GATT 1947, but was reformed as a WTO Working Party in 1995.

Applicant[1]	Status of Multilateral and Bilateral Work
Bosnia and Herzegovina (1999)	**Inactive.** The twelfth WP meeting convened in June 2013. Few issues remain and bilateral market access negotiations with interested WTO Members are close to completion, but there have been no meetings or work on this accession since that time.
Comoros * (2007)	The first meeting of Comoros' WP was held in December 2016. In September and October 2016, Comoros submitted to WP Members a full set of inputs, including Questions and Replies, a legislative action plan, questionnaires on import licensing and state trading, information on technical barriers to trade, the implementation and administration of the Customs Valuation Agreement, and the implementation of the TRIPS Agreement, and illustrative SPS issues. Members have provided a thorough set of questions and comments for Comoros to review and address. Additional work is expected in 2017.
Equatorial* Guinea (2008)	**Inactive.** Equatorial Guinea's application for membership was accepted at the February 2008 General Council meeting. However, Equatorial Guinea has not yet submitted initial documentation to activate accession negotiations.
Ethiopia* (2003)	**Inactive.** The third meeting of Ethiopia's WP was held in March 2012. Bilateral market access negotiations were initiated on goods, but Ethiopia must still provide its initial market access offer on services, data on agricultural supports and export subsidies, and a legislative action plan for implementation of WTO obligations.
Iran (2005)	**Inactive.** The Memorandum on the Foreign Trade Regime (MFTR) was circulated in November 2009. Replies to written questions from WTO Members on that document were circulated in 2011. Before a WP meeting can be convened, consultations with Members would need to be undertaken by the Chairperson of the General Council for the designation of a Chairperson of the Working Party.
Iraq (2004)	**Inactive.** Iraq's last WP meeting was held in April 2008. Additional documents on agriculture, SPS and TBT were circulated in 2010. A third WP meeting will be scheduled following Iraq's submission of initial market access offers for goods and services; updated information on agricultural supports and export subsidies, TBT and SPS; and written responses to questions and comments from the previous meeting.
Lebanon (1999)	**Inactive.** There have been no WP meetings on Lebanon's WTO accession since October 2009. Domestic political issues and regional turmoil have delayed Lebanon's efforts on legislative implementation and progress towards completion of the accession process. Lebanon has not provided revised market access offers for some time. In late 2016, Lebanon signaled its intent to submit inputs in 2017 for review by the WP.
Liberia* (2007)	Liberia's WTO accession package was adopted by the Working Party on October 5, 2015 and approved by the 10th Ministerial Conference on December 15, 2015. Liberia became the 163rd Member of the WTO on July 14, 2016.
Libya (2004)	**Inactive.** Libya's application was accepted at the July 2004 General Council meeting. Libya has not circulated any documentation or market access offers to date.
Sao Tome and Principe* (2005)	**Inactive.** Sao Tome and Principe's application was accepted at the May 2005 General Council meeting; Sao Tome and Principe has not yet submitted initial documentation to activate accession negotiations.

Applicant[1]	Status of Multilateral and Bilateral Work
Serbia (2005)	**Inactive.** The thirteenth Meeting of the WP was held in June 2013 and negotiations on the text of the draft WP report are largely complete. Bilateral market access negotiations with interested Members are substantially concluded, pending agreement on some agricultural tariffs. The WP will not adopt the package, however, until outstanding domestic legislation has been enacted (pertaining to, inter alia, commodity reserves; commodity exchange; genetically modified organisms; and services) and implemented.
Somalia* (2016)	Somalia's Working Party was established on December 7, 2016. The Working Party has not yet met.
Sudan* (1995)	The third WP meeting—and the first since March 2004—is scheduled for January 2017. Sudan tabled market access offers for goods and services in November 2016.
Syria (2010)	**Inactive.** Syria's application for accession to the WTO was first circulated in October 2001. Syria's application was accepted at the May 2010 General Council meeting. Syria has not yet submitted initial documentation to activate accession negotiations.
Timor-Leste* (2016)	Timor-Leste's Working Party was established on December 7, 2016. The Working Party has not yet met.
Uzbekistan (1995)	**Inactive.** The third WP meeting was held in October 2005 to review additional documentation and initial market access offers. No meetings have been held since that time.

7 December 2016

INDICATIVE LIST OF GOVERNMENTAL AND NON-GOVERNMENTAL PANELISTS

Revision

1. To assist in the selection of panelists, the DSU provides in Article 8.4 that the Secretariat shall maintain an indicative list of governmental and non-governmental individuals.

2. The attached is a revised consolidated list of governmental and non-governmental panelists.[73] The list is based on the previous indicative list issued on 27 September 2016 (WT/DSB/44/Rev.35) It includes additional names approved by the DSB at its meetings on 26 October 2016 and 23 November 2016.[742] Any future modifications or additions to this list submitted by Members will be circulated in periodic revisions of this list.

3. For practical purposes, the proposals for the administration of the indicative list approved by the DSB on 31 May 1995 are reproduced as an Annex to this document.

[73] Curricula Vitae containing more detailed information are available to WTO Members upon request from the Secretariat (Council & TNC Division).

[74] See documents WT/DSB/W/580 and WT/DSB/W/583.

MEMBER	NAME	SECTORAL EXPERIENCE
ARGENTINA	CORTI, Mr. Arístides H. M.	Trade in Goods
	LUNAZZI, Mr. Gustavo Nerio	Trade in Goods
	MONTOYA, Ms. Beatriz I.	Trade in Goods
	NUÑEZ, Mr. Fernando B.	Trade in Goods
	PIZZANO, Mr. Germán A.	Trade in Goods and Services
	SERRA, Mr. Adrián	Trade in Goods and Services
AUSTRALIA	BENNETT, Ms. Annabelle	Trade in Goods and Services
	CHURCHE, Mr. Milton	Trade in Goods
	FARBENBLOOM, Mr. Simon	Trade in Goods and Services
	GALLAGHER, Mr. Peter	Trade in Goods; TRIPS
	GOSPER, Mr. Bruce	Trade in Goods
	HOLMES, Ms. Patricia Ann	Trade in Goods
	JENNINGS, Mr. Mark	Trade in Goods; TRIPS
	MITCHELL, Mr. Andrew	Trade in Goods and Services; TRIPS
	MORETTA, Mr. Remo	Trade in Goods and Services
	MULGREW, Mr. Michael	Trade in Goods
	MYLER, Mr. Paul	Trade in Goods and Services
	O'CONNOR, Mr. Paul Richard	Trade in Goods
	RAPER, Ms. Cathy	Trade in Goods and Services
	SIN FAR LEE, Ms. Stephanie	Trade in Goods
	STOLER, Mr. Andrew	Trade in Goods and Services
	VOON, Ms. Tania Su Lien	Trade in Goods and Services; TRIPS
	WITBREUK, Ms. Trudy	Trade in Goods and Services
	YOUNG, Ms. Elizabeth	Trade in Goods
BOLIVARIAN REPUBLIC OF VENEZUELA	ESCOBAR, Mr. José Benjamín	Trade in Services
	MARQUEZ, Mr. Guillermo	Trade in Services
	ROJAS PENSO, Mr. Juan Francisco	Trade in Goods and Services
BOLIVIA, PLURINATIONAL STATE OF	ZELADA CASTEDO, Mr. Alberto	Trade in Goods

MEMBER	NAME	SECTORAL EXPERIENCE
BRAZIL	ABREU, Mr. Marcelo de Paiva	Trade in Goods and Services
	BARRAL, Mr. Welber Oliveira	Trade in Goods
	BARTHEL-ROSA, Mr. Paulo	Trade in Goods
	BASSO, Ms. Maristela	Trade in Goods; TRIPS
	LEMME, Ms. Marta Calmon	Trade in Goods
	MAGALHÃES, Mr. José Carlos	Trade in Goods
	MARCONINI, Mr. Mario	Trade in Services
	MOURA ROCHA, Mr. Bolívar	Trade in Services
	NAIDIN, Ms. Leane Cornet	Trade in Goods
	RIOS, Ms. Sandra Polônia	Trade in Goods
	THORSTENSEN, Ms. Vera Helena	Trade in Goods
CAMEROON	NGANGJOH HODU, Mr. Yenkong	Trade in Goods and Services; TRIPS
CANADA	BERNIER, Mr. Ivan	Trade in Goods and Services
	BRADFORD, Mr. Meriel V. M.	Trade in Goods and Services
	BROWN, Ms. Catherine Anne	Trade in Goods and Services; TRIPS
	CLARK, Mr. Peter James	Trade in Goods and Services
	CLOSE, Ms. Patricia Margaret	Trade in Goods
	DE MESTRAL, Mr. Armand	Trade in Goods
	EYTON, Mr. Anthony T.	Trade in Goods
	GHERSON, Mr. Randolph	Trade in Goods
	GOODWIN, Ms. Kirsten M.	Trade in Goods and Services; TRIPS
	HALLIDAY, Mr. Anthony L.	Trade in Goods and Services
	HERMAN, Mr. Lawrence L.	Trade in Goods
	HINES, Mr. Wilfred Roy	Trade in Goods
	MacMILLAN, Ms. Kathleen E.	Trade in Goods
	McRAE, Mr. Donald Malcolm	Trade in Goods
	OSTRY, Ms. Sylvia	Trade in Goods
	RITCHIE, Mr. Gordon	Trade in Goods

MEMBER	NAME	SECTORAL EXPERIENCE
	THOMAS, Mr. Christopher	Trade in Goods and Services
	WINHAM, Mr. Gilbert R.	Trade in Goods
CHILE	BIGGS, Mr. Gonzalo	Trade in Goods
	ERNST, Mr. Felipe	Trade in Goods and Services
	ESCUDERO, Mr. Sergio	TRIPS
	ESPINOZA, Mr. Alvaro	Trade in Goods
	MATUS, Mr. Mario	Trade in Goods
	MLADINIC, Mr. Carlos	Trade in Goods
	PEÑA, Ms. Gloria	Trade in Goods
	SAEZ, Mr. Sebastián	Trade in Goods and Services
	SATELER, Mr. Ricardo	TRIPS
	SOSA, Ms. Luz	Trade in Goods and Services
	TIRONI, Mr. Ernesto	Trade in Goods
CHINA	CHEN, Mr. Yusong	Trade in Goods and Services; TRIPS
	DONG, Mr. Shizhong	Trade in Goods and Services; TRIPS
	E, Mr. Defeng	Trade in Goods
	GONG, Mr. Baihua	Trade in Goods and Services; TRIPS
	HAN, Mr. Liyu	Trade in Goods; TRIPS
	HONG, Mr. Xiaodong	Trade in Services
	HUANG, Mr. Dongli	Trade in Goods; TRIPS
	LI, Mr. Enheng	Trade in Goods and Services
	LI, Ms. Yongjie	Trade in Goods and Services
	LI, Mr. Zhongzhou	Trade in Goods
	SHI, Ms. Xiaoli	Trade in Goods
	SUO, Mr. Bicheng	Trade in Goods
	YANG, Mr. Guohua	Trade in Goods; TRIPS
	ZENG, Mr. Lingliang	Trade in Goods
	ZHANG, Ms. Liping	Trade in Goods and Services
	ZHANG, Mr. Naigen	TRIPS

MEMBER	NAME	SECTORAL EXPERIENCE
	ZHANG, Mr. Xiangchen	Trade in Goods and Services; TRIPS
	ZHANG, Mr. Yuqing	Trade in Goods and Services; TRIPS
	ZHAO, Ms. Hong	Trade in Goods and Services; TRIPS
	ZHU, Ms. Lanye	Trade in Services; TRIPS
COLOMBIA	IBARRA PARDO, Mr. Gabriel	Trade in Goods
	JARAMILLO, Mr. Felipe	Trade in Goods and Services
	LOZANO FERRO, Ms. Olga Lucia	Trade in Goods; TRIPS
	OROZCO GOMEZ, Ms. Angela María	Trade in Goods
	OROZCO, Ms. Claudia	Trade in Goods
	PRIETO, Mr. Diego	Trade in Goods and Services
	ROJAS ARROYO, Mr. Santiago	Trade in Goods; TRIPS
	TANGARIFE, Mr. Marcel	Trade in Goods; TRIPS
CÔTE D'IVOIRE	GOSSET, Ms. Marie	Trade in Goods; TRIPS
CUBA	COBO ROURA, Mr. Narciso A.	Trade in Goods
	LABORA RODRÍGUEZ, Ms. Celia M.	Trade in Goods and Services
	VÁZQUEZ De ALVARÉ, Ms. Dánice	TRIPS
DJIBOUTI	PIQUEMAL, Mr. Alain	Trade in Goods and Services; TRIPS
DOMINICAN REPUBLIC	DE LOS SANTOS DE PIANTINI, Ms. Roxana	Trade in Goods; TRIPS
	NAUT, Ms. Katrina	Trade in Goods and Services; TRIPS
ECUADOR	ESPINOSA CAÑIZARES, Mr. Cristian	Trade in Goods and Services; TRIPS
	MONTAÑO HUERTA, Mr. César	Trade in Goods and Services; TRIPS
EGYPT	FAWZY, Mr. Abdelrahman	Trade in Goods and Services
	HATEM, Mr. Samy Affify	Trade in Goods
	RIAD, Mr. Tarek Fouad	Trade in Goods and Services; TRIPS

MEMBER	NAME	SECTORAL EXPERIENCE
	SHAHIN, Ms. Magda	Trade in Goods and Services; TRIPS
	SHARAF ELDIN, Mr. Ahmed	Trade in Goods; TRIPS
	ZAHRAN, Mr. Mohamed Mounir	Trade in Goods and Services; TRIPS
EUROPEAN UNION		
AUSTRIA	BENEDEK, Mr. Wolfgang	Trade in Goods
	REITERER, Mr. Michael G. K.	Trade in Goods and Services; TRIPS
	ZEHETNER, Mr. Franz	Trade in Goods
BELGIUM	DIDIER, Mr. Pierre	Trade in Goods
	PAUWELYN, Mr. Joost	Trade in Goods and Services; TRIPS
	VAN CALSTER, Mr. Geert	Trade in Goods
	VAN DER BORGHT, Mr. Kim	Trade in Goods
	VANDER SCHUEREN, Ms. Paulette	Trade in Goods and Services
	WOUTERS, Mr. Jan	Trade in Goods and Services
	ZONNEKEYN, Mr. Geert A.	Trade in Goods
CZECH REPUBLIC	PALEČKA, Mr. Peter	Trade in Goods and Services
DENMARK	NIELSEN, Ms. Laura	Trade in Goods and Services
	OLSEN, Ms. Birgitte Egelund	Trade in Goods
	SMIDT, Mr. Steffen	Trade in Goods and Services
	WEGENER, Mr. Christian	Trade in Goods and Services; TRIPS
EUROPEAN UNION	BRAKELAND, Mr. Jean-François	Trade in Goods and Services
	CARL, Mr. Mogens Peter	Trade in Goods and Services; TRIPS
	KUIJPER, Mr. Pieter Jan	Trade in Goods and Services; TRIPS
	WHITE, Mr. Eric	Trade in Goods and Services; TRIPS
FINLAND	HIMANEN, Mr. Vesa	Trade in Goods

MEMBER	NAME	SECTORAL EXPERIENCE
	LUOTONEN, Mr. Yrjö Kim David	Trade in Goods
FRANCE	ARMAIGNAC, Ms. Marie-Christine	Trade in Services; TRIPS
	BOISSON DE CHAZOURNES, Mrs. Laurence	Trade in Goods and Services
	JENNY, Mr. Frédéric Yves	Trade in Goods and Services; TRIPS
	METZGER, Mr. Jean-Marie	Trade in Goods
	MONNIER, Mr. Pierre	Trade in Goods and Services; TRIPS
FRANCE (cont'd)	RIEGERT, Mr. François	Trade in Goods
	RUIZ-FABRI, Ms. Hélène	Trade in Goods and Services
	STERN, Ms. Brigitte	Trade in Goods
GERMANY	DELBRÜCK, Mr. Kilian	Trade in Goods
	HERRMANN, Mr. Christoph Walter	Trade in Goods; TRIPS
	HILF, Mr. Meinhard	Trade in Goods and Services
	MENG, Mr. Werner	Trade in Goods, TRIPS
	PETERSMANN, Mr. Ernst-Ulrich	Trade in Goods and Services; TRIPS
	TANGERMANN, Mr. Stefan	Trade in Goods
GREECE	STANGOS, Mr. Petros N.	Trade in Goods and Services; TRIPS
HUNGARY	HALGAND DANI, Ms. Virág	Trade in Goods and Services; TRIPS
	LAKATOS, Mr. Andrés	Trade in Goods and Services
IRELAND	MATTHEWS, Mr. Alan Henry	Trade in Goods
ITALY	GIARDINA, Mr. Andrea	Trade in Goods and Services
	MALAGUTI, Ms. Maria Chiara	Trade in Goods and Services; TRIPS
	MENSI, Mr. Maurizio	Trade in Goods
LITHUANIA	ALISAUSKAS, Mr. Raimondas	Trade in Goods and Services

MEMBER	NAME	SECTORAL EXPERIENCE
MALTA	BONELLO, Mr. Michael C.	Trade in Services
NETHERLANDS	BRONCKERS, Mr. Marco	Trade in Goods and Services; TRIPS
	GENEE, Mr. Otto	Trade in Goods; TRIPS
	HOEKMAN, Mr. Bernard Marco	Trade in Goods and Services; TRIPS
POLAND	PIETRAS, Mr. Jaroslaw	Trade in Services
PORTUGAL	CALHEIROS DA GAMA, Mr. José Sérgio	TRIPS
ROMANIA	BERINDE, Mr. Mihai	Trade in Goods
	CAMPEANU, Ms. Victoria	Trade in Goods
	FRATITA, Ms. Carmen Florina	Trade in Goods
SPAIN	DÍAZ MIER, Mr. Miguel Ángel	Trade in Services
	LÓPEZ DE SILANES MARTÍNEZ, Mr. Juan Pablo	Trade in Goods and Services
	PÉREZ SANCHEZ, Mr. José Luis	Trade in Goods and Services; TRIPS
	RIGO, Mr. Andrés	Trade in Services
SWEDEN	AHNLID, Mr. Anders Gustav Ragnar	Trade in Goods and Services; TRIPS
	ANELL, Mr. Lars	Trade in Goods; TRIPS
	KLEEN, Mr. Peter	Trade in Goods
	TAURIAINEN, Mr. Teppo Markus	Trade in Goods and Services; TRIPS
UNITED KINGDOM	BETHLEHEM, Mr. Daniel	Trade in Goods and Services; TRIPS
	JOHNSON, Mr. Michael David Clarke	Trade in Goods
	MUIR, Mr. Tom	Trade in Goods and Services; TRIPS
	PLENDER, Mr. Richard	Trade in Goods
	QURESHI, Mr. Asif Hasan	Trade in Goods
	ROBERTS, Mr. Christopher William	Trade in Goods and Services
	ROBERTS, Mr. David F.	Trade in Goods

MEMBER	NAME	SECTORAL EXPERIENCE
	SAROOSHI, Mr. Dan	Trade in Services
	TOULMIN, Mr. John Kelvin	Trade in Services
GHANA	NIMAKO-BOATENG, Ms. Gertrude	Trade in Goods and Services
	OPOKU AWUKU, Mr. Emmanuel	Trade in Goods and Services; TRIPS
HONG KONG, CHINA	CARTLAND, Mr. Michael David	Trade in Goods and Services
	CHEUNG, Mr. Peter Kam Fai	TRIPS
	LEUNG, Ms. Ada Ka Lai	TRIPS
	LITTLE, Mr. David	Trade in Goods and Services
	MILLER, Mr. Tony J.A.	Trade in Goods and Services
ICELAND	BJÖRGVINSSON, Mr. David Thór	Trade in Goods and Services
	JÓHANNSSON, Mr. Einar M.	Trade in Goods
	SANDHOLT, Mr. Brynjolfur	Trade in Goods
INDIA	AGARWAL, Mr. Vinod Kumar	Trade in Goods; TRIPS
	AGRAWAL, Mr. Rameshwar Pal	Trade in Goods and Services; TRIPS
	BHANSALI, Mr. Sharad	Trade in Goods
	BHATNAGAR, Mr. Mukesh	Trade in Goods
	BHATTACHARYA, Mr. G. C.	Trade in Goods
	CHANDRASEKHAR, Mr. Kesava Menon	Trade in Goods and Services; TRIPS
	CHAUDHURI, Mr. Sumanta	Trade in Goods and Services; TRIPS
	DAS, Mr. Abhijit	Trade in Goods
	DAS, Mr. Bhagirath Lal	Trade in Goods
	DASGUPTA, Mr. Jayant	Trade in Goods
	GOPALAN, Mr. Rajarangamani	Trade in Goods
	GOYAL, Mr. Arun	Trade in Services
	KAUSHIK, Mr. Atul	Trade in Goods; TRIPS
	KHER, Mr. Rajeev	Trade in Goods and Services; TRIPS

MEMBER	NAME	SECTORAL EXPERIENCE
	KHULLAR, Mr. Rahul	Trade in Goods and Services; TRIPS
	KUMAR, Mr. Mohan	Trade in Goods and Services
	MOHANTY, Mr. Prasant Kumar	Trade in Goods
	MUKERJI, Mr. Asoke Kumar	Trade in Goods and Services; TRIPS
	NARAYANAN, Mr. Srinivasan	Trade in Goods; TRIPS
	PARTHASARATHY, Mr. R.	Trade in Goods; TRIPS
	PRABHU, Mr. Pandurang Palimar	Trade in Goods; TRIPS
	PRASAD, Ms. Anjali	Trade in Goods and Services; TRIPS
	RAMAKRISHNAN, Mr. N.	Trade in Goods
	RAO, Mr. Pemmaraju Sreenivasa	Trade in Goods
	REGE, Mr. Narayan Vinod	Trade in Goods
	SABHARWAL, Mr. Narendra	TRIPS
	SAJJANHAR, Mr. Ashok	Trade in Goods
	SESHADRI, Mr. V.S.	Trade in Goods
	SHARMA, Mr. Lalit	Trade in Goods and Services; TRIPS
INDIA (cont'd)	VENUGOPAL, Mr. Krishnan	Trade in Goods; TRIPS
	YADAV, Mr. Amit	Trade in Services
	ZUTSHI, Mr. B. K.	Trade in Goods and Services; TRIPS
ISRAEL	ALTUVIA, Mr. Magen	Trade in Goods
	BROUDE, Mr. Tomer	Trade in Goods and Services; TRIPS
	FRID DE VRIES, Ms. Rachel	Trade in Goods and Services; TRIPS
	GABAY, Mr. Mayer	TRIPS
	HARAN, Mr. Ephraim F.	Trade in Services
	HARPAZ, Mr. Guy	Trade in Goods and Services; TRIPS
	HOROVITZ, Mr. Dan	Trade in Goods and Services
	POLINER, Mr. Howard Zvi	TRIPS
	REICH, Mr. Arie	Trade in Goods and Services; TRIPS
	RIVAS, Mr. Rodolfo C.	Trade in Goods; TRIPS
	SEMADAR, Mr. Moshe	Trade in Goods
	SHATON, Mr. Michael Marcel	Trade in Goods and Services

MEMBER	NAME	SECTORAL EXPERIENCE
	TALBAR, Mr. Michael Adin	Trade in Goods
	WEILER, Mr. Joseph H.H.	Trade in Goods
JAMAICA	ROBINSON, Mr. Patrick L.	Trade in Goods and Services; TRIPS
JAPAN	ARAKI, Mr. Ichiro	Trade in Goods and Services; TRIPS
	ASAKAI, Mr. Kazuo	Trade in Goods
	ASAKURA, Mr. Hironori	Trade in Goods
	HASEBE, Mr. Masamichi	Trade in Goods and Services
	ISHIGE, Mr. Hiroyuki	Trade in Goods
	ISHIGURO, Mr. Kazunori	Trade in Goods and Services; TRIPS
	IWASAWA, Mr. Yuji	Trade in Goods
	KANDA, Mr. Hideki	Trade in Services
	KAZEKI, Mr. Jun	Trade in Goods and Services
	KEMMOCHI, Mr. Nobuaki	Trade in Goods and Services
	KOMETANI, Mr. Kazumochi	Trade in Goods and Services; TRIPS
	OHARA, Mr. Yoshio	Trade in Goods; TRIPS
	SAITO, Mr. Koji	Trade in Goods
JAPAN (cont'd)	SANO, Mr. Tadakatsu	Trade in Goods
	SHIMIZU, Mr. Akio	Trade in Goods
	SUZUKI, Mr. Masabumi	Trade in Goods; TRIPS
	TAKAHASHI, Ms. Misako	Trade in Services
	TSURUOKA, Mr. Koji	Trade in Services
	YAMANE, Ms. Hiroko	Trade in Goods; TRIPS
KENYA	GATHII, Mr. James T.	Trade in Goods and Services; TRIPS
KOREA	AHN, Mr. Dukgeun	Trade in Goods
	AHN, Mr. Ho-Young	Trade in Goods
	AHN, Mr. Myung-soo	Trade in Goods
	CHO, Mr. Tae-Yul	Trade in Goods

MEMBER	NAME	SECTORAL EXPERIENCE
	CHOI, Mr. Byung-il	Trade in Services
	CHOI, Mr. Won-Mog	Trade in Goods and Services; TRIPS
	KIM, Mr. Jong Bum	Trade in Goods
	LEE, Mr. Jaemin	Trade in Goods
	PARK, Mr. Nohyoung	Trade in Goods
	WOO, Mr. Jooha	Trade in Goods and Services
LIECHTENSTEIN	ZIEGLER, Mr. Andreas R.	Trade in Services; TRIPS
MADAGASCAR	ANDRIANARIVONY, Mr. Minoarison	Trade in Goods and Services; TRIPS
MALAYSIA	HARUN, Mrs. Hiswani	Trade in Goods
	KASIMIR, Mr. Merlyn	Trade in Goods and Services
	YACOB, Mr. Muhammad Noor	Trade in Goods
MAURITIUS	BEEKARRY, Mr. Navin	Trade in Goods and Services
	BHUGLAH, Mr. Achad	Trade in Goods and Services
MEXICO	AGUILAR ÁLVAREZ, Mr. Guillermo	Trade in Goods and Services; TRIPS
	DE LA PEÑA, Mr. Alejandro	Trade in Goods and Services; TRIPS
	DE MATEO VENTURINI, Mr. Fernando	Trade in Goods and Services; TRIPS
	DE ROSENZWEIG, Mr. Francisco	Trade in Goods and Services; TRIPS
MEXICO (cont'd)	FERRARI, Mr. Bruno	Trade in Goods and Services; TRIPS
	JASSO TORRES, Mr. Humberto	Trade in Goods
	LEYCEGUI, Ms. Beatriz	Trade in Goods and Services; TRIPS
	PEREZCANO DÍAZ, Mr. Hugo Manuel	Trade in Goods and Services; TRIPS
	PÉREZ GÁRATE, Mr. Orlando	Trade in Goods and Services; TRIPS
	POBLANO, Mr. José F.	Trade in Services; TRIPS
	REYES, Ms. Luz Elena	Trade in Goods
	TRASLOSHEROS HERNÁNDEZ, Mr. José Gerardo	Trade in Goods and Services; TRIPS
	VÉJAR, Mr. Carlos	Trade in Goods and Services; TRIPS

MEMBER	NAME	SECTORAL EXPERIENCE
	ZABLUDOVSKY KUPER, Mr. Jaime	Trade in Goods and Services; TRIPS
MOLDOVA	FOLTEA, Ms. Marina	Trade in Goods; TRIPS
NEPAL	PANDEY, Mr. Posh Raj	Trade in Goods and Services
	SUBEDI, Mr. Surya P.	Trade in Goods and Services; TRIPS
NEW ZEALAND	ARMSTRONG, Mr. Wade Mowatt Valentine	Trade in Goods; TRIPS
	CARSON, Mr. Christopher Barr	Trade in Goods
	FALCONER, Mr. Crawford Dunlop	Trade in Goods
	FALCONER, Mr. William John	Trade in Goods and Services; TRIPS
	GROSER, Mr. Tim	Trade in Goods
	HARVEY, Mr. Martin Wilfred	Trade in Goods
	HIGGIE, Ms. Dell Clark	Trade in Goods
	KENNEDY, Mr. Peter Douglas	Trade in Goods
	MACEY, Mr. Adrian	Trade in Goods; TRIPS
	McPHAIL, Mr. Alexander Hugh	Trade in Goods
	NOTTAGE, Mr. Richard Frederick	Trade in Goods
	SLADE, Ms. Michelle	Trade in Goods and Services; TRIPS
	TRAINOR, Mr. Mark Julian	Trade in Goods; TRIPS
	WALKER, Mr. David John	Trade in Goods and Services
	WOODFIELD, Mr. Edward A.	Trade in Goods
NIGER	TANKOANO, Mr. Amadou	Trade in Goods and Services; TRIPS
NIGERIA	AGAH, Mr. Yonov Frederick	Trade in Goods and Services; TRIPS
	NNONA, Mr. George C.	Trade in Goods and Services; TRIPS
NORWAY	BRYN, Mr. Kåre	Trade in Goods and Services; TRIPS
	GLENNE, Mr. Eirik	Trade in Goods and Services
	HOLTEN, Ms. Inger	Trade in Goods; TRIPS

MEMBER	NAME	SECTORAL EXPERIENCE
	LILLERUD, Mr. Kjell	Trade in Goods and Services
	SELAND, Mr. Helge A.	Trade in Goods and Services; TRIPS
	TØNSETH, Mr. Didrik	Trade in Goods and Services; TRIPS
PAKISTAN	ARIF, Mr. Muhammad Ikram	Trade in Goods
	BASHIR, Mr. Shahid	Trade in Goods
	HAMID ALI, Mr. Muhammad	Trade in Goods; TRIPS
	HUSAIN, Mr. Ishrat	Trade in Services
	KHAN, Mr. Mujeeb Ahmed	Trade in Goods; TRIPS
	MALIK, Mr. Riaz Ahmad	Trade in Goods
	MUKHTAR, Mr. Ahmad	Trade in Goods and Services; TRIPS
PANAMA	ALVAREZ DE SOTO, Mr. Francisco	Trade in Goods and Services; TRIPS
	FERRER, Mr. Alejandro	Trade in Goods and Services
	FRANCIS LANUZA, Ms. Yavel Mireya	Trade in Goods and Services
	GONZALEZ, Mr. Carlos Ernesto	Trade in Goods and Services
	HARRIS ROTKIN, Mr. Norman	Trade in Goods and Services
	SALAZAR FONG, Ms. Diana Alejandrina	Trade in Goods
	SHEFFER MONTES, Mr. Leroy Jhon	Trade in Goods and Services
PERU	BELAÚNDE G., Mr. Victor Andres	TRIPS
	DE LA PUENTE LEON, Mr. Jose A.	Trade in Goods and Services
	DIEZ LIZARDO, Mr. Juan	Trade in Goods
	LEÓN-THORNE, Mr. Raúl	Trade in Goods and Services
PHILIPPINES	CONEJOS, Mr. Esteban B.	Trade in Goods
QATAR	AL-ADBA, Mr. Nasser M.	Trade in Goods and Services
	MAKKI, Mr. Fadi	Trade in Goods and Services
SRI LANKA	JAYASEKERA, Mr. Douglas	Trade in Goods; TRIPS

MEMBER	NAME	SECTORAL EXPERIENCE
SWITZERLAND	ADDOR, Mr. Felix	TRIPS
	CHAMBOVEY, Mr. Didier	Trade in Goods
	COTTIER, Mr. Thomas	Trade in Goods and Services; TRIPS
	HÄBERLI, Mr. Christian	Trade in Goods
	HOLZER, Mr. Patrick Edgar	Trade in Goods; TRIPS
	INEICHEN-FLEISCH, Ms. Marie-Gabrielle	Trade in Goods and Services
	KAUFMANN, Ms. Christine	Trade in Services
	LEGLER, Mr. Thomas	TRIPS
	MÄCHLER, Ms. Monica	Trade in Goods and Services; TRIPS
	MEYER, Mr. Matthias	Trade in Goods and Services; TRIPS
	PANNATIER, Mr. Serge Nicolas	Trade in Goods
	SCHMID, Mr. Michael	Trade in Goods and Services
	TSCHÄENI, Mr. Hanspeter	Trade in Goods
	WASESCHA, Mr. Luzius	Trade in Goods and Services; TRIPS
	WEBER, Mr. Rolf H.	Trade in Services
	ZULAUF, Mr. Daniel	Trade in Goods and Services; TRIPS
THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU	CHANG, Ms. Yie-Yun	TRIPS
	KAO, Mr. Pei-Huan	Trade in Goods and Services; TRIPS
	LI, Ms. Catherine	Trade in Goods
	LIN, Ms. Tsai-Yu	Trade in Goods
	LO, Mr. Chang-Fa	Trade in Goods and Services
	NI, Mr. Kuei-Jung	Trade in Goods; TRIPS
	PENG, Ms. Shin-Yi	Trade in Goods and Services
	YANG, Ms. Guang-Hwa	Trade in Goods and Services
	YANG, Ms. Jen-Ni	Trade in Goods and Services
TURKEY	DILEMRE, Mr. Hüsnü	Trade in Goods
	GÜRAKAN, Ms. Tulû	Trade in Goods
	KABAALİOĞLU, Mr. A. Haluk	Trade in Goods and Services
	KAÇAR, Mr. Bayram	Trade in Goods

MEMBER	NAME	SECTORAL EXPERIENCE
	MOLLASALIHOĞLU, Mr. Yavuz	Trade in Goods
	YAMAN, Mr. Şahin	Trade in Goods
	YAPICI, Mr. Murat	Trade in Goods
TURKEY (cont'd)	YENAL, Mr. Aytaç	Trade in Goods
UNITED STATES	BROWN-WEISS, Ms. Edith	Trade in Goods and Services
	CONNELLY, Mr. Warren	Trade in Goods
	GANTZ, Mr. David A.	Trade in Goods
	GORDON, Mr. Michael Wallace	Trade in Goods
	HODGSON, Ms. Mélida	Trade in Goods and Services
	KASSINGER, Mr. Theodore W.	Trade in Goods and Services
	KHO, Mr. Stephen	Trade in Goods and Services; TRIPS
	LAYTON, Mr. Duane	Trade in Goods
	LICHTENSTEIN, Ms. Cynthia Crawford	Trade in Services
	McGINNIS, Mr. John Oldham	Trade in Goods; TRIPS
	PARTAN, Mr. Daniel G.	Trade in Goods
	POWELL, Mr. Stephen J.	Trade in Goods
	SANDSTROM, Mr. Mark R.	Trade in Goods and Services
	THOMPSON, Mr. George W.	Trade in Goods
	TROSSEVIN, Ms. Marguerite	Trade in Goods
	VERRILL, Jr. Mr. Charles Owen	Trade in Goods
URUGUAY	AMORÍN, Mr. Carlos	Trade in Goods; TRIPS
	CAYRÚS, Mr. Hugo	Trade in Goods and Services
	EHLERS, Mr. William	Trade in Goods
	ROSSELLI, Mr. Elbio	Trade in Goods
	VANERIO, Mr. Gustavo	Trade in Goods and Services

ANNEX

Administration of the Indicative List

1. To assist in the selection of panelists, the DSU provides in Article 8.4 that the Secretariat shall maintain an indicative list of qualified governmental and non-governmental individuals. Accordingly, the Chairman of the DSB proposed at the 10 February meeting that WTO Members review the roster of non-governmental panelists established on 30 November 1984 (BISD 31S/9) (hereinafter referred to as the "1984 GATT Roster) and submit nominations for the indicative list by mid-June 1995. On 14 March, The United States delegation submitted an informal paper discussing, amongst other issues, what information should accompany the nomination of individuals, and how names might be removed from the list. The DSB further discussed the matter in informal consultations on 15 and 24 March, and at the DSB meeting on 29 March. This note puts forward some proposals for the administration of the indicative list, based on the previous discussions in the DSB.

General DSU requirements

2. The DSU requires that the indicative list initially include "the roster of governmental and non-governmental panelists established on 30 November 1984 (BISD 31S/9) and other rosters and indicative lists established under any of the covered agreements, and shall retain names of persons on those rosters and indicative lists at the time of entry into force of the WTO Agreement" (DSU 8.4). Additions to the indicative list are to be made by Members who may "periodically suggest names of governmental and non-governmental individuals for inclusion on the indicative list, providing relevant information on their knowledge of international trade and of the sectors or subject matter of the covered agreements". The names "shall be added to the list upon approval by the DSB" (DSU 8.4).

Submission of information

3. As a minimum, the information to be submitted regarding each nomination should clearly reflect the requirements of the DSU. These provide that the list "shall indicate specific areas of experience or expertise of the individuals in the sectors or subject matter of the covered agreements" (DSU 8.4). The DSU also requires that panelists be "well-qualified governmental and/or non-governmental individuals, including persons who have served on or presented a case to a panel, served as a representative of a Member or of a contracting party to GATT 1947 or as a representative to the Council or Committee of any covered agreement or its predecessor agreement, or in the Secretariat, taught or published on international trade law or policy, or served as a senior trade policy official of a Member" (DSU 8.1).

4. The basic information required for the indicative list could best be collected by use of a standardized form. Such a form, which could be called a Summary Curriculum Vitae, would be filled out by all nominees to ensure that relevant information is obtained. This would also permit information on the indicative list to be stored in an electronic database, making the list easily updateable and readily available to Members and the Secretariat. As well as supplying a completed Summary Curriculum Vitae form, persons proposed for inclusion on the indicative list could also, if they wished, supply a full Curriculum Vitae. This would not, however, be entered into the electronic part of the database.

Updating of indicative list

5. The DSU does not specifically provide for the regular updating of the indicative list. In order to maintain the credibility of the list, it should however be completely updated every two years. Within the first month of each two-year period, Members would forward updated Curricula Vitae of persons appearing on the indicative list. At any time, Members would be free to modify the indicative list by proposing new names for inclusion, or specifically requesting removal of names of persons proposed by the Member who were no longer in a position to serve, or by updating the summary Curriculum Vitae.

6. Names on the 1984 GATT Roster that are not specifically resubmitted, together with up-to-date summary Curriculum Vitae, by a Member before 31 July 1995 would not appear after that date on the indicative list.

Other rosters

7. The Decision on Certain Dispute Settlement Procedures for the GATS (S/L/2 of 4 April 1995), adopted by the Council for Trade in Services on 1 March 1995, provides for a special roster of panelists with sectoral expertise. It states that "panels for disputes regarding sectoral matters shall have the necessary expertise relevant to the specific services sectors which the dispute concerns". It directs the Secretariat to maintain the roster and "develop procedures for its administration in consultation with the Chairman of the Council". A working document (S/C/W/1 of 15 February 1995) noted by the Council for Trade in Services states that "the roster to be established under the GATS pursuant to this Decision would form part of the indicative list referred to in the DSU". The specialized roster of panelists under the GATS should therefore be integrated into the indicative list, taking care that the latter provides for a mention of any service sectoral expertise of persons on the list.

8. A suggested format for the Summary Curriculum Vitae form for the purposes of maintaining the Indicative List is attached.

SUMMARY CURRICULUM VITAE
FOR PERSONS PROPOSED FOR THE INDICATIVE LIST[75]

1.	**Name:**	full name
2.	**Sectoral Experience** List here any particular sectors of expertise: (e.g. technical barriers, dumping, financial services, intellectual property, etc.)	
3.	**Nationality(ies)**	all citizenships
4.	**Nominating Member:**	the nominating Member
5.	**Date of birth:**	full date of birth
6.	**Current occupations:**	year beginning, employer, title, responsibilities
7.	**Post-secondary education**	year, degree, name of institution
8.	**Professional qualifications**	year, title
9.	**Trade-related experience in Geneva in the WTO/GATT system**	
	a. Served as a panelist	year, dispute name, role as chairperson/member
	b. Presented a case to a panel	year, dispute name, representing which party
	c. Served as a representative of a contracting party or member to a WTO or GATT body, or as an officer thereof	year, body, role
	d. Worked for the WTO or GATT Secretariat	year, title, activity
10.	**Other trade-related experience**	

[75] Members putting forward an individual for inclusion on the indicative list are requested to provide full contact details for this individual separately. The Summary Curriculum Vitae and the contact details should be sent electronically to the Secretariat.

	a. Government trade work	year, employer, activity
	b. Private sector trade work	year, employer, activity
11.	**Teaching and publications**	
	a. Teaching in trade law and policy	year, institution, course title
	b. Publications in trade law and policy	year, title, name of periodical/book, author/editor (if book)
12.	**Language capabilities**	ability to work as a panelist in WTO-official languages and any other language capability
	a. English	
	b. French	
	c. Spanish	
	d. Other language(s)	

WT/DSB/W/585

6 December 2016

PROPOSED NOMINATION FOR THE INDICATIVE LIST OF GOVERNMENTAL AND NON-GOVERNMENTAL PANELISTS

The following additional name has been proposed for inclusion on the Indicative List of Governmental and Non-Governmental Panelists, in accordance with Article 8.4 of the DSU.[76]

NOMINATING MEMBER	NAME	SECTORAL EXPERIENCE
MEXICO	MALPICA SOTO, Mr. Guillermo	Trade in Services

[76] The Curriculum Vitae containing more detailed information is available upon request from the WTO Secretariat (Council & TNC Division).

MEMBERSHIP OF THE WTO APPELLATE BODY
To December 31, 2016

In a December 22, 2015, communication, the Appellate Body informed Members that, pursuant to Rule 5.1 of the *Working Procedures for Appellate Review*, the Members of the Appellate Body elected Mr. Thomas Graham to serve as Chair of the Appellate Body, from January 1 through December 31, 2016.

From January 1, 2016, to May 31, 2016, the membership of the WTO Appellate Body was as follows (in alphabetical order): Mr. Ujal Singh Bhatia (India), Mr. Seung Wha Chang (Korea), Mr. Thomas Graham (United States), Mr. Ricardo Ramírez-Hernández (Mexico), Mr. Shree Baboo Chekitan Servansing (Mauritius), Mr. Peter Van den Bossche (Belgium) and Ms. Yuejiao Zhang (China).

From June 1, 2016 to November 30, 2016, the membership of the WTO Appellate Body was as follows (in alphabetical order): Mr. Ujal Singh Bhatia (India), Mr. Thomas Graham (United States), Mr. Ricardo Ramírez-Hernández (Mexico), Mr. Shree Baboo Chekitan Servansing (Mauritius), and Mr. Peter Van den Bossche (Belgium).

From December 1, 2016 to December 31, 2016, the membership of the WTO Appellate Body was as follows (in alphabetical order): Mr. Ujal Singh Bhatia (India), Mr. Thomas Graham (United States), Mr. Hyun Chong Kim (Korea), Mr. Ricardo Ramírez-Hernández (Mexico), Mr. Shree Baboo Chekitan Servansing (Mauritius), Mr. Peter Van den Bossche (Belgium), and Ms. Hong Zhao (China).

BIOGRAPHICAL NOTES:

Ujal Singh Bhatia

Born in India on 15 April 1950, Ujal Singh Bhatia is currently an independent consultant and academic engaged in developing a policy framework for Indian agricultural investments overseas, while at the same time working with the Commonwealth Secretariat on multilateral trade issues.

From 2004 to 2010, Mr. Bhatia was India's Permanent Representative to the WTO. During his tenure as Permanent Representative, he was an active participant in the dispute settlement process, representing India in a number of dispute settlement cases both as a complainant and respondent in disputes relating to antidumping, as well as taxation and import duty issues. He also has adjudicatory experience having served as a WTO dispute settlement panelist.

Mr. Bhatia previously served as Joint Secretary in the Indian Ministry of Commerce, where he focused on the legal aspects of international trade. During this period, he was also a Member of the Appellate Committee under the Foreign Trade (Development and Regulation) Act. The Committee heard appeals of exporters and importers against the orders of the Director General Foreign Trade. Mr. Bhatia was also Joint Secretary of the Ministry of Information and Broadcasting and held various positions in the public and private sectors of the Indian state of Orissa.

Mr. Bhatia's legal and adjudicatory experience spans three decades. He has focused on addressing domestic and international legal/jurisprudence issues, negotiating trade agreements and policy issues at the bilateral, regional and multilateral levels, and formulating and implementing trade and development policies for a range of agriculture, industry and service sector activities.

Mr. Bhatia is a frequent lecturer on international trade issues, and has published numerous papers and articles in Indian and foreign journals on a wide range of trade and economic issues.

Mr. Bhatia holds an M.A. in Economics from the University of Manchester and from Delhi University, as well as a B.A. (Hons.) in Economics, also from Delhi University.

Seung Wha Chang

Born in Korea on 1 March 1963, Seung Wha Chang is currently Professor of Law at Seoul National University where he teaches International Trade Law and International Arbitration.

He has served on several WTO dispute settlement panels, including U.S. — FSC, Canada — Aircraft Credits and Guarantees, and EC — Trademarks and Geographical Indications. He has also served as Chairman or Member of several arbitral tribunals dealing with commercial matters. In 2009, he was appointed by the International Chamber of Commerce (ICC) as a Member of the International Court of Arbitration.

Professor Chang began his professional academic career at the Seoul National University School of Law in 1995, and was awarded professorial tenure in 2002. He has taught international trade law and, in particular WTO dispute settlement, at more than 10 foreign law schools, including Harvard Law School, Yale Law School, Stanford Law School, New York University, Duke Law School, and Georgetown University. In 2007, Harvard Law School granted him an endowed visiting professorial chair title, Nomura Visiting Professor of International Financial Systems.

In addition, Professor Chang previously served as a Seoul District Court judge, handling many cases involving international trade disciplines. He also practiced as a foreign attorney at an international law firm in Washington D.C., handling international trade matters, including trade remedies and WTO-related disputes.

Professor Chang has published many books and articles in the field of International Trade Law in internationally recognized journals. In addition, he serves as an Editorial or Advisory Board Member of the Journal of International Economic Law (Oxford University Press) and the Journal of International Dispute Settlement (Oxford University Press).

Professor Chang holds a Bachelor of Laws degree (LL.B.) and a Master of Laws degree (LL.M.) from Seoul National University School of Law; and a Master of Laws degree (LL.M.) as well as a Doctorate in International Trade Law (S.J.D.) from Harvard Law School.

Thomas R. Graham

Born in the United States on November 23, 1942, Tom Graham is the former head of the international trade practice at a large international law firm and the founder of the international trade practice at another large international law firm. He was one of the first U.S. lawyers to represent respondents in trade remedy cases in various countries around the world, and he was among the first to bring economists, accountants, and other non-lawyer professionals into the international trade practices of private law firms. Most recently, Mr. Graham also headed his international trade practice group's committee on long-term planning and development.

In private law practice, Mr. Graham has participated in trade remedy proceedings, often collaborating with local counsel and national authorities in various countries to develop legal interpretations of laws and

regulations consistent with GATT/WTO agreements, and negotiating the resolution of international trade disputes.

Mr. Graham served as Deputy General Counsel in the Office of the U.S. Trade Representative where he was instrumental in the negotiation of the Tokyo Round Agreement on Technical Barriers to Trade and where he represented the U.S. Government in dispute settlement proceedings under the GATT.

Earlier in his career, Mr. Graham served for three years in Geneva as a Legal Officer at the United Nations Conference on Trade and Development (UNCTAD).

Mr. Graham was the first chairman of the American Society of International Law's Committee on International Economic Law and the chair of the American Bar Association's Subcommittee on Exports. He has been a visiting professor at the University of North Carolina Law School and an adjunct professor at the Georgetown Law Center and the American University Washington College of Law. He has edited books on international trade policy, and international trade and environment, and he has written many articles and monographs on international trade law and policy as a Guest Scholar at the Brookings Institution and as a Senior Associate at the Carnegie Endowment for International Peace.

Mr. Graham holds a BA in International Relations and Economics from Indiana University and a J.D. from Harvard Law School.

Hyun Chong Kim

Mr. Kim received his Degrees of Bachelor, Masters and Juris Doctor from Columbia University in New York. He served as Trade Minister for Korea from 2004 to 2007, during which time Korea negotiated free trade agreements with more than 40 countries, including Korea's biggest trading partners. As minister, Mr. Kim was appointed Facilitator for the services negotiations at the WTO's December 2005 Hong Kong Ministerial Conference and helped Korea host the November 2005 Asia-Pacific Economic Cooperation (APEC) Leaders' Summit in Busan. He served as Korea's Ambassador to the United Nations from 2007 to 2008 and was elected Vice President of the UN Economic and Social Council in 2008, where he worked towards achievement of the Millennium Development Goals.

Between 1999 and 2003, Mr. Kim was a senior lawyer in the WTO's Appellate Body Secretariat and Legal Affairs Division, where he worked on cases related to IPR, services, TRIMs, safeguards, and subsidies/countervailing measures, among others. More recently, Mr. Kim oversaw patent and anti-trust litigation with a major Korean corporation and is currently a professor at Hankuk University of Foreign Studies in Seoul, where he focuses on trade law and trade policies.

Ricardo Ramírez-Hernández

Born in Mexico on October 17, 1968, Ricardo Ramírez-Hernández holds the Chair of International Trade Law at the Mexican National University (UNAM) in Mexico City. He was Head of the International Trade Practice for Latin America of an international law firm in Mexico City. His practice focused on issues related to NAFTA and trade across Latin America, including international trade dispute resolution.

Prior to practicing with a law firm, Mr. Ramírez-Hernández was Deputy General Counsel for Trade Negotiations of the Ministry of Economy in Mexico for more than a decade. In this capacity, he provided advice on trade and competition policy matters related to 11 free trade agreements signed by Mexico, as

well as with respect to multilateral agreements, including those related to the WTO, the Free Trade Area of the Americas (FTAA), and the Latin American Integration Association (ALADI).

Mr. Ramírez-Hernández also represented Mexico in complex international trade litigation and investment arbitration proceedings. He acted as lead counsel to the Mexican government in several WTO disputes. He has also served on NAFTA panels and International Centre for Settlements of Investment Disputes (ICSID) arbitral tribunals.

Mr. Ramírez-Hernández holds an LL.M. degree in International Business Law from American University Washington College of Law, and a law degree from the Universidad Autónoma Metropolitana.

Shree Baboo Chekitan Servansing

Born in Mauritius on April 22, 1955, Shree Baboo Chekitan Servansing enjoyed a long and distinguished career with the Mauritian civil service. From 2004 to 2012, Mr. Servansing was Mauritius' Ambassador and Permanent Representative to the United Nations Office and other International Organizations in Geneva, including the WTO. During his tenure as Permanent Representative, he served on various Committees at the WTO, and chaired the Committees on Trade and Environment, and Trade and Development. He also chaired the Work Programme on Small Economies, the dedicated session on Aid-for-Trade, and the African Group, and was coordinator of the African Caribbean Pacific (ACP) Group.

Mr. Servansing previously worked, in various capacities, for the Mauritius Ministry of Foreign Affairs in Mauritius, India and Belgium. During his tenure at the Mauritius Embassy in Belgium, he was intensively involved in the ACP-EU negotiations leading to the Cotonou Agreement and subsequently in the Economic Partnership Agreement (EPA) negotiations. Mr. Servansing also served as the personal representative of the Prime Minister of Mauritius on the Steering Committee of the New Partnership for Africa's Development (NEPAD). In this capacity he was engaged in the strategic formulation of Africa's flagship development framework.

Upon retiring from civil service, Mr. Servansing served as the head of the ACP-EU Programme on Technical Barriers to Trade in Brussels from 2012 to 2014. In this position, he was responsible for facilitating the building of capacity among ACP countries in order to enhance their export competitiveness, and improve their Quality Infrastructure to comply with technical regulations.

Mr. Servansing's experience in trade policy, trade negotiations, and the multilateral trading system spans three decades. He has frequently spoken on international trade issues, and has published numerous papers and articles in Mauritian and foreign journals on a variety of trade-related issues.

Mr. Servansing holds an M.A. from the University of Sussex, a Postgraduate Diploma in Foreign Affairs and International Trade from Australian National University, and a B.A. (Hons.) from the University of Mauritius.

Peter Van den Bossche

Born in Belgium on March 31, 1959, Peter Van den Bossche is Professor of International Economic Law at Maastricht University, the Netherlands, and Visiting Professor at the College of Europe in Bruges, Belgium. Mr. Van den Bossche is a member of the Board of Editors of the *Journal of International Economic Law*.

Mr. Van den Bossche holds a Doctorate in Law from the European University Institute, Florence, an LL.M. from the University of Michigan Law School, and a Licentiate in de Rechten *magna cum laude* from the

University of Antwerp. From 1990 to 1992, he served as a référendaire of Advocate General W. van Gerven at the European Court of Justice in Luxembourg. From 1997 to 2001, Mr. Van den Bossche was Counsellor and subsequently Acting Director of the WTO Appellate Body Secretariat. In 2001, he returned to academia, and from 2002 to 2009 frequently acted as a consultant to international organizations and developing countries on issues of international economic law. He also served and serves on the faculty of the World Trade Institute in Berne, Switzerland; the China-EU School of Law (CESL) at the China University of Political Science and Law (CUPL) in Beijing, China; the IELPO Programme of the University of Barcelona, Spain; the Trade Policy Training Centre in Africa (trapca) in Arusha, Tanzania; the IEEM Academy of International Trade and Investment Law in Macau, China; and the Koç University School in Istanbul, Turkey.

Mr. Van den Bossche has published extensively in the field of international economic law. The third edition of his textbook, *The Law and Policy of the World Trade Organization*, was published by Cambridge University Press in 2013.

Yuejiao Zhang

Born in China on 25 October 1944, Ms. Yuejiao Zhang is Professor of Law at Shantou University in China. She is an Arbitrator on China's International Trade and Economic Arbitration Commission and practices law as a private attorney. Ms. Zhang also serves as Vice President of China's International Economic Law Society.

Between 1998 and 2004, Ms. Zhang held various positions at the Asian Development Bank. Prior to this, Ms. Zhang held several positions in government and academia in China, including as Director-General of Law and Treaties at the Ministry of Foreign Trade and Economic Cooperation (1984-1997) where she was involved in drafting many of China's trade laws, such as the Foreign Trade Law, the Anti-Dumping Regulation and the Anti-Subsidy Regulation.

From 1987 to 1996, Ms. Zhang was one of China's chief negotiators on intellectual property and was involved in the preparation of China's patent law, trade mark law, and copyright law. She also served as the chief legal counsel for China's GATT resumption and WTO accession. Between 1982 and 1985, Ms. Zhang worked as legal counsel at the World Bank.

Ms. Zhang was a Member of UNIDROIT from 1987-1999. She has a Bachelor of Arts from China High Education College and a Master of Laws from Georgetown University Law.

Hong Zhao

Ms. Zhao received her Degrees of Bachelor, Masters and PhD in Law from the Law School of Peking University in China. She currently serves as Vice President of the Chinese Academy of International Trade and Economic Cooperation. Previously she served as Minister Counsellor in charge of legal affairs at China's mission to the WTO, during which time she served as Chair of the WTO's Committee on Trade-Related Investment Measures (TRIMs). Ms. Zhao then served as Commissioner for Trade Negotiations at the Chinese Ministry of Commerce's Department for WTO Affairs, where she participated in a number of important negotiations on international trade, including the Trade Facilitation Agreement negotiations, and negotiations on expansion of the Information Technology Agreement.
Domestically, Ms. Zhao helped formulate many important Chinese legislative acts on economic and trade areas adopted since the 1990s and has experience in China's judiciary system, serving as Juror at the Economic Tribunal of the Second Intermediate Court of Beijing between 1999 and 2004. She has also taught and supervised law students on international economic Law, WTO law and intellectual property rights (IPR) at various universities in China.

Source: http://www.wto.org/english/tratop_e/dispu_e/ab_members_descrp_e.htm

Where to Find More Information on the WTO

Information about the WTO and trends in international trade is available to the public at the following websites:

The USTR home page: http://www.ustr.gov

The WTO home page: http://www.wto.org

U.S. submissions are available electronically on the WTO website using Documents Online, which can retrieve an electronic copy by the "document symbol". Electronic copies of U.S. submissions are also available at the USTR website.

Examples of information available on the WTO home page include:

Descriptions of the Structure and Operations of the WTO, such as:

- WTO Organizational Chart
- Biographic backgrounds
- Budgets for the WTO
- WTO Budget Contributions
- Membership
- General Council activities
- WTO Secretariat Statistics

WTO News, such as:

- Status of dispute settlement cases
- Press Releases on Appointments to WTO Bodies, Appellate Body Reports and Panel Reports, and others
- Schedules of future WTO meetings
- Trade Policy Review Mechanism reports on individual Members' trade practices

Resources including Official Documents, such as:

- Notifications required by the Uruguay Round Agreements
- Working Procedures for Appellate Review
- Special Studies on key WTO issues
- On-line document database where one can find and download official documents
- Legal Texts of the WTO agreements
- WTO Annual Reports

Community/Fora, such as:

- Media and NGOs
- General public news and chat rooms
- Facebook
- YouTube
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Trade Topics, such as:

- Briefing Papers on WTO activities in individual sectors, including goods, services, intellectual property, other topics
- Disputes and Dispute Reports

WTO publications may be ordered directly from the following sources:

1. The World Trade Organization
   Publications Services
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ANNEX III

U.S. TRADE-RELATED AGREEMENTS AND DECLARATIONS

I. Agreements That Have Entered Into Force

Following is a list of trade agreements entered into by the United States since 1984 and monitored by the Office of the United States Trade Representative for compliance.

Multilateral and Plurilateral Agreements

- Marrakesh Agreement Establishing the World Trade Organization (WTO) (signed April 15, 1994), the Ministerial Decisions and Declarations adopted by the Uruguay Round Trade Negotiations Committee on December 15, 1993, and subsequent WTO agreements.

    a. Multilateral Agreements on Trade in Goods

        i. General Agreement on Tariffs and Trade 1994
        ii. Agreement on Agriculture
        iii. Agreement on the Application of Sanitary and Phytosanitary Measures
        iv. Agreement on Technical Barriers to Trade
        v. Agreement on Trade-Related Investment Measures
        vi. Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994
        vii. Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994
        viii. Agreement on Preshipment Inspection
        ix. Agreement on Rules of Origin
        x. Agreement on Import Licensing Procedures
        xi. Agreement on Subsidies and Countervailing Measures
        xii. Agreement on Safeguards

    b. General Agreement on Trade in Services (GATS)

        i. Fourth Protocol to the GATS (Basic Telecommunication Services) (February 5, 1998)
        ii. Fifth Protocol to the GATS (Financial Services) (March 1, 1999)

    c. Agreement on Trade-Related Aspects of Intellectual Property Rights

    d. Plurilateral Trade Agreements

        i. Agreement on Trade in Civil Aircraft (April 12, 1979; amended in 1986)
        ii. Agreement on Government Procurement (April 15, 1994; amended in 2014)

- WTO Ministerial Declaration on Trade in Information Technology Products (Information Technology Agreement (ITA)) (March 26, 1997)

- Declaration on the Expansion of Trade in Information Technology Products (July 28, 2015)

- International Tropical Timber Agreement (successor to the 1994 International Tropical Timber Agreement, December 7, 2011)

- International Coffee Agreement 2007 (successor to the 2001 International Coffee Agreement; entered into force February 2, 2011)

- North American Free Trade Agreement (January 1, 1994)

    i. Agreement with Mexico and Canada to a first round of NAFTA Accelerated Tariff Elimination (March 26, 1997)
    ii. Agreement with Mexico and Canada to a second round of NAFTA Accelerated Tariff Elimination (July 27, 1998)
    iii. Agreement with Mexico to a third round of NAFTA Accelerated Tariff Elimination (November 29, 2000)
    iv. Agreement with Mexico to a fourth round of NAFTA Accelerated Tariff Elimination (December 5, 2001)
    v. Agreement with Mexico and Canada on adjustments to the NAFTA Rules of Origin (November 27, 2002)
    vi. Agreement with Mexico and Canada on adjustments to the NAFTA Rules of Origin (October 8, 2004)
    vii. Agreement with Mexico and Canada on adjustments to the NAFTA Rules of Origin (March 8, 2006)
    viii. Agreement with Mexico and Canada on adjustments to the NAFTA Rules of Origin (April 11, 2008)
    ix. Agreement with Mexico and Canada on adjustments to the NAFTA Rules of Origin (April 9, 2009)

- North American Agreement on Environmental Cooperation (January 1, 1994)

- North American Agreement on Labor Cooperation (January 1, 1994)

- Statement Concerning Semiconductors by the European Commission and the Governments of the United States, Japan, and Korea (June 10, 1999)

- Agreement on Mutual Acceptance of Oenological Practices (December 18, 2001)

- The Dominican Republic-Central America-United States Free Trade Agreement (Costa Rica (January 1, 2009); the Dominican Republic (March 1, 2007); El Salvador (March 1, 2006); Guatemala (July 1, 2006); Honduras (April 1, 2006); and Nicaragua (April 1, 2006))

    i. Amendment to the Dominican Republic-Central America-United States Free Trade Agreement relating to Article 22.5 (March 29, 2006)
    ii. Amendment to the Dominican Republic-Central America-United States Free Trade Agreement relating to Textiles Matters (August 15, 2008)
    iii. Amendment to the Dominican Republic-Central America-United States Free Trade Agreement relating to Guatemala Tariffs on Beer (February 4, 2009)
    iv. Decision Regarding the Rules of Origin for Textile and Apparel Goods (Feb. 23, 2011)
    v. Decision Regarding Appendix 4.1-B (Feb. 23, 2011)
    vi. Decision Regarding Annex 9.1.2(b)(i) (Feb. 23, 2011)
    vii. Decision Regarding Common Guidelines for the Interpretation, Application and Administration of Chapter Four (October 27, 2012)
    viii. Decision Regarding the Specific Rules of Origin of Annex 4.1 (March 26, 2015)

ix. Decision Regarding the Special Rules of Origin of Appendix 3.3.6 (March 26, 2015)
x. Decision Regarding The Tariff Elimination for Lines 15071000, 15121100 and 15152100 of Annex 3.3 (Tariff Schedule of Costa Rica) (March 26, 2015)

- Agreement Establishing a Secretariat for Environmental Matters Under the Dominican Republic-Central America-United States Free Trade Agreement (August 25, 2006)

- Agreement on Duty-Free Treatment of Multi-Chips Integrated Circuits (MCPs) (January 18, 2006) (Korea, Taiwan, Japan, European Union, and the United States)

- Agreement on Requirements for Wine Labeling (January 23, 2007) (Australia, Argentina, Canada, Chile, New Zealand, and the United States)

Bilateral Agreements

Albania

- Agreement on Bilateral Trade Relations (May 14, 1992)
- Bilateral Investment Treaty (January 4, 1998)

Argentina

- Private Courier Mail Agreement (May 25, 1989)
- Bilateral Investment Treaty (October 20, 1994)

Armenia

- Agreement on Bilateral Trade Relations (April 7, 1992)
- Bilateral Investment Treaty (March 29, 1996)

Australia

- Settlement on Leather Products Trade (November 25, 1996)
- Understanding on Automotive Leather Subsidies (June 20, 2000)
- Agreement to Implement Phase I of the Asia Pacific Economic Cooperation (APEC) Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment (October 19, 2002)
- United States-Australia Free Trade Agreement (January 1, 2005)

Azerbaijan

- Agreement on Bilateral Trade Relations (April 21, 1995)
- Bilateral Investment Treaty (August 2, 2001)

Bahrain

- Bilateral Investment Treaty (May 30, 2001)
- United States-Bahrain Free Trade Agreement (August 1, 2006)

Bangladesh

- Bilateral Investment Treaty (July 25, 1989)

Belarus

- Agreement on Bilateral Trade Relations (February 16, 1993)

Bolivia

- Bilateral Investment Treaty (June 6, 2001)

Brazil

- Memorandum of Understanding Between the Government of Brazil and the Government of the United States Concerning Trade Measures in the Automotive Sector (March 16, 1998)
- Exchange of Letters between the United States and Brazil Regarding Certain Distinctive Products (April 9, 2012)
- Memorandum of Understanding Between the Government of the United States and the Government of the Federative Republic of Brazil Related to the Cotton Dispute (WT/DS267) (October 1, 2014)

Bulgaria

- Agreement on Trade Relations (November 22, 1991)
- Bilateral Investment Treaty (June 2, 1994; amended January 1, 2007)
- Agreement Concerning Intellectual Property Rights (July 6, 1994)

Cambodia

- Agreement between the United States of America and the Kingdom of Cambodia on Trade Relations and Intellectual Property Rights Protection (October 8, 1996)

Cameroon

- Bilateral Investment Treaty (April 6, 1989)

Canada

- Agreement on Salmon & Herring (May 11, 1993)
- Agreement Regarding Tires (May 25, 1993)
- Memorandum of Understanding on Provincial Beer Marketing Practices (August 5, 1993)
- Agreement on Ultra-High Temperature Milk (September 1993)
- Agreement on Beer Market Access in Quebec and British Columbia Beer Antidumping Cases (April 4, 1994)
- Agreement on Salmon & Herring (April 1994)
- Agreement on Barley Tariff-Rate Quota (September 8, 1997)
- Record of Understanding on Agriculture (December 1998)
- Agreement on Magazines (Periodicals) (May 1999)

- Agreement on Implementation of the WTO Decision on Canada's Dairy Support Programs (December 1999)
- Agreement to Implement Phase I of the Asia Pacific Economic Cooperation (APEC) Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment (January 17, 2002)
- Agreement to Implement Phase II of the Asia Pacific Economic Cooperation (APEC) Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment (January 28, 2003)
- United States-Canada Understanding on Implementation of the Decision of the WTO General Council of August 30, 2003, on "Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health" as Interpreted by the Accompanying Statement of the Chairman of the General Council of the Same Date (July 16, 2004)
- Technical Arrangement between the United States and Canada concerning Trade in Potatoes (November 1, 2007)
- Agreement Between the Government of the United States and the Government of Canada on Government Procurement (February 16, 2010)
- United States-Canada Exchange of Letters on Milk Equivalence (February 4, 2016)

Chile

- United States-Chile Free Trade Agreement (January 1, 2004)
- United States-Chile Agreement on Accelerated Tariff Elimination (November 14, 2008)
- United States-Chile Agreement on Trade in Table Grapes (November 21, 2008)
- United States-Chile Agreement on Beef Grade Labeling (March 26, 2009)
- United States-Chile Exchange of Letters on Chapter 17 of United States-Chile Free Trade Agreement (March 17, 2011)
- United States-Chile Exchange of Letters on Salmonid Eggs (February 4, 2016)

China

- Accord on Industrial and Technological Cooperation (January 12, 1984)
- Memorandum of Understanding on the Protection of Intellectual Property Rights (January 17, 1992)
- Memorandum of Understanding on Prohibiting Import and Export in Prison Labor Products (June 18, 1992)
- Memorandum of Understanding Concerning Market Access (October 10, 1992)
- Agreement on Trade Relations between the United States of America and the People's Republic of China (February 1, 1980)
- Agreement on Providing Intellectual Property Rights Protection (February 26, 1995)

- Report on China's Measures to Enforce Intellectual Property Protections and Other Measures (June 17, 1996)
- Interim Agreement on Market Access for Foreign Financial Information Companies (Xinhua) (October 24, 1997)
- Bilateral Agriculture Agreement (April 10, 1999)
- Memorandum of Understanding between China and the United States Regarding China's Value-Added Tax on Integrated Circuits (July 14, 2004)
- Memorandum of Understanding between the Governments of the United States of America and the People's Republic of China Concerning Trade in Textile and Apparel Products (November 8, 2005)
- Memorandum of Understanding between the United States of America and the People's Republic of China Regarding Certain Measures Granting Refunds, Reductions, or Exemptions from Taxes or Other Payments (November 29, 2007)
- Memorandum of Understanding between the United States of America and the People's Republic of China Regarding Certain Measures Affecting Foreign Suppliers of Financial Information Services (November 13, 2008)
- Memorandum of Understanding between the People's Republic of China and the United States of America Regarding Films for Theatrical Release (April 25, 2012)

Colombia

- Memorandum of Understanding on Trade in Bananas (January 9, 1996)
- Exchange of Letters between the United States and Colombia on Sanitary and Phyto-sanitary Measures and Technical Barriers to Trade Issues (February 27, 2006)
- Exchange of Letters between the United States and Colombia on Beef Sanitary and Phyto-sanitary Issues (August 21, 2006)
- Exchange of Letters between United States and Colombia on Control Measures on Avian Influenza (April 15, 2012)
- Exchange of Letters between United States and Colombia on Control Measures on Salmonella in Poultry and Poultry Products (April 15, 2012)
- Exchange of Letters between United States and Colombia on Phyto-sanitary Measures for Paddy Rice (April 15, 2012)
- Exchange of Letters between United States and Colombia related to Constitutional Court Review of Certain IPR Treaties (April 15, 2012)
- United States-Colombia Trade Promotion Agreement (May 15, 2012)
    i. Decision of the Free Trade Commission of the United States – Colombia Trade Promotion Agreement Regarding Clarification of the Definition of Poultry in the Context of Appendix I, Paragraph 6, of Colombia's Tariff Schedule (September 25, 2012)

ii. Decision No. 2 of Free Trade Commission of the United States – Colombia Trade Promotion Agreement by which ECOPETROL Qualifies as a Special Covered Entity Under Section D of Annex 9.1 (November 19, 2012)

- Exchange of Letters between the United States and Colombia Establishing the Committee of Sanitary and Phyto-Sanitary (SPS) and SPS Committee Terms of Reference (June 14, 2012)

Congo, Democratic Republic of the (formerly Zaire)

- Bilateral Investment Treaty (July 28, 1989)

Congo, Republic of the

- Bilateral Investment Treaty (August 13, 1994)

Costa Rica

- Memorandum of Understanding on Trade in Bananas (January 9, 1996)

Croatia

- Memorandum of Understanding on Intellectual Property Rights (May 26, 1998)
- Bilateral Investment Treaty (June 20, 2001)

Czech Republic

- Bilateral Investment Treaty (December 19, 1992; amended May 1, 2004)

Dominican Republic

- Exchange of Letters on Trade in Textile and Apparel Goods (October 21, 2006)

Ecuador

- Agreement on Intellectual Property Rights Protection (October 15, 1993)
- Bilateral Investment Treaty (May 11, 1997)

Egypt

- Bilateral Investment Treaty (June 27, 1992)

Estonia

- Bilateral Investment Treaty (February 16, 1997; amended May 1, 2004)

European Economic Area – European Free Trade Association (EEA EFTA States – Norway, Iceland, and Liechtenstein)

- Agreement on Mutual Recognition between the United States of America and the EEA EFTA States Regarding Telecommunications Equipment, Electromagnetic Compatibility and Recreational Craft (March 1, 2006)

- Agreement between the United States of America and the EEA EFTA States on the Mutual Recognition of Certificates of Conformity for Marine Equipment (March 1, 2006)

European Union

- Wine Accord (July 1983)

- Agreement for the Conclusion of Negotiations between the United States and the European Community under GATT Article XXIV:6 (January 30, 1987)

- Agreement on Exports of Pasta with Settlement, Annex and Related Letter (September 15, 1987)

- Agreement on Canned Fruit (updated) (April 14, 1992)

- Agreement on Meat Inspection Standards (November 13, 1992)

- Corn Gluten Feed Exchange of Letters (December 4 and 8, 1992)

- Malt-Barley Sprouts Exchange of Letters (December 4 and 8, 1992)

- Oilseeds Agreement (December 4 and 8, 1992)

- Agreement on Recognition of Bourbon Whiskey and Tennessee Whiskey as Distinctive U.S. Products (March 28, 1994)

- Memorandum of Understanding on Government Procurement (April 15, 1994)

- Letter on Financial Services Confirming Assurances to Provide Full MFN and National Treatment (July 14, 1995)

- Agreement on EU Grains Margin of Preference (signed July 22, 1996; retroactively effective December 30, 1995)

- Exchange of Letters Concerning Implementation of the Marrakesh Agreement Establishing the World Trade Organization and Related Matters (June 26, 1996)

- Exchange of Letters between the United States of America and the European Community on a Settlement for Cereals and Rice, and Accompanying Exchange of Letters on Rice Prices (July 22, 1996)

- Agreement for the Conclusion of Negotiations between the United States of America and the European Community under GATT Article XXIV:6, and Accompanying Exchange of Letters (signed July 22, 1996; retroactively effective December 30, 1995)

- Tariff Initiative on Distilled Spirits (February 28, 1997)

- Agreement on Global Electronic Commerce (December 9, 1997)

- Agreed Minute on Humane Trapping Standards (December 18, 1997)

- Agreement on Mutual Recognition between the United States of America and the European Community (December 1, 1998)
- Agreement between the United States and the European Community on Sanitary Measures to Protect Public and Animal Health in Trade in Live Animals and Animal Products (July 20, 1999)
- Understanding on Bananas (April 11, 2001)
- Agreement between the United States of America and the European Community on the Mutual Recognition of Certificates of Conformity for Marine Equipment (July 1, 2004)
- Agreement in the Form of an Exchange of Letters between the United States and the European Community Relating to the Method of Calculation of Applied Duties for Husked Rice (June 30, 2005; retroactively effective March 1, 2005)
- Agreement between the United States and European Community on Trade in Wine (March 10, 2006)
- Agreement in the Form of an Exchange of Letters between the United States and the European Union pursuant to Article XXIV:6 and Article XXVIII of the GATT 1994 Relating to the Modification of Concessions in the Schedules of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic in the Course of their Accession to the European Union (March 22, 2006)
- Joint Letter from the United States and the European Communities on implementation of GATS Article XXI procedures relating to the accession to the European Communities of the Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Austria, Poland, Slovenia, the Slovak Republic, Finland, and Sweden (August 7, 2006)
- Memorandum of Understanding Between the United States and European Commission Regarding the Importation of Beef from Animals Not Treated with Certain Growth-Promoting Hormones and Increased Duties Applied to Certain Products of the European Communities (May 13, 2009)
- Agreement on Trade in Bananas Between the United States of America and the European Union (January 24, 2013)
- Agreement in the Form of an Exchange of Letters Between the United States of America and the European Union Pursuant to Articles XXIV:6 and XXVIII of the GATT 1994 (July 1, 2013)

Georgia

- Agreement on Bilateral Trade Relations (August 13, 1993)
- Bilateral Investment Treaty (August 17, 1997)

Grenada

- Bilateral Investment Treaty (March 3, 1989)

Haiti

- Exchange of Letters on Trade in Textile and Apparel Goods (September 18, 2008)

Hong Kong

- Agreement to Implement Phase I and Phase II of the Asia Pacific Economic Cooperation (APEC) Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment (April 4, 2005)
- Memorandum of Understanding between the United States of America and the Hong Kong Special Administrative Region Concerning Cooperation in Trade in Textile and Apparel Goods (August 1, 2005)

Honduras

- Memorandum of Understanding on Worker Rights (November 15, 1995)
- Bilateral Investment Treaty (July 11, 2001)

Hungary

- Agreement on Trade Relations (July 7, 1978)
- Agreement on Intellectual Property Rights Protection (September 29, 1993)

India

- Agreement Regarding Indian Import Policy for Motion Pictures (February 5, 1992)
- Reduction of Tariffs on In-Shell Almonds (May 27, 1992)
- Agreement on Intellectual Property Rights Protections (March 1993)
- Agreement on Import Restrictions (December 28, 1999)
- Agreement on Textile Tariff Bindings (September 15, 2000)

Indonesia

- Conditions for Market Access for Films and Videos into Indonesia (April 19, 1992)
- Memorandum of Understanding with Indonesia Concerning Cooperation in Trade in Textile and Apparel Goods (September 26, 2006)

Israel

- United States-Israel Free Trade Agreement (August 19, 1985)
- United States-Israel Agreement Concerning Certain Aspects of Trade in Agricultural Products (July 27, 2004; extended by Exchange of Letters (December 10, 2008; December 6, 2009; December 12, 2010; December 6, 2011; November 19, 2012; November 26, 2013, December 8, 2014)
- Mutual Recognition Agreement between the Government of the United States of America and the Government of the State of Israel for Conformity Assessment of Telecommunications Equipment (December 12, 2013)

Jamaica

- Agreement on Intellectual Property (February 1994)
- Bilateral Investment Treaty (March 7, 1997)

Japan

- Market-Oriented Sector-Selective (MOSS) Agreement on Medical Equipment and Pharmaceuticals (January 9, 1986)
- Exchange of Letters Regarding Tobacco (October 6, 1986)
- Foreign Lawyers Agreement (February 27, 1987)
- Science and Technology Agreement (June 20, 1988; extended June 16, 1993)
- Procedures to Introduce Supercomputers (June 15, 1990)
- Measures Relating to Wood Products (June 15, 1990)
- Policies and Procedures Regarding Satellite Research and Development/Procurement (June 15, 1990)
- Policies and Procedures Regarding International Value-Added Network Services and Network Channel Terminating Equipment (July 31, 1990)
- Joint Announcement on Amorphous Metals (September 21, 1990)
- Measures Further to 1990 Policies and Procedures regarding International Value-Added Network Services (April 27, 1991)
- Measures Regarding International Value-Added Network Services Investigation Mechanisms (June 25, 1991)
- United States-Japan Major Projects Arrangement (July 31, 1991; originally negotiated 1988)
- Measures Related to Japanese Public Sector Procurement of Computer Products and Services (January 22, 1992)
- United States-Japan Framework for a New Economic Partnership (July 10, 1993)
- Exchange of Letters Regarding Apples (September 13, 1993)
- United States-Japan Public Works Agreement (January 18, 1994)
- Mutual Understanding on Intellectual Property Rights between the Japanese Patent Office and the U.S. Patent and Trademark Office (January 20, 1994)
- Rice (April 15, 1994)
- Harmonized Chemical Tariffs (April 15, 1994)
- Copper (April 15, 1994)
- Market Access (April 15, 1994)

- Actions to be Taken by the Japanese Patent Office and the U.S. Patents and Trademark Office pursuant to the January 20, 1994, Mutual Understanding on Intellectual Property Rights (August 16, 1994)
- Measures by the Government of the United States and the Government of Japan Regarding Insurance (October 11, 1994)
- Measures on Japanese Public Sector Procurement of Telecommunications Products and Services (November 1, 1994)
- Measures Related to Japanese Public Sector Procurement of Medical Technology Products and Services (November 1, 1994)
- Measures Regarding Financial Services (February 13, 1995)
- Policies and Measures Regarding Inward Direct Investment and Buyer-Supplier Relationships (June 20, 1995)
- Exchange of Letters on Financial Services (July 26 and 27, 1995)
- Interim Understanding for the Continuation of Japan-U.S. Insurance Talks (September 30, 1996)
- United States-Japan Insurance Agreement (December 24, 1996)
- Japan's Recognition of U.S.-Grade marked Lumber (January 13, 1997)
- Resolution of WTO dispute with Japan on Sound Recordings (January 13, 1997)
- National Policy Agency Procurement of VHF Radio Communications System (March 31, 1997)
- United States-Japan Enhanced Initiative on Deregulation and Competition Policy (June 19, 1997)
- United States-Japan Agreement on Distilled Spirits (December 17, 1997)
- First Joint Status Report on Deregulation and Competition Policy (May 29, 1998)
- United States-Japan Joint Report on Investment (April 28, 1999)
- Second Joint Status Report on Deregulation and Competition Policy (May 3, 1999)
- United States-Japan Agreement on NTT Procurement Procedures (July 1, 1999)
- Third Joint Status Report on Deregulation and Competition Policy (July 19, 2000)
- Fourth Joint Status Report on Deregulation and Competition Policy (June 30, 2001)
- United States-Japan Economic Partnership for Growth (June 30, 2001)
- First Report to the Leaders on the U.S.-Japan Regulatory Reform and Competition Policy Initiative (June 25, 2002)
- Second Report to the Leaders on the U.S.-Japan Regulatory Reform and Competition Policy Initiative (May 23, 2003)
- Third Report to the Leaders on the U.S.-Japan Regulatory Reform and Competition Policy Initiative (June 8, 2004)

- Fourth Report to the Leaders on the U.S.-Japan Regulatory Reform and Competition Policy Initiative (November 2, 2005)
- Fifth Report to the Leaders on the U.S.-Japan Regulatory Reform and Competition Policy Initiative (June 29, 2006)
- Sixth Report to the Leaders on the U.S.-Japan Regulatory Reform and Competition Policy Initiative (June 6, 2007)
- Agreement on Mutual Recognition of Results of Conformity Assessment Procedures between the United States of America and Japan (U.S.-Japan Telecom MRA) (January 1, 2008)
- Seventh Report to the Leaders on the U.S.-Japan Regulatory Reform and Competition Policy Initiative (July 5, 2008)
- Eighth Report to the Leaders on the U.S.-Japan Regulatory Reform and Competition Policy Initiative (July 6, 2009)
- Memorandum Between the Relevant Authorities of the United States and the Ministry of Health, Labour and Welfare of Japan Concerning Enforcement of Japan's Pesticide Maximum Residue Levels (July 28, 2009)
- Record of Discussion, U.S.-Japan Economic Harmonization Initiative (January 27, 2012)
- U.S.-Japan Exchange of Letters on certain distilled spirits and wine (February 4, 2016)

Jordan

- Agreement between the United States and Hashemite Kingdom of Jordan on the Establishment of a Free Trade Area (December 17, 2001)
- Bilateral Investment Treaty (June 12, 2003)

Kazakhstan

- Agreement on Bilateral Trade Relations (February 18, 1993)
- Bilateral Investment Treaty (January 12, 1994)

Korea

- Record of Understanding on Intellectual Property Rights (August 28, 1986)
- Agreement on Access of U.S. Firms to Korea's Insurance Markets (August 28, 1986)
- Record of Understanding Concerning Market Access for Cigarettes (May 27, 1988; amended October 16, 1989)
- Agreement Concerning the Korean Capital Market Promotion Law (September 1, 1988)
- Agreement on the Importation and Distribution of Foreign Motion Pictures (December 30, 1988)
- Agreement on Market Access for Wine and Wine Products (January 18, 1989)
- Investment Agreement (May 19, 1989)

- Agreement on Liberalization of Agricultural Imports (May 25, 1989)
- Record of Understanding on Telecommunications (January 23, 1990)
- Record of Understanding on Telecommunications (February 15, 1990)
- Exchange of Letters Regarding the 1986 Intellectual Property Rights Agreement: Product Pipeline Protection (February 22, 1990)
- Record of Understanding on Beef (March 21, 1990)
- Exchange of Letters on Beef (April 26 and 27, 1990)
- Agreement on Wine Access (December 19, 1990)
- Record of Understanding on Telecommunications (February 7, 1991)
- Agreement on International Value-Added Services (June 20, 1991)
- Understanding on Telecommunications (February 17, 1992)
- Exchange of Letters Relating to Korea Telecom Company's Procurement of AT&T Switches (March 31, 1993)
- Beef Agreements (June 26, 1993; December 29, 1993)
- Record of Understanding on Agricultural Market Access in the Uruguay Round (December 13, 1993)
- Exchange of Letters on Telecommunications Issues Relating to Equipment Authorization and Korea Telecom Company's Procurement (March 29, 1995)
- Agreement on Steel (July 14, 1995)
- Shelf-Life Agreement (July 20, 1995)
- Revised Cigarette Agreement (August 25, 1995)
- Memorandum of Understanding to Increase Market Access for Foreign Passenger Vehicles in Korea (September 28, 1995)
- Exchange of Letters on Implementation of the 1992 Telecommunications Agreement (April 12, 1996)
- Korean Commitments on Trade in Telecommunications Goods and Services (July 23, 1997)
- Agreement on Korean Motor Vehicle Market (October 20, 1998)
- Exchange of Letters Regarding Tobacco Sector Related Issues (June 14, 2001)
- Exchange of Letters on Data Protection (March 12, 2002)
- Record of Understanding between the Governments of the United States and the Republic of Korea Regarding the Extension of Special Treatment for Rice (February 2005)
- Agreement to Implement Phase I of the Asia Pacific Economic Cooperation (APEC) Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment (May 10, 2005)

- Agreed Minutes on Fuel Economy and Greenhouse Gas Emissions Regulations (February 10, 2011)
- Agreed Minutes on Visa Validity Period (February 10, 2011)
- Exchange of Letters between the United States and Korea related to the United States-Korea Free Trade Agreement (February 10, 2011)
- United States-Korea Free Trade Agreement (March 15, 2012)

Kyrgyzstan

- Agreement on Bilateral Trade Relations (May 8, 1992)
- Bilateral Investment Treaty (January 12, 1994)

Latvia

- Agreement on Bilateral Trade Relations (August 21, 1992)
- Bilateral Investment Treaty (November 26, 1996; amended May 1, 2004)
- Agreement on Trade & Intellectual Property Rights Protection (January 20, 1995)

Lithuania

- Bilateral Investment Treaty (November 22, 2001; amended May 1, 2004)

Laos

- Bilateral Trade Agreement (February 4, 2005)

Macao

- Memorandum of Understanding with Macao Concerning Cooperation in Trade in Textile and Apparel Goods (August 8, 2005)

Marshall Islands

- Compact of Free Association Agreement Between the United States of America and the Marshall Islands (June 25, 1983)

Mexico

- Agreement with Mexico on Tire Certification (March 8, 1996)
- Memorandum of Understanding between the United States and Mexico Regarding Areas of Food and Agriculture Trade (April 4, 2002)
- United States-Mexico Exchange of Letters Regarding Mexico's NAFTA Safeguard on Certain Poultry Products (July 24-25, 2003)
- Understanding Regarding the Implementation of the WTO Decision on Mexico's Telecommunications Services (June 1, 2004)
- Agreement between the U.S. Trade Representative and Secretaria de Economia of the United Mexican State on Trade in Tequila (January 17, 2006)

- Agreement between the U.S. Trade Representative and Secretaria de Economia of the United Mexican State on Trade in Cement (April 3, 2006)
- United States-Mexico Exchange of Letters Regarding Trade in Sweetener Goods (July 27, 2006)
- Bilateral Agreement on Customs Cooperation regarding Claims of Origin Under FTA Cumulation Provisions (January 26, 2007)
- Customs Cooperation Agreement with Mexico relating to Textiles Matters (August 15, 2008)
- Mutual Recognition Agreement between the Government of the United States of America and the Government of the United Mexican States for Conformity Assessment of Telecommunications Equipment (June 10, 2011)

Micronesia

- Compact of Free Association with the Federated States of Micronesia (November 3, 1986)

Moldova

- Agreement on Bilateral Trade Relations (July 2, 1992)
- Bilateral Investment Treaty (November 25, 1994)

Mongolia

- Agreement on Bilateral Trade Relations (January 23, 1991)
- Bilateral Investment Treaty (January 1, 1997)

Morocco

- Bilateral Investment Treaty (May 29, 1991)
- United States-Morocco Free Trade Agreement (January 1, 2006)
- Agreement between the Government of the United States of America and the Government of the Kingdom of Morocco Concerning Customs Administration and Trade Facilitation (November 21, 2013)

Mozambique

- Bilateral Investment Treaty (March 2, 2005)

Nicaragua

- Bilateral Intellectual Property Rights Agreement with Nicaragua (December 22, 1997)
- Exchange of Letters on Trade in Textile and Apparel Goods (March 24, 2006)

Norway

- Agreement on Procurement of Toll Equipment (April 26, 1990)

Oman

- United States-Oman Free Trade Agreement (January 1, 2009)

Palau

- Compact of Free Association with the Republic of Palau (October 1, 1994)

Panama

- Bilateral Investment Treaty (May 30, 1991)
- Agreement on Bilateral Trade Relations (1994)
- Agreement on Cooperation in Agricultural Trade (December 20, 2006)
- Agreement regarding Certain Sanitary and Phyto-sanitary Measures and Technical Standards Affecting Agricultural Products (December 20, 2006)
- Exchange of Letters Regarding Autos (June 28, 2007)
- Confirmation Letter Regarding Ship Repairs (June 28, 2007)
- Confirmation Letter Regarding Panama Joining the ITA (June 28, 2007)
- Exchange of Letters Regarding Free Trade Zones (June 28, 2007)
- Exchange of Letters Regarding Article 9.15 (June 28, 2007)
- Exchange of Letters Regarding Investment in Specified Sectors (June 28, 2007)
- Exchange of Letters Regarding Retail Sales (June 28, 2007)
- Exchange of Letters Regarding Cross Border Financial Service (June 28, 2007)
- Exchange of Letters Regarding Insurance (June 28, 2007)
- Exchange of Letters Regarding Pensions (June 28, 2007)
- Exchange of Letters Regarding Traditional Knowledge (June 28, 2007)
- Exchange of Letters Regarding Taxation (June 28, 2007)
- United States-Panama Trade Promotion Agreement (October 31, 2012)
    i. Decision of the Free Trade Commission Regarding Article 3.20 and Article 6.3 (March 19, 2013)
    ii. Decision No. 2 of the Free Trade Commission Establishing a Code of Conduct (May 28, 2014)
    iii. Decision No. 3 of the Free Trade Commission to Establish the Remuneration of Panelists, Assistants, and Experts, and the Payment of Expenses in Dispute Settlement Proceedings under Chapter 20 (Dispute Settlement) (May 28, 2014)
    iv. Decision No. 4 of the Free Trade Commission Establishing Model Rules of Procedure (May 28, 2014)
    v. Decision No. 5 of the Free Trade Commission to Amend Annex 4.1 (December 6, 2016)
- Exchange of Letters Regarding Multiple Services Businesses (October 31, 2012)

- Exchange of Letters Regarding Beef and Beef Product Imports (March 27, 2013)
- Exchange of Letters on Free Trade Zones (October 2, 2013)
- Exchange of Letters Regarding Pet Food Containing Animal Origin Ingredients Imports (June 24, 2014)
- Agreement Establishing a Secretariat for Environmental Enforcement Matters Under the United States – Panama Trade Promotion Agreement (December 21, 2015)

Paraguay

- Memorandum of Understanding on Intellectual Property Rights Between the Government of the Republic of Paraguay and the Government of the United States of America (June 18, 2015)

Peru

- Memorandum of Understanding on Intellectual Property Rights (May 23, 1997)
- Exchange of Letters on Sanitary and Phyto-sanitary Measures and Technical Barriers to Trade Issues (January 5, 2006)
- Additional Letter Exchange on Sanitary and Phyto-sanitary Measures and Technical Barriers to Trade Issues (April 10, 2006)
- United States-Peru Trade Promotion Agreement (February 1, 2009)

Philippines

- Protection and Enforcement of Intellectual Property Rights (April 6, 1993)
- Agreement regarding Pork and Poultry Meat (February 13, 1998)
- Memorandum of Understanding with the Philippines Concerning Cooperation in Trade in Textile and Apparel Goods (August 23, 2006)
- Exchange of Letters on Special Treatment for Rice and Related Agricultural Concessions (June 5, 2014)

Poland

- Business and Economic Relations Treaty (August 6, 1994; amended May 1, 2004)

Romania

- Agreement on Bilateral Trade Relations (April 3, 1992)
- Bilateral Investment Treaty (January 15, 1994; amended January 1, 2007)

Russia

- Trade Agreement Concerning Most Favored Nation and Nondiscriminatory Treatment (June 17, 1992)
- Joint Memorandum of Understanding on Market Access for Aircraft (January 30, 1996)

- Agreed Minutes regarding exports of poultry products from the United States to Russia (March 15, March 25, and March 29, 1996)
- Agreement on Russian Firearms & Ammunition (April 3, 1996; amended 2003)
- Protocol of the Negotiations between the Experts of Russia and the United States of America on the Issue of U.S. Poultry Meat Imports into the Russian Federation (March 31, 2002)
- Agreement between the Government of the United States of America and the Government of the Russian Federation on Trade in Certain Types of Poultry, Beef and Pork (June 15, 2005; amended December 29, 2008)
- Agreement between the Government of the United States of America and the Government of the Russian Federation on Protection and Enforcement of Intellectual Property Rights (November 19, 2006)
- Agreement between the Government of the United States of America and the Government of the Russian Federation on Market Access for Beef and Beef By-Products (November 19, 2006)
- Agreement between the Government of the United States of America and the Government of the Russian Federation on Importation of Pork and Pork By-Products into the Russian Federation (November 19, 2006)
- Agreement between the Government of the United States of America and the Government of the Russian Federation on Inspection of Facilities for Exporting Pork and Poultry to the Russian Federation (November 19, 2006)
- Agreement between the Government of the United States of America and the Government of the Russian Federation on Agricultural Biotechnology (November 19, 2006)
- Agreement between the Government of the United States of America and the Government of the Russian Federation on Establishment of Import licensing Procedures for Imports of Goods Containing Encryption Technology (November 19, 2006)
- Exchange of Letters between the Government of the United States of America and the Government of the Russian Federation on Tariff Treatment of Certain Aircraft Imported Under Operational Lease (November 19, 2006)
- Exchange of Letters between the Ministry of Economic Development and Trade of the Russian Federation and the Office of the U.S. Trade Representative on Tariff Treatment of Certain Combine Harvester-Threshers and Self-Propelled Forage Harvesters (November 19, 2006)
- Letter on Market Access between the United States and the Russian Federation for Service Suppliers in Certain Energy Related Sectors (November 19, 2006)
- Letter on Market Access between the United States and the Russian Federation for Certain Insurance Firms (November 19, 2006)
- Bilateral Agreement on Verification of Pathogen Reduction Treatments and Resumption of Trade in Poultry (July 14, 2010)
- Bilateral Agreement on Pre-Notification Requirements Applied to Certain Imports of Meat Products from the United States (applied provisionally as of December 14, 2011)

- Agreement between the Government of the United States of America and the Government of the Russian Federation on Trade in Parts and Components of Motor Vehicles between the United States of America and the Russian Federation (July 12, 2013)

Rwanda

- Bilateral Investment Treaty (January 1, 2012)

Senegal

- Bilateral Investment Treaty (October 25, 1990)

Singapore

- Agreement on Intellectual Property Rights Protection (April 27, 1987)
- Agreement to Implement Phase I and Phase II of the Asia Pacific Economic Cooperation (APEC) Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment (October 8, 2003)
- United States-Singapore Free Trade Agreement (January 1, 2004)

Slovakia

- Bilateral Investment Treaty (December 19, 1992; amended May 1, 2004)

Sri Lanka

- Agreement on the Protection and Enforcement of Intellectual Property Rights (September 20, 1991)
- Bilateral Investment Treaty (May 1, 1993)

Suriname

- Agreement on Bilateral Trade Relations (1993)

Switzerland

- Exchange of Letters on Financial Services (November 9 and 27, 1995)

Taiwan

- Agreement on Customs Valuation (August 22, 1986)
- Agreement on Export Performance Requirements (August 1986)
- Agreement Concerning Beer, Wine, and Cigarettes (1987)
- Agreement on Turkeys and Turkey Parts (March 16, 1989)
- Agreement on Beef (June 18, 1990)
- Agreement on Intellectual Property Protection (June 5, 1992)
- Agreement on Intellectual Property Protection (Trademark) (April 1993)

- Agreement on Intellectual Property Protection (Copyright) (July 16, 1993)
- Agreement on Market Access (April 27, 1994)
- Telecommunications Liberalization by Taiwan (July 19, 1996)
- United States-Taiwan Medical Device Issue: List of Principles (September 30, 1996)
- Agreement on Market Access (February 20, 1998)
- Agreement to Implement Phase I of the Asia Pacific Economic Cooperation (APEC) Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment (March 16, 1999)
- Understanding on Government Procurement (August 23, 2001)
- Protocol of Bovine Spongiform Encephalopathy (BSE)-Related Measures for the Importation of Beef and Beef Products for Human Consumption from the Territory of the Authorities Represented by the American Institute in Taiwan (November 2, 2009)

Tajikistan

- Agreement on Bilateral Trade Relations (November 24, 1993)

Thailand

- Agreement on Cigarette Imports (November 23, 1990)
- Agreement on Intellectual Property Protection and Enforcement (December 19, 1991)

Trinidad and Tobago

- Agreement on Intellectual Property Protection and Enforcement (September 26, 1994)
- Bilateral Investment Treaty (December 26, 1996)

Tunisia

- Bilateral Investment Treaty (February 7, 1993)

Turkey

- Bilateral Investment Treaty (May 18, 1990)
- WTO Settlement Concerning Taxation of Foreign Film Revenues (July 14, 1997)

Turkmenistan

- Agreement on Bilateral Trade Relations (October 25, 1993)

Ukraine

- Agreement on Bilateral Trade Relations (June 23, 1992)
- Bilateral Investment Treaty (November 16, 1996)

- Agreement between the Government of the United States of America and the Government of the Republic of Ukraine on Sanitary and Phytosanitary Measures (February 21, 2007)
- Agreement between the U.S. and the Ukraine on Export Duties on Ferrous and Non-Ferrous Scrap Metal (February 22, 2007)

Uruguay

- Bilateral Investment Treaty (November 1, 2006)

Uzbekistan

- Agreement on Bilateral Trade Relations (January 13, 1994)

Vietnam

- Agreement between the United States and Vietnam on Trade Relations (December 10, 2001)
- Copyright Agreement (June 27, 1997)
- Exchange of Letters on Equivalence of Food Safety Inspection Systems (May 31, 2006)
- Exchange of Letters on Beef (May 31, 2006)
- Exchange of Letters on Biotechnology (May 31, 2006)
- Exchange of Letters on Energy Services (May 31, 2006)
- Exchange of Letters on Elimination of Prohibited Subsidies to Textile and Garment Sector (May 31, 2006)
- Bilateral Agreement on Export Duties on Ferrous and Nonferrous Scrap Metals (May 31, 2006)
- Exchange of Letters on Shelf Life (May 31, 2006)
- Acceptance of U.S. Certificates for Exports of Poultry Meat and Meat Products (May 31, 2006)
- Agreement to Implement Phase I of the Asia Pacific Economic Cooperation (APEC) Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment (June 19, 2008)

II. Agreements That Have Been Negotiated, But Have Not Yet Entered Into Force

Following is a list of trade agreements concluded by the United States since 1984 that have not yet entered into force.

Multilateral Agreements

- OECD Agreement on Shipbuilding (December 21, 1994; interested parties evaluating implementing legislation)
- Anti-Counterfeiting Trade Agreement (signed by the United States on October 1, 2011)
- World Trade Organization Agreement on Trade Facilitation (December 7, 2013)

Bilateral Agreements

Belarus

- Bilateral Investment Treaty (signed January 15, 1994)

El Salvador

- Bilateral Investment Treaty (signed March 10, 1999)

Estonia

- Trade and Intellectual Property Rights Agreement (April 19, 1994; requires approval by Estonian legislature)

Kazakhstan

- Exchange of Letters on Sanitary and Phytosanitary Measures of Kazakhstan (signed July 2, 2015)

Lithuania

- Trade and Intellectual Property Rights Agreement (April 26, 1994; requires approval by Lithuanian legislature)

Mongolia

- Agreement on Transparency in Matters Related to International Trade and Investment between the United States of America and Mongolia (signed September 24, 2013)

Nicaragua

- Bilateral Investment Treaty (signed July 1, 1995)

Peru

- Memorandum of Understanding (MOU) between the Government of the United States of America, the Government of the Republic of Peru, and the General Secretariat of the Organization of American States regarding a Secretariat for Submissions on Environmental Enforcement Matters under the United States-Peru Trade Promotion Agreement (signed June 9, 2015)

- Understanding for Implementing Article 18.8 of the United States-Peru Trade Promotion Agreement (signed June 9, 2015)

Russia

- Bilateral Investment Treaty (signed June 17, 1992)

Uzbekistan

- Bilateral Investment Treaty (signed December 16, 1994)

III. Other Trade-Related Agreements, Understandings and Declarations

Following is a list of other trade-related agreements, understandings and declarations negotiated by the Office of the United States Trade Representative from January 1993 through December 2012. These documents provide the framework for negotiations leading to future trade agreements or establish mechanisms for structured dialogue in order to develop specific steps and strategies for addressing and resolving trade, investment, intellectual property, and other issues among the signatories.

Multilateral Agreements and Declarations

- Second Ministerial of the World Trade Organization, Ministerial Declaration on Global Electronic Commerce (May 20, 1998)
- WTO Guidelines for the Negotiation of Mutual Recognition Agreements on Accountancy (May 29, 1997)
- Asia Pacific Economic Cooperation
  - 1st Joint Ministerial Statement (November 6-7, 1989)
  - 2nd Joint Ministerial Statement (July 29-31, 1990)
  - 3rd Joint Ministerial Statement (November 12-14, 1991)
  - 4th Joint Ministerial Statement (September 10-11, 1992)
  - 5th Joint Ministerial Statement (November 17-19, 1993)
  - Leaders' Economic Vision Statement (November 20, 1993)
  - Ministers Responsible for Trade Statement (October 6, 1994)
  - 6th Joint Ministerial Statement (November 11-12, 199)
  - Leaders' Declaration of Common Resolve (November 15, 1994)
  - 7th Joint Ministerial Statement (November 16-17, 1995)
  - Leaders' Declaration for Action (November 19, 1995)
  - Ministers Responsible for Trade Statement (July 15-16, 1996)
  - 8th Joint Ministerial Statement (November 22-23, 1996)
  - Leaders' Declaration: From Vision to Action (November 25, 1996)
  - Ministers Responsible for Trade Statement (May 8-10, 1997)
  - 9th Joint Ministerial Statement (November 21-22, 1997)

- Leaders' Declaration on Connecting the APEC Community (November 25, 1997)
- Asia Pacific Economic Cooperation (APEC) Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Agreement (June 5, 1998)
- Ministers Responsible for Trade Statement (June 22-23, 1998)
- 10th Joint Ministerial Statement (November 14-15, 1998)
- Leaders' Declaration on Strengthening the Foundations for Growth (November 18, 1998)
- Ministers Responsible for Trade Statement (June 29-30, 1999)
- 11th Joint Ministerial Statement (September 9-10, 1999)
- Leaders' Declaration: The Auckland Challenge (September 13, 1999)
- Ministers Responsible for Trade Statement (June 6-7, 2000)
- 12th Joint Ministerial Statement (November 12-13, 2000)
- Leaders' Declaration: Delivering to the Community (November 16, 2000)
- Ministers Responsible for Trade Statement (June 6-7,2001)
- 13th Joint Ministerial Statement (October 17-18, 2001)
- Leaders' Declaration: Meeting New Challenges in the New Century (October 21, 2001)
- Ministers Responsible for Trade Statement (May 29-30, 2002)
- 14th Joint Ministerial Statement (October 23-24, 2002)
- Leaders' Declaration: Expanding the Benefits of Cooperation for Economic Growth and Development - Implementing the Vision (October 27, 2002)
- Ministers Responsible for Trade Statement (June 2-3, 2003)
- 15th Joint Ministerial Statement (October 17-18, 2003)
- Declaration: A World of Differences - Partnership for the Future (October 21, 2003)
- Ministers Responsible for Trade Statement (June 4-5, 2004)
- 16th Joint Ministerial Statement (November 17-18, 2004)
- Leaders' Declaration: One Community, Our Future (November 20-21, 2004)
- Ministers Responsible for Trade Statement (June 2-3, 2005)
- 17th Joint Ministerial Statement (November 15-16, 2005)

- Leaders' Declaration: Towards One Community: Meet the Challenge, Make the Change (November 18-19, 2005)
- Ministers Responsible for Trade Statement (June 1-2, 2006)
- 18th Joint Ministerial Statement (November 15-16, 2006)
- Leaders' Declaration: Towards a Dynamic Community for Sustainable Development and Prosperity (November 18-19, 2006)
- Ministers Responsible for Trade Statement (July 5-6, 2007)
- 19th Joint Ministerial Statement (September 5-6, 2007)
- Leaders' Declaration: Strengthening our Community, Building a Sustainable Future (September 9, 2007)
- Ministers Responsible for Trade Statement (May 31-June 1, 2008)
- 20th Joint Ministerial Statement (November 19-20, 2008)
- Leaders' Declaration: A New Commitment to Asia-Pacific Development (November 22-23, 2008)
- Ministers Responsible for Trade Statement (July 21-22, 2009)
- 21st Joint Ministerial Statement (November 11-12, 2009)
- Leaders' Declaration: Sustaining Growth, Connecting The Region (November 14-15, 2009)
- Ministers Responsible for Trade Statement (June 5-6, 2010)
- 22nd Joint Ministerial Statement (November 10-11, 2010)
- Leaders' Declaration: The Yokohama Vision - Bogor and Beyond (November 13-14, 2010)
- Ministers' Responsible for Trade Statement (May 19-20, 2011)
- 23rd Joint Ministerial Statement (November 11, 2011)
- Leaders' Declaration: Toward a Seamless Regional Economy (November 12-13, 2011)
- Ministers' Responsible for Trade Statement (June 4-5, 2012)
- 24th Joint Ministerial Statement (September 5-6, 2012)
- Leaders' Declaration: Integrate to Grow, Innovate to Prosper (September 8-9, 2012)
- Ministers' Responsible for Trade Statement (April 20-21, 2013
- 25th Joint Ministerial Statement (October 5, 2013)

- Leaders' Declaration: Resilient Asia-Pacific, Engine of Global Growth (October 8, 2013)

- Cooperation Agreement Among the Partner States of the East African Community and the United States of America on Trade Facilitation, Sanitary and Phytosanitary Measures, and Technical Barriers to Trade (February 26, 2015)

- Organization of American States (OAS), Inter-American Telecommunications Commission (CITEL) Mutual Recognition Agreement for Conformity Assessment of Telecommunications Equipment (October 29, 1999)

- United States-Association of Southeast Asian Nations Trade and Investment Framework Arrangement (August 25, 2006)

- World Wine Trade Group Memorandum of Understanding on Certification Requirements (October 20, 2011)

Bilateral Agreements and Declarations

Afghanistan

- United States-Afghanistan Trade and Investment Framework Agreement (September 21, 2004)

- Memorandum of Understanding on Joint Efforts to Enable the Economic Empowerment of Women and to Promote Women's Entrepreneurship (June 16, 2013)

Algeria

- United States-Algeria Trade and Investment Framework Agreement (July 13, 2001)

Angola

- United States-Angola Trade and Investment Framework Agreement (May 19, 2009)

Argentina

- Bilateral Council on Trade and Investment (February 2002)

- United States – Argentina Trade and Investment Framework Agreement (March 23, 2016)

Armenia

- United States-Armenia Trade and Investment Framework Agreement (signed November 13, 2015)

Association of Southeast Asian Nations (ASEAN)

- United States-ASEAN Trade and Investment Framework Arrangement (August 5, 2006)

Bangladesh

- United States-Bangladesh Trade and Investment Cooperation Forum Agreement (signed November 25, 2013)

Bolivia

- Agreement between the Government of the United States of America and the Government of the Republic of Bolivia concerning a United States-Bolivia Council on Trade and Investment (May 8, 1990)

Brazil

- United States-Brazil Agreement on Trade and Economic Cooperation (March 19, 2011)

Brunei Darussalam

- United States-Brunei Darussalam Trade and Investment Framework Agreement (December 16, 2002)

Burma

- United States-Myanmar Trade and Investment Framework Agreement (2013)

Cambodia

- United States-Cambodia Trade and Investment Framework Agreement (July 14, 2006)

Canada

- The Canada-U.S. Organic Equivalency Arrangement (June 17, 2009)

Caribbean Community (CARICOM)

- United States-CARICOM Trade and Investment Framework Agreement (2013)

Central Asian Economies

- United States-Central Asian Trade and Investment Framework Agreement (June 1, 2004)

China

- United States-China Joint Commission on Commerce and Trade Agreements (April 21, 2004)
- United States-China Joint Commission on Commerce and Trade Agreements (July 11, 2005)
- Memorandum of Understanding on Combating Illegal Logging and Associated Trade (May 5, 2008)

Common Market for Eastern and Southern Africa

- United States-Common Market for Eastern and Southern Africa Trade and Investment Framework Agreement (October 2001)

East African Community

- United States-East African Community Trade and Investment Framework Agreement (July 16, 2008)
- Cooperation Agreement Among the Partner States of the East African Community and the United States of America on Trade Facilitation, Sanitary and Phytosanitary Measures, and Technical Barriers to Trade (February 26, 2015)

Economic Community of West African States

- United States-Economic Community of West African States Trade and Investment Cooperation Forum Agreement (signed August 5, 2014)

Ecuador

- Agreement between the Government of the United States of America and the Government of the Republic of Ecuador concerning a United States-Ecuador Council on Trade and Investment (July 23, 1990)

Egypt

- United States-Egypt Trade and Investment Framework Agreement (July 1, 1999)

European Union

- United States-EU Transatlantic Economic Partnership (May 18, 1998)
- United States-EU Joint Action Plan for the Transatlantic Economic Partnership (November 9, 1998)
- Decision to Establish the U.S.-EU High Level Working Group on Jobs and Growth, Joint Statement of the U.S.-EU Summit (November 28, 2010)
- The EU - U.S. Organic Equivalency Arrangement (February 15, 2012)

Georgia

- United States-Georgia Trade and Investment Framework Agreement (June 20, 2007)
- United States-Georgia Trade Principles for Information and Communication Technology Services (October 30, 2015)

Ghana

- United States-Ghana Trade and Investment Framework Agreement (February 26, 1999)

Gulf Cooperation Council

- Framework Agreement for Trade, Economic, Investment and Technical Cooperation (signed September 25, 2012)

Iceland

- United States-Iceland Trade and Investment Cooperation Forum Agreement (January 15, 2009)

India

- United States-India Trade Policy Forum , Framework for Cooperation on Trade and Investment (March 17, 2010)

Indonesia

- United States-Indonesia Memorandum of Understanding on the establishment of the Council on Trade and Investment (July 16, 1996)
- Memorandum of Understanding on Combating Illegal Logging and Associated Trade (November 16, 2006)
- Memorandum of Understanding Between the Government of the United States of American and the Government of the Republic of Indonesia to resolve certain outstanding issues in order to enhance the Parties' bilateral trade relationship (October 3, 2014)

Israel

- Understanding regarding Israel's intellectual property regime for pharmaceutical products (February 18, 2010)

Iraq

- United States-Iraq Trade and Investment Framework Agreement (July 11, 2005)

Japan

- United States-Japan Joint Statement on the Bilateral Steel Dialogue (September 24, 1999)
- Exchange of Letters between the United States and Japan—Letters Regarding Electro-Magnetic Compatibility (EMC) Testing of Unintentional Radiators and Industrial Scientific and Medical (ISM) Equipment (February 26, 2007)
- Requirements for Beef and Beef Products to be Exported to Japan from the United States of America (January 25, 2013)
- United States-Japan Organic Equivalency Arrangement (September 26, 2013)

Korea

- United States-Korea Organic Equivalency Arrangement (June 30, 2014)

Kuwait

- United States-Kuwait Trade and Investment Framework Agreement (February 6, 2004)

Lebanon

- United States-Lebanon Trade and Investment Framework Agreement (November 30, 2006)

Liberia

- United States-Liberia Trade and Investment Framework Agreement (February 15, 2007)

Libya

- United States-Libya Trade and Investment Framework Agreement (signed December 18, 2013)

Malaysia

- United States-Malaysia Trade and Investment Framework Agreement (May 10, 2004)
- Agreement to Implement Phase I of the Asia Pacific Economic Cooperation (APEC) Mutual Recognition Arrangement for Conformity Assessment of Telecommunications Equipment (June 28, 2016)

Maldives

- United States-Maldives Trade and Investment Framework Agreement (October 17, 2009)

Mauritius

- United States-Mauritius Trade and Investment Framework Agreement (September 18, 2006)
- United States-Mauritius Trade Principles for Information and Communication Technology Services (June 18, 2012)

Mongolia

- United States-Mongolia Trade and Investment Framework Agreement (July 15, 2004)

Morocco

- Kingdom of Morocco-United States Trade Principles for Information and Communication Technology Services (December 5, 2012)
- Statement of Principles for International Investment (December 5, 2012)

Mozambique

- United States-Mozambique Trade and Investment Framework Agreement (June 21, 2005)

Nepal

- United States-Nepal Trade and Investment Framework Agreement (April 15, 2011)

New Zealand

- United States-New Zealand Trade and Investment Framework Agreement (October 2, 1992)

Nigeria

- United States-Nigeria Trade and Investment Framework Agreement (February 16, 2000)

Oman

- United States-Oman Trade and Investment Framework Agreement (July 7, 2004)

Pakistan

- United States-Pakistan Trade and Investment Framework Agreement (June 25, 2003)

Paraguay

- Joint Commission on Trade and Investment (September 26, 2003)

Philippines

- United States-Philippines Trade and Investment Framework Agreement (1989)
- United States-Philippines Trade and Investment Framework Agreement Protocol Concerning Customs Administration and Trade Facilitation (November 13, 2011)

Qatar

- United States-Qatar Trade and Investment Framework Agreement (March 19, 2004)

Rwanda

- United States-Rwanda Trade and Investment Framework Agreement (June 7, 2006)

Saudi Arabia

- United States-Saudi Arabia Trade and Investment Framework Ag**r**eement (July 31, 2003)

South Africa

- United States-South Africa Agreement Concerning the Development of Trade and Investment (June 18, 2012)

Southern Africa Customs Union

- United States-Southern Africa Customs Union Trade, Investment, and Development Cooperative Agreement (July 16, 2008)

Sri Lanka

- United States-Sri Lanka Trade and Investment Framework Agreement (July 25, 2002)

Switzerland

- United States-Switzerland Trade and Investment Cooperation Forum Agreement (May 25, 2006)
- United States-Switzerland Organic Equivalency Arrangement (July 10, 2015)

Taiwan

- United States-Taiwan Trade and Investment Framework Agreement (September 19, 1994)

Thailand

- United States-Thailand Trade and Investment Framework Agreement (October 23, 2002)

Tunisia

- United States-Tunisia Trade and Investment Framework Agreement (October 2, 2002)

Turkey

- United States-Turkey Trade and Investment Framework Agreement (September 29, 1999)

Ukraine

- United States-Ukraine Trade and Investment Cooperation Agreement (March 28, 2008)

United Arab Emirates (UAE)

- United States-United Arab Emirates Trade and Investment Framework Agreement (March 15, 2004)

Uruguay

- United States-Uruguay Bilateral and Commercial Trade Review (May 20, 1999)
- Joint Commission on Trade and Investment (January 25, 2007)
- United States-Uruguay Trade and Investment Framework Agreement (January 25, 2007)
    - i United States-Uruguay Trade and Investment Framework Agreement Protocol Concerning Trade and Environment Public Participation (October 2, 2008)
    - ii United States-Uruguay Trade and Investment Framework Agreement Protocol Concerning Trade Facilitation (October 2, 2008)

Vietnam

- United States-Vietnam Trade and Investment Framework Agreement (June 21, 2007)

West African Economic and Monetary Union

- United States-West African Economic and Monetary Union Trade and Investment Framework Agreement (April 24, 2002)

Yemen

- United States-Yemen Trade and Investment Framework Agreement (February 6, 2004)