

## **TIFA OUTCOMES**

### **U.S. - Taiwan Trade and Investment Framework Meetings July 10-11, 2007**

#### **Doha and Economic Developments in the Asia-Pacific**

- The United States and Taiwan agree that a successful Doha outcome must deliver meaningful new market opportunities to significantly expand trade, promote global economic growth and foster development.
- The United States and Taiwan agree to work together based on a shared expectation that the Chairs of the negotiating groups in presenting draft texts should set a high standard of ambition, particularly with regard to setting the foundation for a strong market-opening outcome resulting in meaningful new trade flows. We are particularly concerned about ensuring an ambitious tariff-cutting formula applicable to industrial tariffs, reflected in co-efficients for developed and developing country Members that should be no higher than a number in the teens, with a small gap.
- We also took note of our shared interest in a strong Doha services outcome, and agreed that the result should go beyond simply binding current practice and achieve new market access.
- Noting ongoing trends toward Asia-Pacific economic integration, the U.S. and Taiwan reaffirmed their commitment to continuing to deepen bilateral economic cooperation.
- The United States and Taiwan agree to continue to cooperate in APEC to achieve progress in key trade areas such as IPR protection and enforcement, technology choice, and trade facilitation.

#### **Agricultural Trade and Market Access**

- AIT and TECRO welcomed the signing of the Memorandum of Understanding to establish a bilateral Consultative Committee on Agriculture (CCA) that will address agricultural trade and policy issues. The inaugural meeting of the CCA will be held in the fall of 2007.
- Taiwan's Bureau of Animal and Plant Health Inspection and Quarantine (BAPHIQ) will work collaboratively with USDA's Animal and Plant

Health Inspection Service (APHIS) through the technical bilateral process to resolve BSE-related import suspensions on U.S.-origin ruminant and non-ruminant products such as: protein-free tallow.

- AIT recognizes the importance of TECRO's market access for Pomelos and Longans and looks forward to receiving the necessary input from BAPHIQ to ensure that both of these market access issues can be addressed on a priority basis. TECRO requests that AIT finalize the rule-making on longans as soon as possible. AIT took note of this request.
- TECRO and AIT will work together to resolve the non establishment of tolerance levels and maximum residue limits issues in a comprehensive manner that protects consumers, and avoids any disruption in our mutually beneficial trade. TECRO requests that AIT expedite review and establishment of pesticide MRLs for litchi and longan. AIT took note of this request.
- The U.S. welcomes the fact that Taiwan's Rice CSQ system has been granted legal status by the WTO.

#### **Bilateral Investment Agreement**

- During the TIFA, the two sides held extensive discussions regarding ongoing efforts to enhance the bilateral investment climate. Both sides agreed on the significant economic benefits of openness to foreign investment and the importance of a predictable and transparent regulatory process to a positive environment for investment. Both sides agreed to intensify discussions of possible concrete steps to deepen bilateral cooperation in this area, including the possibility of a bilateral investment agreement.

#### **Pharmaceuticals and Medical Devices Market Access**

- TECRO commits to implement a mandatory standard contract as soon as possible and upon completion of any necessary legislative amendments. Discussions on benchmarks and the specific interim steps necessary to fully implement the mandatory contract will be conducted through the Standard Contract Working Group. BNHI will submit any necessary revisions to its National Health Insurance Act to implement a mandatory standard contract to the LY. Continued cooperation of the

prosecution agencies will ensure that the accuracy of the data for future Price Volume Surveys (PVSs) meets U.S. expectations.

- Taiwan affirms its commitment to the goal of achieving the Separation of Prescription and Dispensing (SPD) in the medium-term and that this will be the objective of the ATP/SPD Working Group. Taiwan pledges to provide proposed work plans of specific policies being considered to achieve SPD as soon as possible. The ATP/SPD Working Group will also fully discuss ATP issues. The Working Group will schedule regular meetings to exchange views on these proposed policies, in accordance with the availability of relevant experts on both sides.
- DOH affirms its commitment to engage in additional consultations with stakeholders before implementing new drug reimbursement and approval policies.

#### **Intellectual Property Rights:**

- AIT commends TECRO's efforts to strengthen IPR protection and enforcement and recognizes the significant steps TECRO has taken toward creating a healthy environment to support innovation, creativity and economic growth.
- AIT welcomes TECRO's commitment to combating IPR violations through the passage of bills to establish an IPR court and to introduce civil and criminal liability for unauthorized provision of technology capable of infringing on copyright, such as peer to peer (P2P) file sharing technology.
- AIT also welcomes progress on the ISP bill and both sides will continue to consult on putting forward an effective draft legislation establishing liability of ISPs for infringement on their networks, adequate remedies, and limitations on liability when ISPs cooperate with right holders to stop infringing activity, including in taking down infringing materials and taking appropriate steps to deter copyright infringement.
- Given the challenges Taiwan faces in addressing the unauthorized use of copyright material on and around college and university campuses, AIT welcomes the establishment by the Ministry of Education of an interagency Intellectual Property Task Force to promote respect for IPR

on university campuses, and the establishment by the Ministry of Education of a team to supervise and promote on-campus intellectual property rights education.

- TECRO and AIT agreed to discuss as a priority issue how to improve enforcement efforts to prevent the production, sales and distribution of counterfeit pharmaceuticals, and to consider specific policy measures to facilitate effective investigation, prosecution, and application of deterrent penalties against pharmacies or distributors that sell counterfeit pharmaceuticals. The United States and Taiwan will work bilaterally to improve cooperation on addressing the counterfeiting of pharmaceutical products.
- While recognizing these achievements, AIT and TECRO reaffirm their commitment to continue to hold regular consultations to discuss IP issues of concern so that practical and concrete solutions benefiting both US and Taiwan IP right holders may be developed.

**Export Control Cooperation:**

- AIT and TECRO reaffirmed their commitment to continue cooperation aimed at enhancing Taiwan's export controls, and at further improving trade security. .

**Megaports/Container Security Initiative:**

- AIT and TECRO welcomed the concrete steps achieved in the past year in implementation of the MOUs on Megaports and the Container Security Initiative (CSI).

**OECD**

- AIT made clear that it supported Taiwan's current participation in the OECD, and would be open to considering additional meaningful involvement based on technical merits, via appropriate channels.

**Next Steps:**

- By this Fall, AIT and TECRO will identify additional potential areas to consider for enhanced bilateral cooperation over the next year.