2015 Trade Policy Agenda
and
2014 Annual Report

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

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Office of the United States Trade Representative

FOREWORD

The 2015 Trade Policy Agenda and 2014 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, 124, and 125 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 2014. Services data by country are only available through 2013.

The Office of the United States Trade Representative (USTR) is responsible for the preparation of this report. U.S. Trade Representative Michael Froman gratefully acknowledges the contributions of all USTR staff to the writing and production of this report and notes, in particular, the contributions of Ivana Ilić, Michael Scanlan, and Nicholas Southwick. 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.

March 2015

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
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 2015 TRADE POLICY AGENDA

I. THE PRESIDENT'S TRADE POLICY AGENDA

President Obama's trade policy seeks to promote growth, support more well-paying jobs in the United States, and strengthen the middle class. Trade policy done right – through proactive enforcement of existing agreements and the negotiation of new, high standard agreements – is among the nation's best tools to address the challenges of globalization and technological change and promote American interests and values.

Trade has played an indispensable role in America's recovery from the Great Recession. Since the end of the recession in mid-2009, the increase in U.S. exports has contributed nearly one-third of our overall economic growth. Last year, U.S. exports reached $2.35 trillion, a record-breaking amount that supported over 11 million good-paying American jobs. With those jobs paying up to 18 percent more than jobs not related to exports, trade policy has an important role to play in raising wages and living standards for the middle class. Partially as a result of our exporting success, our economy continues to grow. Job creation is happening at the fastest rate since the 1990s, and the budget deficit is falling at the fastest rate since the 1940s. After nearly two decades in decline, factories are opening in this country again and manufacturing jobs are starting to return from overseas.

Today, "Made in America" is making a comeback:

- More American small businesses are exporting than ever before.
- American farmers are exporting more than ever before.
- American manufacturers and service providers are exporting more than ever before, with manufacturing growing faster than the rest of the economy.

Behind these statistics are flesh-and-blood success stories for working families: the auto parts firm that would have closed its line and gone dark had it not been for overseas markets; the craftsman now finding customers around the world via the internet; and the technology company or the family farm that secured that new contract abroad. There are hundreds of thousands more stories like it.

Yet despite the proven benefits of trade, there continues to be uneasiness around pursuing new trade opportunities. That is understandable. Changes in technology and automation, combined with the continued pace of globalization, have increased pressure on wages and contributed to the sense that there are fewer opportunities for working Americans.

The concern is legitimate. The question is what are we going to do about it? Trade policy done right is how we protect American workers and jobs, create a more fair and level playing field, and ensure that it is the United States that leads in defining the rules of the road. But the reality is that Americans are already competing against the rest of the world. We already have one of the most open markets on the planet. Our tariffs on imports are extremely low – less than 1.5 percent on average – and we do not use non-tariff barriers to prevent other countries from selling their goods and services in the United States. Whether we continue to pursue trade agreements or not, the United States will continue to see foreign imports because consumers demand them and we have virtually no barriers to imports.

The same is not true for other countries, many of which have high tariffs and non-tariff barriers to discriminate against American products; provide unfair subsidies; and encourage development without concern for the environment or the rights of workers. All of these barriers separate American producers

from the 95 percent of global consumers who live outside our borders. That is why American trade agreements benefit American workers.

Taking on the Status Quo

If the playing field is level and the competition is fair, American workers and businesses can and will win.

The pace of globalization and technological change is not slowing down. We need to take on that challenge. Consider this: in the last five years, the capacity of the world's container fleets has grown by 50 percent. The number of internet users has doubled and the amount of internet traffic has tripled. The world's urban population has grown by hundreds of millions of people.

These trends are not going away.

The question we face is not whether we can roll back the tide of globalization. It is whether we are going to shape it or be shaped by it, whether we are going to do everything we can to ensure that it reflects our interest and our values – or to let other countries define it for us.

History tells us that there is an American tradition. Americans don't passively stand by. We engage. We shape. We lead. That is precisely what we are doing right now in trade.

By leading on trade, the United States can level the playing field for our workers and businesses. We can knock down barriers to U.S. exports and raise standards around the world. Both our interests and our values are at stake when it comes to protecting worker rights and the environment, promoting innovation and access to that innovation, and maintaining a free and open Internet.

That's why we've insisted on putting the highest labor and environmental standards of any trade agreement in the Trans-Pacific Partnership (TPP), which we're negotiating with 11 countries in the Asia Pacific. When completed, this agreement will boost middle class paychecks here at home as well as working conditions and environmental protections in the world's fastest-growing region. In the Asia Pacific and elsewhere, we can give more Americans a fair shot in global markets by forging trade agreements that are progressive and pro-growth.

Taken together, these efforts constitute the most ambitious trade agenda in history – economically and strategically. The United States already has a number of strengths that make it an attractive place to invest and do business, including a talented and productive workforce, strong rule of law, and increasingly abundant sources of affordable energy. Through our trade agenda, we are seeking to put the United States at the center of a trade zone covering nearly two-thirds of the global economy. That will help make America the world's production platform of choice, increasing U.S. exports and attracting more employers that want to invest in the United States, hire American workers, and sell American goods and services to the world.

In this sense, our trade policy is a lever for encouraging investment in the United States, creating more high-paying jobs and combatting wage stagnation and income inequality.

America's Role in the World

By strengthening the U.S. economy – America's foundation of power – our trade policy helps to protect the strategic capabilities our economy supports. Increasingly, however, the economic clout that trade creates is itself an important source of influence in world affairs. Exercising that influence, this agenda

advances three strategic objectives: strengthening our partners and allies, establishing and enforcing rules of the road, and spurring broad-based, inclusive development.

Trade agreements can build mutual strength with our partners and signal the importance of these partnerships to the world. For example, through the Transatlantic Trade and Investment Partnership (T-TIP), we are deepening our economic relationship with the European Union (EU), which is already the world's largest and covers $1 trillion in annual trade, $4 trillion in investment, and supports 13 million jobs on both sides of the Atlantic. At a time of geopolitical uncertainty on the periphery of Europe, the T-TIP reminds the world that our transatlantic partnership is second-to-none.

Our agreements also bring stability to critical regions in flux. A main pillar of our rebalance toward Asia, the TPP will set rules of the road for nearly 40 percent of the global economy, including the world's fastest growing region. It will strengthen habits of cooperation among our partners. And it underscores that the United States is – and always will be – a Pacific power, and that our future is very much intertwined with the stability and prosperity of the Asia-Pacific region.

Our trade policy aims not only to update the global economic architecture but also to expand it through efforts like the African Growth and Opportunity Act. The cornerstone of U.S. trade policy with sub-Saharan Africa since 2000, this program has supported job growth in Africa and the United States and created countless market opportunities for American businesses. Updating and renewing our relationships to reflect changes within Africa and between African countries and their trading partners would send a strong message that America remains deeply committed to this dynamic region and to promoting broad-based development through trade.

Strategic objectives strongly reinforce the economic merits of trade. For example, working with developing nations to alleviate poverty and foster economic growth simultaneously creates better market opportunities for U.S. exporters. By leading on environmental, labor, and other issues, we can launch a race to the top, rather than be subject to a race to the bottom. At a time when our open, rules-based system is competing against alternative models, advancing these objectives will help revitalize the global trading system, allowing the United States to continue to play a leading role and ensuring that system reflects American interests and values.

Our efforts in 2015 will build on successful 2014 initiatives. Last year, the United States made substantial progress toward concluding the TPP. With the European Union, we made a fresh start in negotiations for the T-TIP. We played a critical role in realizing the first fully multilateral trade agreement in the history of the World Trade Organization (WTO), the Trade Facilitation Agreement (TFA), and made significant progress in negotiations to expand the scope of goods covered by the WTO Information Technology Agreement (ITA). Additionally, along with 13 other partners, we launched negotiations on the Environmental Goods Agreement (EGA) in Geneva.

This will be a historic year for U.S. trade policy. In 2015, we will conclude negotiations with TPP countries. We will make significant progress with the EU toward a T-TIP agreement to further strengthen the world's largest trade relationship. We will advance negotiations on the Trade in Services Agreement (TiSA). We will work with Congress to update and renew the African Growth and Opportunities Act (AGOA) for the longest term possible. We will continue fighting for America's trade rights, strengthening the multilateral trading system at the WTO, expanding the ITA, and continuing negotiations on an EGA. These are just some of the many areas where American leadership on trade will increase U.S. exports to the world while supporting job growth here at home.

To further strengthen America's ability to lead on trade, President Obama has called on Congress to work with him to secure approval of bipartisan Trade Promotion Authority (TPA). TPA is a critical tool for Congress to update and assert its role in trade policy and to guide current and future negotiations. For more than 80 years, since the time of FDR, Democrats and Republicans have worked together on similar measures to promote American exports and create jobs. This year, we have an opportunity to build on that tradition by modernizing TPA to address new issues and to update Congress's role in trade policy**.**

The Path Not Taken

What price would we pay in terms of U.S. interests and values if we were to abandon the ambitious trade agenda proposed by the President?

First, we would lose the opportunities to create new, high-paying jobs through expanded exports that are so important to our economic recovery. Other countries would get preferential access to some of the largest and fastest-growing markets in the world at our expense. Our firms would find themselves at a disadvantage, creating incentives for them to either drop out of the competition or move their production overseas to access those markets.

Second, we would lose the opportunity to secure enforceable commitments on labor and environment standards – missing a valuable chance to promote core labor standards and acceptable conditions of work, and diminishing our ability to protect the marine environment, curb illegal and over-fishing, combat wildlife trafficking and illegal logging, and protect sensitive areas. Rather, we would cede the rule-setting to others for whom protecting workers and the environment are not priorities.

Third, we would limit both our ability to protect American invention, artistic creativity, and research, and our ability to develop creative ways to speed the flow of new medicines to patients and further the freedom of people to search, buy and create on the Internet. Rather, we would see an accelerated rise of "data nationalism" and a digital world that begins to erect barriers rather than transcend them.

Right now, there are 525 million middle class consumers in Asia alone. By 2030, there are expected to be 3.2 billion middle class consumers in Asia, more than 8 times the size of what the U.S. market is expected to be at that time. Those consumers will want better diets and more protein. They will want entertainment, games and software. They will want to engage in e-commerce and order products from all over the world. They will want to save and invest for their families' future. They will want to breathe clean air, drink clean water and support a sustainable environment. They will want clean energy products and equipment to build roads and schools. They will want cars and trucks and airplanes.

Who will provide these goods and services? Will it be American workers, farmers and ranchers, or their competitors from other countries? Will we have access to markets and terms on which we can compete, or will we be left on the sidelines?

Other countries are not standing by and waiting for us to act. They are busy negotiating their own deals, trying to gain preferential market access to countries, setting rules of the road that do not reflect our values. And they do not put the emphasis we do on raising labor and environmental standards, protecting intellectual property rights, promoting access to innovation, preserving the freedom of the Internet or putting disciplines on state-owned enterprises.

We face a choice: Work to raise the bar or stay on the sidelines as other countries write the rules of the game. Promote a race to the top or acquiesce to a race to the bottom which we cannot win and which our values tell us we should not run. That is not in the interest of America's workers and America's families.

Job Creation and Economic Growth

In 2015, the Administration will actively pursue a range of initiatives to expand globally competitive U.S. exports in our manufacturing and agriculture sectors. A revitalized U.S. manufacturing sector continues to play a key role in the future of our economy. As American manufacturers grow our capacity to produce more advanced and value-added goods, consumers around the world continue to place a high value on products made in America. In 2014, the United States exported $1.4 trillion of manufactured goods, which accounted for 86 percent of all U.S. goods exports and 60 percent of U.S. total exports. This strong performance supports good-paying U.S. jobs, contributing to the nearly 900,000 manufacturing jobs that the economy has added since 2010. To further support the growth of advanced manufacturing and associated high-quality jobs here at home, in 2015 the Obama Administration will continue to pursue trade policies aimed at keeping American manufacturers competitive with their global peers. Throughout our trade negotiations, we aim to discipline the use of trade and regulatory measures that create barriers to U.S. exports, level the playing field between SOEs and private firms, ensure that rules of origin promote manufacturing in the United States, and increase the efficiency of the global supply chain and thereby create incentives for manufacturers to locate in the United States.

As the U.S. knowledge and innovation economy continues to grow in the 21st century, we have become the world's largest trader in services. For the United States, services account for over three-quarters of U.S. private sector GDP and four out of five jobs. Thanks to a vibrant and open domestic market, the United States is highly competitive in services trade, routinely recording an annual surplus on the order of $200 billion. With every $1 billion in services exports supporting 7,000 U.S. jobs, expanding services trade globally will unlock new opportunities for Americans.

Since the beginning of the Obama Administration, the agricultural sector has been a bright spot for exports, estimated to support more than one million American jobs throughout the U.S. agricultural supply chain. In 2014, the United States exported another record amount of $155.1 billion of food and agricultural goods to consumers around the world. In 2015, the Administration will continue to focus on combatting the growing number of unwarranted Sanitary and Phytosanitary (SPS) barriers to trade by advocating for science-based standards in support of additional exports of U.S. food and agricultural products. To realize the full benefits of our existing trade agreements, we will continue to use the consultative mechanisms established in each agreement to ensure that all relevant commitments are upheld. Our efforts in agriculture also will include an ongoing push in plurilateral discussions on aligning regulatory approaches affecting trade in products derived from modern biotechnology by building alliances with like-minded countries and utilizing international standards organizations both to grow U.S. agricultural exports and to improve global food security.

HIGH STANDARD, JOB-SUPPORTING TRADE AGREEMENTS

Trade's contribution to the U.S. economy has never been more significant than it is today. Trade supports higher-paying jobs, spurs economic growth, and enhances the competitiveness of the U.S. economy. Last year, the United States exported $2.35 trillion in goods and services, setting a new record for the fifth year in a row. Over the last five years, U.S. exports have accounted for nearly a third of total U.S. economic growth.

These economic gains pay real dividends for real people. Since 2009 under President Obama, U.S. exports have increased by nearly 50 percent, growing two and a half times faster than the economy as a whole, adding $762 billion dollars to our economic output and contributing nearly a third of our total economic growth.

Rising exports have been strengthening communities across America by supporting more high-paying jobs. Each billion dollars of increased exports supports over 5,000 jobs, on average. Between 2009 and 2014, exports supported an estimated 1.8 million additional private sector jobs – jobs that pay up to 18 percent more on average than non-export related jobs. Today, more than 300,000 American companies export, 98 percent of which are small and medium size businesses.

Trade agreements have played an important role in increasing U.S. exports. Over the past five years, exports of U.S. goods to our free trade agreement (FTA) partners increased over 64 percent, significantly outpacing the increase of around 45 percent to our non-FTA partners. Altogether, FTA partners accounted for nearly half of total U.S. goods exports to the world in 2014. Despite running an overall trade deficit, the United States runs a goods and services trade surplus with our combined 20 FTA partners. Our trade deficit, which has shrunk by a third since 2006, is comprised largely of the trade balance with our non-FTA partners.

It's in our interest to build on this progress, because the United States is already an open economy. Our average applied tariff is less than 1.5 percent, among the lowest in the world, and we don't use regulations as a barrier to trade. America is open for business, but other countries still have real obstacles, tariff and non-tariff barriers, to our exports. As a result of that imbalance, our trade agreements disproportionately reduce other countries' barriers, allowing us to increase exports and the good-paying jobs they support. That's why it's essential for the United States to continue to pursue an ambitious trade agenda.

Worker Rights

To keep strengthening our economy, we need better trade rules that protect American jobs and workers. The Obama Administration believes that by improving labor rights through our trade initiatives abroad, we can simultaneously uphold and promote U.S. values, strengthen the ability of American workers here at home to have a fair shot at competing on a level playing field in the global marketplace, and help grow a larger middle class in our trading partners that will fuel demand for U.S. goods and services. The trade policy tools available to promote worker rights have evolved significantly over time. Twenty years ago, when the United States entered into NAFTA, labor provisions were secondary and not included in the core of the agreement. Rather, they were in a side agreement, virtually all of the provisions of which were not subject to any enforcement mechanism. Today, the Obama Administration is negotiating provisions that are fundamentally different from NAFTA – and at the core of the agreement, subject to dispute settlement and the full range of trade sanctions.

In 2015, we will seek to strengthen the respect for and protection of labor rights through our major trade negotiations. In TPP, we are negotiating to put in place the largest expansion of enforceable labor rights in history, renegotiating NAFTA and bringing hundreds of millions of additional people under enforceable International Labor Organization standards. TPP is also providing a powerful avenue for direct engagement with countries like Vietnam, where because of TPP, we are making progress in improving the lives of workers on the ground. Under TPP, we are working to ensure that violations of labor rights will be subject to the same, strong dispute settlement mechanism as the rest of the commitments in the agreement. Some TPP countries will need to pursue reform so that their laws and practices are consistent with the International Labor Organization's fundamental labor rights. That includes freedom of association and the right to collective bargaining. It also includes protection from child and forced labor and from employment discrimination. Also, for the first time, we are seeking to include requirements in TPP for countries to adopt laws on minimum wages, hours of work, and occupational safety and health. Just as the heart of America's economy is the American worker, the heart of the global economy should be working people who stand to share in the benefits of global growth. Along the same lines, we will use the unique opportunity afforded to us in T-TIP to negotiate obligations that protect worker rights and set a high bar for other trade negotiations in the rest of the world. More broadly, we will focus on the effectiveness of rule of law,

implementation of the numerous agreements we have entered into, and work with key trading partners around the world to address specific labor issues.

In addition, in 2015 we will aim to strengthen engagement on and monitoring of labor protections with a number of trading partners, in concert with other U.S. agencies and our partners in the labor movement.

- We will continue to engage with the governments of Colombia, Bangladesh, Guatemala, Honduras and the Dominican Republic to advance workers' rights.

- We will work with the Colombian government to advance the implementation of the Colombia Action Plan Related to Labor Rights, a critical component of the United States – Colombia Trade Promotion Agreement, and urge additional action on areas of concern such as collecting fines for unlawful subcontracting, targeting shifting forms of unlawful subcontracting, and prosecuting recent cases of violence against trade unionists.

- We will continue to consult with the government of Bangladesh to press for further progress on the GSP labor action plan, including issuing regulations implementing amendments to the Bangladesh Labour Act, completing building safety inspections, responding to unfair labor practice complaints, and enacting additional needed labor reforms, including for export processing zones.

- We will continue to engage with Guatemala following the September 2014 reactivation of our labor dispute settlement process.

- We will continue to press for improved labor conditions in Honduras and the Dominican Republic.

In each of these cases, we will continue to use our trade policy tools to ensure that workers are able to exercise their rights and to improve working conditions on the ground.

Here at home, the Administration is committed to working with Congress to renew the Trade Adjustment Assistance (TAA) programs, which expired on December 31, 2013, to provide critical support for Americans facing short-term trade-related transitions. TAA provides resources to eligible workers to develop new skills that are essential for employment in vital growth industries of the 21st century economy. As the Obama Administration works hard to create and maintain open markets and support jobs through trade, we must also be mindful of our responsibility to ensure that trade policy reflects our values and stands with American workers impacted by global competition.

These goals are critical to the Administration's broader efforts to ensure a balanced, growing global economy in which workers in the United States and abroad share in the benefits of trade and globalization.

Environmental Protection

The Obama Administration is also working to set the world's highest standards in the environmental chapters of the trade agreements we are pursuing, and just like labor standards, we have insisted that environmental commitments be fully enforceable and on equal footing with commercial obligations. Through our TPP negotiations in particular, the Administration is seeking to address conservation challenges that are particularly prevalent in the Asia-Pacific region. We have insisted that environmental protections be at the core of TPP, and be enforceable through the same type of dispute settlement as other obligations, including the availability of trade sanctions. Our TPP partners include five of the world's most biologically diverse countries, and encompass major consumer and export markets for threatened and endangered wildlife. Of the estimated $70-213 billion dollars in wildlife trafficking and related

environmental crime that takes place annually, an estimated $8-10 billion dollars in illegal trade takes place in South-East Asia alone. In TPP we are pressing for groundbreaking and enforceable obligations to combat wildlife trafficking, and because TPP encompasses some of the world's major markets for wildlife and wildlife products, these efforts will potentially make all the difference for endangered and iconic species like rhinos and elephants, as well as reptiles, tropical birds and fish. TPP also presents an opportunity to advance protections for our oceans. TPP partners include eight of the world's top 20 fishing nations, accounting for 30 percent of global marine catch and almost 25 percent of global seafood exports. And TPP will also help protect forests and combat illegal logging. TPP countries account for over 30 percent of global timber and pulp production, and Malaysia alone is the largest exporter of tropical timber products in the world. TPP creates a significant opportunity to step up regional efforts to effectively enforce conservation laws, better coordinate law enforcement efforts, combat illegal logging, and target capacity building to promote sustainable timber management schemes.

In 2015, we will also continue to monitor closely the implementation of environmental obligations under existing trade agreements. For example, we will continue our engagement with Peru on its recent economic reforms to emphasize to the Peruvian government that the reforms must not weaken environmental protection. We will also continue to work with Peru to support its implementation of the Annex on Forest Sector Governance and the January 2013 bilateral Action Plan targeting key challenges in Peru's forestry sector.

This year at the WTO, we will continue to work with the world's largest traders of environmental goods to eliminate tariffs on these products through the EGA negotiations. These negotiations commenced on July 8, 2014 and, in addition to the United States, include Australia, Canada, China, Costa Rica, the European Union, Hong Kong, Israel, Japan, Korea, New Zealand, Norway, Singapore, Switzerland, Chinese Taipei and Turkey – together accounting for more than 87 percent of global trade in environmental goods. Iceland is also planning to join in 2015. The EGA will build on the commitment that President Obama and other Leaders of the Asia-Pacific Economic Cooperation (APEC) made to reduce tariffs on a list of 54 environmental goods and will expand product coverage to include additional environmental technologies. Eliminating tariffs on goods that help us protect our environment, such as renewable and clean energy technologies, will make these technologies both more affordable and accessible.

Innovation and Creativity

The United States is a leading voice for strong intellectual property rights protection that promotes incentives for innovation in place, while ensuring access to medicine for the world's poor. The Obama Administration strongly believes that our trade agreements should reflect this principle. For example, we are working to develop an approach in TPP that has a strong pharmaceutical IP standard, but that allows for more tailored flexibility for developing countries. We will continue to work with TPP partners in 2015 to make life-saving medicines more widely available, while maintaining incentives for the development of new treatments and cures.

As global commerce evolves to include an expanded role for the digital economy, the Obama Administration will continue to work towards strengthening America's competitive advantage in innovation. Intellectual property (IP) serves the essential purpose of encouraging innovation and creativity, and with over 40 million Americans employed in IP-intensive industries, it is an important source of American jobs. To sustain these vital economic benefits, in 2015 the United States will continue to seek greater market access for IP-intensive U.S. products, and to promote job-supporting innovation and creativity with balanced policies that benefit both producers and users of innovative products and services. The Administration will continue to work with the negotiating partners and stakeholders to advance high-standard IP provisions that will protect and promote the spread of IP-intensive products and services in

major trade initiatives like TPP, T-TIP, and will advance positive discussions of trade-related innovation and related issues at the World Trade Organization in Geneva.

As we work to open new markets to innovations from American firms, the U.S. will aggressively defend millions of American jobs threatened by the wholesale theft of U.S. intellectual property. Our workers deserve to reap the benefits of their labor, and we will use all appropriate trade policy tools to address key trade-related IP issues and resolve specific intellectual property issues that undermine the rights of Americans. We seek to actively combat global counterfeiting that both threatens American jobs and often endangers the health and safety of global consumers. We will also continue to advance the interests of U.S. producers, including trademark holders and exporters that rely on the use of generic product names, against over-broad protection of geographical indications in foreign markets.

The United States will continue to use the "Special 301" process and resulting annual report to Congress to drive continued improvements to the IPR protection and enforcement systems of our trading partners and to address ongoing foreign market access challenges facing our IP-intensive industries. The 2014 Special 301 Report marked 25 years of this Congressionally-mandated review, throughout which USTR has identified positive advances as well as areas of continued concern, reflected changing technologies, promoted best practices, and situated these critical issues in their policy context. The Report will continue to underscore the economic benefits of intellectual property rights protection and enforcement to the United States and to our trading partners and the need for our trading partners to comply with their international intellectual property obligations. For instance, in 2015 we expect to review and report on critical developments in key markets such as China, Russia and India, all named as Priority Watch List countries in 2014.

As with the rest of our trade agenda, the Administration will continue to seek input from Congress and stakeholders on a wide range of trade issues related to the protection and enforcement of copyrights, trademarks, patents, trade secrets, and other forms of intellectual property. In the area of public health, the Administration continues to welcome diverse stakeholder input to shape the development of proposals to promote access to high-quality innovative and generic medical products.

The Trans-Pacific Partnership

The Obama Administration will work to conclude negotiations of the Trans-Pacific Partnership (TPP) in 2015. TPP will include the strongest labor and environmental provisions of any trade agreement, as well as new provisions that create disciplines on state-owned enterprises, advance digital freedom, promote the development of and access to innovation, strengthen anticorruption efforts, benefit small businesses, and further global development. TPP is integral to the U.S. rebalance to Asia and allows us to set the rules of the road in an important and dynamic region – rules that will otherwise be set by countries that do not share our interests or our values.

The 12 TPP partners – the United States, as well as Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam – are responsible for nearly 40 percent of the global economy and one-third of global trade. These large and growing markets are already key destinations for U.S. manufactured goods, agricultural products, and services, and the TPP will further deepen this trade and investment relationship while promoting our values. TPP will level the playing field for American workers and businesses in the world's fastest-growing region. At present, American autoworkers are handicapped by tariffs that can reach 30 percent in rapidly growing markets such as Malaysia. American farmers are forced to contend with tariffs as high as 40 percent on poultry in Vietnam. In these industries and others, TPP will eliminate or significantly reduce barriers to U.S. exports.

In addition, the United States continues to engage with potential candidate countries regarding their interest in joining the TPP negotiations in the future and has welcomed public expressions of interest by a number of economies in Asia and Latin America. TPP remains a promising platform for the development of a global trading system based on U.S. values and rules that enhance public health and consumer safety.

The Transatlantic Trade and Investment Partnership

The United States and the European Union already share the largest trade and investment relationship in the world, with $1 trillion in two-way annual trade (an average of $2.7 billion each day). T-TIP will build on that. With the new European Commission in place, the United States and the European Union are seeking to build on that strong foundation, and are moving forward with a fresh start in the T-TIP negotiations. Last November, President Obama and EU leaders reaffirmed their commitment to an ambitious, comprehensive, and high-standard T-TIP agreement.

In 2015, the Administration expects to make substantial progress in the T-TIP negotiations. We are seeking ambitious market openings in goods, services, and investment, and are working to address areas such as regulatory and other non-tariff barriers to U.S. exports, increasing the participation of SMEs in the transatlantic economy, and addressing the challenges of trade in the modern digital economy, among other goals.

T-TIP offers the United States an historic opportunity to modernize trade rules and break down barriers between our two markets. We will do so in a way that maintains the high levels of protection for consumers, for health and safety, for the environment, and for workers that our citizens expect. It also offers significant opportunities to set high standards with respect to global issues of common concern, beyond the bilateral U.S.-EU relationship. And in addition to the economic benefits, T-TIP will reinforce the crucial strategic elements of our transatlantic relationship. The Administration will continue to seek input from Congress and a wide variety of stakeholders as the T-TIP negotiations progress.

Information Technology and Services

The United States will continue to play a leading role in negotiations to expand the scope of products covered by the Information Technology Agreement (ITA) within the WTO framework. The ITA entered into force in 1997 and now covers over $4 trillion in annual global trade. The Obama Administration is seeking to expand the scope of the ITA's product coverage in order to keep pace with the tremendous technological advances that have taken place in recent years. Following the 2014 APEC Leaders' Meeting, President Obama announced a major breakthrough with China, which allowed the plurilateral negotiations to expand the scope of goods covered by the ITA to continue. A plurilateral deal on ITA expansion will eliminate tariffs on additional information technology products, and would be the first major tariff deal at the WTO in 18 years.

In 2015, U.S. negotiators will work to conclude negotiations on a balanced and commercially meaningful expansion of the ITA. Eliminating duties on newer information technology products would provide a significant boost for U.S. technology exports, and enable all countries to benefit from increased trade of cutting edge products. The Information Technology and Innovation Foundation estimates that the liberalization of duties on additional technology products could increase annual global GDP by $190 billion and support up to 60,000 new American jobs.

In order to strengthen our leadership position as a global supplier of services, in 2014, the Administration held five rounds of negotiations for a Trade in Services Agreement (TiSA) to open foreign markets, create new opportunities for U.S. exporters, and encourage the adoption of policies that promote fair and open

competition in international markets for services. Twenty-three economies participated in TiSA negotiations in 2014, representing 75 percent of the world's $44 trillion services market – or approximately half of the global economy. This year we will continue to advance negotiations on TiSA, and hope to achieve substantial progress towards reaching an agreement.

World Trade Organization

The World Trade Organization remains the critical forum for strengthening the multilateral rules-based trading system and enforcing global trade rules, while serving as an important bulwark against protectionism. In 2015, the United States will build on recent multilateral trade negotiating successes by continuing to play a leading role in the multilateral trading system. This leadership role reflects our commitment to preserving, enhancing, and strengthening the WTO as an institution going forward.

Earlier this year, the Administration took the final step towards enabling full implementation of the WTO TFA, the first multilateral trade agreement in the WTO's 20-year history. This hard won agreement promises to improve trade efficiency and help small businesses export, and is projected to generate hundreds of billions of dollars in economic activity. The TFA, with binding commitments on all WTO Members to expedite movement, release and clearance of goods, improve cooperation on customs matters, and help developing countries fully implement the obligations, will open new markets for U.S. exporters by significantly reducing customs barriers they face worldwide. The agreement will increase customs efficiency and effective collection of revenue, and will help small businesses access new export opportunities through requirements for transparency in customs practices, reduction of documentary requirements, and processing of documents before goods arrive.

In 2015, the United States will seize upon this forward momentum by encouraging other WTO members to take the necessary steps so that the entry-into-force of the WTO TFA occurs by the 10th Ministerial Conference in Kenya in December. We will also establish, with our partners at USAID, an innovative public-private partnership to provide capacity-building assistance to select developing countries that demonstrate strong commitments to rapidly implement the TFA.

The United States is once again playing a lead role in resuming a discussion with WTO members to conclude the Doha Round of global trade negotiations. Initial discussions in early 2014 on this "post-Bali work program" immediately faced many of the same challenges that have affected the Doha Agenda since its inception in 2001, including questions regarding the willingness of advanced developing countries to contribute commensurate to their status as major traders. This year, as these difficult discussions progress, we will continue to push the ultimate goal of the Round, which is to reduce trade barriers in order to expand global economic growth, development, and opportunity.

The United States also looks forward to the completion of several important WTO accession negotiations, including Kazakhstan (where we are working to ensure that measures in the Eurasian Economic Union are WTO consistent), Liberia (as it seeks to strengthen its economy while emerging from the Ebola crisis), and Afghanistan (as we continue to assist with the Afghan government's state-building efforts). The United States will continue to provide technical and other assistance to other WTO accession candidates.

While supporting the expansion of WTO membership and playing a proactive role in market-opening negotiations, we will continue to promote and strengthen the WTO's existing core functions, including the day-to-day activities of the WTO committees and working groups and its dispute settlement mechanism. These institutional structures are critical to promoting transparency in WTO Member trade policies, as well as monitoring and resisting protectionist pressures during a challenging time for certain segments of the global economy. By working together, WTO Members can continue to build upon 2014's successful efforts

to revitalize the WTO and ensure that it remains equipped to drive future economic growth and development by serving as a permanent bulwark against protectionist measures around the world.

TRADE ENFORCEMENT

The Obama Administration is committed to vigilant monitoring and rigorous enforcement of U.S. trade rights. Our enforcement efforts are essential to growing our economy and defending the livelihoods of hard-working Americans. It is for this reason that President Obama has placed trade enforcement on par with opening markets for U.S. exports. The United States will use every appropriate tool at our disposal to fight a variety of unjust trade barriers to ensure that the rights of America's working families are fully realized. In 2015, the Obama Administration will continue to use dialogue when possible – and WTO dispute settlement when necessary – to help preserve and support American jobs threatened by foreign practices inconsistent with the obligations of our trade agreements and at the WTO. As we continue to defend and enforce U.S. trade rights, our goal remains to ensure that Americans can compete successfully in world markets where intellectual property is protected, labor and environmental standards are enforced, where regulations to protect human, animal, or plant life or health are based on science and where transparent rules and regulations are applied without discrimination.

The WTO's dispute settlement system plays an indispensable role as the preeminent forum for the discussion and adjudication of disputes with our trading partners. The United States prevailed in four major WTO disputes in 2014, successfully challenging China's export restraints on rare earths elements, China's antidumping and countervailing duties on U.S. automobiles, Argentina's sweeping import licensing restrictions, and India's ban on imports of various U.S. agricultural products like poultry meat, eggs, and live swine. These successful outcomes are clear examples of the Administration's winning strategy of fighting back against countries that unfairly block or discriminate against U.S. exports or distort trade against U.S. interests.

As a top priority in 2015, we will continue to hold China and other trade partners accountable to their WTO obligations to ensure that U.S. producers and workers have a level playing field to compete in a wide range of industries. This Administration is dedicated to ensuring that Americans get the benefits of all the economic opportunities we've negotiated under our trade agreements. For example, last month we launched a new enforcement action against China's "Demonstration Bases-Common Service Platform" export subsidy program. Under this questionable program, China seems 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 one hundred and fifty industrial clusters throughout China known as "Demonstration Bases." This unfair Chinese program is harmful to American workers and American businesses of all sizes, and we are dedicated to combatting these unfair practices.

Going forward this year, the United States will also continue to pursue ongoing WTO disputes, including three WTO actions launched in 2014. Specifically, we will continue to fight against barriers to U.S. products, whether China's antidumping and countervailing duties on imports of U.S. electrical steel; Indonesia's licensing measures that restrict imports of American horticultural and animal products; or India's domestic content requirements for solar cells and solar modules that discriminate against American manufacturers.

In addition, in 2015, the United States will continue to pursue meaningful efforts with the EU to end WTO-inconsistent subsidies for aircraft at the earliest possible date. Tens of thousands of jobs for U.S. aerospace engineers, electricians, and related suppliers depend on U.S. aircraft manufacturers being able to compete globally on a level playing field. At the same time, the United States is vigorously defending U.S. interests in the compliance challenge brought by the EU.

In 2015, the Interagency Trade Enforcement Center (ITEC) will continue to play a critical role in the Obama Administration's enforcement efforts. ITEC brings together resources and expertise from across the federal government into one unit organization reporting to the USTR. ITEC includes staff from a variety of agencies with a diverse set of language skills and expertise, including intellectual property rights, subsidy analysis, economics, agriculture, and animal health science. This collaborative structure is significantly enhancing the Administration's capacity to proactively enforce U.S. trade rights. For example, through ITEC the United States will continue to push farther and dig deeper into, and address trade distortions resulting from, the complex web of industrial policies and bureaucratic systems of key trading partners like China. Furthermore, ITEC will continually monitor compliance of other key trading partners, such as Russia, Brazil and India, with their WTO commitments and on priority issues like distortive industrial policies, localization policies and IPR, in coordination with trade experts from across the U.S. government.

Building on the achievements of the last four years, in 2015 we will continue to work with Korea, Colombia, and Panama to ensure that the bilateral trade agreements that went into effect in 2012 are fully implemented and continue to operate smoothly. Moving forward in 2015, the United States and Korea will jointly convene relevant committees and working groups established under the agreement as necessary to ensure continuing implementation of its provisions.

ENGAGEMENT WITH KEY TRADING PARNTERS

Trade plays a leading role as a tool for strengthening bilateral and regional partnerships. The United States continues to promote mutual accountability and shared ambition as we work to strengthen our trade relationships and support U.S. jobs through a variety of bilateral and regional trade and investment avenues. In addition to our ongoing major negotiations with partners in Asia, Europe, and around the world, in 2015 the United States will maintain steady engagement with trading partners to create additional bilateral and regional trade and investment opportunities that help grow our economy.

China

President Obama is committed to robust U.S. engagement with China that focuses on providing American businesses with a level playing field to compete in China's large and growing market. Moving forward, the Obama Administration will seek to enhance cooperation toward common objectives on the basis of our shared responsibility to sustain global economic growth and stability.

Our efforts to promote healthy and equitable trade and investment with China will build on recent progress in several areas. Bilateral engagement in 2014 through the Joint Commission on Commerce and Trade (JCCT) and the Strategic and Economic Dialogue (S&ED) was productive, though there is more work ahead of us. At the JCCT in Chicago, we announced key outcomes in the areas of agricultural market access, intellectual property rights protection and related regulatory reforms, innovation policies, and competition law enforcement. And at the S&ED, the United States and China underscored the importance of fostering an open, transparent, and non-discriminatory environment for trade and investment on issues related to state owned enterprises, trade secrets, excess production capacity, and many others.

In 2015, we will pursue our trade and investment objectives with China using all available tools, including dialogue, negotiation, and enforcement when appropriate as we seek to eliminate market access barriers, ensure the unencumbered exercise of intellectual property rights, and increase transparency across all sectors. We will continue concrete steps to make maximum progress in Bilateral Investment Treaty (BIT) negotiations with China, consistent with our negative list approach and a commitment to national treatment in the pre-establishment phase. We will continue to work towards securing China's participation in the

Government Procurement Agreement (GPA) to support rebalancing of the U.S.-China trade relationship by expanding U.S. sales into China's large government procurement market. We will work with China to improve intellectual property protection, to remove regulatory barriers, and to improve time-to-market of innovative pharmaceuticals and medical devices in China.

Korea

Last year, the United States and Korea held a number of bilateral trade consultations, including FTA committee meetings and working groups under the U.S.-Korea Free Trade Agreement to ensure full implementation of commitments made under the agreement. The United States raised and resolved a number of concerns, including in the automotive, financial services, and customs areas. In 2015, The United States will continue these consultations to address bilateral trade issues in a timely fashion. The United States and Korea will also continue to cooperate extensively in a range of multilateral and regional fora, such as APEC and the Trade in Services Agreement (TiSA).

Russia

In 2014, Russia's use of unjustified and retaliatory trade measures rejected the core principle of trade based on the rule of law. The Obama Administration responded to Russia's illegal actions in Ukraine by politically isolating and imposing economic costs on Russia through a carefully constructed sanctions regime, in close cooperation with Europe and other partners. We will continue to monitor Russia's implementation of its WTO obligations through USTR's annual reports detailing Russia's compliance, and take any actions necessary to ensure U.S. exports are treated consistently with those commitments.

India

Increasing trade and investment between the United States and India is critical to enhancing the dynamism of this important economic relationship. Two-way U.S.-India trade in goods in 1980 was just $2.8 billion; since then it has skyrocketed to $66.9 billion. In 2014, India hosted the eighth ministerial-level meeting of the India-United States Trade Policy Forum (TPF) in New Delhi. The two governments signaled their readiness to enhance bilateral trade and investment ties in a manner that promotes economic growth and job creation in both India and the United States and exchanged views on a range of issues, including agriculture, services, promoting investment in manufacturing, and intellectual property**. Both India and the United States** agreed upon TPF work plans for continued engagement in these areas in 2015. At the direction of the President and Prime Minister, we also plan to discuss the prospects for moving forward with a high-standard BIT as India releases its model BIT. In addition, we aim to achieve substantial progress on intellectual property issues with India through the High Level Working Group on Intellectual Property.

The Americas

The United States maintains strong economic ties with its trading partners throughout the Western Hemisphere. Boasting a combined goods and services trade totaling nearly $2 trillion, we seek to build upon an extensive web of existing bilateral and regional trade agreements to further enhance U.S. export opportunities to the region. With regard to Mexico, in 2014 we took further steps to deepen our economic partnership through the High Level Economic Dialogue. In 2015, we will continue to work bilaterally, and as TPP partners, to deepen our partnerships, enhance North American competitiveness, and address barriers to U.S. exports.

In October 2014, the United States and Brazil signed a Memorandum of Understanding (MOU) to permanently end the WTO cotton dispute, eliminating a longstanding irritant in our bilateral relationship. Under the terms of the MOU, Brazil formally terminated the WTO dispute and gave up its right to introduce countermeasures against U.S. trade or initiate any further proceedings in the dispute. In 2015, we will work to continue to grow our exports and deepen our trade and investment policy engagement with Brazil through the Agreement on Trade and Economic Cooperation (ATEC). We will also work to deepen our trade with our other FTA partners in South America, Chile, Peru and Colombia. All covered goods trade with Chile is now duty free, and we are working with both Chile and Peru as partners in the TPP.

Trade between the United States and Central America and the Caribbean remains strong. U.S. goods exports to the CAFTA-DR countries were valued at $31.3 billion in 2014. In 2015, the United States will work to deepen trade its relationships with CAFTA-DR partners to strengthen implementation of the trade agreement, facilitate trade and address outstanding issues related to IP, SPS measures, worker rights, and environmental protections, among others. Most of the Caribbean enjoys preferential access to the United States through our only permanent preference program, known as the Caribbean Basin Initiative. In 2015, we will continue our engagement with the region to encourage even greater trade and investment. And conditional on action by the U.S. Congress, actions in the Caribbean region could also include steps to re-establish normal trade relations with Cuba.

Sub-Saharan Africa

The U.S. will also intensify engagement with trading partners in sub-Saharan Africa to advance key trade and investment initiatives. As President Obama emphasized at the U.S.-Africa Business Forum on the margins of the U.S.-Africa Leaders Summit in August 2014, Africa includes some of the fastest-growing economies in the world, with a growing middle class and expanding markets in manufacturing, retail, and telecommunications. U.S. companies increasingly see opportunities in Africa, and we are working to support increased U.S.-Africa trade through the Trade Africa initiative as well as the long-term renewal of AGOA. We will work with Congress on a seamless and timely renewal of the AGOA program, which is scheduled to expire in September 30, 2015, for as long a term as possible.

We aim to significantly advance President Obama's Trade Africa Initiative through our work with the East African Community (EAC) in facilitating U.S.-EAC private sector engagement, by expanding the program to include additional countries, and by utilizing expanded trade and investment hubs across Africa to support U.S. investors and local businesses. At the U.S.-Africa Leaders Summit the President announced $7 billion in new financing to support U.S. exports to Africa as well as the creation of the President's Advisory Council on Doing Business in Africa. Under the auspices of Trade Africa, we will establish a more strategic and coordinated approach to trade and investment capacity building in Africa. We will advance ongoing Trade and Investment Framework Agreement (TIFA) negotiations with countries like Nigeria, South Africa, and Angola, and build on the recently signed TIFA with Economic Community of West African States (ECOWAS).

The Middle East and North Africa

The revolutions and other changes that swept through the Middle East and North Africa (MENA) have provided new opportunities, as well as new challenges, with respect to U.S. trade and investment relations with MENA countries. In 2014, the United States continued to monitor, implement, and enforce existing U.S. FTAs in the region, pursued TIFA consultations with Tunisia and Algeria, and sought new opportunities to cooperate more closely with Egypt. In 2015, we will aim to advance our bilateral trade relationships with MENA countries such as Turkey, where economic ties have grown steadily over the last

15 years. We will also seek to craft and pursue initiatives that can help lay the groundwork for the greater economic integration among MENA countries which will be critical to the future prosperity of the region.

APEC and ASEAN

The Obama Administration is working hard to expand American trade and investment opportunities around the world. Advancing regional economic integration remains a key objective of APEC, whose 21 member economies collectively account for 56 percent of world GDP. Last year, the U.S. played an active leadership role in APEC, working closely with China, the host country, and APEC partner economies to achieve concrete and meaningful trade and investment outcomes that prevent trade barriers, create more transparent and open regulatory cultures, and reduce trade costs by making supply chains more efficient. In 2015, we aim to build upon this work in the areas of regulatory transparency, promoting trade in environmental goods and services, protecting trade secrets, and educating economies on the damaging effects of localization barriers.

In 2015, the United States also will intensify work to enhance regional trade and investment with partners in the Association of Southeast Asian Nations (ASEAN). To complement robust engagement through ASEAN and other regional fora, the United States will work bilaterally with trading partners across Southeast Asia to address trade and investment barriers and enhance mutual economic growth and development. In June of last year, the United States held a first-ever TIFA meeting with Burma, addressing economic reform, labor rights, and implementation of Burma's WTO commitments. In 2015, a priority for the United States will be to work with the government of Burma to achieve further improvements in the protection of worker rights.

Central Asia

We will build upon the work conducted last year under our innovative plurilateral Trade and Investment Framework Agreement with the five countries comprising Central Asia.

TRADE AND DEVELOPMENT

Promoting economic development by creating trade opportunities for some of the world's least-developed countries today can help to reduce corruption and violence. The United States will continue to work with developing countries to lift people out of poverty and foster opportunity through expanded trade and stronger economic growth. Many regions of the developing world hold considerable potential for economic growth. The Obama Administration's efforts to help developing countries to build capacity to harness the power of trade also helps U.S. producers and exporters by enhancing their opportunities to connect with billions of new customers abroad. Thus, by expanding our trade with the developing world we also support jobs and economic growth here at home.

U.S. trade preference programs provide opportunities for the world's poorest people to climb out of poverty. In support of this goal, the Administration will work with Congress this year to renew authorization of the Generalized System of Preferences (GSP) program. The oldest and most widely used U.S. trade preference program, GSP helps beneficiary developing countries to expand their economies by allowing many goods from these countries to be imported to the United States duty-free. The GSP program also aids American manufacturing by lowering the cost of imported goods used as inputs in U.S. production. In 2015, the Administration will continue to administer our U.S. trade preference programs in a manner that contributes to economic development in beneficiary countries while also addressing relevant statutory eligibility criteria, such as progress on worker rights and enforcement of intellectual property rights.

In 2015, the Administration will also intensify discussions with Congress and our trading partners, as well as U.S. and African stakeholders, on a seamless and timely renewal of AGOA before it expires later this year. This renewal would include third-country fabric provisions for a sufficient period of time to encourage meaningful investment and sourcing. Created in 2000, AGOA has increased and diversified two-way U.S.-sub-Saharan African trade, helping to facilitate a three-fold increase in non-oil exports from AGOA beneficiary countries to the United States. The United States also will continue working with our AGOA partners to ensure that the AGOA program works effectively to benefit both Africa and the United States and that our trade relationships evolve with developments in the region.

The United States will also continue to lead multilateral efforts to assist least developed countries (LDCs) to better integrate into the global trading system. Recognizing the importance of LDCs achieving their development objectives, in 2015 we will advance work at the WTO to monitor existing commitments so that LDC exporters are able to benefit from preferential trade provisions, grow their economies, and thereby increase two-way trade with the United States.

PUBLIC ENGAGEMENT

In 2015, the Obama Administration will continue to consult with Congress and seek input from a wide range of advisors, stakeholders, and the public at large to develop and sustain U.S. trade policies that support American jobs, strengthen the middle class and increase economic growth. This dialogue is critical at every stage of the negotiating process, including implementation and enforcement of trade rules. Throughout these consultation processes, we seek to craft trade policy solutions that are balanced and responsive to a diverse array of American voices.

In the TPP negotiations, for example, the Administration has already held consultations with Congress on more than 1,600 separate occasions and will continue to consult intensively in 2015. We have and will continue to share texts of U.S. proposals with Members of Congress at every stage of the negotiation. Any member of Congress can read the negotiating texts and receive detailed briefings by our negotiators. The committees of jurisdiction are provided advance copies of draft U.S. negotiating proposals before they are tabled to provide input and feedback. As in any international negotiation, we work to maximize transparency, consistent with negotiating the best deal on behalf of the American people.

The Administration also regularly consults 28 advisory committees established by Congress. These include the President's Advisory Committee on Trade Policy Negotiations (ACTPN), Agricultural Policy Advisory Committee (APAC), Intergovernmental Policy Advisory Committee (IGPAC), Labor Advisory Committee for Trade Policy and Trade Negotiations (LAC), Trade Advisory Committee on Africa (TACA), Trade and Environment Policy Advisory Committee (TEPAC), as well as six Agricultural Technical Advisory Committees (ATACs) and 16 Industry Trade Advisory Committees (ITACs). Amongst the advisory committee members are representatives from labor unions, environmental groups, consumer groups, non-governmental organizations, state and local governments, industry and academia. All advisors have an opportunity to review and comment on all draft U.S. proposals before they are shared with other countries, and are encouraged to provide additional input throughout the negotiations.

Further, the Administration has cast a wider net to draw in the views of stakeholders and the public more generally, and to share information with them. These efforts have included solicitation of public comments regarding negotiation objectives through Federal Register notices, stakeholder events at rounds of negotiations, dissemination of trade policy materials such as press releases, factsheets and statements on the recently redesigned United States Trade Representative website, and direct and constant outreach by U.S. trade officials to solicit, obtain, and incorporate public input in the course of their daily work.

These efforts will continue and intensify this year. USTR will continue to engage with a wide array of stakeholders including non-governmental organizations, academia, labor unions, environmental organizations, small and medium size businesses, and consumer groups. U.S. stakeholders will collectively help to inform and guide our trade policy decisions. We will strengthen our relationships with states and localities through enhanced engagement with the National Governors Association, the National Conference of State Legislatures, the U.S. Conference of Mayors, and outreach to state and local elected officials.

CONCLUSION

The Obama Administration's trade policy is firmly anchored in "Middle Class Economics". We are seeking to grow our economy, support good-paying jobs, and strengthen the middle class. We are negotiating tough trade agreements with strong enforcement provisions, helping our workers and businesses compete by eliminating barriers to fast-growing markets representing nearly two-thirds of the global economy. But that is not enough. Americans demand more of their government and their trade policy. After all, the United States is not just a business enterprise. We are a nation of values, born of history, tradition, and a shared understanding of what is right. The Obama Administration is working to set a new standard, insisting that our values undergird our trade policy today and in the future, promoting strong labor and environmental standards that protect our workers, oceans and forests. In this effort, we have made important strides forward. We have more to do. We look forward to engaging with Congress and with the American public to ensure that our trade agenda achieves these goals, and strengthens American leadership in the world.

Ambassador Michael Froman
United States Trade Representative
March 2015

2014 ANNUAL REPORT
OF THE
PRESIDENT OF THE UNITED STATES
ON THE
TRADE AGREEMENTS PROGRAM

II. THE WORLD TRADE ORGANIZATION

A. Introduction

This chapter outlines the work of the World Trade Organization (WTO) in 2014, and the work anticipated in 2015 to implement the results of the Ninth Ministerial Conference in Bali and to advance negotiations in the WTO, including under the Doha Development Agenda (DDA). 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 United States maintains an abiding commitment to the rules-based multilateral trading system, which advances the well-being of the people of the United States and of our trading partners. The WTO represents the multilateral bedrock of U.S. trade policy, playing a vital role in securing new economic opportunities for American workers, farmers, ranchers, manufacturers, and service providers and promoting global growth and development with widely shared benefits. The United States continues to take a leadership role at the WTO, working to ensure that trade makes a powerful contribution in expanding the global economy. 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. The WTO agreements also provide a foundation for high-standard U.S. bilateral and regional agreements that make a positive contribution to a dynamic and open global trading system based on the rule of law. On a day-to-day basis, the WTO provides opportunities for advancing U.S. interests 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 DDA is the ninth round of multilateral trade negotiations to be carried out 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 took this guidance to heart in working collectively to complete at the WTO's Ninth Ministerial Conference in December 2013 a "Bali Package," which included, in the form of the groundbreaking Trade Facilitation Agreement (TFA), the first new multilateral agreement in the nearly 20 year history of the WTO. The TFA, when fully implemented, will 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. 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 Trade Facilitation Agreement, public stockholding for food security and the post-Bali work program.

In parallel, the United States and other WTO Members have generated renewed focus on the day-to-day work of the WTO's standing committees and other bodies, which remained instrumental in promoting transparency of WTO Member trade policies and providing critical fora for monitoring and resisting

protectionist pressures during a time of global economic challenges. 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. The WTO at 20 and American Interests

Since the establishment of the World Trade Organization 20 years ago, it has proven its worth as the bedrock of an open, rules-based global trading system. Through the rules and institutions that are already in place, the WTO has served to advance the interests of America's farmers, ranchers, manufacturers and service providers by providing them with certainty, transparency and stability in their efforts to compete for the business of the 95 percent of consumers who live outside the United States. Through its ongoing committee work and dispute settlement procedures, the WTO has provided a vehicle to address unfair foreign trade practices to ensure that the United States receives the benefits of WTO rules. And as a forum to pursue further multilateral trade liberalization in the Doha Round, the WTO provides Americans and people throughout the globe with the opportunity to pursue new economic opportunities for growth and development.

The WTO was created in 1995 as part of the results of the Uruguay Round of multilateral negotiations. The U.S. commitment to open markets and to the rules-based multilateral trading system embodied in the WTO remains a vital part of the United States' trade and investment policy. This commitment has been a consistent feature of U.S. trade policy since the end of the Second World War. It remains firmly in our national interest to safeguard that system and to do our part to ensure that it meets its tremendous potential. Through the rules and monitoring efforts of the WTO, the world has avoided the path taken in the 1930s, when market-closing protectionist actions and reactions served to deepen and lengthen the Great Depression. Determined to avoid this dynamic, and to strengthen global security and peace through economic opportunity and growth in living standards, 20 founders created the GATT in 1947. That number reached 119 when the WTO was established in 1995, and now stands at 160, as the economic benefits of participation in the rules-based, multilateral trading system embodied in the WTO continue to attract new Members. Since 2010, the WTO has welcomed seven new Members: Lao People's Democratic Republic, Montenegro, Tajikistan, Russia, Samoa, Vanuatu, and Yemen.

While the multilateral trading system has proven its worth by helping to maintain open markets in a time of economic crisis, its principal contribution since the signing of the GATT has been to expand open markets and create economic opportunity. The positive negotiating agenda of the GATT and WTO has been the expansion of economic opportunities through sustained reductions in global barriers to international commerce and enhanced trade and economic prosperity, in the context of a rules-based global trading system. The Uruguay Round (1986-1993) was the eighth such round since GATT was signed to pursue this objective, and brought new areas such as services, intellectual property rights (IPR) and agriculture fully into the global trading system. As described in detail below, the United States is pursuing further market-opening benefits through a balanced outcome to the Doha Round negotiations.

At the WTO's Ninth Ministerial Conference in December 2013, the United States played a key role in reaching agreement on the "Bali Package," which included, the Trade Facilitation Agreement (TFA), the first new multilateral agreement since the establishment of the WTO. The Bali Package also included

important results on food stockholding and development. This package helped to reestablish the WTO's credibility as a negotiating forum.

The TFA was important from several perspectives. Once implemented, the TFA will substantially reduce the costs of trade for all WTO Members, particularly developing countries around the world. The simplification and modernization of customs procedures will enhance trading opportunities, reduce trade costs for small and medium sized enterprises, attract investment, improve tariff collection, trade diversification, and overall economic growth, and help better integrate developing countries, particularly LDCs, into global supply networks. This agreement is extremely important for small and medium-sized business that don't have the resources to navigate the complexities of burdensome procedures that lack transparency.

Multilateral trade negotiations under the GATT were central to post-War trade liberalization, and broader post-War institution-building aimed at enhancing global stability and security. The creation of the WTO was a central element of the success of six decades of negotiating efforts under the GATT. The creation of the WTO was a major step in the building of an open, rules-based global trading system that has greatly benefitted Americans.

Organizationally, the WTO continues to stand out within the world of international organizations by continuing to maintain a 'lean' approach to secretariat staffing, avoiding the growth of any bloated bureaucracy. With the United States leading the way at various points, the WTO has taken steps to increase the transparency of its operation across the board, from document availability to public outreach. Work continues on new and creative ways to bring further improvements in openness. WTO Members continue to set the course for the organization, and the Members themselves remain responsible for compliance with rules. U.S. leadership within the WTO will continue to be critical to advancing U.S. interests in the global trading system, to help restore global economic recovery and growth and to expand economic opportunity and the rule of law.

1994-2014: Performance of the U.S. Economy

Market opening trade policy in general, and WTO in particular, should be judged in areas where they do have effect: in expanding opportunities for trade, contributing to higher productivity and earnings, lowering prices and increase choice for household consumers and business purchasers alike, encouraging beneficial investment, and helping to enhance domestic living standards and rates of economic growth. Against these measures, U.S. economic performance in 1994-2014 is consistent with a country drawing advantage from more open markets, freer trade and a more predictable international trading system.

The trading system should also be judged not only when times are good, but also how it reacts when downturns and tough times occur. In both of these instances, the global trading system led by the WTO has excelled. In 2009, the world economy slipped into deep recession and major counter-recessionary economic policy actions were taken by governments around the globe.

Among these actions were commitments to resist the increase in barriers to international trade. This was unlike the situation in the 1930s when, without the WTO, countries instituted highly restrictive trade policies, driving out imports, and exacerbating the downturn. The WTO and U.S. participation therein have proved extremely valuable to U.S. efforts to contain the recession, by avoiding the resort to protectionism in global markets. Through this success, exports has been a critical component of the U.S. recovery, contributing nearly one-third of the growth over the past five and one-half years since the trough of the recession in the 2nd quarter of 2009.

For the 20 year timeframe of the WTO, up through 2014 (even including the event of the Great Recession), the overall good performance of the U.S. economy has been consistent with the view that the WTO has served the interests of America and the American people. From 1994 to 2014 real gross domestic product (GDP) of the United States increased by 62 percent (2.5 percent annual average), despite the 3.1 percent decline between 2007 and 2009. Average per capita real GDP increased by 33 percent (1.4 percent annual average) from 1994-2014 as well. Within GDP, real manufacturing output increased by an estimated 61 percent between 1994 and 2014, apace with the overall growth of the economy.

Non-residential business investment, critical to productivity growth and living standard enhancement, also performed well, increasing by 125 percent, twice as fast as the overall growth of the domestic economy. As a share of current dollar GDP, non-residential investment rose from 11.9 percent in 1994 to 12.7 percent in 2014.

Non-farm employment in the United States increased by nearly 22 percent, or by 24.6 million, between 1994 and 2014 (including the decline of 7.7 million jobs between 2007 and 2010). However, since February 2010, employment has increased by 11.2 million through January 2015). The unemployment rate showed similar trends: averaging 6.0 percent during the entire time frame, but roughly 5.1 percent during the 1994-2008 period (pre-Great Recession). The unemployment rate has declined by 3.4 percentage points between its high in 2010 and 2014.

Real hourly work compensation rose by 23 percent for employees of non-farm U.S. business between 1994 and 2014.

Despite substantial growth in manufacturing output and overall employment, employment in manufacturing decreased by 28 percent between 1994 and 2014. The decline in manufacturing employment reflects, in part, much more rapid increases in output per hour worked (productivity) in the U.S. manufacturing sector than in the economy as a whole. Between 1994 and 2014, output per hour worked in manufacturing nearly doubled, increasing by 96 percent, much more rapidly than the still strong 53 percent increase in output per hour in the entire U.S. non-farm economy.

Productivity growth is among the most important factors influencing how rapidly real incomes grow and living standards rise. Among the expected benefits of trade liberalization is to shift economic resources toward more productive uses and to encourage investment in competitive industries. WTO rules, dispute settlement procedures and the predictability they provide, along with Uruguay Round trade liberalization, have undoubtedly played a positive role in the favorable developments in the U.S. economy for much of the period since 1994.

1994 to 2014: Changes in Trade Flows

Over the past 20 years, the volume of world and U.S. trade have been significantly increasing, up 203 percent and 162 percent, respectively. Although world trade declined in 2009 as the result of the Great Recession, by 10.6 percent, it quickly rebounded in 2010 (up 12.6 percent). U.S. real trade similarly declined by 11.6 percent in 2009, and also rebounded in 2010 (up 12.4 percent). The rules based trading system under the helm of the WTO played an effective role in the reversal of the trade downturn by encouraging all countries to respect their commitments and play by the rules, and not turn to protectionist reactions.

Despite this downturn in 2009, the nominal value of U.S. trade in goods and services has increased during the 20 year timeframe of the existence of the WTO, up 245 percent ($3.7 trillion) between 1994 and 2014, with U.S. exports of goods and services up 234 percent and U.S. imports of goods and services up 256 percent. U.S. goods exports, accounting for nearly 70 percent of U.S. goods and services exports, are up

225 percent while U.S. services exports are up 254 percent. U.S. goods imports, accounting for 83 percent of U.S. goods and services imports, are up 255 percent while U.S. services imports are up 260 percent.

For U.S. goods exports, both U.S. manufacturing exports and U.S. agricultural exports grew strongly between 1994 and 2014, up 226 percent and 170 percent, respectively, despite each suffering significant declines in 2009 (down 17 percent and 14 percent, respectively). Manufacturing exports accounted for 86 percent of the $1.4 trillion in U.S. goods exports in 2014 (under Census definitions), while agricultural exports accounted for 10 percent and mineral fuels and mining products accounted for 4 percent. U.S. exports of high technology products grew by 178 percent during the past 20 years and accounted for 21 percent of total goods exports. Non-automotive capital goods, the largest U.S. end-use export category accounting for 34 percent of total goods exports in 2014, grew by 167 percent between 1994 and 2014. Industrial supplies, the 2nd largest U.S. end-use export category accounting for 31 percent of U.S. goods exports in 2014, grew by 319 percent during the past 20 years.

Regionally, U.S. goods exports to emerging markets and developing economies grew by 375 percent between 1994 and 2014, nearly 2.7 times higher than the 141 percent growth to advanced countries (as defined by the International Monetary Fund in 2014). Due to this growth, the share of U.S. exports to emerging markets and developing economies grew from 32.4 percent in 1994 to 48.7 percent in 2014. Among major countries and regions, exports to China exhibited the fastest growth, over 1,200 percent higher over the past 20 years to $124 billion in 2014. During this period, U.S. exports to Mexico nearly quintupled (up 373 percent), while exports to Canada and the EU grew by 173 percent and 151 percent, respectively. However, weak economic conditions in Japan were a factor toward limiting the growth in that country, with U.S. exports up only 25 percent between 1994 and 2014.

Major services export categories are reported for the most recent 15 year period, 1999 to 2014. Travel (including education) receipts, accounting for 25 percent of all services exports in 2014, increased by 94 percent between 1999 and 2014. Intellectual property exports (receipts), accounting for 19 percent of all services exports, increased by 183 percent, while other business services exports (R&D services, professional and management consulting services, and technical, trade related, and other business services), accounting for 18 percent of all services exports, increased by 207 percent. These three categories each accounted for roughly 20 percent of the $499 billion increase in U.S. services exports between 1999 and 2014.

Since 1994, the United States continued to be a strong catalyst for global growth for most of these years, reflecting the strong growth of the U.S economy (up an overall 62 percent between 1994 and 2014 despite a 3.1 percent decline between 2008 and 2010). U.S. goods imports more than tripled (up 255 percent) between 1994 and 2014, with U.S. manufacturing imports up 246 percent, U.S. agricultural imports up 268 percent, and high technology imports up 330 percent.

U.S. imports increased substantially in all of the major end-use categories with the strongest growth exhibited in industrial supplies (up 311 percent), foods, feeds, and beverages (up 306 percent), consumer goods (up 282 percent), and capital goods excluding autos (up 220 percent). Industrial supplies, capital goods, and consumer goods combined accounted for 77 percent of the total level of U.S. goods imports in 2014. Within U.S. industrial supplies, crude petroleum imports increased 540 percent, from 5 percent of total goods imports in 1994 to 11 percent in 2014, but down 26 percent from 2011 (15 percent share of total goods imports).

Regionally, U.S. import growth in 1994 to 2009 was more than three times as strong from emerging markets and developing countries, as from advanced countries (477 percent to 143 percent). Due to this growth, the total level of U.S. goods imports from developing countries (at 54 percent) was greater than industrial countries in 2014, reversing what the situation was in 1994 (33 percent). As with exports, the strongest

import growth was from China, up 1,103 percent, and from Mexico, up 494 percent. U.S. imports from Japan, however, increased by only 12 percent between 1994 and 2014.

Major services export categories are reported for the most recent 15 year period, 1999 to 2014. The growth in services imports, up $286 billion between 1999 and 2014, was driven by the other business services and the travel (including education) categories (accounting for 26 percent and 18 percent of the increase, respectively). Largest growth categories include insurance services (up 416 percent), other business services (up 312 percent), and intellectual property payments (up 211 percent).

C. The Doha Development Agenda under the Trade Negotiations Committee and Other Priority WTO Activities

The DDA was launched in Doha, Qatar, in November 2001, at the Fourth WTO Ministerial Conference, where Ministers provided a mandate for negotiations on a range of subjects and work in WTO Committees. In addition, the mandate gives further direction on the WTO's existing work program and implementation of the WTO Agreement. The goal of the DDA is to reduce trade barriers in order to expand global economic growth, development, and opportunity. The main focus of the negotiations under the DDA is in the following areas: agriculture; industrial goods market access; services; trade facilitation; WTO rules (*i.e.*, trade remedies, fisheries subsidies, and regional trade agreements); and development.

The Trade Negotiations Committee (TNC), established at the WTO's Fourth Ministerial Conference in Doha, oversees the agenda and negotiations under the DDA in cooperation with the WTO General Council. The WTO Director General serves as Chairman of the TNC (*Annex II identifies the various negotiating groups and special bodies responsible for the negotiations, some of which are the responsibility of the WTO General Council).*

At the Ninth Ministerial Conference in Bali in December 2013, Members hailed the completion of the Bali Package, which the new WTO Director General, Roberto Azevêdo, described as a much-needed vote of confidence in the WTO's ability to complete multilateral trade negotiations. The Bali Package included a Ministerial Declaration directing Members to take up other parts of the Doha Agenda, including priority areas of the Round and those on which legally binding results were not included in the Package. Initial discussions on this so-called "post-Bali work program" began early in 2014 but immediately faced many of the same challenges that have affected the Doha Agenda since its inception, including questions regarding the willingness of advanced developing countries to contribute commensurate to their status as major traders. Discussions on a post-Bali work program were halted in July 2014 with the impasse regarding the implementation of the Trade Facilitation Agreement and did not resume for the rest of the year. WTO Members have agreed to restart discussions on the post-Bali work program in early 2015 with a new deadline of July 2015.

The WTO is much more than a negotiating forum and venue for filing dispute settlement cases. The United States believes that the WTO demonstrates its value every day through the work of the standing committees and other WTO bodies. In 2013, the United States made effective use of the Council on Trade in Goods, the Committee on Import Licensing, and the Committee on Agriculture to raise the profile of trade protectionist actions by other Members. In the Committee on Technical Barriers to Trade, the United States and other Members began follow up work to the Sixth Triennial Review of that WTO agreement, including substantial progress in completing recommendations on good regulatory practices.

Overall the United States noted the new energy in the operations of the WTO during the course of 2014, including areas outside the DDA, such as negotiations to expand product coverage under the Information Technology Agreement. This greater appreciation for the broad spectrum of WTO work, from the DDA to

other areas, may be the critical factor in sustaining the relevance of the WTO in international trade in years to come.

Prospects for 2015

The WTO's Tenth Ministerial Conference will be held in Nairobi, Kenya in December 2015. The United States will play a leadership role in preparing for this meeting, which is the first WTO Ministerial to be held in Africa, as well as across the range of WTO activities. It is particularly important to sustain and enhance the WTO's critical work in monitoring and providing a forum for resisting protectionism. Accordingly, the United States will continue to devote additional attention to making the best possible use of the WTO's existing committees and other structures, using them both to advance specific U.S. trade policy objectives as well as to ensure the ongoing strength and credibility of the multilateral trading system.

1. Committee on Agriculture, Special Session

Status

Negotiations in the Special Session of the Committee on Agriculture are conducted under the mandate agreed upon at the Fourth WTO Ministerial Conference in Doha, Qatar that calls 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, calling 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.

Major Issues in 2014

In 2014, the United States continued to lead the effort to approach the Doha negotiations with a focus on how countries might realistically work together to advance the negotiations. Ambassador John Adank, the Chair of the Agriculture Negotiations, held negotiations in formal and informal settings to assess Members' views on substantive issues on the agriculture negotiations and on the work program mandated at the WTO's Ninth Ministerial Conference in Bali in December 2013. Deputy U.S. Trade Representative and U.S. Permanent Representative to the WTO Ambassador Michael Punke continued to urge Members to approach the overall Doha negotiations on the basis of a realistic assessment of possibilities for progress. Throughout 2014, U.S. negotiators undertook discussions at various levels (technical and political) and in various formats (bilateral and small group) to determine Members' views and look for ways to move the negotiations forward, in line with U.S. interests and priorities.

The basis of these discussions continued to be from the Bali package of Decisions from the WTO's Ninth Ministerial Conference in December 2013, in areas related to agriculture. On November 27, 2014, the WTO General Council adopted additional decisions related to public stockholding for food security purposes, the Trade Facilitation Agreement and post-Bali work. The November 27, 2014 decision on public stockholding for food security purposes clarified an aspect of the December 2013 Bali decision on public stockholding for food security purposes and included a commitment by Members to negotiate and make concerted efforts within the COA Special Session to agree and adopt a permanent solution on the issue of public stockholding for food security purposes by the end of 2015.

Prospects for 2015

In conjunction with the General Council's decision on November 27, 2014 on the Protocol of Amendment to implement the Trade Facilitation Agreement, Members agreed to resume DDA negotiations and continue to look at fresh approaches to achieve results. A key objective of the United States for future negotiations will be securing a balanced agreement that includes meaningful market access commitments in agriculture.

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.

Major Issues in 2014

The CTS-SS held meetings in April and June 2014, the focus of which included the election of a new Chair and an exchange of views on a work program. Discussions did not yield any specific course of action for resuming negotiations.

Prospects for 2015

The United States continues to believe that a high level of ambition for services liberalization is a key to economic growth and prosperity. To that end, the United States will continue to pursue new ideas and approaches to create new trade and investment opportunities for service providers.

3. Negotiating Group on Non-Agricultural Market Access

Status

The U.S. Government's longstanding objective in the 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 liberalization of global tariffs and non-tariff barriers. Trade in industrial goods accounts for more than 90 percent of world merchandise trade[1] and more than 95 percent of total U.S. goods exports. In developing countries, industrial goods comprise 94 percent of goods exports, more than 65 percent of which corresponds to manufactures – an increasing share of which is exported to other developing countries.[2] Therefore, there is a substantial interest in improving market access conditions among developing countries. Yet, many emerging economies still charge very high tariffs on imported industrial goods, with ceiling tariff rates exceeding 150 percent in some cases. Thus, achieving a market-opening outcome is critical to stimulating trade and driving economic development in the wake of the global economic downturn.

The NAMA negotiations, however, remained at an impasse when they were last actively underway, prior to the Eighth Ministerial Conference at the end of 2011. Without significant market opening commitments

[1] WTO, International Trade Statistics 2013.
[2] WTO document WT/COMTD/W/143/Rev.5.

from advanced developing economies, there is little prospect for achieving robust trade liberalization for industrial goods on a multilateral basis.

Major Issues in 2014

There were a number of informal meetings of the Negotiating Group on Market Access in 2014 but no new substantive discussions occurred related to either the tariff or nontariff elements of the NAMA negotiations.

Prospects for 2015

In 2015, the United States intends to work with other WTO Members to pursue fresh and credible approaches to meaningful multilateral trade liberalization in NAMA negotiations.

4. Negotiating Group on Rules

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 calls 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 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). In November 2007, the Chairman of the Rules Group issued draft consolidated texts on the antidumping remedy, subsidies, the countervailing duty remedy, and fisheries subsidies.

In December 2008, the Chairman issued revised texts on antidumping, subsidies, and the countervailing duty remedy, as well as a roadmap for fisheries subsidies that identified key questions that need to be addressed in order to advance the negotiations towards a new fisheries text. In keeping with the Rules Chairman's earlier pronouncements, the draft texts on antidumping and subsidies/countervailing duties reflected a "bottom up" approach, identifying the most contentious issues contained in brackets with no legal text provided. Following an intensification of work at the end of 2010 and beginning of 2011, the Chairman issued a report in April 2011 reflecting the work to date in the Rules Group on antidumping, subsidies and fisheries subsidies, and regional trade agreements.[3] Included in this report was a slightly revised text on antidumping reflecting several technical changes. There were no changes made to the 2008 draft text on subsidies and countervailing measures or the 2007 draft text on fisheries subsidies.

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 139 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.

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

However, such discussions have failed to produce common ground on how to clarify or improve existing RTA rules.

Major Issues in 2014

The Rules Group met informally in May and December 2014. During the May meeting, the Chair provided a transparency report on the two rounds of consultations that he conducted with individual delegations in the months prior. The Chair reported that while delegations expressed diverging views on whether and to what extent the various Rules area should be included in the Post-Bali Work Program, the prevailing view was that a serious discussion on the role of the Rules Group would not be possible until the general approach and level of ambition on the core issues (*i.e.*, agriculture, NAMA, and services) was defined. At the December meeting, the Chair called the Members together to discuss whether this remained the prevailing view in light of the momentum in the implementation of the Bali Ministerial Declarations. While numerous Members expressed their opinions on possible options, no agreement was reached as to how the Rules Group should proceed in the near future.

Prospects for 2015

In 2015, the United States will continue to focus on, *inter alia*, preserving the effectiveness of trade remedy rules, improving transparency and due process in trade remedy proceedings, and strengthening existing subsidies rules. Concerning fisheries subsidies, the United States will continue to press for an ambitious outcome in the WTO, and at the same time continue to pursue disciplines on fisheries subsidies through other fora such as the Trans-Pacific Partnership and Trans-Atlantic Trade and Investment Partnership negotiations, which will assist our efforts to reach eventual agreement on fisheries subsidies in the WTO.

On RTAs, the United States will continue to advocate for increased transparency and strong substantive standards for RTAs that support and advance the multilateral trading system. The Transparency Mechanism[4] will continue to be applied in the consideration of additional RTAs.

5. Preparatory Committee on Trade Facilitation

Status

WTO negotiations on Trade Facilitation were formally launched under the August 1, 2004 Decision by the General Council on the Doha Work Program. Opaque border procedures and unwarranted delays faced at the borders can add costs that are the equivalent of a significant tariff and are the nontariff barriers that are

[4] At the end of 2006, the General Council established, on a provisional basis, a new transparency mechanism (TM) for all regional trade agreements (WT/L/671), which was agreed upon in the Negotiating Group on Rules and implemented in 2007. In December 2010, the Rules Group initiated a review of the operation of the RTA TM, and the Chair invited Members to submit any proposals to modify the TM in light of the experience gained under its operation. While the TM has on the whole significantly improved transparency with respect to RTAs, some of its operational aspects could be improved. Most notably, while there is no doubt that the TM applies to all RTAs – whether negotiated under GATT 1994, the GATS, or the GATT Enabling Clause – practical questions of the venue of consideration have arisen when parties to an agreement differ among themselves in their view of the relevant WTO provision for concluding a particular preferential agreement. While such underlying differences go beyond the scope of the review of the TM, the United States in January 2011 submitted a proposal to help ensure the consideration of RTAs that have been "dually notified" under such circumstances, so as to eliminate, or at least reduce, disagreement and procedural challenges in a way that is without prejudice to any underlying rights. The U.S. submission (TN/RL/W/248, dated January 24, 2011) proposes a specific solution, in the form of a proposed change to paragraph 18 of the TM, to consolidate the consideration of all RTAs in a single committee, the Committee on Regional Trade Agreements.

most frequently cited by U.S. and other exporters. A major U.S. Doha Round priority was met when negotiations on the WTO Trade Facilitation Agreement (TFA) concluded on December 6, 2013, at the Ninth WTO Ministerial Conference, with an agreement that will reduce these barriers through transparent and predictable multilateral trade rules under the WTO. The Negotiating Group on Trade Facilitation was subsumed by the Preparatory Committee on Trade Facilitation (PCTF) established by the Ministerial Conference, and in 2014 the PCTF oversaw work to 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 a growing understanding that the TFA will address squarely factors holding back increased regional integration and south-south trade. Implementation of the TFA also will bring particular benefits to small and medium-sized businesses, enabling them to increase participation in the global trading system.

Major Issues in 2014

During 2014, the newly established PCTF, which is open to all WTO Members, worked to fulfill the mandate established by the Ministerial Conference for the PCTF to oversee the implementation of the TFA. This work included a legal review of the TFA, acceptance of Category A notifications from developing country Members (that is, commitments that will be implemented without a transition period), and drafting a Protocol to insert the TFA into Annex 1A of the WTO Agreement to bring it into force.

The PCTF began meeting in early 2014 to undertake these tasks. The legal review was completed in July 2014, and nearly 50 developing country Members submitted their Category A notifications in 2014. Members also commenced work on the Protocol text.

The 2013 Ministerial Decision on Trade Facilitation called for the General Council to meet no later than July 31, 2014 to annex the Category A notifications from developing country Members to the Agreement and to adopt the Protocol drawn up by the Preparatory Committee. However, Members did not reach consensus on adoption of the Protocol by the July 31st deadline. After intensive consultations, Members ultimately reached agreement on the Protocol text which was adopted on 27 November 2014.

As stipulated in the text agreed by Members, the TFA Protocol shall enter into force in accordance with Article X:3 of the WTO Agreement. Under Article X:3, amendments to the WTO Agreement such as the TFA Protocol enter into force upon acceptance by two-thirds of the Members. One Member (Hong Kong, China), submitted its acceptance to the WTO in December 2014. Singapore and the United States submitted their acceptances to the WTO in January 2015.

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 negotiated in the TFA. The Member assessments indicate that many developing country Members have implemented a number of the provisions contained in the TFA or are taking steps to do so. In addition, many developing country Members recognize that they and their exporters have an interest in seeking implementation by their neighbors of the TFA commitments.

Prospects for 2015

In 2015, WTO Members will undertake necessary steps to complete their respective domestic acceptance processes, thereby enabling them to accept the TFA Protocol and bring it into force. The United States, along with other Members, will work to support entry into force of the TFA in 2015, in order to maintain the momentum and focus on full implementation the agreement.

There will also be a focus on ensuring that developing country Members seeking to obtain technical assistance to fully implement provisions in the TFA are matched with donors and that technical assistance projects are prioritized and funded. Donors, including the United States, are mobilizing and are eager to partner with developing countries that are committed to implementation of the TFA.

6. Committee on Trade and Environment, Special Session

Status

Following the 2001 WTO Ministerial Conference at Doha, the TNC established a Special Session of the Committee on Trade and Environment (CTESS) to implement the mandate in paragraph 31 of the Doha Declaration. Paragraph 31 of the Doha Declaration includes a mandate to pursue negotiations, without prejudging their outcome, in three areas:

i. the relationship between existing WTO rules and specific trade obligations set out in Multilateral Environmental Agreements (MEAs) (with the negotiations limited to the applicability of existing WTO rules among parties to such MEAs and without prejudice to the WTO rights of Members that are not parties to the MEAs in question);

ii. procedures for regular information exchange between MEA secretariats and relevant WTO committees, and the criteria for granting observer status; and

iii. the reduction or, as appropriate, elimination of tariff and non-tariff barriers to trade in environmental goods and services.

Major Issues in 2014

The CTESS did not meet in 2014.

Prospects for 2015

The United States remains fully committed to a positive WTO trade and environment agenda; however, given the deep substantive divergences that have proven difficult to resolve in the CTESS, the United States has undertaken a new approach with fresh thinking. For example, in 2014 the United States and 13 other WTO Members launched plurilateral negotiations on an Environmental Goods Agreement, which will build on the results achieved in APEC on environmental goods liberalization (*see Chapters III.B.3 and IV.A.*).

7. Dispute Settlement Body, Special Session

Status

Following the Doha Ministerial Conference in 2001, the 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 2014

The DSB-SS met five times during 2014. 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 2014, 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 2015

In 2015, Members will continue to work to complete the review of the DSU. Members will be meeting a number of times over the course of 2015.

8. 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 did not meet in 2014 or 2013. In 2012, the work of the TRIPS Council Special Session was limited. With a view to completing the work started in the TRIPS Council on the implementation of Article 23.4 of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), Ministers agreed at the 2001 Doha Ministerial Conference to negotiate the establishment of a multilateral system of notification and registration of geographical indications (GIs) for wines and spirits. At the 2005 Hong Kong Ministerial Conference, Ministers agreed to intensify their work in order to complete these negotiations within the overall timeframe for the conclusion of the Doha negotiations. This matter is the only one before the Special Session of the TRIPS Council.

Major Issues in 2014

While the TRIPS Council Special Session did not meet in 2014, the United States and its allies continued to maintain their common position, *i.e.*, 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 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 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.

Members' views continue to diverge sharply on several core issues. Key positions are reflected in a 2005 WTO Secretariat document (TN/IP/W/12), which contains a side-by-side presentation of the three proposals that are before the Special Session. The Secretariat expanded this document in May 2007, with an addendum that describes the various arguments and that presents questions raised by proponents of the proposals (TN/IP/W/12/Add. 1). In an April 2011 report to the TNC (TN/IP/21), the Chair of the TRIPS Council Special Session highlighted, in particular, ongoing divergences with respect to participation in the multilateral register system (*i.e.*, whether the system would apply to all Members or only to those opting to participate in it), the nature of the legal obligations provided for in the system (*i.e.*, the extent to which legal effects at the domestic level determine the effect of registration of a GI for a wine or spirit in the system), and to the mandate of the Special Session (*i.e.*, whether the Special Session has the authority to address GIs for goods other than wines and spirits). In 2011, the Chair led meetings of a drafting group made up of representatives of the sponsors of the three competing proposals to negotiate a text covering six elements, namely: (1) notification; (2) registration; (3) legal effects/consequence of registration; (4) fees and costs; (5) Special and Differential (S&D) treatment; and (6) participation. The April 2011 report includes an annex with the Draft Composite Text (JOB/IP/3/Rev. 1), reflecting the current status of the discussions.

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; the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu; and South Africa, 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 Joint Proposal cosponsors submitted a revised Proposed Draft TRIPS Council Decision on the Establishment of a Multilateral System of Notification and Registration of Geographical Indications for Wines and Spirits to the Special Session to set out clearly in draft legal form, a means by which Members could implement the mandate from paragraph 18 of the Doha Ministerial Declaration and Article 23.4 of the TRIPS Agreement, and to reflect changes that Joint Proposal proponents had made during the informal drafting process. Members choosing to use the system would agree to consult the system when making any decisions under their domestic laws related to GIs, or in some cases,

trademarks. Implementation of this proposal would not impose any additional obligations – with regard to GIs – on Members that chose not to participate, nor would it place undue burdens on the WTO Secretariat.

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 current EU position on GIs combines two proposals: the multilateral GI register for wines and spirits and an amendment to the TRIPS Agreement to extend Article 23-level GI protection to products other than wines and spirits. 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. In addition, the notified GI would be presumed valid against a competing rights holder, including a prior rights holder. Essentially, the system proposed by the EU could, as a practical matter, enable one Member to mandate GI protection in another Member simply by notifying that GI to the system. Such a proposal would negatively affect preexisting trademark rights, as well as investments in generic food terms, and would directly contradict the principle of territoriality with respect to intellectual property in favor of a system based upon the unilateral and extraterritorial application of domestic law and national intellectual property regimes. Although a third proposal, from Hong Kong, China remains on the table, this proposal has received little support.

In 2011, the proponents of the Joint Proposal made important gains, advancing support for substantive provisions of the Proposal. In addition, cosponsors were added to the Joint Proposal, and certain proponents of the EU proposal expressed support for key Joint Proposal provisions. The Draft Consolidated Text reflects these developments. For example, that text shows India and Brazil's support for several key components of the Joint Proposal (*e.g.*, participation). Sponsors of the Joint Proposal emphasized, repeatedly, that the Special Session's mandate is limited to GIs for wines and spirits. There was limited discussion of the Joint Proposal in 2012 and no progress in resolving divergent views with Members instead continuing to adhere to entrenched positions.

Prospects for 2015

If discussions resume, WTO Members will continue to debate the Special Session's mandate. In particular, 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 extending the Special Session mandate, 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.

9. Committee on Trade and Development, Special Session

The Special Session of the Committee on Trade and Development (CTD-SS) was established by the TNC in February 2002, to fulfill the Doha Round mandate to review all special and differential (S&D) provisions "with a view to strengthening them and making them more precise, effective, and operational." 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) in 2002 and 2003, to augment existing S&D provisions in the WTO Agreement. Thirty-eight of these proposals were referred to other negotiating groups and WTO bodies for consideration

(Category II proposals). Of the proposals remaining for consideration in the CTD-SS, Members reached an "in principle" agreement on draft decisions for 28 proposals at the 2003 Cancun Ministerial Conference (Cancun 28), following intensive negotiations in 2002 and 2003, which were supposed to be a part of a larger package of agreements. Due to the breakdown of the DDA negotiations, these proposals were not adopted at Cancun.

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 instructed the CTD-SS to expeditiously complete the review of all the outstanding ASPs and report to the General Council, with clear recommendations for a decision. With respect to the 38 Category II proposals, the CTD-SS was instructed to continue to coordinate its efforts with relevant bodies to ensure that work on those proposals was concluded and recommendations for a decision made to the General Council. Ministers at Hong Kong 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 ("the Mechanism") for effective monitoring of S&D provisions.

Following the Hong Kong Ministerial, the CTD-SS conducted a thorough "accounting" of the remaining ASPs. Though the number of proposals had been reduced considerably since their introduction, divergences among Members' positions on the remaining proposals were quite wide. The Chair of the CTD-SS worked closely with the Chairs of the other negotiating groups and committees to which the proposals had been referred due to their technical complexity. The Chairs reported that there had been very little development on these proposals. However, some of the Chairs of the negotiating bodies indicated that a number of the issues raised in the proposals form an integral part of the ongoing negotiations. In addition, there are a number of bodies in which discussions on the proposals are continuing on the basis of revised language tabled by the proponents.

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 with a view to formal adoption of those agreed. In the lead up to the Ninth Ministerial Conference in December 2013, Members reached agreement on a text adopted at the Ministerial Conference, establishing the Monitoring Mechanism. Regular meetings of the newly-established Monitoring Mechanisms now take place in dedicated sessions of the Committee on Trade and Development. As regards the Cancun 28 proposals and other ASPs, despite intensive engagement in 2013, convergence could not be reached on whether to harvest a subset of ASPs at the Ninth Ministerial Conference, in line with the Eighth Ministerial Conference guidance. As a result, the Cancun 28 proposals were not included in the Bali package, and remain under negotiation, along with the other ASPs.

Major Issues in 2014

After an ambitious schedule of informal meetings in 2013, the CTD-SS met infrequently in 2014. During 2014, Members met in one formal meeting and three informal meetings of the CTD-SS to discuss next steps with regards to the ASPs. The Chair also undertook informal consultations with Members in an effort to understand the challenges that the negotiating group had encountered in the past and identify ways for the body to reach a credible outcome. Several of the proponents continued to report that they were consulting internally and would be tabling revised proposals in the near future, although nothing was tabled in 2014.

Prospects for 2015

In 2015, the CTD-SS is likely to consider revised or new ASPs by developing countries, as part of the effort to define the post-Bali work program, as called for in the Bali Ministerial Declaration.

D. 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 2014

The WGTDF met twice in 2014, on June 13 and November 11. Both meetings were intended to follow up on the WGTDF's work in 2013 regarding the direct and indirect economic relationships between exchange rates and trade.

At the meeting on June 13, 2014, the Working Group discussed how to proceed with the priorities set out by Members in the context of the preparations for the Ninth Ministerial Conference, that is: to continue exchanging views on the relationship between exchange rates and trade, in particular with a view to strengthen the coherence between the IMF and WTO; and to continue exchanging views on trade finance in relation to market developments and internationally agreed initiatives to improve the availability of trade finance in developing countries. With respect to exchange rates and trade, Brazil had tabled a submission (WT/WGTDF/W/73) in early June making proposals on how to push the agenda forward. In the discussion, Members have expressed their readiness to examine Brazil's submission in depth, but did not have sufficient time to consult with capitals. Members agreed to revert to it at the following meeting. Regarding trade finance, there was general support for Australia's proposal to commission a factual paper to the Secretariat on the remaining financing gaps in developing countries. This paper would also be discussed at the following meeting. Finally, some Members expressed an interest in reviving the "the debt pillar" of the Working Group. Other delegations wondered whether the interested delegations could be more specific about the nature and extent of the issue and what work, if any, could usefully be undertaken in the WTO. To help stimulate the thinking, the Secretariat re-circulated the 2002 concept note on the relationship between trade and debt, and flagged new statistics.

At the meeting on November 11, 2014, Members reverted to Brazil's submission on the relationship between exchange rates and trade. After careful consideration by Members of the three proposals made in document WT/WGTDF/W/73, the Chairman concluded on the following: (a) regarding proposal 1, there was general support for the continuation of the on-going dialogue with the IMF; Members did not wish to prescribe the content of such dialogue, which generally aimed at being better informed and at acquiring a more thorough understanding of IMF policies with respect to exchange rates; (b) there was no consensus to move forward on proposal 2, i.e. to commission a discussion paper to be jointly drafted by the WTO

secretariat, the IMF and the World Bank, on how the coherence mandate was implemented in the area of exchange rates and trade; (c) on proposal 3, there was a consensus to commission a factual note to the Secretariat on the instances in which Article II.6 of the GATT/WTO has been invoked in the past. Members issued a strong note of caution, emphasizing the factual and historical character of that note, which should neither venture into analysis nor affect their rights and obligations under the current agreements. Members examined the Secretariat background note on the remaining gaps in trade finance in developing countries (WT/WGTDF/W/74). The note received overall strong support, notably regarding to the need for the WTO, including its Director-General, to continue its diagnosis, advisory and advocacy role on the availability of trade finance in developing countries in partnerships with the IMF, the World Bank and multilateral development banks. It was also agreed that a seminar on the challenges faced in providing trade finance would be held in the spring of 2015, possibly back-to-back with the meeting of the Director-General's Expert Group. Finally, in regard to the relationship between trade and debt, while the proponents were not immediately in a position to present a submission, it was made clear that this pillar of the Working Group's mandate was still valid and relevant to the Group's work.

On November 21, 2014, the Working Group adopted its annual report for submission to the General Council.

Prospects for 2015

In 2015, the WGTDF will continue to discuss issues relating to the relationship between exchange rates and trade. The WGTDF will also continue to be a forum for discussing trade finance issues. Additionally, the WGTDF will continue its work under the 2001 mandate.

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 2014

During 2014, WTO Members continued their consideration of the relationship between trade and transfer of technology on the basis of submissions by WTO Members and presentations by intergovernmental organizations. Discussion focused on the Secretariat's presentation on a November 2012 WTO Workshop on "Environmental Technology Dissemination; Challenges and Opportunities related to Environmental Technology Dissemination." The discussion underscored the complex technology transfer process and its relationship to trade. In addition, pursuant to a decision made by Members during 2013 on a proposal from Colombia, Costa Rica, Mexico and Peru, the working group held a workshop during June 2014 to continue

to explore the relationship between trade and transfer of technology. Sessions involved panels of officials from WTO Members and Observer countries, experts from intergovernmental organizations and representatives from the academia. A report of the workshop is contained in document WT/WGTTT/W/23.

Prospects for 2015

No WGTTT meetings have been scheduled yet for 2015. During 2015, the working group is expected to continue its discussions based on presentations by Members on their national experience with technology transfer and additional presentations by intergovernmental organizations.

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 2013 Ninth Ministerial Conference in Bali, 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, with a specific focus on addressing developmental issues, as well as a number of issues related to electronically delivered software and cloud computing.

Major Issues in 2014

The WTO Committee on Trade and Development (CTD) is one of four subsidiary bodies of the WTO General Council mandated to implement the Work Program on Electronic Commerce. At its April 2014 meeting, the CTD discussed the implementation of the Work Program, focusing on the programs discussed during the "E-Commerce, Development and Small and Medium-Sized Enterprises" workshop in April 2013. The 2013 workshop was held in the context of the 2011 Ministerial Decision to continue to reinvigorate the development dimension of the Work Program.

Prospects for 2015

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 remain relevant to electronic commerce. As in the past, the General Council will assess the Work Program's progress and consider any recommendations, including the status of the customs duties moratorium on electronic transmissions.

E. 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. These mandates are part of the DDA set out in the Doha Ministerial Declaration, and this report reviews these groups' work in subsections of Section C.

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 2014, 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 2014

Activities of the General Council in 2014 included:

Implementation of the Bali Outcomes: The General Council discussed the status of implementation in each single area agreed at the Ninth WTO Ministerial in Bali in December 2013. On November 27, 2014, the General Council adopted simultaneously three decisions – one on public stockholding for food security purposes, the Protocol of Amendment to insert the Trade Facilitation Agreement into Annex 1A of the WTO Agreement, and a decision on the post-Bali work program. This action ended the impasse on the implementation of the Bali agreements that began earlier in the year.

Work under the Doha Work Program: Under the auspices of the DDA, the General Council continued its discussions related to small economies, LDCs, Aid for Trade, and the development assistance aspects of cotton and e-commerce.

WTO Accessions: Seychelles was invited by the Membership to become the 161st Member of the WTO at a General Council meeting on December 10, 2014. The General Council also agreed in 2014 to new chairs for the Working Parties for Belarus and Bhutan.

Waivers of Obligations: The General Council adopted three decisions concerning the introduction of Harmonized System 2002, 2007, and 2012 nomenclature changes into WTO schedules of tariff concessions as well as a waiver for the Philippines' special treatment of rice. The General Council also reviewed a number of previously agreed waivers, including U.S. waivers related to the Former Territory of the Pacific Islands, the Caribbean Basin Economic Recovery Act, the African Growth and Opportunity Act, and the Andean Trade Preference Act. Annex II of this report contains a detailed list of Article IX waivers currently in force.

Trade Restrictive Measures by Russia: At the May and July General Council meeting, the United States and other WTO Members made statements regarding recent trade restrictive measures by Russia. These measures were discussed in detail in the relevant lower Committees.

Prospects for 2015

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 the Ninth Ministerial Conference in December 2013, as well as to plan for the 10th WTO Ministerial Conference, which is scheduled to take place in Nairobi, Kenya from December 15-18, 2015.

F. 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 GATT 1994 Article IX waiver provisions and has given initial approval to waivers for trade preferences that the United States and the EU granted to the Caribbean Basin Initiative countries and African, Caribbean, and Pacific (ACP) countries, respectively.

Major Issues in 2014

In 2014, the CTG held four formal meetings, one in April, one in June, and two in 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 addition, four major issues were discussed in the CTG in 2014:

Waivers: In light of the introduction of 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 considered and approved a request by the Philippines for a waiver related to special treatment for rice. The CTG also considered waiver requests from Jordan relating to export subsidies and from the United States relating to the Caribbean Basin Economic Recovery Act (CBERA). The CTG will revert to these two waiver requests at its next meeting in the spring of 2015.

EU Enlargement: In accordance with procedures under Article XXVIII:3 of GATT 1994, the CTG met on April 9 and November 17 to consider and approve the EU's requests to extend the time period for the withdrawal of concessions regarding the EU's 2007 and 2013 enlargements (i.e., the Republic of Bulgaria and Romania in 2007 and Croatia in 2013).

Market Access Complaints: The CTG also discussed concerns raised by individual Members, including concerns the United States raised, *inter alia*, regarding Indonesia's import licensing regime and the Russian Federation's implementation of its WTO accession commitments. The United States also raised concerns with respect to Japan's wood use points program and Nigeria's local content measures in oil and gas. The United States also used the CTG to call upon Members to complete and update their data on trade trends and the changes in the HS nomenclature, as well as their notification obligations.

Gabon Tariff Renegotiations under GATT Article XXVIII:4 and Article XXIV:6 of the GATT 1994: At the April and June 2014 CTG meetings, Members considered the request by Gabon to renegotiate its Schedule of Concessions to take into account its economic customs union commitments under the Economic and Monetary Community of Central Africa (CEMAC). At the November 17 meeting, Gabon announced that Gabon had concluded the renegotiation with interested Members, including the United States.

Prospects for 2015

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 Agreement on Agriculture (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 on implementation, permitting Members to avoid invoking lengthy dispute settlement procedures. The Agriculture Committee also has responsibility for monitoring the possible negative effects of agricultural reform on LDCs 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.

Under the watchful eye of the Agriculture Committee, Members have, for the most part, complied with the agricultural commitments that they undertook as WTO Members. However, there have been important exceptions where certain Members' agricultural policies have adversely affected U.S. agricultural trade interests. In these situations, the Agriculture Committee has frequently served as an indispensable tool for resolving conflicts before they became formal WTO disputes.

Major Issues in 2014

The Agriculture Committee held four formal meetings, in January, March, June, and November 2014, 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, 82 notifications were subject to review during 2014. 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 countries, including Brazil, China, Costa Rica, the EU, Guatemala, India, Indonesia, and Thailand. The United States also encouraged countries, including China and India, to bring their domestic support notifications up to date. The United States used the review process to question 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, Thailand's rice support program, China's cotton reserves purchasing program, India's Food Subsidy Bill, and Turkey's wheat flour export policies under the Turkish Grain Board. In addition, the United States used the review process to seek information regarding St. Lucia's domestic purchase requirements for poultry and pork, India's National Agricultural Insurance Scheme and Landholding laws, Canada's changes to its tariff schedule affecting pizza preparation products and Canada's special milk pricing classes. The United States raised questions with respect to Taiwan's notifications on special safeguards, and raised the administration of tariff-rate quotas with Ecuador and Thailand, and tariff-rate quota-fill issues with China. The United States also asked about Indonesia's policies on public stockholding for food security.

During 2014, the Agriculture Committee addressed a number of other issues related to the implementation of the Agriculture Agreement, such as: (1) in the absence of an agreed outcome, conclusion of work on updating the list of "Significant Exporters" for the purposes of export subsidy notifications; (2) convening the first annual dedicated discussion on export competition, as follow-up to the Bali Ministerial outcomes; (3) annual monitoring of the follow up to the Marrakesh NFIDC Decision on food aid of April 15, 1994; (4) exchanging views on approaches to strengthening Committee work relating to transparency; and (5) discussions in formal and informal settings on follow-up to the Bali Ministerial decisions related to Tariff-Rate Quota Administration Provisions of Agricultural Products, Public Stockholding for Food Security Purposes, and the Bali Declaration on Export Competition.

In 2014, the United States submitted communications to the Committee on: ideas to improve implementation of market access commitments, transparency of export restrictions, trends in domestic support, and food security.

Prospects for 2015

The United States will continue to make full use of the Agriculture Committee to ensure 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 begins implementation of the new transparency provisions that were agreed at the Ninth WTO Ministerial Conference in December 2013. 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. In addition, 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 2015.

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 2014

The MA Committee held two formal meetings in May and October 2014, and two informal sessions or consultations, to discuss the following topics: (1) ongoing and future work on WTO Members' tariff schedules to reflect changes to the Harmonized System (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 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, and 2012. 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.

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 121 Members – including the United States – have been certified, with only nine files outstanding.

In 2011, the MA Committee agreed to commence work on the introduction and verification of HS2007 changes to tariff schedules. Multilateral review of tariff schedules under the HS2007 procedures continued at informal Committee meetings throughout 2014. The multilateral verification process in the Committee will be ongoing through 2015. The United States prepared and submitted its 2007 transposition file in 2014, and it will be circulated for multilateral review during the first half of 2015.

Concerning the HS2012 nomenclature changes, the General Council approved procedures (WT/L/831) to introduce those changes to schedules of concessions using the CTS database. However, that work will not commence for some time, as the Committee 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.

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.37 and 38. The United States notifies this data in a timely fashion every year. However, several 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. The WTO Secretariat is also currently working to integrate into the IDB historical tariff and import information for 29 Members covering years 1988 to 1995.

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 and 2002 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. The CTS database has been linked to the IDB and serves as the vehicle for conducting the DDA negotiations in agriculture and non-agricultural market access.

Notification Procedures for Quantitative Restrictions (QRs): On December 1, 1995, the Council for Trade in Goods adopted a Decision on Notification Procedures for Quantitative Restrictions, 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/1). Several Members have submitted notifications on QRs, including Hong Kong, Costa Rica, Turkey, Ukraine, Thailand, Korea, Australia, New Zealand, Macao China, and Canada. The United States recently notified its quantitative restrictions for the 2014-2016 cycle.

Other Market Access Issues: The Committee also approved procedures for the derestriction of negotiating material of the Kennedy Round, conducted between 1964 and 1967, and some negotiating material of the four earlier GATT rounds. The procedures are almost identical to those used by the WTO General Council to derestrict GATT 1947 restricted documents.

Prospects for 2015

The ongoing work program of the MA Committee, while highly technical, aims to ensure that all WTO Members' schedules of tariff commitments are up-to-date and available in electronic spreadsheet format. The Committee will continue to explore technical assistance needs related to data submissions, 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 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" provisions under 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 (FAO); the World Health Organization (WHO); Codex; the IPPC; the OIE; the International Trade Center; the Inter-American Institute for Cooperation on Agriculture (IICA); and the World Bank.

Major Issues in 2014

In 2014, 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, equivalence, and regionalization, including their efforts to declare areas of their country free from specified pests and diseases.

The United States views these exchanges as positive developments, as they demonstrate a growing 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 2014, the United States raised a number of concerns with existing or proposed measures of other Members, including Vietnam's restriction on offals and the European Union's proposals to assess, classify and regulate endocrine disruptors. Further, the United States, with a view to transparency, informed the SPS Committee of U.S. measures, both new and proposed. A special workshop on risk assessment was held on the margins of the October Committee meeting.

The Committee concluded work on the issuance of guidance regarding *ad hoc* consultations under Article 12.2 of the Agreement (G/SPS/61), and continued work on the use and development of international standards, guidelines, and recommendations by Codex, OIE, and IPPC. Other important issues before the SPS Committee included private and commercial standards, along with various specific trade concerns and notifications.

Private and Commercial Standards: In 2014, the SPS Committee maintained private and commercial standards as an agenda item. While work is currently underway in the Committee on developing a working group definition of a SPS-related private standard, the United States remains quite 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 becoming an increasingly important 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 150 SPS notifications to the WTO Secretariat in 2014, and submitted comments on 94 SPS measures notified by other Members.

Prospects for 2015

The SPS Committee will hold three meetings in 2015 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 2015, the SPS Committee will work on priorities identified during its Fourth Review, as well as those identified during the Second and Third Reviews of the Operation and Implementation of the SPS Agreement. The United States anticipates that the SPS Committee will continue to provide a venue for Members to resolve specific trade concerns and to exchange information on developments with regard to, *inter alia*, pest- and disease-free areas and new regulations. 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.

4. Committee on Trade-Related Investment Measures

Status

The Agreement on Trade-Related Investment Measures (the TRIMS Agreement), which entered into force with the establishment of the WTO in 1995, 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 (the "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 2014

The TRIMS Committee held two formal meetings during 2014, 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. The United States made progress on some of these measures. In 2013 and again in 2014, the United States raised the issue of preferences to domestically manufactured electronic goods in India, under a February 10, 2012, policy notice published by India's Department of Information Technology (DIT). During 2014, India and the United States discussed possible revisions to the measure that could be reflected in 2015.

This success notwithstanding, some local content measures before the Committee remain in place after several years. For example, the United States, joined by Japan and the European Union, 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 also asked Indonesia in this context about plans to restrict the export of unprocessed and unrefined mining products. The United States, the European Union, Japan, and Canada also continued to press Nigeria to respond to questions from 2011 on possible local content requirements in measures pertaining to the oil and gas industry. The questions from the United States are contained in WTO document G/TRIMS/W/89. The United States also raised this issue, for a second time, at the Council for Trade in Goods, emphasizing in particular Nigeria's failure to respond to written questions. In addition, the United States, the European Union, and Japan posed questions to Indonesia regarding potential TRIMS concerns in the telecommunications sector, an issue that has been raised in the Committee since 2009. The United States and Japan also pointed to certain local content measures imposed by Brazil in connection with a bidding process on rights to use specific radio frequencies to provide commercial mobile radio services. Finally, the United States continued to raise concerns about a local content requirement for energy uptake contracts entered into by the government of Uruguay in connection with construction of wind farm projects.

The United States also raised new measures during 2014. In particular, the United States raised questions about apparent local content requirements in the retail sector in Indonesia. The United States and the European Union also posed questions to Indonesia about its newly adopted investment and trade laws, noting that certain vaguely worded provisions could be interpreted as a legal basis for new barriers to trade when the laws are fully implemented through regulations.

During 2014, the United States continued to discuss with India certain measures in the renewable energy sector taken by California, Michigan, and by public utilities in the cities of Austin, Texas and Los Angeles, California. In 2013, the United States had responded to certain questions posed by India in this regard; the U.S. responses are contained in WTO document G/TRIMS/W/129/Rev.1.

In connection with its recent accession to the WTO, the Russian Federation filed its required notification under Article 6.2 of the TRIMS Agreement, pursuant to the "Timeline for Submission of Notifications" contained in Table 38 of the Report on the Working Party on the Accession of the Russian Federation. In its notification, the Russian Federation identified the names of publications in which TRIMs might be found, and notified measures inconsistent with the TRIMS agreement under Article 5.1. The United States focused questions during 2014 on how the Russian Federation will bring its automotive investment regimes into compliance with its WTO commitments, as required by its protocol of accession. The United States also posed questions on a program related to agricultural equipment in order to determine whether it was conditioned on use of local content.

Prospects for 2015

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 Agreement on Subsidies and Countervailing Measures (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 (CVD) 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 CVD 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 2014

The Committee on Subsidies and Countervailing Measures (the SCM Committee) held two regular meetings and two special meetings in 2014, 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 U.S. "counter notification" of unreported subsidy programs in China and India, as well as a second counter notification of subsidy measures in China; submission by the United States of questions to China under Article 25.8 of the SCM Agreement; examination of ways to improve the timeliness and completeness of subsidy notifications; the "export competitiveness" of India's textile and apparel sector; 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 CVD legislation and regulations; (2) CVD investigations initiated and decisions taken; and (3) Members' subsidy programs. Notifications of CVD 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 CVD 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 the end of 2014, 106 WTO Members (counting the European Union as a single Member) have notified their CVD legislation or lack thereof; 26 Members have so far failed to make a legislative notification.[5] In 2014, the SCM Committee reviewed notifications of new or amended CVD laws and regulations from Australia, Brazil, Cameroon, Congo, Cote d'Ivoire, the European Union, the Gambia, Mexico, Montenegro, New Zealand, Papua New Guinea, Qatar and the United States.[6]

As for CVD measures, 14 Members notified CVD actions they took during the latter half of 2013, and sixteen Members notified actions they took in the first half of 2014. Specifically, the SCM Committee reviewed actions taken by: Australia, Botswana, Brazil, Canada, China, the EU, India, Lesotho, Mexico, Namibia, Pakistan, Peru, South Africa, Swaziland, Turkey, and the United States.

In 2014, the SCM Committee examined 92 new and full subsidy notifications covering various time periods. Unfortunately, numerous Members 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

[5] 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 Communities.

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

single subsidy notification in 2006 (covering the years 2001 – 2004). India submitted a subsidies notification in 2010 – that only included three programs – after not providing any notification for 10 years. 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 programs in China and 50 unreported subsidy programs in India – the first counter notifications ever filed by the United States. 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. At the April 2012 meeting of the Committee, the United States brought these matters to the notice of the SCM Committee under the provisions of Article 25.10. In May 2012, India submitted a supplemental subsidy notification covering certain fishery programs, including programs at the sub-central level. However, none of the programs in the supplemental notification were those referenced by the U.S. counter notification of programs in India. At both meetings of the SCM Committee in 2014, the United States continued to press China and India to notify the outstanding programs identified in the U.S. 2011 counter notifications.

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 (see below). 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, 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. The United States has now counter notified and provided full translations of over 300 Chinese subsidy measures.

Submission of Article 25.8 questions: Article 25.8 of the Agreement provides: "Any Member may, at any time, make a written request for information on the nature and extent of any subsidy granted or maintained by another Member (including any subsidy referred to in Part IV), or for an explanation of the reasons for which a specific measure has been considered as not subject to the requirement of notification." Because China's two notifications to date have been significantly incomplete (*e.g.*, only central government-level programs have been notified) and late (*e.g.,* the notification filed in 2011 only covered up through 2008), the United States submitted extensive, detailed questions to China in October 2012, covering a wide range of possible subsidy programs in numerous sectors that appear should have been notified. Under Article 25.9, China is obligated to provide a response "as quickly as possible and in a comprehensive manner." As noted above, China did not respond to the United States' questions submitted under Article 25.8. This led to the filing, as discussed above, of the United States' second counter notification of subsidy measures in China. For several subsidy programs referenced in the 2012 Article 25.8 questions, the United States was unable to find the underlying legal measures. For these programs, the United States submitted a revised set questions under Article 25.8 (*ie,* a "corrigendum" to the 2012 Article 25.8 questions) at the same time as it submitted the second counter notification.

The United States also submitted a new Article 25.8 request in 2014. This request pertains to China's policies and implementing measures in support of its "strategic emerging industries" (SEI) -- none of which have been notified to the WTO -- and was prompted more generally by the continued absence of a complete and timely subsidy notification by China that covers the Twelfth Five-Year Plan, now in its last year. A key objective of this plan is to promote designated SEI sectors, which include: (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. To date, China has not provided written responses to the 2014 Article 25.8 questions of the United States.

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 2014 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.

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.[7] In 2014, the United States submitted a revised proposal which sets out specific deadlines for responses to questions[8]. Many countries supported the proposal; several other countries, such as China, India, South Africa and Brazil, voiced concerns. Work will continue on the U.S. proposal in 2015.

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 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 has pressed India to identify the current export subsidy programs that benefit the textile and apparel sector and commit to a phase-out schedule 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. The United States will continue to pursue this issue.

[7] G/SCM/W/555; 21 October 2011.
[8] G/SCM/W/557/Rev.1; September 22, 2014.

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.[9] 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 shall end no later than December 31, 2015.

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: (i) 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; (ii) to provide, at the request of the SCM Committee, an advisory opinion on the existence and nature of any subsidy; and (iii) 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 2014, the members of the Permanent Group of Experts were: Mr. Gérard Depayre (EU); Mr. Akio Shimizu (Japan); Mr. Zhang Yuqing (China); Mr. Welber Barral (Brazil) and Mr. Chris Parlin (United States). In 2014, Mr. Subash Pillai of Malaysia was elected at the regular spring meeting to replace the outgoing Mr. Depayres. Therefore, at the end of 2014, the five members of the PGE were:; Mr. Akio Shimizu (until 2015); Mr. Zhang Yuqing (until 2016); Mr. Welber Barral (until 2017); Mr. Chris Parlin (until 2018) and Mr. Pillai (until 2019).

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 Agreement, a per capita GNP under $1,000 per annum and are specifically listed in Annex VII(b).[10] A country automatically "graduates" from Annex VII (b) status when its per capita GNP rises above the $1,000 threshold. At the Fourth Ministerial Conference, 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 2014.[11]

[9] 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.

[10] 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.

[11] See G/SCM/110/Add.11.

Prospects for 2015

In 2015, the United States expects to review China's answers to the United States' outstanding questions submitted under Article 25.8 and will focus on other possible subsidy programs in China not notified, particularly those that may be prohibited under the SCM Agreement, those administered at the provincial and local levels and those provided to sectors for which China has yet to notify any subsidies. The United States will press China and India to notify the outstanding programs included in the U.S. counter notifications. Furthermore, 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 2015 to improve the timeliness and completeness of Members' subsidy notifications and, in particular, will continue to discuss the proposal made by the United States to improve and strengthen the SCM Committee's procedures under Article 25.8 of the SCM Agreement. Finally, the United States will likely submit its next subsidies notification to the SCM Committee in 2015, covering fiscal years 2013 and 2014.

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 Agreement is important for U.S. exporters, particularly 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 2014

The Valuation Agreement is administered by the Committee on Customs Valuation (the Customs Valuation Committee), which held two formal meetings in 2014. The Agreement 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 three meetings in 2014.

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.

The use of minimum import prices, a practice inconsistent with the provisions of the Agreement, continues to diminish, and no Members currently maintain the S&D reservation concerning the use of minimum values. However, in 2014, Gambia notified that it had delayed application of the agreement until 2010. In addition, with its accession to the WTO, Yemen will start fully implementing the Agreement by December 31, 2016. The United States has used the Customs Valuation Committee as an important forum for addressing 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 regimes, as well as preshipment inspection regimes, outside of the disciplines set forth under the Agreements.

Achieving universal adherence to the Valuation Agreement in the Uruguay Round was an important objective of the United States. The Agreement was initially negotiated in the Tokyo Round, but its acceptance was voluntary until mandated as part of membership in the WTO. A proper valuation methodology under the Agreement, avoiding arbitrary determinations or officially established minimum import prices, is essential for the realization of market access commitments. Just as important, the implementation of the Agreement also often represents the first concrete and meaningful steps taken by developing country Members toward reforming their customs administrations and 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 implementing customs valuation legislation. As of December 2014, 91 Members had notified their national legislation on customs valuation (these figures do not include the 27 individual EU Members). In addition, 61 Members have notified the checklist of issues. Some 38 Members have not yet made any notification of their national legislation on customs valuation. At the Committee's May and October 2014 meetings, the Committee undertook its examination of the customs valuation legislation of: Bahrain, Belize, Cabo Verde; Chile; Costa Rica; Ecuador; the Gambia; Lesotho; Mali; the Republic of Moldova; Nicaragua; Nigeria; Russian Federation; Rwanda; Saint Vincent and the Grenadines; Tunisia; Uruguay; and Ukraine. It examined for the first time the national legislation of Chile, as well as new notifications by Costa Rica, the Republic of Moldova, and the Russian Federation. In addition, the Committee concluded the review of the national legislation of China; Japan; Lao People's Democratic Republic; and Macao, China. Where the Committee's examination of these Members' customs valuation legislation was not concluded in 2014, the examination will continue in 2015.

Working with information provided by U.S. exporters, the United States played a leading role in these examinations, submitting in some cases a series of detailed questions as well as suggestions toward improved implementation. In addition to raising questions for Members whose customs valuation legislation is under examination, the United States also submitted a detailed request for information to Indonesia requesting notification of its preshipment inspection program to the Committee.

In addition to the examination of legislation, the Customs Valuation Committee's activities included hosting an informal workshop on the use of customs valuation databases (G/VAL/72) on October 24, 2014. The Committee decided to hold the workshop at the July 23, 2014 meeting (which was a continuation of the formal meeting suspended on 27 June 2014).

Ultimately, the Customs Valuation Committee's work throughout 2014 continued to reflect a cooperative focus among all Members to ensure appropriate 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 2015

The Customs Valuation Committee's work in 2015 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 all Members that have implemented the Valuation Agreement, to ensure that such 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 build on the opening and momentum created by the fall workshop on reference price databases, by encouraging continued dialogue on the benefits of advance rulings on valuation for traders and customs administrations, and by sharing best practices and experiences. Finally, the Committee will continue to address technical assistance issues 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 nonpreferential origin regimes, such as the obligation to provide binding origin rulings upon request to traders 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 leading to the multilateral harmonization of rules of origin used for nonpreferential trade. The Harmonization Work Program (HWP) is more complex than initially envisioned under the Agreement, which provided for the work to be completed within three years after its commencement in July 1995. This HWP continued throughout 2014 and will continue into 2015.

The ROO Agreement is administered by the Committee on Rules of Origin (the ROO Committee), which held meetings in April and October of 2014. 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 with the WCO to assist in the HWP.

Major Issues in 2014

As of December 2014, 96 Members have notified the WTO concerning nonpreferential rules of origin. In these notifications, 42 Members notified that they apply nonpreferential rules of origin, and 50 Members notified that they did not have a nonpreferential rule of origin regime. Forty Members have not notified nonpreferential rules of origin.

Virtually all WTO Members have notified the WTO, either through the ROO Committee or other WTO bodies, that they apply preferential rules of origin. Six Members have notified that they do not have 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 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. Substantial attention has been given to the implementation of the ROO Agreement's important disciplines related to transparency, which constitute internationally-recognized "best customs practices."

The ongoing HWP leading to the multilateral harmonization of nonpreferential product specific rules of origin has attracted a great deal of attention and resources. Progress has been made toward completion of

this effort, despite the large volume and magnitude of complex issues, which must be addressed for hundreds of specific products.

The ROO Committee continued to focus on the HWP to achieve multilateral harmonization of nonpreferential rules of origin. 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 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 at 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, and the U.S. Department of Agriculture.

In 2006, the General Council agreed that following resolution of the core policy issues, the Committee would complete its remaining work on the HWP by December 2007. Notwithstanding this deadline, the HWP has not been completed.

While the ROO Committee made some progress towards fulfilling the mandate of the ROO Agreement to establish harmonized nonpreferential rules of origin, a number of fundamental issues, including many product-specific rules for agricultural and industrial goods, and the scope of the prospective obligation to apply the harmonized nonpreferential rules of origin equally for all purposes, remained 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 nonpreferential 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. The General Council also agreed with the recommendation of the Chair of the ROO Committee that the Committee would continue its work with a view to resolving all technical issues and report periodically to the General Council on its efforts in this regard.

During the two ROO Committee meetings in 2014, the ROO Committee worked to finalize the transposition of draft harmonized rules of origin to more recent versions of the Harmonized System (HS). This exercise, which had been given to the WTO Secretariat, has been finalized and the rules are now available in the 2002, 2007 and 2012 versions of the HS. Such rules include mechanically transposed rules as well as some simplified rules according to recommendations from the World Customs Organization. The ROO Committee also initiated work on developments related to preferential rules of origin for Least Developed Countries (LDCs) as a result of the adoption of Ministerial Decision WT/L/917. The ROO Committee agreed on the procedures to review new developments related to such rules and conducted the first review of such developments.

Prospects for 2015

The Committee will continue to discuss the future organization of the Committee's work and divergences in Members' views of how to continue discussions of 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 Committee will also continue to review the work done by the Secretariat on the transposition of the current HWP to more recent

versions of the HS nomenclature. The ROO Committee will continue to report periodically to the General Council on its progress in resolving these issues. The Committee will also continue to review any new developments related to preferential rules of origin for LDCs as a result of the Ministerial Decision (WT/L/917).

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. 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: ncsci@nist.gov or notifyus@nist.gov or via the Internet at: http://www.nist.gov/ncsci or http://www.nist.gov/notifyus). NIST maintains a reference collection of standards, specifications, test methods, codes, and recommended practices. This reference

material includes U.S. Government agencies' technical regulations and conformity assessment procedures, and the standards of nongovernmental standardizing bodies. 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, notifications of drafts or changes to domestic and foreign technical regulations and conformity assessment procedures for manufactured products. U.S. entities can access the services through the website: https://tsapps.nist.gov/notifyus/data/index/index.cfm. NIST refers requests for information concerning SPS measures to the U.S. Department of Agriculture, which is the U.S. inquiry point pursuant to the WTO Agreement on the Application of Sanitary and Phytosanitary Measures.

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 drafts 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)*. Disciplines and 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 2014

The TBT Committee met three times in 2014, March (G/TBT/M/62), June (G/TBT/M/63), and November (G/TBT/M/64). At some of 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 proposed labeling requirements for food from Chile, Ecuador, Peru, and Indonesia; tobacco-related measures from New Zealand, Ireland and the European Union; regulations on alcoholic beverages from Russia; and continued concern regarding regulations for EU REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals); the development of China-specific standards in the information technology sphere; Korea's cosmetics measures; and India's testing and certification requirements for telecommunications products.

Pursuant to the recommendations agreed in November 2012 under the Sixth Triennial Review (G/TBT/32), the TBT Committee expanded its exchanges of experiences to include informal thematic discussions at each of its meetings to provide the opportunity for TBT experts to consider, in a multilateral setting, how other Members have addressed challenges in their national efforts to strengthen implementation of the Agreement. Through these thematic discussions, the Committee is pressing for greater progress on these issues related to specific decisions and recommendations arising out of the triennial reviews (G/TBT/1/Rev.11), including on good regulatory practice and transparency. In 2014, the TBT Committee held thematic sessions on issues related to the operation and implementation of the TBT Agreement. These sessions focused on Standards, Good Regulatory Practice, Transparency, Conformity Assessment Procedures, and Special and Differential Treatment and Technical Assistance.

At the March 2014 meeting, the TBT Committee adopted its report of the 19th Annual Review of the Implementation and Operation of the TBT Agreement under Article 15.3 (G/TBT/34 and G/TBT/34/Corr.1). At the same meeting, the TBT Committee carried out the 19th Annual Review of the Code of Good Practice for the Preparation, Adoption and Application of Standards ("the Code of Good Practice"). At the June 2014 meeting, the TBT Committee adopted a recommendation on coherent use of notification formats (G/TBT/35). At the November 2014 meeting, the TBT Committee launched the Seventh Triennial Review of the TBT Agreement, which will be concluded in November 2015.

Prospects for 2015

The TBT Committee will continue to monitor Members' implementation of the TBT Agreement. In 2015, U.S. priorities will continue to focus on resolving specific trade concerns, as well as working on the Seventh Triennial Review of the Operation and Implementation of the TBT Agreement. In this regard, among the U.S. priorities for the Committee in 2015 will be to agree on a list of mechanisms and principles of good regulatory practices to guide Members in implementing the TBT Agreement more efficiently and effectively. In addition, the United States will focus on increasing transparency in standard setting through review of the implementation by Members of the Code of Good Practice (Annex 3 of the Agreement). Lastly, the United States will support the Committee's work to inform Members on the choice and design of conformity assessment procedures.

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 (formerly the *Ad Hoc* Group on Implementation) and the Informal Group on Anticircumvention.

The Antidumping Committee is an important 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 on Implementation (the Working Group) is an active body, which focuses on practical issues and concerns relating to implementation. The activities of the Working Group permit Members to

develop a better understanding of their respective policies and practices for implementing the provisions of the Antidumping Agreement based on 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 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, and in particular, by 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 on Anticircumvention (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 2014

In 2014, 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 2014.

Notification and Review of Antidumping Legislation: To date, 76 Members have notified that they currently have antidumping legislation in place, and 37 Members have notified that they maintain no such legislation. In 2014, the Antidumping Committee reviewed new notifications of antidumping legislation and/or regulations submitted by Australia, Brazil, Cameroon, Congo, the European Union, The Gambia, Mexico, Montenegro, New Zealand, Qatar, the Russian Federation, and the United States. 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 2014, 34 Members notified that they had taken antidumping actions during the latter half of 2013, while 34 Members reported having taken actions in the first half of 2014. 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 2013 were issued in document series "G/ADP/N/252/…," and the semi-annual reports for the first half of 2014 were issued in document series "G/ADP/N/259/…" At its April and October 2014 meetings, the Antidumping Committee reviewed Members' notifications of preliminary and final actions pursuant to Article 16.4 of the Antidumping Agreement.

Working Group on Implementation: The Working Group held meetings in April and October 2014. 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.

For the April 2014 meeting, one paper was submitted by Brazil for discussion covering "Other Causes of Injury." Several Members, including the United States, posed questions on this paper.

For the October 2014 meeting, Brazil submitted a paper on "Sampling and the All Others Rate." Several Members, including the United States, posed questions on this paper.

Informal Group on Anticircumvention: In 2014, the Informal Group held meetings in April and October. There were no new papers submitted for discussion in 2013; however, Members did engage during both the April and October meetings on exploring ways to improve the discussion in the Informal Group. It was agreed during the October Informal Group meeting that Members should continue to discuss this topic at the April 2015 meeting, as Members deem appropriate.

Prospects for 2015

Work will proceed in 2015 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 ongoing review process in the Antidumping Committee is important for ensuring that Members' antidumping laws are properly drafted and implemented, thereby contributing to a well-functioning, rules-based trading system. 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 2015. 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 on Implementation 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. Tackling these issues in a serious manner will require the involvement of the Working Group, which is the forum that was established to discuss these technical and administrative issues. 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 2015, the Working Group will continue its discussion of topics that it has been discussing for several years and recently added topics, as described in the last section.

The work of the Informal Group on Anticircumvention will also continue in 2015 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 receives questions from Members on the licensing regimes of other Members, whether or not those regimes have been notified to the Committee. The Committee meetings also address specific observations and complaints concerning Members' licensing systems. These reviews 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 issues before they become disputes.

Major Issues in 2014

In 2014, 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 laws, regulations, and administrative procedures must also be published and notified. Since the entry into force of the WTO Agreement, 103 Members[12] have notified the Committee of their legislation and/or publications under these provisions (up to the last meeting of the year held on October 20, 2014). During 2014, the Committee received 25 notifications from the following 18 Members[13]: Cameroon; Ecuador; Israel; Kyrgyz Republic; Lao PDR; Madagascar; Mexico; Morocco; Paraguay; Peru; Philippines; Russian Federation; Samoa; Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu; Sri Lanka; Trinidad and Tobago; Turkey and Ukraine. These notifications can be found in document series G/LIC/N/1/- (up to October 20, 2014).

With regard to notifications of new import licensing procedures or changes in such procedures (required by Articles 5.1-5.4 of the Agreement), the Committee received 18 notifications from nine Members[14] (up to October 20, 2014): Indonesia, Israel; Lao PDR; Malaysia; Mexico; Paraguay; Russian Federation; Kingdom of Saudi Arabia and Ukraine. 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 prompt replies to the annual Questionnaire on Import Licensing Procedures; Committee procedures set a deadline of September 30 each

[12] The European Union and its Member States counted as one Member for purposes of this notification.
[13] A new notification was received from Brazil (G/LIC/N/1/BRA/6) on 20th October, which will be reviewed at the next Committee meeting.
[14] New notifications were received from Brazil (G/LIC/N/2/BRA/6) and Mexico (G/LIC/N/2/MEX/4) on 20 October 2013, which will be reviewed at the next Committee meeting.

year. While not all Members provide responses every year, since the entry into force of the WTO Agreement, 106 Members have made notifications under this provision (up to October 4, 2014). The number of Members submitting annual notifications has increased from 11 Members in 1995, when the WTO was established, to 46 Members in 2014. All of these notifications, including the U.S. responses to the Questionnaire on Import Licensing Procedures (G/LIC/N/3/USA/10), may be found in document series G/LIC/N/3/- (http://www.wto.org/english/res_e/res_e.htm).

The United States remained one of the most active members of the Import Licensing Committee in 2014, using the forum to gather information and to discuss import licensing measures applied to its trade by other Members. In 2014, the United States raised concerns about the import licensing procedures of: Bangladesh (pharmaceuticals); Colombia (issues relating to illegal mining); Ecuador (new procedures); Indonesia (a variety of products, including animal and horticultural products; cell phones, handheld computers and tablets); India (boric acid); Saint Lucia (poultry and pork products); Malaysia (a variety of products, including motor vehicles, rice, cabbage and electrical equipment); Russia (transparency obligations; procedures for products with cryptographic capabilities and harvesters); and, Vietnam (distilled spirits). The United States and other Members submitted written questions on these and other issues. Written questions and replies to and from Members 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. In so doing, transparency remains the primary goal.

Prospects for 2015

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. The United States will continue to advocate for increased transparency and proper use of import licensing procedures, and will continue to closely monitor licensing procedures to ensure that the procedures, do not, in themselves, restrict imports in a manner inconsistent with Members' WTO obligations. 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 source of growing concern, as many such requirements appear to be administered in a manner that restrict trade.

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 incorporates into WTO rules many of the concepts embodied in U.S. safeguards law (section 201 of the Trade Act of 1974, as amended). Among its key provisions, the Safeguards Agreement: requires a transparent, public process for making injury determinations; sets out clearer definitions of the criteria for serious injury determinations; requires that safeguard measures be steadily liberalized over their duration; establishes maximum periods for safeguard actions; requires a review no later than the midterm of any measure with a duration exceeding three years; allows safeguard actions to be taken for three years, without the requirement of compensation or the possibility of retaliation; and prohibits so-called "grey area" measures, such as voluntary restraint agreements and orderly marketing agreements.

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 2014

The Safeguards Committee held two regular meetings in April and October 2014, as well as an informal meeting in July 2014. During the July 2014 informal meeting, Members discussed a proposal to conduct a notifications seminar at the October 2014 Safeguards Committee meeting.

During its two regular meetings in April and October 2014, 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 Belize, Cameroon, Chile, Congo, the European Union, The Gambia, Mexico, Montenegro, Papua New Guinea, Sierra Leone, Chinese Taipei, Turkey, and Russia.

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: Chinese Taipei on High Density Polyethylene and Linear Low Density Polyethylene; Costa Rica on Pounded Rice; Ecuador on Wood and Bamboo Flooring; Egypt on Steel Reinforcing Bar; India on Sodium Citrate, Sodium Di-chromate, Bare Elastomeric Filament Yarn, Flexible Slabstock Polyol, Non-Alloyed Ingots of Unwrought Aluminium, and Saturated Fatty Alcohols; Indonesia on Coated Paper and Paperboard, Cotton Yarn, I and H Sections of Other Alloy Steel, and Hot-Rolled Bars and Rods in Irregularity Wound Coils; Jordan on Writing and Printing Papers; Malaysia on Hot-Rolled Steel Plate; Morocco on Cold-Rolled Sheets and Plated or Coated Sheets; Philippines on Newsprint and Galvanized Iron and Pre-Painted Sheets and Coils; Thailand on Non-Alloy Hot Rolled Steel Flat Products; Tunisia on Fibreboard of Wood and Glass Bottles; and Turkey on Printing, Writing and Copying Paper, Spectacle Frames and Travel Goods.

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: Colombia on Steel Wire Rod; India on PX-13, Saturated Fatty Alcohols, Seamless Pipes, Tubes and Hollow Profiles of Iron on Non-Alloy Steel, Sodium Citrate, Sodium Nitrite; Indonesia on Cotton Yarn, Flat-Rolled Product of Iron or Non-Allow Steel, I and H Sections of Other Alloy Steel and Wheat Flour; Kyrgyz Republic on Wheat Flour; Morocco on Wire Rods and Reinforcing Bars; Philippines on Testliner Board; Russian Federation on

Harvesters; South Africa on Frozen Potato Chips; Turkey on Certain Electrical Appliances, Polyethylene Terephthalate and Terephthalic Acid; and Ukraine on Casing and Pump-Compressor Seamless Steel Pipes, Tableware and Motor Cars.

The Safeguards Committee reviewed Article 12.1(c) notifications regarding a decision to apply or extend a safeguard measure from the following Members: the India on Sodium Nitrite; Kyrgyz Republic on Wheat Flour; Morocco on Wire Rods and Reinforcing Bar; Philippines on Testliner Board; Russian Federation on Harvesters; Turkey on Spectacle Frames and Certain Electrical Appliances; and Ukraine on Motor Cars.

The Safeguards Committee reviewed Article 12.4 notifications regarding the application of a provisional safeguard measure from the following Members: Colombia on Steel Wire Rod and Bars and Rods; Egypt on Steel Reinforcing Bars; and Thailand on Non-Alloy Hot Rolled Steel Flat Products.

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: Australia on Canned Tomatoes and Certain Processed Fruit Products; Chile on Frozen Pork; Colombia on Bars and Rods, Angles, Shapes and Sections of Iron or Non-Alloy Steel, and Steel Angles; Chinese Taipei on High Density Polyethylene and Linear Low Density Polyethylene; Costa Rica on Pounded Rice; Dominican Republic on Certain Sports and Other Socks; Egypt on Steel Reinforcing Bar; India on Not-Alloyed Ingots of Unwrought Aluminium and Bare Elastomeric Filament Yarn; Indonesia on Kilowatt Hour Meters, Mackerel, and Sheath Contraceptives; and Israel on Glass Wool and Rock Wool.

Also, at the meeting in April, at the request of the United States, the European Union, and Chinese Taipei, the Safeguards Committee separately discussed of notification of safeguard measures by the Russia Federation. At the meeting in October, at the request of the United States and the European Union, the Safeguards Committee separately discussed the continued non-notification of safeguard measures by the Russian Federation. During both the April and October Safeguards Committee meetings, the United States reserved its rights under Article 12.8 to notify these measures to the Safeguards Committee in the interests of transparency. Separately, at the request of the United States, the Safeguards Committee also discussed the non-notification of legislation by the Kingdom of Bahrain.

Finally, at the Safeguards Committee meeting in April, the Friends of Safeguards Procedures (FSP) – a 10 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 the following topics: structure of an investigation, establishment of timelines for the various phases of an investigation, comparison of investigatory structure with other phases related to a measure, and how to make the required safeguard notifications. There was no informal discussion group session at the October 2014 Safeguards Committee meeting; instead, the Rules Secretariat conducted a seminar on notifications, which covered notifications of initiation of an investigation, provisional measures, exclusion of developing countries in line with Article 9.1 of the Safeguards Agreement, final measures, extension of a measure, and any major developments after the decision to impose the measure (e.g., cessation of the measure).

Prospects for 2015

The Safeguards Committee's work in 2015 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 principle of nondiscriminatory treatment, make purchases or sales solely in accordance with commercial considerations, and abide by other GATT disciplines. 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 2014

Paragraph 4 of the Article XVII Understanding states that "[a]ny Member which has reason to believe that another Member has not adequately met its notification obligation may raise the matter with the Member concerned. If the matter is not satisfactorily resolved it may make a counter-notification to the Council for Trade in Goods, for consideration by the working party set up under paragraph 5 [of the Article XVII Understanding], simultaneously informing the Member concerned." China last submitted a notification to the WP-STE in 2003 as an update to its notification for the 2002 period. China has not submitted a new or updated notification regarding its state trading enterprises since then.

On June 13, 2014, the United States raised this issue with China in a meeting in Geneva, Switzerland. Specifically, at this meeting, the United States raised its concerns regarding China's lack of notification and stated that if such notification would not be forthcoming as part of the June 30 biennial obligation to submit an updated notification to the WP-STE, a Member may make a counter-notification under paragraph 4 of the Article XVII Understanding. No such notification was subsequently made, and the issue was not otherwise satisfactorily resolved; so, on August 7, 2014, the United States exercised its right under paragraph 4 and made a counter-notification that included 153 enterprises. As of December 31, 2014, despite subsequent engagement with China, no updated notification has been made.

The WP-STE held one formal meeting on October 9, 2014. At the meeting, Members reviewed STE notifications from 33 Members: Albania, Australia, Burkina Faso, Canada, Cabo Verde, Chile, Colombia, Costa Rica, Egypt, the European Union, Georgia, Honduras, Hong Kong, India, Japan, Kuwait, Liechtenstein, Macao, Mali, Mauritius, New Zealand, Norway, Oman, Peru, Senegal, Singapore, South Africa, Switzerland, Chinese Taipei, Former Yugoslav Republic of Macedonia, Togo, Ukraine, and the United States.

During the meeting, the United States also introduced its counter-notification, and the European Union and the United States questioned Russia as to when it intended to notify its STEs, particularly Gazprom. In addition, Australia, Canada, the European Union, and the United States introduced the agenda item of non-notifications and overdue notifications, urging Members to make the applicable notifications. Members also discussed the possibility of meeting more frequently, a Secretariat-led seminar regarding notifications, and increasing overall Secretariat communications with Members.

Prospects for 2015

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 transparency of STEs. The WP-STE is formally scheduled to meet in October 2015, although Members are considering whether the WP-STE should also meet earlier in 2015 to discuss some of the issues identified during the October 2014 meeting. Also, the United States will continue to work with other WTO Members on the China and Russia notification issues.

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

Status

The WTO Council for Trade-Related Aspects of Intellectual Property Rights (the TRIPS Council) monitors implementation of the Agreement on Trade-Related Aspects of Intellectual Property Rights (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 deadline 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."

Major Issues in 2014

In 2014, 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 2014 focused on the positive relationship between intellectual property (IP) and innovation and between IP and sports, under agenda items co-sponsored by the United States and other WTO Members. The TRIPS Council also discussed the contributions of IP to facilitate the transfer of environmentally-sound technology and 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 February, June, and October TRIPS Council meetings, the United States co-sponsored agenda items on the positive contributions of IP to innovation. In February, the United States sponsored an agenda item on university technology partnerships. Interventions focused on

the extent to which universities around the world are engines for innovation and technology transfer. Numerous WTO countries underscored the critical role IPR plays in forming the university technology partnerships that translate basic research into goods and services for consumers that deliver the social benefits of innovation. WTO delegations further stressed that universities benefit from such partnerships in that they may derive revenue from the transaction, hire new researchers, build new labs, invest in more research as well as provide an educational and financial opportunity for their professors, researchers, and students to further develop technologies in businesses of different sizes.

In June, the United States and Chinese Taipei, co-sponsored an item under the IP and innovation heading focused on innovation incubators. This first-of-its-kind discussions in the TRIPS Council stressed the importance of incubators as part of the enabling environment for innovation. WTO countries exchanged best practices and success stories regarding their national experiences with incubators, accelerators and other facilities, which provide critical support to entrepreneurs, start-ups and other new innovative entities to assist in their early stages of development. In October, the United States, the European Union and Switzerland co-sponsored a discussion on IPR awareness. Under this agenda item, the United States and other WTO countries shared information on how to raise awareness regarding what promotes innovation and what hinders it, on the premise that one country's experiences may be relevant for others for their own innovation objectives. Numerous countries confirmed that IPR contributes to innovation, but that without public awareness regarding the importance of IPR, innovation may suffer.

IP and Climate Change: At the February and June TRIPS Council meetings, Ecuador sponsored an agenda item on the *Contributions of IP to Facilitate the Transfer of Environmentally-sound Technology*. Relying on very limited data in support of its position, Ecuador contended that IP may not facilitate the transfer of such technologies and that innovation in these areas is focused in a limited number of countries. The United States and several other delegations countered, relying on a significant body of research showing that IPR not only incentivizes green technology innovation, but also promotes technology transfer in these goods and services. The United States and other delegations cited a wealth of data demonstrating that green technology innovation is happening in a wide array of countries at different levels of development, that voluntary technology transfer is occurring, and that IPR plays a significant and positive role in promoting both activities. The United States and other Members also cited to numerous economic studies demonstrating that IPR does not increase costs and is not a barrier to technology transfer. Finally, the United States provided a detailed evaluation of the Technology Needs Assessments (TNAs) provided under the UN Framework Convention on Climate Change, in which developing countries did not cite IPR among the nearly 20 access barriers to green technologies identified in their respective TNAs. In February, the United States and other delegations highlighted the tremendous number of diverse mechanisms that rely on IPR solutions to address environmental needs, which target both financial and non-financial obstacles to green technology innovation and transfer, and offer the opportunity to overcome several of the barriers identified in those Technology Needs Assessments. In June, the United States enumerated a series of real-world case studies on how IPR protection is a tool for promoting innovation and transfer of environmentally-friendly technologies which demonstrate the power of human ingenuity and the importance of innovative solutions to address global problems, such as energy conservation, environmental protection and climate change mitigation and adaptation.

Review of Developing Country Members' TRIPS Agreement Implementation: During 2014, 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: 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," in light of the statement read out by the General Council Chairperson) continues to apply to each Member until the formal amendment to the TRIPS Agreement replacing its provisions takes effect for that Member. The amendment text adopted by the General Council in December 2005, and the statement by the Chairperson, preserve all substantive aspects of the August 30, 2003 solution and do 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. As of January 28, 2015, a total of 53 Members had accepted the amendment, which will enter into force for those Members that have accepted it upon its acceptance by two thirds of the membership of the WTO.

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. On September 25, 2007, the WTO Dispute Settlement Body (DSB) established a panel to consider the dispute.

The Panel circulated its report on January 26, 2009. The Panel found that China's denial of copyright protection to works that do not meet China's content review standards is 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. On April 15, 2009, China notified the DSB that China intends to implement the recommendations and rulings of the DSB in this dispute and stated it would need a reasonable period of time for implementation. On June 29, 2009, the United States and China notified the DSB that they had agreed on a one year period of time for implementation, which ended on March 20, 2010. In 2014, the United States monitored China's compliance with the 2009 DSB recommendations and rulings.

During 2014, the United States continued to monitor EU compliance with a 2005 ruling of the DSB that the EU's regulation on food-related GIs is 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.

Geographical Indications: The Doha Declaration directed the TRIPS Council to discuss "issues related to extension" of the level of protection provided under Article 23 of the TRIPS Agreement to GIs for products other than wines and spirits, and to report to the TNC by the end of 2002 for appropriate action. Because

no consensus could be reached in the TRIPS Council on how the Chairperson should report to the TNC on the issues related to the extension of Article 23 level protection to GIs for products other than wines and spirits, and in light of the strong divergence of positions on the way forward on GIs and other implementation issues, the TNC Chairperson closed the discussion by saying he would consult further with Members. At the December 2005 Hong Kong Ministerial Conference, the Ministers directed the Director General to continue his consultative process on all outstanding implementation issues, including on extension of Article 23-level protection to GIs for products other than wines and spirits.

In 2014, the Director General did not hold any consultations on the extension issue. While some WTO Members seek to conduct negotiations in the TRIPS Council Special Session on whether to include other non-wine or spirit GIs, the United States and its allies on this issue continue to oppose any expansion of the Article 24.3 mandate in the Special Session to include negotiations on extension.

Review of Article 27.3(b), Relationship Between the TRIPS Agreement and the Convention on Biological Diversity, and Protection of Traditional Knowledge and Folklore: As called for in the TRIPS Agreement, the TRIPS Council initiated a review of Article 27.3(b) of the TRIPS Agreement (permitting Members to exclude from patentability plants, animals, and biological processes used for the production of plants and animals). The Doha Declaration directs the TRIPS Council, in pursuing its work program under the review of Article 27.3(b), to examine, *inter alia*, the relationship between the TRIPS Agreement and the Convention on Biological Diversity (CBD) and the protection of traditional knowledge and folklore. Consideration of this set of issues also continues to be guided by the direction of Ministers in the Hong Kong Declaration, that all implementation issues (including the relationship of the TRIPS Agreement and the CBD) should be the subject of consultations facilitated by the WTO Director General. Furthermore, Ministers agreed that work would continue in the TRIPS Council on this issue.

A number of developing country Members continue to advocate for amending the patent provisions of the TRIPS Agreement to require disclosure of the source of the genetic resource or traditional knowledge, as well as evidence of prior informed consent to obtain the genetic resource and adequate benefit sharing with the custodian community or country of the genetic resource in order to obtain a patent. In 2006, a group of developing country Members submitted draft text for such an amendment to the TRIPS Agreement. There is, however, no consensus in the TRIPS Council that an amendment should be pursued. In 2014, the Director General did not hold consultations with Members on this issue.

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 (October 2013) (see IP/C/W/596/Add.6). 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 October 2014, the United States provided an updated report on specific U.S. Government institutions and incentives, as required (see IP/C/W/594/Add.6).

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.

Non-Violation and Situation Complaints: On October 10, 2013, the TRIPS Council reached agreement *ad ref* to extend the moratorium on non-violation and situation complaints under the TRIPS Agreement until the next Ministerial. The TRIPS Council agreement became final on October 21, 2013. WTO Members confirmed their intention to intensify the examination of this issue in 2014. 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 2014, 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.

New Zealand Plain Packaging Legislation: In February 2014, Cuba sponsored an agenda item raising concerns regarding legislation requiring plain packaging of tobacco products. Australia, Canada, Cuba, Dominican Republic, Honduras, Indonesia, New Zealand, Nicaragua, Switzerland, Ukraine, Uruguay, and Zimbabwe intervened under this agenda item.

Prospects for 2015

In 2015, the TRIPS Council will continue to focus on its built-in agenda and the additional mandates established in the Doha Declaration, including possibly issues related to the LDC transition period for implementing the TRIPS Agreement, on the relationship between the TRIPS Agreement and the CBD, and on traditional knowledge and folklore, as well as enforcement and other relevant new developments.

U.S. objectives for 2015 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 NVNI under the TRIPS Agreement.

H. Council for Trade in Services

Status

The General Agreement for Trade in Services (GATS) is the first multilateral, legally-enforceable agreement covering trade and investment in the services sector. The GATS is designed to reduce or

eliminate governmental measures that prevent services from being freely supplied across borders or from within an economy through locally-established services firms with foreign ownership. The GATS includes specific commitments by WTO Members to restrict their use of restrictive measures and provides a forum for further negotiations to open services markets over time.

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 2014

The CTS met five times during 2014.

The CTS received a number of notifications pursuant to GATS Article III:3 (transparency) and GATS Article V:7 (economic integration). Norway continued to raise concerns related to the telecommunications market in Thailand pursuant to Article III.5 of the GATS. Discussions continued under the Work Program on Electronic Commerce. The United States submitted a paper aimed at encouraging an exchange of views on the topics of cross-border information flows, local facility requirements, and privacy protection; as well as the classification of cloud computing services. Further work under the Program is possible in 2015.

The operationalization of the LDC services waiver was discussed during the year. The December 2013 Ministerial Decision mandates that the Council initiate a process aimed at operationalizing the waiver. The process envisioned was that the LDC Group would present a collective request to all other Members identifying the sectors and modes of particular export interest; and six months after receiving the request, a high level meeting would be held where those Members in a position to do so would indicate services trade preferences they intend to grant to LDC service suppliers. The collective request was submitted in July 2014, and the high level meeting is expected to take place in early 2015.

Under the agenda item "Recent Developments in Trade in Services" the United States and other Members involved in the Trade in Services Agreement (TiSA) negotiations provided updates on the progress of those discussions for transparency purposes.

Prospects for 2015

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. Work is likely to continue in the areas of e-commerce and the LDC services waiver.

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 or regulatory issues, including implementation of existing trade commitments.

Major Issues in 2014

The CTFS met in February, May, June, and September 2014.

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 during the 1995-1997 extended negotiations on financial services. All Members have accepted the protocol with the exception of Brazil.

The CTFS continued its work on regulatory issues in financial services. The Committee invited representatives of the Basel Committee on Banking Supervision, the Financial Stability Board, the International Association of Insurance Supervisors and the International Organizations of Securities Commissions to present on recent regulatory reforms in the financial sector.

The topic of trade in financial services and development continues to receive attention by the CTFS. During the year, the CTFS discussed financial inclusion, with presentations from Chinese Taipei, South Africa, and China. At the request of the Committee, the Secretariat prepared a background paper on financial inclusion and the GATS. Following this work, the CTFS took up a proposal by China, and held a seminar on mobile banking in November 2014. .

Prospects for 2015

The CTFS will continue to use its broad and flexible mandate to discuss various issues, including ratification of existing commitments as well as market access and regulatory issues. Discussions will continue on trade in financial services and development, as well as on regulatory and technical issues.

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. A Ministerial Decision assigned priority to the professional services sector, and Members subsequently established the Working Party on Professional Services (WPPS). In May 1997, the WPPS developed Guidelines for the Negotiation of Mutual Recognition Agreements in the Accountancy Sector, adopted by the WTO. The WPPS completed Disciplines on Domestic Regulation in the Accountancy Sector in December 1998, although their full implementation is suspended pending completion of the ongoing round of services negotiations. The text of these disciplines is found in WTO document S/L/64 (December 17, 1998).

In May 1999, the CTS established the Working Party on Domestic Regulation (WPDR), which took on the mandate of the WPPS. The WPDR is charged with determining whether any new disciplines are deemed necessary beyond those negotiated for the accountancy sector. At the December 2005 Hong Kong Ministerial Conference, Ministers directed the WPDR to develop disciplines on domestic regulation pursuant to the mandate under Article VI:4 of the GATS before the end of the current round of negotiations.

Major Issues in 2014

The WPDR met in February, May, and September 2014.

Members completed their examination of a set of questions raised in the "List of Potential Technical Issues Submitted for Discussion." In the discussions, Members sought to clarify the use of certain domestic regulation concepts and terms as they relate to their regulatory frameworks and practices. Certain Members also reflected on the implications of the information provided during the technical discussions for the development of horizontal domestic regulation disciplines. Members also completed their discussions on regulatory issues with background information provided by the Secretariat. Further, Members specifically addressed the subject of development. In the discussions, Members exchanged views on their national experiences with regulatory reform and capacity building as well as the specific challenges faced by developing countries. Finally, during 2014 Members undertook a dedicated discussion on experiences with domestic regulation disciplines in services regional trade agreements. Some Members shared their experiences with negotiating and implementing such disciplines. While still on-going, information has been presented on a wide range of RTAs. This information indicate 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.

The United States continues to take the view that any horizontal disciplines must respect the right of WTO Members to regulate, as recognized by the GATS, in a manner which meets the legitimate policy objectives of national and subnational regulatory authorities. The United States' focus remains on the development of horizontal disciplines for regulatory transparency in the procedures used for granting authorization to supply services.

Prospects for 2015

During 2015, the United States expects the WPDR will continue its examination of domestic regulation-related provisions in RTAs.

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 in the context of the GATS in accordance with the Doha Work Program resulting from the Hong Kong Ministerial Conference in December 2005. That program called for Members to intensify their efforts to conclude the negotiations on rulemaking under GATS Articles X (emergency safeguard mechanism), Article XIII (government procurement), and Article XV (subsidies).

Major Issues in 2014

The WPGR met in February, May and September 2014.

Pursuant to a proposal by proponents of an emergency safeguard measure (ESM), the WPGR began a dedicated technical discussion to examine so-called emergency safeguard provisions in regional trade agreements (RTAs). On government procurement of services, Members began discussion of a draft WTO Staff Working Paper on the scope of government procurement related commitments in RTAs. In addition, the Secretariat made a presentation on the main features of the revised Government Procurement Agreement and its significance for trade in services. With respect to subsidies, the WPGR continued to face an impasse among Members on next steps for advancing this issue. Members discussed a Secretariat produced a Background Note entitled, "Subsidies for Services Sectors – Information Contained in WTO Trade Policy

Reviews." This Note generated some discussion, but did not yield any further advancement on the issue. The United States continues to press for responses to a series of questions it put forward in 2010 (contained in document S/WPGR/W/59), designed to identify specific concerns that new subsidies disciplines would aim to address. To date, there has not been a single response. Absent any real evidence of a problem to solve, Members have no clear impetus to begin developing new disciplines.

Prospects for 2015

Future work in the WPGR will likely involve continuing discussion on ESMs and government procurement of services in RTAs. There is likely to be little movement in the area of subsidies in services.

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. As a result of the impasse in the overall Doha Round negotiations, the CSC has focused its efforts on ways to improve the classification of services, so that scheduled commitments reflect the service activity, particularly with regard to new or evolving services.

Major Issues in 2014

The CSC held meetings in February, May, and September 2014.

The CSC resumed its ongoing discussion of classification issues in various sectors, focusing on education, health, tourism and recreational services, concluding its work on the examination of classification issues in services sectors. As in previous years, the Secretariat prepared overviews of the classification issues in each sector to facilitate Members' discussions. The Committee also took up the issue of "new services," and requested that the Secretariat prepare a background note and an illustrative list of services not being explicitly classified elsewhere. The Committee did not take up any substantive discussions on scheduling issues during 2014.

Prospects for 2015

Work will continue on technical issues and new services.

I. 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. Thus, it is key to the enforcement of U.S. rights under these Agreements.

The DSU is administered by the Dispute Settlement Body (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 2014

The DSB met 14 times in 2014 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 2014, 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 2013.

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. On March 26, 2013, the DSB agreed to reappoint Mr. Ricardo 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. Peter 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 to a term of four years commencing

on October 1, 2014 (*the names and biographical data for the Appellate Body members during 2014 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; and Mr. Ramirez served as Chairperson from January 1, 2013 to December 31, 2013.

In 2014, the Appellate Body issued eight reports on the following issues: (1) on challenges by Canada and Norway to the EU's measures relating to the marketing and sale of seal products; (2) on a challenge by China to U.S. countervailing and anti-dumping measures; (3) on challenges by the United States, the EU, and Japan on China's measures affecting the exportation of rare earths, tungsten, and molybdenum; (4) on a challenge by India to U.S. measures relating to countervailing duties on carbon steel; and (5) on a challenge by China to U.S. measures related to countervailing duties. In the disputes in which it was not a party, the United States participated as a third party.

Dispute Settlement Activity in 2013: During the DSB's first 19 years in operation, WTO Members filed 486 requests for consultations (22 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; and 15 in 2014). During that period, the United States filed 106 complaints against other Members' measures and received 121 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 2014. 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 2015

While there were improvements to the multilateral trading system's dispute settlement system as a result of the Uruguay Round, there is still room for improvement. Accordingly, the United States has used the opportunity of the ongoing review to seek improvements in its operation, including greater transparency. In 2015, 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 2015.

Disputes Brought by the United States

In 2014, 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 2014 where the United States was a complainant (listed alphabetically by responding party). As demonstrated by these summaries, the WTO dispute settlement process has proven to be an effective tool in combating barriers to U.S. exports. Indeed, in a number of cases the United States has been able to achieve satisfactory outcomes by invoking the consultation provisions of the dispute settlement procedures, without recourse to formal panel proceedings.

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 European Union 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.

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

Argentina appealed the Panel's conclusions. 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 is expected to issue its report in 2015.

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 *General Agreement on Tariffs and Trade 1994* (GATT 1994) and *General Agreement on Trade in Services* (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 *General Agreement on Tariffs and Trade 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 European Union and Mexico also requested and held consultations with China on these measures. On November 19, 2009, the European Union and Mexico joined the United States in requesting the establishment of a panel, and on December 21, 2009, the WTO Dispute Settlement Body 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 that China maintains 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 that 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, is 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 European Union, Mexico, and China agreed that China would have until December 31, 2012, to comply with the rulings and recommendations.

At the conclusion of the reasonable period of time 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 WTO's General Agreement on Trade in Services (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 furthermore, through these, China requires issuers to become members of the CUP network, and 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 Macao 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 reasonable period of time 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.

To date, China has taken some compliance steps by removing certain restrictive measures. In October 2014, China's State Council announced that China would permit qualified foreign EPS suppliers to handle domestic RMB transactions. However, China has not yet issued the necessary affirmative regulations to

establish a licensing process for foreign EPS suppliers to operate in China. The United States continues to press China regarding further regulatory steps China intends to take in the EPS sector.

China – Countervailing and Anti-Dumping Duties on Grain Oriented Flat-rolled Electrical Steel from the United States (DS414)

On September 15, 2010, the United States filed a request for consultations regarding China's imposition of antidumping duties (ADs) and countervailing duties (CVDs) on imports of grain oriented flat rolled electrical steel (GOES) from the United States.

In June 2009, China's Ministry of Commerce (MOFCOM) initiated two investigations on GOES from the United States. On April 10, 2010, based on determinations that American steel had been dumped into their market and subsidized, MOFCOM imposed antidumping duties ranging from 7.8 percent to 64.8 percent and countervailing duties ranging from 11.7 percent and 44.6 percent.

China's antidumping and subsidy determinations in the GOES investigations appeared to violate numerous WTO requirements. Specifically, the United States was concerned, *inter alia*, that China initiated the countervailing duty investigation without sufficient evidence; failed to objectively examine the evidence; failed to disclose "essential facts" underlying its conclusions; failed to provide an adequate explanation of its calculations and legal conclusions; improperly used investigative procedures; and failed to provide non-confidential summaries of Chinese submissions.

The United States and China held consultations on November 1, 2010, but did not resolve the dispute. In February 2011, the United States requested the establishment of a panel. In March 2011, the DSB established a panel. On May 10, 2011, the panel was composed by the agreement of the parties, as follows: Mr. John Adank, Chair; and Mr. Anthony Abad and Mr. Jan Heukelman, Members. Meetings with the Panel took place in September and December 2011.

In June 2012, the Panel issued its report, upholding U.S. claims that China had breached a number of substantive and procedural obligations under the WTO Agreement in imposing AD/CVDS on GOES from the United States. The Panel found that China initiated the countervailing duty investigation with respect to several alleged programs based on insufficient evidence, failed to provide non-confidential summaries of submissions containing confidential information, calculated the subsidy rates for U.S. companies in a manner unsupported by the facts, calculated the "all others" subsidy rate and dumping margin without a factual basis, failed to disclose essential facts and failed to explain the calculation of the "all others" subsidy rate and dumping margin, and made unsupported findings that U.S. exports caused injury to China's domestic industry.

In July 2012, China filed a notice of appeal challenging certain aspects of the panel report. The Appellate Body held a hearing in August 2012. In October 2012, the Appellate Body issued its report, and rejected all of China's claims on appeal.

In November 2012, the Dispute Settlement Body adopted the panel and Appellate Body reports. The same month, China announced its intention to implement the DSB recommendations and rulings in the dispute, and stated that it would need a reasonable period of time (RPT) in which to do so.

In early 2013, following unsuccessful bilateral discussions on the length of the RPT, the United States requested that an arbitrator determine the RPT pursuant to Article 21.3(c) of the DSU. The oral hearing was held on April 4, 2013, and the arbitrator issued the award of 8.5 months on May 3, 2013. The RPT expired on July 31, 2013. That same day, China issued a re-determination based on a review of the existing evidence and information in the primary AD/CVD investigations at issue.

The re-determination continued the imposition of AD/CVDs on imports of GOES from the United States. As in its original determination, in the re-determination China found that U.S. exports caused material injury to the domestic industry. The United States considered that China failed to comply with the DSB findings, and on January 13, 2014, requested consultations pursuant to Article 21.5 of the DSU.

Specifically, with respect to its injury re-determination, the United States was concerned that China failed to objectively examine the evidence, and failed to base its findings on positive evidence. The United States also was concerned that China failed to disclose the "essential facts" underlying its conclusions; and failed to provide an adequate explanation of its re-determination.

The United States and China held consultations on January 24, 2014, but did not resolve the dispute. On February 13, 2014, the United States requested the establishment of a compliance panel, and the compliance panel was established on February 26, 2014 -- with the same Chair and Members of the original panel serving on the compliance panel. A meeting with the compliance panel took place in October 2014. The compliance panel is scheduled to issue its report in 2015.

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.

Specifically, China: (1) imposes 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) imposes export duties on rare earths, tungsten and molybdenum; and (3) imposes other export restraints including prior export performance and minimum capital requirements. The United States challenged the measures at issue as inconsistent with several WTO provisions, including provisions in the *General Agreement on Tariffs and Trade 1994*, as well as specific commitments made by China in its WTO accession agreement.

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

On June 29, 2012, the European Union and Japan joined the United States in requesting the establishment of a panel, and on July 23, 2012, the WTO Dispute Settlement Body 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 that China maintains 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 that China's imposition of prior export performance and minimum capital requirements is 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, while modifying some of

the panel's original reasoning, that 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 reasonable period of time in which to do so. The United States, the European Union, Japan, and China agreed that China would have until May 2, 2015, to comply with the rulings and recommendations.

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 (AD) duties and countervailing duties (CVD) 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 is evaluating China's redeterminations closely to assess its implications for China's compliance in this dispute.

China — Anti-Dumping and Countervailing Duties on Certain Automobiles from the United States (DS440)

On July 5, 2012, the United States filed a request for consultations regarding China's imposition of antidumping (AD) duties and countervailing duties (CVD) on imports of certain automobiles from the United States.

In November 2009, China's Ministry of Commerce (MOFCOM) had initiated two investigations on certain automobiles from the United States. On December 14, 2011, based on affirmative determinations of injurious dumping and subsidization with respect to certain American-made automobiles, MOFCOM imposed antidumping duties ranging from 2.0 percent to 21.5 percent and countervailing duties ranging from 6.2 percent to 12.9 percent.

China's dumping and subsidy determinations in the autos investigations appear to breach numerous WTO obligations. Specifically, the United States is concerned that China failed to objectively examine the evidence, and made unsupported findings of injury to China's domestic industry. In addition, China failed to disclose "essential facts" underlying its conclusions, failed to provide an adequate explanation of its conclusions, improperly used investigative procedures, and failed to provide non-confidential summaries of Chinese submissions.

The United States and China held consultations on August 23, 2012, but did not resolve the dispute. In September 2012, the United States requested the establishment of a panel, and in October 2012 the DSB established a panel. On February 11, 2013, the Director General composed the panel as follows: Mr. Pierre Pettigrew, Chair; and Ms. Andrea Marie Brown and Ms. Enie Nerie De Ross, Members. The panel held meetings with the parties on June 25-26, 2013, and on October 15, 2013.

The panel issued its report on May 23, 2013. In its report, the panel found in favor of the United States on nearly all U.S. claims. Specifically, with regard to MOFCOM's substantive errors, the panel found that China breached its WTO obligations by improperly determining that U.S. exports were causing injury to the domestic Chinese industry; improperly analyzing the effects of U.S. exports on prices in the Chinese market; and calculating the "all others" dumping margin and subsidy rates for unknown U.S. exporters without a factual basis. With respect to procedural failings in the MOFCOM investigations, the panel found that China breached its WTO obligations by failing to disclose essential facts to U.S. companies, including how their dumping margins were calculated; and failing to provide non-confidential summaries of Chinese submissions containing confidential information.

Neither party appealed the panel's findings. On June 18, 2014, the DSB adopted its recommendations and rulings in this dispute. In December 2013, after the parties had submitted all of their submissions and hearings had taken place before the panel, but before the panel had issued its report, MOFCOM announced

the termination of the AD and CVD duties on American-made cars and SUVs. Accordingly, the United States considers that no more action is necessary for China to implement the findings and recommendations in the panel report with respect to the challenged measures.

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 auto and auto parts "export base" program. Under this program, China appears to provide extensive subsidies to auto and auto-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 *Agreement on Subsidies and Countervailing Measures* (Subsidies 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 Subsidies 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 and continue to engage in discussions to explore ways for China to address the concerns raised by the United States in this dispute.

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 Agreement on the Application of Sanitary and Phytosanitary Measures (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 complicance proceeding has been suspended.

The initial phase outlined in the Beef MOU ran from August 2009 through August 2012. During phase 1, the EU provided increased, duty-free access to the EU market for U.S. beef produced without certain growth promoting hormones. The United States was permitted to maintain increased duties on a reduced list of EU products.

In August 2012 the United States and the EU, by mutual agreement, entered into phase 2 of the MOU. In accordance with its phase 2 obligations, the EU increased the amount of duty free access to the EU market for U.S. beef produced without certain growth promoting hormones. Consistent with its phase 2 obligations, the United States is no longer applying increased duties on EU products.

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 reasonable period of time 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 European Union 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 European Union 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 – Subsidies on large civil aircraft (DS316)

On October 6, 2004, the United States requested consultations with the European Union, 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 Subsidies and Countervailing Measures 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 European Union 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 European Union, 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 European Union 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 European Union 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. The Panel is expected to issue a report in 2015.

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 European Union 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 European Union.

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 European Union 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 European Union.

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 Agreement on Agriculture, the GATT 1994, and the Technical Barriers to Trade (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 ("HPAI") 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 Dispute Settlement Body 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: 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. A decision by the Appellate Body is expected in 2015.

India – Solar Local Content (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 the establishment of a WTO dispute settlement panel during a regular meeting of the WTO Dispute Settlement Body (DSB). In May 2014, the DSB established a WTO panel to examine India's NSM program.

The United States submitted its first written submission on October 24, 2014. India's rebuttal submission was due in early December 2014. Two rounds of oral arguments are respectively scheduled for February and April 2015. Specifically, the United States is seeking a finding that the domestic content requirements in Phases I and II of India's NSM program are inconsistent with Article III of the 1994 General Agreement

on Tariffs and Trade and Article 2 of the WTO Agreement on Trade-Related Investment Measures (TRIMs). A final panel decision is expected in 2015.

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

In January 2013, the United States requested consultations with Indonesia concerning its non-automatic import licensing requirements and quotas that serve as serious impediments to trade in horticultural products, animals, and animal products.

In late 2011, Indonesia passed regulations establishing non-automatic import licensing requirements for horticultural products. Those regulations were revised in September 2012 to include additional requirements. The affected products include, but are not limited to, fruits, vegetables, flowers, dried fruits and vegetables, and juices. In addition, Indonesia maintains a similar non-automatic import licensing and quota regime for beef and other animal product imports.

Through these measures, Indonesia appears to have acted inconsistently with its WTO obligations. In particular, the measures appear to be inconsistent with Article XI:1 of the General Agreement on Tariffs and Trade 1994 (GATT 1994) and Article 4.2 of the Agreement on Agriculture. The measures also appear to breach various provisions of the Agreement on Import Licensing Procedures.

Subsequent to the filing of the first U.S. consultations request in January, Indonesia has revised its import licensing and quota measures. Indonesia's revised measures include new laws on food, beef, and other agricultural products that contain further import-restrictive provisions. In August 2013, the United States and New Zealand each requested consultations with Indonesia concerning its revised measures. Consultations were held on September 23, 2013, but failed to resolve the concerns raised.

Indonesia again amended its import licensing regulations in August 2013. The revised regulations impose new restrictions on the import of horticultural products, animals, and animal products. The United States and New Zealand, on May 8, 2014, requested consultations on the new import licensing regulations. Consultations were held in Jakarta on June 19, 2014, but did not resolve the concerns raised. The United States and New Zealand continue to monitor the situation closely to ensure that Indonesia adheres to its WTO obligations.

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 2013 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 European Union 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 European Union 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 European Union 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 European Union sought authorization from the DSB to suspend its obligations vis-à-vis the United States. The United States objected to the details of the European Union request, thereby causing the matter to be referred to arbitration.

However, because the United States and the European Union 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 European Union 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 European Union, 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 reasonable period of time for implementation ended on June 30, 2005. On June 30, 2005, the United States and the European Union agreed that the European Union 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 – Antidumping measures on certain hot-rolled steel products from Japan (DS184)

Japan alleged that the preliminary and final determinations of the U.S. Department of Commerce (Commerce) and the U.S. International Trade Commission (USITC) 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, the U.S. Department of 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 reasonable period of time 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 WTO 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 reasonable period of time 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 European Union 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.

Since 2007, only the EU and Japan have maintained retaliatory measures against the United States in connection with this dispute. On April 2, 2014, the EU announced that it had renewed its retaliatory measure effective May 1, 2014, maintaining unchanged the list of products subject to retaliation, but

reducing the duty on those products from 26 percent to 0.35 percent. According to the EU, the total value of trade covered does not exceed $872,685. On August 18, 2014, Japan announced that it would allow the retaliatory measures to expire on August 31, 2014, citing to fiscal year 2013 disbursements of only $2,765. Japan indicated that it "retains its rights" to re-institute the measures if disbursements under CDSOA increase.

United States – Subsidies on upland cotton (DS267)

On September 27, 2002, Brazil requested WTO consultations pursuant to Articles 4.1, 7.1, and 30 of the SCM Agreement, Article 19 of the Antidumping Agreement, and Article 4 of the DSU. The Brazilian consultation request on U.S. support measures that benefit upland cotton claimed that these alleged subsidies and measures are inconsistent with U.S. commitments and obligations under the SCM Agreement, the Agreement on Agriculture, and the GATT 1994. Consultations were held on December 3, 4, and 19, 2002, and January 17, 2003.

On February 6, 2003, Brazil requested the establishment of a panel. Brazil's panel request pertained to "prohibited and actionable subsidies provided to U.S. producers, users and/or exporters of upland cotton, as well as legislation, regulations and statutory instruments and amendments thereto providing such subsidies (including export credit guarantees), grants, and any other assistance to the U.S. producers, users and exporters of upland cotton." The DSB established the panel on March 18, 2003. On May 19, 2003, the Director General appointed as panelists: Mr. Dariusz Rosati, Chair; and Mr. Daniel Moulis and Mr. Mario Matus, Members.

On September 8, 2004, the Panel circulated its report to all WTO Members and the public. The Panel made some findings in favor of Brazil on certain claims and other findings in favor of the United States:

- The Panel found that the "Peace Clause" in the WTO Agreement on Agriculture did not apply to a number of U.S. measures, including: (1) domestic support measures; and (2) export credit guarantees for "unscheduled commodities" and rice (a "scheduled commodity"). Therefore, Brazil could proceed with certain of its challenges.

- The Panel found that the GSM 102, GSM 103, and SCGP export credit guarantees for "unscheduled commodities" (such as cotton and soybeans) and for rice are prohibited export subsidies. However, the Panel also found that Brazil had not demonstrated that the guarantees for other "scheduled commodities" exceeded U.S. WTO reduction commitments and therefore breached the Peace Clause. Further, Brazil had not demonstrated that the programs threaten to lead to circumvention of U.S. WTO reduction commitments for other "scheduled commodities" and for "unscheduled commodities" not currently receiving guarantees.

- Some U.S. domestic support programs (*i.e.*, marketing loan, countercyclical, market loss assistance, and so called "Step 2 payments,") were found to cause significant suppression of cotton prices in the world market in marketing years 1999-2002, causing serious prejudice to Brazil's interests. However, the Panel found that other U.S. domestic support programs (*i.e.*, production flexibility contract payments, direct payments, and crop insurance payments) did not cause serious prejudice to Brazil's interests because Brazil failed to show that these programs caused significant price suppression. The Panel also found that Brazil failed to show that any U.S. program caused an increase in U.S. world market share for upland cotton constituting serious prejudice.

- The Panel did not reach Brazil's claim that U.S. domestic support programs threatened to cause serious prejudice to Brazil's interests in marketing years 2003-2007. The Panel also did not reach Brazil's claim that U.S. domestic support programs *per se* cause serious prejudice in those years.

- The Panel also found that Brazil had failed to establish that FSC/ETI tax benefits for cotton exporters were prohibited export subsidies.

- Finally, the Panel found that Step 2 payments to exporters of cotton are prohibited export subsidies not protected by the Peace Clause, and Step 2 payments to domestic users are prohibited import substitution subsidies because they were only made for U.S. cotton.

On October 18, 2004, the United States filed a notice of appeal with the Appellate Body; Brazil then cross appealed. The Appellate Body circulated its report on March 3, 2005. The Appellate Body upheld the Panel's findings appealed by the United States.

The Appellate Body also rejected or declined to rule on most of Brazil's appeal issues. On March 21, 2005, the DSB adopted the Panel and Appellate Body reports, and on April 20, 2005, the United States advised the DSB that it intends to bring its measures into compliance.

On June 30, 2005, the United States announced that it would cease to issue GSM 103 export credit guarantees and that it was instituting a new fee structure for the GSM 102 export credit guarantee program. Further, on July 5, the United States proposed legislation relating to the export credit guarantee and Step 2 programs. On July 5, 2005, Brazil requested authorization to impose countermeasures and suspend concessions in connection with the prohibited export subsidies findings. On July 14, 2005, the United States objected to the request, thereby referring the matter to arbitration. On August 17, 2005, the United States and Brazil agreed to suspend the arbitration. On October 1, 2005, the United States ceased to issue export credit guarantees under the SCGP. On October 6, 2005, Brazil made a separate request for authorization to impose countermeasures and suspend concessions in connection with the "serious prejudice" findings. The United States objected to Brazil's request on October 17, 2005, thereby also referring that matter to arbitration. On November 21, 2005, the United States and Brazil agreed to suspend the arbitration.

On February 8, 2006, the President signed into law the Deficit Reduction Act of 2005. That Act includes a provision repealing the Step 2 program as of August 2006.

On August 18, 2006, Brazil requested the establishment of an Article 21.5 panel. On September 28, 2006, the DSB established a panel to consider Brazil's claims. On October 25, 2006, the Director General composed the panel as follows: Mr. Eduardo Pérez Motta, Chair; and Mr. Mario Matus and Mr. Ho-Young Ahn, Members. On December 18, 2007, the Article 21.5 panel circulated its report. The panel found, *inter alia*, that: (1) U.S. export credit guarantees issued under the modified GSM 102 program with respect to unscheduled and certain scheduled (rice, pig and poultry meat) commodities constituted prohibited export subsidies; and (2) U.S. marketing loan and countercyclical payments for upland cotton were continuing to cause serious prejudice to Brazil by significantly suppressing world upland cotton prices. The Panel rejected Brazil's claim that payments under the marketing loan and countercyclical payment programs were responsible for an increase in U.S. market share in market year 2005 and thereby caused serious prejudice to Brazil's interests. The Panel also found that the United States was not required to have refused to perform on export credit guarantees that were issued prior to the deadline for the implementation of the DSB's recommendations and rulings as to such guarantees (July 1, 2005) and that were still outstanding as of that date.

The United States appealed the compliance Panel's adverse findings on February 12, 2008. Brazil filed its notice of other appeal on February 25, 2008.

The Appellate Body issued its report on June 2, 2008, in which it:

- upheld the compliance Panel's finding that U.S. marketing loan and countercyclical payments cause significant price suppression in the market for upland cotton, thereby constituting present serious prejudice to Brazil;

- while agreeing with the United States that the compliance Panel erred in dismissing U.S. Government budgetary data showing that U.S. export credit guarantee programs operate at a profit, nonetheless upheld the compliance Panel's ultimate finding that GSM 102 export credit guarantees with respect to unscheduled products and certain scheduled products (rice, pig meat, and poultry meat) were prohibited export subsidies; and,

- upheld the compliance Panel's finding that Brazil's claims as to marketing loan and countercyclical payments made after September 21, 2005, and Brazil's claims as to GSM 102 guarantees for exports of pig meat and poultry meat, were within the scope of the compliance proceeding.

The DSB adopted the Appellate Body report and the Panel report, as modified by the Appellate Body report, on June 20, 2008.

Brazil requested resumption of the arbitration process on August 25, 2008. On October 1, 2008, the United States and Brazil agreed that the arbitration would be carried out by the following individuals: Mr. Eduardo Pérez-Motta, Chair; and Mr. Alan Matthews and Mr. Daniel Moulis, Members. The meetings with the Arbitrators were held March 2-4, 2009.

The Arbitrators issued their awards on August 31, 2009. They issued one award concerning U.S. subsidies found to cause serious prejudice to Brazil's interests (marketing loan and countercyclical payments for cotton) and another award concerning U.S. subsidies found to be prohibited export subsidies (export credit guarantees under the GSM 102 program for a range of agricultural products, plus the repealed "Step 2" program for cotton).

The Arbitrators found that Brazil may impose countermeasures against U.S. trade:

- or marketing loan and countercyclical payments for cotton, in an annual fixed amount of $147.3 million; and,

- for export credit guarantees under the GSM 102 program, in an annual amount that may change each year based on a formula.

The Arbitrators rejected Brazil's request for countermeasures for the Step 2 program.

The Arbitrators also found that, in the event that the total level of countermeasures that Brazil would be entitled to in a given year should increase to a level that would exceed a threshold based on a subset of Brazil's consumer goods imports from the United States, then Brazil would also be entitled to suspend

certain obligations under the TRIPS Agreement and/or the GATS with respect to any amount of permissible countermeasures applied in excess of that figure.

On November 19, 2009, the DSB granted Brazil authorization to suspend the application to the United States of concessions or other obligations consistent with the Arbitrators' awards.

Brazil subsequently announced that it would begin imposing countermeasures in the form of increased tariffs on goods on April 7, 2010. Brazil estimated the goods countermeasures at $591 million of a total of $829.3 million allowed for that year. In addition, Brazil had begun a process to impose countermeasures on U.S. intellectual property rights for the remainder of permitted countermeasures (the excess over $591 million). Negotiations to avert countermeasures took place between Brazil and the United States beginning in fall 2009. On April 20, 2010, the United States and Brazil signed a Memorandum of Understanding (MOU) to create a technical assistance and capacity building fund for the cotton sector in Brazil and certain other countries. The United States and Brazil agreed to negotiate during the 60 days following the signing of the MOU a framework for reaching a mutually agreed solution to the dispute over the longer term. The Framework, which came into effect upon signature on June 25, 2010, provided for regular ongoing consultations between the United States and Brazil and changes in operation of the GSM-102 program, in particular increases in fees based on program usage. The MOU expired with enactment of the Agricultural Act of 2014 on February 7, 2014, and the Framework 60 days thereafter. Brazil and the United States subsequently consulted on the terms of a final negotiated solution to the WTO Cotton dispute (WT/DS267), which they reached in the Memorandum of Understanding signed October 1, 2014.

The 2014 MOU includes provisions on payment to and use of funds by the Brazilian Cotton Institute ("IBA"), which operates the technical assistance and capacity building fund established in 2010; operation of the GSM-102 export credit guarantee program; and limitations on matters on which Brazil may bring new WTO disputes. The 2014 Memorandum also provided the basis for termination of the WTO dispute *United States – Subsidies on Upland Cotton*.

On October 16, 2014, the United States and Brazil submitted to the WTO Dispute Settlement Body a notification under Article 3.6 of the DSB terminating the dispute.

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 reasonable period of time 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. 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 European Union 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 – Final Antidumping Measures on Stainless Steel from Mexico (DS344)

On May 26, 2006, Mexico requested consultations with respect to the U.S. Department of Commerce's alleged use of "zeroing" in an antidumping investigation and three administrative reviews involving certain stainless steel products from Mexico. Mexico claims these alleged measures breach several provisions of the Antidumping Agreement, the GATT 1994, and the WTO Agreement. Consultations were held on June 15, 2006. On October 12, 2006, Mexico filed a request for the establishment of a panel and a panel was established on October 26, 2006. On December 20, 2006, the Director General composed the panel as follows: Mr. Albert Dumont, Chair; and Mr. Bruce Cullen and Ms. Leora Blumberg, Members.

On December 20, 2007, the Panel circulated its report. The Panel found that the use by the United States of "model zeroing" in investigations, including in the particular investigation at issue in this dispute, was inconsistent with U.S. obligations under the Antidumping Agreement. The Panel also found, however, that the use by the United States of "simple zeroing" in administrative reviews (including in the administrative reviews at issue in this dispute) was not inconsistent with U.S. obligations under the Antidumping Agreement.

On January 31, 2008 Mexico appealed the Panel report with respect to the "as such" and "as applied" claims related to zeroing in administrative review. The Appellate Body issued its report on April 30, 2008. The Appellate Body reversed the Panel's findings with respect to administrative reviews, finding that zeroing in administrative reviews is "as such" and "as applied" to the subject administrative reviews, inconsistent with Article VI:2 of the GATT 1994 and Article 9.3 of the Antidumping Agreement.

The DSB adopted the Appellate Body report and the Panel report, as modified by the Appellate Body report, on May 20, 2008. At the DSB meeting held on June 2, 2008, the United States notified its intention to comply with its WTO obligations and indicated it would need a reasonable period of time to do so.

On August 11, 2008, Mexico requested that the reasonable period of time be determined through arbitration pursuant to Article 21.3(c) of the DSU. On August 29, 2008, the Director General appointed Mr. Florentino P. Feliciano as the arbitrator. On October 31, 2008, the arbitrator issued his award, in which he decided that the reasonable period of time would be 11 months and 10 days, ending on April 30, 2009.

On May 18, 2009, the United States and Mexico entered into a sequencing agreement regarding any further proceedings in this dispute. On September 2, 2009, the United States held consultations with Mexico with respect to U.S. compliance with the recommendations and rulings of the DSB in this dispute.

On September 7, 2010, Mexico requested the establishment of a compliance panel, and a panel was established on September 21, 2010. On May 13, 2011, the panel was composed by agreement of the parties as follows: Mr. Alberto Juan Dumont, Chair; and Mr. Greg Weppner and Ms. Leora Blumberg, Members. At the request of Mexico (supported by the United States), the proceeding was suspended, and on April 3, 2013, Mexico and the United States notified the DSB that the parties had reached a mutually satisfactory solution, in accordance with Article 3.6 of the DSU..

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

On June 27, 2005, the European Union 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 involve 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 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.
- U.S. Department of 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 Dispute Settlement Body 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 2015.

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 alleges that the U.S. measures are inconsistent with Articles I and III of the *General Agreement on Tariffs and Trade 1994* and Article 2 of the *Agreement on Technical Barriers to Trade*.

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 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 reasonable period of time 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 Department of Commerce's 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 is expected to issue its report in 2015.

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 challenges 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 U.S. Department of Agriculture Interim Final Rule on COOL published on August 1, 2008 and on August 28, 2008, respectively, the U.S. Department of Agriculture 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 alleges that the COOL requirements are inconsistent with Articles III:4, IX:2, IX:4, and X:3(a) of the *General Agreement on Tariffs and Trade 1994* (GATT 1994), Articles 2.1, 2.2, and 2.4 of the *Agreement on Technical Barriers to Trade* (TBT Agreement), or in the alternative, Articles 2, 5, and 7 of the *Agreement on the Application of Sanitary and Phytosanitary Measures*, and Articles 2(b), 2(c), 2(e), and 2(j) of the *Agreement on Rules of Origin*. Canada asserts that these violations nullify or impair the benefits accruing to Canada under those Agreements and further appear 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, breaches TBT Article 2.1 because it affords Canadian livestock less favorable treatment than it affords 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 breaches TBT Article 2.2 because it fails to fulfill its legitimate objective of providing consumer information on origin with respect to meat products. The Panel also found that the Vilsack Letter breaches GATT Article X:3 because it does 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 COOL measure has 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 imposes 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 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 reasonable period of time (RPT) for the United States to comply with the DSB recommendations and rulings is 10 months, meaning that the RPT ends 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 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, is consistent with U.S. WTO obligations. Canada makes 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 is inconsistent with Article 2.1 of the TBT Agreement because it accords 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 results in a detrimental impact on the competitive opportunities of Canadian livestock, and this detrimental impact does 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 is 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 violates Article III:4 of the GATT 1994 because it has a detrimental impact on the competitive opportunities of imported Canadian livestock, and thus accords "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. An Appellate Body report is expected in 2015.

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 challenges 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 U.S. Department of Agriculture ("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 alleges that the COOL requirements are inconsistent with Articles III:4, IX:2, IX:4, and X:3(a) of the *General Agreement on Tariffs and Trade 1994* (GATT 1994), Articles 2.1, 2.2, 2.4, 12.1, and 12.3 of the *Agreement on Technical Barriers to Trade* (TBT Agreement), or in the alternative, Articles 2, 5, and 7 of the *Agreement on the Application of Sanitary and Phytosanitary Measures*, and Articles 2(b), 2(c), and 2(e), of the *Agreement on Rules of Origin*. Mexico asserts that these violations nullify or impair the benefits accruing to Mexico under those Agreements and further appear 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, breaches TBT Article 2.1 because it affords Mexican livestock less favorable treatment than it affords 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 breaches TBT Article 2.2 because it fails 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 U.S. legitimate 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 breaches GATT Article X:3 because it does 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 imposes 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 reasonable period of time (RPT) for the United States to comply with the DSB recommendations and rulings is 10 months, meaning that the RPT ends 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, is consistent with U.S. WTO obligations. Mexico makes 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 is inconsistent with Article 2.1 of the TBT Agreement because it accords 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 results in a detrimental impact on the competitive opportunities of Mexican livestock, and this detrimental impact does 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 is 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 violates Article III:4 of the GATT 1994 because it has a detrimental impact on the competitive opportunities of imported Mexican livestock, and thus accords "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. An Appellate Body report is expected in 2015.

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 the U.S. Department of Commerce (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 Agreement on Implementation of Article VI of the GATT 1994 (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 reasonable period of time for the United States to implement the recommendations and rulings of the DSB would end on July 2, 2012.

United States – Measures Affecting the Production and Sale of Clove Cigarettes (DS406)

On April 7, 2010, the United States received a request for consultations from Indonesia regarding Section 907 of the 2009 *Federal Food, Drug, and Cosmetic Act*, as amended by the *Family Smoking Prevention and Tobacco Control Act*, which prohibits the production or sale in the United States of cigarettes with a characterizing flavour other than tobacco or menthol. Indonesia contends that the measure is inconsistent with the United States' WTO obligations in that it bans clove cigarettes. Specifically, Indonesia contends

that the measure is inconsistent with Article III:4 of the GATT 1994, as well as Articles 2.1, 2.2, 2.5, 2.8, 2.9, 2.10, 2.12, and 12.3 of the TBT Agreement.

Indonesia and the United States held consultations on May 13, 2010. On June 9, 2010, Indonesia requested the establishment of a panel. The DSB established the panel on July 20, 2010 and the Parties agreed to the composition of the panel on September 9, 2010, as follows: Mr. Ronald Saborío Soto, Chair; and Mr. Ichiro Araki and Mr. Hugo Cayrús, Members.

The Panel met with the parties on December 13-14, 2010, met with the parties and third parties on December 14, 2010, and with the parties on February 15-16, 2011.

The Panel circulated its report on June 24, 2011. The Panel found the measure consistent with Articles 2.2, 2.5, 2.8, 2.9.3, and 12.3 of the TBT Agreement, and inconsistent with Articles 2.1, 2.9.2, and 2.12 of the TBT Agreement. The Panel declined to make findings on Indonesia's claim that the measure was inconsistent with Article III:4 of the GATT 1994 and the related U.S. defense that the measure is justified under Article XX(b) of the GATT 1994.

The United States appealed the Panel Report's finding with respect to Article 2.1 of the TBT Agreement in January 2012, and a hearing was held in February. The WTO Appellate Body report affirmed the Panel Report's finding that the U.S. measure is inconsistent with Article 2.1 of the TBT Agreement.

With respect to Indonesia's claims concerning the U.S. process for adopting the ban, the Panel found in favor of the United States on all of these claims, with two exceptions. The Panel found that the United States should have notified the ban to the WTO prior to it becoming U.S. law and should have waited six months until enforcing the ban instead of the three months the law provided for. The United States appealed the latter finding, and the Appellate Body affirmed the Panel's finding.

The DSB adopted the Appellate Body and Panel Reports on April 24, 2012. At the following DSB meeting on May 24, 2012, the United States notified the DSB of its intention to implement the recommendations and rulings of the DSB. The United States and Indonesia agreed that the reasonable period of time for the United States to implement the recommendations and rulings of the DSB would end on July 24, 2013.

At the DSB meeting on July 23, 2013, the United States stated that it had fully implemented the DSB's recommendations and rulings of the DSB, but Indonesia did not agree. On August 12, 2013, Indonesia filed a request for authorization to suspend concessions or other obligations under Article 22.2 of the DSU. In a communication dated August 22, 2013, the United States objected to Indonesia's request, thereby referring the matter to arbitration. The Arbitrator was composed of the members of the original Panel: Mr. Ronald Saborío, Chair; and Mr. Ichiro Araki and Mr. Hugo Cayrús (Uruguay), Members. On March 27, 2014, the Arbitrator held a meeting with the parties. On June 23, 2014, in the context of informal discussions concerning the matter, the United States and Indonesia jointly requested that the Arbitrator suspend circulation of the report. The Arbitrator granted the request on June 24, 2014.

On October 3, 2014, the United States and Indonesia signed a memorandum of understanding and, in accordance with Article 3.6 of the DSU, notified the DSB that they had reached a mutually agreed solution. In light of the mutually agreed solution, Indonesia withdrew its request under Article 22.6 of the DSU, and the United States withdrew its objection to the request.

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 the U.S. Department

of Commerce (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 Agreement on Implementation of Article VI of the GATT 1994 (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.

The United States is reviewing the Panel's findings.

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 cumulation 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 CVD determinations and the International Trade Commission'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 cumulation was inconsistent with Article 15 of the SCM Agreement because it required the cumulation of both dumped and subsidized imports in the context of CVD 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 was inconsistent with Article 14(d). The Appellate Body also upheld the Panel's findings regarding cumulation, 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.

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

On May 25, 2012, China requested consultations regarding numerous U.S. CVD 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 CVD 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 CVD 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 are 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 its claim sufficient to present the problem clearly.

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 U.S. Department of Agriculture (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 is the status of three applications by Argentina

to the U.S. Department of Agriculture to revise its prohibition and permit the importation of fresh bovine meat. Specifically, Argentina contends 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 Agreement on Sanitary and Phytosanitary Measures, and Article I:1 and Article XI:1 of the General Agreement on Tariffs and Trade (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 Panel expects to issue its final report to the parties in 2015.

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 the U.S. Department of Commerce, the U.S. International Trade Commission, and the U.S. Customs and Border Protection in connection with 31 joint antidumping (AD) and countervailing duty (CVD) 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 are violations of GATT Article X. China further alleged that dozens of AD and CVD 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 CVD 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 CVD 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's findings.

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 the U.S. Department of Commerce (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, are 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 General Agreement on Tariffs and Trade 1994, and Article XVI:4 of the WTO Agreement. Specifically, Korea challenges 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 challenges 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, 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 is expected to hold meetings with the parties during 2015, and subsequently release its report.

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 the U.S. Department of Commerce (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 warmwater 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 General Agreement on Tariffs and Trade 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," an "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.

J. 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 least developed country (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 2014

During 2014, the TPRB reviewed the trade regimes of 21 Members. Members reviewed were Bahrain, China, Chinese Taipei, Djibouti, Ghana, Hong Kong (China), Malaysia, Mauritius, Mongolia, Myanmar,

Oman, Organization of Eastern Caribbean States (Antigua and Barbuda, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines), Panama, Qatar, Tonga, and the United States. The trade policies of two members were reviewed for the first time in 2014: Myanmar and Tonga.

Since its formation in 1998 to the end of 2013, the TPRB has conducted 405 reviews. The reviews have covered 149 of 160 Members. Of the 34 LDC Members of the WTO, the TPRB had reviewed 31 by the end of 2014.

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 2014. These included:

- transparency in policy making and implementation;
- economic environment and trade liberalization;
- implementation of the WTO Agreements;
- 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 equivalence with international norms;
- 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.

Prospects for 2015

The TPRM continues to meet its transparency goals. It 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 2015, the proposed program of reviews is Angola, Australia, Barbados, Brunei Darussalam, Canada, Cape Verde, Chile, Dominican Republic, European Union, Guyana, Haiti, India, Japan, Jordan, Madagascar, Moldova, New Zealand, Pakistan, Southern African Customs Union (Botswana, Lesotho, Namibia, South Africa and Swaziland), Sierra Leone, and Thailand.

K. 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 many important issues, with a focus on those identified in the Doha Declaration. These issues include: market access associated with environmental measures (Doha paragraph 32(i)); the TRIPS Agreement and the environment (Doha paragraph 32(ii)); labeling for environmental purposes (Doha

paragraph 32(iii)); capacity-building and environmental reviews (Doha paragraph 33); and discussion of the environmental aspects of the Doha negotiations (Doha paragraph 51). These issues identified in the Doha Declaration are separate from the issues contained in Doha paragraph 31 that are subject to specific negotiating mandates taken up by the Committee on Trade and Environment Special Session (CTESS) (*for additional information, see Chapter II.B.6.*).

Major Issues in 2014

In 2014, the CTE met once under the Chairmanship of Ambassador Päivi Kairamo of Finland.

As noted above, the CTE's work was organized under the mandate established in the Doha Ministerial Declaration, Paragraphs 32, 33 and 51. Under Paragraph 32, the International Organization for Standardization (ISO) provided an update on ISO technical specifications related to requirements and guidelines for quantifying and communicating the greenhouse gas footprint of products. Additionally, the European Union shared information on its Forest Law Enforcement Governance and Trade (FLEGT) Action Plan, which is aimed at leveling the playing field among illegal and legitimate logging operators, by countering the competitive advantage gained by those not abiding by national rules. Australia provided an update of the steps it had taken to address the global problem of illegal logging. Indonesia presented information on its forest management certification system, known as the Timber Legality Assurance System, as a complement to domestic law enforcement. New Zealand reported on the key results of a roundtable on fossil fuel subsidy reform hosted by the Friends of Fossil Fuel Subsidy Reform (Costa Rica, Denmark, Ethiopia, Finland, New Zealand, Norway, Sweden and Switzerland), the United States and the World Bank o the margins of the 2014 World Bank and International Monetary Fund (IMF) spring meetings. A representative from the OECD provided an update on the project on environmental labeling and information schemes. Results from the analysis of a comprehensive characterisation of more than 500 different labelling schemes confirmed both the diversity and unequal growth of the different types of schemes identified.

No discussion took place under Paragraph 32(ii) (relevant provisions of the TRIPS Agreement); Paragraph 33 (technical assistance, capacity building, and environmental reviews); or Paragraph 51 (developmental and environmental aspects of the negotiations).

Prospects for 2015

The United States is committed to using the CTE as the premier global forum for discussing trade and environment issues and will explore fresh and innovative approaches to the most challenging issues, including those related to trade and climate change.

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 three additional subgroups of the CTD: a Subcommittee on LDCs; a Dedicated Session on Small Economies; and a Dedicated Session on Regional Trade Agreements (RTAs).

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, rather than the implementation or operation of a specific agreement. Since the initiation of the Doha Development Agenda (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, trade in commodities, 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 duty free, quota free (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.

Major Issues in 2014

The CTD in Regular Session held three formal sessions in April, July, and November 2014. Activities of the CTD and its subsidiary bodies in 2014 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). Members continued their consideration of submissions containing proposals for work under the MC8 mandate. Consideration of the updated Secretariat paper on the implementation of S&D provisions in the WTO Agreements and Decisions (WT/COMTD/W/196) also continued.

- *Technical Cooperation and Training:* The Committee took note of the 2013 Annual Report on Technical Assistance and Training (WT/COMTD/W/205). According to the report, a total of 320 activities were undertaken by the Secretariat in 2013. Overall, close to 14,000 participants were trained during the year, which was an increase of nine percent over 2012. This growth was attributable to online courses, which attracted 40 percent of participants at a cost of five percent of the total expenditure on technical assistance.

- *Notifications Regarding Market Access for Developing and LDCs:* In 2014, a notification under the Enabling Clause was made by Canada concerning its Generalized System of Preferences (GSP) scheme (WT/COMTD/N/15/Add.3). In addition, Chile notified to the CTD its DFQF market access scheme for LDCs (WT/COMTD/N/44). The CTD also considered issues relating to the notification status of the Gulf Cooperation Council (GCC) Customs Union, ASEAN-Korea RTA, and the India-Korea RTA.

- *Duty Free, Quota Free Market Access for LDCs 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. To aid in this review, the Decision additionally instructs the Secretariat to prepare a report on Members' DFQF market access for LDCs at the tariff line level based on their notifications. Discussion under this agenda item continued at the July 2014 meeting, at which the LDCs called on Members to provide DFQF market access for all products originating from LDCs in a manner that ensures stability, security and predictability.

- *Dedicated Session on Small Economies:* The Dedicated Session on Small Economies held two formal meetings, in April and November 2014. At the April 2014 meeting, Members discussed the Bali Ministerial Decision (WT/MIN(13)/33 - WT/L/908), which requests the Secretariat to provide relevant information and factual analysis on the challenges and opportunities experienced by small economies when linking into global value chains (GVCs) in goods and services. At the November 2014 Dedicated Session, Members agreed on a revised outline (WT/COMTD/SE/W/30/Rev.1) concerning relevant information and factual analysis which the Secretariat was to include in the aforementioned report.

- *Aid for Trade:* The CTD held three sessions on Aid for Trade in 2014, in April, June, and October. Work during these sessions focused on the five headings of the 2012-2013 Aid for Trade Work Program, namely resource mobilization, mainstreaming, regional integration, the private sector, and monitoring and evaluation. In October 2014, a joint World Trade Organization – Onternatyional Trade Centre Workshop on Aid for Trade and SME Competitiveness was held under the auspices of the CTD. Participants discussed the integration of trade into SME support, as well as a number of Aid for Trade related projects that were benefitting SMEs. In April, the CTD's Session on Aid for Trade focused on the development of a new Aid for Trade Work Programme. The proposed work programme, to cover the period 2014-2015, would be framed by the core mandate on Aid for Trade and the Recommendations of the Aid for Trade Task Force (WT/AFT/1), the Bali Ministerial Declaration (WT/MIN(13)/DEC) and the 7 December 2013 Ministerial Decision on Aid for Trade (WT/MIN(13)/34 - WT/L/909), and by past Aid for Trade Work Programmes. The work programme was finalized on the basis of inputs provided by Members and submitted to the General Council. At the June CTD's Session on Aid for Trade, the Secretariat outlined the process for the 2014-2015 Monitoring and Evaluation (M&E) exercise that would inform the Fifth Global Review (5GR) of Aid for Trade. The M&E exercise would likely be based on a series of self-assessment questionnaires and a call for case stories to learn about initiatives to reduce trade costs in developing countries, and in particular LDCs.

- *LDC Subcommittee:* The LDC Subcommittee also held three meetings in 2014, in April, June, and November. During those meetings, Members considered market access for LDCs and trends in LDC trade, trade-related technical assistance and accession of LDCs.

Prospects for 2015

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 Bali Ministerial Declaration. In this vein, the CTD will review steps taken by Members to provide DFQF market access to the LDC Members in line with the Hong Kong Declaration and the Bali Ministerial Declaration and review the participation of developing country Members in the multilateral trading system. Also in line with the Bali Ministerial

Declaration in 2014, Members will work with the Secretariat in dedicated session 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. Work will also begin on implementing the Monitoring Mechanism, agreed to at the Bali Ministerial (WT/MIN(13)/W/17), which will be done in dedicated sessions of the CTD.

3. Committee on Balance-of-Payments Restrictions

Status

The Uruguay Round Understanding on Balance-of-Payments substantially strengthened GATT disciplines on balance-of-payments-related trade measures. Under the WTO Agreement, any Member imposing restrictions for balance-of-payments purposes must consult regularly with the Committee on Balance-of-Payments Restrictions to determine whether the use of such restrictions is necessary or desirable to address a Member's balance-of-payments difficulties. The Committee on Balance-of-Payments Restrictions works closely with the International Monetary Fund in conducting consultations. Full consultations involve examining a Member's trade restrictions and balance-of-payments 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 balance-of-payments.

Major Issues in 2014

The Committee on Balance-of-Payments Restrictions met on November 24, 2014, to elect its Chairperson and to adopt its annual report to the General Council (WT/BOP/R/108). The Committee held no other meetings in 2014.

Prospects for 2015

Should a Member resort to new balance-of-payments measures, as noted above, WTO rules require a thorough program of consultation with the Committee on Balance-of-Payments Restrictions. The United States expects the Committee to continue to ensure that balance-of-payments provisions are used as intended to address legitimate problems through the imposition of temporary, price-based measures.

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 organization. The budget process in the WTO operates on a biennial basis. 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 2014 budget, the U.S. assessed contribution is 11.406 percent of the total budget assessment, or Swiss Francs (CHF) 22,298,730 (about

$24.6 million) (*details required by Section 124 of the Uruguay Round Agreements Act on the WTO's consolidated budget for 2013 are provided in Annex II*).

Major Issues in 2014

The Committee held six meetings and presented five reports to the General Council in 2014. The Committee obtained and reviewed on a quarterly basis reports on the financial and budgetary situation of the Organization, the arrears of contributions from Members and Observers, the WTO Pension Plan, the WTO Risk Management and the financial situation of the fund related to the Building project. The Committee reviewed and took note of the annual report on diversity in the WTO Secretariat; the Human Resources annual report on grading structure and promotions; and the annual report of the Office of Internal Audit.

Prospects for 2015

The Budget Committee will continue to monitor the financial and budgetary situation of the WTO on an ongoing basis and prepare the biennial budget for 2017-2018. While the Security Perimeter Project was completed in May 2014, the WTO Secretariat has suggested the establishment of a long-term building maintenance fund. The Committee will review this proposal in 2015.

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 General Agreement on Trade in Services (GATS), which govern services and labor markets economic integration agreements.
FTAs and CUs are authorized departures from the principle of MFN treatment, if certain requirements are met. With respect to goods, tariffs and other restrictions on trade must be eliminated on substantially all trade between the parties. In addition, duties and commercial measures applied to third countries upon the formation of an FTA or CU must not be higher or more restrictive than was the case before the agreement. If, in forming a CU, a Member exceeds its WTO bound rates, it must so notify the WTO in order to negotiate, with other Members, compensation in the form of market access concessions. Finally, while interim agreements leading to FTAs or CUs are permissible, transition periods to full FTAs or CUs should exceed 10 years only in exceptional cases.

With respect to trade in services, the CU or FTA must have "substantial sectoral coverage" and prohibit or eliminate substantially all discrimination. In addition, the FTA or CU may not exclude *a priori* any mode of supply from the agreement. As with agreements on goods, barriers or restrictions to trade in services, applicable to third parties upon formation of the FTA or CU, may not be higher than was the case previously. Finally, a compensation requirement analogous to that in goods agreements exists for services agreements.

Major Issues in 2014

As of 17 December 2014, 444 RTAs have been notified to the GATT or WTO, of which 257 are in force (135 covering goods only, 1 covering services only and 121 covering goods and services).

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 a 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 Articles V and Vbis 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, 188 agreements, counting goods and services notifications separately, have been considered (23 factual presentations representing 42 notifications in 2014). Of these agreements, 183 have been reviewed in the CRTA and five in the CTD. In 2014, the United States' FTAs with Korea and Oman were reviewed in the CRTA under the transparency mechanism.

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 2015

Four sessions of the Committee on Regional Trade Agreements are foreseen in 2015.

6. Accessions to the World Trade Organization

Status

The number of accession applicants actively pursuing completion of their negotiations for WTO Membership shrank in 2014, with some long-term applicants passing on formal contacts with Members, if not actually suspending negotiations. Seychelles and Kazakhstan made substantial progress towards completion of negotiations on their respective terms of accession. Only Seychelles, however, was able to wrap up all the outstanding issues by the end of the year, reducing to twenty-two the number of countries

still negotiating for WTO accession.[15] Yemen accepted its accession package (approved by WTO Members in 2013) through ratification and became the 160th WTO Member on June 26, 2014.

Other accession applicants with advanced negotiations did not seek additional multilateral work (Afghanistan, Bosnia and Herzegovina and Serbia) during 2014. Algeria, Azerbaijan, and Belarus continued to struggle to resume their becalmed accession negotiations through both informal and formal meetings in Geneva, and Liberia circulated revised documents and initial market access offers in November 2014. The Bahamas, Ethiopia, and Iraq recorded no activity on their accessions for a second year in a row.

During 2014, four WTO accession applicants (Equatorial Guinea, Libya, Sao Tome and Principe, and Syria) again did not submit the initial documents describing their respective foreign trade regimes. Working parties and bilateral negotiations with seven other applicants – Andorra, Bhutan, Comoros, Iraq, Lebanon, Sudan, and Uzbekistan – remained essentially inactive in 2014. Nor was there any action with respect to Iran's accession process. There were no new requests for accession, or for observer status, in 2014.

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 recommend back 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 and documentation. The number of WP meetings need 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 Working Party and moves to conclude negotiations on trade liberalizing 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.[16]

[15] Accession Working Parties have been established for Afghanistan*, Algeria, Andorra, Azerbaijan, Bahamas, Belarus, Bhutan*, Bosnia and Herzegovina, Comoros*, Equatorial Guinea*, Ethiopia*, Iran, Iraq, Kazakhstan, Lebanon, Liberia*, Libya, Sao Tome and Principe*, Serbia, Sudan*, Syria, and Uzbekistan (the 8 countries marked with an asterisk are LDCs).

[16] As outlined below, negotiations with applicants designated as "least developed" by the United Nations are subject to special procedures and guidelines, and 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.

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).[17] 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, are usually 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: As a matter of longstanding policy, the United States takes a leadership role in all aspects of the accession negotiations, including in the bilateral, plurilateral, and multilateral aspects of the negotiations. The 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 provides a broad range of 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. USAID, the U.S. Department of Agriculture, and the Commercial Law Development Program (CLDP) of the U.S. Department of Commerce provide this assistance.

This assistance can include providing short term technical expertise focused on specific issues (*e.g.*, customs procedures, intellectual property rights protection, or sanitary/phytosanitary 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 at one time or another from the United States, *e.g.*, Albania, Armenia, Bulgaria, Cape Verde, Croatia, Estonia, Georgia, Jordan, Kyrgyz Republic, Latvia, Laos, Lithuania, Macedonia, Moldova, Montenegro, Nepal, Russia, Tajikistan, Ukraine, Vietnam, and Yemen. Most of these countries had U.S.-provided resident experts for some portion of the accession process.

Accession applicants and WTO Members for which the United States provided technical assistance for the accession process or post-accession implementation during 2014 include: Afghanistan, Georgia, Iraq, Kazakhstan, Tajikistan, and Ukraine. Among other current accession applicants, Algeria, Azerbaijan,

[17] 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.

Belarus, Bosnia and Herzegovina, Ethiopia, Lebanon, Serbia, and Uzbekistan also received U.S. technical assistance earlier in their accession processes. All but Belarus had dedicated WTO advisors coordinating shorter term assistance at some point in the negotiations.

Major Issues in 2014

During 2014, WTO Members approved the terms of accession for Seychelles, on December 10 at the WTO General Council. The number of formal or informal Working Party (WP) meetings convened dropped from thirteen in 2013 to eight, as follows: for Algeria (1), Azerbaijan (1), Kazakhstan (4), and Seychelles (2). Bilateral market access negotiations and consultations on other issues also took place at the time of these meetings. In contrast, accessions work in plurilateral meetings or Member-restricted informal consultations expanded, with nineteen such meetings convened in 2014 compared with only eleven in 2013. These specialized sessions are open to all interested WTO Members, but are smaller groups intended to address specific technical issues related to the accession (e.g., verification of the WP report text or consolidated market accession schedules, or on agricultural supports, SPS, TBT, or TRIMs issues). To some extent, this was due to the increase in technical work on these issues required with respect to Kazakhstan's maturing accession process.

The WTO Secretariat continued to play a central role in managing and facilitating the Member-based accession process, most visibly through organizing Geneva-based meetings, but also through the production, revision, and circulation of documents for these meetings. To improve the technical basis for interaction with Members, the Secretariat also initiated work on an "Accessions Intelligence Portal" (AIP) that will make the status of work on the various accessions more accessible, expected to be launched in 2015. Briefings by the Accessions Division on accessions continued, both with WTO regional groups of Members not normally active in accession negotiations, and upon request with individual Members. The AIP and periodic briefings represent the WTO Secretariat's efforts to address complaints that the accession process has not been sufficiently transparent to Members not active in the negotiations themselves. The Secretariat also conducted a full range of technical assistance activities with applicants during 2014.

Seychelles

After intensive work in 2013, Seychelles convened two WP meetings in 2014, in July and October, and focused on bilateral work with the United States and other WTO Members to resolve the outstanding issues identified. Seychelles pressed forward with legislative reform in these areas, including domestic taxes, quantitative restrictions, activity licensing and trading rights, and establishing WTO-consistent SPS, TBT, and intellectual property protection regimes. The terms of Seychelles accession were approved on December 10 at the WTO General Council. Seychelles intends to complete its domestic procedures to accept the terms of accession and become a WTO Member before the end of 2015.

Kazakhstan

During 2014, Kazakhstan focused much of its work in bilateral and plurilateral meetings to resolve specific outstanding issues on agricultural support, market access, sanitary and phytosanitary requirements, state-owned enterprises and TRIMS. During three Working Party meetings and a dozen plurilateral meetings, WP Members further developed the text of the draft WP report and the draft consolidated market access schedules. Despite much progress, specific issues remaining included the need to reach agreement on the level of trade-distorting agricultural supports; tariff rate quotas for poultry, tariffs for poultry and meat imports; and rules for application of sanitary and phytosanitary measures. Each of these issues saw progress, and discussions for terms for future adjustments to Kazakhstan's bound tariffs in light of Kazakhstan's membership in the Eurasian Economic Union with Russia and Belarus (and as of January 1, 2015, Armenia), progressed well. While this strengthened chances for near term completion of the

accession negotiations, at the end of the year, bracketed text remained in the draft WP report, and the goods market access schedule remained incomplete. Further bilateral and plurilateral work on these issues in early 2015 is planned, with a view to convening a final WP meeting in the first half of the year.

Algeria

Algeria resumed negotiations in its Working Party in April 2013 and followed up with its 12th formal meeting in March 2014. The WP discussed Algeria's progress and plans for resolving identified outstanding issues: trading rights, tariff exemptions, taxes, quantitative restrictions and import licensing, customs valuation, prohibited subsidies, and the implementation of the WTO Agreements on TBT, SPS, and TRIPS. However, neither legislative reforms to implement WTO provisions nor negotiations on the revised goods and services offers on the margins of the March WP are progressing.

Belarus

Belarus' accession process has shown little progress since stalled negotiations were resumed in informal Working Party consultations in May 2013. At that time, WP Members agreed that consultations with Belarus in the Working Party should continue, based on updated and revised documentation and market access offers. Belarus must provide these inputs prior to the next WP meeting, as well as update its Factual Summary to reflect the recently-entered into force Eurasian Economic Union. In addition, concern remains that Belarus' economic regime requires additional progress in privatization, rule of law in economic and investment matters, and removal of price controls, in addition to the implementation of WTO provisions. These issues, among others, will be reviewed at the next WP meeting, expected in 2015.

Azerbaijan

Azerbaijan's 11th Working Party meeting convened in February 2014, the first such meeting since 2012. Members sought further precision on how the outstanding systemic issues in the negotiation (*e.g.*, in agricultural supports, taxes and fees on imports, trading rights, local content requirements in state enterprise procurement, and removal of QRs) would be dealt with in Azerbaijan's legislative implementation of WTO provisions. Additional bilateral negotiations on goods and services were conducted in July. While progress has been recorded on non-agricultural goods commitments over the past two years, Azerbaijan's revised offers in July showed very little improvement in the outstanding areas of services and agricultural goods. No additional response on these issues, or on questions provided in the WP, have been received. Progress in 2015 will depend on Azerbaijan's successful bridging of the last gaps in market access and movement towards legislative resolution of WTO-inconsistent practices in this trade regime.

Serbia

Serbia's 13th WP meeting convened in June 2013. There has been no further multilateral engagement since that time. While bilateral negotiations on goods and services with the United States are well advanced, Serbia has adopted legislation banning importation of goods containing genetically modified organisms (GMOs). This nontariff measure blocks U.S. exports and is not consistent with WTO rules, which require that technical regulations on imports have a scientific basis. The WP review of Serbia's trade regime is nearing completion based on U.S. and other WTO Members' comprehensive comments and drafting suggestions which they submitted after the WP meeting in March 2012. Given the advanced state of the negotiations, it is critical for Serbia to enact the necessary legislation to bring its trade regime into line with WTO rules, including repeal or amendment of the law banning trade in GMOs.

Bosnia and Herzegovina

Two WP meetings, in March and in June 2013, continued discussion of remaining issues in Bosnia and Herzegovina's WTO accession. There has been no further multilateral engagement since that time. Bilateral market access negotiations are well advanced. The review of Bosnia and Herzegovina's trade regime in the Working Party is nearing completion, based on U.S. and other WTO Members' comprehensive comments and drafting suggestions that they submitted during 2012. Working Party deliberations in 2013 focused on review and discussion of Bosnia and Herzegovina's draft legislation that, when enacted, will implement WTO rules in that country's trade regime. To complete its accession negotiations, Bosnia and Herzegovina must bridge the last gaps in market access and dedicate itself to solving the few systemic issues that remain, including on trading rights.

LDC Accessions

WTO Members are committed to facilitating the accession processes of LDCs (least developed countries) and in 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) established at the end of 2002, and in its addendum, adopted in July 2012 by the General Council.[18] The expanded Guidelines include provisions under the following pillars: (i) Benchmarks on Goods; (ii) Benchmarks on Services; (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 would 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 of LDCs. S&D treatment and technical assistance provisions of the additional recommendations also confirm the need for restraint and the broad use of transitional provisions when constructing market access commitments, Action Plans for transitional implementation of WTO provisions, and the need for enhanced technical assistance and capacity building in LDC accessions.

The United States and other developed country WTO Members support both the 2002 and the 2012 Decisions on LDC Accessions, adhering to the guidelines 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, facilitating LDC integration into the multilateral trading system. The 2012 additional provisions 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 in an action plan for progressive implementation of WTO rules.

Developments in 2014: With Yemen's accession in June 2014, the number of LDCs seeking WTO accession shrank to eight.[19] Only two of these, however, were active in Geneva in 2014 -- Liberia by circulating documentation to initiate negotiations with WTO Members, and Afghanistan by completing its market access negotiations. Comoros received questions on its MFTR from Members. However, Comoros, Sudan, and Ethiopia did not convene WP meetings or bilateral work in Geneva in 2014, and no new documents were issued. All three are expected to resume negotiations on their accessions in 2015. Bhutan's

[18] WT/L/508 and WT/L/508/Add.1

[19] Afghanistan, Bhutan, Comoros, Equatorial Guinea, Ethiopia, Liberia, Sao Tome and Principe and Sudan.

accession process remains dormant. Sao Tome and Principe and Equatorial Guinea have not yet provided documentation to begin negotiations.[20]

Afghanistan

Afghanistan worked hard in 2013 to complete its accession process, in WP deliberations, in bilateral goods and services negotiations, and through accelerated development of implementing legislation for WTO rules. In January 2014, the United States and Afghanistan concluded and signed their bilateral market access agreements for goods and services, and Afghanistan's consolidated WTO Schedules subsequently were verified and circulated. There are only a handful of issues left to resolve, and Afghanistan had hoped to complete its accession negotiations by the end of 2014, but has been unable to do so until after its new government (elected in 2014) is established and staffed. Definitive progress towards conclusion of the negotiations is expected in 2015.

Comoros

Comoros circulated is MFTR in October 2014, initiating work with WTO Members on its accession. The United States and other WTO Members submitted questions on Comoros' trade regime in early 2014. Comoros is expected to circulate its responses during 2015, after which a first Working Party Meeting will be scheduled.

Liberia

Liberia's first WP meeting was held in July 2012. In July 2014, consultations between Liberia and the WTO Secretariat established a "road map" for completion of Liberia's accession negotiations in time for approval by the 10th Ministerial Conference in Nairobi, Kenya in December 2015. The United States is pledged to work with Liberia to achieve that goal. Pursuant to this plan, Liberia circulated comprehensive documentation in November 2014, including replies to Members questions and comments and initial offers on goods and services market access. Based on its status as an LDC, Liberia has requested flexibility from WTO Members in conducting the negotiations, in line with the WTO General Council Decision on Accessions of Least Developed Countries. The next WP meeting is expected in the first quarter of 2015.

Prospects for 2015

Seychelles is on track for becoming the 161st WTO Member sometime in 2015. Kazakhstan and Afghanistan remain good candidates for WTO approval of their terms of accession, based on the results of accession negotiations thus far, a fact recognized by the WTO Secretariat in its annual report on accessions.[21] Serbia, and Bosnia and Herzegovina also remain close to completion of their negotiations. Up until now, however, domestic political conflicts have blocked progress on market access and enacting the implementing legislation necessary for their WPs to conclude work on the accessions. Azerbaijan, Algeria, Belarus, and Liberia were actively engaged in accession negotiations or preparations for negotiations in 2014, both on rules and market access. These applicants will continue negotiations during 2015. Other accessions that have been active in recent years but not in 2014 include The Bahamas, Ethiopia, and Comoros. The divide between the 11 accessions still active, if only minimally, and the remaining 11

[20] LDCs that have not yet applied for WTO accession include Eritrea, Timor-L'Este, Somalia, South Sudan, Kiribati, and Tuvalu.
[21] WT/ACC/23, "2014 Annual Report by the Director General" on WTO Accessions

applicant countries has only deepened, as the latter applicants are not, at this time, in a viable accession process, and have not been for over four years.[22]

L. Plurilateral Agreements

1. Committee on Trade in Civil Aircraft

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.[23]

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[24] (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, Macao China, 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, 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 2014

The Aircraft Committee held one regular meeting on November 4, 2014. At this meeting, the Committee elected Hsiao-Yin Wu of Chinese Taipei as its new Chair and continued to discuss its work on the revision of the Product Coverage Annex to the Trade in Civil Aircraft Agreement in order to bring it into conformity with the 2007 Harmonized Commodity and Description System.

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[22] Andorra, Bhutan, Equatorial Guinea, Iran, Iraq, Lebanon, Libya, Sao Tome and Principe, Sudan, Syria, and Uzbekistan.

[23] 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.

[24] Currently comprising 27 Member States: Belgium, Bulgaria, 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.

Prospects for 2015

The Chair of the Committee proposed an additional formal meeting of the Committee to finalize the revisions to the Product Coverage Annex in the first half of 2015. 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.

2. Committee on Government Procurement

Status

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-three 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 China; Iceland; Israel; Japan; South Korea; Liechtenstein; the Netherlands with respect to Aruba; Norway; Singapore; Switzerland; Chinese Taipei; and the United States (collectively the GPA Parties).

As of the end of 2013, 10 Members were in the process of acceding to the GPA: Albania; China; Georgia; Jordan; Kyrgyz Republic; Moldova; Montenegro; New Zealand; Oman; and Ukraine. Five additional Members have provisions in their respective Protocols of Accession to the WTO regarding accession to the GPA: the Republic of Macedonia; Mongolia; the Russian Federation; Saudi Arabia; and Tajikistan. In 2014, both Montenegro and New Zealand successfully concluded accession negotiations and were formally invited to join the WTO GPA on October 29, 2014

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 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 subcentral entities. On November 30, 2011, China submitted its second revised offer, which included several subcentral 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 China-US 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.

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 any progress in 2014.

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, but it did not make further progress in 2014.

Moldova applied for accession to the GPA in 2002, and submitted its initial offer in 2008. In September 2012, Moldova submitted a revised market access offer and in January 2014 a second revised offer. In June 2014 Moldova circulated a third revised offer. On December 1, the United States formally sent follow-up questions to Moldova and the GPA Committee regarding Moldova's draft law to amend its law on Public Procurement. Moldova is in the process of amending its public procurement law to align with the GPA.

In October 2013 Montenegro submitted its application for accession to the GPA. In November 2013 Montenegro circulated its initial offer. In June 2014 Montenegro tabled its second offer which contained meaningful improvements. It submitted its final offer in July 2014. On October 29, 2014 the GPA Committee adopted a formal decision inviting Montenegro to join the Agreement. Montenegro has six months to deposit its instrument of acceptance.

In October 2012, New Zealand commenced negotiations on its accession to the GPA with the submission of its application for accession, initial market access offer, and its replies to the Checklist of Issues. In September 2013, New Zealand circulated its revised market access offer. In July 2014 New Zealand submitted its final offer. On October 29, 2014 the GPA Committee adopted a formal decision inviting Montenegro to join the Agreement. At New Zealand's request, New Zealand has nine months to deposit its instrument of acceptance. This request was made to address a change of government in New Zealand.

Ukraine commenced its accession to the GPA in 2011 with the submission of its application for accession, and in August 2011, submitted its replies to the Checklist of Issues. In 2012, Ukraine updated the WTO GPA Committee on its progress in bringing its domestic legislation into compliance with the GPA's requirements and its preparations of an initial market access offer. Ukraine tabled its initial offer in December 2012 and a revised offer in March 2014. In October 2014 Ukraine tabled its second revised offer which included significant improvements but remained short of the coverage offered by current GPA parties.

Twenty-eight WTO Members have observer status in the GPA Committee: Albania, Argentina, Australia, Bahrain, Cameroon, Chile, China, Colombia, Georgia, India, Indonesia, Jordan, the Kyrgyz Republic, Malaysia, Moldova, Mongolia, Montenegro, New Zealand, Oman, Panama, the Russian Federation, Saudi Arabia, Sri Lanka, Tajikistan, the Republic of Macedonia, Turkey, Ukraine, and Vietnam. Four intergovernmental organizations, namely the International Monetary Fund (IMF), International Trade

Centre (ITC), the Organization for Economic Co-operation and Development (OECD) and the United Nations Conference on Trade and Development (UNCTAD), also have observer status.

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 revision 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 Agreement. 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 Agreement.

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 Agreement could enter into force as soon as possible. On December 2, 2013, the United States deposited its instrument of acceptance. On December 3, 2013 GPA Parties committed to bring the revised GPA into force by March 31, 2014.

The revised Agreement entered into force on April 6, 2014 after ten parties, two-thirds of the Parties[25] to the Agreement at that time, deposited their instruments of acceptance. As of December 2014, twelve parties had deposited their instruments of acceptance. The following GPA Parties have yet to deposit their instruments of acceptance: Armenia, Republic of Korea, and Switzerland. U.S. obligations to these GPA Parties are defined under the 1994 GPA.

Major Issues in 2014

As noted, the revised GPA entered into force on April 6, 2014. The revision expands procurement opportunities for U.S. goods, services, and suppliers. The revised GPA also facilitates understanding and implementation of the GPA text.

In October, Montenegro and New Zealand were formally invited to join the Agreement. China submitted its fifth revised offer in December. Moldova submitted revised offers in January and June. Ukraine submitted revised offers in March and October.

During 2014, the GPA Committee held four formal meetings (in March, June, October and November) and five informal meetings, focused, in part, on the entry into force of the revised GPA. The GPA Committee also worked on completing the decisions on arbitration procedures and indicative criteria that are intended to facilitate the modification of GPA Parties' Annexes at the informal meetings. In addition, the GPA Committee held further discussions at the informal meetings on the accessions to the GPA of China, Croatia, Montenegro, New Zealand, and Ukraine.

[25] The 15 Parties to the GPA are: Armenia, Canada, the European Union (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 China, Iceland, Israel, Japan, the Republic of Korea, Liechtenstein, the Netherlands with respect to Aruba, Norway, Singapore, Switzerland, Taiwan (Chinese Taipei), and the United States.

Prospects for 2015

Montenegro and New Zealand are expected to formally join the GPA. The GPA Committee will continue work to advance GPA accessions, in particular, of China, Moldova, and Ukraine. The GPA Committee will also focus on completion of decisions on arbitration procedures and indicative criteria. With entry into force of the revised GPA, the GPA Committee is expected to ramp-up work on the five Work Programs that were adopted as part of the overall package.

3. Committee of Participants on the Expansion of Trade in Information Technology Products

Status

The Committee of Participants on the Expansion of Trade in Information Technology Products ("the ITA Committee") was established to carry out the provisions of the Information Technology Agreement (ITA),[26] 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 thus serves as the forum for meetings required by the ITA and collective consultations among the ITA Participants.

The ITA covers a wide range of information and communications technology (ICT) products, including computers and computer peripheral equipment, electronic components including semiconductors, computer software, telecommunications equipment, semiconductor manufacturing equipment, and computer-based analytical instruments. In March 2014, Afghanistan joined the ITA, and the Seychelles joined in October 2014, bringing the total number of ITA Participants to 80. Both countries will implement their ITA commitments upon their accession to the WTO. Among these 80 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.

Major Issues in 2014

In 2014, negotiations to expand the product coverage of the ITA remained in suspension for much of the year, following a deadlock in November 2013 caused by China's refusal to accept the inclusion of key technology goods in the scope of a final agreement. In November 2014, at the Asia-Pacific Economic Cooperation (APEC) Leaders meeting, President Obama announced that the United States and China reached a bilateral understanding to expand the scope of goods covered by the ITA. This understanding provided the basis for the resumption of plurilateral negotiations in December 2014. ITA plurilateral talks were held in Geneva from December 4 to December 12 with the aim of concluding an ITA expansion agreement on product coverage. While negotiators made significant progress and resolved most of the outstanding issues, the participants could not reach a consensus on product coverage. Unfortunately, the December round of talks ended without reaching a plurilateral agreement.[27] Negotiators intend to reconvene in 2015 with a view to finalizing a plurilateral ITA expansion deal as soon as possible.

The ITA Committee held three formal meetings in 2014, on March 17, June 26, and October 31.[28] In those meetings, the ITA Committee continued its deliberations on the Non-Tariff Measures (NTMs) Work

[26] More formally known as the "WTO Ministerial Declaration on Trade in Information Technology Products" (WT/MIN(96)/16).
[27] A statement by WTO Ambassador Michael Punke on the Information Technology Agreement Expansion on December 12, 2014 can be found at: http://www.ustr.gov/about-us/press-office/press-releases/2014/December/Statement-by-WTO-Ambassador-Punke-on-the-Information-Technology-Agreement
[28] The minutes of these Committee meetings are contained in WTO documents G/IT/M/59, G/IT/M/60, and G/IT/M/61 (not yet released).

Program. With regard to its work on the Electro-Magnetic Compatibility/Electro-Magnetic Interference (EMC/EMI) Pilot Project, the ITA Committee took note that 29 ITA Members (including the European Union as one Member) 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 decided to hold an industry-driven workshop to discuss NTMs in ICT sectors. This workshop is scheduled to take place on May 7, 2015.

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 requested the WTO Secretariat to prepare and circulate a list of these remaining items and their possible classification in HS2007 nomenclature. By mid-2015, ITA Participants would be required to indicate those items for which 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 all ITA Participants, the WTO Secretariat will compile the answers and circulate to the ITA Committee in 2015. On that basis, ITA Participants would then be able to assess the next steps to reduce any remaining divergences in the classification of such ITA products.

Prospects for 2015

Since the ITA entered into effect in 1997, the global ICT sector has experienced an innovation revolution, with countless new ICT and electronics products entering the market. It is estimated that eliminating duties on additional technology products through an ITA expansion initiative could liberalize roughly $1 trillion in global ICT trade, support an estimated 60,000 new U.S. jobs, and increase annual global GDP by $190 billion. In 2015, the United States will continue to work closely with key participants to bring about the successful conclusion of this plurilateral negotiation, which would be first major tariff-cutting deal at the WTO in 17 years.

The next meeting of the ITA Committee will be held in the first quarter of 2015.

III. BILATERAL AND REGIONAL NEGOTIATIONS AND AGREEMENTS

A. Free Trade Agreements

1. Australia

Since the United States-Australia Free Trade Agreement (FTA) entered into force on January 1, 2005, two-way goods trade between our two countries has increased by 74 percent, with U.S exports to Australia increasing from $14 billion (2004) to $26.7 billion in 2014. U.S. goods exports were $26.7 billion in 2014, and U.S. goods imports were $10.7 billion. The United States had a $16 billion goods trade surplus with Australia in 2014; the U.S. goods trade surplus with Australia is our 4th largest goods trade surplus in the world. On the services side, from 2004 to 2013 (latest data available), two-way services trade has increased from $10.5 billion to $26 billion. The United States had a $12.2 billion services trade surplus with Australia in 2013. Two-way investment has increased as well, from $86 billion (2003) to $204 billion.

Agricultural trade between the United States and Australia continued to grow in 2014, with U.S. agriculture exports to Australia reaching a record $1.5 billion. In 2014, the United States and Australia continued to closely monitor FTA implementation, including issues related to agriculture, sanitary and phytosanitary measures, investment and government procurement. The two sides worked to further deepen the trade and investment relationship in the Trans-Pacific Partnership (TPP) negotiation as well as 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, generates export opportunities for the United States. 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 wider than any previous FTA partner, creating important new opportunities for U.S. financial service providers and U.S. companies that offer telecommunications, audiovisual, express delivery, distribution, healthcare, architecture, and engineering services. The United States-Bahrain Bilateral Investment Treaty (BIT), 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 (JC), chaired jointly by USTR and Bahrain's Ministry of Industry and Commerce. The second meeting of the JC was held in October 2009.

In April 2011, the American Federation of Labor and Congress of Industrial Organizations filed a submission with the U.S. Department of Labor alleging that the government of Bahrain took certain actions related to the protests of that year which could be inconsistent with Bahrain's commitments under the FTA Labor Chapter. In December 2012, the U.S. Department of Labor issued a public report concluding that despite significant progress by Bahrain, several issues remained regarding freedom of association and employment discrimination. The report recommended that the United States request formal consultations under the FTA Labor Chapter and work with Bahrain to develop an action plan to address outstanding concerns.

In May 2013, the United States requested formal consultations under the Labor Chapter, and USTR led a U.S. Government delegation to Bahrain in July 2013 and June 2014 to discuss these issues. During these visits, USTR and the U.S. Departments of Labor and State held extensive consultations with officials from Bahrain's Ministries of Labor, Industry and Commerce, and Foreign Affairs, as well as labor unions and business representatives. During the remainder of 2014, U.S. Government agencies continued a dialogue with the government of Bahrain to explore concrete actions to ensure workers in Bahrain can fully exercise their fundamental labor rights. Areas of ongoing discussion include compliance with labor laws related to anti-union practices, collective bargaining issues, particularly in the context of recent reforms that allow for multiple unions in the workplace, improving Bahrain's capacity to respond to cases of employment discrimination, and strengthening tripartite social dialogue in the context of international labor standards and labor-management relations. The government of Bahrain also signed an agreement in 2014 with the General Federation of Bahrain Trade Unions and the Bahrain Chamber of Commerce and Industry to address many of the issues stemming from the 2011 dismissals, including employment discrimination. This agreement led to the successful closing of a complaint filed with the International Labor Organization by Bahrain's unions. Local stakeholders report that challenges remain in fulfilling the terms of the agreement, and the U.S. government remains committed to working closely with the government of Bahrain on labor issues of mutual interest.

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. This agreement creates economic opportunities by eliminating tariffs, opening markets, reducing barriers to services, and promoting transparency. The Agreement is facilitating trade and investment among the seven countries and furthering regional integration.

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 $31.3 billion in 2014. Combined total two-way trade in 2014 between the United States and Central American CAFTA-DR Parties and the Dominican Republic was $59.7 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. On September 25-26, 2014, the CAFTA-DR Coordinators, who are technical-level staff of the Parties, met in the Dominican Republic, and on December 1-2 they met in Washington, D.C., to define the agenda and undertake the preparatory work for an upcoming meeting of the FTC. The FTC will review implementation of the CAFTA-DR to take actions to further strengthen the operation of the Agreement.

Under the Agreement, 100 percent of U.S. consumer and industrial goods may enter duty free in all the other CAFTA-DR countries' markets effective January 1, 2015. 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 opportunities for U.S. and regional fiber, yarn, fabric, and apparel manufacturing companies and for regional integration. Also under the CAFTA-DR, more than half of U.S. agricultural exports now enter the other CAFTA-DR countries' markets duty free. The majority of remaining tariffs on nearly all U.S. agricultural products will be eliminated by 2020, with a few most sensitive products having slightly longer phase-out periods. For certain products, tariff-rate quotas permit some duty-free access for specified quantities during the tariff phase-out period, with the duty-free amount expanding during that period.

Labor

Ongoing labor capacity building activities are supporting efforts to promote worker rights and improve the effective enforcement of labor laws in the CAFTA-DR countries, including by supporting efforts to protect the rights of workers in the informal economy and lift barriers to formalization, build the capacity of workers and their organizations to constructively advocate for worker rights with public authorities and employers, and ensure that workers and employers develop skills and expertise to resolve disputes. In 2014, the U.S. Department of State continued its funding of a program to strengthen the capacity of unions to organize and represent workers, expand the inclusion of marginalized worker populations within worker organizations, and bolster unions' skills to effectively engage employers and public authorities. The U.S. Department of State also funded a new program to combat labor violence in Honduras and Guatemala.

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. This action followed extensive engagement with Guatemala in an effort to improve labor law enforcement, including the signing of a groundbreaking Labor Enforcement Plan between the United States and Guatemala in April 2013. Under the Enforcement Plan, Guatemala agreed to take significant actions to strengthen labor inspections, expedite and streamline the process of sanctioning employers and ordering remediation of labor violations, increase labor law compliance by exporting companies, improve the monitoring and enforcement of labor court orders, publish labor law enforcement information, and establish mechanisms to ensure that workers are paid what they are owed when factories close. As a result of reaching an agreement on the Enforcement Plan, the work of the arbitration panel handling the dispute was suspended. The United States engaged extensively in 2014 to monitor implementation of the Enforcement Plan, including through two interagency technical monitoring trips and a high level trip led by U.S. Trade Representative Michael Froman. In addition, to support Guatemala's implementation of the Enforcement Plan and other labor commitments, in 2014, the U.S. Department of State provided additional funding under a grant awarded to the International Labor Organization in 2013 for a project that seeks to build the capacity of the labor inspectorate; assist the Ministry of Labor to better enforce Guatemalan labor laws, train judges, magistrates, and prosecutors in core labor rights; and support tripartite engagement.

Guatemala took a number of important steps to implement the Enforcement Plan and to improve enforcement of worker rights. For example, Guatemala took steps to enhance its ability to enforce labor laws, strengthened exporting companies' compliance with these laws, and worked to address procedures for payments to workers following abrupt closure of workplaces. However, critical actions agreed to under the Enforcement Plan remained outstanding and Guatemala also failed to demonstrate that the legal reforms it had undertaken were being effectively implemented, leading to concrete improvements on the ground. Therefore, the United States proceeded with the dispute settlement process. The United States filed its first written submission in the case on November 3, 2014. For additional information, visit http://www.ustr.gov/about-us/press-office/press-releases/2013/October/US-Guatemala-enforcement-worker-rights.

In December 2011, a submission was filed with the U.S. Department of Labor (DOL) alleging that the government of the Dominican Republic failed to ensure the effective enforcement of labor laws in the Dominican sugar sector, which, if substantiated, would be inconsistent with the Dominican Republic's commitments under the CAFTA-DR labor chapter. The DOL accepted the submission for review and issued a public report in September 2013 which highlights 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 Administration continued to engage 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 two DOL delegation trips to the Dominican Republic, in March and August 2014. The U.S. Government will continue to monitor and assess progress towards addressing the labor concerns identified in the report and, at the same time, will consider additional ways to support any such efforts and whether further action is needed.

In March 2012, the AFL-CIO and 26 Honduran worker and civil society groups filed a submission with the DOL alleging that the government of Honduras had failed to enforce its labor laws in the manufacturing, agriculture, and port operations sectors, which, if substantiated, would be inconsistent with Honduras' commitments under the CAFTA-DR labor chapter. Since then, the U.S. Government has regularly engaged with Honduran officials on the submission. In 2014, the DOL traveled to Honduras to attend meetings with civil society representatives who formed a commission to track the government of Honduras' efforts to address the submission. As part of these visits, the DOL attended a public forum where representatives from unions, employer organizations, and the government discussed issues raised in the submission, including occupational safety and health and freedom of association, as well as the possible implications of labor practices on the competitiveness of Honduran businesses. In 2014, Secretary of Labor Thomas Perez led the U.S. delegation to the inauguration of Honduran President Juan Orlando Hernandez, and met with several government officials, civil society representatives, and labor stakeholders during his visit to discuss issues identified in the submission. Also in 2014, the DOL placed a DOL official at the U.S. Embassy in Honduras for several months to directly support the ongoing review of the submission and engage with Honduran government officials and civil society on submission issues. The U.S. Government will continue to monitor issues identified in the submission and the DOL is expected to issue a public report during 2015.

The U.S. Government is funding a number of technical cooperation projects in Honduras to support labor rights, including programs by the U.S. Department of State to promote freedom of association, union formation, and labor-management relations, and a new $7 million DOL project in 2014 to reduce child labor and improve labor rights.

Environment

The CAFTA-DR countries continued efforts to advance environmental protection and implement the commitments of the CAFTA-DR Environment Chapter. The officials responsible for trade and environment under CAFTA-DR met twice in 2014 to discuss priorities for environmental capacity building programming, the implementation of Environment Chapter obligations, and the preparation for senior-level meetings of the Environmental Affairs Council (Council) in 2014 and 2015. In April 2014, the Council met in New Orleans, Louisiana, and Council Members reported on progress made in their countries to

implement core commitments of the CAFTA-DR Environment Chapter, including efforts to improve levels of environmental protection, strengthen environmental laws and environmental law enforcement, and promote public participation in environmental decision making. The Council recognized the contributions of the CAFTA-DR Secretariat for Environmental Matters, which accepts submissions from the public on environmental enforcement matters to improve environmental enforcement in the CAFTA-DR countries.

The Council also discussed key environmental cooperation achievements including; the provision of training for customs and border officials on wood identification to combat trade in illegally harvested timber; collaboration with hundreds of small and medium sized enterprises (SMEs) to help reduce their use of water, energy, and raw materials; and support for the Central American Wildlife Enforcement Network (CAWEN) to enhance regional enforcement of wildlife trafficking laws.

The Council Members committed to continue working together on a number of pressing environmental issues ranging from building additional capacity, to conducting environmental impact assessments, to engaging in a concerted effort to further broaden the scope of outreach to public stakeholders including those in remote communities. Stakeholders attended a public forum held at the Port of New Orleans where Council Members engaged in a question and answer session.

Trade Capacity Building

In addition to the labor and environment programs discussed above, trade capacity building programs and planning in other areas continued throughout 2014 with the Office of the U.S. Trade Representative and other agencies. The U.S. Agency for International Development (USAID) and other donors, including U.S. 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 2014, USAID continued working under the Regional Trade and Market Alliances Project to build trade and institutional capacity in CAFTA-DR countries to improve trade facilitation and border management. Through this project, USAID provides assistance to 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, and enhancing public-private dialogue around trade facilitation. During 2014, USAID, in partnership with the World Bank and International Finance Corporation, also launched the Central America Regional Trade Logistics Project that will work with Ministries of Health to streamline mutual recognition procedures for sanitary registries.

USAID has also partnered with USDA to continue supporting CAFTA-DR countries so that their private sectors can take advantage of the trade agreement. For example, USAID and USDA provide technical assistance and capacity building on various agricultural technical issues, including sanitary and phytosanitary measures (SPS) as they relate to intraregional trade and exports to the U.S. market. During 2014, USAID and USDA coordinated closely with the U.S. Food and Drug Administration (FDA) to build awareness of the U.S. Food Safety Modernization Act, possible impacts thereof, and practical ways to operate domestic food safety processes. Also, in 2014, USAID, in collaboration with USDA and FDA, provided funds through the Food and Agricultural Sustainability Training (FAST) Program. Assistance aims to inform countries and private sector exporters of ways to not only meet new U.S. import requirements, but also options to strengthen their food safety systems and processes in order to improve the safety of domestic food supplies. The FAST Program targets some CAFTA-DR countries as well as countries in the Caribbean and South America.

In 2013, the U.S. Department of State's Pathways to Prosperity in the Americas initiative included a broad trade facilitation element, working with other international donors in the region on various customs and

border process related issues to foster trade among CAFTA-DR partners. This work continued into 2014. Under Pathways, CAFTA-DR countries are working with the support of the Inter-American Development Bank and participation by the Association of American Chambers of Commerce of Latin America (AACCLA) to create a single-window customs network among CAFTA-DR partners and others in Latin America (Mexico, Chile, Ecuador, Panama, and Colombia). With funding support from the U.S. Department of State, and in coordination with the U.S. Department of Homeland Security (DHS), the U.S. Department of Commerce continued a series of customs and border modernization workshops in the region, and a Phase I conclusion conference was held in Chile in 2013 to highlight achievements and best practices of the project's beneficiary countries: Costa Rica, El Salvador, and Honduras. Phase II of this project, which began in 2012, is working with Guatemala, the Dominican Republic, Peru, and Uruguay to increase customs technical expertise of the public and private sectors.

USAID, the U.S. Department of State, and others, working in cooperation with Secretaría de Integración Económica Centroamericana (Secretariat for Central American Integration, or SIECA), continued to expand implementation of the Small Business Development Center (SBDC) model to all of the CAFTA-DR countries, building on a program that began in El Salvador. USTR, the U.S. Department of State, the U.S. Small Business Administration, and other agencies are working with various partner organizations, including multilateral institutions and universities, to connect U.S. and regional SBDCs in order to help SMEs take better advantage of trade opportunities through the Small Business Network of the Americas.

Other Implementation Matters

In 2014, CAFTA-DR partners worked to carry out various FTC decisions adopted to strengthen implementation of the Agreement.

The Parties continued work to update the Agreement's product-specific rules of origin to reflect changes to the International Convention on the Harmonized Commodity Description and Coding System in 2012 (HS Update). Discussions also addressed modifications to reflect the amendments to certain rules of origin for textile and apparel goods, which had been agreed to by the CAFTA-DR FTC in February 2011 and designed to enhance the competitiveness of the region's textiles sector through regional sourcing and integration, in the updated product-specific rules of origin. The HS Update, expected to be endorsed at the next FTC meeting, will further facilitate traders' tariff claims and customs administrations' application of the Agreement's rules of origin. During 2014, technical-level staff also discussed countries' respective domestic processes and proposed rules of origin modifications under Article 4.14 in order to create additional opportunities for trade under the Agreement.

Recognizing the importance of an effective dispute settlement mechanism to the integrity of the Agreement, USTR and the U.S. Department of Commerce's Trade Agreement Secretariat (FTA Secretariat) provided technical support to assist Guatemala in establishing its responsible office, charged with carrying out administrative functions in CAFTA-DR dispute settlement proceedings. USTR and the FTA Secretariat also held a technical exchange with the CAFTA-DR partners to identify issues for coordination and best practices in the administration of dispute settlement proceedings. As part of that exchange, USTR, together with the U.S. Department of State's Office of the Assistant Legal Adviser for International Claims and Investment Disputes (L/CID), engaged with the CAFTA-DR country Coordinators on issues relating to investor-State disputes on December 2, 2014; a follow-on discussion is being planned for 2015. In 2014, a panel issued the first report in a dispute brought under the dispute settlement mechanisms of the CAFTA-DR. The panel ruled in favor of Costa Rica in its challenge to El Salvador's tariff treatment for goods from Costa Rica, in particular those produced in free-trade zones.

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 such as the administration of tariff-rate quotas and SPS issues as well as government procurement issues. The U.S. Government also worked with several CAFTA-DR countries to promote effective protection of intellectual property rights, including a focus on the balance between trademark and geographical indication protection, as reflected in the CAFTA-DR.

4. Chile

Overview

The United States-Chile Free Trade Agreement (FTA) entered into force on January 1, 2004.

The FTA eliminates tariffs and opens markets, reduces barriers for trade in services, provides protection for intellectual property, ensures 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 labor and environmental enforcement. In 2014, U.S. goods exports to Chile decreased by 5 percent to $16.6 billion, while U.S. goods imports from Chile decreased by 8.6 percent to $9.5 billion. Chile is currently our 29th largest goods trading partner with $26.1 billion in total (two way) goods trade during 2014. The U.S. goods trade surplus with Chile was $7.1 billion in 2014.

Trade in services with Chile (exports and imports) totaled $4.8 billion in 2013 (latest data available). U.S. services exports were $3.6 billion and services imports from Chile were $1.2 billion for the same period. The U.S. services trade surplus with Chile was $2.4 billion in 2013.

U.S. foreign direct investment (FDI) in Chile was $41.1 billion in 2013 (latest data available), an 8.7 percent increase from 2012, mostly in the manufacturing and finance/insurance sectors.

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 the Chilean Director General of International Economic Affairs or their designees. The FTC held its ninth meeting in June 2014. The FTC reviewed implementation of the FTA and suggested actions to further strengthen the operation of the Agreement. The meetings included discussions on the importance of Chile completing its work to fully implement the FTA's intellectual property obligations and Chile's new nutritional labeling law.

Labor

In July 2014, the U.S. Department of Labor (DOL) met with a delegation of Chilean officials in Washington, D.C., led by Chile's Ministry of Labor, to discuss Trafficking in Persons issues and labor inspections. Experts from DOL's Wage and Hour Division shared best practices on combatting trafficking of persons in the United States, and exchanged information on labor inspections with the Chilean delegation, which included several representatives from nongovernmental organizations. DOL officials are also conducting research and monitoring certain labor issues in Chile, including in the agricultural sector and subcontracting. A particular focus of DOL research in 2014 was draft Chilean legislation on labor contracts for seasonal workers that could limit collective bargaining and union rights.

Environment

The United States and Chile continued to advance their work to implement the Environment Chapter of the FTA and the associated Environmental Cooperation Agreement, building on the discussion at the January 9, 2013, meetings of the Environmental Affairs Council (EAC) and U.S.-Chile Joint Commission for Environmental Cooperation (Joint Commission) held in Santiago, Chile.

In 2014, key environmental cooperation activities included strengthening Chile's environmental institutions and enforcement capacity and training on natural resource management, biodiversity conservation, cleaner production, and environmental enforcement.

The United States and Chile are preparing for the next EAC and Joint Commission meeting, which will be held in 2015, which will include the development of a new environmental cooperation work program.

5. Colombia

Overview

The United States-Colombia Trade Promotion Agreement (CTPA) entered into force on May 15, 2012. The United States' two way goods trade with Colombia totaled $38.6 billion in 2014, with U.S. goods exports to Colombia totaling $20.3. 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. Average Colombian tariffs on U.S. industrial exports were over 9 percent prior to the CPTA's entry into force. 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 years to 19 years. In addition, with limited exceptions, U.S. services suppliers gained access to Colombia's estimated $200 billion annual services market in 2013. 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 concluded that the Agreement was functioning smoothly and was already benefiting both countries. In 2014, The United States and Colombia continued to work together to carry out initiatives launched at the November 2012 FTC, such as consideration of accelerating tariff elimination, establishment of certain dispute settlement mechanisms, and updates to the rules of origin. USTR expects to hold the second FTC meeting to review implementation of the CTPA in 2015.

Labor

The CTPA Labor Chapter includes commitments requiring both countries to adopt, maintain, and implement laws, regulations, and other measures to protect the fundamental labor rights described 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 reduce labor protections to encourage trade or

investment. The obligations of the Labor Chapter are subject to the same dispute settlement provisions as the other obligations in the CTPA and therefore are subject to the same remedies, and all of the Labor Chapter commitments are meant to enable workers and businesses to compete on a level playing field.

The entry into force of the CTPA was also accompanied by further progress by Colombia under the Action Plan Related to Labor Rights. During 2014, the Obama Administration continued intensive engagement with the Colombian government to support its efforts to improve the protection of worker rights, prevent violence against trade unionists, and ensure the prosecution of the perpetrators of such violence. The Colombian government has taken several important steps since the Action Plan's launch to strengthen labor rights, including the establishment of a new Labor Ministry to elevate the importance of labor issues in the Colombian government, issuing new laws to increase fines for labor violations, and hiring hundreds of new labor inspectors for a total of 716 inspectors. The Colombian government has also assessed over $31 million in fines since the Action Plan's launch for practices that violated labor rights.

As a result of these efforts, there has been some important progress under the Action Plan, particularly for workers on Colombian sugar plantations. As of 2014, more than 70 percent of sugar cane cutters (totaling roughly 7,000 workers) who were previously in illegal cooperatives in Colombia's sugar sector have formed unions and negotiated collective bargaining agreements with subsidiaries of the main sugar processing companies. Labor unions in the sugar sector report that the subsidiaries are properly funded and that the unions are able to negotiate over wages and working conditions. The United States will continue to work closely with Colombia on labor enforcement issues related to the Action Plan, particularly in areas where important work remains, such as collecting fines (Colombia has collected approximately $1.5 million in fines in 2014) and addressing new forms of abusive contracting that undermine labor rights.

To address the issue of violence, Colombia's Prosecutor General's Office has 23 prosecutors located throughout Colombia who are part of a specialized sub-unit that focuses on violence against unionists and approximately 80 judicial police investigators from Colombia's National Police to support the work of the prosecutors. Progress in this area includes a declining murder rate for union members. The Obama Administration is committed to working with Colombia to ensure that this trend continues.

As part of continuing engagement with high level Colombian officials, in April 2014 U.S. Trade Representative Michael Froman met with the Colombian Minister of Commerce Industry and Tourism at that time, Santiago Rojas Arroyo, to urge additional actions in areas where concerns remain. In October, Secretary of Labor Thomas Perez met with Colombian Minister of Labor Luis Eduardo "Lucho" Garzon to discuss issues such as collection of fines, sub-contracting, and investigations of violence against trade unionists. In addition, the U.S. Department of Labor (DOL) has been funding a five year, $7.8 million project with the International Labor Organization (ILO) to support Colombia's efforts to meet these challenges. Launched in 2011, the project has worked to strengthen both the overall capacity of the Colombian Ministry of Labor and the institutional capacity of the Colombian government to ensure that perpetrators of violence against trade union leaders, members, and activists do not have impunity for their crimes. The U.S. Department of State also continued to support the ILO's efforts through an 18-month, $495,000 program started in 2013 to strengthen the capacity of tripartite institutions to promote the full implementation of core labor rights with particular attention to the rights of marginalized groups. DOL is also funding two additional projects. One is a three year, $1.5 million project started in 2012 with Colombia's National Union School (Escuela Nacional Sindical), a labor rights NGO, to create "Workers' Rights Centers" in four Colombian cities. All four centers are operating in 2014 and provide free legal advice to workers to raise awareness of labor laws and to improve workers' ability to protect and claim their labor rights, for example, by filing well documented complaints with the Ministry of Labor. The other is a four year, $9 million project that supports the Colombian government's efforts to reduce child labor in the informal and artisanal mining sector, including by promoting safe work and mitigating the risk of injuries for adult workers. The project works with the Government of Colombia to develop policies to

combat child labor in the mining sector, to strengthen the government's capacity to identify and address violations of child labor and occupational safety and health laws in the sector, and to provide education and livelihood opportunities for households vulnerable to child labor in mining communities in the departments of Antioquia and Boyacá. Mining is one of the priority sectors identified in the Action Plan. USTR and DOL will continue 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.

Environment

To promote environmental stewardship, and ensure that trade and environmental priorities are mutually supportive, the CTPA contains an Environment Chapter with commitments requiring both countries to strive to provide for and encourage high levels of environmental protection. The United States and Colombia are also obligated to adopt, maintain, and implement laws, regulations, and other measures to fulfill their obligations under certain multilateral environmental agreements, and not to fail to effectively enforce their environmental laws or to reduce environmental protections to encourage trade or investment. The environmental obligations under the CTPA are subject to the same dispute settlement provisions as the other obligations in the CTPA and therefore are subject to the same remedies.

The CTPA established an Environmental Affairs Council (Council) composed of senior level officials who will meet annually to consider and discuss implementation of the Environment Chapter. These meetings are an important tool to evaluate progress to implement the environmental commitments of the CTPA, discuss priority areas needing further attention, formulate a plan to achieve further progress, and provide for public participation.

The United States and Colombia held the inaugural Council meeting on December 18, 2013, in conjunction with a meeting of the Environmental Cooperation Commission (Commission), a related body established under the United States-Colombia Environmental Cooperation Agreement (ECA), which entered into force on June 28, 2013. The Council reviewed implementation of the Environment Chapter of the CTPA, including actions taken by the United States and Colombia to increase levels of environmental protection and ensure effective enforcement of environmental laws. The Council also agreed to work towards designation of a secretariat to receive and consider submissions from the public on matters regarding enforcement of environmental laws pursuant to Article 18.8 of the CTPA, including by first identifying an entity within which to house the secretariat. The secretariat mechanism is intended to promote public participation in the identification and resolution of environmental enforcement issues. The Commission approved and signed the first United States-Colombia Work Program for Environmental Cooperation under the ECA, which provides a framework for advancing environmental cooperation activities to support implementation of the Environment Chapter, such as strengthening enforcement of environmental laws and regulations.

In 2014, the Parties regularly engaged to advance the issues discussed at the December 2013 Council and Commission meetings, including by taking concrete steps to identify an entity to house the secretariat. The Parties also made progress on implementing the new Work Program for Environmental Cooperation, such as bringing an additional 225,000 hectares of land with significant biodiversity under better management or protection.

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 2014, U.S. goods exports to Israel increase 10 percent to $15.1 billion.

The United States-Israel Joint Committee (JC) is the central oversight body for the FTA. At its last meeting in 2012, the JC explored ways to engage in 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 opened two dialogues to address these issues. In October 2013, Israel enacted revisions to its standards regime aiming to expand significantly the recognition of standards of internationally respected standards bodies, including those of the United States. The new 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.

During the 2012 JC meeting, discussions continued among the Parties on negotiating a new permanent agreement on trade in agricultural products and resolving several outstanding sanitary and phytosanitary (SPS) issues. In 1996, the United States and Israel concluded an Agreement Concerning Certain Aspects of Trade in Agricultural Products (ATAP), which provided for duty free or other preferential tariff treatment of a number of agricultural products. The 1996 agreement was extended through 2003 and a new agreement was concluded in 2004. While this agreement originally was scheduled to expire at the end of 2008, it has been extended annually since then to allow negotiations on a new ATAP agreement to continue.

In June 2014, the United States proposed revised modalities for a new ATAP agreement, seeking to capitalize on progress to date and to streamline the negotiations 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, tentatively planned for 2015. In December 2014, the two sides agreed to extend the ATAP agreement through December 31, 2015, while the aforementioned negotiations continue.

In November 2013, the United States and Israel brought a telecommunications mutual recognition agreement into force. This agreement streamlines conformity assessment processes. It facilitates trade by permitting recognized U.S. laboratories to test U.S. telecommunications equipment for conformity with Israeli technical regulations. The agreement also provides that in the future, the United States and Israel can agree to the mutual acceptance of equipment certifications issued by recognized conformity assessment bodies in the United States and Israel.

7. Jordan

In 2014, 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. The program has succeeded in stimulating significant business cooperation between Jordan and Israel.

Together these measures have played a significant role in boosting overall U.S.-Jordanian economic ties. U.S. goods exports to Jordan were an estimated $2.1 billion in 2014, down 14 percent from 2013. QIZ products account for about 5 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. This shift toward exporting products manufactured outside of the QIZs demonstrates the important role the FTA plays in helping Jordan diversify its economy.

The United States-Jordan FTA has expanded the trade relationship between the two countries by reducing barriers for services, requiring cutting edge protection for intellectual property, promoting regulatory transparency, and requiring effective labor and environmental enforcement. At the Joint Committee's most recent meeting in October 2012, the United States and Jordan crafted an action plan outlining concrete steps to boost trade and investment bilaterally, and between Jordan and other countries in the Middle East region. Among its first steps under the action plan during 2013, Jordan endorsed Joint Principles on International Investment and Joint Principles for Information and Communication Technology (ICT) Services.

Another area of focus includes the environment, where work continues to make progress. In 2014, the United States and Jordan signed the 2014-2017 Work Program for Environmental Technical Cooperation and continued their cooperation on institution 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. With United States support, the U.S. Forest Service (USFS) brought 53,200 hectares of areas of biological significance under improved management through partnerships with Jordan's Royal Society for the Conservation of Nature. In 2014, USFS launched a nursery and watershed management improvement program with Jordan's Forestry Department.

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, gender discrimination and harassment.

In June 2014, government officials from the United States and Jordan convened the Labor Subcommittee of the United States-Jordan FTA, comprised of officials from the trade, labor and foreign affairs ministries of each country. The Subcommittee held detailed discussions regarding implementation of the labor obligations of the FTA, including progress and remaining work under the Implementation Plan. The Subcommittee also exchanged information and explored future cooperative activities as set out in a December 2013 Memorandum of Understanding between the U.S. Department Labor (DOL) and the Jordanian Ministry of Labor designed to strengthen labor law enforcement institutions in Jordan through technical cooperation and capacity building.

The Subcommittee meeting concluded with a public session involving stakeholders from Jordan's worker organizations, Jordanian businesses, international clothing brands that source from Jordanian garment factories, and other interested members of the public, as part of a shared commitment to a participatory process. The public session included a roundtable discussion with labor unions, garment factory owners and representatives of the International Labor Organization's (ILO) Better Work Jordan program. The ILO Better Work program, which was funded by the USAID in 2014 and which will continue in 2015 with support from the U.S. Department of Labor, monitors compliance with labor standards in over 90 percent of Jordan's garment factories.

The U.S. and Jordanian governments also discussed cooperation to improve labor law enforcement nationally to prevent and eliminate child labor, particularly recognizing that the influx of Syrian refugees increases vulnerability to child labor. In 2014, DOL funded two projects aimed at supporting the Jordanian government in building capacity on child labor and strengthening policies such as the National Framework for Child Labor to ensure strong enforcement efforts to identify and eliminate child labor and to refer children and families vulnerable to child labor to relevant social services. At the request of the Jordanian government, DOL provided a $2 million extension for the ILO project to conduct a national child labor survey, develop and train officials on a child labor monitoring system, raise awareness of child labor, and refer at-risk children and families to social services and educational and vocational opportunities.

8. Republic of Korea

Overview

The United States-Korea Free Trade Agreement (KORUS) entered into force on March 15, 2012. As of January 1, 2015, four rounds of tariff cuts have taken place under KORUS. As the Korean economy started to recover in late 2013, and as Korea's tariff reductions and other obligations have come into effect, U.S. goods and services exports have continued to grow. U.S. goods and services exports combined are up 4.1 percent between full year 2011 (pre-FTA) and 2013, and are up 7.0 percent between the first three quarters of 2014 and the same period in 2013. In comparison, U.S. goods and services exports to the world were up 2.9 percent for 2014. For 2014, goods exports to Korea were up 6.8 percent compared to 2013. U.S. exports of key agricultural products continued to post significant gains – up 31.2 percent to $6.9 billion for 2014 – and Korea is currently our fifth-largest market for agricultural exports. This was more than seven times faster than U.S. agricultural export growth to the world.

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. The third Joint Committee meeting was convened on December 15, 2014, and substantial issues of interest to both parties – including automotive and financial services issues – were discussed. A Senior Officials Meeting (SOM) was also held on November 24, 2014 to coordinate and report on the activities of the committees and working groups established under the agreement, and to pave the way for discussions at the December 2014 Joint Committee meeting on the above-mentioned issues.

In addition to the Joint Committee and the SOM, three committees and working groups established under the KORUS met in 2014. USTR has consulted and will continue to consult closely with stakeholders regarding the work of the FTA committees, including with respect to potential agenda items.

On February 27, 2014, the Financial Services Committee met and reviewed Korea's implementation of its commitments contained in Section B of Annex 13-B (Transfer of Information) in the Financial Services chapter. In particular, the Committee discussed Korea's new legal regime, including regulations adopted in June 2013 and subsequent administrative guidelines issued in December 2013. Following the February Committee meeting, a quarterly Financial Services Implementation meeting process was set up to review progress toward implementing the regulations and guidelines. Both the United States and the EU (due to very similar obligations included in the Korea-EU Free Trade Agreement and the multinational nature of the financial services industry) participate in these quarterly meetings in the government-to-government sessions, and there is also a separate session that includes industry participants.

The Committee on Services and Investment met on November 24, 2014 and discussed implementation of the Services and Investment Chapter of KORUS. The United States sought an update on Korea's plans for implementing its obligations related to legal services scheduled to go into effect in 2017. Korea proposed discussion of how various aspects of Investor State Dispute Settlement (ISDS) operate.

On November 24, 2014, the second meeting of the Committee on Outward Processing Zones (OPZ) was also held. The Korean government provided an overview of the Gaesong Industrial Complex.

The U.S. Government also addresses KORUS compliance and other trade issues on a continual basis through regular inter-sessional consultations, through our respective embassies, and through other engagement with the Korean government, including at senior levels, in order to resolve issues in a timely

manner. In 2014, we focused on issues related to Korea's implementation of its obligations with regard to origin verification, automotive trade, financial services data transfer, and medical devices. Through our engagement with Korea we succeeded in making significant progress in addressing issues in all of these areas.

9. Morocco

The United States-Morocco Free Trade Agreement (FTA) entered into force on January 1, 2006. It 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 was $3.1 billion in 2014, up from $927 million in 2005 (the year prior to entry into force). U.S. goods exports to Morocco in 2014 were $2.1 billion, down 17 percent from the previous year. Corresponding U.S. imports from Morocco in 2014 were $991 million, up 1 percent from 2013.

In 2014, the United States and Morocco continued their cooperation in support of the Labor Chapter of the FTA. The FTA Subcommittee on Labor Affairs met in September 2014; at that meeting, U.S. and Moroccan officials reviewed implementation of the obligations each side had undertaken under the FTA's Labor Chapter. The two parties exchanged views and updates on issues affecting labor laws and implementation, and also discussed areas for future cooperation, including technical assistance. Following the meeting of the Labor Subcommittee, the U.S. Department of Labor (DOL) launched two DOL-funded projects in Morocco, including a $1 million project to promote gender equality in the workplace, and a $5 million project to reduce child labor in the Marrakesh-Tensift-Al-Haouz region by promoting children's participation in educational and vocational training programs. In December 2014, the Federal Mediation and Conciliation Services—after three years of DOL-funded trainings to the Moroccan labor inspectorate on mediating labor disputes and building trust among social partners—concluded a five year memorandum of understanding to develop a coordinated program within the Ministry of Employment and Social Affairs and among the social partners to improve their internal capacities to mediate conflict. Also during 2014, the U.S. Department of State, through a grant to the International Labor Organization, continued to provide technical support and training to the Moroccan Ministry of Labor to enforce labor laws and to promote social dialogue.

The FTA Subcommittee on Environmental Affairs met in October 2014 to discuss progress in implementing obligations under the Environment Chapter, including obligations to establish high levels of environmental protection; effectively enforce domestic environmental laws; and provide opportunities for public participation in matters related to the implementation of the chapter. Delegations also discussed ongoing environmental cooperation activities and adopted an updated environmental cooperation work program. U.S. and Moroccan officials held a public session, which included participation from civil society, business, and members of the press.

In addition to discussions held in the Environmental Subcommittee meeting, Morocco and the United States in 2014 signed the 2014-2017 Plan of Action for Environmental Cooperation and continued cooperation on effective enforcement of environmental laws, biodiversity conservation, improved private sector environmental performance, and increased public participation and transparency in environmental decision making. The U.S. technical assistance program supports a wide range of activities conducted by various U.S. Government agencies and other entities with Moroccan partners in the environmental area. These included training and other cooperative activities involving the U.S. Environmental Protection Agency, the U.S. Department of Interior, the U.S. Forest Service, the U.S. National Oceanic and Atmospheric Administration, the World Environment Center, and the High Atlas Foundation

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. All remaining duties and quantitative restrictions were eliminated, as scheduled, on January 1, 2008. The NAFTA created the world's largest free trade area, which now links 474 million people producing roughly $20.5 trillion worth of goods and services.

Trade between the United States and its NAFTA partners has soared since the agreement entered into force. U.S. two way goods trade with Canada and Mexico exceeds U.S. goods trade with the European Union and Japan combined. U.S. goods exports to the NAFTA partners have increased by 289 percent between 1993 and 2014, from $142 billion to $552 billion. The combined NAFTA market is also our largest export market for agriculture, totaling $44.8 billion in 2014. Services exports have also grown significantly, and are up by 232 percent since 1993 to $91.0 billion. By dismantling barriers, the NAFTA has led to increased trade and investment, growth in employment, and enhanced competitiveness.

The NAFTA was also the first U.S. FTA to link free trade with obligations to protect labor rights and the environment, and we are seeking to update and strengthen these commitments through the TPP negotiations. In connection with the NAFTA, the United States and Mexico also agreed to fund a development bank to address environmental infrastructure needs along the U.S.-Mexico border.

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 for 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 met regularly to expand and deepen trade and investment opportunities in North America and beyond through the Trans-Pacific Partnership negotiations. Such work accelerated in 2014. In addition, the Parties furthered their work to liberalize the NAFTA rules of origin.

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 2014, representatives from the three Parties' NAOs met periodically to discuss ways to strengthen coordination and communication among the NAOs and provide updates on pending public submissions. Consultations on one set of submissions regarding certain U.S. visas began in 2014. In

particular, in 2003, 2005, and 2011, the Mexican NAO received three separate submissions under the NAALC concerning the rights of workers in the United States on H-2A and H-2B visas. In November 2012, the Mexican NAO published a report that covered all three submissions, and, in May 2013 the NAO requested ministerial consultations with the U.S. Department of Labor (DOL). In response to the request, Mexico and the United States agreed to undertake educational activities in the United States and Mexico to inform workers on H-2A and H-2B visas about their rights under U.S. law and employers of H-2 workers about their responsibilities. In April 2014, U.S. Secretary of Labor Thomas Perez and Mexican Secretary of Labor and Social Welfare Alfonso Navarrete signed a joint ministerial declaration that announced these consultations and directed the NAOs to develop an action plan to carry out the agreed upon activities. In June 2014, the DOL and the Mexican Secretariat of Labor and Social Welfare (STPS) published the joint work plan on the DOL website (available at http://www.dol.gov/ilab/trade/preference-programs/US-Mexico.htm). Educational activities under that joint work plan have taken place across the United States and in Mexico and are scheduled to conclude early in 2015.

Regarding the other set of submissions, in January 2012, the U.S. and Canadian NAOs accepted for review public submissions from the Mexican Union of Electrical Workers (Sindicato Mexicano de Electricistas) and over 90 other organizations concerning Mexico's obligations under the NAALC regarding worker rights. At a meeting of the three NAOs in July 2014, officials from the U.S. and Canadian NAOs provided an update on the status of their reviews of these submissions, as well as other issues. The U.S. and Canadian NAOs reported that the Mexican Union of Electrical Workers is currently in negotiations with the Government of Mexico about issues that formed the basis of its submission and that NAOs were continuing to monitor the status of these negotiations before issuing their reports.

NAFTA and the Environment

The Parties continued their efforts to ensure that trade liberalization and efforts to protect the environment are mutually supportive. In July 2014, the Council of the Commission for Environmental Cooperation (CEC) under the North American Agreement on Environmental Cooperation (NAAEC) agreed on the 2015-2020 Strategic Plan, which includes three priority areas: Climate Change Mitigation and Adaptation; Green Growth; and Sustainable Communities and Ecosystems.

Articles 14 and 15 of the NAAEC establish a process for members of the North American public to make an assertion that a Party is failing to effectively enforce its environmental law. In 2014, the CEC implemented a new reporting approach for submissions on enforcement matters (SEM) as part of a continued commitment to transparency and to the SEM modernization process. The CEC Secretariat did not receive any new submissions that assert that one of the Parties is failing to effectively enforce its environmental law in 2014.

In November 1993, Mexico and the United States agreed on arrangements to help 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. As of December 30, 2014, NADB had contracted a total of $2.34 billion in loans and/or grant resources to partially finance 204 infrastructure projects certified by the BECC with an estimated cost of $6.87 billion.

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. Implementation of the obligations in the FTA generate export opportunities for U.S. goods and services providers, solidify Oman's trade and investment liberalization efforts, and strengthen intellectual property rights protection and enforcement.

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. Dates for the third meeting of the JC have not yet been set.

During the first meeting of the Subcommittee on Labor Affairs in April 2012, officials discussed the complaint mechanism of the labor chapter and potential areas of future labor cooperation. In 2014, Oman renewed the International Labor Organization's Decent Work Country Program. The program will work with the Omani government, in collaboration with unions and businesses, to promote social dialogue and resolve labor disputes, improve labor inspections, and strengthen technical and vocational training programs. The ILO program was launched in 2010 and will now continue through 2016, in part through funding from the U.S. Department of State. The renewal agreement was signed by the Sultanate of Oman, the General Federation of Oman Trade Unions and the Oman Chamber of Commerce and Industry. 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 concluding the FTA, which allowed independent unions in Oman for the first time. The Obama Administration is exploring new avenues to support the ongoing expansion of trade unions in Oman in 2015.

In June 2014, U.S. and Omani trade and environment officials met to discuss progress made to implement the Environment Chapter of the FTA. The governments reported on and discussed their progress in implementing obligations under the chapter, including those to establish high levels of environmental protection; effectively enforce domestic environmental laws; and provide opportunities for public participation in matters related to the implementation of the chapter. They held a public session, which included participation from civil society, business, and members of the press.

The officials also discussed ongoing environmental cooperation activities and adopted an updated plan of action for environmental cooperation. 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. In addition, the U.S. Department of Justice worked with MECA to update Oman's environmental laws, particularly the law on Conservation of the Environment and Prevention of Pollution and the Regulation on Controlling Air Pollutants Emitted by Immobile Sources. The U.S. Forest Service (USFS) helped Oman improve its institutional capacity to respond to oil spills and other environmental disasters and coordinated four Incident Command System planning courses in Oman. A total of 125 Omani officials from the MECA, Ministry of Health, and the National Committee for Civilian Defense participated in USFS trainings.

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 $10.8 billion in 2014, with U.S. goods exports to Panama totaling $10.4 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 most sensitive agricultural products will be phased out in 18 years 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 fourth round of tariff reductions took place on January 1, 2015. The TPA also provides significant new access to Panama's nearly $28 billion services market 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.

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 worked intensively during 2014 to continue to implement the provisions of the TPA and address issues of concern that arose during the year. The FTC held its first meeting on May 28, 2014, in Panama City, Panama. At the FTC meeting the United States and Panama reviewed the the first 19 months of implementation of the TPA. Both sides agreed that implementation was proceeding and providing new opportunities for our traders and investors. Recognizing the importance of an effective dispute settlement procedure to ensuring both countries' rights and benefits under the Agreement, the FTC took 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.

The United States and Panama also worked together 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 parties expect to finalize the rosters in 2015. The United States and Panama also made substantial progress in updating the TPA's rules of origin to correspond to the 2007 and 2012 changes in the Harmonized System (HS) nomenclature and expect to complete this effort in 2015. Completing this update will contribute to easing customs administration for customs authorities, producers, exporters and importers.

Labor

The TPA includes a Labor Chapter with commitments requiring both countries to adopt, maintain, and implement laws, regulations, and other measures to protect the fundamental labor rights described 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 reduce labor protections to encourage trade or investment. The obligations under the Labor Chapter are subject to the same dispute settlement provisions as the other obligations in the TPA and therefore are subject to the same remedies, and all of the Labor Chapter commitments are meant to enable workers and businesses to compete on a level playing field.

Panama undertook a series of major legislative and administrative actions beginning in 2009 to further strengthen its labor laws and labor enforcement. Panama reformed its laws to protect the right to strike, eliminate restrictions on collective bargaining, and protect the rights of temporary workers. Panama also took 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. In 2013 and 2014, Panama continued to conduct a series of targeted inspections to monitor compliance with laws on subcontracting and temporary workers, and publicly issued findings citing specific companies for violations.

The TPA also established a Labor Affairs Council comprising cabinet-level officials to oversee implementation and progress under the Labor Chapter. The inaugural meeting of the Council was held in Panama City on January 27-28, 2014. USTR and the U.S. Departments of Labor and State attended the meeting to engage with Panama's Ministry of Labor and Ministry of Commerce and Industry to review progress on the implementation of the TPA labor obligations and discuss areas for cooperation on labor rights issues. Cooperation activities in 2014 included promoting fundamental labor rights, improving labor inspections, increased monitoring of temporary work contracts and subcontracting arrangements, and reducing child labor. The Council concluded the inaugural meeting with an open public session where more than 50 stakeholders from Panama's labor unions, business groups, and other civil society organizations interacted directly with the Council representatives, including Panama's Vice Minister of Labor.

Environment

To promote environmental stewardship, and ensure that trade and environmental priorities are mutually supportive, the TPA contains an Environment Chapter with commitments requiring both countries to strive to provide for and encourage high levels of environmental protection. The United States and Panama are also obligated to adopt, maintain, and implement laws, regulations, and other measures to fulfill their obligations under certain multilateral environmental agreements, and not to fail to effectively enforce their environmental laws or to reduce environmental protections to encourage trade or investment. The environmental obligations under the TPA are subject to the same dispute settlement provisions as the other obligations in the TPA and therefore are subject to the same remedies.

The TPA established an Environmental Affairs Council (Council) composed of senior level officials who will meet annually to consider and discuss implementation of the Environment Chapter. These meetings are an important tool to evaluate progress to implement the environmental commitments of the TPA, discuss priority areas needing further attention, formulate a plan to achieve further progress, and provide for public participation. The United States and Panama held the inaugural Council meeting in Panama City, Panama on January 29, 2014, in conjunction with a meeting of the Environmental Cooperation Commission (Commission), a related body established under the United States-Panama Environmental Cooperation Agreement (ECA), which entered into force on December 7, 2013. The Council and Commission also held a public session on January 30, 2014, pursuant to the TPA Environment Chapter and the ECA, where over 30 stakeholders participated and had an opportunity to ask questions of, and provide comments to, officials from both countries.

At the January 29, 2014, meeting, the Council exchanged information on the operation of their respective environmental systems, and identified areas for further collaboration, such as sharing experiences about the role their advisory committees play in shaping environmental decision-making. The Council also reviewed implementation of the Environment Chapter of the TPA, including actions taken by the United States and Panama to increase levels of environmental protection, ensure effective enforcement of environmental laws, and provide opportunities for public participation in environmental governance and the trade policy setting processes. In particular, the United States reported, among other things, on the establishment of six new wildlife refuges since 2012 and the revision of national ambient air quality standards for harmful fine particulate matter. The United States also reported on enforcement activity by the U.S. Department of Justice's Environment Division. Panama reported, among other things, that it has assumed relevant commitments to implement laws for strict environmental protections, such as signing the Minimata Convention (which aims to protect human health and the environment from the adverse effects of mercury). Panama also reported it has encouraged social responsibility in business through cleaner production programs. Regarding enforcement, Panama indicated that in 2013, it assessed 181 fines for failure to comply with environmental laws, 92 forest related sanctions, and 60 sanctions for noncompliance with environmental impact assessments.

At the January 29 meeting, the Council also agreed on the next steps to designate a secretariat to receive and consider submissions from the public on matters regarding enforcement of environmental laws pursuant to Article 17.8 of the TPA. The secretariat mechanism is intended to promote public participation in the identification and resolution of environmental enforcement issues. In 2014, the Parties identified an entity to house the secretariat and took other steps to establish a secretariat.

Also on January 29, the Commission approved and signed the first United States-Panama Work Program for Environmental Cooperation under the ECA, which provides a robust framework for advancing environmental cooperation activities to support implementation of the Environment Chapter, such as strengthening enforcement of environmental laws and regulations, promoting sustainable management of environmental resources, and promoting environmental education, transparency, and public participation in environmental decision-making and enforcement.

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 $16.1 billion in 2014, with U.S. goods exports to Peru totaling $10.1 billion and U.S. goods imports from Peru were $6.1 billion. U.S. exports of agricultural products to Peru totaled $1.2 billion in 2014. Leading categories include: corn ($472 million), wheat ($146 million), cotton ($130 million), and dairy products ($69 million). U.S. foreign direct investment (FDI), primarily in the mining sector, in Peru (stock) was $10.1 billion in 2013 (latest data available), a 16.1 percent increase from 2012.

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, worker 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 and oversee the further elaboration of the PTPA. The FTC is led by the U.S. Trade Representative and the Peruvian Minister of Foreign Trade and Tourism or their designees. In June 2014, the FTC met for the fourth time to review the progress made under the PTPA since its entry into force. The FTC heard reports from several committees established under the PTPA that met and advanced their issues during 2014, such as Technical Barriers to Trade (TBT), and Small and Medium Size Enterprises (SMEs), to enhance cooperation and consultation between the Parties and address ongoing bilateral issues. The FTC also discussed a number of ongoing bilateral issues and cooperation efforts in other trade fora such as the ongoing work in the Trans-Pacific Partnership (TPP). TBT issues included Peru's Law to Promote Healthy Eating Among Children and Adolescents and Peru's Labeling of Biotechnology Foods. SMEs meetings discussed ways to ensure the economic inclusion of micro, small, and medium-sized enterprises that spur economic development and support jobs.

Labor

USTR continues to engage with the government of Peru to review progress on the implementation of the PTPA's labor provisions, including at the June 2014 FTC meeting. Concerns were raised by some U.S. apparel companies, as well as Peruvian and international civil society organizations, about Peru's laws on nontraditional exports, which include textiles, agricultural industry, and mining, where use of temporary workers and subcontracting are reportedly used with the effect of limiting workers' freedom of association and accrual of benefits. With trade capacity building funds, USAID implemented programs to improve the enforcement capacity of the Peruvian Ministry of Labor and to strengthen worker organizations as well as educate workers on their labor rights. In addition, the U.S. Department of Labor (DOL) is supporting the Solidarity Center to build the capacity of worker organizations in the textile/apparel, agricultural industry, and mining sectors in Peru.

In August 2014, USTR officials travelled to Lima, Peru to discuss environmental issues and held two meetings on labor issues, one with the Ministry of Labor and other Peruvian government officials, and a second jointly with the government of Peru and a wide range of labor stakeholders. In September 2014, DOL announced that it would fund a project to help build the labor law enforcement capacity of the Peruvian labor inspectorate. Funds for the project were awarded in December 22. In October 2014, government officials from the United States and Peru convened a second meeting of the Labor Affairs Council charged with overseeing the PTPA Labor Chapter's implementation in Lima, Peru. The Council is comprised of high-level government officials and oversees the implementation of the Labor Chapter, including the activities of the Labor Cooperation and Capacity Building Mechanism. The Council discussed ongoing cooperation on labor issues, and also exchanged information on the implementation of the Labor Chapter, which includes Peru's efforts to improve labor inspections, and address issues related to labor contracting. Also discussed at this meeting were a series of labor reforms Peru enacted in 2014, and stakeholder concerns regarding their impact on occupational safety and health norms, as well as the level of fines for labor law violations. The Council meeting concluded with an open public session, with the participation of more than 100 stakeholders from labor unions, businesses, and other interested groups.

Environment

The Environment Chapter of the PTPA contains commitments to ensure trade and environmental policies are mutually supportive, that environmental protection and enforcement are strengthened, and that public participation in environmental decision making is prioritized. It also contains a groundbreaking Annex on Forest Sector Governance (Forest Annex) that sets out a series of obligations for Peru to strengthen forest sector governance, combat illegal logging and illegal trade in timber and wildlife products, and further sustainable management of forest resources.

In 2014, the Parties continued to work closely to achieve further progress under the PTPA Environment Chapter and its Forest Annex, including through two meetings in Lima, Peru and one in Washington, D.C., both with broad participation by a range of government agencies from the United States and Peru. Following consultation with the Interagency Committee on Trade in Timber Products from Peru and other stakeholders, the United States submitted comments on Peru's draft regulation to implement its new Forestry and Wildlife Law in February 2014, with particular emphasis on those provisions that will support Peru's continued implementation of the Forest Annex. The United States and Peru met on several occasions to discuss these comments. In August 2014, officials from USTR, the Environmental Protection Agency, and the U.S. Department of State travelled to Peru to engage with Peruvian government officials and civil society groups on recent economic reforms that include changes to environmental provisions in Peru's laws. The United States is continuing to engage closely with Peru to discuss these reforms and will monitor their implementation in light of Peru's environmental commitments in the PTPA.

The United States and Peru also advanced implementation of the five Point Action Plan agreed to in January 2013. The Action Plan addresses specific challenges in Peru's forestry sector, including implementing anti-corruption measures, improving systems to track and verify the chain of custody of timber exports, ensuring timely criminal and administrative proceedings for forestry related crimes and infractions, and strengthening development of accurate annual operating plans for timber producers. In particular, the United States and Peru continued efforts to develop and implement 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. Additionally, in November 2014, the United States Forest Service and United States Department of Justice conducted the first of two training workshops to assist the government of Peru in combatting illegal logging pursuant to the Forest Annex and Action Plan. The Environmental Prosecutor's Office of Peru's Public Ministry hosted the workshop, which was widely attended by environmental prosecutors, police, customs agents, and forest service authorities.

Pursuant to Article 18.8 of the PTPA Environment Chapter, the United States and Peru also worked extensively to finalize the documents necessary to establish an independent environmental secretariat to receive submissions from the public alleging that one or both Parties is failing to effectively enforce its environmental laws.

A fact sheet outlining examples of progress to implement the PTPA Environment Chapter and Forest Annex is available at the following link: http://www.ustr.gov/sites/default/files/2013-Progress-under-the-Forest-Annex.pdf.

14. Singapore

United States-Singapore trade relations continued to grow steadily in 2014. U.S. goods exports were $30.5 billion in 2014, and U.S. goods imports were $16.5 billion. The United States had a $14.1 billion goods trade surplus with Singapore in 2014; the U.S. goods trade surplus with Singapore is our 5th largest goods trade surplus in the world. Since the United States.-Singapore Free Trade Agreement (FTA) entered into force in 2003, two-way goods trade between our two countries has increased by 48 percent, with U.S goods exports to Singapore increasing from 16.6 billion (2003) to 30.5 billion in 2014. Two-way investment has increased as well, from 53 billion (2003) to 174 billion.

The United States continued to monitor implementation of the FTA throughout 2014, consulting regularly with Singapore. The two sides also continued to discuss measures to further expand access for U.S. beef to the Singapore market, protection of intellectual property rights, and other issues reflecting a deep trade and investment relationship. The two sides worked to further deepen the trade and investment relationship in the Trans-Pacific Partnership (TPP) negotiation as well as through APEC, U.S-ASEAN, and WTO initiatives.

B. Other Bilateral and Regional Initiatives

1. The Americas

Free Trade Agreements

The United States continued to implement, enforce, and benefit from its six FTAs covering the following countries in the Americas: Canada and Mexico under NAFTA; Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua under CAFTA-DR; and separate bilateral FTAs with Chile, Colombia, Panama, and Peru. In addition, Canada, Chile, Mexico, and Peru are parties to the TPP negotiations, making the Americas region a very significant presence in the negotiation of this twenty-first

century agreement. (*A description of USTR's FTA focused activity in this region during 2014 can be found in Chapter III.A.*).

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. In May of 2013, the United States signed a Trade and Investment Framework Agreement (TIFA) with the Caribbean Community (CARICOM) to update and enhance a prior TIFA signed in 1991. The Trade and Investment Council established by the TIFA with CARICOM met for the second time on October 28, 2014, in Nassau, Bahamas. It addressed intellectual property rights protection, the development of electronic commerce infrastructure, the removal of barriers to bilateral trade, and U.S. technical assistance on sanitary and phytosanitary measures for agricultural products. USTR hosted a meeting of the United States – Uruguay Trade and Investment Council on May 9, 2014 during which the parties discussed market access for certain agricultural products, Uruguay's interest in joining the plurilateral negotiations on a Trade in Services Agreement, increased cooperation on SMEs, and intellectual property rights protection.

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 2014. Highlights of USTR's other priority activities in the region include:

Brazil

In October 2014, the United States and Brazil signed an MOU to permanently end the WTO cotton dispute, eliminating a longstanding irritant in our bilateral relationship. Under the terms of the MOU, Brazil formally terminated the WTO dispute and gave up its right to introduce countermeasures against U.S. trade or initiate any further proceedings in the dispute. Brazil also agreed not to bring new WTO actions against U.S. cotton support programs until September 30, 2018 or against agricultural export credit guarantees under the GSM-102 export credit guarantee program as long as the program is operated consistent with the agreed terms set out in the MOU. The United States made a final contribution of $300 million to the Brazil Cotton Institute. The MOU permits additional uses for the funds, in particular for research in conjunction with U.S. institutions and infrastructure used solely for the cotton sector.

Bilateral dialogue with Brazil is conducted under the Agreement on Trade and Economic Cooperation (ATEC), which was signed during President Obama's March 2011 trip to Brazil. 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. USTR plans to hold the next meeting under the ATEC during the first half of 2015.

Canada

President Obama and Prime Minister Stephen Harper created the U.S.-Canada Regulatory Cooperation Council (RCC) on February 4, 2011. Since then, U.S. and Canadian regulators have engaged in an unprecedented dialogue to facilitate closer cooperation between the two countries to help develop smarter and more effective approaches to regulations, and to help make the U.S. economy stronger and more competitive. In August 2014, the United States and Canada released the RCC Joint Forward Plan, which builds upon experience and advances the RCC from its initial, issue-based 2011 Joint Action Plan to new

partnership arrangements and a framework of more institutionalized commitments by U.S. and Canadian regulators.

The United States-Canada Beyond the Border Executive Steering Committee (ESC) met on September 4, 2014 to discuss progress in the three years since President Obama and Prime Minister Harper launched the Beyond the Border initiative to enhance cooperation on trade facilitation and ensure security at our shared border. The ESC includes participation from a number of U.S. and Canadian government agencies, as well as a Mexican government representative as an observer. The ESC will release the third annual Implementation Report to Leaders in the coming months.

As a result of the 1998 United States-Canada Record of Understanding on Agricultural Matters, the U.S.-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 December 2014 to reinforce the close working relationship between the United States and Canada and our respective agricultural sectors.

Mexico

In May 2013, President Obama and Mexican President Peña Nieto established the High Level Economic Dialogue (HLED) to further elevate and strengthen the dynamic bilateral commercial and economic relationship. The HLED, which is led at the cabinet level, is a flexible platform intended to advance strategic economic and commercial priorities central to promoting mutual economic growth, job creation, and global competitiveness. On January 6, 2015, Ambassador Froman joined Vice President Biden and other cabinet members for the second meeting of the HLED. The cabinet officials noted success in meeting 2014 strategic goals (*see* http://www.whitehouse.gov/the-press-office/2015/01/06/fact-sheet-us-mexico-high-level-economic-dialogue) and set out goals for 2015.

In October 2014, the U.S. Department of Transportation (DOT) announced the successful completion of a three year pilot program for cross-border trucking services with Mexico and converted all Mexican firms participating in the pilot program to regular DOT operating authority status. On January 15, 2015, DOT published procedures for additional Mexican firms to apply for cross-border trucking operating authority. Mexico will continue to operate its program, begun in 2007, for U.S. firms seeking to provide cross-border trucking services in Mexico. These steps were taken pursuant to the NAFTA's cross-border services provisions.

Also in 2014, the United States and Mexico, with support from the Standards Alliance, a public-private partnership between the U.S. Agency for International Development and the American National Standards Institute, conducted two important trainings in Mexico City to help facilitate trade. On November 3-7, a program entitled "Training on Conformity Assessment for Young Professionals," was held to raise awareness for developing the best practices in conformity assessment for regulations. On December 10-11, the North American Conference on Good Regulatory Practices was held to discuss best practices in regulatory development and ways to improve regulatory cooperation.

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. During 2014, the Office of Europe and the Middle East focused on pursuing negotiations on a comprehensive Transatlantic Trade and Investment Partnership (T-TIP) agreement with the EU; monitoring Russia's implementation of its WTO commitments and responding to

Russia's illegal actions in Ukraine; building initiatives in the Middle East/North Africa (MENA) region to support ongoing political and economic reforms as well as trade and investment integration, including through the implementation of FTAs, BITs, and TIFAs; and working with countries wherever possible, through TIFAs and other arrangements, to resolve trade concerns, expand trade and investment opportunities, and foster commercial and trade policies grounded in the rule of law.

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 $4.7 billion each day of 2014[29]. The total stock of transatlantic investment was $4.0 trillion in 2012. These enormous trade and investment flows constitute a key pillar of prosperity for the United States and Europe, and countries around the world benefit from access to the markets, capital, and innovations of the transatlantic economy.

To further strengthen this critical trade and investment relationship, President Obama announced on February 13, 2013 his intention to pursue comprehensive trade and investment negotiations with the EU. On June 17, 2013, President Obama and EU Leaders announced the launch of negotiations on a T-TIP agreement. By the end of 2014, negotiators have met in seven formal rounds, including four in 2014. President Obama and EU Leaders in November 2014 publicly reaffirmed their support for a comprehensive and ambitious agreement and directed their teams to make meaningful progress in 2015.

In establishing U.S. negotiating objectives for the T-TIP agreement, the Administration consulted closely with the U.S. Congress and a wide range of public and private sector stakeholders. The United States is seeking in T-TIP to:

- Further open EU markets to increase the $468 billion in goods and private services the United States exported in 2013 to the EU, our largest export market;
- Strengthen rules based investment to grow the world's largest investment relationship. The United States and the EU already maintain a total of $4.0 trillion in investment in each other's economies (as of 2013);
- Eliminate all tariffs on trade in goods;
- Tackle costly unnecessary "behind the border" nontariff barriers that impede the flow of goods, including agricultural goods;
- Obtain improved market access for trade in services;
- Significantly reduce the cost of unnecessary differences in regulations, standards, and conformity assessment procedures 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 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 the Middle East and North Africa

The revolutions and other changes that swept through the Middle East and North Africa beginning in 2011 have provided new opportunities, as well as new challenges, with respect to U.S. trade and investment

[29] Based on trade for first three quarters of 2014.

relations with MENA countries (especially countries in transition such as Tunisia, Morocco, Jordan, Egypt, and Libya). Pursuant to the President's call in his May 2011 speech to establish a new trade and investment partnership initiative with the MENA region, USTR has coordinated with other Federal agencies, outside experts, and stakeholders in both the United States and MENA partner countries to identify 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 2014, the United States continued to monitor, implement, and enforce U.S. FTAs in the region (Bahrain, Israel, Jordan, Morocco, and Oman); pursued TIFA consultations with Tunisia and Algeria (and sought revived engagement with Algeria as part of its WTO accession efforts); and sought new opportunities to cooperate more closely with Egypt.

In 2014, the United States enhanced its engagement with the Gulf Cooperation Council (GCC) countries as a group by negotiating the United States-GCC "Framework Agreement for Trade, Economic, Investment and Technical Cooperation." Delegations from the United States, the GCC Secretariat, and the six Member States (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates) held a meeting under the Agreement in June 2014, discussing key trade and investment issues including customs, intellectual property, control procedures for food imports, standards development, legal harmonization, and WTO initiatives. Enhanced U.S. dialogue with the GCC should help ensure that U.S. interests are fully represented as the GCC continues to develop as a regional organization that aims to harmonize standards, import regulations, and conformity assessment systems among its member states.

Responding to Russian Actions in Ukraine

In the first year of Russia's WTO membership, there were encouraging signs that Russia would continue its integration into the global trading community and become a constructive WTO Member. However, in the second year of Russia's WTO membership, that trajectory changed. Russia's use of unjustified and retaliatory trade measures against many of its neighbors, as well as against the United States, rejects the core principle of open trade based on the rule of law that sustains the WTO. Furthermore, as a result of Russia's illegal actions in Ukraine, the Obama Administration suspended almost all engagement with Russia on economic issues. USTR supported the Administration's efforts to politically isolate and impose economic costs on Russia through a carefully constructed sanctions regime.

Although the United States has restricted its bilateral engagement with Russia as a result of Russia's illegal actions in Ukraine, it has continued, and will continue, to remind Russia of its WTO commitments, and the benefits to Russia and to other WTO Members of Russia complying with those commitments. As reflected in USTR's second annual report on "Russia's Implementation of the WTO Agreement" issued in December 2014, https://www.ustr.gov/sites/default/files/Russia-WTO-Implementation-Report%20FINAL-12-20-13.pdf, as well as the its "Report on WTO Enforcement Actions: Russia" issued in June 2014, the United States has spent the past year urging Russia to implement fully its WTO commitments and using various WTO mechanisms to obtain compliance where Russia appears to fall short (for further information see the Enforcement Report available at http://www.ustr.gov/sites/default/files/06182014-2014-Russia-Enforcement-Report-FINAL.pdf). 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.

In light of the sanctions regime against Russia, the United States has engaged only minimally with the Eurasian Economic Commission (EEC), the administrative arm of the Russia-Kazakhstan-Belarus Eurasian Economic Union (EEU), on issues that fall within the EEC's competence (*e.g.,* TBT, SPS, and tariffs). As the EEC assumes more responsibility over the external trade policy of the Customs Union Parties, USTR will work with the EEC as well as with Russia to ensure compliance with the WTO rules and to open the EEU's markets to exports of U.S. goods.

Other Priority Trade Activities

In addition to the countries referenced above, the United States also engaged with other key countries in the European, western Eurasian and Middle East/North African regions to promote enhanced trade and investment ties, increase U.S. exports, foster the development of intraregional economic ties, and, where relevant, advance countries' accessions to the WTO (*see Chapter II.J.6. for more information on WTO accessions*).

Notable activities in 2014 included:

- *Turkey*: U.S. bilateral economic ties with Turkey have grown steadily over the last 15 years. Recognizing Turkey's growing importance as a trading partner, the U.S. Trade Representative and the Secretary of Commerce co-chair U.S participation in a ministerial level forum for enhancing bilateral engagement on economic and trade issues, known as the Framework for Strategic Economic and Commercial Cooperation (FSECC), which aims to reduce or eliminate barriers to bilateral trade and investment. U.S. and Turkish officials to date have conducted three formal FSECC meetings: October 2010 (Washington); June 2012 (Ankara); and May 2014 (Washington). The next meeting is envisioned for 2015 in Turkey. 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 EU, in May 2013 the United States and Turkey agreed to form a High Level Committee (HLC), associated with the FSECC to assess such potential impacts and seek new ways to promote bilateral trade and investment; the United States and Turkey held several working level consultations under the HLC in 2014. USTR Michael Froman and Turkish Minister of the Economy Zeybekci chair the HLC and most recently met in May 2014.

- *Ukraine*: The United States persuaded Ukraine to rescind its request to revise its tariff bindings. The United States also continued to work with the government of Ukraine to improve the protection and enforcement of intellectual property rights. Finally, the United States, working with the EU and other countries, sought to assemble an international financing package, including a bilateral loan guarantee, stabilize Ukraine's economy and support needed reforms.

3. Japan, Republic of Korea, and the Asia-Pacific Economic Cooperation Forum

Japan

United States-Japan Trade Relations

In 2014, the United States continued to engage Japan on a broad array of trade and trade-related issues, with the goal of eliminating barriers to trade and expanding access to Japan's market. The United States engaged in numerous rounds of negotiations with Japan in the context of the Trans-Pacific Partnership (TPP) negotiations, which Japan joined in July 2013. The United States and Japan likewise continued to hold negotiations in parallel to Japan's participation in the TPP talks to address issues of concern in the motor vehicle and insurance sectors, as well as other nontariff measures in areas such as express delivery, transparency, government procurement, and sanitary and phytosanitary measures. These negotiations yielded significant progress, but important gaps remained as 2014 drew to a close.

In addition, the United States worked closely with Japan to address trade issues of common interest, including those in third-country markets, bilaterally and multilaterally. This included closely coordinating on World Trade Organization (WTO) dispute settlement matters, working toward the successful conclusion

of negotiations to expand the WTO Information Technology Agreement, and working closely together in the Asia-Pacific Economic Cooperation (APEC) forum on addressing localization barriers to trade, improving supply chain performance in the region, and promoting trade liberalization in environmental services and manufacturing-related services.

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 FTA committee meetings and working groups under the U.S.-Korea Free Trade Agreement (KORUS 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. international economic agencies participate, are augmented by a broad range of senior level policy discussions. In 2014, the United States and Korea held a number of bilateral trade consultations, in which the United States raised a number of issues, including the importance of Korea not imposing regulations in the automotive sector that could restrict trade, and urging Korea to address concerns about unlicensed or infringing uses of copyrighted or patented products.

Korea has provided important market access for 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 2014, U.S. exports of beef and beef products to Korea topped $847 million, making Korea the fifth 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 economies worked together closely to achieve significant and concrete outcomes on a variety of initiatives to strengthen regional economic integration in the Asia-Pacific, in particular by improving supply chain performance in the region, addressing localization barriers to trade, and ensuring that APEC member economies implement their groundbreaking 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 agreement negotiations. Korea joined with the United States and others to launch negotiations in 2013 to conclude a Trade in Services Agreement (TiSA). TiSA now includes 23 economies and almost two-thirds of world services exports.

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. In 2011, the United States hosted APEC for the first time since 1993, which provided a unique opportunity to reduce barriers to U.S. exports and to more closely link our economy with the dynamic Asia-Pacific region. Since then, the United States worked with successive APEC hosts (Russia, Indonesia, and China) to build on the momentum created in its host year and ensure that APEC remains a forum that achieves concrete trade and investment outcomes of practical value to stakeholders.

In 2014, China hosted APEC for the first time since 2001, the year it joined the World Trade Organization and deepened its integration into the international community. China used its host year to send a signal to the Asia-Pacific region and the rest of the world that its commitment to regional economic integration, shared prosperity, and a cleaner environment was strong. The United States worked closely with China

throughout the year on making its trade and investment initiatives as concrete as possible, with a view to delivering practical results by the Leaders' meeting and in the future.

APEC Leaders and Ministers in their meetings in Beijing in the first week of November agreed to a number of outcomes for 2014 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 United States 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 55 percent of world GDP and about 44 percent of world trade. In 2014, United States-APEC total trade in goods was $2.5 trillion. Total trade in services was $407 billion in 2013 (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.

2014 Activities

Regulatory Transparency: Building on the Good Regulatory Practices initiative started in the United States' host year in 2011, APEC economies agreed to make public consultations on proposed regulations more open, transparent, and accessible to stakeholders through use of information technology and the Internet. Economies can draw from a set of voluntary steps for improving the conduct of their public consultations. These steps include using public web portals to provide early notice of proposed rules; providing a period, such as 30 days to 60 days, for public comment when conducting public consultations online; and accepting online comments from any stakeholder anywhere in the world and taking those comments into account. Economies also agreed to explore using social media tools to reach out to stakeholders during regulatory processes. The United States will provide capacity building and technological solutions to help economies implement these actions.

Supply Chain Connectivity and Performance: APEC Leaders in 2013 established a new Supply Chain Connectivity Sub-Fund; instructed officials to develop a capacity building plan to assist economies, particularly developing economies, in overcoming specific obstacles they face in enhancing supply chain performance; and encouraged economies to contribute necessary resources to the Sub-Fund to execute the capacity building plan. In 2014, APEC continued its work by (1) endorsing a plan for robust, targeted capacity building in individual economies to improve supply chain performance and implement the WTO Trade Facilitation Agreement; (2) establishing a new public-private body, the APEC Alliance for Supply Chain Connectivity, that focuses on helping with this capacity building; and (3) completing a set of APEC commissioned studies that explain how economies can further reduce the time, cost, and uncertainty of moving goods through the region by addressing specific chokepoints in supply chains. APEC's supply chain work will make it significantly cheaper, easier, and faster for businesses to trade in the region. Examples of the types of chokepoints include burdensome customs procedures and documentation requirements, inefficient clearance of goods at the border, and inadequate transportation infrastructure, all important to the logistics sector.

Promoting Environmental Goods and Services: To ensure the implementation of APEC's groundbreaking 2011 commitment to reduce tariffs on environmental goods to five percent or less by the end of 2015, economies agreed to submit implementation plans by the time of the Ministers Responsible for Trade Meeting in the spring of 2015. APEC also agreed to launch a new initiative on addressing barriers to trade in services. Through the new APEC Public-Private Partnership on Environmental Goods and Services (PPEGS), the private sector and government officials discussed industry trends, avenues for cooperation, and nontariff measures impacting trade in environmental goods and services, such as local content requirements and government support measures.

Advancing Regulatory Cooperation – Electric Vehicles: To promote the widespread use of environmentally friendly, technologically advanced electric vehicles, APEC economies agreed to several steps, including: (1) using international standards as the basis for regulations on electric vehicles; (2) creating a priority list of international standards important for electric vehicles; and (3) working towards aligning regulations and avoiding regulatory divergences, particularly regarding electric vehicle charging; and establishing an APEC Electric Vehicles Interoperability in Research Center to help economies meet their regulatory alignment objectives. Implementation of these actions will encourage greater electric vehicle production and use - and greater trade and investment opportunities - while advancing APEC's green growth, connectivity, and regional economic integration objectives.

Localization Barriers to Trade: APEC noted a proposal from the United States to study 'localization policies' as a trade and investment issue that could impact global value chains. The United States intends to build on this outcome in 2015 by educating economies on why localization policies pose significant threats to regional economic integration, economic growth, and competitiveness.

Trade Secrets: APEC economies recognized the importance of trade secrets protection and enforcement to innovation, foreign direct investment, and the commercialization of research and development. Economies are now in a better position to take new steps next year on trade secrets, such as identifying best practices for trade secrets protection and enforcement.

Free Trade Area of the Asia-Pacific (FTAAP): APEC agreed to study issues related to realizing the FTAAP. The study will conduct a thorough assessment of Regional Trade Agreements and Free Trade Agreements in the region, for example by examining how existing agreements include WTO-plus provisions or provisions not otherwise addressed by the WTO. The study will also look at barriers to trade and investment among APEC members that the FTAAP could address. This study does not change the 2010 APEC Leaders' decision that the FTAAP would occur outside of APEC and would based on ongoing regional undertakings, such as the Trans-Pacific Partnership (TPP).

Supporting the Multilateral Trading System and the World Trade Organization: APEC Leaders in November, 2014 reiterated the value, centrality, and primacy of the multilateral trading system in promoting trade expansion, economic growth, job creation, and sustainable development, and agreed to stand firmly together to strengthen the rules based, transparent, nondiscriminatory, open, and inclusive multilateral trading system as embodied in the WTO. The grave concern they expressed regarding the impasse at the WTO with respect to the implementation of the Trade Facilitation Agreement facilitated the agreement the United States reached with India on overcoming this impasse in the days following the APEC Leaders meeting. APEC Leaders also reaffirmed their commitment to roll back protectionist and trade distorting measures and extended their standstill commitment to refrain from protectionist measures, including not raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing WTO consistent measures, through 2018.

WTO Information Technology Agreement (ITA): The continued emphasis that APEC Leaders placed on swift conclusion of the negotiations to expand the product coverage of the ITA was critical in producing a bilateral understanding between the United States and China on the scope of that product coverage during the Leaders' Week meetings. Leaders encouraged the swift conclusion of a balanced and commercially significant outcome of the negotiations to expand product coverage of the WTO Information Technology Agreement, and also sought expanded membership of the ITA.

4. China, Hong Kong, and Taiwan

China

See 2014 USTR Report to Congress on China's WTO Compliance: https://ustr.gov/sites/default/files/2014-Report-to-Congress-Final.pdf.

U.S.-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, Hong Kong opened its market fully to all U.S. beef and beef products in June 2014. In 2013, the World Organization for Animal Health (OIE) had upgraded the U.S. risk classification for bovine spongiform encephalopathy (BSE) to negligible risk.

U.S.-Taiwan Trade Relations

The U.S.-Taiwan Trade and Investment Framework Agreement (TIFA) Council held under the auspices of the American Institute in Taiwan (AIT) and Taipei Economic and Cultural Representative Office in the United States (TECRO) remains the primary 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 2014 TIFA, co-chaired by Deputy USTR Wendy Cutler and Taiwan Vice Minister of Economic Affairs Cho Shih-Chao, was held on April 4 in Washington, D.C. Prior to the April TIFA Council meeting, experts convened meetings of the Investment Working Group and Technical Barriers to Trade Working Group established at the 2013 TIFA and held numerous expert level discussions on issues including intellectual property rights, agriculture, medical devices, and pharmaceuticals.

In 2014, the TIFA process yielded important concrete results to U.S. and Taiwan stakeholders. The TIFA provided a platform for both sides to share technical experiences in the area of protecting and enforcing against trade secret theft, and the United States welcomed amendments to Taiwan laws in 2013 and 2014 that increased penalties for trade secret theft and provided improved investigatory tools to enhance enforcement against this global problem. At the 2014 TIFA, there was also concrete progress on issues related to transparency and predictability in pharmaceutical pricing and reimbursement policies in Taiwan. Notable advancements on investment and services included clarifying the criteria used by Taiwan authorities to review investments and the lifting of data center localization requirements in the banking sector. On technical barriers to trade, Taiwan took steps to resolve longstanding U.S. concerns related to multipack labeling requirements and incombustibility testing methods. The United States and Taiwan had productive engagement on some agricultural issues of concern to both sides.

The United States hopes to build upon this progress in 2015 by ensuring full implementation of past TIFA commitments and achieving concrete progress on remaining issues. The United States remains very concerned about Taiwan agricultural policies that are not based upon science. Taiwan's ban on U.S. pork and certain beef products produced using ractopamine, as well as continued barriers affecting U.S. beef offal products are key areas of focus. Other areas of attention on agricultural matters include market access for meat products, establishing maximum residue levels for pesticides, Taiwan's rice procurement systems, issues related to the Food Safety and Sanitary Act amendments, and recognition of U.S. certified organic products in Taiwan.

In other areas, such as intellectual property rights, pharmaceuticals and medical devices, investment, and technical barriers to trade, the United States is are also looking to work to find solutions through TIFA

engagement. In particular, key concerns include ensuring that there is no reduction in IPR enforcement efforts, including against online piracy (including online piracy facilitated by media boxes) and textbook piracy. We will continue to engage with intellectual property (IP) officials as Taiwan revises its Copyright Act. Transparency and predictability in pharmaceutical and medical device pricing and reimbursement, and other regulatory issues will also continue to be emphasized and work will build upon commitments to strengthen IP protections for innovative pharmaceutical products in Taiwan. The Investment Working Group and Technical Barriers to Trade Working Group under the TIFA are also continuing to meet to push for substantial progress to promote transparency and predictability in Taiwan's investment regime and to ensure that technical regulations do not create excessive burdens for the industries that they affect, such as chemicals, cosmetics, and consumer products.

5. Southeast Asia and the Pacific

Free Trade Agreements

The United States continued to monitor and enforce its FTAs with Singapore and Australia, which have led to significant increases in U.S. goods and services exports to both countries (*see Chapter III.A. for additional information*).

Trans-Pacific Partnership

In 2014, the United States made substantial progress toward completing the Trans-Pacific Partnership (TPP), an ambitious, comprehensive, Asia-Pacific trade and investment agreement that currently includes 12 countries representing approximately 40 percent of the global economy. The TPP will advance U.S. economic interests with the fastest growing region of the world and expand U.S. exports, which are critical to U.S. economic growth and supporting and retaining high-paying, high-quality jobs in the United States. The TPP will establish high-standard rules for trade and investment among key Asia-Pacific economies, reflecting U.S. interests and values, and create a platform for more closely integrating economies across the Asia-Pacific region.

The United States and its TPP partners – Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam – held four ministerial meetings and six full chief negotiator and working group meetings in 2014, as well as many bilateral and small group meetings to close the gaps on specific issues. The 12 countries worked to achieve their shared objective of concluding a high-standard agreement that will update issues traditionally included in Free Trade Agreements (FTAs), as well as address new and emerging challenges, including issues related to intellectual property, electronic commerce, competition policy and State-owned enterprises, transparency and anticorruption, environment, and labor. They also furthered their market access work with regard to goods, services, investment, and government procurement. In addition, they advanced work on cross-cutting issues to ensure that the benefits of TPP are shared as widely as possible in each TPP economy, such as making the regulatory systems of TPP countries more seamless; enhancing competitiveness and the development of regional production and distribution chains; helping SMEs, a key source of innovation and job creation, to participate more actively in international trade; and promoting development.

In November 2014, President Obama and the Leaders from the other 11 TPP countries met in Beijing, China on the margins of the APEC Leaders' Meeting. They welcomed the progress made by Ministers and negotiators toward conclusion of an agreement and noted that the end of the negotiation was coming into focus. They committed to working to complete an ambitious, comprehensive, high-standard agreement as soon as possible.

Throughout 2014, the Administration continued to consult closely with the U.S. Congress and stakeholders on the outstanding issues in the TPP negotiations. The Administration will continue to work collaboratively with the U.S. Congress and to consult with stakeholders as they work to conclude the negotiations in order to ensure that the agreement best advances U.S. economic priorities.

While the United States and the other TPP members are currently focused on completing the TPP negotiations, they intend to eventually expand the agreement to include other economies across the Asia-Pacific region that are prepared to adopt the TPP's ambitious commitments. Several economies have expressed interest in potentially joining the agreement and the Administration will continue to engage with them, in close consultation with the U.S. Congress and domestic stakeholders.

Managing U.S.-Southeast Asia and Pacific Trade Relations

In 2014, the United States held several meetings with countries in Southeast Asia under our bilateral Trade and Investment Framework Agreements (TIFAs). During these meetings, the United States sought to resolve bilateral trade issues in areas such as customs, intellectual property protection and enforcement, market access for industrial and agricultural products, regulatory and other non-tariff barriers facing U.S. manufacturers and services suppliers, and other trade-related issues, including worker rights and protections. The United States also used these meetings to work with our trading partners in the region to monitor implementation of WTO commitments and to coordinate on ASEAN, APEC, and WTO issues. In addition, the U.S. Government provided updates on the TPP Agreement and discussed the interest of some ASEAN countries in potentially joining the initiative.

For example, in June, the United States held a first-ever TIFA meeting with Burma, addressing economic reform, implementation of Burma's WTO commitments, and labor rights. The U.S. Government also continued to work in 2014 to support Laos' implementation of its WTO accession commitments and commitments under the United Stated-Laos Bilateral Trade Agreement. In addition, progress was made on several economic issues with the Philippines, including significant advances in the protection and enforcement of intellectual property rights, progress on worker rights issues, actions to further strengthen bilateral agricultural trade, and special WTO treatment for the Philippines' rice imports through 2017 based on a bilateral understanding. The United States and Indonesia settled the WTO dispute regarding the U.S. ban on certain flavored cigarettes. The settlement is part of a broader understanding, according to which the United States and Indonesia have also agreed to enhance their efforts to cooperate on issues of mutual interest and build the trade relationship. The Memorandum of Understanding between Indonesia and the United States is available online: http://www.ustr.gov/countries-regions/southeast-asia-pacific/indonesia.

The United States also used our TIFAs and other bilateral meetings with Southeast Asian countries to coordinate economic assistance projects on labor rights and protections. To promote improved labor rights, the United States funded programs by the International Labor Organization to monitor labor conditions in certain Vietnamese factories and provide technical assistance to amend labor regulations, as well as programs by non-government organizations to support the capacity of workers to understand and exercise their labor rights. In November 2014, the United States launched a joint Initiative to Promote Fundamental Labor Rights and Practices together with Burma, the International Labour Organization, Japan, and Denmark. The initiative is designed to improve Burma's system of labor administration through multi-year labor law reform and foster strong relations among businesses, workers, civil society organizations, and the government of Burma through a stakeholder consultative mechanism.

Expanded Economic Engagement/U.S.-ASEAN Trade and Investment Framework Arrangement

In addition to these bilateral dialogues, the United States engaged with ASEAN under the United States-ASEAN TIFA and the ASEAN-United States Expanded Economic Engagement (E3) initiative. The United

States continues to pursue several initiatives to expand and deepen economic engagement with the fast-growing ASEAN countries, which collectively represent the fourth largest U.S. trading partner and have a combined GDP of $2.5 trillion. The United States held several high-level meetings with ASEAN in 2014 to advance initiatives under E3 and the U.S.-ASEAN TIFA, including in the areas of 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 August, the United States and ASEAN hosted the 2nd ASEAN-United States Business Summit, which focused on improving the capacity of SMEs to connect to regional and global supply chains.

6. Sub-Saharan Africa

Overview

During August 4-6, 2014, President Obama held a United States-Africa Leaders Summit (ALS), the first of its kind and the largest event any U.S. President has held with African heads of state and governments. Trade and investment issues were a major theme of the Summit. The Leaders agreed on the importance of expanding trade and investment ties between the United States and Africa and on the prompt, long-term renewal of an enhanced African Growth and Opportunity Act (AGOA) (*See Section V. B. 8. C.*). On August 4, 2014, President Obama issued a Presidential Memorandum that established a Trade and Investment Capacity Building Steering Group for U.S. Government programs aimed at supporting trade and investment capacity building efforts in sub-Saharan Africa.

As part of the ALS, the President also hosted the United States-Africa Business Forum. The Summit and related events strengthened ties between the United States and Africa and advanced our trade agenda with the continent.

During the Summit week, Ambassador Froman chaired the annual AGOA Ministerial Forum (see below), during which he outlined the Administration's proposals for modernizing and renewing AGOA as well as placing it at the center of a comprehensive trade and development strategy for Africa.

During 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 the World Economic Forum on Africa, Trade Africa, Trade and Investment Framework Agreements (TIFAs) with various African countries and regional economic communities, Bilateral Investment Treaties (BITs), and AGOA.

World Economic Forum on Africa

Ambassador Froman participated in the World Economic Forum on Africa, held in Abuja, Nigeria May 7-9, 2014. He met with African heads of state and other government as well as private sector leaders to advance U.S. trade and investment-related issues in Africa, and, in particular, to consult on the future of the AGOA.

Trade Africa/United States-EAC Trade and Investment Partnership

During his landmark visit to sub-Saharan Africa in the Summer of 2013, President Obama announced a new initiative, Trade Africa, which is a partnership between the United States and 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 member states of the East African Community (EAC) – Burundi, Kenya, Rwanda, Tanzania, and Uganda. Trade Africa supports increased U.S.-EAC trade and

investment, building upon the United States-EAC Trade and Investment Partnership announced in June 2012.

USTR and other agencies continued to advance the Trade Africa initiative in 2014 including by: negotiating a 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, which will be signed on February 26, 2015; exploring a United States-EAC Investment Treaty to contribute to a more attractive investment environment in East Africa; facilitating U.S.-EAC private sector engagement under the United States-EAC Commercial Dialogue; transforming the East Africa Trade Hub into the East African Trade and Investment Hub to provide additional information, advisory services, and risk mitigation and financing to encourage linkages between United States and East African investors and exporters; and developing a new partnership with TradeMark East Africa, a multidonor project focused on supporting regional economic integration within the EAC.

In August 2014, in conjunction with the United States-Africa Leaders Summit, U.S. Trade Representative Michael Froman held a trade ministerial meeting with the EAC Secretary General and Trade Ministers from each of the five EAC countries to discuss progress in meeting the goals for the U.S.-EAC partnership.

Total two-way goods trade between the United States and the EAC was an estimated $2.8 billion in 2014, with $2.0 billion in U.S. goods exports, and U.S. goods imports totaling $743 million. Kenya was by far the United States' top trading partner within the EAC, with two-way goods trade totaling $2.2 billion, followed by Tanzania with $391 million, Uganda with $123 million, Rwanda with $62 million, and Burundi with $10 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.

Trade and Investment Framework Agreement (TIFA) Council Meeting with Nigeria

On March 11, 2014, the United States hosted the eighth meeting of the United States-Nigeria Trade and Investment Framework Agreement (TIFA) Council. Topics discussed included improving market access, local content policies, utilization of AGOA, protection of intellectual property rights, implementation of the WTO Trade Facilitation Agreement, and improving Nigeria's investment climate. Ambassador Froman led the U.S. delegation, while Minister of Industry, Trade and Investment, Dr. Olusegun O. Aganga, represented Nigeria. This TIFA Council meeting advanced common bilateral trade and investment interests and deepened the overall bilateral relationship.

Trade and Investment Framework Agreement (TIFA) Council Meeting with Angola

On April 1-2, 2014, the United States hosted the second meeting of the United States-Angola TIFA Council. Discussions focused on the U.S.-Angola trade relationship, protection of intellectual property rights, development of agri-business, and improving bilateral investment opportunities. Discussions were led for the United States by U.S. Trade Representative Michael Froman and for Angola by Angolan Minister of Trade Dr. Rosa Escorcio Pacavira de Matos. The TIFA Council plays a key role in advancing the common trade and investment interests of the United States and Angola and in strengthening the overall U.S.-Angola relationship. It is a critical part of comprehensive U.S. engagement with the Angolan government to promote sound trade policies and advance sustainable and inclusive development.

Trade and Investment Framework Agreement (TIFA) signed with ECOWAS

On August 5, 2014, Ambassador Froman and the President of the Economic Community of West African States (ECOWAS) signed a Trade and Investment Framework Agreement aimed at enhancing U.S. discussions on trade and investment issues with countries of the West Africa region. This Agreement will

provide a strategic framework and principles for dialogue on trade and investment issues between the United States and ECOWAS. Through this process, the United States and ECOWAS will consult on a wide range of issues related to trade and investment. Topics for consultation and possible further cooperation include market access issues, labor, the environment, protection and enforcement of intellectual property rights, and capacity building. The United States is a strong supporter of regional economic integration in Africa, and this agreement will provide a venue to promote and facilitate such integration in West Africa.

Progress on Bilateral Investment Treaties

Negotiations or exploratory talks on potential bilateral investment treaty negotiations continue with several African partners, including the East African Community, Gabon, and Mauritius.

7. South and Central Asia

Advancing the United States-India Trade and Investment Relationship

The United States and India continued to work in 2014 towards strengthening the bilateral economic relationship by focusing efforts on policy actions that inhibit trade and investment flows between the two countries. In September, President Barack Obama and Prime Minister Narendra Modi met in Washington, D.C. and discussed a range of trade issues. Highlighting their shared interest in promoting investment in manufacturing, they agreed to "work through the Trade Policy Forum to promote a business environment attractive for companies to invest and manufacture in India and in the United States." The two leaders also placed a priority on addressing intellectual property concerns, issuing a joint statement that they are "committed to establish an annual high-level Intellectual Property (IP) Working Group with appropriate decision-making and technical-level meetings as part of the Trade Policy Forum."

Following up on the direction from President Barack Obama and Prime Minister Narendra Modi, U.S. Trade Representative Ambassador Michael Froman met with his counterpart, Indian Minister of Commerce and Industry Ms. Nirmala Sitharaman, in New Delhi in November for the eighth ministerial-level Trade Policy Forum (TPF). The United States-India TPF is the principal bilateral forum for discussing trade and investment issues. The two governments signaled their readiness to enhance bilateral trade and investment ties in a manner that promotes economic growth and job creation in the United States and India. Ambassador Froman and Minister Sitharaman discussed and exchanged views on a range of trade and investment issues, in particular: (i) promoting investment in manufacturing, (ii) intellectual property, (iii) agriculture, and (iv) services**.** Technical-level working sessions convened in advance of the TPF prepared detailed work plans for continued engagement in these areas in 2015. A new Dialogue on Promoting Investment in Manufacturing will identify best practices in specific policy areas, such as notice and comment and conformity assessment procedures, that can encourage investment in manufacturing, create jobs, and increase competitiveness without distorting trade and investment in India and the United States. The new high-level Intellectual Property (IP) Working Group will focus on the protection and enforcement of intellectual property rights, with a particular emphasis on patents, copyrights, trade secrets, and traditional medicine. A wide range of agricultural and services market access issues will also be addressed through continued technical engagement in 2015.

Ambassador Froman and Minister Sitharaman also discussed the progress achieved at the WTO, where an understanding on the issue of public stockholding for food security purposes and the Trade Facilitation Agreement had been reached. The United States and India engage frequently in the WTO, as both countries are active participants in the organization. The United States uses all appropriate WTO mechanisms to address trade and investment issues with India, including a pending dispute to resolve longstanding U.S. concerns with local content requirements in India's national solar policy, and raising concerns in WTO

Committees in concert with other WTO Members about India's localization measures.

As part of its 2014-2015 budget process, India opened services sectors such as defense and railways to more foreign direct investment and is seeking to adopt measures to ease foreign investment restrictions in other areas, including insurance. The United States encouraged India to further liberalize its services regime and to eliminate tariffs in a host of sectors to help India integrate into global supply chains and achieve its investment and development goals. The United States and India also discussed future work towards concluding a high standard bilateral investment treaty (BIT).

Contributing to Regional Stability

In support of top U.S. national security objectives in Afghanistan, Pakistan, Iraq, and Central Asia in 2014, USTR strengthened engagement with these countries as part of a broader effort to boost trade, employment, 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 2014 include:

- USTR worked 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 agreed to focus efforts on improving trade and investment flows, as well as assisting Afghanistan in joining the World Trade Organization (WTO).

- In March 2014, USTR hosted the first TIFA Council meeting with Iraq to discuss ways to advance the United States-Iraq bilateral trade relationship and better integrate the Iraqi economy into the global marketplace. Discussions focused on accession to the WTO, dispute resolution, and the use of international standards in agriculture and government procurement.

- During the May 2014 TIFA Council meeting, USTR led the development of a U.S. Government-wide implementation plan to increase trade and investment flows between the United States and Pakistan over the next five years. That goal was first outlined by President Obama and Pakistan's Prime Minister Nawaz Sharif in October 2013. Among other initiatives, Pakistan and the United States will intensify engagement on trade and investment issues by bringing together U.S. and Pakistani companies, focusing on addressing intellectual property protection issues as identified in the Special 301 Report, reviewing needed legal and regulatory reforms, addressing investment climate issues, and, if reauthorized, conducting outreach to the private sector in Pakistan to promote a better understanding of the U.S. Generalized System of Preferences (GSP) program.

- With USTR, the USAID Missions in Afghanistan, Pakistan, along with the Central Asia Regional mission have developed and supported implementation of cross-border trade agreements throughout the region, including the Afghanistan Pakistan Transit Trade Agreement (APTTA) and South Asian Free Trade Area (SAFTA) Agreement. Border crossing procedures have been enhanced with joint training and collaboration.

Supporting Workers Rights in Bangladesh

Following the 2013 suspension of Bangladesh's GSP benefits based on shortcomings related to worker rights, USTR dedicated significant time in 2014 to work with the government of Bangladesh and other stakeholders to monitor Bangladesh's progress in addressing U.S. concerns. In consultation with interagency U.S. government partners, USTR has determined that, although Bangladesh has made some progress, especially with respect to fire and building safety, more work remains on labor issues, such as

worker rights to associate, union registration, and protecting labor leaders from violent reprisals, before GSP benefits can be restored. USTR will continue to work with all stakeholders in 2015 to encourage additional progress towards restoring GSP benefits.

In 2014, 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 a means for the U.S. Government to track and discuss Bangladeshi efforts to improve worker safety and worker rights.

Communicating the Importance of Ensuring Women's Economic Empowerment through Trade and Investment Agreements in Central and South Asia

In 2014, the United States worked with partner governments in the region, the private sector, think tanks, the press, and U.S. Embassies to effectively explain the importance of empowering women entrepreneurs and business owners to better take advantage of trade and investment opportunities. USTR successfully completed Memoranda of Understanding (MOU) with the governments of Pakistan and Kazakhstan on Women's Economic Empowerment. These MOUs set the stage for talks with other Central and South Asian partners on how to jointly work toward empowering women, with a focus on women entrepreneurs and business owners. Empowering women and women entrepreneurs in Central and South Asia will be an important goal for USTR in the coming years.

Advancing U.S. Engagement with Central Asia

In June 2014, USTR supported the Administration's strategy towards Central Asia by hosting the United States-Central Asia TIFA Council meeting in Washington. Turkmenistan, Kazakhstan, the Kyrgyz Republic, Tajikistan, Uzbekistan, as well as Afghanistan, an observer to the TIFA, attended the TIFA Council meeting. The United States led Working Group meetings on customs issues, women's economic empowerment, and energy trade, and conducted Bilateral Working Group consultations with each of the TIFA Parties. The next TIFA Council Meeting will take place in 2015 in Central Asia.

In 2014, the United States continued its intensive engagement with Kazakhstan, the largest economy currently actively negotiating to enter the WTO. USTR convened several bilateral meetings with senior Kazakhstani authorities to advance Kazakhstan's WTO accession process. USTR discussed U.S. concerns about Kazakhstan's agricultural policies (including domestic support, export subsidies, and tariff-rate quotas) and Kazakhstan's commitments on sanitary and phytosanitary measures. USTR also participated in Working Party meetings at the WTO aimed at revising Kazakhstan's Working Party report to reflect the changes that have taken place in Kazakhstan's trade regime and legal framework as a result of its entry into the Eurasian Economic Union with the Russian Federation and Belarus on January 1, 2015.

Improving Trade and Investment Relations with Sri Lanka, Nepal, and the Maldives

At a United States-Sri Lanka TIFA Council meeting in October 2014, USTR led a discussion on a wide range of trade and investment issues, including market access, the GSP, workers' rights, trade promotion efforts, intellectual property rights, agriculture, and sector-specific investment challenges. Progress on all of these trade and investment issues provides a strong foundation for inclusive economic development as Sri Lanka continues to emerge from its protracted civil war.

USTR re-energized its economic engagement with the Maldives in 2014 in the first-ever meeting under the United States-Maldives TIFA. USTR discussed ways to improve worker rights in the Maldives and strategies to increase bilateral trade and investment in the country's fishing and tourism industries.

Nepal is working to identify areas of cooperation with the United States on improving the trade and investment relationship. After years of interim governments, Nepal is looking to a more stable future where trade and investment can play a major role in its development.

IV. OTHER TRADE ACTIVITIES

A. Trade and the Environment

During the course of 2014, the Administration achieved significant results on trade and environment matters in multiple fora, including through multilateral, regional, and bilateral trade initiatives. In the WTO, the United States and 13 other WTO Members launched the Environmental Goods Agreement (EGA) negotiations, an initiative aimed at achieving global free trade in environmental technologies such as wind turbines, water treatment filters, and solar water heaters. In the TPP negotiations, the United States continued to press for commitments to address environmental issues in the Asia-Pacific region, including such conservation challenges as combating wildlife trafficking and illegal logging and addressing marine fisheries issues, as well as commitments to liberalize trade in environmental goods and services. The Administration continued to prioritize implementation of the free trade agreements (FTAs) currently in force, including by working closely with the government of Peru to implement a bilateral action plan to advance forest sector reforms. In keeping with the increased integration of environmental considerations across multiple multilateral, regional, and bilateral fora, this section includes an assessment of recent developments on trade and environment in specific sections devoted to these various fora.

1. Multilateral Fora

As described in more detail in Chapter II of this report, the United States has continued to explore fresh and innovative approaches to all aspects of the WTO's trade and environment work. The Administration also has sought to orient activities in the OECD Joint Working Party on Trade and Environment to focus on value-added contributions to ongoing WTO work, as well as strong analytical research on the interface between trade and clean energy policies.

On July 8, 2014, the United States and 13 other WTO members, accounting for 86 percent of global trade in environmental goods, launched the EGA negotiations in Geneva, Switzerland under WTO auspices. The EGA aims to eliminate tariffs affecting a broad set of environmental technologies, building on APEC Leaders' commitment to reduce applied tariffs on a list of 54 environmental goods to 5 percent or less by the end of 2015. Global trade in environmental goods is estimated at nearly $1 trillion annually, and some WTO Members charge tariffs as high as 35 percent on these goods. The United States exported $111 billion of environmental goods in 2013, and U.S. exports of environmental goods have been growing at an annual rate of 6.3 percent since 2009. By eliminating tariffs on these products, we can improve access to the technologies that the United States and other countries need to protect our environment, while unlocking opportunities for U.S. exporters and spurring innovation in green technologies. 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 EGA negotiations.

USTR continues to participate in formulating and carrying out U.S. policy regarding various multilateral environmental agreements (MEAs) to enhance compatibility between activities under those agreements and U.S. trade policy. USTR continued to play an active role in the ongoing United Nations Framework Convention on Climate Change negotiations. Additional examples of MEAs where USTR contributed to U.S. policy development include the Minamata Convention on Mercury, 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 Transboundary Movements of Hazardous Wastes and their Disposal, the Convention on Biological Diversity and its Cartagena Protocol

and Nagoya Protocol, and the Stockholm Convention on Persistent Organic Pollutants. USTR also actively engaged in U.S. policy development under relevant regional fisheries management organizations and the International Tropical Timber Organization.

2. Bilateral and Regional Activities

As described in more detail in Chapter III of this report, USTR ensured concrete achievements supporting green growth and trade during 2014.

USTR made substantial progress in 2014 in advancing an ambitious set of environmental proposals in the TPP negotiations, including with respect to effectively enforcing environmental laws, enhancing transparency and public participation, combating wildlife trafficking and illegal logging and associated trade, disciplining harmful fisheries subsidies that contribute to overfishing and overcapacity or support vessels engaged in illegal fishing, and promoting trade in environmental goods and services. Together, these U.S. proposals offer the opportunity to strengthen environmental protection throughout the dynamic Asia-Pacific region and forge a new high standard for environmental provisions in trade agreements. Likewise, in the T-TIP negotiations, the Administration is seeking ambitious environmental commitments including commitments relating to the protection and conservation of wildlife, marine fisheries, and forest resources.

During 2014, USTR was active in monitoring implementation of environmental provisions in FTAs. For example, with respect to the Peru Trade Promotion Agreement (PTPA), the United States and Peru held multiple meetings with broad participation from a range of government agencies, as well as stakeholders, to discuss issues relating to implementation of the Environment Chapter of the PTPA and the Annex on Forest Sector Governance (Forest Annex). Notably, the two governments finalized the arrangements to establish an independent environmental secretariat to receive submissions from the public in accordance with Article 18.8 of the PTPA alleging that a Party is failing to effectively enforce its environmental laws. In addition, in August 2014, officials from USTR, the Environmental Protection Agency, and the Department of State travelled to Peru to meet with Peruvian government officials and civil society groups on recent economic reforms that include changes to Peru's environmental laws. The United States is continuing to engage closely with Peru to discuss and assess these reforms and will monitor their implementation in light of Peru's PTPA environmental commitments.

With respect to forestry issues, the United States provided comments on Peru's draft regulation to implement its new Forestry and Wildlife Law. The United States and Peru also advanced implementation of the 2013 five point Action Plan by continuing to work closely with Peruvian counterparts in support of Peru's development of an electronic chain of custody system, which, when fully implemented, will enable Peruvian officials to track harvested trees from stump to port. U.S. officials also conducted training workshops for environmental prosecutors, police, customs agents, and forest service authorities.

USTR also convened environmental affairs councils and related fora under the CAFTA-DR, Colombia TPA, Morocco FTA, Oman FTA, and Panama TPA to discuss, monitor, and oversee implementation of FTA environmental obligations. USTR also ensured that these meetings included sessions open to the public, consistent with our commitment to transparency. USTR continued to convene meetings of the TPSC Subcommittee on FTA Environment Chapter Monitoring and Implementation to consider the implementation of environment chapter commitments by our FTA partners in accordance with the Subcommittee's plan for monitoring our trading partners' implementation of their FTA environment chapter obligations. The monitoring plan forms part of the Administration's ongoing efforts to ensure that our trading partners comply with their FTA environmental obligations.

In APEC, the United States continued its leadership role in promoting mutually supportive trade and environmental objectives. In August 2014, the Public-Private Partnership on Environmental Goods and Services (PPEGS) held its inaugural meeting in Beijing, in which representatives from APEC governments and the private sector convened to discuss ways APEC can address nontariff barriers to trade in clean and renewable energy technologies. APEC economies also agreed to submit implementation plans by May 2015, pursuant to APEC Leaders' commitment to reduce applied tariffs on a list of 54 environmental goods to 5 percent or less by the end of 2015. The APEC Experts Group on Illegal Logging and Associated Trade continued its work to combat illegal logging in the region, including by supporting APEC economies' efforts to implement credible timber legality verification systems, and developing policy guidelines on the scope of laws that are relevant in identifying timber that has been taken illegally. The APEC Oceans and Fisheries Working Group continued its work to encourage transparency in fisheries subsidies, including by updating a 2000 study on APEC economies' fisheries subsidies programs. In addition, APEC's fourth Oceans ministerial declaration encouraged APEC economies to improve the transparency and reporting of fisheries subsidies through the WTO, eliminate subsidies that contribute to overcapacity and overfishing, and refrain from introducing new, or extending or enhancing existing, such subsidies. APEC Leaders also reaffirmed their commitment to combat wildlife trafficking, including by enhancing international cooperation through Wildlife Enforcement Networks (WENs), reducing supply and demand for illegally traded wildlife, increasing public awareness and education related to wildlife trafficking and its impacts, and treating wildlife trafficking crimes seriously.

B. Trade and Labor

The Administration's trade policy agenda includes a strong commitment to ensure that American workers and their families benefit from trade. The Administration has continued its efforts to improve respect for labor rights and to increase monitoring and enforcement of trade agreement labor provisions. The Administration also continues to enhance U.S. Government engagement with trade partners on labor rights through the formal mechanisms of trade agreements and trade preference programs, as well as innovative new initiatives. In 2014, the inaugural Labor Affairs Council meeting was held under the United States-Panama Trade Promotion Agreement (TPA). Labor Affairs Council meetings or labor subcommittee meetings also were held under trade agreements with Peru, Morocco, and Jordan. At all of these meetings, high-level government officials discussed labor rights and employment issues and held open sessions to meet with labor stakeholders and the general public. Labor issues were also on the agenda of commission meetings under existing trade agreements, as well as meetings under Trade and Investment Framework Agreements (TIFAs) and in multilateral fora, including the Asia Pacific Economic Cooperation (APEC) forum.

On September 19, 2014, the United States reactivated the dispute settlement process for the labor enforcement case brought by the United States against Guatemala under the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR). In June 2013, President Obama suspended the Generalized System of Preferences (GSP) trade benefits of Bangladesh based on that country's failure to take steps to afford internationally recognized worker rights. In 2014, USTR continued to lead the interagency review of Bangladesh's progress on the GSP Action Plan presented at the time of suspension, which provides clear steps that Bangladesh must take in order to address the worker rights and safety concerns and regain its GSP benefits. The July 2013 European Union-United States-Bangladesh-International Labor Organization (ILO) Sustainability Compact reflected many of those steps. In June 2014, the President terminated the eligibility of Swaziland for trade preferences under the African Growth and Opportunity Act (AGOA) based on concerns related to inadequate protection of worker rights. The change in status for Swaziland took effect January 1, 2015. It was accompanied by an indication of clear steps that the Kingdom of Swaziland must take to address the concerns.

The Administration also continued to work closely with the government of Colombia in 2014 to continue the implementation of the Colombian Action Plan Related to Labor Rights, which was jointly announced by the U.S. and Colombian governments in April 2011. The Administration, among other things, continued to provide strong support for Colombia's Labor Ministry and its greatly enhanced labor inspectorate. The Administration also pursued high-standard labor obligations through the continuing negotiations of TPP and with the European Union as part of T-TIP. During the President's visit to Burma (Myanmar) in November 2014, the United States, Burma, Japan, Denmark, and the International Labor Organization launched an innovative *Initiative to Promote Fundamental Labor Rights and Practices in Myanmar*.

As an essential component of the Administration's trade agenda, the Trade Adjustment Assistance (TAA) program assists American workers adversely affected by global competition and helps ensure that they are given the best opportunity to acquire skills and credentials to get good jobs (*for additional information, see Chapter V.B.7*).

1. Multilateral and Regional Fora

In the Ministerial Declaration adopted during the 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 ILO Secretariats. In 2014, the ILO undertook research and hosted international conferences as part of a multi-year project to study the inclusion of labor provisions in trade and investment agreements. The ILO will continue this work in 2015, including further conferences and publishing research on the topic of trade and labor linkages.

The Administration has continued to promote the discussion of 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.

The Inter-American Conference of Ministers of Labor (IACML) is a meeting of the Western Hemisphere's labor ministers, held approximately every two years under the auspices of the Organization of American States to promote hemispheric cooperation on labor issues. The IACML responds to the labor mandates agreed to by heads of state in the Summit of the Americas process. For additional information on the IACML, visit http://www.sedi.oas.org/ddse/english/cpo_trab.asp.

IACML members carried out several meetings and activities in 2014 to implement the Plan of Action that was endorsed at the 18th IACML, which was held in Colombia in October 2013 and marked the 50th anniversary of the conference. The 2013 Plan of Action includes commitments in the areas of "professional training, employment services and active policies for youth access to the labor market; exploring ways to design and put forward a hemispheric mechanism that will facilitate the recognition of nominal contributions to social security in all countries of the region; employment as a central objective of public policies and as a pillar of equality; and, protection of workers' rights and social dialogue." IACML activities in 2014 included a study on multilateral social security agreements, and workshops on social safety nets, labor inspection and social dialogue. The 19th IACML is scheduled to be held in Mexico in November 2015.

2. Bilateral Agreements and Preference Programs

FTAs

U.S. trade agreements contain obligations concerning the consistency of each party's labor laws with international labor standards (with recent agreements obligating each party to implement in its law and practice the fundamental labor rights as stated in the 1998 ILO Declaration on Fundamental Principles and Rights at Work), as well as obligations not to fail to effectively enforce its labor laws, and not to waive or derogate from those laws in a manner affecting trade or investment. Additionally, the labor provisions obligate each party to designate an office within its labor ministry to serve as a contact point for purposes of the labor chapter and create labor cooperation and capacity building mechanisms through which the parties will work together to enhance opportunities to improve labor standards. The Office of Trade and Labor Affairs (OTLA) in the Bureau of International Labor Affairs (ILAB) of the U.S. Department of Labor, in consultation with USTR and the U.S. Department of State, serves as the contact point for purposes of administering responsibilities under the labor provisions of free trade agreements and the North American Agreement on Labor Cooperation, including the labor cooperation mechanisms. For additional information on OTLA, its procedures, and the process for filing a submission, visit http://www.dol.gov/ilab/trade/agreements. The Procedural Guidelines are also available in Arabic, French, and Spanish.

The United States engages our trade partners on labor issues as part of our ongoing monitoring and implementation of U.S. trade agreements. For instance, as part of engagement efforts in 2014, USTR led an interagency delegation to Bahrain to continue labor consultations under the FTA labor chapter to discuss the apparent targeting of trade unionists and leaders for dismissal after a general strike in March 2011 and labor laws that do not provide adequate protection on these issues. The delegation held extensive consultations with officials from Bahrain's Ministries of Labor, Industry and Commerce, and Foreign Affairs, as well as labor unions and business representatives. Also in 2014, the government of Bahrain signed an agreement with unions and employers to address several issues stemming from the 2011 dismissals. The 2014 agreement led to the closing of an ILO complaint filed by Bahrain's unions.

USTR also led an interagency delegation to Jordan in 2014 to convene a meeting of the Labor Subcommittee under the United States-Jordan Trade Agreement and review implementation of the labor provisions of the agreement. During the Subcommittee meeting, officials discussed Jordan's commitments and initiatives under the Implementation Plan Related to Working and Living Conditions of Workers, which was concluded in 2013, and includes commitments to increase access for unions in garment factories and improve standards and oversight of dormitories for foreign workers. Officials also discussed labor cooperation issues as part of a Memorandum of Understanding which designates an office within each country's Labor Ministry to serve as points of contact to coordinate cooperative activities, and held a public session where officials interacted directly with labor and business stakeholders from Jordan. The United States also worked with trade partners to advance labor rights through technical cooperation efforts, particularly in CAFTA-DR countries, Morocco, Peru, and Colombia in 2014 (*for additional information, see Chapter III.A*).

In January 2014, government officials from the United States and Panama convened the inaugural meeting of the Labor Affairs Council under the United States-Panama Trade Promotion Agreement. Panama's Vice Ministers of Labor and Commerce and Industry and officials from USTR and the U.S. Department of Labor discussed the labor obligations of the agreement as well as Panama's efforts to improve respect for freedom of association, collective bargaining, and the abolition of child labor. The Council meeting concluded with a public session consistent with the parties' commitment to a participatory process (*for additional information, see Chapter III.A*).

In 2014, 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. USTR led an interagency delegation to Colombia during the year to monitor implementation of the Action Plan, and held extensive meetings with government officials and interested stakeholders. In April, USTR and the U.S. Department of Labor issued a report on the third anniversary of the Action Plan, which includes detailed information on progress under the plan as well as remaining challenges. To view the report, visit https://ustr.gov/sites/default/files/Colombia%20Labor%20Action%20Plan%20update%20final-April2014.pdf (*for additional information, see Chapter III.A*).

In September 2014, government officials from the United States and Morocco convened a meeting of the Labor Subcommittee under the United States-Morocco Trade Agreement. At the meeting, officials reviewed implementation of the labor chapter and the labor obligations of the trade agreement, and confirmed contact points for labor issues. The parties exchanged information on issues affecting labor laws and implementation and discussed areas for future cooperation, including two technical assistance projects designed to address child labor and gender equity. The two U.S. Department of Labor-funded projects were officially launched following the subcommittee meeting (*for additional information, see Chapter III.A*).

On September 19, 2014, the United States reactivated the dispute settlement process for the labor enforcement case brought by the United States against Guatemala under the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR). This action followed extensive engagement with Guatemala in an effort to improve labor law enforcement, including the signing of a groundbreaking Labor Enforcement Plan between the United States and Guatemala in April 2013. Guatemala has taken a number of important steps to implement the Enforcement Plan; however, critical actions under the plan remained outstanding and Guatemala failed to demonstrate it had effectively implemented legal reforms, or that its actions have led to any significant improvements for Guatemalan workers. The United States filed its first written submission in the case on November 3, 2014. For additional information, visit https://ustr.gov/sites/default/files/US%20Initial%20Written%20Submission.pdf.

In 2014, the United States continued to monitor and assess progress towards addressing the labor concerns identified in a 2013 public report addressing labor rights in the Dominican Republic issued pursuant to the public submission provisions of the labor chapter of CAFTA-DR. In March and October 2014, the U.S. Department of Labor, in consultation with USTR and the U.S. Department of State, issued public updates on its findings. Under existing trade agreements, two submissions on labor rights were under review in 2014 involving Mexico and Honduras.

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 U.S. Department of Labor, in consultation with USTR, is charged with identifying non-compliant producers on a biennial basis and providing assistance to such producers to come into compliance. The U.S. Department of Labor identified one such producer in 2013 and, following extensive engagement in 2014, the producer is working to resolve the problems with labor rights. USTR and DOL continue to work closely with the government of Haiti, the ILO, and other U.S. Government agencies on implementation of the program to monitor factories' compliance with core labor standards. For additional information, view the 2014 USTR Annual Report on the Implementation of the TAICNAR program at https://ustr.gov/sites/default/files/06182014%20USTR%20Report%20Haiti%20HOPE%20II%202014.pdf.

U.S. trade preference programs, including the African Growth and Opportunity Act (AGOA), the Caribbean Basin Trade Preferences Act, and the GSP, require the application of statutory eligibility criteria pertaining to worker rights and child labor. Although authorization of the GSP program expired in July 2013, USTR and other agencies continued in 2014 to engage with governments and stakeholders involved in ongoing GSP worker rights-related reviews of Bangladesh, Fiji, Georgia, Iraq, Niger, and Uzbekistan, as well as country eligibility reviews of Burma and Laos that included worker rights issues. Regarding Bangladesh, which was suspended from GSP eligibility in June 2013 based on worker rights concerns, USTR led two interagency reviews in 2014 that concluded that more needs to be done by the government of Bangladesh to improve worker rights and worker safety issues in the country. In April 2014, the Administration announced its intent to close the GSP review of the Philippines based on progress by the Philippines on worker rights issues.

The United States continued to engage with African countries on AGOA worker rights criteria through the AGOA annual eligibility review and bilateral and multilateral fora. In April 2014, USTR led an inter-agency mission to Swaziland to urge the government of the Kingdom of Swaziland to take action toward the guarantee and protection of internationally recognized worker rights. After an extensive review and years of engagement, the United States Government concluded that Swaziland had not demonstrated progress on the protection of internationally recognized worker rights and in June 2014 the President withdrew Swaziland's AGOA benefits, effective January 2015.

The United States and China committed to a dialogue on labor issues in 2009 during the first United States-China Strategic and Economic Dialogue. The fifth meeting of the labor dialogue took place in Beijing in December 2014 during which government representatives discussed various labor issues including promoting worker rights and fighting discrimination against women, persons with disabilities, and migrant workers. In August 2014 China also hosted a meeting of the United States-China Workplace Safety and Health Dialogue where senior level officials continued to address challenges to improving occupational safety and health. It was extended through Letters of Understanding signed in August 2006, August 2008, and April 2012. The twelfth meeting of the United States-Vietnam Labor Dialogue took place in Hanoi in December 2014. The governments discussed various labor issues, including labor law reform, occupational safety, and health and child labor.

USTR also engaged with several countries on labor issues in the context of TIFA meetings and other bilateral trade mechanisms. In March 2014, USTR hosted a meeting of the United States-Philippines TIFA at which the GSP review of worker rights in the Philippines was discussed and the parties agreed to establish a labor affairs working group under the TIFA. During the March 2014 inaugural TIFA meeting with Iraq, USTR highlighted concerns about the need for Iraq to update its labor laws and to address issues such as collective bargaining, union elections, and union assets. In April 2014, following progress by the government of the Philippines on worker rights issues, the Administration announced its intent to close the GSP review. That same month, USTR and officials from the U.S. Departments of State and Labor also travelled to Dhaka, Bangladesh for the inaugural high-level meeting under the United States-Bangladesh Trade and Investment Cooperation Forum Agreement (TICFA). The government of Bangladesh's progress in implementing the GSP Action Plan was a significant focus of the meeting. USTR also hosted a meeting of the United States–Angola TIFA in April 2014 and discussed labor rights in the context of Angola's compliance with the worker rights eligibility criteria under AGOA.

In August 2014, Ambassador Froman announced that the United States and Burma (Myanmar) had agreed to develop a new labor initiative to promote strong labor rights and responsible business practices. In October 2014, Ambassador Froman hosted a meeting of potential donor countries in Washington to raise support for the new labor initiative. Also in October, USTR, with the U.S. Department of State, the U.S. Department of Labor, and five other agencies, held a multistakeholder meeting on the initiative at the State Department that included participation by a range of non-governmental organizations, labor groups, and

industry associations and individual companies. During President Obama's visit to Burma in November 2014, the United States, Burma, Japan, Denmark, and the International Labor Organization launched the innovative *Initiative to Promote Fundamental Labor Rights and Practices in Myanmar*. In October 2014, USTR led an interagency delegation, including officials from the U.S. Departments of State and Labor to Colombo, Sri Lanka to attend a meeting of the United States-Sri Lanka TIFA, including extensive discussions in the Labor Affairs Committee established under the TIFA. Additionally, USTR engaged with other trade partners through bilateral mechanisms, including labor-focused travel to Cambodia in February 2014, Thailand in April 2014, and Laos in May 2014 to discuss labor concerns raised by stakeholders.

C. Small and Medium Sized Business Initiative

Under the Obama Administration, USTR has implemented an initiative to increase export opportunities for U.S. small and medium sized enterprises (SMEs), and has expanded efforts to ensure the specific export challenges and priorities of SMEs and their workers are reflected in our trade policy and enforcement activities. During 2014, USTR engaged on an interagency basis and with trading partners to develop and implement new and continuing initiatives that support small business exports.

This agency effort also supports the goals of the Administration's National Export Initiative (NEI)/NEXT initiative to help more American companies, especially small and medium businesses, to reach more overseas markets by improving data, providing information on specific export opportunities, working more closely with service providers, and partnering with states and communities to empower local export efforts.

U.S. small businesses are key engines for our economic growth, jobs, and innovation. SMEs that export grow faster, add jobs faster, and pay higher wages than SMEs that serve only domestic markets. According to research by the U.S. International Trade Commission (USITC), direct and indirect exports by U.S. SMEs support an estimated 4 million jobs in the United States and account for over 40 percent of the total value of U.S. exports of goods and services. Nearly 300,000 U.S. SMEs exported goods in 2012 (latest data available), accounting for 98 percent of all identified exporters and helping demonstrate the export potential of small businesses.

USTR is focused on making trade work to the benefit of American small businesses, helping them increase their sales to customers abroad and create jobs at home. USTR does this by negotiating with foreign governments to open their markets, reducing trade barriers, and enforcing our existing trade agreements to ensure a level playing field for U.S. workers and businesses of all sizes. Agency wide, USTR is working to better integrate specific SME issues and priorities into our trade policy development and implementation, increase our outreach to small businesses around the country, and expand our collaboration and coordination with our interagency colleagues.

In 2014, USTR undertook significant actions in continued support of our SME objectives.

1. USTR SME-Related Trade Policy Activities

Under the SME initiative, USTR's small business office and geographic and functional offices are developing initiatives and advancing efforts to enhance activities that could benefit SMEs. Several key aspects of USTR's trade policy agenda have particular potential to help SMEs boost exports. These include enhancing trade facilitation work – notably through the landmark WTO Trade Facilitation Agreement. As President Obama has noted, "this new deal… will eliminate red tape and bureaucratic delay for goods shipped around the globe. Small businesses will be among the biggest winners, since they encounter the greatest difficulties in navigating the current system." USTR is leading efforts to strengthen and enforce intellectual property rights, develop IPR tools to assist SMEs, target services barriers that are especially

difficult for SMEs, and also explore ways to simplify government procurement rules. For example, the revised WTO Government Procurement Agreement expands business opportunities for U.S. firms including small businesses to supply goods and services to foreign governments, estimated to be worth between $80 billion and $100 billion annually. This adds to the $1 trillion already covered under the GPA, and establishes work programs that facilitate participation by small and medium sized businesses. 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.

The ability to address SME concerns through the fact finding and consultation mechanisms built into our bilateral and regional trade agreements and dialogues is an important asset for the United States. For example:

- As the United States moves forward with negotiations to expand U.S. trade in the Asia-Pacific region through the Trans-Pacific Partnership (TPP), the United States is working with our TPP partners to support the growth and development of small businesses by enhancing their ability to participate in, and benefit from, the export opportunities created under the Agreement. The TPP will create the first-ever dedicated SME chapter in an agreement focused on ensuring that TPP's provisions support SMEs. This includes commitments by all TPP Parties to develop and promote web based information and resources about the TPP Agreement for small businesses, and coordination to ensure that small businesses are able to take advantage of the Agreement after it is implemented. SMEs will benefit from increased transparency, predictability, and ambitious and comprehensive market access in TPP partners.

- The United States continued negotiations under the Transatlantic Trade and Investment Partnership (T-TIP) with the European Union aimed, in part, on strengthening U.S.-EU cooperation to enhance the participation of SMEs in trade between the United States and the EU, as well as addressing in the agreement trade barriers that may disproportionately impact SMEs. Pursuant to a request by USTR, the United States International Trade Commission (USITC) issued a report in 2014 entitled "*Trade Barriers That U.S. Small and Medium-Sized Enterprises Perceive as Affecting Exports to the European Union*." USTR requested that USITC undertake this study as part of USTR's effort to gather input from small businesses on the ongoing T-TIP negotiations. The Office of the U.S. Trade Representative, along with the U.S. International Trade Commission (USITC), the U.S. Small Business Administration (SBA), and the U.S. Department of Commerce worked together to convene 28 small business roundtables in cities around the United States, to hear from small businesses around the country about concerns and barriers they face in exporting to the European Union. This report, available online at http://www.ustr.gov, will help ensure that the United States takes into full account the priorities of small businesses in the T-TIP negotiations. USTR also participated in T-TIP SME programs at U.S. and EU Embassies to hear directly from U.S. and EU small businesses on ways to strengthen transatlantic small business cooperation, and will convene the next U.S.-EU SME Best Practices Workshop in the U.S. in 2015 in partnership with the U.S. Department of Commerce and U.S. Small Business Administration.

- In the Asia-Pacific Economic Cooperation (APEC) forum, APEC launched the Supply Chain Connectivity Fund to carry forward targeted, focused capacity building in APEC economies to improve supply chain performance and move goods through the region faster, easier, and more cheaply. These capacity building activities, which are closely linked to the WTO's Trade Facilitation Agreement, include assistance for economies to further simplify customs procedures and document requirements, which will be of assistance to small and medium sized businesses that often lack the resources necessary to navigate overly complex requirements to deliver their goods to overseas markets in the region. During its host year in 2015, the Philippines plans to highlight

the participation of SMEs in global value chains, and the United States will support this focus through work related to improving SME inclusion throughout regional/global value chains.

- With respect to FTA partners in the Western Hemisphere, USTR is working with the U.S. Small Business Administration (SBA), the U.S. Department of State, and other agencies to support the Obama Administration's 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 as well as direct contacts between centers and small business clients seeking foreign customers and partner. USTR supported the implementation of the SBNA and welcomed the signing of the first Sister Center Partnership between George Mason University (GMU) in Fairfax, Virginia and the Autonomous University of Nuevo León (UANL) in Monterrey, Mexico. When U.S. small businesses begin to export, they often first look to neighboring countries, and this new initiative will help many Virginian small businesses find export opportunities in Mexico.

- USTR also convened SME Working Groups in conjunction with the Free Trade Commission meetings with partners Chile and Peru to discuss cooperation through the Administration's SBNA. USTR welcomed the decision of the Chilean Administration to establish 50 SBDCs based on the U.S. model throughout Chile, and supported the visit of a Chilean delegation to U.S. SBDCs at Howard University in Washington, D.C. and University of Texas at San Antonio, in San Antonio, Texas. USTR also welcomed Peru's recent completion of training in the U.S. SBDC model and the Ministry of Production's decision to establish pilot SBDCs in Peru in 2015. Chile and Peru intend to partner with U.S. SBDCs and their SME clients to expand opportunities under the trade agreement. USTR also discussed expanded regional opportunities for SMEs with Chile and Peru through the Trans-Pacific Partnership agreement.

- USTR also continued to engage with Tunisia through the bilateral Council on Trade and Investment to discuss possibilities for facilitating the participation of female entrepreneurs and SMEs in U.S.-Tunisian trade.

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, the U.S. Small Business Administration, 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 serves as Co-Chair of the TPCC SME Task Force on connecting SMEs to international trade opportunities. As a result of work by the Task Force, USTR, the U.S. Department of Commerce and the SBA created the FTA Tariff Tool. This free, online tool (http://export.gov/FTA/ftatarifftool/index.asp) can help small businesses take better advantage of the reduction and elimination of tariffs under U.S. FTAs. The FTA Tariff Tool was expanded to include tariff information on textiles and apparel products as well as rules of origin under U.S. FTAs, and will be expanded to include new regional free trade agreements such as TPP and T-TIP. USTR and other agencies also created an SME Exporter's Toolkit guide to U.S. Government exporting resources.

3. USTR's SME Outreach and Consultations

Throughout 2014, Ambassador Froman and senior USTR staff participated in numerous events around the country to hear directly from local small businesses, workers, and other stakeholders about the trade opportunities and challenges they face. The Small Business section of USTR's website also includes helpful links, fact sheets, and resources for SMEs, and blogs which highlight small business export success stories around the country and USTR trade policy efforts supporting small business. 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 consults with the Industry Trade Advisory Committee for Small and Minority Business 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 also spoke at several SME events around the country and abroad in 2014, including at the American Association of Small Business Development Centers annual conference in Grapevine, Texas; a Dallas Ft. Worth-China Small Business Conference in Dallas, Texas; a T-TIP Opportunities for Midwestern Small Businesses conference in Kansas City, Missouri; the Small Technology Business Summit in Washington, D.C.; the North Alabama International Trade Association international trade program in Washington, D.C.; the annual meeting of the Small Business Administration Regional Advocates; the annual meeting of the Council of State Government-State International Development Organizations; the Atlantic Council's report release on *T-TIP: Big Opportunities for Small Business*; meetings with small businesses and women-owned small businesses participating on online platforms such as eBay and Etsy interested in expanding electronic commerce opportunities; 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-four 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 often has 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, provides a forum in which OECD Members can discuss complex and sometimes difficult issues, and communicates to the wider public the benefits that trade and open economies generate. Through its multi-disciplinary approach, the OECD offers a distinct advantage in analyzing the complex economic effects of trade liberalization. In recent years, *inter alia* using economic modeling, OECD research and analysis has shown that trade liberalization is an engine for job creation in all countries, especially as the world moves toward economic recovery. The Trade Committee's work

developing trade facilitation indicators provided powerful analytical evidence supporting the conclusion of the WTO negotiations on trade facilitation, demonstrating that the potential trade cost savings from full implementation of the agreement is 14.1 percent of total costs for low income countries, 15.1 percent for lower middle income countries and 12.9 percent for upper middle income countries. The OECD is also active in warning against the dangers of protectionist measures and how imports help firms to cut costs and improve efficiency.

1. Trade Committee Work Program

In 2014, 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 May and November 2014, and its Working Party met in March, June, October, and December. The Trade Committee and its subsidiary groups paid significant attention to trade facilitation, global value chains, services trade, export restrictions, state-owned enterprises, regional trade agreements, and export credits. 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.

Several major analytical pieces were developed or completed under the Trade Committee during 2014, including:

- *Services Trade Restrictiveness Index (STRI): Transport and Courier Services,* Massimo Geloso Grosso, Hildegunn Kyvik Nordås, Asako Ueno, Frederic Gonzales, Iza Lejárraga, Sébastien Miroudot, Dorothée Rouzet;
- *Services Trade Restrictiveness Index (STRI): Financial Services,* Dorothée Rouzet, Hildegunn Kyvik Nordås, Frederic Gonzales, Massimo Geloso Grosso, Iza Lejárraga, Sébastien Miroudot, Asako Ueno;
- *Services Trade Restrictiveness Index (STRI): Audio-visual Services,* Hildegunn Kyvik Nordås, Iza Lejárraga, Sébastien Miroudot, Frederic Gonzales, Massimo Geloso Grosso, Dorothée Rouzet, Asako Ueno;
- *Services Trade Restrictiveness Index (STRI): Distribution Services,* Asako Ueno, Massimo Geloso Grosso, Iza Lejárraga, Hildegunn Kyvik Nordås, Sébastien Miroudot, Frederic Gonzales, Dorothée Rouzet;
- *Services Trade Restrictiveness Index (STRI): Telecommunication Services,* Hildegunn Kyvik Nordås, Massimo Geloso Grosso, Frédéric Gonzales, Iza Lejárraga, Molly Lesher, Sébastien Miroudot, Asako Ueno, Dorothée Rouzet;
- *Services Trade Restrictiveness Index (STRI): Legal and Accounting Services,* Massimo Geloso Grosso, Hildegunn Kyvik Nordås, Frédéric Gonzales, Iza Lejárraga, Sébastien Miroudot, Asako Ueno, Dorothée Rouzet;
- *Services Trade Restrictiveness Index (STRI): Construction, Architecture and Engineering Services,* Massimo Geloso Grosso, Iza Lejárraga, Hildegunn Kyvik Nordås, Frédéric Gonzales, Sébastien Miroudot, Asako Ueno, Dorothée Rouzet;
- *Services Trade Restrictiveness Index (STRI): Computer and Related Services,* Hildegunn Kyvik Nordås, Massimo Geloso Grosso, Frédéric Gonzales, Iza Lejárraga, Sébastien Miroudot, Asako Ueno, Dorothée Rouzet;
- *Deep Provisions in Regional Trade Agreements: How Multilateral-friendly?,* Iza Lejárraga;
- *Uncovering Trade Secrets - An Empirical Assessment of Economic Implications of Protection for Undisclosed Data,* Douglas C. Lippoldt, Mark F. Schultz;
- *Exports and Employment in China, Indonesia, Japan and Korea,* Kozo Kiyota;

- *Small and Medium-Sized Enterprises in Global Markets: A Differential Approach for Services?,* Iza Lejárraga, Humberto López Rizzo, Harald Oberhofer, Susan Stone, Ben Shepherd;
- *Transparency of Export Restrictions,* Barbara Fliess;
- *Export Restrictions on Raw Materials,* Jane Korinek; and
- *Approaches to Protection of Undisclosed Information (Trade Secrets),* Mark F. Schultz, Douglas C. Lippoldt.

The Trade Committee continued its work on the Services Trade Restrictiveness Index (STRI), a tool to measure the restrictiveness of barriers affecting trade in services. Members welcomed the launch of the STRI database and indicators on the margins of the Ministerial Council Meeting in May 2014. Looking ahead, Members are considering how to use the STRI for further analytical work, whether to include additional non-Members in the STRI, and whether further sectors should be included in the STRI.

The OECD Ministerial Council Meeting took place in May 2014 in Paris. U.S. Trade Representative Ambassador Michael Froman participated in the Trade Session, which focused on strengthening the multilateral trade system and the role of global value chains. OECD Members, Key Partners, accession candidate Latvia, and Trade Committee observers Argentina and Hong Kong participated in the session. Participants underscored the importance of trade as a key driver for growth and job creation. Participants further reaffirmed their commitment to strengthening the multilateral trade system and recognized the important role of global value chains. Members welcomed the STRI and encouraged the OECD to utilize the database to promote greater participation of all economies in international trade.

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 2014. The Trade Committee invited Key Partners and G-20 countries to participate in special sessions of the May and November 2014 committee meeting discussions related to the contribution of trade related structural reforms to growth, fossil fuel subsidies, the STRI database, and planned G20 activities. With regard to the accession of the Russian Federation, in March 2014, the OECD Council "postponed activities related to the OECD accession process for the Russian Federation for the time being." Following the Trade Committee's approval of accession roadmaps for Colombia and Latvia in 2013, the Committee undertook discussions on the draft Market Openness Reviews of both countries in 2014, which will continue into 2015.

The OECD held a Global Forum on Trade in the spring and fall of 2014. The Forum in February 2014 focused on "Reconciling Regionalism and Multilateralism in a Post-Bali World." The forum took as its point of departure the achievements at Bali of the Ninth Ministerial Conference of the World Trade Organization (WTO), but was principally focused on the challenges that lie ahead for multilateral negotiations and for the trading system, including the problem of coherence in a system where the negotiation of regional trade arrangements is outpacing the negotiation of multilateral agreements in the WTO. The Global Forum on Trade in November 2014 focused on "Trade in Services: Realizing their

Potential for Growth and Jobs." The discussion centered on the role of services for job creation and competitiveness, policy challenges faced by those considering further services reform, and the role of the OECD in supporting services trade reforms.

In addition, the Trade Committee 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 (BIAC) and Trade Union Advisory Council (TUAC).

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. Additional information on OECD activities and publications related to trade can be found on the following OECD websites:

- Trade: http://www.oecd.org/trade
- Trade and development: http://www.oecd.org/trade/dev\
- Trade and environment: http://www.oecd.org/trade/env
- Trade facilitation: http://www.oecd.org/trade/facilitation
- Agricultural trade: http://www.oecd.org/agriculture/trade
- Services trade: http://www.oecd.org/trade/services
- Anti-Bribery Convention: http://www.oecd.org/corruption
- Export credits: http://www.oecd.org/trade/xcred
- Employment, Labor and Social Affairs: http://www.oecd.org/els
- Fisheries: http://www.oecd.org/fisheries
- Regulatory Reform: http://www.oecd.org/regreform
- Steel: http://www.oecd.org/sti/steel

E. Localization Barriers to Trade

In the last few years, a growing number of America's trading partners have imposed what are called "localization barriers to trade" - measures designed to protect, favor, or stimulate domestic industries, service providers, and/or intellectual property (IP) at the expense of goods, services, or IP from other countries. Localization barriers are measures that 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 can distort trade, discourage foreign direct investment, and push 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, it has been longstanding U.S. trade and investment policy to advocate strongly against localization barriers and instead to encourage trading partners to pursue policy approaches that help their economic growth and competitiveness without discriminating against imported goods or services.

In 2014, USTR continued its leadership of the Trade Policy Staff Committee Task Force on Localization Barriers to Trade's work to develop and execute a more strategic and coordinated approach to address localization barriers. Building off the USTR initiatives already underway in this area, the Task Force worked closely with U.S. industry and other stakeholders, along with trading partners around the world, to carry out its mission and reduce market access challenges posed to U.S. goods, services, and IP by localization barriers. Specifically, USTR was successful in advancing work in APEC on promoting trade-enhancing models for creating jobs, increasing competitiveness, and promoting economic growth, as an alternative to localization barriers. USTR also worked closely with OECD staff on its continued research on the impact of localization barriers on trade and investment and economic growth. Finally, the United States continue to work in the specific group in the T-TIP negotiations to develop concrete ways that the United States and the European Union can cooperate to address localization barriers bilaterally and multilaterally. In 2015, the United States will seek to build on the APEC and OECD initiatives, continue work on T-TIP, and take additional steps to continue to address localization barriers around the world.

F. Trade in Services Agreement

Launched in April 2013, the Trade in Services Agreement (TiSA) is a trade initiative focused exclusively on services. Drawing on best practices from around the world, TiSA is designed to encompass state-of-the-art trade rules aimed at promoting fair and open competition across the full spectrum of service sectors – from telecommunications and technology to distribution and delivery services.

Twenty-three economies participated in TiSA negotiations in 2014: Australia, Canada, Chile, Colombia, Costa Rica, the European Union, Hong Kong, Iceland, Israel, Japan, Liechtenstein, Mexico, New Zealand, Norway, Pakistan, Panama, Paraguay, Peru, the Republic of Korea, Switzerland, Taiwan, Turkey, and the United States. Negotiations are being held in Geneva, Switzerland, but there is no relationship between TiSA and the World Trade Organization.

TiSA participants represent 75 percent of the world's $44 trillion services market. For the United States, services account for three-quarters of U.S. GDP and four out of five jobs. Thanks to a vibrant and open domestic market, the United States is highly competitive in services trade, routinely recording an annual surplus on the order of $200 billion. Expanding services trade globally will unlock new opportunities for Americans.

Five rounds of negotiations were held in 2014. Initial market access offers have been exchanged, and extensive work is underway to develop the text of several "annexes" that contain additional disciplines in areas like telecommunications, financial services, and domestic regulations. The negotiating participants hope to achieve substantial progress toward reaching an agreement during 2015.

V. TRADE ENFORCEMENT ACTIVITIES

A. Enforcing U.S. Trade Agreements

1. Overview

USTR coordinates the Administration's active 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 investigation efforts by USTR and relevant agencies, including the U.S. Departments of Agriculture, Commerce, 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 Trade Enforcement Center (ITEC), led by USTR in close collaboration with the U.S. Department of Commerce, brings together research, analytical resources, and expertise from across the Federal Government into one organization, 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 Administration's strategic priorities. USTR seeks to achieve this goal through a variety of means, including:

- Asserting U.S. rights through the World Trade Organization (WTO), including the stronger dispute settlement mechanism created in the Uruguay Round, 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 has effectively opened foreign markets to U.S. goods and services. The United States also has used the incentive of preferential access to the U.S. market to encourage improvements in the protection of worker 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.

To ensure the enforcement of WTO agreements, the United States has been one of the world's most frequent users of WTO dispute settlement procedures. Since the establishment of the WTO in 1994, the United States has filed 105 complaints at the WTO, thus far successfully concluding 72 of them by settling 29 disputes favorably and prevailing in 43 others through litigation before WTO panels and the Appellate Body. The United States has obtained favorable settlements and favorable rulings in virtually all sectors,

including manufacturing, intellectual property, agriculture, and services. These cases cover a number of WTO agreements involving rules on trade in goods, trade in services, and intellectual property protection.

Satisfactory 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 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 29 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; China's use of prohibited subsidies for green technologies; China's treatment of foreign financial information suppliers; China's government support tied to promotion of Chinese brand names abroad; 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; 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 43 cases to date. In 2014, the United States prevailed in a dispute involving China's countervailing and antidumping duties on automobiles from the United States and in a dispute involving China's export restrictions on rare earths. The United States has also prevailed at the panel stage in a dispute on Argentina's import licensing restrictions and other trade-related requirements and in a challenge to India's ban on various U.S. agricultural products – such as poultry meat, eggs, and live pigs – allegedly to protect against avian influenza. In prior years, the United States prevailed in cases involving: 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 measures affecting electronic payment services; China's countervailing and antidumping duties on broiler parts from the United States; 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 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 effectively 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

In his 2012 State of the Union Address, President Obama called for increased efforts to investigate unfair trading practices in countries around the world, including creation of a new trade enforcement unit. On February 28, 2012, the President signed Executive Order 13601, establishing the Interagency Trade Enforcement Center, or ITEC. ITEC serves as the primary forum within the Federal Government for executive departments and agencies to coordinate enforcement of international and domestic trade rules. ITEC levels the playing field for American workers and businesses by bringing a more aggressive "whole-of-government" approach to addressing unfair trade practices and foreign trade barriers, and significantly enhances the Government's capabilities to challenge such barriers and practices around the world. ITEC increases the efforts devoted to trade enforcement, as well as leverages existing resources more efficiently across the Administration. Personnel from various contributing Government agencies comprise a deep pool of analytical support for trade enforcement efforts. In a close, collaborative effort, USTR and the U.S. Department of Commerce have assembled ITEC staff from a variety of agencies including the U.S. Departments of Commerce, Agriculture, State, Treasury, and Justice, as well as the International Trade Commission and the intelligence community. The staff brings a diverse set of language skills and expertise including intellectual property rights, subsidy analysis, economics, agriculture, and animal health science.

In 2014, ITEC continued its work to fulfill the President's goals. ITEC has played a critical 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, and India's local content restrictions on certain solar energy products. These WTO actions address practices that the United States believes are inconsistent with WTO rules and affect opportunities for U.S. exporters. In addition, ITEC also has provided research and analysis to assist in defending cases brought against the United States at the WTO including Argentina's action regarding beef and Indonesia's action regarding clove cigarettes.

ITEC provided an important monitoring and analysis function to evaluate China's compliance with the WTO decisions regarding the raw materials, rare earths, and electronic payment services cases. In addition, ITEC 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.

ITEC has also provided essential research and analysis leading to the U.S. counter-notification of certain Chinese subsidies to the WTO Committee on Subsidies and Countervailing Measures and the counter-notification of certain Chinese State Trading Enterprises to the WTO Council for Trade in Goods, both highlighting China's failure to abide by its reporting commitments.

ITEC is increasing its capabilities including the acquisition of additional foreign language-proficient trade experts. In coordination with other offices at USTR and other agencies, ITEC has identified priority

projects for research and analysis regarding a number of countries and issues. ITEC staff has developed detailed work plans and is researching those projects intensively. These efforts are being supplemented by research activities conducted by other agencies in coordination with ITEC.

2. WTO Dispute Settlement

The United States had major enforcement successes in 2014. Most notably: (i) The United States successfully challenged China's export restraints on rare earths, tungsten and molybdenum – materials which are important inputs for a wide range of critical U.S. industries. The WTO panel found in favor of the United States on all claims, and the panel findings were upheld by the WTO Appellate Body. China has committed to bringing its measures into compliance. (ii) The United States prevailed in a challenge to China's antidumping and countervailing duties on U.S. automobiles. In 2013, China's trade-distorting duties applied to over $5 billion in U.S. exports. As a result of the dispute, China has removed the duties. (iii) The United States prevailed at the panel stage in a challenge to Argentina's sweeping import restrictions in the form of a non-automatic import licensing system and trade-balancing requirements. Argentina's restrictions potentially affect billions of dollars in U.S. exports each year. (iv) The United States prevailed at the panel stage in a challenge to India's ban on imports of various U.S. agricultural products – such as poultry meat, eggs, and live pigs – allegedly to protect against avian influenza. The panel agreed with the United States that India's ban breached India's obligations under the SPS Agreement, *inter alia* because the ban was imposed without a scientific basis.

The United States launched three WTO actions in 2014, requesting WTO consultations: with China regarding China's compliance with the WTO findings in the successful challenge by the United States to China's imposition of antidumping duties and countervailing duties on imports of U.S. grain oriented flat rolled electrical steel (GOES); with Indonesia on its revised licensing measures that restrict imports of horticultural products, animals, and animal products; and with India regarding its domestic content requirements for solar cells and solar modules in Phase II of its National Solar Mission.

Other ongoing enforcement actions include a compliance proceeding to determine whether the EU has complied with the WTO's recommendations regarding EU subsidies to Airbus, a manufacturer of large civil aircraft; and ongoing consultations with China regarding its automobile and automotive parts "export base" program, which appears to provide extensive prohibited export subsidies.

The cases described in Chapter II of this report further demonstrate the importance of the WTO dispute settlement process in opening foreign markets and securing other countries' compliance with their WTO obligations. Further information on WTO disputes to which the United States is a party is available on the USTR website: http://www.ustr.gov/trade-topics/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), formerly known as Import Administration, 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 2014, 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. State Department officials 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 aluminum plates; China's separate investigations of cellulose pulp, solar-grade polysilicon, alloy steel seamless pipe and tube, and optical fiber preforms; the European Union's investigation of grain oriented electrical steel; South Korea's investigation of ethanolamine; Mexico's separate investigations of apples and carbon steel pipe; and Turkey's investigation of cotton; (Countervailing Duty) China's investigation of solar-grade polysilicon; the European Union's expiry review of biodiesel, (Safeguards) India's investigation of flexible slabstock polyol; Indonesia's investigation of coated paper and paperboard; Taiwan's investigation of high and linear low density polyethylene; and Turkey's investigation of printing, writing, and copying paper.

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. The members of the Panel are Mr. Kevin Banks, Chair; Mr. Theodore Posner; and, Mr. Mario Fuentes Destarac.

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. On November 3, 2014, the United States filed its initial written submission in the case. Guatemala filed its initial written submission in February 2015.

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 unnecessary or unjustified barriers stemming from sanitary and phytosanitary (SPS) measures as well as 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 normal, legitimate day-to-day activities that contribute, *inter alia,* to increasing confidence between trading partners by ensuring that products traded internationally 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 such as its annual reports, both the National Trade Estimate Report (NTE), as well as specialized reports on Technical Barriers to Trade and Sanitary and Phytosanitary Measures, 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. Through these undertakings, USTR is able to support efforts to gain market access for U.S. farmers, ranchers, and businesses. In April 2014, USTR published its fifth TBT and SPS annual reports based on reporting by other U.S. Government agencies, including from commercial, agricultural,

and foreign service officers stationed abroad, and submissions from industry and other interested stakeholders.

These reports describe the actions that the 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 the NAFTA, and through other regional and multilateral organizations, such as the APEC and the OECD.

In 2015, USTR will continue to deploy significant resources to identify and confront unjustified SPS and standards-related barriers, but will streamline reporting by integrating information about these efforts into the National Trade Estimate Report. 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. These updates and the actions highlighted therein will continue to be based in part on the input USTR receives from stakeholders. In August 2014, USTR issued a *Federal Register* Notice (Docket USTR-2014-0014) requesting the public to submit views on SPS and standards-related measures that act as significant barriers to U.S. exports.

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 consultations do not result in a settlement and the investigation involves a trade agreement, Section 303 of the Trade Act requires USTR to use the dispute settlement procedures that are available under that agreement. Section 304 of the Trade Act requires USTR to determine whether the acts, policies, or practices in question deny U.S. rights under a trade agreement or whether they are unjustifiable, unreasonable, or discriminatory and burden or restrict U.S. commerce. 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 2014

During 2014, USTR completed a Section 301 investigation of acts, polices, and practices of the government of Ukraine with respect to intellectual property rights. In addition, ongoing developments in the Section 301 investigation of EU measures concerning meat and meat products are summarized below.

Ukraine – Intellectual Property Rights

The May 1, 2013, Special 301 Report identified Ukraine as a priority foreign country due to Ukraine's denial of adequate and effective protection of intellectual property rights and its denial of fair and equitable market access to persons that rely on intellectual property protection (*see Chapter V.B.2 for a further discussion*). Pursuant to the Special 301 designation and to section 302(b)(2) of the Trade Act, on May 30, 2013, the Trade Representative initiated a Section 301 investigation of the acts, policies, and practices of the government of Ukraine that resulted in the identification of Ukraine as a priority foreign country. Simultaneously, USTR also proposed a determination that those acts, policies, and practices are actionable under section 301(b) of the Trade Act.

The investigation covers three categories of acts, policies, and practices with regard to intellectual property rights. The first category involves Ukraine's administration of its system of collecting societies, which are the entities responsible for collecting and distributing royalties to U.S. and other rights holders. The second category involves the use by Ukrainian government agencies of unlicensed software. The third category involves Ukraine's failure to implement an effective and systemic means to combat widespread online infringement of copyright and related rights.

In the notice of initiation, USTR invited written comments on the issues in the investigation and provided notice of a public hearing. The hearing was held on September 9, 2013.

On November 25, 2013, the Trade Representative determined pursuant to Section 304(a)(3)(B) of the Trade Act that the investigation involves complex or complicated issues that require additional time, and that the investigation would be extended by three months.

On February 28, 2014, the Trade Representative determined under Section 304(a)(1)(A) and (B) of the Trade Act that: (1) the acts, policies, and practices subject to investigation were unreasonable and burdened or restricted U.S. commerce, and were thus actionable under Section 301(b) of the Trade Act; and (2) in light of the current political situation in Ukraine, no action under Section 301(b) was appropriate at that time.

USTR remains committed to addressing the matters subject to investigation, and looks forward to further engagement with the Government of Ukraine at an appropriate time.

European Union – Measures Concerning Meat and Meat Products (Hormones)

A directive of the European Communities (EC) prohibits the import into the EU of animals and meat from animals to which certain hormones have been administered (the "hormone ban"). This measure has the effect of banning most imports of beef and beef products from the United States. A WTO panel and the Appellate Body found that the hormone ban was inconsistent with the EU's 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, WTO arbitrators determined that the level of nullification or impairment suffered by the United States as a result of the EC's 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 EC's claims that it had brought its hormone ban into compliance with the EC's 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 EC member States; (3) modifying the coverage with respect to particular EC 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 EC 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 EC announced the signing of an MOU in the EC-Beef Hormones dispute. Under the first phase of the MOU, which concluded in August 2012, the EC 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 in May 2011, in advance of the second phase start date. 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. During 2014, USTR monitored the operation of the MOU, including with respect to whether the MOU is providing meaningful market access to U.S. producers.

The United States continues to have an authorization from the WTO DSB to suspend concessions on EU products. USTR will continue to monitor EU implementation of the MOU and other developments affecting market access for U.S. beef products. If EU implementation and other developments do not proceed as contemplated, USTR will consider additional actions under Section 301 of the Trade Act.

2. Special 301

Pursuant to Section 182 of the Trade Act of 1974, as amended by the Omnibus Trade and Competitiveness Act of 1988 and the Uruguay Round Agreements Act (enacted in 1994), 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.

2014 Special 301 Review Results

On April 30, 2014, the United States Trade Representative announced the results of the 2014 Special 301 Review. The 2014 Special 301 Report reflects the Obama Administration's resolve to encourage and help maintain effective IPR protection and enforcement worldwide. The Report is the result of robust stakeholder input and interagency consultation.

In 2014, USTR continued to enhance public engagement in the Special 301 process, facilitate sound, well balanced assessments of IPR protection and enforcement efforts of particular trading partners, and 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 3, 2014 (http://www.regulations.gov, Docket Number USTR-2013-0040). In addition, on February 24, 2014, 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 witnesses such as representatives of foreign governments, industry, and nongovernmental organizations. For the first time, USTR recorded and posted on its website the testimony at the Special 301 hearing, and also offered a two week 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 2014 *Federal Register* notice – and post hearing comment period – drew submissions from over 100 interested parties, including 21 trading partner governments.

The 2014 Special 301 Report marked the 25th year of the review. Over the past 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. Korea has transformed itself from a country in need of intellectual property rights enforcement into a country with a reputation for cutting edge innovation as well as high quality, high tech manufacturing. Korea is now one of the top patent filers internationally and a U.S. trade agreement partner with state of the art standards of intellectual property rights protection and enforcement. Italy, which was first placed on the Watch List in 1989, was removed from the Watch List in 2014 in recognition of its latest effort, addressing copyright piracy over the Internet. Likewise, the Philippines, which was first placed on the Watch List in 1989, was removed from the Watch List in 2014 based on sustained actions that the Philippine government has undertaken to improve intellectual property rights protection and civil and administrative enforcement in the Philippines. There have also been important advances in many other markets over the past 25 years that have been reflected in the Special 301 Report, including in Australia, Israel, Japan, Qatar, Spain, Taiwan, the United Arab Emirates, and Uruguay.

Still, considerable concerns remain. In 2014, USTR received stakeholder input on nearly 100 trading partners, but focused the review on the 82 nominations 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 10 countries on the Priority Watch List and 27 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 2014 listings are as follows:

Priority Watch List: Algeria; Argentina; Chile; China; India; Indonesia; Pakistan; Russia; Thailand; and Venezuela; and

Watch List: Barbados; Belarus; Bolivia; Brazil; Bulgaria; Canada; Colombia; Costa Rica; Dominican Republic; Ecuador; Egypt; Finland; Greece; Guatemala; Jamaica; Kuwait; Lebanon; Mexico; Paraguay; Peru; Romania; Tajikistan; Trinidad and Tobago; Turkey; Turkmenistan; Uzbekistan; and Vietnam.

The 2014 Report also provides an update on the results of the Section 301 investigation of Ukraine following Ukraine's designation as a Priority Foreign Country on May 1, 2013.

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. In 2014, USTR announced that it would conduct an OCR of Kuwait to assess needed improvements in enforcement and progress on copyright law modernization. The OCR concluded in November 2014 with Kuwait's movement to the Priority Watch List for failure to meet the announced benchmarks. The United States is continuing to work with Kuwait on our areas of concern. Although Spain is not listed in the 2014 Special 301 Report, USTR determined that the OCR first announced in 2013 and focused on whether Spain has met certain specific benchmarks related to tackling copyright piracy on the Internet should continue. USTR also announced that, upon successful conclusion of our bilateral IPR Memorandum of Understanding negotiations, it would remove Paraguay from the Watch List. The Spain and Paraguay 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 2014 Notorious Markets OCR will be published in early 2015 and again highlight developments since the issuance of the previous Notorious Markets OCR in early 2014. 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 our innovative and creative industries in foreign markets and by promoting the job creation, economic development, and many other benefits that effective intellectual property protection and enforcement support. The Special 301 Report and Notorious Markets List inform the public and our trading partners and can serve 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 hearing transcripts and video), Notorious Markets, 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 the 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.

The 2014 Section 1377 Review focused on a range of concerns, including: restrictions on data flows, local content restrictions, unwarranted market caps on video services, and a variety of issues affecting the telecommunications equipment trade in Brazil, China, India, and Indonesia.

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 19 antidumping investigations in 2014 and imposed 20 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 the 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 18 CVD investigations and imposed 6 new CVD orders in 2014.

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 and trademarks.

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. 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 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. 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 a remedial order, it transmits the order, determination, 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 set by the USITC. If the President (or the USTR, exercising the functions assigned by the President) does not disapprove the USITC's action within 60 days, the USITC's order becomes final. If the President or the USTR disapproves or formally approves an order 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. Section 337 determinations are subject to judicial review in the U.S. Court of Appeals for the Federal Circuit, with possible appeal to the U.S. Supreme Court.

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.

During calendar year 2014, the USITC instituted 42 new Section 337 investigations, including three advisory proceedings. The USITC also issued remedial orders in seven investigations, as follows: *Certain Tires and Products Containing Same*, 337-TA-894; *Certain Sleep-Disordered Breathing Treatment Systems and Components Thereof*, 337-TA-890; *Certain Electronic Devices Having Placeshifting or Display Replication Functionality and Products Containing Same*, 337-TA-878; *Certain Cases for Portable Electronic Devices*, 337-TA-867; *Certain Optoelectronic Devices for Fiber Optic Communications, Components Thereof, and Products Containing Same*, 337-TA-860; *Certain Rubber Resins and Processes for Manufacturing Same*, 337-TA-849; *Digital Models, Digital Data, and Treatment Plans for Use, in Making Incremental Dental Positioning Adjustment Appliances, the Appliances Made Therefrom, and Methods of Making the Same*, 337-TA-833. All of these orders became final after policy 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, 2015, the United States had no measures in place under Section 201. The United States did not impose any Section 201 measures during 2014, and did not commence any safeguard investigations.

7. Trade Adjustment Assistance

Overview and Assistance for Workers

The Trade Adjustment Assistance for Workers, Alternative Trade Adjustment Assistance, and Reemployment Trade Adjustment Assistance programs are authorized under Title II of the Trade Act of 1974, as amended. These programs, collectively referred to as Trade Adjustment Assistance (TAA), provide assistance to workers who have been adversely affected by foreign trade.

On October 21, 2011, President Obama signed the Trade Adjustment Assistance Extension Act of 2011 (TAAEA) which ensures that workers harmed by foreign trade have the best opportunity to acquire skills and credentials to get good jobs. The TAA program offers trade-affected workers the best opportunity to retrain and retool for the 21st century economy, ensuring that these workers enjoy quality employment and obtain a middle class standard of living.

The TAA program currently offers the following services to eligible workers: training; out-of-area job search and relocation allowances, weekly income support (Trade Readjustment Allowances (TRA)); and wage insurance for some older workers (Alternative/Reemployment Trade Adjustment Assistance (A/RTAA). In FY 2014, $604,367,111 was allocated to State Governments to fund these benefits and services. This included $306,268,000 for "Training and Other Activities," which includes funds for training, job search allowances, relocation allowances, employment and case management services and related state administration; $260,345,111 for TRA benefits; and $37,754,000 for A/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 other 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.

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 rebranded American Job Center network. American Job Centers can be located on the Internet at http://www.servicelocator.org, http://www.jobcenter.usa.gov, or by calling 1-877-US2-JOBS. Most benefits and services have specific individual eligibility criteria that must be met, such as previous work history, unemployment insurance eligibility, and individual skill levels.

In FY 2014, DOL issued 646 certifications compared to 1,025 certifications in FY 2013 and an estimated 67,738 workers were eligible for TAA benefits compared to 104,158 in FY 2013. The ETA received 972 petition filings in FY 2014 compared to 1,480 petitions filed in FY 2013.[30]

Trade Adjustment Assistance for Farmers

On October 12, 2011, the U.S. Congress passed the Trade Adjustment Assistance Extension Act of 2011, which reauthorized the TAA for Farmers Program through December 31, 2014. However, the U.S.

[30] Data collected from OTAA's Management Information System (MIS) Trade Act Participant Report (TAPR), as of 12/16/2014.

Congress did not appropriate funding for new participants for FY 2014 or the first quarter of FY 2015. As a result, USDA did not accept any new petitions or applications for benefits in FY 2014 or the first quarter of FY 2015.

c. 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 Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. 113-235) (FY 2015 Omnibus Appropriations Act) authorizes the TAAF Program through December 31, 2015.

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. Department of Commerce 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) 2014, EDA awarded a total of $15 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 2014, EDA certified 105 petitions for eligibility and approved 107 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[31]

The United States has a number of programs designed to encourage economic development in lower income countries by offering nonreciprocal reduced duty and preferential duty-free U.S. market access to imports from countries covered by these programs. Individual countries may be covered by more than one preferential market access 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 an estimated $32.5 billion during 2014, down 33 percent from 2013. This compares to an overall 3.2 percent increase in total U.S. goods imports for consumption from the world over the same period. The decrease was largely due to a 52 percent decline ($13.0 billion) in the value of U.S. imports under AGOA (excluding GSP) due mainly in a decline in U.S. mineral fuel imports (mostly oil) (down 58 percent/$12.3 billion). Also there was a $2.6 billion decline in U.S. imports under the Andean Trade Preference Act (ATPA) because the ATPA expired on July 31, 2013, and as such there were no imports after that date.

[31] Although GSP authorization expired July 31, 2013, this section still includes GSP products if retroactive authorization is enacted.

As a share of total U.S. goods imports for consumption, imports under nonreciprocal preference programs decreased from 2.2 percent in 2013 to 1.4 percent in 2014. Again, the decrease would appear to be attributable largely to the decline in AGOA (excluding GSP) imports. Each program's respective share of total U.S. preferential imports in 2014 was as follows: GSP, 57 percent; AGOA (excluding GSP), 37 percent; Caribbean Basin Initiative (CBI), 4 percent; and Caribbean Basin Trade and Partnership Act (CBTPA); 2 percent. Trade under each program (AGOA, GSP, and CBI/CBTPA) decreased in 2014. 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 established by the Trade Act of 1974 (19 U.S.C. §§ 2461 et seq.). Authorization for the program expired on July 31, 2013. The Obama Administration continues to support reauthorization of the program by Congress at the earliest opportunity.

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. An underlying principle of the GSP program is that the creation of trade opportunities for developing countries is an effective way of encouraging broad-based economic development and an important means of sustaining momentum for economic reform and liberalization in these 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

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.

As of January 1, 2015, there were 122 designated GSP beneficiary developing countries (BDCs) and territories, including 43 countries and territories that are "least-developed" beneficiary developing countries (LDBDCs), which are eligible for a broader range of duty-free benefits.

On May 7, 2014, the President notified Congress and the government of Russia of his intent to remove Russia from eligibility for GSP benefits based on a determination that Russia is sufficiently advanced in economic development and improved in trade competitiveness that continued preferential treatment under GSP is not warranted. The GSP statute requires that the President notify Congress and the subject beneficiary country at least 60 days in advance of the termination of a GSP beneficiary country's eligibility for GSP benefits. The President subsequently removed Russia from GSP eligibility by Presidential Proclamation on October 3, 2014.

Eligible Products

When the GSP program expired on July 31, 2013, 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, handbags, and luggage; and some gloves and leather products. 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, rum, and tobacco products, as well as many other products.

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.

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.

In view of the July 31, 2013 expiration of GSP's authorization, the 2013 Annual Review, launched shortly prior to GSP's expiration, was suspended. Product and country practice petitions submitted for the 2013 review will be considered, as appropriate, once GSP is reauthorized.

In 2014, USTR and the interagency GSP Subcommittee of the Trade Policy Staff Committee (TPSC) continued to engage with stakeholders involved in ongoing country practice reviews initiated in previous years. For example, USTR continued to engage closely with the government of Bangladesh and others on the worker rights and worker safety issues that led to the President's June 2013 decision to suspend Bangladesh from eligibility for trade benefits under GSP. In January 2015, USTR announced that the most recent interagency review of Bangladesh's efforts to address these issues found significant progress in several areas, including union registrations and factory inspections, but concluded that more improvements are needed to the legal framework for worker rights and the handling of unfair labor practices cases.

Other outstanding country practice petitions that remained under review at year's end include petitions on Indonesia, Ukraine, and Uzbekistan with respect to IPR protection; on Fiji, Georgia, and Iraq with respect to worker rights; on Niger and Uzbekistan with respect to concerns regarding forced or child labor; and on Ecuador with respect to enforcement of arbitral awards. In April 2014, following progress by the government of Philippines on worker rights issues, the Administration announced its intent to close the GSP review of worker rights in the Philippines without change to Philippines' benefits under GSP. For a complete list of the country practice petitions that remained under review as of December 2014, go to https://ustr.gov/issue-areas/trade-development/preference-programs/generalized-system-preference-gsp/current-review-0. Country eligibility reviews for Burma and Laos launched in 2013 also remained pending at the end of 2014.

The African Growth and Opportunity Act

The African Growth and Opportunity Act (AGOA), enacted in 2000, is a key element of U.S. economic policy in and engagement with Africa, providing 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 2014, 41 sub-Saharan African countries were eligible for AGOA benefits. For more information see https://ustr.gov/about-us/policy-offices/press-office/press-

releases/2013/December/Mali-Eligible-for-Trade-Benefits-Under-AGOA.
http://www.whitehouse.gov/the-press-office/2014/06/26/presidential-proclamation-agoa. (President Obama reinstates Madagascar Fact Sheet).

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 worker 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 international human rights. The annual review takes into account information drawn from U.S. Government agencies, the private sector, civil society, and prospective beneficiary governments. 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. A special mid-term review of two countries resulted in President Obama reinstating The Republic of Madagascar, which in 2013 installed a democratically elected president following a coup that occurred in 2009. The midterm review also resulted in the withdrawal of The Kingdom of Swaziland as an AGOA beneficiary, effective January 1, 2015, in consideration of its lack of progress on eligibility criteria related to worker rights. The regular annual review in 2014 resulted in Guinea Bissau's being declared eligible for AGOA and the withdrawal of eligibility of both Gambia and South Sudan for human rights, governance, and rule of law issues.

AGOA Forum

The United States-Sub-Saharan Africa Trade and Economic Cooperation Forum, informally known as the "AGOA Forum," is an annual ministerial-level meeting with AGOA-eligible countries. At the August 2014 AGOA Forum in Washington, D.C., U.S. Trade Representative Ambassador Michael Froman 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. During his remarks to Forum delegates, Ambassador Froman shared the results of the comprehensive review of the AGOA program, launched in 2013, and shared the Administration's proposals on ways to improve and modernize AGOA. Among the findings of the review, one of the central conclusions was that to unlock AGOA's potential it must be linked to a broader, comprehensive, coordinated trade and development strategy. To address this, an August 4, 2014 Presidential Memorandum established a Trade and Investment Capacity Building Steering Group to identify priority countries, regions, and sectors for targeted and coordinated assistance by U.S. Government agencies. The goal of this assistance is to increase African exports regionally as well as to the United States, including under AGOA. The Steering Group is to provide recommendations to the President. Other findings of the AGOA review informed the Administration's discussions with the U.S. Congress regarding the extension and modernization of the program.

Caribbean Basin Initiative and HOPE II

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 2014, the Caribbean Basin Economic Recovery Act (CBERA) and the United States-Caribbean Basin Trade Partnership Act (CBTPA) trade programs, collectively known as the CBI, remained a vital element in the United States' economic relations with its neighbors in Central America and the Caribbean.

At present, 17 countries and territories receive 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 have bilateral trade agreements with the United States cease to be designated as eligible under CBERA or CBTPA. For example, when CAFTA-DR went into force for Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and the Dominican Republic, each country ceased to be designated as a CBERA and CBTPA beneficiary. The same occurred in the case of Panama when the United States-Panama Trade Promotion Agreement entered into force on October 31, 2012.

Since its inception, the CBERA program has helped beneficiary countries diversify their exports. On a region-wide basis, this export diversification has led to a more balanced production and export base and has reduced the region's vulnerability to fluctuations in markets for traditional products. In conjunction with economic reform and trade liberalization by these countries, the trade benefits of CBERA have contributed to their economic growth. In December 2013, USTR submitted its most recent biannual report to the U.S. Congress on the operation of the CBERA. The report can be found on the USTR website, http://www.ustr.gov/sites/default/files/CBERA%20Report%20Final.pdf.

The Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II) affords preferential treatment for imports of apparel, textiles, and certain other goods from Haiti. To be eligible for preferential treatment under HOPE II, Haiti (i) implemented the Technical Assistance Improvement and Compliance Needs Assessment and Remediation (TAICNAR**)** program (*see* http://www.ustr.gov/sites/default/files/06182014%20USTR%20Report%20Haiti%20HOPE%20II%202014.pdf); (ii) established a Labor Ombudsperson's Office; (iii) agreed to require producers of articles for which preferential tariff treatment may be requested to participate in the TAICNAR program; and (iv) developed a system to ensure participation by such producers, including by establishing a producer registry.

The U.S. Government has continued to work 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-related eligibility criteria under HOPE II, and to ensure full implementation of the TAICNAR program in accordance with the provisions of HOPE II.

VI. TRADE POLICY DEVELOPMENT

A. Trade Capacity Building ("Aid for Trade")

The President's approach to global development, as outlined in the U.S. global development policy released on September 22, 2010, addresses the new strategic context faced by the United States through the following three pillars:

- A policy focused on sustainable development outcomes that places a premium on broad-based economic growth, democratic governance, game-changing innovations, and systems for meeting basic human needs;

- A new operational model that positions the United States to be a more effective partner and to leverage U.S. leadership; and

- A modern architecture that elevates development and harnesses development capabilities spread across the U.S. Government in support of common objectives – including a deliberate effort to leverage the engagement of and collaboration with other donors, foundations, the private sector, and NGOs – not just at the project level, but systemically.

USTR participated actively in the preparation of this strategy and remains active in its implementation. USTR has continued to work closely with the U.S. Department of State, USAID, MCC, U.S. Department of Agriculture, and other U.S. Government agencies to support countries in their capacity to trade, as described in this section.

Trade policy and development assistance are key tools that together can help alleviate poverty and improve opportunities. Through "Aid for Trade," the United States focuses on giving countries –particularly the least trade-active – the training and technical assistance needed to (1) make decisions about the benefits of trade arrangements and reforms; (2) implement their obligations to bring certainty to their trade regimes; and (3) enhance these countries' ability to take advantage of the opportunities of the multilateral trading system and compete in a global economy. Accordingly, U.S. assistance addresses a broad range of issues so that communities, rural areas, and small businesses, including female entrepreneurs, benefit from ambitious reforms in trade rules that are being negotiated in the WTO and in other trade fora.

An important element of this work involves coordinating U.S. Government technical assistance activities with those of international institutions in order to identify and take advantage of donor synergies in programming and avoid duplication. Such institutions include the WTO, the World Bank, the IMF, the regional development banks, and the United Nations. The United States, led by USTR at the WTO and by the U.S. Department of the Treasury at various international financial bodies, works in partnership with these institutions and other donors to ensure that, where appropriate, trade-related assistance is an integral component of development programs tailored to the circumstances within each developing country.

U.S. efforts build on our longstanding commitment to help partner countries benefit from the opportunities provided by the global trading system, both through bilateral assistance and multilateral institutions. U.S. bilateral assistance includes programs such as targeted assistance for developing countries participating in U.S. preference programs; coordination of assistance through Trade and Investment Framework Agreements (TIFAs); trade capacity building (TCB) working groups that are an integral part of preparing developing country partners for potential negotiations on Free Trade Agreements (FTAs); and Committees on TCB created to aid in the negotiation and/or implementation of a number of FTAs, including the FTAs

with the Dominican Republic and Central America, Colombia, Panama, and Peru, and for some partners in the ongoing Trans-Pacific Partnership negotiations. The United States also provides bilateral assistance to developing countries to enable them to work with the private sector and nongovernmental organizations to transition to a more open economy, to prepare for WTO negotiations, and to abide by their trade obligations. Multilaterally, the United States has supported and will continue to support trade-specific assistance mechanisms like the Enhanced Integrated Framework for Trade-Related Assistance to Least-Developed Countries and the WTO's Global Trust Fund for Trade-Related Technical Assistance.

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. Participating organizations include the WTO, World Bank, IMF, UNCTAD, UNDP, UNIDO, 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 and/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).

The EIF aims to further the integration of the least trade-active countries into the multilateral trading system. Fifty countries have been engaged with the EIF, including three countries that have graduated from LDC status – Cabo Verde, Maldives, and Samoa. As of December 2014, a total of 131 projects, including 41 DTIS and DTIS updates, were already under way in 46 countries. The EIF is supported by 23 donors. Institutionally, the EIF is overseen by a Board of Directors, composed of donor countries, LDCs, and participating international organizations. The EIF Secretariat, led by an executive director, is responsible for programmatic implementation, while the EIF Trust Fund Manager is responsible for financial aspects of the program.

The United States supports 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.

The current mandate of the EIF expires December 2015. It was decided, at the Ninth Ministerial Conference in Bali that an evaluation should be undertaken in 2014 to provide an independent, systematic, and objective assessment of the implementation of the EIF program, with a particular focus on the results and impact achieved by the program over the past five years. The evaluation findings were issued in November 2014 and can be accessed on the WTO's website. The EIF Steering Committee decided in December 2014 to extend the mandate of the program into a second phase, subject to agreement on the scope and modalities for the new phase (which will be discussed in early 2015).

2. World Trade Organization-Related U.S. Trade-Related Assistance

International trade can play a major role in the promotion of economic growth and the alleviation of poverty. WTO Members recognize that TCB can facilitate effective integration of developing countries into the international trading system and enable them to benefit further from global trade. The United States

provides leadership in promoting 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 supports the trade-related assistance activities of the WTO Secretariat through voluntary contributions to the DDA Global Trust Fund. With an additional contribution of $1 million in September 2014, total U.S. contributions for WTO technical assistance have amounted to over $15 million since 2001. In 2014, the United States urged the Secretariat, in administering the funds, to devote particular attention to responding to requests for assistance from those developing country members working to implement the Trade Facilitation Agreement.

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 continues to be 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 agreed at the Ninth WTO Ministerial Conference in Bali in December 2013. Following conclusion of the TFA negotiations, U.S. assistance helped prepare a number of countries to understand and implement the TFA. USAID supported over 27 countries in conducting WTO Trade Facilitation Needs assessments. In Nigeria, Vietnam, and Central America, for example, U.S. missions conducted workshops focused on implementation of the WTO TFA. Nineteen countries have also received U.S. assistance under the continuing Partnership for Trade Facilitation. Recent results of those efforts include the completion in Burma, Mozambique, and the Philippines of trade portals to make information on trade procedures and processes transparent and available.

WTO Accession

The United States provides technical support to countries that are in the process of acceding to the WTO. In 2014, WTO accession assistance was specifically provided to Afghanistan, Kazakhstan, Laos, and Turkmenistan. Among current accession applicants, Algeria, Belarus, Ethiopia, Iraq, Lebanon, Serbia, and Uzbekistan also received U.S. technical assistance earlier in their accession processes. Ukraine, Tajikistan, and Georgia also continue to receive assistance with implementing their membership commitments.

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 fight poverty.

Africa Competitiveness and Trade Expansion Initiative

Since 2011, the African Competitiveness and Trade Expansion (ACTE) Initiative has been the centerpiece of U.S. support for building trade capacity in Africa. The four-year initiative has provided $120 million to

improve Africa's capacity to produce and export competitive, value-added products, including those that can enter the United States duty free under the African Growth and Opportunity Act (AGOA), and to address supply-side constraints that impede African trade. ACTE has supported the work of three regional trade hubs, helped drive economic development in African countries, and enhanced trade opportunities for Africans and Americans alike.

During the August 2014 African Leaders Summit (ALS) President Obama stated that the U.S. Government will be increasing its support for building trade and investment capacity in Africa. Through the African Competitiveness and Trade Expansion (ACTE) Initiative the Administration committed to provide $30 million per year for FY 2012 through FY 2015 to improve Africa's capacity to produce and export competitive, value-added products, including those that can enter the United States duty free under AGOA, and to address supply-side constraints that impede African trade. ACTE has supported the work of three regional trade hubs in the east, west and southern Africa, and helped enhance trade opportunities for Africans and Americans alike. The Administration has now committed to increase its commitment to trade and investment capacity building in the region to $75 million annually for FY 2015 and FY 2016. Also, on the eve of the ALS in August 2014, President Obama issued a Presidential Memorandum that established an interagency Trade and Investment Capacity Building Steering Group tasked with providing him recommendations for the coordinated, strategic use of U.S. Government programs aimed at supporting trade and investment capacity building efforts in sub-Saharan Africa. (*For additional information, please see Section III on Sub-Saharan Africa).*

Assistance to West African Cotton Producers

Since 2005, the United States has mobilized its development agencies to help the West African countries of Benin, Burkina Faso, Chad, Mali, and Senegal address obstacles they face in the cotton sector. The MCC, USAID, USDA, and the U.S. Trade and Development Agency continued to work with these nations as they sought to improve prospects 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 aimed to improve the production and marketing of cotton in five countries: Benin, Burkina Faso, Chad, Mali, and Senegal.

WACIP activities focused on the dissemination of good agricultural practices, integrated pest management and integrated soil fertility management. The project demonstrated that, if the appropriate agricultural techniques are applied, a farmer's income can increase by more than 45 percent. By the end of the project, WACIP's interventions resulted in increased yields for seed cotton (by 16 percent), maize (14 percent) and leguminous crops (over 50 percent). Returns per hectare for seed cotton (by 78 percent), maize (45 percent) and leguminous crops (over 150 percent) also increased for WACIP-supported farms. In order to link textile artisans to markets, WACIP and its implementing partner, Aid to Artisans, worked with 30 groups, representing 3,000 artisans, to design and market 1,100 new products for national, regional and international markets. This resulted in total sales of nearly $2 million.

With the close of WACIP, USAID has created the West Africa Cotton Partnership Project (WACPP) as a four-year activity with the goal of increasing food security, through increased incomes for male and female cotton producers and processors in targeted areas of C-4 countries of Benin, Burkina Faso, Chad, and Mali. WACPP will support regional and national institutions and organizations (public and private) that prioritize smallholder cotton farmers.

The U.S. Government also provides complementary support to the cotton sector through other programs. MCC is implementing or has implemented compacts with Benin, Burkina Faso, Mali, and Senegal. The USDA also provides support to these countries through its Food for Progress program, which encourages development of the agriculture sector and market development. USDA further supports the West African cotton sector through its research and exchange programs, specifically the Borlaug Programs and the Cochran Program.

4. Free Trade Agreements

In addition to the WTO programs, the United States helps U.S. FTA partners implement commitments, and benefit over the long term through TCB working groups and other FTA-related projects. The U.S. and FTA partners have held TCB Committee meetings to prioritize and coordinate TCB activities during the transition and implementation periods once an FTA enters into force. USAID and USDA, in Washington and in their field missions, 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. Trade capacity building programs and planning in other areas continued throughout 2014. For example, the U.S. Agency for International Development (USAID) and other donors, including U.S. agencies such as the U.S. Departments of Agriculture, State, and Commerce, carried out bilateral and regional projects with the CAFTA-DR partner countries. The United States also works closely on a number of environmental cooperation programs that support implementation of the environment obligations in our trade agreements (*for additional information, please refer to the individual country, region, 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 guided by USTR, 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 and the American National Standards Institute (ANSI) entered into a public-private partnership that will coordinate 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. In coordination with USTR, the USAID-ANSI partnership will include activities in up to 10 markets representing a variety of geographical regions and levels of economic development. In consultation with TPSC member agencies and private sector experts, ANSI reviewed the applications received 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. Participating countries/regions for the first year include: Central America (CAFTA-

DR, Panama), Colombia, the East African Community, Indonesia, Middle East/North Africa, Peru, Southern Africa Development Community, developing ASEAN members, and Yemen.

The highlights of Standards Alliance programming in 2014 include work to develop a uniform plumbing code in Indonesia, an August 2014 workshop with the East African Community on electronic notification systems and public consultation, an October 2014 workshop on the use of regulatory impact analysis held in Peru, and a two-day conference on good regulatory practice held in Mexico in December 2014.

B. Public Input and Transparency

The Obama Administration has broadened opportunities for public input and increased 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 and with regional and functional offices across the agency 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 Trade Policy Staff Committee (TPSC) public hearings; increasing transparency in all trade negotiations; managing the agency's outreach and engagement to a diverse set of all stakeholder sectors including small and medium-sized businesses, agriculture groups, environmental organizations, industry groups, labor unions, consumer advocacy groups, non-governmental organizations, academia, think tanks, trade associations, and State and local Governments; and advocating the President's robust trade agenda to audiences at major domestic trade events and 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. Public Outreach

Federal Register Notices Seeking Public Input/Comments Now Available Online for Inspection

Throughout 2014, USTR issued *Federal Register* Notices online to solicit public comment and held public hearings at USTR regarding a wide array of trade policy initiatives. Public comments received in response to *Federal Register* Notices are available for inspection online at http://www.regulations.gov. Some examples of trade policy initiatives for which USTR has sought public comment during 2014 include the following:

- Environmental Goods Agreement (EGA): In March 2014, USTR formally notified Congress of the Obama Administration's intent to enter into negotiations for a new trade agreement in the WTO aimed at eliminating tariffs on a wide range of environmental goods, such as solar water heaters and wind turbines. The agreement builds on U.S. leadership in the Asia-Pacific Economic Cooperation (APEC) forum on environmental goods, and maintains momentum in the WTO. The EGA negotiations include the world's largest traders of environmental goods, including China and the European Union, together accounting for over 86 percent of the $1 trillion environmental technologies market. In June 2014, as part of the 90 day consultation period with Congress and the public, USTR hosted a public hearing to solicit comments on negotiating objectives and product coverage for the EGA.

Policy Initiatives to Increase Transparency

USTR continues to take steps in specific issue areas to increase transparency and augment opportunities for public input. For example:

- Transparency in Trans-Pacific Partnership Negotiations: USTR worked with each TPP partner to plan events as part of negotiating rounds that were open to registered stakeholder participation. These events included briefings from chief negotiators and provided multiple opportunities to provide input into the negotiations, including those with respect to chapters addressing environment, tobacco, investment, pharmaceuticals, and intellectual property. In addition, USTR created opportunities for the public and other interested stakeholders to receive real-time, detailed briefings from senior USTR officials and technical leads of the TPP negotiations at the conclusion of negotiating rounds.

- Inclusion of Stakeholders in the Transatlantic Trade and Investment Partnership (T-TIP) Negotiations: Stakeholder engagement events are an important opportunity for USTR and its trade negotiators to receive feedback on the ongoing talks, with the aim of ensuring the strongest possible outcomes for trade negotiations. In 2014, USTR hosted a stakeholder forum at every U.S. hosted round of the T-TIP. These events included over 350 global stakeholders at each forum. Stakeholders were invited to give presentations, engage with negotiators, and to attend briefings hosted by the U.S. and EU Chief Negotiators. This is in addition to telephone calls USTR has hosted with large public participation from across the country on key trade issues on a regular basis. USTR held additional stakeholder meetings specifically on issues related to the T-TIP on a regular basis.

Open Door Policy

USTR officials meet frequently with a broad array of stakeholders, including labor unions, environmental organizations, consumer groups, large and small businesses, public interest groups, State and local Governments, NGOs, think tanks, and universities to discuss specific trade policy issues, subject to negotiator availability and scheduling.

2. The Trade Advisory Committee System

The trade advisory committee system, established by the U.S. Congress in 1974, was created to ensure that U.S. trade policy and trade negotiating objectives adequately reflect U.S. public and private sector interests. The trade advisory committee system consists of 28 advisory committees, with a total membership of up to approximately 700 advisors. It includes committees representing labor, environment, industry, agriculture, state and local interests. IAPE manages the system, in cooperation with the U.S. Departments of Agriculture, Commerce, and Labor, respectively.

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.

The system is arranged in 3 tiers: the President's Advisory Committee for Trade Policy and Negotiations (ACTPN); 5 policy advisory committees dealing with environment, labor, agriculture, Africa, and state and local issues; and 22 technical advisory committees in the areas of industry and agriculture. 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 broadened the participation on committees to include a more diverse group of stakeholders, represent new interests, and fresh perspectives, and continues exploring ways to further expand representation while ensuring the committees remain effective.

In February 2014, USTR asked for public comments on its intent to create a public interest advisory committee to increase transparency and to provide a forum for experts in the firlds of public health, consumer protection, and international development to provide input to our trade negotiators. USTR still is evaluating how to proceed. All public comments may be viewed online: http://www.regulations.gov/#!documentDetail;D=USTR-2014-0005-0001.

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 not more than 45 members who are broadly representative of the key economic sectors 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 variety of interests including non-Federal Governments, environment, labor, agriculture, technology, small business, service industries, and retailers interests. A current roster of 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 USTR or in conjunction with other Cabinet officers. The Intergovernmental Policy Advisory Committee (IGPAC), the Trade and Environment Policy Advisory Committee (TEPAC), and the Trade Advisory Committee for 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.

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, processors, renderers, retailers, and public advocacy from diverse sectors of agriculture, including 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 35 members.

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.

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 steelworkers, farmers, automotive, aerospace, 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.

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.

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 2 areas: agriculture and industry. Representatives are appointed jointly by the U.S. Trade Representative and the U.S. Secretaries of Agriculture and Commerce, respectively. 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: Animals and Animal Products; Fruits and Vegetables; Grains, Feed, Oilseeds, and Planting Seeds; Processed Foods; Sweeteners and Sweetener Products; and 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. Each of the committees consists of not more than 35 members. 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 industries and other entities across the range of interests which 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 will also be 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); Non-Ferrous Metals and Building Materials (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 sectors including, but not limited to labor, manufacturers, exporters, importers, service providers, producers, 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 industries and other U.S. entities across the range of interests in that sector, commodity group, or functional area which 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 they represent is available on the U.S. Department of Commerce website: http://ita.doc.gov/itac/.

3. State and Local Government Relations

USTR maintains consultative procedures between Federal trade officials and State and local Governments. USTR's Office of IAPE informs 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, pursuant to the NAFTA and Uruguay Round implementing legislation and Statements of Administrative Action, USTR created a State Single Point of Contact (SPOC) system. The Governor's office in each state designates a single contact point to disseminate information received from USTR to relevant state and local offices and assist in relaying specific information and advice from the states 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. to regularly update through formalized briefings, calls, and working with state organizations and associations. Governors' staff receive USTR press releases, *Federal Register* Notices, and other pertinent information.

The SPOC network ensures that State Governments are promptly informed of Administration trade initiatives and it also enables USTR to consult with states and localities directly on trade matters which may affect them. SPOCs regularly receive USTR press releases, *Federal Register* Notices, and other pertinent information. USTR convenes a regular monthly conference call for SPOCs and members of the Intergovernmental Policy Advisory Committee (IGPAC) to keep State and local Governments apprised of timely trade developments of interest.

Intergovernmental Policy Advisory Committee

IGPAC makes recommendations to USTR and the Administration on trade policy matters from the perspective of State and local Governments. In 2014, IGPAC was briefed and consulted on trade priorities of interest to states and localities, including: the Trans-Pacific Partnership; the Trans-Atlantic Trade and Investment Partnership; the Trade in Services Agreement; and other matters.

Meetings of State and Local Associations

USTR officials frequently 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. 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. Topics of interest included the negotiations of the Trans-Pacific Partnership, the Trade in Services Agreement and the Transatlantic Trade and Investment Partnership and implementation of approved trade agreements with Colombia and South Korea, the application of the WTO Government Procurement Agreement, General Agreement on Trade in Services issues, enforcement of trade agreements, and consultations with individual states regarding applicable trade remedy investigations.

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 80 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 2014, the TPSC held public hearings regarding U.S. negotiation objectives for an Environmental Goods Agreement in the WTO (June 2014), China's Compliance with its WTO Commitments (October 2014), and Russia's Implementation of the WTO Commitments (October 2014).

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 66 new FOIA requests in 2014 and processed 71. USTR continues to raise the bar as to responsiveness, efficiency, and transparency in its administration of the FOIA.

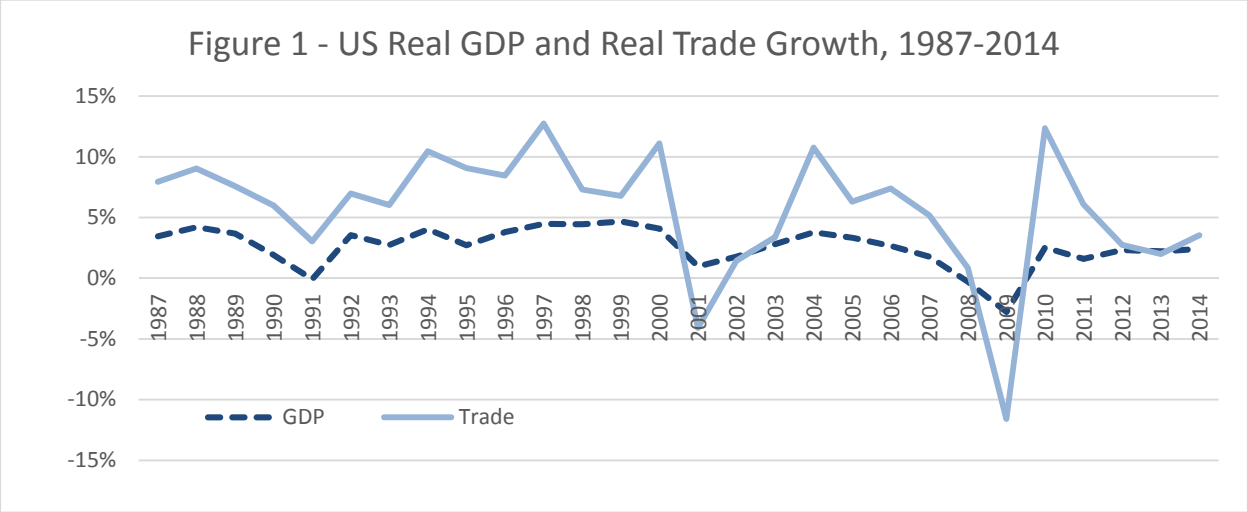
ANNEX I

U.S. TRADE IN 2014

I. 2014 Overview

Real world trade grew at an estimated 3.8 percent in 2014, faster than the previous two years (2.9 percent in 2012, 3.0 percent in 2013). However, this was a slowdown from the pre-crisis average of 7 percent for 1987-2007, as well the growth experienced in the early stages of the global recovery (up 12.6 percent in 2010 and 6.7 percent in 2011)[32]. This slowdown reflects cyclical factors such as weak global economic growth of around 2.4 percent since 2011 (growth was 4.1 percent in 2010 and 2.9 percent in 2011), most notably in Europe but also with many emerging market economies. However, some of the slowdown in trade growth could be structural, reflecting a more modest pace in the fragmentation of global production processes (value chains) after years of rapid change causing the composition of trade to GDP to change.

The real growth rate for U.S. trade in goods and services, at 3.5 percent in 2014 was up from both 2013 (2.0 percent) and 2012 (2.7 percent) but lower than 2010 (6.1 percent) and 2011 (12.4 percent) and the average from the 20 years preceding the great recession 1987-2007 (6.7 percent) (figure 1). U.S. trade expansion, like global trade expansion, has been growing faster than the overall U.S. economy, in both nominal and real terms, since the 1970s. In real terms, the average annual growth in trade was 5.7 percent, from 1970 to 2011, compared to the pace of GDP growth of 2.9 percent over the same period. Over the last three years, 2011-2014, trade grew at an average annual rate of 2.8 percent, as compared to 2.3 percent for GDP growth. In nominal terms, trade grew at an average annual rate of 9.6 percent per year between 1970 and 2011[33] (from $111.0 billion to $4.8 trillion) as compared to U.S. GDP whose average annual growth over the same period was 6.7 percent. Over the last three years, 2011-2014, trade grew at an average annual rate of 2.7 percent, as compared to 3.9 percent for GDP growth.



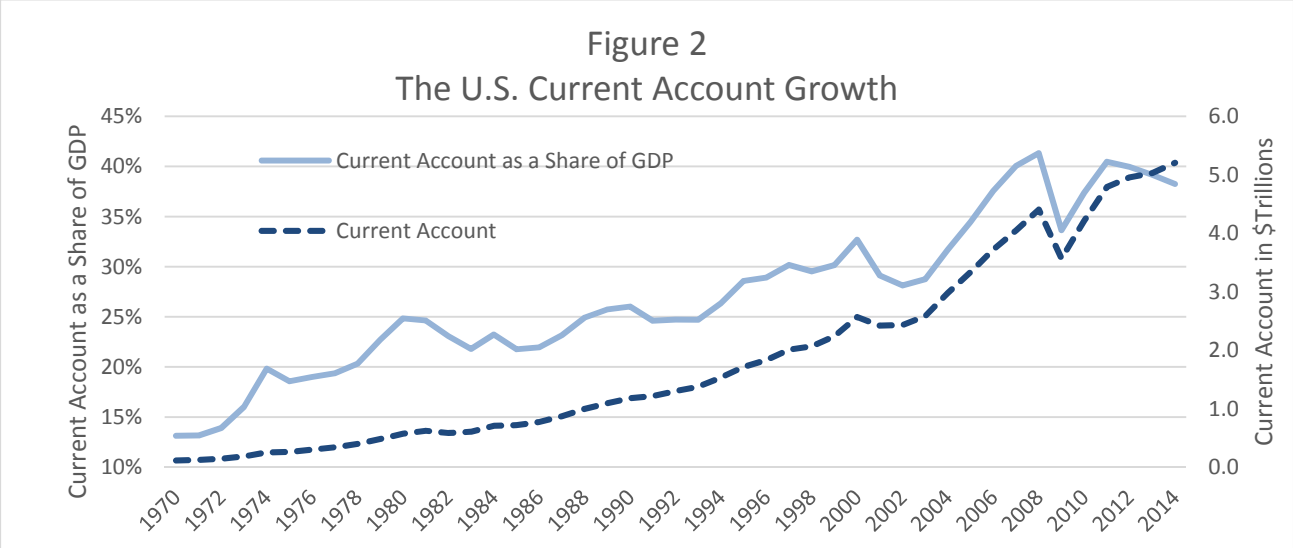
Source: U.S. Bureau of Economic Analysis, on a NIPA Basis

While trade growth has slowed, trade has still been an important contributing factor in the recovery. Over the past 5 and one-quarter years of recovery (2nd Qtr 2009 to 3rd Qtr 2014), U.S. real GDP is up 2.3 percent at an annual rate, and exports have contributed nearly one-third (31 percent or 0.6 percentage points) to this growth. Over this time frame, real exports of goods and services have grown more than 2.5 times the rate of the overall economy (6.1 percent at an annual rate for exports compared to 2.3 percent at an annual rate

[32] According to the International Monetary Fund.
[33] On a BOP Basis.

for the economy). In 2014, U.S. goods and services exports were nearly 44 percent above the level of exports in 2009.

In 2014, the U.S. Current Account (exports and imports of goods and services, and the receipt and payment of earnings on foreign investment)[34] grew by 3.3 percent to a record $7.0 trillion (*figure 2*).[35] As a share of the value of GDP, the Current Account was up from 13 percent in 1970 to 38 percent in 2014, but was still below the record 40 percent reached in 2008 (figure 1).[36]



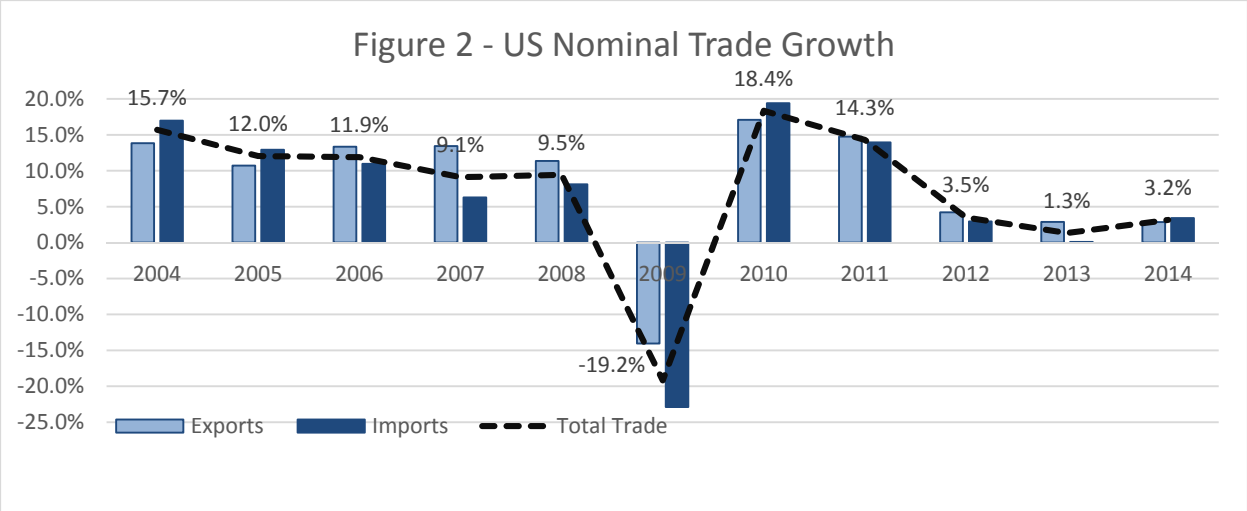
Source: U.S. Bureau of Economic Analysis

On a Balance of Payments basis U.S. trade in goods and services increased by 3.2 percent, in 2014– U.S. trade of goods alone increased by 3.1 percent and U.S. trade of services increased by 3.4 percent (figure 3). U.S. exports of goods and services were up by 2.9 percent in 2014, goods exports were up 2.7 percent and services exports were up 3.3 percent. U.S. imports of goods and services were up by 3.4 percent in 2014, goods were up by 3.4 percent and imports of services increased by 3.6 percent.

[34] The Current Account is the most complete picture of trade, as earnings on foreign investment are considered trade, because they are conceptually the payment made to foreign residents for the service rendered by the use of foreign capital. However, the majority of this chapter deals with goods and services trade, excluding foreign investment earnings. All trade values are nominal unless otherwise indicated.

[35] On a National Income Products Account basis. In this Chapter, earnings and payments on foreign investment are annualized based on the first 3 quarters of 2014.

[36] For goods and services, excluding investment earnings and payments, U.S. trade represented 29 percent of the value of GDP in 2013, up from 9 percent in 1970.



Source: U.S. Bureau of Economic Analysis, on a BOP Basis

The total deficit on goods and services trade[37] increased by $29 billion in 2014 to $505 billion. The deficit was about 29 percent lower than its pre-recession level of $709 billion in 2008 and 34 percent lower than the 2006 high of $762 billion. As a share of GDP, the deficit increased from 2.8 percent of GDP in 2013 to approximately 2.9 percent of GDP in 2014, but was still lower than its high of 5.5 percent in 2006.

The U.S. deficit in goods trade alone increased by $35.2 billion from $701.7 billion in 2013 (4.2 percent of GDP) to $736.8 billion in 2014 (still 4.2 percent of GDP), while the services trade surplus increased by $6.5 billion, from $225.3 billion in 2013 (1.3 percent of GDP) to $231.8 billion in 2014 (still 1.3 percent of GDP).

II. Export Growth

U.S. exports of goods and services were up by 2.9 percent in 2014 (48 percent since 2009), to a record $2.3 trillion (table 2). Goods exports were up 2.7 percent ($42.3 billion) to a record $1.6 trillion and services exports up 3.3 percent ($22.9 billion) to a record $710.3 billion *(table 1).*

Nearly 30 percent of all U.S. exports were to related parties (either to a foreign parent or affiliate). This accounted for 29.6 percent of U.S. goods exports and 27.3 percent of U.S. exports of services, in 2013 (latest year available).

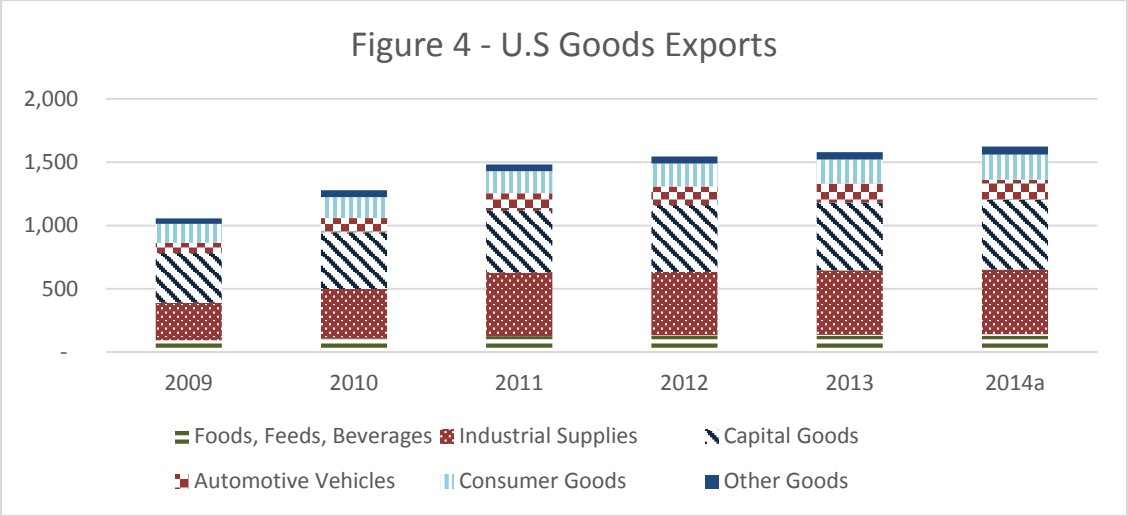
[37] On a balance of payments basis.

Table 2 - U.S. Exports					
	Value ($Billions)			% Change	
	2009	2013	2014	09-14	13-14
Total Goods and Services	**1,583.1**	**2,280.2**	**2,345.8**	**48.2%**	**2.9%**
Goods	**1,070.3**	**1,592.8**	**1,635.1**	**52.8%**	**2.7%**
Capital Goods	391.2	534.2	550.0	40.6%	3.0%
Industrial Supplies	296.5	509.3	506.8	70.9%	-0.5%
Consumer Goods	149.5	189.1	199.2	33.3%	5.3%
Automotive Vehicles and Parts	81.7	152.6	159.5	95.1%	4.5%
Foods, Feeds, Beverages	93.9	136.2	144.2	53.6%	5.9%
Other Goods	43.2	58.2	63.5	47.0%	9.1%
Petroleum (Addendum)	49.2	137.6	145.7	196.3%	5.9%
Manufacturing (Addendum)	917.9	1,382.7	1,403.1	52.8%	1.5%
Agriculture (Addendum)	101.3	148.7	155.1	53.1%	4.3%
Services	**512.7**	**687.4**	**710.3**	**38.5%**	**3.3%**
Travel	119.9	173.1	179.0	49.3%	3.4%
Charges for the use of intellectual property	98.4	129.2	134.9	37.1%	4.4%
Other business services	96.0	123.4	125.6	30.9%	1.7%
Transport	62.2	87.3	89.7	44.2%	2.8%
Financial services	64.4	84.1	89.5	38.9%	6.4%
Telecom, computer, and information services	23.8	33.4	33.3	39.8%	-0.4%
Government goods and services	21.3	24.5	23.8	11.7%	-2.9%
Maintenance and repair services	12.1	16.3	18.1	49.9%	11.1%
Insurance services	14.6	16.1	16.4	12.7%	2.1%

Source: U.S. Department of Commerce, Balance of Payments basis for total and services sectors, Census basis for goods sectors.

A. Goods Exports

Goods exports increased in 2014, by 2.7 percent to a record $1.6 trillion (*table 1 and figure 4*). Manufacturing exports, which accounted for 86.4 percent of total goods exports and 47 percent of the increase in exports, were up 1.5 percent in 2014. Agricultural exports, which accounted for 9.6 percent of total goods exports and 15 percent of the increase in exports, were up 4.3 percent in 2014. U.S. goods exports increased for all major end-use categories in 2014, with the largest increases in capital goods, up 3.0 percent ($15.8 billion), and consumer goods, up 5.3 percent ($10.1 billion). U.S. petroleum exports, a subset of industrial supplies, were up 5.9 percent accounting for 18.6 of the increase in exports.



Source: U.S. Department of Commerce

Over the last 5 years, between 2009 and 2014, U.S. goods exports have increased by 52.8 percent ($564.8 billion). U.S. agricultural exports grew by 53.1 percent ($53.8 billion) and manufacturing exports grew by 52.8 percent ($485.1 billion), over the same time period. Of the major end-use categories, exports of industrial supplies and materials (up $210.3 billion, or 70.9 percent) led export growth in the 2009-2014 timeframe, accounting for 37.1 percent of the increase. U.S. petroleum exports, a subset of industrial supplies and materials, grew by 196.3 percent ($96.5 billion) from 2009 to 2014., Capital goods were up $158.8 billion (40.6 percent) and accounted for 28.0 percent of total exports and automotive vehicles and parts were up $77.7 billion (95.1 percent) accounted for 13.7 percent of the increase.

In 2014, U.S. goods exports increased to the top 4 export markets, Canada (3.5 percent), China (1.9 percent), Japan (2.7 percent), and Mexico (6.3 percent) (*table 2*). In addition, U.S. goods exports to our 20 FTA partners increased by 4.3 percent, and U.S. exports to perspective FTA countries also increased (European Union up 5.5 percent, TPP countries up 4.0 percent).

Table 2 - U.S. Goods Exports to Selected Countries/Regions

	Value ($Billions)			% Change	
	2009	2013	2014	09-14	13-14
Canada	204.7	301.6	312.0	52.4%	3.5%
China	69.5	121.7	124.0	78.5%	1.9%
Japan	51.1	65.2	67.0	31.0%	2.7%
Mexico	128.9	226.1	240.3	86.4%	6.3%
European Union (28)	220.8	262.2	276.7	25.3%	5.5%
Latin America (excluding Mexico)	109.5	184.4	184.8	68.7%	0.2%
Pacific Rim (excluding Japan and China)	133.9	201.1	204.8	52.9%	1.8%
FTA Countries (Addendum)	466.1	733.3	765.1	64.2%	4.3%
TPP (Addendum)	456.5	699.1	727.0	59.3%	4.0%
Advanced Economies (Addendum)	613.9	836.4	864.1	40.8%	3.3%
Emerging Markets and Developing Economies (Addendum)	442.1	743.2	759.4	72.1%	2.4%

Source: U.S. Department of Commerce, Census basis

Advanced Economies and Emerging Markets as defined by the IMF

U.S. goods exports to advanced economies, accounting for 53.2 percent of U.S. total goods exports, increased by 3.3 percent, while goods exports to emerging markets and developing economies increased by 2.4 percent. This is the first year since 1999 that U.S. goods exports have grown faster to advanced economies than to emerging markets and developing economies. The share of U.S. goods exports going to emerging markets and developing countries increased from 34.8 percent in 2004 to 47.0 percent in 2013, before declining to 46.8 percent in 2014.

B. Services Exports

U.S. exports of services increased by 3.3 percent to a record $710.3 billion in 2014 *(table 1)*. U.S. services exports accounted for 30 percent of the level of U.S. goods and services exports in 2014.

All major services export categories exhibited increases in 2014, with the exception of telecommunications services and government goods and services. The growth of U.S. services exports was led by travel (up 3.4 percent, $5.9 billion), intellectual property (up 4.4 percent, $5.7 billion) and financial services (up 6.4 percent, $5.4 billion).

U.S. services exports have increased by 38.5 percent over the past 5 years. Of the $197.6 billion increase in U.S. services exports between 2009 and 2014, travel services accounted for 29.9 percent ($59.1 billion) of the increase, while intellectual property and other business services accounted for 18.5 percent ($36.5 billion) and 15.0 percent (29.6 billion), respectively.

Detailed services exports to countries/regions are available only through 2013. Canada was the largest purchaser of U.S. services exports in 2013, accounting for 9.2 percent ($63.3 billion) of total U.S. services exports. The next 5 largest purchasers of U.S. services exports in 2013 were: the United Kingdom ($60.3 billion), Japan ($46.3 billion), China ($37.8 billion), Ireland ($31.7 billion), and Mexico ($29.9 billion). Regionally, in 2013, the United States exported $205.9 billion to the EU, $196.9 billion to the Asia/Pacific region ($112.9 billion excluding Japan and China), $93.1 billion to NAFTA countries, and $63.3 billion to South and Central America (excluding Mexico).

III. Imports

U.S. imports of goods and services were up by 3.4 percent in 2013 (44.9 percent since 2009) to a record $2.9 trillion. Goods imports were up 3.4 percent ($77.5 billion) to a record $2.4 trillion and services imports are up 3.6 percent ($16.6 billion) to a record $479 billion (*table 3*).

40.5 of all U.S. imports were from related parties (either from a foreign parent or affiliate). This accounted for 50.1 percent of U.S. goods imports and 27.5 percent of U.S. imports of services, in 2013 (latest data available).

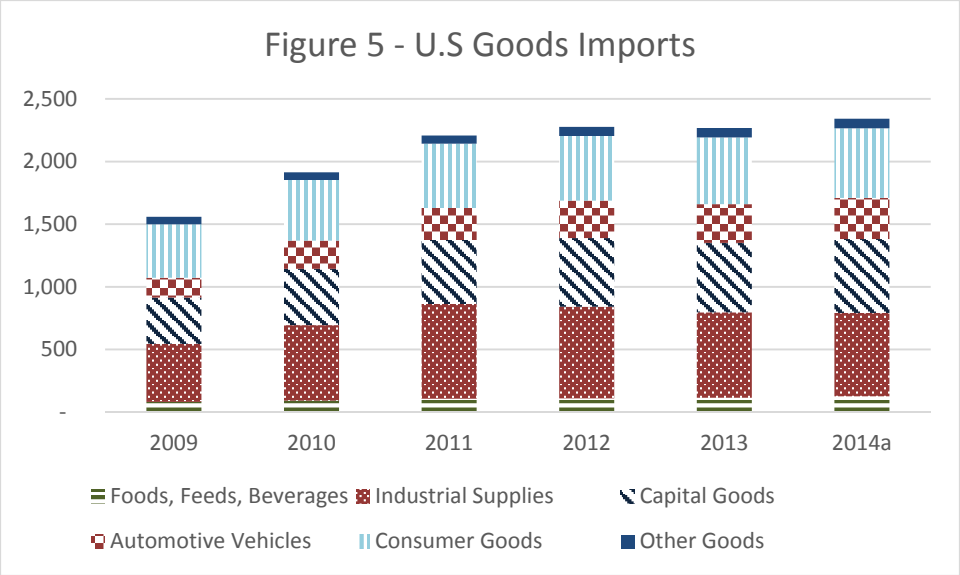
Table 2 - U.S. Imports					
	Value ($Billions)			% Change	
	2009	2013	2014	09-14	13-14
Total Goods and Services	**1,966.8**	**2,756.6**	**2,850.5**	**44.9%**	**3.4%**
Goods on a BOP Basis	**1,580.0**	**2,294.5**	**2,371.9**	**50.1%**	**3.4%**
Industrial Supplies	462.4	681.6	665.5	44.0%	-2.3%
Capital Goods	370.5	554.5	591.4	59.4%	6.5%
Consumer Goods	427.3	532.7	558.0	30.0%	4.3%
Automotive Vehicles	157.7	308.8	327.8	107.7%	6.1%
Foods, Feeds, Beverages	81.6	115.1	125.8	54.1%	9.2%
Other Goods	60.2	75.5	77.5	27.8%	1.8%
Petroleum (Addendum)	253.7	369.7	334.1	32.1%	-9.4%
Manufacturing (Addendum)	1,236.4	1,830.1	1,927.3	55.2%	4.8%
Agriculture (Addendum)	71.8	104.4	111.9	54.8%	6.6%
Services	**386.8**	**462.1**	**478.5**	**23.8%**	**3.6%**
Travel	81.4	104.7	111.4	37.2%	6.7%
Other business services	68.6	92.7	98.3	44.2%	6.6%
Transport	64.1	90.8	94.5	46.2%	3.3%
Insurance services	63.8	50.5	48.4	-24.6%	-4.6%
Charges for the use of intellectual property	31.3	39.0	41.3	32.6%	6.4%
Telecom, computer, and information services	25.8	32.9	33.4	30.2%	2.1%
Government goods and services	31.5	25.3	24.0	-23.6%	-5.2%
Financial services	14.4	18.7	19.3	36.4%	5.2%
Maintenance and repair services	5.9	7.6	7.9	28.7%	0.3%

Source: U.S. Department of Commerce, Balance of Payments basis for totals and services sectors, Census basis for goods sectors.

A. Goods Imports

U.S. goods imports increased by 3.4 percent in 2013, and were valued at $2.4 trillion, accounting for 83.2 percent of total imports (*table* 3 *and figure 5*). U.S. manufacturing imports, which accounted for 82.2 percent of total goods imports, increased by 4.8 percent in 2014. Agriculture imports, accounting for 4.8 percent of total goods imports, increased by 6.6 percent.

U.S. goods imports increased for nearly every major end-use category in 2014, with only the industrial supplies and materials category declining (down 2.3 percent, $16.1 billion). Petroleum imports, a subset of industrial goods imports, declined by 9.4 percent ($35.6 billion). Fifty nine percent of this decrease in petroleum imports was driven by a decline in price, while the other 41 percent was driven by quantity as the U.S. imported the lowest volume of petroleum since 1993. The largest increases were in capital goods (up 6.5 percent, $36.8 billion) and consumer goods (up 4.3 percent, $25.2 billion).



Source: U.S. Department of Commerce, Census Bureau
Data Presented on a Census Basis

U.S. goods imports have increased by 50.1 percent since 2009. Over this same time period U.S. agriculture imports have increased by 54.8 percent, while imports of manufactured goods and petroleum products have increased by 55.2 percent and 32.1 percent, respectively. For the major end-use categories, U.S. imports of capital goods led growth since 2009 (up 59.4 percent, $220.9 billion), followed by industrial supplies and materials (up 44.0 percent, $203.1 billion), and automotive vehicles and parts (up 107.7 percent, $170.1 billion).

Table 4 - U.S. Goods Imports to Selected Countries/Regions

	Value ($Billions)			% Change	
	2009	2013	2014	09-14	13-14
Canada	226.2	332.6	346.1	53.0%	4.0%
China	296.4	440.4	466.7	57.4%	6.0%
Japan	95.8	138.6	133.9	39.8%	-3.4%
Mexico	176.7	280.5	294.2	66.5%	4.9%
European Union (28)	282.1	387.6	417.8	48.1%	7.8%
Latin America (excluding Mexico)	108.1	158.5	150.4	39.2%	-5.1%
Pacific Rim (excluding Japan and China)	140.8	192.3	207.3	47.2%	7.8%
FTA Countries (Addendum)	528.0	799.9	826.9	56.6%	3.4%
TPP (Addendum)	570.8	852.7	881.9	54.5%	3.4%
Advanced Economies (Addendum)	736.1	1,039.4	1,090.1	48.1%	4.9%
Emerging Markets and Developing Economies (Addendum)	823.5	1,228.9	1,255.1	52.4%	2.1%

Source: U.S. Department of Commerce, Census basis
Advanced Economies and Emerging Markets as defined by the IMF

In 2014, U.S. goods imports increased from our top 3 import suppliers, China (up 6.0 percent), Canada (up 4.0 percent), and Mexico (up 5.0 percent), while imports from Japan decreased (down 3.4 percent) *(table 4)*. U.S. goods imports from the 20 FTA countries grew by 3.4 percent in 2014[38], and U.S. imports to perspective FTA countries also increased (European Union up 7.8 percent, TPP countries up 3.4 percent).

U.S. goods imports from advanced economies, accounting for 46.5 percent of U.S. total goods imports increased by 4.9 percent, while goods imports from emerging markets and developing economies increased by 2.1 percent. The share of U.S. goods imports coming from emerging markets and developing countries increased from 44.7 percent in 2004 to 55.0 percent in 2011, before declining to 53.5 percent in 2014.

B. Services Imports

U.S. services imports increased by 3.6 percent ($16.4 billion) to $478.5 billion in 2014 (*table 3*). This increase was less than the increase in services exports (up $22.9 billion). All broad services categories increased in 2014, with the exception of insurance services and government goods and services. Travel services showed the largest increase in 2014, up 6.4 percent ($6.7 billion), and other business services increased by 6.0 percent ($5.5 billion). U.S. services imports accounted for roughly 17 percent of the level of U.S. goods and services imports in 2014.

U.S. services imports have increased by 23.8 percent ($91.7 billion) since 2009, again lower than the growth in services exports during this same time period (up $197.6 billion). Travel services accounted for 32.7 percent of the total increase in services imports over the last 5 years and other business services accounted for 32.4 percent.

As with exports, services imports to countries/regions are available only through 2013. The United Kingdom remained our largest supplier of private services, accounting for 12.3 percent of total U.S. services imports in 2013. The next 5 largest suppliers of U.S. services imports in 2013 were: Germany ($32.9 billion), Canada ($30.5 billion), Japan ($30.0 billion), Bermuda ($24.7 billion), and Switzerland ($22.0 billion). Regionally, the United States imported $163.5 billion of services from the European Union in 2013, $118.8 billion from the Asia/Pacific region ($74.5 billion excluding Japan and China), $48.2 billion from NAFTA, and $24.8 billion from South and Central America (excluding Mexico).

IV. The U.S. Trade Balance

The total deficit on goods and services trade[39] increased by $28.7 billion in 2014 to $505.4 billion. The deficit was about 29 percent lower than its pre-recession level of $708.7 billion in 2008 and 34 percent lower than the 2006 high of $761.7 billion. As a share of GDP, the deficit increased from 2.8 percent of GDP in 2013 to approximately 2.9 percent of GDP in 2014, but was still lower than its high of 5.5 percent in 2006.

The U.S. deficit in goods trade alone increased by $35.2 billion from $701.7 billion in 2013 (4.2 percent of GDP) to $736.8 billion in 2014 (still 4.2 percent of GDP), while the services trade surplus increased by $6.5 billion, from $225.3 billion in 2013 (1.3 percent of GDP) to $231.8 billion in 2014 (still 1.3 percent of GDP).

[38] The 20 FTA countries currently entered into force accounted for 35.3 percent of total goods imports in 2014.
[39] On a balance of payments basis.

Table 5 - U.S. Trade Balances						
	2009	**2010**	**2011**	**2012**	**2013**	**2014**
U.S. Trade Balances as a share of GDP						
Goods and Services	**-2.7%**	**-3.3%**	**-3.5%**	**-3.3%**	**-2.8%**	**-2.9%**
Goods	-3.5%	-4.3%	-4.8%	-4.6%	-4.2%	-4.2%
Services	0.9%	1.0%	1.2%	1.3%	1.3%	1.3%
U.S. Trade Balances with the World ($Billions)						
Goods and Services	**-383.8**	**-494.7**	**-548.6**	**-537.6**	**-476.4**	**-505.0**
Goods on a BOP Basis	-509.7	-648.7	-740.6	-742.1	-701.7	-736.8
Services	125.9	154.0	192.0	204.5	225.3	231.8

Source: U.S. Department of Commerce

The increase in the overall deficit was more than accounted for by an increase in nonpetroleum goods and services, (up $72.4 billion, 29.6 percent), as the petroleum deficit continued to decline in 2014, by $43.7 billion (18.8 percent). The U.S. deficit in petroleum accounted for 37.6 percent of the overall goods and services trade deficit in 2013.

ANNEX II

BACKGROUND INFORMATION ON THE WTO

Doha Development Agenda

1. Doha Ministerial Declaration (see table)
2. Doha Declaration on the TRIPS Agreement and Public Health (see table)
3. Doha Declaration on Implementation-Related Issues and Concerns (see table)
4. Amendment of the TRIPS Agreement
5. Hong Kong Ministerial Declaration
6. U.S. Submissions to the WTO in Support of the Doha Development Agenda
7. WTO Affinity Groups in the DDA (see table)
8. Bali Ministerial Declaration and Related Decisions (see table)

Institutional Issues

1. Membership of the WTO
2. 2014 Budgets for the WTO
3. 2014 WTO Budget Contributions
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. Appellate Body Membership
9. Where to Find More Information on the WTO

DOHA DEVELOPMENT AGENDA

Document Name	Document Number
Doha Ministerial Declaration	WT/MIN(01)/DEC/1 (Nov. 20, 2001)
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)
Hong Kong Ministerial Declaration	WT/MIN(05)/DEC (Dec. 2, 2005)
WTO Affinity Groups in the DDA	N/A
Bali Ministerial Declaration	WT/MIN(13)/DEC (Dec. 7, 2013)

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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.

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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[40];

   (b) "eligible importing Member" means any least-developed country Member, and any other Member that has made a notification[41] 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[42] 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)[43] has made a notification[2] to the Council for TRIPS, that:

      (i) specifies the names and expected quantities of the product(s) needed[44];

      (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

      (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[45];

   (b) the compulsory licence issued by the exporting Member under the system shall contain the following conditions:

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[40] This subparagraph is without prejudice to subparagraph 1(b).
[41] It is understood that this notification does not need to be approved by a WTO body in order to use the system.
[42] 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.
[43] 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.
[44] The notification will be made available publicly by the WTO Secretariat through a page on the WTO website dedicated to the system.
[45] This subparagraph is without prejudice to Article 66.1 of this Agreement.

(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[46] 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[47] the Council for TRIPS of the grant of the licence, including the conditions attached to it.[48] 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 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

[46] 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.
[47] It is understood that this notification does not need to be approved by a WTO body in order to use the system.
[48] The notification will be made available publicly by the WTO Secretariat through a page on the WTO website dedicated to the system.

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.

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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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U.S. SUBMISSIONS TO THE WTO IN SUPPORT OF THE DOHA DEVELOPMENT AGENDA

(WTO Document Symbol in Parentheses)

Committee on Agriculture, Special Session

- Export Competition, Market Access and Domestic Support (JOB(02)/122)
- Joint EC-US Paper on Agriculture (JOB(03)/157)
- Proposal for Tariff-Rate Quota Reform (G/AG/NG/W/58)
- Proposal for Comprehensive Long-Term Agricultural Trade Reform (G/AG/NG/W/15)
- Note on Domestic Support Reform (G/AG/NG/W/16)
- Tariff Quota Administration (JOB(06)/188)
- Domestic Support Simulations – Simulations (JOB(06)/186)
- Tariff Quota Administration - Communication by the United States (JOB(06)/184)
- Comments on Food Aid (JOB(06)/183)
- Agriculture Domestic Support Simulations – Simulations (JOB(06)/151)
- Applied Tariff Simulations - Agriculture - Summary of Results (JOB(06)/152)
- United States Communication on Special Products (JOB(06)/137)
- United States Communication on Export Credits, Export Credit Guarantees or Insurance Programs (JOB(06)/119)
- United States Communication on State Trading Export Enterprises (JOB(06)/79)
- United States Communication on Domestic Support - Annex 2 - Domestic Support: The Basis for Exemption from the Reduction Commitments (JOB(06)/80)
- United States' Communication on Food Aid (JOB(06)/78)
- Market Access Simulations – Simulations (JOB(06)/63)
- US Communication on US Product-Specific Blue Box Limits (JOB(08)/10)
- Elements of Special Products Modalities - Communication from Australia, Canada, Costa Rica, Malaysia, New Zealand, Paraguay, Thailand, United States and Uruguay (JOB(08)/24)
- Agriculture Templates – An Approach and Initial Thoughts on Base Data and Base Data Templates (JOB(09)/104)
- Agriculture Templates - Domestic Support Base Data Templates (JOB(09)/115)
- Agriculture Templates - Market Access Base Data Templates (JOB(09)/125)
- Agriculture Templates - Market Access Doha Development Agenda (DDA) Tariff-Rate Quotas (TRQs) Template (JOB(09)/172)

Council on Trade in Services, Special Session

- Framework for Negotiation (S/CSS/W/4)
- Proposals for Negotiation (JOB(00)/8376)
- Accounting Services (S/CSS/W/20)
- Audiovisual and Related Services (S/CSS/W/21)
- Distribution Services (S/CSS/W/22)
- Higher (Tertiary) Education, Adult Education and Training (S/CSS/W/23)
- Energy Services (S/CSS/W/24)
- Environmental Services (S/CSS/W/25)
- Express Delivery Services (S/CSS/W/26)
- Financial Services (S/CSS/W/27)
- Legal Services (S/CSS/W/28)
- Movement of Natural Persons (S/CSS/W/29)

- Market Access in Telecommunications and Complementary Services (S/CSS/W/30)
- Tourism and Hotels (S/CSS/W/31)
- Transparency in Domestic Regulation (S/CSS/W/102)
- Advertising and Related Services (S/CSS/W/100)
- Desirability of a Safeguard Mechanism for Services: Promoting Liberalization of Trade in Services (S/WPGR/W/37)
- Modalities for the Special Treatment For Least-Developed Country Members in the Negotiations on Trade In Services – JOB(03)/133
- U.S. Government Points of Contact in Least-Developed Country Members (JOB (03)/33)
- Proposed Guide for Scheduling Commitments on Energy Services in the WTO (JOB(03)/89)
- Small and Medium Sized Enterprises (TN/S/W/5)
- Initial Offer (TN/S/O/USA)
- An Assessment of Services Trade and Liberalization in the United States and Developing Economies (TN/S/W/12)
- Joint Statement on Market Access in Services (JOB(04)/176)
- U.S. Proposal for Transparency Disciplines in Domestic Regulation: Building on Existing International Disciplines and Proposals (JOB(04)/128)
- Communication from the United States: Horizontal Transparency Disciplines in Domestic Regulation (JOB(06)/182)
- Outline of the U.S. position on a Draft Consolidated Text in the WPDR (JOB(06)/223)
- Classification in the Telecommunications Sector under the WTO-GATS Framework (TN/S/W/35 and S/CSC/W/45)
- Guidelines for Scheduling Commitments Concerning Postal and Courier Services, including Express Delivery (TN/S/W/30)
- Joint Statement on Liberalization of Logistics Services (TN/S/W/34)
- Joint Statement on Legal Services (TN/S/W/37 and S/CSC/W/46)
- Legal Services – Objectives for Further Liberalisation and Limitations to be Removed (JOB(05)/276)
- Joint Statement on Liberalization of Construction and Related Engineering Services (JOB(05)/130)
- Joint Statement on Liberalization of Financial Services (JOB(05)/17)
- Working Toward a Productive Information Exchange (in the Working Party on GATS Rules) (JOB(05)/5)
- Statement on Services of Common Interest in the Energy Sector (JOB(06)/17)
- Implementation of the Modalities for the Special Treatment for Least-Developed Country Members in the Trade in Services Negotiations (JOB(06)/77)
- Revised Services Offer (TN/S/O/USA/Rev.1)
- Review of Progress in Telecommunications Services (JOB(07)/199)
- Review of Progress in Postal and Courier Services, including Express Delivery Collective Request (JOB(07)/200)

Negotiating Group on Market Access

- Tariffs & Trade Data Needs Assessment (TN/MA/W/2)
- Negotiations on Environmental Goods (TN/MA/W/3 and TN/TE/W/8)
- Modalities Proposal (TN/MA/W/18)
- Proposal on Modalities for Addressing Non-Tariff Barriers (NTBs) (TN/MA/W/18/Add.1)
- Revenue Implications of Trade Liberalization (TN/MA/W/18/Add.2)
- Vertical NTB Modality (TN/MA/W/18/Add.3)
- Contribution on an Environmental Goods Modality (TN/TE/W/38) & (TN/MA/W/18/Add.5)

- Liberalizing Trade in Environmental Goods (TN/MA/W/3, TN/MA/W/18/Add.4, Add.5, and Add.7)
- Non-Tariff Barrier Notifications (TN/MA/W/46/Add.8)
- Non-Tariff Barrier Notifications – Revision (TN/MA/W/46/Add.8/Rev.1)
- Non-Agricultural Market Access: Modalities (TN/MA/W/44)
- Contribution by Canada, European Communities and United States, Non-Agricultural Market Access: Modalities (JOB(03)/163)
- Progress Report: Discussions on Forestry NTBs (TN/MA/W/48/Add.1)
- Negotiating NTBs Related to Remanufacturing and Refurbishing (TN/MA/W/18/Add.11)
- A View To Harmonize Textile, Apparel, and Footwear Labeling Requirements (TN/MA/W/18/Add.12)
- Progress Report: WTO NAMA Discussions on Autos NTBs (TN/MA/W/18/Add.9)
- Tariff Elimination in the Gems and Jewelry Sector (TN/MA/W/61)
- Tariff Liberalization in the Forest Products Sector (TN/MA/W/64)
- Tariff Elimination in the Electronics/Electrical Sector (TN/MA/W/59)
- Initial List of Environmental Goods (TN/MA/W/18/Add.7 or TN/TE/W/52)
- Treatment of Non Ad Valorem Technical Tariffs (TN/MA/W/18/Add.8)
- Tariff Liberalization in the Chemicals Sector (TN/MA/W/58)
- How to Create a Critical Mass Sectoral Initiative (TN/MA/W/55)
- U.S. Proposal on Negotiating NTBs Related to the Auto Sector (TN/MA/W/18/Add.6)
- Non-Tariff Barriers Building Codes and the Wood Products Sector (TN/MA/W/48)
- Non-Tariff Barriers – Requests (TN/MA/NTR/3)
- Tariff Elimination in the Electronics/Electrical Sector (TN/MA/W/69)
- Open Access to Enhanced Healthcare (JOB(06)/35)
- Progress Report: NTB Discussions Related to Remanufactured and Refurbished Goods (TN/MA/W/18/Add.10) and (TN/MA/W/18/Add.10/Corr.1)
- Tariff Liberalisation in the Forest Products Sector (TN/MA/W/75)
- Negotiating Text on Textiles, Apparel, Footwear and Travel Goods Labeling Requirements (TN/MA/W/18/Add.14)
- Tariff Liberalization in the Chemicals Sector (TN/MA/W/72)
- Progress Report: Sectoral Discussions on Tariff Elimination in the Chemicals Sector (TN/MA/W/18/Add.1)
- Tariff Elimination in the Electronics/Electrical Sector JOB(06)/85
- Negotiating Proposal on Tariff Liberalisation in the Forest Products Sector JOB(06)/128
- Market Access for Environmental Goods TN/MA/W/70
- Negotiating Proposal on Tariff Elimination in the Gems and Jewellery Sector TN/MA/W/61/Add.2
- Swiss Dual Proposal JOB(05)/36
- Analytical Contributions June 2005 JOB(05)/97
- Room Document for Simulation Presentation March 06. Actual doc # unknown.
- Negotiating Text on Liberalizing Trade in Remanufactured Goods (TN/MA/W/18/Add.15)
- Revised U.S. Negotiating Text on Liberalizing Trade in Remanufactured Goods (TN/MA/W/18/Add.16)
- Regulation of Remanufactured Goods: Answers to Frequently Asked Questions (JOB(07)/60)
- Non-Tariff Barriers – Requests (TN/MA/NTR/3/Add.2)
- Proposal for Modifications to "Ministerial Decision on Procedures for the Facilitation of Solutions to Non-Tariff Barriers" (TN/MA/W/88) NTBs (JOB(07)/145)
- Reducing Non-Tariff Barriers to Trade Related to Labeling of Textiles, Apparel, Footwear and Travel Goods – HS Classifications of Travel Goods (JOB(07)/59)
- Reducing Non-Tariff Barriers to Trade Related to Labelling of Textiles, Apparel, Footwear and Travel Goods - U.S. Responses to U.S. Questions (JOB(06)/266/Add.1)

- Non-Tariff Barriers to Trade Related to Textiles, Clothing and Footwear - U.S. answers to Questionnaire by the European Communities (JOB(07)/22)
- Communication from the European Communities and the United States on NTBs related to Textiles, Apparel, Footwear and Clothing (TN/MA/W/93)
- Negotiating Text on Liberalizing Trade in Remanufactured Goods (TN/MA/W/18/Add.16/Rev.1)
- Illustrative Examples of Remanufactured Goods (JOB(07)/224)
- Negotiating Text on Non-Tariff Barriers Pertaining to the Electrical Safety and Electromagnetic Compatibility (EMC) of Electronic Goods (TN/MA/W/105 Rev.1)
- Negotiating Protocol on Enhanced Transparency on Export Licensing (TN/MA/W/15/Add.4/Rev.1)
- Communication from the United States on Automotive NTBs (JOB(08)/39)
- Non Paper on "Committee-First" for the "Horizontal Mechanism", TN/MA/W/106 of 9 May 2008 (JOB(08)/45)
- Agreement on Non-Tariff Barriers Pertaining to Standards, Technical Regulations, and Conformity Assessment Procedures for Automotive Products (JOB (08)/46)
- Sectoral Negotiations in Non-Agricultural Market Access (NAMA) (TN/MA/W/97/Rev.1)
- Joint paper on Revised Draft Modalities for Non-Agricultural Market Access (NAMA) (TN/MA/W/95)
- Communication from the European Communities and the United States for an Anti-Concentration Clause in NAMA (TN/MA/W/96)
- Tariff Elimination in the Sports Equipment Sector (TN/MA/W/85)
- Answers by the Co-sponsors to Questions from the Republic of Korea on Negotiating Text on Textiles, Apparel Footwear and Travel Goods Labeling (TN/MA/W/113)
- Answers to Frequently Asked Questions on Negotiating Text on Textiles, Apparel Footwear and Travel Goods Labeling (TN/MA/W/114)
- Answers by the Co-sponsors to Questions from Singapore on Negotiating Text on Textiles, Apparel Footwear and Travel Goods Labeling (TN/MA/W/116)
- Revised Negotiating Text on Textiles, Apparel Footwear and Travel Goods Labeling (TN/MA/W/93/Rev/1)
- Answers by the Co-sponsors to Questions from New Zealand, Switzerland, and China on Negotiating Text on Textiles, Apparel Footwear and Travel Goods Labeling (JOB(09)/162)
- Compendium of Questions and Answers on Negotiating Text on Textiles, Apparel Footwear and Travel Goods Labeling (TN/MA/W/123)
- Revised Negotiating Text on NTBs Pertaining to the Electrical Safety and Electromagnetic Compatibility of Electronic Goods (TN/MA/W/105/Rev.2)
- Answers to Questions from Singapore on U.S. Negotiating Text on NTBs Pertaining to the Electrical Safety and Electromagnetic Compatibility of Electronic Goods (TN/MA/W/115)
- Answers to Questions from Thailand on U.S. Negotiating Text on NTBs Pertaining to the Electrical Safety and Electromagnetic Compatibility of Electronic Goods (JOB(09)/37)
- Answers to Questions from Canada on U.S. Autos and Electronics NTBs Negotiating Texts (JOB(09)/157)
- Compendium of Questions and Answers on Agreement on NTBs Pertaining to the Electrical Safety and Electromagnetic Compatibility of Electronic Goods (TN/MA/W/125)
- Revised Agreement on Non-Tariff Barriers Pertaining to Standards, Technical Regulations, and Conformity Assessment Procedures for Automotive Products (TN/MA/W/120)
- Answers to Questions from Singapore on Agreement on Non-Tariff Barriers Pertaining to Standards, Technical Regulations, and Conformity Assessment Procedures for Automotive Products (TN/MA/W/121)
- Compendium of Questions and Answers on Agreement on Non-Tariff Barriers Pertaining to Standards, Technical Regulations, and Conformity Assessment Procedures for Automotive Products (TN/MA/W/126)

- Answers by the Co-sponsors to Questions from the Republic of Korea on the Ministerial Decision on Trade in Remanufactured Goods (TN/MA/W/112)
- Answers by the Co-sponsors to Questions from Singapore on the Ministerial Decision on Trade in Remanufactured Goods (TN/MA/W/117)
- Revised Negotiating Text on Liberalizing Trade in Remanufactured Goods (TN/MA/W/18/Add.16/Rev.3)
- Answers by the Co-sponsors to Questions from Malaysia on the Ministerial Decision on Trade in Remanufactured Goods (JOB(09)/155)
- Answer by the Co-sponsors to Questions from China on Remanufacturing (TN/MA/W/122)
- Compendium of Questions and Answers on Ministerial Decision on Trade in Remanufactured Goods (TN/MA/W/124)
- Report on 4 November 2009 Remanufacturing Workshops (JOB(09)/179
- Revised Negotiating Text on Enhanced Transparency in Export Licensing (TN/MA/W/Add.4/Rev.4)
- Answers by the Co-sponsors to Questions from Malaysia on Negotiating Text on Enhanced Transparency in Export Licensing (JOB(09)/127)
- Compendium on Questions and Answers on Negotiating Text on Enhanced Transparency in Export Licensing (TN/MA/W/130)

Negotiating Group on Rules

- Fisheries Subsidies -- Joint communication from the United States, Australia, Chile, Ecuador, Iceland, New Zealand, Peru, and the Philippines (TN/RL/W/3)
- Fisheries Subsidies (TN/RL/W/21)
- OECD Steel Paper (TN/RL/W/24)
- Questions on Papers Submitted to Rules Negotiating Group (TN/RL/W/25)
- Basic Concepts of the Trade Remedies Rules (TN/RL/W/27)
- Special and Differential Treatment and the Subsidies Agreement (TN/RL/W/33)
- Second Set of Questions from the United States on Papers Submitted to the Rules Negotiating Group (TN/RL/W/34)
- Investigatory Procedures Under The Antidumping and Subsidies Agreements (TN/RL/W/35)
- Communication From The United States Attaching A Communiqué From The Organization For Economic Cooperation And Development (OECD) (TN/RL/W/49)
- Circumvention (TN/RL/W/50)
- Replies To Questions Presented To The United States On Submission TN/Rl/W/27 (TN/RL/W/53)
- Third Set Of Questions From The United States On Papers Submitted To The Rules Negotiating Group (TN/RL/W/54)
- Responses By The United States To Questions From Australia On Investigatory Procedures Under The Anti-Dumping And Subsidies Agreements (TN/RL/W/71)
- Identification Of Certain Major Issues Under The Anti-Dumping And Subsidies Agreements (TN/RL/W/72)
- Possible Approaches To Improved Disciplines On Fisheries Subsidies (TN/RL/W/77)
- Subsidies Disciplines Requiring Clarification And Improvement (TN/RL/W/78)
- Elements Of A Steel Subsidies Agreement (TN/RL/W/95)
- Identification of Additional Issues under the Anti-dumping and Subsidies Agreements (TN/RL/W/98)
- Fourth Set Of Questions From The United States On Papers Submitted To The Rules Negotiating Group (TN/RL/W/103)
- Further Issues Identified Under The Anti-Dumping And Subsidies Agreements For Discussion By the Negotiating Group On Rules (TN/RL/W/130)
- Replies to the Questions from India on TN/RL/W/35 (TN/RL/W/147)

- Three Issues Identified by the United States (TN/RL/W/153)
- Accrual of Interest (TN/RL/W/168)
- Additional Views on the Structure of the Fisheries Subsidies Negotiations (TN/RL/W/169)
- Fisheries Subsidies (TN/RL/W/196) (co-sponsored with Brazil, Chile, Colombia, Ecuador, Iceland, New Zealand, Pakistan and Peru)
- Offsets for Non-Dumped Comparisons (TN/RL/W/208)
- Allocation of Subsidy Benefits Over Time (TN/RL/GEN/4)
- Exchange Rates (TN/RL/W/GEN/5)
- New Shipper Reviews (TN/RL/GEN/11)
- Allocation Periods for Subsidy Benefits (TN/RL/GEN/12)
- Prompt Access to Non-Confidential Information (TN/RL/GEN/13)
- Conduct of Verifications (TN/RL/GEN/15)
- All-Others Rate (TN/RL/GEN/16)
- Expensing Versus Allocating Subsidy Benefits (TN/RL/GEN/17/Rev.1)
- Preliminary Determinations (TN/RL/GEN/25)
- Circumvention (TN/RL/GEN/29)
- Fisheries Subsidies – Programmes for Decommissioning of Vessels and Licence Retirement (TN/RL/GEN/41)
- Further Submission on When and How to Allocate Subsidy Benefits Over Time (TN/RL/GEN/45)
- Further Comments on Lesser Duty Proposals (TN/RL/GEN/58)
- Causation (TN/RL/GEN/59)
- Submission on Circumvention (TN/RL/GEN/71)
- Identification of Parties (TN/RL/GEN/89) (co-sponsored with Brazil)
- Access to Non-Confidential Information (TN/RL/GEN/90)
- New Shipper Reviews (TN/RL/GEN/91)
- Expanding the Prohibited "Red Light" Subsidy Category (TN/RL/GEN/94)
- Further Submission on Facts Available (TN/RL/GEN/105)
- Circumvention (TN/RL/GEN/106)
- Exchange Rates (TN/RL/GEN/107)
- Disclosure of Essential Preliminary Legal and Factual Considerations (Mandatory Preliminary Determinations) (TN/RL/GEN/108)
- Fisheries Subsidies (TN/RL/GEN/127)
- Causation (TN/RL/GEN/128)
- Definition of Domestic Industry for Perishable, Seasonal Agricultural Products (TN/RL/GEN/129)
- Allocation and Expensing of Subsidies Benefits (TN/RL/GEN/130)
- Collection of Anti-Dumping Duties under Article 9.3 (TN/RL/GEN/131)
- Conduct of On-the-Spot Investigations (TN/RL/GEN/132)
- Disclosure of Calculations in Preliminary and Final Determinations (TN/RL/GEN/133)
- Fisheries Subsidies: Proposed New Disciplines (TN/RL/GEN/145)
- Expanding the Prohibited Red Light Subsidy Category – Draft Text (TN/RL/GEN/146)
- Proposal on Offsets for Non-Dumped Comparisons (TN/RL/GEN/147)
- Fisheries Subsidies (TN/RL/W/235) (co-sponsored with Australia and New Zealand)
- Fisheries Subsidies – Articles I.2, II, IV, and V (TN/RL/GEN/165)

Dispute Settlement Body, Special Session

- Contribution of the United States to the Improvement of the Dispute Settlement Understanding of the WTO-Related to Transparency (TN/DS/W/13)

- Negotiations on Improvements And Clarifications of the Dispute Settlement Understanding on Improving Flexibility and Member Control in WTO Dispute Settlement (TN/DS/W/28)
- Further Contribution of The United States to The Improvement of The Dispute Settlement Understanding of the WTO Related to Transparency (TN/DS/W/46)
- Negotiations on Improvements and Clarifications of the Dispute Settlement Understanding on Improving Flexibility and Member Control in WTO Dispute Settlement, Joint communication from United States and Chile (TN/DS/W/52)
- Some Questions for Consideration on Item(f) (TN/DS/W/74)
- Contribution of the United States on Some Practical Considerations in Improving the Dispute Settlement Understanding of the WTO Related to Transparency and Open Meetings (TN/DS/W/79)
- Further Contribution of the United States on Improving Flexibility and Member Control in WTO Dispute Settlement (TN/DS/W/82)
- Further Contribution of the United States on Improving Flexibility and Member Control in WTO Dispute Settlement, Addendum (TN/DS/W/82/Add.1)
- Further Contribution of the United States on Improving Flexibility and Member Control in WTO Dispute Settlement, Addendum, Corrigendum (TN/DS/W/82/Add.1/Corr.1)
- Further Contribution of the United States to the Improvement of the Dispute Settlement Understanding of the WTO Related to Transparency - Revised Legal Drafting (TN/DS/W/86)
- Dispute Settlement Body - Special Session - Negotiations on Improvements and Clarifications of the Dispute Settlement Understanding - Further Contribution of the United States on Improving Flexibility and Member Control - Addendum (TN/DS/W/82/Add.2)
- Flexibility and Member Control - Revised Textual Proposal by Chile and the United States (TN/DS/W/89)

Trade Facilitation

- Article VIII - Fees and Formalities (G/C/W/384)
- Article X - Publication and Administration (G/C/W/400)
- Integrated and Comprehensive Approach to Special and Differential Treatment (G/C/W/451)
- Communication on Trade Facilitation (JOB(04)/103)
- Introduction to Proposals by the United States of America (TN/TF/W/11)
- Advance Binding Rulings (TN/TF/W/12)
- Proposal on Transparency and Publication (TN/TF/W/13)
- Communication from the United States (TN/TF/W/14)
- Express Shipments (TN/TF/W/15)
- Release of Goods (TN/TF/W/21)
- Consularization - Proposal from Uganda and the United States (TN/TF/W/22)
- Multilateral Mechanism - Proposal from India and the United States (TN/TF/W/57)
- United States Assistance on Trade Facilitation (TN/TF/W/71)
- Communication from Australia, Canada and the United States - Draft Text on Advance Rulings (TN/TF/W/125)
- Communication from Uganda and the United States – Consularization (TN/TF/W/86 and Add.1)
- Communication from Uganda and the United States – Consularization (TN/TF/W/104)
- Communication from the United States - Express Shipments (TN/TF/W/91)
- Communication from Chile, Peru, and the United States - Internet Publication (TN/TF/W/89)
- Communication from Australia, Canada, and the United States - Common Elements of Advance Rulings (TN/TF/W/80)
- Communication from the United States – Draft Text on Internet Publication (TN/TF/W/145)

- Communication from the United States – Draft Text on Expedited Shipments (TN/TF/W/144 and Rev.1,2 &3)
- Communication from the United States United States – Assistance on Trade Facilitation (TN/TF/W/151)
- Communication From Australia, Canada, Turkey And The United States – Draft Text On Advance Rulings (TN/TF/W/153 and Rev.1)
- Communication From Uganda and The United States – Prohibiting Consularization Requirements: Fulfilling A Longstanding Trade Facilitation Objective (TN/TF/W/156)
- Communication from the United States – Transition Provisions for Developing and Least-Developed Country Members (TN/TF/W/166)
- Communication by the United States - Draft Text on Penalty Disciplines (TN/TF/W/169)

Committee on Trade and Environment, Regular and Special Session

- Sub-Paragraph 31 (i) of the Doha Declaration – Relationship between existing WTO rules and specific trade obligations set out in Multilateral Environmental Agreements (MEAs) (TN/TE/W/20 and TN/TE/W/40)
- Sub-Paragraph 31 (ii) of the Doha Declaration - Procedures for information exchange between MEA Secretariats and relevant WTO committees and criteria for granting MEA observer status (TN/TE/W/5 and TN/TE/W/70)
- Sub-Paragraph 31(iii) of the Doha Declaration – Market access for environmental goods and services (TN/TE/W/8, TN/TE/W/34, TN/TE/W/38, TN/TE/W/52, TN/TE/W/64, TN/TE/W/65, JOB(06)140 and JOB(06)169, JOB(07)/54, and JOB(07)193)
- Paragraph 33 of the Doha Declaration (WT/CTE/W/227)

Six dual submissions on Environmental Goods to the Committee on Trade and Environment Special Session and the Negotiating Group on Market Access are also listed under the Negotiating Group on Market Access.

Council on TRIPS, Regular & Special Session

- Questions and Answers: Comparison of Proposals (TN/IP/W/1)
- Issues for Discussion, Article 23.4 (TN/IP/W/2)
- Proposal for a Multilateral System of Registration and Protection of Geographic Indications for Wine & Spirits Based on Article 23.4 of the TRIPS Agreement (TN/IP/W/5)
- Multilateral System of Registration and Protection of Geographic Indications for Wine & Spirits (TN/IP/W/6)
- Paragraph 6 of the Doha Declaration on TRIPS and Public Health (IP/C/W/340)
- Second Submission on Paragraph 6 of the Doha Declaration on TRIPS and Public Health (IP/C/W/358)
- Implications of Article 23 Extension (IP/C/W/386)
- Moratorium to Address Needs of Developing and Least-Developed Members with No or Insufficient Manufacturing Capacities in the Pharmaceutical Sector (IP/C/W/396)
- Joint Proposal for a Multilateral System of Notification and Registration of Geographical Indications for Wines and Spirits (TN/IP/W/9)
- Article 27.3(B), Relationship between the TRIPS Agreement and the CBD, and the Protection of Traditional Knowledge and Folklore (IP/C/W/434)
- Technology Transfer Practices of the U.S. National Cancer Institute's Departmental Therapeutics Program (IP/C/W/341)
- Access to Genetic Resources: Regime of the United States' National Parks (IP/C/W/393)

- Proposed Draft TRIPS Council Decision on the Establishment of a Multilateral System of Notification and Registration of Geographical Indications for Wines and Spirits (TN/IP/W/10 and Add.1)
- Article 27.3(B), Relationship between the TRIPS Agreement and the CBD and the Protection of Traditional Knowledge and Folklore (IP/C/W/449)
- Comments on Implementation of the 30 August 2003 Agreement (Solution) on the TRIPS Agreement and Public Health (IP/C/W/444)
- Relationship between the TRIPS Agreement and the CBD, and the Protection of Traditional Knowledge and Folklore (IP/C/W/469)
- Non-Violation Complaints Under the TRIPS Agreement (IP/C/W/599)

Committee on Trade and Development, Special Session

- Remarks on the Review of Special and Differential Treatment (TN/CTD/W/9)
- Monitoring Mechanism (TN/CTD/W/19)
- Approach to Agreement-Specific Proposals (TN/CTD/W/27)

Working Group on Transparency in Government Procurement

- Capacity Building Questions (WT/WGTGP/W/34)
- Workplan Proposal (WT/WGTGP/W/35)
- Considerations Related to Enforcement of an Agreement on Transparency in Government Procurement (WT/WGTGP/W/38)

Work Program on Electronic Commerce

- Work Program on Electronic Commerce (WT/GC/W/493/Rev.1)

Working Group on the Relationship between Trade and Investment

- Covering FDI & Portfolio Investment in an Agreement (WT/WGTI/W/142)

Working Group on the Interaction between Trade and Competition Policy

- Technical Assistance (WT/WGTCP/W/185)
- Hardcore Cartels (WT/WGTCP/W/203)
- Voluntary Cooperation (WT/WGTCP/W/204)
- Transparency & Non-discrimination (WT/WGTCP/W/218)
- Procedural Fairness (WT/WGTCP/W/219)
- The Benefits of Peer Review in the WTO Competition Context (WT/WGTCP/W/233)

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MEMBERSHIP OF THE WORLD TRADE ORGANIZATION

As of December 31, 2014 (160 Members)[49]

Government	Entry into Force/ Membership	Government	Entry into Force/ Membership
Albania	September 8, 2000	Czech Republic	January 1, 1995
Angola	November 23, 1996	Democratic Republic of the Congo	January 1, 1997
Antigua and Barbuda	January 1, 1995	Denmark	January 1, 1995
Argentina	January 1, 1995	Djibouti	May 31, 1995
Armenia	February 5, 2003	Dominica	January 1, 1995
Australia	January 1, 1995	Dominican Republic	March 9, 1995
Austria	January 1, 1995	Ecuador	January 21, 1996
Bahrain	January 1, 1995	Egypt	June 30, 1995
Bangladesh	January 1, 1995	El Salvador	May 7, 1995
Barbados	January 1, 1995	Estonia	November 13, 1999
Belgium	January 1, 1995	European Union	January 1, 1995
Belize	January 1, 1995	Fiji	January 14, 1996
Benin	February 22, 1996	Finland	January 1, 1995
Bolivia	September 12, 1995	France	January 1, 1995
Botswana	May 31, 1995	Gabon	January 1, 1995
Brazil	January 1, 1995	Georgia	June 14, 2000
Brunei Darussalam	January 1, 1995	Germany	January 1, 1995
Bulgaria	December 1, 1996	Ghana	January 1, 1995
Burkina Faso	June 3, 1995	Greece	January 1, 1995
Burundi	July 23, 1995	Grenada	February 22, 1996
Cambodia	October 12. 2004	Guatemala	July 21, 1995
Cameroon	December 13, 1995	Guinea	October 25, 1995
Canada	January 1, 1995	Guinea Bissau	May 31, 1995
Cape Verde	July 23, 2008	Guyana	January 1, 1995
Central African Republic	May 31, 1995	Haiti	January 30, 1996
Chad	October 19, 1996	Honduras	January 1, 1995
Chile	January 1, 1995	Hong Kong, China	January 1, 1995
China	December 11, 2001	Hungary	January 1, 1995
Colombia	April 30, 1995	Iceland	January 1, 1995
Congo	March 27, 1997	India	January 1, 1995
Costa Rica	January 1, 1995	Indonesia	January 1, 1995
Côte d'Ivoire	January 1, 1995	Ireland	January 1, 1995
Croatia	November 30, 2000	Israel	April 21, 1995
Cuba	April 20, 1995	Italy	January 1, 1995
Cyprus	July 30, 1995	Jamaica	March 9, 1995

[49] WTO members adopted Seychelles' protocol of accession to the WTO at the General Council meeting on December 10, 2014. Seychelles has until June 1, 2015 to ratify the protocol and will formally become a WTO member 30 days after it notifies the ratification to the WTO Director-General.

Government	Entry into Force/ Membership	Government	Entry into Force/ Membership
Japan	January 1, 1995	Papua New Guinea	June 9, 1996
Jordan	April 11, 2000	Paraguay	January 1, 1995
Kenya	January 1, 1995	Peru	January 1, 1995
Korea, Republic of	January 1, 1995	Philippines	January 1, 1995
Kuwait	January 1, 1995	Poland	July 1, 1995
Kyrgyz Republic	December 20, 1998	Portugal	January 1, 1995
Latvia	February 10, 1999	Qatar	January 13, 1996
Lao Peoples' Democratic Republic	February 2, 2013	Romania	January 1, 1995
Lesotho	May 31, 1995	Russian Federation	August 22, 2012
Luxembourg	January 1, 1995	Rwanda	May 22, 1996
Macao, China	January 1, 1995	Saint Kitts and Nevis	February 21, 1996
Macedonia	April 4, 2003	Saint Lucia	January 1, 1995
Madagascar	November 17, 1995	Saint Vincent and the Grenadines	January 1, 1995
Malawi	May 31, 1995	Samoa	May 10, 2012
Malaysia	January 1, 1995	Saudi Arabia	December 11, 2005
Maldives	May 31, 1995	Senegal	January 1, 1995
Mali	May 31, 1995	Sierra Leone	July 23, 1995
Malta	January 1, 1995	Singapore	January 1, 1995
Mauritania	May 31, 1995	Slovak Republic	January 1, 1995
Mauritius	January 1, 1995	Slovenia	July 30, 1995
Mexico	January 1, 1995	Solomon Islands	July 26, 1996
Moldova	July 26, 2001	South Africa	January 1, 1995
Mongolia	January 29, 1997	Spain	January 1, 1995
Montenegro	April 29, 2012	Sri Lanka	January 1, 1995
Morocco	January 1, 1995	Suriname	January 1, 1995
Mozambique	August 26, 1995	Swaziland	January 1, 1995
Myanmar	January 1, 1995	Sweden	January 1, 1995
Namibia	January 1, 1995	Switzerland	July 1, 1995
Nepal	April 23, 2004	Taiwan (referred to in the WTO as Chinese Taipei)	January 1, 2002
Netherlands (for the Kingdom in Europe and Netherlands Antilles)	January 1, 1995	Tajikistan	March 2, 2013
New Zealand	January 1, 1995	Tanzania	January 1, 1995
Nicaragua	September 3, 1995	Thailand	January 1, 1995
Niger	December 13, 1996	The Gambia	October 23, 1996
Nigeria	January 1, 1995	Togo	May 31, 1995
Norway	January 1, 1995	Tonga	July 27, 2007
Oman	November 9, 2000	Trinidad and Tobago	March 1, 1995
Pakistan	January 1, 1995	Tunisia	March 29, 1995
Panama	September 6, 1997	Turkey	March 26, 1995

Government	Entry into Force/ Membership	Government	Entry into Force/ Membership
Uganda	January 1, 1995	Vanuatu	August 24, 2012
Ukraine	May 16, 2008	Venezuela	January 1, 1995
United Arab Emirates	April 10, 1996	Vietnam	January 11, 2007
United Kingdom	January 1, 1995	Yemen	June 26, 2014
United States of America	January 1, 1995	Zambia	January 1, 1995
Uruguay	January 1, 1995	Zimbabwe	March 5, 1995

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Consolidated 2014 Budget for the WTO Secretariat and the Appellate Body and its Secretariat

(in thousand Swiss francs)

Part	Section	Line	2013	2014	Inc/ Dec 2014	Difference 2014
A Staffing Resources						
	1. Staff Expenditure	i) Staff Remuneration	90,856	90,715	-142	-0.2%
		ii) Staff Pension & Post-Employment	21,752	21,987	235	1.1%
		iii) Staff Health & Invalidity Insurance	5,747	5,865	118	2.1%
		iv) Staff Family & International Benefits	11,455	11,244	-211	-1.8%
		v) Other Staff Expenditure	1,605	1,605		0.0%
	1. Staff Expenditure Total		131,415	131,415	0	0.0%
	2. Temporary	i) Short-Term Staff	8,078	8,168	91	1.1%
		ii) Consulting	7,825	7,925	100	1.3%
		iii) Panellists & Appellate Body Members Fees	1,024	1,074	50	4.9%
	2. Temporary Assistance Total		16,927	17,167	241	1.4%
A Staffing Resources Total			**148,342**	**148,582**	**241**	0.2%
B Other Resources						
	3. General Services	i) Telecommunication & Post	1,720	1,686	-34	-2.0%
		ii) Contractual Services & Maintenance	9,769	9,849	80	0.8%
		iii) Energy & Supplies	2,221	2,341	120	5.4%
		iv) Documentation & Publication	1,681	1,681		0.0%
		v) Other / Miscellaneous	244	244		0.0%
	3. General Services Total		15,634	15,801	167	1.1%
	4. Travel & Hospitality	i) Travel	7,245	7,245		0.0%
		ii) Hospitality	236	236		0.0%
	4. Travel & Hospitality Total		7,481	7,481	0	0.0%
	5. Implementing	i) Implementing Partners	273	273		0.0%
	5. Implementing Partners Total		273	273	0	0.0%
	6. Capital Expenditure	i) Procurement of Fixed Assets	1,710	1,510	-200	-11.7%
		ii) Rental & Leasing of Equipment	1,423	1,457	34	2.4%
	6. Capital Expenditure Total		3,133	2,967	-167	-5.3%
	7. Financial Expenditure	i) Bank & Interest Charges	30	30		0.0%
		ii) Building Loan Reimbursement	1,200	1,200		0.0%
	7. Financial Expenditure Total		1,230	1,230	0	0.0%
B Other Resources Total			**27,751**	**27,751**	**0**	0.0%
C Operating Funds and ITC						
	8. Contributions to ITC & Special	i) Contribution to ITC	18,911	18,470	-441	-2.3%
		ii) Appellate Body Operating Fund	1,600	1,800	200	12.5%
		iii) Ministerial Conference Operating Fund	600	600		0.0%
8. Contributions to ITC & Special Reserves Total			**21,111**	**20,870**	**-241**	-1.1%
C Operating Funds and ITC Total			**21,111**	**20,870**	**-241**	-1.1%
Grand Total			**197,204**	**197,204**	**0**	0.0%

2014 Budget for the WTO Secretariat

(in thousand Swiss francs)

Part	Section	Line	2013	2014	Inc/ Dec 2014	Difference 2014
A Staffing Resources						
	1. Staff Expenditure	i) Staff Remuneration	88,373	88,231	-142	-0.7%
		ii) Staff Pension & Post-Employment Benefits	21,232	21,467	235	0.0%
		iii) Staff Health & Invalidity Insurance	5,600	5,713	113	1.0%
		iv) Staff Family & International Benefits	11,154	10,948	-206	-13.2%
		v) Other Staff Expenditure	1,562	1,562		0.0%
	1. Staff Expenditure Total		127,921	127,921	0	0.0%
	2. Temporary Assistance	i) Short-Term Staff	8,033	8,124	91	1.2%
		ii) Consulting	7,825	7,925	100	37.7%
		iii) Panellists	265	315	50	0.3%
	2. Temporary Assistance Total		16,123	16,363	241	0.2%
A Staffing Resources Total			**144,044**	**144,285**	**241**	
B Other Resources						
	3. General Services	i) Telecommunication & Post	1,679	1,645	-34	-0.3%
		ii) Contractual Services & Maintenance	9,751	9,831	80	3.6%
		iii) Energy & Supplies	2,201	2,321	120	7.2%
		iv) Documentation & Publication	1,671	1,671		0.0%
		v) Other / Miscellaneous	217	217		0.0%
	3. General Services Total		15,518	15,685	167	2.3%
	4. Travel & Hospitality	i) Travel	7,195	7,195		0.0%
		ii) Hospitality	235	235		0.0%
	4. Travel & Hospitality Total		7,430	7,430	0	0.0%
	5. Implementing Partners	i) Implementing Partners	273	273		0.0%
	5. Implementing Partners Total		273	273	0	0.0%
	6. Capital Expenditure	i) Procurement of Fixed Assets	1,685	1,485	-200	-14.2%
		ii) Rental & Leasing of	1,408	1,442	34	1.1%
	6. Capital Expenditure Total		3,093	2,927	-167	-556.7%
	7. Financial Expenditure	i) Bank & Interest Charges	30	30		0.0%
		ii) Building Loan Reimbursement	1,200	1,200		0.0%
	7. Financial Expenditure Total		1,230	1,230	0	0.0%
B Other Resources Total			**27,544**	**27,544**	**0**	
C Operating Funds and ITC						
	8. Contributions to ITC & Special Reserves					-73.5%
		i) Contribution to ITC	18,911	18,470	-441	
		iii) Ministerial Conference Operating Fund	600	600		0.0%
8. Contributions to ITC & Special Reserves Total			**19,511**	**19,070**	**-441**	-2.3%
C Operating Funds and ITC Total			**19,511**	**19,070**	**-441**	-0.2%
Grand Total			**191,099**	**190,899**	**-200**	

2014 Budget for the Appellate Body and its Secretariat

(in thousand Swiss francs)

Part	Section	Line	2013	2014	Inc/ Dec 2014	Difference 2014
A Staffing Resources						
	1. Staff Expenditure	i) Staff Remuneration	2,483	2,483		
		ii) Staff Pension & Post-Employment Benefits	520	520		
		iii) Staff Health & Invalidity Insurance	146	152	5	3.4%
		iv) Staff Family & International Benefits	301	296	-5	-1.7%
		v) Other Staff Expenditure	43	43		
	1. Staff Expenditure Total		3,494	3,494	0	
	2. Temporary Assistance	i) Short-Term Staff	45	45		
		iii) Appellate Body Member Fees	759	759		
	2. Temporary Assistance Total		804	804	0	
A Staffing Resources Total			**4,298**	**4,298**	**0**	
B Other Resources						
	3. General Services	i) Telecommunication & Post	41	41		
		ii) Contractual Services & Maintenance	18	18		
		iii) Energy & Supplies	20	20		
		iv) Documentation & Publication	10	10		
		v) Other /Miscellaneous	27	27		
	3. General Services Total		116	116	0	
	4. Travel & Hospitality	i) Travel	50	50		
		ii) Hospitality	1	1		
	4. Travel & Hospitality Total		51	51	0	
	6. Capital Expenditure	i) Procurement of Fixed Assets	25	25		
		ii) Rental & Leasing of Equipment	15	15		
	6. Capital Expenditure Total		40	40	0	
B Other Resources Total			**207**	**207**	**0**	
C Operating Funds & ITC						
	8. Contributions to ITC & Special Reserves					
		ii) Appellate Body Operating Fund	1,600	1,800	200	
8. Contributions to ITC & Special Reserves Total			**1,600**	**1,800**	**200**	12.5%
C Operating Funds & ITC Total			**1,600**	**1,800**	**200**	12.5%
Grand Total			**6,105**	**6,305**	**200**	3.3%

Scale of Contributions for 2014

Member	2014 Contribution CHF	2014 Contribution %	Interest earned in 2012 for 2014 CHF	2014 net Contribution CHF
Albania	54,740	0.028%	(52)	54,688
Angola	490,705	0.251%	(341)	490,364
Antigua and Barbuda	29,325	0.015%	0	29,325
Argentina	780,045	0.399%	(264)	799,781
Armenia	33,235	0.017%	(13)	33,222
Australia	2,584,510	1.322%	(2,315)	2,582,195
Austria	2,258,405	1.155%	(1,876)	2,256,149
Bahrain	175,950	0.090%	(169)	175,781
Bangladesh	224,375	0.125%	(111)	244,264
Barbados	29,325	0.015%	(19)	29,306
Belgium	4,158,285	2.127%	(3,049)	4,155,236
Belize	29,325	0.015%	(3)	29,322
Benin	29,325	0.015%	(0)	29,325
Bolivia	68,425	0.035%	2	68,423
Botswana	60,605	0.031%	(31)	60,574
Brazil	2,381,190	1.218%	(898)	2,380,292
Brunei Darussalam	64,515	0.033%	(62)	64,453
Bulgaria	336,260	0.172%	(329)	335,931
Burkina Faso	29,325	0.015%	(19)	29,306
Burundi	29,325	0.015%	0	29,325
Cambodia	74,290	0.038%	(28)	74,262
Cameroon	64,515	0.033%	(32)	64,483
Canada	5,253085	2.687%	(5,681)	5,247,404
Cape Verde	29,325	0.015%	(22)	29,303
Central African Republic	29,325	0.015%	0	29,325
Chad	37,145	0.019%	0	37,145
Chile	778,090	0.398%	(743)	777,347
China, People's Republic of	15,921,520	8.144%	(7,046)	15,914,474
Colombia	488,750	0.250%	(383)	488,367
Congo	56,695	0.029%	0	56,695
Costa Rica	146,625	0.075%	(158)	146,467
Côte d'Ivoire	105,570	0.054%	0	105,570
Croatia	287,385	0.147%	(214)	287,171
Cuba	146,625	0.075%	(90)	146,535
Cyprus	117,300	0.060%	(128)	117,172
Czech Republic	1,429,105	0.731%	(1,433)	1,427,672
Democratic Republic of the Congo	87,975	0.045%	0	87,975
Denmark	1,728,220	0.884%	(1,786)	1,726,434
Djibouti	29,325	0.015%	0	29,325
Dominica	29,325	0.015%	0	29,325
Dominican Republic	154,445	0.079%	(6)	154,439
Ecuador	215,050	0.110%	(36)	215,014
Egypt	572,815	0.293%	(560)	572,255
El Salvador	80,155	0.041%	(0)	80,155

Member	2014 Contribution CHF	2014 Contribution %	Interest earned in 2012 for 2014 CHF	2014 net Contribution CHF
Estonia	179,860	0.092%	(187)	179,673
European Union	0	0.000%	0	0
Fiji	29,325	0.015%	(26)	29,299
Finland	1,129,990	0.578%	(932)	1,129,058
France	7,988,130	4.086%	(7,413)	7,980,717
Gabon	43,010	0.022%	(2)	43,008
Gambia	29,325	0.015%	0	29,325
Georgia	54,740	0.028%	(49)	54,691
Germany	16,410,270	8.394%	(14,913)	16,395,357
Ghana	117,300	0.060%	(44)	117,256
Greece	868,020	0.444%	0	868,020
Grenada	29,325	0.015%	0	29,325
Guatemala	136,850	0.070%	(95)	136,755
Guinea	29,325	0.015%	0	29,325
Guinea-Bissau	29,325	0.015%	0	29,325
Guyana	29,325	0.015%	(19)	29,306
Haiti	29,325	0.015%	(25)	29,300
Honduras	87,975	0.045%	(1)	87,974
Hong Kong, China	4,952,015	2.533%	(5,003)	4,947,012
Hungary	1,202,325,605	0.615%	(733)	1,201,592
Iceland	78,200	0.040%	(87)	78,113
India	3,853,305	1.971%	(1,249)	3,852,056
Indonesia	1,634,380	0.836%	(1,349)	1,633,031
Ireland	2,128,995	1.089%	(1,513)	2,127,482
Israel	842,605	0.431%	(336)	842,269
Italy	6,443,680	3.296%	(5,611)	6,438,069
Jamaica	66,470	0.034%	(3)	66,467
Japan	8,850,285	4.527%	(5,919)	8,844,366
Jordan	158,355	0.081%	(94)	158,261
Kenya	109,480	0.056%	(70)	109,410
Korea, Republic of	5,526,785	2.827%	(2,870)	5,523,915
Kuwait	637,330	0.326%	0	637,330
Kyrgyz Republic	35,190	0.018%	(19)	35,171
Lao People's Democratic Republic	29,325	0.015%	0	29,325
Latvia	156,400	0.080%	(154)	156,246
Lesotho	29,325	0.015%	0	29,325
Liechtenstein	46,920	0.024%	(46)	46,874
Lithuania	287,385	0.147%	(92)	287,293
Luxembourg	785,910	0.402%	(427)	785,483
Macao, China	211,140	0.108%	(127)	211,013
Madagascar	29,325	0.015%	(10)	29,315
Malawi	29,325	0.015%	0	29,325
Malaysia	2,181,780	1.116%	(1,832)	2,179,948
Maldives	29,325	0.015%	(26)	29,299
Mali	29,325	0.015%	0	29,325
Malta	80,155	0.041%	(66)	80,089

Member	2014 Contribution CHF	2014 Contribution %	Interest earned in 2012 for 2014 CHF	2014 net Contribution CHF
Mauritania	29,325	0.015%	0	29,325
Mauritius	58,650	0.030%	(56)	58,594
Mexico	3,376,285	1.727%	(3,003)	3,373,282
Moldova, Republic of	39,100	0.020%	(30)	39,070
Mongolia	39,100	0.020%	0	39,100
Montenegro	29,325	0.015%	(9)	29,316
Morocco	373,405	0.191%	(197)	373,208
Mozambique	43,010	0.022%	(29)	42,981
Myanmar, Union of	68,425	0.035%	(29)	68,396
Namibia	50,830	0.026%	(44)	50,786
Nepal	35,190	0.018%	(19)	35,171
Netherlands	5,986,210	3.062%	(5,095)	5,981,115
New Zealand	432,055	0.221%	(441)	431,614
Nicaragua	46,920	0.024%	(29)	46,891
Niger	29,325	0.015%	0	29,325
Nigeria	752,675	0.385%	0	752,675
Norway	1,657,840	0.848%	(922)	1,656,918
Oman	328,440	0.168%	(121)	328,319
Pakistan	349,945	0.179%	(311)	349,634
Panama	199,410	0.102%	(111)	199,299
Papua New Guinea	44,965	0.023%	0	44,965
Paraguay	99,705	0.051%	(1)	99,704
Peru	375,360	0.192%	(241)	375,119
Philippines	666,655	0.341%	(627)	666,028
Poland	2,207,195	1.129%	(1,847)	2,205,348
Portugal	922,760	0.472%	(559)	922,201
Qatar	551,310	0.282%	(336)	550,974
Romania	713,575	0.365%	(643)	712,932
Russian Federation	4,226,710	2.162%	0	4,226,710
Rwanda	29,325	0.015%	(1)	29,324
Saint Kitts and Nevis	29,325	0.015%	(7)	29,318
Saint Lucia	29,325	0.015%	(10)	29,315
Saint Vincent and the Grenadines	29,325	0.015%	0	29,325
Samoa	29,325	0.015%	0	29,325
Saudi Arabia, Kingdom of	2,326,450	1.190%	(131)	2,326,319
Senegal	44,965	0.023%	0	44,965
Sierra Leone	29,325	0.015%	0	29,325
Singapore	4,508,230	2.306%	(4,295)	4,503,935
Slovak Republic	782,000	0.400%	(635)	781,365
Slovenia	357,765	0.183%	(263)	357,502
Solomon Islands	29,325	0.015%	(24)	29,301
South Africa	1,069,385	0.547%	(1,003)	1,068,382
Spain	4,590,340	2.348%	(726)	4,589,614
Sri Lanka	140,760	0.072%	(27)	140,733
Suriname	29,325	0.015%	(26)	29,299
Swaziland	29,325	0.015%	(16)	29,309

Member	2014 Contribution CHF	2014 Contribution %	Interest earned in 2012 for 2014 CHF	2014 net Contribution CHF
Sweden	2,365,550	1.210%	(2,211)	2,363,339
Switzerland	2,873,850	1.470%	(2,562)	2,871,288
Chinese Taipei	3,032,205	1.551%	(2,769)	3,029,436
Tajikistan	29,325	0.015%	0	29,325
Tanzania	78,200	0.040%	0	78,200
Thailand	2,207,195	1.129%	(1,831)	2,205,364
The Former Yugoslav Republic of Macedonia	58,650	0.030%	0	58,650
Togo	29,325	0.015%	0	29,325
Tonga	29,325	0.015%	(29)	29,296
Trinidad and Tobago	119,255	0.061%	(50)	119,205
Tunisia	244,375	0.125%	(58)	244,317
Turkey	1,908,080	0.976%	(1,633)	1,906,447
Uganda	46,920	0.024%	0	46,920
Ukraine	809,370	0.414%	(561)	808,809
United Arab Emirates	2,385,100	1.220%	(1,707)	2,383,393
United Kingdom	7,954,895	4.069%	(8,746)	7,946,149
United States	22,298,730	11.406%	(839)	22,297,891
Uruguay	103,615	0.053%	0	103,615
Vanuatu	29,325	0.015%	0	29,325
Venezuela	725,305	0.371%	0	725,305
Viet Nam	856,290	0.438%	(582)	855,708
Zambia	62,560	0.032%	(29)	62,531
Zimbabwe	39,100	0.020%	0	39,100
TOTAL	**195,500,000**	**100.00%**	**(124,712)**	**195,375,288**

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WAIVERS CURRENTLY IN FORCE
(as of December 31, 2014)

WAIVER	DECISION	DATE of ADOPTION of DECISION	GRANTED UNTIL	REPORT in 2014[50]
Granted in 2014				
Special Treatment for Rice of the Philippines	WT/L/932	24 July 2014	30 June 2017	-
Introduction of Harmonized System 2002 Changes into WTO Schedules of Tariff Concessions[51]	WT/L/945	11 December 2014	31 December 2015	-
Introduction of Harmonized System 2007 Changes into WTO Schedules of Tariff Concessions[52]	WT/L/946	11 December 2014	31 December 2015	-
Introduction of Harmonized System 2012 Changes into WTO Schedules of Tariff Concessions[53]	WT/L/947	11 December 2014	31 December 2015	-

[50] Applicable if so stipulated in the corresponding waiver Decision.
[51] The Members which have requested to be covered under this waiver are: Argentina; China; European Union; Iceland; and Malaysia.
[52] The Members which have requested to be covered under this waiver are: Argentina; Australia; Brazil; China; Costa Rica; Dominican Republic; El Salvador; European Union; India; Israel; Korea; Macao, China; Malaysia; Mexico; New Zealand; Nicaragua; Norway; Pakistan; Philippines; Switzerland; Thailand; United States; and, Uruguay.
[53] 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; 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 2014[54]
Previously granted – in force in 2014				
Introduction of Harmonized System 2002 Changes into WTO Schedules of Tariff Concessions[55]	WT/L/900	26 November 2013	31 December 2014	-
Introduction of Harmonized System 2007 Changes into WTO Schedules of Tariff Concessions[56]	WT/L/901	26 November 2013	31 December 2014	-
Introduction of Harmonized System 2012 Changes into WTO Schedules of Tariff Concessions[57]	WT/L/902	26 November 2013	31 December 2014	-
Kimberly Process Certification Scheme for Rough Diamonds - Extension of Waiver[58]	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/937
Preferential Treatment to Services and Service Suppliers of Least developed countries	WT/L/847	17 December 2011	17 December 2026	-
European Union – Application of Autonomous Preferential Treatment to Moldova – Extension of Waiver	WT/L/903	26 November 2013	31 December 2015	WT/L/936
European Union - Application of Autonomous Preferential Treatment to the Western Balkans	WT/L/836	30 November 2011	31 December 2016	WT/L/935
Preferential Tariff Treatment for Least-Developed Countries – Decision on Extension of waiver	WT/L/759	27 May 2009	30 June 2019	-
United States – Andean Trade Preference Act – Renewal of waiver	WT/L/755	27 May 2009	31 December 2014	WT/L/930

[54] Applicable if so stipulated in the corresponding waiver Decision.

[55] The Members which have requested to be covered under this waiver are: Argentina; China; European Union; Iceland; and, Malaysia.

[56] 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; Macao, China; Malaysia; Mexico; New Zealand; Nicaragua; Norway; Pakistan; Philippines; Singapore; Switzerland; Thailand; United States; and, Uruguay.

[57] 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.

[58] 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.

WAIVER	DECISION	DATE of ADOPTION of DECISION	GRANTED UNTIL	REPORT in 2014[54]
Previously granted – in force in 2014				
United States – African Growth and Opportunity Act	WT/L/754	27 May 2009	30 September 2015	WT/L/929
United States - Caribbean Basin Economic Recovery Act – Renewal of waiver	WT/L/753	27 May 2009	31 December 2014	WT/L/928
United States – Former Trust Territory of the Pacific Islands	WT/L/694	27 July 2007	31 December 2016	WT/L/927
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	IP/C/69
Least-Developed Country Members – Obligations under Article 70.9 of the TRIPS Agreement with respect to Pharmaceutical Products	WT/L/478	8 July 2002	1 January 2016	-

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Number of WTO Staff Members by Country on January 1, 2014
(as per information available on January 1, 2014)

Country	Senior	Professional	Support	Total
Albania			1	1
Argentina		5	6	11
Australia		11	2	13
Austria		5		5
Bangladesh		1		1
Barbados		1		1
Belgium		1	4	5
Benin		2		2
Bolivia		2		2
Brazil	1	9	2	12
Bulgaria		4		4
Burundi		1		1
Canada		20	1	21
Chad		1		1
Chile			2	2
China	1	11	1	13
Colombia		9	2	11
Congo, The Democratic Republic of the		1	1	2
Costa Rica		2		2
Côte d'Ivoire			1	1
Croatia		1		1
Cuba			1	1
Denmark		1	1	2
Ecuador		3		3
Egypt		5		5
Estonia		1		1
Finland		3	2	5
France		50	129	179
Germany	1	20	2	23
Ghana		2		2
Greece		3	2	5
Guatemala		1	1	2
Guinea		2		2
Honduras			2	2
Hungary		1	1	2
India		12	1	13
Ireland		5	7	12
Italy		18	2	20
Jamaica		1		1
Japan		4		4
Jordan		1		1
Kenya		1		1
Korea, Republic of		4		4
Malawi		1		1
Malaysia		2		2
Mauritius		1	1	2
Mexico		6	1	7

Country	Senior	Professional	Support	Total
Morocco		3		3
Nepal		1	1	2
Netherlands		4	1	5
New Zealand		1	1	2
Nigeria	1	1		2
Norway		1	1	2
Pakistan		2	1	3
Paraguay			1	1
Peru		2	7	9
Philippines		8	5	13
Poland		2	2	4
Portugal		2	2	4
Romania		1	1	2
Russia		1		1
Rwanda		1		1
Saint Lucia		1		1
Senegal		1	1	2
Sierra Leone		1		1
South Africa		1		1
Spain		21	18	39
Sri Lanka		1	1	2
Sweden		3		3
Switzerland		16	18	34
Tanzania		1		1
Thailand		1		1
Trinidad and Tobago		1		1
Tunisia		3	2	5
Turkey		3		3
Uganda		4		4
United Kingdom		24	37	61
United States of America	1	27	4	32
Uruguay		3	3	6
Venezuela		4	1	5
Viet Nam		1		1
Zambia		1		1
Zimbabwe		1	1	2
Grand Total	**5**	**384**	**285**	**674**

Note: Senior Management includes the Director-General and Deputies Director-General.

Source: WTO Secretariat as of 19 January 2015

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WTO ACCESSION APPLICATIONS AND STATUS
(as of December 31, 2014)[1]

Applicant	Status of Multilateral and Bilateral Work
Afghanistan* (2004)	Afghanistan will likely finish the negotiations in 2015. The Fourth Working Party (WP) meeting was held in July 2013. A fifth meeting was expected in early 2014, but has been delayed until the new President's cabinet has been established and the new government fully staffed. Bilateral market access negotiations have been completed and the consolidated draft schedules have been verified. The United States continues to provide technical assistance through the United States Agency for International Development (USAID), including drafting documentation, training, legal drafting, and institution building.
Algeria (1987)	The most recent version of the Draft WP Report was circulated in February 2014. The 12th WP meeting convened in March 2014 to resume membership negotiations, but work has slowed since that time.
Andorra (1997)	Inactive. Last WP meeting on October 13, 1999 reviewed legislative implementation schedule and goods and services market access offers.
Azerbaijan (1997)	The 11th WP meeting was held in February 2014 to continue discussions on how to bring Azerbaijan's trade regime into compliance with WTO regulations. Further bilateral market access negotiations were held in July. The date of the next WP meeting will depend on Azerbaijan's submission of inputs, including members' questions, draft/adopted legislation, and an updated Legislative Action Plan.
The Bahamas (2001)	Second WP meeting was held in June 2012, and responses to questions from Members circulated 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.
Belarus (1993)	Belarus' last WP meeting was in May 2005. Informal discussions have continued irregularly since that time to evaluate prospects for resuming negotiations. Chairman's Consultations took place in May 2013 based on an updated Factual Summary. At the meeting, Belarus was asked to submit updated documentation and revised market access offers for goods and services. Based on inputs received, the WTO Secretariat was asked to revise the Factual Summary. The next WP meeting will be scheduled as soon as updated documentation is provided. This will include additional information on Belarus' participation in the Eurasian Economic Union (EAEU) with Russia and Kazakhstan, along with revised market access offers.
Bhutan * (1999)	Inactive. Fourth WP meeting held in January 2008 to review additional documentation and 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.
Bosnia and Herzegovina (1999)	The 11th and 12th WP meetings convened 2013, the first in March and the second in June. Few issues remain concerning the application of WTO rules, but some of the legislation implementing WTO provisions still must be enacted. The most recent version of the Draft WP Report was circulated in May 2013. Bilateral market access negotiations with interested WTO Members are close to completion. With sufficient preparation, the next WP meeting could to be the final meeting.
Comoros * (2007)	Comoros circulated is Memorandum on the Foreign Trade Regime (MFTR), *i.e.*, the initial documentation necessary to activate the accession negotiations, to WTO Members on October 25, 2013. Once Comoros replies to Members written questions on that document, a first WP meeting will be scheduled.
Equatorial* Guinea (2008)	Inactive. Application accepted at February 2008 General Council meeting; has not yet submitted initial documentation to activate the accession negotiations.

* 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	Status of Multilateral and Bilateral Work
Ethiopia* (2003)	The third meeting of Ethiopia's WP was held in March 2012. The next meeting will be scheduled as soon as Ethiopia submits the required inputs (*i.e.* replies to Members' questions) for the preparation of the Elements of the Draft WP Report. Bilateral market access negotiations were initiated on goods, based on Ethiopia's initial offer circulated in the first half of 2012. Ethiopia must still provide its initial market access offer on services.
Iran (2005)	Inactive. The MFTR was circulated in November 2009. Replies to the 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 and written responses to questions and comments from the previous meeting.
Kazakhstan (1996)	Kazakhstan's accession is in its final stages. Despite strong progress towards completion in 2014, a handful of issues with WTO Members including the United States (*e.g.*, level of permitted subsidies to agriculture, tariffs on poultry and meat, and implementation of WTO rules on SPS) remained to be negotiated at the end of the year. Intensive bilateral and plurilateral work throughout 2014 has allowed compilation of close-to-final revised documentation (*i.e.*, a consolidated Services schedule, a revised draft WP report, and a substantially completed draft Goods schedule) which will be circulated in early 2015 for Members' review. Additional bilateral, plurilateral, and multilateral work will be necessary to complete the negotiations. Legislative implementation of WTO provisions and Kazakhstan's commitments is underway. Kazakhstan seeks to obtain final approval of its accession package in 2015.
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. The next WP meeting will be convened after Lebanon submits the necessary inputs.
Liberia* (2007)	Liberia's first WP meeting was held in July 2012. New documentation was submitted in November 2014, including replies to Members questions and comments. The next WP meeting is expected in the first quarter of 2015.
Libya (2004)	Inactive. Application accepted at July 2004 General Council meeting. No documentation or market access offers circulated to date.
Sao Tome and Principe* (2005)	Inactive. Application accepted at May 2005 General Council meeting; has not yet submitted initial documentation to activate the accession negotiations.
Serbia (2005)	The 13th Meeting of the WP was held in June 2013 and negotiations on the text of the draft WP report and largely complete. Bilateral market access negotiations with interested Members are substantially concluded, pending agreement on some agricultural tariffs. The next and likely final meeting of the WP will be convened when outstanding domestic legislative action (pertaining to, *inter alia*, commodity reserves; commodity exchange; GMOs; and services) has been completed by Serbia.
The Seychelles (1995)	The Sixth and Seventh meetings of Seychelles' WP were held in July and October, respectively, and the accession was approved by the WTO General Council in December 2014. Seychelles will be the 161st WTO Member after it ratifies (accepts) its WTO accession package.
Sudan* (1995)	Inactive. Second WP meeting held March 10, 2004. Market access offers for goods and services were last tabled in October 2006.

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WT/DSB/44/Rev.29

21 November 2014

INDICATIVE LIST OF GOVERNMENTAL AND NON-GOVERNMENTAL PANELISTS

Revision

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.

The attached is a revised consolidated list of governmental and non-governmental panelists.[59] The list is based on the previous indicative list issued on April 29, 2014 (WT/DSB/44/Rev.28). It includes additional names approved by the DSB at its meeting on 20 October and 18 November 2014[60] and reflects deletions from the previous list as proposed by Members. Any future modifications or additions to this list submitted by Members will be circulated in periodic revisions of this list.

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.

[59] Curricula Vitae containing more detailed information are available to WTO Members upon request from the Secretariat (CTNC Division).

[60] See documents: WT/DSB/W/530 and WT/DSB/W/533.

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	CHESTER, Mr. Douglas Owen	TRIPS
	CHURCHE, Mr. Milton	Trade in Goods
	DEADY, Mr. Stephen	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
	SPENCER, Mr. David	Trade in Goods
	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

MEMBER	NAME	SECTORAL EXPERIENCE
BOLIVARIAN, REPUBLIC OF VENEZUELA (cont'd)	ROJAS PENSO, Mr. Juan Francisco	Trade in Goods and Services
BOLIVIA, PLURINATIONAL STATE OF	ZELADA CASTEDO, Mr. Alberto	Trade in Goods
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

MEMBER	NAME	SECTORAL EXPERIENCE
CANADA (cont'd)	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
	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

MEMBER	NAME	SECTORAL EXPERIENCE
CHINA (cont'd)	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
	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	CABALLERO RODRÍGUEZ, Mr. Eumelio	Trade in Goods and Services
	HERNÁNDEZ, Mr. Arnaldo	Trade in Goods and Services
	MARZIOTA DELGADO, Mr. Ernesto Antonio	Trade in Goods and Services
DJIBOUTI	PIQUEMAL, Mr. Alain	Trade in Goods and Services; TRIPS

MEMBER	NAME	SECTORAL EXPERIENCE
DOMINICAN REPUBLIC	DE LOS SANTOS DE PIANTINI, Ms. Roxana	Trade in Goods; TRIPS
ECUADOR	ESPINOSA CAÑIZARES, Mr. Cristian	Trade in Goods and Services; TRIPS
	MONTAÑO HUERTA, Mr. César	Trade in Goods and Services; TRIPS
	PINOARGOTE CEVALLOS, Mr. Alfredo	Trade in Goods
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
	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

MEMBER	NAME	SECTORAL EXPERIENCE
DENMARK	NIELSEN, Mr. Karsten Vagn	Trade in Goods; TRIPS
	NIELSEN, Ms. Laura	Trade in Goods and Services
	OLSEN, Ms. Birgitte Egelund	Trade in Goods
	SMIDT, Mr. Steffen	Trade in Goods and Services
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
	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
	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

MEMBER	NAME	SECTORAL EXPERIENCE
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
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

MEMBER	NAME	SECTORAL EXPERIENCE
SPAIN (cont'd)	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
	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

MEMBER	NAME	SECTORAL EXPERIENCE
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
	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

MEMBER	NAME	SECTORAL EXPERIENCE
INDIA (cont'd)	SHARMA, Mr. Lalit	Trade in Goods and Services; TRIPS
	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
	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
	SEMADAR, Mr. Moshe	Trade in Goods
	SHATON, Mr. Michael Marcel	Trade in Goods and Services
	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

MEMBER	NAME	SECTORAL EXPERIENCE
JAPAN (cont'd)	KOMETANI, Mr. Kazumochi	Trade in Goods and Services; TRIPS
	OHARA, Mr. Yoshio	Trade in Goods; TRIPS
	SAITO, Mr. Koji	Trade in Goods
	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
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
	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

MEMBER	NAME	SECTORAL EXPERIENCE
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
	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
	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
	ZABLUDOVSKY KUPER, Mr. Jaime	Trade in Goods and Services; 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

MEMBER	NAME	SECTORAL EXPERIENCE
NEW ZEALAND (cont'd)	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
	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

MEMBER	NAME	SECTORAL EXPERIENCE
PANAMA (cont'd)	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
QATAR	MAKKI, Mr. Fadi	Trade in Goods and Services
SRI LANKA	JAYASEKERA, Mr. Douglas	Trade in Goods; TRIPS
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
	TSCHÄENI, Mr. Hanspeter	Trade in Goods

MEMBER	NAME	SECTORAL EXPERIENCE
	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
	MOLLASALIHOĞLU, Mr. Yavuz	Trade in Goods
	YAMAN, Mr. Şahin	Trade in Goods
	YAPICI, Mr. Murat	Trade in Goods
	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

MEMBER	NAME	SECTORAL EXPERIENCE
UNITED STATES (cont'd)	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

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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[61]

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**	
	a. Government trade work	year, employer, activity
	b. Private sector trade work	year, employer, activity

[61] 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.

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)	

MEMBERSHIP OF THE WTO APPELLATE BODY
To December 31, 2014

On December 31, 2013 Mr. Ricardo Ramírez Hernández's first term as Chair of the Appellate Body expired. Pursuant to Rule 5.1 of the *Working Procedures for Appellate Review*, the Members of the Appellate Body re-elected Mr. Ricardo Ramírez Hernández to serve a second term as Chair of the Appellate Body, from January 1 through December 31, 2014.

The 2014 Appellate Body was composed of the following members (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).

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 US — 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, Thomas R. Graham is Senior Counsel in the International Trade Group of the King & Spalding law firm where he represents respondents in non-U.S. trade remedy cases, negotiates the settlement of disputes, assists in WTO dispute settlement proceedings, and heads the practice's committee on long term planning and development.

Prior to joining King & Spalding, Mr. Graham served for several years as the deputy head of the International Group of Skadden, Arps, Slate, Meagher & Flom, and participated in the firm's transition from a U.S. law firm to a global one.

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 spent three years in Geneva as a Legal Officer at the United Nations.

Mr. Graham taught for many years at the Georgetown Law Center as an adjunct professor. He has written several 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.

Ricardo Ramírez Hernández

Born in Mexico on October 17, 1968, Ricardo Ramírez is Counsel and Head of the International Trade Practice for Latin America at the law firm of Chadbourne & Parke in Mexico City. His practice has focused on issues related to NAFTA and trade across Latin America, including international trade dispute resolution. He holds the Chair of International Trade Law at the Mexican National University (UNAM) in Mexico City.

Prior to practicing with a law firm, Mr. Ramírez 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 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.

Mr. Ramírez holds an LL.M. degree in International Business Law from the Washington College of Law of the American University, 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 currently Professor of International Economic Law and Head of the Department of International and European Law at Maastricht University, the Netherlands. He also serves as the Academic Director of Maastricht University's Institute for Globalization and International Regulation and is on the faculty of the World Trade Institute in Berne, and the Institute of European Studies of Macau.

Mr. Van den Bossche has extensive experience in academia and has published extensively in the field of international economic law. The second edition of his textbook The Law and Policy of the World Trade Organization was published by Cambridge University Press in 2008. Mr. Van den Bossche is a Member of the Board of Editors of the Journal of International Economic Law. He has also acted as a consultant to many developing countries.

From 1997 to 2001, Mr. Van den Bossche was Counsellor and subsequently Acting Director of the WTO Appellate Body Secretariat. From 1990 to 1992, he served as a Référendaire of Advocate General W. van Gerven at the European Court of Justice in Luxembourg.

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 Licentiaat in de Rechten *magna cum laude* from the University of Antwerp.

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

Source: http://www.wto.org/english/tratop_e/dispu_e/appellate_body_e.htm

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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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   154 rue de Lausanne 154
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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)

- WTO Ministerial Declaration on Trade in Information Technology Products (Information Technology Agreement (ITA)) (March 26, 1997)

- 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)
- 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)
- Softwood Lumber Agreement between the Government of the United States of America and the Government of Canada (SLA 2006) (October 12, 2006; extended January 23, 2012)
- 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)

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)

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)

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)
- 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; and November 26, 2013)
- 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)

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)
- United States-Kazakhstan Agreement Related to Certain Investment and Services Requirements (September 21, 2011)

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)

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)

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)

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)
- United States-Panama Trade Promotion Agreement (October 31, 2012)
- 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)

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

Bangladesh

- United States-Bangladesh Trade and Investment Cooperation Forum Agreement (signed November 25, 2013)

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)

Lithuania

- Trade and Intellectual Property Rights Agreement (April 26, 1994; requires approval by Lithuanian legislature)

Libya

- United States-Libya Trade and Investment Framework Agreement (signed December 18, 2013)

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)

Russia

- Bilateral Investment Treaty (signed June 17, 1992)

Uzbekistan

- Bilateral Investment Treaty (signed December 16, 1994)

III. Other Trade-Related Agreements and Declarations

Following is a list of other trade-related agreements 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)

- 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)

Association of Southeast Asian Nations (ASEAN)

- United States-ASEAN Trade and Investment Framework Agreement (August 5, 2006)

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)

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)

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 Understanding on a Trade and Investment Council (July 16, 1996)
- Memorandum of Understanding on Combating Illegal Logging and Associated Trade (November 16, 2006)

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)

Malaysia

- United States-Malaysia Trade and Investment Framework Agreement (May 10, 2004)

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)

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)