

United States International Trade Commission

# THE YEAR IN TRADE 2011

Operation of the Trade  
Agreements Program

63RD REPORT

USITC Publication 4336  
July 2012



# U.S. International Trade Commission

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# **U.S. International Trade Commission**

Washington, DC 20436  
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## **The Year in Trade 2011 Operation of the Trade Agreements Program 63rd Report**

**Publication 4336**



**July 2012**

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# PREFACE

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This report is the 63rd in a series of annual reports submitted to the U.S. Congress under section 163(c) of the Trade Act of 1974 (19 U.S.C. 2213(c)) and its predecessor legislation. Section 163(c) of the Trade Act of 1974 states that “the International Trade Commission shall submit to the Congress at least once a year, a factual report on the operation of the trade agreements program.”

This report is one of the principal means by which the U.S. International Trade Commission provides Congress with factual information on trade policy and its administration for calendar year 2011. The trade agreements program includes “all activities consisting of, or related to, the administration of international agreements which primarily concern trade and which are concluded pursuant to the authority vested in the President by the Constitution” and congressional legislation.



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# Abbreviations and Acronyms

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AB	Appellate Body (WTO)
ACTA	Anti-Counterfeiting Trade Agreement
AGOA	African Growth and Opportunity Act
AIT	American Institute in Taiwan
APEC	Asia-Pacific Economic Cooperation
ARRA	American Recovery and Reinvestment Act
ASU	Aircraft Sector Understanding (OECD)
ATPA	Andean Trade Preference Act
ATPDEA	Andean Trade Promotion and Drug Eradication Act
BEA	Bureau of Economic Analysis (USDOC)
BECC	Border Environment Cooperation Commission (NAFTA)
BOP	balance of payments
BSE	bovine spongiform encephalopathy
C-4	“Cotton 4” countries (WTO)
CAFTA-DR	Dominican Republic-Central America-United States Free Trade Agreement
CBD	Convention on Biological Diversity (UN)
CBERA	Caribbean Basin Economic Recovery Act
CBI	Caribbean Basin Initiative
CBTPA	Caribbean Basin Trade Partnership Act
CCCT	Community College and Career Training (TAA)
CEC	Commission for Environmental Cooperation (NAFTA)
CETR	U.S.-Brazil Commission on Economic and Trade Relations
C.F.R.	Code of Federal Regulations
CLC	Commission for Labor Cooperation (NAFTA)
CNL	competitive need limitation
COOL	country of origin labeling
CSQ	country-specific quota
CTD	Committee on Trade and Development (WTO)
CTE	Committee on Trade and the Environment (WTO)
CTI	Committee on Trade and Investment (APEC)
CTPA	U.S.-Colombia Trade Promotion Agreement
CU	customs union
DDA	Doha Development Agenda (WTO)
D-G	Director-General (WTO)
DSB	Dispute Settlement Body (WTO)
DSU	Dispute Settlement Understanding (WTO)
EC	European Communities
EDA	Economic Development Administration (USDOC)
EHI	U.S.-Japan Economic Harmonization Initiative
EIAP	Earned Import Allowance Program (CAFTA-DR)
EMC	electromagnetic compatibility
EMI	electromagnetic interference
ERS	Economic Research Service (USDA)
ETA	Employment and Training Administration (USDOL)
EU	European Union
FAO	Food and Agriculture Organization (UN)
FAS	Foreign Agricultural Service (USDA)
FCN	Friendship, Commerce, and Navigation

FDI	foreign direct investment
Fed. Reg.	Federal Register
FTA	free trade agreement
FTAA	Free Trade Area of the Americas
FTAAP	Free Trade Area of the Asia-Pacific
FTC	Free Trade Commission (CAFTA-DR, NAFTA, Peru TPA)
FY	fiscal year
G-20	Group of 20 (major world industrial and emerging market economies)
GATS	General Agreement on Trade in Services (WTO)
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GI	geographical indication
GPA	Agreement on Government Procurement (WTO)
GPS	global positioning system
GSP	Generalized System of Preferences
HELP	Haiti Economic Lift Program
HLRCC	U.S.-Mexico High-Level Regulatory Cooperation Council
HLRCF	U.S.-EU High-Level Regulatory Cooperation Forum
HOPE	Haitian Hemispheric Opportunity through Partnership Encouragement Act
HS	Harmonized Commodity Description and Coding System (international)
HTS	Harmonized Tariff Schedule of the United States
ICSID	International Centre for the Settlement of Investment Disputes
ICT	information and communication technology
IMF	International Monetary Fund
IPEC	Intellectual Property Enforcement Coordinator
IPR	intellectual property rights
IT	information technology
ITA	International Technology Agreement (WTO)
ITA	International Trade Administration (USDOC)
JCCT	Joint Commission on Commerce and Trade
JECFA	Joint FAO/WHO Expert Committee on Food Additives
KORUS FTA	U.S.-Korea Free Trade Agreement
LCA	large civil aircraft
LCIA	London Court of International Arbitration
LDBDC	least-developed beneficiary developing country
LTFV	less than fair value
MEA	multilateral environmental agreement
MFN	most-favored nation
MLIT	Japan's Ministry of Land, Infrastructure, Transport and Tourism
MOU	memorandum of understanding
MRA	mutual recognition agreement
MRL	maximum residue limit
NAAEC	North American Agreement on Environmental Cooperation (NAFTA)
NAALC	North American Agreement on Labor Cooperation (NAFTA)
NADB	North American Development Bank (NAFTA)
NAFTA	North American Free Trade Agreement
NAMA	nonagricultural market access
NAO	National Administrative Office (NAFTA)
NASA	United States National Aeronautics and Space Administration
NBER	National Bureau of Economic Research
NGTF	Negotiating Group on Trade Facilitation (WTO)
NTB	non-tariff barrier

NTM	nontariff measure
NTR	normal trade relations
OECD	Organisation for Economic Co-operation and Development
OIE	World Organisation for Animal Health (Office International des Epizooties)
OTEXA	Office of Textiles and Apparel (USDOC)
PCA	Product Coverage Annex (OECD)
PNTR	permanent normal trade relations
PTPA	U.S.-Peru Trade Promotion Agreement
Pub. L.	Public Law
R&D	research and development
RMB	renminbi
ROOs	rules of origin
RTA	regional trade agreement
S&D	special and differential treatment
S&ED	Strategic and Economic Dialogue
SCM	subsidies and countervailing measures
SE	Secretaría de Economía (Mexico)
SITC	Standard Industrial Trade Classification
SLA	Softwood Lumber Agreement
SMEs	small and medium-sized enterprises
SOEs	State-owned enterprises
SPS	sanitary and phytosanitary (standards)
SSA	sub-Saharan Africa
TAA	Trade Adjustment Assistance
TAAC	Trade Adjustment Assistance Center
TAAEA	Trade Adjustment Assistance Extension Act
TAATC	Trade Agreement Administration and Technical Cooperation (USDOL)
TBT	Technical Barriers to Trade
TEC	Transatlantic Economic Council
TGAAA	Trade and Globalization Adjustment Assistance Act (ARRA)
TIEA	Tax Information Exchange Agreement
TIFA	trade and investment framework agreement
TMT	thousand metric tons
TNC	Trade Negotiations Committee (WTO)
TPA	trade promotion agreement
TPF	U.S.-India Trade Policy Forum
TPP	Trans-Pacific Partnership
TRIPS	Trade-Related Aspects of Intellectual Property Rights (WTO)
TRQ	tariff-rate quota
UK	United Kingdom
UN	United Nations
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development
US&FCS	United States and Foreign Commercial Service (USDOC)
U.S.C.	United States Code
USCBP	United States Customs and Border Protection (USDHS)
USCIA	United States Central Intelligence Agency
USDA	United States Department of Agriculture
USDHS	United States Department of Homeland Security
USDOC	United States Department of Commerce
USDOE	United States Department of Energy
USDOL	United States Department of Labor

USDOS	United States Department of State
USDOT	United States Department of Transportation
USFDA	United States Food and Drug Administration
USITC	United States International Trade Commission
USMEF	U.S. Meat Export Federation
USTR	United States Trade Representative
WHO	World Health Organization (UN)
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

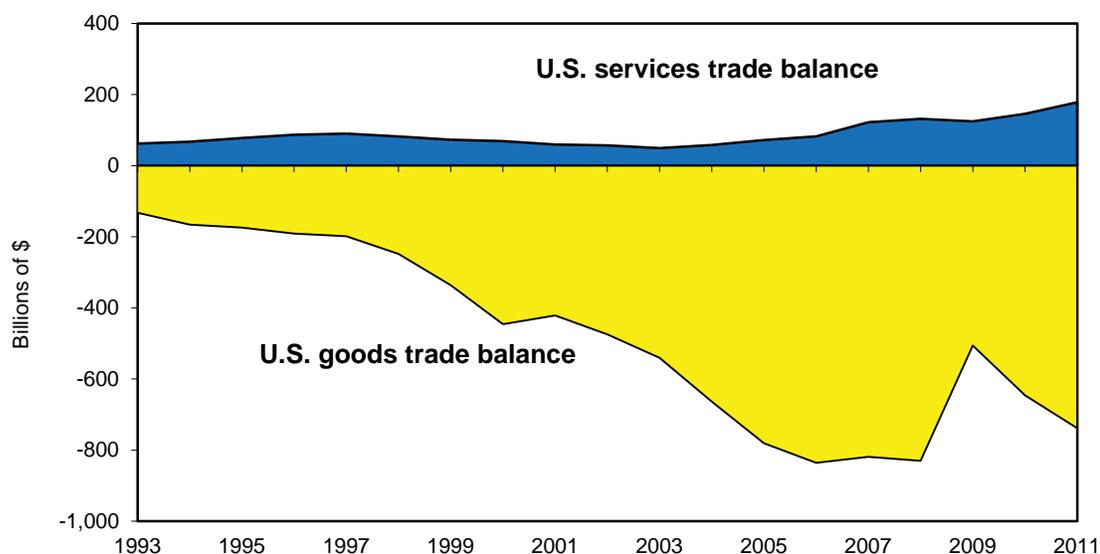
# EXECUTIVE SUMMARY

The U.S. trade deficit for goods and services expanded from \$500.0 billion in 2010 to \$560.0 billion in 2011 on a balance-of-payments basis, increasing for the second year in a row. The deficit on goods increased from \$645.9 billion in 2010 to \$738.3 billion in 2011, although it continued to remain below the \$835.7 billion record set in 2006. At the same time, the U.S. surplus on services rose from \$145.8 billion in 2010 to a new record of \$178.3 billion in 2011 (figure ES.1).

U.S. trade in goods and services grew in 2011, but by less than in 2010. Lower growth in U.S. aggregate demand led to similarly lower growth in U.S. imports of goods and services in 2011 compared to 2010. Likewise, generally lower growth in most foreign countries led to lower growth in U.S. exports of goods and services in 2011. The U.S. economic recovery that began in the summer of 2009 stalled in 2011 after a relatively weak rebound in 2010. Real gross domestic product (GDP) grew by 1.7 percent in 2011, following growth of 3.0 percent in 2010 and a 3.5 percent contraction in 2009. The pace of global economic growth also slowed, from 5.3 percent in 2010 to 3.9 percent in 2011.

The U.S. dollar appreciated 2.2 percent in 2011 against a broad trade-weighted index of foreign currencies. The dollar fell against major European and Western Hemisphere currencies during the first half of the year, but rose against these currencies in the second half as financial markets abroad responded to increased concerns about fiscal stresses in Europe and the resultant risks to the global economic outlook. The Japanese yen and the Chinese yuan followed erratic paths against the dollar, but the dollar ended the year lower against both.

**FIGURE ES.1** U.S. trade balance in goods and services, 1993–2011



Source: USDOC.

A summary of U.S. trade agreement activities in 2011 is presented below, followed by a table summarizing key developments on a monthly basis for the year (table ES.1). Trade agreement activities during 2011 included the administration of U.S. trade laws and regulations; U.S. participation in the World Trade Organization (WTO), the Organisation for Economic Co-operation and Development (OECD), the Asia-Pacific Economic Cooperation (APEC) forum, and the Anti-Counterfeiting Trade Agreement (ACTA); U.S. negotiation of and participation in free trade agreements (FTAs); and bilateral developments with major trading partners.

## **Key Trade Developments in 2011**

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### ***Administration of U.S. Trade Laws and Regulations***

***Safeguard actions:*** The U.S. International Trade Commission (USITC or the Commission) conducted no new safeguard investigations in 2011. Only one safeguard measure was in effect during 2011, involving imports of certain passenger vehicle and light truck tires from China. The President had imposed additional tariffs on such tires from China in September 2009 for a three-year period, setting the tariffs at 35 percent ad valorem in the first year, 30 percent ad valorem in the second year, and 25 percent ad valorem in the third year.

***Section 301:*** In 2011, two Section 301 cases were ongoing from previous years and three new Section 301 petitions were filed. The two ongoing cases concerned the European Union (EU) meat hormone directive and China's policies affecting trade and investment in green technologies. The U.S. Trade Representative (USTR) decided not to initiate any Section 301 investigations in response to the three petitions that were filed in 2011.

***Special 301:*** In the 2011 Special 301 review, USTR examined the adequacy and effectiveness of intellectual property rights (IPR) protection in 77 countries. USTR did not identify any countries as priority foreign countries, but identified 12 countries for its priority watch list: Algeria, Argentina, Canada, Chile, China, India, Indonesia, Israel, Pakistan, Russia, Thailand, and Venezuela. The Special 301 report highlighted the need for greater IPR protection and enforcement in China, full and effective implementation of China's WTO obligations, and U.S. concerns about China's indigenous innovation policies. Although Russia remained on the priority watch list, the report noted that it has taken significant steps to improve IPR protection by enacting four pieces of IPR legislation. Twenty-nine countries remained on the watch list.

***Antidumping duty investigations:*** The Commission instituted 21 new antidumping investigations and completed 4 investigations during 2011. Antidumping duty orders were issued by the U.S. Department of Commerce (USDOC) in all four of the investigations completed in 2011.

***Countervailing duty investigations:*** The Commission instituted 12 new countervailing duty investigations and completed 3 investigations during 2011. Countervailing duty orders were issued by the USDOC in all three of the investigations completed in 2011.

**Sunset reviews:** During 2011, the USDOC and the Commission instituted 61 sunset reviews of existing antidumping duty and countervailing duty orders and suspension agreements. The Commission completed 65 reviews, resulting in 53 antidumping duty and countervailing duty orders being continued for five additional years.

**Section 337 investigations:** During 2011, there were 128 active Section 337 investigations and ancillary proceedings, 72 of which were instituted in 2011. Of these 72 new proceedings, 64 were new Section 337 investigations and 8 were new ancillary proceedings relating to previously concluded investigations. In all but 5 of the 72 new Section 337 institutions in 2011, patent infringement was the only type of unfair act alleged. Just over one-half of the active investigations involved telecommunications and computer equipment; integrated circuits; and display devices, such as digital televisions. At the close of 2011, 70 Section 337 investigations and related proceedings were pending at the Commission.

**Trade Adjustment Assistance:** In fiscal year (FY) 2011, the U.S. Department of Labor (USDOL) received 1,671 petitions for Trade Adjustment Assistance (TAA) for workers harmed by imports, a decline from 2,222 petitions filed in FY 2010. USDOL certified 1,116 petitions as eligible for TAA, and estimated that 98,515 workers were covered. Production shifting to a foreign country was cited as the leading basis for certification in FY 2011, followed by competition from imports. TAA programs also provided assistance in 2011 to farmers, firms, and communities adversely affected by imports.

## ***Trade Preference Programs***

**Generalized System of Preferences:** The President's authority to provide duty-free treatment under the Generalized System of Preferences (GSP) program expired on December 31, 2010, and was renewed retroactively on October 21, 2011. Imports that were entered duty free under the GSP program totaled \$18.5 billion in 2011, accounting for 5.1 percent of total U.S. imports from GSP beneficiary countries and 0.85 percent of total imports from all trading partners. India was the leading GSP beneficiary in 2011, followed by Thailand, Brazil, and Indonesia. Petroleum-related products accounted for just 3 percent of the value of U.S. GSP imports in 2011 compared with almost one-fourth in 2010, since Equatorial Guinea graduated from the program based on high income on January 1, 2011, and Angola, another major crude petroleum exporter, began entering its exports under the African Growth and Opportunity Act (AGOA) rather than the GSP.

**African Growth and Opportunity Act:** At the end of 2011, 40 sub-Saharan African (SSA) countries were designated for benefits under AGOA, and 27 SSA countries were eligible for AGOA textile and apparel benefits. Duty-free U.S. imports under AGOA, including those covered by GSP, were valued at \$53.8 billion in 2011. U.S. imports under AGOA, exclusive of GSP, were valued at \$51.9 billion in 2011, up 34.2 percent from 2010. This increase was driven mainly by a rise in the value of U.S. imports of petroleum-related products, which made up 93.5 percent of imports under AGOA in 2011. Nigeria and Angola were the largest suppliers in 2011, accounting for 82.0 percent of U.S. imports under AGOA.

**Andean Trade Preference Act:** Preferential treatment under the Andean Trade Preference Act (ATPA) expired on February 12, 2011, but was renewed retroactively on

October 21, 2011, for Colombia and Ecuador only. U.S. imports under ATPA fell 69.6 percent in 2011 to \$4.4 billion, reflecting primarily the lapse of the program, but also Peru's exit from the program on December 31, 2010. As in recent years, Colombia remained the leading supplier, and petroleum-related products accounted for the overwhelming share (88.9 percent) of U.S. imports under ATPA.

***Caribbean Basin Economic Recovery Act:*** In 2011, 17 countries and territories were eligible for trade preferences under the Caribbean Basin Economic Recovery Act (CBERA), and 8 were eligible under the Caribbean Basin Trade Partnership Act (CBTPA), an amendment to CBERA. The value of U.S. imports under CBERA rose 25.1 percent in 2011 to \$3.6 billion. This growth reflected substantial increases in the prices of petroleum products, methanol, and fuel ethanol, which are major imports from CBERA countries, as well as in the volume of imports of petroleum products, fuel ethanol, and certain apparel items. Although Trinidad and Tobago remained the leading supplier of U.S. imports under CBERA, Haiti accounted for nearly all of U.S. imports of apparel entering under CBERA (including CBTPA) in 2011. U.S. imports of apparel from Haiti totaled \$701.5 million, up more than one-third from 2010. Such imports from Haiti also benefited from trade preferences under the Haitian Hemisphere Opportunity through Partnership Encouragement Acts and the Haiti Economic Lift Program.

### ***WTO, OECD, APEC, and Related Developments***

***WTO developments:*** Participants in the Doha Development Agenda (DDA) trade negotiations were able to examine the entire negotiated DDA package at a major review held in April 2011. Nonetheless, the chairman of the Trade Negotiating Committee reported that the inability of the major traders to reach a compromise over tariffs on industrial products was effectively blocking progress in other areas, an impasse that remained at the end of 2011. At the WTO's Eighth Ministerial Conference, held in December, members approved the accessions of Russia, Montenegro, and Samoa. Members also adopted a number of decisions, many designed to help least-developed country (LDC) members, such as preferential treatment for trade in services and services suppliers from LDCs. Finally, the parties to the WTO plurilateral Agreement on Government Procurement reported the conclusion of negotiations on a revised agreement text, which was formally adopted in March 2012.

***WTO dispute settlement:*** Of the eight new requests for dispute settlement consultations filed in 2011, one involved the United States as complainant and three as the respondent. There were seven new dispute panels established during the year, including two at the request of the United States against China and one by China against the United States. Two of the longest-running disputes, involving U.S. and EU complaints about each other's measures affecting trade in large civil aircraft, moved closer to conclusion in 2011; the Appellate Body report was adopted in June 2011 for the U.S. complaint and the panel decision for the EU complaint was on appeal at the end of 2011.

***OECD developments:*** At their 50th anniversary ministerial council meeting, held in May 2011, ministers from the 34 OECD member countries discussed policy challenges in the areas of growth, jobs, innovation, and skills; environmentally friendly "green" growth; new approaches to economic development; and trade and jobs. The revised Sector Understanding on Export Credits for Civil Aircraft ("Aircraft Sector Understanding"),

concluded in principle in 2010, was formally incorporated in March 2011 into the Arrangement on Officially Supported Export Credits (“Export Credit Arrangement”), Annex III.

***APEC developments:*** APEC was hosted by the United States in 2011, culminating in the holding of the APEC annual summit in Honolulu, Hawaii, in November. Member economies worked toward greater regional economic integration, expanded a green growth initiative with the goal of future tariff reductions on environmental goods, and continued to build consensus around regulatory cooperation in specific industries. The APEC annual summit also served as a forum for discussing pathways toward a Free Trade Area of the Asia-Pacific, a long-time goal of APEC. Countries negotiating the Trans-Pacific Partnership (TPP) Agreement, all of which are APEC members, used the event to release a broad outline of the agreement.

***Anti-Counterfeiting Trade Agreement:*** The ACTA was signed on October 1, 2011, by eight countries—Australia, Canada, Japan, the Republic of Korea (Korea), Morocco, New Zealand, Singapore, and the United States. The EU authorized ratification of ACTA on December 16, 2011, and submitted the agreement to the European Court of Justice to verify its compatibility with EU law. ACTA is to remain open for signature until May 1, 2013.

### ***FTA Developments in 2011***

***U.S. FTAs in force in 2011:*** The United States was a party to 11 FTAs as of December 31, 2011. These include the U.S.-Peru Trade Promotion Agreement (TPA) (which entered into force in 2009); the U.S.-Oman FTA (2009); a multiparty FTA with the countries of Central America and the Dominican Republic (CAFTA-DR) that entered into force with respect to the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua (2006–07), and then Costa Rica (2009); the U.S.-Bahrain FTA (2006); the U.S.-Morocco FTA (2006); the U.S.-Australia FTA (2005); the U.S.-Chile FTA (2004); the U.S.-Singapore FTA (2004); the U.S.-Jordan FTA (2001); the North American Free Trade Agreement (NAFTA) (1994); and the U.S.-Israel FTA (1985).

***FTA developments:*** On October 21, 2011, the President signed legislation to implement the U.S.-Panama TPA, the U.S.-Colombia TPA,<sup>1</sup> and the U.S.-Korea FTA.<sup>2</sup> Also during the year, six rounds of negotiations were conducted related to negotiation of a TPP agreement, the only FTA currently actively under negotiation. On November 11, 2011, Canada, Japan, and Mexico announced their intentions to begin consultations with the aim of joining the TPP negotiations with the nine current participants—Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam, and the United States.

***FTA merchandise trade flows with FTA partners:*** In 2011, total two-way merchandise trade between the United States and its FTA partners was \$1.2 trillion, or 34.2 percent of U.S. merchandise trade with the world. U.S. merchandise exports to FTA partners increased by 17.9 percent to \$512.6 billion and accounted for 39.5 percent of total U.S. exports. U.S. imports of goods from FTA partners grew at a slightly lower rate (15.1

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<sup>1</sup> The U.S.-Colombia TPA entered into force on May 15, 2012.

<sup>2</sup> The U.S.-Korea FTA entered into force on March 15, 2012.

percent) to \$679.3 billion and accounted for 31.1 percent of global U.S. imports. The U.S. merchandise trade deficit with its FTA partners increased by \$11.3 billion to \$166.7 billion in 2011. The United States had a trade deficit with its NAFTA partners of \$185.4 billion, as well as much smaller deficits with Oman and Israel. Excluding NAFTA, the United States registered a trade surplus with its FTA partners of \$18.7 billion in 2011, up sharply from \$11.5 billion in 2010. U.S. imports under FTA provisions were valued at \$357.0 billion in 2011, accounting for 16.3 percent of total U.S. imports.

***NAFTA developments:*** All of NAFTA's provisions were fully implemented as of January 1, 2008, with the exception of the NAFTA cross-border trucking provisions. (Developments in the trucking provisions in 2011 are described in the Mexico section below.) In 2011, the United States and Mexico signed a bilateral mutual recognition agreement for telecommunications equipment in May, and Canada and Mexico signed a similar agreement in November. In 2011, the Commission for Labor Cooperation, responsible for implementing the North American Agreement on Labor Cooperation, a supplemental agreement to NAFTA, released a report, "Migrant Workers' Rights in North America: Comparative Guides to Labor and Employment Laws in North America." At the end of 2011, 12 files remained active under Articles 14 and 15 of the North American Agreement on Environmental Cooperation (a supplemental agreement to NAFTA), of which 3 were submitted in 2011.

***NAFTA dispute settlement:*** In 2011, there was one active panel review in response to a request filed by a Canadian investor against the United States under NAFTA's Chapter 11 dispute settlement provision. In the same year, five active Chapter 11 cases were filed by U.S. investors against Canada, and three active Chapter 11 cases were filed by U.S. investors against Mexico. At yearend, the NAFTA Secretariat listed nine binational panels active under Chapter 19, eight of which challenged U.S. agencies' antidumping and countervailing duty determinations. Among these panels, three were formed in 2011; two of these challenged U.S. agencies' determinations on products from Mexico, and one challenged Mexico's agency determination on products from the United States.

## ***Trade Activities with Major Trade Partners***

### **European Union**

The EU as a unit<sup>3</sup> continued to be the United States' largest two-way (exports and imports) merchandise trading partner in 2011. U.S. merchandise trade with the EU was \$603.5 billion in 2011, which accounted for 17.4 percent of total U.S. merchandise trade. U.S. merchandise exports to the EU totaled \$241.1 billion, while the value of U.S. merchandise imports from the EU was \$362.4 billion, resulting in a merchandise trade deficit of \$121.3 billion in 2011. Leading U.S. exports included aircraft and parts, petroleum-related products, certain medicaments, nonmonetary gold, coal, and passenger motor vehicles. Leading U.S. imports included certain medicaments, petroleum-related products, passenger motor vehicles, and nucleic acids and their salts. The EU was also the United States' largest trading partner in terms of services in 2011, accounting for 33.4

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<sup>3</sup> The 27 members of the EU in 2011 were Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

percent of total U.S. services trade. The United States registered a trade surplus in services with the EU of \$50.8 billion in 2011.

A major focus of the U.S.-EU trade relationship in 2011 was the work of the Transatlantic Economic Council (TEC), an intergovernmental organization that aims to facilitate bilateral trade and investment and to build cooperation on global economic challenges and approaches with third countries (countries outside the EU and the United States). During the year, the TEC expanded its work plan and made progress on a number of areas, including cooperation on regulations and standards, raw materials, small and medium-sized enterprises (SMEs), investment, and supply chain security. A Joint High Level Working Group on Jobs and Growth was also formed to identify policies and measures to increase U.S.-EU trade and investment to support mutually beneficial job creation, economic growth, and international competitiveness.

## **Canada**

Canada continued to be the United States' largest single-country trading partner during 2011. With total two-way merchandise trade valued at \$550.2 billion, Canada accounted for 15.8 percent of U.S. merchandise trade with the world. U.S. merchandise exports to Canada amounted to \$233.8 billion in 2011, and U.S. merchandise imports from Canada were \$316.4 billion, resulting in a U.S. merchandise trade deficit of \$82.6 billion. Leading U.S. merchandise exports to Canada included passenger and transport motor vehicles and related parts, as well as petroleum and natural-gas products. Leading U.S. merchandise imports from Canada were energy products—such as petroleum oil, propane, natural gas, and electrical energy—as well as passenger motor vehicles and related parts. Canada was the United States' second-largest single-country partner in services trade after the United Kingdom in 2011, with a U.S. services trade surplus of \$28.1 billion.

Topics on the U.S.-Canada trade agenda in 2011 included actions under the 2006 U.S.-Canada Softwood Lumber Agreement, developments relating to Canadian IPR legislation, and talks concerning U.S. government procurement legislation.

## **China**

In 2011, China was the United States' second-largest single-country trading partner; total two-way merchandise trade was valued at \$495.4 billion, accounting for 14.2 percent of U.S. merchandise trade with the world. U.S. merchandise exports to China were \$96.9 billion in 2011, and U.S. merchandise imports from China totaled \$398.5 billion, resulting in a U.S. merchandise trade deficit of nearly \$301.6 billion, higher than with any other single-country trading partner. Major U.S. merchandise exports to China included soybeans, metal waste and scrap, aircraft, automobiles, cotton, and computer chips. Major U.S. merchandise imports from China were computers and computer parts, wireless telephones, toys, and communication equipment. The United States had a services trade surplus of \$13.4 billion with China in 2011.

China's compliance with its WTO commitments remained a focus of U.S.-China trade relations in 2011. Notable areas of U.S. concern were China's IPR enforcement, its

industrial policies, its export restraints on raw material inputs, and its import bans on U.S. beef and poultry, as well as the valuation of the renminbi.

## **Mexico**

Mexico was the United States' third-largest single-country trading partner in 2011, following Canada and China. With total two-way merchandise trade valued at \$422.6 billion, Mexico accounted for 12.1 percent of U.S. merchandise trade with the world. U.S. merchandise exports to Mexico amounted to \$159.9 billion in 2011, and U.S. merchandise imports from Mexico were \$262.7 billion, resulting in a merchandise trade deficit of \$102.8 billion. Leading U.S. merchandise exports to Mexico included petroleum-related products, motor vehicles and parts, corn, natural gas, and soybeans. Leading U.S. merchandise imports from Mexico were petroleum and petroleum products, televisions, and motor vehicles and parts. The United States had a services trade surplus of \$11.6 billion with Mexico in 2011.

On July 6, 2011, the United States and Mexico signed a Memorandum of Understanding on Cross-Border Trucking to resolve the dispute over the U.S. denial of entry to long-haul motor carriers based in Mexico. NAFTA required the United States to admit such carriers from Mexico. In 2009, Mexico had placed retaliatory duties on a number of U.S. products due to the trucking dispute. On July 8, 2011, Mexico suspended the duties on one-half of the U.S. products affected by these duties, and suspended the remainder on October 21, 2011.

## **Japan**

In 2011, U.S. merchandise trade with Japan—the United States' fourth-largest single-country trading partner—was valued at \$189.3 billion, accounting for 5.4 percent of U.S. merchandise trade with the world. U.S. merchandise exports to Japan were \$61.4 billion in 2011, and U.S. merchandise imports from Japan amounted to \$127.9 billion, resulting in a merchandise trade deficit of \$66.5 billion. Leading U.S. merchandise exports to Japan included aircraft and parts, corn, certain medicaments, wheat, and coal. Leading U.S. merchandise imports from Japan were passenger vehicles and parts, parts for printers and photocopying machines, machines for manufacturing computer chips, and parts for airplanes or helicopters. Japan was also the United States' third-largest single-country partner in services trade in 2011, with a U.S. services trade surplus of \$22.2 billion.

The U.S.-Japan Economic Harmonization Initiative (EHI) served as the primary forum for trade and economic dialogue between the two countries throughout 2011. The EHI focused on four themes: exchanging policy information, promoting economic cooperation, collaborating on common external challenges, and facilitating trade. Japan also began a review of existing barriers to U.S. beef imports, which currently restrict imports of beef from cattle older than 20 months of age. In addition, Japan suffered major damage to its infrastructure and industrial supply chains as a result of the March 11, 2011, Great East Japan Earthquake, requiring close consultations between the United States and Japan and public reassurances on the safety of food products from Japan.

## **Korea**

During 2011, Korea was the United States' seventh-largest single-country trading partner, with total two-way merchandise trade valued at \$97.3 billion; Korea accounted for 2.8 percent of U.S. merchandise trade with the world. U.S. merchandise exports to Korea were \$41.3 billion in 2011, and U.S. merchandise imports from Korea were \$56.0 billion, resulting in a merchandise trade deficit of \$14.7 billion. Leading U.S. merchandise exports to Korea included computer chips, machinery for producing semiconductors and computer chips, aircraft, and corn. Leading U.S. merchandise imports from Korea were automobiles, cellular telephones, and computer chips. The United States had a services trade surplus of \$8.4 billion with Korea in 2011.

The U.S.-Korea trade agenda in 2011 was dominated by the U.S.-Korea FTA and by beef trade issues. Legislation to implement the U.S.-Korea FTA was enacted by the United States in October 2011 and by Korea in November 2011.<sup>4</sup> The U.S. Department of Agriculture announced that it had awarded the U.S. Meat Export Federation additional funds in 2011 to promote U.S. beef sales in Korea. On the same day, USTR Ron Kirk informed Senator Max Baucus, Chairman of the U.S. Senate Finance Committee, that shortly after the U.S.-Korea FTA enters into force, the United States will request consultations with Korea on expanding the quantity of beef qualifying for import into Korea.

## **Brazil**

In 2011, Brazil became the United States' eighth-largest single-country trading partner, moving ahead of both France and Taiwan, which had ranked eighth and ninth, respectively, in 2010. U.S. merchandise trade with Brazil was valued at \$67.6 billion in 2011, accounting for 1.9 percent of U.S. merchandise trade with the world. U.S. exports to Brazil amounted to \$37.3 billion, and U.S. imports from Brazil were \$30.4 billion, which resulted in a U.S. merchandise trade surplus of \$6.9 billion—slightly higher than the 2010 surplus. Leading U.S. exports to Brazil were aircraft and aircraft parts, petroleum oils and refined petroleum products, coal, and ethyl alcohol. Leading U.S. imports from Brazil included crude petroleum, unroasted coffee, pig iron and semifinished iron, chemical wood pulp, and ethyl alcohol. The U.S. services trade surplus with Brazil was \$13.0 billion in 2011.

On March 19, 2011, the United States and Brazil signed the U.S.-Brazil Agreement on Trade and Economic Cooperation (ATEC). The ATEC established the U.S.-Brazil Commission on Economic and Trade Relations to manage the bilateral trade relationship and facilitate the expansion of trade and investment by deepening cooperation on issues including innovation, trade facilitation, agriculture, and technical barriers to trade.

## **Taiwan**

Taiwan remained the United States' ninth-largest single-economy trading partner in 2011. Taiwan's total two-way merchandise trade was valued at \$65.0 billion, accounting for 1.9 percent of U.S. merchandise trade with the world. U.S. merchandise exports to Taiwan totaled \$23.8 billion in 2011, and U.S. merchandise imports from Taiwan were

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<sup>4</sup> The agreement entered into force on March 15, 2012.

\$41.2 billion, resulting in a merchandise trade deficit of \$17.4 billion. Leading U.S. merchandise exports to Taiwan included semiconductor manufacturing and assembly equipment, computer chips, and ferrous waste and scrap. Leading U.S. merchandise imports from Taiwan were cellular telephones, semiconductors, and computer processors and computer parts. The United States had a services trade surplus of \$3.9 billion with Taiwan in 2011.

In addition to concerns with bovine spongiform encephalopathy, new issues arose in 2011 about imports of U.S. beef in Taiwan. Early in the year, Taiwan began testing for the growth hormone ractopamine in all U.S. beef products, which led to the further deferral of long-delayed high-level meetings under the U.S.-Taiwan Trade and Investment Framework Agreement.

## **India**

U.S. merchandise trade with India—the United States' 13th-largest single-country trading partner—was valued at \$53.7 billion in 2011, accounting for approximately 1.5 percent of U.S. merchandise trade with the world. U.S. merchandise exports to India amounted to \$17.7 billion in 2011, and U.S. merchandise imports from India amounted to \$36.0 billion, resulting in a merchandise trade deficit of \$18.3 billion. Leading U.S. merchandise exports to India included diammonium phosphate, coal, nonmonetary gold, aircraft and aircraft parts, and nonindustrial diamonds. Leading U.S. merchandise imports from India were nonindustrial diamonds, petroleum-related products, certain medicaments for retail sale, and precious jewelry. India was the only major U.S. trading partner with which the United States did not have a surplus in services trade; in 2011, the United States had a services trade deficit of \$5.3 billion with India.

The United States and India continued discussions throughout 2011 on high technology trade, infrastructure investment, and IPR awareness under the U.S.-India Trade Policy Forum. India also continued to maintain nontariff measures that adversely affected U.S. exports of agricultural products, such as cereal grains.

## **Russia**

In 2011, Russia was the United States' 20th-largest single-country trading partner, with total two-way merchandise trade valued at \$41.2 billion, accounting for 1.2 percent of U.S. trade with the world. U.S. merchandise exports to Russia were \$7.6 billion in 2011, and U.S. merchandise imports from Russia were \$33.6 billion, resulting in a merchandise trade deficit of nearly \$26.0 billion. Leading U.S. exports to Russia included boring and sinking machinery and related parts; gas turbines; and mechanical shovels, excavators, machinery, and related parts. Leading U.S. imports from Russia were petroleum-related products, which accounted for nearly 70 percent of U.S. imports from Russia. Data are not available for U.S. trade in private services with Russia.

Trade developments with Russia in 2011 involved both multilateral matters, such as the invitation it received in December 2011 to accede to the WTO by July 2012, as well as bilateral matters with the United States and other trading partners concerning Russian agricultural tariff-rate quotas on beef, pork, and poultry, and Russia's domestic efforts to legislate and enforce IPR.

**TABLE ES.1** Summary of 2011 trade agreement activities

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**January**

**10:** The North American Free Trade Agreement Free Trade Commission meets in Mexico City, Mexico.

**18:** The United States requests an arbitration tribunal at the London Court of International Arbitration (LCIA) under the 2006 U.S.-Canada Softwood Lumber Agreement (SLA) to examine U.S. claims concerning the underpricing of public timber harvested from interior British Columbia.

**21:** An LCIA arbitration tribunal issues its finding upholding U.S. claims under the 2006 SLA that provincial subsidy cases in Quebec and Ontario, Canada, circumvent the agreement's rules. Canada begins charging additional export duties in March 2011.

**31:** The United States announces economic sanctions against Belarus for the government's violent actions taken against political demonstrators following the 2010 elections.

**February**

**18:** The United States and its Trans-Pacific Partnership (TPP) partners—Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam—conclude the fifth round of negotiations in Chile, making further progress toward conclusion of a TPP agreement.

**25:** The United States announces economic sanctions against Libya for the government's measures taken to suppress public dissent.

**28:** The United States Trade Representative (USTR) concludes its Special 301 Out-of-Cycle Review of Notorious Markets. The review identifies more than 30 Internet and physical markets providing goods and services that infringe on intellectual property rights (IPR).

**March**

**2:** USTR announces a number of changes to the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR). These changes aim to advance regional trade and economic integration of the region's textile and apparel sector.

**11:** Japan experiences an earthquake and resulting tsunami and nuclear power plant disaster that kills over 15,000 people, destroys industrial property throughout northeast Japan, causes nuclear contamination, and damages infrastructure. Certain Japanese supply chains, most notably vehicle production, are disrupted for months.

**March—Continued**

**19:** The United States and Brazil sign the U.S.-Brazil Agreement on Trade and Economic Cooperation to help promote trade between the two countries.

**23:** USTR and the U.S. Department of Agriculture announce that the United States and Chile have reached an agreement making U.S. producers eligible to ship a larger array of U.S. beef and beef products to Chile.

**25:** The World Trade Organization (WTO) Dispute Settlement Body (DSB) adopts the Appellate Body report regarding an appeal by China of the panel report concerning U.S. definitive antidumping and countervailing duties on certain products from China (DS379).

**25:** The WTO DSB establishes a dispute panel to consider a complaint by the United States concerning certain Chinese measures affecting electronic payment services (DS413).

**25:** The WTO DSB establishes a dispute panel to consider a complaint by the United States concerning China's countervailing and antidumping duties on grain-oriented flat-rolled electrical steel from the United States (DS414).

**April**

**1:** The European Union (EU) requests WTO dispute settlement consultations with the United States concerning U.S. antidumping measures on imports of stainless steel sheet and strip in coils from Italy (DS424).

**1:** The United States and its TPP partners conclude the sixth round of TPP negotiations in Singapore.

**7:** The United States and Colombia initial the Colombian Action Plan Related to Labor Rights. Under this plan, negotiated in the context of the bilateral trade promotion agreement, Colombia commits to revise some of its labor laws and step up its enforcement of worker rights.

**11:** USTR announces an additional country-specific quantity for the U.S. tariff-rate quota (TRQ) for imported raw cane sugar for the remainder of fiscal year (FY) 2011, as well as country-specific reallocations of the TRQ quantity to countries able to fill the additional amounts.

**May**

**2:** USTR issues its 2011 Special 301 Report on IPR, including an invitation to governments listed in the report to cooperate in developing action plans to help resolve issues of concern regarding IPR violations.

**TABLE ES.1** Summary of 2011 trade agreement activities—*Continued*

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**May**—*Continued*

**9–10:** The third joint meeting of the United States-China Strategic and Economic Dialogue takes place in Washington, DC. Several topics are discussed, including sustainable and balanced economic growth, the global financial system, and the promotion of trade and investment between the two countries.

**19–20:** The Asia-Pacific Economic Cooperation (APEC) forum in Big Sky, Montana, draws trade ministers and other ministers responsible for small and medium-sized enterprises in APEC countries. The meeting's main focus is to lay out APEC goals for the year and to address barriers to trade confronting small business owners and exporters in the Asia-Pacific region.

**19:** APEC Ministers Responsible for Trade call for setting up an Experts Group on Illegal Logging and Associated Trade to promote trade in legally harvested forest products, combat illegal logging and associated trade, and support capacity building in member economies.

**23:** The United States announces further economic sanctions against Iran under the 1996 Iran Sanctions Act, as amended. The United States prohibits U.S. financial dealings with sanctioned individuals and entities; blocks property and interests in property; and restricts or prohibits direct or indirect imports of goods, technology, or services into the United States from sanctioned individuals.

**25–26:** Members of the Organisation for Economic Co-operation and Development hold their 50th anniversary Ministerial Council meeting in Paris, France, focusing on key policy challenges concerning economic growth, trade, jobs, innovation and skills, “green” growth, and economic development.

**26:** The United States and Mexico sign a mutual recognition agreement on telecommunications products.

**27:** The United States lifts additional duties that had been imposed in 1999 on EU products in connection with the WTO dispute over an EU ban on meat treated with growth-promoting hormones (DS26).

**June**

**1:** The U.S. Treasury Department removes the Taliban (Afghanistan) Sanctions Regulations from U.S. law, following revocation of the underlying Executive Order.

**1:** The WTO DSB adopts the Appellate Body report on a complaint by the United States concerning the EU and certain member states' measures affecting trade in large civil aircraft (“Airbus” dispute) (DS316).

**June**—*Continued*

**7:** Following a U.S. request in January for WTO dispute settlement consultations with China concerning wind power equipment (DS419), USTR announces that China has ended its “Special Fund” subsidy program for wind turbine manufacturers using local-content parts and components.

**9–10:** The 10th African Growth and Opportunity Act (AGOA) forum is held in Lusaka, Zambia.

**15:** The Peruvian Congress passes a new Forestry and Wildlife Law that sets out key reforms called for under the United States-Peru Trade Promotion Agreement Annex on Forest Sector Governance. Under the annex, both countries commit to combat illegal logging and illegal trade in wildlife.

**17:** The WTO DSB adopts the dispute panel report regarding a complaint by Brazil concerning U.S. antidumping administrative reviews and other measures related to imports of certain orange juice from Brazil (DS382).

**21:** USTR announces an additional country-specific quantity for the U.S. TRQ for imported raw cane sugar for the remainder of FY 2011.

**24:** The United States and its TPP partners conclude the seventh round of TPP negotiations in Vietnam.

**July**

**5:** The WTO DSB circulates the dispute panel report regarding a complaint by the United States concerning China's restraints on the export of a number of raw materials (DS394).

**8:** USTR announces the resolution of a cross-border trucking dispute between the United States and Mexico. Following a Memorandum of Understanding on Cross-Border Motor Trucking signed by both parties, Mexico agrees to reduce by 50 percent the retaliatory tariffs it applies on 99 products exported from the United States. The remaining tariffs were suspended on October 21, 2011.

**18:** The President issues an Executive Order imposing sanctions against Syrian officials.

**21:** The United States contributes \$1.2 million to WTO's trade-related technical assistance program, which provides training for developing countries to participate more effectively in WTO activities.

**August**

**5:** USTR announces the country-specific U.S. TRQ allocations for imported raw cane sugar; refined and specialty sugars; and sugar-containing products for FY 2012.

**TABLE ES.1** Summary of 2011 trade agreement activities—*Continued*

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**August**—*Continued*

**9:** The United States requests the establishment of an arbitral panel under CAFTA-DR to examine Guatemala's apparent failure to effectively enforce its labor laws.

**18:** The United States announces economic sanctions against Syria for the government's violent measures taken against the Syrian people. The additional sanctions block the property of the Syrian government, ban U.S. persons from new investments in or exporting services to Syria, and ban U.S. imports of, and other transactions or dealings in, Syrian-origin crude petroleum or petroleum products.

**31:** China appeals the WTO DSB dispute panel report regarding a complaint by the United States concerning China's restraints on the export of a number of raw materials (DS394).

**September**

**2:** The WTO DSB circulates the dispute panel report regarding a complaint by Indonesia concerning U.S. measures affecting the production and sale of clove cigarettes (DS406).

**2:** The WTO DSB adopts the dispute panel report regarding a complaint by Vietnam concerning U.S. antidumping measures on certain shrimp from Vietnam and "zeroing" methodology used by the United States (DS404).

**15:** The United States and its TPP partners conclude the eighth round of TPP negotiations in Chicago.

**22:** The United States and Kazakhstan sign a bilateral market-access agreement as part of Kazakhstan's WTO accession negotiations.

**23:** The WTO announces its revised forecast of 5.8 percent for the growth in the volume of world trade in 2011, down from its earlier estimate of 6.5 percent.

**27:** Korea agrees to suspend its request for a WTO dispute panel to review U.S. antidumping measures on corrosion-resistant carbon steel flat products from Korea (DS420) so that Korea can continue bilateral discussions with the United States.

**30:** USTR announces allocation increases for the U.S. TRQ for imported refined sugar in FY 2011.

**October**

**1:** The United States and seven other countries sign the Anti-Counterfeiting Trade Agreement (ACTA) in Tokyo, Japan. ACTA aims to strengthen enforcement of IPR worldwide by increasing protection for export industries heavily reliant upon innovation and creative content.

**5:** The WTO DSB adopts the Appellate Body report regarding a complaint by China concerning U.S. measures affecting imports of certain passenger vehicle and light truck tires from China (DS399).

**6:** The United States submits information to the WTO identifying nearly 200 subsidy programs that China has failed to notify as required under WTO rules. Information is also submitted on 50 subsidy programs in India not previously notified.

**21:** The President signs into law legislation implementing the U.S.-Colombia, U.S.-Korea, and U.S.-Panama free trade agreements (FTAs), as well as renewing Trade Adjustment Assistance, the Andean Trade Preference Act, and the Generalized System of Preferences.

**21:** President Obama signs the Trade Adjustment Assistance (TAA) Extension Act of 2011. The act changes the group eligibility requirements for some workers under the TAA program, as well as the individual benefits and services available.

**25:** The WTO DSB establishes a dispute panel to consider a complaint by China concerning U.S. antidumping measures on certain shrimp and diamond sawblades from China (DS422).

**25:** The President signs a proclamation designating Côte d'Ivoire, Guinea, and Niger as eligible beneficiary sub-Saharan African countries under AGOA, after the three countries hold Presidential elections considered to be free and fair.

**26:** The WTO General Council invites Vanuatu to accede to the WTO. Vanuatu needs to ratify its protocol of accession by December 31, 2011, to complete the accession process.

**28:** The United States and its TPP partners conclude the ninth round of TPP negotiations in Peru.

**TABLE ES.1** Summary of 2011 trade agreement activities—*Continued*

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**November**

**8–13:** APEC leaders and ministers meet in Honolulu, Hawaii, for the annual APEC Summit, hosted by the United States. Beyond providing a venue for bilateral and multilateral trade discussions on the margins, the focus of the meetings is on progress made during the year on regional economic integration, promoting “green” growth through future tariff reductions, and advancing regulatory cooperation.

**11:** Japanese Prime Minister Noda announces that Japan will begin consultations with countries presently negotiating the TPP FTA in order to explore the possibility of joining negotiations.

**12:** On the margins of the APEC summit, the leaders of the nine TPP countries announce the broad outlines of a TPP agreement aimed at enhancing trade and investment among TPP partner countries.

**12:** The President signs the APEC Business Travel Card Act of 2011, designed to expedite travel in the Asia-Pacific region for qualified U.S. travelers. The act authorizes the Department of Homeland Security to issue APEC Travel Cards to eligible U.S. business leaders and government officials actively engaged in APEC business.

**18:** The WTO DSB circulates the dispute panel report regarding a complaint by Canada (DS384) and Mexico (DS386) concerning U.S. country of origin labeling requirements.

**20–21:** The United States and China conclude the 22nd session of the U.S.-China Joint Commission on Commerce and Trade in Chengdu, China. Topics discussed include enforcement of IPR in China, the removal of trade barriers on electric vehicles, and China’s “indigenous innovation” policies.

**21:** The United States announces economic sanctions against Iran affecting trade in goods, services, and technology, as well as Iran’s energy and petrochemical sectors.

**22:** The Korean National Assembly passes legislation approving the U.S.-Korea FTA.

**28:** At the annual U.S.-EU Summit, leaders task the Transatlantic Economic Council (TEC) with identifying policies and measures to increase U.S.-EU trade and investment in order to spur economic growth and job creation.

**29:** The TEC holds its annual meeting in Washington, DC.

**December**

**2:** The United States and Rwanda ratify the U.S.-Rwanda bilateral investment treaty. The treaty enters into force on January 1, 2012.

**8:** The United States requests the establishment of a WTO dispute panel to examine Chinese antidumping and countervailing duty measures on broiler products from the United States (DS427).

**9:** The United States and its TPP partners conclude the 10th round of negotiations in Malaysia.

**12:** USTR releases its 2011 Report to Congress on China’s WTO Compliance.

**14:** China imposes antidumping and countervailing duties totaling nearly 22 percent on imports of sport-utility vehicles and midsize and large automobiles from the United States.

**14:** USTR announces U.S. initiatives to help least-developed country (LDC) WTO members benefit more fully from world trade by renewing technical assistance programs for West African cotton-producing countries, expanding duty-free and quota-free treatment for certain cotton grown in LDCs, and providing additional help to countries seeking to maximize their use of existing U.S. trade preference programs.

**15–17:** WTO members hold their Eighth WTO Ministerial Conference in Geneva, Switzerland.

**15:** Parties to the plurilateral WTO Agreement on Government Procurement present the revised text of the agreement at the Eighth WTO Ministerial Conference. The revised text is formally adopted on March 30, 2012.

**16:** WTO members at their Ministerial Conference invite Russia to accede to the WTO. Russia has 220 days—until July 23, 2012—to ratify its protocol of accession in order to complete its accession process.

**16:** The United States unfreezes U.S. economic sanctions against the Libyan government, making government and central bank funds available, with limited exceptions, to the new government of Libya.

**17:** WTO members at their Ministerial Conference invite Montenegro and Samoa to accede to the WTO. Montenegro has until March 31, 2012, to ratify its protocol of accession; Samoa has until June 15, 2012.

**TABLE ES.1** Summary of 2011 trade agreement activities—*Continued*

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**December**—*Continued*

**17:** WTO trade ministers at the Eighth Ministerial Conference in Geneva adopt several decisions designed to assist LDC members by (1) helping them better meet their obligations under the WTO Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement, (2) offering them easier WTO accession terms, and (3) giving preferential treatment for trade in services with LDCs and LDC service suppliers.

**19:** The United States reports that it has fully implemented the WTO DSB's recommendations and rulings in the case regarding a complaint from Korea about the U.S. use of zeroing methodology in antidumping measures involving Korean products (DS402) within the reasonable period of time agreed by the parties.

**December**—*Continued*

**20:** USTR issues its Special 301 Out-of-Cycle Review of Notorious Markets. The report identifies more than 30 Internet and physical markets providing goods and services that infringe on IPR.

**21:** The WTO DSB circulates the Appellate Body report regarding complaints by the EU (DS396) and the United States (DS403) about taxes on distilled spirits levied by the Philippines.

**22:** The United States requests authorization from the WTO DSB to suspend tariff concessions and other trade-related obligations in response to EU and certain member states' failure to comply with DSB recommendations and rulings concerning measures affecting trade in large civil aircraft (DS316).

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*Sources:* Compiled from official and private sources, including the U.S. Department of Commerce, U.S. Department of State, U.S. Trade Representative, White House, World Trade Organization, *Inside U.S. Trade*, and *Washington Trade Daily*.



# CHAPTER 1

## Overview of U.S. Trade

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### Scope and Approach of the Report

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This report provides factual information on the operation of the U.S. trade agreements program and its administration for calendar year 2011.<sup>1</sup> Trade agreement activities during 2011 include the administration of U.S. trade laws and regulations; U.S. participation in the World Trade Organization (WTO), the Organisation for Economic Co-operation and Development (OECD), the Asia-Pacific Economic Cooperation (APEC) forum, and the Anti-Counterfeiting Trade Agreement (ACTA); U.S. negotiation of and participation in free trade agreements (FTAs); and bilateral developments with major trading partners.

This report is based on primary source materials about U.S. trade programs and administrative actions pertaining to them. These materials chiefly encompass U.S. government reports, notices, and news releases, including publications and news releases by the U.S. International Trade Commission (USITC or the Commission). Other primary sources of information include publications of international institutions, such as the International Monetary Fund (IMF), World Bank, OECD, WTO, United Nations (UN), and foreign governments. The report draws on professional journals, trade publications, and news reports for supplemental factual information when primary source information is unavailable.

Merchandise trade data are provided throughout the report. Chapters 1 and 5 also provide data on services trade. Services data were compiled by the Commission primarily from the Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce (USDOC or Commerce).

This chapter includes an overview of the U.S. economy in 2011, followed by sections on U.S. trade in goods and U.S. trade in services in 2011.

### Overview of the U.S. Economy in 2011

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The U.S. economic recovery that began in the summer of 2009 stalled in 2011 after a relatively weak rebound in 2010.<sup>2</sup> This recovery has followed the longest recession since World War II.<sup>3</sup> Real gross domestic product (GDP) grew 1.7 percent in 2011, following growth of 3.0 percent in 2010 and a 3.5 percent contraction in 2009 (figure 1.1). This

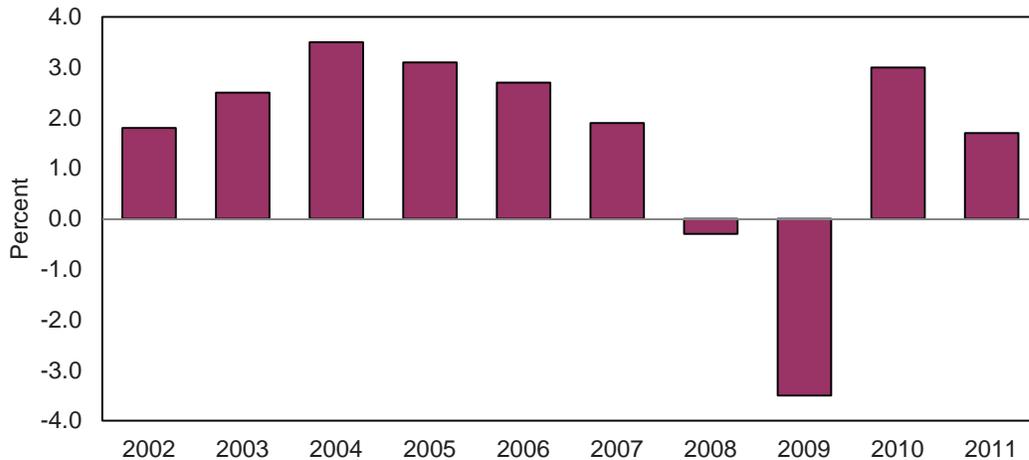
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<sup>1</sup> This is the 63rd in a series of annual reports submitted to the U.S. Congress under sect. 163(c) of the Trade Act of 1974 (19 U.S.C. 2213(c)) and its predecessor legislation.

<sup>2</sup> For example, the largest one-year drop in real GDP between 1947 and 2008—1.9 percent in 1982—was followed by growth of 4.5 percent in 1983 and 7.2 percent in 1984. USDOC, BEA.

<sup>3</sup> National Bureau of Economic Research, “September 20, 2010 Announcement,” n.d. (accessed April 9, 2012).

**FIGURE 1.1** U.S. real gross domestic product, annual rate of change, 2002–11



Source: USDOC. <http://www.bea.gov/national/xls/gdpchg.xls>.

weak growth, along with other factors, such as modest employment gains,<sup>4</sup> prompted the U.S. Federal Reserve to maintain a target range for the federal funds rate<sup>5</sup> of 0 to 0.25 percent throughout the year and to state that economic conditions are likely to warrant exceptionally low levels for the federal funds rate at least through the middle of 2013.<sup>6</sup> The increase in real GDP in 2011 mostly reflected a positive contribution from personal consumption expenditures (1.53 percentage points), although there were small positive contributions from gross private investment (0.60 percentage points) and net exports (0.05 percentage points), and a small negative contribution from government spending (–0.44 percentage points).<sup>7</sup>

U.S. international trade continued to grow in 2011, although the percentage increase was less than in 2010. U.S. imports of goods and services grew at a little under three-fourths of the rate at which they grew in 2010, reflecting the lower growth in aggregate demand in the United States; U.S. exports of goods and services grew at less than 90 percent of the rate for 2010, reflecting generally lower growth in most other countries. The global economy grew only 3.9 percent in 2011, compared to 5.3 percent in 2010.<sup>8</sup> Economic growth fell in major advanced economies to 1.6 percent from 3.2 percent, and while many emerging and developing economies saw robust growth in both years, growth was slower in 2011 (average 6.2 percent in 2011 compared to 7.5 percent in 2010). Among major U.S. trading partners, output growth in the European Union (EU) euro area fell from 1.9 percent in 2010 to 1.4 percent in 2011; in the United Kingdom, from 2.1 percent

<sup>4</sup> Following the recent recession, the unemployment rate has exceeded 8 percent for three years in a row, the only period since World War II when unemployment has stayed that high for more than two years.

<sup>5</sup> The federal funds rate is the interest rate at which depository institutions lend their excess Federal Reserve deposits to each other. Board of Governors of the Federal Reserve System, “Regulatory Reform, Glossary,” [http://www.federalreserve.gov/newsevents/reform\\_glossary.htm#depositoryinstitution](http://www.federalreserve.gov/newsevents/reform_glossary.htm#depositoryinstitution) (accessed May 8, 2012).

<sup>6</sup> Board of Governors of the Federal Reserve System, *Monetary Policy Report to the Congress*, February 29, 2012, 39–43.

<sup>7</sup> USDOC, BEA, “Gross Domestic Product: Fourth Quarter and Annual 2011,” March 29, 2012.

<sup>8</sup> IMF, *World Economic Outlook April 2012*, April 2012, table 1.1, 2.

in 2010 to 0.7 percent in 2011; in Canada, from 3.2 percent in 2010 to 2.5 percent in 2011; in Mexico, from 5.5 percent in 2010 to 4.0 percent in 2011; in Japan, from 4.4 percent to -0.7 percent (reflecting the March 11, 2011, earthquake and its aftermath); in China, from 10.4 percent in 2010 to 9.2 percent in 2011; and in India, from 10.6 percent in 2010 to 7.2 percent in 2011.<sup>9</sup>

### ***Exchange Rate Trends***

The U.S. dollar appreciated 2.2 percent in 2011 against a broad dollar index.<sup>10</sup> The dollar fell 4 to 10 percent against major European and Western Hemisphere currencies by mid-spring before fluctuating in a narrow range into the summer (as shown in figure 1.2). The dollar began to strengthen against the Canadian dollar and Mexican peso early in August and against the euro and British pound in early September. The Japanese yen and the Chinese yuan followed idiosyncratic paths against the dollar, but the dollar ended the year lower against both. In the first half of the year, developments abroad were dominated by several shocks, including the political turmoil in the Middle East and North Africa, the major earthquake and tsunami in Japan, heightened fiscal stresses in Europe, and swings in commodity prices. In the second half of the year, financial market developments abroad were heavily influenced by increased concerns about fiscal stresses in Europe and the resultant risks to the global economic outlook. For the year, the dollar depreciated 0.3 percent against the pound, 4.5 percent against the yuan, and 5.6 percent against the yen, while appreciating 2.7 percent against the Canadian dollar, 3.1 percent against the euro, and 13.9 percent against the peso.

### ***Balance of Payments***<sup>11</sup>

The U.S. current-account deficit—the combined balances of trade in goods and services, income, and net unilateral current transfers—rose slightly from \$470.9 billion (revised) in 2010 to \$473.3 billion (preliminary) in 2011, the second consecutive annual increase in the deficit.<sup>12</sup> The deficit fell, however, as a share of U.S. GDP, from 3.2 percent in 2010 to 3.1 percent in 2011. Although small, the increase in the current-account deficit was due to a large increase in the goods deficit, partly offset by increases in the surpluses on services and income and a decrease in net unilateral current transfers to foreigners.

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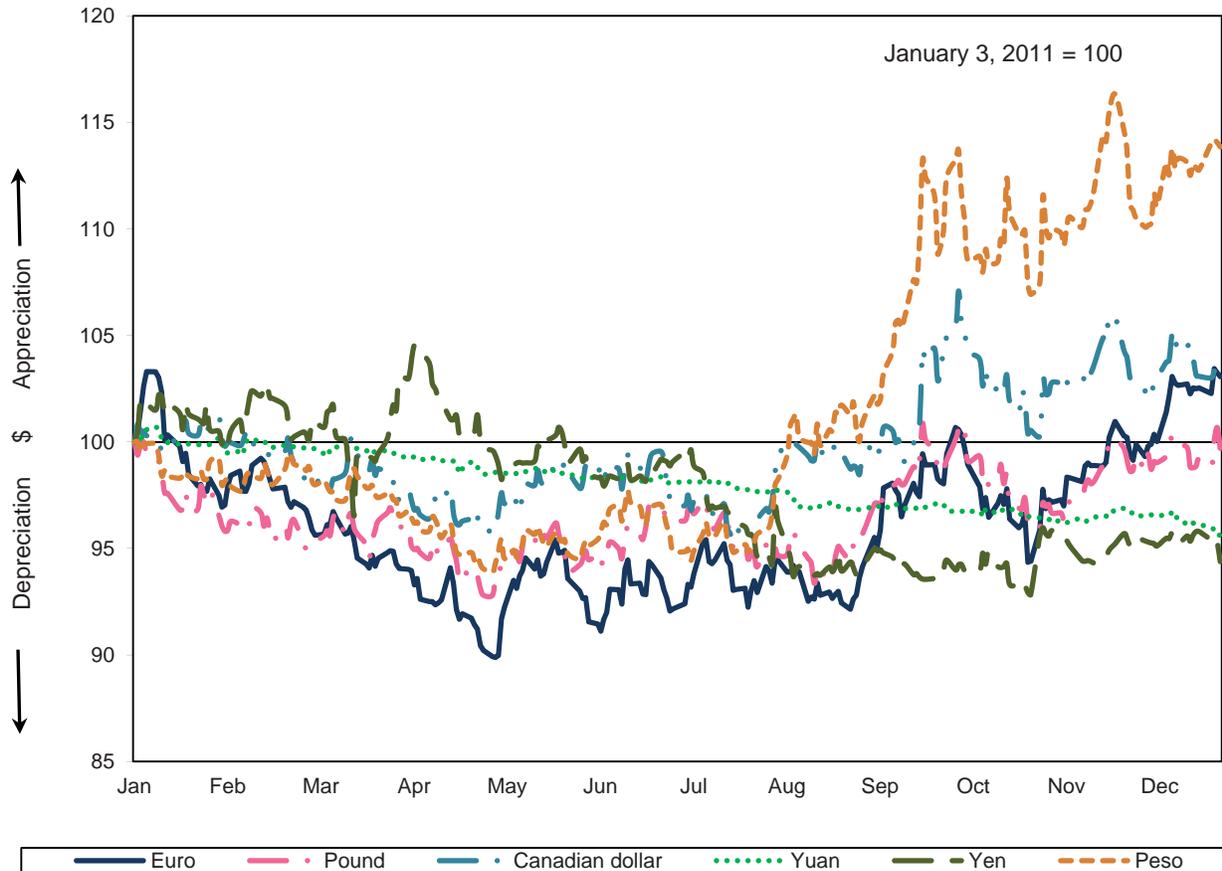
<sup>9</sup> Ibid.

<sup>10</sup> The broad dollar index is a weighted average of the foreign exchange values of the U.S. dollar against the currencies of a large group of major U.S. trading partners.

<sup>11</sup> Trade data in this section of the report may not match data in other sections or the appendix because it is reported on a balance-of-payments (BOP) basis. Total goods data are reported on a BOP basis, whereas detailed commodity and country data for goods are reported on a Census basis. The Census-basis data for goods used elsewhere in this report are compiled from the documents collected by U.S. Customs and Border Protection (USCBP) of the U.S. Department of Homeland Security (USDHS) and reflect the movement of goods between foreign countries and the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and U.S. foreign trade zones. Data on goods compiled on a Census basis are adjusted by the USDOC BEA to a BOP basis to bring the data in line with the concepts and definitions used to prepare the international and national accounts. These adjustments are made to supplement coverage of the Census-basis data, to eliminate duplication of transactions recorded elsewhere in the international accounts, and to value transactions according to a standard definition. For a more detailed discussion of the differences between BOP-basis and Census-basis data, see USDOC, BEA, “A Guide,” February 2010.

<sup>12</sup> Unless otherwise indicated, information in this section is from USDOC, BEA, “U.S. International Transactions: Fourth Quarter and Year 2011,” March 14, 2012.

**FIGURE 1.2** Indices of U.S. dollar exchange rates for selected major foreign currencies, daily, 2011<sup>a</sup>



Source: U.S. Federal Reserve Board.

<sup>a</sup>Units of the foreign currency per unit of the U.S. dollar. A decrease in the index represents a depreciation of the U.S. dollar relative to the foreign currency, and an increase in the index represents an appreciation of the U.S. dollar relative to the foreign currency.

Specifically, the deficit on international trade in goods increased 14.3 percent, from \$645.9 billion in 2010 to \$738.3 billion in 2011. At the same time, the surplus on international trade in services grew 22.3 percent, from \$145.8 billion to \$178.3 billion. The surplus on income grew even faster, rising 33.8 percent, from \$165.2 billion to \$221.1 billion.<sup>13</sup> Net unilateral current transfers to foreigners fell 1.1 percent, from \$136.1 billion to \$134.6 billion.<sup>14</sup> Finally, net financial inflows, which offset the deficit

<sup>13</sup> The balance in income is income receipts (including income receipts on U.S.-owned assets abroad and compensation of U.S. employees abroad) less income payments (including income payments on foreign-owned assets in the United States and compensation of foreign employees in the United States).

<sup>14</sup> Net unilateral current transfers measures transactions in which goods, services, or financial assets are transferred between U.S. residents and residents of other countries without something of economic value being received or provided in return. There are three major components: U.S. government grants (e.g., foreign assistance to developing countries), U.S. government pensions and other transfers, and private remittances and other transfers (e.g., charitable remittances).

on current account,<sup>15</sup> were \$394.1 billion, up from \$254.3 billion in 2010.<sup>16</sup>

The U.S. trade deficit for goods and services increased from \$500.0 billion in 2010 to \$560.0 billion in 2011, rising for the second year in row. The deficit on goods rose from \$645.9 billion in 2010 to \$738.3 billion in 2011—the fifth year in a row with a goods deficit below the record of \$835.7 billion in 2006. U.S. exports of goods increased from \$1,288.7 billion to \$1,497.3 billion in 2011, as exports in all major product categories increased substantially. Imports of goods rose from \$1,934.6 billion to \$2,235.7 billion; here, too, the figures for all major product categories showed growth.

The U.S. surplus on services grew from \$145.8 billion in 2010 to \$178.3 billion in 2011, a new annual record.<sup>17</sup> Services exports rose from \$548.9 billion to \$607.7 billion during this period. All major categories of services exports increased, with the largest increases in other private services<sup>18</sup> and travel. At the same time, services imports also increased, rising from \$403.0 billion to \$429.3 billion. All major categories of services imports increased except direct defense expenditures and U.S. government miscellaneous services.

## **U.S. Trade in Goods in 2011**

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The value of both U.S. merchandise exports and U.S. merchandise imports increased substantially in 2011, exceeding the record levels set in 2008.<sup>19</sup> The value of U.S. exports and imports of goods grew by 15.8 percent and 15.2 percent respectively, as the U.S. and world economies continued to recover from the downturn of 2008–09 and some commodity prices rose. However, merchandise imports continued to exceed merchandise exports, both in absolute terms and as a share of U.S. GDP. U.S. merchandise exports increased from \$1,122 billion (7.7 percent of GDP) in 2010 to \$1,299 billion (8.6 percent of GDP) in 2011 (figure 1.3), while U.S. merchandise imports increased from \$1,899 billion (13.1 percent of GDP) in 2010 to \$2,187 billion (14.5 percent of GDP) in 2011. The ratio of merchandise trade to GDP fell to its lowest level in recent years in 2009, when the recession bottomed out, but exceeded prerecession levels, especially for exports, in 2011.

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<sup>15</sup> The other major offset to the current account deficit is statistical discrepancies.

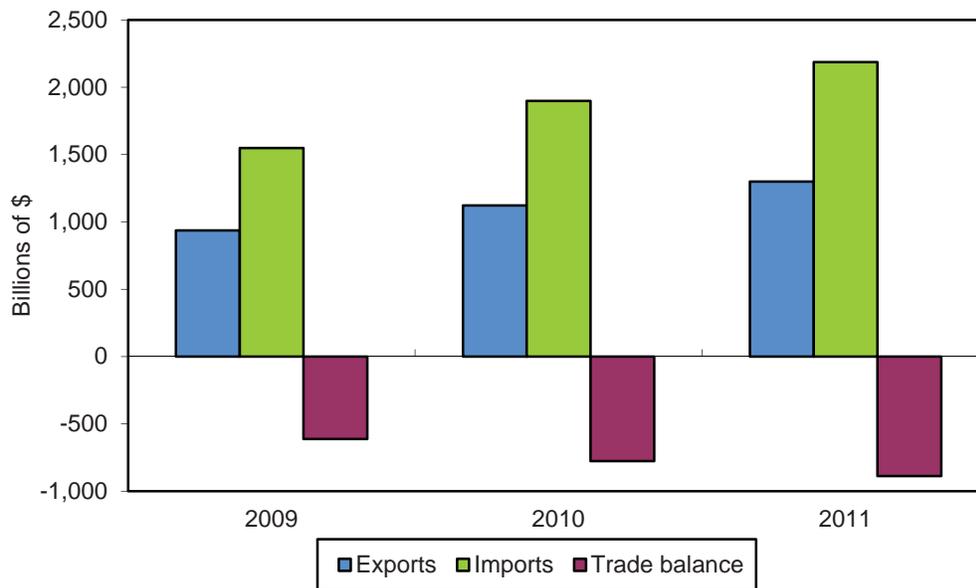
<sup>16</sup> Net financial inflows are net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad. The main components of the financial account are capital transfers, foreign direct investment, portfolio investment, banking and other flows, statistical discrepancies, and official reserve assets.

<sup>17</sup> BOP data include trade in private services, as well as transfers under U.S. military agency sales contracts and U.S. government purchases of miscellaneous services. U.S. trade in services is described in detail below.

<sup>18</sup> Exports of other private services include “mainly film and television tape rentals and expenditures of foreign residents temporarily working in the United States.” USDOC, BEA, “U.S. International Transactions Accounts Data: Table 3a: Private Services Transactions,” March 14, 2011.

<sup>19</sup> Merchandise trade data in this section do not match the BOP-basis data presented above because of adjustments made to the data, as described in footnote 11.

**FIGURE 1.3** U.S. merchandise trade with the world, 2009–11



Source: USDOC.

## *U.S. Merchandise Trade by Product Category*

### **Exports**

U.S. exports in all 1-digit categories under the Standard International Trade Classification (SITC) system increased from 2010 to 2011 (appendix table A.1). Machinery and transport equipment, which consistently ranks as the largest U.S. SITC export category, accounted for 36.3 percent of exports in 2011. U.S. exports of machinery and transport equipment were valued at \$471.0 billion in 2011, up 11.0 percent from \$424.4 billion in 2010. Sixty-four percent of the total increase in U.S. exports in 2011 was accounted for by increased exports of goods from the following three SITC groups (see appendix table A.2 for details at the Schedule B subheading level): mineral fuels, lubricants, and related materials (mainly refined petroleum products and coal); machinery and transport equipment (mainly aircraft, motor vehicles, electrical and nonelectrical machinery, and parts thereof); and food and live animals (mainly corn and wheat).

### **Imports**

U.S. imports of goods in all SITC groups increased \$288.3 billion, or 15.2 percent, between 2010 and 2011. Nearly 60 percent of the increase in U.S. imports in 2011 was accounted for by increased imports of goods from the following two SITC groups (see appendix table A.3 for details at the Harmonized Tariff Schedule of the United States (HTS) subheading level), which were also the largest U.S. import categories in 2011: mineral fuels, lubricants, and related materials (mainly crude petroleum and refined petroleum products); and machinery and transport equipment (mainly motor vehicles; computers, cellular telephones, and other electronic products; and parts of the foregoing).

U.S. imports of mineral fuels, lubricants, and related materials were valued at \$429.4 billion in 2011, up 27.7 percent from \$336.1 billion in 2010. This SITC group accounted for 19.6 percent of total U.S. imports in 2011, up from 17.7 percent in 2010. U.S. imports of machinery and transport equipment increased 11.1 percent, from \$710.8 billion in 2010 to \$789.7 billion in 2011, which accounted for 36.1 percent of total U.S. imports in 2011.

### ***U.S. Imports under Preferential Trade Programs and Free Trade Agreements***

The value of U.S. imports under the United States' four preferential trade programs with developing countries fell slightly, from \$78.5 billion in 2010 to \$78.4 billion in 2011; they made up 3.6 percent of total U.S. imports during 2011. Most of these entered free of duty. Duty-free imports totaled \$18.5 billion under the U.S. Generalized System of Preferences (GSP) program (appendix table A.12); \$51.9 billion (excluding GSP imports) under the African Growth and Opportunity Act (AGOA) (appendix table A.15); and \$4.4 billion under the Andean Trade Preference Act (ATPA) (appendix table A.17). In addition, imports that entered free of duty or at reduced rates under the Caribbean Basin Economic Recovery Act (CBERA) totaled \$3.6 billion (appendix table A.19). A much larger share of U.S. imports enter under free trade or trade promotion agreement provisions; the value of these imports increased in 2011 to \$356.0 billion, or 16.3 percent of total U.S. imports.<sup>20</sup>

### ***U.S. Merchandise Trade with Leading Partners***<sup>21</sup>

Table 1.1 shows U.S. trade with selected major trading partners, ranked by total trade (exports and imports) in 2011.<sup>22</sup> The EU as a unit remained the leading global market for U.S. exports, while China, which overtook the EU as the leading source of U.S. imports in 2009, continued to hold that position through 2011. Canada remained the largest single-country two-way trading partner of the United States, followed by China and Mexico. Figures 1.4 and 1.5 show leading U.S. export markets and import suppliers, respectively, by share in 2011.

China alone accounted for 34.0 percent, or \$301.6 billion, of the total U.S. merchandise deficit of \$887.8 billion in 2011, up from \$278.3 billion in 2010. Canada and Mexico, which are partners with the United States in the North American Free Trade Agreement (NAFTA), together accounted for 20.9 percent (\$185.4 billion) of this deficit. U.S. exports to China rose at a faster rate (13.0 percent) than U.S. imports from China (9.5 percent) over the 2010–11 period, albeit from a smaller base.

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<sup>20</sup> See chapter 2 of this report for further information on the trade preference programs and chapter 4 for information on U.S. FTAs.

<sup>21</sup> See chapter 5 for further information on U.S. merchandise trade with major trading partners, including the EU, Canada, China, Mexico, and other countries.

<sup>22</sup> Leading U.S. exports to and imports from these partners are presented in appendix tables A.23 through A.52.

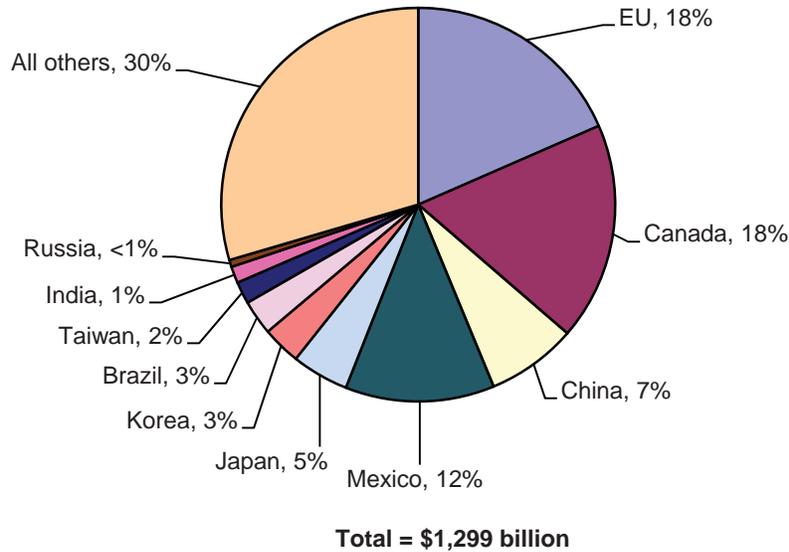
**TABLE 1.1** U.S. merchandise trade with major trading partners and the world, 2011, billions of dollars

Major trading partner	U.S. exports	U.S. imports	Trade balance	Two-way trade (exports plus imports)
EU-27	241.1	362.4	-121.3	603.5
Canada	233.8	316.4	-82.6	550.2
China	96.9	398.5	-301.6	495.4
Mexico	159.9	262.7	-102.8	422.6
Japan	61.4	127.9	-66.5	189.3
Korea	41.3	56.0	-14.7	97.3
Brazil	37.3	30.4	6.9	67.6
Taiwan	23.8	41.2	-17.4	65.0
India	17.7	36.0	-18.3	53.7
Russia	7.6	33.6	-26.0	41.2
All others	378.4	521.9	-143.5	900.3
World	1,299.2	2,187.0	-887.8	3,486.1

Source: USDOC.

Note: Because of rounding, figures may not add to totals shown.

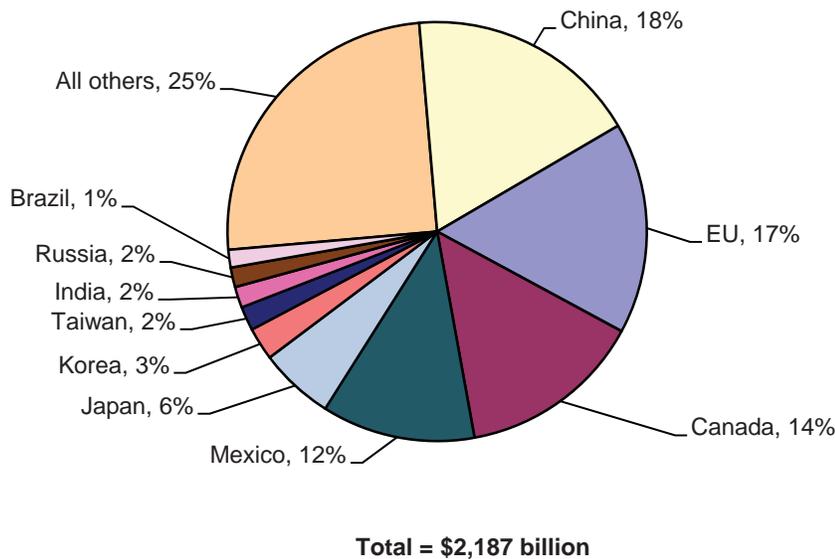
**FIGURE 1.4** Leading U.S. merchandise export markets, by share, 2011



Source: USDOC.

Note: Because of rounding, figures may not add to 100 percent.

**FIGURE 1.5** Leading U.S. merchandise import sources, by share, 2011



Source: USDOC.

Note: Because of rounding, figures may not add to 100 percent.

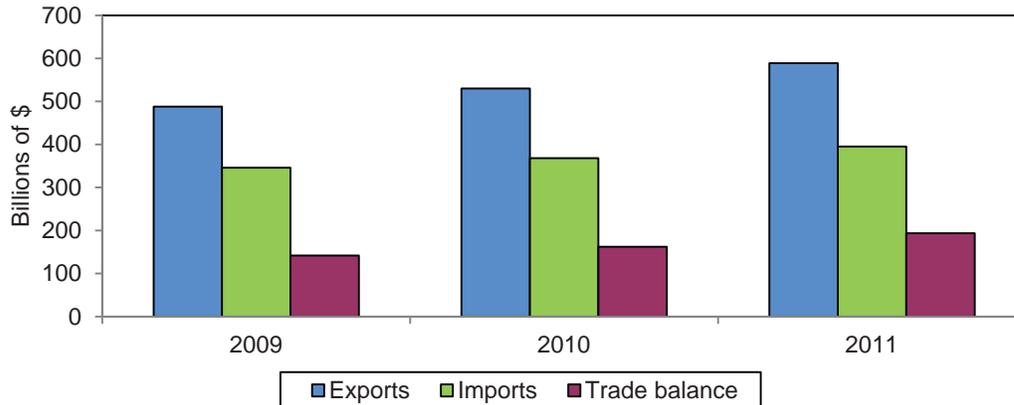
## U.S. Trade in Services in 2011<sup>23</sup>

The U.S. surplus in cross-border private services trade increased 19.3 percent in 2011 to \$193.5 billion (figure 1.6).<sup>24</sup> This represented the second consecutive year of growth in U.S. services trade since 2009, when the global recession led to a contraction in this domain. Cross-border exports of private services rose 11.0 percent in 2011 to \$588.8 billion, while imports rose 7.4 percent to \$395.3 billion. The growth in U.S. exports of private services was broad-based, with each of the 11 services categories posting gains in 2011. The strengthening U.S. economy also triggered an increase in imports in most categories of private services. Appendix table A.4 provides data on U.S. trade in private services by product category.

<sup>23</sup> This section focuses chiefly on cross-border transactions in private services, which exclude government sales and purchases of services. Services trade data are drawn from the BEA. In these national accounts data, “cross-border transactions” occur when firms resident in one country provide services to consumers in another, with people, information, or money crossing U.S. boundaries in the process. Cross-border transactions appear explicitly as imports and exports in the balance of payments. U.S. firms also sell services to foreign consumers through affiliates established in host countries, with the income generated through “affiliate transactions” appearing as investment income in the balance of payments. The channel of delivery used by service providers depends primarily on the nature of the service. For example, many financial services, such as retail banking services, are supplied most effectively by affiliates located close to the consumer. Conversely, trade in education services usually takes the form of cross-border transactions, with students traveling abroad to attend foreign universities. For more information on services trade, see USITC, *Recent Trends in U.S. Services Trade: 2012 Annual Report*, July 2012.

<sup>24</sup> USDOC, BEA, “U.S. International Transactions Accounts Data: Table 3a,” March 14, 2011.

**FIGURE 1.6** U.S. private cross-border services trade with the world, 2009–11<sup>a</sup>



Source: USDOC, BEA, U.S. International Transactions Accounts Data, March 14, 2012, table 3a.

<sup>a</sup>Data for 2011 are preliminary.

## *U.S. Services Trade by Product Category*

### **Exports**

Business, professional, and technical services<sup>25</sup> led U.S. cross-border services exports in 2011, accounting for 23.4 percent of the total, followed by royalties and license fees (20.5 percent)<sup>26</sup> and travel services (19.7 percent).<sup>27</sup> Although all U.S. services exports increased in 2011, export growth was uneven. Certain sectors that had growth rates of more than 10 percent in 2010, such as freight services and port services, recorded declines in 2011, to 7.0 percent and 5.7 percent, respectively. By contrast, U.S. exports of royalties and license fees rose by 14.2 percent in 2011, up from 8.6 percent growth in 2010.

Two of the leading export growth sectors in 2011 were related to tourism and business travel in the United States. Passenger fares increased 18.7 percent to \$36.7 billion, and travel increased 12.3 percent to \$116.3 billion. Export growth in these sectors reflected both a rise in the number of foreign visitors and the visitors' higher average expenditures in 2011.<sup>28</sup> Other contributing factors were increased fuel prices, which raised the cost of

<sup>25</sup> Business, professional, and technical services are characterized as labor-intensive services employing highly skilled and highly educated individuals that frequently require specialized licensing or training. USITC, *Recent Trends in U.S. Services Trade: 2011 Annual Report*, iii.

<sup>26</sup> Payments by foreigners to U.S. owners of intellectual property, such as trademarks, computer software, and industrial processes.

<sup>27</sup> Travel services comprise purchases of goods and services by U.S. persons traveling abroad (U.S. imports of travel services) and by foreign travelers in the United States (U.S. exports of travel services). These goods and services include food, lodging, recreation, gifts, entertainment, local transportation in the country of travel, and other items incidental to a foreign visit.

<sup>28</sup> USDOC, BEA, "U.S. International Transactions: First Quarter of 2011," by Sarah P. Scott, *Survey of Current Business* 91, July 2011, 66.

passenger fares, and a fall in the value of the U.S. dollar against major foreign currencies.<sup>29</sup> Other private services sectors experiencing robust export growth in 2011 were telecommunications, which increased by 14.9 percent, and financial services, which increased by 9.9 percent.

## **Imports**

Business, professional, and technical services (27.0 percent of total imports) and travel services (20.0 percent) accounted for nearly half the value of U.S. cross-border services imports in 2011. U.S. imports in nearly all service categories increased from 2010 to 2011, reflecting the growing U.S. economy. Exceptions included imports of insurance services and telecommunications services, which fell by 6.8 percent and 2.3 percent, respectively. The decline in U.S. imports of insurance services primarily reflected a drop in demand for reinsurance services<sup>30</sup> in 2011, as U.S. insurers were reportedly more willing to retain more risk on their own books and thus cut back on reinsurance purchases from abroad.<sup>31</sup> U.S. economic growth contributed to an increase in U.S. imports of business, professional, and technical services, which rose by 17.9 percent, leading all U.S. private services imports in 2011. The rise in U.S. imports of passenger fares, which increased by 14.0 percent, was also stimulated by U.S. economic growth, as more U.S. citizens traveled abroad in 2011.<sup>32</sup>

## ***U.S. Services Trade with Leading Partners***

The EU was the United States' largest export market for and foreign supplier of services in 2011 (table 1.2), accounting for \$189.9 billion (32.3 percent) of total U.S. services exports and \$139.1 billion (35.2 percent) of total U.S. services imports (figures 1.7 and 1.8).<sup>33</sup> Canada and Japan followed the EU as the second- and third-largest U.S. services trading partners in 2011. The U.S. trade surplus with the EU grew to \$50.8 billion in 2011 from \$49.1 billion in 2010. The United States also posted large and expanding trade surpluses in services with most other leading trade partners, including Canada (\$28.1 billion), Japan (\$22.2 billion), Mexico (\$11.6 billion), and China (\$13.4 billion). Among its leading services trade partners, the United States recorded a trade deficit only with India, measuring \$5.3 billion in 2011. Though industry-specific data by trading partner are not yet available for 2011, the U.S. services trade deficit with India over the past several years has been driven by increased imports of computer and information services; in 2010, the cross-border trade deficit in that industry was \$6.6 billion.<sup>34</sup>

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<sup>29</sup> Board of Governors of the Federal Reserve, "Foreign Exchange Rates: G.5A Annual," January 3, 2012.

<sup>30</sup> The transferring of risk between insurance companies.

<sup>31</sup> U.S. insurance companies were able to reduce reinsurance purchases in part because of a significant accumulation of capital on their books—this then allowed them to retain more risk. Industry representative, e-mail message to USITC staff, March 23, 2012.

<sup>32</sup> USDOC, BEA, *Survey of Current Business*, October 2011, 33.

<sup>33</sup> In terms of single countries, the United Kingdom (a member of the EU) is the United States' largest export market and largest import supplier of private services.

<sup>34</sup> USDOC, BEA, "Cross-Border Trade in 2010," October 2011, table 7.2. For more information on the Indian services sector, see USITC, *An Overview and Examination of the Indian Services Sector*, 2010.

**TABLE 1.2** U.S. private services trade with major trading partners and the world, 2011,<sup>a</sup> billions of dollars

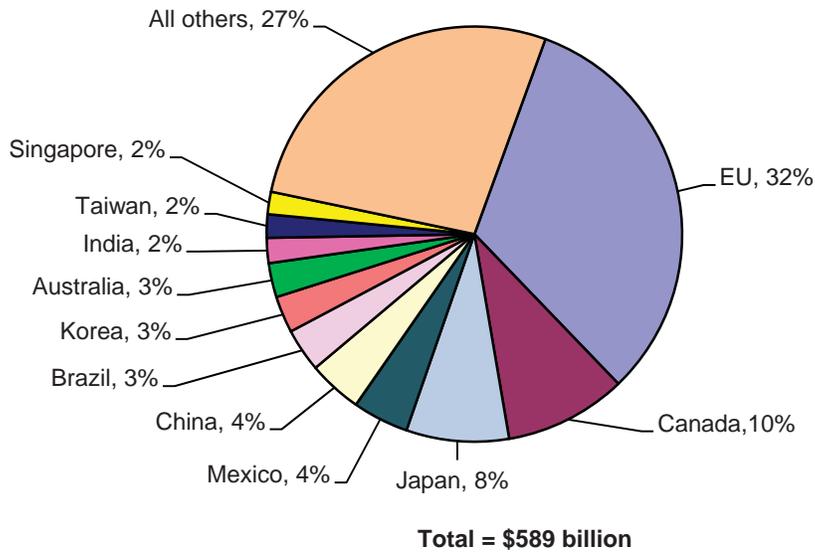
Major trading partner	U.S. exports	U.S. imports	Trade balance	Two-way trade (exports plus imports)
EU-27	189.9	139.1	50.8	329.1
Canada	56.0	27.9	28.1	83.8
Japan	47.0	24.8	22.2	71.9
Mexico	25.6	14.0	11.6	39.7
China	24.7	11.4	13.4	36.1
Brazil	19.9	6.9	13.0	26.8
Korea	16.8	8.4	8.4	25.2
Australia	15.7	6.1	9.6	21.7
India	11.6	16.9	-5.3	28.4
Taiwan	10.7	6.8	3.9	17.5
Singapore	10.3	4.4	5.9	14.7
All others	160.6	128.6	31.9	289.2
World	588.8	395.3	193.5	984.1

Source: USDOC, BEA, U.S. International Transactions Accounts Data, March 14, 2012, table 12.

Note: Because of rounding, figures may not add to totals shown.

<sup>a</sup>Data are preliminary.

**FIGURE 1.7** Leading U.S. export markets for private services, by share, 2011<sup>a</sup>

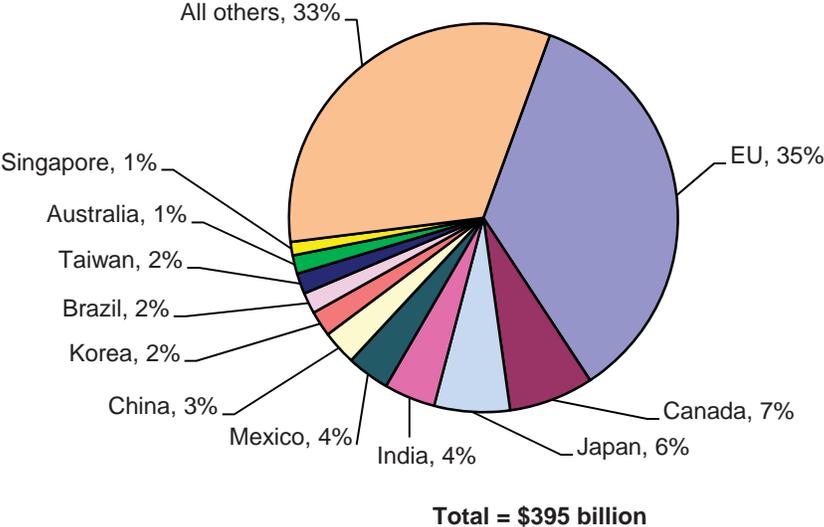


Source: USDOC, BEA, U.S. International Transactions Accounts Data, March 14, 2012, table 12.

Note: Because of rounding, percentages may not add to 100 percent.

<sup>a</sup>Data for 2011 are preliminary.

**FIGURE 1.8** Leading U.S. import sources of private services, by share, 2011<sup>a</sup>



Source: USDOC, BEA, U.S. International Transactions Accounts Data, March 14, 2012, table 12.

Note: Because of rounding, percentages may not add to 100 percent.

<sup>a</sup>Data for 2011 are preliminary.



# CHAPTER 2

## Administration of U.S. Trade Laws and Regulations

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This chapter surveys activities related to the administration of U.S. trade laws during 2011. It covers import relief laws, laws against unfair trade practices, trade adjustment assistance, and tariff preference programs, including the U.S. Generalized System of Preferences (GSP), the African Growth and Opportunity Act (AGOA), the Andean Trade Preference Act (ATPA), and the Caribbean Basin Economic Recovery Act (CBERA).

### Import Relief Laws

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#### *Safeguard Actions*

This section covers safeguard actions under provisions administered by the Commission, including the global safeguards provided for in Sections 201–204 of the Trade Act of 1974, the China safeguards provided for in Section 421 of the Trade Act of 1974, and the safeguards provided for in various bilateral free trade agreements (FTAs) involving the United States.

The Commission conducted no new safeguard investigations during 2011. Only one safeguard measure was in effect during 2011, with respect to imports of certain passenger vehicle and light truck tires from China. The President imposed the measure in September 2009 following receipt of an affirmative determination of market disruption from the Commission under Section 421 of the Trade Act of 1974.<sup>1</sup> The President imposed additional tariffs on such tires from China for a three-year period as follows: 35 percent ad valorem in the first year, 30 percent ad valorem in the second year, and 25 percent ad valorem in the third year.<sup>2</sup> China, claiming that the tariffs violated the United States' WTO obligations, then challenged the U.S. measure and requested the establishment of a WTO review panel. A panel was established, and in a report circulated to WTO members on December 13, 2010, the panel found that the United States did not fail to comply with its WTO obligations. China appealed the panel's findings, and in a report circulated to WTO members on September 5, 2011, the WTO Appellate Body upheld the panel's findings in all significant respects.<sup>3</sup>

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<sup>1</sup> USITC, *Certain Passenger Vehicle and Light Truck Tires from China*, July 2009.

<sup>2</sup> Proclamation No. 8414 of September 11, 2009, 74 Fed. Reg. 47861 (September 16, 2009). The higher tariffs were imposed effective September 26, 2009, and were in addition to the existing 4 percent ad valorem rate of duty on U.S. imports of such tires from China.

<sup>3</sup> The WTO case is described in more detail in chapter 3.

# Laws against Unfair Trade Practices

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## *Section 301 Investigations*

Section 301 of the Trade Act of 1974 is the principal U.S. statute for addressing unfair foreign practices affecting U.S. exports of goods or services.<sup>4</sup> Section 301 may be used to enforce U.S. rights under bilateral and multilateral trade agreements and also may be used to respond to unjustifiable, unreasonable, or discriminatory foreign governments practices that burden or restrict U.S. commerce. Interested persons may petition the United States Trade Representative (USTR) to investigate foreign government policies or practices, or the USTR may initiate an investigation.

If the investigation involves a trade agreement and consultations do not result in a mutually acceptable resolution, section 303 of the Trade Act of 1974 requires the USTR to use the dispute settlement procedures that are available under the subject agreement. If the matter is not resolved by the conclusion of the investigation, section 304 of the Trade Act of 1974 requires the USTR to determine whether the 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 practices are determined to violate a trade agreement or to be unjustifiable, and to burden or restrict U.S. commerce, the USTR must take action.<sup>5</sup> If the practices are determined to be unreasonable or discriminatory, and to burden or restrict U.S. commerce, the USTR must determine whether action is appropriate and, if so, what type of action to take.<sup>6</sup> The time period for making these determinations varies according to the type of practices alleged.

During 2011, two section 301 cases were ongoing during all or part of the year, and three new section 301 petitions were filed.

## **Section 301 Cases in 2011**

One section 301 case concerned the meat hormone directive of the European Union (EU).<sup>7</sup> In 1999, the United States imposed additional ad valorem duties of 100 percent on about \$117 million in imports from the EU, following a successful WTO challenge of EU measures prohibiting imports of meat from animals that have been treated with certain hormones and WTO authorization to suspend concessions in that amount.<sup>8</sup> In January 2009, the United States and the EU initiated a series of consultations in an effort to resolve the dispute through negotiation. On May 13, 2009, the United States and the EU announced the signing of a memorandum of understanding (MOU).<sup>9</sup> Under the MOU, the EU agreed to open a duty-free tariff-rate quota (TRQ) for beef produced without growth-

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<sup>4</sup> Section 301 refers to sections 301–310 of the Trade Act of 1974, as amended (19 U.S.C. 2411–2420).

<sup>5</sup> Section 301(a) of the Trade Act of 1974, as amended (19 U.S.C. 2411(a)).

<sup>6</sup> Section 301(a) of the Trade Act of 1974, as amended (19 U.S.C. 2411(b)).

<sup>7</sup> EU Meat Hormone Directive,

[http://ec.europa.eu/food/food/chemicalsafety/contaminants/hormones/index\\_en.htm](http://ec.europa.eu/food/food/chemicalsafety/contaminants/hormones/index_en.htm) (accessed March 14, 2012).

<sup>8</sup> 64 Fed. Reg. 40638 (July 27, 1999). *European Communities—Measures Concerning Meat and Meat Products* (DS26, DS48), [http://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds26\\_e.htm](http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds26_e.htm).

<sup>9</sup> *Memorandum of Understanding between the United States of America and the European Commission Regarding the Importation of Beef From Animals Not Treated with Certain Growth-Promoting Hormones and Increased Duties Applied by the United States to Certain Products of the European Communities* (May 13, 2009) (U.S.-EU Beef MOU). For more information on the three-phase MOU, see USITC, *The Year in Trade 2009*, 5-5.

promoting hormones (i.e., “high quality beef”)<sup>10</sup> in the amount of 20,000 metric tons,<sup>11</sup> and the United States agreed to reduce the scope of the retaliation list.<sup>12</sup> The MOU further provided that the parties may enter a second phase under which the EU would increase the TRQ to 45,000 metric tons beginning in August 2012, and the United States would lift the remaining additional duties.<sup>13</sup>

In a related development, the U.S. Court of Appeals for the Federal Circuit ruled in October 2010 that the additional duties imposed in the beef hormone dispute were terminated by operation of law on July 29, 2007.<sup>14</sup> The Court so ruled because neither the petitioner in the meat hormone case nor any representative of the domestic beef industry submitted a written request for the continuation of the retaliatory duties to the USTR during the four-year period ending on July 29, 2007, as required by section 307(c) of the Trade Act of 1974.<sup>15</sup> In accordance with the Court ruling and because the MOU was providing increased market access for U.S. beef producers, USTR terminated the imposition of the remaining additional duties in May 2011,<sup>16</sup> earlier than the August 2012 date provided for in the MOU.

In the second ongoing 301 case, the United Steelworkers Union filed a section 301 petition in September 2010 alleging that the acts, policies, and practices of the government of China with respect to various green technologies violate the General Agreement on Tariffs and Trade (GATT) 1994, China’s Protocol of Accession to the WTO, and the WTO Agreement on Subsidies and Countervailing Measures.<sup>17</sup> The petition covered a wide range of products and sectors, including “end products and upstream inputs in the wind, solar, biomass, geothermal, hydroelectric, clean coal, nuclear, energy-efficient vehicles, and lighting sectors.”<sup>18</sup> Among other allegations, the petition identified export restraints on critical inputs to green technology products; subsidies that are contingent on export performance or domestic content; violations of national treatment; investment restrictions that are contingent on performance requirements or technology transfer; and actionable domestic subsidies.<sup>19</sup>

On October 15, 2010, the USTR initiated an investigation of the acts, policies, and practices of China that were identified in the petition, but decided to delay the request for consultations with the government of China in order to verify or improve the petition.<sup>20</sup> The delay was based on the number and diversity of the acts, policies, and practices covered by the petition. After further review, the USTR requested consultations with the government of China under the WTO dispute settlement provisions concerning a program known as the Special Fund for Wind Power Manufacturing, which the USTR said appears to provide actionable subsidies to Chinese wind power equipment

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<sup>10</sup> Article VI of the U.S.-EU Beef MOU defines “high quality beef.”

<sup>11</sup> U.S.-EU Beef MOU, Art. II(1).

<sup>12</sup> *Ibid.*, Art. II(3); 74 Fed. Reg. 40864 (August 13, 2009).

<sup>13</sup> U.S.-EU Beef MOU, Arts. I(2), II(4), and IV(2).

<sup>14</sup> *Gilda v. U.S.*, No. 2009-1492 (Fed. Cir. Oct. 13, 2010).

<sup>15</sup> *Ibid.*

<sup>16</sup> 76 Fed. Reg. 30987 (May 27, 2011).

<sup>17</sup> *China’s Policies Affecting Trade and Investment in Green Technology*, 301 petition filed on behalf of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO CLC, September 9, 2010 (hereinafter “China Green Technologies petition”).

<sup>18</sup> China Green Technologies petition, 7.

<sup>19</sup> *Ibid.*, 9.

<sup>20</sup> 75 Fed. Reg. 64776 (October 20, 2010).

manufacturers.<sup>21</sup> Consultations were held in February 2011, and a few months later China announced that the Special Fund program would be ended.<sup>22</sup>

Three new section 301 petitions were filed during 2011. The first petition, which was filed by an individual, alleged that the acts, policies, and practices of the government of Germany regarding access to the German bar aptitude examination violate the national treatment obligations of the Treaty of Friendship, Commerce and Navigation between the United States and Germany (FCN Treaty); violate the most-favored-nation (MFN) obligations of the FCN Treaty; and constitute unreasonable and discriminatory treatment of U.S. citizens.<sup>23</sup> The second petition, which was filed by two individuals, alleged that the government of the Dominican Republic expropriated property without adequate compensation in violation of the Dominican Republic-Central America-United States Free Trade Agreement.<sup>24</sup> The third petition, which was filed by a private institute, alleged that the government of Israel misappropriated confidential information during the negotiation of the U.S.-Israel Free Trade Agreement in 1984 and that the alleged misappropriation resulted in economic harm to U.S. industry.<sup>25</sup> In each case, USTR decided not to initiate a 301 investigation for a number of reasons—either because the petitioner lacked standing, because too little evidence existed that the alleged actions burdened or restricted U.S. commerce, or because an investigation would not be effective in addressing the allegations.

### Special 301

The Special 301 law<sup>26</sup> requires that the USTR annually identify and issue a list of foreign countries that deny adequate and effective protection of intellectual property rights (IPR), or deny fair and equitable market access to U.S. persons who rely on IPR protection.<sup>27</sup> Under the statute, a country denies adequate and effective IPR protection if the country does not allow foreign persons “to secure, exercise, and enforce rights related to patents, process patents, registered trademarks, copyrights and mask works.”<sup>28</sup>

The statute states that a country denies fair and equitable market access if it denies access to a market for a product that is protected by a copyright or related right, patent, trademark, mask work, trade secret, or plant breeder’s right through the use of laws and

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<sup>21</sup> USTR, “United States Requests WTO Dispute Settlement Consultations on China’s Subsidies for Wind Power Equipment Manufacturers,” December 22, 2010. See also WTO, DSB, *DS419: China—Measures Concerning Wind Power Equipment*, January 6, 2011. For more information, see chapter 3 section on WTO dispute settlement.

<sup>22</sup> USTR, “China Ends Wind Power Equipment Subsidies Challenged by the United States in WTO Dispute,” June 7, 2011.

<sup>23</sup> 76 Fed. Reg. 25401 (May 4, 2011).

<sup>24</sup> 76 Fed. Reg. 41857 (July 15, 2011).

<sup>25</sup> 76 Fed. Reg. 41858 (July 15, 2011).

<sup>26</sup> The Special 301 law is set forth in section 182 of the Trade Act of 1974, as amended (19 U.S.C. 2242).

<sup>27</sup> “Persons who rely on IPR protection” means persons involved in “(A) the creation, production or licensing of works of authorship ... that are copyrighted, or (B) the manufacture of products that are patented or for which there are process patents.” Section 182(d)(1) of the Trade Act of 1974, as amended (19 U.S.C. 2242(d)(1)).

<sup>28</sup> Section 182(d)(2) of the Trade Act of 1974, as amended (19 U.S.C. 2242(d)(2)). Section 901(a)(2) of the Semiconductor Chip Protection Act (17 U.S.C. 901(a)(2)) defines “mask work” as a “series of related images, however fixed or encoded—(A) having or representing the predetermined, three-dimensional pattern of metallic, insulating, or semiconductor material present or removed from the layers of a semiconductor chip product; and (B) in which series the relation of the images to one another is that each image has the pattern of the surface of one form of the semiconductor chip product.”

practices that violate international agreements or that constitute discriminatory nontariff trade barriers.<sup>29</sup> A country may be found to deny adequate and effective IPR protection even if it is in compliance with its obligations under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).<sup>30</sup>

In addition, the Special 301 law directs the USTR to identify and list so-called priority foreign countries.<sup>31</sup> Priority foreign countries are countries that have the most onerous or egregious acts, policies, or practices with the greatest adverse impact (actual or potential) on the relevant U.S. products. Such countries must be designated as priority foreign countries unless they are either entering into good-faith negotiations or making significant progress in bilateral or multilateral negotiations to provide adequate and effective IPR protection. The identification of a country as a priority foreign country triggers a section 301 investigation, unless the USTR determines that the investigation would be detrimental to U.S. economic interests.

Besides identifying priority foreign countries as required by statute, the USTR has adopted a practice of naming countries to a “watch list” or a “priority watch list” if the countries’ IPR laws and practices fail to provide adequate and effective IPR protection, but the deficiencies do not warrant identification of the countries as priority foreign countries. The priority watch list is for countries with significant IPR problems that warrant close monitoring and bilateral consultation. If a country on the priority watch list makes progress, it may be moved to the watch list or removed from any listing. On the other hand, a country that fails to make progress may be moved up from the watch list to the priority watch list, or from the priority watch list to the list of priority foreign countries.

In its Special 301 review for 2011, the USTR examined the adequacy and effectiveness of IPR protection in 77 countries.<sup>32</sup> In conducting the review, the USTR focused on a wide range of issues and policy objectives relating to IPR protection and enforcement in these countries, including copyright piracy over the Internet and digital piracy; trademark counterfeiting and copyright piracy of goods, encompassing counterfeit medicines and healthcare products; transshipment of pirated and counterfeit goods; strengthened criminal and border enforcement; IPR training, resources, and prosecutions; criminal prosecutions and deterrent sentencing; ensuring that foreign government ministries only use legally authorized and properly licensed business software; adequate implementation of the so-called Internet Treaties under the World Intellectual Property Organization (WIPO); and proper implementation of the TRIPS Agreement by developed and developing countries.

In the 2011 Special 301 review, no countries were identified as priority foreign countries. The 2011 Special 301 report, however, cited 12 countries as being on the priority watch list: Algeria, Argentina, Canada, Chile, China, India, Indonesia, Israel, Pakistan, Russia, Thailand, and Venezuela. The report highlighted the need for greater IPR protection and enforcement in China and for full and effective implementation of China’s WTO obligations, as well as U.S. concerns about “indigenous innovation” policies and related

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<sup>29</sup> Section 182(d)(3) of the Trade Act of 1974, as amended (19 U.S.C. 2242(d)(3)).

<sup>30</sup> Section 182(d)(4) of the Trade Act of 1974, as amended (19 U.S.C. 2242(d)(4)).

<sup>31</sup> Section 182(a)(2) of the Trade Act of 1974, as amended (19 U.S.C. 2242(a)(2)).

<sup>32</sup> USTR, “USTR Releases Annual Special 301 Report,” May 2, 2011; USTR, *2011 Special 301 Report*, May 2, 2011.

industrial policies in China that may disadvantage U.S. rightsholders.<sup>33</sup> Although Russia remained on the priority watch list, the Special 301 report noted that Russia has taken significant steps to improve IPR protection by enacting four pieces of IPR legislation, which fulfill the commitments made in the 2006 Bilateral Agreement on Protection and Enforcement of Intellectual Property Rights. Twenty-nine countries remained on the watch list.

Since 2006, USTR has identified so-called notorious markets in the annual Special 301 Report. In 2010, USTR decided to issue the Notorious Markets List separately.<sup>34</sup> In February 2011, USTR published the first separate Notorious Markets List, which includes examples of both Internet and physical marketplaces that deal in infringing goods and help sustain global piracy and counterfeiting.<sup>35</sup> Such markets have been the subject of enforcement actions or may merit further investigations for possible intellectual property infringement. In September 2011, USTR solicited public comments for the 2011 Special 301 Out-of-Cycle Review of Notorious Markets,<sup>36</sup> and in December 2011, USTR issued the second separate Notorious Markets List.<sup>37</sup> The Notorious Markets List is not intended by USTR to be an exhaustive listing of all notorious markets around the world, but to highlight some of the most prominent examples of markets where pirated and counterfeit goods are reportedly available. USTR identified more than 30 markets that deal in goods and services that infringe intellectual property rights and can cause economic harm to U.S. and other intellectual property rights holders. USTR noted that a significant number of the identified markets are reportedly located in China and Eastern Europe.<sup>38</sup>

## ***Antidumping and Countervailing Duty Investigations and Reviews***

### **Antidumping Duty Investigations**

The U.S. antidumping law is contained in title VII of the Tariff Act of 1930, as amended.<sup>39</sup> This law offers relief to U.S. industries that are affected by dumping, which is the sale of imported goods at less than their “fair value” (see below). The U.S. government provides relief by imposing a special additional duty on an underpriced import in order to offset its “dumping margin”—the amount by which its sale price is less than its fair value. Antidumping duties are imposed when (1) the USDOC, the administering authority, has determined that imports are being, or are likely to be, sold at less than fair value (LTFV) in the United States, and (2) the Commission has determined that a U.S. industry is materially injured or threatened with material injury, or that the

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<sup>33</sup> China’s industrial policies are described in chapter 5 of this report. Also, the USITC conducted two investigations on IPR in China in response to a request by the U.S. Senate Committee on Finance: USITC, *China: Intellectual Property Infringement*, November 2010; USITC, *China: Effects of Intellectual Property Infringement*, May 2011.

<sup>34</sup> 75 Fed. Reg. 60854 (October 1, 2010). The USTR decision was made in coordination with the office of the Intellectual Property Enforcement Coordinator and in accordance with the 2010 Joint Strategic Plan on Intellectual Property Enforcement (June 2010), page 9, available at [http://www.whitehouse.gov/sites/default/files/omb/assets/intellectualproperty/intellectualproperty\\_strategic\\_plan.pdf](http://www.whitehouse.gov/sites/default/files/omb/assets/intellectualproperty/intellectualproperty_strategic_plan.pdf).

<sup>35</sup> USTR, “USTR Announces Results of Special 301 Review of Notorious Markets,” February 28, 2011; USTR, “Out-of-Cycle Review of Notorious Markets,” February 28, 2011.

<sup>36</sup> 76 Fed. Reg. 58854 (September 22, 2011).

<sup>37</sup> USTR, “USTR Announces Results of Special 301 Review of Notorious Markets,” December 20, 2011; USTR, “Out-of-Cycle Review of Notorious Markets,” December 20, 2011.

<sup>38</sup> USTR, “Out-of-Cycle Review of Notorious Markets,” December 20, 2011.

<sup>39</sup> 19 U.S.C. 1673 et seq.

establishment of an industry in the United States is materially retarded by reason of such imports. (Such a conclusion is called an “affirmative determination.”) Most investigations are conducted on the basis of a petition filed with the USDOC and the Commission by or on behalf of a U.S. industry. The USDOC and the Commission each conduct preliminary and final antidumping duty investigations in making their separate determinations.

In general, imports are considered to be sold at LTFV when the U.S. price (i.e., the purchase price or the exporter’s sales price, as adjusted) is less than the foreign-market value, which is usually the home-market price; or in certain cases, the price in a third country; or a constructed value, calculated as set out by statute.<sup>40</sup> The antidumping duty is calculated to equal the difference between the U.S. price and the foreign-market value.<sup>41</sup> The duty specified in an antidumping duty order reflects the weighted average dumping margins found by the USDOC both for specific exporters it has examined and for all other exporters.<sup>42</sup> This rate of duty will be applied to subsequent imports from the specified producers/exporters in the subject country, but it may be adjusted if the USDOC receives a request for an annual review.<sup>43</sup>

The Commission instituted 21 new preliminary antidumping investigations and completed 4 final investigations in 2011.<sup>44</sup> Antidumping duties were imposed in 2011 as a result of affirmative Commission determinations in all four of those completed investigations on four products from two countries—China and Taiwan (table 2.1).

Details on all antidumping investigations active at the Commission during 2011 are presented in appendix table A.5. A list of all antidumping duty orders, including suspension agreements,<sup>45</sup> in effect as of the end of the year is presented in appendix table A.6.

## Countervailing Duty Investigations

The U.S. countervailing duty law is also set forth in title VII of the Tariff Act of 1930, as amended. It provides for the levying of special additional duties to offset foreign subsidies on products imported into the United States.<sup>46</sup> In general, procedures for such investigations are similar to those under the antidumping law. Petitions are filed with the USDOC (the administering authority) and with the Commission. Before a countervailing duty order can be issued, the USDOC must confirm that a countervailable subsidy exists

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<sup>40</sup> 19 U.S.C. 1677b; 19 C.F.R. part 353, subpart D.

<sup>41</sup> 19 U.S.C. 1677(35)(A).

<sup>42</sup> 19 U.S.C. 1677(35)(B); 19 U.S.C. 1673d(c).

<sup>43</sup> 19 U.S.C. 1675(a).

<sup>44</sup> Data reported here and in the following two sections (“Countervailing Duty Investigations” and “Reviews of Outstanding Antidumping and Countervailing Duty Orders/Suspension Agreements”) reflect the total number of investigations. In other Commission reports these data are grouped by product because the same investigative team and all of the parties participate in a single grouped proceeding, and the Commission generally produces one report and issues one opinion containing its separate determinations for each investigation.

<sup>45</sup> An antidumping investigation may be suspended if exporters accounting for substantially all of the imports of the merchandise under investigation agree either to eliminate the dumping or to cease exports of the merchandise to the United States within six months. In extraordinary circumstances, an investigation may be suspended if exporters agree to revise prices to completely eliminate the injurious effect of exports of the merchandise in question to the United States. A suspended investigation is reinstated if LTFV sales recur. See 19 U.S.C. 1673c.

<sup>46</sup> A subsidy is defined as a bounty or grant bestowed directly or indirectly by any country, dependency, colony, province, or other political subdivision on the manufacture, production, or export of products. See 19 U.S.C. 1677(5) and 1677-1(a).

**TABLE 2.1** Antidumping duty orders that became effective during 2011<sup>a</sup>

Country	Product	Range of duty (percent)
China	Aluminum extrusions	32.79–33.28
China	Drill pipe and drill collars	69.32–429.95
China	Multilayered wood flooring	3.30–58.84
Taiwan	Polyvinyl alcohol	3.08

Source: Compiled by USITC from *Federal Register* notices.

<sup>a</sup>Antidumping duty orders become effective subsequent to a final determination.

and the Commission must make an affirmative determination that a U.S. industry is suffering from material injury, threat of material injury, or material retardation because of the subsidized imports.

The Commission instituted 12 new preliminary countervailing duty investigations and completed 3 final investigations during 2011. Countervailing duties were imposed in 2011 as a result of affirmative Commission determinations in all three of the completed investigations on three products from one country—China (table 2.2).

Details on all countervailing duty investigations active at the Commission during 2011 are presented in appendix table A.7, and a list of all countervailing duty orders (including suspension agreements)<sup>47</sup> in effect at the end of the year is presented in appendix table A.8.

### **Reviews of Outstanding Antidumping and Countervailing Duty Orders/Suspension Agreements**

Section 751(a) of the Tariff Act of 1930 requires the USDOC, if requested, to conduct annual reviews of outstanding antidumping duty and countervailing duty orders to ascertain the amount of any net subsidy or dumping margin and to determine whether suspension agreements are being complied with.<sup>48</sup> Section 751(b) also authorizes the USDOC and the Commission, as appropriate, to review certain outstanding determinations and agreements after receiving information or a petition that shows changed circumstances.<sup>49</sup> In these instances, the party that is asking to have an antidumping duty order, countervailing duty order, or suspension agreement revoked or modified has the burden of persuading the USDOC and the Commission that circumstances have changed enough to warrant review and revocation. On the basis of either the USDOC's or Commission's review, the USDOC may revoke an antidumping duty or countervailing duty order in whole or in part, or may either terminate or resume a suspended investigation. No changed-circumstances investigations were active at the Commission during 2011.

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<sup>47</sup> A countervailing duty investigation may be suspended if the government of the subsidizing country or exporters accounting for substantially all of the imports of the merchandise under investigation agree to eliminate the subsidy, to completely offset the net subsidy, or to cease exports of the merchandise to the United States within six months. In extraordinary circumstances, an investigation may be suspended if the government of the subsidizing country or exporters agrees to completely eliminate the injurious effect of exports of the merchandise in question to the United States. A suspended investigation is reinstated if subsidization recurs. See 19 U.S.C. 1671c.

<sup>48</sup> 19 U.S.C. 1675(a).

<sup>49</sup> 19 U.S.C. 1675(b).

**TABLE 2.2** Countervailing duty orders that became effective during 2011<sup>a</sup>

Country	Product	Range of duty (percent)
China	Aluminum extrusions	1.50–26.73
China	Drill pipe and drill collars	18.18
China	Multilayered wood flooring	9.94–374.15

Source: Compiled by USITC from *Federal Register* notices.

<sup>a</sup>Countervailing duty orders become effective subsequent to a final determination.

Section 751(c) of the Tariff Act of 1930 requires both the USDOC and the Commission to conduct sunset reviews of outstanding orders and suspension agreements five years after their publication to determine whether revocation of an order or termination of a suspension agreement would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy and material injury.<sup>50</sup> During 2011, the USDOC and the Commission instituted 61 sunset reviews of existing antidumping duty and countervailing duty orders and suspension agreements,<sup>51</sup> and the Commission completed 65 reviews. As a result, 53 antidumping duty and countervailing duty orders were continued for five more years. Appendix table A.9 shows completed reviews of antidumping duty and countervailing duty orders and suspension agreements in 2011.<sup>52</sup>

### ***Section 337 Investigations***

Section 337 of the Tariff Act of 1930, as amended,<sup>53</sup> authorizes the Commission to investigate certain practices involving the importation of “infringing articles”—i.e., goods (1) that infringe a valid and enforceable U.S. patent, registered trademark, registered copyright, registered mask work, or registered vessel hull design; and (2) for which a domestic industry exists or is in the process of being established. Section 337 makes it unlawful for any person to import such goods into the United States, to sell them for importation, or to sell them within the United States after they are imported. The Commission may launch an investigation into such practices on the basis of a complaint or on its own initiative.<sup>54</sup>

If the Commission determines that a violation exists, it can issue an exclusion order directing U.S. Customs and Border Protection (USCBP) to exclude the subject imports from entry into the United States, and a cease and desist order directing the violating

<sup>50</sup> 19 U.S.C. 1675(c).

<sup>51</sup> During 2011, a total of seven antidumping reviews were subsequently terminated and the outstanding orders/findings revoked because a domestic industry did not request that they be continued. Also, five antidumping duty orders/findings were revoked, which addressed ball bearings from France, Germany, Italy, Japan, and the United Kingdom.

<sup>52</sup> For detailed information on reviews instituted, as well as Commission action in all reviews, see the Commission’s Web site section “Five-Year (Sunset) Reviews,” at <http://info.usitc.gov/oinv/sunset.NSF>.

<sup>53</sup> 19 U.S.C. 1337.

<sup>54</sup> Also unlawful under section 337 are other unfair methods of competition and unfair acts in the importation of articles into the United States, or in the sale of imported articles, the threat or effect of which is to destroy or substantially injure a domestic industry, to prevent the establishment of an industry, or to restrain or monopolize trade and commerce in the United States. Examples of such other unfair acts are misappropriation of trade secrets, common-law trademark infringement, trade dress infringement, false advertising, and false designation of origin. Unfair practices that involve the importation of dumped or subsidized merchandise must be pursued under antidumping or countervailing duty provisions, not under section 337.

parties to stop engaging in the unlawful practices. The orders enter into force unless disapproved for policy reasons by the USTR<sup>55</sup> within 60 days of issuance.<sup>56</sup>

During 2011, there were 128 active section 337 investigations and ancillary proceedings, 72 of which were instituted in 2011. Of these 72 new proceedings, 64 were new section 337 investigations and 8 were new ancillary proceedings relating to previously concluded investigations. In all but 5 of the 72 new section 337 institutions in 2011, patent infringement was the only type of unfair act alleged. Of the remaining five investigations, one investigation involved only allegations of trademark infringement, another involved allegations of both trademark and patent infringement, and a third investigation involved allegations of trademark, patent, and copyright infringement. The fourth investigation involved allegations of misappropriation of trade secrets as well as patent infringement, while the fifth involved allegations of misappropriation of trade secrets, copyright infringement, and breach of contract.

The Commission completed a total of 58 investigations and ancillary proceedings under section 337 in 2011, including 4 remand proceedings, 2 modification proceedings, 1 bond-related proceeding, and 1 enforcement proceeding. In addition, 13 exclusion orders, including 7 general exclusion orders, and 28 cease and desist orders were issued during 2011. The Commission terminated 31 investigations without determining whether there had been a violation. Twenty-six of these investigations were terminated on the basis of settlement agreements and/or consent orders.

The section 337 investigations active in 2011 involved a broad spectrum of products. Just over one-half of the investigations involved telecommunications and computer equipment, such as cellular telephones and modems; integrated circuits, such as memory chips; and display devices, such as digital televisions. Approximately 10 percent of the investigations active during the year involved other small electronic products, including game systems and global positioning system (GPS) devices. Other investigations involved diverse consumer items, such as ink cartridges and handbags, as well as a variety of chemical and medical technologies.

At the close of 2011, 70 section 337 investigations and related proceedings were pending at the Commission. Commission activities involving section 337 actions in 2011 are presented in appendix table A.10. As of December 31, 2011, exclusion orders based on violations of section 337 were in effect for 81 investigations. Appendix table A.11 lists the investigations in which these exclusion orders were issued.

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<sup>55</sup> 19 U.S.C. 1337(j). Although the statute reserves the review for the President, since 2005 this function has been officially delegated to USTR. 70 Fed. Reg. 43251 (July 26, 2005).

<sup>56</sup> Section 337 investigations at the Commission are conducted before an administrative law judge in accordance with the Administrative Procedure Act, 5 U.S.C. 551 et seq. The administrative law judge conducts an evidentiary hearing and makes an initial determination, which is transmitted to the Commission. The Commission may adopt the determination by deciding not to review it, or it may choose to review it. In either case, if the Commission finds a violation, it must determine the appropriate remedy, the amount of any bond to be collected while its determination is under review by USTR, and whether public interest considerations preclude issuing a remedy.

# Trade Adjustment Assistance

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The United States provides trade adjustment assistance (TAA) to aid U.S. workers, farmers, firms, and communities adversely affected by import competition or by U.S. production moving to foreign countries. Key developments in the TAA programs in 2011 were the lapse on February 12, 2011, of certain expansions made to TAA in 2009, and the restoration of these expansions on October 21, 2011.<sup>57</sup> The main components of TAA in 2011 were TAA for Workers, TAA for Farmers, TAA for Firms, and TAA for Communities. These programs are summarized separately below.<sup>58</sup>

## *Assistance for Workers*

The TAA for Workers program is administered by the U.S. Department of Labor (USDOL) through the Employment and Training Administration (ETA). Geared for workers who have lost their jobs as a result of foreign trade, the TAA for Workers program offers a variety of benefits and services for eligible workers to obtain the skills, resources, and support they need to become reemployed.<sup>59</sup> The most current information on provisions of the TAA for Workers program, the status of program funding, and program-related legislation, as well as detailed information on program benefits, services, and eligibility requirements, is available at the ETA Web site, <http://www.doleta.gov/tradeact/>.

ETA reported that groups of workers submitted 1,671 petitions<sup>60</sup> for TAA in fiscal year (FY) 2011, a decline from the 2,222 petitions filed in FY 2010.<sup>61</sup> ETA certified 1,116

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<sup>57</sup> TAA was formally established by the Trade Expansion Act of 1962 (Pub. L. 87-794) but was little used until the Trade Act of 1974 (Pub. L. 93-618) expanded program benefits and eligibility. The TAA programs were amended by the Trade Adjustment Assistance Reform Act (TAA Reform Act), which was part of the Trade Act of 2002 (Pub. L. 107-210). The TAA Reform Act reauthorized and expanded TAA; it also consolidated the TAA and the North American Free Trade Agreement (NAFTA) TAA programs. The Trade and Globalization Adjustment Assistance Act (TGAAA) of 2009 (Pub. L. 111-5) reauthorized and changed certain provisions of the TAA programs (notably through increases in eligibility, funding, administrative flexibility, and benefits) and created the TAA for Communities program. The TGAAA lapsed on February 12, 2011, and the TAA programs reverted from the expanded programs to the programs in effect before the TGAAA. However, the Trade Adjustment Assistance Extension Act (TAAEA) of 2011 (Pub. L. 112-40) restored and retroactively extended the expired provisions of the TGAAA generally through December 31, 2013, and made other changes to the TAA programs when it was signed into law on October 21, 2011. USDOL, "Important Legislative Changes to the TAA Program," <http://www.doleta.gov/tradeact/> (accessed December 27, 2011); USDOC, EDA, *Annual Report to Congress, Fiscal Year 2011*, December 15, 2011; USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 178.

<sup>58</sup> TAA programs are funded on a fiscal year (FY) basis. Therefore, information on the TAA programs in this report is presented for FY 2011 (October 1, 2010, through September 30, 2011), unless otherwise indicated.

<sup>59</sup> The eligibility requirements for TAA and the benefits and services available are determined by the specific laws in effect at the time the workers file a petition for TAA benefits. USDOL, ETA, "TAA Benefits and Services Levels by TAA-W Number," n.d. (accessed January 4, 2012); USDOL, ETA, "Trade Adjustment Assistance for Workers," n.d. (accessed January 4, 2012); USDOL, ETA, "What Is Trade Adjustment Assistance?" December 22, 2011. In FY2011, the United States allocated \$234 million to TAA benefit programs, and a further \$426 million to TAA training programs. OMB, "Department of Labor—Employment and Training Administration—Federal Funds," *Fiscal Year 2013—Budget of the U.S. Government—Appendix*, 817.

<sup>60</sup> For a worker to be eligible to apply for TAA, the worker must be part of a group of workers that files a petition with USDOL as workers adversely affected by foreign trade. In response to the filing, USDOL institutes an investigation to determine whether the workers meet the group eligibility requirements. If the worker group meets the eligibility criteria, a group certification of eligibility is issued. After a group

petitions as eligible for TAA during FY 2011,<sup>62</sup> and estimated that 98,515 workers were covered by certifications for TAA in FY 2011. Production shifting to a foreign country was cited as the leading basis for certification for TAA in FY 2011, accounting for 652 certified petitions (58.4 percent of total certifications) covering 56,268 workers (57.1 percent of total workers covered). The next leading cause was competition from imports—373 certified petitions (33.4 percent) covering 33,152 workers (33.7 percent). A total of 247 petitions for TAA, covering 19,050 workers, were denied during FY 2011.<sup>63</sup>

### *Assistance for Farmers*

The TAA for Farmers program is administered by the U.S. Department of Agriculture (USDA) through the Foreign Agricultural Service (FAS). Under the program, USDA provides technical training and cash benefits to eligible U.S. producers of raw agricultural commodities and eligible fishermen whose crops or catch have been adversely affected by imports.<sup>64</sup> The most current information on provisions of the TAA for Farmers program, the status of program funding, and program-related legislation, along with detailed information on program eligibility requirements, is available at the FAS Web site, <http://www.fas.usda.gov/itp/taa/>.

Once petitions are approved for TAA, producers and fishermen have specific deadlines for completing online training and technical assistance, and for developing short- and long-term business plans. In return, eligible producers or fishermen receive cash benefits for generally up to 36 months, subject to certain limitations.<sup>65</sup> The commodities approved for TAA for Farmers<sup>66</sup> during FY 2011 were asparagus (petition covering production in

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certification is issued, each worker in the group must then individually apply for TAA benefits and services. USDOL, ETA, "Trade Adjustment Assistance Petition Process," February 14, 2011.

<sup>61</sup> Data are available from USDOL, ETA, "National Petition Data."

<sup>62</sup> Petitions are accepted on a rolling basis throughout the year. The number of petitions certified for TAA in any fiscal year may not equal the total number of petitions filed in that year because of the processing time for petitions (which may span more than one fiscal year), and the fact that petitions may be withdrawn and investigations terminated. USDOL, ETA, *Trade Adjustment Assistance for Workers: Report*, December 2010, 9.

<sup>63</sup> Data are available from USDOL, ETA, "National Petition Data."

<sup>64</sup> USDA, FAS, "Trade Adjustment Assistance for Farmers Program," May 13, 2010.

<sup>65</sup> The TAA for Farmers program was given appropriations of \$90 million for each of the 2009 and 2010 fiscal years, and \$22.5 million for the period October through December 2011. Extension of the provisions under the TAAEA of 2011 provided appropriations of \$90 million for each of the 2012 and 2013 fiscal years, and \$22.5 million for the period October through December 2013. Eligible producers or fishermen who develop an approved business plan, with guidance from educators working under approved extension programs, are entitled to receive a cash payment of up to \$4,000 to carry out the initial business plan or develop a long-term business plan. Producers who subsequently develop approved longer-term business plans are entitled to receive an additional cash payment of up to \$8,000 to implement their long-term plans. A producer may not receive more than \$12,000 during the 36-month period following certification of the group petition. Travel and subsistence expenses related to attending training sessions may also be reimbursable. USDA, FAS, "Trade Adjustment Assistance for Farmers," May 13, 2010; USDA, FAS, "Notice to Program Participants," March 14, 2011; USDA, FAS, "Trade Adjustment Assistance for Farmers Program," May 13, 2010.

<sup>66</sup> A group of producers (three or more) or a commodity organization may request, on behalf of producers in their state or group of states, that a commodity be certified as eligible for TAA by submitting a petition to FAS. To be eligible, a commodity must be listed in its raw or natural state in chapters 1, 3, 4, 5, 6, 7, 8, 10, 12, 14, 23, 24, 41, 51, or 52 of the Harmonized Tariff Schedule of the United States. After it accepts a petition, FAS conducts an investigation to determine if the commodity can be certified (approved for benefits) and the marketing year to which the certification applies. USDA, FAS, "Trade Adjustment Assistance (TAA) for Farmers Program," March 2010, 1.

California, Michigan, and Washington approved in June 2010),<sup>67</sup> catfish (petition covering production nationwide approved in June 2010),<sup>68</sup> shrimp (petitions covering production in Alaska, the Gulf of Mexico, and south Atlantic regions approved in June and September 2010),<sup>69</sup> lobsters (petition covering production in the Northeast approved in September 2010),<sup>70</sup> and wild blueberries (petition covering production in Maine approved in September 2010).<sup>71</sup>

## *Assistance for Firms*

The TAA for Firms program is administered by USDOC through the Economic Development Administration (EDA). The program gives technical and financial assistance to U.S. manufacturers and service sector firms adversely affected by imports. The TAA for Firms program helps eligible firms develop a business recovery plan (“adjustment proposal”) and provides matching funds to help them expand markets, strengthen their operations, or otherwise increase their global competitiveness.<sup>72</sup> The most current information on provisions of the TAA for Firms program, the status of program funding, and program-related legislation, as well as detailed information on program eligibility requirements, is available at the EDA Web site, <http://www.taacenters.org/>.

EDA reported that it received 127 petitions<sup>73</sup> for TAA in FY 2011, compared to 305 in FY 2010. EDA certified 149 petitions and denied 1 in FY 2011; by comparison, 330 petitions were certified and none denied in FY 2010.<sup>74</sup> Most (95 percent) of the petitions

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<sup>67</sup> Commodity petition was approved June 25, 2010; orientation sessions were scheduled between September 23 and December 22, 2010; all technical assistance is scheduled to be completed by June 24, 2013. USDA, FAS, “TAA for Farmers: Asparagus,” <http://www.taafarmers.org/commodity/default.aspx?Id=16> (accessed April 5, 2012).

<sup>68</sup> Commodity petition was approved June 25, 2010; orientation sessions were scheduled between September 23 and December 22, 2010; all technical assistance is scheduled to be completed by June 24, 2013. USDA, FAS, “TAA for Farmers: Catfish,” <http://www.taafarmers.org/commodity/default.aspx?Id=17> (accessed April 5, 2012).

<sup>69</sup> Commodity petition (application before September 24, 2010) was approved June 25, 2010; orientation sessions were scheduled between September 23 and December 22, 2010; all technical assistance is scheduled to be completed by June 24, 2013. Commodity petition (application after September 24, 2010) was approved September 24, 2010; orientation sessions were scheduled between September 23, 2010 and March 23, 2011; all technical assistance is scheduled to be completed by September 23, 2013. USDA, FAS, “TAA for Farmers: Shrimp,” <http://www.taafarmers.org/commodity/default.aspx?Id=18> and <http://www.taafarmers.org/commodity/default.aspx?Id=19> (accessed April 5, 2012).

<sup>70</sup> Commodity petition was approved September 24, 2010; orientation sessions were scheduled between December 23, 2010 and March 23, 2011; all technical assistance is scheduled to be completed by September 23, 2013. USDA, FAS, “TAA for Farmers: Lobsters,” <http://www.taafarmers.org/commodity/default.aspx?Id=20> (accessed April 5, 2012).

<sup>71</sup> Commodity petition was approved September 30, 2010; orientation sessions were scheduled between December 29, 2010 and March 29, 2011; all technical assistance is scheduled to be completed by September 29, 2013. USDA, FAS, “TAA for Farmers: Wild Blueberries (Maine),” <http://www.taafarmers.org/commodity/default.aspx?Id=21> (accessed April 5, 2012).

<sup>72</sup> USDOC, EDA, *Annual Report to Congress Fiscal Year 2011*, December 2011, 2.

<sup>73</sup> To become eligible for benefits, firms must submit a petition to USDOC through 1 of 11 national Trade Adjustment Assistance Centers (TAACs). TAACs are typically sponsored by universities or nonprofit organizations, and are the primary point of contact for firms during the certification and adjustment processes. Once a petition has been approved, TAACs work with the firms’ management to identify the firm’s strengths and weaknesses and develop an adjustment proposal to stimulate recovery and growth. Firms generally have up to five years to implement an approved adjustment proposal. USDOC, EDA, *Annual Report to Congress on the Trade Adjustment Assistance for Firms Program Fiscal Year 2011 Annual Report*, December 2011, 2–4.

<sup>74</sup> The number of petitions certified for TAA in any fiscal year may not total the number of petitions accepted in that year because petitions may be withdrawn or because the time needed to process them may

certified for TAA in FY 2011 were for firms in the manufacturing sector; 3 percent were in the agriculture, forestry, and fishing sector; and 2 percent were in the service sector. Firms located in Pennsylvania received the most certifications (20 certifications, or 13.4 percent of total certifications), followed by firms in Illinois (15, or 10.1 percent) and Washington (13, or 8.7 percent). EDA approved 183 adjustment proposals in FY 2011 with a total government funding share valued at \$21.6 million, down from 265 adjustment proposals approved in FY 2010 with a government funding share valued at \$16.4 million.<sup>75</sup>

### *Assistance for Communities*

The TAA Community College and Career Training (CCCT) Grant Program is administered by USDOL through the ETA in partnership with the U.S. Department of Education.<sup>76</sup> The purpose of the grants is to help eligible U.S. institutions of higher education expand their capacity to provide quality education and training services to TAA for Workers program participants as well as other individuals to improve their knowledge and skills and enable them to obtain high-quality employment. The program was designed to ensure that every state, through its eligible institutions of higher education, receive at least \$2.5 million in grant awards under the program.<sup>77</sup> On September 26, 2011, ETA announced that it had awarded nearly \$500 million in its first round of grants to U.S. community colleges under the CCCT program.<sup>78</sup> Additional information on the CCCT program, including the most current information on provisions of the CCCT program, the status of program funding, and program-related legislation, as well as detailed information on program eligibility requirements, is available at the ETA Web site, <http://www.doleta.gov/taaccct/>.

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## **Tariff Preference Programs**

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### *Generalized System of Preferences*

The U.S. GSP program authorizes the President to grant duty-free access to the U.S. market for certain products that are imported from designated developing countries and territories.<sup>79</sup> Certain additional products are allowed duty-free treatment when imported

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span more than one fiscal year. USDOC, EDA, *Annual Report to Congress Fiscal Year 2011 Annual Report*, December 2011, 76.

<sup>75</sup> Firms have two years from the date of certification to submit an adjustment proposal to EDA. Consequently, adjustment proposals approved in FY 2011 may represent firms that were certified for TAA between FY 2009 and FY 2011. USDOC, EDA, *Annual Report to Congress on the Trade Adjustment Assistance for Firms Program Fiscal Year 2011 Annual Report*, December 2011, exhibits 13 and 16.

<sup>76</sup> The TGAAA of 2009 established TAA for Communities to assist U.S. communities that have experienced or were threatened by job losses resulting from international trade. This program had three components—the TAA for Communities Program, the Community College and Career Training Grant Program, and the Industry or Sector Partnership Grant Program. The TAAEA of 2011 eliminated both the TAA for Communities Program and the Industry or Sector Partnership Grant Program, leaving only the CCCT Program in operation as of October 1, 2011.

<sup>77</sup> The Health Care and Education Reconciliation Act (Pub. L. 111-152) signed by President Obama on March 30, 2010, included \$2 billion over four years to fund the CCCT program. USDOL, ETA, “TAACCCT: Program Summary,” February 29, 2012.

<sup>78</sup> In February 2012, ETA announced the availability of up to \$500 million in its second round of competition for CCCT grant funds. USDOL, ETA, “Obama Administration Awards Nearly \$500 Million,” September 26, 2011; USDOL, ETA, “TAACCCT: Program Summary,” February 29, 2012.

<sup>79</sup> The program is authorized by title V of the Trade Act of 1974, as amended, 19 U.S.C. 2461 et seq.

only from countries designated as least-developed beneficiary developing countries (LDBDCs). The President's authority to provide duty-free treatment under the GSP program expired on December 31, 2010,<sup>80</sup> and was only renewed retroactively on October 21, 2011, to be effective through July 31, 2013.<sup>81</sup> Because of the program's lapse, USTR did not conduct an annual review of the GSP in 2011.

The GSP program aims to accelerate economic growth in developing countries by offering unilateral tariff preferences. An underlying principle of the GSP program is that the creation of trade opportunities for developing countries encourages broad-based economic development and sustains momentum for economic reform and liberalization. The GSP program also allows U.S. companies to have access to intermediate products from beneficiary countries on generally the same terms that are available to competitors in other developed countries that grant similar trade preferences.<sup>82</sup>

Countries are designated as "beneficiary developing countries" under the GSP program by the President, although they can lose this designation based on petitions alleging improper country practices, including inadequate protection of IPR or internationally recognized worker rights.<sup>83</sup> The President also designates the articles that are eligible for duty-free treatment, but may not designate articles that he determines to be "import-sensitive" in the context of the GSP. Certain articles (for example, footwear, textiles, and apparel) are designated by statute as "import-sensitive" and thus not eligible for duty-free treatment under the GSP program. The statute also provides for graduation of countries from the program when they become "high income" and for removal from eligibility of articles, or articles from certain countries, under certain conditions. The extension of the GSP program in 2006 provided that a competitive need limitation (CNL) waiver<sup>84</sup> in effect with respect to a product for five or more years should be revoked if U.S. imports from a specific supplier meet certain "super-competitive" value thresholds.<sup>85</sup> During 2011, this provision did not apply to countries whose 2010 trade had exceeded the "super-competitive" thresholds, nor did any regular CNLs result in exclusion from the program. Importers and exporters did not have access to the duty benefits of the GSP program during most of 2011, although renewal was retroactive and importers were allowed to request refunds of duties paid for shipments that claimed GSP status at the time of importation.

Due to the program's lapse, there were very few developments in the GSP program in 2011:

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<sup>80</sup> Pub. L. 111-124.

<sup>81</sup> Pub. L. 112-40. Importers have 180 days to claim retroactive refunds. USCBP, Memorandum on the Renewal of the GSP, October 24, 2011, [http://www.cbp.gov/linkhandler/cgov/trade/trade\\_programs/international\\_agreements/special\\_trade\\_program/s/gsp\\_gen\\_system/mem\\_gsp.ctt/mem\\_gsp.pdf](http://www.cbp.gov/linkhandler/cgov/trade/trade_programs/international_agreements/special_trade_program/s/gsp_gen_system/mem_gsp.ctt/mem_gsp.pdf).

<sup>82</sup> USTR, *2012 Trade Policy Agenda*, March 2012, 188.

<sup>83</sup> The list of current GSP beneficiaries can be found on the USTR's Web site at [http://www.ustr.gov/webfm\\_send/2469](http://www.ustr.gov/webfm_send/2469).

<sup>84</sup> Competitive need limitations are quantitative ceilings on GSP benefits for each product and beneficiary developing country. The GSP statute provides that a beneficiary developing country is to lose its GSP eligibility with respect to a product if the CNLs are exceeded and if no waiver is granted. There are two different measures for CNLs: when U.S. imports of a particular product from a beneficiary developing country during any calendar year (1) account for 50 percent or more of the value of total U.S. imports of that product; or (2) exceed a certain dollar value (\$150 million in 2011). USTR, *U.S. Generalized System of Preferences (GSP) Guidebook*, May 2011, 11.

<sup>85</sup> 19 U.S.C. 2463(d)(4)(B)(ii).

- Sleeping bags in Harmonized Tariff Schedule of the United States (HTS) 9404.30.80 were removed from the GSP effective January 1, 2012. (This product was twice the subject of petitions for removal before the lapse in effect of the GSP program.)<sup>86</sup>
- On January 1, 2011, Croatia and Equatorial Guinea were removed from the list of GSP beneficiaries based on their high incomes. However, this change had already been announced in 2009 because advance notice of more than one year is provided before removal for high income.<sup>87</sup>
- A country practice (worker rights) petition was accepted for Georgia.<sup>88</sup>
- A review was initiated to consider adding the new country of South Sudan to the GSP program.<sup>89</sup>

Prior country practice petitions will continue to be reviewed during 2012, and numerous product petitions for additions to GSP and CNL waivers have been received for 2012.

Duty-free imports entered under the GSP program totaled \$18.5 billion in 2011, accounting for 5.1 percent of total U.S. imports from GSP beneficiary countries and 0.85 percent of total imports (table 2.3).<sup>90</sup> India was the leading GSP beneficiary in 2011, followed by Thailand, Brazil, and Indonesia (appendix table A.12). In 2011, just 3 percent of all duty-free entries under the GSP were petroleum-related products, compared with almost one-fourth in 2010 and nearly a third in 2009. Angola, a leading GSP beneficiary in 2010 and a major exporter of crude petroleum, entered most of its crude petroleum exports under AGOA rather than under the GSP in 2011, likely due to the long lapse in the GSP program. This development, as well as the graduation of Equatorial Guinea, another major exporter of crude petroleum, from the program resulted in the lowlevel of petroleum-related imports. Appendix table A.13 shows the overall sectoral distribution of GSP benefits, and appendix table A.14 shows the top 20 products imported under the GSP in 2011.

### ***African Growth and Opportunity Act***

AGOA was enacted in 2000 to provide unilateral preferential trade benefits to eligible sub-Saharan African (SSA) countries pursuing political and economic reform.<sup>91</sup> AGOA provides duty-free access to the U.S. market for all GSP-eligible products and more than 1,800 additional qualifying tariff line-item products from designated SSA countries, and exempts these beneficiaries from GSP CNLs.<sup>92</sup> AGOA also provides duty-free treatment for certain apparel articles made in qualifying SSA countries. AGOA is scheduled to be in effect until September 30, 2015.<sup>93</sup> In 2011, articles entering the United States free of

<sup>86</sup> Proclamation No. 8770 of December 29, 2011, 77 Fed. Reg. 402 (January 4, 2012).

<sup>87</sup> Proclamation No. 8467 of December 23, 2009, 74 Fed. Reg. 69221 (December 30, 2009).

<sup>88</sup> USTR, "GSP Federal Register Notices," 76 Fed. Reg. 67530 (November 1, 2011).

<sup>89</sup> USTR, "GSP Federal Register Notices," 76 Fed. Reg. 69318 (November 8, 2011).

<sup>90</sup> Imports entering the United States free of duty under preference programs are given duty-free preference only upon an importer's claim for each shipment, supported with documentation.

<sup>91</sup> In addition to providing preferential access to the U.S. market for eligible SSA products, AGOA also includes a number of trade-facilitating provisions. For further information, see USTR, *2008 Comprehensive Report*, May 2008, 21. USTR's 2008 report was the last of eight annual reports required under AGOA.

<sup>92</sup> Should GSP lapse, as it did in 2011 until it was renewed retroactively on October 21, 2011, AGOA preferences remain in effect.

<sup>93</sup> 19 U.S.C. 3701 note. AGOA provisions that provide preferential treatment for certain textiles and apparel also expire on September 30, 2015. 19 U.S.C. 3721(f).

**TABLE 2.3** U.S. imports for consumption from GSP beneficiaries, 2009–11

Item	2009	2010	2011
Total imports from GSP beneficiaries (millions of \$)	241,496	303,178	365,902
Total under GSP (millions of \$)	20,259	22,554	18,539
Imports from non-LDBDCs (millions of \$) <sup>a</sup>	13,744	17,098	18,036
Imports from LDBDCs (millions of \$) <sup>b</sup>	6,515	5,455	503
Total under GSP (percent of total)	8.4	7.4	5.1

Source: Compiled from official statistics of the USDOC.

<sup>a</sup>Non-LDBDC (least-developed beneficiary developing countries)-eligible products are those for which a rate of duty of “free” appears in the special rate column of the Harmonized Tariff Schedule of the United States (HTS) followed by the symbols “A” or “A\*” in parentheses. The symbol “A” indicates that all beneficiary countries are eligible for duty-free treatment with respect to all articles provided for in the designated provisions, and the symbol “A\*” indicates that certain beneficiary countries, specified in general note 4(d) of the HTS, are not eligible for duty-free treatment with respect to any article provided for in the designated provision.

<sup>b</sup>LDBDC-eligible products are those for which a rate of duty “free” appears in the special rate column of the HTS followed by the symbol “A+” in parentheses. The symbol “A+” indicates that all LDBDCs (and only LDBDCs) are eligible for duty-free treatment with respect to all articles provided for in the designated provisions.

duty under AGOA were valued at \$51.9 billion, a 34.2 percent increase over 2010, and accounted for 73.4 percent of all imports from AGOA countries (table 2.4). This increase in total imports was driven primarily by an increase in the value of imports of petroleum-related products, particularly from Nigeria and Angola; Angola was a major GSP beneficiary in 2010 but entered most of its crude petroleum exports under AGOA rather than under the GSP in 2011, probably because of the long lapse in the GSP program.<sup>94</sup> Duty-free U.S. imports under AGOA, including under the GSP program, were valued at \$53.8 billion in 2011, accounting for 76.1 percent of total imports from AGOA countries and representing an increase of 21.5 percent over 2010.

The leading suppliers of duty-free U.S. imports under AGOA in 2011 were Nigeria (59.8 percent of total AGOA imports), Angola (22.2 percent), Chad (5.8 percent), South Africa (4.8 percent), the Republic of the Congo (3.7 percent), and Gabon (0.9 percent). These six countries accounted for 97.2 percent of total imports by value under AGOA, the same as in 2010 (appendix table A.15). Of the leading imports under AGOA, petroleum-related products increased to \$48.5 billion in 2011, up 34.8 percent by value from 2010, and accounted for 93.5 percent of the total value of AGOA imports in 2011 (appendix table A.16).<sup>95</sup> Imports of apparel remained at approximately \$0.7 billion in 2010 and 2011, but as a percentage of total AGOA imports by value, apparel fell from 1.9 percent in 2010 to 1.3 percent in 2011.

Each year, the President must consider whether SSA countries<sup>96</sup> are, or remain, eligible for AGOA benefits based on specific criteria.<sup>97</sup> At the end of 2011, a total of 40 SSA

<sup>94</sup> Although petroleum products enter duty-free under GSP only for LDBDCs, the duty-free preference for petroleum products extends to all AGOA beneficiaries.

<sup>95</sup> The increase in imports of petroleum and related products reflects increasing prices. Whereas petroleum import volumes (HS chapter 27, barrels) from the five leading AGOA petroleum suppliers (Nigeria, Angola, Chad, the Republic of the Congo, and Gabon) decreased by 4 percent between 2010 and 2011, the value of these imports increased by more than 34 percent. Official statistics of the USDOC from the USITC Interactive Tariff and Trade DataWeb/USDOC (accessed March 13, 2012).

<sup>96</sup> 19 U.S.C. 3706 lists a total of 48 countries, or their successor political entities, as potential beneficiaries.

<sup>97</sup> 19 U.S.C. 3703(a). See also USTR, *2008 Comprehensive Report*, May 2008, 21–22.

**TABLE 2.4** U.S. imports for consumption from AGOA countries, 2009–11

Item	2009	2010	2011
Total imports from AGOA countries (millions of \$)	43,950	60,531	70,684
Total under AGOA, including GSP (millions of \$) <sup>a</sup>	33,709	44,270	53,791
Imports under AGOA, excluding GSP (millions of \$)	28,050	38,665	51,883
Total under AGOA (percent of total)	63.8	63.9	73.4

Source: Compiled from official statistics of the USDOC.

<sup>a</sup>AGOA-eligible products are those for which a rate of duty “free” appears in the special rate column of the HTS followed by the symbol “D” in parentheses (the symbol “D” indicates that all AGOA beneficiaries are eligible for duty-free treatment with respect to all articles provided for in the designated provisions). In addition, provisions of subchapters II and XIX of chapter 98 of the HTS set forth specific categories of AGOA-eligible products, under the terms of separate country designations enumerated in subchapter notes.

countries were designated as eligible for AGOA benefits,<sup>98</sup> and 27 of these countries also qualified for AGOA textile and apparel benefits.<sup>99</sup> On October 25, 2011, the President reinstated the designation of Côte d’Ivoire, Guinea, and Niger as AGOA beneficiary countries.<sup>100</sup> The Democratic Republic of the Congo became ineligible for AGOA benefits effective January 1, 2011.<sup>101</sup>

Section 105 of AGOA requires the President to establish the U.S.-SSA Trade and Economic Cooperation Forum (also known as the AGOA forum) through which USTR and the Secretaries of State, Commerce, and the Treasury host senior-level officials from AGOA-eligible countries to discuss trade, investment, and development relationships. The 10th AGOA forum, held in Lusaka, Zambia, on June 9–10, 2011, provided for government-to-government ministerial meetings, as well as meetings of representatives from the U.S. and SSA private sectors and civil societies. In addition, the African Women’s Entrepreneurship Program and young business leaders participated in conference sessions. The theme of the forum was “Enhanced Trade through Increased Competitiveness, Value Addition, and Deeper Regional Integration.”<sup>102</sup>

### *Andean Trade Preference Act*

ATPA was enacted in 1991 to promote broad-based economic development and viable economic alternatives to coca cultivation and cocaine production by offering Andean

<sup>98</sup> The following 40 countries are listed in general note 16 of the HTS as designated AGOA beneficiaries: Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Chad, Comoros, Côte d’Ivoire, Djibouti, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, the Republic of the Congo, Rwanda, São Tomé and Príncipe, Senegal, Seychelles, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Uganda, and Zambia. USITC, *HTS 2012*, March 15, 2012, 186.

<sup>99</sup> The following 27 countries are listed in U.S. Note 7 of the HTS as eligible to receive AGOA apparel benefits during 2011: Benin, Botswana, Burkina Faso, Cameroon, Cape Verde, Chad, Ethiopia, The Gambia, Ghana, Kenya, Lesotho, Republic of Liberia, Malawi, Mali, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Uganda, and Zambia. USITC, *HTS 2012*, Annotated for Statistical Reporting Purposes, XXII, 98-II-3, U.S. Notes 7(a), March 15, 2012. Also, see USDOC, Office of Textiles and Apparel, n.d., “Trade Preference Programs: AGOA,” <http://web.ita.doc.gov/tacgi/eamain.nsf/d511529a12d016de852573930057380b/8a3cec919226ed0f852573940048b050?OpenDocument>, (accessed July 6, 2012).

<sup>100</sup> White House, “Presidential Proclamation—To Take Certain Actions under the African Growth and Opportunity Act,” October 28, 2011. 76 Fed. Reg. 67036 (October 28, 2011).

<sup>101</sup> White House, “Presidential Proclamation—To Take Certain Actions under the African Growth and Opportunity Act,” December 21, 2010. 75 Fed. Reg. 81077 (December 27, 2010).

<sup>102</sup> “Tenth AGOA Forum,” <http://www.agoa.gov> (accessed March 13, 2012). See USDOC, ITA, AGOA Web site, [http://www.agoa.gov/agoaforum/agoa\\_main\\_003606.asp](http://www.agoa.gov/agoaforum/agoa_main_003606.asp).

products broader access to the U.S. market.<sup>103</sup> The act has had a complex history. The President's authority to provide preferential treatment under ATPA first expired on December 4, 2001, but was renewed and expanded by the Andean Trade Promotion and Drug Eradication Act (ATPDEA), part of the Trade Act of 2002.<sup>104</sup> Preferential treatment under ATPA, as amended by ATPDEA, has expired a number of times,<sup>105</sup> and two countries (Bolivia and Peru) were removed from eligibility in recent years. Peru lost its eligibility effective January 1, 2011, due to the implementation of the U.S.-Peru Trade Promotion Agreement (U.S.-Peru TPA), and Bolivia lost its eligibility on December 15, 2008, for failing to meet ATPA's counternarcotics cooperation criteria.<sup>106</sup> Most recently, preferential treatment under ATPA expired on February 12, 2011,<sup>107</sup> but was retroactively renewed until July 31, 2013, for Colombia and Ecuador, on October 21, 2011.<sup>108</sup> Colombia ceased to be an ATPA beneficiary when its FTA with the United States entered into force in 2012.<sup>109</sup>

A wide range of products was eligible for duty-free entry under ATPA as originally enacted. ATPDEA amended ATPA to provide duty-free treatment for certain products previously excluded from ATPA, including certain textiles and apparel, certain footwear, tuna in foil or other flexible airtight packages (not cans), crude petroleum and petroleum products, and watches and watch parts assembled from components originating in countries not eligible for normal trade relations (NTR) rates of duty. Products that continue to be excluded from ATPA preferential treatment include textile and apparel articles not otherwise eligible for preferential treatment under ATPDEA (primarily textile articles), certain footwear, canned tuna, rum and tafia, and above-quota imports of certain agricultural products subject to tariff-rate quotas (primarily sugar, beef, and dairy products).

Total (dutiable and duty-free) U.S. imports from the ATPA-eligible countries (Colombia and Ecuador in 2009–11, and Peru in 2009–10<sup>110</sup>) were valued at \$31.9 billion in 2011. This represented an increase of 13.2 percent from \$28.2 billion in 2010 (table 2.5), despite the exit of Peru from ATPA in 2011. U.S. imports under ATPA fell 69.6 percent in 2011 to \$4.4 billion, reflecting primarily the lapse of the program, but also Peru's exit.

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<sup>103</sup> For a more detailed description of ATPA, including country and product eligibility, see USITC, *Andean Trade Preference Act*, September 2010.

<sup>104</sup> Pub. L. 107-210, title XXXI. The ATPA beneficiaries are not automatically eligible for ATPDEA preferences. ATPDEA authorizes the President to designate any ATPA beneficiary as eligible for ATPDEA benefits, provided the President determines the country has satisfied certain requirements, including protection of IPR and internationally recognized workers' rights. The President designated all four ATPA beneficiaries as ATPDEA beneficiaries on October 31, 2002. White House, "Presidential Proclamation—To Implement the Andean Trade Promotion and Drug Eradication Act," Proclamation No. 7616, 67 Fed. Reg. 67283 (October 31, 2002).

<sup>105</sup> Pub. L. 109-432, sect. 7001 et seq.; Pub. L. 110-42; Pub. L. 110-191; Pub. L. 110-436; Pub. L. 111-124, sect. 2; and Pub. L. 111-344, sect. 201.

<sup>106</sup> Proclamation No. 8323, 73 Fed. Reg. 72677 (November 25, 2008).

<sup>107</sup> Pub. L. 111-344, sect. 201.

<sup>108</sup> Pub. L. 112-42, sect. 501. Importers have 180 days to claim retroactive refunds. USCBP, Memorandum on the Renewal of ATPA, October 24, 2011, [http://www.cbp.gov/linkhandler/cgov/trade/trade\\_programs/international\\_agreements/special\\_trade\\_programs/atpa/atpdea.ctt/atpdea.pdf](http://www.cbp.gov/linkhandler/cgov/trade/trade_programs/international_agreements/special_trade_programs/atpa/atpdea.ctt/atpdea.pdf).

<sup>109</sup> The United States-Colombia Trade Promotion Agreement Implementation Act (Pub. L. 112-42) became law on October 21, 2011. The agreement entered into force on May 15, 2012. Proclamation No. 8818 of May 14, 2012, 77 Fed. Reg. 29519–23 (May 18, 2012).

<sup>110</sup> Peru ceased to be an ATPA beneficiary country as of January 1, 2011.

**TABLE 2.5** U.S. imports for consumption from ATPA countries, 2009–11<sup>a</sup>

Item	2009	2010	2011
Total imports from ATPA countries (millions of \$)	20,690	28,179	31,891
Total under ATPA (millions of \$)	9,714	14,411	4,380
Imports under ATPDEA (millions of \$) <sup>b</sup>	8,063	12,960	3,963
Imports under ATPA, excluding ATPDEA (millions of \$) <sup>c</sup>	1,652	1,451	417
Total under ATPA (percent of total)	47.0	51.1	13.7

Source: Compiled from official statistics of the USDOC.

<sup>a</sup>Peru's status as an ATPA beneficiary country ended effective January 1, 2011. Therefore, imports from Peru are included in this table only through the end of 2010. (Note that duty-free imports from Peru under ATPA were officially recorded after it was no longer a designated ATPA beneficiary as \$4.8 million in 2011; however, 2011 imports from Peru are not included in this table.)

<sup>b</sup>ATPDEA-eligible products are those for which a rate of duty "free" appears in the special rate column of the HTS followed by the symbol "J+" in parentheses. The symbol "J+" indicates that all ATPDEA beneficiary countries are eligible for duty-free treatment with respect to all articles provided for in the designated provisions.

<sup>c</sup>ATPA-eligible products (excluding ATPDEA-eligible products) are those for which a special duty rate appears in the special rate column of the HTS, followed by the symbols "J" or "J\*" in parentheses. The symbol "J" indicates that all beneficiary countries are eligible for special duty rate treatment with respect to all articles provided for in the designated provisions, and the symbol "J\*" indicates that certain articles, specified in general note 11(d) of the HTS, are not eligible for special duty rate treatment with respect to any article provided for in the designated provision. In addition, subchapter XXI of chapter 98 sets forth provisions covering specific products given duty-free eligibility under the ATPDEA, under the terms of separate country designations enumerated in that subchapter.

U.S. imports under ATPA represented 13.7 percent of all imports from ATPA countries in 2011, compared to 51.1 percent in 2010. U.S. imports under ATPDEA accounted for 90.5 percent of imports under ATPA in 2011 (\$4.0 billion) and U.S. imports under the original ATPA (ATPA excluding ATPDEA) accounted for the remaining 9.5 percent, valued at \$417 million. As in 2010, Colombia was the largest source of U.S. imports under ATPA in 2011 (appendix table A.17).

Crude petroleum and petroleum products accounted for 88.9 percent of U.S. imports under ATPA in 2011 and represented 4 of the top 25 U.S. imports under the program (appendix table A.18). Fresh cut flowers was the next-largest category of imports under ATPA, accounting for 6.1 percent of such imports and 5 of the 25 leading imports under ATPA. The share of U.S. imports under ATPA accounted for by the other 16 leading imports was only 2.3 percent. Together, these 25 leading imports accounted for 97.2 percent of total U.S. imports under ATPA in 2011.

### ***Caribbean Basin Economic Recovery Act***

CBERA was enacted in 1983 as part of the Caribbean Basin Initiative (CBI) to encourage economic growth and development in the Caribbean Basin countries by promoting increased production and exports of nontraditional products through duty preferences.<sup>111</sup> The Caribbean Basin Trade Partnership Act (CBTPA) amended CBERA in 2000 and expanded the list of qualifying articles, for eligible countries, to include certain apparel.<sup>112</sup> The CBTPA also extended North American Free Trade Agreement (NAFTA)-equivalent treatment (that is, rates of duty equivalent to those accorded to goods under the same rules of origin applicable under NAFTA) to a number of other products

<sup>111</sup> For a more detailed description of CBERA, including country and product eligibility, see USITC, *Caribbean Basin Economic Recovery Act*, September 2011.

<sup>112</sup> Textiles and apparel not subject to textile agreements in 1983 (which includes only textiles and apparel of silk or noncotton vegetable fibers, mainly linen and ramie) are eligible for duty-free entry under the original CBERA provisions, which do not have an expiration date.

previously excluded from CBERA, including certain tuna, crude petroleum and petroleum products, certain footwear, watches and watch parts assembled from parts originating in countries not eligible for NTR rates of duty, and certain handbags, luggage, flat goods, work gloves, and leather wearing apparel. Products that continue to be excluded from CBERA preferential treatment include textile and apparel products not otherwise eligible for preferential treatment under the CBTPA (mostly textile products) and above-quota imports of certain agricultural products subject to tariff-rate quotas (primarily sugar, beef, and dairy products). CBTPA preferential treatment provisions were extended in 2010 through September 30, 2020,<sup>113</sup> while other parts of CBERA have no expiration date. In the sections that follow, the term CBERA refers to CBERA as amended by the CBTPA.

In 2011, 17 countries and territories were eligible for nonexpiring CBERA preferences,<sup>114</sup> and 8 were eligible for CBTPA preferences.<sup>115</sup> U.S. imports under CBERA increased by 25.1 percent, from \$2.9 billion in 2010 to \$3.6 billion in 2011 (table 2.6). This increase reflected substantial increases in 2011 in the prices of crude petroleum and petroleum products, methanol, and fuel ethanol, which are major imports from CBERA countries, as well as substantial increases in the volume of imports of petroleum products, fuel ethanol, and certain apparel items. U.S. imports under CBERA accounted for 24.9 percent of all U.S. imports from CBERA countries in 2011. Trinidad and Tobago continued as the leading supplier of U.S. imports under CBERA in 2011, accounting for 71.7 percent of total imports under CBERA. Haiti and Jamaica were also leading suppliers (appendix table A.19). Mineral fuels, methanol, and apparel products dominated the list of imports under CBERA in 2011 (appendix table A.20). Of the 25 leading products under CBERA in 2011, 4 were mineral fuels, which entered under CBTPA (accounting for 39.0 percent of total U.S. imports under CBERA in 2011); 3 were knitted apparel entered under CBTPA (12.5 percent); and the remaining 18 were products that qualify for benefits under nonexpiring CBERA provisions (48.5 percent, of which 30.3 percent of the total was methanol). Together, these 25 leading imports accounted for 97.3 percent of total U.S. imports under CBERA in 2011.

## **Haiti Initiatives**

Since 2006, three laws have added special provisions to CBERA to expand and enhance trade benefits for Haiti and to give Haitian apparel producers more flexibility in sourcing. The Haitian Hemisphere Opportunity through Partnership Encouragement Act of 2006

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<sup>113</sup> Certain preferential treatment provisions relating to import-sensitive textile and apparel articles from CBERA countries, and relating to textile and apparel articles imported under special rules for Haiti (see section on Haiti Initiatives below), were extended to September 30, 2020, on May 24, 2010, when the President signed the Haiti Economic Lift Program Act of 2010, Pub. L. 111-171, sect. 3.

<sup>114</sup> Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Panama, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago, and the British Virgin Islands. “The Netherlands Antilles, a semi-autonomous territory of the Netherlands comprising the islands of Curaçao, Sint Maarten (the Dutch part of the island of St. Martin), Bonaire, Saba, and Sint Eustatius, was dissolved on October 10, 2010. As of that date, Curaçao and Sint Maarten became autonomous territories of the Netherlands, and Bonaire, Saba, and St. Eustatius were placed under the direct administration of the Netherlands. These entities have requested eligibility to receive CBI benefits. The United States is reviewing these requests.” USTR, “Ninth CBERA Report,” December 31, 2011.

<sup>115</sup> Barbados, Belize, Guyana, Haiti, Jamaica, Panama, St. Lucia, and Trinidad and Tobago.

**TABLE 2.6** U.S. imports for consumption from CBERA countries, 2009–11<sup>a</sup>

Item	2009	2010	2011
Total imports from CBERA countries (millions of \$)	9,414	9,936	14,515
Total under CBERA, including CBTPA (millions of \$)	2,359	2,893	3,619
Imports under CBTPA (millions of \$) <sup>b</sup>	1,281	1,671	1,879
Imports under CBERA, excluding CBTPA (millions of \$) <sup>c</sup>	1,078	1,221	1,740
Total under CBERA (percent of total)	25.1	29.1	24.9

Source: Compiled from official statistics of the USDOC.

<sup>a</sup>The Netherlands Antilles was dissolved on October 10, 2010. Therefore, imports from the Netherlands Antilles are included only through October 2010. (Note that duty-free imports from the Netherlands Antilles under CBERA were officially recorded after its dissolution as \$206,000 in 2010 and \$344,000 in 2011; however, imports from the Netherlands Antilles are not included in this table after it was no longer designated a beneficiary.)

<sup>b</sup>CBTPA-eligible products are those for which a special duty rate appears in the special rate column of the HTS, followed by the symbol “R” in parentheses. The symbol “R” indicates that all CBTPA beneficiary countries are eligible for special duty rate treatment with respect to all articles provided for in the designated provisions. In addition, subchapters II and XX of chapter 98 set forth provisions covering specific products eligible for duty-free entry, under separate country designations enumerated in those subchapters (and including the former CBTPA beneficiaries enumerated in footnote a above).

<sup>c</sup>CBERA (excluding CBTPA)-eligible products are those for which a special duty rate appears in the special rate column of the HTS, followed by the symbols “E” or “E\*” in parentheses. The symbol “E” indicates that all beneficiary countries are eligible for special duty rate treatment with respect to all articles provided for in the designated provisions, and the symbol “E\*” indicates that certain articles, specified in general note 7(d) of the HTS, are not eligible for special duty rate treatment with respect to any article provided for in the designated provision.

(HOPE Act)<sup>116</sup> amended CBERA to provide expanded rules of origin for inputs to apparel and wire harness automotive components assembled in Haiti and imported into the United States.<sup>117</sup> Two years later, the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II Act)<sup>118</sup> amended the HOPE Act to provide additional trade preferences.<sup>119</sup> Finally, in 2010, the President signed into law the Haiti Economic Lift Program of 2010 (HELP Act).<sup>120</sup> The HELP Act expanded and extended existing U.S. trade preferences<sup>121</sup> (especially duty-free treatment for certain qualifying apparel) for Haiti established under the CBTPA and the HOPE Act and HOPE II (collectively referred to as HOPE or the HOPE Acts).

<sup>116</sup> Pub. L. 109-432, sect. 5001 et seq., the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006.

<sup>117</sup> There were no imports of wire harness automotive components from Haiti in 2007, 2008, 2009, 2010, or 2011.

<sup>118</sup> Pub. L. 110-234, sect. 15401 et seq., the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008.

<sup>119</sup> For more details on the programs under the HOPE Acts, see USITC, *The Year in Trade 2010*, July 2011, 2-21 to 2-22.

<sup>120</sup> Pub. L. 111-171, sect. 2, Haiti Economic Lift Program Act of 2010.

<sup>121</sup> Key provisions under the HELP Act include: (1) extension of the CBTPA and HOPE Acts through September 30, 2020 (from the earlier expiration of September 30, 2018); (2) provision of duty-free treatment for additional textile and apparel products that are wholly assembled or knit-to-shape in Haiti regardless of the origin of the inputs; (3) increase in the respective tariff preference levels under which certain Haitian knit and woven apparel products may receive duty-free treatment regardless of the origin of inputs from 70 million to 200 million square meter equivalents; and (4) liberalization of the earned import allowance rule by allowing the duty-free importation of one square meter equivalent of apparel wholly assembled or knit-to-shape in Haiti, regardless of the origin of the inputs, for every two square meter equivalents (previously it was for every three square meter equivalents) of qualifying fabric from the United States. For additional details on the HELP Act, see USITC, *The Year in Trade 2010*, July 2011, 2-21 to 2-22.

U.S. imports of textiles and apparel from Haiti totaled \$701.5 million in 2011, up more than one-third (35.5 percent) from \$517.6 million in 2010 (table 2.7).<sup>122</sup> The sharp increase in U.S. sector imports from Haiti can be attributed in part to efforts to rebuild Haiti's economy after a severe earthquake in January 2010 as well as to the additional trade preferences granted under the HOPE Acts and the anticipation of future benefits granted by the HELP Act.<sup>123</sup> Virtually all U.S. imports of apparel from Haiti entered duty free under trade preference programs in 2011.

In 2011, Haiti accounted for nearly all of U.S. imports of apparel entering under CBERA and CBTPA. Although most U.S. imports of apparel from Haiti entered under CBTPA provisions, U.S. imports of apparel entering under the HOPE Acts rose 42.5 percent, from \$159.8 million in 2010 to \$227.7 million in 2011,<sup>124</sup> and represented one-third of total U.S. apparel imports that entered free of duty from Haiti. Most of the apparel imported from Haiti under the HOPE Acts entered under tariff preference levels that allow duty-free treatment for certain apparel up to established annual quotas ("restraint limits"). About half (\$109.6 million) of these U.S. imports of apparel entered under the woven apparel restraint limit in 2011. Almost an equal amount (\$109.2 million) of imports of apparel from Haiti entered under the knit apparel and value-added restraint limits the same year.<sup>125</sup>

The remaining U.S. imports (\$8.9 million) under the HOPE Acts in 2011 entered under the Earned Import Allowance Program (EIAP), a special trade provision created under HOPE II. The HELP Act reduced the EIAP exchange ratio from 3-for-1 to 2-for-1 in an effort to encourage the program's use, since no apparel from Haiti was exported to the United States under the original 3-for-1 program. Concerning the HELP Act provisions that went into effect in 2010, no U.S. imports of apparel entered under those provisions in 2011. The lack of trade activity may be attributed to the newness of the HELP Act provisions.<sup>126</sup>

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<sup>122</sup> Apparel manufacturing is the single largest export and employment sector in the Haitian economy. Haitian apparel production remains concentrated in high-volume commodity garments that have reasonably predictable consumer demand and few styling changes. Cotton knit shirts and blouses, cotton underwear, and cotton trousers and pants dominated U.S. imports from Haiti, accounting for 69 percent, 19 percent, and 11 percent each, respectively, of U.S. imports of apparel from Haiti in 2011.

<sup>123</sup> Industry sources in Haiti reported that the trade preferences for Haiti's apparel sector likely encouraged and contributed to an 18 percent growth in manufacturing in 2011. A U.S. government representative reported that the trade preferences granted under the HOPE Acts and HELP have been a primary, if not the sole factor in the growing interest by U.S. brands, retailers, and importers in sourcing apparel from Haiti and have encouraged foreign investors to develop or expand textile and apparel manufacturing facilities in Haiti. USDOS, U.S. Embassy, Port-au-Prince, "Haiti's Economy Bounces Back," January 12, 2012; U.S. government representative, USDOC, Office of Textiles and Apparel (OTEXA), e-mail message to USITC, February 9, 2012; U.S. apparel industry representative, telephone interview by USITC staff, February 13, 2012.

<sup>124</sup> Data on trade under the HOPE Acts are from USDOC, OTEXA, "U.S. Imports under Trade Preference Programs."

<sup>125</sup> The fill rates for the woven apparel restraint limit (HTS subheading 9820.62.05), knit apparel restraint limit (HTS subheading 9820.61.35), and value-added restraint limits (HTS subheadings 9820.61.25 and 9820.61.30) were 34.55 percent, 36.9 percent, and 4.79 percent respectively, for the preferential treatment period October 1, 2010, to September 30, 2011.

<sup>126</sup> U.S. government representative from USDOC, OTEXA, telephone interview by USITC staff, March 1, 2012.

**TABLE 2.7** U.S. imports for consumption of apparel from Haiti, 2009–11

Item	2009	2010	2011
Total imports from Haiti (millions of \$)	513.3	517.6	701.5
Imports under trade preference programs (millions of \$)	511.9	515.7	689.1
CBERA (CBTPA) (millions of \$)	374.0	355.9	461.4
HOPE Acts (millions of \$)	137.9	159.8	227.7
HELP Act (millions of \$)	<sup>(a)</sup>	0.0	0.0
Imports under trade preference programs (percent of total)	99.7	99.6	98.3
CBERA (CBTPA) (percent of total)	72.8	68.6	67.0
HOPE Acts (percent of total)	26.9	31.0	33.0
HELP Act (percent of total)	<sup>(a)</sup>	0.0	0.0

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown.

<sup>a</sup>Not applicable.

# CHAPTER 3

## Selected Trade Developments in the WTO, OECD, APEC, and ACTA

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This chapter covers 2011 developments in the World Trade Organization (WTO), including the Doha Round of multilateral trade negotiations; the work programs, decisions, and reviews of the WTO General Council; plurilateral agreements; and dispute settlement. The chapter also covers activities in other multilateral groups, including the Organisation for Economic Co-operation and Development (OECD), the Asia-Pacific Economic Cooperation (APEC) forum, and the Anti-Counterfeiting Trade Agreement (ACTA).

### World Trade Organization

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In 2011, negotiations remained stalled in the Doha trade talks, although participants did reach a number of standalone agreements by yearend. The agreements were adopted by ministers at their Eighth Ministerial Conference, held in Geneva, Switzerland, December 15–17, 2011.<sup>1</sup> During the year, the WTO General Council addressed a variety of topics, including work programs on electronic commerce (e-commerce) and on small economies; waivers for trade preference programs; and the Third Global Review of Aid-for-Trade. At its annual meeting in December, the General Council extended an invitation to Russia to join the WTO which, if it joins in 2012, would end 18 years of accession negotiations. Pascal Lamy, WTO Director-General (D-G) as well as chairman of the Trade Negotiations Committee (TNC) of the Doha Development Agenda (DDA), announced at the December meeting that he would not seek an appointment for a third term as Director-General.

#### *Doha Trade Negotiations*

WTO members continued to meet in 2011 in an effort to resolve remaining differences in the Doha multilateral trade negotiations. In February, delegates indicated their support for the approach proposed by the TNC chairman to review all texts in spring 2011, followed by efforts to reach a comprehensive package before summer break, with the goal of a final deal by yearend 2011.<sup>2</sup> In March, as part of this review process, the D-G held consultations with seven key members<sup>3</sup> concerning remaining differences in the nonagricultural market-access (NAMA) sectoral negotiations. On April 21, he circulated all draft texts and reports to members for review—providing all participants with a first-time overview of the entire DDA package negotiated to date—including his assessment that the differing views regarding the NAMA negotiations were “not bridgeable” at

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<sup>1</sup> See section below on the ministerial conference for details concerning the decisions and agreements reached.

<sup>2</sup> WTO, General Council, “Report by the Chairman of the Trade Negotiations Committee,” February 22, 2011.

<sup>3</sup> Australia, Brazil, China, the EU, India, Japan, and the United States.

present.<sup>4</sup> Following the April review, he reported his conclusion that the inability to reach a compromise on the issue of tariffs on industrial products “among the major players is effectively blocking progress in other areas,”<sup>5</sup> leading to an impasse in negotiations that remained at the end of 2011.

### **Special Session of the Committee on Agriculture**

The Committee on Agriculture continued informal consultations in 2011 aimed largely at clarifying points concerning domestic support and market-access issues. The work centered around four broad areas: (1) resolving disputed items remaining in the draft modalities text; (2) technical development of the templates to be used to present data and schedule members’ commitments; (3) discussion of data requirements, and submission and verification of data to be annexed to the draft modalities text; and (4) consideration of technical ambiguity implying a need for clarification in the final text.<sup>6</sup> Consultations regarding agriculture also continued during the year through the D-G’s Consultative Framework Mechanism on the Sectoral Initiative in Favour of Cotton. These consultations focused on the proposal put forward by four African countries<sup>7</sup> (C-4 countries), which aimed broadly at addressing the issue of cotton in world trade and, in particular, the development assistance aspects of cotton.<sup>8</sup> According to the TNC chairman’s yearend account, consultations held during the year revealed that not all WTO members could agree to the C-4 proposal, notably to the interim measure to freeze trade-distorting support for cotton at current levels.

### **Negotiating Group on Market Access**

In 2011, the group focused efforts on advancing working documents addressing three particular areas: (1) procedures to resolve nontariff barriers (officially, Procedures for the Facilitation of Solutions to Non-Tariff Barriers, or the NAMA Horizontal Mechanism), (2) textile labeling under the WTO Agreement on Technical Barriers to Trade (TBT), and (3) TBT-related transparency issues. On the subject of the NAMA Horizontal Mechanism, no further progress was reported during 2011 on advancing the text. On textile labeling, the group reached an understanding to extend the scope of textile labeling to cover intermediate products, and continued discussion of other issues, including country-of-origin matters. On the third area of TBT-related transparency, work focused on the existing format for notification of draft measures to the TBT Agreement.<sup>9</sup> Remaining transparency concerns included (1) how to identify parts of a proposed technical regulation or conformity assessment procedure that may deviate from relevant international standards; (2) how to determine who would qualify to comment on draft regulations, in that such authorities would be in a position to influence the development

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<sup>4</sup> WTO, Trade Negotiation Committee, “Report by the Director-General on His Consultations,” April 21, 2011.

<sup>5</sup> WTO, “Informal TNC Meeting at the Level of Head of Delegation,” April 29, 2011.

<sup>6</sup> WTO, Committee on Agriculture, Special Session, “Negotiating Group on Agriculture—Report by the Chairman,” April 21, 2011.

<sup>7</sup> Benin, Burkina Faso, Chad, and Mali.

<sup>8</sup> WTO, Committee on Agriculture, Special Session, Sub-Committee on Cotton, “WTO Negotiations on Agriculture—Communication from the Co-Sponsors,” November 8, 2011.

<sup>9</sup> The working texts for these three subjects can be found in WTO, Negotiating Group on Market Access, “Textual Report by the Chairman—Addendum,” Annex A, “Ministerial Decision on Procedures,” Annex B, “Understanding on the Interpretation of the Agreement,” and Annex C, “Transparency,” April 21, 2011.

of a proposed regulation; (3) special and differential treatment for developing and least-developed countries; and (4) technical assistance issues. Lastly, the TNC chair reiterated his view that the core challenge of the tariff negotiations—the inability to resolve differences among key participants in the NAMA sectoral negotiations—remained unchanged at the end of 2011.

### **Special Session of the Council for Trade in Services**

The services negotiations encompass four major areas: (1) market access, (2) domestic regulation, (3) rules in the General Agreement on Trade in Services (GATS), and (4) the implementation of a waiver of certain obligations for the least-developed countries.<sup>10</sup> Despite an intensification of negotiations in the first months of 2011, limited progress was reported in the market-access negotiations from the point reached in July 2008.<sup>11</sup> On domestic regulation of services, notable progress had been achieved since 2008, although disagreements continued in 2011 on major and basic issues. For GATS rules, convergence was still lacking concerning any of the three subjects under discussion—safeguards, government procurement, and subsidies. On preferential treatment for least-developed countries, progress was achieved by the end of 2011, with members reaching agreement on a waiver for least-developed countries concerning services disciplines, which ministers adopted at their December Ministerial Council meeting.<sup>12</sup> The waiver grants preferential treatment to the services and service suppliers of least-developed countries.

### **Negotiating Group on Rules**

During 2011, little progress was reported in the rules negotiations. In April, the negotiating group chairman circulated three documents<sup>13</sup> to participants reflecting achievements reached in efforts made during late 2010 and early 2011. These documents covered the main areas under discussion in the rules negotiations: antidumping measures, countervailing duty measures, and fisheries subsidies. The first document presented a revised legal text relating to antidumping, noted to contain the 12 “bracketed” issues (i.e., involving text not yet agreed on and still under discussion) found in previous texts.<sup>14</sup> The second document circulated was a report by the chairman on the negotiations on

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<sup>10</sup> WTO, Council for Trade in Services, Special Session, “Negotiations on Trade in Services—Report,” April 21, 2011.

<sup>11</sup> The market-access negotiations cover 18 services sectors: accounting services; air transport services; architecture, engineering, and integrated engineering services; audiovisual services; computer-related services; construction services; distribution services; energy services; environmental services; financial services; legal services; logistics and related services; maritime transport services; postal and courier services, including express delivery; private education services; services related to agriculture; telecommunication services; and tourism services.

<sup>12</sup> WTO, Council for Trade in Services, Special Session, “Preferential Treatment to Services and Service Suppliers,” November 29, 2011. Ministers adopted this waiver at their December 2011 Ministerial Council meeting (WT/L/847).

<sup>13</sup> WTO, Negotiating Group on Rules, “Communication from the Chairman,” April 21, 2011.

<sup>14</sup> The chairman’s communication set out these 12 issues as: (1) zeroing, (2) causation of injury, (3) material retardation, (4) exclusion of producers who are related to exporters or importers or who are themselves importers, (5) product under consideration, (6) information requests to affiliated parties, (7) public interest, (8) lesser duty, (9) anti-circumvention, (10) sunset reviews, (11) third-country dumping, and (12) special and differential treatment/technical assistance.

subsidies and countervailing measures, covering bracketed<sup>15</sup> and unbracketed text, various new proposals,<sup>16</sup> and the issue of transposition. A third document by the chairman was circulated on the negotiations on fisheries subsidies.<sup>17</sup> Separately, the chairman circulated to participants a report on progress made in the group's review of the General Council decision establishing a transparency mechanism for regional trade agreements (RTAs). The RTA transparency mechanism has been operating on a provisional basis since December 2006.<sup>18</sup>

### **Special Session of the Council for TRIPS**

The Special Session of the Council for TRIPS made efforts in 2011 to reach agreement on a multilateral system of notification and registration of geographical indications for wines and spirits. On April 20, 2011, the session chairman circulated a draft composite text<sup>19</sup> for a register; for this draft, participants had put each element in the text regarding the structure and operation of the register into treaty-language form. Despite the issues that continue to divide participants—such as whether to continue with the current mandate strictly limited to wine and spirits or to broaden the mandate to other products—the special session chairman said that he considered the draft composite text a “good basis on which to continue negotiations towards a multilateral system” now that all delegations had “a clearer view of each other's positions, proposals and wordings.”<sup>20</sup>

### **Special Session of the Committee on Trade and Environment<sup>21</sup>**

The special session identified four areas requiring further attention to conclude negotiations of all three parts of the special session's mandate under the Doha Declaration, paragraph 31.<sup>22</sup> The four remaining areas that will require members' efforts to reach a draft ministerial decision on trade and the environment are (1) language for the preamble; (2) coverage; (3) treatment of tariffs and nontariff barriers (NTBs), including special and differential treatment; and (4) cross-cutting and economic development elements. On language for the preamble, member discussion has sought to ensure that negotiations under paragraph 31(iii) show progress encompassing all three areas of trade,

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<sup>15</sup> The chairman's communication set out four bracketed issues: (1) certain financing by loss-making institutions, (2) export competitiveness, (3) export credits—market benchmarks, and (4) export credits—successor undertakings.

<sup>16</sup> The chairman's communication set out five new proposals: (1) export financing benchmarks for developing members, (2) countervail procedures, (3) tax and duty rebate schemes, (4) Annex VII graduation, and (5) presumption of serious prejudice.

<sup>17</sup> The chairman's communication set out the broad categories under discussion as follows: (1) prohibition and general exceptions, (2) special and differential treatment of developing members, (3) general disciplines (adverse effects), (4) fisheries management, (5) notification and surveillance, and (6) other issues.

<sup>18</sup> WTO, Negotiating Group on Rules, “Negotiations on Regional Trade Agreements: Transparency Mechanism,” April 21, 2011.

<sup>19</sup> WTO, Council for Trade-Related Aspects of Intellectual Property Rights, Special Session, “Multilateral System—Draft Composite Text—Revision,” April 21, 2011.

<sup>20</sup> WTO, Council for Trade-Related Aspects of Intellectual Property Rights, Special Session, “Multilateral System—Report by the Chairman,” April 20, 2011.

<sup>21</sup> WTO, Committee on Trade and Environment, Special Session, “Committee on Trade and Environment in Special Session,” April 21, 2011.

<sup>22</sup> Paragraph 31(i) of the Doha Ministerial Declaration calls for examination of the relation between existing WTO rules and specific trade obligations set out in multilateral environmental agreements (MEAs). Paragraph 31(ii) considers procedures for regular information exchange between MEA secretariats and the relevant WTO committees, as well as mutual observer status. Paragraph 31(iii) considers the reduction and elimination of tariff and nontariff barriers to trade in environmental goods and services.

environment, and development for WTO members. On coverage, the chair report highlighted the need to settle on an approach to coverage. Presently, one coverage proposal identifies environmental goods on the basis of environmental projects, with the Committee on Trade and Environment designating criteria for such projects under six broad categories.<sup>23</sup> Qualifying goods would receive specific concessions for the duration of a project. A second coverage proposal focuses on a request-offer process during a certain number of “offer rounds,” whereby each member would propose items that it considers environmental goods and for which it would negotiate liberalization commitments.

On treatment of tariffs and NTBs, all proposals tabled considered a reduction (or elimination) of tariffs for some products, an asymmetric tariff reduction between developed countries with a lesser reduction by developing country members, and an initial 50 percent cut with the application of the tariff reduction formula plus the elimination of agreed tariffs by certain set time periods. Session discussions also touched on reducing or eliminating NTBs on trade in environmental goods and services. Proposals addressing special and differential treatment for developing countries are considering lesser reductions, implementation delays, and other forms of flexibilities, as well as possible product exemptions and liberalization by developing country members on a lesser number of tariff lines. Cross-cutting elements largely concern environmental services and aspects of economic development, such as those concerning environmental technologies.

### **Special Session of the Committee on Trade and Development<sup>24</sup>**

In 2011, work in the Special Session of the Committee on Trade and Development (CTD) progressed slowly, with discussions proceeding on the CTD Monitoring Mechanism based on the special session chair’s most recent text, as well as on language offered by various members concerning the preamble for a draft final decision. The special session has been addressing two areas: (1) agreement-specific proposals concerning special and differential treatment afforded to developing and least-developed countries, and (2) the CTD Monitoring Mechanism to review the implementation of WTO measures providing such differential treatment.

#### ***Agreement-specific proposals***

Under the DDA Work Program on Special and Differential Treatment, 88 agreement-specific proposals have been put forward by developing and least-developed country members in the CTD Special Session. Of these, 38 proposals (known as “Category II” proposals) have been directed for consideration to other DDA negotiating groups and WTO bodies with expertise in their various subjects.

The special session chairman noted that work on Category II proposals has been slow, due largely to the need to conclude the main body of work in the special session of which

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<sup>23</sup> These broad categories are (1) air pollution control, (2) carbon capture and storage, (3) environmental technologies, (4) others, (5) renewable energies, and (6) waste management and water treatment. WTO, Committee on Trade and Environment, Special Session, “Compilation of Submissions under Paragraph 31(iii)—Revision,” January 5, 2011.

<sup>24</sup> WTO, Committee on Trade and Development, Special Session, “Special Session of the Committee on Trade and Development,” April 21, 2011.

they are an integral part. By yearend 2011, members had reached agreement in principle toward a draft decision in 28 of the remaining 50 proposals still under consideration in the CTD special session, although without any formal adoptions to date. Work on agreement-specific proposals in the special session has focused to a large extent on six proposals: one on Article 10.2 of the Agreement on Sanitary and Phytosanitary Measures (SPS Agreement); two on Article 10.3 of the SPS Agreement; and three on Article 3.5 of the Agreement on Import Licensing.<sup>25</sup>

### ***Monitoring mechanism***

Little progress was made during 2011 on the CTD monitoring mechanism—proposed in 2005 as a means of effectively monitoring special and differential treatment afforded developing and least-developed country members. Nonetheless, a proposal on informal “guiding principles” was put forward in 2010 by a group of ambassadors in the session in an effort to help move the process forward in considering the mechanism. Members have focused on four aspects of the mechanism: (1) scope, (2) functions, (3) operations, and (4) reappraisal. The session chair reported that ministers have overcome previous differences regarding the scope of the mechanism to broadly agree that the CTD monitoring mechanism should apply to all WTO special and differential provisions, including ministerial and General Council decisions. By yearend, the session chair reported that members had overcome divergent views on the function of the mechanism; members now support the mechanism’s use beyond a purely monitoring exercise, which allows the mechanism to make recommendations to other WTO bodies to initiate negotiations without becoming an ongoing negotiating body itself. Members reportedly are converging as well on the operation of the mechanism in dedicated sessions of the Committee on Trade and Development, where members would provide submissions on the operation, use, and implementation of special and differential provisions for discussion. Lastly, members reached general agreement that the mechanism would be reviewed three years after its entry into force, and thereafter as deemed necessary. The session chair reported that divergent views remained regarding language in the draft decision preamble, review procedures concerning the mechanism, and other recommendations regarding the mechanism.

### **Negotiating Group on Trade Facilitation**

Work in the Negotiating Group on Trade Facilitation (NGTF) advanced in 2011, based on the 11th revision of the Draft Consolidated Negotiating Text.<sup>26</sup> NGTF meetings—

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<sup>25</sup> Article 10 of the SPS Agreement relates to special and differential treatment; Article 3 of the Agreement on Import Licensing relates to non-automatic import licensing.

<sup>26</sup> WTO, Negotiating Group on Trade Facilitation, “Draft Consolidated Negotiating Text—Revision,” October 7, 2011. The October 2011 draft consolidated negotiating text contained the following articles (bracketed items included): Section I—Article 1. Publication and Availability of Information, Article 2. Prior Publication and Consultation, Article 3. Advance Rulings, Article 4. Appeal [Review] Procedures, Article 5. Other Measures to Enhance Impartiality, non Discrimination and Transparency, Article 6. Disciplines on Fees and Charges Imposed on or in Connection with Importation and Exportation, Article 7. Release and Clearance of Goods, Article 8. Consularization, Article 9. Border Agency Cooperation, Article 9 bis. [Declaration of Transshipped or in Transit Goods] [Domestic Transit], Article 10. Formalities Connected with Importation and Exportation, Article 11. Freedom of Transit, Article 12. [Customs Cooperation Mechanism for Trade Facilitation and Compliance][Customs Cooperation], Article 13. Institutional Arrangements, Article 14. National Committee on Trade Facilitation, Article 15. Preamble/Cross-cutting

complemented by the topic facilitator process, whereby an individual delegation focuses on a single issue with other members to promote a convergence of views—have reduced bracketed text by one-half during the year.<sup>27</sup> In his yearend report, the TNC chairman noted that NGTF meetings are set to continue in 2012, in particular to help smaller delegations participate more fully in the discussions.

### **Special Session of the Dispute Settlement Body**

Although the Special Session is not formally part of the DDA, negotiations take place in parallel to those in the Doha Round as part of the DDA's Single Undertaking framework. As of April 2011,<sup>28</sup> the special session had completed a first round of discussion of all issues<sup>29</sup> found in the consolidated draft legal text, which was formulated in July 2008 and endorsed by participants as the basis for further work. Members were reportedly close to reaching an understanding in draft legal text language regarding the issue of sequencing; attaining a convergence of views regarding post-retaliation issues; and achieving progress on the topics of third-party rights and participation, time savings, and effective compliance. At the session, members also discussed issues surrounding flexibility and member control, and the chair indicated that discussions in the session are set to move on to issues concerning panel composition and developing-country interests, including special and differential treatment.

### **Director-General Consultations<sup>30</sup>**

The D-G updated the General Council in April 2011 on his consultations on two implementation-related issues: (1) extension of the protection of geographical indications under the TRIPS Agreement to products other than wines and spirits; and (2) the relation between the TRIPS Agreement and the United Nations Convention on Biological Diversity (CBD).

#### ***Extension of the protection of geographical indications***

The D-G reported that he had met with a group of members representing various positions,<sup>31</sup> and that delegations continued to hold divergent views on whether or not to extend the protection coverage of geographical indications (GIs) to products other than wines and spirits. The D-G noted the discussions had clarified that, while trademark systems were legitimate forms of protecting GIs, any extension of GI protections would

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Matters, Section II—Special and Differential Treatment Provisions for Developing Country Members and Least Developed Country Members.

<sup>27</sup> WTO, General Council, "Report by the Chairman of the Trade Negotiations Committee, Annex—State of Play," November 30, 2011.

<sup>28</sup> WTO, Dispute Settlement Body, Special Session, "Special Session of the Dispute Settlement Body—Report," April 21, 2011.

<sup>29</sup> The chairman's overview surveyed the state of play on various issues under a number of thematic categories, including third-party rights, panel composition, remand, mutually agreed solutions, strictly confidential information, sequencing, post-retaliation, transparency and *amicus curiae* briefs, timeframes, developing-country interests (including special and differential treatment), flexibility and member control, and effective compliance.

<sup>30</sup> WTO, General Council, Trade Negotiations Committee, "Issues Related to the Extension—Report by the Director-General," April 21, 2011.

<sup>31</sup> Argentina; Australia; Brazil; Canada; Chile; China; the EU; India; Japan; New Zealand; Norway; Peru; South Africa; Switzerland; the United States; the African, Caribbean, and Pacific (ACP) Group; the African Group; and the Least Developed Countries Group.

not mean that existing exceptions—such as generic terms and prior trademark rights—would cease to apply. The D-G said that such discussions underscored the need to understand more fully what the scope of GI protection would be at a practical level when applied under different national systems.

### ***Relation between the TRIPS Agreement and the UN Convention on Biological Diversity***

The D-G reported that his discussions with a number of delegates during 2011 built upon their broad support for the key CBD principles of prior informed consent and equitable benefit-sharing. In the discussions, members agreed on the need to avoid erroneous patents—for example, by using databases to identify traditional knowledge and genetic resource subject matter that may already exist before granting new patents that would cover such material. They also agreed on the need to secure compliance with national benefit-sharing regimes, and the need to ensure that patent offices have the necessary information to support patents for inventions linked to genetic resources and traditional knowledge. As part of the discussions, members reviewed the practical implications and merits of current proposals involving disclosure requirements and database systems, as well as national approaches to enforcing prior informed consent and equitable benefit-sharing, looking to achieve their objectives without creating undue burdens. Nonetheless, the D-G reported that members had found that none of the proposals discussed to date—whether they addressed disclosure requirements, databases, or the use of contracts—provided a complete solution to the issues under consideration involving common and separate interests of the TRIPS Agreement and the CBD.

## ***General Council***

### **Ministerial Conference**

WTO members held their Eighth WTO Ministerial Conference in Geneva, Switzerland, December 15–17, 2011. At the conference, members approved the accessions of Russia, Montenegro, and Samoa to the WTO.<sup>32</sup> Ministers discussed issues focused on three core themes: the importance of the multilateral trading system and the WTO; trade and development; and the Doha Development Agenda.<sup>33</sup> At their final session, ministers adopted a number of decisions regarding certain types of intellectual property complaints; the work program on electronic commerce; the work program on small economies; a transition period for least-developed countries to join the WTO TRIPS Agreement; measures to facilitate least-developed countries' accession to the WTO; a waiver to facilitate preferential treatment for trade in services and services providers from least-developed countries; and the WTO Trade Policy Review Mechanism.<sup>34</sup>

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<sup>32</sup> WTO Web site, “Ministerial Conferences: Eighth WTO Ministerial Conference.” In addition, the General Council invited a fourth country, Vanuatu, to accede to the WTO in October 2011. See section below on accessions.

<sup>33</sup> WTO, Ministerial Conference, “Eighth Ministerial Conference—Chairman’s Concluding Statement,” December 17, 2011. At the conclusion of the ministerial, the conference chairman summarized the key topics raised: (1) keeping markets open and resisting protectionism, (2) current global challenges, (3) dispute settlement, (4) accessions, (5) regional trade agreements, (6) the role of the WTO Committee on Trade and Development, (7) food security, (8) the programs on Aid for Trade and Enhanced Integrated Framework, and (9) the commitment to intensify efforts to conclude the Doha Round negotiations.

<sup>34</sup> Further information about these decisions may be found in these documents: WT/L/842—TRIPS Non-violation and Situation Complaints; WT/L/843—Work Programme on Electronic Commerce;

Finally, the WTO D-G, Pascal Lamy, provided a summary of points made by ministers during the conference, as well as highlighted the accession of new members, the revised Agreement on Government Procurement, and a number of decisions taken by ministers to assist least-developed countries.<sup>35</sup> In closing, the D-G urged members to continue their efforts to overcome the impasse in the Doha Round negotiations through the use of different negotiating approaches, as well as maintain the WTO as a strong and meaningful institution to help counter protectionism and promote continued economic growth worldwide.<sup>36</sup>

## Work Programs, Decisions, and Reviews

In addition to its Eighth Ministerial Conference,<sup>37</sup> the WTO General Council held five meetings—February 22, May 3, July 27, October 26, and November 30. At each session, the WTO D-G presented a formal report on the state of progress in the DDA trade negotiations in his capacity as chairman of the TNC. The General Council also heard reports during the year from the chairman of the Dedicated Session of the Committee on Trade and Development (CTD) regarding the Work Program on Small Economies,<sup>38</sup> and the chairman of the Special Session of the CTD on the Work Program on Special and Differential Treatment. In July, the council heard the Report of the Joint Advisory Group concerning its 44th Session, co-authored by the WTO International Trade Centre and United Nations Conference on Trade and Development.

The General Council heard a number of reports during the year presented under various subjects mandated to the D-G. In July and November, he reported to the council on Aid for Trade as part of the Third Global Review.<sup>39</sup> In November, the D-G presented the council with a periodic report on the development-assistance aspects of cotton. In November and December, he reported to the council on certain TRIPS-related complaints arising out of particular situations or that do not technically violate the TRIPS Agreement

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WT/L/844—Work Programme on Small Economies; WT/L/845—Transition Period for Least-Developed Countries under Article 66.1 of the TRIPS Agreement; WT/L/846—Accession of Least-Developed Countries; WT/L/847—Preferential Treatment to Services and Service Suppliers of Least-Developed Countries; and WT/L/848—Trade Policy Review Mechanism. WTO Web site, “Ministerial Conferences: Official Documents of the Geneva Ministerial” (accessed January 20, 2012).

<sup>35</sup> WTO Web site, “Ministerial Conferences: Official documents of the Geneva Ministerial” (accessed January 20, 2012).

<sup>36</sup> In a press conference at the end of the meetings, D-G Lamy also said that the Eighth WTO Ministerial Conference would be the “last regular” ministerial that he would chair as WTO Director-General, indicating that he was likely to step down at the end of his current term on September 1, 2013. Inside Washington Publishers, “Lamy Signals Intent to Step Down,” December 17, 2011.

<sup>37</sup> WTO, General Council, “Minutes of Meeting—3 May 2011,” June 30, 2011; WTO, General Council, “Minutes of Meeting—27 July 2011,” September 21, 2011; WTO, General Council, “Minutes of Meeting—26 October 2011,” December 7, 2011; WTO, General Council, “Minutes of Meeting—30 November 2011,” March 21, 2012; WTO Web site, “WTO: 2011 News Items, 30 November 2011”; WTO, “General Council—Annual Report (2011),” December 9, 2011.

<sup>38</sup> The Work Program on Small Economies was adopted by ministers in 2002 as part of the DDA as a standing item for the General Council, with the CTD reporting regularly to the council on developments in this area.

<sup>39</sup> The Third Global Review of Aid for Trade was held July 18–19, 2011, in Geneva, Switzerland. Discussions were based on a joint WTO-OECD monitoring exercise designed to help providers of official development assistance with guidance on what aid proves most effective in increasing trade benefits for least-developed countries. See OECD/WTO, *Aid for Trade and LDCs*, July 2011.

(so-called nonviolation complaints), as well as a report on the Work Program on E-commerce.

During the year, the General Council considered and adopted requests for waiver extensions under Article IX of GATT (General Agreement on Tariffs and Trade) 1994, which allow members to provide preferential tariff and trade treatment to developing countries. In addition, during 2011 the council approved several waiver decisions concerning procedures used to certify changes to the 2007 Harmonized Commodity Description and Coding System (HS) and procedures to introduce HS changes to the member schedules of concessions found in the WTO Consolidated Tariff Schedules database.

In two sessions, February and November, the General Council held its biennial review of the U.S. exemption provided under paragraph 3 of the GATT 1994 that permits the extension of provisions found in U.S. legislation which govern the use of domestic- and foreign-built vessels in U.S. maritime cabotage transport, commonly known as the Jones Act.<sup>40</sup> At the November meeting, members concluded their final Transitional Review of China's Protocol of Accession to the WTO Agreement.<sup>41</sup> The council took note of the various reports submitted by WTO subsidiary bodies, along with statements made by members, as part of the final review.

### **Accessions**

At yearend 2011, WTO membership remained unchanged at 153 (table 3.1), although accession was pending for four countries—Vanuatu, Russia, Montenegro, and Samoa. On October 26, 2011, WTO members invited Vanuatu to accede to the WTO on the terms and conditions of its protocol of accession, which was open for Vanuatu's ratification, by signature or otherwise, through December 31, 2011.<sup>42</sup> Although Vanuatu's delegate notified his government's acceptance on October 26, subject to ratification, Vanuatu did not ratify its protocol of accession by the end of 2011.<sup>43</sup>

At the Ministerial Conference on December 16, 2011, ministers announced their decision inviting Russia to accede to the WTO on the terms and conditions set out in its protocol of accession. Russia's protocol of accession was opened for acceptance, "by signature or

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<sup>40</sup> Review of the exemption is provided under paragraph 3 of GATT 1994 (WT/L/810, WT/L/810/Corr.1, WT/GC/W/648). Cabotage is the transport of merchandise between two locations within a country's boundaries.

<sup>41</sup> China—Transitional Review under Section 18.2 of the Protocol of Accession to the WTO Agreement (WT/GC/136, G/L/977, S/C/37, IP/C/60, WT/BOP/R/103, G/TBT/30).

<sup>42</sup> WTO, "Accession of Vanuatu—Decision of 26 October 2011," November 3, 2011.

<sup>43</sup> WTO, "Protocol on the Accession of Vanuatu—Notification of Acceptance," November 16, 2011. Vanuatu was unable to complete its domestic ratification procedures by yearend 2011. On July 4, 2012, Vanuatu requested that the WTO General Council re-open its protocol of accession for acceptance by December 31, 2012. WTO, "Protocol of Accession of Vanuatu," WT/GC/146, July 4, 2012.

**TABLE 3.1** WTO membership in 2011

Albania	Gambia	Nicaragua
Angola	Georgia	Niger
Antigua and Barbuda	Germany	Nigeria
Argentina	Ghana	Norway
Armenia	Greece	Oman
Australia	Grenada	Pakistan
Austria	Guatemala	Panama
Bahrain	Guinea	Papua New Guinea
Bangladesh	Guinea-Bissau	Paraguay
Barbados	Guyana	Peru
Belgium	Haiti	Philippines
Belize	Honduras	Poland
Benin	Hong Kong, China	Portugal
Bolivia	Hungary	Qatar
Botswana	Iceland	Romania
Brazil	India	Rwanda
Brunei Darussalam	Indonesia	Saint Kitts and Nevis
Bulgaria	Ireland	Saint Lucia
Burkina Faso	Israel	Saint Vincent and the Grenadines
Burma (Myanmar)	Italy	Saudi Arabia
Burundi	Jamaica	Senegal
Cambodia	Japan	Sierra Leone
Cameroon	Jordan	Singapore
Canada	Kenya	Slovakia
Cape Verde	Korea, Republic of	Slovenia
Central African Republic	Kuwait	Solomon Islands
Chad	Kyrgyzstan	South Africa
Chile	Latvia	Spain
China, Peoples Republic of	Lesotho	Sri Lanka
Colombia	Liechtenstein	Suriname
Congo, Democratic Republic of the	Lithuania	Swaziland
Congo, Republic of the	Luxembourg	Sweden
Costa Rica	Macao, China	Switzerland
Côte d'Ivoire	Macedonia	Taiwan (Chinese Taipei) <sup>a</sup>
Croatia	Madagascar	Tanzania
Cuba	Malawi	Thailand
Cyprus	Malaysia	Togo
Czech Republic	Maldives	Tonga
Denmark	Mali	Trinidad and Tobago
Djibouti	Malta	Tunisia
Dominica	Mauritania	Turkey
Dominican Republic	Mauritius	Uganda
Ecuador	Mexico	Ukraine
Egypt	Moldova	United Arab Emirates
El Salvador	Mongolia	United Kingdom
Estonia	Morocco	United States of America
EU	Mozambique	Uruguay
Fiji	Namibia	Venezuela
Finland	Nepal	Vietnam
France	Netherlands	Zambia
Gabon	New Zealand	Zimbabwe

Source: WTO, "Membership of the World Trade Organization—Revision" (accessed February 10, 2012).

<sup>a</sup>In the WTO, the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu is informally referred to as "Chinese Taipei," also known as "Taiwan."

otherwise, within a period of 220 days from the approval of the Protocol of Accession of the Russian Federation”<sup>44</sup> (unofficially calculated as being through July 23, 2012).

At the Ministerial Conference, on December 17, 2011, ministers also announced their decisions inviting Montenegro and Samoa to accede to the WTO on the terms and conditions set out in their individual protocols of accession. Montenegro’s protocol was to be open for acceptance by ratification or otherwise through March 31, 2012,<sup>45</sup> and Samoa’s was to be open through June 15, 2012.<sup>46</sup> Not counting the above four countries with accessions in progress, there were 27 WTO observer governments at yearend 2011 (table 3.2), in addition to observing international organizations. An acceding government becomes a WTO member 30 days following its ratification of the protocol of accession.

## *Selected Plurilateral Agreements*

### **Agreement on Government Procurement**

The Committee on Government Procurement met once formally during the year, on March 9, 2011, and informally in weeks beginning March 7, May 23, September 19, and October 17, 2011. As of November 2011, there were 15 members who are party to the Agreement on Government Procurement (GPA).<sup>47</sup> Armenia became a party to the GPA on September 15, 2011. As of November 2011, a further nine countries are in the process of acceding to the agreement: Albania, China,<sup>48</sup> Georgia, Jordan, Kyrgyzstan, Moldova,

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<sup>44</sup> Russian approval of its protocol of accession will provide for the exchange of its concessions and commitments “immediately and unconditionally” with all other WTO members granting reciprocal status. Under Article XIII (Non-Application of Multilateral Trade Agreements between Particular Members) of the Marrakesh Agreement Establishing the World Trade Organization (“WTO Agreement”), an existing WTO member (such as the United States) can decline to apply the WTO Agreement and its Annexes 1 and 2 to an acceding member (such as Russia) if either member so notifies the WTO Ministerial Conference before the terms of accession are approved by the conference. (Annex 1 contains Annex 1A, Multilateral Agreements on Trade in Goods; Annex 1B, the General Agreement on Trade in Services; and Annex 1C, the Agreement on Trade-Related Aspects of Intellectual Property Rights. Annex 2 contains the Understanding on Rules and Procedures Governing the Settlement of Disputes.) On December 16, 2011, both the United States and Russia notified the WTO Ministerial Conference of their invocation of Article XIII of the WTO Agreement. WTO, *The Results of the Uruguay Round of Multilateral Trade Negotiations—the Legal Texts*, 6–19; WTO, “Accession of the Russian Federation—Invocation by the United States,” December 16, 2011; WTO, “Accession of the Russian Federation—Invocation by the Russian Federation,” December 16, 2011; Cooper, *Russia’s Accession to the WTO*, January 30, 2012, 15–16.

<sup>45</sup> WTO, “Accession of Montenegro—Decision of 17 December 2011,” December 17, 2011.

<sup>46</sup> WTO, “Accession of Samoa—Decision of 17 December 2011,” December 17, 2011.

<sup>47</sup> As of November 11, 2011, the 15 parties to the Agreement on Government Procurement were Armenia; Aruba; Canada; European Communities (encompassing commitments for the EU-27 member states); Hong Kong, China; Iceland; Israel; Japan; Korea; Liechtenstein; Norway; Singapore; Switzerland; Taiwan; and the United States. The committee had 22 observers: Albania, Argentina, Australia, Bahrain, Cameroon, Chile, China, Colombia, Croatia, Georgia, India, Jordan, Kyrgyzstan, Moldova, Mongolia, New Zealand, Oman, Panama, Saudi Arabia, Sri Lanka, Turkey, and Ukraine. WTO, “Report (2011) of the Committee on Government Procurement,” November 16, 2011.

<sup>48</sup> China applied for accession to the GPA on December 28, 2007. China submitted its initial offer on January 7, 2008. Written requests were circulated for improvements in China’s offer during 2008, 2009, and 2010. China submitted its revised offer on July 9, 2010. Requests were again circulated for improvements in China’s revised offer. WTO, “Report (2011) of the Committee on Government Procurement,” GPA/110, November 16, 2011, 3–4. China submitted its second revised offer on November 30, 2011, which included coverage of sub-central entities in three major municipalities and two provinces, as well as coverage of two new service sectors. Inside Washington Publishers, “China GPA Offer Covers Some Sub-Central Entities,” December 9, 2011.

**TABLE 3.2** WTO observers in 2011

Afghanistan	Equatorial Guinea	São Tomé and Príncipe
Algeria	Ethiopia	Serbia
Andorra	Iran	Seychelles
Azerbaijan	Iraq	Sudan
Bahamas	Kazakhstan	Syria
Belarus	Laos	Tajikistan
Bhutan	Lebanon	Uzbekistan
Bosnia and Herzegovina	Liberia	Vatican (Holy See)
Comoros	Libya	Yemen

Source: WTO, “Members and Observers” (accessed February 28, 2012).

Note: At the end of 2011, four other observers were pending accession to the WTO: Montenegro, Russia, Samoa, and Vanuatu.

Oman, Panama, and Ukraine. In addition, four WTO members have commitments in their WTO protocols of accession to become a party to the GPA: Croatia, Macedonia (Former Yugoslav Republic of Macedonia), Mongolia, and Saudi Arabia, although the committee has noted that several of these commitments have been outstanding for some time. Russia also has a commitment in its WTO protocol of accession to become a party to the GPA once it has acceded to the WTO.

### *Renegotiation of the agreement*

At the Ministerial Conference, the chairman of the Committee on Government Procurement announced the agreement in principle to a revised GPA, encompassing both text and coverage, as well as various related decisions. Negotiations began in 1997 under Article XXIV:7 to improve the agreement, eliminate discriminatory measures and practices, and extend the agreement’s coverage among all parties. By 2004, modalities for the coverage<sup>49</sup> negotiations had been adopted by the parties. By 2006, the parties had reached provisional agreement on a revised text for Articles I through XXI. By 2010, initial offers on coverage had been submitted by all parties, along with a number of revised offers.<sup>50</sup>

At the December 2011 meeting, the parties presented the revised text as well as enabling decisions, such as a protocol to amend the agreement. They also presented decisions concerning work programs on small and medium-sized enterprises, collection of statistical data, sustainable procurement, exclusions and restrictions in parties’ annexes, and safety standards in international procurement. The parties to the agreement directed their officials to complete final verification and legal review of the revised text and decisions to allow adoption of the revised GPA in 2012.<sup>51</sup>

<sup>49</sup> The GPA applies to entities covered under the agreement that issue procurement contracts for goods at the central government level, subcentral government level, and other levels of government—such as municipalities or regulated authorities—as well as to covered entities issuing procurement contracts for services and, separately, for construction services.

<sup>50</sup> WTO, “Report (2011) of the Committee on Government Procurement,” November 16, 2011, 9–10.

<sup>51</sup> WTO, Committee on Government Procurement, “Ministerial-Level Meeting of the Committee on Government Procurement,” December 16, 2011. The revised GPA was adopted on March 30, 2012. USTR, “United States Welcomes Formal Adoption of GPA Revision,” March 30, 2012.

## **Agreement on Trade in Civil Aviation**

The Committee on Trade in Civil Aircraft held one regular meeting, on November 11, 2011. In addition to selecting a new chairman, the committee continued to discuss work on the revision of the Product Coverage Annex (PCA) of the 1979 Agreement on Trade in Civil Aircraft, so as to bring it into conformity with 2007 HS nomenclature.<sup>52</sup> The chair reported that informal exchanges between signatories during the year had resolved a number of outstanding differences concerning subheadings in the annex. He suggested that, depending on the outcome of informal consultations that he would hold with signatories, the committee could be in a position to prepare a final revised PCA in the first half of 2012 for subsequent adoption. At the end of 2011, membership remained unchanged at 31 signatories. In addition, there were 23 WTO members and one non-WTO member (Russia) as observers in the committee.<sup>53</sup>

## **Ministerial Declaration on Trade in Information Technology Products**

The Committee of Participants on the Expansion of Trade in Information Technology Products (typically referred to as the “Information Technology Agreement” or ITA) reported 46 participants as of May 12, 2011.<sup>54</sup> These participants cover roughly 97 percent of world trade in information technology (IT) products. The committee held two formal meetings in 2011, on May 24 and October 24.<sup>55</sup>

During the year, the committee reviewed the implementation status of the Ministerial Declaration on Trade in Information Technology Products, reporting that most participants had formally modified their WTO schedules as required by their ITA commitments. The committee noted that 24 of its participants have responded to date in the effort to draft a list of conformity assessment procedures in use by ITA participants regarding electromagnetic compatibility (EMC) and electromagnetic interference (EMI): the EMC/EMI Pilot Program. The committee continued deliberations on its Work Program on Nontariff Measures affecting IT products. The committee also continued to review divergences in how ITA participants classify IT products, with the chairman

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<sup>52</sup> WTO, “Report (2011) of the Committee on Trade in Civil Aircraft,” November 16, 2011.

<sup>53</sup> As of November 11, 2011, the 31 signatories to the Agreement on Trade in Civil Aircraft were Albania; Canada; Egypt; the EU; Georgia; Japan; Macao, China; Norway; Switzerland; Taiwan; and the United States. The following EU member states are signatories to the agreement in their own right: Austria, Belgium, Bulgaria, Denmark, Estonia, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Portugal, Romania, Spain, Sweden, and the United Kingdom. WTO, Committee on Trade in Civil Aircraft, “Minutes of the Meeting Held on 11 November 2011,” November 14, 2011.

<sup>54</sup> As of May 12, 2011, the 46 participants to the Ministerial Declaration on Trade in Information Technology Products—as implemented through the Committee of Participants on the Expansion of Trade in Information Technology Products—were Albania; Australia; Bahrain; Canada; China; Costa Rica; Croatia; Dominican Republic; Egypt; El Salvador; the EU (encompassing commitments for the EU-27 member states); Georgia; Guatemala; Honduras; Hong Kong, China; Iceland; India; Indonesia; Israel; Japan; Jordan; Korea; Kuwait; Kyrgyzstan; Macao, China; Malaysia; Mauritius; Moldova; Morocco; New Zealand; Nicaragua; Norway; Oman; Panama; Peru; Philippines; Saudi Arabia; Singapore; Switzerland (the customs union of Switzerland and Liechtenstein); Taiwan; Thailand; Turkey; Ukraine; the United Arab Emirates; the United States; and Vietnam. WTO, Committee of Participants on the Expansion of Trade in Information Technology Products, “Status of Implementation—Note by the Secretariat—Revision,” October 10, 2011.

<sup>55</sup> WTO, Committee of Participants on the Expansion of Trade in Information Technology Products, “Minutes of the Meeting of 24 May 2011,” September 12, 2011; WTO, Committee of Participants on the Expansion of Trade in Information Technology Products, “Minutes of the Meeting of 24 October 2011,” December 19, 2011, respectively.

suggesting consultations with participants in 2012 to further a draft decision on the matter. The participants exchanged views on proposals presented. At the October meeting, Russia stated its intention to join the ITA. Finally, the participants agreed to organize a symposium in 2012 in commemoration of the upcoming 15th anniversary of the ITA.

### ***Dispute Settlement Body***

This section focuses on complaints filed before the WTO Dispute Settlement Body (DSB) and on panel and Appellate Body findings and recommendations adopted under the WTO Dispute Settlement Understanding (DSU) during calendar year 2011 that involve the United States.<sup>56</sup> Appendix table A.21 shows developments during 2011 in the WTO dispute settlement proceedings in which the United States was either a complainant or respondent. Box 3.1 provides an overview of the WTO dispute settlement process. The summaries in this section are intended to identify key issues raised in the complaint, note key procedural events as the dispute moves forward, and indicate the panel or Appellate Body ruling. The summaries should not be regarded as comprehensive or as reflecting a U.S. government interpretation of the issues raised or addressed in the dispute or in a panel or Appellate Body report. The summaries are based entirely on information in publicly available documents, including summaries published online by the WTO and news releases issued by U.S. government agencies.

The panels active in disputes involving the United States at the start of 2011, either as a complainant or respondent, all circulated reports during 2011. However, proceedings were still underway in a number of these disputes, since either the complaining or respondent party, or both, had appealed certain issues of law and legal interpretation to the Appellate Body. Two of the longest-running disputes, both of which date back to 2005 and involve complaints made by the United States and the European Communities (EC)<sup>57</sup> about each other's measures affecting trade in large civil aircraft, moved closer to conclusion. In dispute DS316, *European Communities—Measures Affecting Trade in Large Civil Aircraft*, in which the United States alleged that the EC and its member states provided subsidies to Airbus companies, the Appellate Body circulated its report to members in May 2011, and the report and modified panel report were adopted by the DSB on June 1, 2011. The panel reviewing the EC's complaint about alleged U.S. subsidies that benefited Boeing circulated its report on March 31, 2011 (DS353, *United States—Measures Affecting Trade in Large Civil Aircraft—Second Complaint*). The panel decision in that dispute was on appeal to the Appellate Body at the end of 2011. These cases are described in more detail below.

There were also developments in several disputes in the post-panel, post-Appellate Body phase relating to arbitration and efforts to take countermeasures. For example, in DS316, *European Communities—Measures Affecting Trade in Large Civil Aircraft*, the EU on

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<sup>56</sup> For additional information on the WTO dispute settlement process, WTO Dispute Settlement Understanding, and individual dispute cases, see the WTO Web site, "Dispute Settlement" gateway at [http://www.wto.org/english/tratop\\_e/dispu\\_e/dispu\\_e.htm](http://www.wto.org/english/tratop_e/dispu_e/dispu_e.htm).

<sup>57</sup> The term "European Communities" (EC) is used rather than "EU" in this report's WTO dispute settlement section if the source document WTO online summary uses "EC."

### BOX 3.1 Overview of the WTO dispute settlement procedures

The WTO Dispute Settlement Understanding (DSU) establishes a framework for the resolution of disputes that arise between members under the WTO agreements.<sup>a</sup> Under the DSU, a member may file a complaint with the WTO Dispute Settlement Body (DSB). After filing, the member must first seek to resolve the dispute through consultations with the named respondent party.<sup>b</sup> If the parties fail to resolve the dispute through consultations, the complaining party may ask the DSB to establish a panel to review the matters raised by the complaint and make findings and recommendations.<sup>c</sup> Either party may appeal issues of law covered in the panel report and legal interpretations developed by the panel to the WTO's Appellate Body.<sup>d</sup>

The findings and recommendations of the Appellate Body and of the panel (as modified by the Appellate Body) are then adopted by the DSB unless there is a consensus by the members to reject the ruling. While the guidelines suggest that panels should complete their proceedings in six months, and the Appellate Body should complete its review in 60 days, these periods are often extended.

Once the panel report or the Appellate Body report is adopted, the party concerned must notify the DSB of its intentions with respect to implementation of adopted recommendations.<sup>e</sup> If it is impracticable to comply immediately, the party concerned is given a reasonable period of time to comply, with the time to be decided either through agreement of the parties and approval by the DSB, or through arbitration. Further provisions set out rules for compensation or the suspension of concessions in the event the respondent fails to implement the recommendations.<sup>f</sup> Within a specified timeframe, parties can enter into negotiations to agree on mutually acceptable compensation. Should the parties fail to reach agreement, a party to the dispute may request the DSB's authorization to suspend concessions or other obligations to the other party concerned. Disagreements over the proposed level of suspension may be referred to arbitration.

<sup>a</sup> WTO, "Understanding on Rules and Procedures Governing the Settlement of Disputes," 1995

<sup>b</sup> WTO Dispute Settlement Understanding, Article 4.

<sup>c</sup> WTO Dispute Settlement Understanding, Article 6.

<sup>d</sup> WTO Dispute Settlement Understanding, Article 17.6.

<sup>e</sup> WTO Dispute Settlement Understanding, Article 21.3.

<sup>f</sup> WTO Dispute Settlement Understanding, Article 22.

June 17, 2011, informed the DSB that it intended to implement the DSB's recommendations and rulings, and on December 19, 2011, the EU informed the DSB that it had done so. However, the United States after reviewing the EU's compliance report, was of the view that the EU had not taken the steps needed to bring its measures into compliance with the DSB's recommendation and rulings; on December 9, 2011, the United States requested consultations with the EU under Article 21.5 of the DSU and authorization to take countermeasures under Article 22 of the DSU and Article 7.9 of the Agreement on Subsidies and Countervailing Measures (SCM). At the DSB meeting of December 22, 2011, the EU objected to the level of suspension of concessions or other obligations proposed by the United States. The EU asked the DSB to refer the matter to arbitration under Article 22.6 of the DSU, and the DSB did so.<sup>58</sup>

<sup>58</sup> WTO, DS316, *European Communities—Measures Affecting Trade in Large Civil Aircraft*, online summary. See also USTR, "Statement by U.S. Trade Representative Ron Kirk in Response to EU Compliance Offer," December 1, 2012; USTR, "The United States Challenges EU Non-Compliance in WTO Airbus Ruling," December 9, 2011.

## **New Requests for Consultations and New Panels Established**

During 2011, WTO members filed eight new requests for WTO dispute settlement consultations, compared with 17 requests in 2010, 14 in 2009, and 19 in 2008. The United States was either the complainant or named respondent in four of the eight requests. Seven new dispute settlement panels were established in 2011 (table 3.3), including two at the request of the United States against China and one by China against the United States. This compares with seven panels established in 2010, ten in 2009, and five in 2008.

### ***Requests for consultations filed during 2011 in which the United States was the complaining party or named respondent***

In the eight requests for dispute settlement consultations filed during 2011, the United States was the complaining party in one complaint, which involved Chinese countervailing duty and antidumping duty measures on U.S. broiler products; at the request of the United States, a panel was established in that dispute in early 2012.<sup>59</sup>

The United States was the named respondent in three disputes—one filed by the Republic of Korea (Korea) (U.S. antidumping measures on corrosion-resistant carbon steel flat products from Korea), one filed by China (U.S. antidumping measures on shrimp and diamond sawblades), and one filed by the EU (U.S. antidumping measures on imports of stainless steel sheet and strip in coils from Italy). All three involved the U.S. application of “zeroing methodology”<sup>60</sup> in calculating antidumping duty margins. A panel was requested and established during 2011 in only one of the disputes, the one brought by China.<sup>61</sup> Korea requested establishment of a panel and then withdrew the request in the dispute it brought.<sup>62</sup> As of the end of 2011, the EU had not requested establishment of a panel in the third dispute.<sup>63</sup>

### ***Panels established during 2011 at the request of the United States***

As indicated in table 3.3, during 2011 the DSB established two panels at the request of the United States, one to consider a U.S. complaint about certain measures by China affecting electronic payment services, and a second to consider a U.S. complaint about

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<sup>59</sup> WTO, DSB, *DS427: China—Anti-Dumping and Countervailing Duty Measures on Broiler Products from the United States*, online summary. A panel was established on January 20, 2012. See also USTR, “United States Files WTO Case against China,” September 20, 2011; USTR, “To Protect American Jobs, United States Announces Next Step,” December 8, 2011.

<sup>60</sup> Prior to 2006, USDOC engaged in a practice called “zeroing,” in which it treated non-dumped transactions as having a zero margin for purposes of computing a weighted average dumping margin for a class or kind of subject merchandise. USDOC has changed this practice in response to adverse rulings from the WTO. Under the revised practice, USDOC uses the non-dumped transactions as an offset to dumped transactions.

<sup>61</sup> WTO, DSB, *DS422: United States—Anti-Dumping Measures on Shrimp and Diamond Sawblades from China*, online summary. China filed its request for consultations on February 28, 2011. See the section below on panels established during 2011 for a further description of the issues raised and the procedural history.

<sup>62</sup> WTO, DSB, *DS420: United States—Anti-Dumping Measures on Corrosion-Resistant Carbon Steel Flat Products from Korea*, online summary.

<sup>63</sup> WTO, DSB, *DS424: United States—Anti-Dumping Measures on Imports of Stainless Steel Sheet and Strip in Coils from Italy*, online summary.

**TABLE 3.3** WTO dispute settlement panels established during 2011

Case no.	Complainant	Respondent	Case name	Panel established
DS369 DS400 DS401	Canada Canada Norway	European Communities	European Communities—Measures Prohibiting the Importation and Marketing of Seal Products	March 25, 2011 (Canada) and April 21, 2011 (Norway); panels consolidated.
DS412	Japan	Canada	Canada—Certain Measures Affecting the Renewable Energy Generation Sector	July 20, 2011
DS413	United States	China	China—Certain Measures Affecting Electronic Payment Services	March 25, 2011
DS414	United States	China	China—Countervailing and Anti-Dumping Duties on Grain Oriented Flat-Rolled Electrical Steel from the United States	March 25, 2011
DS421	Ukraine	Moldova	Moldova—Measures Affecting the Importation and Internal Sale of Goods (Environmental Charge)	June 17, 2011
DS422	China	United States	United States—Anti-Dumping Measures on Shrimp and Diamond Sawblades from China	Oct. 25, 2011
DS423	Moldova	Ukraine	Ukraine—Taxes on Distilled Spirits	July 20, 2011

*Source:* Derived from WTO, “Dispute Settlement: The Disputes—Chronological List of Disputes” (accessed March 15, 2012).

countervailing duties and antidumping duties imposed by China on imports of grain-oriented flat-rolled electrical steel from the United States. The issues raised and the procedural histories of the two disputes are summarized below.

**China—Certain Measures Affecting Electronic Payment Services (DS413).** In this dispute, filed in September 2010, the United States alleged that China appears to be acting inconsistently with its obligations under Articles XVI and XVII of the GATS in restrictions and requirements pertaining to electronic payment services for payment card transactions and the suppliers of those services. The United States alleged that China permits only a Chinese entity (China Union Pay) to supply electronic payment services for payment card transactions denominated and paid in renminbi in China; that China requires all payment card processing devices to be compatible with that entity’s system, and requires that payment cards bear that company’s logo; and that the Chinese entity has guaranteed access to all merchants in China that accept payment cards, while services suppliers of other WTO members must negotiate for access to merchants. After consultations failed to resolve the dispute, the United States asked that a panel be

established. A panel was established on March 25, 2011, and composed on July 4, 2011. The panel expects to issue its report to the parties by May 2012.<sup>64</sup>

**China—Countervailing and Anti-Dumping Duties on Grain Oriented Flat-Rolled Electrical Steel from the United States (DS414).** In this dispute, filed in September 2010, the United States alleged that China acted inconsistently with its obligations under certain articles of the SCM Agreement and the Anti-Dumping Agreement and Article VI of the GATT 1994 in the imposition of countervailing duties and antidumping duties on grain-oriented flat-rolled electrical steel from the United States. The U.S. subsidies that China determined to confer a benefit are the “Buy America” provisions of the American Recovery and Reinvestment Act of 2009 and also state government procurement laws. After consultations failed to resolve the dispute, the United States asked that a panel be established; the panel was established on March 25, 2011, and composed on May 10, 2011. The panel circulated its report to WTO members on June 15, 2012.<sup>65</sup>

#### *Panels established during 2011 in which the United States was the named respondent*

During 2011, the DSB established one panel in which the United States was the named respondent. As of the end of 2011, the panel proceeding was still pending in this dispute.

**United States—Anti-Dumping Measures on Shrimp and Diamond Sawblades from China (DS422).** In this dispute, China requested consultations in February 2011 and July 2011, respectively, with respect to U.S. use of zeroing in the original investigation and several administrative reviews in calculating dumping margins on imports of shrimp from China and with regard to the U.S. zeroing practice in calculating dumping margins on imports of diamond sawblades and parts thereof from China. China asserted that the U.S. zeroing practices are inconsistent with U.S. obligations under Article VI of GATT 1994 and the Antidumping Agreement. After consultations failed to resolve the dispute, China asked that a panel be established. A panel was established on October 25, 2011, and the panel was composed on December 21, 2011. The matter was still pending at the end of 2011.<sup>66</sup>

#### **Panel and Appellate Body Reports Issued and/or Adopted during 2011 That Involve the United States**

During 2011, the DSB adopted panel and/or Appellate Body reports in original disputes<sup>67</sup> in six cases in which the United States was the complainant or a respondent (table 3.4).

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<sup>64</sup> WTO, DSB, *DS413: China—Certain Measures Affecting Electronic Payment Services*, online summary. See also USTR, “USTR Requests WTO Dispute Settlement Panels in Two Cases against China,” February 11, 2011. As of July 1, 2012, the panel had not issued its report.

<sup>65</sup> WTO, DSB, *DS414: China—Countervailing and Anti-Dumping Duties on Grain Oriented Flat-Rolled Electrical Steel from the United States*, online summary. See also USTR, “USTR Requests WTO Dispute Settlements Panels,” February 11, 2011.

<sup>66</sup> WTO, DSB, *DS422: United States—Anti-Dumping Measures on Shrimp and Diamond Sawblades from China*, online summary. See also USTR, “USTR Statement Regarding China’s Decision,” February 28, 2011, in which the USTR expressed disappointment in China’s decision to request consultations in light of a U.S. Department of Commerce proposal in December 2011 to end zeroing in administrative reviews, the core issue on which China requested consultations.

<sup>67</sup> As opposed to panel and Appellate Body reports issued in subsequent compliance proceedings.

**TABLE 3.4** WTO dispute settlement panel and Appellate Body (AB) reports circulated or adopted in 2011 in which the United States was a party

Case no.	Complainant	Respondent	Case name	Date of report circulation or adoption
DS316	United States	European Communities	European Communities—Measures Affecting Trade in Large Civil Aircraft	AB report adopted (June 1, 2011).
DS353	European Communities	United States	United States—Measures Affecting Trade in Large Civil Aircraft—Second Complaint	Panel report circulated (Mar. 31, 2011). Panel report appealed (Apr. 1, 2011: European Communities; Apr. 28, 2011: United States).
DS379	China	United States	United States—Definitive Anti-Dumping and Countervailing Duties on Certain Products from China	AB report adopted (Mar. 25, 2011).
DS381	Mexico	United States	United States—Measures Concerning the Importation, Marketing and Sale of Tuna and Tuna Products	Panel report circulated (Sept. 15, 2011). Panel report appealed (Jan. 25, 2012)
DS382	Brazil	United States	United States—Anti-Dumping Administrative Reviews and Other Measures Related to Imports of Certain Orange Juice from Brazil	Panel report adopted (June 17, 2011).
DS384, DS386	Canada, Mexico	United States	United States—Certain Country of Origin Labeling (COOL) Requirements	Panel report circulated (Nov. 18, 2011).
DS394	United States	China	China—Measures Related to the Exportation of Various Raw Materials	AB report adopted (Feb. 22, 2012).
DS399	China	United States	United States—Measures Affecting Imports of Certain Passenger Vehicle and Light Truck Tyres from China	AB report adopted (Oct. 5, 2011).
DS402	Korea	United States	United States—Use of Zeroing in Anti-Dumping Measures Involving Products from Korea	Panel report adopted (Feb. 24, 2011).
DS403	United States	Philippines	Philippines—Taxes on Distilled Spirits	AB report adopted (Jan. 20, 2012).
DS404	Vietnam	United States	United States—Anti-Dumping Measures on Certain Shrimp from Viet Nam	Panel report adopted (Sept. 2, 2011).
DS406	Indonesia	United States	United States—Measures Affecting the Production and Sale of Clove Cigarettes	Panel report circulated (Sept. 2, 2011). Panel report appealed (Jan. 5, 2012).

*Source:* Derived from WTO, “Dispute Settlement: The Disputes—Chronological List of Disputes” (accessed March 20, 2012).

At yearend 2011, panel reports issued during 2011 in six other disputes in which the United States was the complainant or a respondent were either pending possible appeal or under appeal before the Appellate Body, or were pending adoption (along with the Appellate Body report) by the DSB.

*Reports in which the United States was the complainant*

**European Communities—Measures Affecting Trade in Large Civil Aircraft (DS316).** In this dispute, the United States challenged certain measures by the EC and the member states that provide subsidies to Airbus companies that are inconsistent with obligations under the SCM Agreement and GATT 1994. The measures at issue included over 300 instances of subsidization, including measures relating to financing for the design and development of products; grants and government-provided goods and services related to manufacturing sites; loans on preferential terms; assumption and forgiveness of debt; and various other measures relating to the entire family of Airbus products (A300 through the A380). A panel was established on July 20, 2005, and composed on October 17, 2005, but completion of a panel report was delayed numerous times due to substantive and procedural complexities.

A panel report was circulated on June 30, 2010. The panel found that many of the alleged subsidies, including certain export measures, loans, grants related to manufacturing sites, an equity interest in Airbus, and capital contributions, constituted specific subsidies. The panel concluded that Airbus would not have been able to bring to the market the large civil aircraft (LCA) it launched at the time it did but for the subsidies it received from the EC and the governments of France, Germany, Spain, and the United Kingdom. The panel concluded that the United States had established that the effect of the subsidies was the displacement of U.S. LCA exports to the European market, the displacement of U.S. LCA exports in Australia, Brazil, China, Korea, Mexico, Singapore, and Taiwan, the likely displacement of U.S. LCA exports in India, and significant lost sales in the same market. The panel found that the United States had not established significant price undercutting, significant price suppression, and significant price depression, and had not established that the EC and certain EC member states caused or threatened to cause injury to the U.S. domestic industry. The panel recommended that the subsidizing member withdraw the prohibited subsidies and/or take appropriate steps to remove the adverse effects of the subsidies.

On July 21, 2010, the EU appealed certain issues of law and legal interpretations of the panel to the Appellate Body. On August 19, 2010, the United States appealed certain issues of law and legal interpretations. The Appellate Body circulated its report to members on May 18, 2011. The Appellate Body upheld the panel's finding that certain subsidies provided by the EU and certain member state governments are incompatible with Article 5(c) of the SCM Agreement because they have caused serious prejudice to the interests of the United States. The principal subsidies covered by the ruling included financing arrangements (known as "Launch Aid" or "Member state financing") in the amount of \$14.9 billion provided by France, Germany, Spain, and the United Kingdom for the development of the A300, A310, A320, A330/A340, A330-200, A340-500/600, and A380 LCA projects. The ruling also covered certain equity infusions provided by the French and German governments to companies that are part of the Airbus consortium, certain infrastructure measures provided to Airbus by the German government, and

certain grants provided at the national and/or regional level by the German and Spanish governments.

The Appellate Body found that the effect of the subsidies was to displace exports of Boeing single-aisle and twin-aisle LCA from the EU, Chinese, and Korean markets and Boeing single-aisle LCA from the Australian market. The Appellate Body also confirmed the panel's determination that the subsidies caused Boeing to lose sales of LCA in the campaigns involving the A320 (Air Asia, Air Berlin, Czech Airlines, and EasyJet), A340 (Iberia, South African Airways, and Thai Airways), and A380 (Emirates, Qantas, and Singapore Airlines) aircraft. However, for different reasons, the Appellate Body excluded certain measures from the scope of the finding of serious prejudice, including the 1998 transfer of an interest in Dassault, certain special-purpose industrial sites and associated facilities, various research and technology development measures, and certain other grants by the French or German government or by local authorities. The Appellate Body also, among other things, reversed certain panel findings related to financing provided by Germany, Spain, and the United Kingdom to develop the A380.

The DSB adopted the report of the Appellate Body and the panel (as modified by the Appellate Body) on June 1, 2011.<sup>68</sup>

**China—Measures Related to the Exportation of Various Raw Materials (DS394).** In this dispute, filed in June 2009, the United States alleged that China imposed restraints on exports of various forms of raw materials in violation of Articles VIII, X, and XI of the GATT 1994 and Paragraphs 5.1, 5.2, 8.2, and 11.3 of Part I of China's Protocol of Accession to the WTO, as well as China's obligations under Paragraph 1.2 of Part I of China's Protocol of Accession. The United States considered that the measures also nullified or impaired benefits accruing to the United States under the cited agreements. In November 2009, the United States requested establishment of a panel, which was established on December 21, 2009, and composed on March 29, 2010. The panel was charged with examining this dispute, as well as two disputes involving similar issues brought by the EU and Mexico (DS395 and DS398). The panel report was circulated to members on July 5, 2011.

The dispute concerned four types of export restraints (export duties, export quotas, minimum export price requirements, and export licensing requirements) that China imposes on nine raw materials. The materials include various forms of bauxite, coke, fluorspar, magnesium, manganese, silicon carbide, silicon metal, yellow phosphorus, and zinc, for almost all of which China is a leading global producer. The complainants<sup>69</sup> collectively identified 40 specific Chinese measures in connection with their claims. They argued that the use of export restraints creates scarcity and causes higher prices of these raw materials in global markets, and that the restraints provide the Chinese industry with an advantage in the form of a sufficient supply of the raw materials and a stable price. The panel found the export duties to be inconsistent with China's commitments in its Protocol of Accession under which China agreed to eliminate all export duties (except on certain listed products) and agreed not to apply export quotas. The panel also found that

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<sup>68</sup> WTO, DSB, *DS316: European Communities—Measures Affecting Trade in Large Civil Aircraft*, online summary. See also USTR, "WTO Appellate Body Confirms U.S. Win," May 18, 2011.

<sup>69</sup> Other complainants include Argentina, Brazil, Canada, Chile, Colombia, Ecuador, the EU, India, Japan, Korea, Mexico, Norway, Saudi Arabia, Taiwan, and Turkey.

the wording of the protocol did not allow China to use the general exceptions in Article XX of the GATT 1994 to justify its WTO-inconsistent export duties and that, even if the protocol did, China had not complied with the requirements of those exceptions. The panel also rejected as insufficiently supported arguments made by China relating to the conservation of exhaustible natural resources and protection of the health of its citizens. The panel also found that certain aspects of China's export licensing regime relating to the products were inconsistent with WTO rules.

On August 31, 2011, China notified the DSB of its decision to appeal certain issues of law and legal interpretation, and the United States notified the DSB of its decision to appeal certain issues on September 6, 2011. The report of the Appellate Body was circulated to members on January 30, 2012. The Appellate Body upheld the panel's recommendation that China bring its export duty and export quota measures into conformity with its WTO obligations. However, the Appellate Body found that the panel erred in making findings regarding 37 of the challenged measures because the complainants had failed to provide sufficiently clear linkages between the broad range of obligations in the covered agreements allegedly violated and the 37 measures. The Appellate Body upheld the panel on several other findings, including that China's Accession Protocol did not allow China to use the exceptions in Article XX of the GATT 1994 to justify export duties that are inconsistent with China's obligations under Paragraph 11.3 of China's Accession Protocol.<sup>70</sup>

**Philippines—Taxes on Distilled Spirits (DS403).** In this dispute, the United States challenged the Philippines' excise taxes on distilled spirits, asserting that the Philippines' taxes on such spirits discriminated against imported distilled spirits by taxing them at a substantially higher rate than domestic spirits. The Philippines taxed spirits (mostly gins, brandies, rums, vodkas, whiskies, and tequila-type) made from designated materials at a low rate, and taxed similarly named spirits (e.g., gins, brandies, rums, vodkas, whiskies, and tequilas) made from non-designated materials at a rate that was 10 to 40 times higher. All domestic spirits were made from one designated material, sugar cane, while most imported spirits were made from non-designated materials, such as cereals or grapes. The United States alleged that such measures are inconsistent with Article III:2 of the GATT 1994. The United States filed its request for consultations on January 14, 2010, and the EU subsequently requested to join them. After consultations failed to resolve the dispute, the United States requested establishment of a panel. A panel was established on April 20, 2010, which was also to examine a similar complaint made by the EU (DS396). The report of the panel was circulated to members on August 15, 2011. The panel found that the domestic and imported spirits were like each other and, because imported spirits were taxed less favorably than domestic spirits, the Philippine measure, while neutral on its face, was discriminatory and thus violated Article III:2 of the GATT 1994.

The Philippines appealed certain of the panel's findings under Article III:2, and the report of the Appellate Body was circulated to members on December 21, 2011. The Appellate

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<sup>70</sup> WTO, DSB, *DS394: China—Measures Related to the Exportation of Various Raw Materials*, online summary. See also USTR, "WTO Panel Finds against China's Export Restraints," July 5, 2011. In March 2012, the United States requested consultations with China as part of a new dispute settlement complaint against China's export restraints on rare earths and tungsten and molybdenum—materials used as inputs in numerous U.S.-made products and manufacturing sectors, including hybrid car batteries, wind turbines, energy-efficient lighting, steel, advanced electronics, automobiles, petroleum, and chemicals. See USTR, "United States Challenges China's Export Restraints," March 13, 2012.

Body upheld the panel's finding that a specific type of spirits (e.g., gins) made from non-designated materials is "like" the same type of spirits (e.g., gins) made from designated materials. The Appellate Body reversed the panel's findings that all imported distilled spirits made from non-designated raw materials are, irrespective of their type, "like" all domestic distilled spirits made from designated raw materials, but upheld the panel's finding that they are "directly competitive or substitutable" with each other within the meaning of Article III:2. The Appellate Body also upheld the panel's finding that the Philippines had applied dissimilar taxation for imported distilled spirits and directly competitive or substitutable domestic distilled spirits so as to afford protection to Philippine production of distilled spirits. Consequently, the Appellate Body upheld the panel's finding that the Philippines had acted inconsistently with Article III:2. The DSB adopted the Appellate Body report and the panel report (as modified by the Appellate Body report) at its meeting on January 20, 2012.<sup>71</sup>

### *Reports in which the United States was the respondent*

**United States—Measures Affecting Trade in Large Civil Aircraft—Second Complaint (DS353).** In this dispute, the EC alleged that the United States provides prohibited and actionable subsidies at the federal, state, and local level to U.S. producers of LCA that are inconsistent with Articles 3, 5, and 6 of the SCM Agreement and Article III:4 of the GATT 1994. The EC cited 10 categories of measures and estimated the total amount of the alleged subsidies was \$19.1 billion between 1989 and 2006, with more than half this amount accounted for by alleged research and development (R&D) subsidies directed toward the U.S. National Aeronautics and Space Administration (NASA). A panel was established on February 17, 2006, and composed on November 22, 2006. The report of the panel was delayed numerous times due to the substantive and procedural complexities of the dispute.

The panel report was circulated to members on March 31, 2011. The panel upheld the EC's claims with respect to some of the measures maintained by the states of Washington, Kansas, Illinois, and municipalities therein, the NASA aeronautics R&D measures, some of the U.S. Department of Defense aeronautics R&D measures, and tax breaks relating to U.S. Foreign Sales Corporations and Extraterritorial Income Exclusion Act and successor acts. The panel estimated the total amount of these subsidies between 1989 and 2006 to have been at least \$5.3 billion. The panel either rejected other EC claims or exercised judicial economy and did not make findings.

On April 1, 2011, the EU notified the DSB of its decision to appeal to the Appellate Body certain issues of law covered in the panel report and certain legal interpretations, and on April 28, 2011, the United States also notified the DSB of its decision to appeal. On July 4, 2011, the Chair of the Appellate Body informed the DSB that because of the size of the record, complexity of the appeal, the need to hold multiple sessions, and the overall workload of the Appellate Body, the Appellate Body would not be able to complete its

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<sup>71</sup> WTO, DSB, *DS403: Philippines—Taxes on Distilled Spirits*, online summary. See also USTR, "Ambassador Ron Kirk Announces U.S. Win in WTO Dispute," August 15, 2011 (concerning the panel decision); and USTR, "Ambassador Kirk Announces U.S. Win in WTO Dispute," December 21, 2011 (concerning the Appellate Body decision).

work in 60 days. The Appellate Body held oral hearings in August and October 2011, and its report was circulated to members on March 12, 2012.<sup>72</sup>

**United States—Definitive Antidumping and Countervailing Duties on Certain Products from China (DS379).** In this dispute, China challenged determinations and orders of the U.S. Department of Commerce in several antidumping and countervailing duty investigations involving imports from China, including imports of circular welded carbon-quality steel pipe, certain pneumatic off-the-road tires, light-walled rectangular pipe and tube, and laminated woven sacks. China alleged that the U.S. measures were inconsistent with Articles I and VI of the GATT 1994, various articles of the SCM Agreement and the Antidumping Agreement, and Article 15 of China’s WTO Protocol of Accession. China requested consultations on September 19, 2008. After consultations failed to resolve the dispute, China requested establishment of a panel. A panel was established on January 20, 2009, and composed on March 4, 2009.

In its report circulated to members on October 22, 2010, the panel upheld the findings of the USDOC and rejected most of China’s claims, including with respect to the meaning of the term “public body” and the state-owned companies that met the definition; USDOC’s findings that certain state-owned commercial bank lending was specific to the Chinese industry producing the subject product; and the USDOC’s use of benchmarks for calculating the amount of the benefit. The panel also agreed with the United States that China’s claims regarding “double remedy” fell outside the panel’s terms of reference and found, on the merits, that China had failed to establish that the alleged double remedy was inconsistent with the provisions of the SCM Agreement. On December 1, 2010, China notified the DSB of its decision to appeal to the Appellate Body certain issues of law and legal interpretations covered by the panel report.

China appealed certain panel findings regarding the USDOC’s determinations on “public body,” “specificity,” “benefit benchmarks,” and “double remedies.” The Appellate Body reversed the panel’s finding with regard to the meaning of the term “public body” under Article 1.1 of the SCM Agreement and found, on the basis of its analysis, that the United States had acted inconsistently with its WTO obligations in finding that certain Chinese state-owned enterprises supplying steel, rubber, and petrochemical inputs to investigated companies constituted “public bodies.” However, the Appellate Body found that the United States had not acted inconsistently with its WTO obligations in determining that certain Chinese state-owned commercial banks that provided loans to investigated companies constituted “public bodies.” The Appellate Body upheld the panel’s finding that China failed to establish that the United States acted inconsistently with its WTO obligations in determining that certain state-owned commercial bank lending was specific to the tire industry. The Appellate Body also upheld the panel’s interpretation of Article 14(b) of the SCM Agreement and upheld in part and reversed in part the panel’s findings with regard to the use of benchmarks.

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<sup>72</sup> WTO, DSB, *DS353: United States—Measures Affecting Trade in Large Civil Aircraft—Second Complaint*, online summary. See also USTR, “United States Prevails in WTO Dispute over Large Civil Aircraft,” March 31, 2011; and USTR, “U.S. Trade Representative Kirk Announces U.S. Victory,” March 12, 2012. According to the USTR’s press release, the Appellate Body found between \$3 billion and \$4 billion in U.S. subsidies, in the form of research funded by NASA and the Department of Defense, and tax breaks granted by the state of Washington and city of Wichita, and lost sales of just over 100 aircraft.

The Appellate Body reversed the panel's finding that "double remedies" (offsetting the same subsidization twice through concurrent imposition of antidumping duties based on non-market economy methodology and countervailing duties) are not prohibited under the SCM Agreement. Based on its legal analysis, the Appellate Body found that in the four countervailing duty investigations at issue, the United States had failed to fulfill its obligation to determine the "appropriate" amount of countervailing duties within the meaning of Article 19.3 of the SCM Agreement. The DSB adopted the Appellate Body report and the panel report as modified by the Appellate Body on March 25, 2011. On April 21, 2011, the United States informed the DSB that it intended to implement the DSB recommendations and rulings, and the United States and China later informed the DSB that they had agreed that the reasonable period for doing this would be by February 25, 2012 (the date was later extended to April 25, 2012).<sup>73</sup>

**United States—Measures Concerning the Importation, Marketing and Sale of Tuna and Tuna Products (DS381).** In this dispute, Mexico challenged the U.S. "dolphin-safe" labeling provisions. Mexico alleged that the U.S. measures, which establish the conditions for use of a "dolphin-safe" label on tuna products and condition access to the USDOC label on providing documentary evidence that varies depending on the area in which the tuna product is harvested and the fishing method, are inconsistent with Articles I:1 and III:4 of the GATT 1994 and Articles 2.1, 2.2, and 2.4 of the TBT Agreement. Mexico asserted that the measures are discriminatory and also unnecessary. A panel was established on April 20, 2009, and composed on December 14, 2009. The panel report was circulated to members on September 15, 2011.

The panel rejected Mexico's first claim, finding that the U.S. labeling provisions do not discriminate against Mexican tuna products and are not inconsistent with Article 2.1 of the TBT Agreement. The panel also rejected Mexico's claim under Article 2.4 of the TBT Agreement, finding that the U.S. labeling requirements are not in violation of this provision, which requires that technical regulations be based on relevant international standards where possible. (The panel found that international standards identified to the panel by Mexico would not be appropriate or effective to achieve the U.S. objectives.) However, with respect to Mexico's claim under Article 2.2, the panel found that Mexico had demonstrated that the U.S. provisions are more trade-restrictive than necessary in light of the fact that they only partly address the legitimate objectives pursued by the United States and the fact that Mexico had provided the panel with a less restrictive alternative that could provide the same level of protection. The panel declined to rule on Mexico's non-discrimination claims under GATT 1994 on judicial economy grounds.

On October 31, 2011, Mexico and the United States asked the DSB to extend the period for adopting the panel report or appealing the decision to January 20, 2012, and the request was agreed to. On January 20, 2012, the United States notified the DSB of its decision to appeal certain issues of law and legal interpretations developed by the panel, and on January 25, 2012, Mexico notified the DSB of its decision also to appeal certain issues of law and legal interpretations.<sup>74</sup>

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<sup>73</sup> WTO, DSB, *DS379: United States—Definitive Anti-Dumping and Countervailing Duties on Certain Products from China*, online summary. See also USTR, "USTR Statement Regarding WTO Appellate Body Report," March 11, 2011, in which the USTR said that he was "deeply troubled" by the Appellate Body report because "it appears to be a clear case of overreaching by the Appellate Body."

<sup>74</sup> WTO, DSB, *DS381: United States—Measures Concerning the Importation, Marketing and Sale of Tuna and Tuna Products*, online summary.

**United States—Anti-Dumping Administrative Reviews and Other Measures Related to Imports of Certain Orange Juice from Brazil (DS382).** In this dispute, Brazil challenged the USDOC’s first and second (2005–07 and 2007–08) antidumping duty administrative reviews on imports of certain orange juice from Brazil, as well as the USDOC’s continued use of “zeroing” procedures in successive antidumping proceedings in relation to a U.S. antidumping duty order on imports of certain orange juice from Brazil. Brazil alleged that the U.S. measures are inconsistent with Articles II and VI of the GATT 1994 and certain articles of the Antidumping Agreement. A panel was established on September 25, 2009, and composed on May 10, 2010. The panel report was circulated to members on March 25, 2011.

The panel found that the United States had acted inconsistently with Article 2.4 of the Antidumping Agreement when the USDOC used “zeroing” to determine margins of dumping in the first and second administrative reviews, and also found that the “continued use” of zeroing by the United States under the orange juice antidumping duty order was inconsistent with Article 2.4 of the Antidumping Agreement. In resolving the dispute, the panel decided to exercise judicial economy and not to make findings with respect to Brazil’s other claims.

The DSB adopted the panel report at its meeting on June 17, 2011. On June 17, 2011, Brazil and the United States notified the DSB that they had agreed that the reasonable time for the United States to implement the DSB recommendations and rulings would be nine months, or by March 17, 2012.<sup>75</sup>

**United States—Certain Country of Origin Labeling (COOL) Requirements (DS384) and United States—Certain Country of Origin Labeling Requirements (DS386).** In these disputes, Canada and Mexico, respectively, challenged mandatory country of origin labeling (COOL) provisions in U.S. legislation that applied to certain covered agricultural commodities, including beef and pork, and were implemented through U.S. Department of Agriculture regulations.<sup>76</sup> These regulations included an obligation to inform retail consumers of the country of origin of the covered commodities. It also required that a commodity, in order to be labeled as exclusively of U.S. origin, had to be born, raised, and slaughtered in the United States. Canada and Mexico variously alleged that the U.S. measures were inconsistent with Articles III, IX, and X of the GATT 1994, Articles 2 and 12 of the TBT Agreement, Article 2 of the Agreement on Rules of Origin, and Articles 2, 5, and 7 of the Sanitary and Phytosanitary Measures (SPS) Agreement. On November 19, 2009, the DSB established a single panel to consider both disputes; the panel was composed on May 10, 2010. The panel report was circulated to members on November 18, 2011.

The panel affirmed that the United States has the right under WTO rules to adopt COOL requirements and also confirmed that the United States had adopted the requirements to provide consumers with information about the origin of the meat products. However, the panel disagreed with the way in which the United States designed its requirements. The panel found the U.S. COOL regulations violate Article 2.1 of the TBT Agreement by

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<sup>75</sup> WTO, DSB, *DS382: United States—Anti-Dumping Administrative Reviews and Other Measures Related to Imports of Certain Orange Juice from Brazil*, online summary.

<sup>76</sup> Specifically, provisions in the Agricultural Marketing Act of 1946, as amended by the Farm, Security and Rural Investment Act of 2002 and the Food, Conservation and Energy Act of 2008 (the 2008 Farm Bill), and as implemented through an interim final rule in 7 CFR Parts 60 and 65.

according less favorable treatment to imported Canadian cattle and hogs and Mexican cattle than to like domestic products, and also found that the requirements do not fulfill the legitimate objective of providing consumers with information on origin, and therefore violate Article 2.2 of the TBT Agreement. The panel also found that a letter issued by the U.S. Secretary of Agriculture on the implementation of the COOL measure constitutes unreasonable administration of the measure in violation of Article X:3(a) of the GATT 1994. However, the panel determined that Mexico failed to demonstrate that the COOL regulations violate Articles 2.4, 12.3, and 12.1 of the TBT Agreement. The panel did not find it necessary to rule on certain other claims under Articles III and Article XXIII of the GATT 1994.

On December 21, 2011, the United States and Mexico and the United States and Canada requested the DSB to extend the 60-day period for adopting the panel report or filing an appeal to March 23, 2012. The DSB agreed to the requests on January 5, 2012.<sup>77</sup>

**United States—Measures Affecting Imports of Certain Passenger Vehicle and Light Truck Tyres from China (DS399).** In this dispute, China challenged higher tariffs imposed by the United States on imports of passenger vehicle and light truck tires following an investigation by the USITC under the China safeguard provision in section 421 of the Trade Act of 1974 (19 U.S.C. 2451.).<sup>78</sup> China alleged that the higher tariffs are inconsistent with Articles I:1 and II:1 of the GATT 1994 and had not been properly justified under Article XIX of the GATT 1994 and the Agreement on Safeguards. China also alleged the measures were not properly justified, or were inconsistent as applied, with U.S. obligations under paragraph 16 of China’s Protocol of Accession. A panel was established on January 19, 2010, and composed on March 12, 2010. The panel circulated its report to the members on December 13, 2010. The panel disagreed with China on all substantive points. For a summary of the panel’s findings, see the *Year in Trade 2010* report.<sup>79</sup>

On January 27, 2011, China and the United States asked the DSB to extend the 60-day period for filing an appeal with the Appellate Body to May 24, 2011, and the DSB so agreed at its meeting on February 7, 2011. On May 24, 2011, China notified the DSB of its decision to appeal to the Appellate Body certain issues of law and legal interpretation covered by the panel report.

China appealed various aspects of the panel’s findings, but the Appellate Body upheld the panel’s findings in all significant respects. In considering China’s appeal, the Appellate Body addressed the meaning of the term “a significant cause” in Paragraph 16.4 of the protocol and found that it requires that rapidly increasing imports make an “important” or “notable” contribution to bringing about material injury to the domestic industry. The Appellate Body explained that a competent authority can make a determination of “significant” cause only if it ensures that effects of other known causes are not improperly attributed to subject imports. The Appellate Body upheld the panel’s finding that the USITC did not fail to properly evaluate whether imports from China met the specific threshold under Paragraph 16.4 of the protocol of “increasing rapidly”; upheld

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<sup>77</sup> WTO, DSB, *DS384: United States—Certain Country of Origin Labeling (COOL) Requirements*; and *DS386: United States—Certain Country of Origin Labeling Requirements*, online summary. See also USTR, “Statement by the Office of the U.S. Trade Representative in Response,” November 18, 2011.

<sup>78</sup> See chapter 2 section on safeguard actions for more details.

<sup>79</sup> USITC, *The Year in Trade 2010*, 3-20 to 3-21.

the panel's finding that the USITC did not err in its assessment of the conditions of competition in the overall U.S. tires market; upheld the panel's finding that the USITC's reliance on the overall coincidence between an upward movement in imports from China and a downward movement in injury factors supported the USITC's finding that rapidly increasing imports from China were a significant cause of material injury to the domestic industry; and upheld the panel's finding that China failed to establish that the USITC improperly attributed injury caused by other factors to imports from China. The report of the Appellate Body and the report of the panel as modified by the Appellate Body were adopted by the DSB on October 5, 2011.<sup>80</sup>

**United States—Use of Zeroing in Anti-Dumping Measures Involving Products from Korea (DS402).** In this dispute, filed in November 2009, the Republic of Korea challenged U.S. use of “zeroing” in three antidumping investigations involving certain products from Korea—stainless steel plate in coils, stainless steel sheet and strip in coils, and diamond sawblades and parts thereof. Korea argued that the use of zeroing by the USDOC in its final determinations either artificially created margins of dumping or inflated margins of dumping, and that such action was inconsistent with U.S. obligations under Article VI of GATT 1994 and the Antidumping Agreement. After consultations failed to resolve the dispute, Korea asked that a panel be established. A panel was established on May 18, 2010, and the panel was composed on July 8, 2010.

The panel report was circulated to members on January 18, 2011. Korea restricted its claim before the panel to an allegation that the zeroing methodology used by the United States in the antidumping investigations was inconsistent with Article 2.4.2 of the Anti-Dumping Agreement. The United States did not contest Korea's claim. The panel upheld Korea's claim and concluded that the United States had acted inconsistently with its obligations under this provision. The DSB adopted the panel report on February 24, 2011. On December 19, 2011, the United States reported that it had fully implemented the DSB's recommendations and ruling within the reasonable period of time agreed to by the parties.<sup>81</sup>

**United States—Anti-dumping Measures on Certain Shrimp from Vietnam (DS404).** In this dispute, Vietnam challenged U.S. antidumping measures on certain frozen warm-water shrimp from Vietnam, alleging that the measures are inconsistent with U.S. obligations under Articles I, II, and VI of the GATT 1994, several provisions of the Antidumping Agreement, Article XVI:4 of the WTO Agreement, and Vietnam's Protocol of Accession. More specifically, Vietnam challenged the “continued use” by USDOC of certain practices, including use of zeroing in calculating dumping margins, USDOC's limitation of the number of exporters or producers selected for individual investigation or review, and the application of a “Vietnam-wide entity” rate determined on the basis of adverse facts. Vietnam also challenged the “all others” rate applied by USDOC in the second and third administrative reviews and the U.S. zeroing methodology in calculating margins of dumping in the context of administrative reviews. After the consultations failed to resolve the dispute, Vietnam requested establishment of a panel. The DSB

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<sup>80</sup> WTO, DSB, *DS399: United States—Measures Affecting Imports of Certain Passenger Vehicle and Light Truck Tyres from China*, online summary. See also USTR, “United States Prevails in WTO Dispute,” September 5, 2011.

<sup>81</sup> WTO, DSB, *DS402: United States—Use of Zeroing in Anti-Dumping Measures Involving Products from Korea*, online summary.

established a panel at its meeting on May 18, 2010, and the panel was composed on July 26, 2010.

The report of the panel was circulated to members on July 11, 2011. The panel agreed with the United States that the measure described by Vietnam as the “continued use of challenged practices” in successive proceedings fell outside the panel’s terms of reference because it was not identified in Vietnam’s panel request and was not subject to WTO dispute settlement because it purported to include future measures. However, the panel upheld Vietnam’s claims with respect to USDOC’s use of zeroing in the second and third administrative reviews and U.S. zeroing methodology as it relates to the use of simple zeroing in administrative reviews. The panel rejected Vietnam’s claims with respect to USDOC’s decisions to limit the number of selected respondents, but upheld Vietnam’s claims with respect to the “all others” rate applied by the USDOC and with respect to USDOC’s application of a facts-available rate to the Vietnam-wide entity. The DSB adopted the panel report on September 2, 2011. On October 31, 2011, Vietnam and the United States informed the DSB that they had agreed that the reasonable time for the United States to implement the DSB recommendations and rulings is 10 months—that is, by July 2, 2012.<sup>82</sup>

**United States—Measures Affecting the Production and Sale of Clove Cigarettes (DS406).** In this dispute, Indonesia challenged a U.S. ban on clove cigarettes. Indonesia alleged that section 907 of U.S. Federal Food, Drug, and Cosmetic Act signed into law on June 22, 2009,<sup>83</sup> prohibits the production or sale in the United States of cigarettes containing certain additives, including clove, but would continue to permit the production and sale of other cigarettes, including cigarettes containing menthol. Indonesia alleged that section 907 is inconsistent, inter alia, with Article III:4 of the GATT 1994, Article 2 of the TBT Agreement, and various provisions of the SPS Agreement. After consultations failed to resolve the dispute, Indonesia requested establishment of a panel. A panel was established on July 20, 2010, and composed on September 9, 2010.

The panel report was circulated to members on September 2, 2011. Indonesia made two main claims—that the ban is discriminatory, and that it restricts trade more than necessary. The panel agreed with Indonesia on the first claim. It found the measure to be a technical regulation that falls within the scope of the TBT Agreement and found the U.S. ban to be inconsistent with the national treatment obligation in Article 2.1 of the TBT Agreement because it accords less favorable treatment to clove cigarettes than menthol cigarettes. The panel found clove and menthol-flavored cigarettes to be “like products” within the meaning of the TBT Agreement, based in part on its factual findings that both types of cigarettes are flavored and appeal to youth. However, the panel rejected Indonesia’s second main claim, indicating that Indonesia had failed to demonstrate that the ban is more trade-restrictive than necessary to fulfill a legitimate objective (in this case, reducing youth smoking) within the meaning of Article 2.2 of the TBT Agreement. The panel also found that the United States had acted inconsistently with its obligations in several other respects, including failure to notify technical regulations and failure to allow a reasonable interval between publication and entry into force of the regulation.

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<sup>82</sup> WTO, DSB, *DS404: United States—Anti-dumping Measures on Certain Shrimp from Vietnam*, online summary.

<sup>83</sup> Section 907(a)(1)(A) of the Federal Food, Drug, and Cosmetic Act as added by section 101 of the Family Smoking Prevention Tobacco Control Act of 2009, Pub. L. 111-31.

However, the panel also found that Indonesia had failed to demonstrate that the United States acted inconsistently in other respects, such as in its obligations to provide an explanation of the draft technical regulation. On January 5, 2012, the United States notified the DSB that it would appeal to the Appellate Body certain issues of law covered in the panel report and legal interpretations.<sup>84</sup>

## **Organisation for Economic Co-operation and Development**

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The OECD provides a forum where member governments review and discuss economic, social, and governance policy experiences affecting their market economies, as well as the global economy. At the end of 2011, there were 34 OECD members.<sup>85</sup>

### ***OECD Council at Ministerial Level***

OECD members held their 50th anniversary ministerial council meeting on May 25–26, 2011, in Paris, France. As part of the commemoration, the members set out a vision statement for the continued evolution of the organization as a key forum for economic and social policy development and dialogue.<sup>86</sup> Ministers discussed key policy challenges centered around the topics of (1) growth, jobs, innovation, and skills; (2) green growth; (3) a new paradigm for development; and (4) trade and jobs.<sup>87</sup>

At the council meeting, ministers endorsed working toward a “new paradigm for development,”<sup>88</sup> following the demonstration during the 2008–09 global economic crisis of the interconnectedness of advanced, emerging, and developing economies, which revealed the need for new approaches to economic growth and development.<sup>89</sup> A central focus of this new approach will be to broaden the scope of OECD’s development work in such areas as innovative and sustainable sources of growth, including the promotion of green growth; improved mobilization of domestic resources for development, fostered in particular through favorable investment climates and better-functioning tax systems; good governance practices that help stem corruption and promote public sector integrity; and improved indicators to measure the progress of development.<sup>90</sup>

Ministers agreed that the OECD should focus on helping governments sustain and strengthen economic recovery, maximize the employment potential of economic growth, and continue to address inequalities that hinder sustainable growth.<sup>91</sup> Discussions on green growth focused on issues involving the sustainable use of natural resources, increased efficiencies in the use of energy, and valuation of ecosystem

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<sup>84</sup> WTO, DSB, *DS406: United States—Measures Affecting the Production and Sale of Clove Cigarettes*, online summary.

<sup>85</sup> OECD membership at the end of 2011 included Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States.

<sup>86</sup> OECD, Council, “Meeting, 25–26 May 2011—Chair’s Summary,” May 26, 2011.

<sup>87</sup> OECD, Council, “Meeting, 25–26 May 2011—Discussion Notes,” April 29, 2011.

<sup>88</sup> OECD, Council, “Meeting, 25–26 May 2011—Chair’s Summary,” May 26, 2011, 3.

<sup>89</sup> OECD, Council, “Meeting, 25–26 May 2011—Discussion Notes,” April 29, 2011, 4.

<sup>90</sup> OECD, Council, “Meeting, 25–26 May 2011—Chair’s Summary,” May 26, 2011, 4.

<sup>91</sup> *Ibid.*, 3.

services.<sup>92</sup> Additional areas discussed as part of this expanded approach to development included trade, investment, food security, and women's economic empowerment.<sup>93</sup> Finally, ministers reaffirmed the importance of a strong, rules-based multilateral trading system to support the economic growth and international trade that generates jobs.<sup>94</sup>

### *Trade Committee*<sup>95</sup>

The Trade Committee held its 157th session May 4–5, 2011, and its 158th session November 9–10, 2011. At its May meeting, the committee considered work underway in the Working Party of the Trade Committee and the Joint Working Party on Agriculture and Trade. It looked at ongoing work on trade communications and horizontal initiatives as well—in particular, the International Collaborative Initiative on Trade and Employment; groundwork for the Green Growth Strategy and Green Growth for Food and Agriculture topics addressed at the ministerial conference; further work examining fossil fuel subsidies; and work on the value-added component embodied in world trade. The Trade Committee also discussed work concerning nontariff measures, regional trade agreements, and export restrictions, in addition to preparations for the trade session of the May ministerial council meeting.

As part of its May meeting, the committee held discussions with representatives of the G20 countries<sup>96</sup> on trade and employment, global food security, trade in services, policy implications stemming from OECD research on comparative advantage, work underway on trade and development, and future participation in Trade Committee work by G20 members.<sup>97</sup>

During its November meeting, the committee discussed several topics connected with trade in services, such as identifying regulatory impediments; policies and markets for commodities and raw materials; regional trade agreements; and various aspects of multilateral trade negotiations in light of the current problems in the Doha Round of trade talks.<sup>98</sup>

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<sup>92</sup> Ibid. The valuation of ecosystem services typically sets a monetary value on services—such as the provision of food, scenic views, and clean air or water—by an ecosystem such as a forest, wetland, or estuary.

<sup>93</sup> OECD, Council, “Meeting, 25–26 May 2011—Discussion Notes,” April 29, 2011, 5–6.

<sup>94</sup> OECD, Council, “Meeting, 25–26 May 2011—Chair’s Summary,” May 26, 2011, 5.

<sup>95</sup> OECD, Trade and Agriculture Directorate, Trade Committee, “Summary Record: 157th Session of the Trade Committee—Plenary Session,” October 28, 2011; OECD, Trade and Agriculture Directorate, Trade Committee, “Summary Record: 157th Session of the Trade Committee—Confidential Session,” October 28, 2011.

<sup>96</sup> G20 membership includes Argentina, Australia, Brazil, Canada, China, the EU, France, Germany, India, Indonesia, Italy, Japan, Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the United Kingdom, and the United States. G20 Web site, “G20, 2012, Mexico.” The G20 is an informal group of 19 countries, plus the EU, brought together in November 2008 initially to help counter the financial and economic crisis spreading at that time to the global economy, and subsequently to promote cooperation toward stable economic growth worldwide.

<sup>97</sup> OECD, Trade and Agriculture Directorate, Trade Committee, “Summary Record: 157th Session of the Trade Committee—Session with the Participation of G20 Members,” October 28, 2011.

<sup>98</sup> OECD, Trade and Agriculture Directorate, Trade Committee, “158th Session of the Trade Committee: Plenary Session—Draft Agenda,” October 20, 2011; OECD, Trade and Agriculture Directorate, Trade Committee, “158th Session of the Trade Committee: Confidential Session—Draft Agenda,” August 5, 2011.

## *Export Credit Arrangement and Aircraft Sector Understanding*

As noted in last year's report, agreement in principle was reached in December 2010 on the revision of the 1986 Sector Understanding on Export Credits for Civil Aircraft ("Aircraft Sector Understanding" or ASU), part of the 1978 Arrangement on Officially Supported Export Credits ("Export Credit Arrangement"). The revised ASU was formally signed in February 2011. It was then incorporated into the March 2011 version of the Arrangement on Officially Supported Export Credits under Annex III.<sup>99</sup>

## **Asia-Pacific Economic Cooperation**

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APEC is an international organization that consists of Pacific Basin economies seeking to enhance intraregional economic growth and cooperation.<sup>100</sup> The organization operates as a cooperative, multilateral economic and trade group, whose decisions are made by consensus and whose commitments are undertaken voluntarily. Since its inception, APEC has aimed to facilitate economic growth, trade, investment, and cooperation in the Asia-Pacific region.<sup>101</sup> APEC pursues progress toward greater regional economic integration through annual meetings of heads of state and trade ministers, and coordinates capacity-building and liberalization efforts with member economies throughout the year. In 1994, member economies committed to the "Bogor Goals"—named for the summit in Bogor, Indonesia—which aim to create a free and open trade and investment area in the Asia-Pacific region by 2010 for the industrialized economies and by 2020 for the developing economies.<sup>102</sup>

Under the chairmanship of the United States throughout 2011, APEC focused on increasing regional economic integration, promoting green economic growth through a tariff reduction strategy and other initiatives, and advancing regulatory cooperation.<sup>103</sup> These initiatives were designed to begin the process of taking practical steps in support of a strategy adopted by APEC leaders in Yokohama, Japan, in 2010, which focused on sustainable growth strategies and "next generation" trade facilitation that extended beyond tariff reduction.<sup>104</sup> In addition, the APEC annual summit, held in Honolulu, Hawaii, in November 2011, served as a forum for discussing possible pathways toward a Free Trade Area of the Asia-Pacific (FTAAP) as well as other multilateral commitments.

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<sup>99</sup> OECD, Trade and Agriculture Directorate, Participants to the Arrangement on Officially Supported Export Credits, "Arrangement on Officially Supported Export Credits—March 2011," March 3, 2011. For further details, see USITC, *The Year in Trade 2010*, 3-23.

<sup>100</sup> APEC was established in 1989 when ministers from 12 Asia-Pacific governments met in Canberra, Australia, to discuss world and regional economic developments, global trade liberalization, and opportunities for regional cooperation. Current APEC membership includes Australia; Brunei Darussalam; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Philippines; Russia; Singapore; Taiwan; Thailand; the United States; and Vietnam. For further details, see APEC, *APEC at a Glance*, January 2012, and the APEC Web site, <http://www.apec.org/>.

<sup>101</sup> APEC, *APEC at a Glance*, January 2012.

<sup>102</sup> APEC, *Outcomes and Outlook*, January 2012.

<sup>103</sup> USTR, "APEC Launches 2011 Efforts," March 13, 2011.

<sup>104</sup> APEC, "2011 Meeting of APEC Ministers Responsible for Trade," May 2011.

## ***The Bogor Goals, FTAAP, and Related APEC Commitments***

In 2010, APEC members assessed the progress made by the 13 industrialized members toward the Bogor Goals and determined that while broad liberalization had led to increased trade and investment linkages in the region, trade barriers between the economies remained.<sup>105</sup> In 2011, APEC ministers and leaders renewed their commitment to the Bogor Goals, focusing on the 2020 goal for all member economies. As a means of reviewing progress toward the achievement of the goals, ministers endorsed a set of standardized guidelines for self-reporting new trade policies and improvements.<sup>106</sup>

The link between APEC and the evolving regional architecture of economic cooperation in the Asia-Pacific region became more robust in 2011. This link was highlighted by the Prime Minister of Japan's announcement just before the APEC Leaders' Meeting in November 2011 that Japan was entering into consultations toward participating in the Trans-Pacific Partnership (TPP) negotiations, which already included nine APEC economies.<sup>107</sup> In addition, leaders of the countries negotiating the TPP used the sidelines of the summit to release a broad outline for the TPP agreement.<sup>108</sup> Senior officials involved in negotiations continued to remark on the inclusive nature of TPP negotiations as the most promising path toward an FTAAP.<sup>109</sup> APEC's Policy Support Unit released a report analyzing the complementary roles that TPP and APEC can play, with APEC serving as an idea generator and TPP acting as a major avenue toward liberalization.<sup>110</sup>

APEC trade ministers reiterated their confidence in the underlying institutional strength of the WTO, but stated that they saw the conclusion of the Doha Development Agenda in its current form as an increasingly unrealistic goal. As a result, ministers supported taking "fresh and credible approaches" in future WTO Ministerial Conferences.<sup>111</sup> Ministers also expressed support for Russia's acceding to the WTO before it hosts APEC in 2012.<sup>112</sup> In addition, heads of state agreed to take a leadership role in launching negotiations to expand product coverage by and membership in the WTO's Information Technology Agreement.<sup>113</sup>

## ***Regional Economic Integration and Regulatory Cooperation***

In addition to providing a forum for leaders to discuss possible pathways toward multilateral liberalization, APEC pursues an agenda of regional economic integration that relies on developing nonbinding common principles, action plans, workshops, and research on best practices. This work continues throughout the year under the oversight

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<sup>105</sup> APEC, "Leaders' Statement on the 2010 Bogor Goals Assessment," November 14, 2010; APEC, "2010 Leaders' Declaration," November 13–14, 2010, 2, 4.

<sup>106</sup> APEC, CTI, *CTI Annual Report to Ministers: 2011*, November 2011, Appendix I, 1.

<sup>107</sup> Government of Japan, Prime Minister of Japan, "Press Conference by Prime Minister Yoshihiko Noda," November 13, 2011. For more information on the TPP, see the subsection on FTA developments during 2011 in chapter 4.

<sup>108</sup> USTR, "Outlines of the Trans-Pacific Partnership Agreement," November 12, 2011.

<sup>109</sup> For examples of citations from senior officials linking the TPP and the proposed FTAAP, see USDOS, "Remarks at the First Senior Officials Meeting," March 9, 2011; Government of Japan, Prime Minister of Japan, "Press Conference by Prime Minister Yoshihiko Noda," November 13, 2011.

<sup>110</sup> APEC, Policy Support Unit, *The Mutual Usefulness between APEC and TPP*, October 2011.

<sup>111</sup> APEC, "APEC Ministers' Statement on the WTO," November 11, 2011.

<sup>112</sup> *Ibid.*

<sup>113</sup> APEC, "2011 Leaders' Declaration," November 14, 2011.

of the APEC Committee on Trade and Investment (CTI) and is guided by the outcomes of ministerial and leadership meetings. In 2011, members agreed to continue to refrain from export restrictions on food products in order to ensure food security, and launched the APEC Travel Facilitation Initiative to develop ways to make travel in the region faster, easier, and more secure.<sup>114</sup> APEC and the CTI also pursued a number of initiatives designed to encourage regulatory convergence in specific sectors, including chemicals, medical products, foods and beverages, and emerging sectors such as solar technology.<sup>115</sup>

Member economies agreed on a number of measures to promote “green growth” in 2011, including a commitment to develop an APEC-specific list of environmental goods that directly contribute to sustainable development objectives. Leaders agreed that once this list had been finalized, applied tariffs on these products would be reduced to 5 percent or less by the end of 2015. Leaders also agreed to eliminate nontariff barriers, such as local-content requirements, that distort trade in environmental goods and services.<sup>116</sup> Other green growth initiatives included a new review process for measuring the phasing out of fossil fuel subsidies and a program to make lists of member-economy trade restrictions on remanufactured goods publicly available.<sup>117</sup> In 2011, 11 economies, including the United States, began participating in the APEC Pathfinder Initiative on Facilitating Trade in Remanufactured Goods,<sup>118</sup> a commitment to refrain from treating remanufactured goods as “used,” since used goods are subject to special restrictions under regulatory and trade regimes.<sup>119</sup>

Trade ministers and ministers responsible for the development of small and medium-sized enterprises (SMEs) met in Big Sky, Montana, in May 2011 to identify barriers facing SMEs in the region. Ministers and other officials agreed on a set of specific practical actions to reduce these barriers, including developing Web sites offering information on customs and regulatory regimes and on registration requirements for intellectual property.<sup>120</sup> Member economies also agreed to pursue a program to improve supply chain performance by establishing de minimis values that exempt certain postal shipments from charges and entry requirements. In addition, ministers endorsed the APEC Guidelines for Customs Border Enforcement of Counterfeiting and Piracy to help customs authorities strengthen enforcement of intellectual property protection at the border.<sup>121</sup>

## **The Anti-Counterfeiting Trade Agreement**

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The Anti-Counterfeiting Trade Agreement (ACTA) is an international trade agreement intended to help countries work together to more effectively address large-scale

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<sup>114</sup> APEC, “2011 Leaders’ Declaration,” November 14, 2011.

<sup>115</sup> APEC, “APEC Ministers’ Statement,” November 11, 2011.

<sup>116</sup> APEC, “2011 Leaders’ Declaration,” November 14, 2011.

<sup>117</sup> APEC, “APEC Ministers’ Statement,” November 11, 2011.

<sup>118</sup> The USITC is currently conducting a study on remanufactured goods. See USITC, “Remanufactured Goods Trade to Be Focus of New USITC Study,” July 21, 2011.

<sup>119</sup> APEC, “APEC Ministers’ Statement,” November 11, 2011, Annex D.

<sup>120</sup> APEC, “APEC Ministers’ Statement,” November 11, 2011, Annex B.

<sup>121</sup> APEC, “APEC Ministers’ Statement,” November 11, 2011.

violations of intellectual property rights (IPR).<sup>122</sup> It establishes a strong international framework for IPR enforcement, including enhanced international cooperation; promotion of sound enforcement practices; and a common legal framework in the areas of criminal enforcement, border enforcement, civil and administrative actions, and addressing the distribution of infringing material on the Internet.<sup>123</sup>

Eight countries—Australia, Canada, Japan, Korea, Morocco, New Zealand, Singapore, and the United States—signed ACTA in Tokyo on October 1, 2011.<sup>124</sup> On December 16, 2011, the 27 EU member states unanimously authorized the signature and ratification of ACTA.<sup>125</sup> ACTA will remain open for signature until May 1, 2013, for the other participants in the negotiation (Mexico and Switzerland), as well as any other WTO members, upon the agreement of the participants. After signature, the next step for bringing ACTA into force is the deposit of instruments of ratification; ACTA will enter into force 30 days after ratification by six countries.<sup>126</sup>

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<sup>122</sup> USTR, “Resource Center: Intellectual Property; Anti-Counterfeiting Trade Agreement,” n.d. <http://www.ustr.gov/acta> (accessed February 12, 2012).

<sup>123</sup> U.S. Intellectual Property Enforcement Coordinator, *Intellectual Property Spotlight*, September/October 2011, 2.

<sup>124</sup> USTR, *2012 Trade Policy Agenda*, March 2012, 162.

<sup>125</sup> European Commission, “ACTA: Questions and Answers,” February 2012. In February 2012, the European Commission asked the European Court of Justice to independently verify the compatibility of ACTA with the EU’s fundamental rights and freedoms. The European Commission believes that ACTA is fully compatible, but seeks as complete a record as possible to support its ratification by national authorities and the European Parliament. *Ibid.*

<sup>126</sup> Anti-Counterfeiting Trade Agreement, May 2011, Arts. 39 and 40. [http://www.mofa.go.jp/policy/economy/i\\_property/pdfs/acta1105\\_en.pdf](http://www.mofa.go.jp/policy/economy/i_property/pdfs/acta1105_en.pdf).

# CHAPTER 4

## U.S. Free Trade Agreements

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This chapter summarizes developments related to U.S. free trade agreements (FTAs) during 2011. It describes trends in U.S. merchandise trade with current FTA partners during 2011, the status of U.S. FTA negotiations during the year, and major North American Free Trade Agreement (NAFTA) activities, including NAFTA dispute settlement developments during the year.

### FTAs in Force during 2011

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The United States was a party to 11 FTAs as of December 31, 2011.<sup>1</sup> These include the U.S.-Peru TPA (which entered into force in 2009); the U.S.-Oman FTA (2009); a multiparty FTA with countries of Central America and the Dominican Republic (CAFTA-DR) that entered into force first with respect to the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua (2006–07), and then Costa Rica (2009); the U.S.-Bahrain FTA (2006); the U.S.-Morocco FTA (2006); the U.S.-Australia FTA (2005); the U.S.-Chile FTA (2004); the U.S.-Singapore FTA (2004); the U.S.-Jordan FTA (2001); NAFTA (1994); and the U.S.-Israel FTA (1985).<sup>2</sup>

In 2011, total two-way merchandise trade between the United States and its FTA partners was \$1.2 trillion, or 34.2 percent of total U.S. merchandise trade with the world. U.S. merchandise exports to FTA partners rose by 17.9 percent in 2011 to \$512.6 billion and accounted for 39.5 percent of total U.S. exports (table 4.1). U.S. imports of goods from FTA partners in 2011 grew at a slightly lower rate, up 15.1 percent to \$679.3 billion, and accounted for 31.1 percent of global U.S. imports. The United States' NAFTA partners accounted for 81.6 percent of total U.S. trade with its FTA partners or \$972.8 billion in 2011.

The U.S. merchandise trade deficit with its FTA partners mostly reflected the U.S. deficit with its NAFTA partners, which grew from \$166.8 billion in 2010 to \$185.4 billion in 2011, an increase of \$18.6 billion. The U.S. merchandise trade deficit with all of its FTA partners grew to \$166.7 billion in 2011, an increase of \$11.3 billion. The United States thus registered a trade surplus with its non-NAFTA partners of \$18.7 billion in 2011, up sharply from \$11.5 billion in 2010. The FTA partners with which the United States recorded a merchandise trade surplus in 2011 were (in descending order of magnitude) Australia, Singapore, Chile, Morocco, Peru, Bahrain, the CAFTA-DR countries taken together, and Jordan, while the United States recorded a merchandise trade deficit with Mexico, Canada, Israel, and Oman.

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<sup>1</sup> Starting with the U.S.-Singapore FTA in 2004, the modifications to the Harmonized Tariff Schedule required to implement each FTA can be found at USITC, Tariff Information Center Web site, [http://www.usitc.gov/tariff\\_affairs/hts\\_index.htm](http://www.usitc.gov/tariff_affairs/hts_index.htm).

<sup>2</sup> The U.S.-Korea FTA entered into force on March 15, 2012, and the U.S.-Colombia TPA entered into force on May 15, 2012.

**TABLE 4.1** U.S. merchandise trade with FTA partners, by FTA partner, 2009–11

	2009	2010	2011
	Millions of \$		
<b>Exports:</b>			
Israel	6,237	6,479	8,084
NAFTA	277,413	337,558	393,684
Canada	171,695	205,956	233,774
Mexico	105,718	131,602	159,910
Jordan	1,165	1,138	1,410
Chile	8,694	9,903	14,498
Singapore	19,924	26,349	28,224
Australia	18,244	20,296	25,491
Morocco	1,584	1,931	2,842
Bahrain	629	1,204	1,166
CAFTA-DR	18,850	22,735	28,403
Oman	1,065	1,061	1,369
Peru <sup>a</sup>	4,022	6,079	7,412
FTA partner total	357,826	434,732	512,584
World total	936,745	1,122,131	1,299,176
FTA partner share of world (percent)	38.2	38.7	39.5
<b>Imports:</b>			
Israel	18,743	20,975	23,022
NAFTA	400,893	504,360	579,067
Canada	224,584	275,536	316,397
Mexico	176,309	228,824	262,671
Jordan	924	974	1,060
Chile	6,047	7,068	9,170
Singapore	15,588	17,345	18,982
Australia	7,998	8,610	10,173
Morocco	467	685	991
Bahrain	463	420	518
CAFTA-DR	18,816	23,701	27,947
Oman	883	773	2,184
Peru <sup>a</sup>	3,834	5,173	6,153
FTA partner total	474,656	590,083	679,267
World total	1,549,163	1,898,610	2,186,951
FTA partner share of world (percent)	30.6	31.1	31.1
<b>Trade balance:</b>			
Israel	-12,506	-14,496	-14,938
NAFTA	-123,480	-166,802	-185,384
Canada	-52,889	-69,580	-82,623
Mexico	-70,591	-97,222	-102,761
Jordan	241	164	350
Chile	2,646	2,835	5,328
Singapore	4,336	9,005	9,243
Australia	10,246	11,685	15,318
Morocco	1,117	1,246	1,851
Bahrain	165	784	648
CAFTA-DR	34	-966	456
Oman	182	288	-815
Peru <sup>a</sup>	188	906	1,259
FTA partner total	-116,829	-155,351	-166,683
World total	-612,419	-776,479	-887,775
FTA partner share of world (percent)	19.1	20.0	18.8

Source: USDOC.

<sup>a</sup>FTA entered into force for Peru on February 1, 2009.

The value of U.S. imports entered under FTA provisions increased 14.7 percent, from \$311.3 billion in 2010 to \$357.0 billion in 2011 (table 4.2). U.S. imports that entered under FTAs accounted for 52.6 percent of total imports from FTA partners. About 42.6 percent of total imports from CAFTA-DR partners entered under FTA provisions in 2011. More than 60 percent of total imports (in descending order of magnitude) from Jordan, El Salvador, Honduras, Oman, Bahrain, Mexico, and Chile entered under FTA provisions, mainly crude oil, apparel, sugar, fruits and vegetables, and motor vehicles and parts. The share of U.S. imports from these seven countries entering under FTA provisions was relatively large in 2011 because a small share (less than 10 percent) of the imports from these countries enters the United States duty free under normal trade relations. On the other hand, 20 percent or less of total imports from Morocco, Costa Rica, Israel, and Singapore entered under FTA provisions. U.S. imports from these partners consisted mainly of chemicals, fruit, machinery parts, apparel, and petroleum oils. The share of U.S. imports from Singapore, Israel, Costa Rica, and Morocco entering under FTA provisions continued to be small in 2011 because a large share (over 60 percent) of the imports from these countries can already enter the United States duty free under normal trade relations. Imports that entered under FTA provisions accounted for 16.3 percent of total U.S. imports in 2011, a small decrease from 16.4 percent in 2010.

## **FTA Developments during 2011**

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On October 3, 2011, the President transmitted draft legislation to Congress to implement the U.S.-Panama Trade Promotion Agreement (U.S.-Panama TPA), the U.S.-Colombia Trade Promotion Agreement (CTPA), and the U.S.-Korea Free Trade Agreement (KORUS FTA). The implementing legislation was approved by Congress on October 12, 2011, and signed into law by the President on October 21, 2011. As of yearend 2011, the United States was receiving and transmitting the necessary materials from the governments of Panama, Colombia,<sup>3</sup> and Korea<sup>4</sup> to bring these FTAs into force.

On August 9, 2011, the United States requested the establishment of an arbitral panel under article 20.6 of the CAFTA-DR regarding Guatemala's failure to enforce its labor laws under Article 16.2.1(a) of the CAFTA-DR.<sup>5</sup> This is the first labor case brought by the United States under a free trade agreement. At issue is Guatemala's failure to meet its obligations with respect to the effective enforcement of its labor laws related to the right to association, the right to organize and bargain collectively, and acceptable conditions of work.<sup>6</sup>

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<sup>3</sup> The U.S.-Colombia TPA entered into force on May 15, 2012. "Proclamation 8818 of May 14, 2012, to Implement the United States-Colombia Trade Promotion Agreement and for Other Purposes," 77 Fed. Reg. 29519-29523 (May 18, 2012).

<sup>4</sup> The KORUS FTA entered into force on March 15, 2012. "Proclamation 8783 of March 6, 2012, to Implement the United States-Korea Free Trade Agreement," 77 Fed. Reg. 14265-14267 (March 9, 2012).

<sup>5</sup> Article 16.2.1(a) requires that "[a] Party shall not fail to effectively enforce its labor laws, through a sustained or recurring course of action or inaction, in a manner affecting trade between Parties, after the date of entry into force of this Agreement." USTR, Letter from Ambassador Ron Kirk to Guatemala requesting an Arbitral Panel, August 9, 2011.

<sup>6</sup> USTR, "U.S. Trade Representative Ron Kirk Announces Next Step in Labor Rights Enforcement Case against Guatemala," August 2011.

**TABLE 4.2** U.S. imports entered under FTA provisions, by FTA partner, 2009–11

FTA partner	2009	2010	2011	% change 2010–11
	Millions of \$			
Israel	2,493	2,726	2,661	-2.4
NAFTA	219,664	286,131	326,551	14.1
Canada	112,373	145,426	162,734	11.9
Mexico	107,291	140,705	163,817	16.4
Jordan	240	606	870	43.6
Chile	3,453	4,429	5,706	28.8
Singapore	850	1,163	1,138	-2.2
Australia	2,758	2,751	3,034	10.3
Morocco	114	163	201	23.5
CAFTA-DR	9,009	10,513	11,912	13.3
El Salvador	1,425	1,740	1,913	9.9
Honduras	2,469	2,889	3,270	13.2
Nicaragua	783	935	1,282	37.1
Guatemala	1,354	1,558	1,829	17.4
Dominican Republic	1,802	2,088	2,251	7.8
Costa Rica	1,176	1,302	1,367	5.0
Bahrain	258	274	326	18.8
Oman	456	350	1,526	336.1
Peru <sup>a</sup>	981	2,224	3,079	38.5
Total imports under FTA provisions	240,276	311,329	357,005	14.7
World	1,549,163	1,898,610	2,186,951	15.2
	Share of total imports from FTA partner			
Israel	13.3	13.0	11.6	
NAFTA	54.8	56.7	56.4	
Canada	50.0	52.8	51.4	
Mexico	60.9	61.5	62.4	
Jordan	26.0	62.2	82.1	
Chile	57.1	62.7	62.2	
Singapore	5.5	6.7	6.0	
Australia	34.5	31.9	29.8	
Morocco	24.5	23.8	20.3	
CAFTA-DR	47.9	44.4	42.6	
El Salvador	78.2	78.6	77.1	
Honduras	73.8	73.9	73.4	
Nicaragua	48.6	46.5	49.2	
Guatemala	43.2	48.4	44.2	
Dominican Republic	54.5	57.2	54.2	
Costa Rica	21.0	15.0	13.5	
Bahrain	55.6	65.3	62.9	
Oman	51.7	45.3	69.8	
Peru <sup>a</sup>	25.6	43.0	50.1	
FTA partner total	50.6	52.8	52.6	

Source: USDOC.

<sup>a</sup> Table only includes trade with Peru after FTA entered into force on February 1, 2009.

Under the U.S.-Peru Trade Promotion Agreement (PTPA), the United States and Peru held a meeting of the Sub-Committee of Forest Sector Governance on July 14, 2011. The meeting focused on the progress made in implementing provisions of the PTPA Annex on Forest Sector Governance, which is aimed at preventing illegal logging and illegal

trade in wildlife.<sup>7</sup> Officials discussed Peru's new Forestry and Wildlife Law as well as regulations Peru is developing to implement the law. The two sides also discussed other efforts Peru is undertaking to ensure implementation of the annex, including mechanisms to conduct forest inventories in permanent production forests and procedures to audit timber producers.<sup>8</sup>

There were no changes in the status of other previously initiated FTA negotiations with Ecuador, the Southern African Customs Union (SACU),<sup>9</sup> Thailand, and the United Arab Emirates, or countries involved with the Free Trade Area of the Americas. In November 2011, Canada, Japan, and Mexico formally announced their intentions to begin consultations with the aim of joining negotiations to conclude a Trans-Pacific Partnership (TPP) agreement that includes the United States.<sup>10</sup> The status of ongoing U.S. FTA negotiations during 2011 is shown in table 4.3.

### ***U.S.-Panama Trade Promotion Agreement***

On June 28, 2007, the United States and Panama signed a reciprocal trade promotion agreement known as the U.S.-Panama Trade Promotion Agreement (TPA). Negotiations were formally concluded on December 16, 2006, with the understanding that additional changes would be made to several chapters of the agreement. All changes were agreed to in June 2007, and the agreement was ratified by Panama's National Assembly on July 11, 2007. Four years later, on October 3, 2011, the President transmitted draft legislation to Congress to implement the U.S.-Panama TPA. The implementing legislation was approved by Congress on October 12, 2011, and signed into law by the President on October 21, 2011.<sup>11</sup>

The U.S.-Panama TPA replaces duty-free treatment extended to Panama by unilateral trade preferences under CBERA, CBTPA, and the GSP.<sup>12</sup> Most U.S. imports from Panama already enter the United States duty free under normal trade relations (NTR).<sup>13</sup>

Upon implementation, more than 87 percent of U.S. exports of consumer and industrial goods to Panama will become immediately duty free, with remaining tariffs phased out over a 10-year period. Products receiving immediate duty-free treatment include information technology and telecommunications equipment, electrical equipment, agricultural and construction equipment, aircraft and parts, medical and scientific equipment, environmental products, pharmaceuticals, fertilizers, agrochemicals, and

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<sup>7</sup> USTR, "Joint Communiqué of the Meeting of the Sub-Committee on Forest Sector Governance of the United States-Peru Trade Promotion Agreement," July 14, 2011; USTR, "Brief Summary of the United States-Peru Trade Promotion Agreement," June 2007.

<sup>8</sup> USTR, Joint Communiqué of the Meeting of the Sub-Committee on Forest Sector Governance of the United States-Peru Trade Promotion Agreement, July 14, 2011.

<sup>9</sup> Members of SACU are Botswana, Lesotho, Namibia, South Africa, and Swaziland.

<sup>10</sup> USTR, "Statement by U.S. Trade Representative Ron Kirk on Japan's Announcement," November 11, 2011; USTR, "Statement by U.S. Trade Representative Ron Kirk on Announcements from Mexico and Canada," November 13, 2011.

<sup>11</sup> Pub. L. 112-43; Hornbeck, "The U.S.-Panama Free Trade Agreement," October 27, 2011.

<sup>12</sup> White House, "U.S.-Panama Trade Promotion Agreement," April 19, 2011; USTR, "U.S.-Panama Trade Promotion Agreement," May 27, 2011. For more information on CBERA, CBTPA, and the GSP, see chapter 2.

<sup>13</sup> Hornbeck, "The U.S.-Panama Free Trade Agreement," October 27, 2011.

**TABLE 4.3** Status of U.S. FTA negotiations during 2011

FTA partner(s)	Negotiations launched	Negotiations concluded	Agreement signed by parties	Date of entry into force
Colombia	May 18, 2004	Feb. 27, 2006	Nov. 22, 2006	May 15, 2012
Panama	Apr. 26, 2004	Dec. 19, 2006	June 28, 2007	–
Korea	Feb. 2, 2006	Apr. 1, 2007	June 30, 2007	March 15, 2012
Trans-Pacific Partnership (Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam)	Dec. 14, 2009	–	–	–

Source: USTR, various press releases, <http://www.ustr.gov>.

Note: No negotiations have taken place for the Free Trade Area of the Americas (FTAA) since 2005; and for the Southern Africa Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland), Ecuador, Thailand, and the United Arab Emirates since 2006.

mineral fuels.<sup>14</sup> U.S. textiles and apparel will also receive immediate duty-free access to Panama, subject to the “yarn forward” rule of origin.<sup>15</sup> The U.S.-Panama TPA also includes a textile-specific safeguard mechanism as a transitional measure that allows the United States to reimpose tariffs on certain goods if a surge in imports causes or threatens to cause serious damage to domestic U.S. producers.<sup>16</sup> Panama has also agreed not to adopt or maintain any prohibition or restriction on imports of remanufactured goods.<sup>17</sup>

In 2011, less than 40 percent of U.S. agricultural exports to Panama enjoyed duty-free access. The U.S.-Panama TPA will provide immediate duty-free treatment for 68 percent of Panama’s agricultural tariff lines, covering over one-half of U.S. agricultural trade with Panama.<sup>18</sup> The phase-out period for tariffs on U.S. exports of agricultural products to Panama ranges up to a maximum of 20 years, but nearly all tariffs will be eliminated within 15 years (20 years for rice). Products receiving immediate duty-free treatment include high-quality beef, pork variety meats, frozen turkeys, sorghum, soybeans, soybean meal, crude soybean and corn oil, most fresh fruit and tree nuts, wheat, distilled spirits, peanuts, whey, cotton, and many agro-processed products. With respect to Panama’s agricultural exports to the United States, the FTA provides for immediate duty-free treatment for 89 percent of U.S. agricultural tariff lines already duty free under the CBERA, covering 99 percent of the value of Panama’s agricultural exports to the United States.<sup>19</sup>

The U.S.-Panama TPA also provides for immediate duty-free treatment for certain quantities of U.S. agricultural products under tariff-rate quotas (TRQs), including standard-grade beef cuts, chicken leg quarters, pork, corn, rice, dairy products, refined corn oil, kidney beans, frozen French fries, and tomato paste.<sup>20</sup> Most of the TRQs will operate on a first-come, first-served basis. The U.S.-Panama TPA includes special

<sup>14</sup> USTR, “U.S. Industrial Goods and Manufacturing in the U.S.-Panama Trade Promotion Agreement,” May 27, 2011; USTR, “Trade Agreements and Jobs,” October 3, 2011.

<sup>15</sup> Requires the use of fabric and yarn produced either in Panama or the United States. USTR, *2011 National Trade Estimate Report*, March 2011, 282.

<sup>16</sup> USTR, “U.S. Textiles and Apparel in the U.S.-Panama Trade Promotion Agreement,” May 27, 2011.

<sup>17</sup> The USITC is currently conducting a study on remanufactured goods. See USITC, “Remanufactured Goods Trade to Be Focus of New USITC Study,” July 21, 2011.

<sup>18</sup> USTR, “Agriculture in the U.S.-Panama Trade Promotion Agreement,” May 27, 2011.

<sup>19</sup> USTR, “Agriculture in the U.S.-Panama Trade Promotion Agreement,” May 27, 2011.

<sup>20</sup> USDA, FAS, “U.S.-Panama Trade Promotion Agreement Benefits for Agriculture,” April 2011; USTR, “Agriculture in the U.S.-Panama Trade Promotion Agreement,” May 27, 2011.

disciplines for Panamanian TRQs that will be administered through auctions or historical licenses, as well as a prohibition on the use of domestic-purchase requirements.<sup>21</sup> The out-of-quota 40 percent tariff on corn will be phased out over 15 years, and the 90 percent tariff on rice will be eliminated over a 20-year period. An agricultural safeguard measure will also be available for certain sensitive products, allowing for temporary tariff increases if import quantities exceed agreed trigger levels. Safeguards will no longer be allowed once tariff protection has been phased out.<sup>22</sup>

A number of significant commitments were included in the U.S.-Panama TPA related to non-tariff measures. Under the TPA, the United States gains:<sup>23</sup>

- access to Panama's \$20.6 billion services market through commitments that exceed Panama's WTO General Agreement on Trade in Services (GATS) commitments, including in priority areas such as financial, telecommunications, computer, distribution, express delivery, energy, environmental, and professional services;
- an end to restrictions on foreigners holding certain professional licenses (doctors, accountants, optometrists, lawyers, and engineers);
- greater IPR protection and easing of restrictions on the availability of generic drugs;
- the elimination of restrictions on U.S. investment in retail trade, the right to offer U.S. portfolio management services to mutual funds and pension funds in Panama, with U.S. insurance suppliers able to establish a branch or a subsidiary;
- nondiscriminatory treatment for U.S. companies bidding on government procurement contracts, including access to Panama's more than \$15 billion in canal expansion and other infrastructure projects; and
- commitments to protect labor rights and the environment.

The FTA also contains language to curb illicit financial transactions, tax evasion, and money laundering in Panama. On April 18, 2011, the Tax Information Exchange Agreement (TIEA) went into effect; this agreement brings Panama into compliance with OECD standards that prevent countries from becoming a tax haven.<sup>24</sup> The TIEA is intended to make the exchange of tax information between the United States and Panama more transparent.<sup>25</sup>

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<sup>21</sup> USTR, "Agriculture in the U.S.-Panama Trade Promotion Agreement," May 27, 2011.

<sup>22</sup> Ibid.

<sup>23</sup> USTR Web site, "Key Facts of the U.S.-Panama Trade Promotion Agreement," n.d. (accessed March 14, 2012); USTR, "Services in the U.S.-Panama Trade Promotion Agreement," May 27, 2011; USTR, "Telecommunications in the U.S.-Panama Trade Promotion Agreement," May 27, 2011; USTR, "Intellectual Property Rights in the U.S.-Panama Trade Promotion Agreement," May 27, 2011; USTR, "Financial Services in the U.S.-Panama Trade Promotion Agreement," May 27, 2011; USTR, "Government Procurement in the U.S.-Panama Trade Promotion Agreement," May 27, 2011; USTR, "Environment in the U.S.-Panama Trade Promotion Agreement," May 27, 2011; USTR, *2012 National Trade Estimate Report on Foreign Trade Barriers*, March 2012, 300.

<sup>24</sup> USTR, "Panama Trade Promotion Agreement," n.d. (accessed March 14, 2012).

<sup>25</sup> USTR, "Tax Transparency in Panama," n.d. (accessed March 14, 2012).

## *U.S.-Colombia Trade Promotion Agreement*

The United States and Colombia signed the U.S.-Colombia Trade Promotion Agreement (CTPA) on November 22, 2006. The CTPA and a protocol agreement were approved by Colombia's congress in 2007.<sup>26</sup> Four years later, on October 3, 2011, the President transmitted draft legislation to Congress to implement the agreement. The implementing legislation was approved by Congress on October 12, 2011, and signed into law by the President on October 21, 2011.<sup>27</sup>

The CTPA, which entered into force in 2012, replaces duty-free treatment extended to Colombia under ATPA, as amended by ATPDEA, and the GSP.<sup>28</sup> Many U.S. imports from Colombia already entered the United States duty free under NTR.

The CTPA provides immediate duty-free access to Colombian markets for more than 80 percent of U.S. exports of consumer goods and industrial goods, with remaining tariffs being phased out over 10 years. For its non-free trade partners, Colombia maintained an average tariff on consumer and industrial goods that ranged between 7.4 percent and 14.6 percent in 2011. Under the CTPA, U.S. manufactured products receiving immediate duty-free treatment include agricultural and construction equipment, aircraft and parts, motor vehicle parts, fertilizers and agrochemicals, information technology equipment, medical and scientific equipment, and wood.<sup>29</sup> U.S. textiles and apparel also receive immediate duty-free access, subject to rules-of-origin requirements. Colombia has also agreed not to adopt or maintain any prohibition or restriction on imports of U.S. remanufactured goods.<sup>30</sup>

Under the CTPA, immediate duty-free treatment is given to more than one-half of U.S. agricultural exports entering Colombia, including wheat, barley, soybeans and soybean meal and flour, high-quality beef, bacon, almost all fruit and vegetable products, peanuts, whey, cotton, and the vast majority of agro-processed products. Colombia's tariffs on nearly all remaining agricultural products will be phased out over a 15-year period. The CTPA also provides duty-free tariff-rate quotas on U.S. exports of standard beef, chicken leg quarters, dairy products, corn, sorghum, animal feeds, rice, and soybean oil. Upon entry into force of the agreement, Colombia immediately abolished its Andean Price Band Variable Duty System of variable tariffs, which adversely affected over 150 U.S. agricultural products, including corn, wheat, rice, soybeans, pork, poultry, cheese, and powdered milk.<sup>31</sup>

The CTPA also includes a number of significant commitments related to nontariff measures. Under the CTPA, the United States gains.<sup>32</sup>

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<sup>26</sup> Villarreal, "The Proposed U.S.-Colombia Free Trade Agreement," April 16, 2010, 8-9.

<sup>27</sup> Pub. L. 112-42. The CTPA entered into force on May 15, 2012. "Proclamation 8818 of May 14, 2012, to Implement the United States-Colombia Trade Promotion Agreement and for Other Purposes," 77 Fed. Reg. 29519-29523 (May 18, 2012).

<sup>28</sup> For more information on ATPA, as amended by ATPDEA, and the GSP, see chapter 2.

<sup>29</sup> USTR, "U.S.-Colombia Trade Agreement and Action Plan," April 6, 2011.

<sup>30</sup> USTR, "United States-Colombia Trade Promotion Agreement Implementation Legislation and Supporting Documentation," October 3, 2011.

<sup>31</sup> USTR, "U.S.-Colombia Trade Agreement and Action Plan," April 6, 2011.

<sup>32</sup> *Ibid.*; USTR, *2012 National Trade Estimate Report on Foreign Trade Barriers*, March 2012, 105-109.

- access to Colombia's \$166 billion services market through commitments that exceed Colombia's WTO GATS commitments;
- a commitment to allow mutual funds and pension funds to seek advice from portfolio managers in the United States, allow U.S. banks to open branches in Colombia, and allow U.S. firms to supply international maritime shipping and commercial aviation insurance within four years of the CTPA's entry into force;
- greater IPR protection;
- Colombia's commitment to eliminate the breakpoints for imports of distilled spirits from the United States within four years of the CTPA's entry into force;<sup>33</sup>
- establishment of a transparent, binding investor-state arbitration mechanism, as well as consent to allow 100 percent foreign ownership in most sectors on an equal footing to domestic investors, including land cargo transportation enterprises in Colombia;
- access to procurement by Colombia's ministries and departments, legislature, courts, and first-tier subcentral entities, as well as a number of Colombia's state-owned enterprises;
- Colombia's agreement to join the WTO Information Technology Agreement, under which countries eliminate tariffs on an MFN basis for a wide range of information technology products; and
- commitments to protect labor rights and the environment.

In addition, on April 7, 2011, the United States and Colombia announced an Action Plan on Labor Rights. Under the plan, the Colombian government committed to a series of measures within defined time frames to improve the protection of internationally recognized labor rights, prevent violence against labor leaders, and prosecute the perpetrators of such violence.<sup>34</sup> According to USTR, Colombia has met all of the Action Plan's commitments to date.<sup>35</sup>

### ***U.S.-Korea Free Trade Agreement***

The United States and Korea began negotiations on a free trade agreement on February 2, 2006, and concluded negotiations on April 1, 2007. Four years later, on October 3, 2011, the President transmitted draft legislation to Congress to implement the U.S.-Korea Free Trade Agreement (KORUS FTA). The implementing legislation was approved by Congress on October 12, 2011, and signed into law by the President on October 21, 2011.<sup>36</sup> The KORUS FTA was ratified by Korea's National Assembly on November 22, 2011.<sup>37</sup> In December 2011, both governments began to review each other's respective

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<sup>33</sup> Colombia assesses a consumption tax on alcoholic beverages through a system of specific rates per degree (percentage point) of alcohol strength. Arbitrary breakpoints have the effect of applying a lower tax rate to domestically produced spirits and therefore create a barrier for imported distilled spirits.

<sup>34</sup> U.S. Senate, Committee on Finance, "Baucus Leads Senate Passage," October 11, 2011.

<sup>35</sup> USTR, "Colombian Action Plan Related to Labor Rights," June 13, 2011.

<sup>36</sup> Pub. L. 112-41.

<sup>37</sup> USTR, "Update on Implementation of Free Trade Agreements," December 5, 2011.

laws and regulations to ensure their consistency with the provisions of the KORUS FTA.<sup>38</sup>

On December 10, 2010, modifications were made to the original agreement that included a new phase-out period for automobile tariffs. Korea committed to immediately cut its duties on U.S. automobile imports from 8 percent to 4 percent, and then to zero in the fifth year; to immediately eliminate its 10 percent tariff on U.S. trucks; and to immediately lower its tariff on electric cars and hybrids from 8 percent to 4 percent, and to zero after five years.<sup>39</sup> The agreement also contains (1) a new special vehicle safeguard mechanism that allows the United States to reimpose tariffs on automobiles if a surge in imports causes or threatens to cause serious damage to domestic U.S. producers,<sup>40</sup> (2) an obligation for Korea to increase the number of U.S. automobiles that can be imported under U.S. safety standards rather than under Korea's safety standards,<sup>41</sup> (3) a requirement for Korea to overhaul its system for taxing automobiles based on engine displacement,<sup>42</sup> and (4) an easing by Korea of the fuel consumption and greenhouse gas emission standards for U.S. vehicle exports.

When the KORUS FTA entered into force in 2012, approximately 80 percent of Korea's imports of U.S. consumer and industrial products became duty free immediately. Nearly 95 percent will be duty free within 5 years, with most remaining tariffs being eliminated within 10 years. Duties were eliminated immediately on aerospace equipment, agricultural equipment, automobile parts, building products, chemicals, consumer goods, electrical equipment, environmental goods, all footwear and travel goods, paper products, scientific equipment, and shipping and transportation equipment.<sup>43</sup> Korean textile products will qualify for preferential treatment under the agreement if they use U.S. or Korean fabric and yarn (the yarn-forward rule). The agreement provides for reciprocal duty-free access immediately for most textile and apparel goods and contains a special textile safeguard that allows the United States to impose tariffs on textiles and apparel if injury occurs due to import surges.<sup>44</sup>

The KORUS FTA phases out tariffs on two-thirds (by value) of U.S. agricultural exports to Korea. Duties were eliminated immediately on wheat, corn for feed, soybeans for crushing, whey for feed use, hides and skins, cotton, cherries, pistachios, almonds, orange juice, grape juice, and wine. The KORUS FTA also requires Korea to eliminate its 40 percent tariff on beef muscle meats imported from the United States over a 15-year

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<sup>38</sup> On March 15, 2012, the KORUS FTA entered into force. "Proclamation 8783 of March 6, 2012, to Implement the United States-Korea Free Trade Agreement," 77 Fed. Reg. 14265-67 (March 9, 2012). For more information, see the chapter 5 section on Korea.

<sup>39</sup> USTR, "United States, Korea Set Date," February 21, 2012.

<sup>40</sup> The United States is allowed to reinstate its 2.5 percent tariff on passenger cars if there are harmful surges in Korean auto imports due to the agreement.

<sup>41</sup> The modifications increased the number of autos that U.S. automakers can export to Korea based on U.S. federal safety standards rather than certifying to Korean standards. The ceiling was raised from 6,500 per U.S. automaker per year to as many as 25,000 cars per U.S. automaker per year. This includes foreign-owned automakers with U.S.-based production if they export directly from the United States to Korea and meet the KORUS FTA domestic-content provisions.

<sup>42</sup> Including the Special Consumption Tax, the Annual Vehicle Tax, and the Subway/Regional Development Bond.

<sup>43</sup> USTR, "United States, Korea Set Date," February 21, 2012.

<sup>44</sup> USTR, "Summary of the U.S.-Korea FTA," April 18, 2009.

period, to remove its 25 percent tariff on 90 percent of U.S. pork product exports by 2016, and to abolish its 22.5 percent tariff on other pork products within 10 years.<sup>45</sup>

The KORUS FTA also includes a number of commitments associated with nontariff measures:

- agreement by Korea to liberalize its \$580 billion services market beyond its WTO GATS commitments;<sup>46</sup>
- enhanced regulatory transparency, standard-setting, technology neutrality, and customs administration in Korea;
- creation of an independent body—a Medicines and Medical Devices Committee—to review recommendations and determinations on Korean pricing and government reimbursement for pharmaceuticals and medical devices; and
- agreement to form a binational committee, one year after the KORUS FTA enters into force, to study the possibility of expanding the agreement’s coverage to products from “Outward Processing Zones,” including the Kaesong Industrial Complex and/or other future zones located in North Korea.<sup>47</sup>

### ***Trans-Pacific Partnership Agreement***

The United States and its TPP partners—Australia, Brunei Darussalam, Chile, New Zealand, Peru, Singapore, Malaysia, and Vietnam—concluded six formal rounds of negotiations during 2011, building on four rounds that had already been held. The TPP fifth round was held in February (in Santiago), the sixth round in March–April (Singapore), the seventh in June (Ho Chi Minh City), the eighth in September (Chicago), the ninth in October (Lima), and the 10th in December (Kuala Lumpur). TPP leaders also met on the margins of the APEC summit meeting in Honolulu on November 12, 2011.

The fifth round of TPP negotiations was hosted by Chile from February 14 to 18 in Santiago. Following an exchange of initial tariff offers in January, negotiating teams began negotiations about goods in this round, agreeing to exchange lists of requests for improvements in the initial offers before the sixth round.<sup>48</sup> TPP negotiators also agreed to exchange initial offers on services, investment, and government procurement before the next round. In addition, negotiating teams considered how best to develop a TPP rule of origin and agreed to exchange product-specific proposals for rules of origin before the sixth round.

TPP partners also developed approaches to address new crosscutting (“horizontal”) issues to be incorporated into the agreement, including:

- how to promote competitiveness and business facilitation, including how to better integrate regional production and supply chains between TPP countries;

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<sup>45</sup> USTR, “Jobs on the Way: U.S.-Korea Trade Agreement Enters into Force,” March 15, 2012.

<sup>46</sup> White House, “Statement by the President Announcing the US-Korea Trade Agreement,” December 3, 2011.

<sup>47</sup> Cooper et al., “The U.S.-South Korea Free Trade,” November 30, 2011.

<sup>48</sup> USTR, “Round 5: Santiago, Continued Progress,” February 18, 2011.

- how to promote the participation of small and medium-sized businesses in international trade;
- how to enhance the coherence of the regulatory systems of the TPP countries to better facilitate trade; and
- how to promote development.<sup>49</sup>

The sixth round was held from March 24 to April 1 in Singapore. Over 20 negotiating teams continued to consolidate texts reflecting different countries' positions in nearly all areas covered by the agreement.<sup>50</sup> New legal texts were introduced covering industrial goods, sanitary and phytosanitary issues, technical barriers to trade, and the environment. In addition, the United States offered for consideration a legal text on regulatory coherence for the first time ever in a trade negotiation.<sup>51</sup> The text was intended to make TPP countries' regulatory systems operate in a more consistent and integrated manner to avoid allowing regulatory barriers to become major impediments to trade.<sup>52</sup>

The seventh round of TPP negotiations was hosted by Vietnam from June 20 to 24 in Ho Chi Minh City. Countries addressed a wide range of issues, including agriculture, customs, the environment, government procurement, intellectual property, commitments to market access for industrial goods, investment, product-specific rules of origin, services, telecommunications, textiles, and transparency. The teams also worked to find common ground on the U.S. text on regulatory coherence, which was advanced during the sixth round.<sup>53</sup>

The eighth round of TPP negotiations was held from September 6 to 15 in Chicago. Negotiating teams sought to make progress on the legal texts of the 20 chapters of the agreement. Negotiators reported progress in a variety of areas including agriculture, customs, government procurement, the new crosscutting issues, industrial goods, intellectual property, investment, technical barriers to trade, telecommunications, and textile and apparel products.<sup>54</sup>

The ninth round of TPP negotiations was hosted by Peru from October 19 to 28 in Lima. Negotiators reported progress on the legal texts of the agreement, as well as on the new crosscutting issues. TPP negotiators agreed to move toward closure on a number of chapters following domestic consultations.<sup>55</sup> In addition to meeting collectively as a group, the United States and other TPP partners met bilaterally during the week to discuss issues concerning trade in goods, trade in services, and other areas.<sup>56</sup> Teams also

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<sup>49</sup> Ibid.

<sup>50</sup> USTR, "Joint Statement from Trans-Pacific Partnership Ministers," May 19, 2011; USTR, "Round 6: Singapore, Strong Sixth Round Progress Propels TPP Negotiations Forward," April 1, 2011.

<sup>51</sup> USTR, "Round 6: Singapore, Strong Sixth Round Progress," April 1, 2011.

<sup>52</sup> USTR, "Round 7: Ho Chi Minh City, Steady Progress," June 24, 2011.

<sup>53</sup> Ibid.

<sup>54</sup> USTR, "Round 8: Chicago, Final Readout," September 15, 2011. According to USTR, market-access packages involved in these negotiations require agreement by each country in trade on some 11,000 tariff lines, as well as the rules of origin associated with them; trade and investment in services; and reciprocal access to each other's government procurement markets.

<sup>55</sup> USTR, "Round 9: Lima, TPP Negotiators Conclude Strong Ninth Round," October 28, 2011.

<sup>56</sup> These subjects included cooperation and capacity building, customs, e-commerce, financial services, government procurement, horizontal issues, intellectual property rights, labor, legal issues, market access, rules of origin, sanitary and phytosanitary standards, technical barriers to trade, telecommunications, and the

discussed a U.S. proposal on state-owned enterprises, intended to address distortions to trade and competition that result from government aid provided to these firms, as well as a U.S. proposal on labor.

On November 12, TPP leaders met in Honolulu on the sidelines of the APEC Leaders' Summit to evaluate progress made so far and consider possible next steps. TPP leaders presented a joint statement announcing the conclusion of a broad outline for the TPP agreement that they claim will boost trade and investment, promote innovation, increase economic growth and development, and support the creation and retention of jobs. TPP leaders endorsed a report from TPP trade ministers that identified five features of the agreement that will both make it "historic" and establish it as the "new standard" for future trade agreements. Those features included provisions to ensure:<sup>57</sup>

- comprehensive market access, by eliminating tariffs and other barriers to goods and services trade and investment;
- a fully regional agreement, which will facilitate the development of production and supply chains among TPP members;
- that the agreement builds on work being done in APEC and other forums by incorporating four new, crosscutting issues: (a) regulatory coherence, (b) supply chain competitiveness and business facilitation, (c) small and medium-sized enterprises, and (d) economic development;
- that the agreement responds to new trade challenges, by promoting trade and investment in innovative products and services, including in the digital economy and green technologies, and ensured a competitive business environment across the TPP region; and
- that the agreement is a living document, allowing parties to update it as appropriate to address issues that will arise from emerging trade trends as well as from the expansion of the agreement to include new countries.<sup>58</sup>

On November 11, at the APEC Leaders' Summit, Japan, Mexico, and Canada formally announced their intentions to begin consultations with TPP partners toward joining the TPP negotiations. The United States and other TPP countries welcomed their interest, and conveyed that potential new entrants must be able to meet the TPP's high standards for liberalizing trade and to address specific issues of concern to the United States regarding barriers to agriculture, manufactures including nontariff measures, services, intellectual property rights protection, and investment.<sup>59</sup>

The 10th round of TPP negotiations was hosted by Malaysia from December 5 to 9 in Kuala Lumpur. Negotiating groups met collectively to address rules of origin, services, investment, and intellectual property, while other teams met bilaterally to negotiate tariff packages on industrial goods, agriculture, and textiles.<sup>60</sup>

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temporary entry of services personnel. USTR, "Round 9: Lima, TPP Negotiators Conclude Strong Ninth Round," October 28, 2011.

<sup>57</sup> USTR, "Trans-Pacific Partnership (TPP) Trade Ministers' Report to Leaders," November 12, 2011.

<sup>58</sup> Ibid.

<sup>59</sup> USTR, "Statement by U.S. Trade Representative Ron Kirk on Announcements from Mexico and Canada," November 13, 2011; USTR, "U.S., Japan Hold High-Level Consultation," February 7, 2012.

<sup>60</sup> USTR, "Round 10: Kuala Lumpur, Additional Strides Made," December 9, 2011.

In 2011, the value of U.S. merchandise exports to its eight TPP partners increased by 18.1 percent to \$95.6 billion compared to the previous year (table 4.4). U.S. exports were dominated by heavy and light fuel oil, civil aircraft and parts, electronic integrated circuits, motor vehicles, parts for boring and sinking machines, medicaments (pharmaceutical products), parts of airplanes or helicopters, nonmonetary gold, optical and medical instruments, and telecommunications equipment. U.S. merchandise imports from TPP countries increased by 11.3 percent to \$90.7 billion in 2011 compared to 2010. U.S. imports from these markets included telecommunications equipment, electronic integrated circuits, computers and peripherals, parts of office machines, wooden bedroom furniture, sweaters and pullovers, copper, meat, organic chemicals, and wine. In 2011, the United States had a trade surplus of \$5.0 billion with its TPP partners, following deficits in 2009 and 2010. If concluded, this trade agreement would be the second largest after NAFTA in terms of total trade covered, measuring about 19 percent of the value of total two-way merchandise trade between the United States and its NAFTA partners in 2011.

## **North American Free Trade Agreement<sup>61</sup>**

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The North American Free Trade Agreement between the United States, Canada, and Mexico entered into force on January 1, 1994. All of the agreement's provisions were implemented by January 1, 2008, with the exception of the NAFTA cross-border trucking provisions.<sup>62</sup> In 2011, total two-way (exports plus imports) U.S. merchandise trade with its NAFTA partners increased by 15.5 percent over 2010, with U.S.-Canada merchandise trade amounting to \$550.2 billion and U.S.-Mexico merchandise trade totaling \$422.6 billion (table 4.1). The U.S. merchandise trade deficit with NAFTA partners rose to \$185.4 billion in 2011 from \$166.8 billion in the previous year—an increase of 11.1 percent, in contrast to an increase of 35.1 percent in 2010. Leading products responsible for the deficit in 2011 included mineral fuels, motor vehicles and parts thereof, electrical machinery, and machinery and mechanical appliances.

The following sections describe the major activities of NAFTA's Free Trade Commission (FTC), Commission for Labor Cooperation (CLC), and Commission for Environmental Cooperation (CEC), as well as the dispute settlement activities under NAFTA Chapters 11 and 19 during 2011.

### ***Free Trade Commission***

The FTC is NAFTA's central oversight body. It is chaired jointly by trade representatives or their designees from the three member countries.<sup>63</sup> The FTC is responsible for overseeing NAFTA's implementation and elaboration, as well as for its dispute settlement provisions.<sup>64</sup>

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<sup>61</sup> U.S. bilateral trade relations with Canada and Mexico are described in chapter 5 of this report.

<sup>62</sup> The section on Mexico in chapter 5 discusses NAFTA's cross-border trucking provisions. Further information on the last remaining restrictions on U.S.-Mexico trade, which were removed on January 1, 2008, is given in USITC, *The Year in Trade 2008*, 2009, 5-16.

<sup>63</sup> The representatives are the USTR, Canadian Minister for International Trade, and Mexican Secretary of the Economy.

<sup>64</sup> USTR, *2012 Trade Policy Agenda and 2011 Annual Report*, March 2012, 129.

**TABLE 4.4** U.S. merchandise trade with TPP partners,<sup>a</sup> 2009–11

Trade with TPP partners	2009	2010	2011	% change, 2010–11
	Millions of \$			
U.S. exports	65,241	81,007	95,636	18.1
U.S. imports	72,064	81,471	90,691	11.3
Trade balance	-6,823	-463	4,945	( <sup>b</sup> )

Source: USDOC.

<sup>a</sup> Current negotiating partners include Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam.

<sup>b</sup> Not meaningful.

At its meeting in January 2011 in Mexico City, the FTC noted that because all tariff cuts under NAFTA were implemented either on time or ahead of schedule, the three countries “are developing new and creative ways to increase trade”<sup>65</sup> by reducing transaction costs, eliminating nontariff barriers to trade, and facilitating access to information. According to the FTC’s joint statement released after the meeting, “These steps aim to make North America one of the most economically competitive regions in the world.”<sup>66</sup>

At the meeting, the FTC tasked the relevant NAFTA committees, including the Committees on Standards-Related Measures and Sanitary and Phytosanitary Measures, to continue their work and identify more areas for further cooperation. The FTC reaffirmed its commitment to enter into mutual recognition agreements (MRAs) that will allow a manufacturer to test a product only once and then have the test results accepted in the other two NAFTA partner countries. In addition, the FTC initialed the basic terms of two bilateral MRAs for telecommunications equipment;<sup>67</sup> the United States and Mexico signed their MRA in May 2011, while Canada and Mexico signed a similar agreement in November 2011.<sup>68</sup> The FTC agreed that Canada will host the next NAFTA FTC meeting.

On May 19, 2010, the presidents of the United States and Mexico “directed the creation of a High-Level Regulatory Cooperation Council (HLRCC) to identify areas of mutual interest for regulatory cooperation” that are intended to improve commerce and competitiveness in North America.<sup>69</sup> In September, senior officials from the U.S. Office of Management and Budget and the Mexican Secretariat of the Economy co-chaired the first meeting of the HLRCC to discuss cooperation on key issues that affect both countries. Recognizing that some regulatory challenges require trilateral cooperation among the NAFTA countries, North American regulatory cooperation will be conducted under the U.S.-Mexico HLRCC, the U.S.-Canada Regulatory Cooperation Council, and

<sup>65</sup> USTR, “Joint Statement from the January 10, 2011 Meeting,” January 10, 2011.

<sup>66</sup> Ibid.

<sup>67</sup> The MRA established procedures to accept test results from laboratories or testing facilities in the territory of another NAFTA country for use in the conformity assessment of telecommunications equipment. USTR, “Joint Statement from the January 10, 2011 Meeting,” January 10, 2011.

<sup>68</sup> USTR, *2012 Trade Policy Agenda and 2011 Annual Report*, March 2012, 129–130; USTR, “New U.S.-Mexico Telecommunications Agreement Will Ease Burdens,” May 26, 2011; Government of Canada, Foreign Affairs and International Trade Canada, “Canada Signs Telecommunications Cooperation Agreement with Mexico,” November 13, 2011.

<sup>69</sup> White House, “Fact Sheet: Enhancing U.S.-Mexico Cooperation,” March 3, 2012.

“other forums deemed appropriate by all three governments, including existing NAFTA committees on Standard Related Measures and Sanitary and Phytosanitary Measures.”<sup>70</sup>

On March 3, 2011, the United States and Mexico announced the terms of reference for the HLRCC, which included six major goals: making regulations more compatible and simple; increasing regulatory transparency; promoting public participation; improving the analysis of regulations; linking regulatory cooperation to improve border-crossing and customs procedures; and increasing technical cooperation.<sup>71</sup> Next, the HLRCC will create a work plan to implement these goals.<sup>72</sup>

### ***Commission for Labor Cooperation***

The CLC, comprising a ministerial council and an administrative secretariat, was established under the North American Agreement on Labor Cooperation (NAALC), a supplemental agreement to NAFTA that aims to promote effective enforcement of domestic labor laws and foster transparency in their administration. The CLC is responsible for implementing the NAALC. Each NAFTA partner has established a national administrative office (NAO) within its labor ministry to serve as the contact point with the other parties, the Secretariat, with other government agencies, and the public. In the United States, that office is the Division of Trade Agreement Administration and Technical Cooperation (TAATC) within the Department of Labor.<sup>73</sup> Another NAO function is to receive and respond to public communications on labor law matters arising in another NAALC country. Each NAO establishes its own domestic procedures for reviewing and responding to public communications. The NAOs and the secretariat also carry out the cooperative activities of the CLC, including seminars, conferences, joint research projects, and technical assistance.<sup>74</sup>

In 2011, the CLC released a report “Migrant Workers’ Rights in North America: Comparative Guides to Labor and Employment Laws in North America.”<sup>75</sup>

### ***Commission for Environmental Cooperation***

The CEC was established under the North American Agreement on Environmental Cooperation (NAAEC), a supplemental agreement to NAFTA designed to ensure that trade liberalization and efforts to protect the environment are mutually supportive. The CEC oversees the mandate of the NAAEC and is composed of (1) the Council—the governing body of the CEC—made up of the environmental ministers from the United

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<sup>70</sup> White House, “Terms of Reference for the High-Level Regulatory Cooperation Council,” March 3, 2011.

<sup>71</sup> Ibid.

<sup>72</sup> On February 28, 2012, the White House announced the HLRCC’s Work Plan, which “identifies a number of areas of mutual interest—food, transportation, nanotechnology, e-health, oil and gas, and conformity assessment—and outlines activities to be carried out by the United States and Mexico over a period of two years.” White House, Office of Management and Budget, “Supporting U.S. Economic Growth,” February 28, 2012.

<sup>73</sup> USDOL, ILAB, OTLA, “Trade Agreement Administration and Technical Cooperation” (accessed April 4, 2012).

<sup>74</sup> CLC, “The National Administrative Offices,” (accessed April 4, 2012).

<sup>75</sup> USTR, *2012 Trade Policy Agenda and 2011 Annual Report*, March 2011, 130; CLC, *Migrant Workers’ Rights in North America*, 2011.

States, Canada, and Mexico;<sup>76</sup> (2) the Joint Public Advisory Committee, made up of five private citizens from each of the NAFTA parties; and (3) the Secretariat, located in Montreal. The Secretariat is composed of professional staff that carry out initiatives and conduct research on topics pertaining to the North American environment, environmental law, and environmental standards, as well as processing citizen submissions on enforcement matters.<sup>77</sup>

Articles 14 and 15 of the NAAEC provide citizens and nongovernmental organizations with a mechanism to help enforce environmental laws in the NAFTA countries. Article 14 governs alleged violations submitted for review by the CEC. It sets forth guidelines regarding criteria for submissions and parties that can file complaints. Article 15 outlines the Secretariat's obligations in considering the submissions and publishing findings in the factual record.<sup>78</sup> At the end of 2011, 12 complaint files remained active under Articles 14 and 15, 3 of which were submitted in 2011 (table 4.5). During 2011, 1 active file involved the United States, 5 involved Canada, and 6 involved Mexico.

At the 18th regular session of the CEC Council on June 22, 2011, in Montreal, the CEC Council considered a cooperative work plan for 2011–12 to address the CEC's main priorities—promoting healthy communities and ecosystems; addressing climate change by moving to a low-carbon economy; and working with partners in the private sector to green North America's economy. The CEC directed \$1.4 million of the CEC budget to fund the North American Partnership for Environmental Community Action to support communities in their efforts to locally address environmental problems across North America.<sup>79</sup>

In November 1993, the United States and Mexico agreed on arrangements to help border communities with environmental infrastructure projects to further the goals of NAFTA and the NAAEC. The Border Environment Cooperation Commission (BECC) and the North American Development Bank (NADB) are working with communities throughout the U.S.-Mexico border region to address their environmental infrastructure needs.<sup>80</sup> As of December 31, 2011, the NADB has contracted a cumulative total of approximately \$1.3 billion in loans and grants to help finance 152 projects certified by the BECC with an estimated total cost of \$3.3 billion to build. Of those funds, a total of \$1.2 billion has already been disbursed.<sup>81</sup>

## *Dispute Settlement*

The dispute settlement provisions of NAFTA Chapters 11 and 19 cover a variety of areas.<sup>82</sup> The sections below describe developments during 2011 in NAFTA Chapter 11 investor-state disputes and Chapter 19 binational reviews of final determinations of antidumping and countervailing cases. Appendix table A.22 presents an overview of

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<sup>76</sup> The CEC Council consists of the U.S. Environmental Protection Agency Administrator, Canadian Environment Minister, and Mexican Secretary for Environment and Natural Resources.

<sup>77</sup> CEC, Secretariat, "Commission for Environmental Cooperation," n.d. (accessed April 5, 2012).

<sup>78</sup> CEC, "Citizen Submissions on Enforcement Matters," n.d. (accessed April 5, 2012).

<sup>79</sup> CEC, "CEC Ministerial Statement, 2011: Eighteenth Regular Session," June 22, 2011.

<sup>80</sup> USTR, *2012 Trade Policy Agenda and 2011 Annual Report*, March 2011, 130.

<sup>81</sup> BECC and NADB, *Quarterly Status Report*, December 31, 2011; NADB, "Summary of Project Implementation Activities: Active Projects," December 31, 2011.

<sup>82</sup> NAFTA Secretariat, "Overview of the Dispute Settlement Provisions," (accessed April 6, 2012).

**TABLE 4.5** Active files as of yearend 2011 under Articles 14 and 15 of the North American Agreement on Environmental Cooperation

Name	Case	First filed	Country <sup>a</sup>	Status
Lake Chapala II	SEM-03-003	May 23, 2003	Mexico	The Secretariat posted a request for information relevant to the factual record on its Web site on September 4, 2008.
Coal-fired Power Plants	SEM-04-005	Sept. 20, 2004	United States	The Secretariat posted a request for information relevant to the factual record on its Web site on September 15, 2008.
Quebec Automobiles	SEM-04-007	Nov. 3, 2004	Canada	The Secretariat received comments from Mexico and Canada on May 5 and 20 of 2011, respectively.
Environmental Pollution in Hermosillo II	SEM-05-003	Aug. 30, 2005	Mexico	The Secretariat informed the Council on April 4, 2007, that the Secretariat considers that the submission warrants development of a factual record.
Ex Hacienda El Hospital II	SEM-06-003	July 17, 2006	Mexico	The Secretariat informed the Council on May 12, 2008, that the Secretariat considers that the submission warrants development of a factual record.
Ex Hacienda El Hospital III	SEM-06-004	Sept. 22, 2006	Mexico	The Secretariat informed the Council on May 12, 2008, that the Secretariat considers that the submission warrants development of a factual record.
Wetlands in Manzanillo	SEM-09-002	Feb. 4, 2009	Mexico	The Secretariat received a response from the concerned government party and began considering on October 12, 2010, whether to recommend a factual record.
Alberta Tailings Ponds	SEM-10-002	Apr. 13, 2010	Canada	The Secretariat received a revised submission and began to analyze it on October 1, 2010.
Iona Wastewater Treatment	SEM-10-003	May 7, 2010	Canada	The Secretariat determined that the submission met the criteria of Article 14(1) and requested a response from the concerned government party on December 16, 2011, in accordance with Article 14(2).
PCB Treatment in Grandes-Piles, Quebec	SEM-11-001	Jan. 11, 2011	Canada	The Secretariat received a revised submission and began a preliminary analysis of it on March 7, 2011.
Sumidero Canyon II	SEM-11-002	Nov. 29, 2011	Mexico	The Secretariat received a submission and began a preliminary analysis of it under the guidelines.
Protection of Polar Bears	SEM-11-003	Dec. 5, 2011	Canada	The Secretariat received a submission and began a preliminary analysis of it under the guidelines.

Source: CEC, "Submission on Enforcement Matters: Active Submissions."

<sup>a</sup> Refers to the country against which an allegation was filed.

developments in NAFTA Chapter 19 dispute settlement cases to which the United States was a party in 2011.

## **Chapter 11 Dispute Settlement Developments**

Chapter 11 of NAFTA includes provisions designed to protect cross-border investors and ease the settlement of investment disputes. An investor who alleges that a NAFTA country has breached its investment obligations under Chapter 11 may pursue arbitration through internationally recognized channels or remedies available in the host country's domestic courts.<sup>83</sup> A key feature of the Chapter 11 arbitral provisions is the enforceability in domestic courts of final awards made by arbitration tribunals.<sup>84</sup>

In 2011, there was one active Chapter 11 case filed against the United States by Canadian investors;<sup>85</sup> five filed by U.S. investors against Canada;<sup>86</sup> and three filed by U.S. investors against Mexico.<sup>87</sup>

## **Chapter 19 Dispute Panel Reviews**

Chapter 19 of NAFTA contains a mechanism that provides for a binational panel to review final determinations made by national investigating authorities in antidumping and countervailing duty cases. Such a panel serves as an alternative to judicial review by domestic courts and may be established at the request of any involved NAFTA country.<sup>88</sup>

At the end of 2011, the NAFTA Secretariat listed nine binational panels active under Chapter 19 (table 4.6). Two of the three binational panels formed in 2011 under Chapter 19 challenged U.S. agencies' determinations on products from Mexico, and the third challenged the Mexican agency's determination on products from the United States. Eight of the active cases challenged U.S. agencies' determinations.<sup>89</sup>

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<sup>83</sup> Internationally recognized arbitral mechanisms include the International Centre for the Settlement of Investment Disputes (ICSID) at the World Bank, ICSID's Additional Facility Rules, and the rules of the United Nations Commission on International Trade Law (UNCITRAL Rules).

<sup>84</sup> NAFTA Secretariat, "Overview of the Dispute Settlement Provisions," n.d. (accessed April 6, 2012).

<sup>85</sup> USDOS, "NAFTA Investor-State Arbitrations: Cases Filed against the Government of Canada," n.d. (accessed April 6, 2012); NAFTA Secretariat, Canadian Section, "NAFTA—Chapter 11: Cases Filed against the Government of the United States of America," n.d. (accessed April 6, 2012).

<sup>86</sup> USDOS, "NAFTA Investor-State Arbitrations: Cases Filed against Canada"; NAFTA Secretariat, Canadian Section, "NAFTA—Chapter 11: Cases Filed against the Government of Canada," n.d. (accessed April 6, 2012).

<sup>87</sup> USDOS, "NAFTA Investor-State Arbitrations: Cases Filed against the United Mexican States"; NAFTA Secretariat, Canadian Section, "NAFTA—Chapter 11: Cases Filed against the Government of the United Mexican States," n.d. (accessed April 6, 2012).

<sup>88</sup> NAFTA Secretariat, "Overview of the Dispute Settlement Provisions," n.d. (accessed April 6, 2012).

<sup>89</sup> NAFTA Secretariat, "NAFTA—Chapter 19 Active Cases," n.d. (accessed April 6, 2012).

**TABLE 4.6** NAFTA Chapter 19 binational panels, active reviews as of the end of 2011

Petitioning country <sup>a</sup>	Case number	Challenged national agencies' final determination <sup>b</sup>	Case title
Mexico	MEX-USA-2011-1904-01	SE Countervailing Duty	Acido Esteárico
United States	USA-CDA-2008-1904-02	USDOC Antidumping Administrative Review	Carbon and Alloy Steel Wire Rod
	USA-CDA-2009-1904-01	USDOC Antidumping Administrative Review	Carbon and Alloy Steel Wire Rod
	USA-MEX-2007-1904-01	USDOC Antidumping Administrative Review	Stainless Steel Sheet and Strip in Coils
	USA-MEX-2008-1904-01	USDOC Antidumping Administrative Review	Stainless Steel Sheet and Strip in Coils
	USA-MEX-2009-1904-02	USDOC Antidumping Administrative Review	Stainless Steel Sheet and Strip in Coils
	USA-MEX-2010-1904-01	USDOC Antidumping Administrative Review	Stainless Steel Sheet and Strip in Coils
	USA-MEX-2011-1904-01	USDOC Antidumping Administrative Review	Stainless Steel Sheet and Strip in Coils
	USA-MEX-2011-1904-02	USDOC Antidumping Administrative Review	Light-Walled Rectangular Pipe and Tube

Source: NAFTA Secretariat, "Status Report of Dispute Settlements Proceedings."

<sup>a</sup> The United States filed the first case contesting Mexico's determination, Canada filed the next two cases contesting U.S. determinations, and Mexico filed the remaining cases.

<sup>b</sup> In Canada, final dumping and subsidy determinations are made by the Canada Border Services Agency, and injury determinations are made by the Canadian International Trade Tribunal. In Mexico, all determinations are made by the Secretary of Economy (SE). In the United States, dumping and subsidy determinations are made by the USDOC, and injury determinations are made by the USITC. NAFTA Secretariat, "Overview of the Dispute Settlement Provisions."

# CHAPTER 5

## U.S. Relations with Major Trading Partners

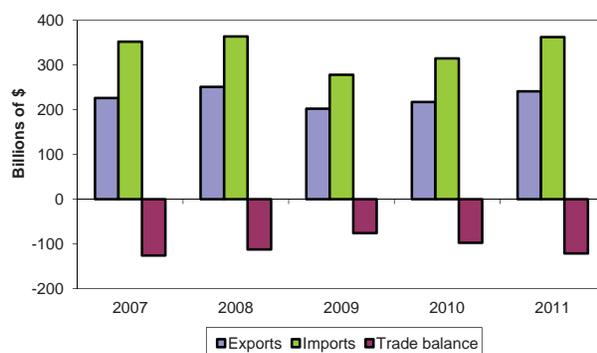
This chapter reviews U.S. bilateral trade relations with 10 selected trading partners during 2011: the European Union (EU), Canada, China, Mexico, Japan, Republic of Korea (Korea), Brazil, Taiwan, India, and Russia (ordered by value of two-way merchandise trade). Appendix tables A.23 and A.24 show U.S. trade with its top 15 single-country trading partners in 2011.

### European Union

The EU as a unit<sup>1</sup> is the largest two-way (exports and imports) U.S. trading partner in terms of both goods and services. The value of U.S. merchandise trade with the EU rose 13.4 percent in 2011 to \$603.5 billion, accounting for 17.4 percent of total U.S. trade. In 2011, U.S.-EU trade had still not recovered to the level recorded in 2008 (\$614.9 billion), just before the global economic downturn. The rate of growth of U.S. imports from the EU matched the growth rate of total U.S. imports in 2011. U.S. exports to the EU, however, grew at a slower pace because of the sovereign debt crisis and slow growth in the EU (just 1.6 percent in 2011).<sup>2</sup> As a result, the U.S. merchandise trade deficit with the EU climbed \$23.8 billion to \$121.3 billion in 2011, the highest level since 2007 (figure 5.1). On the other hand, the U.S. trade surplus in services with the EU was \$50.8 billion in 2011, up \$7.1 billion from 2010 (figure 5.2); the EU accounted for 33.4 percent of U.S. trade in services in 2011.<sup>3</sup>

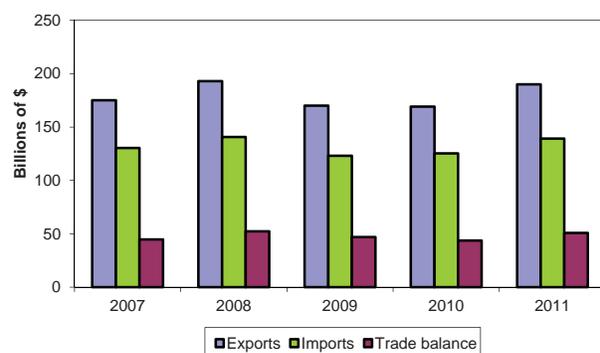
U.S. merchandise exports to the EU increased 10.9 percent in 2011 to \$241.1 billion. Leading U.S. exports included aircraft and parts thereof, petroleum-related products, certain medicaments (pharmaceutical products), nonmonetary gold, coal, and passenger

**FIGURE 5.1** U.S. merchandise trade with the EU, 2007–11



Source: USDOC.

**FIGURE 5.2** U.S. private services trade with the EU, 2007–11<sup>a</sup>



Source: USDOC.

<sup>a</sup>Data for 2011 are preliminary.

<sup>1</sup> The 27 members of the EU in 2011 were Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the United Kingdom.

<sup>2</sup> IMF, *World Economic Outlook April 2012*, April 2012, table 1.1, 2.

<sup>3</sup> The United Kingdom was the largest single-country U.S. trading partner in services in 2010.

motor vehicles. Among top exports, the most notable increases by value were in petroleum-related products, precious metal waste and scrap, coal, and motor vehicles.

U.S. merchandise imports from the EU increased more strongly in 2011, rising 15.1 percent to \$362.4 billion. Leading U.S. imports included certain medicaments, petroleum-related products, passenger motor vehicles, and nucleic acids and their salts. Among the top imports, the largest increases were recorded for machines for semiconductor manufacturing, human blood, and petroleum-related products. U.S.-EU merchandise trade data are shown in appendix tables A.25 through A.27.

A major focus of the U.S.-EU trade relationship in 2011 was the work of the Transatlantic Economic Council (TEC), an intergovernmental organization that aims to facilitate bilateral trade and investment. There were also developments in several WTO dispute settlement cases involving the United States and the EU in 2011, including two disputes involving U.S. and EU complaints about each other's measures affecting trade in large civil aircraft (see chapter 3 and appendix table A.21). In May 2011, the United States lifted additional duties that had been imposed in 1999 in connection with a long-standing WTO dispute over an EU ban on meat treated with growth-promoting hormones (DS26).<sup>4</sup>

### ***Transatlantic Economic Council***

The TEC is a cabinet-level organization that was created at the U.S.-EU Summit in April 2007 to oversee and guide efforts to lower barriers to trade and investment between the United States and the EU. It seeks to identify and cooperate on a broad range of issues to strengthen transatlantic integration and promote growth.<sup>5</sup> A major focus of the TEC is to develop joint transatlantic approaches in the area of regulations and standards.<sup>6</sup> The TEC also aims to build bilateral cooperation on global economic challenges and approaches with third countries;<sup>7</sup> e.g., protection of IPR in third countries and promotion of open, nondiscriminatory investment policies in third countries. During 2011, the TEC made progress on a number of areas in its work plan, as described below. It held its annual meeting on November 29, 2011, one day after leaders met at the annual U.S.-EU Summit.

At the 2011 U.S.-EU Summit, leaders tasked the TEC to establish a joint High Level Working Group on Jobs and Growth. The purpose of the working group is to identify policies and measures that can increase U.S.-EU trade and investment in order to support mutually beneficial job creation, economic growth, and international competitiveness. On January 11, 2012, the USTR issued a *Federal Register* notice requesting comments on options for increasing bilateral trade and investment.<sup>8</sup> These options could cover a range of possibilities, such as enhanced regulatory cooperation, a comprehensive free trade agreement, negotiation of a zero-tariff agreement, or negotiation of bilateral agreements on services and investment.<sup>9</sup> The working group is to provide an interim update to the TEC in June 2012 and a final report with findings and recommendations at the end of 2012.

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<sup>4</sup> 76 Fed. Reg. 30987 (May 27, 2011). For more information, see chapter 2, Section 301, of this report; USITC, *The Year in Trade*, 2009, 5-5 to 5-6.

<sup>5</sup> USDOS, "About the Transatlantic Economic Council," n.d. (accessed February 9, 2012); White House, Office of the Press Secretary, "Transatlantic Economic Council: Readout," November 30, 2011.

<sup>6</sup> De Gucht, "Going Global: EU Trade Relations," October 6, 2011.

<sup>7</sup> Ibid.

<sup>8</sup> 77 Fed. Reg. 1778 (January 11, 2012).

<sup>9</sup> 77 Fed. Reg. 1778 (January 11, 2012); Ahearn, "U.S.-EU Trade and Economic Relations," January 18, 2012.

During 2011, the U.S.-EU High-Level Regulatory Cooperation Forum (HLRCF), a working group under the TEC umbrella, adopted the “Common Understanding on Regulatory Principles and Best Practices,” which details best practices when proposing, modifying, or evaluating existing regulatory measures, such as transparency of the regulatory process and public participation.<sup>10</sup> The HLRCF also issued a joint understanding on “Building Bridges between the U.S. and the EU Standards Systems,” which is meant to create new mechanisms to promote cooperation, collaboration, and coherence in standardization. The aim is to minimize unnecessary regulatory divergences and to better align the U.S. and EU approaches to regulation.<sup>11</sup>

The TEC made progress on regulatory cooperation via several sectoral initiatives. In particular, the TEC endorsed a joint work program for electric vehicles and related infrastructure, which aims to develop compatible standards for electric vehicles and smart grids, which can then be promoted in relevant international forums. The electrical vehicle work program also calls for joint research and pilot projects.<sup>12</sup> In addition, the TEC decided to intensify cooperation in emerging technologies and innovative sectors, such as nanotechnology, cloud computing, and biobased products, to find joint approaches to emerging regulatory issues and avoid unintended barriers to trade.<sup>13</sup> In the margins of the annual TEC meeting, the two sides initialed a new agreement on Energy Star certification of office equipment, including computer and imaging equipment. This agreement succeeds a 2006 agreement that expired at the end of 2011. Energy Star is a voluntary labeling program that promotes the use of energy-efficient products and practices.<sup>14</sup>

In April 2011, U.S. and EU officials announced agreement on 10 regulatory principles for trade in information and communication technology (ICT) services; both parties are to implement and promote these principles in trade negotiations with third countries. The principles include the transparency of laws and regulations, open networks for both consumers and the suppliers of services, free cross-border information flows, open investment, and avoidance of preferential treatment to national suppliers of ICT services.<sup>15</sup>

With respect to raw materials, the TEC agreed to a work program for cooperation, including coordinating with international organizations (e.g., the OECD and WTO) and with third countries to limit export duties and other export restraints on raw materials. The work plan also addresses the sustainable supply of raw materials. It calls for the two sides to create a joint inventory of raw materials data and analysis, including studies on resource availability and trade flows; to increase dialogue on sustainable materials management, including resource efficiency and recycling of materials, such as electronic

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<sup>10</sup> United States-European Commission, High-Level Regulatory Cooperation Forum, “Common Understanding on Regulatory Principles and Best Practices,” June 2011.

<sup>11</sup> United States-European Commission, High-Level Regulatory Cooperation Forum, “Building Bridges between the U.S. and EU Standards Systems,” November 2011.

<sup>12</sup> USDOS, Bureau of European and Eurasian Affairs, “Transatlantic Economic Council: Annexes,” November 29, 2011; European Commission, “EU and US Boost Economic Partnership,” November 29, 2011.

<sup>13</sup> White House, “Transatlantic Economic Council: Joint Statement,” November 30, 2011; European Commission, “EU and US Boost Economic Partnership,” November 29, 2011; USDOS, Bureau of European and Eurasian Affairs, “Transatlantic Economic Council: Annexes to the TEC Joint Statement,” November 29, 2011.

<sup>14</sup> European Commission, “EU and US Boost Economic Partnership,” November 29, 2011; USDOS, Bureau of European and Eurasian Affairs, “Transatlantic Economic Council: Annexes,” November 29, 2011.

<sup>15</sup> USDOS, Bureau of European and Eurasian Affairs, “European Union-United States Trade Principles,” April 4, 2011.

waste (used electronics);<sup>16</sup> to continue cooperation on research on raw material technologies; and to explore ways of increasing bilateral dialogue on the problem of illegal shipments of waste.<sup>17</sup>

To enhance cooperation in support of trade and investment by small and medium-sized enterprises (SMEs), two conferences were held under the auspices of the TEC on SME best practices in 2011. These conferences covered such topics as the reduction of trade barriers affecting SMEs, regulatory cooperation, access to finance, and support for SMEs' access to export markets.<sup>18</sup> Based on discussions at these conferences, the two governments plan to conduct joint SME trade promotion activities, explore opportunities for linking SME regional innovation clusters between the United States and the EU, exchange information and best practices with respect to programs that provide counseling and training to SME entrepreneurs, exchange information and experiences relating to SME finance, and conduct periodic meetings on trade and other topics of particular relevance to SMEs.<sup>19</sup>

The Transatlantic High Level Working Group on Investment was formed in August 2011 and held its first meeting in October to address bilateral, third-country, and global investment policy developments. The two sides plan to consult regularly to coordinate their respective efforts to ensure that international investment agreements meet high standards. The working group will also coordinate approaches to major investment policy challenges in third countries, such as regulatory transparency and legal certainty, as well as worldwide, including issues related to increasing state control and influence in the global economy. The working group is currently developing a list of shared investment principles (for example, strong investor protections, meaningful market access, and independent international dispute settlement) to observe bilaterally as well as to promote with third countries in developing investment policy in the future.<sup>20</sup>

In the area of supply chain security, in 2011 the United States and EU completed preparatory work on mutual recognition of customs trade partnership programs.<sup>21</sup> These programs aim to lower costs for certified businesses and shippers through faster and simpler customs procedures. Once both sides sign the mutual recognition agreement, it is expected to be implemented about July 2012.<sup>22</sup>

## Canada

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In 2011, Canada remained the United States' largest single-country trading partner, accounting for 15.8 percent of total U.S. merchandise trade (exports plus imports). U.S. merchandise trade with Canada was \$550.2 billion in 2011, an increase of 14.3 percent

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<sup>16</sup> The USITC is currently conducting an investigation in response to a request from USTR examining U.S. exports of used electronic products. USITC, "U.S. Exports of Used Electronic Products Will be Focus of New USITC Study," January 30, 2012.

<sup>17</sup> USDOS, Bureau of European and Eurasian Affairs, "Transatlantic Economic Council: Annexes," November 29, 2011.

<sup>18</sup> European Commission, "European Union-United States SME Best Practices," June 28–29, 2011.

<sup>19</sup> USTR, "Joint Report to the TEC Co-Chairs," November 11, 2011.

<sup>20</sup> USDOS, Bureau of European and Eurasian Affairs, "Transatlantic High Level Working Group on Investment," August 5, 2011; USDOS, Bureau of European and Eurasian Affairs, "Transatlantic Economic Council: Annexes," November 29, 2011.

<sup>21</sup> These programs are the Customs-Trade Partnership against Terrorism program in the United States and the Authorized Economic Operator program in the EU.

<sup>22</sup> USDOS, Bureau of European and Eurasian Affairs, "Transatlantic Economic Council: Annexes," November 29, 2011; European Commission, "EU and US Boost Economic Partnership," November 29, 2011.

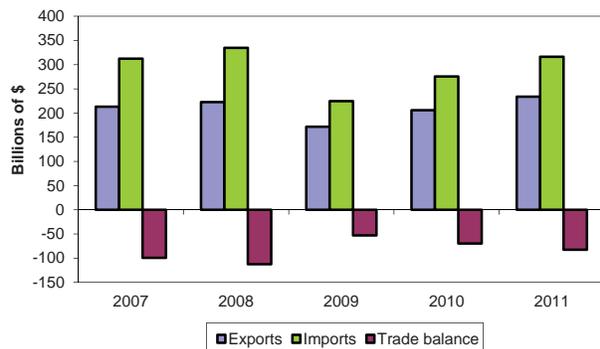
over 2010. The U.S. merchandise trade deficit with Canada increased 18.7 percent to \$82.6 billion in 2011, up from \$69.6 billion in 2010 (figure 5.3). At the same time, the U.S. trade surplus with Canada in private services increased, from \$24.9 billion in 2010 to \$28.1 billion in 2011 (figure 5.4). Canada is the United States' second-largest single-country trading partner in services, after the United Kingdom.

U.S. merchandise exports to Canada increased 13.5 percent during the year, from \$206.0 billion in 2010 to \$233.8 billion in 2011. Leading exports to Canada in 2011 were transport and passenger motor vehicles and related parts, which made up about 13.3 percent of total U.S. merchandise exports to Canada in 2011, and fuels, such as crude and refined petroleum and natural gas, which accounted for another 5.8 percent of U.S. goods exports. U.S. merchandise imports from Canada increased 14.8 percent over the same period, from \$275.5 billion in 2010 to \$316.4 billion in 2011. Leading U.S. imports from Canada in 2011 were energy products, such as petroleum oil, propane, natural gas, and electrical energy, roughly one-third of total U.S. goods imports from Canada, and passenger motor vehicles and related parts and accessories, 13.6 percent of U.S. imports from Canada. U.S.-Canada merchandise trade data are shown in appendix tables A.28 through A.30.

The United States and Canada share the world's largest and most comprehensive bilateral trading relationship. Since 1994, overall trade between the countries has operated within the framework of the North American Free Trade Agreement (NAFTA) between the United States, Canada, and Mexico. NAFTA has reduced trade barriers and liberalized trade rules in a wide variety of areas—agriculture, industrial goods, services, energy, investment, and government procurement—as well as provided an institutional structure through which to settle a variety of disputes between the three partners. Canada is the single largest foreign supplier of energy to the United States, and the United States is Canada's largest foreign investor.<sup>23</sup>

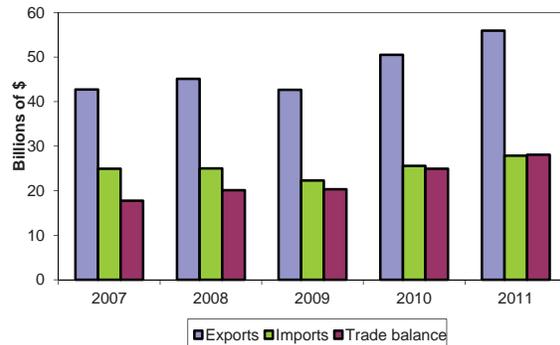
In 2011, trade relations with Canada included actions involving the 2006 U.S.-Canada Softwood Lumber Agreement, IPR protection and legislation, and the 2010 U.S.-Canada Agreement on Government Procurement, which are discussed below.

**FIGURE 5.3** U.S. merchandise trade with Canada, 2007–11



Source: USDOC.

**FIGURE 5.4** U.S. private services trade with Canada, 2007–11<sup>a</sup>



Source: USDOC.

<sup>a</sup>Data for 2011 are preliminary.

<sup>23</sup> USDOS, Bureau of Western Hemisphere Affairs, *Background Note: Canada*, December 22, 2011.

## ***Softwood Lumber***

In 1996, the United States and Canada signed the Canada-U.S. Softwood Lumber Agreement (SLA), designed to ensure a stable supply of Canadian lumber exports to the United States market through the establishment of a trigger-price import quota system.<sup>24</sup> The 1996 SLA expired in March 2001. In 2006, the United States and Canada signed a second SLA, which entered into force on October 12, 2006. The 2006 SLA was to remain in force for seven years (to 2013), with the possibility of extension for two more years if agreed by the parties.

Following discussions in 2011, the two parties agreed to extend the 2006 SLA well in advance of its scheduled expiration date to maintain predictability and stability in the lumber sector. On January 23, 2012, the United States and Canada signed a two-year extension of the agreement, which continues the SLA with no changes. The 2006 SLA is now set to expire on October 12, 2015.<sup>25</sup>

### **SLA Arbitration**

Under the SLA, disputes between the parties regarding interpretation and implementation of the agreement are to be brought to arbitration before the London Court of International Arbitration, now known as the LCIA. Under the agreement, there is no appeal from a decision of an LCIA dispute tribunal. Under the 2006 SLA, the United States has brought three disputes concerning implementation of the agreement.

The first arbitration case—concerning export measures—was brought by the United States in 2007. The United States claimed that Canada failed during the first six months of 2007 to calculate export quotas correctly for softwood lumber originating from the provinces of Manitoba, Ontario, Quebec, and Saskatchewan. In 2008, the arbitration tribunal determined that Canada had failed to properly calculate its quotas under the terms of the agreement. In 2009, the tribunal directed Canada to adjust its export quotas to collect an additional C\$68.26 million (approximately US\$54.80 million at the time of the award, according to the USTR) in export charges. At first Canada failed to do so by the date set by the tribunal, but starting September 1, 2010, Canada began charging a 10 percent ad valorem export charge on softwood lumber destined for the United States in accordance with the 2009 tribunal decision.<sup>26</sup> Canada later notified the tribunal that the full amount had been collected, and stopped applying the additional duties in July 2011.<sup>27</sup>

The second arbitration case—concerning provincial subsidies—was brought by the United States in 2008, claiming that technical assistance programs put in place by the provincial governments of Quebec and Ontario provided benefits to Canadian softwood lumber producers that circumvented the agreement. On January 21, 2011, the tribunal found that a number of provincial assistance programs in Quebec and Ontario did breach the terms of the SLA, and directed Canada to impose an additional US\$59.4 million in export charges on softwood lumber from these provinces destined for the U.S. market.<sup>28</sup> Canada began charging additional export duties on March 1, 2011.<sup>29</sup>

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<sup>24</sup> For further background, see USITC, *The Year in Trade 2010*, July 2011, 5-5 to 5-6.

<sup>25</sup> USTR, “United States and Canada Sign a Two-Year Extension,” January 23, 2012.

<sup>26</sup> For further background, see USITC, *The Year in Trade 2010*, July 2011, 5-5 to 5-6.

<sup>27</sup> USTR, “United States and Canada Sign a Two-Year Extension,” January 23, 2012.

<sup>28</sup> LCIA, “United States of America, Claimant, v. Canada, Respondent: No. 81010; Award,” January 20, 2011.

<sup>29</sup> USTR, “United States and Canada Sign a Two-Year Extension,” January 23, 2012.

The third arbitration case—concerning underpricing of public timber from interior British Columbia—was brought by the United States on January 18, 2011. In this case, the United States claimed that underpricing of timber harvested from public lands in the interior region of British Columbia provided benefits to Canadian softwood lumber producers, thereby circumventing the agreement.<sup>30</sup> On February 17, 2011, Canada filed its first response to the arbitration case with the tribunal.<sup>31</sup> On August 16, 2011, the United States presented its legal arguments concerning the pricing program in British Columbia.<sup>32</sup> On November 16, 2011, Canada presented its rebuttal to the U.S. claims, arguing that reduced prices between 2007 and 2009 reflected lower-grade timber, the result of tree infestation by the mountain pine beetle.<sup>33</sup> The dispute was ongoing in 2012.<sup>34</sup>

## *Intellectual Property*

The U.S. Trade Representative has listed Canada on the Special 301 Priority Watch List since 2009 as a result of concerns over Canada's failure to implement key copyright reforms, in particular the World Intellectual Property Organization (WIPO) Internet Treaties, and Canada's weak border enforcement concerning intellectual property.<sup>35</sup> Canada signed the WIPO Copyright Treaty and the Performances and Phonograms Treaty, commonly called the WIPO Internet Treaties, in 1997.<sup>36</sup> Despite several attempts, the Canadian government has to date been unsuccessful in passing domestic implementing legislation for these treaties.

Following the March 26, 2011, dissolution of the Canadian parliament and expiration of introduced legislation, federal elections were held on May 2, 2011.<sup>37</sup> On September 29, 2011, the government reintroduced the Copyright Modernization Act, Bill C-11,<sup>38</sup> the successor legislation to the bill (C-32) under consideration in the previous parliament and Canada's fourth attempt at copyright reform legislation.<sup>39</sup> As cited in its preamble, Bill C-

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<sup>30</sup> LCIA, "In the LCIA, No. 111790: The United States of America, Claimant, v. Canada, Respondent; Request for Arbitration," January 18, 2011.

<sup>31</sup> LCIA, "In the LCIA, No. 111790: The United States of America, Claimant, v. Canada, Respondent; Canada's Response to Request for Arbitration." February 18, 2011.

<sup>32</sup> LCIA, "In the LCIA, No. 111790: The United States of America, Claimant, v. Canada, Respondent; United States Statement of Case, Non-Confidential Version," August 16, 2011.

<sup>33</sup> LCIA, "In the LCIA, No. 111790: The United States of America, Claimant, v. Canada, Respondent; Canada's Statement of Defence, Non-Confidential," November 16, 2011.

<sup>34</sup> At the January 23, 2012, announcement of the two-year extension of the SLA, the Canadian Minister of International Trade, Ed Fast, indicated that Canada would be willing to discuss changing several Canadian forest sector policies opposed by U.S. lumber producers, in negotiations in the Trans-Pacific Partnership (TPP) forum. The minister noted that the TPP was a forum where such issues should be discussed, considering the limited authority of Canada's federal government over forestry policies set by provincial governments and the complications that this limitation has posed in the past for negotiations between Canada and the United States at the federal level. Inside Washington Publishers, "Canadian Minister Shows Willingness to Address Lumber Issues," January 27, 2012; Government of Canada, Foreign Affairs and International Trade Canada, "Ed Fast," n.d. (accessed April 4, 2012).

<sup>35</sup> USTR, 2011 National Trade Estimate Report on Foreign Trade Barriers, March 2011, 54; USTR, 2011 Special 301 Report, April 2011.

<sup>36</sup> USTR, 2011 National Trade Estimate Report on Foreign Trade Barriers, March 2011, 54.

<sup>37</sup> USDOS, Bureau of Western Hemisphere Affairs, Background Note: Canada, December 22, 2011; Government of Canada, "Proclamation Dissolving Parliament," March 28, 2011.

<sup>38</sup> C-11: Copyright Modernization Act, Parliament of Canada, House Government Bill, 41st Parliament, 1st Session (2011). LEGISinfo online database (accessed March 22, 2012). C-11 received its second reading February 13, 2012.

<sup>39</sup> USDOS, U.S. Embassy, Ottawa, "Canada Introduces Fourth Attempt at Copyright Reform," October 19, 2011; C-32: Copyright Modernization Act, Parliament of Canada. House Government Bill, 40th

11 aims to amend the Canadian Copyright Act to better reflect the norms of the WIPO Internet Treaties so as to enhance the protection of copyright works and other subject matter, as well as to promote innovation, competition, and investment in the Canadian economy.<sup>40</sup>

In October 2011, Canada signed the Anti-Counterfeiting Trade Agreement (ACTA). ACTA obligates its signatories to grant border enforcement officials *ex officio* authority to seize counterfeit goods without a court order as a means to stop the transit of counterfeit and pirated products.<sup>41</sup> The Canadian government, however, has not yet enacted implementing legislation for ACTA (as of early 2012).<sup>42</sup>

### ***Government Procurement***

On February 16, 2010, the U.S.-Canada Agreement on Government Procurement entered into force.<sup>43</sup> At talks on February 9, 2011, U.S. and Canadian officials agreed to set up a work plan to explore where both governments might find opportunities to improve bilateral procurement commitments.<sup>44</sup> Subsequently, in October 2011, the Canadian Minister of International Trade held discussions with the U.S. Trade Representative to address possible restrictions on government procurement in the “Buy American” provisions of the American Jobs Act of 2011, legislation submitted to the U.S. Congress on September 12, 2011.<sup>45</sup>

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## **China**

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In 2011, China remained the United States’ second-largest single-country trading partner based on two-way trade, accounting for 14.2 percent of U.S. trade with the world. U.S. two-way merchandise trade with China amounted to \$495.4 billion, an increase of 10.1 percent over 2010. The U.S. merchandise trade deficit with China, which rose by \$23.3 billion to \$301.6 billion in 2011, remained higher than the U.S. deficit with any other trading partner. The increase in the trade deficit was mostly attributable to an increase in U.S. merchandise imports from China, which more than offset an accompanying increase in U.S. exports to China (figure 5.5). However, the U.S. trade surplus in services with China increased by 19.8 percent to \$13.4 billion in 2011 (figure 5.6).

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Parliament, 3rd Session (March 3, 2010–March 26, 2011). LEGISinfo online database (accessed March 22, 2012).

<sup>40</sup> C-11: Copyright Modernization Act; Preamble, Parliament of Canada, House Government Bill, 41st Parliament, 1st Session (2011). LEGISinfo online database (accessed March 22, 2012).

<sup>41</sup> USTR, *2011 Special 301 Report*, April 2011, 27. For more information about ACTA, see chapter 3.

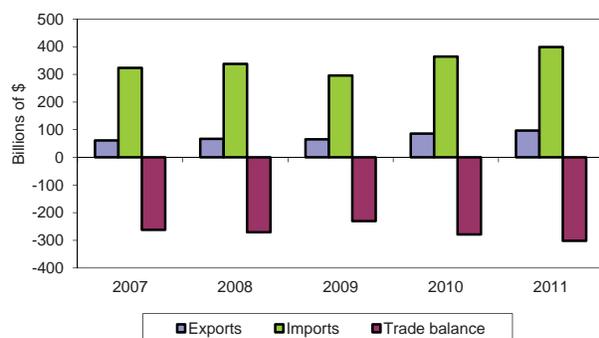
<sup>42</sup> US&FCS and USDOS, *Doing Business in Canada*, 2012.

<sup>43</sup> USTR, “U.S.-Canada Agreement on Government Procurement,” n.d. (accessed February 3, 2012).

<sup>44</sup> Inside Washington Publishers, “U.S., Canada Enter Preliminary Stage,” February 18, 2011.

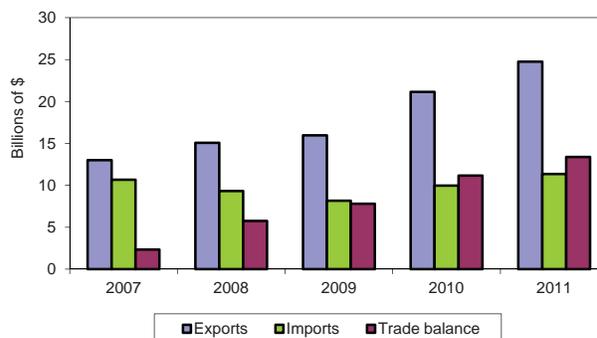
<sup>45</sup> White House, Office of the Press Secretary, “American Jobs Act of 2011,” September 12, 2011; Trade Reports International Group, “Around the Globe,” *Washington Trade Daily*, September 15, 2011; Trade Reports International Group, “Canada’s Mr. Fast,” *Washington Trade Daily*, October 18, 2011. The February 2010 U.S.-Canada Agreement on Government Procurement included reciprocal, temporary market access for a range of construction and public works projects, including certain local public works projects in the United States funded under the American Recovery and Reinvestment Act (ARRA) of 2009. For further detail, see USITC, *The Year in Trade 2010*, July 2011, 5-6. The U.S.-Canada Agreement on Government Procurement “was negotiated in response to the ‘Buy American’ provisions” in the 2009 ARRA, according to a report of the Canadian Parliament. Government of Canada, Parliament, House of Commons, “Canada-United States Agreement on Government Procurement,” May 2010, 1. However, certain provisions in the agreement provided only temporary procurement access through September 30, 2011. *Ibid.*, 14–15; Agreement between the Government of the United States of America and the Government of Canada on Government Procurement, February 11–12, 2010.

**FIGURE 5.5** U.S. merchandise trade with China, 2007–11



Source: USDOC.

**FIGURE 5.6** U.S. private services trade with China, 2007–11<sup>a</sup>



Source: USDOC..

<sup>a</sup>Data for 2011 are preliminary.

China overtook Japan to become the third-largest single-country destination for U.S. exports in 2007, and remained in that position, behind Canada and Mexico, through 2011. U.S. merchandise exports to China amounted to \$96.9 billion in 2011, a 13.0 percent increase over 2010. Leading U.S. exports to China included soybeans, metal waste and scrap, aircraft, automobiles, cotton, and computer chips. The increase in the value of U.S. exports to China in 2011 was led by strong increases in exports of automobiles, metal waste and scrap, aircraft, corn, and cotton.

In 2011, China remained the largest source of U.S. imports. U.S. imports from China amounted to \$398.5 billion, an increase of 9.5 percent over 2010. Leading U.S. imports from China in 2011 were computers and computer parts, wireless telephones, toys, and communication equipment. The increase in the value of U.S. imports was led by increases in imports of a wide range of electronic devices and machineries, footwear, and furniture. U.S.-China merchandise trade data are shown in appendix tables A.31 through A.33.

In 2011, U.S.-China trade relations focused on IPR enforcement in China, China's "indigenous innovation" policies, restrictions on imports of U.S. beef and poultry by China, China's export restraints on raw material inputs (such as rare earths), and the promotion of more consumption-led growth in China. These issues were among the principal themes of the May 2011 U.S.-China Strategic and Economic Dialogue (S&ED), the November 2011 meeting of the Joint Commission on Commerce and Trade (JCCT), and other bilateral meetings.<sup>46</sup>

There were also developments in a number of WTO dispute settlement cases between the United States and China in 2011. The United States requested consultations with China regarding measures affecting broiler products (DS427).<sup>47</sup> China requested consultations with the United States regarding measures affecting shrimp and diamond sawblades (DS422).<sup>48</sup> WTO Appellate Body reports were adopted in two cases brought by China regarding (1) measures affecting U.S. imports of passenger vehicle and light truck tires

<sup>46</sup> U.S. Department of Treasury, "The 2011 U.S.-China Strategic and Economic Dialogue," May 10, 2011; USTR, "22nd U.S.-China Joint Commission on Commerce and Trade," November 2011; and White House, "Press Conference with President Obama and President Hu," January 19, 2011.

<sup>47</sup> WTO, DSB, *DS427: China—Anti-Dumping and Countervailing Duty Measures on Broiler Products from the United States*, online summary.

<sup>48</sup> WTO, DSB, *DS422: United States—Anti-Dumping Measures on Shrimp and Diamond Sawblades from China*, online summary.

from China (DS399), and (2) definitive antidumping and countervailing duties on certain products from China (DS379).<sup>49</sup> A WTO panel report was circulated in the case brought by the United States regarding measures related to the exportation of various raw materials (DS394).<sup>50</sup> WTO panels were composed in two cases brought by the United States regarding (1) certain measures affecting electronic payment services (DS413), and (2) countervailing and antidumping duties on grain-oriented flat-rolled electrical steel from the United States (DS414).<sup>51</sup> Developments in these cases during 2011 are described in more detail in chapter 3 and appendix table A.21.

### *Intellectual Property Rights Enforcement*

China's enforcement of IPR and implementation of its TRIPS Agreement obligations remained top priorities for the United States in 2011.<sup>52</sup> USTR's *2011 Special 301 Report* continued to identify China as a country with significant IPR protection and enforcement problems that warrant close monitoring and bilateral consultation.<sup>53</sup> According to USTR, China continues to revise its legal regime and update its laws and regulations aimed at protecting IPR in China. However, USTR noted that "some key improvements in China's legal framework are still needed, and China has continued to demonstrate little success in actually enforcing its laws and regulations in the face of the challenges created by widespread counterfeiting, piracy, and other forms of infringement."<sup>54</sup>

USTR's *2011 Special 301 Report* noted signs of improvement in China's IPR system in 2011. For example, China put in place the "Program for Special Campaign on Combating IPR Infringement and Manufacture and Sales of Counterfeiting and Shoddy Commodities" from October 2010 to June 2011.<sup>55</sup> The campaign targeted key industries, such as the press and publication industry, the cultural and recreational industry, the high-tech industry, and agriculture, with a focus on key products, such as books, computer software, audiovisual products, automobile fittings, mobile telephones, medicines, and seeds.<sup>56</sup> According to USTR, the campaign resulted in regulatory and judicial improvements as well as strengthened enforcement activities, particularly in the online environment.<sup>57</sup> At the November 2011 JCCT meeting, China announced the establishment of a State Council-level, vice-premier-led intellectual property enforcement structure, which essentially makes permanent China's 2010–11 Special IPR Enforcement Campaign.<sup>58</sup> According to USTR, this initiative will allow "much better government coordination of intellectual property enforcement efforts and stronger outcomes on the ground."<sup>59</sup>

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<sup>49</sup> WTO, DSB, *DS399: United States—Measures Affecting Imports of Certain Passenger Vehicle and Light Truck Tyres from China; DS379: United States—Definitive Anti-Dumping and Countervailing Duties on Certain Products from China*, online summary.

<sup>50</sup> WTO, DSB, *DS394: China—Measures Related to the Exportation of Various Raw Materials*, online summary.

<sup>51</sup> WTO, DSB, *DS413: China—Certain Measures Affecting Electronic Payment Services; DS414: China—Countervailing and Anti-Dumping Duties on Grain Oriented Flat-rolled Electrical Steel from the United States*, online summary.

<sup>52</sup> On April 19, 2010, the U.S. Senate Committee on Finance requested that the USITC conduct two studies on China's IPR and indigenous innovation policies. The results were published in USITC, *China: Intellectual Property Infringement*, November 2010, and USITC, *China: Effects of Intellectual Property Infringement*, May 2011.

<sup>53</sup> USTR, *2011 Special 301 Report on Intellectual Property Rights*, May 2, 2011, 19.

<sup>54</sup> USTR, *2011 Report to Congress on China's WTO Compliance*, December 12, 2011, 86.

<sup>55</sup> USTR, *2011 Special 301 Report on Intellectual Property Rights*, May 2, 2011, 19.

<sup>56</sup> USTR, *2011 Report to Congress on China's WTO Compliance*, December 12, 2011, 89.

<sup>57</sup> USTR, *2011 Special 301 Report on Intellectual Property Rights*, May 2, 2011, 20.

<sup>58</sup> USTR, *2011 Report to Congress on China's WTO Compliance*, December 12, 2011, 89.

<sup>59</sup> *Ibid.*, 3.

Piracy over the Internet in China continued to be a source of U.S. concern, although USTR noted that there were signs of progress in this area. As a result of the Special Campaign, several Web sites and portals that facilitated piracy, including *veryCD.com*, *qishi.com*, and *5474.com* were shut down, and criminal sentences were imposed on the operators. Video streaming sites *youku.com* and *toudu.com* entered into licensing agreements with major U.S. studios to provide legitimately licensed content. Baidu, China's leading search engine, announced its intent to launch a licensed music search service and reportedly reached licensing agreements with both Chinese and foreign rights holders from the recording industry.<sup>60</sup>

Although online sales platforms and global express delivery services are increasingly used to facilitate the international distribution of Chinese counterfeit goods, USTR noted positive developments with respect to Internet distribution in 2011. For example, one of the largest online platforms for sales of counterfeit goods, Taobao, launched an online anti-piracy campaign to screen its vendors' advertising and sales activities, and stepped up its cooperation with Chinese law enforcement authorities regarding infringing activities. However, USTR noted that China also tripled the monetary threshold for investigating and prosecuting trade in counterfeit products. USTR further noted that the equipment that is used to make counterfeit goods often is not seized and destroyed as a part of enforcement actions. Thus, counterfeiters are free to resume operations when the authorities leave.<sup>61</sup>

### ***Industrial Policies***

Another major U.S. concern in 2011 was China's continuous pursuit of industrial policies that sought to limit market access for imported goods, foreign manufacturers, and foreign-based service suppliers, while offering substantial government resources to support Chinese industries.<sup>62</sup> In 2011, government policies aimed at promoting "indigenous innovation"<sup>63</sup> continued to represent an important component of China's effort, creating great concern across the globe, according to USTR.<sup>64</sup>

Nonetheless, some progress was made in the area of indigenous innovation policies in 2011. At the November 2011 JCCT meeting, China committed to severing the link between its innovation policies and government procurement preferences. As part of this commitment, China promised to eliminate all indigenous innovation government procurement catalogues and issue a State Council measure mandating that by December 1, 2011, provincial and local governments must eliminate any policies that are inconsistent with the de-linking commitment.<sup>65</sup> However, USTR noted that this progress now needs to be matched by eliminating a range of discriminatory indigenous innovation preferences proliferating outside of the government procurement context.<sup>66</sup>

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<sup>60</sup> USTR, 2011 Special 301 Report on Intellectual Property Rights, May 2, 2011, 20–21; USTR, Out-of-Cycle Review of Notorious Markets, December 20, 2011, 2.

<sup>61</sup> USTR, 2011 Special 301 Report on Intellectual Property Rights, May 2, 2011, 21–22.

<sup>62</sup> USTR, *2011 Report to Congress on China's WTO Compliance*, December 12, 2011, 5.

<sup>63</sup> China's indigenous innovation policies promote the development, commercialization, and procurement of Chinese products and technologies. For more information, see USITC, *China: Intellectual Property Infringement*, November 2010, chapter 5.

<sup>64</sup> USTR, *2011 Report to Congress on China's WTO Compliance*, December 12, 2011, 6.

<sup>65</sup> USTR, *2011 Report to Congress on China's WTO Compliance*, December 12, 2011, 3.

<sup>66</sup> *Ibid.*, 6.

## *Export Restraints on Raw Material Inputs*

In 2011, China continued to deploy export quotas, export license restrictions, minimum export prices, export duties, and other export restraints on a number of raw material inputs where it held the advantage of being among the world's leading producers.<sup>67</sup> For example, China maintained export quotas and some export duties on antimony, bauxite, coke, fluorspar, indium, magnesium carbonate, molybdenum, rare earths, silicon, talc, tin, tungsten, yellow phosphorus, and zinc, all of which are of key interest to U.S. producers of downstream products.<sup>68</sup> A WTO dispute addressing China's measures related to the exportation of nine raw materials (DS394) is ongoing and described in chapter 3.

In 2010, China reduced its export quotas and took other actions that created uncertainty about the stability of China's supply of rare earths—an important group of raw material inputs used in a wide range of advanced technologies, including numerous green technologies. In 2011, the United States pressed China to eliminate its export restraints on rare earths, most recently through high-level engagement at the November 2011 JCCT meeting.<sup>69</sup>

## *Agriculture*

In 2011, about 14 percent of U.S. agricultural exports went to China, making it the second-largest U.S. agricultural export market behind Canada.<sup>70</sup> Although U.S. agricultural exports continued to sell strongly in China, U.S. officials expressed concern that China remains among the least transparent and least predictable of the world's major markets for agricultural products, largely because of selective intervention in the market by its regulatory authorities.<sup>71</sup> In 2011, China's regulatory authorities continued to impose sanitary and phytosanitary (SPS) measures in a nontransparent way and without clear scientific bases. These measures included bovine spongiform encephalopathy (BSE)-related bans on U.S. beef and beef products, pathogen standards and residue standards for raw meat and poultry products, and avian influenza bans on poultry.<sup>72</sup> The United States also requested WTO dispute settlement consultations with China regarding China's antidumping duty and countervailing duty measures on U.S. broiler products (see chapter 3).

China imposed a ban on imports of U.S. live cattle, beef, and beef products in 2003 due to a case of BSE discovered in the United States. In 2011, China continued to block the importation of U.S. beef and beef products, more than four years after these products had been declared safe to trade under international scientific guidelines.<sup>73</sup> U.S. and Chinese officials met twice in 2011 in an effort to reach an agreement that would allow trade to

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<sup>67</sup> Ibid.

<sup>68</sup> USTR, 2012 National Trade Estimate Report on Foreign Trade Barriers, March, 2012, 69.

<sup>69</sup> USTR, *2011 Report to Congress on China's WTO Compliance*, December 12, 2011, 6. On March 13, 2012, the United States requested WTO consultations with China concerning China's export restraints on rare earths, as well as tungsten and molybdenum. USTR, "United States Challenges China's Export Restraints," March 13, 2012.

<sup>70</sup> USDA, "Top 15 U.S. Agricultural Export Destinations," February 2012.

<sup>71</sup> USTR, *2011 Report to Congress on China's WTO Compliance*, December 12, 2011, 8. For more information on the conditions of competition in China's agricultural market and trade, see USITC, *China's Agricultural Trade: Competitive Conditions and Effects on U.S. Exports*, March 2011.

<sup>72</sup> USTR, *2011 Report to Congress on China's WTO Compliance*, December 12, 2011, 79.

<sup>73</sup> Ibid., 8.

resume based on science, the World Organization for Animal Health (OIE) guidelines,<sup>74</sup> and the United States' controlled-risk status. At the November 2011 JCCT meeting, both sides agreed to increase future technical engagement.<sup>75</sup>

Since 2007, China has placed avian influenza-related import bans on U.S. poultry and poultry products from seven U.S. states. In 2010, China announced that it had lifted avian influenza-related bans on U.S. poultry products from Idaho and Kentucky. At the November 2011 JCCT meeting, China announced that it would lift its avian influenza-related bans on poultry from Texas and Pennsylvania. However, China continues to ban poultry and poultry products from Arkansas, Minnesota, and Virginia. In addition, China bans imports of U.S.-origin poultry and poultry products that are transshipped through these three states.<sup>76</sup> The United States asked China to take prompt action in accordance with science-based international standards on the remaining state-level bans. Both sides agreed to hold further technical talks.<sup>77</sup>

### ***Global Trade Imbalances and China's Exchange-Rate Regime***

In 2011, two important trade features—the U.S. merchandise trade deficit with China of \$301.6 billion, and China's relatively inflexible exchange rate regime—remained as concerns for U.S. policymakers. At the May 2011 U.S.-China S&ED, the U.S. Secretary of the Treasury encouraged China to allow more rapid exchange rate adjustment.<sup>78</sup> The Secretary noted that exchange rate adjustment is an inherent part of the rebalancing toward domestic demand growth that China hopes to achieve.<sup>79</sup>

According to the U.S. Treasury Department, from June 2010, when China moved off its peg against the U.S. dollar, through December 16, 2011, China's renminbi (RMB) appreciated by a total of 7.5 percent against the dollar. Because inflation in China has been higher than in the United States, the RMB has appreciated more rapidly against the dollar on a real inflation-adjusted basis, reaching nearly 12 percent since June 2010 and nearly 40 percent (also in real terms) since China first initiated currency reforms in 2005.<sup>80</sup>

## **Mexico**

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In 2011, Mexico was the United States' third-largest single-country trading partner, following Canada and China. Merchandise trade between the two countries increased 17.2 percent to \$422.6 billion in 2011, accounting for 12.1 percent of U.S. trade with the world. The United States registered its second-largest single-country merchandise trade deficit with Mexico at \$102.8 billion, representing an increase of \$5.5 billion: this deficit was outweighed only by that with China. While the value of U.S. merchandise exports to Mexico rose strongly in 2011, the value of the corresponding U.S. imports from Mexico

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<sup>74</sup> The Office International des Epizooties was established in 1924. In May 2003, the Office became the World Organization for Animal Health, but kept its historical acronym OIE. See <http://www.oie.int/about-us/> (accessed April 16, 2012).

<sup>75</sup> USTR, 2012 Report on Sanitary and Phytosanitary Measures Report, April 2, 2012, 33.

<sup>76</sup> USTR, 2012 Report on Sanitary and Phytosanitary Measures, April 2, 2012, 34.

<sup>77</sup> USTR, "21st U.S.-China Joint Commission on Commerce and Trade," December 2010.

<sup>78</sup> The U.S. Department of the Treasury, "Remarks by Secretary Tim Geithner," May 3, 2011.

<sup>79</sup> U.S. Department of Treasury, *Report to Congress on International Economic and Exchange Rate Policies*, December 27, 2011, 16.

<sup>80</sup> U.S. Department of Treasury, *Report to Congress on International Economic and Exchange Rate Policies*, December 27, 2011, 19.

rose slightly more (figure 5.7). On the other hand, the U.S. trade surplus in services with Mexico increased by 11.8 percent to \$11.6 billion in 2011 (figure 5.8). U.S. services exports to Mexico were \$25.6 billion, and U.S. services imports from Mexico were \$14.0 billion.

U.S. merchandise exports to Mexico totaled \$159.9 billion in 2011, an increase of 21.5 percent from 2010. In 2011, as in the previous year, machinery and transportation equipment continued to be the largest product group in bilateral trade, with automotive exports to Mexico included petroleum products, corn, natural gas, soybeans, para-xylene, plastic articles, parts for electrical apparatus, and aircraft and aircraft parts.

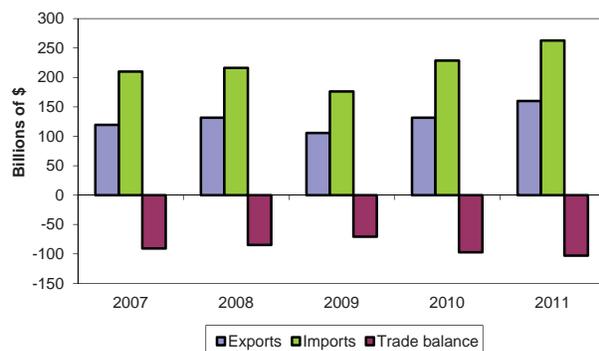
In 2011, U.S. merchandise imports from Mexico increased by 14.8 percent to \$262.7 billion. Leading U.S. imports from Mexico included crude petroleum and petroleum products, televisions, motor vehicles and parts thereof, computers, nonmonetary gold, cell phones, road tractors, and medical instruments. Particularly important in the increase of U.S. imports from Mexico was the rise in the value of imports of crude petroleum. U.S.-Mexico merchandise trade data are shown in appendix tables A.34 through A.36.

U.S.-Mexican trade relations are governed in large part by NAFTA, which provides duty-free treatment to a sizable portion of goods traded between the two parties that originate in the United States and Mexico.<sup>81</sup> A number of trade disputes between the United States and Mexico were the subject of WTO and NAFTA dispute settlement proceedings in 2011. The procedural developments in each of these cases are listed in appendix tables A.21 and A.22, respectively. Developments of an agreement related to NAFTA's cross-border trucking provisions between Mexico and the United States are summarized below.

### ***Cross-Border Trucking between the United States and Mexico***

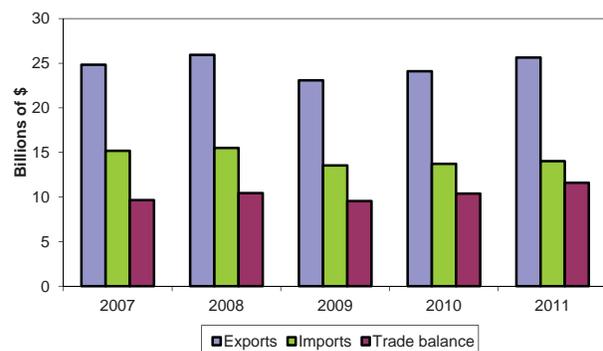
NAFTA's cross-border trucking provisions permitted Mexican trucks to provide cross-border truck services throughout the United States beginning in 2000. The implementation of these provisions was delayed because of safety concerns.<sup>82</sup> However,

**FIGURE 5.7** U.S. merchandise trade with Mexico, 2007–11



Source: USDOC.

**FIGURE 5.8** U.S. private services trade with Mexico, 2007–11<sup>a</sup>



Source: USDOC.

<sup>a</sup>Data for 2011 are preliminary.

<sup>81</sup> For more information on NAFTA, see chapter 4.

<sup>82</sup> Developments in cross-border truck services between the United States and Mexico from 1981 to 2008 are reported in USITC, *Year in Trade 2008, 2009*, 5-16; in 2009 in USITC, *Year in Trade 2009, 2010*, 5-16; and in 2010 in USITC, *Year in Trade 2010, 2011*, 5-12.

in 2007 the U.S. Department of Transportation (USDOT) initiated the Cross-Border Trucking Demonstration Project aimed at demonstrating the ability of Mexico-based motor carriers to operate safely in the United States.<sup>83</sup> The program was suspended in 2009 when Congress banned the use of USDOT funds for its operation.<sup>84</sup> In retaliation, the Mexican government suspended preferential tariffs that NAFTA affords certain U.S. goods.<sup>85</sup> The retaliatory tariffs were modified in 2010 to include a total of 99 tariff lines, ranging from rates of 5 percent to 25 percent ad valorem, applied to approximately \$2.5 billion in U.S. exports to Mexico. The affected goods included 45 finished products and 54 agricultural products.<sup>86</sup>

On January 6, 2011, the USDOT presented to Congress and the Mexican government an “initial concept document for a long haul cross-border Mexican trucking program that prioritizes safety, while satisfying U.S. international obligations.”<sup>87</sup> The initial concept document sought to address concerns raised during the process by affiliated parties and serve as the “starting point in renewed negotiations with Mexico.”<sup>88</sup> Following negotiations, on April 13, 2011, the USDOT announced a proposal for a Pilot Program on the NAFTA Long-Haul Trucking Provisions to reopen cross-border trucking with Mexico.<sup>89</sup> The pilot program will not exceed three years.

On July 6, 2011, U.S. and Mexican government officials signed a memorandum of understanding (MOU) on cross-border trucking to set up criteria that must be met for Mexican trucks to enter the pilot program.<sup>90</sup> The agreement requires that Mexican trucks operating in the United States carry electronic monitoring systems to track their compliance with U.S. hours-of-service regulations. In addition, the USDOT will review the complete driving record of each driver and require that they undergo a drug test analyzed in a U.S. laboratory. Finally, each driver must pass an English proficiency exam conducted by Federal Motor Carrier Safety Administration personnel to ensure an understanding of U.S. laws and traffic signs. The agreement also stipulates that Mexico will provide reciprocal access to U.S. carriers. Before 18 months of operation are completed, a final compliance review will be conducted. Carriers that pass the review will be granted a permanent operating authority to operate throughout both countries.<sup>91</sup>

As a result of signing the MOU, which allows Mexico-based motor carriers to operate beyond the limited commercial zones along the U.S.-Mexico border, Mexico reduced the retaliatory duties by 50 percent effective on July 8, 2011.<sup>92</sup> The Mexican government suspended the remaining tariffs on October 21, 2011, after the first Mexican carrier was granted operating authority to enter the pilot program on October 14, 2011.<sup>93</sup>

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<sup>83</sup> Details of the program are reported in USITC, *Year in Trade 2007*, 2008, 5-11; USITC, *The Year in Trade 2009*, 2010, 5-16; *The Year in Trade 2010*, 2011, 5-12.

<sup>84</sup> 74 Fed. Reg. 11628 (March 18, 2009); Omnibus Appropriations Act of 2009, Pub. L. No. 111-8.

<sup>85</sup> Secretaría de Gobernación, *Diario Oficial de la Federación (Mexico’s Federal Register)*, March 18, 2009.

<sup>86</sup> USTR, 2011 National Trade Estimate Report on Foreign Trade Barriers, March 2011, 247.

<sup>87</sup> USDOT, “U.S. Cross-Border Trucking Effort Emphasizes Safety and Efficiency,” January 6, 2011. See also USDOT, “Concept Document: Phased U.S.-Mexico,” January 6, 2011; and 76 Fed. Reg. 20807 (April 13, 2011).

<sup>88</sup> USDOT, “U.S. Cross-Border Trucking Effort Emphasizes Safety and Efficiency,” January 6, 2011.

<sup>89</sup> 76 Fed. Reg. 20807 (April 13, 2011).

<sup>90</sup> USDOT, Federal Motor Carrier Safety Administration, “Memorandum of Understanding on International Freight Cross-Border Trucking Services,” July 6, 2011.

<sup>91</sup> *Ibid.*

<sup>92</sup> USDOT, “United States and Mexico Announce,” July 6, 2011; USTR, “USTR Kirk on Reduction of Tariffs on U.S. Exports,” July 8, 2011.

<sup>93</sup> USTR, “Ambassador Kirk Comments on Mexico’s Elimination of Retaliatory Tariffs,” October 21, 2011.

# Japan

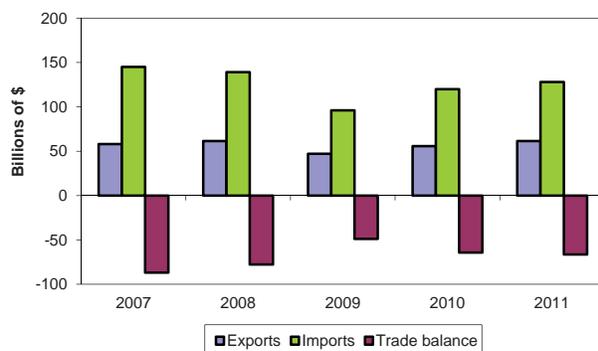
In 2011, Japan was the fourth-largest single-country U.S. trading partner, accounting for 5.4 percent of total U.S. merchandise trade, down from 5.8 percent in 2010. U.S. trade with Japan was \$189.3 billion in 2011, an increase of 7.8 percent over 2010. The United States recorded a merchandise trade deficit with Japan of \$66.5 billion in 2011, up \$2.3 billion from 2010 (figure 5.9). The increase in the bilateral trade deficit was primarily attributable to a \$5.9 billion increase in U.S. imports of machinery (primarily capital goods) and overall growth in most major import sectors except motor vehicles and parts thereof, offsetting broad-based U.S. export growth. Japan was both the third-largest market for U.S. exports of services and the third-largest source of U.S. services imports in 2011, behind Canada (the largest destination for U.S. exports) and the United Kingdom (the largest source for imports). U.S. services exports to Japan rose 5.1 percent to \$47.0 billion, while imports of services from Japan rose 5.4 percent to \$24.8 billion, resulting in a \$1.0 billion increase in the U.S. services surplus to \$22.2 billion in 2011 (figure 5.10).

Between 2010 and 2011, U.S. merchandise exports to Japan grew 10.2 percent, from \$55.7 billion in 2010 to \$61.4 billion in 2011. Japan remained the fourth-largest destination for U.S. exports, accounting for 4.7 percent of global U.S. exports. Leading U.S. exports to Japan were aircraft and parts thereof, corn, certain medicaments, wheat, and coal. Many of the top U.S. exports to Japan were also the products that contributed the most to export growth, especially corn, coal, wheat, and certain medicaments.

U.S. merchandise imports from Japan grew 6.6 percent to \$127.9 billion in 2011, up from \$119.9 billion in 2010. Japan remained the fourth-largest source of U.S. imports, accounting for 5.8 percent of global U.S. imports. Leading U.S. imports from Japan were passenger vehicles and parts, parts for printers and copying machines, machines for manufacturing computer chips, and parts of airplanes or helicopters. A decrease in U.S. imports of certain passenger vehicles and parts was offset by growth in other sectors, such as heavy construction equipment and machines for manufacturing computer chips. U.S.-Japan merchandise trade data are shown in appendix tables A.37 through A.39.

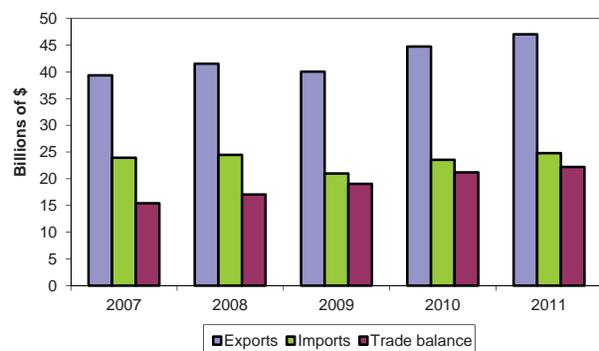
The U.S.-Japan Economic Harmonization Initiative (EHI), instituted in November 2010, was the primary forum for trade and economic dialogue between the two countries

**FIGURE 5.9** U.S. merchandise trade with Japan, 2007–11



Source: USDOC.

**FIGURE 5.10** U.S. private services trade with Japan, 2007–11<sup>a</sup>



Source: USDOC.

<sup>a</sup>Data for 2011 are preliminary.

throughout 2011. APEC also served as a forum for high-level bilateral engagement, as the United States hosted the forum in 2011 following Japan's chairmanship in 2010. Just before the APEC Leaders' Meeting, the Japanese Prime Minister announced that Japan would engage in consultations with the United States and other APEC members toward joining Trans-Pacific Partnership (TPP) negotiations. The United States continued to press Japan to address key trade irritants, including policies related to beef, automobiles, and regulatory issues related to Japan Post (discussed below). Finally, Japan experienced a major earthquake, tsunami, and nuclear disaster which, in addition to the human toll, disrupted its supply chain and required additional assurances about the safety of its agricultural exports.

### ***Economic Harmonization Initiative***

The EHI served as the key venue for the U.S. and Japanese governments to expand economic cooperation and address issues of importance to the bilateral trade relationship in 2011. The governments held working-level meetings throughout 2011, as well as a high-level officials meeting in October 2011. Discussions took place based on the four following themes: exchanging policy information, promoting economic cooperation, collaborating on common external challenges, and facilitating trade.<sup>94</sup>

The U.S. and Japanese governments exchanged information related to their trade-related growth strategies, including the United States' National Export Initiative and Japan's New Growth Strategy.<sup>95</sup> As a result of exchanges related to the information and communications technology (ICT) sector, both governments jointly developed a set of non-binding trade principles for the sector that the United States hopes will be broadly adopted among other countries. The ICT dialogue coincided with regulatory changes implemented in Japan that involved spectrum assignment, mobile interconnection rates, dominant carrier issues, and government ICT procurement.<sup>96</sup>

The United States continued to press Japan on the competitive position held by Japan Post Holdings Co. (Japan Post) in the banking, insurance, and express delivery sectors of the Japanese economy.<sup>97</sup> As part of the EHI, Japan shared information on progress made toward privatization as prescribed in the Postal Privatization Law, passed by the Japanese Diet in 2005.<sup>98</sup> Since 2009, however, this process has been stalled, as the privatization process has been halted by a series of amendments that may result in a larger company with greater government ownership than envisioned in the 2005 legislation.<sup>99</sup> A major concern for U.S. policymakers and business leaders has been that the amendment process will allow the domestic postal entity within Japan Post to subsidize other entities, such as its express delivery service business. In addition, Japan Post could be subject to fewer reporting and customs clearance requirements than private companies, which may give the company an anticompetitive advantage over smaller domestic firms and foreign competitors.<sup>100</sup>

The EHI also resulted in regulatory changes and information sharing that facilitated trade in several non-service-related sectors. For example, in June 2011, the Ministry of Land,

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<sup>94</sup> USTR, Record of Discussion: U.S.-Japan EHI, January 27, 2012, 1.

<sup>95</sup> *Ibid.*, 2.

<sup>96</sup> *Ibid.*, 5–6; USTR, 2012 Trade Policy Agenda and 2011 Annual Report, March 2012, 141.

<sup>97</sup> USTR, 2012 Trade Policy Agenda and 2011 Annual Report, March 2012, 141.

<sup>98</sup> USTR, Record of Discussion: U.S.-Japan EHI, January 27, 2012, 8–9.

<sup>99</sup> Sekiguchi, "Japan Nears Deal on Postal Privatization," March 25, 2012.

<sup>100</sup> USTR, 2012 *National Trade Estimate Report on Foreign Trade Barriers*, March 2012, 211; ACCJ Insurance Committee, "Ensure That the Ongoing Postal Reform Debate," March 2012.

Infrastructure, Transport and Tourism (MLIT) clarified that technical guidelines issued by MLIT cannot be grounds for preventing a motor vehicle from being placed on the market, and that new technology or a new feature in an automobile cannot be a grounds for restriction if it has not been previously regulated.<sup>101</sup> MLIT's clarification removes a potential obstacle to U.S. exports of vehicles to Japan, a market that U.S. vehicle manufacturers have had a difficult time accessing due to regulatory barriers. Specific regulatory changes were also designed to facilitate U.S. exports of pharmaceuticals, medical devices, and agricultural products that face SPS restrictions.<sup>102</sup>

### ***Multilateral Negotiations and Cooperation***

On the sidelines of the APEC Summit in Yokohama, Japan, in November 2010, the United States welcomed Japan's interest in gathering further information on joining TPP negotiations as part of a series of bilateral consultations with all members.<sup>103</sup> Since that time, Japan has continued to pursue this interest. At the bilateral U.S.-Japan Trade Forum in January 2011, representatives of the United States and Japan shared information regarding Japan's "Basic Policy on Comprehensive Economic Partnerships" as well as U.S. ambitions in FTA negotiations.<sup>104</sup> Before joining the APEC Leaders' Meeting in Honolulu in November 2011, the Japanese Prime Minister announced that Japan would begin consultations with TPP countries toward joining TPP negotiations.<sup>105</sup> Consultations continued between officials from the United States, Japan, and other TPP governments in early 2012 as governments gauged domestic support for Japan's entry into the negotiations.<sup>106</sup>

Also in 2011, the United States and Japan cooperated to push forward several major multilateral initiatives related to IPR protection. At the APEC forum, the United States and Japan promoted the Patent Prosecution Highway, an initiative designed to share work among patent offices to reduce duplication of patent examination. In October 2011, the United States, Japan, and six other countries signed the Anti-Counterfeiting Trade Agreement, which strengthens enforcement practices and legal frameworks for combating commercial-scale counterfeiting and piracy.<sup>107</sup>

### ***Beef***

As part of a bilateral meeting between President Obama and Prime Minister Noda on the sidelines of the 2011 APEC Summit, the Prime Minister indicated that Japan would begin a review process on current restrictions on U.S. beef imports.<sup>108</sup> Japan banned imports of U.S. beef in December 2003, following years in which Japan was the largest export market for U.S. beef.<sup>109</sup> The beef import ban, which is designed to protect consumers from beef that may have been exposed to BSE, currently restricts cuts from cattle older

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<sup>101</sup> USTR, Record of Discussion: U.S.-Japan EHI, January 27, 2012, 11.

<sup>102</sup> *Ibid.*, 11-12, 14-16.

<sup>103</sup> USTR, "U.S. Trade Representative Ron Kirk, Japanese Foreign Minister Seiji Maehara Meet," November 2010.

<sup>104</sup> USTR, "United States, Japan Conclude Two-Day U.S.-Japan Trade Forum," January 14, 2011.

<sup>105</sup> Prime Minister of Japan, "Press Conference on the Occasion," November 2011.

<sup>106</sup> For more on initial U.S. statements regarding the consultation process, see Assistant USTR Wendy Cutler's remarks in Brookings, "Japan and the Trans-Pacific Partnership," December 2, 2011.

<sup>107</sup> USTR, *Record of Discussion: U.S.-Japan EHI*, January 27, 2012, 8. For more information related to ACTA, see the subsection on the agreement in chapter 3.

<sup>108</sup> White House, "Readout by the Press Secretary," November 12, 2011.

<sup>109</sup> USITC, *Year in Trade 2010*, 2011, 5-16.

than 20 months of age.<sup>110</sup> As of yearend 2011, a panel on BSE at Japan’s Food Safety Commission was determining whether beef from cattle up to 30 months of age is safe.<sup>111</sup>

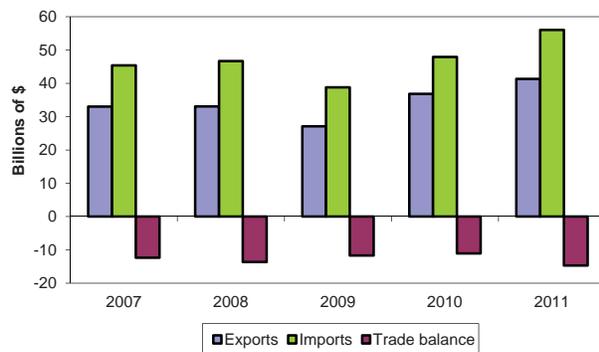
### Great East Japan Earthquake Disaster

On March 11, 2011, much of northeastern Japan experienced a major human and commercial disaster caused by an earthquake off the Pacific coast. The earthquake and resulting tsunami and nuclear disaster cost over 15,000 people their lives and resulted in destroyed and damaged industrial property, nuclear contamination, and infrastructure damage.<sup>112</sup> The resulting damage to the supply chain had a direct impact on U.S.-Japan trade. For example, U.S. imports of motor vehicles and parts thereof, the leading bilateral U.S. import sector, fell from a record high of \$4.4 billion in March 2011 to \$1.8 billion in April and \$1.7 billion in May. As part of the EHI’s information exchange, the Japanese government briefed the U.S. government on supply chain recovery and post-disaster rehabilitation, and expressed appreciation for the continuous support extended by the United States to Japan.<sup>113</sup> In view of the nuclear contamination issue, officials from USDA and the U.S. Food and Drug Administration (USFDA) took steps to reassure domestic U.S. markets that food imports from Japan, which are relatively low, were sufficiently monitored under existing procedures for inspecting food imports.<sup>114</sup>

## Republic of Korea

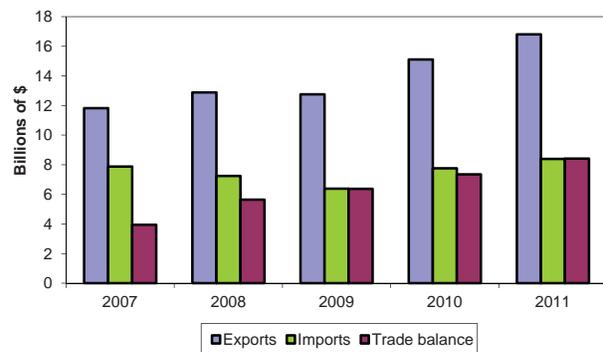
The Republic of Korea (Korea) was the United States’ seventh-largest single-country two-way trading partner in 2011. Two-way merchandise trade was valued at \$97.3 billion in 2011, accounting for 2.8 percent of U.S. trade with the world. The United States recorded a \$14.7 billion trade deficit with Korea in 2011—32.7 percent higher than in 2010, when the deficit with Korea was the lowest in the last decade (figure 5.11). At the same time, the U.S. trade surplus in services with Korea increased \$1.1 billion to \$8.4 billion in 2011 (figure 5.12).

FIGURE 5.11 U.S. merchandise trade with Korea, 2007–11



Source: USDOC.

FIGURE 5.12 U.S. private services trade with Korea, 2007–11<sup>a</sup>



Source: USDOC.

<sup>a</sup>Data for 2011 are preliminary.

<sup>110</sup> The dairy cow in California that was discovered on April 24, 2012, to have BSE was aged approximately 10 years and 7 months. USDA, “Update from USDA Regarding a Detection,” April 26, 2012.

<sup>111</sup> Takada, “Record U.S. Beef Sales Seen,” January 24, 2012.

<sup>112</sup> National Police Agency of Japan, “Damage Situation and Police Countermeasures,” April 1, 2012; Clyde&Co, *The Tohoku Earthquake and Tsunami: Second Report*, August 2011.

<sup>113</sup> USTR, Record of Discussion: U.S.-Japan EHI, January 27, 2012, 2.

<sup>114</sup> USDA, “Statement from Agriculture Secretary Vilsack,” March 18, 2011.

U.S. exports to Korea were valued at \$41.3 billion in 2011, an increase of 12.1 percent over 2010. Leading U.S. exports to Korea during the year included computer chips, machinery for producing semiconductors and computer chips, aircraft, and corn. Most of the 2011 leading exports showed strong increases in value, although the value of a number of leading exports, such as transistors, parts for boring or sinking machinery, and machinery for producing semiconductors and computer chips, fell substantially.

U.S. imports from Korea totaled \$56.0 billion in 2011, an increase of 16.9 percent from 2010. Leading U.S. imports from Korea included automobiles, cellular telephones, and computer chips. There were increases in the value of most of the major leading imports. U.S.-Korea merchandise trade data are shown in appendix tables A.40 through A.42.

U.S.-Korean trade relations in 2011 were dominated by the status of the United States-Korea FTA (KORUS FTA). The KORUS FTA was signed in June 2007, modifications were made in 2010, and it was approved by legislatures in both countries in 2011. In addition, the United States attempted to include a deal to allow exports of U.S. beef to Korea to include beef from cattle of all ages as part of the negotiations related to the KORUS FTA, but there were no provisions dealing with beef in the final agreement, as discussed in the next two sections.

## ***U.S.-Korea FTA***

The President sent legislation implementing the Korus FTA to Congress on October 3, 2011, and Congress approved it on October 12, 2011. On October 21, 2011, the President signed the legislation.<sup>115</sup> The Korean National Assembly approved the agreement on November 22, 2011.<sup>116</sup> The KORUS FTA is the second-largest FTA in terms of the value of trade affected for the United States after NAFTA.<sup>117</sup>

## **Background**

On December 3, 2010, the United States and Korea reached an understanding on several unresolved issues related to the KORUS FTA, which was signed on June 30, 2007. The modifications included the following:<sup>118</sup> (1) a slower phaseout of tariffs on U.S. and Korean passenger motor vehicles, U.S. trucks, and Korean frozen pork; (2) a near-quadrupling of the number of passenger motor vehicles per U.S. automaker that will be considered safety-compliant when imported into Korea, provided they meet U.S. safety standards; (3) greater transparency in new U.S. or Korean regulations affecting motor vehicle design or technology, and in Korean motor vehicle taxation based on fuel economy or greenhouse gas emissions; and (4) a special safeguard against surges in imports of motor vehicles that lasts longer than the general safeguard provision in the 2007 agreement.<sup>119</sup>

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<sup>115</sup> United States–Korea Free Trade Agreement Implementation Act, Pub. L. 112-41.

<sup>116</sup> USTR, “Update on Implementation of Free Trade Agreements,” December 5, 2011.

<sup>117</sup> CRS, “KORUS FTA,” November 30, 2011, Executive Summary. The KORUS FTA entered into force on March 15, 2012. “Proclamation 8783 of March 6, 2012, To Implement the United States-Korea Free Trade Agreement,” 77 Fed. Reg. 14265–14267 (March 9, 2012). For more information about the KORUS FTA, see chapter 4.

<sup>118</sup> For an overview of the KORUS FTA, see chapter 4.

<sup>119</sup> White House, “Statement of the President,” December 3, 2010; White House, “Fact Sheet,” December 3, 2010; USTR, “Letter to Minister for Trade Jong-Hoon Kim,” February 10, 2011; USTR, *2011 National Trade Estimate Report on Foreign Trade Barriers*, March 2011, 225; CRS, “KORUS FTA,” March 1, 2011. The general safeguard can be invoked during the 10-year period after the FTA enters into force. The special safeguard for motor vehicles can be invoked for passenger automobiles during the 15-year period

## *Beef*

Two events related to the U.S. exports of beef to Korea occurred on May 4, 2011. First, USDA announced that it had awarded an additional \$1 million of Market Access Program funds in 2011 to the U.S. Meat Export Federation (USMEF) to promote U.S. beef sales in Korea.<sup>120</sup> In the same announcement, USDA welcomed a new initiative from USMEF to implement a five-year market promotion strategy for U.S. beef in Korea.<sup>121</sup> USMEF announced that it would seek \$10 million from USDA to fund that strategy.<sup>122</sup>

Second, USTR Kirk informed Senator Max Baucus, Chairman of the Senate Finance Committee, that shortly after the KORUS FTA enters into force, the United States will request consultations with Korea under Article 25 of the April 2008 U.S.-Korea beef import protocol (see below).<sup>123</sup> As a result of these two announcements, Senator Baucus, who had withheld support for the KORUS FTA because of his concerns about barriers to U.S. beef in the Korean market, announced that he would henceforth support KORUS FTA implementing legislation as it moved through the Senate.<sup>124</sup>

## **Background**

Before 2008, Korea intermittently suspended imports of beef from the United States because of concerns about BSE.<sup>125</sup> On April 18, 2008, the United States and Korea agreed to a protocol that provides for a full reopening of the Korean beef market to exports from the United States. The protocol defines conditions for the importation of U.S. beef into Korea and requires that the United States meet or exceed guidelines set by the OIE.<sup>126</sup> It permits all U.S. beef (bone-in and boneless) and beef products from cattle of all ages to be imported into Korea, as long as appropriate specified-risk materials, as defined by the OIE, are removed.<sup>127</sup>

In response to significant public opposition to resuming imports of U.S. beef in Korea,<sup>128</sup> Korean beef importers and U.S. exporters reached a commercial understanding—separate from the April 18, 2008, agreement—that only U.S. beef and beef products from cattle less than 30 months of age would be shipped to Korea, as a transitional measure, to improve Korean consumer confidence in U.S. beef.<sup>129</sup> U.S. beef exports resumed as of June 26, 2008, and Korea quickly returned to being one of the leading destinations for U.S. beef exports. Korea was the fourth leading destination by value for U.S. beef exports

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following entry into force and for trucks during the 20-year period following entry into force. See also USITC, *U.S.-Korea Free Trade Agreement: Passenger Vehicle Sector Update*, 2011, for more detail and analysis.

<sup>120</sup> USDA, “USDA Awards Additional MAP Funds to USMEF,” May 4, 2011.

<sup>121</sup> *Ibid.*

<sup>122</sup> U.S. Meat Export Federation, “USMEF Announces Expanded South Korea Initiative,” May 4, 2011.

<sup>123</sup> USTR, “Letter to Senator Max Baucus,” May 4, 2011.

<sup>124</sup> Baucus, “Baucus Secures Administration’s Commitment,” May 4, 2011.

<sup>125</sup> For details, see USITC, *Year in Trade 2008, 2009*, 5-21 to 5-22.

<sup>126</sup> OIE, Resolution no. XXIV. Under Paragraph 5 of the 2008 agreement, if an additional case of BSE is discovered in the United States, imports will be suspended if the OIE downgrades the BSE classification of the United States. That has not happened following the April 24, 2012, discovery of BSE. The Korean government has announced that it will increase inspections of U.S. beef imports, and some stores in Korea have announced that they will suspend sales of U.S. beef. *The Dong-A Ilbo*, “Gov’t Moves to Ease Consumer Fears,” April 25, 2012.

<sup>127</sup> USTR, *2009 Trade Policy Agenda and 2008 Annual Report*, March 2009, 151.

<sup>128</sup> USITC, *Global Beef Trade*, 2008, 6-2.

<sup>129</sup> USTR, *2009 Trade Policy Agenda and 2008 Annual Report*, March 2009, 151; USTR, “USTR Confirms Korea’s Announcement,” June 21, 2008. Key elements and procedures of the protocol are summarized in USITC, *Global Beef Trade*, 2008, 6-13 to 6-14.

in 2008–11, with substantial increases in exports in 2010 and 2011. Still, in 2011, U.S. beef exports to Korea remained less than before the 2003 ban, especially when considered on a volume basis. Because the Korean position was that beef “is unrelated to” the FTA that was concluded in 2007,<sup>130</sup> the December 2010 agreement did not include any provisions related to Korean imports of U.S. beef, and the commercial understanding remains in effect.

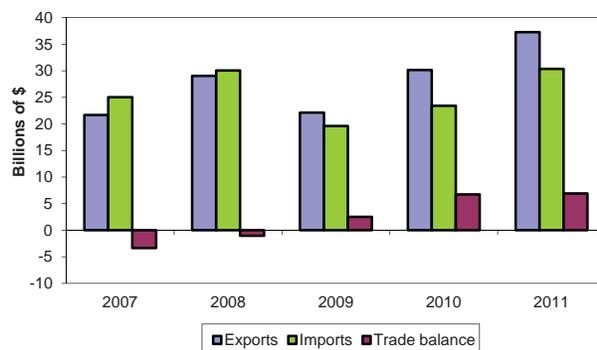
## Brazil

Brazil shifted from being the United States’ 10th-largest single-country trading partner in 2010 to being its 8th-largest trading partner in 2011, moving ahead of both France and Taiwan. Brazil remained the United States’ 2nd-largest Latin American partner (and the largest South American partner) behind Mexico. Two-way merchandise trade increased 26.3 percent to \$67.6 billion in 2011, accounting for 1.9 percent of U.S. trade with the world. The United States recorded a \$6.9 billion merchandise trade surplus with Brazil in 2011, slightly higher than its \$6.8 billion surplus in 2010 and more than double its \$2.5 billion trade surplus in 2009. Recent years mark a striking change from the deficits recorded in the past (figure 5.13). The U.S. services trade surplus with Brazil increased by \$1.7 billion to \$13.0 billion in 2011 (figure 5.14).

U.S. merchandise exports to Brazil amounted to \$37.3 billion in 2011, an increase of 23.6 percent from 2010. Leading U.S. exports to Brazil included aircraft and aircraft parts, petroleum-related oils and refined petroleum products, coal, ethyl alcohol, and parts for boring or sinking machinery. Among the leading U.S. exports, there were especially large increases in the value of exports of petroleum-related products and ethyl alcohol, as well as substantial increases in coal and cotton compared with 2010. The substantial increase in U.S. exports to Brazil allowed Brazil to remain the ninth-largest single-country destination for U.S. exports in 2011.

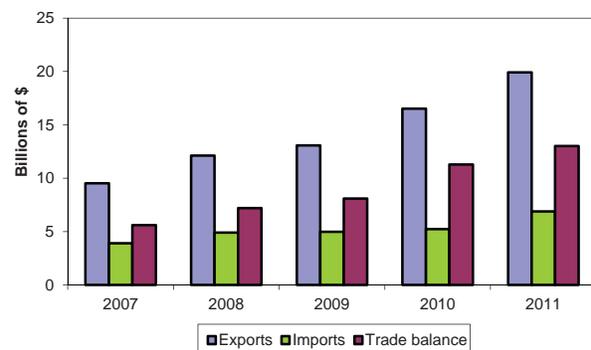
U.S. imports from Brazil totaled \$30.4 billion in 2011, up 29.8 percent from 2010. This increase was led by U.S. imports of petroleum-related products, unroasted coffee, pig iron and semi-finished iron, chemical wood pulp, ethyl alcohol, and parts for piston engines. The surge in U.S. imports from Brazil allowed Brazil to rise from the 18th- to

**FIGURE 5.13** U.S. merchandise trade with Brazil, 2007–11



Source: USDOC.

**FIGURE 5.14** U.S. private services trade with Brazil, 2007–11<sup>a</sup>



Source: USDOC.

<sup>a</sup>Data for 2011 are preliminary.

<sup>130</sup> Trade Reports International Group, *Washington Trade Daily*, November 9, 2010, 3.

the 17th-largest single-country source for U.S. imports in 2011. U.S.-Brazil merchandise trade data are shown in appendix tables A.43 through A.45.

There were developments related to two WTO dispute settlement cases between the United States and Brazil in 2011. First, U.S. and Brazilian officials met quarterly under the Framework for a Mutually Agreed Solution to the Cotton Dispute, the interim solution reached in 2010 to the WTO dispute settlement case concerning U.S. subsidies on upland cotton (DS267).<sup>131</sup> This agreement will remain in effect until the U.S. Congress enacts a successor law to the U.S. Food, Conservation, and Energy Act of 2008 (“2008 U.S. Farm Bill”) in 2012 or a mutually agreed solution is reached.<sup>132</sup> Second, a WTO panel report was adopted in 2011 in a case brought by Brazil regarding U.S. antidumping administrative reviews and other measures related to U.S. imports of orange juice from Brazil. Developments in this case are described in chapter 3. The following section describes the new Agreement on Trade and Economic Cooperation signed during the President’s visit to Brazil in 2011.

### ***Agreement on Trade and Economic Cooperation***

On March 19, 2011, the United States and Brazil signed the U.S.-Brazil Agreement on Trade and Economic Cooperation (ATEC).<sup>133</sup> The ATEC created a mechanism for managing the U.S.-Brazil trade relationship, and is intended to expand trade and investment by increasing cooperation on issues including innovation, trade facilitation, agriculture, and technical barriers to trade.<sup>134</sup> The agreement established the U.S.-Brazil Commission on Economic and Trade Relations (CETR) with the objective of “promoting bilateral economic and trade cooperation.”<sup>135</sup> The CETR will be chaired by officials of the USTR and officials of the Brazilian Ministry of External Relations and the Brazilian Ministry of Development, Industry and External Trade.<sup>136</sup> The CETR’s work program covers the following: facilitation and liberalization of bilateral trade and investment; cooperation on shared objectives in the WTO; cooperation in the United States-Brazil Consultative Committee on Agriculture; SPS measures; technical barriers to trade; IPR; regulatory issues affecting trade and investment; information and communication technology and e-commerce; trade and technical capacity building; trade in services; and any such matters as the CETR may decide.<sup>137</sup> The CETR will meet annually and had its first meeting in March 2012.<sup>138</sup>

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<sup>131</sup> USTR, *2012 National Trade Estimate Report on Foreign Trade Barriers*, March 2012, 83, 137. For more information on this dispute, see USITC, *Year in Trade 2010*, 5-23.

<sup>132</sup> USTR, “U.S., Brazil Agree on Framework Regarding WTO Cotton Dispute,” June 17, 2010; USTR, “Kirk Comments of Signing of Framework,” June 25, 2010; USTR, *2012 Trade Policy Agenda and 2011 Annual Report*, March 2012, 82.

<sup>133</sup> USTR, “United States Trade Representative Ron Kirk Signs Agreement,” March 19, 2011; USTR, *2012 Trade Policy Agenda and 2011 Annual Report*, March 2012, 137.

<sup>134</sup> USTR, *2012 Trade Policy Agenda and 2011 Annual Report*, March 2012, 18.

<sup>135</sup> White House, “Agreement on Trade and Economic Cooperation,” March 19, 2011, 2; White House, “Strengthening the U.S.-Brazil Economic Relationship,” March 19, 2011.

<sup>136</sup> White House, “Agreement on Trade and Economic Cooperation,” March 19, 2011.

<sup>137</sup> *Ibid.*

<sup>138</sup> USTR hosted the first meeting of the U.S.-Brazil CETR on March 13, 2012. During the meeting, delegations from the United States and Brazil agreed to explore greater cooperation on a variety of issues, including investment, IPR, cross-border trade in services, and technical barriers to trade, among others. The parties highlighted agricultural biotechnology as an area of current progress with great potential for more collaboration. The two governments agreed to hold the next annual meeting of the CETR in Brazil. USTR, “USTR Hosts First Meeting of the U.S.-Brazil Commission,” March 14, 2012; USTR, “Ambassador Sapiro Co-chairs the First Meeting,” March 14, 2012.

# Taiwan

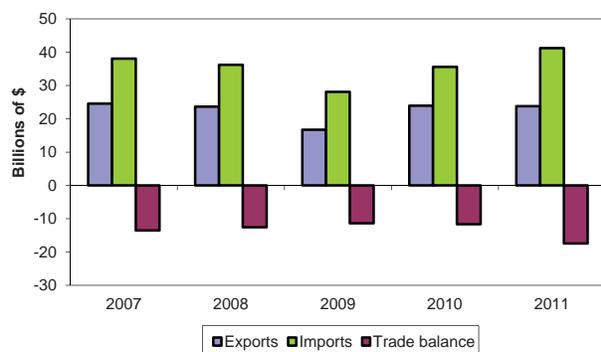
In 2011, the United States reported \$65.0 billion in two-way merchandise trade with Taiwan, an increase of 9.3 percent over recorded 2010 trade of \$59.5 billion. Taiwan remained the ninth-largest single-economy trading partner with the United States for the second year in a row, accounting for 1.9 percent of U.S. trade with the world. While U.S. exports to Taiwan changed very little, U.S. imports from Taiwan increased in 2011, causing the United States' bilateral trade deficit with Taiwan to rise by 49.5 percent from \$11.7 billion in 2010 to \$17.4 billion in 2011 (figure 5.15). On the other hand, the U.S. services trade surplus with Taiwan increased 31.3 percent from \$3.0 billion in 2010 to \$3.9 billion in 2011 (figure 5.16).

U.S. merchandise exports to Taiwan remained nearly unchanged from 2010 to 2011, decreasing only 0.5 percent to \$23.8 billion in 2011. As a result, Taiwan became the 15th-largest destination for U.S. exports in 2011, a fall from 12th in 2010. Semiconductor manufacturing and assembly equipment remained the leading U.S. export to Taiwan, accounting for 5.8 percent of 2011 merchandise exports. Other leading U.S. exports were computer chips and ferrous waste and scrap, each accounting for approximately 5.6 percent of 2011 U.S. merchandise exports to Taiwan, followed by corn, soybeans, and aircraft.

U.S. merchandise imports from Taiwan were \$41.2 billion in 2011, a 15.9 percent increase from 2010. As in 2010, imports of electronic components contributed to the overall increase in U.S. merchandise imports from Taiwan. Cellular telephones were the leading U.S. merchandise import from Taiwan in 2011, accounting for 16.0 percent of total imports. Other leading imports were computer chips, computer parts, radio navigational aid systems (GPS devices), and computer processors. U.S.-Taiwan merchandise trade data are shown in appendix tables A.46 through A.48.

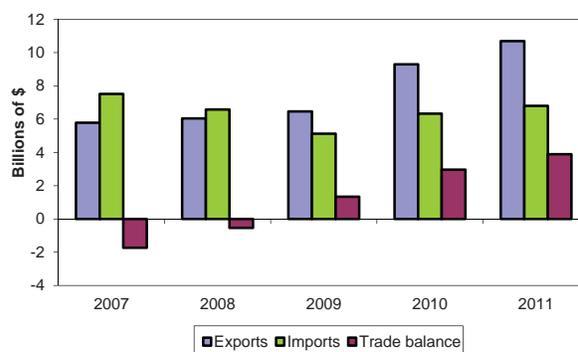
The United States and Taiwan entered into the U.S.-Taiwan Trade and Investment Framework Agreement (TIFA) in 1994 in order to promote economic cooperation and discuss bilateral trade issues.<sup>139</sup> High-level meetings under the TIFA were to take place on an annual basis; however, they have not been held since 2007 due to a dispute over

**FIGURE 5.15** U.S. merchandise trade with Taiwan, 2007–11



Source: USDOC.

**FIGURE 5.16** U.S. private services trade with Taiwan, 2007–11<sup>a</sup>



Source: USDOC.

<sup>a</sup>Data for 2011 are preliminary.

<sup>139</sup> Campbell, testimony before the House Committee on Foreign Affairs, October 4, 2011.

Taiwan's restrictions on imports of U.S. beef. Since 2003, Taiwan has restricted imports of U.S. beef and beef products due to BSE. Following a 2009 agreement which opened Taiwan's markets to full access for U.S. beef and beef products, Taiwan amended the agreement in 2010 to ban imports of U.S. ground beef and certain offal products. New concerns in 2011 over the feed additive ractopamine further affected discussions under the TIFA. More information about the dispute over ractopamine use in U.S. beef is provided below.<sup>140</sup>

IPR protection and the WTO Country Specific Quota (CSQ) on U.S. rice imports also continued to be on the U.S.-Taiwan trade agenda in 2011. Due to a mutually agreed upon IPR action plan, Taiwan has remained off of the Special 301 watch list since 2009. However, the United States continues to engage Taiwan on various IPR issues, including those involving healthcare goods and services, such as innovation in the pharmaceuticals sector.<sup>141</sup> Regarding the CSQ, the United States continued to work with Taiwan in 2011 on fulfilling Taiwan's CSQ on imports of U.S. rice. The CSQ was implemented in 2002 and Taiwan began using a ceiling price mechanism in applying the CSQ in 2003. U.S. exporters have raised concerns that the ceiling price mechanism may disrupt Taiwan's tendering process for procuring U.S. rice. Although the ceiling price is not public, it was reportedly set below the price levels bid by U.S. exporters, which caused tenders to fail.<sup>142</sup> Nonetheless, for the third year in a row, Taiwan successfully filled the 2011 CSQ by completing the final tender of U.S. rice in December 2011.<sup>143</sup>

## ***Beef***

In 2011, new U.S. concerns emerged regarding Taiwan's restriction on imports of U.S. beef due to concerns about ractopamine. Ractopamine is a veterinary drug used as an animal feed additive to promote leanness in pigs and cattle, which was approved for use in cattle by the USFDA in 2003.<sup>144</sup> Although Taiwan has long banned ractopamine, it was not until early 2011 that Taiwan began testing U.S. beef for the drug.<sup>145</sup> In January 2011, Taiwan announced that two U.S. beef shipments had tested positive for ractopamine. At that time, Taiwan began extensive testing of U.S. beef shipments. However, there is uncertainty as to the exact specifications against which U.S. beef is being tested. This uncertainty has arisen as a result of Taiwan's failure to implement maximum residue limits (MRLs) for ractopamine use, although Taiwan conducted a risk assessment of ractopamine and notified the WTO of its intention to establish MRLs for ractopamine in beef and pork in 2007.<sup>146</sup> According to a statement from the American Institute in Taiwan, Taiwan's testing of imported beef confirmed that all U.S. beef

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<sup>140</sup> USTR, *2012 Trade Policy Agenda and 2011 Annual Report*, March 2012, 145; USTR, *2011 Report on Sanitary and Phytosanitary Measures*, March 2011, 79; American Chamber of Commerce, Taipei, "AmCham Urges Early Scheduling of TIFA Talks," February 9, 2010.

<sup>141</sup> USTR, *2009 Special 301 Report*, April 30, 2009, 1; USTR, *2010 Special 301 Report*, April 30, 2010; USTR, *2011 Special 301 Report*, April 2011, 14.

<sup>142</sup> USTR, 2011 National Trade Estimate Report on Foreign Trade Barriers, March 2011, 338.

<sup>143</sup> USTR, *2012 Trade Policy Agenda and 2011 Annual Report*, March 2012, 146; USDA, FAS, "Conclusion of the 2011 Rice CSQ Tenders," December 30, 2011.

<sup>144</sup> WTO, "Committee Debates Pros and Cons of Standard," June 30–July 1, 2011; USTR, *2011 Report on Sanitary and Phytosanitary Measures*, March 2011, 24.

<sup>145</sup> USTR, *2012 Trade Policy Agenda and 2011 Annual Report*, March 2012, 146; USTR, *2011 Report on Sanitary and Phytosanitary Measures*, March 2011, 79–80; U.S.-Taiwan Business Council, "Why Taiwan Matters," Hammond-Chambers testimony before the House Committee on Foreign Affairs, June 16, 2011.

<sup>146</sup> In addition, 27 countries have tested and confirmed that meat from animals that were fed ractopamine is safe for human consumption. American Institute in Taiwan, "The Facts about U.S. Beef and Ractopamine," February 21, 2012; USTR, *2011 Report on Sanitary and Phytosanitary Measures*, March 2011, 80.

imported into Taiwan fell within the MRLs established by the Joint Expert Committee on Food Additives (JECFA) of two UN bodies, the Food and Agriculture Organization (FAO) and the World Health Organization (WHO).<sup>147</sup>

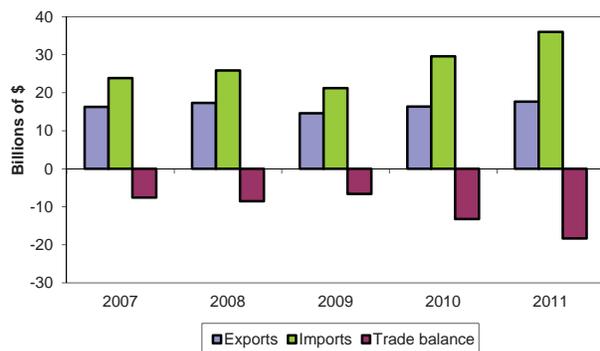
With the continuation of BSE restrictions and new restrictions on importation of U.S. beef due to concerns over ractopamine, the value of U.S. exports of beef to Taiwan declined by almost 8.0 percent, from \$216.2 million in 2010 to \$199.5 million in 2011.<sup>148</sup>

## India

In 2011, India was the 13th-largest single-country U.S. trading partner. U.S.-India two-way merchandise trade was valued at \$53.7 billion that year, accounting for 1.5 percent of U.S. merchandise trade with the world. U.S. imports of goods grew more rapidly than U.S. exports of goods, resulting in an increase in the U.S. merchandise trade deficit with India from \$13.2 billion in 2010 to \$18.3 billion in 2011 (figure 5.17). Among its major trading partners, the United States registered a services trade deficit only with India in 2011, a result of high levels of U.S. imports of computer and information services from India. The U.S. trade deficit in services with India amounted to \$5.3 billion in 2011, a 58.5 percent increase over the \$3.3 billion deficit in 2010. U.S. imports of Indian services increased from \$13.7 billion in 2010 to \$16.9 billion in 2011, while U.S. exports of services to India increased from \$10.3 billion in 2010 to \$11.6 billion in 2011 (figure 5.18).

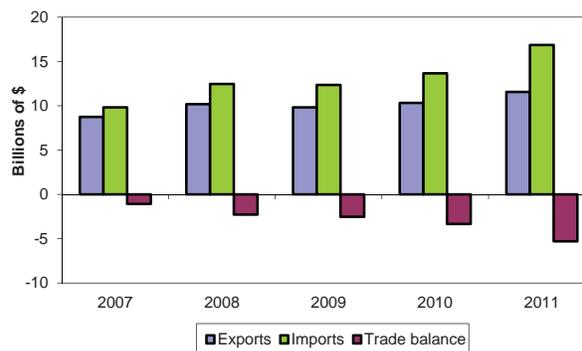
U.S. merchandise exports to India increased by 7.8 percent, from \$16.4 billion in 2010 to \$17.7 billion in 2011. Leading U.S. exports to India included diammonium phosphate, coal, nonmonetary gold, aircraft and aircraft parts, and nonindustrial diamonds.

**FIGURE 5.17** U.S. merchandise trade with India, 2007–11



Source: USDOC.

**FIGURE 5.18** U.S. private services trade with India, 2007–11<sup>a</sup>



Source: USDOC.

<sup>a</sup>Data for 2011 are preliminary.

<sup>147</sup> JECFA, an independent scientific committee that performs risk assessments to assist Codex in developing international food standards and guidelines, recommended MRLs for ractopamine use in cattle and swine in 2004, and reconfirmed the MRLs in 2006 and 2010 after further research. AIT, “The Facts about U.S. Beef and Ractopamine,” February 21, 2012.

<sup>148</sup> USDA, FAS, FAS Online database (accessed March 16, 2012). On April 24, 2012, a dairy cow in California was discovered to have BSE. The government of Taiwan has stated that it would only suspend imports of U.S. beef if the OIE downgraded the classification of the United States. *Taipei Times*, “U.S. Beef Ban Dependent on OIE Report,” April 27, 2012.

U.S. imports from India amounted to \$36.0 billion in 2011, representing a 21.6 percent increase from \$29.6 billion in 2010. Leading U.S. imports from India were nonindustrial diamonds, petroleum-related products, certain medicaments for retail sale, and precious jewelry and jewelry parts. U.S.-India merchandise trade data are shown in appendix tables A.49 through A.51.

During 2011, the United States and India continued discussions of diverse bilateral trade and economic issues, including high-technology trade, infrastructure investment, and IPR awareness and enforcement under the U.S.-India Trade Policy Forum (TPF). Several issues remained challenges in the trade relationship. India continued to maintain nontariff barriers on U.S. exports of agricultural products, including cereal grains. In late November, the Indian government announced approval of majority foreign direct investment (FDI) in multi-brand retail stores, only to suspend the policy less than two weeks after the announcement. Additionally, India remained on USTR's Special 301 priority watch list as the United States continues to recommend that India improve its copyright laws, patent regimes, and data protection systems. More information on bilateral trade and investment, India's agricultural policy, and IPR is provided below.

### ***Trade and Investment Dialogue***

In 2011, the U.S.-India TPF remained the principal forum for bilateral trade, investment, and economic dialogue between the two countries, as it has been since its inception in 2005.<sup>149</sup> In 2010, U.S. and Indian officials signed a Framework for Cooperation on Trade and Investment with the intent to strengthen bilateral cooperation, building upon recent rapid growth in trade.<sup>150</sup> Throughout 2011, U.S. and Indian officials met to discuss strengthening the TPF and agreed to revise its structure to advance trade and investment issues.<sup>151</sup> U.S. and Indian officials also worked to promote several objectives outlined in the framework, including the promotion of high-technology cooperation, infrastructure investment, investment policy, SME trade development, and IPR awareness and enforcement, among other topics.<sup>152</sup>

During a U.S. high-technology trade mission to India, held February 6–11 to promote trade and technological cooperation, U.S. and Indian officials discussed how market barriers—including tariff and nontariff barriers, restrictions on FDI, and limited IPR protection—may affect U.S. companies in the Indian market.<sup>153</sup> U.S. and Indian officials also met several times during 2011 to discuss U.S. involvement in infrastructure development, planning a U.S. infrastructure trade mission for 2012.<sup>154</sup> Additionally, U.S. and Indian officials resumed technical-level negotiations on a bilateral investment treaty.<sup>155</sup>

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<sup>149</sup> USTR, "Countries and Regions: India," accessed March 13, 2012.

<sup>150</sup> USTR, "United States—India Trade Policy Forum," March 17, 2010.

<sup>151</sup> USTR, 2012 Trade Policy Agenda and 2011 Annual Report, March 2012.

<sup>152</sup> USTR, "United States and India Sign Framework," March 17, 2010; USTR, "U.S.-India Trade Policy Forum Facts," September 2010; *USTR, 2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 145.

<sup>153</sup> USDOC, "Secretary Locke Delivers Keynote Address," February 7, 2011; USDOC, "U.S. Commerce Secretary Locke, India Commerce and Industry Minister Sharma," February 7, 2011; USDOC, ITA, "Mission Statement: Secretarial India High Technology," February 2011.

<sup>154</sup> USDOS, "Assistant Secretary Jose W. Fernandez Traveling to India," March 7, 2011; USDOT, "Joint statement on the 2011 U.S.-India Economic and Financial Partnership," June 28, 2011; USDOC, "U.S. Commerce Secretary John Bryson," December 16, 2011.

<sup>155</sup> USTR, "Readout of Ambassador Kirk's Bilateral Meeting," June 2011; USTR, "Ambassador Kirk and Indian Minister Sharma Work," September 2011.

## *Agriculture and Food Trade and Investment Policy*

Indian policymakers manage the supply of agricultural commodities in the domestic market by making frequent changes in policies that affect trade. India regularly adjusts restrictions, taxes, and subsidies on foreign trade in agricultural commodities in order to influence the price and quantity in the Indian market, with the intended goal of achieving food security and price stability for low-income farmers and consumers. When stocks of agricultural commodities are low, India often tries to increase the domestic supply by banning exports, subsidizing imports, lowering tariffs, and relaxing nontariff measures such as SPS measures. Conversely, when domestic stocks reach capacity, India typically subsidizes exports and bans or restricts imports using tariffs and nontariff measures.<sup>156</sup> Because India is home to one-sixth of the world's food consumers and one-tenth of the world's farmland,<sup>157</sup> changes in India's agricultural trade policies impact global trade in agricultural commodities, including staple crops produced by the United States. Because restrictive policies are changed frequently, exporters face uncertainty when exporting agricultural commodities to India, further hampering trade.

### **Cereal Grains**

The United States is the largest global exporter of cereal grains, and these products made up 2.2 percent of global U.S. exports in 2011. With the world's second-largest population, India is one of the largest consumers of cereal grains, including wheat and rice and, increasingly, corn and barley.<sup>158</sup> Despite U.S. competitiveness in cereal grains and the large size of the Indian consumer market for these products, cereal grains made up less than 0.01 percent of U.S. exports to India in 2011 and have not made up more than 0.02 percent of U.S. exports to India over the last 10 years. While India has recently been a surplus producer of cereal grains, production frequently falls short of meeting domestic demand due to variations in the monsoon season, which dictates the output of annual harvests.<sup>159</sup>

The low volume of U.S. exports of cereal grains to India is the result of Indian nontariff measures. In 2011, India's tariffs on wheat, rice, and barley remained at zero, while corn was subject to a zero tariff-rate quota (TRQ) of 500,000 metric tons. However, U.S. wheat and barley imports into India remained constrained by SPS measures, such as strict prohibitions on certain weed seeds. In bilateral discussions on the issue of SPS measures, including at the senior level, little progress has been achieved between the United States and India.<sup>160</sup> However, in June 2011, U.S. and Indian officials agreed to collaborate by exchanging scientific information on barley pests.<sup>161</sup> Other nontariff measures restrict cereal imports from all trade partners. State-owned enterprises (SOEs) dominate all major cereal grain markets. The rationale for SOE involvement is that they are supposed to balance affordability to consumers and industrial users with the interests of rural farmers; as a result, cereal grain imports are subject to a government procurement system which

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<sup>156</sup> USITC, India: Effects of Tariffs and Nontariff Measures, November 2009, 5-7.

<sup>157</sup> USCIA, "India," *The World Factbook*, accessed March 13, 2012.

<sup>158</sup> USDA, FAS, "India: Grain and Feed Annual 2011," February 23, 2011; USDA, FAS, "India: Grain and Feed Annual 2012," February 23, 2012.

<sup>159</sup> *Ibid.*

<sup>160</sup> In March 2012, USTR requested WTO dispute settlement consultations with India concerning India's ban on imports of U.S. poultry and eggs. USTR, "U.S. Trade Representative Kirk Enforces Rights," March 2012.

<sup>161</sup> USTR, 2012 Report on Sanitary and Phytosanitary Measures, March 2012, 53.

has lacked transparency and has been subject to domestic policy prescriptions.<sup>162</sup> Imports under the TRQ on corn are only open for purchase by India's SOEs; corn imported outside the TRQ is subject to a 50 percent duty.<sup>163</sup>

### **FDI in Food Retail**

Within the past five years, a modern food retail sector has emerged in India, valued at \$4 to \$5 billion and growing annually by 20 percent. The high growth in this sector may offer the United States, India's primary supplier of consumer food imports, opportunities to expand exports and investment within the market.<sup>164</sup> On November 24, 2011, the government of India announced the approval of up to 51 percent FDI in multi-brand retail stores, permitting foreign expansion from wholesale operations to allow direct vending to consumers. The government of India viewed this as a mechanism for increasing investment in food logistics, value chains, and processing in order to minimize food loss due to poor handling and reduce high inflation in food prices.<sup>165</sup> However, less than two weeks after approval, the policy allowing FDI in multi-brand retail was suspended until further notice due to opposition by supporters of traditional retail.<sup>166</sup>

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

India remained on USTR's priority watch list of countries with significant IPR problems that warrant close monitoring and bilateral consultation in 2011.<sup>167</sup> India has been on the Priority Watch List since 1989.<sup>168</sup> In 2011, USTR identified incremental improvements concerning IPR legislative, administrative, and enforcement issues. Nonetheless, USTR urged India to pass legislation that would implement the WIPO Internet treaties, which provide for copyright protection in the digital environment and which would bring India's copyright law into line with international standards. USTR further recommended that India take action to improve its patent regime by not limiting the patentability of certain chemical forms, by reducing backlogs in patent applications, and by streamlining opposition proceedings. In addition, USTR encouraged India to provide an effective system for the protection of undisclosed test and other data generated to obtain the Indian government's approval for marketing pharmaceuticals and agricultural chemicals.<sup>169</sup>

## **Russia**

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In 2011, Russia was the United States' 20th largest trading partner, accounting for 1.2 percent of total two-way U.S. trade. U.S. merchandise trade with Russia increased 33.7 percent, rising from \$30.9 billion in 2010 to \$41.2 billion in 2011. The U.S. merchandise trade deficit with Russia increased by one-third, from \$19.5 billion in 2010 to nearly

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<sup>162</sup> USDA, FAS, "India: Grain and Feed Annual 2011," February 23, 2011; USDA, FAS, "India: Grain and Feed Annual 2012," February 23, 2012; USITC, *India: Effects of Tariffs and Nontariff Measures*, November 2009, 6–13.

<sup>163</sup> USDA, FAS, "India: Grain and Feed Annual 2011," February 23, 2011; USDA, FAS, "India: Grain and Feed Annual 2012," February 23, 2012.

<sup>164</sup> USDA, FAS, "India: Exporter Guide 2011," December 29, 2011.

<sup>165</sup> USDA, FAS, "India: The Government of India Approves FDI," December 1, 2011.

<sup>166</sup> USDA, FAS, "India: Multi-Brand Retail Investment Policy Suspended," December 12, 2011.

<sup>167</sup> USTR, *2011 Special 301 Report*, April 30, 2011, 28; USTR, *2011 Special 301 Report*, April 30, 2012, 35.

<sup>168</sup> International Intellectual Property Alliance, *2011 Special 301: Historical Summary*, February 15, 2011, 18.

<sup>169</sup> USTR, *2011 Special 301 Report*, April 30, 2011, 28.

\$26.0 billion in 2011 (figure 5.19). The increase in the deficit was partly attributable to the rising world price of crude petroleum, since petroleum-related products represented over two-thirds of the value of U.S. imports from Russia.<sup>170</sup> In 2011, U.S. merchandise imports from Russia (\$33.6 billion) were nearly four and one-half times larger than U.S. exports to Russia by value (\$7.6 billion). Data are not available for U.S. trade in private services with Russia.

U.S. merchandise exports to Russia increased 35.0 percent to \$7.6 billion in 2011, up from \$5.7 billion in 2010. Leading U.S. exports to Russia included non-electrical machinery, such as boring or sinking machinery and related parts, gas turbines, and excavators; vehicles and parts thereof, including passenger automobiles, tractors, and dump trucks; meat, including beef, pork, and chicken; and aircraft, spacecraft, and parts thereof.

U.S. merchandise imports from Russia increased 33.4 percent, from \$25.2 billion in 2010 to \$33.6 billion in 2011. Leading U.S. imports from Russia were largely petroleum-related products, accounting for nearly 70 percent of U.S. imports from Russia. U.S.-Russian merchandise trade data are shown in appendix tables A.52 through A.54.

Following 18 years of negotiations, in 2011 Russia was invited to join the WTO. However, the United States continued to raise concerns regarding Russia’s agricultural restrictions and inadequate protection of IPR, which are discussed below.

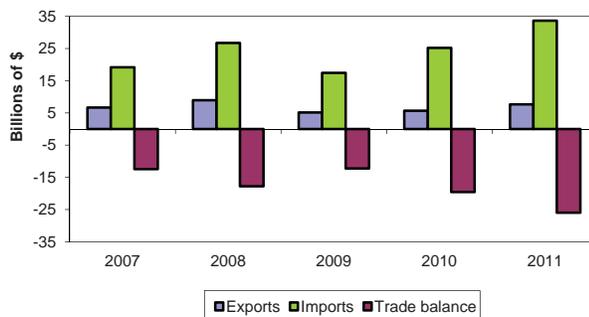
### *WTO Accession*

On December 16, 2011, WTO members invited Russia to accede to the WTO. The invitation is open for 220 days from the announcement of their decision (until July 23, 2012).<sup>171</sup>

### *Agricultural Import Quotas*

Despite its pending accession to the WTO, Russia continues to maintain a number of import restrictions, such as TRQs; customs charges and fees that exceed the cost of

**FIGURE 5.19** U.S. merchandise trade with Russia, 2007–11



Source: USDOC.

<sup>170</sup> USDOS, Bureau of European and Eurasian Affairs, *Background Note: Russia*, November 2, 2011.

<sup>171</sup> WTO, “Accession of the Russian Federation—Decision of 16 December 2011,” December 17, 2011.

providing the service; valuation procedures that inflate tariff charges; and burdensome licensing, registration, and certification regimes.<sup>172</sup> Agricultural imports are in particular subject to significant TRQs and burdensome SPS regulations.<sup>173</sup>

On December 15, 2010, Russia announced new import TRQs for beef, pork, and poultry in 2011.<sup>174</sup> Both the global TRQ and the TRQ allocated to the United States remained at the same levels as 2010 for beef (fresh and frozen) and pork (pork and pork trimmings) (table 5.1). However, the TRQ for poultry (chicken and turkey meat) was reduced sharply, from 780 thousand metric tons (tmt) in 2010 to 350 tmt in 2011. The product definition was also narrowed in scope, and no country-specific allocations for poultry were set.<sup>175</sup> For beef and pork, country-specific allocations went into effect in two, unequal stages: first, 25 percent of the annual quota for the first quarter of 2011, followed next by the remaining 75 percent for the second, third, and fourth quarters.<sup>176</sup>

As in previous years, meat exports to Russia in 2011 continued to be subject to SPS measures often considered obstructive by exporters.<sup>177</sup> In 2011, bilateral negotiations with Russia over a number of issues, such as SPS measures and technical barriers to trade, came to be addressed increasingly in broader plurilateral negotiations with key WTO members—such as the United States, the EU, and Japan—in efforts to finalize the terms of Russia’s final WTO accession package, which was reached in November 2011.<sup>178</sup>

### ***Intellectual Property***

Although Russia has taken significant steps in the past year to improve IPR protection and enforcement, it remained on USTR’s Special 301 priority watch list.<sup>179</sup> Key concerns in 2011 included piracy over the Internet, the absence of liability legislation to protect Internet service providers, and lax enforcement of IPR in general, which have led to large losses for U.S. audiovisual as well as other companies and are an ongoing irritant in U.S.-Russia trade relations.<sup>180</sup>

Russia enacted further legislation in 2011 addressing various aspects of IPR laws, although enforcement continued to lag. In July 2011, the Russian parliament ratified the Agreement on Unified Principles of Regulation in the Sphere of Intellectual Property

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<sup>172</sup> USTR, 2012 National Trade Estimate Report on Foreign Trade Barriers, March 2012.

<sup>173</sup> USTR, 2012 Trade Policy Agenda and 2011 Annual Report, March 2012, 140.

<sup>174</sup> USDA, FAS, *Russia Announces 2011 TRQ Quantities*, December 27, 2010; Government of Russia Resolution #1111 of December 24, 2010.

<sup>175</sup> The poultry product definition was reduced to the four Russian import categories of frozen deboned chicken meat; frozen bone-in chicken halves or quarters; frozen bone-in chicken legs and cuts from them; and frozen deboned turkey meat. USDA, FAS, *Russia Announces 2011 TRQ Quantities*, December 27, 2010.

<sup>176</sup> Barinova, “Russian Meat Import Quotas,” April 29, 2011.

<sup>177</sup> The ban on poultry meat treated with chlorine-water solution, effective January 1, 2010, was lifted later in that year, allowing U.S. exports of poultry meat to Russia to resume in the last quarter of 2010. For further details, see USITC, *The Year in Trade 2010*, July 2011, 5-31 to 5-33.

<sup>178</sup> Inside Washington Publishers, “Deals on SPS, TRIMS Remain Elusive,” August 19, 2011; Inside Washington Publishers, “Russian TRQs in Accession Deal,” November 18, 2011.

<sup>179</sup> USTR, *2011 Special 301 Report*, April 2011, 25.

<sup>180</sup> USTR, 2012 National Trade Estimate Report on Foreign Trade Barriers, March 2012; USDOS, Bureau of European and Eurasian Affairs, Background Note: Russia, November 2, 2011.

**TABLE 5.1** Russian tariff-rate quota quantities for meat and poultry, 2007-2011<sup>a</sup>

	2007	2008	2009	2010	2011
	Thousand metric tons				
Total	2,125.3	2,179.0	1,963.4	1,840.0	1,410.0
Beef (fresh/chilled/frozen)	468.3	473.9	479.5	560.0	560.0
United States	18.1	18.3	18.5	21.7	21.7
Pork (pork and pork trimmings)	484.8	493.5	531.9	500.0	500.0
United States	49.0	49.8	100.0	57.5	57.5
Poultry (fresh/chilled/frozen)	1,172.2	1,211.6	952.0	780.0	350.0
United States	871.4	901.4	750.0	600.0	<sup>(b)</sup>

Source: USDA, FAS, "Russia Announces 2011 TRQ Quantities," December 27, 2010.

<sup>a</sup>On December 25, 2010, the Russian Ministry of Economic Development announced the initial distribution of 2011 tariff-rate quota (TRQ) quantities to importers, sharply reducing the poultry TRQ from 780 tmt in 2010 to 350 tmt in 2011, as well as narrowing the poultry product scope and no longer allocating country-specific TRQs for poultry. Beef (fresh and frozen) and pork (pork and pork trimmings) TRQs remained unchanged from 2010.

<sup>b</sup>No country-specific allocations in 2011.

Rights Protection, as agreed by the Belarus, Kazakhstan, and Russia Customs Union (CU) in December 2010.<sup>181</sup> The agreement provides for the establishment of a Customs Register of Intellectual Property Objects under the CU,<sup>182</sup> allowing non-CU members to register trademarks as well as establishing a structure through which nonmembers can address IPR border enforcement. The agreement is expected to enter into effect in 2012.<sup>183</sup> Other legislative progress made during the year was the establishment in December 2011 of an Intellectual Property Court to deal with patents, trademarks, and IPR infringement, which is expected to begin work in February 2013.<sup>184</sup>

Although recording companies have won civil suits against Internet pirates in Russia in the past, authorities for the first time in October 2011 brought criminal charges against Web site administrators offering pirated copies of movies, estimated to have caused roughly \$1.25 billion in damages.<sup>185</sup> During the year, Russian law enforcement also continued to carry out raids on optical disc production facilities suspected of pirating activities, despite frequent leaks in advance to targeted optical disc plants of "surprise" raids.<sup>186</sup> Russian police have also continued to carry out raids on business end-users using pirated products.

<sup>181</sup> Bankovsky, "Russia—Long-Awaited Russian IP Court," January 2012. For further details on the Belarus, Kazakhstan, and Russia Customs Union, see USITC, *The Year in Trade 2010*, 5-29.

<sup>182</sup> Federal Customs Service of Russia, "Regulation on Protection of Intellectual Property Rights," n.d., <http://www.russian-customs.org/fbusiness/ENGCustomsrelatedissues/printable02ef.html?id695=2959&i695=1&print=1> (accessed April 11, 2012).

<sup>183</sup> USTR, *2012 National Trade Estimate Report on Foreign Trade Barriers*, March 2012; Bankovsky, "Russia—New Development in Customs Union," October 2011.

<sup>184</sup> Bankovsky, "Russia—Long-Awaited Russian IP Court," January 2012.

<sup>185</sup> USTR, *2012 National Trade Estimate Report on Foreign Trade Barriers*, March 2012.

<sup>186</sup> *Ibid.*

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# **APPENDIX TABLES**

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**TABLE A.1** U.S. merchandise trade with the world, by SITC codes (revision 3), 2009–11

SITC code no.	Description	2009	2010	2011	% change, 2010–11
		Millions of \$			
<b>Exports:</b>					
0	Food and live animals	69,132	79,626	98,110	23.2
1	Beverages and tobacco	4,710	5,023	5,604	11.6
2	Crude materials, inedible, except fuels	61,050	79,896	90,948	13.8
3	Mineral fuels, lubricants and related materials	54,358	79,801	127,919	60.3
4	Animal and vegetable oils, fats and waxes	3,192	4,308	4,527	5.1
5	Chemicals and related products, n.e.s.	153,242	180,906	197,345	9.1
6	Manufactured goods classified chiefly by material	80,401	99,723	114,052	14.4
7	Machinery and transport equipment	367,271	424,353	470,983	11.0
8	Miscellaneous manufactured articles	98,789	108,960	115,230	5.8
9	Commodities and transactions not classified elsewhere in the SITC	44,601	59,534	74,460	25.1
	<b>Total</b>	<b>936,745</b>	<b>1,122,131</b>	<b>1,299,176</b>	<b>15.8</b>
<b>Imports:</b>					
0	Food and live animals	61,880	70,252	82,418	17.3
1	Beverages and tobacco	15,310	16,155	17,664	9.3
2	Crude materials, inedible, except fuels	22,350	30,268	38,062	25.8
3	Mineral fuels, lubricants and related materials	257,315	336,134	429,384	27.7
4	Animal and vegetable oils, fats and waxes	3,746	4,349	6,634	52.5
5	Chemicals and related products, n.e.s.	156,279	181,307	208,692	15.1
6	Manufactured goods classified chiefly by material	151,450	193,941	230,320	18.8
7	Machinery and transport equipment	567,502	710,793	789,721	11.1
8	Miscellaneous manufactured articles	246,933	285,669	306,220	7.2
9	Commodities and transactions not classified elsewhere in the SITC	66,397	69,742	77,838	11.6
	<b>Total</b>	<b>1,549,163</b>	<b>1,898,610</b>	<b>2,186,951</b>	<b>15.2</b>

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

**TABLE A.2** Leading U.S. exports to the world by Schedule B subheading, 2009–11

Schedule B subheading	Description	2009	2010	2011	% change 2010–11
		Millions of \$			
8800.00	Aircraft, spacecraft, and parts thereof	69,992	66,834	74,961	12.2
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	29,182	39,671	62,984	58.8
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	7,250	13,617	26,962	98.0
7108.12	Nonmonetary gold (including gold plated with platinum), unwrought, excluding powder	11,918	14,698	24,134	64.2
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	11,778	17,246	22,318	29.4
3004.90	Certain medicaments put up in measured doses or in forms or packings for retail sale, n.e.s.o.i.	17,609	17,780	18,386	3.4
1201.00	Soybeans, whether or not broken	16,475	18,584	17,560	-5.5
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	5,784	9,373	15,587	66.3
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	8,983	13,579	15,537	14.4
1005.90	Corn (maize), other than seed	8,859	9,919	13,756	38.7
1001.90	Wheat and meslin, excluding durum wheat	5,133	6,488	10,868	67.5
8542.31	Electronic integrated circuits, processors or controllers	9,514	11,375	10,667	-6.2
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	5,939	7,378	10,215	38.4
7204.49	Ferrous waste and scrap, n.e.s.o.i.	4,973	6,162	9,217	49.6
5201.00	Cotton, not carded or combed	3,384	5,746	8,424	46.6
7112.91	Gold waste and scrap, including metal clad with gold but excluding sweepings containing other precious metals	1,754	2,183	8,241	277.6
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	6,986	7,523	8,044	6.9
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	5,088	7,652	7,622	-0.4
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	5,505	6,204	7,206	16.2
8704.31	Motor vehicles for transporting goods, with spark-ignition internal-combustion piston engine, gross vehicle weight not exceeding 5 mt	5,234	7,245	7,122	-1.7
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.	7,310	6,637	6,507	-2.0
8542.39	Electronic integrated circuits, n.e.s.o.i.	4,411	6,180	5,566	-9.9
2711.21	Natural gas, gaseous state	2,790	3,848	5,436	41.2
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	2,772	7,144	5,331	-25.4
8704.10	Dumpers (dump trucks) designed for off-highway use	2,229	2,953	5,045	70.9
	Total of items shown	260,850	316,020	407,696	29.0
	All other	675,894	806,111	891,480	10.6
	Total of all commodities	936,745	1,122,131	1,299,176	15.8

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.3** Leading U.S. imports from the world by HTS subheading, 2009–11

HTS subheading	Description	Millions of \$			% change 2010–11
		2009	2010	2011	
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	150,809	196,862	246,894	25.4
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	39,108	52,661	74,995	42.4
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	41,765	58,018	64,355	10.9
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	37,068	54,837	56,502	3.0
8517.12	Telephones for cellular networks or for other wireless networks	32,584	36,922	42,213	14.3
8471.30	Portable digital automated data processing machines not exceeding 10 kg, with at least a CPU, keyboard and display	26,925	34,374	42,091	22.4
3004.90	Certain medicaments put up in measured doses or in forms or packings for retail sale, n.e.s.o.i.	36,791	39,382	37,802	-4.0
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	21,521	27,878	36,829	32.1
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	15,266	22,399	23,758	6.1
7102.39	Nonindustrial diamonds, n.e.s.o.i.	12,445	18,055	21,691	20.1
8528.72	Reception apparatus for television, incorporating a screen or video display device, color	18,618	19,204	16,621	-13.4
2713.11	Petroleum coke, not calcined	7,860	11,231	16,543	47.3
8473.30	Parts and accessories for automated data processing machines and units	18,117	22,210	15,553	-30.0
8471.50	Digital processing units other than those of 8471.41 and 8471.49	9,495	14,057	15,023	6.9
8542.31	Electronic integrated circuits, processors or controllers	6,235	9,189	14,378	56.5
7108.12	Nonmonetary gold (including gold plated with platinum), unwrought, excluding powder	7,928	11,647	14,330	23.0
2711.21	Natural gas, gaseous state	12,404	13,713	13,290	-3.1
8443.99	Parts and accessories of printers, copying and facsimile machines, n.e.s.o.i.	10,403	10,912	11,527	5.6
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	6,684	9,763	11,460	17.4
9503.00	Tricycles, scooters, similar wheeled toys; dolls, doll's carriages, and other toys; puzzles; reduced scale models	9,318	11,216	10,877	-3.0
8471.70	Automatic data processing storage units	9,154	10,454	9,969	-4.6
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	7,676	8,319	9,707	16.7
2711.29	Petroleum gases and other gaseous hydrocarbons, other than natural gas, in a gaseous state	5,522	7,219	9,530	32.0
8411.91	Parts for turbojets or turbopropellers	8,074	8,089	9,148	13.1
6110.20	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of cotton	8,042	8,753	9,139	4.4
	Total of items shown	559,813	717,363	834,226	16.3
	All other	989,351	1,181,248	1,352,725	14.5
	Total of all commodities	1,549,163	1,898,610	2,186,951	15.2

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.4** U.S. private services trade with the world, by category, 2009–11

Service industry	2009	2010	2011	% change, 2010–11
	Millions of \$			
<b>Exports</b>				
Business, professional, and technical services	117,793	126,296	137,862	9.2
Royalties and license fees	97,183	105,583	120,619	14.2
Travel	94,191	103,505	116,279	12.3
Financial services	62,444	66,387	72,988	9.9
Passenger fares	26,103	30,931	36,717	18.7
Education	19,948	21,291	22,823	7.2
Port services	18,067	20,168	21,309	5.7
Freight	17,466	19,768	21,145	7.0
Insurance services	14,427	14,605	15,350	5.1
Telecommunications	10,053	11,095	12,744	14.9
Other	10,192	10,645	10,983	3.2
<b>Total</b>	<b>487,867</b>	<b>530,274</b>	<b>588,819</b>	<b>11.0</b>
<b>Imports</b>				
Business, professional, and technical services	83,559	90,585	106,766	17.9
Travel	74,118	75,507	79,120	4.8
Insurance services	63,614	61,767	57,561	-6.8
Freight	29,795	37,915	40,340	6.4
Royalties and license fees	29,849	33,450	36,581	9.4
Passenger fares	25,137	27,279	31,104	14.0
Financial services	13,597	13,803	15,070	9.2
Port services	12,797	13,288	14,144	6.4
Telecommunications	7,493	8,006	7,822	-2.3
Education	5,357	5,677	5,970	5.2
Other	704	759	796	4.9
<b>Total</b>	<b>346,020</b>	<b>368,036</b>	<b>395,274</b>	<b>7.4</b>

Source: USDOC, BEA, U.S. International Transactions Accounts Data.

Note: Data for 2011 are preliminary.

**TABLE A.5** Antidumping cases active in 2011, by USITC investigation number

USITC investigation number	Product	County of origin	Date of institution	USITC	ITA <sup>a</sup>	ITA	USITC	Date of final action <sup>b</sup>
				prelim	prelim	final	final	
731-TA-1088	Polyvinyl alcohol	Taiwan	9/7/2004	A <sup>c</sup>	A	A	A	3/7/2011
731-TA-1176	Drill pipe	China	12/31/2009	A	A	A	A	2/17/2011
731-TA-1177	Aluminum extrusions	China	3/31/2010	A	A	A	A	5/13/2011
731-TA-1179	Multilayered wood flooring	China	10/21/2010	A	A	A	A	11/21/2011
731-TA-1180	Bottom-mount combination refrigerator-freezers	Korea	3/30/2011	A	A	A	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1181	Bottom-mount combination refrigerator-freezers	Mexico	3/30/2011	A	A	A	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1182	Steel wheels	China	3/31/2011	A	A	A	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1183	Galvanized steel wire	China	3/31/2011	A	A	A	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1184	Galvanized steel wire	Mexico	3/31/2011	A	A	A	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1185	Steel nails	UAE	3/31/2011	A	A	A	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1186	Stilbenic optical brightening agents	China	3/31/2011	A	A	A	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1187	Stilbenic optical brightening agents	Taiwan	3/31/2011	A	A	A	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1188	High pressure steel cylinders	China	5/11/2011	A	A	A	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1189	Large power transformers	China	7/14/2011	A	A	A	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1190	Solar panels	China	10/19/2011	A	A	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1191	Circular welded carbon-quality steel pipe	India	10/26/2011	A	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1192	Circular welded carbon-quality steel pipe	Oman	10/26/2011	A	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1193	Circular welded carbon-quality steel pipe	UAE	10/26/2011	A	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1194	Circular welded carbon-quality steel pipe	Vietnam	10/26/2011	A	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1195	Wind towers	China	12/29/2011	A	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1196	Wind towers	Vietnam	12/29/2011	A	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1197	Steel wire garment hangers	Taiwan	12/29/2011	A	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1198	Steel wire garment hangers	Vietnam	12/29/2011	A	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1199	Large residential washers	Korea	12/30/2011	A	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )
731-TA-1200	Large residential washers	Mexico	12/30/2011	A	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )	( <sup>d</sup> )

Source: U.S. International Trade Commission.

<sup>a</sup>“ITA” is the International Trade Administration of the USDOC.

<sup>b</sup>For cases in which the final action was taken by the ITA, the date shown is the *Federal Register* notice date of that action. For cases in which the final action was taken by USITC, the date of the USITC notification of USDOC is shown.

<sup>c</sup>On October 21, 2004, the USITC made a negative preliminary injury determination. Following judicial proceedings that concluded on March 30, 2010, the USITC published notice of its preliminary affirmative injury determination on remand.

<sup>d</sup>Pending as of December 31, 2011.

**TABLE A.6** Antidumping duty orders and suspension agreements in effect as of December 31, 2011

Country	Commodity	Effective date of original action
Argentina	Lemon juice (suspended)	Sept. 10, 2007
	Honey	Dec. 10, 2001
Australia	Electrolytic manganese dioxide	Oct. 7, 2008
Belarus	Steel concrete reinforcing bar	Sept. 7, 2001
Belgium	Stainless steel plate in coils	May 21, 1999
Brazil	Polyethylene terephthalate film, sheet, and strip	Nov. 10, 2008
	Certain orange juice	Mar. 9, 2006
	Frozen or canned warmwater shrimp and prawns	Feb. 1, 2005
	Prestressed concrete steel wire strand	Jan. 28, 2004
	Carbon and certain alloy steel wire rod	Oct. 29, 2002
	Stainless steel bar	Feb. 21, 1995
	Silicomanganese	Dec. 22, 1994
	Circular welded nonalloy steel pipe	Nov. 2, 1992
	Carbon steel butt-weld pipe fittings	Dec. 17, 1986
	Iron construction castings	May 9, 1986
Canada	Citric acid and certain citric salts	May 29, 2009
	Iron construction castings	Mar. 5, 1986
Chile	Preserved mushrooms	Dec. 2, 1998
China	Multilayered wood flooring	Nov. 21, 2011
	Aluminum extrusions	May 13, 2011
	Drill pipe and drill collars	Feb. 23, 2011
	Coated paper	Nov. 17, 2010
	Seamless carbon and alloy steel standard, line, and pressure pipe	Nov. 10, 2010
	Magnesia carbon bricks	Sept. 20, 2010
	Narrow woven ribbons	Sept. 1, 2010
	Woven electric blankets	Aug. 18, 2010
	Steel grating	July 23, 2010
	Prestressed concrete steel wire strand	June 29, 2010
	Oil country tubular goods	May 21, 2010
	Potassium phosphate salts	July 22, 2010
	Seamless refined copper pipe and tube	Nov. 22, 2010
	Kitchen appliance shelving and racks	Sept. 14, 2009
	Tow-behind lawn groomer	Aug. 3, 2009
	Citric acid and certain citric salts	May 29, 2009
	Circular welded carbon-quality steel line pipe	May 13, 2009
	Frontseating service valves	April 28, 2009
	HEDP	April 28, 2009
	Steel threaded rod	April 14, 2009
	Circular welded austenitic stainless pressure pipe	Mar. 17, 2009
	Small-diameter graphite electrodes	Feb. 26, 2009
	Uncovered innerspring units	Feb. 19, 2009
	Lightweight thermal paper	Nov. 24, 2008
	Polyethylene terephthalate film, sheet, and strip	Nov. 10, 2008
	Electrolytic manganese dioxide	Oct. 7, 2008
	Steel wire garment hangers	Oct. 6, 2008
Raw flexible magnets	Sept. 17, 2008	

**TABLE A.6** Antidumping duty orders and suspension agreements in effect as of December 31, 2011—*Continued*

Country	Commodity	Effective date of original action
China— <i>Continued</i>	Off-the-road tires	Sept. 4, 2008
	Sodium nitrite	Aug. 27, 2008
	Laminated woven sacks	Aug. 7, 2008
	Light-walled rectangular pipe and tube	Aug. 5, 2008
	Steel nails	Aug. 1, 2008
	Circular welded carbon-quality steel pipe	July 22, 2008
	Sodium hexametaphosphate	Mar. 19, 2008
	Certain polyester staple fiber	June 1, 2007
	Certain activated carbon	April 27, 2007
	Certain lined paper school supplies	Sept. 28, 2006
	Artist's canvas	June 1, 2006
	Chlorinated isocyanurates	June 24, 2005
	Magnesium	April 15, 2005
	Tissue paper	Mar. 30, 2005
	Frozen or canned warmwater shrimp and prawns	Feb. 1, 2005
	Crepe paper	Jan. 25, 2005
	Wooden bedroom furniture	Jan. 4, 2005
	Carbazole violet pigment 23	Dec. 29, 2004
	Hand trucks	Dec. 2, 2004
	Polyethylene retail carrier bags	Aug. 9, 2004
	Ironing tables	Aug. 6, 2004
	Tetrahydrofurfuryl alcohol	Aug. 6, 2004
	Malleable iron pipe fittings	Dec. 12, 2003
	Refined brown aluminum oxide	Nov. 19, 2003
	Barium carbonate	Oct. 1, 2003
	Polyvinyl alcohol	Oct. 1, 2003
	Saccharin	July 9, 2003
	Non-malleable cast iron pipe fittings	Apr. 7, 2003
	Ferrovandium	Jan. 28, 2003
	Folding metal tables and chairs	June 27, 2002
	Folding gift boxes	Jan. 8, 2002
	Honey	Dec. 10, 2001
	Hot-rolled carbon steel flat products	Nov. 29, 2001
	Pure magnesium (granular)	Nov. 19, 2001
	Foundry coke	Sept. 17, 2001
	Steel concrete reinforcing bars	Sept. 7, 2001
	Preserved mushrooms	Feb. 19, 1999
	Carbon steel plate	Oct. 24, 1997
	Crawfish tail meat	Sept. 15, 1997
	Persulfates	July 7, 1997
	Furfuryl alcohol	June 21, 1995
	Pure magnesium (ingot)	May 12, 1995
	Glycine	Mar. 29, 1995
	Cased pencils	Dec. 28, 1994
	Silicomanganese	Dec. 22, 1994
	Paper clips	Nov. 25, 1994
	Fresh garlic	Nov. 16, 1994
	Helical spring lock washers	Oct. 19, 1993
Sulfanilic acid	Aug. 19, 1992	
Carbon steel butt-weld pipe fittings	July 6, 1992	
Silicon metal	June 10, 1991	

**TABLE A.6** Antidumping duty orders and suspension agreements in effect as of December 31, 2011—*Continued*

Country	Commodity	Effective date of original action
China— <i>Continued</i>	Axes and adzes	Feb. 19, 1991
	Bars and wedges	Feb. 19, 1991
	Hammers and sledges	Feb. 19, 1991
	Picks and mattocks	Feb. 19, 1991
	Tapered roller bearings	June 15, 1987
	Porcelain-on-steel cooking ware	Dec. 2, 1986
	Petroleum wax candles	Aug. 28, 1986
	Iron construction castings	May 9, 1986
	Barium chloride	Oct. 17, 1984
	Chloropicrin	Mar. 22, 1984
	Potassium permanganate	Jan. 31, 1984
	Greige polyester cotton printcloth	Sept. 16, 1983
Finland	Carboxymethylcellulose	July 11, 2005
France	Low-enriched uranium	Feb. 13, 2002
	Brass sheet and strip	Mar. 6, 1987
Germany	Lightweight thermal paper	Nov. 24, 2008
	Sodium nitrite	Aug. 27, 2008
	Stainless steel sheet and strip	July 27, 1999
	Seamless pipe	Aug. 3, 1995
	Corrosion-resistant carbon steel flat products	Aug. 19, 1993
	Brass sheet and strip	Mar. 6, 1987
India	Commodity matchbooks	Dec. 11, 2009
	HEDP	Apr. 28, 2009
	Certain lined paper school supplies	Sept. 28, 2006
	Frozen or canned warmwater shrimp and prawns	Feb. 1, 2005
	Carbazole violet pigment 23	Dec. 29, 2004
	Prestressed concrete steel wire strand	Jan. 28, 2004
	Polyethylene terephthalate (PET) film	July 1, 2002
	Silicomanganese	May 23, 2002
	Hot-rolled carbon steel flat products	Dec. 3, 2001
	Carbon steel plate	Feb. 10, 2000
	Preserved mushrooms	Feb. 19, 1999
	Stainless steel bar	Feb. 21, 1995
	Stainless steel wire rod	Dec. 1, 1993
	Sulfanilic acid	Mar. 2, 1993
Welded carbon steel pipe	May 12, 1986	
Indonesia	Polyethylene retail carrier bags	May 4, 2010
	Certain lined paper school supplies	Sept. 28, 2006
	Carbon and certain alloy steel wire rod	Oct. 29, 2002
	Hot-rolled carbon steel flat products	Dec. 3, 2001
	Steel concrete reinforcing bars	Sept. 7, 2001
	Carbon steel plate	Feb. 10, 2000
	Preserved mushrooms	Feb. 19, 1999
Iran	Raw in-shell pistachios	July 17, 1986
Italy	Stainless steel butt-weld pipe fittings	Feb. 23, 2001
	Carbon steel plate	Feb. 10, 2000

**TABLE A.6** Antidumping duty orders and suspension agreements in effect as of December 31, 2011—*Continued*

Country	Commodity	Effective date of original action
Italy— <i>Continued</i>	Stainless steel wire rod	Sept. 15, 1998
	Pasta	July 24, 1996
	Ball bearings	May 15, 1989
	Granular polytetrafluoroethylene resin	Aug. 30, 1988
	Brass sheet and strip	Mar. 6, 1987
	Pressure-sensitive plastic tape	Oct. 21, 1977
Japan	Polyvinyl alcohol	July 2, 2003
	Welded large-diameter line pipe	Dec. 6, 2001
	Tin- and chromium-coated steel sheet	Aug. 28, 2000
	Large-diameter seamless pipe	June 26, 2000
	Small-diameter seamless pipe	June 26, 2000
	Carbon steel plate	Feb. 10, 2000
	Stainless steel sheet and strip	July 27, 1999
	Hot-rolled carbon steel flat products	June 29, 1999
	Stainless steel wire rod	Sept. 15, 1998
	Clad steel plate	July 2, 1996
	Stainless steel bar	Feb. 21, 1995
	Gray portland cement and clinker	May 10, 1991
	Brass sheet and strip	Aug. 12, 1988
	Carbon steel butt-weld pipe fittings	Feb. 10, 1987
	Prestressed concrete steel wire strand	Dec. 8, 1978
Polychloroprene rubber	Dec. 6, 1973	
Kazakhstan	Silicomanganese	May 23, 2002
Korea	Light-walled rectangular pipe and tube	Aug. 5, 2008
	Prestressed concrete steel wire strand	Jan. 28, 2004
	Polyvinyl alcohol	Oct. 1, 2003
	Polyester staple fiber	May 25, 2000
	Carbon steel plate	Feb. 10, 2000
	Stainless steel sheet and strip	July 27, 1999
	Stainless steel plate in coils	May 21, 1999
	Stainless steel wire rod	Sept. 15, 1998
	Corrosion-resistant carbon steel flat products	Aug. 19, 1993
	Welded ASTM A-312 stainless steel pipe	Dec. 30, 1992
Circular welded non-alloy steel pipe	Nov. 2, 1992	
Latvia	Steel concrete reinforcing bars	Sept. 7, 2001
Malaysia	Polyethylene retail carrier bags	Aug. 9, 2004
	Stainless steel butt-weld pipe fittings	Feb. 23, 2001
Mexico	Seamless refined copper pipe and tube	Nov. 22, 2010
	Magnesia carbon bricks	Sept. 20, 2010
	Light-walled rectangular pipe and tube	Aug. 5, 2008
	Lemon juice (suspended)	Sept. 10, 2007
	Prestressed concrete steel wire strand	Jan. 28, 2004
	Carbon and certain alloy steel wire rod	Oct. 29, 2002
	Fresh tomatoes (suspended)	Nov. 1, 1996
Circular welded non-alloy steel pipe	Nov. 2, 1992	
Moldova	Carbon and certain alloy steel wire rod	Oct. 29, 2002

**TABLE A.6** Antidumping duty orders and suspension agreements in effect as of December 31, 2011—*Continued*

Country	Commodity	Effective date of original action
Moldova— <i>Continued</i>	Steel concrete reinforcing bars	Sept. 7, 2001
Netherlands	Carboxymethylcellulose	July 11, 2005
Norway	Fresh and chilled Atlantic salmon	Apr. 12, 1991
Philippines	Stainless steel butt-weld pipe fittings	Feb. 23, 2001
Poland	Steel concrete reinforcing bars	Sept. 7, 2001
Romania	Small diameter seamless pipe	Aug. 10, 2000
Russia	Silicon metal	Mar. 26, 2003
	Ammonium nitrate (suspended)	May 19, 2000
	Hot-rolled carbon steel flat products (suspended)	July 12, 1999
	Carbon steel plate (suspended)	Oct. 24, 1997
	Ferrovandium and nitrided vanadium	July 10, 1995
	Uranium (suspended)	Oct. 16, 1992
	Solid urea	July 14, 1987
South Africa	Uncovered innerspring units	Dec. 11, 2008
	Ferrovandium	Jan. 28, 2003
	Stainless steel plate in coils	May 21, 1999
Spain	Chlorinated isocyanurates	June 24, 2005
	Stainless steel wire rod	Sept. 15, 1998
	Stainless steel bar	Mar. 2, 1995
Taiwan	Polyvinyl alcohol	Mar. 8, 2011
	Narrow woven ribbons	Sept. 1, 2010
	Polyethylene retail carrier bags	May 4, 2010
	Raw flexible magnets	Sept. 17, 2008
	Polyethylene terephthalate (PET) film	July 1, 2002
	Hot-rolled carbon steel flat products	Nov. 29, 2001
	Polyester staple fiber	May 25, 2000
	Stainless steel sheet and strip	July 27, 1999
	Stainless steel plate in coils	May 21, 1999
	Stainless steel wire rod	Sept. 15, 1998
	Helical spring lockwashers	June 28, 1993
	Welded ASTM A-312 stainless steel pipe	Dec. 30, 1992
	Circular welded non-alloy steel pipe	Nov. 2, 1992
	Light-walled rectangular pipe	Mar. 27, 1989
	Carbon steel butt-weld pipe fittings	Dec. 17, 1986
	Small-diameter carbon steel pipe	May 7, 1984
Thailand	Frozen or canned warmwater shrimp and prawns	Feb. 1, 2005
	Polyethylene retail carrier bags	Aug. 9, 2004
	Prestressed concrete steel wire strand	Jan. 28, 2004
	Hot-rolled carbon steel flat products	Nov. 29, 2001
	Carbon steel butt-weld pipe fittings	July 6, 1992
	Welded carbon steel pipe	Mar. 11, 1986
Trinidad and Tobago	Carbon and certain alloy steel wire rod	Oct. 29, 2002
Turkey	Light-walled rectangular pipe and tube	May 30, 2008

**TABLE A.6** Antidumping duty orders and suspension agreements in effect as of December 31, 2011—*Continued*

Country	Commodity	Effective date of original action
Turkey— <i>Continued</i>	Pasta	July 24, 1996
	Welded carbon steel pipe	May 15, 1986
Ukraine	Carbon and certain alloy steel wire rod	Oct. 29, 2002
	Hot-rolled carbon steel flat products	Nov. 29, 2001
	Silicomanganese	Sept. 17, 2001
	Ammonium nitrate	Sept. 12, 2001
	Steel concrete reinforcing bars	Sept. 7, 2001
	Carbon steel plate (suspended)	Oct. 24, 1997
	Solid urea	July 14, 1987
United Arab Emirates	Polyethylene terephthalate film, sheet, and strip	Nov. 10, 2008
Venezuela	Silicomanganese	May 23, 2002
Vietnam	Polyethylene retail carrier bags	May 4, 2010
	Uncovered innerspring units	Dec. 11, 2008
	Frozen or canned warmwater shrimp and prawns	Feb. 1, 2005
	Frozen fish fillets	Aug. 12, 2003

Source: U.S. International Trade Commission.

**TABLE A.7** Countervailing duty cases active in 2011, by USITC investigation number

USITC investigation number	Product	County of origin	Date of institution	USITC prelim	ITA <sup>a</sup> prelim	ITA final	USITC final	Date of final action <sup>b</sup>
701-TA-474	Drill pipe	China	12/31/09	A	A	A	A	2/17/2011
701-TA-475	Aluminum extrusions	China	03/31/10	A	A	A	A	5/13/2011
701-TA-476	Multilayered wood flooring	China	10/21/10	A	A	A	A	11/21/2011
701-TA-477	Bottom-mount combination refrigerator-freezers	Korea	3/30/11	A	A	A	( <sup>c</sup> )	( <sup>c</sup> )
701-TA-478	Steel wheels	China	3/30/11	A	A	A	( <sup>c</sup> )	( <sup>c</sup> )
701-TA-479	Galvanized steel wire	China	3/31/11	A	A	A	( <sup>c</sup> )	( <sup>c</sup> )
701-TA-480	High pressure steel cylinders	China	3/31/11	A	A	A	( <sup>c</sup> )	( <sup>c</sup> )
701-TA-481	Solar panels	China	3/31/11	A	( <sup>c</sup> )	( <sup>c</sup> )	( <sup>c</sup> )	( <sup>c</sup> )
701-TA-482	Circular welded carbon-quality steel pipe	India	10/26/11	A	( <sup>c</sup> )	( <sup>c</sup> )	( <sup>c</sup> )	( <sup>c</sup> )
701-TA-483	Circular welded carbon-quality steel pipe	Oman	10/26/11	A	( <sup>c</sup> )	( <sup>c</sup> )	( <sup>c</sup> )	( <sup>c</sup> )
701-TA-484	Circular welded carbon-quality steel pipe	UAE	10/26/11	A	( <sup>c</sup> )	( <sup>c</sup> )	( <sup>c</sup> )	( <sup>c</sup> )
701-TA-485	Circular welded carbon-quality steel pipe	Vietnam	10/26/11	A	( <sup>c</sup> )	( <sup>c</sup> )	( <sup>c</sup> )	( <sup>c</sup> )
701-TA-486	Wind towers	China	12/29/11	A	( <sup>c</sup> )	( <sup>c</sup> )	( <sup>c</sup> )	( <sup>c</sup> )
701-TA-487	Steel garment hangers	Vietnam	12/29/11	A	( <sup>c</sup> )	( <sup>c</sup> )	( <sup>c</sup> )	( <sup>c</sup> )
701-TA-488	Large residential washers	Korea	12/30/11	A	( <sup>c</sup> )	( <sup>c</sup> )	( <sup>c</sup> )	( <sup>c</sup> )

Source: U.S. International Trade Commission.

<sup>a</sup>International Trade Administration, USDOC.

<sup>b</sup>For cases in which the final action was taken by the ITA, the date shown is the *Federal Register* notice date of that action. For cases in which the final action was taken by USITC, the date of the USITC notification of USDOC is shown.

<sup>c</sup>Pending as of December 31, 2011.

**TABLE A.8** Countervailing duty orders in effect as of December 31, 2011

Country	Commodity	Effective date of original action
Argentina	Honey	Dec. 10, 2001
Belgium	Stainless steel plate in coils	May 11, 1999
Brazil	Carbon and certain alloy steel wire rod	Oct. 22, 2002
	Heavy iron construction castings	May 15, 1986
China	Multilayered wood flooring	Nov. 21, 2011
	Aluminum extrusions	May 13, 2011
	Drill pipe and drill collars	Feb. 23, 2011
	Seamless refined copper pipe and tube	Nov. 22, 2010
	Coated paper	Nov. 17, 2010
	Seamless carbon and alloy steel standard, line, and pressure pipe	Nov. 10, 2010
	Magnesia carbon bricks	Sept. 21, 2010
	Narrow woven ribbons	Sept. 1, 2010
	Steel grating	July 23, 2010
	Prestressed concrete steel wire strand	July 7, 2010
	Oil country tubular goods	Jan. 20, 2010
	Citric acid and certain citric salts	May 29, 2009
	Kitchen appliance shelving and racks	Sept. 14, 2009
	Tow-behind lawn groomers	Aug. 3, 2009
	Welded stainless steel pressure pipe	Mar. 19, 2009
	Circular welded carbon-quality steel line pipe	Jan. 23, 2009
	Lightweight thermal paper	Nov. 24, 2008
	Raw flexible magnets	Sept. 17, 2008
	Off-the-road tires	Sept. 4, 2008
	Sodium nitrite	Aug. 27, 2008
	Laminated woven sacks	Aug. 7, 2008
	Light-walled rectangular pipe and tube	Aug. 5, 2008
	Circular welded carbon-quality steel pipe	July 22, 2008
India	Commodity matchbooks	Dec. 11, 2009
	Lined paper school supplies	Sept. 28, 2006
	Carbazole violet pigment 23	Dec. 29, 2004
	Prestressed concrete steel wire strand	Feb. 4, 2004
	Polyethylene terephthalate (PET) film	July 1, 2002
	Hot-rolled carbon steel flat products	Dec. 3, 2001
	Carbon steel plate	Feb. 10, 2000
	Sulfanilic acid	Mar. 2, 1993
Indonesia	Coated paper	Nov. 17, 2010
	Certain lined paper school supplies	Sept. 28, 2006
	Hot-rolled carbon steel flat products	Dec. 3, 2001
	Carbon steel plate	Feb. 10, 2000
Iran	Roasted in-shell pistachios	Oct. 7, 1986
	Raw in-shell pistachios	Mar. 11, 1986
Italy	Carbon steel plate	Feb. 10, 2000
	Pasta	July 24, 1996
Korea	Carbon steel plate	Feb. 10, 2000
	Stainless steel sheet and strip	Aug. 6, 1999

**TABLE A.8** Countervailing duty orders in effect as of December 31, 2011—*Continued*

Country	Commodity	Effective date of original action
Korea— <i>Continued</i>	Corrosion-resistant carbon steel flat products	Aug. 17, 1993
Norway	Fresh and chilled Atlantic salmon	Apr. 12, 1991
South Africa	Stainless steel plate in coils	May 11, 1999
Thailand	Hot-rolled carbon steel flat products	Dec. 3, 2001
Turkey	Pasta	July 24, 1996
	Welded carbon steel pipe	Mar. 7, 1986
Vietnam	Polyethylene retail carrier bags	May 4, 2010

Source: U.S. International Trade Commission.

**TABLE A.9** Reviews of existing antidumping and countervailing duty orders completed in 2011, by date of completion

USITC investigation number	Product	Country of origin	Completion date <sup>a</sup>	Action
731-TA-1071	Magnesium	China	2/24/2011	Continued
731-TA-1072	Magnesium	Russia	2/24/2011	Continued
731-TA-298	Porcelain-on-steel cookware	China	2/28/2011	Continued
731-TA-1063	Frozen warmwater shrimp	Brazil	3/30/2011	Continued
731-TA-1064	Frozen warmwater shrimp	China	3/30/2011	Continued
731-TA-1066	Frozen warmwater shrimp	India	3/30/2011	Continued
731-TA-1067	Frozen warmwater shrimp	Thailand	3/30/2011	Continued
731-TA-1068	Frozen warmwater shrimp	Vietnam	3/30/2011	Continued
731-TA-308	Carbon steel butt-weld pipe fittings	Brazil	3/30/2011	Continued
731-TA-309	Carbon steel butt-weld pipe fittings	China	3/30/2011	Continued
731-TA-310	Carbon steel butt-weld pipe fittings	Japan	3/30/2011	Continued
731-TA-520	Carbon steel butt-weld pipe fittings	Taiwan	3/30/2011	Continued
731-TA-521	Carbon steel butt-weld pipe fittings	Thailand	3/30/2011	Continued
731-TA-1084	Purified carboxymethylcellulose	Finland	5/3/2011	Continued
731-TA-1085	Purified carboxymethylcellulose	Mexico	5/3/2011	Revoked
731-TA-1086	Purified carboxymethylcellulose	Netherlands	5/3/2011	Continued
731-TA-1087	Purified carboxymethylcellulose	Sweden	5/3/2011	Revoked
701-TA-384	Hot-rolled flat-rolled carbon-quality steel products	Brazil	6/2/2011	Revoked
731-TA-806	Hot-rolled flat-rolled carbon-quality steel products	Brazil	6/2/2011	Revoked
731-TA-807	Hot-rolled flat-rolled carbon-quality steel products	Japan	6/2/2011	Revoked
731-TA-808	Hot-rolled flat-rolled carbon-quality steel products	Russia	6/2/2011	Continued
731-TA-669	Cased pencils	China	6/24/2011	Continued
731-TA-385	Granular polytetrafluoroethylene resin	Italy	6/29/2011	Continued
731-TA-663	Paper clips	China	7/12/2011	Continued
731-TA-856	Ammonium nitrate	Russia	7/27/2011	Continued
701-TA-382	Stainless steel sheet and strip	Korea	7/27/2011	Continued
731-TA-798	Stainless steel sheet and strip	Germany	7/27/2011	Revoked
731-TA-799	Stainless steel sheet and strip	Italy	7/27/2011	Revoked
731-TA-800	Stainless steel sheet and strip	Japan	7/27/2011	Continued
731-TA-801	Stainless steel sheet and strip	Korea	7/27/2011	Revoked
731-TA-802	Stainless steel sheet and strip	Mexico	7/27/2011	Revoked
731-TA-803	Stainless steel sheet and strip	Taiwan	7/27/2011	Continued
701-TA-379	Stainless steel plate	South Africa	8/10/2011	Continued
731-TA-788	Stainless steel plate	Belgium	8/10/2011	Continued
731-TA-790	Stainless steel plate	Italy	8/10/2011	Revoked
731-TA-791	Stainless steel plate	Korea	8/10/2011	Continued
731-TA-792	Stainless steel plate	South Africa	8/10/2011	Continued
731-TA-793	Stainless steel plate	Taiwan	8/10/2011	Continued
731-TA-457A-D	Heavy forged handtools	China	8/10/2011	Continued
731-TA-825	Polyester staple fiber	Korea	8/23/2011	Continued
731-TA-825	Polyester staple fiber	Taiwan	8/23/2011	Continued
731-TA-459	Polyethylene terephthalate (PET) film	Korea	8/29/2011	Continued
731-TA-718	Glycine	China	8/30/2011	Continued
731-TA-847	Carbon and alloy seamless SLP pipe	Japan	9/21/2011	Continued
731-TA-849	Carbon and alloy seamless SLP pipe	Romania	9/21/2011	Continued
701-TA-318	Sulfanilic acid	India	9/26/2011	Continued
731-TA-538	Sulfanilic acid	China	9/26/2011	Continued
731-TA-561	Sulfanilic acid	India	9/26/2011	Continued
731-TA-1091	Artist's canvas	China	10/25/2011	Continued
731-TA-696	Pure magnesium	China	10/31/2011	Continued
731-TA-624	Helical spring lockwashers	China	11/18/2011	Continued
731-TA-624	Helical spring lockwashers	Taiwan	11/18/2011	Continued
731-TA-540	Welded stainless steel pipe	Korea	12/1/2011	Continued
731-TA-541	Welded stainless steel pipe	Taiwan	12/1/2011	Continued
731-TA-461	Gray portland cement and cement clinker	Japan	12/2/2011	Continued
731-TA-340E	Solid urea	Russia	12/5/2011	Continued
731-TA-340H	Solid urea	Ukraine	12/5/2011	Continued
701-TA-388	Cut-to-length carbon-quality steel plate	India	12/16/2011	Continued
701-TA-390	Cut-to-length carbon-quality steel plate	Indonesia	12/16/2011	Continued
701-TA-391	Cut-to-length carbon-quality steel plate	Korea	12/16/2011	Continued
731-TA-817	Cut-to-length carbon-quality steel plate	India	12/16/2011	Continued
731-TA-818	Cut-to-length carbon-quality steel plate	Indonesia	12/16/2011	Continued
731-TA-819	Cut-to-length carbon-quality steel plate	Italy	12/16/2011	Revoked

**TABLE A.9** Reviews of existing antidumping and countervailing duty orders completed in 2011, by date of completion—*Continued*

USITC Investigation number	Product	Country of origin	Completion date <sup>a</sup>	Action
731-TA-320	Cut-to-length carbon-quality steel plate	Japan	12/16/2011	Revoked
731-TA-321	Cut-to-length carbon-quality steel plate	Korea	12/16/2011	Continued

Source: U.S. International Trade Commission.

<sup>a</sup>The completion date shown is the date of the USITC notification of USDOC.

**TABLE A.10** Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2011 and those pending on December 31, 2011

Status of investigation	Article	Country <sup>a</sup>	Commission determination
<b>Completed:</b> 337-TA-567	Certain Foam Footwear	Canada	One related (ancillary) remand proceeding; issued a general exclusion order and cease and desist orders.
337-TA-568	Certain Products and Pharmaceutical Compositions Containing Recombinant Human Erythropoietin	Germany, Switzerland	One related (ancillary) remand proceeding; terminated based on a settlement agreement.
337-TA-587	Certain Connecting Devices for Use with Modular Compressed Air Conditioning Units, Including Filters, Regulators, and Lubricators ("FRLS") That Are Part of Large Pneumatic Systems and the FRL Units They Connect	Japan	One related (ancillary) remand proceeding; terminated based on a finding of no violation.
337-TA-602	Certain GPS Devices and Products Containing Same	Taiwan	One related (ancillary) enforcement proceeding and one related modification proceeding; terminated based on a settlement agreement.
337-TA-617	Certain Digital Televisions and Certain Products Containing Same and Methods of Using Same	Taiwan, Hong Kong	One related (ancillary) bond forfeiture proceeding; terminated based on return of bond to respondents.
337-TA-629	Certain Silicon Microphone Packages and Products Containing the Same	Malaysia	One related (ancillary) modification proceeding; terminated based on partial rescission of limited exclusion order.
337-TA-650	Certain Coaxial Cable Connectors and Components Thereof and Products Containing Same	Taiwan, China	One related (ancillary) remand proceeding; issued a general exclusion order.
337-TA-683	Certain MLC Flash Memory Devices and Products Containing Same	Korea, Taiwan, Hong Kong, Canada, Japan	Terminated based on a settlement agreement.
337-TA-685	Certain Flash Memory and Products Containing Same	Japan, Taiwan, China	Terminated based on a settlement agreement.
337-TA-687	Certain Video Displays, Components Thereof, and Products Containing Same	Japan	Terminated based on a settlement agreement.
337-TA-690	Certain Printing and Imaging Devices and Components Thereof	Japan	Terminated based on a finding of no violation.
337-TA-691	Certain Inkjet Ink Supplies and Components Thereof	Hong Kong, China	Issued a general exclusion order and cease and desist order.

**TABLE A.10** Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2011 and those pending on December 31, 2011—*Continued*

Status of investigation	Article	Country <sup>a</sup>	Commission determination
<b>Completed—</b> 337-TA-692	<i>Continued</i> Certain Ceramic Capacitors and Products Containing Same	Korea	Terminated based on a finding of no violation.
337-TA-694	Certain Multimedia Display and Navigation Devices and Systems, Components Thereof, and Products Containing Same	Taiwan	Terminated based on a finding of no violation.
337-TA-695	Certain Silicon Microphone Packages and Products Containing Same	No foreign respondents	Terminated based on a finding of no violation.
337-TA-700	Certain MEMS Devices and Products Containing Same	No foreign respondents	Issued a limited exclusion order.
337-TA-701	Certain Electronic Devices, Including Mobile Phones, Portable Music Players, and Computers	No foreign respondents	Terminated based on a settlement agreement.
337-TA-704	Certain Mobile Communications and Computer Devices and Components Thereof	Finland	Terminated based on a settlement agreement.
337-TA-709	Certain Integrated Circuits, Chipsets, and Products Containing Same Including Televisions, Media Players, and Cameras	Japan	Terminated based on a finding of no violation.
337-TA-710	Personal Data and Mobile Communications Devices and Related Software	Taiwan, Finland	Issued a limited exclusion order.
337-TA-712	Certain Digital Set-Top Boxes and Components Thereof	No foreign respondents	Terminated based on a finding of no violation.
337-TA-713	Certain Display Devices, Including Digital Televisions and Monitors	Hong Kong, Taiwan, China	Terminated based on a settlement agreement.
337-TA-714	Certain Electronic Devices with Multi-Touch Enabled Touchpads and Touchscreens	No foreign respondents	Terminated based on a finding of no violation.
337-TA-716	Certain Large Scale Integrated Circuit Semiconductor Chips and Products Containing Same	Japan, China, Malaysia, Singapore, Taiwan	Terminated based on a settlement agreement.
337-TA-717	Certain Digital Imaging Devices and Related Software	No foreign respondents	Terminated based on a finding of no violation.
337-TA-718	Certain Electronic Paper Towel Dispensing Devices and Components Thereof	Canada, Turkey, Hong Kong, Taiwan	Issued a general exclusion order and cease and desist orders.
337-TA-720	Certain Biometric Scanning Devices, Components Thereof, Associated Software, and Products Containing the Same	Korea	Issued a limited exclusion order.

**TABLE A.10** Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2011 and those pending on December 31, 2011—*Continued*

Status of investigation	Article	Country <sup>a</sup>	Commission determination
<b>Completed—Continued</b> 337-TA-722	Certain Automotive Vehicles and Designs Thereof	China	Issued a limited exclusion order and cease and desist orders.
337-TA-723	Certain Inkjet Ink Cartridges with Printheads and Components Thereof	Taiwan, Hong Kong, China	Issued a general exclusion order.
337-TA-724	Certain Electronic Devices with Image Processing Systems, Components Thereof, and Associated Software	No foreign respondents	Terminated based on a finding of no violation.
337-TA-726	Certain Electronic Imaging Devices	Finland, Canada, Taiwan, Korea	Terminated based on a finding of no violation.
337-TA-728	Certain Collaborative System Products and Components Thereof II	China	Terminated based on a settlement agreement.
337-TA-730	Certain Inkjet Ink Supplies and Components Thereof	Hong Kong, China	Issued a general exclusion order.
337-TA-731	Certain Toner Cartridges and Components Thereof	China, Hong Kong	Terminated based on a consent order.
337-TA-732	Certain Devices Having Elastomeric Gel and Components Thereof	Hong Kong, China, Japan	Terminated based on withdrawal of the complaint.
337-TA-733	Certain Flat Panel Digital Televisions and Components Thereof	Korea	Terminated based on a settlement agreement.
337-TA-734	Certain Adjustable Height Beds and Components Thereof	China	Terminated based on a settlement agreement.
337-TA-735	Certain Flash Memory Chips and Products Containing the Same	Korea, Finland, Canada, Taiwan, China	Terminated based on a settlement agreement.
337-TA-736	Certain Wind and Solar-Powered Light Posts and Street Lamps	Canada	Terminated based on withdrawal of the complaint.
337-TA-737	Certain Liquid Crystal Display Devices and Products Interoperable with the Same	Japan	Terminated based on a settlement agreement.
337-TA-738	Certain Components for Installation of Marine Autopilots with GPS or IMU	Japan, Norway, United Kingdom	Terminated based on a settlement agreement.

**TABLE A.10** Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2011 and those pending on December 31, 2011—*Continued*

Status of investigation	Article	Country <sup>a</sup>	Commission determination
<b>Completed—Continued</b>			
337-TA-740	Certain Toner Cartridges and Components Thereof	China, Hong Kong, Canada, Korea, Macao	Issued a general exclusion order and cease and desist orders.
337-TA-742	Certain Digital Televisions and Components Thereof	Taiwan	Terminated based on a settlement agreement.
337-TA-747	Certain Products Containing Interactive Program Guide and Parental Controls Technology	Japan	Terminated based on a settlement agreement.
337-TA-748	Certain Data Storage Products and Components Thereof	Malaysia	Terminated based on withdrawal of the complaint.
337-TA-751	Certain Turbomachinery Blades, Engines and Components Thereof	United Kingdom	Terminated based on a settlement agreement.
337-TA-757	Certain Game Devices, Components Thereof, and Products Containing the Same	United Kingdom	Terminated based on withdrawal of the complaint.
337-TA-758	Certain Mobile Telephones and Modems	Korea	Terminated based on a settlement agreement.
337-TA-759	Certain Birthing Simulators and Associated Systems	China	Issued a limited exclusion order and a cease and desist order.
337-TA-760	Certain Liquid Crystal Display Devices, Products Containing Same, and Methods for Using the Same	Taiwan, China, Korea, Japan	Terminated based on a settlement agreement.
337-TA-763	Certain Radio Control Hobby Transmitters and Receivers and Products Containing Same	China	Issued a limited exclusion order.
337-TA-765	Certain Display Devices, Including Digital Televisions and Monitors II	Korea	Terminated based on a settlement agreement.
337-TA-766	Certain Gemcitabine and Products Containing Same	China, India	Terminated based on a settlement agreement.
337-TA-767	Certain Glassware	No foreign respondents	Terminated based on a consent order.
337-TA-771	Certain Electronic Devices, Including Mobile Phones, Mobile Tablets, Portable Music Players, and Computers, and Components Thereof	No foreign respondents	Terminated based on a settlement agreement.
337-TA-774	Certain Electronic Devices Having a Digital Television Receiver and Components Thereof	Japan	Terminated based on a settlement agreement.

**TABLE A.10** Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2011 and those pending on December 31, 2011—*Continued*

Status of investigation	Article	Country <sup>a</sup>	Commission determination
<b>Pending</b> 337-TA-779	Certain Flip-Top Vials and Products Using the Same	Germany, France	Terminated based on withdrawal of the complaint.
337-TA-487	Certain Agricultural Vehicles and Components Thereof	Canada	One related (ancillary) remand proceeding; pending before the Commission.
337-TA-565	Certain Ink Cartridges and Components Thereof	Hong Kong, China, Germany, Korea	One related (ancillary) advisory proceeding and two modification proceedings; pending before the ALJ.
337-TA-650	Certain Coaxial Cable Connectors and Components Thereof and Products Containing Same	No foreign respondents	One related (ancillary) advisory proceeding; pending before the Commission.
337-TA-698	Certain DC-DC Controllers and Products Containing the Same	Taiwan, Hong Kong	One related (ancillary) enforcement proceeding; pending before the ALJ.
337-TA-703	Certain Mobile Telephones and Wireless Communication Devices Featuring Digital Cameras, and Components Thereof	Canada, Mexico, China	Pending before the ALJ.
337-TA-721	Certain Portable Electronic Devices and Related Software	China	Pending before the Commission.
337-TA-739	Certain Ground Fault Circuit Interrupters and Products Containing Same	China	Pending before the Commission.
337-TA-741 (consolidated with 337-TA-749)	Certain Liquid Crystal Displays Devices, Including Monitors, Televisions, and Modules, and Components Thereof	Taiwan, China	Pending before the ALJ.
337-TA-744	Certain Mobile Devices, Associated Software, and Components Thereof	No foreign respondents	Pending before the Commission.
337-TA-745	Certain Wireless Communication Devices, Portable Music and Data Processing Devices, Computers and Components Thereof	No foreign respondents	Pending before the ALJ.
337-TA-746	Certain Automated Media Library Devices	Germany, China, Mexico	Pending before the ALJ.
337-TA-749 (consolidated with 337-TA-741)	Certain Liquid Crystal Display Devices, Including Monitors, Televisions, and Modules, and Components Thereof	Taiwan, China	Pending before the ALJ.
337-TA-750	Certain Mobile Devices and Related Software	No foreign respondents	Pending before the ALJ.

**TABLE A.10** Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2011 and those pending on December 31, 2011—*Continued*

Status of investigation	Article	Country <sup>a</sup>	Commission determination
<b>Pending—Continued</b> 337-TA-752	Certain Gaming and Entertainment Consoles, Related Software, and Components Thereof	No foreign respondents	Pending before the ALJ.
337-TA-753	Certain Semiconductor Chips and Products Containing Same	Taiwan, Switzerland, United Kingdom, Hong Kong	Pending before the ALJ.
337-TA-754	Certain Handbags, Luggage, Accessories and Packaging Thereof	China	Pending before the ALJ.
337-TA-755	Certain Starter Motors and Alternators	China	Pending before the ALJ.
337-TA-756	Certain Reduced Ignition Proximity Cigarette Paper Wrappers and Products	Austria, Germany	Pending before the ALJ.
337-TA-761	Certain Set-Top Boxes, and Hardware and Software Components Thereof	No foreign respondents	Pending before the ALJ.
337-TA-762	Certain Strollers and Playards	No foreign respondents	Pending before the ALJ.
337-TA-768	Certain Vaginal Ring Birth Control Devices	Netherlands, Canada	Pending before the ALJ.
337-TA-769	Certain Handheld Electronic Computing Devices, Related Software, and Components Thereof	Taiwan, China, Hong Kong	Pending before the ALJ.
337-TA-770	Certain Video Game Systems and Wireless Controllers and Components Thereof	Japan	Pending before the ALJ.
337-TA-772	Certain Polyimide Films, Products Containing Same, and Related Methods	Korea	Pending before the ALJ.
337-TA-773 (consolidated with 337-TA-787)	Motion-Sensitive Sound Effects Devices and Image Display Devices and Components and Products Containing Same II	Japan, Denmark, China, Singapore, Sweden, Hong Kong	Pending before the Commission.
337-TA-775	Certain Wireless Communication Devices and Systems, Components Thereof, and Products Containing Same	Taiwan, China	Pending before the ALJ.
337-TA-776	Certain Lighting Control Devices Including Dimmer Switches and Parts Thereof (IV)	China	Pending before the ALJ.

**TABLE A.10** Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2011 and those pending on December 31, 2011—*Continued*

Status of investigation	Article	Country <sup>a</sup>	Commission determination
<b>Pending—Continued</b> 337-TA-778	Certain Equipment for Communications Networks, Including Switches, Routers, Gateways, Bridges, Wireless Access Points, Cable Modems, IP Phones, and Products Containing Same	Netherlands	Pending before the ALJ.
337-TA-780	Certain Protective Cases and Components Thereof	China, Hong Kong	Pending before the ALJ.
337-TA-781	Certain Microprocessors, Components Thereof, and Products Containing Same	Costa Rica, Malaysia, Philippines, China	Pending before the ALJ.
337-TA-782	Certain Liquid Crystal Display Devices and Products Containing the Same	Taiwan, Japan	Pending before the ALJ.
337-TA-786	Certain Integrated Circuits, Chipsets, and Products Containing Same, Including Televisions	Japan, Taiwan	Pending before the ALJ.
337-TA-787 (consolidated with 337-TA-773)	Certain Motion-Sensitive Sound Effects Devices and Image Display Devices and Components and Products Containing Same II	Japan, Taiwan	Pending before the Commission.
337-TA-788	Certain Universal Serial Bus ("USB") Portable Storage Devices, Including USB Flash Drives and Components Thereof	Taiwan	Pending before the ALJ.
337-TA-789	Certain Digital Televisions and Components Thereof	Canada, Taiwan, Japan	Pending before the ALJ.
337-TA-790	Certain Coenzyme Q10 Products and Methods of Making Same	China, Japan	Pending before the ALJ.
337-TA-791	Certain Electric Fireplaces, Components Thereof, Manuals for Same, Certain Processes For Manufacturing or Relating to Same and Certain Products Containing Same	China	Pending before the ALJ.
337-TA-792	Certain Static Random Access Memories and Products Containing Same	France, Sweden, Netherlands	Pending before the ALJ.
337-TA-793	Certain Flat Panel Display Devices, and Products Containing the Same	Korea	Pending before the ALJ.
337-TA-794	Certain Electronic Devices, Including Wireless Communication Devices, Portable Music and Data Processing Devices, and Tablet Computers	No foreign respondents	Pending before the ALJ.

**TABLE A.10** Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2011 and those pending on December 31, 2011—*Continued*

Status of investigation	Article	Country <sup>a</sup>	Commission determination
<b>Pending—Continued</b>			
337-TA-795	Certain Video Analytics Software, Systems, Components Thereof, and Products Containing Same	Germany, Korea, Japan	Pending before the ALJ.
337-TA-796	Certain Electronic Digital Media Devices and Components Thereof	Korea	Pending before the ALJ.
337-TA-797	Certain Portable Electronic Devices and Related Software	Taiwan	Pending before the ALJ.
337-TA-798	Certain Light-Emitting Diodes and Products Containing Same	Germany	Pending before the ALJ.
337-TA-799	Certain Computer Forensic Devices and Products Containing the Same	Japan, Canada	Pending before the ALJ.
337-TA-800	Certain Wireless Devices with 3G Capabilities and Components Thereof	China, Finland	Pending before the ALJ.
337-TA-801	Certain Products Containing Interactive Program Guide and Parental Controls Technology	Japan	Pending before the ALJ.
337-TA-802	Certain Light Emitting Diodes and Products Containing Same	Germany	Pending before the ALJ.
337-TA-803	Certain Dynamic Random Access Memory and NAND Flash Memory Devices and Products Containing Same	Korea, Japan, Taiwan, Switzerland	Pending before the ALJ.
337-TA-804	Certain LED Photographic Lighting Devices and Components Thereof	China, Taiwan	Pending before the ALJ.
337-TA-805	Certain Devices for Improving Uniformity used in a Backlight Module and Components Thereof and Products Containing the Same	Korea	Pending before the ALJ.
337-TA-806	Certain Digital Televisions Containing Integrated Circuit Devices and Components Thereof	No foreign respondents	Pending before the ALJ.
337-TA-807	Certain Digital Photo Frames and Image Display Devices and Components Thereof	Taiwan, Canada, Japan	Pending before the ALJ.

**TABLE A.10** Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2011 and those pending on December 31, 2011—*Continued*

Status of investigation	Article	Country <sup>a</sup>	Commission determination
<b>Pending—Continued</b>			
337-TA-808	Certain Electronic Devices with Communication Capabilities, Components Thereof, and Related Software	No foreign respondents	Pending before the ALJ.
337-TA-809	Certain Devices For Mobile Data Communication	Canada	Pending before the ALJ.
337-TA-810	Certain Navigation Products, Components Thereof, and Related Software	United Kingdom	Pending before the ALJ.
337-TA-811	Certain Integrated Solar Power Systems and Components Thereof	Canada	Pending before the ALJ.
337-TA-812	Certain Computing Devices with Associated Instruction Sets and Software	No foreign respondents	Pending before the ALJ.
337-TA-813	Certain Electronic Devices with Graphics Data Processing Systems, Components Thereof, and Associated Software	No foreign respondents	Pending before the ALJ.
337-TA-814	Certain Automotive GPS Navigation Systems, Components Thereof, and Products Containing Same	Germany, Japan, Korea, Sweden, United Kingdom	Pending before the ALJ.
337-TA-815	Certain Projectors With Controlled-Angle Optical Retarders, Components Thereof, and Products Containing Same	Japan	Pending before the ALJ.
337-TA-816	Certain Wiper Blades	Korea, Taiwan, China	Pending before the ALJ.
337-TA-817	Certain Communication Equipment, Components Thereof, and Products Containing the Same, Including Power Over Ethernet Telephones, Switches, Wireless Access Points, Routers and Other Devices Used in LANS, and Cameras	Netherlands	Pending before the ALJ.
337-TA-818	Certain Devices with Secure Communication Capabilities, Components Thereof, and Products Containing the Same	No foreign respondents	Pending before the ALJ.
337-TA-819	Certain Semiconductor Chips with DRAM Circuitry, and Modules and Products Containing Same	Taiwan	Pending before the ALJ.

**TABLE A.10** Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2011 and those pending on December 31, 2011—*Continued*

Status of investigation	Article	Country <sup>a</sup>	Commission determination
<b>Pending—Continued</b>			
337-TA-820	Certain Products Containing Interactive Program Guide and Parental Controls Technology	British Virgin Islands	Pending before the ALJ.
337-TA-821	Certain Dynamic Random Access Memory Devices, and Products Containing Same	Japan	Pending before the ALJ.

*Source:* U.S. International Trade Commission.

<sup>a</sup> The country designation is based on the address of the foreign respondents named in the notice of investigation. "Hong Kong" refers to "Hong Kong, China"; "Korea" refers to "Republic of Korea."

**TABLE A.11** Outstanding Section 337 exclusion orders as of December 31, 2011

Investigation no.	Article	Country <sup>a</sup>	Date patent expires <sup>b</sup>
337-TA-55	Certain Novelty Glasses	Hong Kong	Nonpatent
337-TA-69	Certain Airtight Cast-Iron Stoves	Taiwan, Korea	Nonpatent
337-TA-87	Certain Coin-Operated Audio-Visual Games and Components Thereof	Japan, Taiwan	Nonpatent
337-TA-105	Certain Coin-Operated Audio-Visual Games and Components Thereof (viz Rally-X and Pac-Man)	Japan, Taiwan	Nonpatent
337-TA-112	Certain Cube Puzzles	Taiwan, Japan, Canada	Nonpatent
337-TA-114	Certain Miniature Plug-In Blade Fuses	Taiwan	Nonpatent
337-TA-118	Certain Sneakers With Fabric Uppers and Rubber Soles	Korea	Nonpatent
337-TA-137	Certain Heavy-Duty Staple Gun Tackers	Taiwan, Hong Kong, Korea	Nonpatent
337-TA-152	Certain Plastic Food Storage Containers	Hong Kong, Taiwan	Nonpatent
337-TA-167	Certain Single Handle Faucets	Taiwan	Nonpatent
337-TA-174	Certain Woodworking Machines	Taiwan, South Africa	Nonpatent
337-TA-195	Certain Cloisonne Jewelry	Taiwan	Nonpatent
337-TA-197	Certain Compound Action Metal Cutting Snips and Components Thereof	Taiwan	Nonpatent
337-TA-229	Certain Nut Jewelry and Parts Thereof	Philippines, Taiwan	Nonpatent
337-TA-231	Certain Soft Sculpture Dolls, Popularly Known as "Cabbage Patch Kids," Related Literature, and Packaging Therefor	No foreign respondents	Nonpatent
337-TA-266	Certain Reclosable Plastic Bags and Tubing	Singapore, Taiwan, Korea, Thailand, Hong Kong	Nonpatent
337-TA-279	Certain Plastic Light Duty Screw Anchors	Taiwan	Nonpatent
337-TA-285	Certain Chemiluminescent Compositions and Components Thereof and Methods of Using, and Products Incorporating, the Same	France	Nonpatent
337-TA-287	Certain Strip Lights	Taiwan	Nonpatent
337-TA-295	Certain Novelty Teleidoscopes	Hong Kong, Taiwan	Nonpatent
337-TA-319	Certain Automotive Fuel Caps and Radiator Caps and Related Packaging and Promotional Materials	Taiwan	Nonpatent
337-TA-321	Certain Soft Drinks and Their Containers	Colombia	Nonpatent
337-TA-378	Certain Asian-Style Kamaboko Fish Cakes	Japan	Nonpatent
337-TA-380	Certain Agricultural Tractors Under 50 Power Take-Off Horsepower	Japan	Nonpatent
337-TA-406	Certain Lens-Fitted Film Packages	China, Hong Kong, Korea	Apr. 18, 2012 July 25, 2012
337-TA-413	Certain Rare-Earth Magnets and Magnetic Material and Articles Containing Same	China, Taiwan	July 8, 2014
337-TA-424	Certain Cigarettes and Packaging Thereof	No foreign respondents	Nonpatent
337-TA-440	Certain 4-Androstenediol	China	July 13, 2018
337-TA-446	Certain Ink Jet Cartridges and Components Thereof	Taiwan	Apr. 25, 2012
337-TA-448	Certain Oscillating Sprinklers, Sprinkler Components, and Nozzles	Taiwan, Israel, Germany	July 8, 2014
337-TA-474	Certain Recordable Compact Discs and Rewritable Compact Discs	Hong Kong, Taiwan	May 23, 2012

**TABLE A.11** Outstanding Section 337 exclusion orders as of December 31, 2011—*Continued*

Investigation no.	Article	Country <sup>a</sup>	Date patent expires <sup>b</sup>
337-TA-481/491	Certain Display Controllers with Upscaling Functionality and Products Containing Same; and Certain Display Controllers and Products Containing Same	Taiwan	Feb. 24, 2017
337-TA-482	Certain Compact Disc and DVD Holders	Denmark, Hong Kong, Taiwan	May 1, 2015
337-TA-486	Certain Agricultural Tractors, Lawn Tractors, Riding Lawnmowers, and Components Thereof	China	Nonpatent
337-TA-487	Certain Agricultural Vehicles and Components Thereof	China, Netherlands, France, Germany, and Canada	Nonpatent
337-TA-489	Certain Sildenafil or Any Pharmaceutically Acceptable Salt Thereof, Such as Sildenafil Citrate, and Products Containing Same	Belize, Israel, Nicaragua, Syria, United Kingdom, India, China	Mar. 27, 2012
337-TA-494	Certain Automotive Measuring Devices, Products Containing Same, and Bezels for Such Devices	Taiwan	Nonpatent
337-TA-498	Certain Insect Traps	No foreign respondents	Jan. 30, 2018
337-TA-500	Certain Purple Protective Gloves	Malaysia	Nonpatent
337-TA-505	Certain Gun Barrels Used in Firearms	Switzerland, Netherlands	Sept. 25, 2015
337-TA-512	Certain Light-Emitting Diodes And Products Containing Same	Malaysia	Jan. 18, 2015 Sept. 22, 2017 Sept. 22, 2017 Sept. 22, 2017 Sept. 22, 2017 July 27, 2018 July 27, 2018 July 27, 2018
337-TA-514	Certain Plastic Food Containers	China	Oct. 19, 2013 Dec. 23, 2017 Dec. 23, 2017
337-TA-518	Certain Ear Protection Devices	China, Taiwan	June 2, 2015
337-TA-522	Certain Ink Markers and Packaging Thereof	China, India, Korea	Nonpatent
337-TA-539	Certain Tadalafil or Any Salt or Solvate Thereof, and Products Containing Same	India, Panama, Haiti, Nicaragua, Mexico, Australia	Jun. 12, 2016
337-TA-541	Certain Power Supply Controllers and Products Containing Same	Taiwan	Sept. 24, 2019 Sept. 24, 2019
337-TA-545	Certain Laminated Floor Panels	Netherlands, Canada, China, Malaysia	Jun. 10, 2017 Jun. 10, 2017 Jun. 10, 2017
337-TA-549	Certain Ink Sticks for Solid Ink Printers	Korea	Apr. 29, 2022 Apr. 29, 2022 Apr. 29, 2022
337-TA-557	Certain Automotive Parts	Taiwan	Jun. 22, 2018 July 27, 2018 Sept. 28, 2018 Oct. 5, 2018 Oct. 26, 2018 Mar. 1, 2019 Mar. 22, 2019
337-TA-563	Certain Portable Power Stations and Packaging Therefor	China	Feb. 4, 2017 Nonpatent Nonpatent

**TABLE A.11** Outstanding Section 337 exclusion orders as of December 31, 2011—*Continued*

Investigation no.	Article	Country <sup>a</sup>	Date patent expires <sup>b</sup>
337-TA-564	Certain Voltage Regulators Components Thereof and Products Containing Same	Korea, Taiwan, Malaysia, China	Mar. 23, 2013
337-TA-565	Certain Ink Cartridges and Components Thereof	Hong Kong, China, Germany, Korea	Jan. 30, 2013 Oct. 1, 2013 Apr. 1, 2014 May 18, 2019 May 18, 2019 Apr. 3, 2022 Aug. 26, 2023 Aug. 17, 2023
337-TA-575	Certain Lighters	Hong Kong, China	Nonpatent
337-TA-582	Certain Hydraulic Excavators and Components Thereof	Canada, Japan	Nonpatent
337-TA-588	Certain Digital Multimeters, and Products with Multimeter Functionality	Hong Kong, China	Nonpatent
337-TA-590	Certain Coupler Devices for Power Supply Facilities, Components Thereof	Taiwan, Germany, China	Aug. 5, 2024
337-TA-602	Certain GPS Devices and Products Containing Same	Taiwan, China, Germany, Singapore	July 13, 2020 Nov. 17, 2020 May 18, 2021 July 25, 2021 Jun. 13, 2023 Sept. 29, 2023
337-TA-603	Certain DVD Players and Recorders and Certain Products Containing Same	China, Hong Kong	Dec. 23, 2014 Jan. 18, 2015 Jun. 30, 2016
337-TA-604	Certain Sucralose, Sweeteners Containing Sucralose, and Related Intermediate Compounds Thereof	China	Nov. 28, 2012 Oct. 17, 2017 Apr. 18, 2023
337-TA-611	Certain Magnifying Loupe Products and Components Thereof	China	July 19, 2013 Dec. 3, 2013 May 20, 2022
337-TA-615	Certain Ground Fault Circuit Interrupters and Products Containing the Same	China	Oct. 24, 2014 Nov. 21, 2020 May 3, 2021 Apr. 28, 2025
337-TA-617	Certain Digital Televisions and Certain Products Containing Same and Methods of Using Same	Taiwan, Hong Kong, China	Apr. 9, 2018
337-TA-629	Certain Silicon Microphone Packages and Products Containing the Same	Malaysia	Jun. 21, 2021 Sept. 16, 2022
337-TA-636	Certain Laser Imageable Lithographic Printing Plates	Israel, Canada	Jan. 30, 2012 July 20, 2012
337-TA-637	Certain Hair Irons and Packaging Thereof	Singapore, China, Hong Kong	Nonpatent
337-TA-638	Certain Intermediate Bulk Containers	China	Mar. 16, 2012 Mar. 21, 2015
337-TA-643	Certain Cigarettes and Packages	Moldova, Belize, Singapore, Ukraine, Kyrgyzstan, Gibraltar, United Kingdom, Switzerland	Nonpatent
337-TA-644	Certain Composite Wear Components and Products Containing the Same	India, Italy	Aug. 27, 2017

**TABLE A.11** Outstanding Section 337 exclusion orders as of December 31, 2011—*Continued*

Investigation no.	Article	Country <sup>a</sup>	Date patent expires <sup>b</sup>
337-TA-650	Certain Coaxial Cable Connectors and Components Thereof and Products Containing Same	Taiwan, China	Aug. 2, 2017 Jan. 24, 2020
337-TA-655	Certain Cast Steel Railway Wheels, Certain Processes for Manufacturing or Relating to Same and Certain Products Containing Same	China	Feb. 16, 2020
337-TA-661	Certain Semiconductor Chips Having Synchronous Dynamic Random Access Memory Controllers and Products Containing Same	Taiwan, Hong Kong	Oct. 19, 2015 Oct. 19, 2015 Oct. 19, 2015
337-TA-669	Certain Optoelectronic Devices, Components Thereof, and Products Containing the Same	No foreign respondents	June 25, 2013
337-TA-678	Certain Energy Drink Products	No foreign respondents	Nonpatent
337-TA-679	Certain Products Advertised As Containing Creatine Ethyl Ester	No foreign respondents	Nonpatent
337-TA-725	Certain Caskets	Mexico	May 10, 2015 May 10, 2015 July 9, 2016 May 10, 2015 Sept. 13, 2020
337-TA-730	Certain Inkjet Ink Supplies and Components Thereof	Hong Kong, China	Aug. 20, 2023 Oct. 29, 2023
337-TA-740	Certain Toner Cartridges and Components Thereof	China, Hong Kong, Canada, Korea, Macao	Feb. 26, 2013 Feb. 16, 2016 Feb. 16, 2016 Dec. 20, 2016 Dec. 20, 2016 Dec. 20, 2016 Dec. 20, 2016 Feb. 18, 2018 Sept. 22, 2019 July 18, 2021 May 21, 2023 Apr. 29, 2023 July 15, 2022 July 15, 2022 Dec. 19, 2024
337-TA-759	Certain Birthing Simulators and Associated Systems	China	May 8, 2016 May 8, 2016
337-TA-763	Certain Radio Control Hobby Transmitters and Receivers and Products Containing Same	China	Oct. 18, 2025 May 28, 2113 Nonpatent

Source: U.S. International Trade Commission.

<sup>a</sup>This column lists the countries of the foreign respondents named in the notice of investigation.

<sup>b</sup>Multiple dates indicate the expiration dates of separate patents within the investigation.

**TABLE A.12** U.S. imports for consumption under the GSP, by leading GSP beneficiary, 2009–11

Source	2009	2010	2011	% change, 2010–11
Thousands of \$				
India	2,847,961	3,481,732	3,736,156	7.3
Thailand	2,886,221	3,611,700	3,719,574	3.0
Brazil	1,977,768	2,123,960	2,059,096	-3.1
Indonesia	1,454,709	1,856,496	1,965,418	5.9
South Africa	742,323	1,200,196	1,332,575	11.0
Philippines	733,638	912,670	1,133,796	24.2
Turkey	644,478	792,938	894,703	12.8
Russia	252,417	578,012	574,780	-0.6
Argentina	505,876	528,607	477,129	-9.7
Colombia	188,730	158,516	383,634	142.0
Angola	4,142,418	3,543,798	300,237	-91.5
Yemen	13	11	155,713	1,447,722.4
Ecuador	52,263	54,273	147,406	171.6
Sri Lanka	115,923	146,518	135,237	-7.7
Namibia	1,596	742	134,304	18,003.9
Pakistan	169,474	164,944	130,686	-20.8
Georgia	17,343	100,935	117,947	16.9
Venezuela	126,596	113,242	115,914	2.4
Tunisia	152,590	139,135	98,747	-29.0
Kazakhstan	48,087	60,710	93,322	53.7
All other	3,198,545	2,984,772	832,706	-72.1
<b>Total</b>	<b>20,258,971</b>	<b>22,553,906</b>	<b>18,539,081</b>	<b>-17.8</b>

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown.

**TABLE A.13** U.S. imports for consumption under the GSP, by SITC codes (revision 3), 2009–11

SITC code no.	Description	Millions of \$			% change, 2010–11
		2009	2010	2011	
0	Food and live animals	1,625	1,828	2,119	15.9
1	Beverages and tobacco	181	175	204	16.6
2	Crude materials, inedible, except fuels	157	133	221	66.2
3	Mineral fuels, lubricants and related materials	6,482	5,433	481	-91.1
4	Animal and vegetable oils, fats and waxes	171	142	141	-0.3
5	Chemicals and related products, n.e.s.	1,949	2,491	2,568	3.1
6	Manufactured goods classified chiefly by material	3,824	5,555	6,091	9.6
7	Machinery and transport equipment	3,071	3,717	3,836	3.2
8	Miscellaneous manufactured articles	2,781	3,033	2,875	-5.2
9	Commodities and transactions not classified elsewhere in the SITC	17	46	2	-95.4
	Total	20,259	22,554	18,539	-17.8

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

**TABLE A.14** U.S. imports for consumption of leading imports under the GSP, by HTS provision, 2009–11

HTS subheading	Description	2009	2010	2011	% change, 2010–11
		Millions of \$			
7113.11.50	Articles of jewelry and parts thereof, of silver, n.e.s.o.i., valued over \$18 per dozen pieces or parts	499	598	665	11.2
7606.12.30	Aluminum alloy plates, sheets, and strip, of a thickness exceeding 0.2 mm, rectangular (including square), not clad	188	398	492	23.5
4011.10.10	New pneumatic rubber radial tires used on motor cars	367	495	409	-17.3
4011.20.10	New pneumatic rubber radial tires used on buses or trucks	145	230	386	67.6
7202.41.00	Ferromanganese containing more than 3 percent of carbon	112	377	386	2.4
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	5,876	4,696	346	-92.6
7202.30.00	Ferrosilicon manganese	78	247	279	12.7
1701.11.10	Raw sugar not containing added flavoring or coloring	149	186	274	47.4
2106.90.99	Food preparations not elsewhere specified or included	166	217	260	19.5
4015.19.10	Gloves, mittens and mitts, seamless, of vulcanized rubber other than hard rubber, other than surgical or medical	140	187	224	20.2
6909.19.50	Ceramic wares for laboratory, chemical or other technical uses (other than of porcelain or china), n.e.s.o.i.	32	118	203	72.1
7202.21.50	Ferrosilicon containing by weight more than 55 but not more than 80 percent silicon, and not more than 3 percent calcium	60	198	170	-14.2
8409.99.91	Parts n.e.s.o.i., used solely or principally with compression-ignition internal combustion piston engines, for motor vehicles	53	86	156	81.6
7901.11.00	Zinc, not alloyed, unwrought, containing 99.99% or more by weight of zinc	11	20	154	678.1
8708.30.50	Brakes and servo-brakes and parts thereof, for personal and commercial motor vehicles, excluding tractors suitable for agricultural use	83	144	145	1.0
7113.19.29	Gold necklaces and neck chains, other than rope or mixed link	187	206	138	-33.1
5703.10.20	Hand-hooked carpets of wool or fine animal hair	88	124	137	10.0
1704.90.35	Confections ready for consumption	118	131	137	4.6
8483.10.30	Camshafts and crankshafts, except those designed for spark-ignition internal combustion piston or rotary engines	82	137	136	-0.5
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	606	737	136	-81.6
Total of items shown		9,039	9,532	5,232	-45.1
All other		11,220	13,022	13,307	2.2
Total of all commodities		20,259	22,554	18,539	-17.8

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.15** U.S. imports for consumption under AGOA, by source, 2009–11

Source	2009	2010	2011	% change, 2010–11
	Thousands of \$			
Nigeria	17,228,232	25,153,807	31,003,705	23.3
Angola	4,225,139	6,293,944	11,534,112	83.3
Chad	1,190,403	1,186,314	2,991,226	152.1
Republic of South Africa	1,642,893	1,902,140	2,464,831	29.6
Republic of the Congo	1,471,657	1,935,530	1,935,187	0.0
Gabon	1,210,007	1,124,244	477,521	-57.5
Ghana	2,303	2,053	414,094	20,072.6
Lesotho	277,046	280,342	314,311	12.1
Kenya	204,982	220,636	288,273	30.7
Mauritius	98,747	117,911	155,982	32.3
Cameroon	96,750	113,469	137,372	21.1
Swaziland	94,718	92,798	77,121	-16.9
Malawi	39,734	47,191	56,146	19.0
Botswana	12,362	11,559	15,479	33.9
Ethiopia	6,723	6,875	10,887	58.3
Tanzania	1,006	1,850	5,131	177.3
Uganda	222	345	787	128.2
Mozambique	0	184	689	275.1
Cape Verde	0	146	154	5.8
Rwanda	63	10	17	65.4
Namibia	0	5	13	143.0
Zambia	7	<sup>(a)</sup>	10	2,834.3
Senegal	1,585	7	3	-59.5
Burkina Faso	0	2	2	-0.6
Mali	62	4	2	-55.3
The Gambia	0	5	1	-73.6
Democratic Republic of the Congo	35,652	147,042	0	-100.0
Mauritania	0	26,396	0	-100.0
Madagascar	210,004	0	0	<sup>(b)</sup>
Djibouti	17	0	0	<sup>(b)</sup>
Niger	3	0	0	<sup>(b)</sup>
Guinea	1	0	0	<sup>(b)</sup>
Benin	0	0	0	<sup>(b)</sup>
Burundi	0	0	0	<sup>(b)</sup>
Comoros	0	0	0	<sup>(b)</sup>
Guinea-Bissau	0	0	0	<sup>(b)</sup>
Liberia	0	0	0	<sup>(b)</sup>
São Tomé and Príncipe	0	0	0	<sup>(b)</sup>
Seychelles	0	0	0	<sup>(b)</sup>
Sierra Leone	0	0	0	<sup>(b)</sup>
Togo	0	0	0	<sup>(b)</sup>
Total	28,050,318	38,664,807	51,883,054	34.2

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown.

<sup>a</sup>Less than \$500.

<sup>b</sup>Not applicable.

**TABLE A.16** U.S. imports for consumption of leading imports under AGOA, by HTS provision, 2009–11

HTS no.	Description	Millions of \$				% change, 2010–11
		2009	2010	2011	2010–11	
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	23,395	33,842	42,623	25.9	
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	1,550	1,518	4,811	216.8	
8703.23.00	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity 1,500-3000 cc	1,310	1,471	1,995	35.6	
2710.11.25	Naphthas, not motor fuel/blending stock, from petroleum oils/oils from bituminous minerals, minimum 70 percent by weight of such products	261	357	616	72.6	
2710.19.05	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing under 25 degrees A.P.I.	165	97	231	136.7	
7202.11.50	Ferromanganese containing by weight more than 4 percent carbon	87	142	205	44.1	
2710.11.45	Mixtures of hydrocarbons n.e.s.o.i., none comprising over half of product, 70% or more by weight from petroleum oils and bituminous minerals	87	144	158	9.7	
6203.42.40	Men's or boys' trousers, breeches, and shorts, not knitted or crocheted, of cotton, not containing 15 percent or more down	118	123	141	14.7	
6204.62.40	Women's or girls' trousers, breeches, and shorts, not knitted or crocheted, of cotton, n.e.s.o.i.	191	116	126	8.4	
6205.20.20	Men's or boys' shirts, not knitted or crocheted, of cotton, not certified hand-loomed and folklore product	70	77	117	52.0	
6110.30.30	Sweaters, pullovers, sweatshirts, waistcoats, and similar articles, knitted or crocheted, of man-made fibers, n.e.s.o.i.	69	66	73	9.5	
6110.20.20	Sweaters, pullovers, sweatshirts, waistcoats, and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	111	84	62	-26.1	
6104.62.20	Women's or girls' trousers, breeches, and shorts, knitted or crocheted, of cotton	67	55	49	-11.4	
0802.60.80	Macadamia nuts, shelled	17	41	48	18.5	
3823.70.60	Industrial fatty alcohols, other than derived from fatty substances of animal or vegetable origin	38	40	47	17.3	
6104.63.20	Women's or girls' trousers, breeches and shorts, knitted or crocheted, of synthetic fibers, n.e.s.o.i.	18	23	41	80.7	
0805.10.00	Oranges, fresh or dried	31	39	38	-1.8	
2401.20.85	Tobacco, partly or wholly stemmed/stripped, threshed or similarly processed, not from cigar leaf	25	29	35	20.6	
8703.24.00	Other passenger motor vehicles, with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over 3,000 cc	53	58	35	-40.2	
2710.19.45	Mixture of hydrocarbons from petro oils & bitum. min. or preps. 70%+ by wt. fr. petro. oils, n.e.s.o.i, n/o 50% any single hydrocarbon	0	( <sup>a</sup> )	31	43,322.5	
6105.10.00	Men's or boys' shirts, knitted or crocheted, of cotton	38	19	31	64.8	
6105.20.20	Men's or boys' shirts, knitted or crocheted, of manmade fibers, containing less than 23 percent by weight of wool or fine animal hair	18	14	28	97.5	
2710.11.15	Light motor fuel, 70 percent or more by weight from petroleum oils and bituminous minerals, other than crude	1	19	28	47.9	
2204.21.50	Non-sparkling wine of fresh grapes, other than Tokay, not over 14 percent alcohol, in containers not over 2 liters	23	27	27	0.1	
6103.43.15	Men's or boys' trousers, breeches and shorts, knitted or crocheted, of synthetic fibers, n.e.s.o.i.	30	21	26	21.7	
	Total of items shown	27,772	38,423	51,621	34.3	
	All other	278	242	262	8.4	
	Total of all commodities	28,050	38,665	51,883	34.2	

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

<sup>a</sup>U.S. value less than \$500,000.

**TABLE A.17** U.S. imports for consumption under ATPA, by source, 2009–11<sup>a</sup>

Source	2009	2010	2011	% change 2010–11
	Millions of \$			
Colombia	5,589	9,473	2,675	-71.8
Ecuador	2,748	4,179	1,706	-59.2
Peru	1,376	759	0	-100.0
Total	9,714	14,411	4,380	-69.6

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to the totals shown.

<sup>a</sup>Peru's status as an ATPA beneficiary country ended effective January 1, 2011. Imports from Peru are included only through the end of 2010. Imports from Peru under ATPA after it was no longer a designated ATPA beneficiary were reported as \$4.8 million in 2011.

**TABLE A.18** U.S. imports for consumption of leading imports under ATPA, by HTS provision, 2009–11<sup>a</sup>

HTS no.	Description	Millions of \$			% change, 2010–11
		2009	2010	2011	
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	6,036	8,772	2,772	-68.4
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	921	3,172	857	-73.0
2710.19.05	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing under 25 degrees A.P.I.	245	310	216	-30.5
0603.11.00	Roses, fresh cut	305	314	140	-55.4
0603.19.00	Anthuriums, alstroemeria, gypsophyllia, lilies, snapdragons and other flowers n.e.s.o.i., fresh	188	212	64	-69.6
2710.11.45	Mixtures of hydrocarbons n.e.s.o.i., none comprising over half of product, 70% or more by weight from petroleum oils and bituminous minerals	32	65	48	-26.0
0603.14.00	Chrysanthemums, fresh cut	75	97	34	-64.9
0603.12.70	Carnations, other than miniature, fresh cut	34	40	19	-52.8
0804.50.40	Guavas, mangoes, and mangoosteens, fresh, if entered during the period September 1 through May 31 of the following year, inclusive	31	12	14	20.6
1604.14.30	Tunas and skipjack, not in oil, in airtight containers, n.e.s.o.i.	43	44	10	-77.5
6203.42.40	Men's or boys' trousers, breeches, and shorts, not knitted or crocheted, of cotton, not containing 15 percent or more down	49	66	10	-85.0
0603.12.30	Miniature (spray) carnations, fresh cut	22	22	9	-60.8
3904.10.00	Polyvinyl chloride, not mixed with any other substances, in primary forms	19	23	8	-65.4
2106.90.99	Food preparations not elsewhere specified or included	4	11	7	-35.2
1604.14.40	Tuna and skipjack, not in airtight containers	7	23	6	-73.6
0710.80.97	Vegetables n.e.s.o.i., uncooked or cooked by steaming or boiling in water, frozen, reduced in size	27	24	5	-77.2
7610.10.00	Doors, windows, and their frames and thresholds for doors, of aluminum	13	17	5	-69.4
1704.90.35	Confections ready for consumption	16	21	5	-75.3
3921.12.11	Nonadhesive plates, sheets, film, foil, strip	8	14	5	-64.2
2008.99.15	Bananas, other than pulp, otherwise prepared or preserved, n.e.s.o.i.	13	14	4	-69.1
9602.00.50	Vegetable, mineral or gum materials, worked and articles of these materials	9	11	4	-64.2
6109.10.00	T-shirts, singlets, tank tops, and similar garments, knitted or crocheted, of cotton	95	75	4	-95.0
6908.90.00	Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes and the like, n.e.s.o.i.	24	26	4	-85.6
6112.41.00	Women's or girls' knitted or crocheted swimwear of synthetic fibers	7	8	4	-54.2
6910.10.00	Porcelain or china ceramic sinks, washbasins, baths, bidets, water closet bowls, urinals, and similar sanitary fixtures	1	10	3	-65.7
	Total of items shown	8,223	13,403	4,258	-68.2
	All other	1,491	1,008	122	-87.9
	Total of all commodities	9,714	14,411	4,380	-69.6

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

<sup>a</sup>Peru's status as an ATPA beneficiary country ended effective January 1, 2011. Imports from Peru are included only through the end of 2010. Imports from Peru under ATPA after it was no longer a designated ATPA beneficiary were reported as \$4.8 million in 2011.

**TABLE A.19** U.S. imports for consumption under CBERA, by source, 2009–11<sup>a</sup>

Source	2009	2010	2011	% change, 2010–11
	Thousands of \$			
Trinidad and Tobago	1,533,773	2,205,811	2,594,465	17.6
Haiti	388,854	364,114	474,602	30.3
Jamaica	212,365	83,910	179,045	113.4
Belize	66,019	61,744	146,045	136.5
The Bahamas	96,545	98,989	123,854	25.1
Panama	20,607	28,435	55,184	94.1
St. Kitts-Nevis	8,919	20,466	27,273	33.3
Guyana	14,418	10,632	11,129	4.7
Barbados	4,603	7,233	4,493	-37.9
St. Lucia	10,937	9,199	1,889	-79.5
Grenada	78	150	257	71.5
Aruba	153	566	249	-56.0
Dominica	115	53	149	180.9
British Virgin Islands	26	86	136	57.9
St. Vincent and the Grenadines	117	124	88	-28.7
Antigua and Barbuda	231	<sup>(b)</sup>	<sup>(b)</sup>	10.5
Netherlands Antilles	868	988	0	-100.0
Montserrat	0	0	0	<sup>(c)</sup>
<b>Total</b>	<b>2,358,628</b>	<b>2,892,500</b>	<b>3,618,860</b>	<b>25.1</b>

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown.

<sup>a</sup>The Netherlands Antilles was dissolved on October 10, 2010. Imports from the Netherlands Antilles are included only through October 2010. Imports from the Netherlands Antilles under CBERA after its dissolution were reported as \$206,000 in 2010 and \$344,000 in 2011.

<sup>b</sup>Less than \$500.

<sup>c</sup>Not applicable.

**TABLE A.20** U.S. imports for consumption of leading imports under CBERA, by HTS provision, 2009–11<sup>a</sup>

HTS no.	Description	Millions of \$				% change, 2010–11
		2009	2010	2011	2010–11	
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	800	1,249	1,274	2.0	
2905.11.20	Methanol (methyl alcohol), n.e.s.o.i.	568	890	1,097	23.3	
2207.10.60	Undenatured ethyl alcohol for nonbeverage purposes	203	10	239	2,228.3	
6110.20.20	Sweaters, pullovers, sweatshirts, waistcoats, and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	152	125	221	76.4	
6109.10.00	T-shirts, singlets, tank tops, and similar garments, knitted or crocheted, of cotton	194	204	213	4.7	
3903.11.00	Polystyrene, expandable, in primary forms	94	95	122	28.1	
2710.19.05	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing under 25 degrees A.P.I.	29	32	96	202.6	
1701.11.10	Raw sugar not containing added flavoring or coloring	11	26	68	163.9	
2710.19.10	Distillate/residual fuel oil (including blends) derived from petroleum oils or oil of bituminous minerals, testing 25 degrees A.P.I. or more	0	0	29	( <sup>b</sup> )	
2933.61.00	Melamine	0	6	24	286.7	
6109.90.10	T-shirts, singlets, tank tops, and similar garments, knitted or crocheted, of man-made fibers	16	20	18	-9.2	
0714.90.20	Fresh or chilled yams, whether or not sliced or in the form of pellets	16	14	17	17.1	
8525.50.30	Transmission apparatus for television, n.e.s.o.i.	0	11	16	43.8	
0807.20.00	Papayas (papaws), fresh	11	12	13	5.2	
2710.11.25	Naphthas, not motor fuel/blending stock, from petroleum oils/oils from bituminous minerals, minimum 70 percent by weight of such products	60	0	12	( <sup>b</sup> )	
7108.12.50	Gold, nonmonetary, unwrought, other than gold bullion and ore	9	17	8	-54.1	
1604.14.40	Tuna and skipjack, not in airtight containers	13	10	8	-26.4	
0804.30.40	Pineapples, fresh or dried, not reduced in size, in crates or other packages	6	8	7	-11.2	
0804.50.40	Guavas, mangoes, and mangoosteens, fresh, if entered during the period September 1 through May 31 of the following year, inclusive	5	1	7	454.4	
2202.10.00	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored	3	6	7	12.3	
2009.11.00	Frozen concentrated orange juice	17	7	6	-2.8	
2103.90.80	Mixed condiments and mixed seasonings, excluding articles containing over 10 percent sugars and cake decorations or similar products	4	5	6	17.9	
2008.99.90	Fruit and other edible parts of plants n.e.s.o.i., other than pulp, otherwise prepared or preserved, n.e.s.o.i.	4	4	5	12.6	
2202.90.90	Nonalcoholic beverages, n.e.s.o.i.	5	5	5	-3.0	
2207.10.30	Undenatured ethyl alcohol of an alcoholic strength by volume of 80 percent volume or higher, for beverage purposes	6	10	5	-49.8	
	Total of items shown	2,226	2,768	3,521	27.2	
	All other	133	125	98	-21.4	
	Total of all commodities	2,359	2,893	3,619	25.1	

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

<sup>a</sup>The Netherlands Antilles was dissolved on October 10, 2010. Imports from the Netherlands Antilles are included only through October 2010. Imports from the Netherlands Antilles under CBERA after its dissolution were reported as \$206,000 in 2010 and \$344,000 in 2011.

<sup>b</sup>Not applicable.

**TABLE A.21** WTO dispute settlement cases to which the United States was a party, developments in 2011

Case no.	Title	Complainant	Action (month/day/year)
DS217	United States—Continued Dumping and Subsidy Offset Act of 2000 (Byrd Amendment)	Australia, Brazil, Chile, European Communities (EC), India, Indonesia, Japan, Korea, Thailand	<p>Complaining parties request consultations (12/21/00). Panel established (08/23/01) and composed (10/25/01). Panel report circulated to members (09/16/02). U.S. notifies Dispute Settlement Body (DSB) it will appeal panel decision (10/18/02). Appellate Body circulates its report (06/16/03). Arbitrator finds that U.S. has failed to implement the DSB recommendations and rulings (01/15/04). Arbitrator circulates decisions relating to level of suspension of concessions to offset U.S. Byrd Amendment distributions (08/31/04). Authority to retaliate granted (11/26/04, 12/17/04). DSB authorizes or takes note of various requests or agreements to suspend concessions (2004–05). U.S. states at DSB meeting that recent changes bring U.S. law into conformity with its WTO obligations (02/17/06). Japan and EC notify DSB annually of the new list of products on which the additional import duty would apply, prior to the entry into force of a level of suspension of concessions (2006–11).</p>
DS294	United States—Laws, Regulations and Methodology for Calculating Dumping Margins (Zeroing)	European Communities	<p>EC requests consultations (06/12/03). Panel established (03/19/04) and composed (10/27/04). Panel report circulated (10/31/05). Appellate Body report circulated (04/18/06). DSB adopts Appellate Body report and panel report as modified (05/09/06). U.S. announces that it intends to implement the DSB recommendations and rulings (05/30/06). U.S. and EC agree, pursuant to Dispute Settlement Understanding (DSU) Article 21.3(b), to the reasonable period of time for implementation (07/28/06). U.S. and EC reach an Understanding on Article 21 and 22 procedures (05/04/07). EC requests Article 21.5 consultations (07/09/07). Brazil and Korea request to join the consultations (07/20/07). EC requests establishment of Article 21.5 panel (09/13/07). Article 21.5 Appellate Body report adopted (06/11/09). EC requests authorization to suspend concessions or other obligations per Article 22.2 of DSU (01/29/10). U.S. informs DSB it objects to suspension level proposed by the EU (02/12/10). DSB refers the matter to arbitration (02/18/10). European Union and United States at various times during 2010–early 2012 jointly request that the Arbitrator suspend work; work suspended through June 28, 2012.</p>

**TABLE A.21** WTO dispute settlement cases to which the United States was a party, developments in 2011—*Continued*

Case no.	Title	Complainant	Action (month/day/year)
DS316	European Communities—Measures Affecting Trade in Large Civil Aircraft	United States	<p>U.S. requests consultations with EC (10/06/04). Panel established (07/20/05) and composed (10/17/05). Panel circulates its report (06/30/10). EU appeals decision to Appellate Body (07/21/10); U.S. does the same (08/19/10). Appellate Body report circulated (05/18/11). DSB adopts Appellate Body report and panel report (as modified) (06/01/11). EU informs DSB it intends to implement DSB recommendation (06/17/11). EU informs DSB it has taken steps to bring its measures into conformity with obligations (12/01/11). U.S. requests consultations with EU under Article 21.5 and requests authority to take countermeasures (12/09/11). EU objects to requested level of U.S. measures and requests matter be referred to arbitration under Article 22.6; DSB refers to arbitration (12/22/11).</p>
DS322	United States—Measures Relating to Zeroing and Sunset Reviews	Japan	<p>Japan requests consultations (11/24/04). Panel established (02/28/05) and composed (04/15/05). Panel report circulated (09/20/06). Appellate Body report circulated (01/9/07). DSB adopts Appellate Body report and panel report (as modified) (01/23/07). Agreement reached on the reasonable period of time for implementation (05/04/07). Article 21.3(c) Arbitration Report circulated (05/11/07). Japan seeks authorization to suspend concessions (01/10/08). Japan asks for establishment of Article 21.5 panel (04/07/08). United States and Japan request arbitrator to suspend work (06/06/08). Article 21.5 panel report circulated (04/24/09). U.S. notifies DSB of intent to appeal (05/20/09). Article 21.5 Appellate Body report adopted (08/31/09). Japan requests arbitrator to resume arbitration proceedings (04/23/10). U.S. and Japan request arbitrator to suspend work (12/15/10). Subsequent requests continue suspension through August 21, 2012 (02/01/12). U.S. and Japan inform DSB of memorandum of understanding regarding the dispute (02/06/12).</p>

**TABLE A.21** WTO dispute settlement cases to which the United States was a party, developments in 2011—*Continued*

Case no.	Title	Complainant	Action (month/day/year)
DS344	United States—Final Antidumping Measures on Stainless Steel from Mexico	Mexico	<p>Mexico requests consultations (05/26/06).  Panel established (10/26/06) and composed (12/20/06).  Panel report circulated (12/20/07).  Mexico notifies DSB of decision to appeal (01/31/08).  DSB adopts Appellate Body report and panel report (as modified) (05/20/08).  Mexico requests that the reasonable period of time for U.S. implementation be determined through binding arbitration pursuant to Article 21.3(c) (08/11/08).  Article 21.3 arbitration report circulated (10/31/08), setting April 30, 2009, as a reasonable time for the U.S. to implement.  U.S. informs DSB that U.S. and Mexico concluded a sequencing agreement (05/20/09).  Mexico requests establishment of a compliance panel (09/07/10).  DSB agrees to refer the matter to the original panel if possible (09/21/10).  Compliance panel composed (05/13/11).  Panel chairman informs DSB that he expects to circulate a final report in March 2012 (11/09/11).</p>
DS350	United States—Continued Existence and Application of Zeroing Methodology	European Communities	<p>EC requests consultations (10/02/06).  Panel established (06/04/07) and composed (07/06/07).  Panel report circulated (10/01/08).  EC (11/06/08) and U.S. (11/18/08) notify DSB of decision to appeal.  Appellate Body and modified panel reports adopted (02/19/09).  U.S. and EC agree that a reasonable time for the U.S. to implement is Dec. 19, 2009 (06/02/09).  EU and U.S. notify the DSB of Agreed Procedures under Articles 21 and 22 (01/04/10).  EU and U.S. inform the DSB of a memorandum between the U.S. and European Commission which envisages a roadmap addressing the dispute (02/06/12).</p>
DS353	United States—Measures Affecting Trade in Large Civil Aircraft—Second Complaint	European Communities	<p>EC requests consultations (06/27/05).  Panel established (02/17/06) and composed (11/22/06).  Panel chairman informs DSB multiple times that panel needs additional time to complete work in light of complexities of the dispute (05/18/07, 07/11/08, 12/16/09, 07/07/10).  Panel report circulated to members (03/31/11).  EU notifies DSB of its decision to appeal to Appellate Body (04/01/11), and U.S. also notifies decision to appeal (04/28/11).  Appellate Body report circulated to members (03/12/12).</p>
DS362	China—Measures Affecting the Protection and Enforcement of Intellectual Property Rights	United States	<p>U.S. requests consultations with China (04/10/07).  Panel established (09/25/07) and composed (12/13/07).  Panel report circulated (01/26/09).  Panel report adopted (03/20/09).  China and U.S. inform the DSB that they have agreed that the reasonable period for China to implement the DSB recommendations is by March 20, 2010 (06/29/09).  China and U.S. notify DSB of Agreed Procedures under Articles 21 and 22 of the DSU (04/08/10).</p>

**TABLE A.21** WTO dispute settlement cases to which the United States was a party, developments in 2011—*Continued*

Case no.	Title	Complainant	Action (month/day/year)
DS363	China—Measures Affecting Trading Rights and Distribution Services for Certain Publications and Audiovisual Entertainment Products	United States	<p>U.S. requests consultations with China (04/10/07). Panel established (11/27/07) and composed (03/27/08). Panel report circulated (08/12/09). China (09/22/09) and U.S. (10/05/09) notify the DSB of their respective decisions to appeal. Appellate Body report circulated to members (12/21/09). DSB adopts Appellate Body report and panel report (as modified) (01/19/10). China and U.S. inform DSB that they have agreed that a reasonable period for China to implement the DSB recommendations is by March 14, 2011 (07/12/10). China reports to DSB that it has made efforts to implement DSB recommendations; U.S. expresses concern about lack of progress by China (03/25/11). U.S. and China inform DSB of agreed procedures under Articles 21 and 22 of the DSU (04/13/11). China reports to the DSB it has completed amendments to most measures and has signed a memorandum of understanding with the U.S. (02/22/12).</p>
DS379	United States—Definitive Anti-Dumping and Countervailing Duties on Certain Products from China	China	<p>China requests consultations with U.S. (09/19/08). Panel established (01/20/09) and composed (03/04/09). Panel report circulated (10/22/10). China notifies DSB it will appeal the panel's decision to the Appellate Body (12/01/10). Appellate Body report circulated (03/11/11). DSB adopts Appellate Body report and panel report (as modified) (03/25/11). China and the U.S. inform DSB that they have agreed that a reasonable time for the U.S. to implement the DSB's recommendations is Feb. 25, 2012 (07/5/11). China and the U.S. inform the DSB that they have modified the reasonable time period, with the period to expire April 25, 2012 (01/17/12).</p>
DS381	United States—Measures Concerning the Importation, Marketing and Sale of Tuna and Tuna Products	Mexico	<p>Mexico requests consultations with the U.S. (10/24/08). Panel established (04/20/09) and composed (12/14/09). Panel chairman informs DSB panel expects to issue report in February 2011 (06/15/10). Parties agree on new panel member following death of one member (08/12/10). Panel report circulated to members (09/15/11). U.S. notifies DSB of its decision to appeal the panel's decision (01/20/12); Mexico does the same (01/25/12).</p>
DS382	United States—Anti-Dumping Administrative Reviews and Other Measures Related to Imports of Certain Orange Juice from Brazil	Brazil	<p>Brazil requests consultations with the U.S. (11/27/08). Panel established (09/25/09) and composed (05/10/10). Panel report circulated (03/25/11). DSB adopts the panel report, and Brazil and U.S. notify the DSB that they have agreed that a reasonable time for the U.S. to implement the DSB recommendations expires on March 17, 2012 (06/17/11).</p>

**TABLE A.21** WTO dispute settlement cases to which the United States was a party, developments in 2011—*Continued*

Case no.	Title	Complainant	Action (month/day/year)
DS384	United States—Certain Country of Origin Labelling (COOL) Requirements	Canada	Canada requests consultations with the U.S. (12/01/08). Single panel established to examine this dispute and DS386 (11/19/09); panel composed (05/10/10). Panel chairman informs DSB that panel expects to issue its final report to the parties in mid-2011 (12/21/10). Panel report circulated to members (11/18/11). Canada and the U.S. request the DSB to extend the 60-day period stipulated in Article 16.4 of the DSU to March 23, 2012 (12/21/11), and the DSB agrees (01/05/12).
DS386	United States—Certain Country of Origin Labelling Requirements	Mexico	Mexico requests consultations with the U.S. (12/17/08). Single panel established to examine this dispute and DS384 (11/19/09); panel composed (05/10/10). Panel report circulated to members (11/18/11). Mexico and the U.S. request the DSB to extend the 60-day period stipulated in Article 16.4 of the DSU to March 23, 2012 (12/21/11), and the DSB agrees (01/05/12).
DS387	China—Grants, Loans and other Incentives	United States	U.S. requests consultations (12/19/08).
DS389	European Communities—Certain Measures Affecting Poultry Meat and Poultry Meat Products from the United States	United States	U.S. requests consultations (01/16/09). Panel established (11/19/09).
DS394	China—Measures Related to the Exportation of Various Raw Materials	United States	U.S. requests consultations (06/23/09). U.S. requests establishment of a panel (12/21/09). Single panel established to examine this dispute and disputes DS395 and DS398 (12/21/09); panel composed (03/29/10). Panel circulated to members (07/05/11). China notifies the DSB of its decision to appeal (08/31/11). U.S. notifies the DSB of its decision to appeal (09/06/11). Appellate Body report is circulated to members (01/30/12). DSB adopts Appellate Body report and panel report as modified by Appellate Body (02/22/12). China informs DSB of its intention to implement DSB recommendations and of its need for a reasonable time to do so (03/23/12).
DS399	United States—Measures Affecting Imports of Certain Passenger Vehicle and Light Truck Tyres from China	China	China requests consultations (09/14/09). Panel established (01/19/10) and composed (03/12/10). Panel report circulated (12/13/10). China notifies DSB of its decision to appeal to the Appellate Body (05/24/11). Appellate Body report is circulated to members (09/05/11). DSB adopts Appellate Body report and panel report as amended by Appellate Body (10/05/11).

**TABLE A.21** WTO dispute settlement cases to which the United States was a party, developments in 2011—*Continued*

Case no.	Title	Complainant	Action (month/day/year)
DS402	United States—Use of Zeroing in Anti-Dumping Measures Involving Products from Korea	Korea	Korea requests consultations (11/24/09). Panel established (05/18/10) and composed (07/08/10). Panel report circulated (01/18/11). DSB adopts panel report (02/24/11). U.S. informs DSB that it intends to implement the DSB recommendations (03/25/11). U.S. and Korea inform DSB that they have agreed that a reasonable time for the U.S. to implement is Oct. 24 and Nov. 24, 2011 (06/17/11). U.S. reports to DSB that it has fully implemented the DSB's recommendations (12/19/11).
DS403	Philippines—Taxes on Distilled Spirits	United States	U.S. requests consultations (01/14/10). Single panel established to consider DS403 and DS396 (complaint by the EU) (04/20/10); panel composed (07/05/10). Panel report circulated to members (08/15/11). Philippines notifies the DSB of its decision to appeal to the Appellate Body (09/23/11), as does EU (09/28/11). Appellate Body report is circulated to members (12/21/11). DSB adopts Appellate Body report and panel report as modified by Appellate Body (01/20/12).
DS404	United States—Anti-dumping Measures on Certain Shrimp from Viet Nam	Vietnam	Vietnam requests consultations (02/01/10). Panel established (05/18/10) and composed (07/26/10). Panel report circulated to members (07/11/11). DSB adopts panel report (09/02/11). Vietnam and U.S. inform DSB they have agreed that a reasonable time for the U.S. to implement the DSB recommendations expires on July 2, 2012 (10/31/11).
DS406	United States—Measures Affecting the Production and Sale of Clove Cigarettes	Indonesia	Indonesia requests consultations (04/07/10). Panel established (07/20/10) and composed (09/09/10). Panel report circulated to members (09/02/11). U.S. notifies DSB of its decision to appeal to the Appellate Body (01/05/12).
DS413	China—Certain Measures Affecting Electronic Payment Services	United States	U.S. requests consultations (09/15/10). Panel established (03/25/11) and composed (07/04/11). Panel chairman notifies DSB that the panel expects to circulate its report to the parties by May 2012 (01/09/12).
DS414	China—Countervailing and Anti-Dumping Duties on Grain Oriented Flat-rolled Electrical Steel from the United States	United States	U.S. requests consultations (09/15/10). Panel established (03/25/11) and composed (05/10/11). Panel chairman notifies DSB that the panel expects to circulate its report to the parties by May 2012 (09/19/11).
DS419	China—Measures concerning wind power equipment	United States	U.S. requests consultations (12/22/10). EU and Japan request to join consultations (01/12/11 and 01/17/11, respectively).
DS420	United States—Anti-dumping Measures on Corrosion-Resistant Carbon Steel Flat Products from Korea	Korea	Korea requests consultations (01/31/11). Korea requests establishment of a panel (09/15/11). Korea withdraws request for panel (09/27/11). Korea requests establishment of a panel (02/09/12). Korea informs DSB of agreement on procedures between U.S. and Korea (02/14/12). Panel established (02/22/12).

**TABLE A.21** WTO dispute settlement cases to which the United States was a party, developments in 2011—*Continued*

Case no.	Title	Complainant	Action (month/day/year)
DS422	United States—Anti-Dumping Measures on Shrimp and Diamond Sawblades from China	China	China requests consultations (02/28/11). Panel established (10/25/11) and composed (12/21/11).
DS424	United States—Anti-Dumping Measures on Imports of Stainless Steel Sheet and Strip in Coils from Italy	European Union	EU requests consultations (04/01/11). Japan requests to join the consultations (04/18/11).
DS427	China—Anti-Dumping and Countervailing Duty Measures on Broiler Products from the United States	United States	U.S. requests consultations (09/20/11). Panel established (01/20/12).

*Source:* WTO, “Chronological List of Disputes Cases,”  
[http://www.wto.org/english/tratop\\_e/dispu\\_e/dispu\\_status\\_e.htm](http://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm).

*Note:* This list focuses on formal actions in disputes during 2011; some intermediate procedural actions are omitted. Selected pre-2011 and post-2011 actions are noted to place the 2011 actions in context.

**TABLE A.22** NAFTA Chapter 19 substantive challenges to original and five-year review determinations of USITC and USDOC, developments in 2011

File no.	Dispute	Action (month/day/year)
USA-CDA-2008-1904-02	Steel Wire Rod (USDOC Affirmative Final Antidumping Determination)	Request for panel review (06/06/08).
USA-CDA-2009-1904-01	Carbon and Alloy Steel Wire Rod (USDOC Affirmative Final Antidumping Determination)	Request for panel review (01/16/09).
USA-CDA-2011-1904-03	Citric Acid and Certain Citrate Salts from Canada (USDOC Affirmative Final Antidumping Determination)	Request for panel review (07/08/11). Terminated.
USA-MEX-2007-1904-01	Stainless Steel Sheet and Strip in Coils (USDOC Affirmative Final Antidumping Determination)	Request for panel review (01/22/07). Oral argument (09/10/09). Decision Date 1: (04/14/10). Decision Date 2: (08/17/11).
USA-MEX-2007-1904-03	Welded Large Diameter Pipe (USITC Negative Sunset Determination)	Request for panel review (11/21/07). Oral argument (07/21/10). Decision Date 1: (01/18/11). USITC remand determination (04/12/11). Decision Date 2: (08/29/11).
USA-MEX-2008-1904-01	Stainless Steel Sheet and Strip in Coils (USDOC Affirmative Final Antidumping Determination)	Request for panel review (03/12/08).
USA-MEX-2008-1904-04	Light-Walled Rectangular Pipe and Tube from China, Korea, and Mexico (USITC Affirmative Final Injury Determination)	Request for panel review (08/29/08). Oral argument (07/28/10). Panel order affirming in part and remanding in part (11/26/10). USITC remand determination (02/08/11). Panel order affirming USITC's remand determination (03/10/11).
USA-MEX-2009-1904-02	Stainless Steel Sheet and Strip in Coils (USDOC Affirmative Final Antidumping Determination)	Request for panel review (03/11/09).
USA-MEX-2010-1904-01	Stainless Steel Sheet and Strip in Coils from Mexico (USDOC Results of Final AD Duty Administrative Review)	Request for panel review (03/11/10).
USA-MEX-2010-1904-02	Seamless Refined Copper Pipe and Tube from Mexico (USITC Affirmative Final Injury Determination)	Request for panel review (12/22/10). Terminated.
USA-MEX-2010-1904-03	Seamless Refined Copper Pipe and Tube from Mexico (USDOC Affirmative Final Antidumping Determination)	Request for panel review (12/22/10). Terminated.
USA-MEX-2011-1904-01	Stainless Steel Sheet and Strip in Coils from Mexico (USDOC Affirmative Final Antidumping Determination)	Request for panel review (02/11/11).

**TABLE A.22** NAFTA Chapter 19 substantive challenges to original and five-year review determinations of USITC and USDOC, developments in 2011—*Continued*

File no.	Dispute	Action (month/day/year)
USA-MEX-2011-1904-02	Light-Walled Rectangular Pipe and Tube from Mexico (USDOC Affirmative Final Antidumping Determination)	Request for panel review (03/18/11).
MEX-USA-2011-1904-01	Ácido Esteárico (Secretaría de Economía Affirmative Final Countervailing Duty Determination)	Request for panel review (11/04/11).

*Source:* NAFTA Secretariat, "Status Report: NAFTA and FTA Dispute Settlement Proceedings," <http://www.nafta-sec-alena.org/en/StatusReport.aspx>

*Note:* This list includes active cases during 2011, including those in which little if any formal action occurred during 2011.

**TABLE A.23** U.S. trade with top 15 single-country trading partners, 2011

Rank	Country	Exports	Imports	Total trade	% of total trade
Millions of \$					
1	Canada	233,774	316,397	550,170	15.8
2	China	96,898	398,467	495,365	14.2
3	Mexico	159,910	262,671	422,581	12.1
4	Japan	61,409	127,901	189,310	5.4
5	Germany	44,240	96,539	140,779	4.0
6	United Kingdom	49,984	51,045	101,029	2.9
7	Korea	41,311	56,006	97,317	2.8
8	Brazil	37,275	30,368	67,643	1.9
9	Taiwan	23,775	41,213	64,988	1.9
10	France	25,361	39,596	64,957	1.9
11	Netherlands	38,254	23,117	61,371	1.8
12	Saudi Arabia	12,823	45,130	57,952	1.7
13	India	17,670	36,003	53,673	1.5
14	Venezuela	11,183	38,922	50,105	1.4
15	Italy	14,935	33,160	48,095	1.4
	Top 15 countries	868,800	1,596,536	2,465,336	70.7
	All other	430,376	590,415	1,020,792	29.3
	Total	1,299,176	2,186,951	3,486,127	100.0

Source: USDOC.

**TABLE A.24** Top 15 U.S. single-country export markets and import sources, 2011

Rank	Country		
		Millions of \$	% of total exports
Exports			
1	Canada	233,774	18.0
2	Mexico	159,910	12.3
3	China	96,898	7.5
4	Japan	61,409	4.7
5	United Kingdom	49,984	3.8
6	Germany	44,240	3.4
7	Korea	41,311	3.2
8	Netherlands	38,254	2.9
9	Brazil	37,275	2.9
10	Singapore	28,224	2.2
11	Hong Kong	27,520	2.1
12	Belgium	25,881	2.0
13	Australia	25,491	2.0
14	France	25,361	2.0
15	Taiwan	23,775	1.8
	Top 15 countries	919,306	70.8
	All other	379,870	29.2
	Total	1,299,176	100.0
		Millions of \$	% of total imports
Imports			
1	China	398,467	18.2
2	Canada	316,397	14.5
3	Mexico	262,671	12.0
4	Japan	127,901	5.8
5	Germany	96,539	4.4
6	Korea	56,006	2.6
7	United Kingdom	51,045	2.3
8	Saudi Arabia	45,130	2.1
9	Taiwan	41,213	1.9
10	France	39,596	1.8
11	Ireland	39,072	1.8
12	Venezuela	38,922	1.8
13	India	36,003	1.6
14	Nigeria	33,835	1.5
15	Russia	33,610	1.5
	Top 15 countries	1,616,406	73.9
	All other	570,545	26.1
	Total	2,186,951	100.0

Source: USDOC.

**TABLE A.25** U.S. merchandise trade with the European Union,<sup>a</sup> by SITC codes (revision 3), 2009–11

SITC code no.	Description	2009	2010	2011	% change, 2010–11
		Millions of \$			
<b>Exports:</b>					
0	Food and live animals	5,204	6,054	7,018	15.9
1	Beverages and tobacco	1,314	1,477	1,494	1.1
2	Crude materials, inedible, except fuels	6,918	9,630	11,129	15.6
3	Mineral fuels, lubricants and related materials	11,041	13,235	25,069	89.4
4	Animal and vegetable oils, fats and waxes	215	265	430	62.3
5	Chemicals and related products, n.e.s.	50,045	53,368	51,923	-2.7
6	Manufactured goods classified chiefly by material	10,773	13,687	15,764	15.2
7	Machinery and transport equipment	75,341	75,260	82,786	10.0
8	Miscellaneous manufactured articles	27,384	27,421	27,996	2.1
9	Commodities and transactions not classified elsewhere in the SITC	14,158	16,932	17,480	3.2
	<b>Total</b>	<b>202,392</b>	<b>217,329</b>	<b>241,089</b>	<b>10.9</b>
<b>Imports:</b>					
0	Food and live animals	4,874	5,365	6,260	16.7
1	Beverages and tobacco	8,597	9,149	10,212	11.6
2	Crude materials, inedible, except fuels	2,020	2,645	3,057	15.6
3	Mineral fuels, lubricants and related materials	15,900	18,991	24,250	27.7
4	Animal and vegetable oils, fats and waxes	826	842	885	5.0
5	Chemicals and related products, n.e.s.	77,821	83,334	89,702	7.6
6	Manufactured goods classified chiefly by material	23,667	29,948	36,268	21.1
7	Machinery and transport equipment	92,638	109,070	130,374	19.5
8	Miscellaneous manufactured articles	33,160	37,472	42,018	12.1
9	Commodities and transactions not classified elsewhere in the SITC	18,600	18,064	19,392	7.4
	<b>Total</b>	<b>278,104</b>	<b>314,880</b>	<b>362,419</b>	<b>15.1</b>

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

<sup>a</sup>Includes 27 EU countries.

**TABLE A.26** Leading U.S. exports to the European Union,<sup>a</sup> by Schedule B subheading, 2009–11

Schedule B subheading	Description	Millions of \$				% change, 2010–11
		2009	2010	2011	2010–11	
8800.00	Aircraft, spacecraft, and parts thereof	25,199	22,447	24,700	10.0	
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	7,148	7,462	15,017	101.2	
3004.90	Certain medicaments put up in measured doses or in forms or packings for retail sale, n.e.s.o.i.	10,789	9,767	9,470	-3.0	
7108.12	Nonmonetary gold (including gold plated with platinum), unwrought, excluding powder	6,866	6,620	8,892	34.3	
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	2,789	3,894	6,304	61.9	
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	2,216	3,610	5,615	55.5	
3002.10	Antisera and other blood fractions, and modified immunological products	7,580	6,483	3,229	-50.2	
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	2,989	3,003	3,021	0.6	
3822.00	Composite diagnostic or laboratory reagents, except pharmaceuticals	2,081	2,296	2,368	3.2	
3002.20	Vaccines for human medicine	2,035	1,481	2,212	49.4	
9018.39	Medical etc. needles n.e.s.o.i., catheters, cannulae and the like; parts and accessories thereof	1,996	1,951	2,113	8.3	
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	1,680	1,854	1,989	7.3	
7112.99	Waste and scrap of precious metals, other than of gold or platinum, n.e.s.o.i.	734	1,049	1,724	64.3	
8411.99	Gas turbines parts, n.e.s.o.i.	1,583	1,412	1,656	17.3	
8703.33	Passenger motor vehicles with compression-ignition internal combustion piston engine (diesel), cylinder capacity over 2,500 cc	2,699	1,591	1,535	-3.5	
9018.19	Electro-diagnostic apparatus n.e.s.o.i., and parts	1,481	1,425	1,374	-3.6	
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	1,159	1,049	1,179	12.4	
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	168	276	1,178	327.1	
7112.92	Platinum waste and scrap, including metal clad with platinum but excluding sweepings containing other precious metals	468	853	1,082	26.9	
9701.10	Paintings, drawings and pastels, executed entirely by hand, framed or not framed	1,729	1,211	1,080	-10.8	
8471.50	Digital processing units other than those of 8471.41 and 8471.49	1,158	1,019	1,080	5.9	
9021.90	Appliances n.e.s.o.i., worn, carried, or implanted in the body, to compensate for a defect or disability; parts and accessories thereof	1,248	1,104	1,054	-4.5	
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades, semibleached or bleached, coniferous wood	841	1,075	1,048	-2.5	
2933.39	Heterocyclic compounds containing an unfused pyridine ring, whether or not hydrogenated, in the structure, n.e.s.o.i.	1,167	1,257	1,024	-18.5	
3001.90	Heparin and its salts; other human or animal substances prepared for therapeutic or prophylactic uses, n.e.s.o.i.	780	869	982	13.0	
	Total of items shown	88,584	85,057	100,927	18.7	
	All other	113,808	132,272	140,162	6.0	
	Total of all commodities	202,392	217,329	241,089	10.9	

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

<sup>a</sup>Includes 27 EU countries.

**TABLE A.27** Leading U.S. imports from the European Union,<sup>a</sup> by HTS subheading, 2009–11

HTS subheading	Description	2009	2010	2011	% change, 2010–11
		Millions of \$			
3004.90	Certain medicaments put up in measured doses or in forms or packings for retail sale, n.e.s.o.i.	21,779	22,004	20,374	-7.4
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	10,153	11,106	15,791	42.2
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	8,709	13,986	15,399	10.1
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	7,900	10,382	12,634	21.7
2934.99	Nucleic acids and their salts, whether or not chemically defined; other heterocyclic compounds, n.e.s.o.i.	7,109	7,339	6,770	-7.7
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	3,432	5,228	6,043	15.6
2933.99	Heterocyclic compounds with nitrogen hetero-atom(s) only, n.e.s.o.i.	6,450	4,673	6,027	29.0
8411.91	Parts for turbojets or turbopropellers	5,535	5,399	5,909	9.5
3002.90	Human blood; animal blood prepared for medical uses; toxins, cultures of micro-organisms (excluding yeasts) and similar products n.e.s.o.i.	713	2,436	4,864	99.6
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	3,199	3,830	4,018	4.9
7102.39	Nonindustrial diamonds, n.e.s.o.i.	2,326	3,111	3,792	21.9
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	3,293	3,563	3,791	6.4
9701.10	Paintings, drawings and pastels, executed entirely by hand, framed or not framed	2,714	3,546	3,744	5.6
3004.39	Medicaments, in measured doses, containing hormones or derivatives/steroids used primarily as hormones, but not containing antibiotics, n.e.s.o.i.	2,123	2,938	3,414	16.2
2933.59	Heterocyclic compounds containing a pyrimidine (hydrogenated or not) or piperazine ring in the structure, n.e.s.o.i.	1,723	2,536	2,920	15.1
8411.12	Turbojets of a thrust exceeding 25 kN	2,157	2,350	2,602	10.7
3002.10	Antisera and other blood fractions, and modified immunological products	2,316	2,274	2,576	13.3
2204.21	Wine n.e.s.o.i. of fresh grapes or fortified wine, in containers not over 2 liters	2,074	2,146	2,493	16.2
2844.20	Uranium and its compounds enriched in u235; plutonium and its compounds	2,851	3,042	2,285	-24.9
9021.39	Artificial parts of the body and parts and accessories thereof, n.e.s.o.i.	1,802	2,349	2,263	-3.7
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	1,731	1,916	2,222	15.9
3004.31	Medicaments, in measured doses, containing insulin but not containing antibiotics	1,826	1,726	2,105	22.0
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	546	909	2,009	121.0
3302.10	Mixtures of odoriferous substances and mixtures with a basis of these substances, used in the food or drink industries	1,788	1,828	1,832	0.2
2208.60	Vodka	1,291	1,467	1,666	13.6
	Total of items shown	105,540	122,082	137,542	12.7
	All other	172,564	192,798	224,877	16.6
	Total of all commodities	278,104	314,880	362,419	15.1

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

<sup>a</sup>Includes 27 EU countries.

**TABLE A.28** U.S. merchandise trade with Canada, by SITC codes (revision 3), 2009–11

SITC code no.	Description	Millions of \$			% change, 2010–11
		2009	2010	2011	
<b>Exports:</b>					
0	Food and live animals	13,979	15,077	17,021	12.9
1	Beverages and tobacco	1,051	1,161	1,312	13.0
2	Crude materials, inedible, except fuels	4,866	6,418	7,637	19.0
3	Mineral fuels, lubricants and related materials	9,299	11,542	16,630	44.1
4	Animal and vegetable oils, fats and waxes	516	569	511	-10.2
5	Chemicals and related products, n.e.s.	21,661	25,401	28,901	13.8
6	Manufactured goods classified chiefly by material	24,934	30,866	34,420	11.5
7	Machinery and transport equipment	70,175	86,730	96,568	11.3
8	Miscellaneous manufactured articles	18,187	20,026	21,431	7.0
9	Commodities and transactions not classified elsewhere in the SITC	7,027	8,165	9,344	14.4
	<b>Total</b>	<b>171,695</b>	<b>205,956</b>	<b>233,774</b>	<b>13.5</b>
<b>Imports:</b>					
0	Food and live animals	14,283	15,794	17,424	10.3
1	Beverages and tobacco	679	780	845	8.3
2	Crude materials, inedible, except fuels	7,703	10,474	11,732	12.0
3	Mineral fuels, lubricants and related materials	63,640	82,107	102,892	25.3
4	Animal and vegetable oils, fats and waxes	1,031	1,191	2,188	83.7
5	Chemicals and related products, n.e.s.	20,462	24,305	28,447	17.0
6	Manufactured goods classified chiefly by material	30,697	36,987	40,506	9.5
7	Machinery and transport equipment	60,267	75,800	82,899	9.4
8	Miscellaneous manufactured articles	11,431	12,664	13,200	4.2
9	Commodities and transactions not classified elsewhere in the SITC	14,392	15,435	16,263	5.4
	<b>Total</b>	<b>224,584</b>	<b>275,536</b>	<b>316,397</b>	<b>14.8</b>

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

**TABLE A.29** Leading U.S. exports to Canada, by Schedule B subheading, 2009–11

Schedule B subheading	Description	Millions of \$				% change, 2010–11
		2009	2010	2011	2010–11	
8704.31	Motor vehicles for transporting goods, with spark-ignition internal-combustion piston engine, gross vehicle weight not exceeding 5 mt	4,665	6,513	6,359	-2.4	
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	4,024	5,217	5,622	7.8	
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	3,628	4,963	5,076	2.3	
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	2,225	2,649	4,951	86.9	
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	3,064	4,237	4,640	9.5	
8800.00	Aircraft, spacecraft, and parts thereof	4,682	4,266	4,544	6.5	
2711.21	Natural gas, gaseous state	2,466	2,810	3,685	31.1	
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	741	1,895	3,544	87.0	
8407.34	Reciprocating spark-ignition piston engines, of a cylinder capacity over 1,000 cc	2,138	3,257	3,029	-7.0	
8708.40	Gear boxes for motor vehicles	1,580	2,349	2,468	5.1	
3004.90	Certain medicaments put up in measured doses or in forms or packings for retail sale, n.e.s.o.i.	1,740	1,975	2,330	18.0	
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	1,348	1,750	2,060	17.7	
7112.91	Gold waste and scrap, including metal clad with gold but excluding sweepings containing other precious metals	1,507	1,529	1,743	14.0	
8701.20	Road tractors for semi-trailers	586	965	1,709	77.0	
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	1,620	1,374	1,459	6.2	
8481.80	Taps, cocks, valves and similar appliances, n.e.s.o.i.	943	1,052	1,197	13.7	
7606.12	Rectangular plates, sheets and strip, over 0.2 mm thick, of aluminum alloy	767	1,032	1,174	13.7	
8708.80	Suspension systems and parts thereof, including shock absorbers, for motor vehicles	681	1,003	1,151	14.8	
8523.40	Optical media	1,197	1,276	1,141	-10.5	
8409.91	Parts for spark-ignition internal-combustion piston engines	1,079	1,310	1,120	-14.5	
8716.10	Trailers and semi-trailers for housing or camping	668	1,060	1,056	-0.4	
8708.30	Brakes and servo-brakes for motor vehicles, and parts thereof	795	985	973	-1.2	
4902.90	Newspapers, etc., appearing less than 4 times per week	858	951	969	1.9	
4901.99	Printed books, brochures, leaflets and similar printed matter, other than in single sheets	947	991	950	-4.2	
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars, including station wagons and racing cars	838	849	944	11.2	
	Total of items shown	44,785	56,258	63,893	13.6	
	All other	126,910	149,697	169,881	13.5	
	Total of all commodities	171,695	205,956	233,774	13.5	

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.30** Leading U.S. imports from Canada, by HTS subheading, 2009–11

HTS subheading	Description	2009	2010	2011	% change, 2010–11
		Millions of \$			
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	36,972	48,236	65,436	35.7
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	16,594	24,822	25,474	2.6
2711.21	Natural gas, gaseous state	12,391	13,646	12,825	-6.0
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	6,164	10,919	12,609	15.5
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	5,166	7,824	8,645	10.5
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	3,726	5,343	6,535	22.3
7108.12	Nonmonetary gold (including gold plated with platinum), unwrought, excluding powder	2,073	4,238	3,646	-14.0
3104.20	Medicaments, for therapeutic or prophylactic uses, in measured doses, containing antibiotics other than penicillins	1,964	2,929	3,560	21.5
4407.10	Coniferous wood sawn or chipped lengthwise, sliced or peeled, of thickness exceeding 6mm	1,987	2,685	2,658	-1.0
7601.10	Aluminum, not alloyed, unwrought	2,282	2,489	2,627	5.6
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	1,422	2,345	2,615	11.5
3004.90	Certain medicaments put up in measured doses or in forms or packings for retail sale, n.e.s.o.i.	3,547	2,800	2,503	-10.6
8407.34	Reciprocating spark-ignition piston engines, of a cylinder capacity over 1,000 cc	1,743	2,568	2,486	-3.2
7601.20	Unwrought aluminum alloys	1,235	2,044	2,346	14.8
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	1,316	1,862	2,195	17.9
2711.12	Propane, liquefied	1,424	1,704	2,156	26.5
2716.00	Electrical energy	2,071	2,071	2,096	1.2
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades, semibleached or bleached, coniferous wood	1,224	1,793	1,836	2.4
3901.90	Polymers of ethylene n.e.s.o.i., in primary forms	1,067	1,450	1,832	26.4
2713.20	Petroleum bitumen	435	1,056	1,732	64.1
4802.61	Uncoated paper/paperboard for writing/printing/other graphic purposes n.e.s.o.i., over 10 percent fiber by mechanical process, in rolls	2,093	1,713	1,639	-4.3
7118.90	Coin, of gold or used as legal tender	798	1,112	1,589	42.9
4801.00	Newsprint, in rolls or sheets	1,395	1,348	1,450	7.6
8802.30	Airplanes and aircraft, of an unladen weight over 2,000 kg but not over 15,000 kg	791	1,085	1,425	31.3
7106.91	Silver, other than powder, unwrought	371	1,008	1,382	37.1
	Total of items shown	110,249	149,087	173,299	16.2
	All other	114,335	126,449	143,097	13.2
	Total of all commodities	224,584	275,536	316,397	14.8

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.31** U.S. merchandise trade with China, by SITC codes (revision 3), 2009–11

SITC code no.	Description	Millions of \$			% change, 2010–11
		2009	2010	2011	
<b>Exports:</b>					
0	Food and live animals	2,446	3,184	4,895	53.7
1	Beverages and tobacco	158	196	191	-2.5
2	Crude materials, inedible, except fuels	20,917	27,282	31,921	17.0
3	Mineral fuels, lubricants and related materials	524	1,333	2,008	50.7
4	Animal and vegetable oils, fats and waxes	70	430	188	-56.2
5	Chemicals and related products, n.e.s.	9,908	12,416	14,030	13.0
6	Manufactured goods classified chiefly by material	3,981	4,790	4,953	3.4
7	Machinery and transport equipment	22,162	29,292	31,702	8.2
8	Miscellaneous manufactured articles	4,368	5,516	5,961	8.1
9	Commodities and transactions not classified elsewhere in the SITC	590	1,306	1,048	-19.7
	<b>Total</b>	<b>65,124</b>	<b>85,746</b>	<b>96,898</b>	<b>13.0</b>
<b>Imports:</b>					
0	Food and live animals	4,143	4,868	5,594	14.9
1	Beverages and tobacco	33	31	34	11.6
2	Crude materials, inedible, except fuels	1,224	1,584	1,979	24.9
3	Mineral fuels, lubricants and related materials	303	490	348	-29.1
4	Animal and vegetable oils, fats and waxes	48	48	50	3.4
5	Chemicals and related products, n.e.s.	8,519	10,713	13,858	29.4
6	Manufactured goods classified chiefly by material	31,967	37,561	42,202	12.4
7	Machinery and transport equipment	139,029	180,191	201,734	12.0
8	Miscellaneous manufactured articles	106,528	124,625	128,491	3.1
9	Commodities and transactions not classified elsewhere in the SITC	3,751	3,936	4,177	6.1
	<b>Total</b>	<b>295,545</b>	<b>364,047</b>	<b>398,467</b>	<b>9.5</b>

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

**TABLE A.32** Leading U.S. exports to China, by Schedule B subheading, 2009–11

Schedule B subheading	Description	Millions of \$				% change, 2010–11
		2009	2010	2011	2010–11	
1201.00	Soybeans, whether or not broken	9,211	10,821	10,452	-3.4	
8800.00	Aircraft, spacecraft, and parts thereof	5,304	5,705	6,322	10.8	
7404.00	Copper waste and scrap	1,310	2,359	3,454	46.4	
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	357	1,657	2,912	75.7	
7602.00	Aluminum waste and scrap	1,256	2,025	2,731	34.9	
5201.00	Cotton, not carded or combed	824	2,064	2,562	24.1	
8542.31	Electronic integrated circuits, processors or controllers	2,865	3,662	2,188	-40.3	
7204.49	Ferrous waste and scrap, n.e.s.o.i.	1,521	960	1,588	65.4	
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	445	1,076	1,562	45.2	
4707.10	Waste and scrap of unbleached kraft paper or paperboard or of corrugated paper or paperboard	541	735	1,086	47.7	
1005.90	Corn (maize), other than seed	52	288	850	195.3	
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	118	572	828	44.8	
4403.20	Coniferous wood in the rough, not treated	98	411	825	100.6	
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades, semibleached or bleached, coniferous wood	415	545	782	43.4	
3207.30	Liquid lustres and similar preparations	92	444	770	73.3	
2804.61	Silicon, containing by weight not less than 99.99 percent of silicon	490	910	707	-22.3	
2603.00	Copper ores and concentrates	297	593	687	15.7	
8408.90	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines), n.e.s.o.i.	213	375	678	81.0	
4101.50	Whole raw bovine or equine hides and skins, weight exceeding 16 kilograms, fresh, pickled or preserved but not tanned or further prepared	445	471	618	31.2	
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	147	714	565	-20.9	
4707.30	Recovered (waste and scrap) paper or paperboard, mainly of mechanical pulp (for example, newspapers, journals and similar printed matter)	283	447	561	25.4	
8486.10	Machines and apparatus for the manufacture of semiconductor boules or wafers	118	611	523	-14.4	
8704.10	Dumpers (dump trucks) designed for off-highway use	177	173	497	187.1	
2713.11	Petroleum coke, not calcined	98	255	471	84.2	
5502.00	Artificial filament tow	326	367	460	25.4	
	Total of items shown	27,002	38,242	44,679	16.8	
	All other	38,122	47,504	52,219	9.9	
	Total of all commodities	65,124	85,746	96,898	13.0	

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.33** Leading U.S. imports from China, by HTS subheading, 2009–11

HTS subheading	Description	Millions of \$			% change, 2010–11
		2009	2010	2011	
8471.30	Portable digital automated data processing machines not exceeding 10 kg, with at least a CPU, keyboard and display	22,909	32,043	39,336	22.8
8517.12	Telephones for cellular networks or for other wireless networks	13,055	16,865	22,916	35.9
9503.00	Tricycles, scooters, similar wheeled toys; dolls, doll's carriages, and other toys; puzzles; reduced scale models	8,141	9,775	9,401	-3.8
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	5,480	8,421	9,319	10.7
8473.30	Parts and accessories for automated data processing machines and units	7,679	9,937	8,780	-11.6
6403.99	Footwear not covering the ankles, with outer soles of rubber or plastics or composition leather and uppers of leather	4,284	4,721	4,399	-6.8
9504.10	Video games used with television receiver and parts and accessories	7,032	6,492	4,382	-32.5
8443.31	Machines that perform two or more of the functions of printing, copying, facsimile transmission, able to connect to a computer or network	2,883	3,774	4,018	6.5
8528.72	Reception apparatus for television, incorporating a screen or video display device, color	5,057	5,132	4,012	-21.8
6402.99	Footwear with outer soles and uppers of rubber or plastics n.e.s.o.i.	3,235	3,626	3,697	2.0
8471.70	Automatic data processing storage units	2,365	3,104	3,614	16.4
8443.99	Parts and accessories of printers, copying and facsimile machines, n.e.s.o.i.	2,539	3,345	3,519	5.2
8504.40	Static converters	2,616	3,334	3,475	4.2
8528.51	Monitors, other than cathode-ray tube, designed for use with automatic data processing machines	3,470	3,975	3,452	-13.1
6110.20	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of cotton	2,780	3,363	3,408	1.3
8471.50	Digital processing units other than those of 8471.41 and 8471.49	2,932	3,744	3,373	-9.9
8541.40	Photosensitive semiconductor devices, including photovoltaic cells; light-emitting diodes	636	1,570	3,365	114.3
8543.70	Electrical machines and apparatus, having individual functions, n.e.s.o.i.	1,156	2,274	3,349	47.3
8525.80	Television cameras, digital cameras, and video camera recorders	3,390	3,827	3,069	-19.8
4202.92	Trunks, cases, bags and similar containers, with outer surface of plastic sheeting or of textile materials	2,040	2,690	2,893	7.5
6403.91	Footwear covering the ankles, with outer soles and uppers of rubber or plastics, excluding waterproof footwear	1,899	2,264	2,486	9.8
9403.60	Wooden furniture, other than of a kind used in the bedroom	1,981	2,409	2,311	-4.1
9504.90	Game machines except coin-operated; board games; mah-jong; dominoes; dice	2,816	2,319	2,309	-0.4
9403.20	Metal furniture, other than of a kind used in offices	1,711	2,094	2,299	9.8
8517.70	Parts of telecommunications apparatus	1,626	2,591	2,161	-16.6
	Total of items shown	113,712	143,690	155,343	8.1
	All other	181,833	220,357	243,124	10.3
	Total of all commodities	295,545	364,047	398,467	9.5

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.34** U.S. merchandise trade with Mexico, by SITC codes (revision 3), 2009–11

SITC code no.	Description	Millions of \$				% change, 2010–11
		2009	2010	2011	2010–11	
<b>Exports:</b>						
0	Food and live animals	9,240	10,357	13,566		31.0
1	Beverages and tobacco	281	314	350		11.2
2	Crude materials, inedible, except fuels	4,491	5,489	6,987		27.3
3	Mineral fuels, lubricants and related materials	7,668	14,149	23,286		64.6
4	Animal and vegetable oils, fats and waxes	639	819	972		18.7
5	Chemicals and related products, n.e.s.	16,546	19,260	22,576		17.2
6	Manufactured goods classified chiefly by material	15,637	19,386	22,657		16.9
7	Machinery and transport equipment	37,863	46,292	52,691		13.8
8	Miscellaneous manufactured articles	9,310	10,230	10,614		3.8
9	Commodities and transactions not classified elsewhere in the SITC	4,042	5,306	6,210		17.0
	<b>Total</b>	<b>105,718</b>	<b>131,602</b>	<b>159,910</b>		<b>21.5</b>
<b>Imports:</b>						
0	Food and live animals	9,800	11,786	14,017		18.9
1	Beverages and tobacco	2,357	2,566	2,730		6.4
2	Crude materials, inedible, except fuels	967	1,447	1,870		29.3
3	Mineral fuels, lubricants and related materials	24,196	33,086	44,484		34.4
4	Animal and vegetable oils, fats and waxes	50	51	71		39.6
5	Chemicals and related products, n.e.s.	3,397	4,031	4,836		20.0
6	Manufactured goods classified chiefly by material	11,509	14,785	18,994		28.5
7	Machinery and transport equipment	95,220	127,754	138,733		8.6
8	Miscellaneous manufactured articles	18,275	22,308	24,460		9.6
9	Commodities and transactions not classified elsewhere in the SITC	10,539	11,009	12,476		13.3
	<b>Total</b>	<b>176,309</b>	<b>228,824</b>	<b>262,671</b>		<b>14.8</b>

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

**TABLE A.35** Leading U.S. exports to Mexico, by Schedule B subheading, 2009–11

Schedule B subheading	Description	Millions of \$				% change, 2010–11
		2009	2010	2011	2010–11	
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	3,996	7,297	13,507	85.1	
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	2,324	4,071	5,826	43.1	
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	2,155	2,792	4,751	70.2	
1005.90	Corn (maize), other than seed	1,385	1,568	2,658	69.6	
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	1,296	2,322	1,940	-16.5	
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	1,027	1,514	1,841	21.6	
2711.21	Natural gas, gaseous state	324	1,039	1,748	68.3	
8408.20	Compression-ignition internal-combustion piston engines	712	1,214	1,682	38.6	
1201.00	Soybeans, whether or not broken	1,350	1,494	1,651	10.5	
2902.43	Para-xylene	903	1,019	1,516	48.8	
3926.90	Articles of plastics and articles of other materials of headings 3901 to 3914, n.e.s.o.i.	1,109	1,402	1,458	4.0	
8708.40	Gear boxes for motor vehicles	848	1,253	1,421	13.4	
8800.00	Aircraft, spacecraft, and parts thereof	1,151	1,243	1,408	13.2	
8538.90	Parts for electrical apparatus for electrical circuits; for electrical control n.e.s.o.i.	910	1,198	1,264	5.5	
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	646	1,090	1,183	8.6	
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	699	1,032	1,079	4.5	
7326.90	Articles of iron or steel n.e.s.o.i.	787	984	1,077	9.5	
1001.90	Wheat and meslin, excluding durum wheat	481	572	1,035	81.0	
2711.12	Propane, liquefied	400	684	971	41.9	
8536.90	Electrical apparatus for switching or protecting electrical circuits, n.e.s.o.i.	705	814	887	9.0	
8544.49	Insulated electric conductors, for a voltage not exceeding 80 volts, not fitted with connectors, n.e.s.o.i.	608	808	883	9.3	
8473.30	Parts and accessories for automated data processing machines and units	1,215	1,068	858	-19.7	
3901.20	Polyethylene having a specific gravity of 0.94 or more, in primary forms	648	748	845	12.9	
3902.10	Polypropylene, in primary forms	562	729	840	15.3	
7606.12	Rectangular plates, sheets and strip, over 0.2 mm thick, of aluminum alloy	609	656	817	24.5	
	Total of items shown	26,848	38,610	53,145	37.6	
	All other	78,870	92,992	106,765	14.8	
	Total of all commodities	105,718	131,602	159,910	21.5	

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.36** Leading U.S. imports from Mexico, by HTS subheading, 2009–11

HTS subheading	Description	2009	2010	2011	% change, 2010–11
		Millions of \$			
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	20,962	29,152	40,165	37.8
8528.72	Reception apparatus for television, incorporating a screen or video display device, color	12,940	13,397	11,973	-10.6
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	7,974	12,115	11,415	-5.8
8471.50	Digital processing units other than those of 8471.41 and 8471.49	5,536	9,252	10,503	13.5
8704.31	Motor vehicles for transporting goods, with spark-ignition internal-combustion piston engine, gross vehicle weight not exceeding 5 mt	4,939	7,307	7,494	2.6
7108.12	Nonmonetary gold (including gold plated with platinum), unwrought, excluding powder	2,881	3,984	5,543	39.1
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	2,763	4,691	5,234	11.6
8544.30	Insulated ignition wiring sets and other wiring sets of a kind used in vehicles, aircraft or ships	2,461	3,768	4,735	25.7
8701.20	Road tractors for semi-trailers	2,043	2,867	4,074	42.1
9401.90	Parts of seats (except medical, barbers, dentist, etc.)	1,966	3,480	3,917	12.5
8517.12	Telephones for cellular networks or for other wireless networks	6,822	6,491	3,734	-42.5
7106.91	Silver, other than powder, unwrought	1,090	1,973	3,433	74.0
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	2,099	2,512	2,680	6.7
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	1,484	2,296	2,680	16.7
8704.22	Motor vehicles for goods transport n.e.s.o.i., with compression-ignition internal combustion piston engine, weighing 5 to 20 metric tons	906	1,861	2,568	38.0
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	1,322	2,017	2,531	25.5
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	1,276	1,365	2,488	82.3
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	2,049	2,288	2,445	6.9
8537.10	Boards, panels, consoles, other components incorporating apparatus for control or distribution of electricity, for voltage not exceeding 1,000 volts	1,550	2,102	2,328	10.7
8528.71	Reception apparatus for television, not designed to incorporate a screen or video display device	1,676	1,563	2,211	41.5
8418.10	Combined refrigerator-freezers, fitted with separate external doors	1,646	1,894	2,168	14.5
8708.40	Gear boxes for motor vehicles	912	1,669	1,907	14.3
8409.91	Parts for spark-ignition internal-combustion piston engines	1,092	1,687	1,906	13.0
0702.00	Tomatoes, fresh or chilled	1,126	1,487	1,808	21.5
8407.34	Reciprocating spark-ignition piston engines, of a cylinder capacity over 1,000 cc	724	926	1,775	91.6
	Total of items shown	90,236	122,143	141,718	16.0
	All other	86,072	106,681	120,953	13.4
	Total of all commodities	176,309	228,824	262,671	14.8

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.37** U.S. merchandise trade with Japan, by SITC codes (revision 3), 2009–11

SITC code no.	Description	Millions of \$				% change, 2010–11
		2009	2010	2011	2010–11	
<b>Exports:</b>						
0	Food and live animals	10,123	10,792	13,106		21.4
1	Beverages and tobacco	606	576	690		20.0
2	Crude materials, inedible, except fuels	2,962	3,859	4,160		7.8
3	Mineral fuels, lubricants and related materials	876	1,806	2,517		39.3
4	Animal and vegetable oils, fats and waxes	69	62	54		-13.6
5	Chemicals and related products, n.e.s.	8,390	11,082	11,967		8.0
6	Manufactured goods classified chiefly by material	2,330	2,906	3,349		15.2
7	Machinery and transport equipment	13,632	14,640	15,612		6.6
8	Miscellaneous manufactured articles	6,847	8,138	8,767		7.7
9	Commodities and transactions not classified elsewhere in the SITC	1,240	1,865	1,188		-36.3
	<b>Total</b>	<b>47,074</b>	<b>55,727</b>	<b>61,409</b>		<b>10.2</b>
<b>Imports:</b>						
0	Food and live animals	558	569	604		6.1
1	Beverages and tobacco	64	76	80		4.0
2	Crude materials, inedible, except fuels	421	509	575		13.0
3	Mineral fuels, lubricants and related materials	274	480	484		0.9
4	Animal and vegetable oils, fats and waxes	31	35	38		6.5
5	Chemicals and related products, n.e.s.	7,739	8,983	9,050		0.7
6	Manufactured goods classified chiefly by material	6,617	8,626	10,018		16.1
7	Machinery and transport equipment	69,062	87,683	93,552		6.7
8	Miscellaneous manufactured articles	8,116	9,612	10,427		8.5
9	Commodities and transactions not classified elsewhere in the SITC	3,120	3,364	3,076		-8.6
	<b>Total</b>	<b>96,002</b>	<b>119,938</b>	<b>127,901</b>		<b>6.6</b>

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

**TABLE A.38** Leading U.S. exports to Japan, by Schedule B subheading, 2009–11

Schedule B subheading	Description	2009	2010	2011	% change, 2010–11
		Millions of \$			
8800.00	Aircraft, spacecraft, and parts thereof	4,089	4,214	4,024	-4.5
1005.90	Corn (maize), other than seed	2,825	3,024	3,830	26.7
3004.90	Certain medicaments put up in measured doses or in forms or packings for retail sale, n.e.s.o.i.	1,185	1,582	2,079	31.4
1001.90	Wheat and meslin, excluding durum wheat	793	794	1,371	72.7
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	128	456	1,199	163.1
0203.19	Meat of swine, n.e.s.o.i., fresh or chilled	747	776	976	25.8
1201.00	Soybeans, whether or not broken	1,101	1,127	954	-15.4
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	668	719	794	10.5
0203.29	Meat of swine, n.e.s.o.i., frozen	621	678	791	16.8
9018.39	Medical etc. needles n.e.s.o.i., catheters, cannulae and the like; parts and accessories thereof	536	741	785	5.9
2804.61	Silicon, containing by weight not less than 99.99 percent of silicon	717	635	690	8.6
2909.19	Acyclic ethers, excluding diethyl ether, and their halogenated, sulfonated, nitrated, or nitrosated derivatives	76	641	634	-1.2
2713.11	Petroleum coke, not calcined	220	497	628	26.4
2844.20	Uranium and its compounds enriched in u235; plutonium and its compounds	650	716	615	-14.1
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	736	637	594	-6.7
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	287	512	535	4.4
3822.00	Composite diagnostic or laboratory reagents, except pharmaceuticals	542	515	504	-2.1
1214.90	Rutabagas (swedes), mangolds, fodder roots, hay, clover, kale, vetches, and other forage products, n.e.s.o.i., whether or not in pellet form	442	446	503	12.7
9021.39	Artificial parts of the body and parts and accessories thereof, n.e.s.o.i.	273	480	492	2.5
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	299	299	467	56.3
0201.30	Meat of bovine animals, boneless, fresh or chilled	238	335	461	37.7
7113.19	Articles of jewelry and parts thereof, of precious metal (excluding silver)	103	272	429	57.8
8471.50	Digital processing units other than those of 8471.41 and 8471.49	181	230	404	75.1
2402.20	Cigarettes containing tobacco	345	311	362	16.5
4403.20	Coniferous wood in the rough, not treated	286	296	337	13.6
	Total of items shown	18,089	20,934	24,460	16.8
	All other	28,985	34,793	36,949	6.2
	Total of all commodities	47,074	55,727	61,409	10.2

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.39** Leading U.S. imports from Japan, by HTS subheading, 2009–11

HTS subheading	Description	Millions of \$				% change, 2010–11
		2009	2010	2011	2010–11	
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	12,787	17,196	17,343	0.9	
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	9,064	13,283	11,655	-12.3	
8443.99	Parts and accessories of printers, copying and facsimile machines, n.e.s.o.i.	3,897	3,969	4,108	3.5	
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	1,113	1,766	2,618	48.2	
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	1,983	2,068	2,553	23.4	
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	1,703	2,382	2,493	4.7	
8525.80	Television cameras, digital cameras, and video camera recorders	2,151	2,363	2,110	-10.7	
8708.40	Gear boxes for motor vehicles	1,127	1,625	2,013	23.8	
8703.22	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine over 1,000 but over 1,500 cc	2,751	2,182	1,941	-11.0	
8429.52	Self-propelled mechanical shovels and excavators, with a 360-degree revolving superstructure	344	634	1,571	147.9	
8411.91	Parts for turbojets or turbopropellers	824	874	1,149	31.5	
2933.79	Lactams, excluding 6-hexanelactam, clobazam, and methyprylon	929	880	1,102	25.3	
8486.90	Parts and accessories of machines and apparatus used in the manufacture of semiconductors, flat panels, or electronic integrated circuits	479	867	1,000	15.4	
8408.90	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines), n.e.s.o.i.	349	655	937	43.1	
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars, including station wagons and racing cars	678	922	917	-0.6	
8541.40	Photosensitive semiconductor devices, including photovoltaic cells; light-emitting diodes	535	753	891	18.5	
8409.91	Parts for spark-ignition internal-combustion piston engines	667	879	881	0.3	
3818.00	Chemical elements doped for use in electronics, in the form of discs, wafers, similar forms; chemical compounds doped for use in electronics	645	786	843	7.3	
9102.11	Wrist watches, with battery, mechanical display, of base metal	486	671	842	25.6	
3004.90	Certain medicaments put up in measured doses or in forms or packings for retail sale, n.e.s.o.i.	1,376	1,411	841	-40.4	
8701.90	Tractors, n.e.s.o.i.	576	829	822	-0.8	
9002.11	Objective lenses and parts and accessories thereof for cameras, projectors or photographic enlargers or reducers	495	650	692	6.5	
8542.31	Electronic integrated circuits, processors or controllers	528	860	690	-19.7	
8457.10	Machining centers for working metal	260	383	679	77.3	
8481.80	Taps, cocks, valves and similar appliances, n.e.s.o.i.	467	619	678	9.6	
	Total of items shown	46,214	59,507	61,371	3.1	
	All other	49,788	60,431	66,530	10.1	
	Total of all commodities	96,002	119,938	127,901	6.6	

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.40** U.S. merchandise trade with Korea, by SITC codes (revision 3), 2009–11

SITC code no.	Description	Millions of \$				% change, 2010–11
		2009	2010	2011	2010–11	
<b>Exports:</b>						
0	Food and live animals	3,331	4,461	5,973		33.9
1	Beverages and tobacco	49	53	57		8.0
2	Crude materials, inedible, except fuels	2,929	3,553	4,473		25.9
3	Mineral fuels, lubricants and related materials	1,169	1,517	2,575		69.7
4	Animal and vegetable oils, fats and waxes	98	89	74		-17.4
5	Chemicals and related products, n.e.s.	4,376	5,982	6,418		7.3
6	Manufactured goods classified chiefly by material	1,408	1,906	2,303		20.8
7	Machinery and transport equipment	10,463	14,390	14,936		3.8
8	Miscellaneous manufactured articles	2,665	3,857	3,773		-2.2
9	Commodities and transactions not classified elsewhere in the SITC	586	1,028	729		-29.1
	<b>Total</b>	<b>27,074</b>	<b>36,836</b>	<b>41,311</b>		<b>12.1</b>
<b>Imports:</b>						
0	Food and live animals	290	334	381		13.9
1	Beverages and tobacco	76	81	84		3.8
2	Crude materials, inedible, except fuels	234	376	509		35.3
3	Mineral fuels, lubricants and related materials	1,101	1,659	2,198		32.5
4	Animal and vegetable oils, fats and waxes	2	3	2		-40.8
5	Chemicals and related products, n.e.s.	1,583	2,172	2,734		25.9
6	Manufactured goods classified chiefly by material	4,035	5,909	7,887		33.5
7	Machinery and transport equipment	28,718	34,078	38,605		13.3
8	Miscellaneous manufactured articles	1,944	2,299	2,710		17.9
9	Commodities and transactions not classified elsewhere in the SITC	785	1,003	897		-10.6
	<b>Total</b>	<b>38,770</b>	<b>47,914</b>	<b>56,006</b>		<b>16.9</b>

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

**TABLE A.41** Leading U.S. exports to Korea, by Schedule B subheading, 2009–11

Schedule B subheading	Description	2009	2010	2011	% change, 2010–11
		Millions of \$			
8800.00	Aircraft, spacecraft, and parts thereof	1,345	1,579	1,855	17.5
1005.90	Corn (maize), other than seed	1,116	1,422	1,845	29.8
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	720	1,986	1,487	-25.2
8542.32	Electronic integrated circuits, memories	393	645	1,289	99.7
7204.49	Ferrous waste and scrap, n.e.s.o.i.	813	882	1,131	28.2
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	187	424	1,020	140.7
8542.31	Electronic integrated circuits, processors or controllers	206	235	964	309.8
2707.30	Xylenes	257	379	511	34.7
8486.90	Parts and accessories of machines and apparatus used in the manufacture of semiconductors, flat panels, or electronic integrated circuits	336	350	477	36.5
1001.90	Wheat and meslin, excluding durum wheat	271	345	466	35.2
8541.29	Transistors, other than photosensitive, with a dissipation rate greater than or equal to 1 watt	1,207	922	449	-51.3
2926.10	Acrylonitrile	314	484	424	-12.5
5201.00	Cotton, not carded or combed	85	158	394	149.9
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.	351	720	368	-48.9
0202.30	Meat of bovine animals, boneless, frozen	95	212	368	73.8
0203.29	Meat of swine, n.e.s.o.i., frozen	135	121	346	186.5
3004.90	Certain medicaments put up in measured doses or in forms or packings for retail sale, n.e.s.o.i.	197	246	344	40.1
2707.99	Oils and products of the distillation of high temperature coal tar, n.e.s.o.i.; similar products with predominate aromatic constituent	305	305	340	11.5
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	363	449	338	-24.8
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	45	135	318	135.6
8542.39	Electronic integrated circuits, n.e.s.o.i.	312	377	314	-16.7
7602.00	Aluminum waste and scrap	187	215	294	36.6
9306.90	Bombs, grenades, torpedoes, mines, missiles, etc., and parts	151	342	273	-20.2
1201.00	Soybeans, whether or not broken	277	312	267	-14.5
9031.41	Optical instruments for inspecting semiconductor wafers or devices, or photomasks or reticles used in manufacturing these items	58	172	262	52.1
	Total of items shown	9,729	13,417	16,144	20.3
	All other	17,345	23,420	25,167	7.5
	Total of all commodities	27,074	36,836	41,311	12.1

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.42** Leading U.S. imports from Korea, by HTS subheading, 2009–11

HTS subheading	Description	2009	2010	2011	% change, 2010–11
		Millions of \$			
		8,178	7,490	7,617	1.7
8517.12	Telephones for cellular networks or for other wireless networks				
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	5,212	5,625	7,617	35.4
8542.39	Electronic integrated circuits, n.e.s.o.i.	1,015	1,535	1,990	29.6
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	701	1,185	1,584	33.7
8473.30	Parts and accessories for automated data processing machines and units	1,420	2,629	1,522	-42.1
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	1,257	1,308	1,375	5.1
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars, including station wagons and racing cars	480	949	1,180	24.4
8418.10	Combined refrigerator-freezers, fitted with separate external doors	589	863	948	9.8
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	382	731	915	25.1
7306.29	Seamed or welded iron or steel casing or tubing, of non-circular cross section, of kind used in drilling for oil or gas, not stainless	134	485	676	39.3
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	154	353	544	54.0
8471.30	Portable digital automated data processing machines not exceeding 10 kg, with at least a CPU, keyboard and display	14	164	543	231.0
2902.20	Benzene	234	424	540	27.6
8451.29	Drying machines for textile yarns, fabrics, or made-up textile articles, with a dry linen capacity exceeding 10 kilograms	422	525	540	3.0
8542.32	Electronic integrated circuits, memories	764	838	538	-35.8
8450.20	Household- or laundry-type washing machines, with a dry linen capacity exceeding 10 kilograms	524	644	537	-16.6
8542.31	Electronic integrated circuits, processors or controllers	320	389	459	18.0
8407.34	Reciprocating spark-ignition piston engines, of a cylinder capacity over 1,000 cc	10	116	434	273.6
7306.19	Seamed (o/than welded stainless steel) pipe, w/ext. diam 406.4mm or less or o/than circ. x-sect, line pipe of a kind used for oil and gas pipelines	123	190	417	119.8
8517.70	Parts of telecommunications apparatus	386	401	384	-4.1
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	268	336	360	7.2
8523.51	Solid state nonvolatile semiconductor storage devices	213	226	329	45.8
8504.23	Liquid dielectric transformers having a power handling capacity exceeding 10,000 kva	327	415	326	-21.4
2707.10	Benzene	53	64	296	360.3
8708.94	Steering wheels, steering columns and steering boxes and parts thereof, for motor vehicles	95	225	288	28.3
	Total of items shown	23,276	28,110	31,961	13.7
	All other	15,494	19,804	24,045	21.4
	Total of all commodities	38,770	47,914	56,006	16.9

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.43** U.S. merchandise trade with Brazil, by SITC codes (revision 3), 2009–11

SITC code no.	Description	Millions of \$				% change, 2010–11
		2009	2010	2011	2010–11	
<b>Exports:</b>						
0	Food and live animals	246	374	304		-18.6
1	Beverages and tobacco	6	8	13		62.1
2	Crude materials, inedible, except fuels	464	697	1,185		70.0
3	Mineral fuels, lubricants and related materials	1,894	4,188	6,325		51.0
4	Animal and vegetable oils, fats and waxes	11	15	11		-28.8
5	Chemicals and related products, n.e.s.	5,422	7,342	9,274		26.3
6	Manufactured goods classified chiefly by material	1,181	1,704	1,766		3.6
7	Machinery and transport equipment	10,809	13,045	15,347		17.6
8	Miscellaneous manufactured articles	1,582	2,012	2,203		9.5
9	Commodities and transactions not classified elsewhere in the SITC	520	773	847		9.6
	<b>Total</b>	<b>22,135</b>	<b>30,157</b>	<b>37,275</b>		<b>23.6</b>
<b>Imports:</b>						
0	Food and live animals	1,984	2,432	3,563		46.5
1	Beverages and tobacco	323	324	295		-8.9
2	Crude materials, inedible, except fuels	1,269	1,942	2,045		5.3
3	Mineral fuels, lubricants and related materials	6,183	7,171	9,156		27.7
4	Animal and vegetable oils, fats and waxes	23	40	53		33.2
5	Chemicals and related products, n.e.s.	1,458	2,092	2,676		27.9
6	Manufactured goods classified chiefly by material	3,268	4,080	6,191		51.7
7	Machinery and transport equipment	3,242	3,462	4,342		25.4
8	Miscellaneous manufactured articles	930	907	812		-10.4
9	Commodities and transactions not classified elsewhere in the SITC	934	953	1,235		29.6
	<b>Total</b>	<b>19,612</b>	<b>23,402</b>	<b>30,368</b>		<b>29.8</b>

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

**TABLE A.44** Leading U.S. exports to Brazil, by Schedule B subheading, 2009–11

Schedule B subheading	Description	Millions of \$				% change, 2010–11
		2009	2010	2011	2010–11	
8800.00	Aircraft, spacecraft, and parts thereof	4,066	3,978	4,822	21.2	
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	692	1,892	2,440	29.0	
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	895	1,228	1,713	39.5	
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	54	406	1,268	212.3	
2207.20	Ethyl alcohol and other spirits, denatured, of any strength	3	37	739	1900.6	
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.	582	475	624	31.4	
3004.90	Certain medicaments put up in measured doses or in forms or packings for retail sale, n.e.s.o.i.	381	509	615	20.7	
3105.40	Ammonium dihydrogenorthophosphate (monoammonium phosphate), mixtures thereof with diammonium hydrogenorthophosphate (diammonium phosphate)	158	255	491	92.7	
2207.10	Ethyl alcohol, undenatured, of an alcoholic strength by volume of 80 percent or higher	0	9	411	4447.2	
2815.12	Sodium hydroxide (caustic soda), in aqueous solution (soda lye or liquid soda)	217	199	342	71.7	
5201.00	Cotton, not carded or combed	15	46	323	594.6	
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	215	272	300	10.0	
8431.49	Parts and attachments for derricks, cranes, self-propelled bulldozers, graders, and other grading, scraping machinery, n.e.s.o.i.	164	239	274	14.8	
2711.12	Propane, liquefied	51	225	269	19.8	
2713.11	Petroleum coke, not calcined	61	177	231	30.2	
2902.50	Styrene (vinylbenzene; phenylethylene)	108	196	222	13.0	
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	148	164	211	28.9	
8473.30	Parts and accessories for automated data processing machines and units	148	184	209	13.6	
2930.90	Organo-sulfur compounds, n.e.s.o.i.	188	198	206	4.2	
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	135	202	199	-1.3	
3907.20	Polyethers, other than polyacetals, in primary forms	107	140	192	36.8	
2713.12	Petroleum coke, calcined	104	112	189	68.6	
3906.90	Acrylic polymers, except for poly (methyl methacrylate), in primary forms	97	142	189	32.5	
3808.91	Insecticides	98	152	187	23.0	
3105.30	Diammonium hydrogenorthophosphate (diammonium phosphate)	35	60	181	202.2	
	Total of items shown	8,721	11,499	16,846	46.5	
	All other	13,414	18,658	20,428	9.5	
	Total of all commodities	22,135	30,157	37,275	23.6	

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.45** Leading U.S. imports from Brazil, by HTS subheading, 2009–11

HTS subheading	Description	2009	2010	2011	% change, 2010–11
		Millions of \$			
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	4,661	5,188	6,498	25.3
0901.11	Coffee, not roasted, not decaffeinated	727	1,064	1,865	75.3
7207.12	Semifinished iron/nonalloy steel products, under 0.25 percent carbon, rectangular/not square, width not less than twice thickness	114	312	1,702	446.1
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	817	952	1,319	38.6
7201.10	Nonalloy pig iron containing 0.5 percent or less phosphorus by weight, in primary forms	478	650	1,130	73.8
4703.29	Chemical woodpulp, soda, or sulfate, other than dissolving grades, semibleached or bleached, nonconiferous	508	912	911	-0.1
2207.10	Ethyl alcohol, undenatured, of an alcoholic strength by volume of 80 percent or higher	165	248	568	129.2
8409.99	Parts for use with compression-ignition internal combustion piston engines	190	331	472	42.7
6802.93	Worked monumental or building stone n.e.s.i., of granite	281	412	447	8.6
8802.30	Airplanes and aircraft, of an unladen weight over 2,000 kg but not over 15,000 kg	272	438	429	-2.1
2713.11	Petroleum coke, not calcined	268	371	395	6.4
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	393	206	365	76.8
2711.29	Petroleum gases and other gaseous hydrocarbons, other than natural gas, in a gaseous state	156	222	282	26.7
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars, including station wagons and racing cars	212	278	278	0.1
2401.20	Tobacco, partly or wholly stemmed/stripped	297	295	271	-8.2
1701.11	Cane sugar, raw, in solid form, not containing added flavoring or coloring matter	70	221	270	22.2
2711.14	Ethylene, propylene, butylene, and butadiene, liquefied	82	188	255	35.1
8429.20	Graders and levelers, self-propelled	74	141	249	75.9
2804.69	Silicon, containing by weight less than 99.99 percent of silicon	104	192	248	29.3
7202.93	Ferriobium	75	201	244	21.6
2902.43	Para-xylene	127	176	231	31.4
8483.10	Transmission shafts (including camshafts and crankshafts) and cranks	72	141	209	48.7
2902.20	Benzene	173	261	192	-26.4
7108.12	Nonmonetary gold (including gold plated with platinum), unwrought, excluding powder	98	154	178	15.5
8414.30	Compressors of a kind used in refrigerating equipment, including air conditioning	148	182	176	-3.1
	Total of items shown	10,559	13,737	19,186	39.7
	All other	9,053	9,665	11,182	15.7
	Total of all commodities	19,612	23,402	30,368	29.8

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.i." stands for "not elsewhere specified or included."

**TABLE A.46** U.S. merchandise trade with Taiwan, by SITC codes (revision 3), 2009–11

SITC code no.	Description	Millions of \$			% change, 2010–11
		2009	2010	2011	
<b>Exports:</b>					
0	Food and live animals	2,012	2,115	2,530	19.6
1	Beverages and tobacco	46	51	46	-10.1
2	Crude materials, inedible, except fuels	2,042	2,707	3,284	21.3
3	Mineral fuels, lubricants and related materials	113	138	117	-15.0
4	Animal and vegetable oils, fats and waxes	23	17	10	-40.5
5	Chemicals and related products, n.e.s.	2,791	4,091	4,648	13.6
6	Manufactured goods classified chiefly by material	859	1,122	1,334	18.9
7	Machinery and transport equipment	6,858	10,402	9,067	-12.8
8	Miscellaneous manufactured articles	1,612	2,501	2,235	-10.6
9	Commodities and transactions not classified elsewhere in the SITC	356	759	503	-33.8
	<b>Total</b>	<b>16,712</b>	<b>23,904</b>	<b>23,775</b>	<b>-0.5</b>
<b>Imports:</b>					
0	Food and live animals	272	279	331	18.8
1	Beverages and tobacco	9	15	18	21.7
2	Crude materials, inedible, except fuels	191	256	284	11.1
3	Mineral fuels, lubricants and related materials	153	150	158	5.2
4	Animal and vegetable oils, fats and waxes	10	13	14	8.4
5	Chemicals and related products, n.e.s.	954	1,308	1,497	14.5
6	Manufactured goods classified chiefly by material	3,803	5,155	6,079	17.9
7	Machinery and transport equipment	17,722	21,997	25,989	18.1
8	Miscellaneous manufactured articles	4,135	4,955	5,268	6.3
9	Commodities and transactions not classified elsewhere in the SITC	825	1,441	1,574	9.2
	<b>Total</b>	<b>28,074</b>	<b>35,568</b>	<b>41,213</b>	<b>15.9</b>

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

**TABLE A.47** Leading U.S. exports to Taiwan, by Schedule B subheading, 2009–11

Schedule B subheading	Description	Millions of \$				% change, 2010–11
		2009	2010	2011	2010–11	
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	1,160	2,492	1,371	-45.0	
8542.32	Electronic integrated circuits, memories	895	892	1,344	50.8	
7204.49	Ferrous waste and scrap, n.e.s.o.i.	431	715	1,339	87.3	
1005.90	Corn (maize), other than seed	727	613	807	31.6	
1201.00	Soybeans, whether or not broken	719	653	704	7.7	
8800.00	Aircraft, spacecraft, and parts thereof	575	1,056	600	-43.2	
8542.39	Electronic integrated circuits, n.e.s.o.i.	359	572	569	-0.6	
9031.41	Optical instruments for inspecting semiconductor wafers or devices, or photomasks or reticles used in manufacturing these items	281	526	443	-15.7	
8486.90	Parts and accessories of machines and apparatus used in the manufacture of semiconductor, flat panels, or electronic integrated circuits	263	578	422	-27.1	
8542.31	Electronic integrated circuits, processors or controllers	729	592	412	-30.4	
1001.90	Wheat and meslin, excluding durum wheat	241	231	398	72.6	
8475.90	Parts of machines for assembling electric/electronic lamps, tubes or flashbulbs, in glass envelopes, for manufacturing or hot working glass	223	223	393	75.8	
7204.21	Waste and scrap, of stainless steel	226	349	268	-23.4	
7106.10	Silver powder	112	180	264	46.5	
2902.44	Mixed xylene isomers	49	186	253	36.4	
2933.71	6-Hexanelactam (epsilon-caprolactam)	31	133	231	74.2	
3908.10	Polyamide-6,-1,-12,-6,-6,-9,-6,10 or -6,12 (nylon type), in primary forms	79	148	223	51.1	
3824.90	Other chemical products and preparations of the chemical and allied industries, n.e.s.o.i.	115	182	203	11.4	
2804.61	Silicon, containing by weight not less than 99.99 percent of silicon	109	181	197	8.8	
3207.30	Liquid lustrous and similar preparations	41	125	193	54.7	
5201.00	Cotton, not carded or combed	103	190	175	-7.6	
2844.20	Uranium and its compounds enriched in u235; plutonium and its compounds	91	164	163	-0.3	
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	175	194	161	-17.2	
8462.99	Machine tools (including presses) for working metal by forging, hammering, die-casting, bending, folding, flattening, working metal carbides, n.e.s.o.i.	83	131	155	18.4	
9001.90	Lenses, except contact and spectacle, prisms, mirrors and other optical elements, unmounted, other than of glass not optically worked	136	261	147	-43.7	
	Total of items shown	7,953	11,567	11,434	-1.1	
	All other	8,759	12,337	12,340	0.0	
	Total of all commodities	16,712	23,904	23,775	-0.5	

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.48** Leading U.S. imports from Taiwan, by HTS subheading, 2009–11

HTS subheading	Description	Millions of \$			% change, 2010–11
		2009	2010	2011	
8517.12	Telephones for cellular networks or for other wireless networks	2,179	4,246	6,609	55.7
8473.30	Parts and accessories for automated data processing machines and units	1,155	1,541	1,426	-7.4
8542.39	Electronic integrated circuits, n.e.s.o.i.	1,271	1,248	1,139	-8.8
8542.32	Electronic integrated circuits, memories	771	895	1,072	19.7
8526.91	Radio navigational aid apparatus	2,102	1,294	978	-24.4
8542.31	Electronic integrated circuits, processors or controllers	796	994	956	-3.8
8528.71	Reception apparatus for television, not designed to incorporate a screen or video display device	695	882	874	-0.9
8471.30	Portable digital automated data processing machines not exceeding 10 kg, with at least a CPU, keyboard and display	103	131	773	488.2
8523.51	Solid state nonvolatile semiconductor storage devices	282	480	579	20.6
7318.15	Threaded screws and bolts, of iron or steel, n.e.s.o.i., whether or not with their nuts or washers	299	417	513	23.1
8512.20	Electrical lighting or visual signaling equipment, for use on cycles or motor vehicles, except for use on bicycles	325	374	426	13.8
8712.00	Bicycles and other cycles (including delivery tricycles), not motorized	304	346	411	18.7
8525.80	Television cameras, digital cameras, and video camera recorders	166	300	401	33.7
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	333	351	399	13.6
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	266	414	391	-5.8
7318.14	Self-tapping screws of iron or steel	267	362	388	7.3
8517.70	Parts of telecommunications apparatus	181	290	365	25.6
8504.40	Static converters	239	301	355	17.9
8534.00	Printed circuits	247	329	353	7.3
8523.40	Optical media	433	361	322	-10.9
9506.91	Gymnasium, playground or other exercise articles and equipment; parts and accessories thereof	213	318	312	-1.9
7318.16	Nuts, threaded, of iron or steel	150	240	311	29.9
8481.80	Taps, cocks, valves and similar appliances, n.e.s.o.i.	216	270	302	12.0
8471.70	Automatic data processing storage units	114	168	269	60.0
8471.80	Other units of automated data processing machines	194	275	257	-6.4
	Total of items shown	13,300	16,829	20,183	19.9
	All other	14,775	18,740	21,031	12.2
	Total of all commodities	28,074	35,568	41,213	15.9

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.49** U.S. merchandise trade with India, by SITC codes (revision 3), 2009–11

SITC code no.	Description	2009	2010	2011	% change, 2010–11
		Millions of \$			
<b>Exports:</b>					
0	Food and live animals	403	475	554	16.6
1	Beverages and tobacco	3	5	5	10.6
2	Crude materials, inedible, except fuels	1,045	1,136	1,550	36.4
3	Mineral fuels, lubricants and related materials	959	1,093	1,848	69.1
4	Animal and vegetable oils, fats and waxes	123	154	10	-93.3
5	Chemicals and related products, n.e.s.	3,182	3,737	4,357	16.6
6	Manufactured goods classified chiefly by material	1,201	1,829	1,785	-2.4
7	Machinery and transport equipment	5,636	5,125	5,074	-1.0
8	Miscellaneous manufactured articles	1,117	1,296	1,344	3.7
9	Commodities and transactions not classified elsewhere in the SITC	961	1,544	1,141	-26.1
	<b>Total</b>	<b>14,629</b>	<b>16,394</b>	<b>17,670</b>	<b>7.8</b>
<b>Imports:</b>					
0	Food and live animals	917	1,186	1,720	45.1
1	Beverages and tobacco	37	31	33	7.5
2	Crude materials, inedible, except fuels	380	562	1,363	142.4
3	Mineral fuels, lubricants and related materials	435	2,324	3,130	34.7
4	Animal and vegetable oils, fats and waxes	57	97	133	37.0
5	Chemicals and related products, n.e.s.	3,647	4,954	6,215	25.4
6	Manufactured goods classified chiefly by material	7,300	10,465	12,342	17.9
7	Machinery and transport equipment	2,819	3,738	4,224	13.0
8	Miscellaneous manufactured articles	5,334	5,938	6,425	8.2
9	Commodities and transactions not classified elsewhere in the SITC	301	320	418	30.8
	<b>Total</b>	<b>21,228</b>	<b>29,614</b>	<b>36,003</b>	<b>21.6</b>

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

**TABLE A.50** Leading U.S. exports to India, by Schedule B subheading, 2009–11

Schedule B subheading	Description	2009	2010	2011	% change, 2010–11
		Millions of \$			
3105.30	Diammonium hydrogenorthophosphate (diammonium phosphate)	1,034	1,079	1,237	14.7
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	346	462	917	98.7
7108.12	Nonmonetary gold (including gold plated with platinum), unwrought, excluding powder	643	1,179	769	-34.8
8800.00	Aircraft, spacecraft, and parts thereof	2,139	1,156	620	-46.3
7102.39	Nonindustrial diamonds, n.e.s.o.i.	477	825	577	-30.0
2707.99	Oils and products of the distillation of high temperature coal tar, n.e.s.o.i.; similar products with predominate aromatic constituent	418	407	537	31.8
7204.49	Ferrous waste and scrap, n.e.s.o.i.	259	254	416	63.8
2809.20	Phosphoric acid and polyphosphoric acids	97	153	272	77.6
0802.11	Almonds, fresh or dried, in shell	139	196	256	30.8
8411.82	Gas turbines, except turbojets and turbopropellers, of a power not exceeding 5,000 kW	177	271	209	-22.7
4801.00	Newsprint, in rolls or sheets	20	135	186	38.3
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	199	188	178	-5.3
4707.10	Waste and scrap of unbleached kraft paper or paperboard or of corrugated paper or paperboard	95	126	150	18.7
3815.19	Supported catalysts, n.e.s.o.i.	107	109	145	32.5
2711.11	Natural gas, liquefied	0	23	135	494.0
8544.40	Photosensitive semiconductor devices, including photovoltaic cells; light-emitting diodes	56	53	125	135.8
3904.10	Polyvinyl chloride, not mixed with any other substances, in primary forms	96	122	113	-7.4
8430.49	Boring or sinking machinery, n.e.s.o.i., other than self-propelled	42	22	112	415.2
8409.99	Parts for use with compression-ignition internal combustion piston engines	68	99	112	13.9
8411.99	Gas turbine parts, n.e.s.o.i.	102	148	109	-26.1
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	80	106	109	2.3
2713.11	Petroleum coke, not calcined	64	38	107	178.2
8431.49	Parts and attachments for derricks, cranes, self-propelled bulldozers, graders, and other grading, scraping machinery, n.e.s.o.i.	48	31	103	230.4
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	86	94	94	-0.7
5201.00	Cotton, not carded or combed	104	69	93	35.1
	Total of items shown	6,897	7,345	7,683	4.6
	All other	7,732	9,049	9,987	10.4
	Total of all commodities	14,629	16,394	17,670	7.8

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.51** Leading U.S. imports from India, by HTS subheading, 2009–11

HTS subheading	Description	Millions of \$				% change, 2010–11
		2009	2010	2011	2010–11	
7102.39	Nonindustrial diamonds, n.e.s.o.i.	3,084	5,166	6,263	21.2	
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	303	2,102	2,694	28.2	
3004.90	Certain medicaments put up in measured doses or in forms or packings for retail sale, n.e.s.o.i.	1,202	1,840	2,465	34.0	
7113.19	Articles of jewelry and parts thereof, of precious metal (excluding silver)	1,077	1,138	1,127	-0.9	
1302.32	Mucilages and thickeners, whether or not modified, derived from locust beans, locust bean seeds or guar seeds	92	221	914	313.8	
6302.31	Bed linen, other than printed, of cotton, not knitted or crocheted	392	584	635	8.8	
6302.60	Toilet and kitchen linen, of terry toweling or similar terry fabrics, of cotton	389	465	532	14.4	
0306.13	Shrimps and prawns, including in shell, cooked by steaming or by boiling in water, frozen	141	285	489	71.4	
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	108	202	425	110.0	
6110.20	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of cotton	332	395	399	0.9	
3004.20	Lead oxides, n.e.s.o.i.	234	256	361	41.3	
7113.11	Jewelry and parts thereof, of silver, whether or not plated or clad with other precious metal	215	291	343	17.7	
0801.32	Cashew nuts, fresh or dried, shelled	169	184	307	66.6	
8528.71	Reception apparatus for television, not designed to incorporate a screen or video display device	240	327	282	-13.7	
6205.20	Men's or boys' shirts of cotton, not knitted or crocheted	174	207	250	20.6	
6206.30	Women's or girls' blouses, shirts and shirt-blouses, of cotton, not knitted or crocheted	261	313	241	-22.9	
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	126	203	237	16.8	
6109.10	T-shirts, singlets, tank tops, and similar garments, of cotton, knitted or crocheted	163	202	233	15.8	
6105.10	Men's or boys' shirts, of cotton, knitted or crocheted	199	210	214	1.9	
2933.99	Heterocyclic compounds with nitrogen hetero-atom(s) only, n.e.s.o.i.	51	67	213	215.5	
8701.90	Tractors, n.e.s.o.i.	106	180	199	10.1	
7304.29	Casing and tubing, of circular cross section, of a kind used in drilling for oil or gas, of iron (except cast iron) or steel	35	130	192	48.0	
6204.42	Women's or girls' dresses of cotton, not knitted or crocheted	153	176	175	-0.9	
8409.99	Parts for use with compression-ignition internal combustion piston engines	96	114	173	52.0	
8481.90	Parts of taps, cocks, valves, and similar items for pipes, vats or the like, including pressure reducing, thermostatically controlled valves	96	115	170	48.2	
	Total of items shown	9,437	15,373	19,533	27.1	
	All other	11,790	14,241	16,471	15.7	
	Total of all commodities	21,228	29,614	36,003	21.6	

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.52** U.S. merchandise trade with Russia, by SITC codes (revision 3), 2009–11

SITC code no.	Description	Millions of \$				% change, 2010–11
		2009	2010	2011	2010–11	
<b>Exports:</b>						
0	Food and live animals	1,307	1,067	1,164	9.1	9.1
1	Beverages and tobacco	54	52	53	1.1	1.1
2	Crude materials, inedible, except fuels	166	186	176	-5.1	-5.1
3	Mineral fuels, lubricants and related materials	31	47	45	-4.2	-4.2
4	Animal and vegetable oils, fats and waxes	1	1	1	-22.7	-22.7
5	Chemicals and related products, n.e.s.	560	911	951	4.4	4.4
6	Manufactured goods classified chiefly by material	258	302	383	27.0	27.0
7	Machinery and transport equipment	2,448	2,647	4,276	61.6	61.6
8	Miscellaneous manufactured articles	321	414	560	35.2	35.2
9	Commodities and transactions not classified elsewhere in the SITC	16	29	27	-6.1	-6.1
	<b>Total</b>	<b>5,160</b>	<b>5,657</b>	<b>7,637</b>		<b>35.0</b>
<b>Imports:</b>						
0	Food and live animals	307	285	282	-0.8	-0.8
1	Beverages and tobacco	146	142	90	-36.7	-36.7
2	Crude materials, inedible, except fuels	119	270	244	-9.7	-9.7
3	Mineral fuels, lubricants and related materials	11,947	17,319	23,869	37.8	37.8
4	Animal and vegetable oils, fats and waxes	( <sup>a</sup> )	( <sup>a</sup> )	( <sup>a</sup> )	-25.9	-25.9
5	Chemicals and related products, n.e.s.	1,650	2,563	3,139	22.4	22.4
6	Manufactured goods classified chiefly by material	2,654	3,945	5,098	29.2	29.2
7	Machinery and transport equipment	216	282	350	24.0	24.0
8	Miscellaneous manufactured articles	301	353	503	42.4	42.4
9	Commodities and transactions not classified elsewhere in the SITC	80	39	34	-12.1	-12.1
	<b>Total</b>	<b>17,420</b>	<b>25,199</b>	<b>33,610</b>		<b>33.4</b>

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

<sup>a</sup>U.S. value less than \$500,000.

**TABLE A.53** Leading U.S. exports to Russia, by Schedule B subheading, 2009–11

Schedule B subheading	Description	2009	2010	2011	% change, 2010–11
		Millions of \$			
8800.00	Aircraft, spacecraft, and parts thereof	418	243	674	177.1
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.	251	206	316	53.2
0207.14	Chicken cuts and edible offal, including livers, frozen	744	315	243	-22.9
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	10	78	231	198.4
3904.10	Polyvinyl chloride, not mixed with any other substances, in primary forms	27	154	215	39.8
0202.30	Meat of bovine animals, boneless, frozen	13	92	183	99.7
0203.29	Meat of swine, n.e.s.o.i., frozen	134	95	130	37.1
8411.82	Gas turbines, except turbojets and turbopropellers, of a power not exceeding 5,000 kW	77	70	118	68.1
8701.30	Track-laying tractors	9	56	113	101.6
8430.41	Boring or sinking machinery, self-propelled, n.e.s.o.i.	17	49	113	127.6
8704.10	Dumpers (dump trucks) designed for off-highway use	36	83	100	20.9
8429.52	Self-propelled mechanical shovels and excavators, with a 360-degree revolving superstructure	4	21	87	309.8
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	24	39	81	108.4
0802.12	Almonds, fresh or dried, shelled	35	55	74	34.9
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	5	12	72	516.4
0102.10	Bovine animals, live, purebred breeding	3	9	71	708.0
8479.89	Machines and mechanical appliances having individual functions, n.e.s.o.i.	54	58	70	21.8
8431.49	Parts and attachments for derricks, cranes, self-propelled bulldozers, graders, and other grading, scraping machinery, n.e.s.o.i.	102	49	66	34.9
0203.22	Meat of swine, specifically hams, shoulders and cuts thereof, with bone in, frozen	28	51	59	13.8
5502.00	Artificial filament tow	53	67	56	-17.2
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	28	38	54	43.9
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	1	9	53	504.7
3002.10	Antisera and other blood fractions, and modified immunological products	13	52	52	-0.8
3912.11	Cellulose acetates, nonplasticized, in primary forms	54	54	52	-4.8
8701.90	Tractors, n.e.s.o.i.	41	25	51	102.2
	Total of items shown	2,182	1,980	3,335	68.4
	All other	2,978	3,676	4,302	17.0
	Total of all commodities	5,160	5,657	7,637	35.0

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

**TABLE A.54** Leading U.S. imports from Russia, by HTS subheading, 2009–11

HTS subheading	Description	2009	2010	2011	% change, 2010–11
		Millions of \$			
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	7,714	10,376	16,880	62.7
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	2,065	4,062	3,514	-13.5
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	965	1,286	1,401	9.0
2844.20	Uranium and its compounds enriched in u235; plutonium and its compounds	856	1,049	950	-9.5
7110.21	Palladium, unwrought or in powder form	200	241	765	217.3
7201.10	Nonalloy pig iron containing 0.5 percent or less phosphorus by weight, in primary forms	275	447	596	33.3
2713.11	Petroleum coke, not calcined	407	405	560	38.5
3104.20	Medicaments, for therapeutic or prophylactic uses, in measured doses, containing antibiotics other than penicillins	104	358	555	55.1
7207.12	Semifinished iron/nonalloy steel products, under 0.25 percent carbon, rectangular/not square, width not less than twice thickness	187	480	525	9.4
2711.29	Petroleum gases and other gaseous hydrocarbons, other than natural gas, in a gaseous state	375	383	518	35.4
7502.10	Nickel, not alloyed, unwrought	294	685	510	-25.6
2814.10	Anhydrous ammonia	111	99	296	198.3
7601.20	Unwrought aluminum alloys	130	199	292	47.2
7601.10	Aluminum, not alloyed, unwrought	421	250	279	11.3
7408.11	Wire of refined copper, with a maximum cross sectional dimension over 6 millimeters	60	0	244	( <sup>a</sup> )
3105.40	Ammonium dihydrogenorthophosphate (monoammonium phosphate), mixtures thereof with diammonium hydrogenorthophosphate (diammonium phosphate)	3	54	230	330.6
2901.21	Ethylene	40	237	215	-9.5
0306.14	Crabs, including in shell, cooked by steaming or by boiling in water, frozen	264	216	207	-4.1
2713.12	Petroleum coke, calcined	8	30	201	565.3
2711.13	Butanes, liquefied	56	82	201	143.8
7115.90	Articles n.e.s.o.i., of precious metal or of metal clad with precious metal	72	147	180	22.1
3102.80	Mixtures or urea and ammonium nitrate in aqueous or ammoniacal solution	96	140	180	28.3
8108.90	Titanium and articles thereof, other than unwrought or in powder form or waste and scrap	171	211	146	-30.8
7202.21	Ferrosilicon, containing by weight more than 55 percent silicon	45	159	134	-15.3
2711.12	Propane, liquefied	92	84	134	59.2
	Total of items shown	15,010	21,679	29,714	37.1
	All other	2,410	3,520	3,896	10.7
	Total of all commodities	17,420	25,199	33,610	33.4

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

<sup>a</sup>Not applicable.