

EXECUTIVE OFFICE OF THE PRESIDENT
**OFFICE OF THE UNITED STATES
TRADE REPRESENTATIVE**

OFFICE OF PUBLIC & MEDIA AFFAIRS

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00 -58

For Immediate Release Contact: Brendan Daly

August 2, 2000 Amy Stilwell

Todd Glass

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WTO Panel Finds That Korea Maintains

WTO-Inconsistent Restrictions on U.S. Beef Imports

United States Trade Representative Charlene Barshefsky applauded a July 31 World Trade Organization (WTO) panel report which concluded that Korea's import regime for beef discriminates against imports from the United States and other foreign suppliers. The panel also found that the excessive amount of subsidies that Korea provides to its cattle industry violates its reduction commitments on domestic support.

"This ruling will greatly enhance market access for U.S. beef later this year as Korea's beef quota is scheduled to expire on December 31, 2000," stated Ambassador Barshefsky. "The elimination of restrictions on both the importation and distribution of imported beef should afford U.S. exporters a significant opportunity to build on past successes. Korea is currently the third most important export market for U.S. cattle ranchers."

Background

The United States requested WTO dispute settlement consultations with Korea in February 1999 and requested the formation of a panel in April 1999. A panel was established in July 1999, after Australia also commenced WTO dispute settlement procedures regarding Korea's beef import regime.

The panel found that Korea's requirement that imported beef be sold in separate retail stores and the imposition of other requirements only on imported beef are inconsistent with Korea's obligations under GATT Article III:4 because they result in less favorable treatment for imported beef than is accorded to Korean beef. In practice, Korea's requirement that imported beef be sold in separate stores has excluded imported beef from approximately 90 percent of the 50,000 retail beef outlets in Korea. In addition, Korea restricts the distribution and sale of imported beef by confining import authority to a small number of governmental and commercial entities, thus, effectively controlling both wholesale and retail channels of distribution, as well as the volume and price of imported beef.

The panel also concluded that Korea provided domestic subsidies to its cattle industry at levels that resulted in Korea's total support for agriculture being higher than permitted by its commitments under the WTO *Agreement on Agriculture*. The significant increases in domestic subsidies for Korea's cattle producers in both 1997 and 1998 resulted in Korean beef production at levels which would otherwise have been uneconomical, contributing to reduced opportunities for U.S. beef.

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FOR IMMEDIATE RELEASE
AUGUST 2, 2000

00 -58
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**WTO Panel Finds That Korea Maintains
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00-59

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August 28, 2000 Amy Stilwell

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WTO Appellate Body Upholds Panel Ruling Against U.S. Revenue Act of 1916

The Appellate Body of the World Trade Organization has upheld a dispute settlement panel finding that the U.S. Revenue Act of 1916 is inconsistent with WTO antidumping rules.

"We believe the panel and Appellate Body should not have assessed the 1916 Act under WTO antidumping rules, because it is more akin to an antitrust law than an antidumping law," said United States Trade Representative Charlene Barshefsky. She said the U.S. will examine the Appellate Body report to determine appropriate next steps.

The Appellate Body upheld the panel's findings that WTO antidumping rules are applicable to the 1916 Act and that the 1916 Act is inconsistent with these rules because the civil and criminal penalties provided for in the 1916 Act go beyond the responses which those rules authorize.

Background

Title VIII of the Revenue Act of 1916, under the heading of "Unfair Competition," permits private lawsuits for treble damages and criminal penalties against importers of products sold at below market value. In addition to showing the requisite low-priced imports, a successful 1916 Act claim must prove a specific intent to injure a U.S. industry. This provision is commonly referred to as the Antidumping Act of 1916, but despite its popular name, the 1916 Act is not the antidumping law under which the Import Administration of the Department of Commerce applies antidumping duties. Instead, it addresses anticompetitive practices and is more akin to an antitrust statute than an antidumping statute.

In separate cases initiated by the European Commission and Japan, a WTO dispute settlement panel found earlier this year that the 1916 Act is inconsistent with WTO rules because the specific intent requirement does not satisfy the material injury test required by the WTO Antidumping Agreement, and because the civil and criminal penalties provided in the 1916 Act go well beyond the antidumping measures (the imposition of duties on imports sold at less than fair value) provided for in the Antidumping Agreement. The antidumping law enforced by the Commerce Department (codified in the Tariff Act of 1930, as amended) provides for the imposition of such duties if the U.S. International Trade Commission determines that a U.S. industry is materially injured by reason of such imports. That law remains unaffected by the WTO rulings.

The Appellate Body affirmed the panel's findings that the panel had jurisdiction to consider the matter, that the Antidumping Agreement and GATT 1994 Article VI apply to the 1916 Act, and that the Act is inconsistent with these WTO rules because the civil and criminal penalties provided for in the 1916 Act go beyond the responses which those rules authorize.

The Appellate Body report is available on the WTO website at <http://www.wto.org>.

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FOR IMMEDIATE RELEASE
AUGUST 28, 2000

00-59
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**FOR IMMEDIATE RELEASE
SEPTEMBER 5, 2000**

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USTR Unveils Redesigned Web Site

In an effort to help users find information faster and more easily, the Office of the United States Trade Representative has redesigned its Web site and substantially improved the content.

"This is a first step, and we hope to continue to enhance the Web site over the coming months," said United States Trade Representative Charlene Barshefsky. "Please check back often for new information."

The new site, which has the same address, www.ustr.gov, is organized according to USTR's general areas of responsibility. Specific improvements to the site include:

- A fully-indexed local search engine.
- A detailed site map that includes links to common trade topics.
- Organization (and cross referencing) of information by region and sector.
- Links to other federal agencies and international organizations with cross-jurisdiction over certain issues.

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**FOR IMMEDIATE RELEASE
SEPTEMBER 15, 2000**

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United States and India Reach Agreement on Textile Tariff Bindings

During the state visit to Washington of Indian Prime Minister Vajpayee, the United States and India today announced an agreement on textile and apparel tariff binding commitments.

"This agreement paves the way for U.S. producers of textile and apparel products to expand shipments to India, one of the world's largest markets with significant promise for competitive U.S. producers and exporters," said United States Trade Representative Charlene Barshefsky.

For the first time, this agreement establishes legally binding tariff ceilings on a wide range of textile and apparel items of importance to U.S. industry. This will provide new opportunities for U.S. exporters in this large, untapped market. Such products include textured yarns of nylon and polyester, filament fabrics, sportswear and home textiles.

The reciprocal opening of overseas markets was a key condition to the agreement by the United States to gradually eliminate the textile and apparel quota regime under the WTO Agreement on Textiles and Clothing. In 1994, the United States and India reached agreement on reciprocal market access commitments for textiles and apparel, in anticipation of the World Trade Organization (WTO) Agreement on Textiles and Clothing. Under this agreement, India committed to bind its textile and apparel tariffs at levels that would ensure that U.S. producers could achieve access to India's market. A tariff binding is a commitment to a ceiling rate beyond which tariffs, or import duties or taxes, cannot be raised under WTO rules.

This agreement fulfills one of several of India's market opening commitments made under the 1994 agreement. The agreement was negotiated by Ambassador Susan G. Esserman, Deputy United States Trade Representative, and the Honorable Mr. Anil Kumar, Secretary, Ministry of Textiles, Government of India.

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**FOR IMMEDIATE RELEASE
SEPTEMBER 18, 2000**

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**UNITED STATES WINS WTO CASE CHALLENGING
CANADA'S 17-YEAR PATENT TERM**

United States Trade Representative Charlene Barshefsky today announced that the World Trade Organization ("WTO") Appellate Body upheld an earlier ruling against Canada by a dispute settlement panel. The Appellate Body and the panel agreed with the United States that Canada has not met its obligation under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights ("TRIPS Agreement") to provide to all patents in existence in Canada since January 1, 1996, a term of protection of at least twenty years from the date of filing the patent application.

"The merits of this dispute have long been clear: Canada must provide 20 years of patent protection, as required by the TRIPS Agreement," said Ambassador Barshefsky. "We expect Canada to comply promptly and fully with this ruling."

Background

On May 6, 1999, the United States initiated a WTO dispute settlement case against Canada for its failure to amend its patent law to comply with the TRIPS Agreement, which requires that Canada provide a patent term of at least twenty years from the date that a patent application is filed for all patents existing on January 1, 1996. The Canadian Patent Act, however, provides that the term of patents based on applications filed before October 1, 1989, is seventeen years from the date that the patent is issued. On September 22, 1999, the WTO established a panel to review this issue. The final panel report was released on May 5, 2000. Canada filed an appeal with the WTO Appellate Body on June 19, 2000.

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**FOR IMMEDIATE RELEASE
SEPTEMBER 19, 2000**

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USTR Barshefsky Praises Senate Passage of PNTR for China

United States Trade Representative Charlene Barshefsky today issued the following statement regarding the Senate's 83-15 vote to approve Permanent Normal Trade Relations (PNTR) for China:

"Today's vote will stand as an historic landmark in U.S.-China relations and marks the most significant step forward since the opening of China in 1972. When it enters the WTO, China will more fully join the community of nations governed by the rule of law. Granting PNTR for China not only provides tremendous economic opportunities for U.S. workers, farmers and businesses, it is also the best way to promote reform in China and stability in the region.

"China's WTO accession agreement is the capstone of the nearly 300 trade agreements negotiated by the Clinton Administration. It embodies the President's use of trade policy, coupled with broader economic and foreign policies, as a means to promote prosperity at home and peace abroad."

Barshefsky thanked Senators Lott, Daschle, Moynihan, Roth, Baucus and Grassley for their leadership and assistance in passing PNTR for China.

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FOR IMMEDIATE RELEASE
SEPTEMBER 21, 2000

00 -64
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**USTR ANNOUNCES ALLOCATION OF THE RAW CANE SUGAR, REFINED SUGAR,
AND SUGAR CONTAINING PRODUCTS TARIFF-RATE QUOTAS FOR 2000/2001**

United States Trade Representative Charlene Barshefsky today announced the country-by-country allocations of the raw cane sugar, refined sugar, and sugar-containing products tariff rate quotas for Fiscal Year (FY) 2001.

A tariff-rate quota quantity for raw cane sugar of 1,117,195 metric tons raw value, the minimum level to which the United States is committed under the Uruguay Round Agreement, is being allocated to the following countries:

<u>Country</u>	<u>FY2001 Allocation</u>
Argentina	45,283
Australia	87,408
Barbados	7,372
Belize	11,584
Bolivia	8,425
Brazil	152,700
Colombia	25,274
Congo	7,258
Cote d'Ivoire	7,258
Costa Rica	15,797
Dominican Republic	185,346
Ecuador	11,584
El Salvador	27,381
Fiji	9,478
Gabon	7,258
Guatemala	50,549

Guyana	12,637
Haiti	7,258
Honduras	10,531
India	8,425
Jamaica	11,584
Madagascar	7,258
Malawi	10,531
Mauritius	12,637
Mexico	7,258
Mozambique	13,690
Nicaragua	22,115
Panama	30,540
Papua New Guinea	7,258
Paraguay	7,258
Peru	43,177
Philippines	142,169
South Africa	24,221
St. Kitts & Nevis	7,258
Swaziland	16,850
Taiwan	12,637
Thailand	14,743
Trinidad-Tobago	7,372
Uruguay	7,258
<u>Zimbabwe</u>	<u>12,637</u>
Total	1,117,195

These allocations are based on the countries' historical trade to the United States. The allocations of the raw sugar tariff-rate quota to countries that are net importers of sugar are conditioned on receipt of the appropriate verifications.

A tariff-rate quota quantity for refined sugar of 10,300 metric tons raw value (11,354 short tons raw value) is allocated to Canada as a result of an agreement reached with that country. In addition, 2,954 metric tons raw value (3,256 short tons raw value) of refined sugar will be allocated to Mexico. The remainder of the refined sugar tariff-rate quota quantity of 38,000 metric tons raw value will be available on a first-come, first-served basis, including the 17,656 metric tons raw value (19,462 short tons raw value) reserved for specialty sugars.

A tariff-rate quota quantity of sugar-containing products of 59,250 metric tons (65,312 short tons) of the tariff-rate quota for certain sugar-containing products maintained under "Additional U.S. Note 8 to chapter 17 to the Harmonized Tariff Schedule of the United States" is allocated to Canada as a result of an agreement with Canada. The remainder of the sugar-containing products tariff-rate quota will be available for other countries. Conversion factor: 1 metric ton = 1.10231125 short tons.

USTR is allocating an additional quantity of 105,788 metric tons raw value (116,611 short tons raw value), the quantity which the United States committed to provide to Mexico under the North American

Free Trade Agreement (NAFTA), to Mexico.

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**FOR IMMEDIATE RELEASE
SEPTEMBER 30, 2000**

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U.S.- E.U. REACH AGREEMENT ON FSC PROCEDURES

The United States and the European Union today reached an agreement regarding procedures for reviewing whether the Foreign Sales Corporation (FSC) repeal and replacement legislation, currently pending in Congress, is WTO consistent. In conjunction with the agreement, the U.S. requested an extension of the compliance period from October 1 to November 1 to allow Congress to complete passage of legislation to comply with the original WTO ruling.

"The U.S. and EU today demonstrated a commitment to avoid escalating trans-Atlantic trade tensions and managing this WTO trade dispute responsibly, while fully protecting each parties' legal rights. The U.S. efforts to enact FSC replacement legislation represents a serious effort and demonstrates our strong and continued commitment to complying with our WTO obligations," said United States Trade Representative Charlene Barshefsky.

"We cannot emphasize strongly enough how critical it is that Congress complete action on the FSC repeal and replacement legislation as expeditiously as possible. Enactment of this legislation is in our national interest. It is the only way to meet our obligations in the WTO and avoid an unprecedented and immediate confrontation with the European Union," said Treasury Deputy Secretary Stuart Eizenstat.

Terms of the Agreement

The agreement signed today sets out procedural steps that will be taken after passage of the FSC replacement legislation. The procedures agreed to today are similar to those used in the Canada-Australia salmon dispute. The essential feature of the agreement provides for sequencing of WTO procedures as follows: 1) a panel will determine the WTO-consistency of FSC replacement legislation (the parties retain the right to appeal); 2) only after the appeal process is exhausted would an arbitration over the appropriate level of sanctions be conducted if the replacement legislation was found WTO-inconsistent. With few exceptions, the time frames set forth in the Dispute Settlement Understanding (DSU) for such adjudications are reflected in this agreement.