



Office of the U.S. Trade Representative

Office of Monitoring and Enforcement

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RECENT EVENTS

U.S. Appeals COOL Report

In late March, the United States appealed the WTO Panel report in the Country of Origin Labeling (COOL) dispute brought by Canada and Mexico. The U.S. was pleased that the Panel report confirmed the United States' right under WTO rules to adopt requirements to help consumers make informed decisions about the food products they buy. However, the U. S. was disappointed that the Panel disagreed with the way the United States designed its COOL requirements with regard to beef and pork. In particular, the U.S. appeal questions two of the Panel's primary findings: first, that the U.S. COOL requirements accord less favorable treatment to Canadian and

May Enforcement Update: U.S. holds WTO Consultations in Disputes Against Chinese and Indian Measures

Last week, the United States, along with co-complainants the European Union and Japan, met with China, following the United States' March request for WTO consultations regarding China's export restraints on rare earths, tungsten and molybdenum. The export restraints include duties, quotas, export pricing requirements, and export procedures. The restraints harm U.S. companies that use these materials to produce advanced electronics, automobiles, steel and chemicals. Given that China is the world's leading producer of these materials, export restraints artificially increase the cost of rare earths, tungsten, and molybdenum outside of China. As a result, their price decreases inside China, which has unofficially increased downstream investment already. In turn, the export restraints make Chinese-produced goods that use these imports comparatively cheaper.

Also in April, the United States held consultations with India regarding an Indian measure that imposes import prohibitions on various agricultural products when a country reports outbreaks of low pathogenic avian influenza ("LPAI"). India's measure appears inconsistent with the WTO Agreement on the Application of Sanitary and Phytosanitary Measures, which requires sanitary and phytosanitary measures to meet established international standards, or otherwise be science-based and supported by a valid risk assessment. There appears to be no basis in science or relevant international standards for the imposition of import bans on relevant products when a country reports outbreaks of LPAI.

Following the end of the 60-day consultation periods this month, the United States can decide whether to request that a WTO Dispute Settlement Panel hear these disputes.

Mexican livestock than U.S. livestock with respect to muscle cuts of meat; and second, that the U.S. COOL requirements are more trade restrictive than necessary to fulfill their legitimate objective.

The WTO Appellate Body will hear the appeal in early May.

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