



Office of the U.S. Trade Representative

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RECENT EVENTS

United States challenges China's trade policies in two panel meetings:

In December, the United States participated in WTO panel hearings in two cases challenging Chinese trade measures. First, the United States argued that the antidumping and countervailing duties imposed on U.S. exports of grain-oriented electrical steel are WTO inconsistent. In particular, the U.S. identified substantive and procedural defects in China's investigation, including inadequate disclosure of facts, calculations and legal conclusions. Later in the month, the United States argued before a different WTO panel that China's measures governing payment card transactions violate WTO rules. In particular, the United States explained that China discriminates against foreign suppliers

January Enforcement Update: The World Trade Organization (WTO) Appellate Body affirms U.S. win in Philippines Distilled Spirits Dispute

December 21 marked a U.S. victory when the WTO Appellate Body affirmed the panel report issued this past August. The Appellate Body agreed with the panel that Philippine excise taxes on imported distilled spirits -- such as whiskey, gin, vodka and brandy -- are inconsistent with the Philippines' WTO commitments. The Philippines imposes different tax rates on distilled spirits depending on the material from which the spirit is distilled. The tax rates on distilled spirits made from materials that are typically produced in the Philippines are generally low. In contrast, the tax rates for competing imported spirits are ten to forty times higher than tax rates for domestically produced spirits, resulting in a discriminatory effect. To comply with its WTO obligations, the Philippines will need to change its tax measures and eliminate the discrimination against imported distilled spirits.

This is an important success for the U.S. industry, which numbered 1.2 million jobs in 2007 and averaged exports of more than \$1 billion a year between 2006 and 2010. The Philippines has a robust market for distilled spirits, of more than \$3 billion annually. A fair tax regime in the Philippines would create important opportunities for U.S. exporters.

of electronic payment services by adopting measures that establish a monopoly for China's domestic champion.

As both cases proceed, the United States will offer answers and comments on questions posed by the panels.

United States challenges EU non-compliance with WTO Airbus Ruling:

The EU claims to have complied fully with the WTO ruling against its subsidization of Airbus airplanes. However, the EU's own notification appears to reveal a number of ways in which the EU has failed to live up to its WTO obligations. Among the most prominent is the continuation of subsidies to the A380 and the absence of action to change its financing practices in the future. The United States has requested consultations with the EU to address these concerns. Those consultations are scheduled to take place on January 13, 2012.

January 2011

1	2	3	4 Clove Cigarettes- Appeal Deadline	5	6	7
8	9	10	11 China EPS- File and receive answers to panel questions	12	13 EU Airbus- Consultations China GOES- File and receive comments on answers to panel questions	14
15	16	17	18 China EPS- File and receive comments on answers to panel questions	19	20 DSB Meeting	21
22	23	24	25	26	27	28
29	30	31 China Export Restraints- Appellate Body report scheduled to be circulated				

Legend	Consultations	Panel	Appellate Body	Implementation	Other
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Note: the calendar above is a projection of expected events and is subject to change.