



Office of the U.S. Trade Representative

*Office of Monitoring and Enforcement
Executive Office of the President*

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RECENT EVENTS

Guatemala Labor

Meeting - United States Trade Representative Ron Kirk requested a meeting of the Free Trade Commission under the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) regarding the Government of Guatemala's apparent failure to effectively enforce its labor laws. This is the first labor case ever brought by the United States under a trade agreement.

Philippine Spirits case

progresses - The United States received the confidential interim report and filed comments in the WTO dispute, Philippines - Taxes on Distilled Spirits. The United States challenged discriminatory taxes the Philippines applies to imported distilled spirits, including U.S. products like Tennessee and Bourbon whiskey. The United States requested consultations with the Philippines in 2010, and a WTO Panel met to consider the U.S. claims in 2010 and 2011.

EC-Fasteners Appellate

Body Hearing - The United States participated as a third party in this dispute concerning the EU's antidumping investigation of certain iron or steel fasteners from China. The United States' oral statement and responses to Appellate Body

June Enforcement Update: U.S. Monitors Removal of WTO-inconsistent Subsidies to Airbus

Earlier this month the World Trade Organization Dispute Resolution Body adopted an Appellate Body report that found that Airbus, the European manufacturer of airliners, received more than \$18 billion of WTO-inconsistent subsidies from certain European Union (EU) member states. With the adoption of the report, EU, France, Germany, Spain and the United Kingdom have six months to withdraw these subsidies or remove their adverse effects. The United States will be looking carefully at EU efforts to comply with two obligations with regard to old subsidies and any new subsidies that might affect Airbus' newest aircraft, the A350.

Compliance with the WTO decision will be an important step for American workers. The report found that the subsidies over the last 40 years caused adverse effects to Boeing, Airbus' main competitor, and the interests of the United States and resulting in lost sales and market share. Boeing is the United States' single largest exporter and has more than 157,000 employees. Its revenue from the sale of commercial aircraft alone amounted to \$34 billion in 2009. Removing the subsidies will allow Boeing to compete fairly with Airbus, benefiting American workers.

U.S. Trade Representative Ron Kirk has said that the United States is ready for negotiations with the EU regarding these issues, provided the EU and its member states are willing to address all WTO-inconsistent subsidies.

questions during the hearing addressed several significant issues in the Panel Report, including an investigating authority's treatment of exporters or producers in antidumping investigations involving non-market economies.

