



Office of the U.S. Trade Representative

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RECENT EVENTS

United States files cross appeal and appellee submissions in China export restraints case -

The United States has upcoming WTO hearings in two offensive cases this month aimed at ensuring America's workers and companies have fair access to foreign markets. The Philippines Distilled Spirits case comes before the Appellate Body as the Philippines contests the U.S. win in a WTO panel report earlier this year. That report found that the Philippines levied discriminatory taxes on imported distilled spirits, such as American bourbon and gin. A case challenging Chinese discrimination against U.S. suppliers of electronic payment services holds its first panel hearing on whether China's measures, including providing China Union Pay, a domestic entity, a monopoly on certain transactions, violate WTO rules.

Hearings in WTO Cases -

The United States filed its response to China's appeal in this important case. China's appeal seeks the WTO Appellate Body's review of a dispute settlement panel's

October Enforcement Update: U.S. Defends Strong Win on Aircraft Subsidies in Appellate Body Oral Hearing

This month, the United States argued before the World Trade Organization (WTO) Appellate Body against the European Union's (EU) challenge to alleged U.S. subsidies to The Boeing Company. The EU has contended that the alleged subsidies are inconsistent with WTO rules. Earlier this year, however, a WTO panel rejected most of the EU's claims that the U.S. gave Boeing subsidies. The EU appealed the decision; meanwhile, the U.S. has requested that the Appellate Body reverse findings against the United States on all of the measures that the panel found inconsistent with U.S. WTO obligations.

The U.S. appeal shows that the U.S. government was purchasing research services that advanced U.S. government objectives of improving air transport safety, reducing the environmental impact of air travel, and developing technology for military aircraft. Under WTO rules, such transactions are not subsidies. The challenged Washington state tax adjustment did not confer any subsidy, as it merely lowered the tax applicable to aircraft manufacture closer to the rate applicable to other sectors of the economy.

Even aside from the fact that these are not subsidies, they would be WTO-inconsistent only if they have "adverse effects" on the trade of another WTO Member. The United States appeal shows that the alleged subsidies were not the cause of problems experienced by the EU aircraft manufacturer, Airbus.

Meanwhile, the United States continues to press the EU to remedy the \$18 billion of subsidies to Airbus that were deemed WTO-inconsistent by the WTO earlier this

findings that China's various export restraints are inconsistent with WTO obligations. The United States also filed a limited cross appeal on a procedural issue and an issue related to China's administration of its export quotas.

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