

United States International Trade Commission

THE YEAR IN TRADE 2006

Operation of the Trade
Agreements Program

58TH REPORT

USITC Publication 3927
July 2007



U.S. International Trade Commission

COMMISSIONERS

Daniel R. Pearson, Chairman
Shara L. Aranoff, Vice Chairman
Deanna Tanner Okun
Charlotte R. Lane
Irving A. Williamson
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Secretary to the Commission
United States International Trade Commission
Washington, DC 20436**

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The Year in Trade 2006 Operation of the Trade Agreements Program 58th Report



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PREFACE

This report is the 58th in a series of annual reports submitted to the U.S. Congress under section 163(c) of the Trade Act of 1974 (19 U.S.C. 2213(c)) and its predecessor legislation. Section 163(c) of the Trade Act of 1974 states that “the International Trade Commission shall submit to the Congress at least once a year, a factual report on the operation of the trade agreements program.”

This report is one of the principal means by which the U.S. International Trade Commission provides Congress with factual information on trade policy and its administration for calendar year 2006. The trade agreements program includes “all activities consisting of, or related to, the administration of international agreements which primarily concern trade and which are concluded pursuant to the authority vested in the President by the Constitution” and congressional legislation.

ABSTRACT

This annual report to Congress provides factual information on U.S. trade policy and its administration for calendar year 2006. Chapter 1 provides an overview of the U.S. economy in 2006 and describes major trends in U.S. trade during the year. Chapter 2 summarizes activities relating to the administration of U.S. trade laws and regulations, including import relief laws, laws against unfair trade practices, and other import administration laws and programs. Chapter 3 focuses on the activities of the World Trade Organization, the Organization for Economic Cooperation and Development, and the Asia-Pacific Economic Cooperation forum. Chapter 4 provides an overview of activities with respect to U.S. free trade agreements (FTAs) and FTA negotiations during 2006. Chapter 5 addresses selected trade-related activities between the United States and selected major trading partners—the European Union, Canada, China, Mexico, Japan, Korea, Taiwan, and Russia.

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List of Frequently Used Abbreviations and Acronyms

AD	Antidumping
AGOA	African Growth and Opportunity Act
APEC	Asia-Pacific Economic Cooperation
ATPA	Andean Trade Preference Act
ATPDEA	Andean Trade Promotion and Drug Eradication Act
BSE	Bovine Spongiform Encephalopathy
CAFTA-DR	Dominican Republic - Central America - United States Free Trade Agreement
CBERA	Caribbean Basin Economic Recovery Act
CBTPA	Caribbean Basin Trade Partnership Act
CVD	Countervailing Duty
DDA	Doha Development Agenda
DSB	WTO Dispute Settlement Body
DSU	WTO Dispute Settlement Understanding
EU	European Union
FAS	Foreign Agricultural Service, U.S. Department of Agriculture
FS	Foreign Sales Corporation
FTA	Free Trade Agreement
FTAA	Free Trade Area of the Americas
FY	Fiscal Year
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GSP	Generalized System of Preferences
HFCS	High Fructose Corn Syrup
HTS	Harmonized Tariff Schedule of the United States
HHOPE	Haitian Hemispheric Opportunity Through Partnership Encouragement Act
IMF	International Monetary Fund
IPR	Intellectual Property Rights
ITA	International Trade Administration, U.S. Department of Commerce
LTFV	Less Than Fair Value
NAFTA	North American Free Trade Agreement
NTR	Normal Trade Relations
OECD	Organization for Economic Cooperation and Development
SITC	Standard Industrial Trade Classification
SSA	Sub-Saharan Africa
TAA	Trade Adjustment Assistance
TPA	Trade Promotion Agreement
TPL	Tariff Preference Level
TRIPs	Trade-Related Aspects of Intellectual Property Rights
TRQ	Tariff Rate Quota
USITC	United States International Trade Commission
USTR	United States Trade Representative
WTO	World Trade Organization

EXECUTIVE SUMMARY

This report discusses U.S. trade agreements activities during 2006 including the administration of U.S. trade laws and regulations; U.S. participation in the World Trade Organization (WTO), the Organization for Economic Cooperation and Development (OECD), and the Asia-Pacific Economic Cooperation (APEC) forum; U.S. negotiation of and participation in free trade agreements (FTAs); and bilateral developments with major trading partners.

Selected Trade Highlights in 2006

- The WTO Doha Round of multilateral trade negotiations was suspended on July 24, 2006 and remained suspended at year end.
- The United States and Canada signed a formal agreement in 2006 addressing trade in softwood lumber between the two countries ending a number of pending dispute settlement cases in the WTO and the NAFTA.
- U.S.-Korean trade relations in 2006 were dominated by FTA negotiations and negotiations over the resumption of Korean imports of U.S. beef, which had been suspended in late 2003 after a cow of Canadian origin, found in a U.S. herd, was determined to be infected with bovine spongiform encephalopathy (BSE).
- During 2006, the United States concluded bilateral FTA negotiations with Colombia and Panama and signed bilateral agreements with Colombia, Oman, and Peru, but these agreements did not enter into force during the year.
- Three U.S. Free Trade Agreements entered into force during 2006—the U.S.-Bahrain FTA; a multiparty FTA with El Salvador, Guatemala, Honduras, and Nicaragua;¹ and the U.S.-Morocco FTA.
- In 2006, U.S.-China bilateral trade relations mainly focused on issues related to China's transition to full WTO membership and the continuing dialogue about renminbi (yuan) revaluation. Many of these issues were addressed during the April 2006 meeting of the U.S.-China Joint Commission on Commerce and Trade (JCCT), and the newly created semi-annual U.S.-China Strategic Economic Dialogue (SED).

¹ United States signed a multiparty FTA with Central America (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua) and the Dominican Republic (CAFTA-DR) in 2004. The United States implemented the agreement in 2005.

Other Key Trade Developments

Administration of U.S. Trade Laws and Regulations

Principal developments in U.S. trade programs that occurred during 2006 include:

In the trade adjustment assistance (TAA) programs offered for workers and farmers, the U.S. Department of Labor certified petitions covering approximately 120,355 workers and the U.S. Department of Agriculture certified petitions covering 208 farmers in FY 2006. The Economic Development Administration of the U.S. Department of Commerce certified 149 petitions as eligible for TAA for firms in FY 2006, and approved 137 trade adjustment projects during the year.

Two active cases under section 301 were administered by the United States Trade Representative (USTR). One concerned the European Union (EU) meat hormone directive and the second concerned intellectual property rights (IPR) protection in Ukraine. The 2006 special 301 report highlighted weak IPR protection and enforcement in China and Russia, both of which were placed on the priority watch list.

The U.S. International Trade Commission (Commission) instituted eight new antidumping investigations and completed nine investigations during 2006. Antidumping duty orders were imposed in 2006 on certain orange juice from Brazil; artist canvas from China; and certain lined paper school supplies from China, India, and Indonesia as a result of affirmative determinations in five of those completed investigations.

The Commission instituted three new countervailing duty investigations and completed two investigations during 2006. Countervailing duty orders were imposed in 2006 on certain lined paper school supplies from India and Indonesia as a result of affirmative determinations in both of those completed investigations.

During 2006, Commerce and the Commission instituted 72 sunset reviews of existing antidumping and countervailing duty orders and the Commission completed 76 reviews, resulting in 57 antidumping and countervailing duty orders and suspension agreements being continued for five additional years.

During 2006, there were 66 active section 337 investigations and ancillary proceedings, 38 of which were instituted in 2006. Of these 38, there were 33 new section 337 investigations and five new ancillary proceedings relating to previously concluded investigations. At the close of 2006, there were 38 section 337 investigations and related proceedings pending at the Commission.

Preferential Trade Programs

During 2006, USTR announced restoration of GSP benefits to Ukraine following a review of its IPR enforcement efforts and announced initiation of a review to consider East Timor for designation as a GSP beneficiary. Also, the President designated Liberia as a GSP beneficiary during 2006. Angola, due to its petroleum exports, was the leading GSP beneficiary in 2006, followed by India, Thailand, Brazil, and Indonesia. Duty-free imports

entered under the GSP program totaled \$32.6 billion in 2006. On December 9, 2006, the GSP program was extended, with additional modifications to the president's authority to grant waivers of competitive need limitations (CNLs) to countries, through December 31, 2008.

A total of 37 SSA countries were designated for benefits under AGOA as of January 1, 2006, and 24 SSA countries were eligible for AGOA textile and apparel benefits. Duty-free U.S. imports under AGOA, including GSP, were valued at \$44.2 billion in 2006. U.S. imports under AGOA, exclusive of GSP, were valued at \$36.1 billion in 2006, a 10.4 percent increase since 2005.

U.S. imports under ATPA preferences in 2006 were valued at \$13.5 billion, an increase of 17.6 percent from 2005.

U.S. imports under Caribbean Basin Economic Recovery Act (CBERA) preferences totaled \$9.9 billion in 2006, decreasing by 19.6 percent compared to 2005. CBERA was enacted to promote export-led economic growth and economic diversification in the Caribbean Basin region. Caribbean Basin Trade Partnership Act (CBTPA) extended North American Free Trade Agreement (NAFTA)-equivalent treatment to many products previously excluded from CBERA.

Textile and Apparel

In 2006, U.S. imports of textiles and apparel totaled 52.1 billion square meter equivalents (SMEs) (\$93.3 billion), an increase of 2.6 percent by volume (4.6 percent by value) over 2005. Many of these imports previously sourced from Central American, South American, and SSA countries shifted to lower-priced Southeast Asian suppliers—primarily China, but also Indonesia, Bangladesh, Vietnam, and Cambodia. China's growth in the U.S. import market slowed to 11 percent, as compared to the nearly 44 percent increase in 2005.

Several bills enacted in 2006 affected U.S. textile and apparel trade with Vietnam, Central America, SSA, and Haiti. Also, on January 1, 2006, a memorandum of understanding signed between the United States and China took effect, establishing 21 quotas covering 34 categories of textile and apparel products. These 34 product categories accounted for 40.6 percent of the volume (36.9 percent by value) of total U.S. imports of textiles and apparel from China in 2006. The memorandum of understanding extends through December 31, 2008, at which time the right of the United States to invoke safeguards under China's WTO membership accession agreement expires.

WTO, OECD, and APEC

Issues raised at the WTO General Council in 2006 included the Aid for Trade initiative, the Cotton Initiative to examine trade-related aspects of development assistance to cotton producing countries, and concerns regarding EU enlargement and consequent modifications to the EU external tariff on bananas.

During 2006, 20 dispute settlement consultations were initiated at the WTO and fourteen new dispute settlement panels were established. One set of consultations resulted in a

mutually agreed settlement. The United States was the complainant in three of the 14 cases that resulted in the establishment of a panel, and the respondent in five cases. During 2006, the WTO Dispute Settlement Body (DSB) adopted Appellate Body and/or Panel reports in seven dispute settlement cases in which the United States was either the complaining party (three reports) or the responding party (four reports).

The OECD Trade Committee held three sessions during 2006. These sessions focused on the Doha Round trade negotiations, the Globalization and Structural Adjustment project, the future of the multilateral trading system, and ways to improve the effectiveness of Aid for Trade programs. At its meeting in November 2006, the OECD Steel Committee focused on several issues including steel and the environment; the situation and outlook of the steel market and its raw materials such as iron ore, coke, and scrap metal; developments in steelmaking capacity in both member and nonmember countries; and the status of trade-distorting steel policies.

At their annual meeting in November 2006 in Hanoi, Vietnam, the APEC ministers formulated a new “Hanoi Action Plan” aimed at implementing the Bogor Goals, created a second generation of the “Trade Facilitation Action Plan,” and put into effect the Anti-Corruption and Transparency in Business Initiative adopted in 2005.

Other Developments With Major Trading Partners

The United States and the EU were involved in a number of WTO disputes during 2006, including four cases involving alleged subsidies to their respective civil aircraft industries and one case brought by the United States with respect to the EU’s de facto moratorium on approvals of agricultural biotechnology products. The two sides also signed a wine agreement and negotiated compensation to the United States resulting from EU enlargement.

Major trade-related issues in 2006 between the United States and Mexico included a number of trade disputes that were the subject of WTO and NAFTA dispute settlement proceedings including Mexican antidumping duties on U.S. long-grain white rice, U.S. antidumping duty order on Mexican cement, and Mexican taxes on soft drinks and beverages that contain high-fructose corn syrup.

The United States and Japan continued bilateral discussions under the U.S.-Japan Economic Partnership for Growth, which serves as the primary forum for trade and economic dialogue between the two countries. In 2006, discussions under this framework focused on beef markets in both countries, regulatory reform, competition policy, and the harmonization of regulations and systems.

Trade relations with Taiwan in 2006 focused on the creation of a potential bilateral FTA, progress Taiwan has made with respect to IPR enforcement, market access for U.S. exports of beef and rice in Taiwan, and the liberalization of Taiwan’s financial and telecommunication sectors.

In 2006, U.S. and Russian trade ministers signed a bilateral market access agreement that completes the two countries’ bilateral negotiations for Russia’s bid to join the WTO. This agreement addresses longstanding U.S. concerns with Russia’s trade regime and provides market opening concessions and commitments from Russia for trade in goods and services.

CHAPTER 1

Introduction

Scope and Approach of the Report

This report provides factual information on U.S. trade policy and its administration for calendar year 2006.¹ The report is based on primary source materials on U.S. trade policies and administrative matters, including U.S. Government *Federal Register* notices, publications and press releases by the U.S. International Trade Commission (USITC or the Commission) and other U.S. Government agencies, and U.S. Department of State telegrams. Other primary sources of information include publications of international institutions including the World Trade Organization (WTO), the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), and official publications of foreign governments. Newspaper articles, professional journals, and trade publications are used to provide supplemental factual information when primary source information is unavailable. Statistical information consists of trade and economic data compiled by the Commission primarily from the U.S. Census Bureau as well as the United Nations and the IMF. Table 1.1 summarizes U.S. trade agreement activities and significant international trade developments in 2006.

Overview of the U.S. Economy in 2006

The expansion of the U.S. economy continued for the fifth consecutive year in 2006. Real U.S. gross domestic product (GDP) increased by 3.3 percent in 2006, compared with 3.2 percent growth in 2005.² Personal consumption expenditures, exports, and investment in equipment and software were leading components of the growth in 2006. Net exports contributed positively as growth in exports accelerated and growth in imports slowed from 2005. Strong economic activity abroad supported increased U.S. exports.

GDP growth slowed sharply during 2006 after posting a 5.6 percent annual rate in the first quarter of the year, when the economy rebounded from the effects of the 2005 hurricanes, including a recovery in consumer spending and rebuilding of the oil and natural gas infrastructure in the states bordering the Gulf of Mexico.³

¹ This is the 58th in a series of annual reports submitted to the U.S. Congress under section 163(c) of the Trade Act of 1974 (19 U.S.C. 2213(c)) and its predecessor legislation.

² U.S. Department of Commerce, Bureau of Economic Analysis (BEA), "Gross Domestic Product: Fourth Quarter 2006 (Final)."

³ The White House, "Economic Report of the President," 23.

Table 1.1 Summary of 2006 trade agreement activities

January

1-The U.S.-Morocco Free Trade Agreement (FTA) enters into force.

10-China terminates the antidumping duty order on kraft linerboard from the United States.

13-The United States and Korea agree on an initial import protocol to reopen Korea's market to U.S. beef.

17-The United States and Mexico reach an agreement on tequila exports to the U.S. market.

19-The United States and Oman sign an FTA.

23-USTR reinstates Generalized System of Preferences (GSP) benefits for Ukraine.

31-The United States requests WTO dispute settlement consultations (second complaint) with the governments of France, Germany, Spain, and the United Kingdom and with the European Union concerning measures affecting trade in large civil aircraft.

February

2-The United States and Korea launch FTA negotiations.

6-The United States requests WTO dispute settlement consultations with Turkey concerning Turkey's measures affecting the importation of rice.

8-The U.S. President signs into law legislation that repeals the Step 2 subsidy program for upland cotton.

17-The U.S. Department of Commerce designates Ukraine a market economy.

22-The United States reinstates GSP for Liberia.

27-The United States and Colombia complete Trade Promotion Agreement negotiations.

March

1- Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR) enters into force between the United States and El Salvador.

1-Two Mutual Recognition Agreements between the United States and Norway, Iceland, and Liechtenstein enter into force with respect to product testing requirements for the European Free Trade Association.

6-The United States and Ukraine sign a bilateral WTO accession agreement on market access.

6-The United States and Mexico reach an agreement on trade in cement.

8-The United States and Malaysia launch FTA negotiations.

March-continued

10-The United States and the EU sign an agreement on trade in wine.

17-The United States requests WTO dispute settlement consultations with Canada concerning Canada's imposition of provisional antidumping and countervailing duties on unprocessed grain corn from the United States.

17-The WTO Dispute Settlement Body establishes a dispute panel requested by the United States concerning Turkey's measures affecting the importation of rice.

22-The United States and the EU sign an enlargement compensation agreement, which will reduce agricultural and industrial tariffs to compensate for tariff increases as a result of EU enlargement.

23-President Bush signs a bill granting Ukraine permanent normal trade relations.

24-The WTO Dispute Settlement Body adopts the panel report, as modified by the Appellate Body report, in a dispute brought by the United States concerning Mexico's tax measures on soft drinks and other beverages.

30-The United States and the EU each request WTO dispute settlement consultations with China concerning China's measures affecting imports of automobile parts.

April

1-CAFTA-DR enters into force between the United States and Honduras and Nicaragua.

4-USTR and Indonesia begin negotiations on an initiative to address illegal logging.

12-The United States and Peru sign a Trade Promotion Agreement.

May

17-President Bush signs tax legislation that repeals certain provisions relating to taxation of foreign sales corporation/extraterritorial income to comply with U.S. WTO Appellate Body findings.

25-The United States and Switzerland sign a Trade and Investment Cooperation Forum Agreement.

30-The United States and India agree to an action plan to increase bilateral economic engagement.

31-The United States and Vietnam sign a bilateral market access agreement.

June

7-The United States and Rwanda sign a Trade and Investment Framework Agreement.

Table 1.1 (continued)

June-continued

23-The United States and Vietnam conclude a review of the annual bilateral trade agreement.

July

1-CAFTA-DR enters into force between the United States and Guatemala.

14-The United States and Cambodia sign a Trade and Investment Framework Agreement.

August

1-The U.S.-Bahrain FTA enters into force.

24-The United States announces intentions to enter into a Free Trade Agreement with Colombia.

25-The United States and the ASEAN countries sign an arrangement for future dialogue on areas of mutual interest and a work plan.

September

12-The United States and Canada sign a new U.S.-Canada Softwood Lumber Agreement.

14-Mexico revokes antidumping duties on U.S. long-grain white rice.

18-The United States and Mauritius sign a Trade and Investment Framework Agreement.

20-The WTO Dispute Settlement Body circulates the panel report in a dispute brought by Japan concerning the United States' measures relating to zeroing and sunset reviews.

20-The United States and China agree to create a Strategic Economic Dialogue to discuss the overarching framework for ongoing bilateral economic dialogue and future economic relations.

25-USTR announces a U.S.-EU agreement on compensation for modifications to the EU's WTO services commitments as a result of EU enlargement.

26-The United States and Indonesia sign an agreement to prevent illegal transshipments of textiles and apparel.

26-President Bush signs legislation to implement the U.S.-Oman FTA.

October

12-The U.S.-Canada Softwood Lumber Agreement enters into force.

26-The WTO Dispute Settlement Body establishes a single dispute panel in response to requests by the United States, the EU, and Canada concerning China's

October-continued

measures affecting imports of automobile parts.

31-The United States and Rwanda hold talks to advance cooperation on trade and investment.

November

2-The U.S.-Uruguay Bilateral Investment Treaty enters into force.

3-Colombia and Peru lift their bovine spongiform encephalopathy related bans on U.S. beef and beef products.

7-WTO members approve Vietnam's accession to the WTO.

16-The WTO finds that the EU does not administer its customs rules regarding LCD monitors in a uniform way.

16-The United States and Indonesia sign a bilateral agreement to counter illegal logging.

19-The United States and Russia sign a bilateral WTO market access agreement.

21-The WTO Dispute Settlement Body adopts the panel report in a dispute brought by the United States, Canada, and Argentina concerning the EU's measures affecting the approval and marketing of biotech products.

22-The United States and Colombia sign a Trade Promotion Agreement.

30-The United States and Lebanon sign a Trade and Investment Framework Agreement.

December

5-The United States and Costa Rica sign an agreement on fabric for pockets.

19-The United States and Panama conclude Trade Promotion Agreement negotiations.

20-President Bush signs legislation authorizing him to grant Vietnam permanent normal trade relations; extending the Generalized System of Preferences and the Andean Trade Preference Act; amending the African Growth and Opportunity Act; and adding the Haitian Hemispheric Opportunity through Partnership Encouragement Act to the Caribbean Basin Trade Partnership Act.

28-The United States and India launch a bilateral industry working group on legal services, which will promote more interaction between legal professionals in both nations and encourage trade in the sector.

29-President Bush extends permanent normal trade relations to Vietnam.

The U.S. economy again recorded higher growth than that of most other major industrialized countries and areas during 2006, including the OECD (2.8 percent),⁴ Canada (2.7 percent), the euro area (2.6 percent),⁵ and Japan (2.2 percent).⁶ However, U.S. economic growth was once again below the world average GDP growth rate of 5.1 percent, as well as that of Mexico (4.8 percent) and China (10.7 percent).⁷

Exchange Rate Trends

Figure 1.1 shows index values of the exchange rate of the U.S. dollar against several major currencies. The U.S. dollar depreciated 1 percent in 2006 on a trade-weighted yearly average basis against a group of seven major currencies.⁸ The U.S. dollar generally depreciated during the year against the pound, the euro, and the yuan. For the yuan-U.S. dollar exchange rate, the direction of the depreciation remained broadly consistent since July 2005, when China ended its fixed exchange rate policy against the U.S. dollar. Since that period, the yuan appreciated by approximately 6 percent against the dollar in nominal terms, with the majority of the change occurring in the second half of 2006.⁹ The U.S. dollar generally depreciated against the Canadian dollar and the yen through the first half of 2006 but then appreciated against these currencies in the latter part of the year. The U.S. dollar generally appreciated against the Mexican peso in the early part of 2006 and then depreciated during the last half of the year.

Balance of Payments

The U.S. current account deficit—the combined balances on trade in goods and services, income, and net unilateral current transfers—increased to \$856.7 billion in 2006 from \$791.5 billion in 2005.¹⁰ As a share of U.S. GDP, the current account deficit was 6.5 percent in 2006, up from 6.4 percent in 2005. This was the fifth straight year the current account deficit set a record high.

The increase in the deficit on trade in goods, from \$782.7 billion in 2005 to \$836.0 billion in 2006, accounted for most of the increase in the current account deficit. In addition, the

⁴ The OECD includes Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States.

⁵ The euro area includes Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain.

⁶ OECD, Main Economic Indicators. <http://www.oecd.org/std/mei> (accessed May 9, 2007).

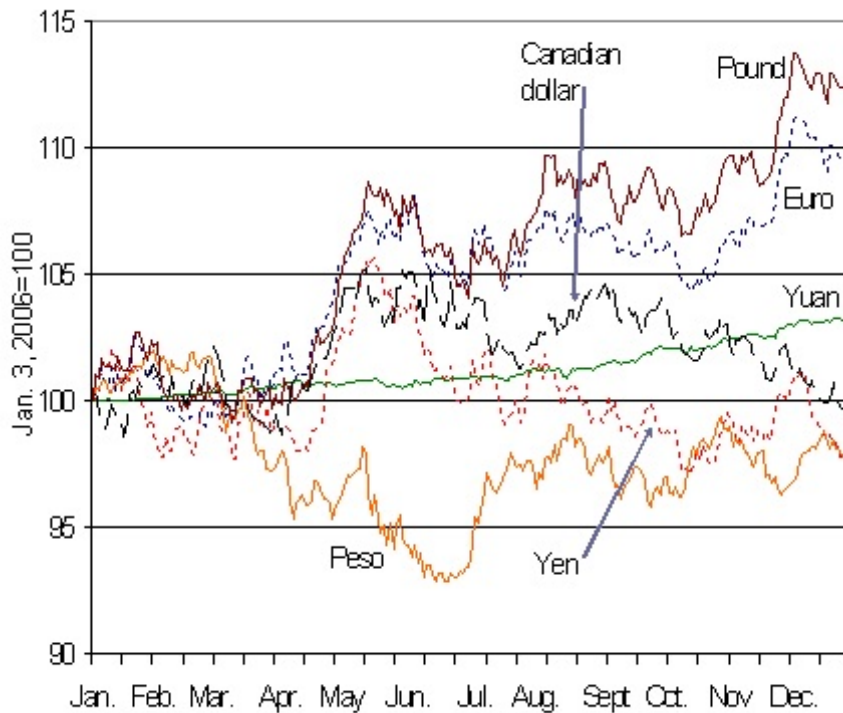
⁷ GDP growth data for the world and China are from the IMF, *World Economic Outlook*, September 2006, table 1.1, 2.

⁸ U.S. Department of Commerce, BEA, “U.S. International Transactions: Fourth Quarter and Year 2006.” These data cover exchange rates from January 3, 2006 through December 29, 2006. Data analyzed by the Federal Reserve covered January 2006 through early February 2007. That data show that the nominal trade-weighted exchange value of the dollar depreciated by 3.8 percent during that period. Board of Governors of the Federal Reserve System, “Monetary Policy Report to the Congress,” 25.

⁹ Board of Governors of the Federal Reserve System, “Monetary Policy Report to the Congress,” 25.

¹⁰ Although it increased in 2006 overall, the current account deficit decreased in the fourth quarter of 2006 from the third quarter. U.S. Department of Commerce, BEA, “U.S. International Transactions: Fourth Quarter and Year 2006.”

Figure 1.1 Indices of exchange rates for selected currencies in relation to the U.S. dollar, weekly, 2006^a



Source: U.S. Federal Reserve Board.

^a Units of the U.S. dollar per unit of the foreign currency. An decrease in the index represents an appreciation in the U.S. dollar relative to a currency and a increase in the index represents a depreciation of the U.S. dollar relative to a currency.

balance on income¹¹ shifted to a deficit of \$7.3 billion in 2006 from a surplus of \$11.3 billion in 2005.

The surplus on trade in services increased to \$70.7 billion in 2006 from \$66.0 billion in 2005.¹² Exports of services increased to \$413.1 billion in 2006 from \$380.6 billion in 2005, and more than half of the increase was accounted for by an increase in “other” private services, which includes business, professional, and technical services, insurance services, and financial services. There also were increased exports of “other” transportation, which includes freight and port services, in royalties and license fees, and in travel. Imports of services increased to \$342.4 billion in 2006 from \$314.6 billion in 2005, with more than half of the increase accounted for by an increase in “other” private services.

The U.S. current account deficit was financed by a capital account surplus of \$860.6 billion in 2006.¹³

¹¹ The balance on income is income receipts (including income receipts on U.S.-owned assets abroad and compensation of U.S. employees abroad) less income payments (including income payments on foreign-owned assets in the United States and compensation of foreign employees in the United States).

¹² U.S. Department of Commerce, BEA, “U.S. International Transactions: Fourth Quarter and Year 2006.”

¹³ The main components of the capital account are capital transfers, foreign direct investment, portfolio investment, banking and other flows, statistical discrepancies, and official reserve assets. By definition, a
(continued...)

U.S. Trade in 2006

The U.S. foreign trade deficit for goods and services totaled \$765.3 billion (5.8 percent of GDP) in 2006, up from a deficit that totaled \$716.7 billion (5.8 percent of GDP) in 2005.¹⁴ The annual U.S. foreign trade deficit has reached new record high levels in each year since 2001. U.S. exports of goods and services, on a seasonally adjusted U.S. balance-of-payments (BOP) basis,¹⁵ were valued at \$1,436.8 billion in 2006, and imports of goods and services were valued at \$2,202.1 billion. Growth in real exports was boosted early in 2006 by a catch-up of exports that had been affected by the hurricanes in late 2005.

There was an increase in U.S. spending on petroleum imports during 2006, which caused the petroleum products deficit to be \$271.0 billion in 2006, up from \$229.2 billion in 2005.¹⁶ Imports of petroleum accounted for 16.3 percent of total imports in 2006 and represented 36.2 percent of the total deficit on trade in goods in 2006.

U.S. Merchandise Trade by Product Category

Figure 1.2 shows U.S. merchandise trade with the world from 2004 through 2006 on a U.S. Census basis.¹⁷ U.S. merchandise exports increased to \$929.5 billion in 2006 from \$804.0 billion in 2005, the biggest increase since 1988,¹⁸ and U.S. merchandise imports increased to \$1,845.1 billion in 2006 from \$1,662.4 billion during the same period. Exports increased more rapidly than imports, for the first time since 1997.

¹³ (...continued)

country's current account and capital account balances must offset one another. Most of the capital account surplus represents net financial inflows (net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad). U.S. Department of Commerce, BEA, "U.S. International Transactions: Fourth Quarter and Year 2006."

¹⁴ U.S. Department of Commerce, BEA, U.S. Census Bureau, "U.S. International Trade in Goods and Services: December 2006."

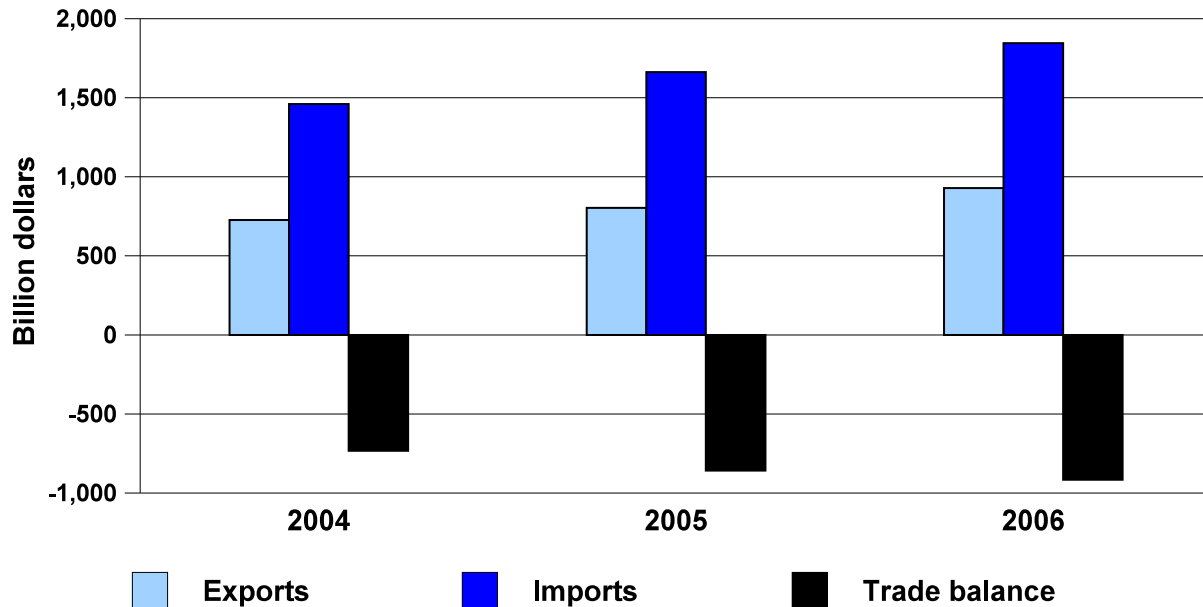
¹⁵ The Census basis data for goods (used elsewhere in this report) are compiled from the documents collected by the U.S. Customs Service and reflect the movement of goods between foreign countries and the 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, and U.S. foreign trade zones. Goods on a Census basis are adjusted by the U.S. Department of Commerce, BEA to goods on a BOP basis to bring the data in line with the concepts and definitions used to prepare the international and national accounts. These adjustments are done to supplement coverage of the Census basis data, to eliminate duplication of transactions recorded elsewhere in the international accounts, and to value transactions according to a standard definition. For a more detailed discussion of the differences between BOP basis and Census basis data, see U.S. Department of Commerce, BEA, U.S. Census Bureau, "Information on Goods and Services" in the "U.S. International Trade in Goods and Services: December 2006" news release. BOP trade data in this section of the report may not match data in other sections or in the report appendix because of adjustments made to the data by the sources cited.

¹⁶ U.S. Department of Commerce, BEA, U.S. Census Bureau, "U.S. International Trade in Goods and Services: December 2006."

¹⁷ Merchandise trade data in this section do not match the seasonally adjusted BOP basis data presented above because of adjustments made to the data described in footnote 15.

¹⁸ *New York Times*, "Trade Deficit Peaks and Declines, but It Remains Huge."

Figure 1.2 U.S. merchandise trade with the world, 2004-06



Source: U.S. Department of Commerce.

Exports

Machinery and transport equipment ranked as the single largest U.S. export by SITC¹⁹ group in 2006 (table A.1). U.S. exports of machinery and transport equipment were valued at \$423.8 billion in 2006, accounted for 45.6 percent of total U.S. exports during the year, and grew by 15.3 percent from \$367.5 billion in 2005. Increased U.S. exports of machinery and transport equipment, chemicals and related products, and manufactured goods represented over two-thirds of the total increase in exports in 2006. None of the SITC groups registered a decline in exports from 2005 to 2006.

Imports

All SITC groups of U.S. imports increased from 2005 to 2006 (table A.1). As in recent years, machinery and transport equipment was the single largest U.S. import group by SITC code in 2006. U.S. imports of machinery and transport equipment were valued at \$708.6 billion in 2006, up 9.1 percent over imports of \$649.3 billion in 2005, and accounted for 38.4 percent of total U.S. imports in 2006. Increased U.S. imports of machinery and transport equipment; mineral fuels, lubricants, and related materials; and manufactured goods represented almost 75 percent of the total increase in imports in 2006.

Total U.S. imports under the four preferential trade programs with developing countries were \$92.1 billion in 2006 and accounted for 5.0 percent of total U.S. imports. Duty-free

¹⁹ Standard International Trade Classification.

imports entered under the Generalized System of Preferences (GSP) program totaled \$32.6 billion; duty-free imports under the African Growth and Opportunity Act (AGOA) totaled \$36.1 billion (excluding GSP imports); duty-free imports entered under the Andean Trade Preferences Act (ATPA) totaled \$13.5 billion; and imports entered duty free or at reduced rates under the Caribbean Basin Economic Recovery Act (CBERA) totaled \$9.9 billion. As in the past, U.S. imports under AGOA reflected the impact of increased petroleum imports by value during 2006, as the four leading suppliers of imports under AGOA were oil-exporting countries—Nigeria, Angola, Chad, and Gabon.²⁰

U.S. Merchandise Trade with Leading Partners

Table 1.2 shows U.S. trade with selected major trading partners and the world for 2006.²¹ NAFTA partners Canada and Mexico together remain the largest U.S. global trade market for exports and imports, followed by the European Union single market. Figures 1.3 and 1.4 show leading U.S. export and import markets by share.

Foreign economic growth was generally strong in 2006, aiding U.S. export growth during the year.²² U.S. total exports increased by 15.6 percent, and U.S. imports increased by 11.0 percent. U.S. exports to major trading partners Canada, Japan, and Korea grew faster than imports from those countries during the year.

Canada remains the largest individual two-way trading nation of the United States, followed by China and Mexico. China alone accounted for 25.7 percent of the total U.S. trade deficit of \$915.6 billion in 2006, and Canada and Mexico together accounted for 20.5 percent. Although U.S. exports to China grew by 32.9 percent in 2006 and U.S. imports from China increased by 18.3 percent, the U.S. trade deficit with China increased to \$235.4 billion in 2006 from \$203.8 billion in 2005.²³

²⁰ See chapter 2 of this report for additional information.

²¹ Leading U.S. exports to and imports from these partners are presented in tables A-21 through A-44. Data in table 1.2 may not match with those in appendix tables A-21 through A-44 because of adjustments made to the data.

²² Global expansion was strong in 2006, with growth in most regions meeting or exceeding expectations. International Monetary Fund, *World Economic Outlook*, September 2006, 1-3.

²³ U.S. bilateral trade relations with China are discussed in chapter 5 of this report.

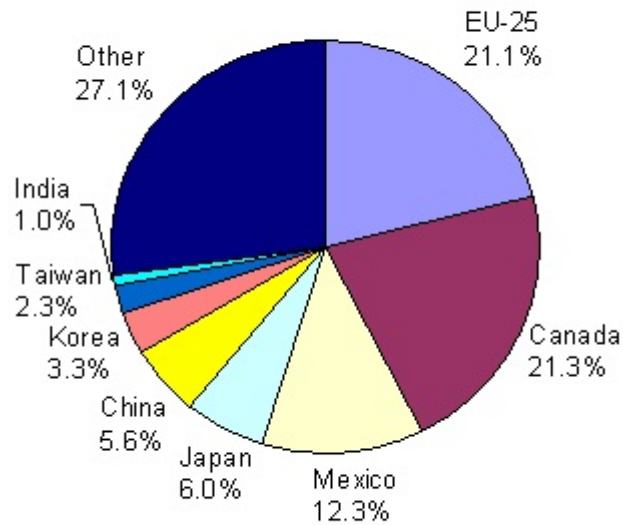
Table 1.2 U.S. merchandise trade with major trading partners and with the world, 2006
(Billion dollars)

Major trading partner	Exports	Imports	Trade balance
EU-25.....	196.5	329.3	-132.8
Canada.....	198.2	303.0	-104.8
China.....	51.6	287.1	-235.4
Mexico.....	114.6	197.1	-82.5
Japan.....	55.6	148.1	-92.5
Korea.....	30.8	44.7	-13.9
Taiwan.....	21.4	38.1	-16.7
Brazil.....	17.0	26.2	-9.2
India.....	9.0	21.7	-12.6
Russia.....	4.2	19.6	-15.4
South Africa.....	4.2	7.5	-3.3
World.....	929.5	1,845.1	-915.6

Source: Compiled from official statistics of the U.S. Department of Commerce.

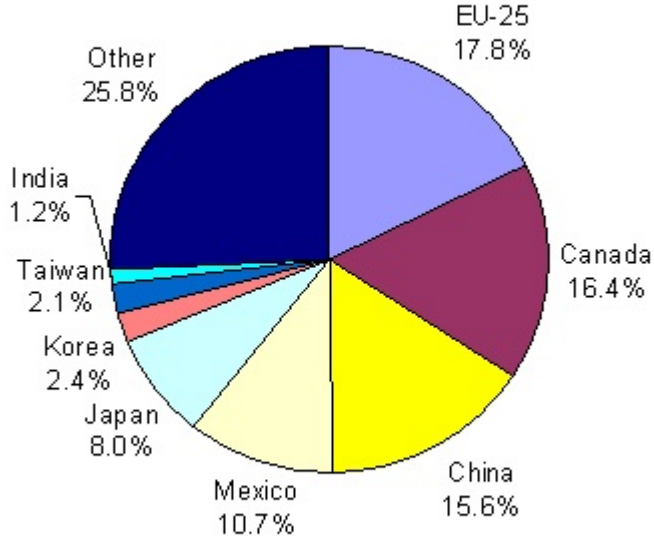
Note: Because of rounding, figures may not add to totals shown.

Figure 1.3 Leading U.S. export markets, by share, 2006



Source: U.S. Department of Commerce.

Figure 1.4 Leading U.S. import sources, by share, 2006



Source: U.S. Department of Commerce.

CHAPTER 2

Administration of U.S. Trade Laws and Regulations

This chapter surveys activities related to the administration of U.S. trade laws during 2006. It covers the following: the import relief laws; the unfair trade laws; certain other trade provisions, including the U.S. Generalized System of Preferences (GSP), the African Growth and Opportunity Act (AGOA), the Andean Trade Preference Act (ATPA), the Andean Trade Promotion and Drug Eradication Act (ATPDEA), the Caribbean Basin Economic Recovery Act (CBERA), the Caribbean Basin Trade Partnership Act (CBTPA); and programs affecting textile and apparel imports.

Import Relief Laws

Safeguard Actions

Safeguard actions under provisions administered by other U.S. government agencies, such as the China textile safeguard actions by the U.S. Department of Commerce, are described later in this chapter.

The USITC did not conduct any safeguard actions during 2006, no safeguard measures under provisions administered by the USITC were in place during calendar year 2006, and no safeguard petitions filed under these provisions were pending before the USITC at the end of 2006.

Adjustment Assistance

The Trade Adjustment Assistance (TAA) program, set forth in section 221 of the Trade Act of 1974, authorizes the U.S. Secretary of Commerce and the U.S. Secretary of Labor to provide adjustment assistance to firms and workers from the 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands that are adversely affected by increased imports.¹ The TAA system of readjustment allowances to individual workers is administered by the U.S. Department of Labor through its Employment and Training Administration. Such assistance takes the form of monetary benefits for direct trade readjustment allowances and reemployment services that include allocations for job search, relocation, transportation subsidies, and training. TAA for farmers is administered by the U.S. Department of Agriculture (USDA) and provides technical assistance and cash benefits to eligible producers of raw commodities. TAA for firms consists primarily of a matching funds

¹ President, "Memorandum for the United States Trade Representative."

program sponsored by the U.S. Department of Commerce to help U.S. manufacturers experiencing sales and employment declines as a result of import competition.²

Trade Adjustment Assistance for Workers

The U.S. Department of Labor received 2,488 TAA petitions³ during FY 2006 (October 1, 2005 through September 30, 2006) (table 2.1). The FY 2006 figure represents a decrease from the 2,593 TAA petitions received in FY 2005. Table 2.1 shows the results of TAA petition determinations during FY 2005 and FY 2006. In FY 2006, a total of 1,439 petitions were certified as eligible for benefits and services and 830 petitions were denied (a 63.4 percent approval rate), a decrease from 1,556 petitions certified and an increase from 748 petitions denied in FY 2005 (a 67.5 percent approval rate).⁴ A total of 120,355 workers were certified for TAA benefits and services in FY 2006.⁵ This was an increase from the 117,995 workers certified in FY 2005. Table 2.2 presents data on benefits and services provided under the TAA program. There were 53,492 new TAA recipients in FY 2006, compared to 55,407 new recipients in FY 2005.

Trade Adjustment Assistance for Farmers

The Trade Act of 2002 established the Trade Adjustment Assistance for Farmers (TAA for Farmers) program administered by USDA. Under the program, USDA provides technical assistance and cash benefits to eligible producers of raw agricultural commodities when the administrator of the Foreign Agricultural Service (FAS) determines that increased imports have been an important factor contributing to a specific price decline over five preceding marketing years.⁶ The TAA Reform Act authorizes an appropriation of not more than \$90

² The President signed the Trade Adjustment Assistance Reform Act of 2002 (TAA Reform Act) into law on Aug. 6, 2002. The TAA Reform Act reauthorized the TAA program through fiscal year 2007, and amended and added provisions to the TAA program.

³ Petitions may be filed by a group of three or more workers, by a company official, by One-Stop operators or partners (including state employment security agencies and dislocated worker units), or by a union or other duly authorized representative of such workers. The workers on whose behalf a petition is filed must be, or must have been, employed at the firm or subdivision identified in the petition. A completed petition describes a group of workers working at a specific location, for a specific company, producing a specific product or group of products. If the group of workers described in the petition is certified, the certification will cover all workers in the group, regardless of whether their names are on the petition. U.S. Department of Labor, Employment and Training Administration, "Trade Adjustment Assistance (TAA) and Alternative Trade Adjustment Assistance (ATAA) Application Process."

⁴ The number of petitions certified for benefits and services and petitions denied will not add up to the total number of petitions received because the numbers do not reflect petitions that were terminated prior to a determination and petitions in which a determination was made in the following fiscal year.

⁵ For workers to be certified as eligible to apply for TAA, the Secretary of Labor must determine that workers in a firm have become, or are threatened to become, totally or partially separated; that the firm's sales or production have decreased absolutely; and that increases in like or directly competitive imported products contributed importantly to the total or partial separation and to the decline in the firm's sales or production. Workers certified for TAA are provided with a certification of eligibility and may apply for TAA benefits at the nearest office of the State Employment Security Agency. For further information, see U.S. Department of Labor, Employment and Training Administration, "Trade Adjustment Assistance (TAA) and Alternative Trade Adjustment Assistance (ATAA) Application Process."

⁶ Among the criteria for assistance and benefits are that "[p]roducer prices during the most recent marketing year must be less than or equal to 80 percent of the national average price during the previous 5 marketing years. In addition, FAS must make a determination that increases in imports of like or competitive products 'contributed importantly' to the decline in prices." USDA, "Trade Adjustment Assistance for

(continued...)

Table 2.1 Petitions certified and denied under the TAA program and estimated number of workers affected, FY 2005 and FY 2006

Item	Number of TAA petitions		Estimated number of workers covered ^a	
	FY 2005	FY 2006	FY 2005	FY 2006
Petitions certified for benefits and services.	1,556	1,439	117,995	120,355
Petitions denied.	748	830	38,021	49,292
Terminations-withdrawals.	289	219	0	120
Total petitions received.	2,593	2,488	156,016	169,767

Source: U.S. Department of Labor, Employment and Training Administration, correspondence, May 4, 2006.

^a The estimated number of workers covered by a certification is not an exact figure. It is an estimate developed at the time the certification is issued. A certification covers all members of the affected worker group laid off during the approximately three-year period covered by the certification. Over the course of time, additional workers may be laid off, workers who were laid off may be recalled, or planned layoffs may not occur.

Table 2.2 Benefits and services provided under the TAA program, FY 2005 and FY 2006

Item	Estimated number of participants	
	FY 2005	FY 2006
-----Trade readjustment allowance benefits-----		
Number of new recipients.	55,407	53,492
Total Federal allocations (<i>billion dollars</i>).	1.1	(^a)
Total State allocations (<i>million dollars</i>).	915	(^a)
-----Training, job search, and relocation services-----		
Number entering training.	37,774	39,930
Number receiving a job search allowance.	298	450
Number receiving a relocation allowance.	447	526

Source: U.S. Department of Labor, Employment and Training Administration, correspondence, May 4, 2006.

^a Data not provided by source for 2006.

million for each fiscal year, 2003 through 2007, to carry out the program. The program covers farmers, ranchers, fish farmers, and fishermen,⁷ but it does not cover the forest products industry.⁸

Table 2.3 shows that of the 21 petitions filed for TAA for Farmers in FY 2006, 4 petitions were certified covering 208 farmers, ranchers, fish farmers, and fishermen in the following

⁶ (...continued)

Farmers”; and “Trade Adjustment Assistance for Farmers: Trade Act of 2002: FAQ’s.”

⁷ A qualified fisherman means a person whose catch competes in the marketplace with like or directly competitive aquaculture products.

⁸ USDA, “Trade Adjustment Assistance for Farmers.”

Table 2.3 Results of petitions filed under the TAA program for farmers, FY 2006

	Number of petitions	Number of applicants ^a
Petitions certified.	4	208
Petitions denied.	17	73
Total petitions.	21	281

Source: U.S. Department of Agriculture, Foreign Agricultural Service. The number of petitions is based on the number of total petitions and approved petitions reported at U.S. Department of Agriculture, Foreign Agricultural Service, "FY06 Petitions Registry," (accessed on May 9th 2007) and the number of applicants is based on table 2-3 attached to correspondence from U.S. Department of Agriculture, Foreign Agricultural Service on March 21, 2007.

^a The number of applicants for certified petitions is assumed to be the reported total of "approved" applicants, the number of applicants for denied petitions is assumed to be the reported number of "denied" applicants, and the number of applicants for total petitions is assumed to be the reported number of "applied" applicants.

industries: Concord juice grapes in Michigan and Washington; snapdragons in Indiana; and avocados in Florida. According to USDA, benefits totaling an estimated value of \$1.0 million (cash and technical assistance) were provided to recipients under the program in FY 2006. Cash benefits paid under the program totaled approximately \$0.8 million in FY 2006.⁹

Trade Adjustment Assistance for Firms and Industries

The TAA for Firms program is a matching funds program sponsored by the U.S. Department of Commerce for U.S. manufacturers facing import competition.¹⁰ Federal assistance awarded under the program pays for up to one-half of the costs of consultants, engineers, designers, or industry experts for projects to improve a manufacturer's competitiveness in areas such as manufacturing, engineering, marketing, information technology, and quality control. The TAA for Firms program participates in projects valued up to \$150,000, with a maximum TAA share of \$75,000.¹¹

In FY 2006, the Economic Development Administration (EDA) of the U.S. Department of Commerce awarded a total of \$12.8 million in TAA program funds to its national network of 11 Trade Adjustment Assistance Centers (TAACs). TAACs, typically sponsored by universities or nonprofit organizations, are the primary point of contact for firms during the certification and adjustment proposal processes under the TAA program. EDA certified 149 petitions as eligible for TAA for firms and approved 137 adjustment projects during FY 2006.¹²

⁹ Cash benefits are paid only to producers who certify that, among other things, their net income from farming, aquaculture or fishing has declined. Technical assistance is available to all producers. USDA, "Trade Adjustment Assistance for Farmers." Statistics supplied by USDA, March 21, 2007.

¹⁰ The TAA for firms program works "with a variety of manufacturers and for some, imports represent only a minor challenge. For others, they pose a serious threat. Regardless of the degree of impact, a firm may be eligible if it experienced sales and employment declines at least partially due to imports over the last two years." U.S. Department of Commerce, Economic Development Administration, "Trade Adjustment Assistance for Firms: FAQs."

¹¹ U.S. Department of Commerce, Economic Development Administration, "Trade Adjustment Assistance for Firms: Program Benefits."

¹² Data provided by U.S. Department of Commerce, EDA, March 16, 2007.

Laws Against Unfair Trade Practices

Section 301 Investigations

Section 301 of the Trade Act of 1974 (the Trade Act) is the principal U.S. statute for addressing foreign unfair practices affecting U.S. exports of goods or services.¹³ Section 301 may be used to enforce U.S. rights under bilateral and multilateral trade agreements and also may be used to respond to unreasonable, unjustifiable, or discriminatory foreign government practices that burden or restrict U.S. commerce. Interested persons may petition USTR to investigate foreign government policies or practices, or USTR may initiate an investigation.

If the investigation involves a trade agreement and consultations do not result in a settlement, section 303 of the Trade Act requires USTR to use the dispute settlement procedures that are available under the subject agreement. If the matter is not resolved by the conclusion of the investigation, section 304 of the Trade Act requires USTR to determine whether the practices in question deny U.S. rights under a trade agreement; whether they are unjustifiable, unreasonable, or discriminatory; and whether they burden or restrict U.S. commerce. If the practices are determined to violate a trade agreement or to be unjustifiable, USTR must take action.¹⁴ If the practices are determined to be unreasonable or discriminatory and to burden or restrict U.S. commerce, USTR must determine whether action is appropriate and, if so, what action to take.¹⁵ The time period for making these determinations varies according to the type of practices alleged.

Active Cases in 2006

In 2006, the active cases under section 301 concerned the EU's meat hormone directive and Ukraine's IPR protection (table 2.4). In the meat hormone case, the United States successfully challenged at the WTO an EU law that banned imports of meat from animals that had been treated with certain hormones.¹⁶ According to USTR, the EU law effectively banned nearly all imports of U.S. beef and beef products.¹⁷ In 1997, the WTO panel¹⁸ and the Appellate Body¹⁹ found that the ban violated the EU's WTO obligations because the EU law was not based on objective scientific evidence and a risk assessment. The EU did not comply with the ruling, so the United States sought and received WTO authorization to

¹³ Section 301 here refers collectively to provisions in sections 301–310 of the Trade Act of 1974, as amended (19 U.S.C. 2411–2420).

¹⁴ Section 301(a) of the Trade Act of 1974, as amended (19 U.S.C. 2411(a)).

¹⁵ Section 301(b) of the Trade Act of 1974, as amended (19 U.S.C. 2411(b)).

¹⁶ WTO, "Request for Consultations by the United States, European Communities - Measures Concerning Meat and Meat Products (Hormones)"; and "Request for the Establishment of a Panel by the United States, European Communities - Measures Concerning Meat and Meat Products (Hormones)."

¹⁷ USTR, *2007 Trade Policy Agenda*, 214. The United States initiated dispute settlement in January 1996, alleging that EC measures concerning meat and meat products "restrict or prohibit imports of meat and meat products from the United States." WTO, "Request for Consultations by the United States, European Communities - Measures Concerning Meat and Meat Products (Hormones)."

¹⁸ WTO, Report of the Panel, "EC Measures Concerning Meat and Meat Products (Hormones)."

¹⁹ WTO, Report of the Appellate Body, "EC Measures Concerning Meat and Meat Products (Hormones)."

Table 2.4 Active section 301 cases in 2006

Docket No.	Summary and actions occurring during course of investigation
301-62a	European Union and the Meat Hormone Directive In 1997, the WTO found that the EU's ban on meat produced from animals treated with growth hormones was inconsistent with its WTO obligations. In 1999, when the EU had not implemented the WTO recommendations, the United States requested and received authorization from the WTO to retaliate against imports from the EU. In January 2005, the EU claimed that new legislation brought its legal regime into compliance with the recommendations and rulings of the Dispute Settlement Body and with its obligations under the WTO Agreement on the Application of Sanitary and Phytosanitary Measures. Accordingly, the EU initiated dispute settlement proceedings and, in February 2005, a panel was established to consider whether the retaliatory duties should be lifted. The WTO panel continued its work through 2006 and the increased duties remained in effect.
301-121	Ukraine and the Protection of Intellectual Property Rights In 2001, USTR identified Ukraine as a priority foreign country under the "Special 301" provisions of the section 301 law due to its denial of adequate and effective protection of IPR. In a parallel proceeding, USTR suspended Ukraine's eligibility for GSP benefits because of inadequate and ineffective IPR protection. When ongoing bilateral consultations did not result in an agreement that satisfactorily addressed the optical media piracy situation in Ukraine, USTR issued a preliminary retaliation list under section 301. In December 2001, USTR announced that the United States would impose prohibitive duties on certain imports from Ukraine. The suspension of GSP benefits and the additional duties remained in effect until 2005. In 2005, Ukraine strengthened its licensing regime and enforcement capabilities, and USTR terminated the retaliatory duties. In January 2006, USTR reinstated Ukraine's GSP benefits in recognition of its continuing progress in addressing U.S. concerns regarding IPR protection.

Source: Compiled by the U.S. International Trade Commission.

withdraw concessions on a commensurate amount of trade.²⁰ Accordingly, in July 1999, the United States imposed additional 100 percent ad valorem duties on approximately \$117 million in imports from the EU.²¹ In 2003-2005, the EU claimed that new legislation brought its legal regime into compliance with the recommendations and rulings of the Dispute Settlement Body (DSB) and with its obligations under the WTO Agreement on the Application of Sanitary and Phytosanitary Measures. Accordingly, the EU initiated dispute settlement proceedings.²² In February 2005, a panel was established to consider whether the EU had fully implemented the recommendations and rulings of the DSB.²³ The work of the panel continued throughout 2006, and the bilateral trade dispute remains unresolved.²⁴

After identifying Ukraine as a priority foreign country under the "Special 301" provisions of the section 301 law in 2001 due to its denial of adequate and effective IPR protection, USTR initiated a Special 301 investigation. In a parallel proceeding, USTR suspended

²⁰ WTO, Dispute Settlement Body, "Minutes of Meeting Held in the Centre William Rappard," 17-19.

²¹ USTR, "Implementation of WTO Recommendations Concerning EC-Measures Concerning Meat and Meat Products (Hormones)," Fed. Reg. 40638-39. The additional duties are contained in subheadings 9903.02.21 through 9903.02.47 of the Harmonized Tariff Schedule of the United States (2007).

²² WTO, "Request for Consultations by the European Communities, United States – Continued Suspension of Obligations in the EC-Hormones Dispute"; and "Request for the Establishment of a Panel by the European Communities, United States – Continued Suspension of Obligations in the EC-Hormones Dispute."

²³ WTO, "Constitution of the Panel Established at the Request of the European Communities, United States – Continued Suspension of Obligations in the EC-Hormones Dispute."

²⁴ USTR, *2007 Trade Policy Agenda*, 214.

Ukraine's eligibility for the GSP program²⁵ due to inadequate and ineffective protection of IPR. When bilateral consultations failed to result in an agreement that satisfactorily addressed optical media piracy, USTR issued a preliminary retaliation list under section 301. In December 2001, USTR announced that the United States would impose 100 percent ad valorem duties on \$75 million in imports from Ukraine.

In August 2005, Ukraine amended its Laser-Readable Disc Law to strengthen its licensing regime and enforcement capabilities and thereby address the illegal production and trade of optical media products. In response to these amendments, USTR terminated the retaliatory duties, but the GSP suspension remained in place.²⁶ In January 2006, in recognition of Ukraine's continuing efforts to improve IPR protection and enforcement, USTR reinstated Ukraine's GSP benefits.²⁷ As part of this settlement, Ukraine agreed to work with USTR and the U.S. copyright industry to monitor the progress of its enforcement efforts.²⁸

During 2006, USTR received one new section 301 petition alleging that China denies certain workers' rights to manufacturing workers and that such denial is unreasonable and burdens or restricts U.S. commerce. USTR determined not to initiate an investigation with respect to the petition, because it believed the initiation of an investigation would not be effective in addressing the policies and practices covered in the petition.

Special 301

The Special 301 law provides that, each year, USTR shall identify foreign countries that deny adequate and effective protection of IPR, or deny fair and equitable market access for U.S. persons who rely on IPR protection.²⁹ Countries deny adequate and effective protection of IPR if they do not allow foreign persons "to secure, exercise, and enforce rights relating to patents, process patents, registered trademarks, copyrights, and mask works."³⁰ Countries deny fair and equitable market access if they deny access to a market for a product that is protected by a copyright or related right, patent, trademark, mask work, trade secret, or plant breeder's right through the use of laws and practices that violate international agreements or that constitute discriminatory nontariff trade barriers. A country can be found to deny adequate and effective IPR protection even if it is in compliance with its obligations under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement).³¹

In addition, the Special 301 law directs USTR to identify so-called "priority foreign countries."³² Priority foreign countries are countries that have the most onerous or egregious acts, policies, or practices that have the greatest adverse impact (actual or potential) on the relevant U.S. products. Such countries must be designated as priority foreign countries unless they are entering into good faith negotiations or making significant progress in bilateral or international negotiations to provide adequate and effective IPR protection. The

²⁵ The GSP program is discussed in more detail below.

²⁶ USTR, "USTR Lifts Tariff Sanctions Against Ukraine, Announces Out-of-Cycle Review."

²⁷ USTR, "USTR Reinstates Generalized System of Preferences Benefits for Ukraine."

²⁸ USTR, "Results of Out-Of-Cycle Review Under Section 182 and Termination of Action Under Section 301(b)," Fed. Reg. 5899-5900.

²⁹ Section 182 of the Trade Act of 1974 (19 U.S.C. 2242).

³⁰ Section 182(d)(2) of the Trade Act of 1974 (19 U.S.C. 2242(d)(2)).

³¹ Section 182(d)(4) of the Trade Act of 1974 (19 U.S.C. 2242(d)(4)).

³² Section 182(a)(2) of the Trade Act of 1974 (19 U.S.C. 2242(a)(2)).

identification of a country as a priority foreign country triggers a section 301 investigation, unless USTR determines that the investigation would be detrimental to U.S. economic interests.

In addition to identifying priority foreign countries as required by statute, USTR has adopted a practice of naming countries to the so-called “watch list” or the “priority watch list” if the countries’ IPR laws and practices do not provide adequate and effective IPR protection, but the deficiencies do not warrant identification of the countries as priority foreign countries.³³ The priority watch list is for countries with significant IPR problems that warrant close monitoring and bilateral consultation. A country that is identified on the priority watch list may make progress and be downgraded to the watch list or removed from any listing; alternatively, a country that fails to make progress may be elevated from the watch list to the priority watch list or from the priority watch list to the list of priority foreign countries.

In the 2006 Special 301 review, USTR examined the adequacy and effectiveness of IPR protection in 87 countries. In conducting the review, USTR focused on a wide range of issues and policy objectives, including piracy and counterfeiting, trade in infringing goods, compliance with the TRIPs Agreement, implementation of free trade agreements, promoting effective enforcement of existing laws, and addressing market access barriers faced by U.S. pharmaceutical companies.³⁴

In the 2006 review, no countries were identified as priority foreign countries. Thirteen countries were on the priority watch list, including Belize, which was elevated from the watch list because of widespread piracy and counterfeiting. The 2006 Special 301 report highlighted weak IPR protection and enforcement in China and Russia, both of which were on the priority watch list. Thirty-four countries were placed on the watch list, including Kuwait, Pakistan, and the Philippines, which were lowered from the priority watch list because each had made progress in protecting and enforcing IPR. Also, the following four countries were removed from the watch list because of improved IPR protection: Azerbaijan, Kazakhstan, Slovak Republic, and Uruguay.³⁵

In November 2006, following a so-called “Out-of-Cycle” review, Indonesia was lowered from the priority watch list to the watch list because it made significant progress in enforcing IPR.³⁶ Specifically, Indonesia strengthened the enforcement of regulations designed to stop illegal production of pirated optical discs such as CDs and DVDs by controlling the licensing of factories and conducting raids against pirate optical disc production facilities. In addition, as part of Russia’s ongoing negotiations to accede to the WTO, the United States and Russia agreed on a blueprint for action to address piracy and counterfeiting and to improve protection and enforcement of IPR.³⁷

³³ USTR, “Background on Special 301.”

³⁴ USTR, *2006 Special 301 Report*.

³⁵ *Ibid.*

³⁶ USTR, “U.S. Government Recognizes Indonesia’s Enhanced IPR Enforcement.”

³⁷ USTR, “Results of Bilateral Negotiations on Russia’s Accession to the World Trade Organization (WTO), Action on Critical IPR Issues.”

Antidumping and Countervailing Duty Investigations and Reviews

Antidumping Investigations

The U.S. antidumping law is contained in Title VII of the Tariff Act of 1930, as amended.³⁸ The antidumping law provides relief in the form of special additional duties that are intended to offset margins of dumping. Antidumping duties are imposed when (1) the U.S. Department of Commerce (Commerce), the administering authority, has determined that imports are being, or are likely to be, sold at less than fair value in the United States, and (2) the Commission has determined that a U.S. industry is materially injured or threatened with material injury or that the establishment of an industry in the United States is materially retarded by reason of such imports. Most investigations are conducted on the basis of a petition filed with Commerce and the Commission by or on behalf of a U.S. industry.

In general, imports are considered to be sold at LTFV when the U.S. price (i.e., the purchase price or the exporter's sales price, as adjusted) is less than the foreign market value, which is usually the home market price or, in certain cases, the price in a third country, or a constructed value, calculated as set out by statute.³⁹ The antidumping duty is calculated to equal the difference between the U.S. price and the foreign market value. The duty specified in an antidumping order reflects the dumping margin found by Commerce during its period of investigation. This rate of duty will be applied to subsequent imports from the specified producers/exporters in the subject country if Commerce does not receive a request for annual reviews.

Commerce and the Commission each conduct preliminary and final antidumping investigations in making their separate determinations.⁴⁰ The Commission instituted eight new antidumping investigations and completed nine investigations during 2006.⁴¹ Final antidumping duty orders were imposed in 2006 on products from four different countries (Brazil, China, India, and Indonesia) as a result of affirmative determinations in five completed investigations. The antidumping duty orders imposed in 2006 are listed in table 2.5 (in alphabetical order by country).

³⁸ 19 U.S.C. 1673 et seq.

³⁹ 19 U.S.C. 1677b; 19 CFR part 353, subpart D.

⁴⁰ Upon the filing of a petition, the Commission has 45 days to determine whether there is a reasonable indication that an industry in the United States is materially injured or threatened with material injury, or that the establishment of an industry in the United States is materially retarded, by reason of imports of the merchandise subject to the investigation. This is known as the preliminary phase of the investigation. If the Commission makes an affirmative determination, Commerce continues its investigation and makes preliminary and final determinations concerning whether the imported merchandise is being, or is likely to be, sold at LTFV. If Commerce reaches a final affirmative dumping determination, the Commission has 45 days to make its final injury determination. If the Commission's reasonable indication or preliminary phase determination is negative, both the Commission and Commerce terminate further investigation.

⁴¹ Data reported here and in the following two sections ("Countervailing Duty Investigations" and "Reviews of Outstanding Antidumping and Countervailing Duty Orders/Suspension Agreements") reflect the total number of investigations. In other Commission reports these data are grouped by product because the same investigative team and all of the parties participate in a single grouped proceeding, and the Commission generally produces one report and issues one opinion containing its separate determinations for each investigation.

Table 2.5 Antidumping duty orders that became effective during 2006

Country	Product	Range of duty (Percent)
Brazil.....	Certain orange juice	12.46 - 60.29
China.....	Artists' canvas	77.90 - 264.09
China.....	Certain lined paper school supplies	76.70 - 258.21
India.....	Certain lined paper school supplies	3.91 - 23.17
Indonesia.....	Certain lined paper school supplies	97.85 - 118.63

Source: Compiled by USITC from *Federal Register* notices.

Details on all antidumping investigations active at the Commission during 2006 are presented in table A.4. A list of all antidumping duty orders, including suspension agreements,⁴² in effect as of the end of the year is presented in table A.5.

Countervailing Duty Investigations

The U.S. countervailing duty law is also set forth in title VII of the Tariff Act of 1930, as amended. It provides for the levying of special additional duties to offset foreign subsidies on products imported into the United States.⁴³ In general, procedures for such investigations are similar to those under the antidumping law. Petitions are filed with Commerce (the administering authority) and with the Commission. Before a countervailing duty order can be issued, Commerce must find a countervailable subsidy and the Commission must make an affirmative determination of material injury, threat of material injury, or material retardation by reason of the subsidized imports.

The Commission instituted three new countervailing duty investigations and completed two investigations during 2006. Countervailing duty orders were imposed in 2006 on products from two countries as a result of affirmative determinations in both of those completed investigations. The countervailing duty orders imposed in 2006 are listed in table 2.6 (in alphabetical order by country).

Table 2.6 Countervailing duty orders that became effective during 2006

Country	Product	Range of duty (Percent)
India.....	Certain lined paper school supplies	<i>de minimis</i> -10.24
Indonesia.....	Certain lined paper school supplies	40.55

Source: Compiled by USITC from *Federal Register* notices.

⁴² An antidumping investigation may be suspended if exporters accounting for substantially all of the imports of the merchandise under investigation agree either to eliminate the dumping or to cease exports of the merchandise to the United States within six months. In extraordinary circumstances, an investigation may be suspended if exporters agree to revise prices to eliminate completely the injurious effect of exports of the subject merchandise to the United States. A suspended investigation is reinstated if LTFV sales recur. See 19 U.S.C. 1673c.

⁴³ A subsidy is defined as a bounty or grant bestowed directly or indirectly by any country, dependency, colony, province, or other political subdivision on the manufacture, production, or export of products. See 19 U.S.C. 1677(5) and 1677-1(a).

Details on all countervailing duty investigations active at the Commission during 2006 are presented in table A.6, and a list of all countervailing duty orders, including suspension agreements,⁴⁴ in effect at the end of the year is presented in table A.7.

Reviews of Outstanding Antidumping and Countervailing Duty Orders/Suspension Agreements

Section 751 of the Tariff Act of 1930 requires Commerce, if requested, to conduct annual administrative reviews of outstanding antidumping and countervailing duty orders to determine the amount of any net subsidy or dumping margin and to determine compliance with suspension agreements. Section 751 also authorizes Commerce or the Commission, as appropriate, to review certain outstanding determinations and agreements after receiving information or a petition that shows changed circumstances. In these circumstances, the party seeking revocation or modification of an antidumping or countervailing duty order or suspension agreement has the burden of persuading Commerce or the Commission that circumstances have changed sufficiently to warrant review and revocation. On the basis of either of these reviews, Commerce may revoke an antidumping or countervailing duty order in whole or in part or terminate or resume a suspended investigation. No changed circumstances investigations were active at the Commission during 2006.

The Uruguay Round Agreements Act amended section 751 of the Tariff Act of 1930 to require both Commerce and the Commission to conduct sunset reviews of outstanding orders and suspension agreements five years after their publication to determine whether revocation of an order or termination of a suspension agreement would be likely to lead to continuation or recurrence of dumping or a countervailable subsidy and material injury.⁴⁵ During 2006, Commerce and the Commission instituted 72 sunset reviews of existing antidumping and countervailing duty orders⁴⁶ and the Commission completed 76 reviews, resulting in 57 antidumping and countervailing duty orders and suspension agreements being continued for five additional years. Table A.8 shows completed reviews of antidumping and countervailing duty orders and suspension agreements in 2006.⁴⁷

⁴⁴ A countervailing duty investigation may be suspended if the government of the subsidizing country or exporters accounting for substantially all of the imports of the merchandise under investigation agree to eliminate the subsidy, to completely offset the net subsidy, or to cease exports of the merchandise to the United States within six months. In extraordinary circumstances, an investigation may be suspended if the government of the subsidizing country or exporters agree to eliminate completely the injurious effect of exports of the subject merchandise to the United States. A suspended investigation is reinstated if subsidization recurs. See 19 U.S.C. 1671c.

⁴⁵ 19 U.S.C. 1675c.

⁴⁶ Six of these reviews were subsequently terminated and the outstanding orders revoked because a domestic industry did not request that they be continued. The five revoked antidumping duty orders were on grain-oriented silicon electrical steel from Italy and Japan and stainless steel angle from Japan, Korea, and Spain. The revoked countervailing duty order was on grain-oriented silicon electrical steel from Italy.

⁴⁷ For detailed information on reviews instituted, as well as Commission action in all reviews, see the Commission's web site section entitled "Five-Year (Sunset) Reviews," at <http://info.usitc.gov/oinv/sunset.NSF>.

Section 337 Investigations

Section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), authorizes the Commission, on the basis of a complaint or on its own initiative, to conduct investigations with respect to certain practices in import trade. Section 337 declares unlawful the importation into the United States, the sale for importation, or the sale within the United States after importation of articles that infringe a valid and enforceable U.S. patent, registered trademark, registered copyright, or registered mask work, for which a domestic industry exists or is in the process of being established.⁴⁸

If the Commission determines that a violation exists, it can issue an order to exclude the subject imports from entry into the United States, or order the violating parties to cease and desist from engaging in the unlawful practices.⁴⁹ The President may disapprove a Commission order within 60 days of its issuance for “policy reasons.”

During 2006, there were 66 active section 337 investigations and ancillary proceedings, 38 of which were instituted in 2006. Of these 38, there were 33 new section 337 investigations and five new ancillary proceedings relating to previously concluded investigations. Further, all but four of the new section 337 institutions in 2006 included allegations of patent infringement, with the remaining investigations including allegations of trademark infringement. Seventeen investigations were terminated on the basis of settlement agreements or consent orders. The Commission completed a total of 28 investigations and ancillary proceedings under section 337 in 2006, including two enforcement proceedings, two combined enforcement and advisory opinion proceedings, and one remand proceeding. Seven exclusion orders and one cease-and-desist order were issued during 2006. Several investigations were terminated by the Commission without determining whether section 337 had been violated. Generally, these terminations were based on settlement agreements or consent orders.

As in recent years, the section 337 caseload was highlighted by investigations involving complex technologies, particularly in the computer and telecommunications fields. Significant among these were investigations involving baseband processor chips, wireless communication equipment, flash memory circuits and devices, and personal computers. Several other investigations involved products related to the automobile industry, such as motor and transmission systems used for hybrid vehicles, parts for the Ford F150 truck, and electric robots used to paint automobiles. Additionally, several investigations involved

⁴⁸ Also unlawful under section 337 are other unfair methods of competition and unfair acts in the importation of articles into the United States, or in the sale of imported articles, the threat or effect of which is to destroy or substantially injure a domestic industry, to prevent the establishment of an industry, or to restrain or monopolize trade and commerce in the United States. Examples of these other unfair acts are misappropriation of trade secrets, common law trademark infringement, trade dress infringement, false advertising, and false designation of origin. Unfair practices that involve the importation of dumped or subsidized merchandise must be pursued under antidumping or countervailing duty provisions, not under section 337.

⁴⁹ Section 337 proceedings at the Commission are conducted before an administrative law judge in accordance with the Administrative Procedure Act, 5 U.S.C. 551 et seq. The administrative law judge conducts an evidentiary hearing and makes an initial determination, which is transmitted to the Commission. The Commission may adopt the determination by deciding not to review it, or it may choose to review it. If the Commission finds a violation, it must determine the appropriate remedy, the amount of any bond to be collected while its determination is under review by the President, and whether public interest considerations preclude the issuance of a remedy.

pharmaceuticals or medical devices, including compositions containing recombinant human erythropoietin, endoscopic probes, and dental adjustment appliances. Other section 337 investigations active during the year focused on a variety of consumer items, including foam footwear, laminated floor panels, ink sticks, male prophylactic devices, and nickel metal hydride batteries.

At the close of 2006, there were 38 section 337 investigations and related proceedings pending at the Commission. Commission activities involving section 337 actions in 2006 are presented in table A.9. As of December 31, 2006, a total of seven outstanding exclusion orders based on violations of section 337 were in effect, all of which involve unexpired patents. Table A.10 lists the investigations in which these exclusion orders were issued.

Other Import Administration Laws and Programs

Tariff Preference Programs

Generalized System of Preferences

The U.S. Generalized System of Preferences (GSP) program authorizes the President to grant duty-free access to the U.S. market for certain products that are imported from designated developing countries and territories. The program is authorized by Title V of the Trade Act of 1974, as amended (19 U.S.C. 2461 et seq.). It has been enhanced to allow duty-free treatment for certain products when imported only from countries designated as least-developed beneficiary developing countries (LDBDC). Further, the African Growth and Opportunity Act (AGOA), Title I of Public Law 106-200, enacted May 18, 2000, amended Title V to authorize the President to provide duty-free treatment for certain articles when imported from countries designated as beneficiary sub-Saharan African countries through September 30, 2008 (in subsequent legislation extended to 2015). By offering unilateral tariff preferences, the GSP program reflects the U.S. commitment to three broad goals: (1) to promote economic development in developing and transitioning economies through increased trade, rather than foreign aid; (2) to reinforce U.S. trade policy objectives by encouraging beneficiaries to open their markets, to comply more fully with international trading rules, and to assume greater responsibility for the international trading system; and (3) to help maintain U.S. international competitiveness by lowering costs of imports for U.S. business and lowering prices for American consumers.

Countries are designated as “beneficiary developing countries” under the program by the President (with some limitations). The President cannot designate certain developed countries named in the statute and also may not designate countries that, *inter alia*, afford preferential treatment to the products of a developed country, other than the United States, that has, or is likely to have, a significant adverse effect on U. S. commerce. The President cannot designate countries that do not afford adequate protection to intellectual property rights or do not afford internationally recognized worker rights to their workers.⁵⁰ The President also designates the articles that are eligible for duty-free treatment, but may not designate articles that he determines to be “import-sensitive” in the context of the GSP. Certain articles (for example, footwear, textiles, and apparel) are designated by statute as

⁵⁰ 19 U.S.C. 2462(b).

“import-sensitive” and thus are not eligible for duty-free treatment under the GSP program.⁵¹ The statute also provides for graduation of countries from the program when they become “high-income” countries and for the removal of eligibility of articles, or articles from certain countries, under certain conditions.

Authorization for the GSP program was due to expire on December 31, 2006. However, on October 6, 2005, USTR issued a *Federal Register* notice⁵² announcing an Administration review of the operation of the GSP program, including a public hearing and solicitation of public comments, as Congress considered reauthorization. On August 8, 2006, another USTR *Federal Register* notice⁵³ announced an extension of the Administration’s review of the GSP program. Following this review and discussions between Congress and the Administration, Public Law 109-432 Congress passed on December 9, 2006 to extend the GSP program, with modifications to the president’s authority to grant waivers to countries of competitive need limitations (CNLs) through December 31, 2008.⁵⁴

Each year (unless otherwise specified in a *Federal Register* notice), USTR conducts a review process in which products can be added to, or removed from, the GSP program, or in which a beneficiary’s compliance with the eligibility requirements can be reviewed. On June 29, 2006, USTR announced the initiation of the 2006 GSP Annual Review, requiring petitions to modify the list of eligible products or the status of GSP beneficiary countries to be submitted by July 20, 2006, and moving the deadline for submission of CNL waivers to November 17, 2006.⁵⁵ On July 5, 2006, USTR announced completion of the 2005 Annual Review cycle, including publication of a presidential proclamation announcing changes in eligibility, as well as results of the review.⁵⁶ On October 31, 2006, USTR published interim statistics on GSP usage to inform countries that were likely to need to request CNL waivers prior to November 17, 2006.⁵⁷

Several other actions were taken by USTR under the GSP in 2006. On February 3, 2006, USTR announced restoration of GSP to Ukraine, as part of the completion of an Out-of-

⁵¹ 19 U.S.C. 2463.

⁵² USTR, “Generalized System of Preferences (GSP): Request For Public Comments,” Fed. Reg. 58502-03.

⁵³ USTR, “Generalized System of Preferences (GSP): Initiation of Reviews and Request for Public Comments,” Fed. Reg. 45079-80.

⁵⁴ Competitive need limits provide a ceiling on GSP benefits for each product and beneficiary developing country. Without a waiver, a country will automatically lose its GSP eligibility with respect to a product if the competitive need limitations are exceeded. The competitive need limitations require the termination of the country’s GSP eligibility on a product if, during any calendar year, U.S. imports from that country meet one of the following criteria: (1) account for 50 percent or more of the value of total U.S. imports of that product; or (2) exceed a certain dollar value (in accordance with the GSP statute, the dollar-value limit is increased by \$5 million annually; the limit was \$125 million in 2006.). Products will be found “sufficiently competitive” when imported from a specified beneficiary country when they exceed one of these limits. By statute, GSP treatment for an article exceeding either competitive need limit terminates July 1 of the next calendar year. A waiver may also be provided when total U.S. imports from all countries of a product are small, or de minimis. The de minimis competitive need limit waiver is also adjusted each year, in increments of \$0.5 million. The de minimis level in 2006 was \$18 million.

⁵⁵ USTR, “Generalized System of Preferences (GSP): Notice Regarding the Initiation of the 2006 Annual GSP Product,” Fed. Reg. 37129-30.

⁵⁶ USTR, “Generalized System of Preferences (GSP): Notice of the Results of the 2005 Annual Product,” Fed. Reg. 38190; and President, Proclamation, “To Modify Duty-Free Treatment Under the Generalized System of Preferences.”

⁵⁷ USTR, “Generalized System of Preferences (GSP): Import Statistics Relating to Competitive Need Limitations,” Fed. Reg. 63806-07.

Cycle Review process.⁵⁸ On February 22, 2006, the President designated Liberia as a GSP beneficiary effective March 9, 2006.⁵⁹ On August 1, 2006, USTR announced initiation of a review to consider East Timor for designation as a GSP beneficiary country.⁶⁰

Duty-free imports entered under the GSP program totaled \$32.6 billion in 2006, accounting for 10.8 percent of total U.S. imports from GSP beneficiary countries and 1.8 percent of total U.S. imports (table 2.7). Angola was the leading GSP beneficiary in 2006, followed by India, Thailand, Brazil, and Indonesia. Table A.11 shows the top 20 GSP products or product categories in 2006, and table A.12 shows the overall sectoral distribution of GSP benefits.

African Growth and Opportunity Act

In 2006, articles entering the United States free of duty under AGOA were valued at \$36.1 billion. AGOA was enacted in 2000 to provide unilateral preferential trade benefits to eligible sub-Saharan Africa (SSA) countries pursuing political and economic reform.⁶¹ AGOA provides duty-free market access to all GSP⁶² eligible products and more than 1,800 additional qualifying tariff line-item products from eligible SSA countries, and exempts beneficiaries from GSP CNLs. AGOA also provides duty-free treatment for eligible apparel articles made in qualifying SSA countries (described in more detail below). AGOA is scheduled to be in effect until 2015.⁶³

On December 20, 2006, President Bush signed the Africa Investment Incentive Act of 2006, which amends portions of AGOA and is referred to as AGOA IV.⁶⁴ AGOA IV extends the textile and apparel provisions from September 2008 to September 2015, extends the provision allowing for the use of third-party fabric in qualifying duty-free apparel imports from September 2007 to September 2012, and expands duty-free treatment for textiles and textile products originating entirely in one or more lesser-developed beneficiary countries. AGOA IV also increased the cap for apparel made from third-party fabric to 3.5 percent of

⁵⁸ USTR, “Results of Out-Of-Cycle Review Under Section 182 and Termination of Action Under Section 301(b),” Fed. Reg. 5899-5900.

⁵⁹ President, Proclamation, “To Modify Duty-Free Treatment Under the Generalized System of Preferences.”

⁶⁰ USTR, “Generalized System of Preferences (GSP): Initiation of a Review To Consider the Designation of East Timor,” Fed. Reg. 43543-45.

⁶¹ In addition to providing preferential access to the U.S. market for eligible SSA products, AGOA also includes a number of trade-facilitating provisions to, among other things, support trade liberalization in SSA countries, encourage U.S.-SSA bilateral investment agreements, address the need for trade capacity-building by encouraging certain SSA infrastructure products, encourage the expansion of the agriculture sector in SSA countries, and increase coordination between U.S. and SSA customs services. For further information, see USTR, *2006 Comprehensive Report on U.S. Trade and Investment Policy Toward Sub-Saharan Africa*, 8-12.

⁶² The U.S. GSP program is described above.

⁶³ AGOA was originally scheduled to be in effect until September 30, 2008. Section 3108 of the Trade Act of 2002 enhanced the original 2000 AGOA provisions and expanded preferential access for apparel imports from SSA beneficiaries (these modifications collectively are referred to as AGOA II). The AGOA Acceleration Act of 2004 (AGOA III) enhanced many of the original AGOA trade benefits, and generally extended AGOA provisions until 2015. In this report, the term AGOA refers to the original AGOA, AGOA II, AGOA III, and AGOA IV (see below), as a group. For further information, see USTR, *2006 Comprehensive Report on U.S. Trade and Investment Policy Toward Sub-Saharan Africa*.

⁶⁴ The 2006 amendments are contained in sections 6001-6004 of the Tax Relief and Health Care Act of 2006.

Table 2.7 U.S. imports for consumption from GSP beneficiaries and the world, 2006

(Million dollars)

Item	All GSP beneficiaries	World
Total U.S. imports ^a	300,659	1,834,708
Non-GSP eligible imports.	248,345	998,598
GSP eligible products.	52,314	836,110
GSP non-LDBDC eligible ^b	36,987	372,398
GSP LDBDC eligible ^c	15,327	463,712
Total GSP duty free imports.	32,597	32,597
Non-LDBDC GSP duty free.	23,729	23,729
GSP LDBDC duty free	8,868	8,868
Total of GSP eligible products not benefitting from GSP duty-free treatment.	19,718	803,591
GSP program exclusions.	7,345	7,519
All other.	12,373	795,994

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Customs-value basis; excludes imports from the U.S. Virgin Islands.

^a Includes imports from all beneficiary countries for the articles that are designated as eligible articles under GSP.

^b Non-LDBDC eligible products are those for which a rate of duty of "Free" appears in the Special rate column of the Harmonized Tariff Schedule of the United States (HTS) followed by the symbols "A" or "A*" in parenthesis (the symbol "A" indicates that all beneficiary countries are eligible for duty-free treatment with respect to all articles provided for in the designated provisions, and the symbol "A*" indicates that certain beneficiary countries, specified in general note 4(d) of the HTS, are not eligible for duty-free treatment with respect to any article provided for in the designated provision).

^c LDBDC eligible products are those for which a rate of duty of "Free" appears in the Special rate column of the Harmonized Tariff Schedule of the United States (HTS) followed by the symbol "A+" in parenthesis (the symbol "A+" indicates that all least-developed beneficiary developing countries (LDBDC's), and only LDBDC's, are eligible for duty-free treatment with respect to all articles provided for in the designated provisions). For a variety of reasons, not all imports from beneficiary countries that appear to be eligible for GSP treatment necessarily receive duty-free entry under the GSP. Such eligible import may not receive duty-free treatment under GSP for at least five types of reasons: (1) the importer fail to claim GSP benefits affirmatively; (2) the goods are from a GSP beneficiary that lost GSP benefits on that product for exceeding the competitive need limits; (3) the goods are from a GSP beneficiary country that lost GSP benefits on that product because of a petition to remove that country from GSP for that product or because of some other action by the President or USTR; (4) the GSP beneficiary country may claim duty-free treatment under some other program or provision of the HTS; and (5) the good fails to meet the rule of origin or direct shipment requirement of the GSP statute.

U.S. of apparel imported into the United States in the preceding 12-month period beginning October 1, 2006.⁶⁵ Apparel articles entered in excess of these quantities will be subject to otherwise applicable tariffs.

AGOA IV also added a new section 112(c)(2) to the AGOA⁶⁶ that requires the Commission to make certain determinations in connection with new Presidential authority to deny U.S. preferential treatment under specified circumstances for apparel from lesser developed

⁶⁵ 19 U.S.C. 3721(c)(1)(B)

⁶⁶ 19 U.S.C. 3721(c)(2).

beneficiary sub-Saharan African countries (LDBC).⁶⁷ In general, under AGOA, apparel wholly produced in a lesser developed beneficiary AGOA country is eligible for U.S. preferential treatment (duty-free entry), subject to an annual quota, without regard to the country of origin of the fabric or yarn. Section 112(c)(2)(D) authorizes the President to deny preferential treatment when the fabric or yarn is found to be available in commercial quantities from beneficiary AGOA countries for use in such developing countries and is subsequently found not to be used in the production of apparel receiving U.S. preferential treatment.

To aid the President in his administration of this authority, section 112(c)(2)(A) requires the Commission, in response to petitions, to make determinations with respect to whether specific fabric and yarn are available in commercial quantities from beneficiary AGOA countries for such use. If the Commission makes an affirmative determination, it must also determine the quantity likely to be available in the next October 1-September 30 period. The Commission must also make similar determinations for subsequent years and, after each such period has expired, must also determine to what extent the fabric or yarn previously found to be available was used in the production of apparel receiving preferential treatment under AGOA (section 112(c)(2)(B)). If the Commission finds that the available fabric was not used in the production of such apparel, the President may (must in certain circumstances) deny duty-free treatment for subsequent entries of the apparel at issue. In addition, section 112(c)(2)(C) deemed certain denim to have been determined to be available in commercial quantities under section 112(c)(2)(A) for the 1-year period October 1, 2006-September 30, 2007, in an amount of 30 million square meter equivalents (SMEs).

As of January 1, 2006, a total of 37 SSA countries were designated as eligible for AGOA benefits,⁶⁸ and 24 SSA countries were eligible for AGOA textile and apparel benefits.⁶⁹ Each year, the President must consider whether SSA countries⁷⁰ are, or remain, eligible for AGOA benefits based on specific criteria. Those criteria include whether the country is making continued progress toward establishing a market-based economy, enforcing the rule of law and political pluralism, and promoting free trade and economic policies that will reduce poverty and protect workers' rights. Additionally, a country must not engage in violations of internationally recognized human rights, support acts of international terrorism, or engage

⁶⁷ LDBCs for 2006 were: Benin, Burkina Faso, Cameroon, Cape Verde, Chad, Ethiopia, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mali, Mozambique, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Swaziland, Tanzania, Uganda, and Zambia. See the discussion of AGOA above. Botswana and Namibia are also eligible for the special rule, despite the fact that they are not lesser-developed countries. The special rule for LDBCs is to extend until September 2012.

⁶⁸ The following countries are listed in General Note 16 of the HTS as designated AGOA beneficiaries: Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Chad, Democratic Republic of the Congo, Djibouti, Ethiopia, Gabon, The Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritius, Mozambique, Namibia, Niger, Nigeria, Republic of the Congo, Rwanda, São Tomé and Príncipe, Senegal, Seychelles, Sierra Leone, South Africa, Swaziland, Tanzania, Uganda, and Zambia. See USITC, *Harmonized Tariff Schedule of the United States, 2006*, 166.

⁶⁹ The following 24 countries are listed in U.S. Note 7 of the HTS as eligible to receive AGOA apparel benefits during 2006: Benin, Botswana, Cameroon, Cape Verde, Ethiopia, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Uganda, and Zambia. See USITC, *Harmonized Tariff Schedule of the United States, 2006*, sect. xxii, 98-II-3.

⁷⁰ 19 U.S.C. 3706 lists a total of 48 countries, or their successor political entities, as potential beneficiaries.

in activities that undermine U.S. national security or foreign policy interests.⁷¹ The President designated Liberia as AGOA eligible effective January 1, 2007, and Burkina Faso and Chad were designated as eligible to receive AGOA apparel benefits effective August 4, 2006 and April 26, 2006, respectively.⁷²

Section 105 of the original AGOA legislation requires the President to establish the U.S.-SSA Trade and Economic Cooperation Forum. AGOA also requires USTR and the Secretaries of State, Commerce, and the Treasury to host meetings with senior-level officials from governments of countries that are eligible for AGOA benefits to discuss their trade, investment, and development relationships. The President is also required, if possible, to attend the forum every other year. The forum aims to establish an institutionalized economic dialogue with SSA similar to those that the United States maintains with other regions of the world, such as in the Asia-Pacific Economic Cooperation forum and the Summit of the Americas. The fifth AGOA forum was held in June 2006 in Washington, DC and consisted of three independent forums: ministerial, civil society, and private sector.⁷³

Total U.S. imports from AGOA countries were valued at \$56.0 billion in 2006, an increase of 19.2 percent over 2005 (table 2.8). Duty-free U.S. imports under AGOA, including GSP, were valued at \$44.2 billion in 2006 and accounted for 79.0 percent of all imports from AGOA countries. U.S. imports under AGOA, exclusive of GSP, were valued at \$36.1 billion in 2006, a 10.4 percent increase over 2005, and accounted for 64.5 percent of all imports from AGOA countries.

Table 2.8 U.S. imports for consumption from AGOA countries, 2004-06

Item	2004	2005	2006
Total imports from AGOA countries (1,000 dollars)	34,406,599	47,002,789	56,010,263
Total duty free under AGOA, including GSP (1,000 dollars)	26,558,922	38,146,396	44,239,193
Duty-free under AGOA, excluding GSP (1,000 dollars)	21,986,472	32,743,077	36,132,990
AGOA duty-free as a percentage of total	63.9	69.7	64.5

Source: Compiled from official statistics of the U.S. Department of Commerce.

The leading suppliers of duty-free U.S. imports under AGOA in 2006 were Nigeria (71.5 percent of total AGOA imports), Angola (12.6 percent), Chad (4.2 percent), and Gabon (3.6 percent). These four petroleum-exporting countries accounted for more than 91.8 percent of total imports by value under AGOA (table A.13).⁷⁴ Of the 25 leading imports under AGOA by 8-digit HTS (table A.14), imports of petroleum-related products increased to

⁷¹ 19 U.S.C. 3703(a). See also USTR, *2006 Comprehensive Report on U.S. Trade and Investment Policy Toward Sub-Saharan Africa*, 8-9.

⁷² USITC, *Harmonized Tariff Schedule of the United States, 2007*, 3 and 166.

⁷³ USTR, "AGOA: United States-Africa Trade and Economic Forum."

⁷⁴ The increase in imports of petroleum and related products reflects increasing prices rather than increasing quantities. Import quantities from the four leading suppliers decreased from approximately 680.1 million barrels in 2005 to approximately 662.0 million barrels in 2006. More specifically, imports of crude oil and petroleum related products from Nigeria, the leading supplier of petroleum and related products under AGOA, decreased from 425.4 million barrels in 2005 to 408.3 million barrels in 2006; imports from Angola increased from 172.6 million barrels in 2005 to 194.8 million barrels in 2006; imports from Chad increased from 35.6 million barrels in 2005 to 37.1 million barrels in 2006; and imports from Gabon decreased from 46.5 million barrels in 2005 to 21.8 million barrels in 2006. U.S. Department of Energy, Energy Information Administration, "U.S. Imports by Country of Origin."

\$34.1 billion in 2006, up 10.5 percent by value from 2005, and accounted for more than 94.5 percent of total AGOA imports by value in 2006, up from 94.3 percent of total AGOA imports in 2005. Of the leading 25 import products under AGOA, imports of apparel products decreased to \$1.1 billion in 2006 from \$1.2 billion in 2005 and accounted for 3.1 percent of total AGOA imports by value in 2006, down from 3.8 percent of total AGOA imports in 2005.

Andean Trade Preference Act

In 2006, articles from Bolivia, Colombia, Ecuador, and Peru entering the United States free of duty under ATPA were valued at \$13.5 billion (table 2.9). ATPA was enacted in 1991 to promote broad-based economic development and viable economic alternatives to coca cultivation and cocaine production by offering Andean products broader access to the U.S. market.⁷⁵ ATPA expired on December 4, 2001, but was renewed retroactively on August 6, 2002, under the Andean Trade Promotion and Drug Eradication Act (ATPDEA), part of the Trade Act of 2002.⁷⁶ ATPA, as amended by ATPDEA, expired on December 31, 2006, but was extended for six months for all ATPA beneficiary countries and for one year for beneficiary countries that meet certain milestones for completing an FTA with the United States by June 30, 2007.⁷⁷

The four ATPA beneficiaries are not automatically eligible for ATPDEA preferences. ATPDEA authorizes the President to designate any ATPA beneficiary as eligible for ATPDEA benefits provided the President determines the country has satisfied certain requirements, including protection of IPR and internationally recognized workers' rights. The President designated all four ATPA beneficiaries as ATPDEA beneficiaries on October 31, 2002.⁷⁸

A wide range of products is eligible for duty-free entry under ATPA. ATPDEA amended ATPA to provide duty-free treatment for certain products previously excluded from ATPA, including certain textiles and apparel (discussed in more detail below), footwear, petroleum and petroleum derivatives, watches and watch parts assembled from parts originating in countries not eligible for normal trade relations (NTR) rates of duty, and certain tuna packaged in foil or other flexible airtight packages (not cans). In addition, certain products previously eligible for reduced-duty treatment are now eligible for duty-free entry under ATPA, including certain handbags, luggage, flat goods (such as wallets, change purses, and eyeglass cases), work gloves, and leather wearing apparel. Products that continue to be excluded from ATPA preferential treatment include textile and apparel articles not otherwise eligible for preferential treatment under ATPDEA and certain agricultural products. Provisions related to textiles and apparel are discussed in more detail later in this chapter. With the exception of tuna in foil or flexible airtight packages, ATPDEA did not grant new benefits to agricultural products. Thus, canned tuna, rum and tafia, and above-quota imports of certain agricultural products subject to tariff rate quotas (primarily sugar, beef, and dairy products) continue to be excluded from the program.

⁷⁵ For a more detailed description of ATPA, including country and product eligibility, see USITC, *The Impact of the Andean Trade Preference Act*.

⁷⁶ Public Law 107-210, Title XXXI.

⁷⁷ Public Law 109-432, section 7001 et seq.

⁷⁸ President, Proclamation, "To Implement the Andean Trade Promotion and Drug Eradication Act, Proclamation 7616." *Federal Register* 67, (October 31, 2002): 67283–67291.

Total (dutiable and duty-free) U.S. imports from Bolivia, Colombia, Ecuador, and Peru were valued at \$22.5 billion in 2006, an increase of 12.2 percent from \$20.1 billion in 2005 (table 2.9). U.S. imports entered under ATPA preferences in 2006 were valued at \$13.5 billion and accounted for 59.9 percent of all imports from ATPA countries. U.S. imports under ATPDEA were valued at \$10.6 billion and accounted for 78.3 percent of

Table 2.9 U.S. imports for consumption from ATPA countries, 2004-06

Item	2004	2005	2006
Total imports from ATPA countries (1,000 dollars).....	15,489,766	20,060,117	22,510,596
Total under ATPA (1,000 dollars).....	8,359,258	11,463,949	13,484,448
Imports under ATPDEA (1,000 dollars).	6,522,889	9,303,218	10,559,400
Total under ATPA, excluding ATPDEA (1,000 dollars).....	1,836,369	2,160,731	2,925,048
Total under ATPA as a percent of total.	54.0	57.1	59.9

Source: Compiled from official statistics of the U.S. Department of Commerce.

imports under ATPA in 2006. U.S. imports under the original ATPA (ATPA excluding ATPDEA) accounted for the remaining 21.7 percent, valued at \$2.9 billion.

In 2006, U.S. imports under ATPA increased from each of the four beneficiary countries (table A.15). Ecuador became the largest source of U.S. imports under ATPA in 2006; such imports increased 21.8 percent by value during 2006 mainly because of increased prices on U.S. imports of crude petroleum. Colombia fell to the second-leading supplier of ATPA imports in 2006. Petroleum products accounted for 68 percent of U.S. imports under ATPA in 2006 and represented four of the top 25 U.S. imports under the program. Apparel was the next-largest category of imports under ATPA, accounting for 10 percent of such imports and seven of the 25 leading imports under ATPA. Other leading imports under ATPA in 2006 included copper cathodes, fresh cut flowers, gold jewelry, and asparagus (table A.16).

Caribbean Basin Economic Recovery Act

CBERA affords preferential tariff treatment to eligible products from designated Caribbean Basin countries. CBERA has been operative since January 1, 1984, and has no statutory expiration date.⁷⁹ CBERA is the trade-related component of the Caribbean Basin Initiative,⁸⁰ which was launched in 1982 principally to promote export-led economic growth and economic diversification in the Caribbean Basin region.⁸¹ The United States-Caribbean Basin Trade Partnership Act (CBTPA)⁸² expanded the coverage of preferential tariff treatment for several articles excluded under the original CBERA. Notably, the list of newly qualifying articles included certain apparel (discussed in more detail below), the assembly of which is an important Caribbean Basin industry.⁸³ CBTPA also extended NAFTA-equivalent treatment (that is, rates of duty equivalent to those accorded to Mexican goods

⁷⁹ USITC, *The Year in Trade 2005*, 2-19.

⁸⁰ A detailed description of the original CBERA, including country and product eligibility is available in USITC, *Caribbean Basin Economic Recovery Act: Impact on the United States, Fourteenth Report*.

⁸¹ USITC, *The Year in Trade 2005*, 2-19.

⁸² *Ibid.*

⁸³ For CBTPA provisions related to textiles and apparel, See “Textile and Apparel-Related Legislation” in this report.

under the same rules of origin applicable under NAFTA) to a number of other products previously excluded from CBERA, including certain tuna, petroleum products, certain footwear, and some watches and watch parts.⁸⁴

In 2006, articles from 20 countries and territories in the Caribbean Basin and Central America entering the United States free of duty or at reduced duties under CBERA were valued at \$9.9 billion.⁸⁵ Table 2.10 shows U.S. imports under CBERA from 2004 to 2006. U.S. imports entering under CBERA provisions decreased by 19.6 percent in 2006. The marked decline in U.S. imports under CBERA provisions in 2006 is due to the fact that El Salvador, Guatemala, Honduras, and Nicaragua were CBERA beneficiaries only during a portion of the year, after which the CAFTA-DR entered into force for each country. Had U.S. imports from these countries not been excluded, U.S. imports under CBERA would have increased by 12.6 percent in 2006. U.S. imports under CBERA (including CBTPA) provisions amounted to \$10.9 billion in 2004, \$12.3 billion in 2005, and \$9.9 billion in 2006. Notably, during this three-year period, duty-free or reduced-duty imports under CBERA (including CBTPA) accounted for a declining share of all U.S. imports from CBERA countries: 39.7 percent in 2004, 38.8 percent in 2005, and 38.5 percent in 2006. The declining share of imports under CBERA is mostly a result of additional products becoming duty free outside of CBERA provisions.

Table 2.10 U.S. imports for consumption from CBERA countries, 2004-06

Item	2004	2005	2006 ^a
Total imports from CBERA countries (1,000 dollars)	27,555,492	31,814,307	25,755,248
Total under CBERA, including CBTPA (1,000 dollars)	10,936,621	12,336,372	9,915,473
Total under CBERA (1,000 dollars)	7,908,041	8,773,023	5,960,741
Total under CBERA, excluding CBTPA (1,000 dollars)	3,028,580	3,563,349	3,954,732
Percent of total under CBERA includes CBTPA	39.7	38.8	38.5

Source: Compiled from official statistics of the U.S. Department of Commerce.

^a Data for 2006 include U.S. imports from El Salvador, Guatemala, Honduras, and Nicaragua only for the period during which those countries were eligible for CBERA benefits before CAFTA-DR entered into force.

Table A.17 shows U.S. imports entered under CBERA provisions from each of the CBERA countries from 2004 to 2006.⁸⁶ Trinidad and Tobago continued as the leading supplier of U.S. imports under CBERA in 2006. Table A.18 shows the leading 25 U.S. imports entered under CBERA provisions from 2004 to 2006. Mineral fuels, methanol, and apparel products

⁸⁴ Only watches assembled from parts originating in countries that are not eligible for NTR tariff treatment were ineligible for duty-free treatment under CBERA, see USITC, *The Impact of the Caribbean Basin Recovery Act: Seventeenth Report*, 1-13.

⁸⁵ The 20 countries designated for CBERA benefits as of December 31, 2006 are listed in table A.17. Tables 2.10, and A.17, include data of four CAFTA-DR countries that were eligible for CBERA benefits during a portion of 2006. When the CAFTA-DR enters into force for a country, such a country is removed from the enumeration of designated beneficiary countries under CBERA, CBPTA, and GSP. In 2006, CAFTA-DR entered into force for El Salvador (March 1), Honduras and Nicaragua (April 1), and Guatemala (July 1). President, Proclamation, "To Implement the Dominican Republic-Central America-United States Free Trade Agreement," Proclamations 7987, 7996, and 8034; and National Archives and Records Administration, *Dominican Republic-Central America-United States Free Trade Agreement Implementation Act*, Sec. 201.

⁸⁶ Refer to previous note.

dominated the list in 2006. Four of the leading products were mineral fuels; 11 were knitted and nonknitted apparel; and the remaining 10 were products that had already qualified for benefits under the original CBERA before the implementation of CBTPA—methanol, undenatured ethyl alcohol, pineapples, articles of jewelry, cigars, raw sugar, automatic circuit breakers, polystyrene, and cantaloupes.

Textile and Apparel Imports Under AGOA, ATPDEA, and CBTPA

The United States grants unlimited duty-free treatment to imports of textiles and apparel made from U.S. yarns and fabrics in eligible beneficiary countries under AGOA,⁸⁷ ATPDEA,⁸⁸ and CBTPA.⁸⁹ These programs also extend duty-free entry to apparel made in the beneficiary countries from “regional fabrics,”⁹⁰ subject to a ceiling, or “cap,” on the quantity of such apparel that can enter free of duty under each program. In addition, AGOA permits apparel made in lesser developed beneficiary countries (LDBCs)⁹¹ from fabrics made in countries other than the United States or in SSA to enter free of duty under the AGOA regional fabric cap (the “third-country fabric” provision). In 2006, imports of textiles and apparel eligible for duty-free entry to the United States totaled \$3.2 billion (1.4 billion square meter equivalents (SMEs)) under CBTPA, \$1.3 billion (318 million SMEs) under AGOA, and \$1.3 billion (205 million SMEs) under ATPDEA.⁹² The volume of U.S. imports of textiles and apparel declined under all groups of countries’ preference programs in 2006. U.S. imports from AGOA countries decreased by the largest margin in 2006 (-13.0 percent), followed by CBTPA countries (-9.0 percent), and ATPDEA countries (-5.5 percent).

Textile and apparel developments in 2006 are discussed more broadly in the following section.

Textile and Apparel Developments in 2006

During 2006, several developments affected U.S. textile and apparel trade imports from Vietnam, Central America, SSA, and Haiti. On November 7, 2006, the General Council of the World Trade Organization (WTO) approved Vietnam’s admission to the WTO. The United States removed quotas on 25 categories of textiles and apparel imports from Vietnam effective upon the country’s accession, which subsequently took place on January 11, 2007 following congressional approval granting Vietnam permanent NTR status on Dec. 9, 2006 (signed by the President on December 20, 2006).⁹³ The implementation of the CAFTA-DR in 2006 granted reciprocal free trade among the seven countries. On December 20, 2006, the President signed into law a bill containing the Haitian Hemispheric Opportunity Through Partnership Encouragement Act (HHOPE) of 2006 and the aforementioned Africa

⁸⁷ 19 U.S.C. 3721(b)(1)-(3).

⁸⁸ Amending 19 U.S.C. 3202(e)(1)(B)(i).

⁸⁹ Amending 19 U.S.C. 2703(b)(2)(A)

⁹⁰ U.S. HTS heading 9819.11.09.

⁹¹ LDBCs for 2006 were: Benin, Burkina Faso, Cameroon, Cape Verde, Chad, Ethiopia, Ghana, Kenya, Lesotho, Madagascar, Malawi, Mali, Mozambique, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Swaziland, Tanzania, Uganda, and Zambia. See the discussion of AGOA above. Botswana and Namibia are also eligible for the special rule, despite the fact that they are not lesser-developed countries. The special rule for LDBCs is to extend until September 2012.

⁹² U.S. Department of Commerce, Office of Textiles and Apparel, “Major Shippers Report.”

⁹³ WTO, Accessions, “Vietnam.”

Investment Incentive Act. The HHOPE expanded duty-free treatment for U.S. imports of textiles and apparel products from Haiti, while the Africa Investment Incentive Act expanded and extended the textile provisions from 2008 to 2015 and the third-country fabric provision until 2012.

U.S. Textile and Apparel Imports in 2006⁹⁴

In 2006, U.S. imports of textiles and apparel totaled 52.1 billion SMEs (\$93.3 billion), an increase of 2.6 percent by volume (4.6 percent by value) over 2005. This increase is noticeably smaller than the 2005 increase of 8.3 percent by volume (7.1 percent by value). The year 2006 was characterized by a shift in U.S. textile and apparel imports from Central American, South American, and SSA countries toward lower-priced Southeast Asian suppliers—primarily China, but also Indonesia, Bangladesh, Vietnam, and Cambodia (see table 2.11). China's growth in the U.S. import market slowed to 11 percent, as compared to the nearly 44 percent increase that took place in 2005.

Imports from Southeast Asian countries increased by nearly 12 percent in 2006, to 5.8 billion SMEs (see table 2.11). The countries with the largest percentage increase in imports were lower-price suppliers in the region, namely Vietnam, Indonesia, and Cambodia, which increased exports of textiles and apparel to the United States by 20.8 percent (to 1.1 billion SMEs), 18.1 percent (to 1.6 billion SMEs), and 17.6 percent (870 million SMEs), respectively. While Vietnam and Indonesia increased exports to the United States by a sizable volume over the past three years, the countries' U.S. import market shares have remained relatively consistent, at around 2 percent and 2.8 percent, respectively, during 2004-06. Elsewhere in Asia, primary U.S. suppliers Pakistan, India, and Bangladesh continued to expand exports to the United States, and in 2006, the three countries combined accounted for 14 percent of the U.S. import market by volume (\$11.3 billion). In 2006, Pakistan shipped 3.6 billion SMEs (\$3.3 billion) to the United States, surpassing Mexico as the second-largest U.S. supplier, while India shipped 2.7 billion SMEs (\$5.0 billion) to the United States, surpassing Canada as the fourth-largest U.S. supplier.

U.S. imports of textile and apparel from FTA and trade preference partners in the Western Hemisphere declined in 2006. U.S. textile and apparel imports from NAFTA countries decreased again in 2006, and experienced the largest reduction in imports of textile and apparel by volume among all U.S. preference program and FTA partner countries. U.S. textile and apparel imports from Canada declined by 19 percent (to \$2.6 billion) and U.S. textile and apparel imports from Mexico declined by 12 percent (to \$6.4 billion). U.S. textile and apparel imports from CBERA countries decreased to 3.8 billion SMEs in 2006, or by 9 percent since 2005. In 2006, 37 percent of U.S. textile and apparel imports from CBERA countries entered into the United States duty-free under CBPTA, a decline of 34 percent from 2005. U.S. textile and apparel imports from five of the six signatories to the CAFTA-

⁹⁴ The data in this section were compiled by USITC from official statistics of the U.S. Department of Commerce, OTEXA. Most of the data included in this section are available on the OTEXA website, <http://otexa.ita.doc.gov>. The percentage figures included in this section are based on unrounded SMEs.

Table 2.11 U.S. imports of textiles and apparel in 2006 by quantity, percentage change in imports 2005–06, and share of total U.S. imports of textiles and apparel, for major U.S. suppliers, selected regional groups, and the world

Country or region	U.S. imports 2006 Million SMEs ^a	Change in imports 2005–06	Share of total U.S. textile and apparel imports	
			2005	2006
			-----Percent-----	
World.	52,150	2.6	100.0	100.0
China.	18,611	11.0	33.0	35.7
Pakistan.	3,568	8.4	6.5	6.8
Mexico.	3,425	-11.8	7.6	6.6
India.	2,655	13.7	4.6	5.1
Canada.	2,439	-19.0	5.9	4.7
Korea.	2,139	5.5	4.0	4.1
Indonesia.	1,599	18.1	2.7	3.1
Bangladesh.	1,495	13.8	2.6	2.9
Taiwan.	1,172	8.2	2.1	2.3
Vietnam.	1,148	20.8	1.9	2.2
Honduras.	1,144	-9.4	2.5	2.2
Thailand.	1,019	-3.1	2.1	2.0
Cambodia.	870	17.6	1.5	1.7
NAFTA.	5,864	-14.9	13.6	11.2
Southeast Asian countries ^b	5,754	11.9	10.1	11.0
Central American/Caribbean countries ^c	3,796	-9.0	8.2	7.3
Sub-Saharan African countries ^d	340	-12.9	0.8	0.7
Andean countries ^e	263	-5.7	0.5	0.5

Source: U.S. Department of Commerce, Office of Textiles and Apparel, "Major Shippers Report."

^a Square meter equivalents.

^b Southeast Asian countries include ASEAN members Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Thailand, Singapore, and Vietnam.

^c Central American/Caribbean countries include CBERA beneficiaries: Antigua and Barbuda; Aruba; Bahamas; Barbados; Belize; British Virgin Islands; Costa Rica; Dominica; Dominican Republic; El Salvador; Grenada; Guatemala; Guyana; Haiti; Honduras; Jamaica; Montserrat; Netherlands Antilles; Nicaragua; Panama; St. Kitts and Nevis; St. Lucia; St. Vincent and the Grenadines; Trinidad and Tobago.

^d Sub-Saharan African countries include AGOA participants: Angola; Benin; Botswana; Burkina Faso; Burundi; Cameroon; Cape Verde; Chad; Republic of Congo; Democratic Republic of Congo; Djibouti; Ethiopia; Gabon; The Gambia; Ghana; Guinea; Guinea-Bissau; Kenya; Lesotho; Liberia; Madagascar; Malawi; Mali; Mauritius; Mozambique; Namibia; Niger; Nigeria; Rwanda; Sao Tome and Principe; Senegal; Seychelles; Sierra Leone; South Africa; Swaziland; Tanzania; Uganda; Zambia.

^e Andean countries are Bolivia, Colombia, Ecuador, and Peru.

DR declined in 2006.⁹⁵ U.S. textile and apparel imports from Andean countries slightly decreased to 262.7 million SMEs (\$1.5 billion) in 2006; of this, 205.2 million SMEs (\$1.3 billion) entered duty-free under ATPDEA. This represents a slight decline in total volume over 2005, though the shares of U.S. textile and apparel imports from Andean countries that

⁹⁵ CAFTA-DR signatories are Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua. Exports of textiles and apparel from Nicaragua to the United States increased by 24 percent to 252 million SMEs in 2006.

entered the United States duty-free under ATPDEA remained consistent at 78 percent during 2006.

U.S. imports of textiles and apparel from SSA declined by 13 percent to 340 million SMEs (\$1.3 billion) in 2006, slightly less than the 16 percent decrease to 389 million SMEs (\$1.5 billion) in 2005. The overall decline can be attributed to export decreases from Kenya, Madagascar, Swaziland, and Mauritius—four of the five largest exporters of textiles and apparel from SSA to the United States, respectively. Textiles and apparel exports from Lesotho, the region’s largest exporter to the United States, remained essentially unchanged in 2006. In 2006, 94 percent (318 million SMEs) of the total 340 million SMEs which entered the United States from SSA were duty-free under AGOA. Eighty-nine percent of U.S. imports of textiles and apparel under AGOA were apparel made in LDBC with foreign fabric (283 million SMEs); this amounts to a 5 percent increase in the use of foreign fabric since 2005.

U.S.-China Textile and Apparel Trade

On January 1, 2006, a Memorandum of Understanding (MOU)⁹⁶ signed between the United States and China took effect, establishing quotas on U.S. imports of selected textile and apparel products from China. The MOU extends through December 31, 2008, at which time the right of the United States to invoke safeguards⁹⁷ under China’s WTO membership accession agreement expires. The MOU established 21 quotas covering 34 categories of textile and apparel products. These 34 product categories accounted for 40.6 percent of the volume (36.9 percent by value) of total U.S. imports of textiles and apparel from China in 2006.⁹⁸ As part of the agreement, the United States agreed to act with restraint in future applications of the WTO accession safeguard provision and not to request further consultations for safeguards on the products covered under the MOU.

On average, the 21 quotas filled at a lower rate in 2006 (59.7 percent) than in 2005 (94.4 percent),⁹⁹ when China was subject to safeguards.¹⁰⁰ The lower fill rate could be attributed to a number of reasons, including the decision by some U.S. importers, prior to the signing of the MOU in November 2005 to seek alternate sources to China for 2006. In addition, the 2006 quota levels for most products were higher than the annualized safeguard levels in place in 2005.

⁹⁶ USTR, “Memorandum of Understanding Between the Governments of the United States of America and the People’s Republic of China Concerning Trade in Textile and Apparel Products.”

⁹⁷ Under the textile safeguard provision in China’s accession agreement to the WTO, the United States and other WTO countries may impose temporary quotas on imports of Chinese textiles and apparel under certain conditions. The textile safeguard provision in China’s WTO accession agreement permits a WTO country, following consultations, to impose quotas on imports of textiles and apparel from China if it finds that imports of textiles and apparel from China are, owing to market disruption, threatening to impede the orderly development of trade in these goods. The safeguard provision requires China to hold its shipments to a level no greater than 7.5 percent (6 percent for wool goods) above the amount entered in the first 12 months of the most recent 14 month period preceding the request for consultations. The safeguards cannot remain in effect beyond one year, without re-application, unless both countries agree. Information on the China textile safeguard is from the WTO, Ministerial Conference, Doha, Qatar, *Report of the Working Party on the Accession of China*, 46-47.

⁹⁸ Estimated by USITC staff based on data of the U.S. Department of Commerce, OTEXA.

⁹⁹ Estimated by USITC staff based on data of the U.S. Customs and Border Protection, “2006 Year-end Textile Status Report for Absolute Quotas.”

¹⁰⁰ See discussion of textile safeguards and China’s WTO accession agreement in footnote 94 above.

While China's position as the leading supplier of textiles and apparel has increased considerably in recent years, the 11 percent increase in imports in 2006 was well below the 2005 increase of 44 percent. During 2004-06, China increased its share of the U.S. import market by volume by roughly 11 percent share, from a 24.8 percent share in 2004 to 35.7 percent share in 2006.

CAFTA-DR Free Trade Agreement

On August 2, 2005, the president signed into law the U.S. CAFTA-DR Free Trade Agreement (P.L. 109-053). In 2006, CAFTA-DR entered into force with respect to Guatemala (July 1), Honduras (April 1), Nicaragua (April 1), and El Salvador (March 1). CAFTA-DR enhanced and made permanent and reciprocal the trade preferences established by the CBTPA for textiles and apparel. It also provided for the immediate elimination of duties on textiles and apparel that meet the rules of origin specified in the agreement, retroactive to January 1, 2004.

The rules of origin for textiles and apparel in CAFTA-DR are similar to those of other recent U.S. FTAs, as they are based on changes in tariff classification from third-country inputs to goods processed or made in one or more member countries (the "tariff shift" rules). In addition, the rules of origin in the CAFTA-DR require that imports of most apparel and woven fabrics from CAFTA-DR countries be assembled from inputs made in the United States or the CAFTA-DR region from the yarn stage forward ("yarn-forward rule") to qualify for CAFTA-DR preferences.¹⁰¹ FTA rules of origin for apparel generally apply only to the component that determines the tariff classification of the garment—that is, the component that imparts the "essential character" of the garment.¹⁰² The yarn-forward rule also applies to certain apparel components (i.e., narrow elastic fabrics, sewing thread, and visible linings). A "fiber-forward rule" applies to knit fabrics of cotton and man-made fibers and to most yarns. A "fabric-forward" rule of origin applies to wool apparel; i.e., the wool fabric must be made in an FTA partner country, regardless of the source of the yarns. The FTA contains a de minimis foreign content rule that allows up to 10 percent of the total weight of the "essential character component" to consist of non-originating fibers or yarns.¹⁰³ CAFTA-DR also contains certain provisions found in other U.S. FTAs that allow the use of non-originating inputs, including tariff preference levels (TPLs) for Nicaragua and Costa Rica, cumulation provisions, and single transformation rules.¹⁰⁴ CAFTA-DR

¹⁰¹ For a garment to qualify for CAFTA-DR preferences under a yarn-forward rule, it must be made in a CAFTA-DR party from yarn and fabric made in a CAFTA-DR party. The yarn used in the production of the fabric can be made of non-originating fibers.

¹⁰² By contrast, the CBTPA rules of origin generally requires that all fabric components of a garment be made of U.S.-formed fabric from U.S.-formed yarns, or with limitations, of regionally formed fabric of U.S. yarn.

¹⁰³ By contrast, CBTPA contains a 7 percent de minimis rule, which applies to the total weight of all fabric components in a garment.

¹⁰⁴ TPLs allow non-originating goods to receive the same duty preference as originating goods up to a specified level; imports that exceed the TPL level are subject to the higher normal trade relations (NTR) rates of duty. A cumulation provision, such as found in the CAFTA-DR, permits the use of inputs from other FTA partner countries to be incorporated into qualifying products; the cumulation provision in the CAFTA-DR is subject to a cap. The single transformation rule in the CAFTA-DR permits certain goods such as boxer shorts, pajamas, nightwear, and brassieres that are cut or knit to shape, or both, and sewn or otherwise assembled in an FTA party, to be made of non-originating inputs. For more on the rules of origin applying to U.S. imports of textiles and apparel in this agreement, see USITC, *U.S.-Central America-Dominican*

(continued...)

furthermore permits duty-free entry for apparel made in CAFTA-DR countries from yarns and fabrics that are not available in any of the member countries in a timely manner, regardless of the source of the yarns and fabrics.¹⁰⁵

The United States has also agreed with the five countries to modify some of the rules of origin to include: requiring that pocketing fabrics be made in the FTA region; establishing single transformation rules for additional apparel items such as women's wool anoraks, women's and girls' ensembles, and certain men's suit-type jackets; reducing tariffs on certain non-originating items; changing the Costa Rica Wool TPL; creating a separate TPL for certain women's swimwear from Costa Rica; and changing the rules on cumulation for wool apparel. The revised rules of origin are to enter into effect after the CAFTA-DR has been implemented for all countries.¹⁰⁶

U.S. Imports from Vietnam and Vietnam's Accession to the WTO

During 2006, U.S. imports of textiles and apparel from Vietnam increased by 21 percent, from 950 million SMEs (\$2.9 billion) to 1.15 billion SMEs (\$3.4 billion), despite quotas on 25 categories of textile and apparel articles in 2006. At the close of 2006, quota fill rates averaged 77 percent and ranged from 14 percent for shirts and blouses to 97 percent for certain men's and boys' coats,¹⁰⁷ and quotas in nine categories (36 percent) were fully utilized.

The President signed into law a bill granting permanent normal trade relations status to Vietnam on December 20, 2006. The United States removed quotas on U.S. imports of certain cotton, wool, and man-made fiber textile and textile products in 25 categories from Vietnam (established in 2003) on January 7, 2007, upon Vietnam's entry into the WTO.¹⁰⁸ The U.S. Department of Commerce (Commerce) initiated a program to monitor U.S. imports of certain textile and apparel products from Vietnam upon the country's accession to the WTO. Commerce is to engage in a biannual review process of import volumes and values of sensitive textile and apparel products to determine whether adequate verification exists to commence an antidumping investigation.¹⁰⁹

¹⁰⁴ (...continued)

Republic Free Trade Agreement: Potential Economywide and Sectoral Effects, 34-37.

¹⁰⁵ The FTA identifies yarns and fabrics in "short supply" as those specified in Annex 401 of the NAFTA and those designated under the "commercial availability" provisions of CBTPA, AGOA, and ATPDEA.

¹⁰⁶ Quesenberry, Scott D., "Letter of agreement between the Dominican Republic and the United States," and "Letter of agreement between Costa Rica and the United States." Also pending are adjustments to the TPL for Nicaragua and the cumulation provision, and a possible 10-year phase out of tariffs on socks with the CAFTA countries instead of an immediate elimination. Textile Negotiator, USTR, telephone interview by Commission staff, March 28, 2007.

¹⁰⁷ U.S. Department of Homeland Security, U.S. Customs and Border Protection, "2006 Year-end Textile Status Report for Absolute Quotas."

¹⁰⁸ Vietnam officially joined the World Trade Organization on January 11, 2007.

¹⁰⁹ U.S. Department of Commerce, "Textile and Apparel Products from Vietnam, Import Monitoring Program, Request for Comments."

HHOPE

On December 20, 2006, the United States enacted the HHOPE which amends the CBTPA and establishes special rules that make Haiti eligible for new trade benefits. Previously, under the yarn-forward rule established by the CBTPA, U.S. apparel imports from Haiti could qualify for duty-free treatment only if they were made entirely from inputs produced in Haiti or the United States from U.S. yarn. The HHOPE establishes several new rules of origin for apparel imports that enhance sourcing flexibility for apparel producers in Haiti, with the aim of maximizing opportunities for U.S. imports of such articles from Haiti.¹¹⁰ The first rule grants duty-free treatment for apparel imported from Haiti if at least 50 percent of the value of inputs and/or costs of processing (i.e., wholly assembled or knit-to-shape) is from Haiti, the United States, or any country that is an FTA partner with the United States during years one to three of the Act. In year four of the Act, the percentage requirement for originating inputs increases to 55 percent or more, and in year five it increases to 60 percent or more. The HHOPE sets a cap on imports from Haiti receiving preferential treatment that meet the preceding requirements to 1 percent of total U.S. apparel imports in year one, increasing by 0.25 percentage point per year through year five, to a maximum of 2 percent of total U.S. apparel imports.

The HHOPE also includes a single transformation rule of origin for apparel articles entering the United States under subheading 6212.10 (brassieres) of the Harmonized Tariff Schedule, which allows the components of these garments to be sourced from anywhere, as long as the garments are both cut and sewn or otherwise assembled in Haiti. The HHOPE also establishes duty-free treatment for three years for a specified quantity of woven apparel imports from Haiti made from fabric produced anywhere in the world; up to 50 million SMEs in years one and two of the Act, and up to 33.5 million SMEs in year three. To be eligible for the preferential treatment established by the HHOPE, Haiti must meet criteria similar to those in the AGOA. These criteria include: making progress toward establishing a market-based economy and a rule of law; eliminating barriers to U.S. trade and investment; establishing measures to protect intellectual property rights; not engaging in activities detrimental to U.S. national security; and protecting internationally recognized worker rights. Haiti accounted for about 5 percent of U.S. imports of textiles and apparel (principally knit shirts and underwear) from the Central American/Caribbean region in 2006 (\$450 million), of which \$364 million entered duty-free under the CBTPA.

¹¹⁰ Section 5004 of Title V - Haiti of HR 6111.

CHAPTER 3

Selected Trade Developments in the WTO, OECD, and APEC

World Trade Organization

Doha Trade Negotiations

Round Suspended

The Doha Round of multilateral trade negotiations was suspended July 24, 2006, and remained suspended at the end of the year.¹ The Director-General of the WTO, who also chairs the Round's Trade Negotiating Committee (TNC), remarked at his announcement of the suspension that the persistent impasse in setting full negotiating modalities for a limited number of key issues meant that it would not be possible to settle those issues, negotiate necessary subsequent issues, and then prepare final schedules of concessions before the 2006 year-end deadline.² He summarized the primary sticking points as the Group of 6 (G-6)³ participants' inability to agree on liberalizing market access for agricultural products and on reductions of agricultural domestic support. He noted that the impasse over these two subjects kept the negotiators from advancing to market access for industrial products, a third key subject in the negotiations.⁴ The Director-General reflected that the suspension might allow participants time to review the situation, examine available options, and review their positions.⁵

G-8 Summit Meeting

The Group of 8 (G-8) members—heads of state or government from the major industrial democracies of Canada, France, Germany, Italy, Japan, Russia, the United Kingdom, and the United States, along with representatives of the European Union—gathered in St Petersburg, Russia, July 15-17, 2006, the week preceding the suspension of the Doha Round, for their annual summit meeting to discuss major economic and political issues facing their governments.⁶ A number of non-G-8 leaders also attended the St. Petersburg summit, representing the African Union, Brazil, China, the Commonwealth of Independent States, India, Mexico, and South Africa. Heads of major international organizations also participated, including the Director-General of the WTO. At the G-8 summit meeting, the WTO Director-General urged the leaders to allow their negotiators more room to maneuver

¹ Director-General Lamy reported to the WTO General Council meeting on February 7, 2007, that the Doha Round trade negotiations had resumed. WTO, "General Council—Lamy: 'We have resumed negotiations fully across the board.'"

² WTO, "Trade Negotiations Committee—24 July 2006."

³ The G-6 group comprises Australia, Brazil, the European Union, India, Japan, and the United States.

⁴ WTO, "Trade Negotiations Committee—24 July 2006."

⁵ *Ibid.*

⁶ G-8 Summit 2006, Saint Petersburg, Russia, "G-8 History," and "Working Meetings, Summit 2006."

in order to reach agreement on remaining trade issues.⁷ As a result of discussions at the G-8 summit, the attending G-6 members scheduled two subsequent negotiating sessions, one for July 23-24 and a second for July 28-29, in an effort to reach agreement on market access and domestic support for agriculture in the Doha trade talks.⁸

Impasse Reached

On July 23, 2006, after a lengthy negotiating session, agriculture and trade ministers from the G-6 members could not reach agreement on negotiating modalities for the three key issues of liberalizing market access for agricultural products, reducing trade-distorting domestic support for agricultural products, and liberalizing market access for industrial products.⁹

Reaction to negotiating impasse

On July 24, 2006, the USTR expressed disappointment that the G-6 ministers were unable to reach an agreement during their negotiating session, saying that the United States came “with the flexibility to offer more on domestic support and market access”¹⁰ they would show. However, “the promises of flexibility and market access coming from St. Petersburg did not materialize in Geneva,” USTR Susan Schwab said.¹¹ She noted that, “while the United States was prepared to do more, yesterday’s focus on the loopholes in market access, on the layers of loopholes, revealed that a number of developed and advanced developing countries were looking for ways to be less ambitious, to avoid making ambitious contributions.”¹²

In a statement to the press on July 24 in Geneva, EU Commissioner for External Trade, Peter Mandelson, also expressed his disappointment at the suspension, but voiced the view that it was U.S. unwillingness to show flexibility at the session that led to the Round being suspended.¹³ Referring to the discussions at the G-8 summit concerning increased flexibility for negotiators, the EU Commissioner said “It is that flexibility that we expected to hear last night [July 23, 2006, at the G-6 negotiating session], and . . . which we failed to see. And that’s why there has been this breakdown.”¹⁴ In remarks made July 25 in Brussels, the EU

⁷ WTO, “‘The chief responsibility lies here,’ Lamy tells G-8.” July 17, 2006.

⁸ Sungjoon Cho, “The WTO Doha Round Negotiation: Suspended Indefinitely,” and *Washington Trade Daily*, “G-6 Sessions Critical for DDA Success.”

⁹ WTO, “Trade Negotiations Committee—24 July 2006.”

¹⁰ USTR, “Press Availability with Ambassador Susan C. Schwab, USTR; Mike Johanns, Secretary of Agriculture,” July 24, 2006.

¹¹ USTR, “Press Availability with Ambassador Susan C. Schwab, USTR; Mike Johanns, Secretary of Agriculture,” July 24, 2006.

¹² *Ibid.*

¹³ EU, “There is no more time left: Peter Mandelson statement.”

¹⁴ BNA, “WTO’s Doha Round Talks Collapse, As G-6 Ministerial Ends in Acrimony.” In terms of the “three pillars” framework used in the agriculture negotiations—market access, export competition, and domestic support—EU Trade Commissioner, Peter Mandelson, characterized the EU offer as: (1) for market access, a “readiness to go to a 50 percent average tariff cut;” (2) for export competition, “100 percent elimination of export subsidies;” and (3) for domestic support, a “75 percent reduction in trade distorting domestic support.” Mandelson also said that the EU had indicated that it was ready to discuss the treatment and number of sensitive products. He stated that this was “more – much more – than anybody would previously have expected from the EU” in the agricultural negotiations. See EU, “There is no more time left: Peter Mandelson statement.”

Trade Commissioner said that “the United States, I regret to say, showed no flexibility at all in the end on the issue of domestic subsidies in agriculture. . . . As a result, the United States have been asking too much from others in exchange for doing too little themselves.”¹⁵

At the time of the suspension, it was reported that EU officials were close to an agreement with Brazil and India—leaders of the Group of 20 (G-20)¹⁶—to reduce tariffs on agricultural products, but that the United States would not agree to greater reductions in U.S. domestic agricultural support in exchange.¹⁷ EU officials reportedly said that the United States would not agree to further reductions beyond its October 2005 agricultural offer to cap U.S. domestic subsidy payments at \$22.4 billion annually.¹⁸ The EU reported that the United States countered instead that other trading partners had not matched the U.S. offer with sufficient tariff reductions to expand their market access that would, in turn, warrant further reductions in U.S. domestic support.¹⁹

In previous negotiations before the July suspension, the USTR had already pointed out that “other Members’ proposals [in agriculture] have failed to make significant cuts to trade-distorting support and cut tariffs below levels already set in place.”²⁰ In a fact sheet released on July 24 the USTR answered in response to the proposition that, “some countries are asserting that the U.S. was the problem: While some in the European Union are trying desperately to pin the blame for the Doha stalemate on the United States for being ‘too ambitious,’ the failure lies with a divided EU that was unable to reach consensus on opening their highly-protected agricultural markets.”²¹

In a second fact sheet released on July 25, the USTR set out information on the U.S. offer on market access for agricultural products and domestic support payments.²² The fact sheet stated that the “United States has lower agricultural tariffs than the EU or advanced developing economies,” identifying the average bound tariff for the United States as 12

¹⁵ EU, “‘We need to look ahead and to rebuild’—Transcript of Peter Mandelson's remarks on his return from Geneva following the suspension of the WTO Doha negotiations—Brussels, 25 July 2006.” July 25, 2006.

¹⁶ The G-20 group is a self-described group of developing countries with special interest in agriculture, many of which consider agriculture to be the central issue of the Doha Round negotiations. The G-20 currently comprises Argentina, Bolivia, Brazil, Chile, China, Cuba, Egypt, Guatemala, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Philippines, South Africa, Tanzania, Thailand, Uruguay, Venezuela, and Zimbabwe. G-20 membership has varied, counting at different times more than or less than 20 actual members. G-20 Web site, “Members.”

¹⁷ BNA, “WTO's Doha Round Talks Collapse, As G-6 Ministerial Ends in Acrimony.”

¹⁸ EU, “‘We need to look ahead and to rebuild’—Transcript of Peter Mandelson's remarks on his return from Geneva following the suspension of the WTO Doha negotiations—Brussels, 25 July 2006.” July 25, 2006; and BNA, “WTO's Doha Round Talks Collapse, As G-6 Ministerial Ends in Acrimony.”

¹⁹ BNA, “WTO's Doha Round Talks Collapse, As G-6 Ministerial Ends in Acrimony.”

²⁰ USTR, “WTO Doha Development Agenda—The U.S. Proposal on Agriculture.” *Trade Facts*, April 2006.

²¹ USTR, “WTO Doha Development Agenda—What They Are Saying About the Doha Development Agenda Negotiations,” July 24, 2006.

²² USTR, “USTR Statement Affirming Backing for Successful WTO Negotiations—Fact Sheet.” According to USTR, the U.S. proposal calls for substantial reforms in each of the “three pillars” under negotiation, with (1) “reduction in tariffs across the board in agriculture, with only a few ‘sensitive products;’” (2) “elimination of export subsidy programs and tighter disciplines on export credits and food aid;” and (3) “reduction in trade-distorting domestic support, particularly in specific allowances under the ‘amber’ and ‘blue’ boxes.” USTR contends that the EU proposal on tariff reductions would cut tariffs only 39 percent on average, and its proposal on domestic support reduction would leave EU trade-distorting domestic support at over three times the level of the United States. USTR, “WTO Doha Development Agenda—The U.S. Proposal on Agriculture.”

percent, for the EU as 23 percent, and for India as 114 percent, with a global average bound tariff of 62 percent. The release stated that the October 2005 U.S. proposal on trade in agriculture “offered a far bolder package of ag tariff cuts than anyone else,” that to match such cuts would require the EU to cut average agricultural tariffs by 66 percent, and would have the advanced developing countries cut average agricultural tariffs by 44 percent. The fact sheet also noted that the October 2005 U.S. offer sought to close “substantial loopholes that could exempt many agricultural commodities from the tariff-cutting formulas altogether” as proposed by the EU and other countries such as India.

The USTR fact sheet stated that the “United States has fewer trade-distorting agricultural supports than the EU,” estimating total 2005 trade-distorting agricultural support at \$12.5 billion in the United States and at \$33 billion in the EU. The fact sheet indicated that the “United States would make real cuts in allowed support in existing farm programs,” having proposed “to cut its most trade-distorting subsidies by 60 percent” whereas the “EU proposal would not require any changes in its current farm programs.”

The trade minister of India, Shri Kamal Nath, also released a statement expressing disappointment at the suspension of the Round.²³ With India and Brazil representing the agricultural interests of many developing countries in the Round as major members of the G-20,²⁴ Kamal Nath pointed out that economic development was the central theme of the Doha Round. He stated that “the elimination of the structural flaws in agricultural trade . . . is of crucial importance to developing countries. The distortions in agricultural trade arise mainly because of the huge subsidies being paid by developed countries to their farmers and due to the formidable non-tariff barriers to the market access aspirations of developing countries.”²⁵ He added that to resume the negotiations, members will need to “bridge the gap in mindsets” between countries such as India stressing the development aspects of the Round and others stressing primarily market access issues, such as the United States.²⁶

Informal Consultations

In the months following the suspension, the WTO Director-General, Pascal Lamy, held discussions with ministers and officials from a broad range of WTO members, groups such as the G-20 and the Cairns Group,²⁷ as well as multilateral economic institutions involved with the Round, such as the World Bank and IMF. Lamy reiterated during these consultations that the impasse over agricultural subsidies and market access would likely be costly to the global economy, in these and other areas where the impasse blocked

²³ Government of India. “India Sticks to its Guns in WTO Talks.”

²⁴ China, India, Brazil, and Mexico account for nearly three quarters of the GDP produced by the G-20 countries.

²⁵ Government of India. “India Sticks to its Guns in WTO Talks.”

²⁶ Education International, “WTO Trade Talks—G-6 Meeting Fails to Break Deadlock.” *TradEducation News*. August 2006; BNA, “WTO’s Doha Round Talks Collapse, As G-6 Ministerial Ends in Acrimony.”

²⁷ The Cairns Group is a self-described coalition of 19 agricultural exporting countries, both developed and developing countries, from Latin America, Africa, and the Asia-Pacific region. Cairns Group, “Member countries.” At the end of 2006, members included Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Indonesia, Malaysia, New Zealand, Pakistan, Paraguay, Peru, Philippines, South Africa, Thailand, and Uruguay. The group seeks to liberalize trade in agricultural exports in the WTO Doha Round of multilateral trade negotiations.

progress such as services, trade facilitation, and antidumping rules.²⁸ The Director-General reported to members regularly his view that support for a renewal of negotiations appeared to be increasing, but cautioned in October 2006 that negotiations can “only resume when substantive positions have changed on key problem issues, in particular in the key area of agriculture which holds the key to unlocking the rest of the agenda. [There are] no visible indications of flexibilities until now. Unless and until it happens, we will remain deadlocked.”²⁹

By November 2006, with support growing for a resumption, the Director-General signaled the chairs of the various negotiating groups to carry out their informal contacts with a view toward “multilateralizing” them and bringing members back to the negotiating groups as each chair judged appropriate, suggesting that informal consultations since the suspension had advanced to somewhere “between the quiet diplomacy of the last months and . . . fully-fledged negotiations.”³⁰

The WTO Director-General reported to the December 2006 General Council that, although he had signaled the negotiating group chairmen to explore the possibilities for a resumption of negotiations, he cautioned that “no real changes in numbers, notably in agriculture domestic support or tariff protection have shown up in these discussions so far” but that nonetheless he considered that “an increasing level of engagement is starting to appear. I believe this indicates a willingness to enter into discussions on substance.”³¹

General Council

In 2006, the General Council held five formal sessions—in February, May, July, October, and December—as well as one session in November dedicated to the formal accession of Vietnam to the WTO.³² The Director-General reported at each session on the current state-of-play in the Doha Development Agenda (DDA) trade negotiations. He also updated members at various sessions about continuing projects arising out of the DDA, such as the task force established by the council in February on the “Aid for Trade” initiative (AFT), and the initiative examining trade-related aspects of development assistance to cotton producing countries (“cotton initiative”).³³ Additional selected developments in the WTO General Council for the year follow.

²⁸ WTO, “Lamy: ‘Political Heavy Lifting’ at Home Needed to Revive Talks.”

²⁹ WTO, General Council, “Lamy: Round failure would hurt developing countries more than others.”

³⁰ WTO, “Trade Negotiations Committee—Director-General’s remarks at the informal TNC, 16 November 2006.”

³¹ WTO, General Council, “Report by the Chairman of the Trade Negotiations Committee—14 and 15 December 2006.”

³² Vietnam acceded to the WTO on January 11, 2007, making it the 150th WTO member.

³³ At various sessions during the year, the General Council also heard Guatemala and Honduras raise their claim of substantial supplier status regarding the May 2004 enlargement of the EU and consequent modifications to the EU external tariff on bananas. In response to the claim, the EU pointed out that WTO practice traditionally awards substantial supplier rights to a country with a market share of 10 percent or more, whereas Guatemala and Honduras held an EU market share more on the order of one half of one percent during a recent period (2000-2002). U.S. Department of State, U.S. Mission, Geneva, “Meeting of the WTO General Council—May 15, 2006, paras. 13-14.

Aid for Trade Initiative

In February, the Director-General announced the creation of the AFT task force to provide recommendations to the General Council on how AFT measures could contribute to the development dimension of the DDA.³⁴ He requested participation from a number of countries, including Barbados, Brazil, Canada, China, the EU, Japan, India, and the United States, as well as coordinators from the African, Caribbean, and Pacific (ACP) country group,³⁵ the least developed countries, and African groups.

Cotton Initiative³⁶

In May, the Director-General reported on the status of the cotton initiative, pointing out increases in both the number of projects underway and funding for such projects.³⁷ The General Council also formally agreed to derestrict all official documents in the General Agreement on Tariffs and Trade archive as on June 1, 2006, to allow greater institutional transparency for researchers and others.

Reports on DDA and Geographical Indications Negotiations

In July, the Director-General reported to the General Council on his decision to suspend the Doha Round multilateral trade negotiations on July 24, 2006, given his assessment that differences between members were too wide to bridge at the time.³⁸ He also reported that no significant progress was evident in talks about a variety of implementation issues,³⁹ and that discussions on whether or not to extend negotiations on geographical indications beyond the scope of wine and spirits to other products remained unresolved.⁴⁰

³⁴ WTO, General Council. "Minutes of Meeting—Held in the Centre William Rappard on 8 February 2006;" and U.S. Department of State, U.S. Mission, Geneva, "Meeting of the WTO General Council—February 8, 2006."

³⁵ The ACP countries form a group of countries that were formerly colonies or territories belonging to the European countries that today make up the EU.

³⁶ The Cotton Initiative emerged from the WTO Fifth Ministerial Conference, held at Cancun, Mexico in September 2003, when four sub-Saharan African countries (Benin, Burkina Faso, Chad, and Mali) proposed that cotton subsidies in the developed countries be eliminated to remedy the alleged economic loss to these African countries caused by depressed world cotton prices arising from subsidized cotton exports from developed countries. Since then, the WTO Director-General has consulted with a number of affected countries to reach agreement on the issue. In addition, he reports periodically to the council on cotton development assistance provided by bilateral donors and multilateral and regional agencies in connection with the Doha Round cotton initiative. In December 2006, he reported 185 activities completed, in progress, or under design, directed toward these four countries, valued at roughly \$6.85 billion.

³⁷ WTO, General Council. "Minutes of Meeting—Held in the Centre William Rappard on 15 May 2006;" and U.S. Department of State, U.S. Mission, Geneva, "Meeting of the WTO General Council—May 15, 2006."

³⁸ WTO, General Council. "Minutes of Meeting—Held in the Centre William Rappard on 27-28 July 2006;" U.S. Department of State, U.S. Mission, Geneva, "July 2006 Meeting of the WTO General Council;" and WTO, " 'It's time for serious thinking on what's at stake here.' "

³⁹ Discussions on implementation issues arose when commitments under the Uruguay Round Agreements were still not implemented by their January 2000 deadline, with ongoing discussions since then.

⁴⁰ Provisions in the 1986-93 Uruguay Round Agreements called for new negotiations under Article 23 of the WTO TRIPS Agreement to develop increased protections specifically for geographical indications concerning wines and spirits. Many WTO members have sought to see these negotiations extended to additional products.

Integrated Framework Task Force

The chair of the Task Force on the Integrated Framework (IF) reported its recommendations to the General Council in July, suggesting a ten-fold increase in funding for the IF with a secretariat to administer the IF to be established within the WTO.⁴¹ The chair of the Task Force on Aid for Trade also reported its recommendations in July, suggesting that developing countries need to match their trade requirements more closely with their economic development goals, making use of existing institutions wherever possible. Members also agreed in July to extend for another year (to July 2007) the work program on harmonization in the WTO Committee on Rules of Origin.

Regional Organizations' Assistance to Small Economies

In October, the General Council approved recommendations to allow small economies to use regional organizations to assist with these countries' implementation obligations under the WTO agreements on sanitary and phytosanitary standards, technical barriers to trade, and intellectual property rights under the WTO TRIPS Agreement.⁴² The General Council also appointed chairmen for WTO accession working parties for Libya, Serbia, and the Ukraine.

Provisional Transparency Mechanism for Regional Trade Agreements

In December, the General Council approved a provisional Agreement on a Transparency Mechanism for Regional Trade Agreements (RTAs) that was concluded by the DDA Negotiating Group on Rules in July 2006.⁴³ WTO members are to start an initial review of the mechanism within one year, although the decision is still considered part of the single undertaking of the DDA negotiations. The agreement is expected to provide greater uniformity in the information that members provide concerning their RTAs, according to U.S. Mission to the WTO.⁴⁴ Also, the agreement is to apply to all RTAs, including those signed only between developing country members.⁴⁵

China Transitional Review Mechanism

Also in December, WTO members reviewed China's WTO accession commitments under the Transitional Review Mechanism (TRM). At the review's conclusion, China expressed

⁴¹ WTO, General Council. "Minutes of Meeting—Held in the Centre William Rappard on 27-28 July 2006."

⁴² WTO, General Council. "Minutes of Meeting—Held in the Centre William Rappard on 10 October 2006;" and U.S. Department of State, U.S. Mission, Geneva, "October 2006 Meeting of the WTO General Council."

⁴³ WTO, General Council. "Minutes of Meeting—Held in the Centre William Rappard on 14-15 December 2006;" and U.S. Department of State, U.S. Mission, Geneva, "WTO General Council Meeting, December 2006."

⁴⁴ U.S. Department of State, U.S. Mission, Geneva, "WTO General Council Meeting, December 2006," paras. 2-3.

⁴⁵ Whereas RTAs involving any developed countries must be notified to the Committee on Regional Trade Agreements, RTAs between developing countries only need to be notified to the WTO Committee on Trade and Development.

the view that it is now in conformity with the commitments made in its WTO Protocol of Accession.⁴⁶ Several other members, however, voiced the view that this year's review was less than satisfactory, and that some of China's responses were insufficient. A number of issues were cited as problematic, such as local content rules, import and export restrictions, subsidies and discriminatory regulations, enforcement of intellectual property rights, restrictive rules regarding so-called critical equipment manufacturers, rules about foreign mergers and acquisitions, and discriminatory government procurement rules. Unresolved matters from TRMs in previous years were cited, such as standards issues, issues involving auto parts, steel policy and export restrictions, and continuing problems with restrictions on agricultural imports. To resolve these problems, it was suggested that China would need to improve transparency and predictability, and institutionalize market reforms.

Waivers

The General Council adopted a number of waiver extension requests in December including a certification scheme for trade in rough diamonds (the so-called Kimberley Process)⁴⁷ and a waiver extension for Canada's CaribCan trade preference program for Caribbean countries.⁴⁸ The council did not approve the waiver requested by the EU regarding its tariff-rate quota for bananas from the ACP country group, with the General Council chairman reporting that some WTO members continue to refuse to consider the EU request. The council reviewed reports on activities from subsidiary WTO bodies and heard a report from the TRIPS Council that reviewed the Decision on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health, adopted in August 2003.⁴⁹ The General Council chairman also reminded members of the need for a special session of a ministerial conference once the DDA negotiations conclude, as well as the importance of the biennial ministerial-level conference that must be convened by the end of 2007.

⁴⁶ WTO, General Council, "Minutes of Meeting—Held in the Centre William Rappard on 14-15 December 2006;" and U.S. Department of State, U.S. Mission, Geneva, "WTO General Council Meeting, December 2006," paras. 4-6.

⁴⁷ The Kimberley Process is a joint government, international diamond industry, and civil society initiative to stem the flow of conflict diamonds, that is, rough diamonds that are used by rebel movements to finance wars against legitimate governments. The trade in these stones has contributed to conflicts in countries such as Angola, Cote d'Ivoire, the Democratic Republic of Congo, and Sierra Leone. The Kimberley Process Certification Scheme is a voluntary system that imposes requirements on participants to certify that shipments of rough diamonds are free from conflict diamonds. There are currently 45 participants, including the European Union. See "Kimberley Process." (accessed May 14, 2007).

⁴⁸ WTO, General Council, "Minutes of Meeting—Held in the Centre William Rappard on 14-15 December 2006;" and U.S. Department of State, U.S. Mission, "WTO General Council Meeting, December 2006," paras. 40.

⁴⁹ U.S. Department of State, U.S. Mission, "WTO General Council Meeting, December 2006," paras. 29-30. The 2003 decision sets up a system that allows an eligible WTO member to obtain from an eligible exporting WTO member the pharmaceutical supplies needed to address public health problems that constitute an urgent national situation, such as those involving human immunovirus/acquired immune deficiency syndrome (HIV/AIDS), tuberculosis, malaria, or similar epidemics of extreme emergency. The decision aims to provide developing countries—in particular the least developed countries—with greater access to such vital medicines particularly where such members possess no or insufficient manufacturing capacity in the pharmaceutical sector to address such emergencies.

*Dispute Settlement*⁵⁰

Consultations and New Panels Established

During 2006, WTO members filed 20 new requests for WTO dispute settlement consultations. This compares with 12 in 2005 and 19 in 2004. One set of consultations resulted in a mutually agreed settlement (DS 348).⁵¹ Fourteen new dispute settlement panels were established during 2006 (table 3-1). The United States was the complainant in three of the 14 cases that resulted in the establishment of a panel, and the respondent in five cases.⁵²

Seven of the new panel cases involved challenges of various member antidumping duty and countervailing duty measures, three involved challenges of China's measures affecting imports of automobile parts, two involved respective U.S. and EU challenges of each other's measures affecting trade in large civil aircraft, and the remaining cases involved import measures regarding retreaded tires and rice.

The three cases challenging China's auto parts measures were brought by the EU (DS339), the United States (DS340), and Canada (DS342). In its complaint the United States asserted that the measures identified penalize manufacturers for using imported auto parts in the manufacture of vehicles for sale in China. The United States asserted that China in effect would be assessing a charge on imported auto parts equal to the tariff on complete vehicles if the imported parts are incorporated in a vehicle that contains imported parts in excess of thresholds, even though China had bound its tariffs for auto parts at rates significantly lower than its tariff bindings for complete vehicles.⁵³ The United States claimed that these measures are inconsistent with Article 2 of the TRIMs Agreement; Articles II (including para. 1) and III (including paras. 2, 4, and 5) of the GATT 1994.; Article 3 (including paras. 1 and 2) of the SCM Agreement; and China's Protocol of Accession (WT/L/432) (including Parts I.1.2 and I.7.3, and paras. 93 and 203 of the Working Party Report).⁵⁴ The EU and Canada made similar complaints, and the DSB established a single panel in October 2006 to review the three complaints.

In two cases involving import measures, the EU challenged Brazilian measures affecting imports of retreaded tires (DS332), and the United States challenged Turkish measures affecting imports of rice (DS334). In the latter case, the United States alleged that certain tariff-rate quotas imposed by Turkey on imports of U.S. rice violated Turkey's obligations under Articles III and XI of GATT 1994 and various provisions of the WTO TRIMs

⁵⁰ For further detail on individual disputes with major U.S. trading partners, see chapter 5.

⁵¹ WTO, Dispute Settlement Body, "Colombia—Customs Measures on Importation Of Certain Goods from Panama—Notification of Mutually Agreed Solution."

⁵² The EU was the complainant in three cases and the respondent in two. China was the respondent in three cases. Canada, Ecuador, Guatemala, India, Korea, Mexico, Norway, and Thailand were the complainants in the remaining cases, with Brazil, Japan, Mexico, and Turkey the respondents in the cases remaining.

⁵³ USTR, "United States Files WTO Case Against China Over Treatment of U.S. Auto Parts;" and "United States Requests WTO Panel in Challenge of China's Treatment of U.S. Auto Parts."

⁵⁴ WTO, Dispute Settlement Body, "China - Measures Affecting Imports of Automobile Parts—Request for the Establishment of a Panel by the United States."

Table 3.1 WTO Dispute-Settlement cases initiated in 2006

Case No.	Complainant	Respondent	Case Name	Panel Established
DS331	Guatemala	Mexico	Antidumping Duties on Steel Pipes and Tubes from Guatemala	Mar. 17, 2006
DS332	EU	Brazil	Measures Affecting Imports of Retreaded Tyres	Jan. 20, 2006
DS334	United States	Turkey	Measures Affecting the Importation of Rice	Mar. 17, 2006
DS335	Ecuador	United States	Antidumping Measure on Shrimp from Ecuador ^a	July 19, 2006
DS336	Korea	Japan	Countervailing Duties on Dynamic Random Access Memories from Korea	June 19, 2006
DS337	Norway	EU	Antidumping Measures on Farmed Salmon from Norway	June 9, 2006
DS339	EU	China	Measures Affecting Imports of Automobile Parts	Oct. 26, 2006
DS340	United States	China	Measures Affecting Imports of Automobile Parts	Oct. 26, 2006
DS342	Canada	China	Measures Affecting Imports of Automobile Parts	Oct. 26, 2006
DS343	Thailand	United States	Antidumping Measures on Shrimp from Thailand ^b	Sept. 28, 2006
DS344	Mexico	United States	Final Antidumping Measures on Stainless Steel from Mexico ^c	Oct. 26, 2006
DS345	India	United States	Customs Bond Directive for Merchandise Subject to Antidumping/Countervailing Duties ^d	Nov. 21, 2006
DS347	United States	EU ^e	Measures Affecting Trade in Large Civil Aircraft (Second Complaint)	May 9, 2006
DS353	EU	United States	Measures Affecting Trade in Large Civil Aircraft (Second Complaint)	Feb. 2, 2006

Source: WTO. "Update of WTO Dispute Settlement Cases." <https://dsdb.wto.org/sop/SOP.htm> (accessed March 19, 2007).

^a A panel was established in July 2006 and composed in September 2006. The panel report was circulated in January 2007 and was adopted by the DSB in February 2007. WTO, Dispute Settlement Body, "United States - Anti-dumping Measure on Shrimp from Ecuador—Panel Report—Action by the Dispute Settlement Body."

^b A panel was established in October 2006 and composed in January 2007. WTO, Dispute Settlement Body, "United States—Measures Relating to Shrimp from Thailand—Constitution of the Panel Established at the Request of Thailand—Note by the Secretariat—Revision."

^c A panel was established in October 2006 and composed in December 2006. WTO, Dispute Settlement Body, "United States—Final Anti-dumping Measures On Stainless Steel from Mexico—Constitution of the Panel Established at the Request of Mexico—Note by the Secretariat."

^d A panel was established in November 2006 and composed in January 2007. WTO, Dispute Settlement Body, "United States—Customs Bond Directive for Merchandise Subject to Anti-dumping/countervailing Duties—Constitution of the Panel Established at the Request of India—Note by the Secretariat."

^e And certain member states.

Agreement, Agriculture Agreement, and Import Licensing Agreement. A panel was established in March 2006 and composed in July 2006.⁵⁵

In its complaint concerning EU measures affecting trade in large civilian aircraft (DS347), the United States alleged that the EU maintains subsidies that are inconsistent with their obligations under the SCM Agreement and the GATT 1994. In particular, the United States alleged that launch aid provided by the EC and the member states to Airbus for the development of large civil aircraft and the European Investment Bank (EIB) loans provided to Airbus are subsidies that are inconsistent with Articles 3.1(a), 3.1(b), and 3.2 of the SCM

⁵⁵ USTR, "United States Requests Establishment of WTO Panel on Turkey's Restrictions on Imports of U.S. Rice;" and WTO, Dispute Settlement Body, "Turkey—Measures Affecting the Importation of Rice—Constitution of the Panel Established at the Request of the United States—Note by the Secretariat—Revision."

Agreement; that the measures of the EC and the member states that are the subject of their request for consultations are causing adverse effects to U.S. interests within the meaning of Articles 5(a), 5(c), 6.3(a), 6.3(b), and 6.3(c) of the SCM Agreement; and that the measures are inconsistent with Articles III:4 and XVI:1 of the GATT 1994. A panel was established in April 2006 and composed in July 2006. In October 2006, the United States requested that the panel suspend its work, and the panel agreed to the request.⁵⁶

In its complaint against the United States (DS353), the EU alleged that the United States provides prohibited and actionable subsidies to U.S. producers of large civil aircraft that are inconsistent with Articles 3.1(a), 3.1(b), 3.2, 5(a), 5(c), 6.3(a), 6.3(b), and 6.3(c) of the SCM Agreement; and Article III:4 of the GATT 1994. A panel was established in February 2006 and composed in November 2006.

Appellate Body and Panel Reports Adopted during 2006 that Involved the United States

Overview

During 2006, the WTO Dispute Settlement Body (DSB) adopted Appellate Body and/or Panel reports in seven dispute settlement cases in which the United States was either the complaining party (three reports) or the responding party (four reports). The adopted reports and status of each of these cases is summarized below. The summary also includes an eighth case in which an appeal of a panel report was pending at the end of 2006 and the Appellate Body report was adopted in early 2007; the United States was the responding party in that case.

Reports in which the United States was the complainant

EC measures affecting approval and marketing of biotech products (DS291)

This dispute involved complaints filed by the United States (DS291), Canada (DS292), and Argentina (DS293) in 2003 alleging that the EC, by applying a moratorium on the approval and marketing of biotech products, had acted inconsistently with its obligations under the WTO Agreement on Sanitary and Phytosanitary Measures (SPS Agreement). The EC denied that such a moratorium existed. On November 21, 2006, the DSB adopted panel reports in these disputes. With respect to the complaint filed by the United States, the panel found that the EC had applied a general de facto moratorium on the approval of biotech products between June 1999 and August 2003, when the panel was established, and that the EC, by applying the moratorium, had acted inconsistently with its obligations under the SPS Agreement. The panel, however, rejected other arguments that the EC had acted inconsistently under provisions of the Agreement.⁵⁷ At the DSB meeting on December 19, 2006, the EC announced its intention to implement the rulings and recommendations of the DSB in a manner consistent with its obligations, but indicated it would need a reasonable

⁵⁶ USTR, "United States Files Additional Consultation Request in Airbus WTO Litigation;" and WTO, Dispute Settlement Body, "European Communities and Certain Member States—Measures Affecting Trade in Large Civil Aircraft—Request for Consultations by the United States—Addendum."

⁵⁷ WTO, Dispute Settlement Body, "European Communities—Measures Affecting The Approval and Marketing Of Biotech Products—Reports of the Panel," paras. 8.13-8.32.

amount of time in which to do so in view of the complexity and sensitivity of the issues involved. As of the end of 2006, no date had been set for implementation.⁵⁸

Mexican tax measures on soft drinks and other beverages (DS308)

This dispute involved a challenge by the United States of a 20 percent beverage tax and 20 percent distribution tax imposed by Mexico on soft drinks and other beverages that use a sweetener other than cane sugar. The United States alleged that the taxes were inconsistent with Mexico's obligations under Article III of GATT 1994. The United States requested consultations in March 2004 and establishment of a panel in June 2004. The panel issued its findings in October 2005, and found that the Mexican beverage, distribution, and bookkeeping taxes are inconsistent with Article III of GATT 1994 and are not justified under Article XX(d) of GATT 1994.⁵⁹ Mexico appealed, and the Appellate Body issued its report in March 2006, upholding the panel's findings, with some modifications in reasoning.⁶⁰ The DSB adopted the Appellate Body report and the panel report (as modified by the Appellate Body) on March 24, 2006. Mexico and the United States later reached agreement on a schedule under which Mexico would implement the DSB rulings and recommendations, with Mexico to complete implementation no later than January 31, 2007.⁶¹

Certain EC customs matters (DS315)

This dispute involved a challenge by the United States of the European Communities' administration of laws and regulations pertaining to the classification and valuation of products for customs purposes and its failure to institute tribunals or procedures for the prompt review and correction of administrative action on customs matters, in violation of Article X of GATT 1994. The United States requested consultations in September 2004 and establishment of a panel in January 2005. The panel issued its report in June 2006, finding, among other things, that the EC had violated its obligations under Article X:3 in three of 19 cases alleged by the United States.⁶² In August 2006 the United States appealed, and in November 2006 the Appellate Body issued its report, affirming the panel in part and reversing the panel in part, but it was unable to complete its analysis with respect to the U.S. claim that the European Communities' system of customs administration as a whole or

⁵⁸ WTO, Dispute Settlement Body, "European Communities—Measures Affecting the Approval And Marketing of Biotech Products—Notification of an Agreement with respect to Article 21.3(c) of the DSU." See also USTR, "U.S. Trade Representative Susan Schwab and U.S. Agriculture Secretary Mike Johanns Announce Favorable Ruling in WTO Case on Agricultural Biotechnology."

⁵⁹ WTO, Dispute Settlement Body, "Mexico—Tax Measures on Soft Drinks And Other Beverages—Report of the Panel," paras. 9.1-9.5.

⁶⁰ WTO, Dispute Settlement Body, "Mexico—Tax Measures on Soft Drinks And Other Beverages—Report of the Appellate Body," par. 85.

⁶¹ WTO, Dispute Settlement Body, "Mexico—Tax Measures on Soft Drinks And Other Beverages—Agreement under Article 21.3(b) of the DSU"; and USTR, "U.S. Wins Mexico Beverage Tax Dispute."

⁶² WTO, Dispute Settlement Body, "European Communities—Selected Customs Matters—Report of the Panel," par. 8.1.

overall is not administered in a uniform manner.⁶³ The DSB adopted the Appellate Body report and the Panel report, as modified, at its meeting on December 11, 2006.⁶⁴

Reports in which the United States was the respondent

U.S. tax treatment for foreign sales corporations (DS108)

The DSB action in 2006 in this dispute involved adoption of a compliance report in response to an EC challenge of U.S. legislation enacted in 2004 that sought to bring U.S. foreign sales corporations (FSCs) tax legislation into conformity with the DSB's rulings and recommendations in the original case in 2000.⁶⁵ This was the second such challenge by the EC of U.S. legislation enacted to implement the DSB rulings and recommendations. Following a first challenge, the DSB in January 2002, adopted Appellate Body and panel reports ("first recourse" reports) finding that the first U.S. replacement legislation, the FSC Repeal and Extraterritorial Income Exclusion Act, was inconsistent with the DSB's 2000 rulings and recommendations. In 2004, the U.S. Congress enacted new legislation, the American JOBS Replacement Act of 2004. The EC challenged that legislation as also inconsistent, and the DSB in March 2006 adopted an Appellate Body "second recourse" report (and the Panel report as upheld by the Appellate Body), finding that the 2004 U.S. replacement legislation was also inconsistent with the DSB's rulings and recommendations.⁶⁶ Following adoption of the second recourse report, the U.S. Congress enacted legislation (which the President signed on May 17, 2006) that repealed the provisions of the foreign sales corporation/extraterritorial income regimes and brought the United States into compliance with its WTO obligations.⁶⁷ The EC subsequently repealed its countermeasures on U.S. imports, that had been authorized by the DSB in 2002 and 2003, effective on May 29 2006.⁶⁸

U.S. Antidumping "Zeroing" Methodology (DS294 and DS322)

The EU (DS294) and Japan (DS322) brought two separate dispute settlement cases (in 2003 and 2004, respectively) against the United States regarding a methodology used by the

⁶³ WTO, Dispute Settlement Body, "European Communities—Selected Customs Matters—Report of the Appellate Body," par. 309.

⁶⁴ WTO, Dispute Settlement Body, "European Communities—Selected Customs Matters—Appellate Body Report and Panel Report—Action by the Dispute Settlement Body," and USTR, "WTO Finds Against EC Customs Law Administration."

⁶⁵ In the original dispute, the EC alleged that tax U.S. measures providing special tax treatment for foreign sales corporations (FSC) were inconsistent with U.S. obligations under Articles III:4 and XVI of the GATT 1994, Articles 3.1(a) and (b) of the Subsidies Agreement, and Articles 3 and 8 of the Agreement on Agriculture. In March 2000, the DSB adopted an Appellate Body report and Panel report (as modified by the Appellate Body) finding that the U.S. tax measures were inconsistent with U.S. obligations under Article 3.1 of the Subsidies Agreement and Article 8 of the Agreement on Agriculture.

⁶⁶ WTO, Dispute Settlement Body, "United States—Tax Treatment for "Foreign Sales Corporations"—Second Recourse to Article 21.5 of the DSU by the European Communities—Report of the Appellate Body," par. 100.

⁶⁷ USTR, "Statement by USTR Portman on the Repeal of FSC/ETI Grandfather Rules," and the White House, "President Bush Signs Tax Relief Extension Reconciliation Act of 2005."

⁶⁸ EU, "Notice (2006/C 126/07)."

United States in calculating dumping margins, known as “zeroing.”⁶⁹ In filing its complaint, the EU alleged that the U.S. laws, regulations, and methodology used for calculating dumping margins as such and as applied in specific U.S. antidumping cases involving products imported from the EU were inconsistent with U.S. obligations under the WTO agreements. The 2005 panel report was appealed and the Appellate Body report was adopted on May 9, 2006. In particular, the Appellate Body concurred with the panel and upheld the EU claims that the use of the zeroing methodology in original investigations (when the weighted-average-to-weighted-average comparison method is used to calculate dumping margins), and specifically in the 15 determinations challenged, was inconsistent with U.S. WTO obligations.⁷⁰ The United States informed the DSB of its intention to implement the recommendations and rulings of the DSB, and the United States and the European Communities agreed that the period for implementation would end on April 9, 2007.⁷¹

In the second dispute (DS322), Japan also contested the U.S. laws, regulations, and methodologies involving zeroing as such and as applied, and in particular when zeroing is used in transaction-to-transaction comparisons to calculate dumping margins and when margins calculated using zeroing are relied on in five-year reviews. While the panel report, circulated on September 20, 2006, found in favor of the United States on most issues, the report was appealed by both Japan and the United States. The Appellate Body report, adopted on January 23, 2007, reversed the panel’s findings and concluded that the United States’ use of a zeroing methodology when calculating dumping margins on the basis of transaction-to-transaction comparisons and its reliance on dumping margins involving zeroing in five-year reviews, among other issues, was not consistent with U.S. WTO obligations.⁷²

U.S. Softwood Lumber (DS264 and DS277)

Canada brought a number of separate dispute settlement cases against the United States regarding antidumping duty and countervailing duty measures taken by the United States in

⁶⁹ In general, a “zeroing” methodology involves treating specific price comparisons that do not show dumping as zero values in the calculation of a weighted average dumping margin. WTO, “Update of WTO Dispute Settlement Cases.” Specifically, the U.S. Department of Commerce’s calculation of a weighted average dumping margin for a company generally involves numerous comparisons between sales in the United States and sales in the home market or third country market (or costs in the home market). While some comparisons reveal dumping (e.g., the price in the United States is lower than the home market price), other comparisons may reveal no dumping (e.g., the price in the United States is higher than the home market price). Where a comparison reveals no dumping, Commerce assigns a zero to that comparison, rather than a negative number equal to the amount by which the U.S. price exceeds the home market price. This practice is generally referred to as “zeroing.” The WTO Antidumping Agreement contemplates three methodologies for calculating a dumping margin in investigations: average-to-average, transaction-to-transaction, and average-to-transaction. These issues in these disputes involve the use of zeroing for each of these methodologies as well as whether the zeroing methodology can be used in different types of antidumping proceedings, including original investigations, administrative reviews, and five-year reviews. USTR, “WTO Panel finds for the United States in ‘Zeroing’ Dispute with Japan.”

⁷⁰ WTO, Dispute Settlement Body, “United States—Laws, Regulations and Methodology for Calculating Dumping Margins (“Zeroing”)—Report of the Appellate Body.”

⁷¹ WTO, Dispute Settlement Body, “United States—Laws, Regulations and Methodology for Calculating Dumping Margins (“Zeroing”)—Understanding between the United States and the European Communities regarding Procedures under Articles 21 and 22 of the DSU.”

⁷² WTO, Dispute Settlement Body, “United States—Measures Relating to Zeroing And Sunset Reviews—Report of the Appellate Body.”

2002 on imports of softwood lumber from Canada. Appellate Body reports in two of these disputes (DS277 and DS264) were adopted by the DSB in 2006.⁷³

On May 9, 2006, the DSB adopted the Appellate Body report in the dispute (DS277) concerning Canada's challenge to a new USITC determination in its Section 129 proceeding, which found that the U.S. softwood lumber industry is threatened with material injury by reason of dumped and subsidized softwood lumber imports from Canada. This U.S. measure had been taken in 2004 to comply with a prior WTO panel report regarding the USITC's original determination. The Appellate Body found that the Article 21.5 Panel failed to comply with DSU Article 11 in the standard of review that it articulated and applied to assess the consistency of the USITC's Section 129 Determination with the relevant WTO Agreements.⁷⁴ However, the Appellate Body explicitly stated that it could not itself complete the analysis and reach a conclusion on whether the ITC determination was consistent with the relevant WTO Agreements.⁷⁵ Thus, the Appellate Body report let stand the USITC's Section 129 determination.

On September 1, 2006, the DSB adopted the Appellate Body report in the dispute (DS264) concerning Canada's challenge to Commerce's use of a zeroing methodology in calculating the dumping margins in its Section 129 Determination on imports of softwood lumber from Canada. In reversing the Article 21.5 Panel, the Appellate Body concluded that the use of zeroing by Commerce under the transaction-to-transaction comparison methodology in its Section 129 Determination is inconsistent with the relevant provisions of the Antidumping Agreement.⁷⁶

Mutually Agreed Settlements in 2006

The United States reached settlements in 2006 with Canada and Mexico on two long-standing trade disputes, softwood lumber and gray portland cement, respectively. As a result of these mutually agreed settlements, a number of cases at various stages in the WTO dispute settlement process were terminated or suspended.

One group of these WTO disputes (DS236, DS247, DS264, and DS277) involved cases brought by Canada against the United States involving various U.S. trade remedy measures taken concerning imports of softwood lumber from Canada. The conclusion of the Canadian-U.S. Softwood Lumber Agreement, which entered into force October 12, 2006, led to the termination of these disputes.

⁷³ WTO, Dispute Settlement Body, "United States—Investigation of the International Trade Commission in Softwood Lumber from Canada—Appellate Body Report and Panel Report pursuant to Article 21.5 of the DSU—Action by the Dispute Settlement Body," and "United States—Final Dumping Determination on Softwood Lumber from Canada—Appellate Body Report and Panel Report pursuant to Article 21.5 of the DSU—Action by the Dispute Settlement Body."

⁷⁴ WTO, Dispute Settlement Body, "United States—Investigation of the International Trade Commission in Softwood Lumber from Canada—Recourse to Article 21.5 of the DSU by Canada—Report of the Appellate Body," par. 140.

⁷⁵ *Ibid.*, paras. 160-161. The Appellate Body concluded that "completing the analysis in this case would require us to review extensive aspects of the USITC's threat of injury and causation analyses, and would require us to engage in a comprehensive examination of highly complex and contested facts."

⁷⁶ WTO, Dispute Settlement Body, "United States—Final Dumping Determination On Softwood Lumber from Canada—Recourse to Article 21.5 of the DSU by Canada—Report of the Appellate Body," paras. 123-124 and 147.

Similarly, the WTO dispute panel proceedings (DS281) involving antidumping measures on cement from Mexico was suspended in January 2006, pending negotiations between the United States and Mexico to find a mutually acceptable settlement regarding trade in cement.⁷⁷ An agreement between the United States and Mexico on trade in cement was signed on March 6, 2006, and took effect on April 3, 2006.⁷⁸

Membership

There were 149 members of the WTO in 2006 (table 3.2).⁷⁹ Another 31 countries are observers, in various stages of accession to the WTO (table 3.3).

OECD

Trade Committee

The OECD Trade Committee provides senior trade officials from member states, as well as invited observer countries, with a forum for discussion on a broad number of key trade policy issues and developments. In 2006, the committee held three sessions.⁸⁰

At the March session, delegates offered views on how the Doha Round trade negotiations might move forward following the December 2005 WTO Ministerial Conference held in Hong Kong, China. Ministers expressed concern about the tightening time frame in which to accomplish what remained to be done, highlighting work not only on achieving full modalities in the areas of agricultural and nonagricultural negotiations but also work in the areas of rules and services. The Deputy Director of the Trade Directorate also briefed delegates on the Globalization and Structural Adjustment project, a wide-ranging examination of the effects of globalization on innovation in key trade and service sectors and related labor market adjustments.⁸¹

At the June meeting, delegates held a broad discussion regarding the future of the multilateral trading system, stressing the need for the committee to act as a forum to discuss upcoming issues that reach beyond trade issues currently under negotiation in the WTO Doha Round. Some preliminary ideas were discussed on future areas of work related to trade and development, trade and adjustment, facilitating the Doha Round trade negotiations, evaluation of the impact and results of the DDA, the relationship between regionalism and the multilateral trading system, and further study of how different policy areas interact with

⁷⁷ WTO, Dispute Settlement Body, “United States—Anti-dumping Measures on Cement from Mexico—Communication from the Chairman of the Panel.” The Panel has not been requested to resume its work and thus, the authority for the establishment of the Panel lapsed as of 14 January 2007. WTO, Dispute Settlement Body, “United States—Anti-dumping Measures on Cement from Mexico—Lapse of Authority for the Establishment of the Panel—Note by the Secretariat.”

⁷⁸ U.S. Department of Commerce, “Gray Portland Cement and Clinker from Mexico: Agreement Between the Office of the United States Trade Representative, the United States Department of Commerce and Secretaria de Economia of Mexico on Trade in Cement,” Fed. Reg. 13082.

⁷⁹ The General Council approved the accession of Vietnam during 2006. On January 11, 2007, Vietnam became the 150th member of the WTO.

⁸⁰ OECD, Trade Directorate, “Meetings of the Trade Committee.”

⁸¹ Ibid.

Table 3.2 WTO Membership in 2006

Albania	Finland	Netherlands, Netherlands
Angola	France	Antilles
Antigua and Barbuda	Gabon	New Zealand
Argentina	Gambia	Nicaragua
Armenia	Georgia	Niger
Australia	Germany	Nigeria
Austria	Ghana	Norway
Bahrain	Greece	Oman
Bangladesh	Grenada	Pakistan
Barbados	Guatemala	Panama
Belgium	Guinea	Papua New Guinea
Belize	Guinea-Bissau	Paraguay
Benin	Guyana	Peru
Bolivia	Haiti	Philippines
Botswana	Honduras	Poland
Brazil	Hungary	Portugal
Brunei Darussalam	Iceland	Qatar
Bulgaria	India	Romania
Burkina Faso	Indonesia	Rwanda
Burma	Ireland	Saint Kitts and Nevis
Burundi	Israel	Saint Lucia
Cambodia	Italy	Saint Vincent and the Grenadines
Cameroon	Jamaica	Saudi Arabia
Canada	Japan	Senegal
Central African Rep.	Jordan	Sierra Leone
Chad	Kenya	Singapore
Chile	Korea	Slovakia
China	Kuwait	Slovenia
China, Hong Kong	Kyrgyz Rep.	Solomon Islands
China, Macao	Latvia	South Africa
China, Taipei	Lesotho	Spain
Colombia	Liechtenstein	Sri Lanka
Congo, Democratic Rep.	Lithuania	Suriname
Congo, Rep.	Luxembourg	Swaziland
Costa Rica	Macedonia	Sweden
Côte d'Ivoire	Madagascar	Switzerland
Croatia	Malawi	Tanzania
Cuba	Malaysia	Thailand
Cyprus	Maldives	Togo
Czech Rep.	Mali	Trinidad and Tobago
Denmark	Malta	Tunisia
Djibouti	Mauritania	Turkey
Dominica	Mauritius	Uganda
Dominican Rep.	Mexico	United Arab Emirates
Ecuador	Moldova	United Kingdom
Egypt	Mongolia	United States of America
El Salvador	Morocco	Uruguay
Estonia	Mozambique	Venezuela
European Communities	Namibia	Zambia
Fiji	Nepal	Zimbabwe

Source: WTO. "Members and Observers."

Table 3.3 WTO Observers in 2006

Afghanistan	Iran	
Algeria	Iraq	Seychelles
Andorra	Kazakhstan	Sudan
Azerbaijan	Laos	Tajikistan
Bahamas	Lebanon	Tonga
Belarus	Libya	Ukraine
Bhutan	Montenegro	Uzbekistan
Bosnia and Herzegovina	Russia	Vanuatu
Cape Verde	Samoa	Vatican (Holy See)
Ethiopia	São Tomé and Príncipe	Yemen
Guinea, Equatorial	Serbia	

Source: WTO. "Members and Observers."

http://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm (accessed March 15, 2007).

trade policy, such as trade and the environment, trade and investment, trade and competition policy, and trade and labor standards.⁸²

At the October session, following the July suspension of the Doha Round trade negotiations, delegates agreed to focus on trade issues beyond those in the suspended trade round. One key issue under discussion was how to improve the effectiveness of the AFT programs and, in particular, seeing that trade issues are more effectively integrated into economic assistance programs and developing tools to assess AFT efforts both locally and globally. In light of the substantial work done by the committee on the subject of trade facilitation, delegates pressed to continue this work despite the fact that the issue remained part of the suspended Doha Round negotiations and was not separated out at the time of the suspension in order to continue negotiation toward a stand-alone trade facilitation agreement.⁸³

Steel Committee and Steel Subsidy Negotiations

In June 2001, the United States launched a multilateral initiative to help restore market forces to world steel markets through negotiations with trading partners, aimed at eliminating excess capacity in the steel industry worldwide.⁸⁴ Negotiations on a steel subsidy agreement were taken up under the auspices of the OECD High Level Group (HLG) on Steel, which led to a draft text in April 2004 entitled "Elements of an Agreement to Reduce or Eliminate Trade-Distorting Subsidies in Steel."⁸⁵ Participants agreed in 2004 to shift the focus of talks to bilateral and plurilateral consultations when they effectively reached an impasse in these multilateral negotiations over issues such as the nature of exceptions to the overall subsidies prohibition, special and differential treatment for developing countries, and whether any excepted subsidies would continue to be countervailable under national trade remedy laws.⁸⁶

In 2005, the chairman of the HLG on Steel noted that significant differences remained between participants in key areas, including on environmental subsidies, trade remedies, and

⁸² Ibid.

⁸³ Ibid.

⁸⁴ For further details, see USITC, *The Year in Trade 2004*, 3-12--3-13.

⁸⁵ OECD, Directorate for Science, Technology and Industry, "OECD Special Meeting at High-Level on Steel Issues."

⁸⁶ For further details, see USITC, *The Year in Trade 2005*, 3-16.

special and differential treatment.⁸⁷ Despite the continued impasse, a number of participants underscored the role that the OECD Steel Committee could play in tracking industry developments and addressing emerging issues.⁸⁸ The chairman proposed to redirect the work of the HLG on Steel and the Steel Committee by: (1) continuing the suspension of negotiations on a steel subsidy agreement, (2) reorienting the work of the HLG on Steel toward outstanding policy issues for discussion in the Steel Committee, and (3) exploring within the committee ways to develop common policy approaches on outstanding policy issues which, once agreed, could lead to resumption of the negotiations on a steel subsidy agreement. The group requested that the OECD Secretariat produce a neutral public record of the talks and where outstanding issues stood at the time the negotiations were suspended, including the draft text of the agreement, in order to preserve the work done to date in the group.

In November 2006, the committee focused on outstanding issues in the steel industry worldwide, notably the issue of steel and the environment; the situation and outlook of the steel market and its raw materials such as iron ore, coke, and scrap metal; developments in steelmaking capacity in both member and nonmember countries; and the status of trade-distorting steel policies. Regarding the latter, the Secretariat presented a draft questionnaire for discussion to help gather information to produce the reports called for in the Committee's work program on: (1) world market developments, (2) subsidies and other trade-distorting measures, and (3) the financing of new steel capacities through government subsidies or other support measures. Participants debated the scope of the questionnaire and requested that the Secretariat modify it to make the questions more specific and possibly divide it into three separate parts. The first part of the questionnaire on the state of the steel industry would be completed by February 2007, the second part on steel policies concerned with investment promotion and assistance to ailing enterprises would be completed by September 2007, and the third part on competition, trade-distorting measures, anticompetitive behavior, and other measures would be completed by February 2008.⁸⁹

Asia-Pacific Economic Cooperation (APEC)

APEC is an international organization comprised of Pacific Rim basin countries seeking to enhance intra-regional economic growth and cooperation.⁹⁰ The organization operates as a cooperative, multilateral economic and trade group, whose decisions are made by consensus, and whose commitments are undertaken voluntarily. APEC leaders meet annually to provide direction to the organization in the form of action-oriented work programs, and to define priorities for its committees, working groups, senior officials meetings, and special task groups. Since inception, APEC has aimed to facilitate economic growth, trade, investment,

⁸⁷ Ibid.

⁸⁸ OECD, Directorate for Science, Technology and Industry, "Summary Record of the 59th Meeting of the Steel Committee." Par.11.

⁸⁹ OECD, Directorate for Science, Technology and Industry, "Summary Record of the 61st Meeting of the Steel Committee."

⁹⁰ APEC was established in 1989. Its 21 members are Australia; Brunei Darussalam; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Philippines; Russia; Singapore; Chinese Taipei (Taiwan); Thailand; the United States; and Vietnam. For more information, see APEC, "APEC at a Glance," http://www.apec.org/apec/about_apec.html.

and cooperation in the Asia-Pacific region.⁹¹ To reach its objective, member countries committed to the “Bogor Goals” in 1994, which set forth a timetable for creating a free and open trade and investment area in the Asia-Pacific region by 2010 for industrialized countries and by 2020 for developing countries. Various annual APEC initiatives have been undertaken to provide member countries with direction on how to successfully meet the long-term objectives agreed upon in Bogor, Indonesia, in 1995.⁹²

Three major trade developments resulted from the November 2006 annual ministerial meeting in Hanoi, Vietnam and its related workshops. Ministers formulated a new “Hanoi Action Plan” aimed at implementing the Bogor Goals, created a second generation of the “Trade Facilitation Action Plan,” and began adherence to the Anti-Corruption and Transparency in Business Initiative that was created in 2005.

Hanoi Action Plan

During the November 2006 annual meeting, APEC ministers proposed the “Hanoi Action Plan” aimed at providing tailored recommendations to member countries in their respective attempts to implement the Bogor Goals.⁹³ The recommendations included ways in which countries could promote high quality RTAs/FTAs, gradually decrease tariffs, and lift behind-the-border barriers to intra-regional trade and investment flows.⁹⁴

The promotion of high quality RTAs/FTAs took on enhanced significance among APEC ministers in 2006, given renewed emphasis on deepening trans-Pacific free trade,⁹⁵ and the concurrent feasibility study on the formation of an APEC regional trade area, known as the Free Trade Agreement of the Asia-Pacific Region.⁹⁶ During the November APEC meeting, ministers reaffirmed their commitment to creating high quality, transparent, broadly consistent, and comprehensive FTAs.⁹⁷ They also created six model FTA chapters to serve as non-binding and voluntary references for APEC members negotiating future trade agreements.⁹⁸ Moreover, in 2006, APEC created a database to catalogue past regional trade agreements in the Asia-Pacific region (to be accessible by all member countries), and established a list of FTA best practices.⁹⁹ Finally, in 2006, APEC ministers agreed that the organization should continue to provide a forum from which member countries could learn from each others’ respective experiences in creating FTAs.¹⁰⁰

⁹¹ Ibid.

⁹² APEC, “Outcomes & Outlook 2005–06.”

⁹³ The Hanoi Action Plan builds upon initiatives designed in the 2005 Busan Action Plan to help implement APEC’s long-term objectives. APEC, 18th APEC Ministerial Meeting, “Joint Statement.”

⁹⁴ Ibid.

⁹⁵ White House, “Asia-Pacific Economic Cooperation 2006.”

⁹⁶ The feasibility study of the FTAAP is being jointly conducted by the APEC Business Advisory Council and the Pacific Economic Cooperation Council.

⁹⁷ White House, “Asia-Pacific Economic Cooperation 2006.”

⁹⁸ The six model FTA chapters include those on trade in goods, technical barriers to trade, transparency, government procurement, dispute settlement, and cooperation. See White House, “Asia-Pacific Economic Cooperation 2006”; and APEC, Committee on Trade and Investment, “Achievements.”

⁹⁹ APEC, 18th APEC Ministerial Meeting, “Joint Statement.”

¹⁰⁰ Ibid.

Trade Facilitation Action Plan

Following the final review of APEC's Trade Facilitation Action Plan (TFAP),¹⁰¹ ministers stated that several of the initiative's objectives were met by 2006. For example, APEC member countries reached their goal of reducing regional trade transaction costs by 5 percent of 2001 levels,¹⁰² and increased individual and collective support for a successful conclusion to the Doha Development Agenda.¹⁰³

Under the framework of a subsequent phase of the Trade Facilitation Action Plan, known as TFAP-2, new commitments of advancing regional trade and investment were also established in 2006. For example, APEC Ministers set forth a target of reducing regional trade transactions costs by an additional 5 percent of 2006 levels over the next four years, and standardizing customs reporting procedures.¹⁰⁴

Anti-Corruption and Transparency in Business

APEC hosted anti-corruption and transparency in business workshops in Vietnam and the Philippines in January 2006, as part of the organization's Anti-Counterfeiting and Piracy Initiative.¹⁰⁵ Leaders reported that the workshops made progress in fostering public and private awareness of the magnitude and consequences of corruption and non-transparency, enacting anti-corruption laws in member countries' constitutions, and streamlining regulations and new public-private partnerships to combat corruption.¹⁰⁶ Also in 2006, APEC members announced plans to ratify the United Nations Convention Against Corruption, strengthen cooperation on fighting corruption with other international organizations,¹⁰⁷ and commit to more vigorous prosecution against acts of corruption (particularly by high levels of government).¹⁰⁸

¹⁰¹ Created in 1993, APEC's Trade Facilitation Action Plan was established to help simplify customs procedures, standards, business mobility, and electronic commerce among APEC member countries. See APEC, "Committee on Trade and Investment" website.

¹⁰² The planned decrease in regional trade transaction costs is known as the "Shanghai target," based on TFAP's amended 2001 declared target of reducing regional transaction costs. See APEC, 14th APEC Economic Leaders' Meeting, "Hanoi Declaration"; and White House, "Asia-Pacific Economic Cooperation 2006."

¹⁰³ APEC Business Advisory Council, "APEC Business Leaders Call for Immediate Action on Doha Round;" and APEC, 14th APEC Economic Leaders' Meeting, "Hanoi Declaration."

¹⁰⁴ APEC, 18th APEC Ministerial Meeting, "Joint Statement."

¹⁰⁵ APEC's broader Anti-Counterfeiting and Piracy Initiative was established in 2005 to develop guidelines on how member countries should identify and handle pirated and/or counterfeited goods and protect legitimate products; to ensure that supply chains are free from pirated and/or counterfeited goods; to exchange IPR infringement information among member economy authorities; and to promote anti-counterfeiting and piracy campaigns. See APEC, "APEC Anti-Counterfeiting and Piracy Initiative."

¹⁰⁶ APEC, E-Newsletter, "APEC Anti-Corruption Initiative: Half-Way Home But a Long Way to Go;" and APEC, "Report on Outcomes of Anti-Corruption Workshops."

¹⁰⁷ International organizations include the World Bank, Asian Development Bank, OECD, and the Asia-Pacific Group on Money Laundering.

¹⁰⁸ APEC, 18th APEC Ministerial Meeting, "Joint Statement."

CHAPTER 4

U.S. Free Trade Agreements

This chapter reviews developments related to U.S. free trade agreements (FTAs) during 2006. It describes trends in U.S. merchandise trade with FTA partners during 2006; reviews the status of U.S. FTA negotiations during the year; and reviews major NAFTA activities including NAFTA dispute settlement developments during the year.

FTAs in Force during 2006

The United States was a party to nine FTAs as of December 31, 2006. Three of these FTAs entered into force during 2006—the U.S.-Bahrain FTA (August 1, 2006);¹ a multiparty FTA with Guatemala (July 1, 2006), Honduras (April 1, 2006), Nicaragua (April 1, 2006), and El Salvador (March 1, 2006);² and the U.S.-Morocco FTA (January 1, 2006).³ Other FTAs in force to which the United States was a party during 2006 were: the U.S.-Australia FTA (2005); the U.S.-Chile FTA (2004); the U.S.-Singapore FTA (2004); the U.S.-Jordan FTA (2001); NAFTA (1994); and the U.S.-Israel FTA (1985).

Table 4.1 shows U.S. merchandise trade with FTA partners during 2004-06. In 2006, total U.S. exports of goods to FTA partners were valued at \$377 billion. U.S. exports to FTA partners accounted for 40.6 percent of total U.S. exports. Total U.S. imports of goods from FTA partners were valued at approximately \$568 billion, and accounted for 30.8 percent of U.S. imports from the world. The overall U.S. merchandise trade balance with FTA partners was a deficit of \$190 billion—almost 99.0 percent of which was accounted for by the deficit with the NAFTA partners. Australia, Singapore, and Morocco were the only FTA partners with which the United States recorded a merchandise trade surplus during 2006.

Table 4.2 shows U.S. FTA merchandise imports from FTA partners. The value of total FTA imports has risen steadily from \$233 billion in 2004 to \$304 billion in 2006. U.S. FTA imports increased by 30.5 percent during 2004-06, outpacing the increase in overall U.S. imports of 26.4 percent during the same period. NAFTA partners Canada and Mexico accounted for more than 94 percent of the value of U.S. FTA imports in 2006. Imports from all FTA partners accounted for 16.5 percent of total U.S. imports in 2006, an increase from a 15.9 percent share of U.S. imports in 2004 and 2005.

¹ President, Proclamation, “To Implement the United States-Bahrain Free Trade Agreement, and for Other Purposes.” The U.S.-Bahrain FTA was signed by the parties on September 14, 2004. USTR, “United States and Bahrain Sign Free Trade Agreement.”

² United States signed a multiparty FTA with Central America (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua) and the Dominican Republic (CAFTA-DR) in 2004. The United States implemented the agreement in 2005. President, Proclamation, “To Implement the Dominican Republic-Central America-United States Free Trade Agreement with Respect to Guatemala, and for other Purposes”; “To Implement the Dominican Republic-Central America-United States Free Trade Agreement with Respect to Honduras and Nicaragua”; and “To Implement the Dominican Republic-Central America-United States Free Trade Agreement.”

³ President, Proclamation, “To Implement the United States-Morocco Free Trade Agreement.”

Table 4.1 U.S. merchandise trade with FTA partners, total trade, 2004–06

	<i>(Million dollars)</i>		
	2004	2005	2006
Exports:			
NAFTA.....	256,186	284,902	312,788
Israel.....	5,973	6,497	8,094
Jordan.....	531	607	623
Singapore.....	17,850	18,680	21,911
Chile.....	3,236	4,668	6,221
Australia.....	–	14,638	16,836
Bahrain.....	–	–	471
Morocco.....	–	–	869
El Salvador, Guatemala, Honduras, Nicaragua ^a	–	–	9,658
FTA partner total.....	283,776	329,992	377,471
World.....	727,183	803,992	929,486
FTA partner share of world.....	39	41	40.6
Imports:			
NAFTA.....	410,619	456,750	500,090
Israel.....	14,515	18,680	19,157
Jordan.....	1,093	1,267	1,421
Singapore.....	14,848	15,084	17,750
Chile.....	5,007	6,745	9,551
Australia.....	–	7,360	8,244
Bahrain.....	–	–	632
Morocco.....	–	–	546
El Salvador, Guatemala, Honduras, Nicaragua ^a	–	–	10,207
FTA partner total.....	446,082	505,886	567,598
World.....	1,460,160	1,662,380	1,845,053
FTA partner share of world.....	30.6	30.4	30.8
Balance:			
NAFTA.....	-154,443	-171,848	-187,302
Israel.....	-8,542	-10,373	-11,063
Jordan.....	-562	-660	-798
Singapore.....	3,002	3,596	4,161
Chile.....	-1,771	-2,077	-3,330
Australia.....	–	7,278	8,592
Bahrain.....	–	–	-161
Morocco.....	–	–	323
El Salvador, Guatemala, Honduras, Nicaragua ^a	–	–	-549
FTA partner total.....	-162,306	-174,084	-190,127
World.....	-732,977	-858,388	-915,567
FTA partner share of world.....	22.1	20.3	20.8

Source: U.S. Department of Commerce.

Note: Data represent total bilateral trade flows. “–” indicates not applicable because an FTA was not in force.

^a Multiparty agreement with Central America (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua) and the Dominican Republic (CAFTA-DR). Agreement in force only for countries specified in year indicated.

Table 4.2 U.S. FTA imports from FTA partners, by partner, 2004–06

	2004	2005	2006	Percent change 2004-06
	<i>(Million dollars)</i>			
NAFTA.....	227,701	253,458	286,959	26.0
Israel.....	2,391	2,824	2,771	15.9
Jordan.....	21	246	309	1,371.4
Singapore.....	559	800	868	55.3
Chile.....	2,100	3,679	5,508	162.3
Australia.....	–	2,670	3,248	–
Bahrain ^a	–	–	47	–
Morocco.....	–	–	116	–
El Salvador, Guatemala, Honduras, Nicaragua ^a	–	–	3,976	–
FTA partner total.....	<u>232,772</u>	<u>263,677</u>	<u>303,802</u>	30.5
World.....	1,460,160	1,662,380	1,845,053	26.4
	<i>(Share of total imports)</i>			
NAFTA.....	55.5	55.5	57.4	
Israel.....	16.5	16.7	14.5	
Jordan.....	1.9	19.5	21.7	
Singapore.....	3.8	5.3	4.9	
Chile.....	41.9	54.5	57.7	
Australia.....	–	36.3	39.4	
Bahrain ^a	–	–	7.4	
Morocco.....	–	–	21.2	
El Salvador, Guatemala, Honduras, Nicaragua ^a	–	–	39.0	
FTA partner total share of world.....	<u>15.9</u>	<u>15.9</u>	<u>16.5</u>	

Source: U.S. Department of Commerce.

^a FTA in force for part of 2006.

FTA Negotiations during 2006

During 2006, the United States concluded bilateral FTA negotiations with Colombia and Panama and signed bilateral agreements with Colombia, Oman, and Peru, but those bilateral agreements did not enter into force during the year. The United States concluded FTA negotiations with Colombia on February 27, 2006, and the U.S.-Colombia Trade Promotion Agreement (TPA) was signed on November 22, 2006.⁴ The United States and Panama concluded bilateral negotiations on December 12, 2006.⁵ The United States-Oman FTA was signed by the two parties on January 19, 2006.⁶ The U.S.-Peru TPA was signed by the two parties on April 12, 2006.⁷

⁴ USTR, “United States and Colombia Conclude Free Trade Agreement,” and “United States and Colombia Sign Trade Promotion Agreement.”

⁵ USTR, “United States and Panama Complete Trade Promotion Agreement Negotiations.”

⁶ USTR, “United States and Oman Sign Free Trade Agreement.”

⁷ USTR, “United States and Peru Sign Trade Promotion Agreement.”

At year-end 2006, the United States was actively engaged in FTA negotiations with Korea⁸ and Malaysia. There was no significant change in status of FTA negotiations launched in prior years with Ecuador, the Free Trade Area of the Americas, Oman, the South African Customs Union, Thailand, and the United Arab Emirates. The status of U.S. FTA negotiations during 2006 is shown in table 4.3.

Table 4.3 Status of U.S. FTA negotiations during 2006

FTA partner(s)	Negotiations launched	Negotiations concluded	Agreement signed by parties	Date of entry into force
Central America and the Dominican Republic:				
El Salvador	Jan. 8, 2003	Dec. 17, 2003	May 28, 2004	Mar. 1, 2006
Honduras and Nicaragua	Jan. 8, 2003	Dec. 17, 2003	May 28, 2004	Apr. 1, 2006
Guatemala	Jan. 8, 2003	Dec. 17, 2003	May 28, 2004	July 1, 2006
Costa Rica	Jan. 8, 2003	Jan. 25, 2004	May 28, 2004	–
Dominican Republic	Jan. 14, 2004	Mar. 15, 2004	Aug. 5, 2004	(^a)
Oman	Mar. 12, 2005	Oct. 3, 2005	Jan. 19, 2006	–
Andean Trade Promotion Agreement				
Peru	May 18, 2004	Dec. 7, 2005	Apr. 12, 2006	–
Colombia	May 18, 2004	Feb. 27, 2006	Nov. 22, 2006	–
Ecuador	May 18, 2004	–	–	–
Free Trade Area of the Americas (FTAA) ^b	Apr. 18, 1998	–	–	–
Korea	Feb. 2, 2006	(^c)	–	–
Malaysia	Mar. 8, 2006	–	–	–
Panama	Apr. 26, 2004	Dec. 19, 2006	–	–
South African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland)				
	June 2, 2003	–	–	–
Thailand	June 28, 2004	–	–	–
United Arab Emirates	Mar. 12, 2005	–	–	–

Source: USTR, various press releases, <http://www.ustr.gov>.

^a CAFTA-DR entered into force for the Dominican Republic on March 1, 2007.

^b Other negotiating parties to the FTAA are: Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, St. Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Uruguay, and Venezuela.

^c The United States and Korea announced the successful conclusion of bilateral FTA negotiations on April 1, 2007.

U.S.-Panama Trade Promotion Agreement

The United States and Panama announced the completion of free trade negotiations on December 19, 2006, contingent on further discussions regarding labor issues.⁹ USTR indicated that the agreement eliminates tariffs on approximately 88 percent of U.S. exports of consumer and industrial goods and more than one-half of current U.S. farm exports to

⁸ The United States and Korea announced the successful conclusion of bilateral FTA negotiations on April 1, 2007.

⁹ USTR, “U.S. and Panama Complete Trade Promotion Agreement Negotiations.”

Panama immediately upon entry into force of the agreement, with remaining tariffs to be phased out on consumer and industrial goods over 10 years and on most remaining U.S. farm products within 15 years.¹⁰

According to USTR, the agreement includes “zero-for-zero” immediate duty-free access for U.S. sectors like agricultural and construction equipment, information technology products, and medical and scientific equipment. U.S. farm exports to Panama are to become duty-free immediately include high-quality beef, other meat and poultry products, soybeans and products, most fresh fruits and tree nuts, distilled spirits and wine, and a wide assortment of processed products.

USTR indicates that in the insurance sector, the agreement is to allow for the establishment of brokerage firms and cross-border supply of insurance for maritime, aviation, and transportation. The agreement is to allow for an opportunity to participate in the \$5.25 billion expansion plan for the Panama Canal.¹¹ Panama agreed to provide additional market access in services, including financial services; provide reasonable and nondiscriminatory access to its telecommunications networks; to improve standards for the protection and enforcement of a broad range of intellectual property rights; and enforce its domestic labor laws.

USTR also indicated that the U.S.-Panama TPA enhances and makes reciprocal the trade preferences established by CBERA and GSP.¹² Panama is predominantly a services-based economy, with services accounting for more than 75 percent of economic activity. In 2006, U.S. merchandise exports to Panama were valued at \$2.5 billion, and U.S. merchandise imports from Panama were valued at \$338 million. Leading U.S. exports to Panama in 2006 included petroleum oils, airplanes, medicaments in dosage form, and other parts of airplanes and helicopters. Leading U.S. imports from Panama included imports of articles exported and returned, shrimps and prawns, fish, cane sugar, and gold.

Textile and Apparel Provisions of the U.S.-Panama FTA

The U.S.-Panama FTA is to grant immediate duty-free market access to most textile and apparel articles that meet the agreement’s “yarn-forward” rules of origin.¹³ Similar to the agreements with Colombia and Peru, the U.S.-Panama FTA does not make use of tariff preference levels (TPLs). The FTA includes a textile safeguard that permits the United States to impose tariffs on certain goods if injury occurs because of import surges. The agreement includes a short supply process similar to the CAFTA-DR, which grants duty-free entry to apparel made in Panama from yarns and fabrics that are not available in the United States or Panama in commercial quantities in a timely manner, regardless of the origin of the fabrics or yarns. The agreement maintains duty-free treatment of socks that meet the CBTPA rule of origin, and contains a 10-year phaseout of duties on all other socks. The FTA also is to require that the fabric used in pockets of garments that receive duty-free treatment must be made in either the United States or Panama.

¹⁰ USTR, “Free Trade With Panama: Brief Summary of the Agreement.”

¹¹ USTR, “U.S. and Panama Complete Trade Promotion Agreement Negotiations.”

¹² CBERA and GSP are described in chapter 2 of this report.

¹³ USTR, “Free Trade with Panama: Summary of the Agreement.” The “yarn-forward” rule generally requires that articles of textiles and apparel must be made in Panama or in the United States from the yarn stage forward to qualify for duty preferences.

U.S.-Korea Free Trade Agreement

On February 2, 2006, the United States announced its intentions to negotiate an FTA with the Republic of Korea. The President notified Congress of his intention to begin negotiations with Korea in May 2006. The first round of negotiations took place in the United States on June 5-9, 2006.¹⁴ On October 27, 2006, the United States and Korea concluded the fourth round of negotiations, with USTR reporting progress in the areas of remanufactured goods, customs administration, administration of agriculture tariff rate quotas (TRQs), and anti-corruption provisions.¹⁵ On April 1, 2007 U.S. and Korean officials announced that they had successfully concluded the FTA negotiations.¹⁶

U.S.-Malaysia Free Trade Agreement

The United States announced on March 8, 2006 that it would begin FTA negotiations with Malaysia.¹⁷ Three rounds of negotiations were held during 2006, and a fourth round was held in San Francisco on January 8-12, 2007. Malaysia is the United States' largest trading partner in Southeast Asia and its 10th largest trading partner in the world. U.S. imports from Malaysia in 2006 amounted to more than \$36 billion and U.S. exports to Malaysia amounted to \$11.2 billion. Leading U.S. imports from Malaysia in 2006 included portable automatic data processing machines and parts, telecommunications equipment and parts, and electronic monolithic digital integrated circuits. Leading U.S. exports to Malaysia in 2006 included integrated circuits, airplanes, computer parts, and instruments and semiconductor manufacturing equipment.¹⁸

North American Free Trade Agreement¹⁹

NAFTA entered into force on January 1, 1994. In 2006, total two-way (exports plus imports) U.S. merchandise trade with NAFTA partners increased by 9.6 percent over 2005, with U.S.-Canada merchandise trade totaling \$501.3 billion and U.S.-Mexico merchandise trade totaling \$311.6 billion (table 4.4). The U.S. merchandise trade deficit with NAFTA partners increased for a sixth consecutive year, by 9.0 percent in 2006, but at a rate lower than the 11.3 percent of the previous year. The U.S. merchandise trade deficit with NAFTA partners increased to \$187.3 billion in 2006 from \$171.8 billion in 2005.

¹⁴ USTR, "Letter to the Honorable J. Dennis Hastert," and "Remarks by Wendy Cutler."

¹⁵ USTR, "Assistant USTR Wendy Cutler Closing Press Statement at the Conclusion of Round 4 of the KORUS FTA Talks." See chapter 5 for further discussion of U.S.-Korea bilateral trade relations during 2006.

¹⁶ USTR, "United States and Korea Conclude Historic Trade Agreement." See chapter 5 for a more detailed description of negotiations.

¹⁷ USTR, "United States, Malaysia Announce Intention to Negotiate Free Trade Agreement."

¹⁸ The United States and Malaysia did not reach agreement by the April, 1, 2007 deadline for concluding negotiations under the President's trade promotion authority.

¹⁹ U.S. bilateral relations with Canada and Mexico are described in chapter 5 of this report.

Table 4.4 U.S. merchandise trade with NAFTA partners, 2004-06

(Billion dollars)

Year	NAFTA partner	Exports	Imports	Trade balance	Two-way (exports plus imports)
2006	Canada.....	198.2	303.0	-104.8	501.3
	Mexico	114.6	197.1	-82.5	311.6
	Canada and Mexico	312.8	500.1	-187.3	812.9
2005	Canada	183.2	287.5	-104.3	470.8
	Mexico	101.7	169.2	-67.5	270.9
	Canada and Mexico	284.9	456.7	-171.8	741.7
2004	Canada	163.2	255.7	-92.5	418.8
	Mexico	93.0	155.0	-61.9	248.0
	Canada and Mexico	256.2	410.6	-154.4	666.8

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown.

The following sections describe the major activities of the NAFTA Free Trade Commission (FTC), the Commission for Labor Cooperation (CLC), the Commission for Environmental Cooperation (CEC), and dispute settlement activities under NAFTA chapters 11 and 19 during 2006.

Free Trade Commission

The FTC is the central oversight body for NAFTA. It is chaired jointly by representatives from the three member countries.²⁰ The FTC is responsible for overseeing implementation and elaboration of NAFTA, as well as for its dispute settlement provisions.

Following approval by the FTC, in 2006 the member countries implemented changes to the NAFTA rules of origin covering approximately \$15 billion in trilateral trade.²¹ The NAFTA Working Group on Rules of Origin is finalizing another set of changes to the rules of origin, scheduled to be implemented in 2007, which are to cover approximately \$50 billion in total trilateral trade.²²

²⁰ The representatives are the U.S. Trade Representative, the Canadian Minister for International Trade, and the Mexican Secretary of Economy.

²¹ President, Proclamation, "To Modify Rules of Origin Under the North American Free Trade Agreement." The effective date for the modifications with respect to goods of Canada or of Mexico is on or after July 1, 2006. The modifications affect certain goods in the following HTS chapters: cocoa and cocoa preparations (HTS chapter 18), preparations of vegetables and fruits (HTS chapter 20), ores, slag, and ash (HTS chapter 26), raw hides and skins (HTS chapter 41), cork and articles of cork (HTS chapter 45), man-made filaments (HTS chapter 54), wadding, felt, and nonwovens (HTS chapter 56), prepared feathers (HTS chapter 67), glass and glassware (HTS chapter 70), copper and articles thereof (HTS chapter 74), lead and articles thereof (HTS chapter 78), zinc and articles thereof (HTS chapter 79), tin and articles thereof (HTS chapter 80), other base metals (HTS chapter 81), electrical machinery (HTS chapter 85), and measuring devices and instruments (HTS chapter 90).

²² USTR, *2007 Trade Policy Agenda and 2006 Annual Report*, 122.

Commission for Labor Cooperation

The CLC was created under the North American Agreement on Labor Cooperation (NAALC), a supplemental agreement to NAFTA that aims to promote effective enforcement of domestic labor laws and foster transparency in their administration. The CLC is responsible for the implementation of the NAALC, and comprises the Ministerial Council and the Secretariat. Each NAFTA partner has established a National Administrative Office (NAO) within its ministry of labor to serve as the contact point with the other parties and the secretariat, to provide publicly available information to the secretariat and the other parties, and to provide for the submission and review of public communications on labor law matters.²³ In the United States, that office is the Office of Trade Agreement Implementation (OTAI).²⁴ If the OTAI determines that a violation of the agreement has occurred, the matter is then referred to the CLC Council to hold ministerial consultations with the respective party to resolve the issue.²⁵

The NAALC provides for the review of public submissions related to the labor laws of the NAFTA partners.²⁶ In 2006, one submission was presented to the Mexican NAO concerning the United States, and one to the U.S. NAO concerning Mexico. On October 17, 2006, the Mexican labor union Frente Auténtico del Trabajo (the Authentic Labor Front) filed a petition (Mexican NAO Submission 2006-01). The submission raises concerns about the rights of public employees in North Carolina to bargain collectively and contains allegations of discriminatory employment practices and unsafe workplaces that violate the principles of the NAALC.²⁷ On November 9, 2006, the United Steelworkers (USW) filed a petition (U.S. Submission 2006-01) concerning the enforcement of Mexico's labor laws. The USW alleged that the Government of Mexico had failed to fulfill its obligations under the NAALC with respect to mineworkers safety and their freedom of association at the Pasta de Conchos mine in the Mexican State of Coahuila.²⁸ At the end of 2006, determinations as to whether to accept and review the submissions filed were pending.²⁹

In March 2006, as part of its ongoing research program, the NAALC Secretariat released a report on violence in the work place.³⁰ Additionally, in August 2006, the United States and Mexico sponsored the second joint regional seminar in Seattle, Washington, to familiarize Mexican consulates in the United States with the rights of Mexican migrant workers under U.S. labor laws and regulations administered by the U.S. Department of Labor.³¹

²³ CLC, "The National Administrative Offices."

²⁴ OTAI was the National Administrative Office (NAO) until December 17, 2004, U.S. Department of Labor, Bureau of International Labor Affairs, "Notice of Renaming the National Administrative Office." OTAI is now located in the U.S. Department of Labor, Bureau of International Labor Affairs; U.S. Department of Labor, "The Office of Trade Agreement Implementation," Fed. Reg. 77128.

²⁵ CLC, "Rules of Procedure for Evaluation."

²⁶ Information on the submissions and the status of the submissions under NAALC is available in U.S. Department of Labor, Bureau of International Labor Affairs, "Status of Submissions."

²⁷ U.S. Department of Labor, Office of Trade and Labor Affairs, "Submissions Filed."

²⁸ Ibid.

²⁹ Ibid.

³⁰ CLC, "Violence at Work in North America."

³¹ U.S. Department of Labor, Bureau of International Affairs, OTAI, "II Regional Train the Trainer Seminar."

Commission for Environmental Cooperation

The CEC was established under the North American Agreement on Environmental Cooperation (NAAEC), a supplemental agreement to NAFTA designed to ensure that trade liberalization and efforts to protect the environment are mutually supportive. The CEC oversees the work of the NAAEC and is composed of (1) the Council—the governing body of the CEC—made up of the environmental ministers from the United States, Canada, and Mexico;³² (2) the Joint Public Advisory Committee, made up of five private citizens from each of the NAFTA parties; and (3) the Secretariat, made up of professional staff, located in Montreal, Canada.³³

Articles 14 and 15 of the NAAEC are intended to provide citizens and nongovernmental organizations with a mechanism to aid in enforcing environmental laws in the NAFTA countries. Article 14 governs alleged violations submitted for review by the CEC. It sets forth specific guidelines regarding criteria for submissions and parties that can file complaints. Article 15 outlines the Secretariat's obligations in considering the submissions and publishing findings in the factual record.³⁴ Under article 14, 11 files remained active in 2006, four of which were submitted in 2006 (table 4.5). There were 14 active files during 2006 based on citizen submissions under article 15—five involved Canada, eight involved Mexico, and one involved the United States (table 4.6). The only final factual record released in 2006 was for a submission first filed in 2000 with respect to Mexico.

At its annual ministerial session on June 28, 2006, the CEC Council reviewed work taken under its five-year strategic plan on trade and environment adopted in 2005 that identifies six CEC initiatives: (1) promote the North American renewable energy market; (2) promote and facilitate the enforcement of environmental laws; (3) continue environmental assessments of trade liberalization in North America; (4) promote North American markets for environmentally friendly products; (5) promote better use of market-based mechanisms for environmental protection and sustainable use; and (6) reduce environmental and economic harm caused by invasive alien species.³⁵ In addition, the CEC Council determined to work in partnership with the North American automobile sector to promote enhanced environmental performance throughout its supply chains.³⁶

In November 1993, Mexico and the United States agreed on arrangements to help border communities with environmental infrastructure projects to further the goals of NAFTA and

³² The CEC Council consists of the Canadian Environment Minister, the Mexican Secretary for Environment and Natural Resources, and the U.S. Environmental Protection Agency Administrator.

³³ USTR, *2007 Trade Policy Agenda and 2006 Annual Report*, 122.

³⁴ NAAEC articles 14 and 15, CEC, "North American Agreement on Environmental Cooperation."

³⁵ CEC, "CEC Ministerial Statement," 1. Additional details on the CEC strategic plan are available in USITC, *The Year in Trade 2005*, 4-14.

³⁶ CEC, "CEC Ministerial Statement," 1.

Table 4.5 Active files through 2006, under article 14 of the North American Agreement on Environmental Cooperation

Name	Case	First Filed	Country	Status
Lake Chapala II	SEM-03-003	May 23, 2003	Mexico	The Secretariat informed Council that the Secretariat considers that the submission warranted development of a factual record in May 2005.
Alca-Iztapalapa II	SEM-03-004	June 17, 2003	Mexico	The Secretariat posted a request for information relevant to the factual record on its Web site in November 2005.
Montreal Technoparc	SEM-03-005	Aug. 14, 2003	Canada	The Secretariat posted a request for information relevant to the factual record on its Web site in February 2005.
Coal-fired Power Plants	SEM-04-005	Sept. 20, 2004	United States	The Secretariat informed Council that the Secretariat considers that the submission warranted development of a factual record in December 2005.
Quebec Automobiles	SEM-04-007	Nov. 3, 2004	Canada	The Secretariat posted a request for information relevant to the factual record on its Web site in September 2006.
Coronado Islands	SEM-05-002	May 3, 2005	Mexico	The Secretariat informed Council that the Secretariat considers that the submission warranted development of a factual record in January 2007.
Environmental Pollution in Hermosillo II	SEM-05-003	Aug. 30, 2005	Mexico	The Secretariat received a response from the concerned government party and began considering whether to recommend a factual record in February 2006.
Ex Hacienda El Hospital II	SEM-06-003	July 17, 2006	Mexico	The Secretariat received a response from the concerned government party and began considering whether to recommend a factual record in January 2007.
Ex Hacienda El Hospital III	SEM-06-004	Sept. 22, 2006	Mexico	The Secretariat received a response from the concerned government party and began considering whether to recommend a factual record in January 2007.
Species at Risk	SEM-06-005	Oct. 10, 2006	Canada	The Secretariat received a response from the concerned government party and began considering whether to recommend a factual record in February 2007.
Los Remedios National Park	SEM-06-006	Nov. 9, 2006	Mexico	The Secretariat received a revised submission and began to analyze it in March 2007.

Source: CEC, Commission for Environmental Cooperation, "Active Files."

Table 4.6 Citizen submissions on enforcement under article 15 of the North American Agreement on Environmental Cooperation, submissions active during 2006

Name	Case	First Filed	Country	Status ^a
Los Remedios National Park	SEM-06-006	Nov. 9, 2006	Mexico	Open
Species at Risk	SEM-06-005	Oct. 10, 2006	Canada	Open
Ex Hacienda El Hospital III	SEM-06-004	Sept. 22, 2006	Mexico	Open
Ex Hacienda El Hospital II	SEM-06-003	July 17, 2006	Mexico	Open
Environmental Pollution in Hermosillo II	SEM-05-003	Aug. 30, 2005	Mexico	Open
Coronado Islands	SEM-05-002	May 3, 2005	Mexico	Open
Quebec Automobiles	SEM-04-007	Nov. 3, 2004	Canada	Open
Coal-fired Power Plants	SEM-04-005	Sept. 20, 2004	United States	Open
Montreal Technoparc	SEM-03-005	Aug. 14, 2003	Canada	Open
Alca-Iztapalapa II	SEM-03-004	June 17, 2003	Mexico	Open
Lake Chapala II	SEM-03-003	May 23, 2003	Mexico	Open
Pulp and Paper	SEM-02-003	May 8, 2002	Canada	February 5, 2007
Ontario Logging	SEM-02-001	Feb. 6, 2002	Canada	February 5, 2007
Tarahumara	SEM-00-006	June 9, 2000	Mexico	January 9, 2006

Source: CEC, Commission for Environmental Cooperation, "Current Status."

^a Status as of Dec. 31, 2006. Date indicates when the final factual record was publicly released.

the NAAEC.³⁷ The Border Environment Cooperation Commission and the North American Development Bank (NADB) reported working with more than 130 communities throughout the Mexico-U.S. border region to address their environmental infrastructure needs.³⁸ As of December 31, 2006, the NADB participation totaled \$835 million in loans and grants to partially finance 97 infrastructure projects estimated to cost a total of \$2.5 billion.³⁹

Dispute Settlement

NAFTA contains dispute settlement provisions covering a variety of areas.⁴⁰ Developments during 2006 are described below with respect to NAFTA chapter 11 investor-state disputes and chapter 19 binational reviews of final determinations of antidumping and countervailing cases. Table A.20 presents an overview of developments in NAFTA dispute settlement cases to which the United States was a party in 2006.

Chapter 11 Dispute-Settlement Developments

NAFTA chapter 11 contains provisions designed to protect cross-border investors and facilitate the settlement of investment disputes. An investor who alleges that a NAFTA country has breached its investment obligations under chapter 11 may pursue arbitration

³⁷ USTR, *2007 Trade Policy Agenda and 2006 Annual Report*, 122.

³⁸ North American Development Bank, *BECC-NADB Joint Status Report*, 2.

³⁹ *Ibid.*

⁴⁰ NAFTA Secretariat, "Overview of the Dispute Settlement Provisions."

through internationally recognized channels⁴¹ or remedies available in the host country's domestic courts under chapter 11. A key feature of the chapter 11 provisions is the enforceability in domestic courts of final awards made by arbitration tribunals.⁴²

There were seven active chapter 11 cases filed against the United States by Canadian investors in 2006.⁴³ In the same year, there were three active chapter 11 cases filed by U.S. investors against Canada,⁴⁴ and four active chapter 11 cases filed by U.S. investors against Mexico.⁴⁵

Chapter 19 Dispute-Panel Reviews

NAFTA chapter 19 establishes a mechanism that provides for review by a binational panel of final determinations made by a national investigating authority in antidumping and countervailing duty cases. A panel may be established at the request of any involved NAFTA country.⁴⁶

Eight binational panels were formed in 2006. The NAFTA Secretariat listed 24 binational panels active at the end of 2006 (table 4.7). Four of the panels formed in 2006 challenged U.S. agency determinations on products from Canada, and one challenged U.S. agency determinations on products from Mexico. In 2006, two panels challenged a Mexican agency determination concerning products from the United States, and one panel challenged a Canadian agency determination concerning products from the United States.

⁴¹ Ibid. Such as the International Centre for the Settlement of Investment Disputes (ICSID) at the World Bank or Rules of the United Nations Commission for International Trade Law (UNCITRAL Rules).

⁴² NAFTA Secretariat, "Overview of the Dispute Settlement Provisions."

⁴³ U.S. Department of State, "NAFTA Investor-State Arbitrations: Cases Filed Against the United States," and International Trade Canada, "Dispute Settlement, NAFTA-Chapter 11: Cases Filed Against the Government of the United States."

⁴⁴ U.S. Department of State, "NAFTA Investor-State Arbitrations: Cases Filed Against the Government of Canada," and International Trade Canada, "Dispute Settlement, NAFTA-Chapter 11: Cases Filed Against the Government of Canada."

⁴⁵ U.S. Department of State, "NAFTA Investor-State Arbitrations: Cases Filed Against the United Mexican States," and International Trade Canada, "Dispute Settlement, NAFTA-Chapter 11: Cases Filed Against the Government of the United Mexican States."

⁴⁶ NAFTA Secretariat, "Overview of the Dispute Settlement Provisions."

Table 4.7 NAFTA Chapter 19 binational panels, active reviews in 2006

Country	Case	National agencies' final determination ^a	Product description
Canada			
	CDA-USA-2006-1904-01	Canada Border Services Agency Final determination of dumping and subsidizing	Unprocessed grain corn, excluding seed corn (for reproductive purposes), sweet corn and popping corn, originating in or exported from the United States.
	CDA-USA-2007-1904-01	Canada Border Services Agency Final Determination of dumping	Certain copper pipe fittings originating in or exported from the United States
Mexico			
	MEX-USA-2000-1904-02	SECOFI Final Antidumping Duty Determination	Bovine carcasses and half carcasses, fresh or chilled originating in the United States
	MEX-USA-2003-1904-01	SE Final Countervailing Duty Determination	Imports of sodium hydroxide(caustic soda) originating in the United States
	MEX-USA-2003-1904-02	SE Final Countervailing Duty Determination	Fresh red delicious and golden delicious apples, originating in the United States
	MEX-USA-2005-1904-01	SE Final Countervailing Duty Determination	Imports of carbon steel tubing with straight longitudinal seam from the United States
	MEX-USA-2006-1904-01	SE Final Countervailing Duty Determination	Imports of pork originating in the United States
	MEX-USA-2006-1904-02	SE Final Countervailing Duty Determination	Imports of fresh, delicious, red delicious and golden delicious apples originating in the United States
United States			
	USA-CDA-2002-1904-02	USDOC Final Determination of Sales at Less Than Fair Value	Certain softwood lumber products from Canada
	USA-CDA-2004-1904-01	USDOC Final Results of Countervailing Duty Administrative Reviews	Pure magnesium and alloy magnesium from Canada
	USA-CDA-2005-1904-01	USDOC Final Results of Countervailing Duty Administrative Review and Rescission of Certain Company-Specific Reviews	Certain softwood lumber products from Canada
	USA-CDA-2005-1904-03	USITC Implementation of the New Determination under Section 129(a)(4) of the Uruguay Round Agreements Act	Certain softwood lumber products from Canada
	USA-CDA-2005-1904-04	USDOC Antidumping Duty Determination under Section 129 of the Uruguay Round Agreements Act	Certain softwood lumber products from Canada
	USA-CDA-2006-1904-01	USDOC Final Results of Antidumping Duty Administrative Review	Certain softwood lumber products from Canada

Table 4.7 (continued)

Country	Case	National agencies' final determination ^a	Product description
United States—Continued			
	USA-CDA-2006-1904-02	USDOC Final Results of Countervailing Duty Administrative Review	Certain softwood lumber products from Canada
	USA-CDA-2006-1904-04	USDOC Final Results of Antidumping Duty Administrative Review	Carbon and certain alloy steel wire rod from Canada
	USA-CDA-2006-1904-05	USDOC Final Scope Ruling Regarding Entries Made Under HTSUS 4409.10.05	Certain softwood lumber products from Canada
	USA-MEX-2000-1904-10	USITC Final Results of the Five-Year Review of the Antidumping Duty Order	Gray Portland Cement and Cement Clinker from Mexico
	USA-MEX-2001-1904-03	USDOC Final Results of the Full Sunset Review of the Antidumping Duty Order	Oil Country Tubular Goods from Mexico
	USA-MEX-2001-1904-06	USITC Final Results of the Five-Year Review of the Antidumping Duty Order	Oil Country Tubular Goods from Mexico
	USA-MEX-2005-1904-05	USDOC Antidumping Duty Order Determination	Purified Carboxymethylcellulose from Mexico
	USA-MEX-2005-1904-06	USITC Five-Year Review of the Antidumping Duty Order	Stainless Steel Sheet and Strip in Coils from Mexico
	USA-MEX-2006-1904-06	USDOC Antidumping Administrative Review	Oil Country Tubular Goods from Mexico
	USA-MEX-2007-1904-01	USDOC Antidumping Administrative Review	Stainless Steel Sheet and Strip in Coils from Mexico

Source: NAFTA Secretariat, "Status Report of Panel Proceedings."

^a In Canada, final dumping and subsidy determinations are made by Canada Border Services Agency, and injury determinations are made by the Canadian International Trade Tribunal. In Mexico, all determinations are made by the Secretaría de Economía. In the United States, dumping and subsidy determinations are made by the U.S. Department of Commerce (USDOC), and injury determinations are made by the USITC, NAFTA Secretariat, "Overview of the Dispute Settlement Provisions."

CHAPTER 5

U.S. Relations with Major Trading Partners

This chapter reviews U.S. bilateral trade relations with eight selected trading partners during 2006: the European Union (EU), Canada, China, Mexico, Japan, Korea, Taiwan, and Russia. Appendix tables A.21 through A.44 provide detailed information on U.S. trade with selected partners.

European Union

The EU¹ is the second largest two-way (exports plus imports) U.S. trading partner behind the combined NAFTA market of Canada and Mexico. In 2006, U.S. two-way merchandise trade with the EU-25 increased 10.8 percent over 2005 to \$525.8 billion, representing 19.0 percent of U.S. trade with the world. U.S. exports of goods to the EU increased by 17.4 percent to \$196.5 billion in 2006. U.S. imports of goods from the EU increased by 7.3 percent to \$329.3 billion in 2006, resulting in a 4.9 percent decline in the U.S.-EU merchandise trade deficit to \$132.8 billion. Leading U.S. exports to the EU during the year included certain medicaments, passenger cars, aircraft and aircraft parts, and computer parts. Leading U.S. imports from the EU included passenger cars, certain medicaments, petroleum derivatives, and nucleic acids and their salts. U.S.-EU merchandise trade data are shown in tables A.21 through A.23.

There were developments in at least nine active WTO dispute settlement proceedings during 2006 in which both the United States and the EU were parties, either as the complainant or the respondent. The more significant procedural developments in each of these cases are listed in table A.19. Five of the cases are described in more detail below—four cases involving alleged subsidies to civil aircraft production (two brought by the United States against the EU with respect to alleged EU subsidies to Airbus, and two brought by the EU with respect to alleged U.S. subsidies for Boeing), and one case brought by the United States with respect to the EU's de facto moratorium on approvals of agricultural biotechnology products. In addition, on May 17, 2006, President Bush signed into law a tax bill that repealed the grandfathering provisions of the foreign sales corporation/extraterritorial income regimes, to bring the United States into compliance with earlier WTO DSB rulings and recommendations in this matter.²

In other 2006 developments, the United States and the EU continued to make progress on regulatory cooperation and transparency, and reducing technical barriers to trade. On March 10, 2006, both sides signed an agreement on wine-making practices and labeling of wine.³ In a major reform of EU chemicals policy intended to protect consumer health and the

¹ The 25 members of the EU in 2006 were Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, and the United Kingdom. On January 1, 2007, Bulgaria and Romania joined the EU.

² USTR, "Statement by USTR Portman" and Public Law 109-222. Also see European Union, "Notice," 7.

³ USTR, "United States and European Community Reach Agreement on Trade in Wine."

environment, in December 2006 the EU Environment Council adopted the Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) regulation, which is expected to enter into force on June 1, 2007.⁴ According to USTR, REACH “will impose extensive additional testing and reporting requirements on producers and downstream users of chemicals, [which] could impact virtually all industrial sectors, including the majority of U.S. manufactured goods exported to the EU.”⁵

The United States and EU also entered into compensation negotiations resulting from EU enlargement. On March 22, 2006, the EU agreed to provide the United States with trade concessions in compensation for EU enlargement that included 10 new member states on May 1, 2004.⁶ In particular, the EU permanently reduced certain tariffs, expanded certain existing global tariff-rate quotas, and opened new country-specific tariff-rate quotas on U.S. exports of other products.⁷ Later in the year, the EU agreed on a compensation package for services with respect to EU enlargement in May 2004 as well as the 1995 enlargement to include Austria, Finland, and Sweden. The September 25 agreement between the EU, the United States, and other WTO members required the EU to provide new or enhanced market access commitments in service sectors to compensate for modifications to their commitments under the General Agreement on Trade in Services (GATS) resulting from the enlargements.⁸ In December 2006, the United States began negotiations with the EU for compensation related to the enlargement of the EU to include Bulgaria and Romania on January 1, 2007.⁹

Aircraft

Background

Both the United States and the EU have long claimed that the other either directly or indirectly subsidizes the production of large civil aircraft.¹⁰ The United States has claimed that the EU member state governments of France, Germany, Spain, and the United Kingdom have provided direct subsidies since the 1970s to their respective member companies of Airbus SAS to aid in the development, production, and marketing of large commercial aircraft. The EU has countered that the principal U.S. civil aircraft manufacturer, Boeing, has benefitted from indirect U.S. government support. The subsidies issue was addressed in 1992 in the U.S.-EU Agreement on Large Civil Aircraft, which placed limits on the form and level of government subsidies affecting large civil aircraft manufactured by Airbus and Boeing and according to the USTR, was intended to lead to a “progressive reduction” in Airbus subsidies.¹¹

The United States filed its request for WTO dispute settlement consultations on October 6, 2004. The United States claimed that EU and member state subsidies to Airbus are

⁴ EC, “Environment: Commission Welcomes Council Action on REACH.”

⁵ USTR, *2007 Trade Policy Agenda*, 139.

⁶ USTR, “United States and European Union Sign Enlargement Compensation Agreement.”

⁷ USTR, *2007 Trade Policy Agenda*, 141.

⁸ USTR, “USTR Announces U.S.-EU Agreement on Services.”

⁹ USTR, *2007 Trade Policy Agenda*, 141.

¹⁰ Aircraft with more than 100 seats. For more background on this dispute, see USITC, *The Year in Trade 2005*, 5-2-5-4. Also see the chapter 3 section on WTO dispute settlement.

¹¹ USTR, “U.S. Files WTO Case against EU over Unfair Airbus Subsidies.”

inconsistent with EU obligations under the WTO Agreement on Subsidies and Countervailing Measures (SCM Agreement) and the GATT 1994. In announcing the WTO case, USTR reported that the 1992 Agreement on Large Civil Aircraft “has outlived its usefulness” and announced U.S. withdrawal from the agreement.¹²

On the same day, the EU requested dispute settlement consultations with the United States to address certain U.S. measures that the EU claimed were inconsistent with U.S. obligations under the SCM Agreement and GATT 1994. The EU asserted that Boeing benefits from indirect U.S. government subsidies—mainly in the form of research and development funds from NASA, the Department of Defense, and other U.S. government agencies—and certain tax and other benefit programs that are inconsistent with U.S. WTO obligations.¹³ The EU also rejected U.S. termination of the 1992 Agreement on Large Civil Aircraft.¹⁴

Following an unsuccessful effort to find a negotiated solution in early 2005, both parties requested the establishment of WTO dispute settlement panels in their respective cases, and panels were established for both cases on July 20, 2005. In addition, the EU filed a supplementary consultations request on June 27, 2005, which explicitly listed all the measures in question.¹⁵

Airbus and Boeing are the leading global producers of large commercial aircraft in the world. In 2006, Boeing received more orders than Airbus, following three years in which Airbus delivered more planes and received more orders than Boeing.¹⁶ Aircraft currently under development by Boeing and Airbus are among those being examined in the current disputes. These aircraft include the Boeing 787, a long-distance, midsize aircraft scheduled to enter service in 2008, the Airbus A380, and the redesigned Airbus A350, intended to compete against Boeing’s 787 and scheduled to enter service in 2013.

Developments During 2006

On January 20, 2006, the EU requested a panel based on its second request for consultations. The panel was established on February 17, 2006, and composed on November 22, 2006.¹⁷ On January 31, 2006, the United States filed a second request for consultations. In addition to providing more information on EU subsidies covered in the ongoing WTO case, the new consultation request covered alleged new subsidies to Airbus announced since the original consultation request was made.¹⁸ The United States requested establishment of a dispute-settlement panel on April 21, 2006, and on May 9, 2006, the panel was established. The United States also requested that this second panel be merged with the first panel

¹² Ibid.

¹³ WTO, “United States—Measures Affecting Trade in Large Civil Aircraft, Request for Consultations by the European Communities.”

¹⁴ EC, “US-Boeing: EU Rejects US Unilateral Abrogation of the 92 Aircraft Agreement.”

¹⁵ EC, *General Overview of Active WTO Dispute Settlement Cases*.

¹⁶ Airbus continued to deliver more aircraft than Boeing in 2006. Boeing, “Boeing Sets Records for Airplane Orders in 2006,” “Boeing Reports Fourth-Quarter and Full-Year Deliveries,” and “Orders and Deliveries.” Airbus, “Annual Review 2006,” and “1989-2006 Results.”

¹⁷ WTO, “United States—Measures Affecting Trade in Large Civil Aircraft—Second Complaint, Summary.”

¹⁸ USTR, “United States Files Additional Consultation Request.”

established July 20, 2005.¹⁹ However, on October 9, 2006, the United States requested that the second panel suspend its work in accordance with Article 12.12 of the Dispute Settlement Understanding, which permits a panel to suspend its work anytime at the request of the complaining party for a period not to exceed 12 months.²⁰

Agricultural Biotechnology

Background²¹

In May 2003, the United States initiated a WTO dispute-settlement process to address the EU's October 1998 de facto moratorium on new approvals of agricultural biotechnology products (biotech products). The case also addressed the national marketing and import bans maintained since the late 1990s by six EU member states (Austria, France, Germany, Greece, Italy, and Luxembourg) on seven types of biotech corn and rapeseed previously approved by the EU for import and marketing in the EU.²² Canada and Argentina also requested WTO consultations with the EU. The United States claimed that these policies were inconsistent with the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement), GATT 1994, the Agreement on Agriculture (Agriculture Agreement), and the Agreement on Technical Barriers to Trade (TBT Agreement). In particular, the United States alleged that the EU's moratorium violated WTO rules by restricting U.S. exports to the EU of biotech agricultural and food products, particularly corn, "without a valid scientific basis and imposed undue delay on approvals."²³ In August 2003, the DSB agreed to form a single panel to consider the matters raised by the United States, Canada, and Argentina.

In May 2004, the EU approved the first biotech product for human consumption since the moratorium was imposed in October 1998. According to the EU, since then an additional nine biotech products have been approved.²⁴ Currently, there are about 30 biotech products awaiting EU authorization.²⁵

Developments During 2006

After numerous delays, the panel report was circulated on September 29, 2006.²⁶ According to the WTO,²⁷ the panel found that the EU applied a general de facto moratorium on the approval of biotech products between June 1999 and the date the panel was established in August 2003, despite the categorical denial of the EU. The panel found that the EU acted

¹⁹ WTO, DSB, "DSB Establishes a Panel in Reference to EC's Measures Concerning Civil Aircraft."

²⁰ WTO, "European Communities and Certain Member States—Measures Affecting Trade in Large Civil Aircraft (Second Complaint)."

²¹ For more background information, see USITC, *The Year in Trade 2003*, 5-4.

²² WTO, "European Communities—Measures Affecting the Approval and Marketing of Biotech Products, Request for Consultations by the United States."

²³ USTR, "Agricultural Biotechnology: Safe, Effective and Unfairly Blocked By EU."

²⁴ WTO, Dispute Settlement Body, "Minutes of Meeting, 21 November 2006," 16.

²⁵ USDA, FAS, "EU-25, Biotechnology, Annual Agricultural Biotechnology Report, 2006," 2; and WTO, Dispute Settlement Body, "Minutes of Meeting, 21 November 2006," 16.

²⁶ For more information on the WTO case, see chapter 3 of this report.

²⁷ WTO, "Update of WTO Dispute Settlement Cases."

inconsistently with its WTO obligations under the SPS Agreement, Annex C²⁸ and Article 8, because the moratorium led to undue delays in EU approval procedures. The panel found, however, that the EU had not acted inconsistently with other provisions of the SPS Agreement, as raised by the complainants.²⁹ The panel found that the EU had acted inconsistently with its WTO obligations³⁰ with regard to all of the EU member state safeguard measures raised in the complaint in that these measures were not risk-based assessments under the definition of the SPS Agreement and thus were maintained without sufficient scientific evidence.

In response to the WTO ruling, U.S. officials claimed that “the EU has yet to lift the moratorium in its entirety. Some biotech product applications have been pending for 10 years or more, and applications for many commercially important products continue to face unjustified, politically motivated delays.”³¹ The EU, on the other hand, has indicated that “The EU has no ban on safe GM [genetically modified] products.”³² Citing recent approvals of biotech products, the EU said “The claim that there is a moratorium on approval of GM products in Europe is self-evidently untrue.”³³

The case was not appealed. The EU indicated it would implement the panel’s recommendations and rulings in a reasonable period of time.³⁴

Canada

U.S.-Canada trade represents the largest two-way bilateral trade relationship in the world.³⁵ In 2006, Canada was the largest single export market for U.S. goods, with two-way merchandise trade (exports plus imports) reaching \$501.3 billion, an increase of 6.5 percent over 2005. U.S. exports to Canada were valued at \$198.2 billion and U.S. imports from Canada were valued at \$303.0 billion, increases of over 8 and 5 percent, respectively, from 2005. The U.S. merchandise trade deficit with Canada was \$104.8 billion in 2006, essentially unchanged from \$104.3 billion in 2005 but greater than the \$92.5 billion recorded in 2004. Manufactured products figured prominently in U.S.-Canada merchandise trade, with leading U.S. exports to Canada during the year including passenger motor vehicles (PMVs); PMV bodies, parts, and accessories; motor vehicles for transport; piston engines; gear boxes for motor vehicles; as well as natural gas and petroleum and bituminous mineral oil preparations and oils. Leading U.S. imports from Canada included crude petroleum and bituminous mineral oils, PMVs, natural gas, motor vehicles for transport, coniferous wood, and parts and accessories for motor vehicles. U.S.-Canadian merchandise trade data are shown in appendix tables A-25 through A-27.

²⁸ Annex C(1)(a).

²⁹ SPS Articles 5.1, 5.5, 5.6, 2.2, or 2.3.

³⁰ SPS Articles 5.1 and 2.2.

³¹ USTR, “U.S. Trade Representative Susan Schwab and U.S. Agriculture Secretary Mike Johanns Announce Favorable Ruling in WTO Case on Agricultural Biotechnology.”

³² EC, “Europe’s Rules on GMOs and the WTO.”

³³ Ibid.

³⁴ WTO, “European Communities—Measures Affecting the Approval and Marketing of Biotech Products, Notification of an Agreement with respect to Article 21.3(c) of the DSU.”

³⁵ USTR, “Draft—Trade Policy Review of Canada.”

U.S.-Canadian trade relations are governed in large part by the North American Free Trade Agreement (NAFTA), which entered into force January 1, 1994, replacing the 1989 bilateral U.S.-Canada Free Trade Agreement. The NAFTA progressively eliminated tariff and nontariff barriers for bilateral trade in all industrial and most agricultural products that originate in the United States and Canada. Since the implementation of NAFTA, total two-way trade in merchandise goods between the United States and Canada has more than doubled.³⁶ In the most recent 5 years, bilateral trade in merchandise goods with Canada has increased over 40 percent, topping \$500 billion; two way trade in services increased nearly 30 percent to roughly \$55 billion; and bilateral direct investment exceeded \$478 billion.³⁷ Certain trade-related disputes between the United States and Canada are governed by NAFTA as well as WTO dispute settlement rules. Major procedural developments in these bilateral dispute cases are listed in tables A-20 and A-21. The Softwood Lumber Agreement signed on September 12, 2006, and entered into force on October 12, 2006, was a major development in U.S.-Canadian trade relations in 2006, as discussed below.

Agriculture

In addition to being the largest single export market for U.S. goods in general, Canada is also the largest market for U.S. food and agricultural exports in particular. Under the 1998 U.S.-Canada Record of Understanding on Agricultural Matters, the U.S.-Canada Consultative Committee as well as the Province/State Advisory Group were established to facilitate discussion and help provide fora for cooperation on agricultural matters to help strengthen bilateral agricultural trade relations.³⁸

In 2006, the Committee met twice to discuss issues concerning livestock, fruits and vegetables, seed, processed food, and plant trade, as well as pesticide and animal drug regulations, and biotechnology. In 2003, the U.S. National Potato Council requested the Committee seek ways to address the commercial burden represented by this requirement.³⁹ Such request spurred a discussion concerning a Canadian nontariff barrier that prohibits the entry of bulk shipment of fruits and vegetables in packages that exceed certain standard sizes.

Softwood Lumber Agreement

A major development in U.S.-Canadian trade relations during 2006 was the conclusion of a formal agreement addressing trade in softwood lumber between the two countries. As a result of negotiations concerning trade in softwood lumber between the two countries, a tentative framework agreement was reached on April 27, 2006.⁴⁰ The agreement was signed on September 12, 2006, and entered into force on October 12, 2006,⁴¹ ending a number of pending dispute settlement cases in the WTO and under the NAFTA.

³⁶ Ibid.

³⁷ Ibid.

³⁸ USTR, *2007 Trade Policy Agenda*, 128.

³⁹ Ibid.

⁴⁰ USTR, "Statement by USTR Spokesperson Neena Moorjani."

⁴¹ USTR, *2007 Trade Policy Agenda*, 128.

1996 Agreement Background

The new agreement resolved a dispute ongoing since the expiration of the 1996 U.S.-Canada Softwood Lumber Agreement in March 2001. The 1996 bilateral agreement sought to mitigate the effects on the U.S. lumber industry of subsidies provided by the Canadian federal and provincial governments to Canadian lumber producers. With the expiration of the 1996 Agreement, the U.S. lumber industry filed antidumping and countervailing petitions regarding imports of Canadian softwood lumber into the U.S. market. After the imposition of antidumping and countervailing duties, Canada challenged the U.S. antidumping and countervailing duty determinations under both WTO and NAFTA dispute settlement provisions.⁴²

2006 Agreement

Under the terms of the 2006 Agreement, the United States and Canada ended a large portion of the litigation over trade in softwood lumber.⁴³ For example, the United States announced its withdrawal of its NAFTA Extraordinary Challenge on softwood lumber from Canada,⁴⁴ and the United States and Canada notified the WTO Dispute Settlement Board that they had reached a mutually agreed solution to the matters raised by Canada regarding the WTO disputes involving softwood lumber.⁴⁵ Under the main mechanism of the Agreement, Canadian exporting provinces can choose either to collect an export tax that ranges from 5 percent to 15 percent depending on prevailing market prices or to collect lower export taxes and limit export volumes.⁴⁶ Specifically, when lumber prices are above \$355 per thousand board feet, Canadian lumber exports are unrestricted. If prices fall, each Canadian exporting region can choose to be subject to an export tax ranging from 5 percent to 15 percent or a lower export tax ranging from 2.5 percent to 5 percent with a volume restraint. The measures become more stringent as the market price of lumber declines. To ensure that the limits react to changing market conditions, they are based in part on expected U.S. lumber consumption, which is calculated monthly based on data from a previous 12 month period.⁴⁷

The 2006 Agreement also includes provisions to address potential import surges from Canada, provide for effective dispute settlement, revoke the antidumping and countervailing duty orders, refund the antidumping and countervailing duty deposits held by the United States, and discipline future trade cases.⁴⁸ With respect to the disbursement of the

⁴² Ibid., 164.

⁴³ Ibid., 128.

⁴⁴ U.S. Department of Commerce, ITA, “North American Free Trade Agreement (NAFTA), Article 1904; Binational Panel Reviews: Notice of Withdrawal of Extraordinary Challenge Committee Review,” Fed. Reg. 61459.

⁴⁵ See, e.g., WTO, “United States—Investigation of the International Trade Commission in Softwood Lumber from Canada, Notification of Mutually Agreed Solution.”

⁴⁶ USTR, “U.S. Trade Representative Susan C. Schwab Announces Entry into Force of U.S.-Canada Softwood Lumber Agreement.”

⁴⁷ See, e.g., WTO, “United States – Investigation of the International Trade Commission in Softwood Lumber from Canada, Notification of Mutually Agreed Solution.” See also USTR, “United States Requests Consultations with Canada under the 2006 Softwood Lumber Agreement.”

⁴⁸ Joint Report of the Office of the United States Trade Representative and the U.S. Department of Commerce, *Subsidies Enforcement Annual Report to the Congress*, 26; USTR, “U.S. Trade Representative Susan C. Schwab Announces Entry into Force of U.S.-Canada Softwood Lumber Agreement.” Certain softwood lumber products are excluded from the border measure: (1) softwood lumber made from logs

(continued...)

antidumping and countervailing duty deposits levied by the United States on softwood lumber imports, approximately \$4.3 billion was to be returned to importers of record; \$500 million to the Coalition for Fair Lumber Imports, petitioners in the antidumping and countervailing cases; \$50 million to a bi-national industry council; and \$450 million to promote meritorious initiatives in the United States, such as assistance to timber-reliant communities, low-income housing and disaster relief, and promotion of sustainable forest management practices.⁴⁹ Finally, the 2006 Agreement also establishes an industry-led bi-national working group, that is to discuss Canadian provincial policy reforms regarding timber pricing, and a Softwood Lumber Committee.⁵⁰ The Softwood Lumber Committee, which held its first meeting in February 2007, is to supervise the implementation of the agreement, supervise working groups related to the agreement, and consider any other matters that affect the agreement.⁵¹

China

China was the second largest U.S. trading partner in 2006 (based on two-way trade of exports plus imports) behind Canada. Since 2001, total U.S.-China merchandise trade, which amounted to \$338.7 billion in 2006, increased faster than any other of the U.S.'s top five trading partners. U.S. exports of goods to China amounted to \$51.6 billion in 2006, representing a 32.9 percent increase from the year before, and placed China as the United States' fourth largest export market—after Canada, Mexico, and Japan. U.S. imports of goods from China amounted to \$287.1 billion in 2006, which represented an 18.3 percent gain relative to the year before. Also, China has ranked as the second-largest U.S. import supplier behind Canada since 2003. Leading U.S. exports to China during 2006 included aircraft, soybeans, integrated circuits, cotton, and aluminum waste and scrap. Leading U.S. imports from China included portable computers and their parts; transmission apparatuses; color reception apparatuses for televisions; and footwear. U.S.-China merchandise trade data are shown in appendix tables A.28 through A.30.

In 2006, U.S.-China bilateral trade relations mainly focused on more comprehensive implementation of China's WTO accession commitments, as well as the continuing dialogue on renmenbi (yuan) revaluation. Many of these issues were addressed during the April 2006

⁴⁸ (...continued)

harvested in the Maritime Provinces (New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador); (2) softwood lumber made from logs harvested in the Yukon, Northwest Territories, or Nunavut; and (3) softwood lumber manufactured by one of 32 named companies, primarily located in Quebec (largely "border mills" that source most of their logs from Maine). Joint Report of the Office of the United States Trade Representative and the U.S. Department of Commerce, *Subsidies Enforcement Annual Report to the Congress*, 26.

⁴⁹ USTR, "U.S. Trade Representative Susan C. Schwab Announces Entry into Force of U.S.-Canada Softwood Lumber Agreement."

⁵⁰ Joint Report of the Office of the United States Trade Representative and the U.S. Department of Commerce, *Subsidies Enforcement Annual Report to the Congress*, 27.

⁵¹ *Ibid.*, and USTR, "Canada," 64.

meeting of the U.S.-China Joint Commission on Commerce and Trade (JCCT),⁵² and the newly created semi annual U.S.-China Strategic Economic Dialogue (SED).⁵³

U.S. Assessment of China's WTO Compliance in 2006

China's five-year long transition period as a WTO member officially ended in 2005, upon the expiration of the majority of its obligation deadlines. According to USTR, China fulfilled many of its accession commitments by 2005, though fundamental reforms remained incomplete in 2006.⁵⁴ These included more comprehensive and vigorous IPR enforcement, the provision of greater market access to foreign companies, and broader liberalization within China's agricultural, industrial, and service sectors.⁵⁵

Intellectual Property Rights

According to the 2006 USTR Special 301 annual review, widespread counterfeiting and piracy in China made it one of the most egregious IPR violators in 2006.⁵⁶ While USTR characterized China's legal and regulatory framework as "relatively good"⁵⁷ in 2006, it also stated that increased enforcement in China, through such measures as lowered criminal prosecution thresholds and aligning practices to WTO TRIPS standards, were still necessary. According to USTR, U.S. industries reported that counterfeiting and piracy infringement remained high in China in 2006, causing considerable economic harm to U.S. businesses in virtually every sector of the economy.⁵⁸ While the U.S. State Department indicated that recognition of the problem has increased at local and provincial levels, it also indicated that a lack of training, limited human resources, corruption, and local protectionism continue to constrain more comprehensive enforcement.⁵⁹

During the April 2006 JCCT meeting, the Chinese government agreed to undertake a series of initiatives to improve IPR enforcement,⁶⁰ including:

- increasing its vigilance in factories producing illegal optical disks;
- enhancing its software installation requirements in government and private entities;

⁵² The JCCT serves as a government-to-government consultative mechanism to address bilateral trade issues.

⁵³ President Bush and China's President Hu created the U.S.-China Strategic Economic Dialogue on September 20, 2006, to create a forum for high ranking officials to discuss specialized bilateral trade issues and support JCCT and other bilateral diplomatic forums. For more information, see White House, "President's Statement on the Creation of the U.S.-China Strategic Economic Dialogue"; and U.S. Department of the Treasury, "Fact Sheet: Creation of the U.S. - China Strategic Economic Dialogue."

⁵⁴ USTR, *U.S.-China Relations: Entering a New Phase of Greater Accountability and Enforcement*, 9-11.

⁵⁵ In addition, on April 9, 2007 USTR filed two WTO cases against China. The first case involved alleged deficiencies in China's legal regime for protecting and enforcing copyrights and trademarks on a wide range of products, while the second involved alleged barriers China has placed on book, music, video, and movie imports.

⁵⁶ USTR, *2006 Special 301 Report*.

⁵⁷ USTR, *2006 Report to Congress on China's WTO Compliance*, 6.

⁵⁸ *Ibid.*

⁵⁹ U.S. Department of State, U.S. Consulate, Guangzhou, "China IPR: Better Recognition of the Problem But Weak Implementation Hinders Enforcement."

⁶⁰ USTR, "The U.S.-China Joint Commission on Commerce and Trade (JCCT) Outcomes on Major U.S. Trade Concerns."

- limiting consumer markets of infringed goods; and
- pursuing specific IPR cases requested by the U.S. government.

In its 2006 Report to Congress, USTR noted that while China has taken several steps to implement these commitments,⁶¹ impediments remained. Chief among them were China's market access barriers, which provided IPR violators with underlying incentives to meet domestic demand before foreign products can be legally introduced in the local market.⁶²

Trading Rights and Distribution System

According to USTR, China met most of its WTO accession commitments related to the liberalization of its distribution and trading rights system by 2006. Although these reforms were scheduled to be implemented by December 11, 2004, USTR claims that it was not until 2006 that U.S. companies in almost every sector were no longer required to use intermediary agents to trade products, and could independently establish their own distribution networks.⁶³ One trade association with broad representation in China considers this movement "the most important WTO commitments China has so far implemented."⁶⁴

Despite these accomplishments, USTR reported that China maintains import and distribution restrictions on certain products—such as foreign books, periodicals, and audio/video products—and continues to constrain U.S. companies' sales outside prespecified areas. According to USTR, these restrictions impede market access and create further incentives for IPR infringement activity given associated delays in bringing these products to market.⁶⁵

Industrial Policies

According to USTR, China continued to promote industrial policies in 2006 that restricted market access of products of non-Chinese origin, and China used government resources to support domestic industries and their exports.⁶⁶ USTR stated that such policies support certain higher-value Chinese industries and protect certain less competitive domestic industries.⁶⁷ Examples of policies implemented in 2006 include new state control requirements over what the Chinese government deems as critical equipment manufacturers and revisions to foreign company merger and acquisition regulations that might prohibit investment activity in certain industries. Examples of ongoing policies cited by USTR include tariffs imposed by the Chinese government that discourage automobile manufacturers in China from using imported auto parts in the assembly of vehicles; the pursuit of unique national standards in certain high-technology sectors that could lead to the infringement of intellectual property; export restrictions on raw materials such as coke; and

⁶¹ USTR, *2006 Report to Congress on China's WTO Compliance*, 66.

⁶² USTR, "U.S.-China Trade Relations: Entering a New Phase of Greater Accountability and Enforcement, Top-to Bottom Review," 78.

⁶³ USTR, *2006 Report to Congress on China's WTO Compliance*, 10.

⁶⁴ USTR, *Ibid.*, 8.

⁶⁵ *Ibid.*

⁶⁶ *Ibid.*, 7.

⁶⁷ *Ibid.*

policies that provide the government with the authority to manage nearly every aspect of China's steel industry.⁶⁸

Agriculture

China was the fourth largest market for U.S. agricultural exports in 2006. U.S. agricultural exports to China increased from \$5.2 billion in 2005 to \$7.6 billion in 2006, in large part due to strong growth in soybean exports.⁶⁹

Despite the magnitude and growth of U.S. agricultural exports to China, USTR reported that selective intervention by China's regulatory authorities restricted U.S. exports from reaching their potential.⁷⁰ Specifically, frequently changing practices by Chinese customs and quarantine officials, as well as unclear scientific standards for regulatory review, have made China's agricultural sector among "the least transparent and predictable of the world's major markets."⁷¹

Services

In 2006, China's regulators agreed to lower capital requirements for telecommunications services and ensure that foreign express delivery services will not be negatively impacted by new domestic postal laws.⁷²

According to USTR, China's WTO accession obligations to reduce market barriers in specific service sectors—including finance, telecommunications, legal, construction, and engineering services—have yet to be fully implemented.⁷³ According to USTR, although the United States continues to maintain a sizeable surplus with respect to its 2006 bilateral services trade, China's overly burdensome licensing and operation requirements have impeded U.S. companies from reaching their full potential. For the financial information services sector, even greater restrictions have been applied since September 2006.⁷⁴

Export Controls and High Technology Trade

Under the JCCT framework, the United States Department of Commerce and China's Ministry of Commerce established a High Technology and Strategic Trade Working Group in 2006. Its intended purpose was to review export control cooperation and support bilateral

⁶⁸ USTR, "China"; "The U.S.-China Joint Commission on Commerce and Trade (JCCT) Outcomes on Major U.S. Trade Concerns"; and *2006 Report to Congress on China's WTO Compliance*, 7.

⁶⁹ U.S. Department of Agriculture, "USDA to Promote Food and Beverages at Trade Show in China"; and USTR, *2006 Report to Congress on China's WTO Compliance*, 8.

⁷⁰ USTR, *2006 Report to Congress on China's WTO Compliance*, 8.

⁷¹ *Ibid.*, 10.

⁷² USTR, "The U.S.-China Joint Commission on Commerce and Trade (JCCT) Outcomes on Major U.S. Trade Concerns."

⁷³ USTR, *2006 Report to Congress on China's WTO Compliance*, 9.

⁷⁴ USTR, "China," 117.

high technology trade.⁷⁵ Under this working group, Commerce proposed to increase the U.S. export control mechanisms on 47 product categories—including certain computer software, and aircraft products—that have potential dual civilian and military use.⁷⁶ If agreed upon, this mechanism would authorize trade of “dual use” technology only with Chinese firms certified as nonproliferators and who agreed to abide by unscheduled inspections.⁷⁷

Global Trade Imbalances and China’s Exchange Rate Regime

The U.S. merchandise trade deficit with China of \$235.4 billion in 2006 grew by \$31.6 billion relative to the year before, and accounted for nearly 26 percent of the 2006 U.S. global trade deficit (up from nearly 24 percent the year before). The magnitude and growth of this bilateral trade deficit, increasing imbalances in the global economy, and policies limiting the Chinese currency’s flexibility were of concern to U.S. policymakers in 2006. According to the IMF, greater exchange rate flexibility would allow the yuan to adapt to market forces and help mitigate China’s large global trade surplus.⁷⁸

Since China officially ended its exchange rate peg to the U.S. dollar on July 21, 2005, the yuan appreciated by approximately 6 percent in nominal terms by year end 2006.⁷⁹ China’s current exchange rate policy of managing the yuan against a broader set of currencies while allowing the yuan to fluctuate by as much as 0.3 percent daily against the dollar has continued since mid 2005.⁸⁰ According to the U.S. Treasury Department, China has continued to reform its currency market in 2006, through such measures as authorizing non-state banks to administer spot trading⁸¹ and allowing yuan-dollar rates to broach progressively higher thresholds.⁸²

Despite the currency reforms implemented by China, the U.S. Treasury Department has called for even greater exchange rate flexibility, suggesting that “China’s cautious approach to exchange rate reform continues to exacerbate distortions in the domestic economy and impede adjustment of international imbalances.”⁸³ This was reiterated during the newly formed U.S.-China SED. Moreover, Treasury has suggested that policies aimed at lowering

⁷⁵ USTR, “The U.S.-China Joint Commission on Commerce and Trade (JCCT) Outcomes on Major U.S. Trade Concerns.”

⁷⁶ U.S. Department of State, “U.S. Improving Controls on ‘Dual Use’ Exports to China”; and U.S. Department of Commerce, “Win-Win High Technology Trade With China.”

⁷⁷ U.S. Department of Commerce, Bureau of Industry and Security, “Win-Win High Technology Trade With China,; and “Revisions and Clarification of Export and Reexport Controls For the People’s Republic of China (PRC); New Authorization Validated End-User.”

⁷⁸ International Monetary Fund, *World Economic Outlook*, April 2006, 38.

⁷⁹ Bloomberg, “Yuan Rises Most in Two Weeks; Paulson Defends Currency Policy.”

⁸⁰ U.S. Department of Commerce, Bureau of Industry and Security, “Win-Win High Technology Trade With China,” and “Revisions and Clarification of Export and Reexport Controls For the People’s Republic of China (PRC); New Authorization Validated End-User, Fed. Reg. 38313.”

⁸¹ In the past, all foreign exchange trading was highly regulated and exclusively run by the State Administration for Foreign Exchange (SAFE).

⁸² Average daily movements in the yuan-dollar exchange rate have increased from 0.02 percent in the second half of 2005, to 0.03 percent in the first half of 2006, to 0.05 percent in the last half of 2006, with individual day fluctuations restricted to 0.3 percent. U.S. Department of Treasury, “Report to Congress on International Economic and Exchange Rate Policies,” 26.

⁸³ *Ibid.*

China's domestic savings rate while spurring consumption would moderate its current external imbalance. ⁴⁸

Mexico

In 2005, Mexico's long-held position as the second largest single U.S. trading partner (based on two-way trade) slipped to third after Canada and China, and China outranked Mexico as a U.S. trading partner again in 2006. U.S. merchandise exports to Mexico were valued at \$115 billion in 2006, an increase from \$102 billion in 2005 (12.7 percent), and from \$93 billion in 2004. U.S. merchandise imports from Mexico amounted to \$197 billion in 2006, an increase from \$169 billion in 2005 (16.5 percent) and from \$155 billion in 2004. The U.S. merchandise trade deficit with Mexico amounted to \$82 billion in 2006, increasing from \$68 billion in 2005 and \$62 billion in 2004.

In 2006, as in the previous year, machinery and transportation equipment continued to be the largest product group in bilateral trade, of which automotive trade was an important component in both directions. U.S. exports to Mexico were up in all major Standard International Trade Classification (SITC) product categories in 2006, except animal and vegetable oils, fats, and waxes. U.S. imports from Mexico also increased in all SITC product categories during the year, especially mineral fuels (increasing by almost one-third).⁸⁵ U.S.-Mexican trade data are shown in tables A.30 through A.32.

U.S.-Mexican trade relations are governed in large part by NAFTA, which provides duty-free status for substantially all bilaterally traded goods originating in the United States and Mexico.⁸⁶ Major trade-related issues in 2006 between the United States and Mexico included a number of trade disputes that were the subject of WTO and NAFTA dispute settlement proceedings. The procedural developments in each of these cases are listed in tables A.19 and A.20. Recent developments in three of these cases are summarized below—Mexican antidumping duties on U.S. long-grain white rice, the U.S. antidumping duty order on Mexican cement, and Mexican taxes on soft drinks and beverages that contain high-fructose corn syrup (HFCS).

Mexican Antidumping Duties on U.S. Long-Grain White Rice

This dispute concerns a U.S. challenge under the WTO dispute settlement process of antidumping duties imposed by Mexico in 2000 and 2002 on imports of U.S. long-grain white rice.⁸⁷ On June 6, 2005, the WTO panel, established at the request of the United States, issued a report finding Mexico's injury determination to be inconsistent with the

⁸⁴ U.S. Department of the Treasury, "Statement of Under Secretary for International Affairs Timothy D. Adams Before the Senate Finance Committee U.S.-China Economic Relationship Revisited."

⁸⁵ The increase in imports from Mexico of the leading crude oil import in this category—HTS 2709.00.10—was attributable to a 30 percent increase in the average unit values of imports.

⁸⁶ NAFTA is discussed in more detail in chapter 4 of this report. Bilateral U.S. trade relations with Canada, the third NAFTA partner, are discussed above.

⁸⁷ Details of the proceedings are available in USITC, *The Year in Trade 2005*, 5-20.

WTO Antidumping Agreement.⁸⁸ The panel also found several provisions of Mexico's antidumping and countervailing duty law (Foreign Trade Act) to be inconsistent with Mexico's WTO obligations.⁸⁹ After Mexico appealed most of the panel's findings, the WTO Appellate Body affirmed all but one of the findings under appeal in a report issued on November 29, 2005.⁹⁰ The panel and Appellate Body reports were formally adopted by the DSB on December 20, 2005.⁹¹

On January 19, 2006, Mexico informed the DSB of its intention to implement the recommendations and rulings of the DSB within a reasonable period of time.⁹² On December 7, 2006, Mexico informed the DSB that it had published a resolution eliminating the antidumping measure on rice on September 11, 2006.⁹³ Finally, on January 11, 2007, Mexico informed the DSB that the country had amended, supplemented, and repealed various provisions of its Foreign Trade Act to comply with its WTO obligations.⁹⁴

U.S. Antidumping Duty Order on Mexican Cement

U.S. antidumping duty order on Mexican gray portland cement and cement clinker ("cement"), in place since 1990, have been the subject of trade disputes under both the WTO dispute settlement process and the NAFTA Chapter 19 binational dispute mechanism.⁹⁵ Specifically, Mexico challenged (1) Commerce's five-year review findings, (2) the Commission's affirmative five-year review determination, (3) Commerce's administrative review findings, and (4) the Commission's dismissal of the request for a changed circumstances review.⁹⁶

On March 6, 2006, the United States and Mexico signed an agreement on trade in cement that provides for the settlement or suspension of all outstanding litigation pending under the WTO and NAFTA in connection with the antidumping duty order on Mexican cement.⁹⁷ The

⁸⁸ See USITC, *The Year in Trade 2005*, 5-21 for details.

⁸⁹ WTO, Panel Report, "Mexico—Definitive Anti-Dumping Measures on Beef and Rice."

⁹⁰ WTO, Appellate Body Report, "Mexico—Definitive Anti-Dumping Measures on Beef and Rice."

⁹¹ *Ibid.*

⁹² WTO, Dispute Settlement Body, "Mexico—Definitive Anti-Dumping Measures on Beef and Rice—Communication from Mexico."

⁹³ WTO, Dispute Settlement Body, "Mexico—Definitive Anti-Dumping Measures on Beef and Rice—Status Report by Mexico."

⁹⁴ WTO, Dispute Settlement Body, "Mexico—Definitive Anti-Dumping Measures on Beef and Rice—Status Report by Mexico—Addendum."

⁹⁵ U.S. Department of Commerce, ITA, "Fact Sheet, U.S.-Mexico Agreement on Cement," and "Gray Portland Cement and Clinker from Mexico," Fed. Reg. 13082.

⁹⁶ Details are available in USITC, *The Year in Trade 2005*, 5-21. In addition, on January 6, 2006 the Commission determined that it should proceed to a full five-year review concerning the antidumping duty order on imports of gray portland cement and cement clinker from Mexico. USITC, "Gray Portland Cement and Clinker from Mexico: Notice of Commission Determination to Conduct a Full Five Year Review," Fed. Reg. 2957. The Commission postponed the establishment of a schedule for this review until such time as Commerce issues a schedule or announces a final affirmative determination in its related 2005 Sunset Review regarding gray portland cement and clinker from Mexico. USITC, "Gray Portland Cement and Cement Clinker from Mexico," Fed. Reg. 19749.

⁹⁷ The NAFTA panel reviews of Commerce's administrative review findings, Commerce's five-year review findings, the Commission's affirmative five-year review determination, and the Commission's dismissal of the request for changed circumstances review, have either been terminated or suspended in response to a consent motion filed by the parties resulting from the settlement agreement between the United States and Mexico. (continued...)

agreement took effect on April 3, 2006.⁹⁸ The duration of the agreement is three years. If all of the terms of the agreement are complied with, the agreement will expire on March 31, 2009 and Commerce will revoke the antidumping duty order on cement from Mexico.⁹⁹

Under the terms of the agreement, imports of three million metric tons of Mexican cement are permitted at an antidumping duty rate of \$3 per metric ton and distributed regionally throughout the southern tier of the United States.¹⁰⁰ The agreement creates a system whereby Mexican cement imports will be subject to regional export limits, which will be monitored by both Commerce and Secretaría de Economía through export license and import license systems.¹⁰¹ A provision in the agreement also permits additional Mexican imports of up to 200,000 metric tons that may be instituted if the President determines increased imports of Mexican cement are warranted in responding to a disaster.¹⁰² The agreement is purported to respond to concerns by consumers and builders on both sides of the border, notably to ensure that those rebuilding in the Gulf Coast communities following the hurricane devastation have necessary resources.¹⁰³

Mexican Taxes on Certain Beverages

This case concerns a U.S. challenge under the WTO dispute settlement process of a beverage tax imposed by Mexico on January 1, 2002, on soft drinks and other beverages containing sweeteners other than cane sugar.¹⁰⁴ Prior to the imposition of the tax, the United States was the largest supplier of non-sugar sweeteners to the Mexican beverage industry. After unsuccessful efforts by the United States and Mexico to find a negotiated resolution, the WTO established a dispute settlement panel at the request of the United States on July

⁹⁷ (...continued)

States and Mexico. U.S. Department of Commerce, ITA, "Gray Portland Cement and Clinker from Mexico: Agreement," Fed.Reg. 13082. Similarly, the WTO dispute panel proceedings (DS 281) involving antidumping measures on cement from Mexico was suspended in January 2006, pending negotiations between the United States and Mexico to find a mutually acceptable settlement regarding trade in cement. WTO, "United States - Antidumping Measures on Cement from Mexico, Communication from the Chairman of the Panel." The Panel has not been requested to resume its work and thus, the authority for the establishment of the Panel lapsed as of 14 January 2007. WTO, "United States – Antidumping Measures on Cement from Mexico, Lapse of Authority for the Establishment of the Panel, Note by the Secretariat."

⁹⁸ USTR, "United States and Mexico Reach Agreement on Cement"; and U.S. Department of Commerce, ITA, "Gray Portland Cement and Clinker from Mexico: Agreement," Fed. Reg. 13082. A copy of the agreement also is available at the U.S. Department of Commerce Web site (<http://ia.ita.doc.gov/cement-agreement/index.html>).

⁹⁹ U.S. Department of Commerce, ITA, "Gray Portland Cement and Clinker from Mexico: Agreement," Fed. Reg. 13082-13083.

¹⁰⁰ U.S. Department of Commerce, ITA, "Fact Sheet, U.S.-Mexico Agreement on Cement"; and U.S. Department of Commerce, ITA, "Gray Portland Cement and Clinker from Mexico: Agreement," Fed. Reg. 13082. An antidumping duty order on gray portland cement from Mexico went into effect on August 30, 1990. In the investigation and subsequent administrative reviews, Cemex received margins ranging from 37.40 to 109.43 percent. Cemex's margin at the time of the agreement was 42.26 percent, U.S. Department of Commerce, ITA, "Fact Sheet, U.S.-Mexico Agreement on Cement."

¹⁰¹ U.S. Department of Commerce, ITA, "Gray Portland Cement and Clinker from Mexico: Agreement," Fed. Reg. 13082.

¹⁰² U.S. Department of Commerce, ITA, "Fact Sheet, U.S.-Mexico Agreement on Cement"; and U.S. Department of Commerce, ITA, "Gray Portland Cement and Clinker from Mexico: Agreement," Fed. Reg. 13082.

¹⁰³ USTR, *2007 Trade Policy Agenda*, 129, and U.S. Department of Commerce, ITA, "Fact Sheet, U.S.-Mexico Agreement on Cement."

¹⁰⁴ Details on the beverage tax are available in USITC, *The Year in Trade 2005*, 5-22.

6, 2004.¹⁰⁵ On October 7, 2005, the panel found that the beverage tax was inconsistent with Mexico's WTO national treatment obligations.¹⁰⁶

Mexico appealed the panel findings to the Appellate Body; the Appellate Body affirmed the panel on most points,¹⁰⁷ and the panel's findings, as amended by the Appellate Body, were adopted on March 24, 2006.¹⁰⁸ On December 22, 2006, Mexico's Congress repealed the tax effective January 1, 2007.¹⁰⁹

Also, the United States and Mexico reached an agreement on July 27, 2006, in a long-standing dispute over market access for sweeteners.¹¹⁰ The agreement provides Mexico duty-free access to the United States for 250,000 metric tons raw value of raw or refined sugar in fiscal year 2007 and at least 175,000 metric tons raw value of raw or refined sugar for the first three months of fiscal year 2008. Also under the agreement, Mexico will provide reciprocal access for U.S. high fructose corn syrup (HFCS), including 250,000 metric tons in fiscal year 2007 and at least 175,000 metric tons for the first three months of fiscal year 2008.¹¹¹

Japan

U.S. exports of goods to Japan totaled approximately \$55.6 billion in 2006, an 8.0 percent increase from \$51.5 billion in 2005. U.S. imports from Japan increased by approximately 7.5 percent from \$137.8 billion in 2005 to \$148.1 billion in 2006. The U.S. merchandise trade deficit with Japan totaled \$92.5 billion in 2006, an increase of \$6.2 billion from 2005. Leading U.S. exports to Japan in 2006 included airplanes, parts of airplanes and helicopters, cigarettes containing tobacco, and soybeans. Leading U.S. imports from Japan during 2006 included passenger motor vehicles, and parts and accessories; parts of computers; still video cameras and other video recorders; and repairs or alterations of previously imported articles. U.S.-Japan data are shown in appendix tables A.33 through A.35.

¹⁰⁵ USTR, "United States Files WTO Case Against Mexico Over Two Discriminatory Beverage Taxes"; and WTO, Appellate Body Report, "Mexico—Tax Measures on Soft Drinks and Other Beverages—Request for Consultations by the United States;" and "Mexico—Tax Measures on Soft Drinks and Other Beverages—Report of the Panel."

¹⁰⁶ The WTO panel ruled that the discriminatory nature of the Mexican tax violated the national treatment provisions of Article III:2 and III:4 of the GATT. WTO, Appellate Body Report, "Mexico—Tax Measures on Soft Drinks and Other Beverages—Report of the Panel"; and USTR, "U.S. Wins Mexico Beverage Tax Dispute," and USTR, "Statement by U.S. Trade Representative Susan C. Schwab on Mexico's Repeal of Discriminatory Beverage Tax."

¹⁰⁷ WTO, Appellate Body Report, "Mexico—Tax Measures on Soft Drinks and Other Beverages—Report of the Appellate Body."

¹⁰⁸ WTO, "Dispute Settlement, Dispute DS308: Mexico—Tax Measures on Soft Drinks and Other Beverages—Summary of the Dispute to Date."

¹⁰⁹ USTR, *2007 Trade Policy Agenda*, 129 and "Statement by U.S. Trade Representative Susan C. Schwab on Mexico's Repeal of Discriminatory Beverage Tax."

¹¹⁰ USTR "Notice of Agreement," Fed. Reg. 45589; USDA, FAS, "USDA Announces Fiscal Year 2006 and 2007 Sugar Program Provisions"; and USTR, "USTR Announces Revised FY 2006 Tariff-Rate Quota Sugar Allocations, Agreement with Mexico on Market Access on Sweeteners."

¹¹¹ *Ibid.*

The U.S.-Japan Economic Partnership for Growth (Partnership) has served as the primary forum for trade and economic dialogue between the two countries since its establishment in 2001.¹¹² The principal vehicle for dialogue within the Partnership has been the Regulatory Reform and Competition Policy Initiative that covers discussions on telecommunications, information and communications technology, energy, and medical devices and pharmaceuticals. In 2006, discussions focused on beef markets in both countries, regulatory reform, competition policy, and the harmonization of regulations and systems.

Beef

In 2003, Japan imposed a ban on imported beef and beef products from the United States after the United States' first reported case of bovine spongiform encephalopathy (BSE). Japan had been the largest export market for U.S. beef and beef products with \$1.4 billion in sales during 2003.¹¹³ Japan lifted its ban on imports of certain U.S. beef products on December 13, 2005, making more than 90 percent of total U.S. beef and beef products eligible for importation into Japan.¹¹⁴ However, the new Japanese provisions excluded imports of U.S. beef and beef products that, among other things, were shipped in boxes that also contained beef products deemed at risk for BSE by Japanese standards. Japan reimposed a ban on certain beef imports from the United States on January 20, 2006, after the discovery of three boxes of imported U.S. beef shipped together with cattle backbone.¹¹⁵ While shipping such products together was permitted in the United States, it was not permissible in Japan and, failed to meet the terms of Japan's December 2005 commitment to allow U.S. beef imports.¹¹⁶

In February 2006, Japan also suspended imports from a Lexington, Nebraska meat processing plant because its shipments contained beef from cattle exceeding the age limit of 20 months.¹¹⁷ The two countries reached an agreement on June 5, 2006, for an inspection program, and on July 27, 2006, Japan lifted the import ban. The agreement followed changes in the U.S. food safety inspection system, satisfactory on-sight inspection of 35 U.S. meat processing plants, and the stipulation that U.S. beef exports are solely from cattle less than 20 months of age.¹¹⁸

¹¹² For background information on the U.S.-Japan Economic Partnership for Growth, see USITC, *The Year in Trade 2002*, 5-20-5-51.

¹¹³ U.S. Department of State, "U.S., Japan Reach Agreement on Resumption of Beef Trade."

¹¹⁴ U.S. Department of State, U.S. Embassy, Tokyo, "Japan Reopens Market to Imports of U.S. Beef."

¹¹⁵ U.S. Department of State, U.S. Embassy, Tokyo, "United States Acts Quickly to Address Japan's Concerns about Beef."

¹¹⁶ An investigation by the USDA Food Safety and Inspection Service completed in February 2006 determined that the incident was the result of inadequate familiarity on the part of the exporter and USDA inspector with the specific products that were eligible for shipment to Japan. USDA subsequently announced the introduction of 12 action steps to prevent such actions from reoccurring. USDA, "USDA Report on Beef Exports to Japan."

¹¹⁷ U.S. Department of State, U.S. Embassy Tokyo, "United States Acts Quickly To Address Japan's Concerns About Beef."

¹¹⁸ U.S. Department of State, "U.S., Japan Reach Agreement on Resumption of Beef Trade"; and Masaki, "Japan adds beef to US ties."

Deregulation

As part of the U.S.-Japan Regulatory Reform and Competition Policy Initiative, the United States presented Japan with comprehensive recommendations in December 2006 that urged further improvements in Japan's business environment and new market opportunities for U.S. exporters and companies seeking to do business in Japan. The United States requested that Japan undertake measures in its telecommunications sector to ensure market-based technology decisions, strengthen competitive safeguards on dominant carriers, and streamline certification processes for telecommunications equipment.¹¹⁹ The United States also requested that Japan develop a plan to move regulatory functions concerning telecommunications from a ministerial agency, where it is subject to direct political control, to an independent regulatory agency. The United States also made recommendations encouraging Japan to ensure that its regulatory framework for IT and electronic commerce promotes competition and innovation, enhances transparency, protects users, and fosters active private sector participation in policymaking processes. The United States also recommended steps Japan could take to protect IPR. Through the Working Group on Medical Devices and Pharmaceuticals, the United States and Japan discussed regulatory and reimbursement pricing issues in the medical device and pharmaceutical sectors.¹²⁰

During 2006 Japan passed legislation to improve enforcement of its competition policy with the implementation of the first significant amendment to the Antimonopoly Act in more than 25 years. The Japanese Diet approved the Financial Instruments and Exchange Law, which amended 89 financial laws and consolidated the remainder into a cohesive text. The consolidation was undertaken to enhance investor protection and to promote movement of financial assets into securities markets by introducing cross-sector rules for investment product sales, management, and disclosure. Japan also enacted legislation to modernize its Corporate Code and strengthened its Public Comment Procedures through an amendment to its Administrative Procedures Law.¹²¹ The governments of the United States and Japan concluded the Fifth Report to the Leaders under the U.S.-Japan Regulatory Reform and Competition Policy Initiative in June 2006 that detailed progress made during the previous six months. The U.S. government presented new detailed recommendations to Japan urging further sectoral and structural regulatory reforms that will be discussed throughout the first half of 2007.¹²²

Korea

U.S. two-way trade with Korea totaled \$75.5 billion in 2006. U.S. exports to Korea increased by 17.5 percent to \$30.8 billion in 2006, after increasing by 4.9 percent in 2005. U.S. imports increased 3.6 percent to \$44.7 billion, after decreasing by 4.2 percent in 2005. The United States recorded a \$13.9 billion trade deficit with Korea in 2006 compared to 16.9 in 2005. Leading U.S. exports to Korea during the year included computer chips, aircraft, and machines and mechanical appliances having individual functions (mostly

¹¹⁹ USTR, "USTR Schwab Calls on Japan to Accelerate Economic Reform, U.S. Submits Annual Regulatory Reform Recommendations."

¹²⁰ USTR, "USTR Schwab Welcomes Japan's Economic Reform Measures; Urges Continued Progress."

¹²¹ U.S. Department of State, "U.S.-Japan Investment Initiative 2006 Report Progress on Opening Japan to Foreign Investment." USTR, *2007 Trade Policy Agenda*, 173-4.

¹²² USTR, *2007 Trade Policy Agenda*, 166.

semiconductor production machinery). Leading U.S. imports from Korea included automobiles, transmission apparatus incorporating reception apparatus (mostly cellular phones), computer chips, and computer parts and accessories (mainly memory modules). U.S.-Korea trade data are shown in appendix tables A.36 through A.38.

U.S.-Korean trade relations in 2006 were dominated by FTA negotiations and negotiations over the resumption of Korean imports of U.S. beef, which had been suspended in late 2003 after a cow of Canadian origin, found in a U.S. herd, was determined to be infected with BSE.

U.S.-Korea FTA Negotiations¹²³

After several years of preparatory work and settlement of some longstanding trade issues,¹²⁴ the United States and Korea announced their intention to negotiate a FTA on February 2, 2006.¹²⁵ The negotiations are the “most commercially significant” for the United States since NAFTA negotiations with Mexico and Canada in the early 1990s.¹²⁶ The United States and Korea reached agreement on April 1, 2007.¹²⁷

The talks started in June 2006, and five rounds of negotiations were held before the end of the year.¹²⁸ As in other FTA negotiations, the United States sought a comprehensive agreement with Korea, meaning the agreement should address more than just elimination of tariffs and other barriers to trade in goods, such as trade in services, investment, intellectual property rights, sanitary and phytosanitary measures, trade remedies, competition, labor, and the environment, among others.¹²⁹

Major areas of contention in the negotiations included agriculture (especially rice), the automotive sector, pharmaceuticals, textiles and apparel, trade remedies, and goods produced in the Kaesong Industrial Complex, located in North Korea.¹³⁰

Beef

On January 13, 2006, U.S. Secretary of Agriculture Michael O. Johanns and USTR Robert J. Portman announced that Korea and the United States had agreed on an initial import protocol for the resumption of Korean imports of U.S. beef, which had been suspended in December 2003 after a cow in Washington State that had been imported from Canada was found to have bovine spongiform encephalopathy (BSE).¹³¹ Under the protocol, imports of U.S. boneless beef from cattle 30 months of age or younger were to be allowed. Resumption was delayed after a cow in Alabama was found to have BSE in March 2006. Korea

¹²³ The United States and Korea concluded the free trade agreement on April 1, 2007. USTR, “United States and Korea Conclude Historic Trade Agreement.”

¹²⁴ See USITC, *The Year in Trade 2005*, 5-31.

¹²⁵ USTR, “United States, South Korea Announce Intention.”

¹²⁶ *Ibid* and *2006 Trade Policy Agenda*, 156.

¹²⁷ USTR, “United States and Korea Conclude Historic Trade Agreement.”

¹²⁸ USTR, *2006 Trade Policy Agenda*, 157.

¹²⁹ USTR, Notification letters to Congress of intent to begin free trade negotiations.

¹³⁰ Cooper and Manyin, “The Proposed South Korea-U.S. Free Trade Agreement.”

¹³¹ USTR, “Secretary Johanns and USTR Portman Welcome Progress.”

subsequently sent a team to inspect a number of U.S. beef processing facilities and these facilities changed the way they handled beef to meet the standards set by Korea.¹³²

On September 7, 2006, Korea announced that it would resume importation of U.S. beef in accordance with the protocol.¹³³ Three shipments of U.S. beef to Korea following the resumption of imports were rejected by Korean authorities because of the presence of “bone chips,” and further U.S. shipments were effectively suspended. The United States has urged Korea to bring its BSE policy in line with international guidelines set by the World Organization for Animal Health (OIE) by allowing imports of all beef products deemed safe.¹³⁴ A number of U.S. Senators and Congressmen have indicated that if Korea does not open its beef market on the basis of WTO requirements that import policies involving food safety be based on science, a Korea-US FTA would face opposition in Congress.¹³⁵

Taiwan

Taiwan was the eighth largest U.S. trading partner in 2006, based on two-way merchandise trade that amounted to \$59.4 billion. Bidirectional U.S. merchandise trade flows with Taiwan has grown since 2004, with U.S. exports to Taiwan amounting to \$21.4 billion in 2006, and U.S. imports from Taiwan amounting to \$38.1 billion in the same year. Leading U.S. exports to Taiwan in 2006 included digital integrated circuits, aircraft, semiconductor production, and corn. Leading U.S. imports from Taiwan included digital integrated circuits, computer parts and accessories, transmission apparatuses for radiotelephony, magnetic media, and reception apparatus for color televisions. U.S.-Taiwan merchandise trade statistics are listed in appendix tables A.39 through A.41.

The Trade and Investment Framework Agreement (TIFA) was established in 1994 as the primary forum from which U.S. and Taiwanese officials could discuss bilateral trade issues and the promotion of economic cooperation.¹³⁶ During TIFA’s fifth session in May 2006, negotiations mainly focused on the creation of a potential bilateral FTA, progress Taiwan has made with respect to IPR enforcement, market access for U.S. exports of beef and rice in Taiwan, and the liberalization of Taiwan’s financial and telecommunication sectors.¹³⁷

¹³² Korea, Ministry of Agriculture and Forestry (MAF), “Korea to Lift Import Ban.”

¹³³ USDA, “Statement by Agriculture Secretary Mike Johanns.”

¹³⁴ USTR, “Korea.”

¹³⁵ See, for example, Senator Charles E. Grassley, Letter to Agriculture Secretary Johanns and USTR Schwab.

¹³⁶ USTR, “Deputy USTR to Visit Taiwan, India, Vietnam May 24-June.”

¹³⁷ American Institute in Taiwan (AIT), “U.S. and Taiwan Discuss Enhancing and Deepening Trade Relations Under Trade and Investment Framework Agreement (TIFA)”; and USTR, “Taiwan,” 8.

*U.S.–Taiwan FTA Negotiations*¹³⁸

Taiwan explored U.S. interest in establishing an FTA with the United States during the May 2006 TIFA meetings.¹³⁹ At those meetings, USTR initially stated that the challenges associated with creating a “comprehensive and modern” FTA with Taiwan in 2006 would likely be too demanding given USTR’s full trade agenda for the year,¹⁴⁰ which included continuing the WTO Doha negotiations and undertaking FTA negotiations with South Korea and Malaysia.¹⁴¹ In December 2006, USTR provided an official response to Taiwan stating that it could not devote the necessary resources to launch FTA negotiations at that time. However USTR declared its openness to considering forms of longer-term bilateral economic cooperation.¹⁴² The American Chamber of Commerce in Taipei stated that it would be more supportive of a bilateral FTA if Taiwan were to lift its strict procurement restrictions, which the Chamber claims are currently not aligned with Taiwan’s WTO accession commitments.¹⁴³

Intellectual Property Rights

Taiwan’s sustained IPR enforcement efforts in 2006 were sufficient to keep the country off of USTR’s special 301 priority watch list of most serious IPR violator countries. In December 2004, USTR removed Taiwan from its special 301 priority watch list, and placed it on its regular watch list of IPR violator countries, following increased efforts the country made to combat IPR violation.¹⁴⁴ According to USTR, these efforts were sustained in 2006, most notably with respect to retail and Internet piracy enforcement, and increased vigilance against optical disc manufacturing.¹⁴⁵

The Taiwanese government’s “IPR Action Plan 2006-2008” focused both on combating IPR related infringement on the Internet and in universities, as well as creating a specialized Intellectual Property Court.¹⁴⁶ To deter infringement, Taiwan’s Ministry of Education required all domestic universities to incorporate special Internet usage requirements into their official 2006 university regulations.¹⁴⁷ Moreover, to prepare for the March 2007 inauguration of an Intellectual Property Court in Taiwan, official

¹³⁸ USTR’s consideration of a U.S.–Taiwan FTA follows an October 2002 USITC investigation measuring the potential economic impact of such an agreement on the U.S. economy. See USITC, *U.S.–Taiwan FTA: Likely Economic Impact of a Free Trade Agreement Between the United States and Taiwan*.

¹³⁹ AIT, “Remarks by Ambassador Karan K. Bhatia, Deputy U.S. Trade Representative, Before the American Chamber of Commerce,” 8.

¹⁴⁰ *Ibid.* and “Meeting the Challenges of IPR Protection in Taiwan and Beyond - Remarks by AIT Director Stephen M. Young at IPR Protection Workshop,” 8; and USTR, “Report Notes Continued Progress on Intellectual Property Rights,” 2, and “Taiwan.”

¹⁴¹ *Ibid.*

¹⁴² Schwab, Susan (U.S. Trade Representative), Official Letter to U.S. Representative Pete Sessions on U.S. – Taiwan Trade Issues.

¹⁴³ American Chamber of Commerce in Taipei, “AmCham President Tom Johnson’s Remarks for 2006 Taiwan White Paper Press Conference.” Taiwan has been a member of WTO since January 1, 2002. See http://www.wto.org/english/thewto_e/countries_e/chinese_taipei_e.htm. For a comprehensive view of Taiwan’s WTO accession terms, see http://www.wto.org/english/thewto_e/countries_e/chinese_taipei_e.htm

¹⁴⁴ USTR, “Taiwan,” 570.

¹⁴⁵ *Ibid.*

¹⁴⁶ *Ibid.*

¹⁴⁷ Ministry of Economic Affairs (R.O.C.), Taiwan Intellectual Property Office (TIPO), “Quarterly Report on Taiwan’s Intellectual Property Rights Protection,” 2.

training of 40 intellectual property judges began in March 2006.¹⁴⁸ In addition to Taiwan's official action plan, its government agreed to hold consultative meetings with USTR twice a year to advance bilateral efforts in combating IPR violation.¹⁴⁹ Moreover, the United States Patent and Trade Office (USPTO) held a workshop¹⁵⁰ in Taiwan in 2006 to bring together members of the judiciary, prosecutors, law enforcement officials, administrators, and scholars from both countries in order to advance bilateral understanding of IPR problems.¹⁵¹

Despite the progress Taiwan made with respect to IPR protection and enforcement in 2006, USTR still considered IPR infringement in that country to be considerably harmful to U.S. businesses.¹⁵² Commercial-scale piracy of CDs, DVDs, and CD-ROMS, and the counterfeiting of consumer goods were considered particularly harmful.¹⁵³ The International Intellectual Property Alliance estimates that although the trade losses due to Taiwan's copyright piracy decreased dramatically in 2006 relative to the preceding four years, the losses still amounted to approximately \$124 million,¹⁵⁴ with approximately 70 percent of this piracy assumed to be in the form of business software piracy.¹⁵⁵ The Business Software Alliance estimated that piracy rates of approximately 43 percent in Taiwan have remained basically unchanged in the past four years.

Agriculture

Taiwan remained an important market for U.S. agriculture in 2006, importing nearly \$2.5 billion of U.S. agricultural products.¹⁵⁶ During that year, agricultural trade negotiations centered on the removal of Taiwan's ban on U.S. beef imports and discussions on Taiwan's rice procurement practices.

Beef

On January 25, 2006, Taiwan lifted its ban for the second time in recent history on U.S. boneless beef originating from cattle 30 months of age or younger.¹⁵⁷ While Taiwan initially lifted the ban in April 2005, beef imports from the United States were restricted nearly two months later following the discovery of a second U.S. case of Bovine Spongiform Encephalopathy (BSE). By March 2006, the United States and Taiwan also agreed that cattle imported into the United States from Canada for slaughter and re-export would be segregated, so that cattle of Canadian origin would not be eventually

¹⁴⁸ Ibid.

¹⁴⁹ AIT, "U.S. and Taiwan Discuss Enhancing and Deepening Trade Relations Under Trade and Investment Framework Agreement (TIFA)."

¹⁵⁰ The USPTO workshop was jointly sponsored by National Chengchi University, the Taipei Branch of the Licensing Executives Society (LES), and the American Institute in Taipei.

¹⁵¹ USPTO, "Intellectual Property Policy and Leadership Performance" *2006 Performance and Accountability Report*.

¹⁵² USTR, "Report Notes Continued Progress on Intellectual Property Rights," 2.

¹⁵³ Ibid.

¹⁵⁴ International Intellectual Property Alliance, "2007 Special 301 Report: Taiwan," 443.

¹⁵⁵ Ibid.

¹⁵⁶ U.S. Department of Agriculture, Foreign Agricultural Service. *FAS Online Database*.

¹⁵⁷ USTR, "Taiwan."

sent to Taiwan.¹⁵⁸ Moreover, both governments agreed upon the use of special sanitization processes for slaughtering the cattle aged 30 months or younger that would be exported to Taiwan.

The reopening of Taiwan's market to U.S. beef exports in January 2006 followed official decisions by the Japanese, Hong Kong, and South Korean governments to reinstate their respective beef trade with the United States.¹⁵⁹ In 2003, before the imposition of the bans, U.S. beef exports to Taiwan amounted to \$76 million.¹⁶⁰

Rice

According to USTR, the United States and Taiwan made progress towards addressing U.S. concerns about Taiwan's tariff-rate quota (TRQ) on rice imports. USTR indicated that Taiwan implemented this TRQ in 2003 without the consultation of the United States or its other major rice trade partners.¹⁶¹ While certain import restrictions remain, U.S. suppliers have nevertheless won the majority of tenders in 2006, and Taiwan remained a leading Asian market for U.S. rice exports.¹⁶²

On August 21, 2006, Taiwan imposed a temporary ban on imports of U.S. long-grain rice, following the discovery of trace amounts of genetically-engineered biotech rice imported from the United States.¹⁶³

Pharmaceuticals and Medical Devices

U.S. concerns over Taiwan's reimbursement and registration practices for pharmaceuticals and medical devices continued in 2006. During that year, USTR recommended Taiwan implement an actual transaction pricing mechanism to address the gap between the reimbursement rates and actual prices paid for pharmaceutical products.¹⁶⁴ Hospitals and doctors in Taiwan buy domestically-manufactured generic drugs at discounted prices, and are later reimbursed by the Taiwanese government at a fixed rate higher than the purchase price.¹⁶⁵ According to USTR, such practices benefit Taiwanese generic manufacturers at the expense of foreign producers.¹⁶⁶ TIFA discussions in 2006 also addressed the relatively slow registration process for new pharmaceuticals and medical devices in Taiwan, which inhibits market entry for foreign manufacturers.¹⁶⁷

¹⁵⁸ AIT, "Taiwan TIFA Follow-up, Agriculture."

¹⁵⁹ U.S. Department of State, "Taiwan Profile."

¹⁶⁰ U.S. Department of Agriculture, "Taiwan Reopens Market to U.S. Beef."

¹⁶¹ According to USTR, U.S. participation in certain Taiwanese government procurement projects is discouraged by clauses in some contracts that exclude foreign tenders. See USTR, "Taiwan"

¹⁶² *Ibid.*

¹⁶³ AIT, "Taiwan TIFA Follow-up, Agriculture."

¹⁶⁴ USTR, "Taiwan," 6.

¹⁶⁵ USTR, *2007 Trade Policy Agenda*.

¹⁶⁶ *Ibid.*

¹⁶⁷ AIT, "Taiwan TIFA Follow-up, Pharmaceuticals: In Flux"; and USTR, "Taiwan."

Financial Services

According to USTR, progress was made in 2006 with respect to Taiwan's efforts to liberalize its financial sector. Processing time for the filing of new insurance programs was significantly reduced, pre-authorization requirements for the introduction of insurance programs were mostly eliminated,¹⁶⁸ and insurance companies were permitted to use derivatives to take "long" positions in different asset classes to enhance investment yields.¹⁶⁹ Moreover, Taiwan established a foreign currency bond market in October 2006, and began trading foreign currency-denominated bonds in November 2006.¹⁷⁰

Russia

U.S. merchandise exports to Russia totaled \$4.2 billion in 2006, a 15.2 percent increase from \$3.7 billion in 2005. U.S. merchandise imports from Russia totaled \$19.6 billion in 2006, a 27.9 percent increase from \$15.4 billion in 2005. The U.S. merchandise trade deficit with Russia totaled \$11.8 billion in 2006, up from \$8.8 billion in 2005. Leading U.S. exports to Russia during the year by value were frozen chicken parts, drilling equipment, passenger motor vehicles, and aircraft. Leading U.S. imports from Russia by value were petroleum products, aluminum, and uranium. U.S.-Russia merchandise trade data are shown in appendix tables A.42 through A.44.

Normal Trade Relations Tariff Treatment

The United States accords Russia conditional normal trade relations (NTR) tariff treatment¹⁷¹ pursuant to the provisions of Title IV of the Trade Act of 1974, as amended, which includes the "freedom of emigration" requirements of the Jackson-Vanik amendment.¹⁷² President Bush stated in 2001 that his administration would work with the Congress to grant Russia permanent NTR status.¹⁷³ Congress considered legislation to

¹⁶⁸ With the exception of annuity insurance under the new labor pension plan, investment-linked insurance with guarantee benefits, motor and fire insurance covered by the premium deregulation program, policies with a coverage period exceeding three years, and new types of personal line insurance.

¹⁶⁹ USTR, "Taiwan," 9; and AIT, "New Taiwan Foreign Currency Bond Market."

¹⁷⁰ USTR, "Taiwan," 9.

¹⁷¹ The United States and Russia ratified a bilateral trade agreement and the United States extended NTR treatment to Russia under the Presidential waiver authority beginning in June 1992. Russia has received NTR status under the full compliance provision since September 1994. Cooper, *Permanent Normal Trade Relations (PNTR) Status for Russia*.

¹⁷² Public Law 93-618, as amended (19 U.S.C. 2431 et seq.). Sec. 401 of the Trade Act of 1974 requires the President to deny NTR tariff treatment to any country that was not eligible for such treatment as of Jan. 3, 1975. Sec. 402 of the amendment, the so-called Jackson-Vanik amendment (the amendment is named for its major Congressional co-sponsors) requires the President to continue to deny NTR to those countries as well as prohibit their access to U.S. government credit facilities, such as the Export-Import Bank, as long as the country denies its citizens the right of freedom of emigration. For further information, see Pregelj, *Country Applicability of the U.S. Normal Trade Relations (Most-Favored-Nation) Status*, and Cooper, *Permanent Normal Trade Relations (PNTR) Status for Russia*.

¹⁷³ Cooper, *Permanent Normal Trade Relations (PNTR) Status for Russia*.

grant Russia permanent NTR in recent years,¹⁷⁴ but such legislation was not introduced in 2006.

Bilateral Market Access Agreement

On November 19, 2006, U.S. and Russian trade ministers signed a bilateral market access agreement¹⁷⁵ marking the completion of the two countries' bilateral negotiations for Russia's bid to join the WTO.¹⁷⁶ This agreement addresses long standing U.S. concerns with Russia's trade regime and provides market opening concessions and commitments from Russia for trade in goods and services. Key areas of the agreement include—

- **Agricultural tariffs:** Russia agreed to bind its tariffs on all agricultural products as part of its WTO accession. These tariffs, after accession, cannot be increased except under WTO rules.¹⁷⁷
- **Meat products (poultry, pork, and beef):** A bilateral agreement on trade in poultry, pork, and beef that entered into force in 2005 will continue to govern that trade through 2009 with a system of TRQs. The 2006 bilateral market access agreement provides the framework for Russia's post-2009 treatment of these products to avoid trade disruption and determine if the TRQs remain or if Russia will provide tariff-only treatment for these products.¹⁷⁸
- **Non-tariff measures affecting U.S. agricultural exports:** The agreement establishes a new procedure for inspection of U.S. pork and poultry facilities whereby, among other things, Russia authorizes the U.S. Department of Agriculture Food Safety and Inspection Service to certify facilities that export to Russia. Russia also agreed to open its market to certain de-boned beef, bone-in beef and beef by-products (U.S. exports of beef and beef by-products to Russia have been restricted since a case of bovine spongiform encephalopathy was discovered in the United States in 2003). These commitments take effect immediately upon signature of the WTO bilateral market access agreement.¹⁷⁹
- **Market access for non-agricultural goods:** Russia agreed to join the Information Technology Agreement, which will result in the duty-free entry of information technology products; to substantially reduce its tariffs on both wide

¹⁷⁴ Such legislation was last introduced in 2003. *A bill to authorize the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of Russia*, S. 580, 108th Cong., 1st sess., *Congressional Record* (March 10, 2003): S3410; and *A bill to authorize the extension of nondiscriminatory treatment (normal trade relations treatment) to the products of Russia*, H.R. 1224, 108th Cong., 1st sess., *Congressional Record* (March 12, 2003 (Extensions)), E446.

¹⁷⁵ USTR, "United States, Russia Sign Bilateral WTO Market Access Agreement."

¹⁷⁶ Russia formally applied for accession to the GATT in 1993, and its application was taken up by the WTO in 1995. The WTO working party on Russian accession was established in June 1993, and currently comprises more than 50 WTO members. As part of the accession process, the applicant government engages in bilateral negotiations with interested working party members on concessions and commitments on market access for goods and services to create the final accession package. Russia and other WTO members must complete the multilateral part of these negotiations before Russia becomes a WTO member and its WTO commitments go into effect. WTO, "How to Become a Member of the WTO."

¹⁷⁷ USTR, "Results of Bilateral Negotiations—Agricultural Goods Market Access."

¹⁷⁸ *Ibid.*

¹⁷⁹ USTR, "Results of Bilateral Negotiations—Non-Tariff Measures Affecting U.S. Agricultural Trade."

body and narrow body civil aircraft and parts; to join the Chemical Tariff Harmonization Agreement, which harmonizes tariffs on chemical products at 5.5 and 6.5 percent; to substantially reduce tariffs on construction and agricultural equipment as well as scientific equipment and medical devices; and to reduce duties on ferrous (steel) scrap and to eliminate duties on copper cathode. Russia also agreed to liberalize trade in technology products with encryption (mobile phones, operating systems, and other products).¹⁸⁰

- **IPR protection:** Russia agreed to take action, starting immediately, to address IPR piracy and counterfeiting and to improve IPR protection and enforcement. The agreement requires Russia to take action on “critical IPR issues, including fighting optical disc piracy; fighting Internet piracy; protecting pharmaceutical test data; deterring piracy and counterfeiting through criminal penalties; strengthening border enforcement against piracy and counterfeiting; bringing Russia’s laws into compliance with the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) and other international IPR standards; and continuing training and bilateral cooperation on IPR protection.”¹⁸¹
- **Services:** Russia agreed to improve market access and to afford national treatment in a wide range of services sectors, including banking and securities, insurance, telecommunications, audio-visual services, distribution, express delivery, energy, environmental, and professional services when the WTO agreement enters into effect.¹⁸²

¹⁸⁰ USTR, “Results of Bilateral Negotiations—Non-Agricultural Goods Market Access.”

¹⁸¹ USTR, “Results of Bilateral Negotiations—Action on Critical IPR Issues.”

¹⁸² USTR, “Results of Bilateral Negotiations—Bilateral Market Access Agreement on Services.”

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APPENDIX

Table A.1 U.S. merchandise trade with world, by SITC codes (revision 3), 2004-06

SITC Code No.	Description	2004	2005	2006	Percent change 2005-06
		<i>1,000 dollars</i>			
0	Food and live animals.....	43,566,552	46,380,671	52,174,477	12.5
1	Beverages and tobacco.....	4,657,019	4,331,104	4,911,493	13.4
2	Crude materials, inedible, except fuels.....	36,085,397	40,196,836	49,243,765	22.5
3	Mineral fuels, lubricants and related materials.....	18,513,944	26,240,185	34,733,188	32.4
4	Animal and vegetable oils, fats and waxes.....	1,953,508	1,765,636	1,984,891	12.4
5	Chemicals and related products, n.e.s.....	109,441,791	119,476,419	135,051,306	13.0
6	Manufactured goods classified chiefly by material.....	67,574,425	77,304,180	90,260,125	16.8
7	Machinery and transport equipment.....	334,476,712	367,483,265	423,845,364	15.3
8	Miscellaneous manufactured articles.....	82,713,061	88,791,506	99,475,411	12.0
9	Commodities and transactions not classified elsewhere in the SITC.....	28,200,928	32,022,087	37,806,001	18.1
	Total all exports commodities.....	727,183,338	803,991,890	929,486,022	15.6
0	Food and live animals.....	46,870,676	51,343,623	56,013,697	9.1
1	Beverages and tobacco.....	12,335,842	13,484,002	15,348,181	13.8
2	Crude materials, inedible, except fuels.....	27,529,152	30,162,892	32,820,082	8.8
3	Mineral fuels, lubricants and related materials.....	193,990,088	271,244,015	315,706,848	16.4
4	Animal and vegetable oils, fats and waxes.....	2,279,432	2,399,720	2,854,434	18.9
5	Chemicals and related products, n.e.s.....	117,212,638	134,377,072	149,566,728	11.3
6	Manufactured goods classified chiefly by material.....	170,235,494	190,485,023	222,810,178	17.0
7	Machinery and transport equipment.....	593,960,602	649,335,925	708,611,310	9.1
8	Miscellaneous manufactured articles.....	240,365,856	258,809,220	275,580,424	6.5
9	Commodities and transactions not classified elsewhere in the SITC.....	55,380,681	60,738,175	65,741,300	8.2
	Total all imports commodities.....	1,460,160,460	1,662,379,669	1,845,053,181	11.0

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

Table A.2 Leading U.S. exports to the world, by Schedule B subheading, 2004-06

Schedule B subheading	Description	2004	2005	2006	Percent change 2005-06
		<i>1,000 dollars</i>			
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg.	20,497,678	24,918,549	35,876,951	44.0
8542.21	Electronic monolithic digital integrated circuits.	22,556,313	22,154,045	23,358,653	5.4
9880.00	Estimate of non-Canadian low value export shipments; compiled low value and not identified by kind shipments to Canada.	18,161,505	20,443,326	22,909,517	12.1
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc.	10,550,638	12,620,744	17,872,798	41.6
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	12,858,453	14,702,468	17,649,186	20.0
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light.	6,244,558	9,653,155	16,033,553	66.1
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i..	9,158,147	9,879,554	12,381,069	25.3
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc.	8,440,792	9,803,812	12,031,015	22.7
8473.30	Parts and accessories for automated data processing machines and units.	11,309,784	12,171,725	11,934,426	-1.9
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	10,211,030	10,194,759	11,007,187	8.0
8411.91	Parts for turbojets or turbopropellers.	7,184,526	7,846,312	9,203,911	17.3
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	8,174,852	8,604,166	9,189,657	6.8
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.	4,568,019	5,680,194	7,259,565	27.8
7108.12	Nonmonetary gold (including gold plated with platinum), unwrought, excluding powder.	3,464,941	4,635,601	7,171,430	54.7
1005.90	Corn (maize), other than seed.	5,817,595	4,860,457	7,157,295	47.3
1201.00	Soybeans, whether or not broken.	6,684,380	6,314,528	6,922,651	9.6
8542.29	Electronic monolithic integrated circuits, other than digital.	6,349,947	6,177,008	6,888,016	11.5
8802.30	Airplanes and aircraft, of an unladen weight over 2,000 kg but not over 15,000 kg.	3,549,572	4,517,727	6,303,376	39.5
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products.	3,453,208	4,976,674	6,032,714	21.2
8479.89	Machines and mechanical appliances having individual functions, n.e.s.o.i.	5,163,748	4,626,314	5,798,484	25.3
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i. .	4,547,656	4,966,751	5,626,927	13.3
8704.31	Motor vehicles for transporting goods, with spark-ignition internal-combustion piston engine, gross vehicle weight not exceeding 5 mt.	4,524,999	4,662,661	5,272,155	13.1
8407.34	Reciprocating spark-ignition piston engines, of a cylinder capacity over 1,000 cc.	3,906,422	3,927,399	4,565,504	16.2
5201.00	Cotton, not carded or combed.	4,222,396	3,920,176	4,500,562	14.8
3002.10	Antisera and other blood fractions, and modified immunological products.	3,360,657	4,123,323	4,351,947	5.5
	Total of items shown.	204,961,819	226,381,428	277,298,547	22.5
	All other.	522,221,519	577,610,462	652,187,475	12.9
	Total of all commodities.	727,183,338	803,991,890	929,486,022	15.6

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

Table A.3 Leading U.S. imports from the world, by HTS subheading, 2004-06

HTS subheading	Description	2004	2005		2006	Percent Change 2005-06
			1,000 dollars			
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude.	100,337,587	137,330,950	171,243,102	24.7	
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc.	72,732,506	74,059,712	75,524,876	2.0	
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc.	46,085,812	46,646,402	54,418,644	16.7	
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light.	25,652,668	39,422,007	42,821,386	8.6	
9801.00	U.S. articles exported and returned, not advanced or improved in condition; animals exported or returned.	32,205,473	34,862,777	36,245,215	4.0	
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products.	17,312,561	27,423,542	32,105,083	17.1	
8473.30	Parts and accessories for automated data processing machines and units.	26,834,882	27,581,638	31,320,447	13.6	
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	22,158,753	24,005,920	29,632,582	23.4	
8525.20	Transmission apparatus incorporating reception apparatus.	20,959,691	24,912,967	27,245,991	9.4	
2711.21	Natural gas, gaseous state.	19,674,288	27,134,511	24,256,477	-10.6	
8471.30	Portable digital automated data processing machines not exceeding 10 kg, with at least a CPU, keyboard and display.	16,034,861	19,421,324	22,751,802	17.1	
8528.12	Incomplete or unfinished color reception apparatus for televisions.	12,321,956	16,336,936	21,720,880	33.0	
9999.95	Estimated "low valued" shipments.	16,193,577	18,226,139	20,194,073	10.8	
8471.60	Input or output units for automated data processing machines.	18,720,207	17,701,985	16,907,374	-4.5	
7102.39	Nonindustrial diamonds, n.e.s.o.i.	13,871,661	15,374,539	16,449,237	7.0	
8542.21	Electronic monolithic digital integrated circuits.	16,058,744	15,353,135	15,651,849	1.9	
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	13,401,701	15,044,656	15,553,790	3.4	
8704.31	Motor vehicles for transporting goods, with spark-ignition internal-combustion piston engine, gross vehicle weight not exceeding 5 mt.	10,321,430	10,849,797	11,345,016	4.6	
8471.70	Automatic data processing storage units.	10,738,387	10,604,829	11,321,890	6.8	
8517.90	Parts of telephonic or telegraphic apparatus.	5,512,769	8,585,599	9,191,689	7.1	
8517.50	Other apparatus for carrier-current line systems or for digital line systems.	5,435,488	7,508,296	8,779,614	16.9	
2713.11	Petroleum coke, not calcined.	5,283,865	6,752,288	8,582,043	27.1	
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	7,513,225	8,377,614	8,496,836	1.4	
6110.20	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of cotton.	7,084,341	7,592,959	8,239,814	8.5	
6403.99	Footwear not covering the ankles, with outer soles of rubber or plastics or composition leather and uppers of leather.	7,226,536	7,567,498	8,074,276	6.7	
	Total of items shown.	549,672,968	648,678,021	728,073,986	12.2	
	All other.	910,487,492	1,013,701,648	1,116,979,195	10.2	
	Total of all commodities.	1,460,160,460	1,662,379,669	1,845,053,181	11.0	

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

Table A.4 Antidumping cases active in 2006, by USITC investigation number

(Affirmative = A; Negative = N)

USITC investigation number	Product	Country of origin	Date of institution	USITC prelim	ITA ^a prelim	ITA ^a final	USITC final	Date of final action ^b
731-TA-1089	Certain orange juice	Brazil	12/27/04	A	A	A	A	02/27/06
731-TA-1091	Artists' canvas	China	04/01/05	A	A	A	A	05/15/06
731-TA-1092	Diamond sawblades and parts thereof	China	05/03/05	A	A	A	N	07/05/06
731-TA-1093	Diamond sawblades and parts thereof	Korea	05/03/05	A	A	A	N	07/05/06
731-TA-1094	Metal calendar slides	Japan	06/29/05	A	A	A	N	08/02/06
731-TA-1095	Certain lined paper school supplies	China	09/09/05	A	A	A	A	09/21/06
731-TA-1096	Certain lined paper school supplies	India	09/09/05	A	A	A	A	09/21/06
731-TA-1097	Certain lined paper school supplies	Indonesia	09/09/05	A	A	A	A	09/21/06
731-TA-1102	Activated carbon	China	01/26/06	(^c)	(^c)	(^c)	(^c)	02/15/06
731-TA-1103	Certain activated carbon	China	03/08/06	A	A	(^d)	(^d)	(^d)
731-TA-1104	Polyester staple fiber	China	06/23/06	A	A	(^d)	(^d)	(^d)
731-TA-1105	Lemon juice	Argentina	09/21/06	A	(^d)	(^d)	(^d)	(^d)
731-TA-1106	Lemon juice	Mexico	09/21/06	A	(^d)	(^d)	(^d)	(^d)
731-TA-1107	Coated free sheet paper	China	10/31/06	A	(^d)	(^d)	(^d)	(^d)
731-TA-1108	Coated free sheet paper	Indonesia	10/31/06	A	(^d)	(^d)	(^d)	(^d)
731-TA-1109	Coated free sheet paper	Korea	10/31/06	A	(^d)	(^d)	(^d)	(^d)

Source: U.S. International Trade Commission.

^a International Trade Administration, U.S. Department of Commerce.

^b For cases in which the final action was taken by the ITA, the date shown is the *Federal Register* notice date of that action. For cases in which the final action was taken by USITC, the date of the USITC notification of Commerce is shown.

^c The investigation was terminated or discontinued following withdrawal of the petition.

^d Pending as of Dec. 31, 2006.

Table A.5 Antidumping duty orders in effect as of December 31, 2006

Country and commodity	Effective date of original action
Argentina:	
Honey.	Dec. 10, 2001
Hot-rolled carbon steel flat products.	Sept. 19, 2001
Oil country tubular goods.	Aug. 11, 1995
Seamless pipe.	Aug. 3, 1995
Barbed wire and barbless wire strand.	Nov. 13, 1985
Australia:	
Corrosion-resistant carbon steel flat products.	Aug. 19, 1993
Belarus:	
Steel concrete reinforcing bars.	Sept. 7, 2001
Belgium:	
Stainless steel plate in coils.	May 21, 1999
Carbon steel plate.	Aug. 19, 1993
Brazil:	
Certain orange juice.	Mar. 9, 2006
Frozen or canned warm-water shrimp and prawns.	Feb. 1, 2005
Prestressed concrete steel wire strand.	Jan. 28, 2004
Carbon and certain alloy steel wire rod.	Oct. 29, 2002
Hot-rolled carbon steel flat products.	July 6, 1999
Seamless pipe.	Aug. 3, 1995
Stainless steel bar.	Feb. 21, 1995
Silicomanganese.	Dec. 22, 1994
Carbon steel plate.	Aug. 19, 1993
Circular welded non-alloy steel pipe.	Nov. 2, 1992
Carbon steel butt-weld pipe fittings.	Dec. 17, 1986
Iron construction castings.	May 9, 1986
Canada:	
Carbon and certain alloy steel wire rod.	Oct. 29, 2002
Corrosion-resistant carbon steel flat products.	Aug. 19, 1993
Iron construction castings.	Mar. 5, 1986
Chile:	
Individually quick frozen red raspberries.	July 9, 2002
Preserved mushrooms.	Dec. 2, 1998
China:	
Certain lined paper school supplies.	Sept. 28, 2006
Artists' canvas.	June 1, 2006
Chlorinated isocyanurates.	June 24, 2005
Magnesium.	April 15, 2005
Tissue paper.	Mar. 30, 2005
Frozen or canned warm-water shrimp and prawns.	Feb. 1, 2005
Crepe paper.	Jan. 25, 2005
Wooden bedroom furniture.	Jan. 4, 2005
Carbazole violet pigment 23.	Dec. 29, 2004
Hand trucks.	Dec. 2, 2004
Polyethylene retail carrier bags.	Aug. 9, 2004
Ironing tables.	Aug. 6, 2004
Tetrahydrofurfuryl alcohol.	Aug. 6, 2004
Color television receivers.	June 3, 2004

Table A.5 (continued)

Country and commodity	Effective date of original action
<i>China—Continued:</i>	
Malleable iron pipe fittings.....	Dec. 12, 2003
Refined brown aluminum oxide.....	Nov. 19, 2003
Barium carbonate.....	Oct. 1, 2003
Polyvinyl alcohol.....	Oct. 1, 2003
Saccharin.....	July 9, 2003
Lawn and garden steel fence posts.....	June 12, 2003
Non-malleable cast iron pipe fittings.....	Apr. 7, 2003
Ferrovandium.....	Jan. 28, 2003
Folding metal tables and chairs.....	June 27, 2002
Automotive replacement glass windshields.....	Apr. 4, 2002
Folding gift boxes.....	Jan. 8, 2002
Honey.....	Dec. 10, 2001
Hot-rolled carbon steel flat products.....	Nov. 29, 2001
Pure magnesium (granular).....	Nov. 19, 2001
Foundry coke.....	Sept. 17, 2001
Steel concrete reinforcing bars.....	Sept. 7, 2001
Non-frozen apple juice concentrate.....	June 5, 2000
Preserved mushrooms.....	Feb. 19, 1999
Carbon steel plate.....	Oct. 24, 1997
Crawfish tail meat.....	Sept. 15, 1997
Persulfates.....	July 7, 1997
Brake rotors.....	Apr. 17, 1997
Furfuryl alcohol.....	June 21, 1995
Pure magnesium (ingot).....	May 12, 1995
Glycine.....	Mar. 29, 1995
Cased pencils.....	Dec. 28, 1994
Silicomanganese.....	Dec. 22, 1994
Paper clips.....	Nov. 25, 1994
Fresh garlic.....	Nov. 16, 1994
Helical spring lock washers.....	Oct. 19, 1993
Sulfanilic acid.....	Aug. 19, 1992
Carbon steel butt-weld pipe fittings.....	July 6, 1992
Sparklers.....	June 18, 1991
Silicon metal.....	June 10, 1991
Axes and adzes.....	Feb. 19, 1991
Bars and wedges.....	Feb. 19, 1991
Hammers and sledges.....	Feb. 19, 1991
Picks and mattocks.....	Feb. 19, 1991
Tapered roller bearings.....	June 15, 1987
Porcelain-on-steel cooking ware.....	Dec. 2, 1986
Petroleum wax candles.....	Aug. 28, 1986
Iron construction castings.....	May 9, 1986
Natural bristle paint brushes.....	Feb. 14, 1986
Barium chloride.....	Oct. 17, 1984
Chloropicrin.....	Mar. 22, 1984
Potassium permanganate.....	Jan. 31, 1984
Greige polyester cotton printcloth.....	Sept. 16, 1983

Table A.5 (continued)

Country and commodity	Effective date of original action
Ecuador:	
Frozen or canned warm-water shrimp and prawns.	Feb. 1, 2005
Finland:	
Carboxymethylcellulose.	July 11, 2005
Carbon steel plate.	Aug. 19, 1993
France:	
Stainless steel bar.	Mar. 7, 2002
Low enriched uranium.	Feb. 13, 2002
Corrosion-resistant carbon steel flat products.	Aug. 19, 1993
Ball bearings.	May 15, 1989
Brass sheet and strip.	Mar. 6, 1987
Sorbitol.	Apr. 9, 1982
Germany:	
Stainless steel bar.	Mar. 7, 2002
Stainless steel sheet and strip.	July 27, 1999
Seamless pipe.	Aug. 3, 1995
Carbon steel plate.	Aug. 19, 1993
Corrosion-resistant carbon steel flat products.	Aug. 19, 1993
Ball bearings.	May 15, 1989
Brass sheet and strip.	Mar. 6, 1987
Hungary:	
Sulfanilic acid.	Nov. 8, 2002
India:	
Certain lined paper school supplies.	Sept. 28, 2006
Frozen or canned warm-water shrimp and prawns.	Feb. 1, 2005
Carbazole violet pigment 23.	Dec. 29, 2004
Prestressed concrete steel wire strand.	Jan. 28, 2004
Polyethylene terephthalate (PET) film.	July 1, 2002
Silicomanganese.	May 23, 2002
Hot-rolled carbon steel flat products.	Dec. 3, 2001
Carbon steel plate.	Feb. 10, 2000
Preserved mushrooms.	Feb. 19, 1999
Stainless steel bar.	Feb. 21, 1995
Forged stainless steel flanges.	Feb. 9, 1994
Stainless steel wire rod.	Dec. 1, 1993
Sulfanilic acid.	Mar. 2, 1993
Welded carbon steel pipe.	May 12, 1986
Indonesia:	
Certain lined paper school supplies.	Sept. 28, 2006
Carbon and certain alloy steel wire rod.	Oct. 29, 2002
Hot-rolled carbon steel flat products.	Dec. 3, 2001
Steel concrete reinforcing bars.	Sept. 7, 2001
Carbon steel plate.	Feb. 10, 2000
Preserved mushrooms.	Feb. 19, 1999
Iran:	
Raw in-shell pistachios.	July 17, 1986

Table A.5 (continued)

Country and commodity	Effective date of original action
Italy:	
Stainless steel bar.	Mar. 7, 2002
Stainless steel butt-weld pipe fittings.	Feb. 23, 2001
Carbon steel plate.	Feb. 10, 2000
Stainless steel sheet and strip.	July 27, 1999
Stainless steel plate in coils.	May 21, 1999
Stainless steel wire rod.	Sept. 15, 1998
Pasta.	July 24, 1996
Oil country tubular goods.	Aug. 11, 1995
Ball bearings.	May 15, 1989
Granular polytetrafluoroethylene resin.	Aug. 30, 1988
Brass sheet and strip.	Mar. 6, 1987
Pressure sensitive plastic tape.	Oct. 21, 1977
Japan:	
Superalloy degassed chromium.	Dec. 22, 2005
Ceramic station post insulators.	Dec. 30, 2003
Polyvinyl alcohol.	July 2, 2003
Welded large diameter line pipe.	Dec. 6, 2001
Tin- and chromium-coated steel sheet.	Aug. 28, 2000
Large diameter seamless pipe.	June 26, 2000
Small diameter seamless pipe.	June 26, 2000
Carbon steel plate.	Feb. 10, 2000
Stainless steel sheet and strip.	July 27, 1999
Hot-rolled carbon steel flat products.	June 29, 1999
Stainless steel wire rod.	Sept. 15, 1998
Clad steel plate.	July 2, 1996
Oil country tubular goods.	Aug. 11, 1995
Stainless steel bar.	Feb. 21, 1995
Corrosion-resistant carbon steel flat products.	Aug. 19, 1993
Gray portland cement and clinker.	May 10, 1991
Ball bearings.	May 15, 1989
Granular polytetrafluoroethylene resin.	Aug. 24, 1988
Brass sheet and strip.	Aug. 12, 1988
Stainless steel butt-weld pipe fittings.	Mar. 25, 1988
Carbon steel butt-weld pipe fittings.	Feb. 10, 1987
Prestressed concrete steel wire strand.	Dec. 8, 1978
Polychloroprene rubber.	Dec. 6, 1973
Kazakhstan:	
Silicomanganese.	May 23, 2002
Hot-rolled carbon steel flat products.	Nov. 21, 2001
Korea:	
Prestressed concrete steel wire strand.	Jan. 28, 2004
Polyvinyl alcohol.	Oct. 1, 2003
Stainless steel bar.	Mar. 7, 2002
Steel concrete reinforcing bars.	Sept. 7, 2001
Polyester staple fiber.	May 25, 2000
Carbon steel plate.	Feb. 10, 2000

Table A.5 (continued)

Country and commodity	Effective date of original action
<i>Korea—Continued</i>	
Stainless steel sheet and strip.	July 27, 1999
Stainless steel plate in coils.	May 21, 1999
Stainless steel wire rod.	Sept. 15, 1998
Oil country tubular goods.	Aug. 11, 1995
Corrosion-resistant carbon steel flat products.	Aug. 19, 1993
Stainless steel butt-weld pipe fittings.	Feb. 23, 1993
Welded ASTM A-312 stainless steel pipe.	Dec. 30, 1992
Circular welded non-alloy steel pipe.	Nov. 2, 1992
Polyethylene terephthalate (PET) film.	June 5, 1991
Top-of-the-stove stainless steel cooking ware.	Jan. 20, 1987
Latvia:	
Steel concrete reinforcing bars.	Sept. 7, 2001
Malaysia:	
Polyethylene retail carrier bags.	Aug. 9, 2004
Stainless steel butt-weld pipe fittings.	Feb. 23, 2001
Mexico:	
Carboxymethylcellulose.	July 11, 2005
Prestressed concrete steel wire strand.	Jan. 28, 2004
Carbon and certain alloy steel wire rod.	Oct. 29, 2002
Welded large diameter line pipe.	Feb. 27, 2002
Stainless steel sheet and strip.	July 27, 1999
Fresh tomatoes (suspended).	Nov. 1, 1996
Oil country tubular goods.	Aug. 11, 1995
Carbon steel plate.	Aug. 19, 1993
Circular welded non-alloy steel pipe.	Nov. 2, 1992
Gray portland cement and clinker.	Aug. 30, 1990
Moldova:	
Carbon and certain alloy steel wire rod.	Oct. 29, 2002
Steel concrete reinforcing bars.	Sept. 7, 2001
Netherlands:	
Carboxymethylcellulose.	July 11, 2005
Hot-rolled carbon steel flat products.	Nov. 29, 2001
Norway:	
Fresh and chilled Atlantic salmon.	Apr. 12, 1991
Philippines:	
Stainless steel butt-weld pipe fittings.	Feb. 23, 2001
Poland:	
Steel concrete reinforcing bars.	Sept. 7, 2001
Carbon steel plate.	Aug. 19, 1993
Portugal:	
Sulfanilic acid.	Nov. 8, 2002
Romania:	
Hot-rolled carbon steel flat products.	Nov. 29, 2001
Small diameter seamless pipe.	Aug. 10, 2000
Carbon steel plate.	Aug. 19, 1993

Table A.5 (continued)

Country and commodity	Effective date of original action
Russia:	
Magnesium.	April 15, 2005
Silicon metal.	Mar. 26, 2003
Ammonium nitrate (suspended)..	May 19, 2000
Hot-rolled carbon steel flat products (suspended)..	July 12, 1999
Carbon steel plate (suspended)..	Oct. 24, 1997
Ferrovandium and nitrided vanadium.	July 10, 1995
Uranium (suspended).	Oct. 16, 1992
Solid urea.. . . .	July 14, 1987
South Africa:	
Ferrovandium.. . . .	Jan. 28, 2003
Hot-rolled carbon steel flat products.	Sept. 19, 2001
Stainless steel plate in coils.. . . .	May 21, 1999
Spain:	
Chlorinated isocyanurates.. . . .	June 24, 2005
Stainless steel wire rod.	Sept. 15, 1998
Stainless steel bar.	Mar. 2, 1995
Carbon steel plate.	Aug. 19, 1993
Sweden:	
Carboxymethylcellulose.. . . .	July 11, 2005
Stainless steel wire rod.	Sept. 15, 1998
Carbon steel plate.	Aug. 19, 1993
Taiwan:	
Polyethylene terephthalate (PET) film.	July 1, 2002
Hot-rolled carbon steel flat products.	Nov. 29, 2001
Polyester staple fiber.	May 25, 2000
Stainless steel sheet and strip.. . . .	July 27, 1999
Stainless steel plate in coils.. . . .	May 21, 1999
Stainless steel wire rod.	Sept. 15, 1998
Forged stainless steel flanges.	Feb. 9, 1994
Helical spring lockwashers.	June 28, 1993
Stainless steel butt-weld pipe fittings.. . . .	June 16, 1993
Welded ASTM A-312 stainless steel pipe.	Dec. 30, 1992
Circular welded non-alloy steel pipe.	Nov. 2, 1992
Light-walled rectangular pipe.	Mar. 27, 1989
Carbon steel butt-weld pipe fittings.	Dec. 17, 1986
Porcelain-on-steel cooking ware.	Dec. 2, 1986
Small diameter carbon steel pipe.	May 7, 1984
Carbon steel plate.	June 13, 1979
Thailand:	
Frozen or canned warm-water shrimp and prawns.	Feb. 1, 2005
Polyethylene retail carrier bags.	Aug. 9, 2004
Prestressed concrete steel wire strand.	Jan. 28, 2004
Hot-rolled carbon steel flat products.	Nov. 29, 2001
Furfuryl alcohol.	July 25, 1995
Canned pineapple.	July 18, 1995
Carbon steel butt-weld pipe fittings.	July 6, 1992

Table A.5 (continued)

Country and commodity	Effective date of original action
<i>Thailand—Continued</i>	
Welded carbon steel pipe.	Mar. 11, 1986
Trinidad and Tobago:	
Carbon and certain alloy steel wire rod.	Oct. 29, 2002
Turkey:	
Steel concrete reinforcing bars.	Apr. 17, 1997
Pasta.	July 24, 1996
Welded carbon steel pipe	May 15, 1986
Ukraine:	
Carbon and certain alloy steel wire rod.	Oct. 29, 2002
Hot-rolled carbon steel flat products.	Nov. 29, 2001
Ammonium nitrate.	Sept. 12, 2001
Steel concrete reinforcing bars.	Sept. 7, 2001
Carbon steel plate (suspended)..	Oct. 24, 1997
Silicomanganese.	Oct. 31, 1994
Solid urea.. . . .	July 14, 1987
Silicomanganese.	Oct. 31, 1994
Solid urea.. . . .	July 14, 1987
United Kingdom:	
Stainless steel bar.	Mar. 7, 2002
Carbon steel plate.	Aug. 19, 1993
Ball bearings.	May 15, 1989
Venezuela:	
Silicomanganese.	May 23, 2002
Vietnam:	
Frozen or canned warm-water shrimp and prawns.	Feb. 1, 2005
Frozen fish fillets.	Aug. 12, 2003

Source: U.S. International Trade Commission.

Table A.6 Countervailing duty cases active in 2006, by USITC investigation number

(Affirmative = A; Negative = N)

USITC investigation number	Product	Country of origin	Date of institution	USITC prelim	ITA ^a prelim	ITA final	USITC final	Date of final action ^b
701-TA-442	Certain lined paper school supplies	India	09/09/05	A	A	A	A	09/21/2006
701-TA-443	Certain lined paper school supplies	Indonesia	09/09/05	A	A	A	A	09/21/2006
701-TA-444	Coated free sheet paper	China	10/31/06	A	(^c)	(^c)	(^c)	(^c)
701-TA-445	Coated free sheet paper	Indonesia	10/31/06	A	(^c)	(^c)	(^c)	(^c)
701-TA-446	Coated free sheet paper	Korea	10/31/06	A	(^c)	(^c)	(^c)	(^c)

Source: U.S. International Trade Commission.

^a International Trade Administration, U.S. Department of Commerce.

^b For cases in which the final action was taken by the ITA, the date shown is the *Federal Register* notice date of that action. For cases in which the final action was taken by USITC, the date of the USITC notification of Commerce is shown.

^c Pending as of Dec. 31, 2006.

Table A.7 Countervailing duty orders in effect as of December 31, 2006

Country and commodity	Effective date of original action
Argentina:	
Honey.	Dec. 10, 2001
Hot-rolled carbon steel flat products.	Sept. 11, 2001
Belgium:	
Stainless steel plate in coils.	May 11, 1999
Carbon steel plate.	Aug. 17, 1993
Brazil:	
Carbon and certain alloy steel wire rod.	Oct. 22, 2002
Hot-rolled carbon steel flat products.	July 6, 1999
Carbon steel plate.	Aug. 17, 1993
Heavy iron construction castings.	May 15, 1986
France:	
Low enriched uranium.	Feb. 13, 2002
Corrosion-resistant carbon steel flat products.	Aug. 17, 1993
Hungary:	
Sulfanilic acid.	Nov. 8, 2002
India:	
Certain lined paper school supplies.	Sept. 28, 2006
Carbazole violet pigment 23.	Dec. 29, 2004
Prestressed concrete steel wire strand.	Feb. 4, 2004
Polyethylene terephthalate (PET) film.	July 1, 2002
Hot-rolled carbon steel flat products.	Dec. 3, 2001
Carbon steel plate.	Feb. 10, 2000
Sulfanilic acid.	Mar. 2, 1993
Indonesia:	
Certain lined paper school supplies.	Sept. 28, 2006
Hot-rolled carbon steel flat products.	Dec. 3, 2001
Carbon steel plate.	Feb. 10, 2000
Iran:	
Roasted in-shell pistachios.	Oct. 7, 1986
Raw in-shell pistachios.	Mar. 11, 1986
Italy:	
Stainless steel bar.	Mar. 8, 2002
Carbon steel plate.	Feb. 10, 2000
Pasta	July 24, 1996
Korea:	
DRAMs and DRAM modules.	Aug. 11, 2003
Carbon steel plate.	Feb. 10, 2000
Stainless steel sheet and strip.	Aug. 6, 1999
Corrosion-resistant carbon steel flat products.	Aug. 17, 1993
Top-of-the-stove stainless steel cooking ware.	Jan. 20, 1987
Mexico:	
Carbon steel plate.	Aug. 17, 1993
Norway:	
Fresh and chilled Atlantic salmon.	Apr. 12, 1991
South Africa:	
Hot-rolled carbon steel flat products.	Dec. 3, 2001
Stainless steel plate in coils.	May 11, 1999
Spain:	
Carbon steel plate.	Aug. 17, 1993
Sweden:	
Carbon steel plate.	Aug. 17, 1993
Thailand:	
Hot-rolled carbon steel flat products.	Dec. 3, 2001
Turkey:	
Pasta.	July 24, 1996
Welded carbon steel pipe.	Mar. 7, 1986

Source: U.S. International Trade Commission.

Table A.8 Reviews of existing antidumping and countervailing duty orders and suspension agreements completed in 2006, by date of completion

USITC investigation number	Product	Country of origin	Completion date ^a	Action
731-TA-663	Paper clips	China	01/18/06	Continued
731-TA-377	Internal combustion industrial forklift trucks	Japan	01/25/06	Revoked
701-TA-302	Fresh and chilled Atlantic salmon	Norway	01/27/06	Continued
731-TA-454	Fresh and chilled Atlantic salmon	Norway	01/27/06	Continued
731-TA-457-A	Axes and adzes	China	01/31/06	Continued
731-TA-457-B	Bars and wedges	China	01/31/06	Continued
731-TA-457-C	Hammers and sledges	China	01/31/06	Continued
731-TA-457-D	Picks and mattocks	China	01/31/06	Continued
701-TA-401	Structural steel beams	Korea	03/09/06	Revoked
731-TA-853	Structural steel beams	Japan	03/09/06	Revoked
731-TA-854	Structural steel beams	Korea	03/09/06	Revoked
731-TA-825	Polyester staple fiber	Korea	03/20/06	Continued
731-TA-826	Polyester staple fiber	Taiwan	03/20/06	Continued
701-TA-269	Brass sheet and strip	Brazil	03/21/06	Revoked
731-TA-311	Brass sheet and strip	Brazil	03/21/06	Revoked
731-TA-312	Brass sheet and strip	Canada	03/21/06	Revoked
731-TA-313	Brass sheet and strip	France	03/21/06	Continued
731-TA-314	Brass sheet and strip	Italy	03/21/06	Continued
731-TA-317	Brass sheet and strip	Germany	03/21/06	Continued
731-TA-379	Brass sheet and strip	Japan	03/21/06	Continued
731-TA-856	Ammonium nitrate (suspended)	Russia	03/27/06	Continued
701-TA-318	Sulfanilic acid	India	04/21/06	Continued
731-TA-538	Sulfanilic acid	China	04/21/06	Continued
731-TA-561	Sulfanilic acid	India	04/21/06	Continued
731-TA-846	Small diameter seamless pipe	Czech Republic	04/26/06	Revoked
731-TA-847-A	Large diameter seamless pipe	Japan	04/26/06	Continued
731-TA-847-B	Small diameter seamless pipe	Japan	04/26/06	Continued
731-TA-848	Large diameter seamless pipe	Mexico	04/26/06	Revoked
731-TA-849	Small diameter seamless pipe	Romania	04/26/06	Continued
731-TA-850	Small diameter seamless pipe	South Africa	04/26/06	Revoked
731-TA-851	Synthetic indigo	China	04/27/06	Revoked
731-TA-461	Gray portland cement and cement clinker	Japan	05/31/06	Continued
731-TA-624	Helical spring lock washers	China	06/15/06	Continued
731-TA-625	Helical spring lock washers	Taiwan	06/15/06	Continued
731-TA-860	Tin- and chromium-coated steel sheet	Japan	06/26/06	Continued
701-TA-309-A	Alloy magnesium	Canada	07/05/06	Revoked
701-TA-309-B	Pure magnesium	Canada	07/05/06	Revoked
731-TA-696	Pure magnesium (ingot)	China	07/05/06	Continued
701-TA-253	Welded carbon steel pipe	Turkey	07/18/06	Continued
731-TA-132	Small diameter carbon steel pipe	Taiwan	07/18/06	Continued
731-TA-252	Welded carbon steel pipe	Thailand	07/18/06	Continued
731-TA-271	Welded carbon steel pipe	India	07/18/06	Continued
731-TA-273	Welded carbon steel pipe	Turkey	07/18/06	Continued
731-TA-409	Light-walled rectangular pipe	Argentina	07/18/06	Revoked

See footnotes at end of table.

Table A.8 (continued)

USITC				
investigation number	Product	Country of origin	Completion date ^a	Action
731-TA-410	Light-walled rectangular pipe	Taiwan	07/18/06	Continued
731-TA-532	Circular welded nonalloy steel pipe	Brazil	07/18/06	Continued
731-TA-533	Circular welded nonalloy steel pipe	Korea	07/18/06	Continued
731-TA-534	Circular welded nonalloy steel pipe	Mexico	07/18/06	Continued
731-TA-536	Circular welded nonalloy steel pipe	Taiwan	07/18/06	Continued
731-TA-636	Stainless steel wire rod	Brazil	07/19/06	Revoked
731-TA-637	Stainless steel wire rod	France	07/19/06	Revoked
731-TA-638	Stainless steel wire rod	India	07/19/06	Continued
731-TA-539-C	Uranium (suspended)	Russia	08/01/06	Continued
731-TA-540	Welded ASTM A-312 stainless steel pipe	Korea	08/16/06	Continued
731-TA-541	Welded ASTM A-312 stainless steel pipe	Taiwan	08/16/06	Continued
731-TA-344	Tapered roller bearings	China	08/25/06	Continued
731-TA-391-A	Ball bearings	Germany	08/25/06	Continued
731-TA-392-A	Ball bearings	France	08/25/06	Continued
731-TA-392-C	Spherical plain bearings	France	08/25/06	Revoked
731-TA-393-A	Ball bearings	Italy	08/25/06	Continued
731-TA-394-A	Ball bearings	Japan	08/25/06	Continued
731-TA-396	Ball bearings	Singapore	08/25/06	Revoked
731-TA-399-A	Ball bearings	United Kingdom	08/25/06	Continued
731-TA-671	Silicomanganese	Brazil	08/28/06	Continued
731-TA-672	Silicomanganese	China	08/28/06	Continued
731-TA-673	Silicomanganese	Ukraine	08/28/06	Continued
731-TA-703	Furfuryl alcohol	China	09/15/06	Continued
731-TA-705	Furfuryl alcohol	Thailand	09/15/06	Continued
731-TA-683	Fresh garlic	China	09/28/06	Continued
731-TA-702	Ferrovandium and nitrided vanadium	Russia	09/28/06	Continued
731-TA-865	Stainless steel butt-weld pipe fittings	Italy	11/17/06	Continued
731-TA-866	Stainless steel butt-weld pipe fittings	Malaysia	11/17/06	Continued
731-TA-867	Stainless steel butt-weld pipe fittings	Philippines	11/17/06	Continued
731-TA-471	Silicon metal	Brazil	12/06/06	Revoked
731-TA-472	Silicon metal	China	12/06/06	Continued
731-TA-891	Foundry coke	China	12/20/06	Continued

Source: U.S. International Trade Commission.

^a The completion date shown is the date of the USITC notification of Commerce.

Table A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2006 and those pending on December 31, 2006

Status of Investigation	Article	Country ^a	Commission determination
Completed:			
337-TA-481 337-TA-491 consolidated	Certain Display Controllers with Upscaling Functionality and Products Containing Same; Certain Display Controllers and Products Containing Same (consolidated)	Taiwan	One related (ancillary) enforcement proceeding; terminated based on a settlement agreement.
337-TA-502	Certain Automobile Tail Light Lenses and Products Incorporating Same	Germany	One related (ancillary) remand proceeding; terminated based on a settlement agreement.
337-TA-503	Certain Automated Mechanical Transmission Systems for Medium-Duty and Heavy-Duty Trucks, and Components Thereof	Germany	One related (ancillary) consolidated advisory and enforcement proceeding; terminated based on a finding of no violation.
337-TA-509	Certain Personal Computers, Server Computers, and Components Thereof	No foreign respondents	Terminated based on a settlement agreement.
337-TA-510	Certain Systems for Detecting and Removing Viruses or Worms, Components Thereof, and Products Containing Same	No foreign respondents	One related (ancillary) consolidated advisory and enforcement proceeding; terminated based on a settlement agreement.
337-TA-512	Certain Light-Emitting Diodes and Products Containing Same	Malaysia	Issued a limited exclusion order.
337-TA-519	Certain Personal Computers, Monitors, and Components Thereof	No foreign respondents	Terminated based on a settlement agreement.
337-TA-523	Certain Optical Disk Controller Chips and Chipsets and Products Containing the Same, Including DVD Players and PC Optical Storage Devices II	Taiwan	Terminated based on a settlement agreement.
337-TA-530	Certain Electric Robots and Component Parts Thereof	Germany, Japan	Terminated based on a finding of no violation.
337-TA-533	Certain Rubber Antidegradants, Components Thereof, and Products Containing Same	China, Korea	Issued a limited exclusion order.
337-TA-534	Certain Color Television Receivers and Color Display Monitors, and Components Thereof	Taiwan	Terminated based on a settlement agreement.
337-TA-538	Certain Audio Processing Integrated Circuits, and Products Containing Same	China	Issued a limited exclusion order.

See footnotes at end of table.

Table A.9 (continued)

Status of Investigation	Article	Country ^a	Commission determination
337-TA-539	Certain Tadalafil or Any Salt or Solvate Thereof, and Products Containing Same	India, Panama, Haiti, Nicaragua, Mexico, Australia	Issued a general exclusion order.
337-TA-541	Certain Power Supply Controllers and Products Containing Same	Taiwan	Issued a limited exclusion order.
337-TA-542	Certain DVD/CD Players and Recorders, Color Television Receivers and Monitors, and Components Thereof	No foreign respondents	Terminated based on a settlement agreement.
337-TA-547	Certain Personal Computers, Monitors and Components Thereof	No foreign respondents	Terminated based on a settlement agreement.
337-TA-548	Certain Tissue Converting Machinery, Including Rewinders, Tail Sealers, Trim Removers, And Components Thereof	Taiwan	Terminated based on a settlement agreement.
337-TA-549	Certain Ink Sticks for Solid Ink Printers	Korea	Issued a limited exclusion order and a cease and desist order.
337-TA-552	Certain Flash Memory Devices and Components Thereof, and Products Containing Such Devices and Components	Korea	Terminated based on a finding of no violation.
337-TA-554	Certain Axle Bearing Assemblies, Components Thereof, and Products Containing Same	Korea	Terminated based on a settlement agreement.
337-TA-555	Certain Devices for Determining Organ Positions and Certain Subassemblies Thereof	Canada	Terminated based on a settlement agreement.
337-TA-562	Certain Incremental Dental Positioning Adjustment Appliances and Methods of Producing Same	Pakistan	Terminated based on a consent order.
337-TA-563	Certain Portable Power Stations and Packaging Therefor	China	Issued limited exclusion order.
337-TA-566	Certain Chemical Mechanical Planarization Slurries and Precursors to Same	Korea	Terminated based on a consent order.
337-TA-568	Certain Products and Pharmaceutical Compositions Containing Recombinant Human Erythropoietin	Germany, Switzerland	Terminated based on a finding of no violation.
337-TA-570	Certain Flash Memory Chips, Flash Memory Systems, and Products Containing Same	Japan	Terminated based on a settlement agreement.
337-TA-573	Certain Portable Digital Media Players	No foreign respondents	Terminated based on a settlement agreement.
337-TA-576	Certain Portable Digital Media Players and Components Thereof	Singapore	Terminated based on a settlement agreement.

See footnotes at end of table.

Table A.9 (continued)

Status of Investigation	Article	Country ^a	Commission determination
Pending:			
337-TA-474	Certain Recordable Compact Discs and Rewritable Compact Discs	Hong Kong, Taiwan	One related (ancillary) remand proceeding pending before the Commission.
337-TA-487	Certain Agricultural Vehicles and Components Thereof	Canada	One related (ancillary) remand proceeding pending before the Commission.
337-TA-493	Certain Zero-Mercury-Added Alkaline Batteries, Parts Thereof, and Products Containing Same	China, Hong Kong, Indonesia, Japan, Singapore	One related (ancillary) remand proceeding pending before the Commission.
337-TA-501	Certain Encapsulated Integrated Circuit Devices and Products Containing Same	Malaysia	Pending before the Commission.
337-TA-524 ^b	Certain Point of Sale Terminals and Components Thereof	France, Israel, Korea, Ireland	Ancillary sanctions proceeding pending before the ALJ.
337-TA-543	Certain Baseband Processor Chips and Chipsets, Transmitter and Receiver (Radio) Chips, Power Control Chips, and Products Containing Same, Including Cellular Telephone Handsets	No foreign respondents	Pending before the Commission.
337-TA-545	Certain Laminated Floor Panels	Korea, Ireland, China, Canada,	Pending before the Commission.
337-TA-546	Certain Male Prophylactic Devices	India	Pending before the ALJ.
337-TA-550	Certain Modified Vaccinia Ankara ("MVA") Viruses and Vaccines and Pharmaceutical Compositions Based Thereon	United Kingdom	Pending before the Commission.
337-TA-551	Certain Laser Bar Code Scanners and Scan Engines, Components Thereof And Products Containing Same	China	Pending before the ALJ.
337-TA-553	Certain NAND Flash Memory Devices and Products Containing Same	Japan	Pending before the Commission.
337-TA-556	Certain High-Brightness Light Emitting Diodes and Products Containing Same	Taiwan	Pending before the ALJ.
337-TA-557	Certain Automotive Parts	Taiwan	Pending before the Commission.
See footnotes at end of table.			

Table A.9 (continued)

Status of Investigation	Article	Country ^a	Commission determination
337-TA-558	Certain Personal Computer/Consumer Electronic Convergent Devices, Components Thereof, and Products Containing Same	Taiwan	Pending before the ALJ.
337-TA-559	Certain Digital Processors and Digital Processing Systems, Components Thereof, and Products Containing Same	Netherlands	Pending before the ALJ.
337-TA-560	Certain NOR and NAND Flash Memory Devices and Products Containing Same	Switzerland	Pending before the ALJ.
337-TA-561	Certain Combination Motor and Transmission Systems and Devices Used Therein, and Products Containing Same	Japan	Pending before the Commission.
337-TA-564	Certain Voltage Regulators, Components Thereof and Products Containing Same	No foreign respondents	Pending before the ALJ.
337-TA-565	Certain Ink Cartridges and Components Thereof	Hong Kong, China, Germany, Korea	Pending before the ALJ.
337-TA-567	Certain Foam Footwear	Canada	Pending before the ALJ.
337-TA-569	Certain Endoscopic Probes for Uses in Argon Plasma Coagulation Systems	Germany	Pending before the ALJ.
337-TA-571	Certain L-Lysine Feed Products, Their Methods of Production and Genetic Constructs for Production	Hong Kong, China	Pending before the ALJ.
337-TA-572	Certain Insulin Delivery Devices, Including Cartridges Having Adaptor Tops, and Components Thereof	Germany, France	Pending before the Commission.
337-TA-574	Certain Equipment for Telecommunications or Data Communications Networks, Including Routers, Switches, and Hubs, and Components Thereof	France	Pending before the ALJ.
337-TA-575	Certain Lighters	China	Pending before the ALJ.
337-TA-577	Certain Wireless Communication Equipment, Articles Therein, and Products Containing the Same	Sweden	Pending before the ALJ.

See footnotes at end of table.

Table A.9 (continued)

Status of Investigation	Article	Country ^a	Commission determination
337-TA-578	Certain Mobile Telephone Handsets, Wireless Communication Devices, and Components Thereof	Finland	Pending before the ALJ.
337-TA-579	Certain Nickel Metal Hydride Consumer Batteries, Components Thereof, and Consumer Electronic Products Containing Same	Germany	Pending before the ALJ.
337-TA-580	Certain Peripheral Devices and Components Thereof and Products Containing the Same	No foreign respondents	Pending before the Commission.
337-TA-581	Certain Inkjet Ink Supplies and Components Thereof	China	Pending before the ALJ.
337-TA-582	Certain Hydraulic Excavators and Components Thereof	Canada	Pending before the ALJ.
337-TA-583	Certain Wireless Communication Devices, Components Thereof, and Products Containing Same	Korea	Pending before the ALJ.
337-TA-584	Certain Alendronate Salts and Products Containing Same	India	Pending before the ALJ.
337-TA-585	Certain Engines, Components Thereof, and Products Containing Same	China	Pending before the ALJ.
337-TA-586	Certain Stringed Musical Instruments and Components Thereof	France, Germany	Pending before the ALJ.
337-TA-587	Certain Connecting Devices For Use With Modular Compressed Air Conditioning Units, Including Filters, Regulators, and Lubricators ("FRL'S") That Are Part of Larger Pneumatic Systems and The FRL Units They Connect	Japan, China	Pending before the ALJ.
337-TA-588	Certain Digital Multimeters, and Products with Multimeter Functionality	China, Hong Kong	Pending before the ALJ.
337-TA-589	Certain Switches and Products Containing Same	Taiwan, Japan	Pending before the ALJ.

Source: U.S. International Trade Commission.

^a This column lists the countries of the foreign respondents named in the investigation.

^b Inv. No 337-TA-524 was terminated on July 8, 2005; sanctions proceeding pending.

Table A.10 Outstanding Section 337 exclusion orders as of December 31, 2006

Investigation No.	Article	Country ^a	Date patent expires ^b
337-TA-55	Certain Novelty Glasses	Hong Kong	Nonpatent
337-TA-69	Certain Airtight Cast-Iron Stoves	Taiwan, Korea	Nonpatent
337-TA-87	Certain Coin-Operated Audio-Visual Games and Components Thereof	Japan, Taiwan	Nonpatent
337-TA-105	Certain Coin-Operated Audio-Visual Games and Components Thereof	Japan, Taiwan	Nonpatent
337-TA-112	Certain Cube Puzzles	Taiwan, Japan, Canada	Nonpatent
337-TA-114	Certain Miniature Plug-In Blade Fuses	Taiwan	Nonpatent
337-TA-118	Certain Sneakers With Fabric Uppers and Rubber Soles	Korea	Nonpatent
337-TA-137	Certain Heavy-Duty Staple Gun Tackers	Taiwan, Hong Kong, Korea	Nonpatent
337-TA-152	Certain Plastic Food Storage Containers	Hong Kong, Taiwan	Nonpatent
337-TA-167	Certain Single Handle Faucets	Taiwan	Nonpatent
337-TA-174	Certain Woodworking Machines	Taiwan, South Africa	Nonpatent
337-TA-195	Certain Cloisonne Jewelry	Taiwan	Nonpatent
337-TA-197	Certain Compound Action Metal Cutting Snips and Components Thereof	Taiwan	Nonpatent
337-TA-229	Certain Nut Jewelry and Parts Thereof	Philippines, Taiwan	Nonpatent
337-TA-231	Certain Soft Sculpture Dolls, Popularly Known as "Cabbage Patch Kids," Related Literature, and Packaging Therefore	No foreign respondents	Nonpatent
337-TA-266	Certain Reclosable Plastic Bags and Tubing	Singapore, Taiwan, Korea, Thailand, Hong Kong	Nonpatent
337-TA-279	Certain Plastic Light Duty Screw Anchors	Taiwan	Nonpatent
337-TA-285	Certain Chemiluminescent Compositions and Components Thereof and Methods of Using, and Products Incorporating, the Same	France	Nonpatent
337-TA-287	Certain Strip Lights	Taiwan	Nonpatent

See footnotes and end of table.

Table A.10 (continued)

Investigation No.	Article	Country ^a	Date patent expires ^b
337-TA-295	Certain Novelty Teleidoscopes	Hong Kong, Taiwan	Nonpatent
337-TA-319	Certain Automotive Fuel Caps and Radiator Caps and Related Packaging and Promotional Materials	Taiwan	Nonpatent
337-TA-321	Certain Soft Drinks and Their Containers	Colombia	Nonpatent
337-TA-333	Certain Woodworking Accessories	Taiwan	Mar. 2, 2008 ^c
337-TA-360	Certain Devices For Connecting Computers Via Telephone Lines	Taiwan	Feb. 13, 2007
337-TA-365	Certain Audible Alarm Devices For Divers	Taiwan	Aug. 21, 2007 ^c Oct. 12, 2008 ^c
337-TA-374	Certain Electrical Connectors and Products Containing Same	Taiwan	Jan. 22, 2008
337-TA-376	Certain Variable Speed Wind Turbines and Components Thereof	Germany	Feb. 1, 2011 ^c
337-TA-378	Certain Asian-Style Kamaboko Fish Cakes	Japan	Nonpatent
337-TA-380	Certain Agricultural Tractors Under 50 Power Take-Off Horsepower	Japan	Nonpatent
337-TA-383	Certain Hardware Logic Emulation Systems and Components Thereof	France	Oct. 5, 2008 Oct. 5, 2008 Oct. 5, 2008 Apr. 28, 2009 Apr. 28, 2009
337-TA-406	Certain Lens-Fitted Film Packages	China, Hong Kong, Korea	Sept. 4, 2007 Sept. 4, 2007 Nov. 27, 2007 Apr. 5, 2008 Nov. 5, 2008 Mar. 7, 2009 Aug. 10, 2010 Aug. 13, 2010 Nov. 1, 2011 Jan. 10, 2012 Apr. 18, 2012 July 25, 2012
337-TA-413	Certain Rare-Earth Magnets and Magnetic Material and Articles Containing Same	China, Taiwan	June 7, 2015

See footnotes at end of table.

Table A.10 (continued)

Investigation No.	Article	Country ^a	Date patent expires ^b
337-TA-416	Certain Compact Multipurpose Tools	China, Taiwan	July 1, 2011 Oct. 21, 2011 Oct. 21, 2011 Oct. 21, 2011
337-TA-422	Certain Two-Handle Centerset Faucets and Escutcheons, and Components Thereof	Taiwan, China	May 31, 2008
337-TA-424	Certain Cigarettes and Packaging Thereof	No foreign respondents	Nonpatent
337-TA-440	Certain 4-Androstenediol	China	July 13, 2018
337-TA-446	Certain Ink Jet Cartridges and Components Thereof	Taiwan	Nov. 3, 2007 Dec. 22, 2008 Apr. 25, 2012
337-TA-448	Certain Oscillating Sprinklers, Sprinkler Components, and Nozzles	Taiwan, Israel, Germany	July 8, 2014 July 8, 2014
337-TA-448	Certain Oscillating Sprinklers, Sprinkler Components, and Nozzles	Taiwan, Israel, Germany	July 8, 2014 July 8, 2014
337-TA-473	Certain Video Game Systems, Accessories, and Components Thereof	No foreign respondents	Dec. 18, 2015 Dec. 25, 2015
337-TA-481/491	Certain Display Controllers with Upscaling Functionality and Products Containing Same; and Certain Display Controllers and Products Containing Same	Taiwan	Feb. 24, 2017
337-TA-482	Certain Compact Disc and DVD Holders	Denmark, Hong Kong, Taiwan	May 1, 2015
337-TA-486	Certain Agricultural Tractors, Lawn Tractors, Riding Lawnmowers, and Components Thereof	China	Nonpatent
337-TA-489	Certain Sildenafil or Any Pharmaceutically Acceptable Salt Thereof, Such as Sildenafil Citrate, and Products Containing Same	Belize, Israel, Nicaragua, Syria, United Kingdom, India, China	June 18, 2011
337-TA-492	Certain Plastic Grocery and Retail Bags	Thailand, China, Singapore, Hong Kong	Dec. 6, 2010
337-TA-494	Certain Automotive Measuring Devices, Products Containing Same, and Bezels for Such Devices	Taiwan	Nonpatent
337-TA-498	Certain Insect Traps	No foreign respondents	Jan. 30, 2018
337-TA-500	Certain Purple Protective Gloves	Malaysia	Nonpatent

See footnotes at end of table.

Table A.10 (continued)

Investigation No.	Article	Country ^a	Date patent expires ^b
337-TA-503	Certain Automated Mechanical Transmission Systems for Medium-Duty and Heavy-Duty Trucks, and Components Thereof	Germany	Feb. 6, 2007
337-TA-505	Certain Gun Barrels Used in Firearms	Switzerland, Netherlands	Sept. 25, 2015 Aug. 25, 2017
337-TA-511	Certain Pet Food Treats	China	Sept. 23, 2011
337-TA-512	Certain Light-Emitting Diodes And Products Containing Same	Malaysia	July 27, 2018 July 27, 2018 July 27, 2018 Jan. 18, 2015
337-TA-514	Certain Plastic Food Containers	China	Oct. 19, 2013 Dec. 23, 2017 Dec. 23, 2017
337-TA-518	Certain Ear Protection Devices	China, Taiwan	June 2, 2015
337-TA-522	Certain Ink Markers and Packaging Thereof	China, India, Korea	Nonpatent
337-TA-528	Certain Foam Masking Tape	Spain, Netherlands, Portugal, Canada, France, Germany	May 10, 2011
337-TA-533	Certain Rubber Antidegradants, Components Thereof, and Products Containing Same	China, Korea	Jun. 21, 2011 Jun. 21, 2011
337-TA-538	Certain Audio Processing Integrated Circuits, and Products Containing Same	China	Nov. 20, 2020 Nov. 20, 2020
337-TA-539	Certain Tadalafil or Any Salt or Solvate Thereof, and Products Containing Same	India, Panama, Haiti, Nicaragua, Mexico, Australia	Jun. 12, 2016
337-TA-541	Certain Power Supply Controllers and Products Containing Same	Taiwan	Sept. 24, 2019 Sept. 24, 2019
337-TA-549	Certain Ink Sticks for Solid Ink Printers	Korea	Apr. 29, 2022 Apr. 29, 2022 Apr. 29, 2022
337-TA-563	Certain Portable Power Stations and Packaging Therefore	China	Feb. 4, 2017

Source: U.S. International Trade Commission.

^a This column lists the countries of the foreign respondents named in the investigation.

^b Multiple dates indicate the expiration dates of separate patents within the investigation.

^c Patent term extended pursuant to 35 U.S.C. 154(c).

Table A.11 U.S. imports for consumption of leading GSP duty-free imports, 2006 (1,000 dollars)

HTS No.	Description	Total imports	GSP eligible	GSP duty free
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more.	99,023,262	13,031,649	8,535,780
7113.19.50	Articles of jewelry and parts thereof, of precious metal except silver, except necklaces and clasps.	6,640,712	3,915,398	3,475,330
7606.12.30	Aluminum alloy plates, sheets, and strip, of a thickness exceeding 0.2 mm, rectangular (including square), not clad.	2,511,948	660,312	571,585
7403.11.00	Refined copper cathodes and sections of cathodes.	6,164,848	1,441,441	448,472
7113.19.29	Gold necklaces and neck chains, other than rope or mixed link.	978,815	528,936	427,396
2905.11.20	Methanol (methyl alcohol), n.e.s.o.i.	1,618,172	1,463,943	425,500
7113.11.50	Articles of jewelry and parts thereof, of silver, n.e.s.o.i., valued over \$18 per dozen pieces or parts.	1,044,434	389,585	341,880
3907.60.00	Polyethylene terephthalate in primary forms.	1,171,533	334,079	330,785
8544.30.00	Ignition wiring sets, other wiring sets of a kind used in vehicles, aircraft or ships.	6,029,250	583,822	329,202
7202.41.00	Ferrochromium containing more than 3 percent of carbon.	272,908	272,106	270,227
8708.39.50	Brakes and servo-brakes and parts thereof, n.e.s.o.i., excluding mounted brake linings, for motor vehicles not agricultural tractors.	3,507,100	305,779	256,925
1701.11.10	Raw sugar not containing added flavoring or coloring.	691,066	547,717	227,176
8502.31.00	Wind-powered electric generating sets.	1,208,667	217,118	212,610
8708.99.80	Parts and accessories n.e.s.o.i., of motor vehicles, n.e.s.o.i.	6,607,019	257,441	209,421
4011.10.10	New pneumatic radial tires, of rubber, of a kind used on motor cars, including station wagons and racing cars.	3,787,995	437,119	199,324
4011.20.10	New pneumatic radial tires, of rubber, of a kind used on buses or trucks	2,943,183	270,523	183,289
4418.90.45	Builders' joinery and carpentry of wood, including cellular wood panels, n.e.s.o.i.	1,454,980	187,569	178,961
3923.21.00	Sacks and bags, including cones, for the conveyance or packing of goods, of polymers of ethylene	1,456,013	265,027	178,256
7408.11.60	Refined copper wire, with a maximum cross-sectional dimension over 6 but not over 9.5 millimeters.	2,353,566	906,382	177,909
7202.30.00	Ferrosilicon manganese.	287,761	172,841	172,464
	Top 20 items.	149,753,233	26,188,788	17,152,493
	All other.	1,684,954,858	26,125,609	15,444,161
	Total.	1,834,708,092	52,314,397	32,596,654

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Figures do not include U.S. Virgin Island imports. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

Table A.12 U.S. imports for consumption and imports eligible for GSP treatment, by import categories under the Harmonized Tariff Schedule, 2006
(Million dollars)

HTS Sector	Rank	Description	Total imports	GSP eligible	GSP duty free
Section I	1	Live animals; animal products.	19,559	84	70
Section II	2	Vegetable products.. . . .	20,053	1,215	306
Section III	3	Animal and vegetable fats, oils, and waxes.	2,795	170	158
Section IV	4	Prepared foodstuffs; beverages, spirits; tobacco.	37,478	2,530	1,445
Section V	5	Mineral products.	314,168	15,325	8,873
Section VI	6	Chemical products.	132,541	3,340	1,650
Section VII	7	Plastics and rubber.	51,534	3,296	2,341
Section VIII	8	Raw hides and skins, leather, furskins, saddlery; handbags.	10,591	586	513
Section IX	9	Wood; charcoal; cork; straw and other plating materials.	23,584	1,365	992
Section X	10	Wood pulp; paper and paperboard.. . . .	26,814	0	0
Section XI	11	Textiles and textile articles.	96,143	454	304
Section XII	12	Footwear, headgear, umbrellas; artificial flowers.	22,418	39	32
Section XIII	13	Stone, plaster, cement, asbestos ceramic and glass articles.. . . .	17,503	2,097	917
Section XIV	14	Pearls, precious or semi-precious stones; imitation jewellery.	43,932	5,264	4,527
Section XV	15	Base metals and articles of base metal.	114,270	6,377	3,984
Section XVI	16	Machinery and appliances; electrical equipment.	470,446	6,611	3,930
Section XVII	17	Vehicles, aircraft, vessels, transport equipment.	237,744	2,026	1,557
Section XVIII	18	Optical, photographic, medical, and musical instruments; clocks.	55,771	910	488
Section XIX	19	Arms and ammunition; parts and accessories thereof.	1,824	83	79
Section XX	20	Miscellaneous manufactured articles.	69,126	544	430
Section XXI	21	Work of art, collectors' pieces and antiques.. . . .	6,643	0	0
Section XXII	22	Special classification provisions.	59,770	0	0
Total.			1,834,708	52,314	32,579

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown.

Table A.13 U.S. imports for consumption under AGOA provisions, by source, 2004-06

Rank	Source	2004	2005	2006	Percent Change 2005-06
		<i>1,000 dollars</i>			
1	Nigeria.	15,415,913	22,460,052	25,823,091	15.0
2	Angola.	1,249,211	4,216,469	4,532,941	7.5
3	Chad.	293,801	1,028,954	1,531,433	48.8
4	Gabon.	1,919,407	2,487,326	1,290,031	-48.1
5	Republic of the Congo.	342,248	571,419	774,536	35.5
6	Republic of South Africa.	832,441	455,316	717,439	57.6
7	Lesotho.	447,622	388,344	384,452	-1.0
8	Kenya.	279,898	272,131	265,051	-2.6
9	Madagascar.	314,842	273,193	229,541	-16.0
10	Cameroon.	242,725	100,910	152,394	51.0
11	Mauritius.	147,816	146,807	145,843	-0.7
12	Swaziland.	175,927	160,462	135,425	-15.6
13	Ghana.	63,170	49,927	34,874	-30.2
14	Namibia.	75,904	53,058	33,019	-37.8
15	Malawi.	35,052	32,375	29,901	-7.6
16	Botswana.	20,138	30,044	28,225	-6.1
17	Senegal.	7	9	14,239	155,149.6
18	Ethiopia.	3,532	3,646	5,000	37.1
19	Tanzania.	2,984	2,812	3,022	7.5
20	Uganda.	4,022	4,854	1,490	-69.3
21	Mozambique.	2,151	2,828	940	-66.8
22	Cape Verde.	2,902	2,115	85	-96.0
23	Zambia.	22	0	8	-
24	Burkina Faso.	0	0	6	-
25	Mali.	3	0	3	-
26	Niger.	0	24	1	-97.2
	Rwanda.	0	1	0	-100.0
	Côte d'Ivoire.	88,601	0	0	-
	Guinea-Bissau.	26,131	0	0	-
	Sierra Leone.	3	0	0	-
	Benin.	0	0	0	-
	Burundi.	0	0	0	-
	Democratic Rep of the Congo.	0	0	0	-
	Djibouti.	0	0	0	-
	The Gambia.	0	0	0	-
	Guinea.	0	0	0	-
	Mauritania.	0	0	0	-
	São Tomé and Príncipe.	0	0	0	-
	Seychelles.	0	0	0	-
	Total.	21,986,472	32,743,077	36,132,990	10.4

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown.

Table A.14 U.S. imports for consumption of leading imports under AGOA, 2004-06

HTS No.	Description	2004	2005	2006	Percent Change 2005-06
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more.....	18,548,189	28,013,930	31,161,473	11.2
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	314,487	1,269,922	1,722,917	35.7
2710.19.05	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing under 25 degrees A.P.I.....	550,644	1,105,736	870,676	-21.3
8703.23.00	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity 1,500-3000 cc.	205,157	121,082	328,807	171.6
2710.11.25	Naphthas, not motor fuel/blending stock, from petroleum oils/oils from bituminous minerals, minimum 70 percent by weight of such products.....	220,652	380,440	318,064	-16.4
6204.62.40	Women's or girls' trousers, breeches, and shorts, not knitted or crocheted, of cotton, n.e.s.o.i.	314,851	284,633	267,699	-5.9
6110.20.20	Sweaters, pullovers, sweatshirts, waistcoats, and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.....	360,754	285,664	227,537	-20.3
6203.42.40	Men's or boys' trousers, breeches, and shorts, not knitted or crocheted, of cotton, not containing 15 percent or more down.	277,652	253,972	225,849	-11.1
7202.11.50	Ferromanganese containing by weight more than 4 percent carbon.	143,210	62,785	97,833	55.8
6110.30.30	Sweaters, pullovers, sweatshirts, waistcoats, and similar articles, knitted or crocheted, of man-made fibers, n.e.s.o.i.	77,738	87,620	66,508	-24.1
6205.20.20	Men's or boys' shirts, not knitted or crocheted, of cotton, not certified hand-loomed and folklore product.	74,299	76,563	64,871	-15.3
6104.62.20	Women's or girls' trousers, breeches, and shorts, knitted or crocheted, of cotton.	66,849	58,505	57,456	-1.8
6109.10.00	T-shirts, singlets, tank tops, and similar garments, knitted or crocheted, of cotton.	69,415	52,984	51,366	-3.1
6105.10.00	Men's or boys' shirts, knitted or crocheted, of cotton.....	23,290	29,886	49,017	64.0
2710.11.45	Mixtures of hydrocarbons n.e.s.o.i., none comprising over half of product, 70 or more by weight from petroleum oils and bituminous minerals.	6	102,094	47,803	-53.2
0805.10.00	Oranges, fresh or dried.....	26,431	31,420	46,171	46.9
3823.70.60	Industrial fatty alcohols, other than derived from fatty substances of animal or vegetable origin.....	21,986	32,693	46,091	41.0
1604.14.40	Tuna and skipjack, not in airtight containers.	0	3,415	35,488	939.3
6104.63.20	Women's or girls' trousers, breeches and shorts, knitted or crocheted, of synthetic fibers, n.e.s.o.i.	35,434	32,980	30,407	-7.8
2207.10.60	Undenatured ethyl alcohol for nonbeverage purposes.....	14,445	19,409	29,228	50.6
2204.21.50	Non-sparkling wine of fresh grapes, other than Tokay, not over 14 percent alcohol, in containers not over 2 liters.	18,241	27,356	27,467	0.4
6106.10.00	Women's or girls' blouses and shirts, knitted or crocheted, of cotton.	28,089	20,282	23,377	15.3
6103.43.15	Men's or boys' trousers, breeches and shorts, knitted or crocheted, of synthetic fibers, n.e.s.o.i.	39,244	29,984	20,410	-31.9
6103.42.10	Men's and boys' trousers, breeches, and shorts, knitted or crocheted, of cotton.....	23,813	20,137	18,637	-7.5
2710.11.15	Light motor fuel, 70 percent or more by weight from petroleum oils and bituminous minerals, other than crude.....	0	20,028	17,654	-11.8%
	Total of items shown.....	21,454,875	32,423,519	35,852,806	10.6
	All other.....	531,597	319,558	280,184	-12.3
	Total of all commodities.....	21,986,472	32,743,077	36,132,990	10.4

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

Table A.15 U.S. imports for consumption under ATPA provisions, by source 2004-06

Rank	Source	2004	2005	2006	Percent change 2005-06
			<i>1,000 dollars</i>		
1	Ecuador.	2,747,335	4,370,654	5,325,193	21.8
2	Colombia.	3,888,888	4,653,248	4,791,187	3.0
3	Peru.	1,602,673	2,282,661	3,201,851	40.3
4	Bolivia.	120,363	157,386	166,216	5.6
	Total.	8,359,258	11,463,949	13,484,448	17.6

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to the totals shown.

Table A.16 U.S. imports for consumption of leading imports under ATPA, 2004-06

HTS No.	Description	2004	2005	2006	Percent
					Change
					2005-06
<i>1,000 dollars</i>					
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	2,891,605	5,182,127	5,872,958	13.3
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more.	1,742,257	1,770,339	2,165,942	22.3
7403.11.00	Refined copper cathodes and sections of cathodes.	422,392	556,350	992,968	78.5
2710.11.25	Naphthas, not motor fuel/blending stock, from petroleum oils/oils from bituminous minerals, minimum 70 percent by weight of such products.	253,009	406,173	612,969	50.9
2710.19.05	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing under 25 degrees A.P.I.	378,163	541,470	458,833	-15.3
6110.20.20	Sweaters, pullovers, sweatshirts, waistcoats, and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	297,903	295,156	318,240	7.8
0603.10.60	Roses, fresh cut.	238,799	263,076	288,394	9.6
6105.10.00	Men's or boys' shirts, knitted or crocheted, of cotton.	153,443	193,835	190,706	-1.6
0603.10.80	Cut flowers and flower buds suitable for bouquets, n.e.s.o.i.	181,902	159,410	171,989	7.9
6109.10.00	T-shirts, singlets, tank tops, and similar garments, knitted or crocheted, of cotton.	128,319	164,190	168,791	2.8
6203.42.40	Men's or boys' trousers, breeches, and shorts, not knitted or crocheted, of cotton, not containing 15 percent or more down.	96,972	156,388	140,800	-10.0
0709.20.90	Asparagus, fresh or chilled, n.e.s.o.i.	79,478	87,130	126,571	45.3
0603.10.70	Chrysanthemums, standard carnations, anthuriums and orchids, fresh cut.	98,123	96,846	100,868	4.2
7113.19.50	Articles of jewelry and parts thereof, of precious metal except silver, except necklaces and clasps.	76,376	80,117	85,606	6.9
1701.11.10	Raw sugar not containing added flavoring or coloring.	21,158	18,203	71,847	294.7
6106.10.00	Women's or girls' blouses and shirts, knitted or crocheted, of cotton.	44,605	64,213	66,608	3.7
1604.14.30	Tunas and skipjack, not in oil, in airtight containers, n.e.s.o.i.	31,466	47,814	64,860	35.7
6204.62.40	Women's or girls' trousers, breeches, and shorts, not knitted or crocheted, of cotton, n.e.s.o.i.	63,767	55,793	50,464	-9.6
7610.10.00	Doors, windows, and their frames and thresholds for doors, of aluminum.	10,929	17,677	45,504	157.4
7113.19.29	Gold necklaces and neck chains, other than rope or mixed link.	40,765	44,188	43,317	-2.0
2613.90.00	Molybdenum ores and concentrates, not roasted.	2,729	14,946	41,139	175.2
2402.20.80	Cigarettes containing tobacco but not clove, paper-wrapped.	57,946	39,097	38,340	-1.9
6110.30.30	Sweaters, pullovers, sweatshirts, waistcoats, and similar articles, knitted or crocheted, of man-made fibers, n.e.s.o.i.	27,819	24,578	36,692	49.3
2005.90.80	Artichokes, prepared or preserved otherwise than by vinegar or acetic acid, not frozen.	8,842	16,628	35,912	116.0
3904.10.00	Polyvinyl chloride, not mixed with any other substances, in primary forms.	16,442	44,960	33,844	-24.7
	Total of items shown.	7,365,207	10,340,704	12,224,160	18.2
	All other.	994,051	1,123,245	1,260,288	12.2
	Total of all commodities.	8,359,258	11,463,949	13,484,448	17.6

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

Table A.17 U.S. imports for consumption under CBERA provisions, by source, 2004-06
(1,000 dollars)

Rank	Source	2004	2005	2006	Percent change 2005-06
1	Trinidad and Tobago.	1,674,430	2,734,524	3,677,726	34.5
2	Dominican Republic.	2,598,254	2,483,579	2,481,035	-0.1
3	Costa Rica.	1,078,966	1,157,763	1,382,065	19.4
4	Guatemala.	1,189,520	1,246,183	652,845	-47.6
5	Honduras.	2,314,464	2,372,315	555,925	-76.6
6	Haiti.	218,264	303,390	379,321	25.0
7	Jamaica.	166,708	152,163	245,755	61.5
8	El Salvador.	1,125,843	1,226,033	154,121	-87.4
9	Bahamas.	92,705	111,345	125,056	12.3
10	Nicaragua.	331,229	403,798	110,981	-72.5
11	Belize.	44,447	54,749	72,221	31.9
12	Panama.	32,791	40,751	33,828	-17.0
13	St Kitts-Nevis.	29,663	25,211	24,750	-1.8
14	St. Lucia.	5,836	6,353	7,076	11.4
15	Guyana.	21,048	6,721	5,098	-24.2
16	Barbados.	3,513	3,859	4,765	23.5
17	Netherlands Antilles.	5,206	6,763	2,157	-68.1
18	British Virgin Islands.	319	198	223	12.3
19	St. Vincent and Grenadines.	2,925	521	210	-59.6
20	Aruba.	29	30	171	467.2
21	Dominica.	369	79	66	-16.8
22	Grenada.	11	9	56	508.5
23	Antigua.	51	34	23	-30.4
24	Montserrat.	0	0	0	-
	Total.	10,936,621	12,336,372	9,915,473	19.6

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. Data for 2006 include U.S. imports from El Salvador, Guatemala, Honduras, and Nicaragua only for the period during which those countries were eligible for CBERA benefits before CAFTA-DR entered into force.

Table A.18 U.S. imports for consumption of leading imports under CBERA, 2004-06

HTS No.	Description	2004	2005	2006	Percent
					Change
		1,000 dollars			2005-06
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more..	802,713	1,076,028	1,693,823	57.4
2905.11.20	Methanol (methyl alcohol), n.e.s.o.i..	460,208	700,604	1,029,660	47.0
6109.10.00	T-shirts, singlets, tank tops, and similar garments, knitted or crocheted, of cotton.	1,266,969	1,301,437	607,282	-53.3
2710.19.05	Distillate and residual fuel oil (including blends) derived from petroleum or oils from bituminous minerals, testing under 25 degrees A.P.I..	205,236	474,595	517,694	9.1
6203.42.40	Men's or boys' trousers, breeches, and shorts, not knitted or crocheted, of cotton, not containing 15 percent or more down.	797,626	730,118	449,480	-38.4
6110.20.20	Sweaters, pullovers, sweatshirts, waistcoats, and similar articles, knitted or crocheted, of cotton, n.e.s.o.i..	830,281	1,033,152	392,969	-62.0
2207.10.60	Undenatured ethyl alcohol for nonbeverage purposes..	96,813	183,568	277,154	51.0
0804.30.40	Pineapples, fresh or dried, not reduced in size, in crates or other packages.	99,141	222,797	245,597	10.2
2710.11.45	Mixtures of hydrocarbons n.e.s.o.i., none comprising over half of product, 70 percent or more by weight from petroleum oils and bituminous minerals.	14,369	182,195	245,278	34.6
7113.19.50	Articles of jewelry and parts thereof, of precious metal except silver, except necklaces and clasps.	193,815	192,918	234,104	21.3
2402.10.80	Cigars, cheroots and cigarillos, each valued 23 cents or over.	250,000	267,587	210,585	-21.3
6107.11.00	Men's or boys' underpants and briefs, knitted or crocheted, of cotton.	376,493	400,512	171,011	-57.3
6203.43.40	Men's or boys' trousers, breeches, and shorts, not knitted or crocheted, of synthetic fibers, n.e.s.o.i..	318,984	306,677	160,052	-47.8
6115.92.90	Stockings, socks, and other hosiery, not surgical and not containing lace or net, knitted or crocheted, of cotton, n.e.s.o.i..	213,763	188,188	153,502	-18.4
1701.11.10	Raw sugar not containing added flavoring or coloring.	138,293	144,325	140,276	-2.8
8536.20.00	Automatic circuit breakers, for a voltage not exceeding 1,000 volts..	94,771	84,907	134,598	58.5
6109.90.10	T-shirts, singlets, tank tops, and similar garments, knitted or crocheted, of man-made fibers.	154,890	213,489	127,476	-40.3
6204.62.40	Women's or girls' trousers, breeches, and shorts, not knitted or crocheted, of cotton, n.e.s.o.i..	294,025	249,988	122,519	-51.0
3903.11.00	Polystyrene, expandable, in primary forms.	86,518	107,456	121,455	13.0
6212.10.90	Brassieres, not containing lace, net, or embroidery, not 70 percent or more silk, whether or not knitted or crocheted.	337,205	279,473	117,029	-58.1
0807.19.20	Cantaloupes, fresh, not entered Aug. 1-Sept. 15..	83,046	100,745	95,312	-5.4
6212.10.50	Brassieres containing lace, net or embroidery, under 70 percent by weight of silk or silk waste, whether or not knitted or crocheted..	42,850	61,582	93,116	51.2
6108.21.00	Women's or girls' briefs and panties, knitted or crocheted, of cotton.	223,392	203,827	92,790	-54.5
0804.30.60	Pineapples, fresh or dried, reduced in size.	8,603	2,547	89,763	3,424.6
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	179,559	131,857	76,540	-42.0
	Total of items shown.	7,569,561	8,840,572	7,599,066	-14.0
	All other.	3,367,060	3,495,800	2,316,408	-33.7
	Total of all commodities.	10,936,621	12,336,372	9,915,473	-19.6

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included." Data for 2006 include U.S. imports from El Salvador, Guatemala, Honduras, and Nicaragua only for the period during which those countries were eligible for CBERA benefits before CAFTA-DR entered into force.

Table A.19 WTO dispute-settlement cases to which the United States was a party, developments in 2006^a

Case No.	Title	Complainant	Action (Month/Day/Year)
DS27	European Communities – Regime for the Importation, Sale and Distribution of Bananas	Ecuador; Guatemala; Honduras; Mexico; United States	Honduras, Nicaragua, and Panama request consultations relating to consistency of EC Council regulation with Doha Waiver on banana trade (11/30/05). Ecuador requests consultations (11/16/06). Ecuador submits revised request for consultations (11/28/06). Colombia (11/29/2006), Belize, Côte d'Ivoire, Dominica, the Dominican Republic, Saint Lucia, St. Vincent and the Grenadines, and Suriname (11/30/06), Cameroon (12/04/06), Jamaica (12/06/06), and Panama and the United States (12/11/06) subsequently request to join the consultations. The European Communities accept the requests of Belize, Cameroon, Colombia, Côte d'Ivoire, Dominica, the Dominican Republic, Jamaica, Panama, Saint Lucia, St. Vincent and the Grenadines, Suriname and the United States to join the consultations (11/30/2006).
DS108	United States – Tax Treatment for “Foreign Sales Corporations”	European Communities	Second Recourse to Article 21.5 Appellate Body Report circulated (02/13/06). DSB adopts the Appellate Body report and the Panel report, as upheld by the Appellate Body report (03/14/06).
DS174	European Communities – Protection of Trademarks and Geographical Indications for Agricultural Products and Foodstuffs	United States	DSB adopts Panel report (04/20/05). The European Communities state that it has fully implemented the DSB's recommendations and rulings (04/21/06). Australia and the United States disagree that the European Communities have fully implemented the DSB's recommendations and rulings, and invite the European Communities to revise the newly promulgated regulation (04/21/06).
DS217 DS234	United States – Continued Dumping and Subsidy Offset Act of 2000	Australia; Brazil; Chile; European Communities; India; Indonesia; Japan; Korea; Thailand (DS217) Canada; Mexico (DS234)	Statement of Compliance by The United States (02/17/06). Complainants and Third Parties state that they welcome U.S. steps but disagree with the U.S. claim it is in full compliance (02/17/06). The European Communities notify the DSB of new list of products on which additional import duty will apply (04/28/06). Japan notifies the DSB of the new list of products on which additional import duty will apply (08/22/06).
DS267	United States – Subsidies on Upland Cotton	Brazil	DSB adopts Appellate Body report and Panel report (as modified by Appellate Body report) (03/21/05). After the reasonable period of time for implementation expires (09/21/05), Brazil seeks authorization to suspend concessions, and the United States seeks arbitration. The parties subsequently seek suspension of arbitration proceedings (11/21/05). Brazil requests the establishment of a panel (08/18/06). DSB defers the establishment of a panel (09/01/06). DSB agrees, if possible, to refer the matter raised by Brazil to the original panel (09/28/06).
DS268	United States – Sunset Reviews of Anti-Dumping Measures on Oil Country Tubular Goods from Argentina	Argentina	The United States informs DSB it has implemented earlier DSB recommendations and rulings in the case; Argentina expresses doubts (12/20/05). Argentina requests consultations (01/26/06). Argentina requests the establishment of a panel (03/06/06). DSB refers the matter raised by Argentina to the original Panel (03/17/06). Compliance panel composed (03/20/06). Panel report circulated (11/30/06). Appellate Body report circulated (04/12/07).

See footnote at end of table.

Table A.19 (continued)

Case No.	Title	Complainant	Action (Month/Day/Year)
DS236 DS247 DS257 DS264 DS277 DS311	United States – Certain Softwood Lumber from Canada	Canada	Panel report circulated in DS277 (11/15/05). Canada notifies its decision to appeal the Panel report in DS277 (01/13/06). Panel report circulated in DS264 (04/03/06). Appellate Body circulates report in DS277 (04/13/06). DSB adopts the Appellate Body report and the Panel report in DS277, as reversed by the Appellate Body report (05/09/06). Appellate Body report circulated in DS264 (08/15/06). DSB adopts Appellate Body report in DS264 (09/01/06). The United States and Canada reach a mutually agreed solution in disputes WT/DS236, WT/DS247, WT/DS257, WT/DS264, WT/DS277 and WT/DS311 (09/12/06). Mutually agreed solution is notified (10/12/06). Suspended Article 22.6 arbitration proceeding is withdrawn (10/12/06).
DS281	United States – Antidumping Measures on Cement from Mexico	Mexico	Mexico asks the Panel to suspend its proceedings in the context of negotiations to find a mutually agreed solution, and the Panel agrees (01/16/06).
DS282	United States – Antidumping Measures on Oil Country Tubular Goods from Mexico	Mexico	Appellate Body report circulated (11/02/05). The United States issues statement of intent to implement the recommendations and rulings of the DSB (12/20/05). Agreement reached on the the reasonable period of time for implementation (02/15/06). Statement by Mexico of non-conformity regarding agreed timelimits (05/30/06). Mexico requests consultations under DSU Article 21.5 (08/21/06).
DS285	United States – Measures Affecting Cross-Border Supply of Gambling and Betting Services	Antigua and Barbuda	Parties agree to procedures under DSU Articles 21 and 22 (05/24/06). Antigua and Barbuda request consultations (06/08/06). Antigua and Barbuda request establishment of a panel (07/06/06). DSB refers matter to original panel if possible (07/19/06). Panel composed (08/16/06). Panel report circulated (03/30/07).
DS291	European Communities – Measures Affecting the Approval and Marketing of Biotech Products	United States	Panel reports circulated (09/29/06). DSB adopts the panel reports (11/21/06). The European Communities announce its intention to implement recommendations and rulings and announce intent to discuss appropriate timeframe pursuant to DSU Article 21.3(b) with Argentina, Canada and the United States (12/19/06).
DS294	United States – Laws, Regulations and Methodology for Calculating Dumping Margins (Zeroing)	European Communities	Panel report circulated (10/31/05). The European Communities notify its decision to appeal (01/17/06). The United States notifies its decision to appeal (01/30/06). Appellate Body report circulated (04/18/06). DSB adopts the Appellate Body report and the Panel report, as modified by the Appellate Body report (5/9/06). The United States announces that it intends to implement the DSB recommendations and rulings (05/30/06). The United States and the European Communities agree, pursuant to DSU Article 21.3(b), to the reasonable period of time for implementation (07/28/06).

See footnote at end of table.

Table A.19 (continued)

Case No.	Title	Complainant	Action (Month/Day/Year)
DS295	Mexico – Definitive Antidumping Measures on Beef and Rice	United States	DSU adopts Appellate Body report and Panel report as modified by the Appellate Body report (12/20/05). Mexico states that it will implement the recommendations and rulings of the DSB but needs agreement on the reasonable period of time for implementation; Mexico agrees to consult with the United States (01/20/06). Mexico and the United States inform DSB that they have reached agreement on the reasonable period of time for implementation; Mexico will comply in August 2006 (in part) and in December 2006 (in part) (05/18/06).
DS308	Mexico – Tax Measures on Soft Drinks and Other Beverages	United States	Appellate Body report circulated (03/06/06). DSB adopts the Appellate Body report and the Panel report, as modified by the Appellate Body report (03/24/06). The United States requests that the reasonable period of time for implementation be determined through binding arbitration pursuant to DSU Article 21.3(c) (06/22/06). Mutual agreement reached on the reasonable period of time for implementation, with Mexico agreeing to comply in January 2007; the United States withdraws its request for arbitration (07/03/06).
DS315	European Communities – Selected Customs Matters	United States	Panel report circulated (06/16/06). The United States notifies its intention to appeal (0/8/14/06). Appellate Body report circulated (11/13/06). DSB adopts the Appellate Body report and the Panel report, as modified by the Appellate Body report (12/11/06).
DS316	European Communities – Measures Affecting Trade in Large Civil Aircraft	United States	Panel composed (10/07/05). Chairman of Panel informs the DSB that Panel will not be able to complete its work within the standard 6-month timeframe (04/13/06).
DS317	United States – Measures Affecting Trade in Large Civil Aircraft	United States	Panel composed (10/17/05). Second Panel established (02/17/06). Panel informs the DSB that it will not be possible to complete its work within the standard 6-month timeframe (04/13/06).
DS320	United States – Continued Suspension of Obligations in the European Communities—Hormones Dispute	European Communities	Panel composed (06/06/05). Chairman of the Panel informs the DSB that Panel will not be able to complete its work within the standard 6-month timeframe (01/20/06).
DS322	United States – Measures Relating to Zeroing and Sunset Reviews	Japan	Panel Report circulated (09/20/06). Japan notifies decision to appeal certain issues of law (10/11/06). The United States notifies its decision to appeal certain issues of law (10/23/06). Appellate Body Report circulated (01/9/07).
DS334	Turkey – Measures Affecting the Importation of Rice	United States	The United States requests establishment of a panel (02/06/06). Panel established (03/17/06). Panel composed (07/31/06).
DS335	United States – Antidumping Measure on Shrimp from Ecuador	Ecuador	Ecuador requests establishment of a panel (06/08/06). Panel established (07/19/06). Panel composed (09/26/06). Panel report circulated (01/30/07)
DS338	Canada – Provisional Antidumping and Countervailing Duties on Grain Corn from the United States	United States	The United States requests consultations (03/17/06).

See footnote at end of table.

Table A.19 (continued)

Case No.	Title	Complainant	Action (Month/Day/Year)
DS340	China – Measures Affecting Imports of Automobile Parts	United States	The United States requests consultations (03/30/06). The United States requests establishment of a panel (09/15/06). DSB establishes a single panel pursuant to DSU Article 9.1 to consider similar complaints against China made by the European Communities (DS339), the United States (DS340), and Canada (DS342) (10/26/06).
DS343	United States – Measures Relating to Shrimp from Thailand	United States	Thailand requests consultations (04/24/06). Thailand requests establishment of a panel (09/15/06). Panel established (10/26/06).
DS344	United States – Final Antidumping Measures on Stainless Steel from Mexico	Mexico	Mexico requests consultations (05/26/06). Japan requests to join the consultations (06/09/06). Mexico requests establishment of a panel (10/12/06). Panel established (10/26/06). Panel composed (12/20/06).
DS345	United States – Customs Bond Directive for Merchandise Subject to Anti-Dumping/Countervailing Duties	India	India requests consultations (06/06/06). Brazil, China, and Thailand request to join the consultations (06/21/06). India requests establishment of a panel (10/13/06). Panel established (11/21/06).
DS346	United States – Antidumping Administrative Review on Oil Country Tubular Goods from Argentina	Argentina	Argentina requests consultations (06/20/06).
DS347	European Communities and Certain Member States – Measures Affecting Trade in Large Civil Aircraft (Second Complaint)	United States	The United States requests consultations with France, Germany, Spain, the United Kingdom, and the European Communities (01/31/06). The United States requests establishment of a panel (04/10/06). Panel established (05/09/06). Panel composed (07/17/06). The United States requests the Panel to suspend its work in accordance with DSU Article 12.12 (10/06/06). Panel agrees to suspend work (10/09/06).
DS350	United States – Continued Existence and Application of Zeroing Methodology	European Communities	The European Communities request consultations (10/02/06). The European Communities expand their request for consultations (10/09/06). Japan requests to join the consultations (10/10/06). Thailand requests to join the consultations (10/12/06). Brazil and India request to join the consultations (10/13/06).
DS353	United States – Measures Affecting Trade in Large Civil Aircraft (Second Complaint)	European Communities	The European Communities request consultations with the United States (06/27/05). The European Communities request establishment of a panel (01/20/06). Panel established (02/17/06). Panel composed (11/22/06).

Source: WTO, "Chronological List of Disputes Cases," http://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm.

^a This list includes only cases in which formal action occurred in 2006; pending cases in which little or no formal action occurred are omitted. Where appropriate, pre-2006 and post-2006 actions are noted to place the 2006 actions in context.

Table A.20 NAFTA dispute-settlement cases to which the United States was a party, developments in 2006^a

<i>Chapter 19 Binational Panel Decisions</i>		
File No.	Dispute	Action (Month/Day/Year)
USA-MEX-98-1904-02	Gray Portland Cement and Clinker from Mexico (Commerce Final Results of 6 th Antidumping Administrative Review)	Case terminated by joint consent of parties in accordance with settlement agreement (04/03/06).
USA-CDA-2000-1904-09	Magnesium from Canada (USITC Five-Year Review)	Panel affirms in part and remands in part to Commission (01/17/06). Commission issues second remand determination (03/31/06). Panel affirms remand determination (10/06/06).
USA-MEX-2000-1904-10	Gray Portland Cement and Clinker from Mexico (USITC Five-Year Review)	Case stayed in accordance with settlement agreement (04/03/06).
USA-MEX-2001-1904-03	Oil Country Tubular Goods from Mexico (Commerce Full Sunset Review of the Antidumping Duty Order)	Panel remands to Commerce (02/08/2006). Commerce issues second redetermination on remand (03/17/06). Panel remands to Commerce (07/28/06). Commerce issues third redetermination on remand (08/17/06). Panel affirms in part and remands in part to Commerce (01/17/07).
USA-MEX-2001-1904-05	Oil Country Tubular Goods from Mexico (Commerce Final Results of the 4th Antidumping Duty Administrative Review)	Panel affirms in part and remands in part to Commerce (01/27/06). Commerce issues redetermination on remand (04/27/06). Panel remands to Commerce (08/11/06). Commerce issues second redetermination on remand (10/05/06). Panel affirms second redetermination on remand (01/16/07). Oral argument held (08/22/06). Panel affirms Commission determination (01/22/07).
USA-MEX-2001-1904-06	Oil Country Tubular Goods from Mexico (USITC Five-Year Review)	Panel grants motion to dismiss on grounds that revocation of antidumping duty order renders proceeding moot (01/05/07).
USA-CDA-2002-1904-02	Certain Softwood Lumber Products from Canada (Commerce Final Affirmative Antidumping Determination)	Commerce issues fifth remand determination (11/22/05). Panel affirms remand determination (03/17/06).
USA-CDA-2002-1904-03	Certain Softwood Lumber Products from Canada (Commerce Final Affirmative Countervailing Duty Determination)	
USA-CDA-2003-1904-05	Certain Durum Wheat and Hard Red Spring Wheat from Canada (Commerce Final Affirmative Countervailing Duty Determination)	Panel review terminated by joint consent of parties.

Source: NAFTA Secretariat, "Status Report NAFTA & FTA Dispute Settlement Proceedings," http://www.nafta-sec-alena.org/DefaultSite/index_e.aspx?DetailID=9.

^a This list includes only cases in which formal action occurred in 2006; pending cases in which little or no formal action occurred are omitted. Where appropriate, pre-2006 and post-2006 actions are noted to place the 2006 actions in context.

Table A.21 U.S. merchandise trade with European Union^a by SITC codes (revision 3), 2004-06

SITC Code No.	Description	2004	2005	2006	Percent change 2005-06
<i>1,000 dollars</i>					
Exports:					
0	Food and live animals.	4,394,230	4,953,976	5,050,872	2.0
1	Beverages and tobacco.	1,438,773	1,242,881	1,513,609	21.8
2	Crude materials, inedible, except fuels.	6,336,750	7,139,082	8,410,719	17.8
3	Mineral fuels, lubricants, and related materials.	2,313,345	2,821,470	5,474,533	94.0
4	Animal and vegetable oils, fats, and waxes.	125,150	136,659	249,125	82.3
5	Chemicals and related products, n.e.s.	33,767,240	36,180,399	41,402,155	14.4
6	Manufactured goods classified chiefly by material.	8,801,636	10,579,126	13,309,330	25.8
7	Machinery and transport equipment.	70,993,062	73,896,740	84,802,259	14.8
8	Miscellaneous manufactured articles.	21,916,911	23,832,338	26,752,713	12.3
9	Commodities and transactions not classified elsewhere in the SITC.	5,602,469	6,633,124	9,512,621	43.4
Total all exports commodities.		155,689,567	167,415,795	196,477,937	17.4
Imports:					
0	Food and live animals.	4,472,380	4,522,493	4,639,364	2.6
1	Beverages and tobacco.	7,118,491	7,936,490	9,126,226	15.0
2	Crude materials, inedible, except fuels.	3,006,128	3,189,926	3,449,784	8.1
3	Mineral fuels, lubricants, and related materials.	14,708,721	21,031,121	23,817,638	13.2
4	Animal and vegetable oils, fats, and waxes.	770,651	881,718	980,798	11.2
5	Chemicals and related products, n.e.s.	61,406,375	65,945,738	72,398,540	9.8
6	Manufactured goods classified chiefly by material.	30,053,699	33,166,651	36,248,353	9.3
7	Machinery and transport equipment.	109,410,500	119,368,403	124,584,387	4.4
8	Miscellaneous manufactured articles.	35,481,616	36,047,439	38,228,967	6.1
9	Commodities and transactions not classified elsewhere in the SITC.	13,330,594	14,919,135	15,814,963	6.0
Total all imports commodities.		279,759,157	307,009,114	329,289,019	7.3

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

^a Includes 25 EU countries.

Table A.22 Leading U.S. exports to the European Union^a by Schedule B subheading, 2004-06

Schedule B subheading	Description	2004	2005	2006	Percent change 2005-06
<i>1,000 dollars</i>					
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	5,609,801	5,492,372	7,192,665	31.0
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc.	2,545,819	2,476,851	6,446,580	160.3
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	5,062,701	5,604,346	6,286,650	12.2
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg.	7,483,301	5,687,843	5,905,174	3.8
9880.00	Estimate of non-Canadian low value export shipments; compiled low value and not identified by kind shipments to Canada.	3,816,953	4,171,260	4,887,881	17.2
8411.91	Parts for turbojets or turbopropellers.	3,538,011	4,109,147	4,649,499	13.1
8473.30	Parts and accessories for automated data processing machines and units.	3,719,733	3,473,924	3,306,519	-4.8
3002.10	Antisera and other blood fractions, and modified immunological products.	2,517,584	3,058,267	3,168,669	3.6
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light.	1,104,253	1,020,206	3,108,088	204.7
7108.12	Nonmonetary gold (including gold plated with platinum), unwrought, excluding powder.	390,050	958,189	2,822,681	194.6
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	2,051,458	2,255,104	2,580,029	14.4
8411.12	Turbojets of a thrust exceeding 25 kN.	1,994,111	2,620,699	2,417,686	-7.7
8802.30	Airplanes and aircraft, of an unladen weight over 2,000 kg but not over 15,000 kg.	1,590,613	1,161,400	2,403,877	107.0
8542.21	Electronic monolithic digital integrated circuits.	2,040,439	1,730,575	1,945,082	12.4
3822.00	Composite diagnostic or laboratory reagents, except pharmaceuticals.	1,830,584	2,000,085	1,939,043	-3.1
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	1,707,827	1,603,203	1,790,342	11.7
8411.99	Gas turbines parts, n.e.s.o.i.	1,326,869	1,591,973	1,683,812	5.8
9018.39	Medical etc. needles n.e.s.o.i., catheters, cannulae and the like; parts and accessories thereof.	1,320,021	1,514,500	1,587,988	4.9
8517.90	Parts of telephonic or telegraphic apparatus.	1,135,791	1,226,626	1,554,441	26.7
8471.80	Other units of automated data processing machines.	1,479,201	1,395,665	1,469,191	5.3
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated.	685,979	1,116,863	1,430,842	28.1
8517.50	Other apparatus for carrier-current line systems or for digital line systems.	1,255,761	1,685,080	1,283,017	-23.9
9021.90	Appliances n.e.s.o.i., worn, carried, or implanted in the body, to compensate for a defect or disability; parts and accessories thereof.	1,300,009	1,435,008	1,266,515	-11.7
2933.39	Heterocyclic compounds containing an unfused pyridine ring, whether or not hydrogenated, in the structure, n.e.s.o.i.	976,157	1,115,996	1,198,315	7.4
9701.10	Paintings, drawings and pastels, executed entirely by hand, framed or not framed.	569,378	780,894	1,183,541	51.6
	Total of items shown.	57,052,403	59,286,077	73,508,125	24.0
	All other.	98,637,165	108,129,718	122,969,812	13.7
	Total of all commodities.	155,689,567	167,415,795	196,477,937	17.4

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^a Includes 25 EU countries.

Table A.23 Leading U.S. imports from the European Union^a by HTS subheading, 2004-06

HTS subheading	Description	1,000 dollars			Percent change 2005-06
		2004	2005	2006	
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	15,920,585	17,021,090	19,229,538	13.0
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc.	15,401,606	17,711,575	17,878,491	0.9
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products.	7,184,306	11,280,127	15,771,606	39.8
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc.	16,482,203	15,175,183	14,115,220	-7.0
9801.00	U.S. articles exported and returned, not advanced or improved in condition; animals exported or returned.	8,115,917	9,189,694	9,692,191	5.5
2934.99	Nucleic acids and their salts, whether or not chemically defined; other heterocyclic compounds, n.e.s.o.i.	6,175,717	5,553,106	6,535,028	17.7
2933.99	Heterocyclic compounds with nitrogen hetero-atom(s) only, n.e.s.o.i.	4,620,593	5,301,701	6,487,926	22.4
9999.95	Estimated "low valued" shipments.	4,309,156	4,778,905	5,111,232	7.0
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light.	4,067,358	5,290,501	5,033,361	-4.9
8411.91	Parts for turbojets or turbopropellers.	3,676,624	4,432,733	4,903,951	10.6
9701.10	Paintings, drawings and pastels, executed entirely by hand, framed or not framed.	2,865,367	2,789,733	3,656,560	31.1
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg.	3,415,654	3,072,374	2,937,811	-4.4
7102.39	Nonindustrial diamonds, n.e.s.o.i.	2,873,612	2,901,243	2,906,405	0.2
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	1,774,484	2,047,152	2,466,827	20.5
8411.12	Turbojets of a thrust exceeding 25 kN.	1,452,077	1,808,426	2,303,996	27.4
2204.21	Wine n.e.s.o.i. of fresh grapes or fortified wine, in containers not over 2 liters.	1,765,930	1,935,901	2,207,030	14.0
3004.39	Medicaments, in measured doses, containing hormones or derivatives/steroids used primarily as hormones, but not containing antibiotics, n.e.s.o.i.	1,711,086	1,864,476	2,127,674	14.1
8473.30	Parts and accessories for automated data processing machines and units.	2,051,797	1,995,312	2,085,399	4.5
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	1,771,505	2,003,753	2,019,365	0.8
3302.10	Mixtures of odoriferous substances and mixtures with a basis of these substances, used in the food or drink industries.	1,666,651	2,025,559	2,015,523	-0.5
2844.20	Uranium and its compounds enriched in u235; plutonium and its compounds.	1,065,613	1,236,896	1,895,531	53.3
9018.39	Medical etc. needles n.e.s.o.i., catheters, cannulae and the like; parts and accessories thereof.	2,288,696	2,033,609	1,765,205	-13.2
8802.30	Airplanes and aircraft, of an unladen weight over 2,000 kg but not over 15,000 kg.	720,983	273,733	1,632,749	496.5
2933.49	Heterocyclic compounds with nitrogen hetero-atom(s) only, containing a quinoline or isoquinoline ring-system, not further fused, n.e.s.o.i.	1,201,253	1,495,983	1,600,650	7.0
2203.00	Beer made from malt.	1,299,677	1,417,336	1,592,845	12.4
	Total of items shown.	113,878,453	124,636,103	137,972,112	10.7
	All other.	165,880,705	182,373,011	191,316,907	4.9
	Total of all commodities.	279,759,157	307,009,114	329,289,019	7.3

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

^a Includes 25 EU countries.

Table A.24 U.S. merchandise trade with Canada, by SITC codes (revision 3), 2004-06

SITC Code No.	Description	2004	2005	2006	Percent Change 2005-06
<i>1,000 dollars</i>					
Exports:					
0	Food and live animals.....	8,450,034	9,523,454	10,773,764	13.1
1	Beverages and tobacco.....	472,654	533,375	639,111	19.8
2	Crude materials, inedible, except fuels.....	4,710,090	5,356,085	6,077,770	13.5
3	Mineral fuels, lubricants and related materials.....	5,386,048	8,051,559	8,413,519	4.5
4	Animal and vegetable oils, fats and waxes.....	288,416	292,147	318,853	9.1
5	Chemicals and related products, n.e.s.....	18,854,409	21,153,886	22,924,385	8.4
6	Manufactured goods classified chiefly by material.....	23,667,378	26,458,105	29,326,147	10.8
7	Machinery and transport equipment.....	79,502,194	88,563,252	94,284,864	6.5
8	Miscellaneous manufactured articles.....	16,161,522	17,338,003	18,812,784	8.5
9	Commodities and transactions not classified elsewhere in the SITC.....	5,675,143	5,965,011	6,655,246	11.6
	Total all exports commodities.....	163,167,889	183,234,877	198,226,443	8.2
Imports:					
0	Food and live animals.....	11,909,676	12,811,484	13,759,620	7.4
1	Beverages and tobacco.....	874,250	849,063	833,509	-1.8
2	Crude materials, inedible, except fuels.....	12,819,000	13,287,789	13,424,899	1.0
3	Mineral fuels, lubricants and related materials.....	48,825,684	65,362,747	72,853,322	11.5
4	Animal and vegetable oils, fats and waxes.....	480,205	444,350	561,761	26.4
5	Chemicals and related products, n.e.s.....	16,640,229	19,764,874	22,176,182	12.2
6	Manufactured goods classified chiefly by material.....	39,888,061	43,447,647	48,084,422	10.7
7	Machinery and transport equipment.....	92,758,904	98,973,065	98,002,283	-1.0
8	Miscellaneous manufactured articles.....	15,658,503	16,269,865	16,451,686	1.1
9	Commodities and transactions not classified elsewhere in the SITC.....	15,805,566	16,322,661	16,886,274	3.5
	Total all imports commodities.....	255,660,079	287,533,544	303,033,956	5.4

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

Table A.25 Leading U.S. exports to Canada, by Schedule B subheading, 2004-06

Schedule B subheading	Description	2004	2005	2006	Percent Change 2005-06
		<i>1,000 dollars</i>			
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc.	4,647,283	5,713,336	6,563,171	14.9
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc.	5,257,245	5,893,767	5,830,704	-1.1
9880.00	Estimate of non-Canadian low value export shipments; compiled low value and not identified by kind shipments to Canada.	4,509,237	5,160,461	5,213,433	1.0
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	5,311,762	5,334,026	5,168,765	-3.1
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	4,289,624	4,526,201	4,370,854	-3.4
8704.31	Motor vehicles for transporting goods, with spark-ignition internal-combustion piston engine, gross vehicle weight not exceeding 5 mt.	3,559,046	3,666,603	4,353,314	18.7
8407.34	Reciprocating spark-ignition piston engines, of a cylinder capacity over 1,000 cc.	3,400,726	3,454,891	3,956,704	14.5
8708.40	Gear boxes for motor vehicles.	2,495,050	2,526,739	2,578,630	2.1
2711.21	Natural gas, gaseous state.	1,920,983	2,787,052	2,048,280	-26.5
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light.	1,046,117	1,617,785	2,003,297	23.8
8701.20	Road tractors for semi-trailers.	1,391,587	1,556,045	1,744,422	12.1
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	1,533,809	1,511,853	1,727,685	14.3
8409.91	Parts for spark-ignition internal-combustion piston engines.	1,446,491	1,602,734	1,407,783	-12.2
7606.12	Rectangular plates, sheets and strip, over 0.2 mm thick, of aluminum alloy.	1,158,474	1,198,555	1,368,996	14.2
8704.22	Motor vehicles for goods transport n.e.s.o.i., with compression-ignition internal combustion piston engine, weighing 5 to 20 mt.	825,341	1,183,540	1,291,405	9.1
8408.20	Compression-ignition internal-combustion piston engines.	762,950	1,053,683	1,184,788	12.4
8708.39	Brakes and servo-brakes and parts for motor.	1,073,427	1,035,912	1,096,715	5.9
2716.00	Electrical energy.	829,021	1,039,075	1,051,985	1.2
7112.91	Gold waste and scrap, including metal clad with gold but excluding sweepings containing other precious metals.	524,649	471,634	1,013,415	114.9
8471.50	Digital processing units other than those of 8471.41 and 8471.49.	944,185	1,055,125	994,228	-5.8
8542.21	Electronic monolithic digital integrated circuits.	1,094,510	1,646,256	991,384	-39.8
8704.21	Trucks, n.e.s.o.i., diesel engine, gross vehicle weight not exceeding 5 mt.	1,098,813	825,059	986,868	19.6
4902.90	Newspapers, etc. appearing less than 4 times per week.	806,784	897,658	965,939	7.6
8473.30	Parts and accessories for automated data processing machines and units.	1,064,572	1,134,965	944,693	-16.8
	Total of items shown.	51,764,943	57,750,774	59,806,617	3.6
	All other.	111,402,946	125,484,103	138,419,826	10.3
	Total of all commodities.	163,167,889	183,234,877	198,226,443	8.2

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

Table A.26 Leading U.S. imports from Canada, by HTS subheading, 2004-06

HTS subheading	Description	2004	2005	2006	Percent Change 2005-06
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude.	18,888,253	24,119,768	32,889,205	36.4
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc.	30,237,806	31,373,727	30,904,832	-1.5
2711.21	Natural gas, gaseous state.	19,481,048	26,871,807	24,211,019	-9.9
9801.00	U.S. articles exported and returned, not advanced or improved in condition; animals exported or returned.	8,705,325	8,772,340	8,273,353	-5.7
8704.31	Motor vehicles for transporting goods, with spark-ignition internal-combustion piston engine, gross vehicle weight not exceeding 5 mt.	7,497,576	7,803,419	6,648,213	-14.8
4407.10	Coniferous wood sawn or chipped lengthwise, sliced or peeled, of thickness exceeding 6mm.	6,688,903	6,610,376	6,038,871	-8.6
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc.	5,564,836	4,902,269	5,588,398	14.0
9999.95	Estimated "low valued" shipments.	4,344,464	4,864,694	5,251,806	8.0
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light.	3,143,668	4,324,798	5,216,245	20.6
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	4,768,895	5,079,489	4,833,331	-4.8
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products.	3,165,699	4,181,933	4,219,239	0.9
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	3,160,575	3,376,952	3,087,567	-8.6
4801.00	Newsprint, in rolls or sheets.	2,874,785	2,979,171	2,987,037	0.3
7601.20	Unwrought aluminum alloys.	1,766,921	2,073,780	2,884,096	39.1
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	1,552,459	1,743,265	2,584,793	48.3
2716.00	Electrical energy.	1,261,442	2,479,319	2,518,429	1.6
8407.34	Reciprocating spark-ignition piston engines, of a cylinder capacity over 1,000 cc.	2,876,928	3,059,043	2,434,001	-20.4
7601.10	Aluminum, not alloyed, unwrought.	1,351,748	1,709,850	2,428,465	42.0
8701.20	Road tractors for semi-trailers.	1,045,986	1,596,118	2,412,141	51.1
4802.61	Uncoated paper/paperboard for writing/printing/other graphic purposes n.e.s.o.i., over 10 percent fiber by mechanical process, in rolls.	1,964,179	2,281,205	2,215,256	-2.9
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg.	1,739,660	2,472,806	1,828,260	-26.1
7108.12	Nonmonetary gold (including gold plated with platinum), unwrought, excluding powder.	1,583,605	1,418,880	1,803,218	27.1
2711.12	Propane, liquefied.	1,377,993	1,651,533	1,790,639	8.4
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades, semibleached or bleached, coniferous wood.	1,682,332	1,680,422	1,655,745	-1.5
8802.30	Airplanes and aircraft, of an unladen weight over 2,000 kg but not over 15,000 kg.	2,232,172	2,097,366	1,597,215	-23.8
	Total of items shown.	138,957,256	159,524,330	166,301,376	4.2
	All other.	116,702,823	128,009,214	136,732,580	6.8
	Total of all commodities.	255,660,079	287,533,544	303,033,956	5.4

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

Table A.27 U.S. merchandise trade with China, by SITC codes (revision 3), 2004-06

SITC Code No.	Description	2004	2005	2006	Percent Change 2005-06
		<i>1,000 dollars</i>			
Exports:					
0	Food and live animals.	1,303,938	1,108,260	1,412,110	27.4
1	Beverages and tobacco.	35,506	15,208	81,067	433.1
2	Crude materials, inedible, except fuels.	7,936,025	9,693,710	13,629,966	40.6
3	Mineral fuels, lubricants and related materials.	220,952	119,975	200,079	66.8
4	Animal and vegetable oils, fats and waxes.	34,393	21,712	72,106	232.1
5	Chemicals and related products, n.e.s.	4,669,070	5,318,862	6,153,002	15.7
6	Manufactured goods classified chiefly by material.	2,120,347	3,004,088	3,606,051	20.0
7	Machinery and transport equipment.	13,440,422	16,347,874	22,508,299	37.7
8	Miscellaneous manufactured articles.	2,497,665	2,834,409	3,475,452	22.6
9	Commodities and transactions not classified elsewhere in the SITC.	347,965	392,562	485,934	23.8
	Total all exports commodities.	32,606,283	38,856,661	51,624,065	32.9
Imports:					
0	Food and live animals.	2,338,365	2,756,612	3,568,921	29.5
1	Beverages and tobacco.	40,307	28,649	29,681	3.6
2	Crude materials, inedible, except fuels.	1,043,160	1,337,833	1,487,858	11.2
3	Mineral fuels, lubricants and related materials.	985,382	948,950	1,088,693	14.7
4	Animal and vegetable oils, fats and waxes.	12,368	15,845	22,578	42.5
5	Chemicals and related products, n.e.s.	3,731,996	5,135,023	6,191,371	20.6
6	Manufactured goods classified chiefly by material.	21,871,922	28,077,145	36,258,185	29.1
7	Machinery and transport equipment.	86,401,526	108,947,010	131,221,436	20.4
8	Miscellaneous manufactured articles.	77,376,269	92,490,619	103,705,280	12.1
9	Commodities and transactions not classified elsewhere in the SITC.	2,358,218	2,900,279	3,478,414	19.9
	Total all imports commodities.	196,159,513	242,637,964	287,052,416	18.3

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

Table A.28 Leading U.S. exports to China, by Schedule B subheading, 2004-06

Schedule B subheading	Description	1,000 dollars			Percent change 2005-06
		2004	2005	2006	
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg.....	1,614,676	3,715,096	5,221,503	40.5
8542.21	Electronic monolithic digital integrated circuits.....	1,666,867	2,079,921	3,568,014	71.5
1201.00	Soybeans, whether or not broken.....	2,328,762	2,253,056	2,529,824	12.3
5201.00	Cotton, not carded or combed.....	1,406,669	1,397,071	2,059,450	47.4
7602.00	Aluminum waste and scrap.....	320,833	702,545	1,484,292	111.3
7404.00	Copper waste and scrap.....	477,013	676,263	1,439,175	112.8
8473.30	Parts and accessories for automated data processing machines and units.....	460,226	673,270	882,115	31.0
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.....	308,124	510,406	715,651	40.2
8542.29	Electronic monolithic integrated circuits, other than digital.....	284,478	307,708	654,364	112.7
7204.29	Waste and scrap, of non-stainless alloy steel.....	198,652	287,448	648,085	125.5
4101.50	Whole raw bovine or equine hides and skins, weight exceeding 16 kilograms, fresh, pickled or preserved but not tanned or further prepared.....	381,839	484,984	635,018	30.9
8112.92	Unwrought gallium, hafnium, indium, niobium, or rhenium and powders thereof.....	45,766	435,079	573,472	31.8
7204.49	Ferrous waste and scrap, n.e.s.o.i.....	456,008	595,030	495,352	-16.8
4707.90	Recovered waste and scrap paper or paperboard, n.e.s.o.i., including unsorted such waste and scrap.....	112,089	166,900	433,445	159.7
8479.89	Machines and mechanical appliances having individual functions, n.e.s.o.i.....	535,732	272,564	431,697	58.4
4707.10	Waste and scrap of unbleached kraft paper or paperboard or of corrugated paper or paperboard.....	212,916	311,691	377,524	21.1
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.....	291,145	247,254	373,934	51.2
8517.90	Parts of telephonic or telegraphic apparatus.....	260,579	245,856	353,405	43.7
9880.00	Estimate of non-Canadian low value export shipments; compiled low value and not identified by kind shipments to Canada.....	221,087	247,138	325,807	31.8
0207.14	Chicken cuts and edible offal, including livers, frozen.....	14,580	122,332	294,094	140.4
9001.90	Lenses, except contact and spectacle, prisms, mirrors and other optical elements, unmounted, other than of glass not optically worked.....	79,256	177,108	271,007	53.0
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.....	143,574	144,996	260,394	79.6
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc.....	28,576	109,871	253,010	130.3
3902.10	Polypropylene, in primary forms.....	158,716	193,266	242,294	25.4
7204.21	Waste and scrap, of stainless steel.....	157,425	233,379	233,704	0.1
	Total of items shown.....	12,165,585	16,590,233	24,756,629	49.2
	All other.....	20,440,697	22,266,428	26,867,436	20.7
	Total of all commodities.....	32,606,283	38,856,661	51,624,065	32.9

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

Table A.29 Leading U.S. imports from China, by HTS subheading, 2004-06

HTS subheading	Description	2004	2005	2006	Percent change
					2005-06
		<i>1,000 dollars</i>			
8471.30	Portable digital automated data processing machines not exceeding 10 kg, with at least a CPU, keyboard and display.	7,715,796	10,670,332	12,827,710	20.2
8525.20	Transmission apparatus incorporating reception apparatus.	5,543,066	9,324,735	11,916,628	27.8
8473.30	Parts and accessories for automated data processing machines and units.	8,648,661	9,446,803	11,327,594	19.9
8471.60	Input or output units for automated data processing machines.	11,016,763	10,984,235	11,270,329	2.6
6403.99	Footwear not covering the ankles, with outer soles of rubber or plastics or composition leather and uppers of leather.	4,862,980	5,252,349	5,703,100	8.6
8528.12	Incomplete or unfinished color reception apparatus for televisions.	1,001,067	2,221,529	4,035,874	81.7
9504.10	Video games used with television receiver and parts and accessories.	1,958,229	2,356,506	3,643,461	54.6
8521.90	Video recording or reproducing apparatus, whether or not including a video tuner, other than magnetic tape-type.	3,017,130	2,894,729	3,406,337	17.7
8525.40	Still image video cameras and other video camera recorders.	2,163,247	2,566,481	3,062,030	19.3
8520.90	Other sound recording or reproducing equipment, n.e.s.o.i..	1,410,090	3,061,726	3,004,104	-1.9
8471.70	Automatic data processing storage units.	2,120,053	2,356,321	2,925,302	24.1
6402.99	Footwear with outer soles and uppers of rubber or plastics n.e.s.o.i..	2,311,944	2,671,674	2,860,228	7.1
9403.60	Wooden furniture, other than of a kind used in the bedroom.	2,293,291	2,612,293	2,828,533	8.3
9503.90	Other toys and models, n.e.s.o.i..	2,376,812	2,526,758	2,623,811	3.8
8528.21	Video monitors, color.	710,557	1,925,377	2,540,433	31.9
9999.95	Estimated "low valued" shipments.	1,652,271	2,068,852	2,501,967	20.9
8471.49	Other digital automated data processing machines, entered in the form of systems.	874,471	2,143,671	2,485,253	15.9
8504.40	Static converters.	1,695,118	1,993,889	2,400,426	20.4
8517.50	Other apparatus for carrier-current line systems or for digital line systems.	908,730	1,594,640	2,331,733	46.2
4202.92	Trunks, cases, bags and similar containers, with outer surface of plastic sheeting or of textile materials.	1,609,091	1,831,474	2,109,919	15.2
9504.90	Game machines except coin-operated; board games; mah-jog; dominoes; dice.	1,795,482	2,292,109	2,086,728	-9.0
8471.50	Digital processing units other than those of 8471.41 and 8471.49.	1,061,672	1,576,133	1,965,696	24.7
9505.10	Articles for Christmas festivities and parts and accessories thereof.	1,825,413	1,855,805	1,913,574	3.1
8471.80	Other units of automated data processing machines.	1,249,163	1,682,169	1,864,648	10.8
9403.20	Metal furniture, other than of a kind used in offices.	1,453,558	1,692,198	1,860,609	10.0
	Total of items shown.	71,274,655	89,602,791	105,496,029	17.7
	All other.	124,884,858	153,035,173	181,556,387	18.6
	Total of all commodities.	196,159,513	242,637,964	287,052,416	18.3

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

Table A.30 U.S. merchandise trade with Mexico, by SITC codes (revision 3), 2004-06

SITC Code No.	Description	2004	2005	2006	Percent change 2005-06
<i>1,000 dollars</i>					
Exports:					
0	Food and live animals.	5,882,117	6,630,840	8,009,155	20.8
1	Beverages and tobacco.	109,898	114,775	143,975	25.4
2	Crude materials, inedible, except fuels.	3,535,166	3,913,738	4,568,298	16.7
3	Mineral fuels, lubricants and related materials.	3,231,745	5,342,352	5,701,018	6.7
4	Animal and vegetable oils, fats and waxes.	489,354	400,865	374,536	-6.6
5	Chemicals and related products, n.e.s.	11,815,879	13,807,054	15,934,201	15.4
6	Manufactured goods classified chiefly by material.	14,667,169	16,312,604	18,527,520	13.6
7	Machinery and transport equipment.	39,725,284	41,370,148	46,221,353	11.7
8	Miscellaneous manufactured articles.	9,622,161	9,680,897	10,457,272	8.0
9	Commodities and transactions not classified elsewhere in the SITC.	3,938,931	4,093,387	4,624,997	13.0
	Total exports commodities.	93,017,703	101,666,661	114,562,326	12.7
Imports:					
0	Food and live animals.	6,116,690	6,960,149	7,752,582	11.4
1	Beverages and tobacco.	1,813,501	2,072,236	2,463,091	18.9
2	Crude materials, inedible, except fuels.	981,943	1,195,274	1,224,095	2.4
3	Mineral fuels, lubricants and related materials.	18,924,398	24,997,612	32,161,406	28.7
4	Animal and vegetable oils, fats and waxes.	33,773	47,927	52,567	9.7
5	Chemicals and related products, n.e.s.	2,911,222	3,319,385	3,982,189	20.0
6	Manufactured goods classified chiefly by material.	12,106,385	13,740,203	14,983,478	9.0
7	Machinery and transport equipment.	83,717,657	88,330,571	104,474,430	18.3
8	Miscellaneous manufactured articles.	21,707,996	21,756,755	21,857,385	0.5
9	Commodities and transactions not classified elsewhere in the SITC.	6,645,205	6,795,991	8,104,375	19.3
	Total all imports commodities.	154,958,771	169,216,101	197,055,599	16.5

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

Table A.31 Leading U.S. exports to Mexico, by Schedule B subheading, 2004-06

Schedule B subheading	Description	1,000 dollars			Percent change 2005-06
		2004	2005	2006	
9880.00	Estimate of non-Canadian low value export shipments; compiled low value and not identified by kind shipments to Canada.	3,347,992	3,669,571	4,134,001	12.7
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products.. . . .	2,124,858	3,244,336	3,219,449	-0.8
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i..	2,106,568	2,316,517	2,899,405	25.2
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i..	1,863,393	1,751,919	2,113,967	20.7
3926.90	Articles of plastics and articles of other materials of headings 3901 to 3914, n.e.s.o.i..	1,456,909	1,539,696	1,598,949	3.8
8538.90	Parts for electrical apparatus for electrical circuits; for electrical control n.e.s.o.i..	1,206,238	1,404,774	1,527,697	8.8
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc.	1,637,777	1,779,527	1,520,384	-14.6
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light.	481,423	1,292,212	1,497,387	15.9
8408.20	Compression-ignition internal-combustion piston engines.	1,496,783	1,583,610	1,492,993	-5.7
	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc.	1,037,171	1,165,157	1,475,314	26.6
8703.23	Parts and accessories for automated data processing machines and units.	1,072,728	999,626	1,243,774	24.4
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg.	449,262	431,374	1,167,981	170.8
8536.90	Electrical apparatus for switching or protecting electrical circuits, n.e.s.o.i..	978,299	1,028,275	1,094,035	6.4
1005.90	Corn (maize), other than seed.	683,694	652,120	1,078,977	65.5
7326.90	Articles of iron or steel n.e.s.o.i..	766,680	890,357	1,064,891	19.6
7408.11	Wire of refined copper, with a maximum cross sectional dimension over 6 millimeters.	363,464	493,280	926,268	87.8
8529.90	Parts, except antennas, for transmission, radar, radio, television, etc., n.e.s.o.i..	788,898	756,192	918,624	21.5
1201.00	Soybeans, whether or not broken.	784,919	845,737	906,799	7.2
8542.21	Electronic monolithic digital integrated circuits.	822,927	921,474	868,592	-5.7
3923.10	Boxes, cases, crates and similar articles, of plastics.	628,476	714,125	774,845	8.5
0201.30	Meat of bovine animals, boneless, fresh or chilled.	354,088	521,985	754,578	44.6
3902.10	Polypropylene, in primary forms.	411,329	610,130	745,650	22.2
8544.49	Insulated electric conductors, for a voltage not exceeding 80 volts, not fitted with connectors, n.e.s.o.i..	434,710	544,991	678,225	24.4
8503.00	Parts of electric motors, generators and sets.	559,752	552,562	663,098	20.0
8542.29	Electronic monolithic integrated circuits, other than digital.	782,914	676,581	656,491	-3.0
	Total of items shown.	26,641,252	30,386,130	35,022,375	15.3
	All other.	66,376,451	71,280,530	79,539,951	11.6
	Total of all commodities.	93,017,703	101,666,661	114,562,326	12.7

Source :Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

Table A.32 Leading U.S. imports from Mexico, by HTS subheading, 2004-06

HTS subheading	Description	2004	2005	2006	Percent change 2005-06
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude.	17,186,105	22,363,980	29,195,459	30.5
8528.12	Incomplete or unfinished color reception apparatus for televisions.	7,270,548	9,428,369	13,678,418	45.1
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc.	5,347,834	7,179,410	10,639,030	48.2
8704.31	Motor vehicles for transporting goods, with spark-ignition internal-combustion piston engine, gross vehicle weight not exceeding 5 mt.	2,822,123	3,043,988	4,694,431	54.2
9801.00	U.S. articles exported and returned, not advanced or improved in condition; animals exported or returned.	4,257,519	4,154,019	4,373,028	5.3
8544.30	Insulated ignition wiring sets and other wiring sets of a kind used in vehicles, aircraft or ships.	4,153,783	4,339,065	4,285,009	-1.2
8471.50	Digital processing units other than those of 8471.41 and 8471.49.	4,253,867	3,654,702	3,644,412	-0.3
9401.90	Parts of seats (except medical, barbers, dentist, etc.)	3,095,072	2,998,316	3,111,055	3.8
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc.	5,580,421	3,284,552	3,039,829	-7.5
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	2,228,682	2,617,453	3,011,856	15.1
8704.21	Trucks, n.e.s.o.i., diesel engine, gross vehicle weight not exceeding 5 mt.	3,417,792	3,075,030	2,808,542	-8.7
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	2,032,188	2,309,491	2,583,247	11.9
8525.20	Transmission apparatus incorporating reception apparatus.	2,074,212	2,244,084	2,521,085	12.3
9999.95	Estimated "low valued" shipments.	1,776,065	1,945,110	2,315,830	19.1
8517.50	Other apparatus for carrier-current line systems or for digital line systems.	1,664,472	1,122,402	1,953,659	74.1
8418.10	Combined refrigerator-freezers, fitted with separate external doors.	622,792	991,046	1,701,530	71.7
8537.10	Boards, panels, consoles, other components incorporating apparatus for control or distribution of electricity, for voltage not exceeding 1,000 volts.	1,420,425	1,425,364	1,662,571	16.6
2203.00	Beer made from malt.	1,163,408	1,340,509	1,600,381	19.4
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	1,218,264	1,310,628	1,555,428	18.7
8409.91	Parts for spark-ignition internal-combustion piston engines.	1,174,384	1,295,088	1,493,031	15.3
8407.34	Reciprocating spark-ignition piston engines, of a cylinder capacity over 1,000 cc.	1,779,050	1,821,724	1,453,486	-20.2
8517.90	Parts of telephonic or telegraphic apparatus.	933,437	1,045,652	1,436,075	37.3
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products.	995,897	1,355,614	1,364,536	0.7
6203.42	Men's or boys' trousers, bib and brace overalls, breeches and shorts not knitted or crocheted, of cotton.	1,442,601	1,430,872	1,327,535	-7.2
8527.21	Radiobroadcast receivers for motor vehicles.	1,334,202	1,330,162	1,300,923	-2.2
	Total of items shown.	79,245,143	87,106,629	106,750,386	22.6
	All other.	75,713,628	82,109,472	90,305,213	10.0
	Total of all commodities.	154,958,771	169,216,101	197,055,599	16.5

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

Table A.33 U.S. merchandise trade with Japan, by SITC codes (revision 3), 2004-06

SITC Code No.	Description	2004	2005	2006	Percent change 2005-06
		<i>1,000 dollars</i>			
Exports:					
0	Food and live animals.	7,341,523	7,431,011	7,805,342	5.0
1	Beverages and tobacco.	1,290,983	1,210,782	1,244,294	2.8
2	Crude materials, inedible, except fuels.	3,057,614	2,939,273	3,566,205	21.3
3	Mineral fuels, lubricants and related materials.	890,923	680,677	600,838	-11.7
4	Animal and vegetable oils, fats and waxes.	75,097	64,647	65,109	0.7
5	Chemicals and related products, n.e.s.	7,470,794	7,907,102	8,459,462	7.0
6	Manufactured goods classified chiefly by material.	2,584,542	2,815,744	3,293,373	17.0
7	Machinery and transport equipment.	18,708,425	18,793,462	20,631,498	9.8
8	Miscellaneous manufactured articles.	7,519,751	7,934,602	8,571,510	8.0
9	Commodities and transactions not classified elsewhere in the SITC.	1,553,109	1,721,352	1,357,880	-21.1
	Total all exports commodities.	50,492,760	51,498,651	55,595,511	8.0
Imports:					
0	Food and live animals.	381,878	424,272	446,669	5.3
1	Beverages and tobacco.	56,467	51,636	47,268	-8.5
2	Crude materials, inedible, except fuels.	279,322	323,228	442,669	37.0
3	Mineral fuels, lubricants and related materials.	206,614	519,659	955,851	83.9
4	Animal and vegetable oils, fats and waxes.	25,654	25,969	26,182	0.8
5	Chemicals and related products, n.e.s.	8,186,363	8,293,141	7,826,219	-5.6
6	Manufactured goods classified chiefly by material.	7,508,906	7,988,301	8,796,816	10.1
7	Machinery and transport equipment.	97,605,383	104,236,288	113,407,925	8.8
8	Miscellaneous manufactured articles.	11,394,386	11,812,458	11,400,773	-3.5
9	Commodities and transactions not classified elsewhere in the SITC.	3,889,726	4,156,311	4,720,351	13.6
	Total all imports commodities.	129,534,698	137,831,263	148,070,723	7.4

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

Table A.34 Leading U.S. exports to Japan, by Schedule B subheading, 2004-06

Schedule B subheading	Description	2004	2005	2006	Percent change 2005-06
		<i>1,000 dollars</i>			
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg.....	2,875,057	3,099,398	3,440,245	11.0
1005.90	Corn (maize), other than seed.	1,888,811	1,591,990	1,981,440	24.5
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.....	1,495,000	1,611,201	1,903,976	18.2
8411.91	Parts for turbojets or turbopropellers.	726,190	762,075	979,235	28.5
2402.20	Cigarettes containing tobacco.	869,520	877,948	931,474	6.1
1201.00	Soybeans, whether or not broken.....	1,010,560	787,137	863,762	9.7
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	358,927	552,396	763,611	38.2
8542.21	Electronic monolithic digital integrated circuits.....	1,005,774	667,319	674,895	1.1
8529.90	Parts, except antennas, for transmission, radar, radio, television, etc., n.e.s.o.i.....	200,327	327,798	674,575	105.8
8479.89	Machines and mechanical appliances having individual functions, n.e.s.o.i.....	703,468	545,806	639,253	17.1
8473.30	Parts and accessories for automated data processing machines and units.	744,477	650,904	634,755	-2.5
9880.00	Estimate of non-Canadian low value export shipments; compiled low value and not identified by kind shipments to Canada.....	563,820	573,285	618,738	7.9
9801.10	Value of repairs or alterations of previously imported articles, repaired or altered prior to exportation from United States.	927,943	1,009,792	600,864	-40.5
2804.61	Silicon, containing by weight not less than 99.99 percent of silicon.....	231,327	450,947	593,965	31.7
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.....	473,980	509,887	569,949	11.8
1001.90	Wheat and meslin, excluding durum wheat.	524,803	506,221	569,082	12.4
2844.20	Uranium and its compounds enriched in u235; plutonium and its compounds.	685,808	457,143	551,059	20.5
7113.19	Articles of jewelry and parts thereof, of precious metal (excluding silver).	278,525	324,624	504,009	55.3
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.....	551,770	436,359	495,877	13.6
203.19	Meat of swine, n.e.s.o.i, fresh or chilled.	456,642	493,669	490,670	-0.6
8456.91	Machine tools n.e.s.o.i. for dry etching patterns on semiconductor materials.	344,338	404,768	463,264	14.5
8543.89	Electrical machines and apparatus, having individual functions, n.e.s.o.i.....	362,866	426,310	460,703	8.1
4403.20	Coniferous wood in the rough, not treated.	499,041	458,408	449,068	-2.0
3822.00	Composite diagnostic or laboratory reagents, except pharmaceuticals.	432,690	454,233	446,641	-1.7
9018.39	Medical etc. needles n.e.s.o.i., catheters, cannulae and the like; parts and accessories thereof.....	530,379	488,862	408,816	-16.4
	Total of items shown.	18,742,042	18,468,481	20,709,927	12.1
	All other.	31,750,718	33,030,171	34,885,584	5.6
	Total of all commodities.....	50,492,760	51,498,651	55,595,511	8.0

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

Table A.35 Leading U.S. imports from Japan, by HTS subheading, 2004-06

HTS subheading	Description	2004	2005	2006	Percent change 2005-06
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc.	18,447,784	18,662,055	20,483,454	9.8
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc.	11,229,201	12,932,042	17,459,315	35.0
8703.22	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine over 1,000 but over 1,500 cc.	2,381,704	3,490,906	5,691,658	63.0
8473.30	Parts and accessories for automated data processing machines and units.	3,534,393	3,685,726	3,733,732	1.3
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	3,006,905	3,173,516	3,135,267	-1.2
8525.40	Still image video cameras and other video camera recorders.	3,364,356	3,397,593	3,123,847	-8.1
9801.00	U.S. articles exported and returned, not advanced or improved in condition; animals exported or returned.	2,407,331	2,569,883	3,021,534	17.6
8708.40	Gear boxes for motor vehicles.	2,857,625	2,924,361	2,585,541	-11.6
8429.52	Self-propelled mechanical shovels and excavators, with a 360-degree revolving superstructure.	1,482,360	1,787,147	2,004,194	12.1
9999.95	Estimated "low valued" shipments.	1,424,542	1,522,231	1,638,353	7.6
8542.21	Electronic monolithic digital integrated circuits.	1,454,984	1,275,016	1,601,704	25.6
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	863,488	1,037,986	1,427,716	37.5
8409.91	Parts for spark-ignition internal-combustion piston engines.	1,263,704	1,295,449	1,202,691	-7.2
8711.50	Motorcycles and cycles, with an auxiliary motor, with a reciprocating internal combustion piston engine, cylinder capacity over 800 cc.	786,265	898,416	1,192,100	32.7
8473.40	Parts and accessories for duplicating, addressing, stapling, and other office machines, n.e.s.o.i.	1,156,316	1,208,249	1,081,252	-10.5
8701.90	Tractors, n.e.s.o.i.	999,388	1,074,433	1,069,388	-0.5
8479.89	Machines and mechanical appliances having individual functions, n.e.s.o.i.	781,414	771,880	1,055,866	36.8
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	1,313,027	1,275,558	1,034,044	-18.9
8471.30	Portable digital automated data processing machines not exceeding 10 kg, with at least a CPU, keyboard and display.	801,199	840,989	1,022,387	21.6
8711.40	Motorcycles and cycles with auxiliary motor, with reciprocating internal combustion piston engine, cylinder capacity 500 to 800 cc.	699,640	942,571	964,961	2.4
8471.60	Input or output units for automated data processing machines.	1,313,768	1,054,619	907,051	-14.0
3818.00	Chemical elements doped for use in electronics, in the form of discs, wafers, similar forms; chemical \ compounds doped for use in electronics.	745,592	792,075	886,496	11.9
8407.21	Outboard motors for marine propulsion.	742,547	914,031	885,659	-3.1
8472.90	Automatic banknote dispensers, coin-sorting, pencil-sharpening, perforating or stapling, and other office machines, n.e.s.o.i.	1,082,042	967,894	863,015	-10.8
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars, including station wagons and racing cars.	633,541	839,685	829,021	-1.3
	Total of items shown.	64,773,115	69,334,311	78,900,248	13.8
	All other.	64,761,583	68,496,952	69,170,475	1.0
	Total of all commodities.	129,534,698	137,831,263	148,070,723	7.4

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

Table A.36 U.S. merchandise trade with Korea, by SITC codes (revision 3), 2004-06

SITC Code No.	Description	2004	2005	2006	Percent change 2005-06
		<i>1,000 dollars</i>			
Exports:					
0	Food and live animals.	1,864,871	1,745,470	2,478,398	42.0
1	Beverages and tobacco.	59,116	52,519	65,050	23.9
2	Crude materials, inedible, except fuels.	2,205,098	2,027,950	2,082,142	2.7
3	Mineral fuels, lubricants and related materials.	436,767	582,990	872,147	49.6
4	Animal and vegetable oils, fats and waxes.	27,398	32,448	60,908	87.7
5	Chemicals and related products, n.e.s.	4,460,188	4,302,607	4,331,434	0.7
6	Manufactured goods classified chiefly by material.	1,097,896	1,095,597	1,288,629	17.6
7	Machinery and transport equipment.	11,897,899	13,119,547	15,894,681	21.2
8	Miscellaneous manufactured articles.	2,546,517	2,835,333	3,281,252	15.7
9	Commodities and transactions not classified elsewhere in the SITC.	398,729	415,945	439,233	5.6
	Total all exports commodities.	24,994,480	26,210,405	30,793,873	17.5
Imports:					
0	Food and live animals.	206,467	237,983	245,768	3.3
1	Beverages and tobacco.	64,715	59,619	67,400	13.1
2	Crude materials, inedible, except fuels.	245,579	346,678	317,113	-8.5
3	Mineral fuels, lubricants and related materials.	549,354	1,109,082	1,857,872	67.5
4	Animal and vegetable oils, fats and waxes.	443	949	1,066	12.4
5	Chemicals and related products, n.e.s.	1,194,069	1,704,045	1,856,844	9.0
6	Manufactured goods classified chiefly by material.	4,172,080	4,878,876	5,827,703	19.4
7	Machinery and transport equipment.	34,241,539	31,043,994	30,958,260	-0.3
8	Miscellaneous manufactured articles.	3,528,613	2,876,812	2,697,424	-6.2
9	Commodities and transactions not classified elsewhere in the SITC.	861,319	896,497	884,464	-1.3
	Total all imports commodities.	45,064,177	43,154,535	44,713,916	3.6

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

Table A.37 Leading U.S. exports to Korea, by Schedule B subheading, 2004-06

Schedule B subheading	Description	2004	2005	2006	Percent change 2005-06
		<i>1,000 dollars</i>			
8542.21	Electronic monolithic digital integrated circuits.	2,868,416	3,223,686	3,229,204	0.2
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg.	1,129,467	1,212,195	2,350,770	93.9
8479.89	Machines and mechanical appliances having individual functions, n.e.s.o.i.	692,464	850,206	1,381,236	62.5
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	401,350	489,566	846,240	72.9
1005.90	Corn (maize), other than seed.	544,707	237,415	722,972	204.5
8456.91	Machine tools n.e.s.o.i. for dry etching patterns on semiconductor materials.	325,116	566,007	608,621	7.5
8542.29	Electronic monolithic integrated circuits, other than digital.	765,654	533,186	586,254	10.0
9001.90	Lenses, except contact and spectacle, prisms, mirrors and other optical elements, unmounted, other than of glass not optically worked.	253,306	295,085	383,086	29.8
2926.10	Acrylonitrile.	496,546	320,097	316,300	-1.2
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light.	51,921	181,108	297,547	64.3
9880.00	Estimate of non-Canadian low value export shipments; compiled low value and not identified by kind shipments to Canada.	237,990	251,000	284,460	13.3
8542.10	Cards incorporating an electronic integrated circuit ("smart" cards).	92,264	207,736	280,657	35.1
2707.30	Xylenes.	135,601	105,411	279,519	165.2
8411.91	Parts for turbojets or turbopropellers.	170,342	215,706	260,936	21.0
7602.00	Aluminum waste and scrap.	70,491	160,480	258,363	61.0
4101.50	Whole raw bovine or equine hides and skins, weight exceeding 16 kilograms, fresh, pickled or preserved but not tanned or further prepared.	257,645	249,358	222,172	-10.9
9031.41	Optical instruments for inspecting semiconductor wafers or devices, or photomasks or reticles used in manufacturing these items.	115,567	89,842	220,055	144.9
1001.90	Wheat and meslin, excluding durum wheat.	230,934	181,132	188,252	3.9
8543.89	Electrical machines and apparatus, having individual functions, n.e.s.o.i.	205,424	129,317	188,042	45.4
2707.99	Oils and products of the distillation of high temperature coal tar, n.e.s.o.i.; similar products with predominate aromatic constituent.	83,778	115,584	187,382	62.1
8517.90	Parts of telephonic or telegraphic apparatus.	175,460	163,349	184,222	12.8
7404.00	Copper waste and scrap.	80,840	90,470	181,824	101.0
8543.11	Ion implanters for doping semiconductor materials.	130,935	180,559	181,480	0.5
8411.99	Gas turbines parts, n.e.s.o.i.	186,753	155,867	167,869	7.7
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	231,965	209,195	160,987	-23.0
	Total of items shown.	9,934,934	10,413,554	13,968,453	34.1
	All other.	15,059,546	15,796,851	16,825,420	6.5
	Total of all commodities	24,994,480	26,210,405	30,793,873	17.5

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

Table A.38 Leading U.S. imports from Korea, by HTS subheading, 2004-06

HTS subheading	Description	2004	2005	2006	Percent Change 2005-06
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc.	7,093,612	6,138,146	6,121,371	-0.3
8525.20	Transmission apparatus incorporating reception apparatus.	8,035,760	5,955,226	5,333,870	-10.4
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc.	2,457,285	2,746,732	2,974,013	8.3
8542.21	Electronic monolithic digital integrated circuits.	3,182,640	2,481,307	2,358,513	-4.9
8473.30	Parts and accessories for automated data processing machines and units.	2,113,138	1,764,472	2,075,588	17.6
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light.	388,697	882,880	1,437,721	62.8
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	332,260	582,019	722,556	24.1
9801.00	U.S. articles exported and returned, not advanced or improved in condition; animals exported or returned.	613,170	660,538	634,861	-3.9
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars, including station wagons and racing cars.	380,059	418,872	501,605	19.8
8471.60	Input or output units for automated data processing machines.	1,002,121	695,572	486,665	-30.0
2902.20	Benzene.	156,891	253,417	438,285	72.9
8429.52	Self-propelled mechanical shovels and excavators, with a 360-degree revolving superstructure.	260,252	335,153	436,354	30.2
8542.29	Electronic monolithic integrated circuits, other than digital.	552,344	376,457	430,344	14.3
8418.10	Combined refrigerator-freezers, fitted with separate external doors.	170,228	314,007	400,136	27.4
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products.	98,286	118,579	383,207	223.2
8905.20	Floating or submersible drilling or production platforms.	0	513,900	344,563	-33.0
8529.90	Parts, except antennas, for transmission, radar, radio, television, etc., n.e.s.o.i.	479,715	430,780	322,648	-25.1
8528.12	Incomplete or unfinished color reception apparatus for televisions.	712,466	521,079	266,492	-48.9
8471.80	Other units of automated data processing machines.	82,655	90,759	264,262	191.2
4011.20	New pneumatic tires, of rubber, of a kind used on buses or trucks.	216,976	229,878	248,019	7.9
9999.95	Estimated "low valued" shipments.	222,361	212,421	223,362	5.2
4810.19	Writing/graphic paper and paperboard, coated with kaolin, not over 10 fiber obtained by a mechanical process, in sheets, n.e.s.o.i.	205,746	197,191	218,441	10.8
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	72,232	167,288	212,032	26.7
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	109,957	181,513	209,466	15.4
8414.30	Compressors of a kind used in refrigerating equipment, including air conditioning.	68,375	171,651	205,498	19.7
	Total of items shown.	29,007,228	26,439,837	27,249,872	3.1
	All other.	16,056,949	16,714,697	17,464,044	4.5
	Total of all commodities.	45,064,177	43,154,535	44,713,916	3.6

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

Table A.39 U.S. merchandise trade with Taiwan, by SITC codes (revision 3), 2004-06

SITC Code No.	Description	2004	2005	2006	Percent change 2005-06
		<i>1,000 dollars</i>			
Exports:					
0	Food and live animals.	1,419,860	1,505,359	1,564,476	3.9
1	Beverages and tobacco.	64,794	70,389	61,518	-12.6
2	Crude materials, inedible, except fuels.	1,097,908	1,316,951	1,682,963	27.8
3	Mineral fuels, lubricants and related materials.	117,137	52,072	76,196	46.3
4	Animal and vegetable oils, fats and waxes.	7,477	6,987	4,653	-33.4
5	Chemicals and related products, n.e.s.	3,485,816	2,899,636	3,208,727	10.7
6	Manufactured goods classified chiefly by material.	916,764	983,471	1,123,261	14.2
7	Machinery and transport equipment.	10,164,562	10,810,845	10,641,174	-1.6
8	Miscellaneous manufactured articles.	2,696,691	2,467,915	2,581,511	4.6
9	Commodities and transactions not classified elsewhere in the SITC.	371,667	413,434	431,867	4.5
	Total all exports commodities.	<u>20,342,675</u>	<u>20,527,059</u>	<u>21,376,344</u>	<u>4.1</u>
0	Food and live animals.	254,641	255,232	242,015	-5.2
1	Beverages and tobacco.	10,351	9,813	9,535	-2.8
2	Crude materials, inedible, except fuels.	154,335	182,514	233,131	27.7
3	Mineral fuels, lubricants and related materials.	287,345	332,536	410,252	23.4
4	Animal and vegetable oils, fats and waxes.	5,289	5,669	5,970	5.3
5	Chemicals and related products, n.e.s.	812,107	1,014,077	1,090,238	7.5
6	Manufactured goods classified chiefly by material.	5,418,758	5,469,457	6,454,615	18.0
7	Machinery and transport equipment.	20,208,848	20,077,578	22,343,070	11.3
8	Miscellaneous manufactured articles.	6,327,119	6,114,071	5,973,353	-2.3
9	Commodities and transactions not classified elsewhere in the SITC.	983,170	1,113,405	1,323,506	18.9
	Total all imports commodities.	<u>34,461,963</u>	<u>34,574,353</u>	<u>38,085,685</u>	<u>10.2</u>

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

Table A.40 Leading U.S. exports to Taiwan, by Schedule B subheading, 2004-06

Schedule B subheading	Description	2004	2005	2006	Percent change 2005-06
		<i>1,000 dollars</i>			
8542.21	Electronic monolithic digital integrated circuits.....	1,722,179	2,093,820	2,316,898	10.7
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg.....	892,991	1,769,229	981,932	-44.5
8479.89	Machines and mechanical appliances having individual functions, n.e.s.o.i.....	986,706	805,313	844,195	4.8
8542.29	Electronic monolithic integrated circuits, other than digital.....	1,015,892	787,770	731,140	-7.2
8456.91	Machine tools n.e.s.o.i. for dry etching patterns on semiconductor materials.....	499,987	348,144	579,148	66.4
1005.90	Corn (maize), other than seed.....	593,780	553,782	565,651	2.1
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.....	403,701	552,122	546,802	-1.0
1201.00	Soybeans, whether or not broken.....	302,034	430,046	473,490	10.1
9030.82	Other instruments and apparatus for measuring or checking semiconductor wafers or devices.....	460,131	299,604	347,959	16.1
9031.41	Optical instruments for inspecting semiconductor wafers or devices, or photomasks or reticles used in manufacturing these items.....	415,132	345,843	340,636	-1.5
9880.00	Estimate of non-Canadian low value export shipments; compiled low value and not identified by kind shipments to Canada.....	253,186	245,013	265,916	8.5
7003.19	Cast glass and rolled glass, in nonwired sheets, not body tinted, opacified, flashed, nor having an absorbent or reflecting layer.....	110,506	192,002	252,532	31.5
9001.90	Lenses, except contact and spectacle, prisms, mirrors and other optical elements, unmounted, other than of glass not optically worked.....	147,451	244,147	230,044	-5.8
8479.90	Parts of machines and mechanical appliances having individual functions, n.e.s.o.i.....	266,186	311,782	225,218	-27.8
2926.10	Acrylonitrile.....	192,248	185,273	214,331	15.7
8464.20	Grinding or polishing machines for working stone, ceramics, concrete, asbestos-cement or like mineral materials or for cold working glass.....	185,517	138,938	202,903	46.0
8543.90	Parts for electrical machines and apparatus, having individual functions, n.e.s.o.i.....	124,569	120,040	197,045	64.1
8473.30	Parts and accessories for automated data processing machines and units.....	220,531	203,111	196,846	-3.1
8543.11	Ion implanters for doping semiconductor materials.....	147,056	103,426	180,018	74.1
9031.90	Parts and accessories for measuring or checking instruments, appliances and machines, n.e.s.o.i. or for profile projectors.....	103,523	70,410	176,019	150.0
8543.89	Electrical machines and apparatus, having individual functions, n.e.s.o.i.....	306,855	165,881	162,392	-2.1
8475.90	Parts of machines for assembling electric/electronic lamps, tubes or flashbulbs, in glass envelopes, for manufacturing or hot working glass.....	65,841	222,015	160,277	-27.8
1001.90	Wheat and meslin, excluding durum wheat.....	188,511	172,415	160,237	-7.1
9306.90	Bombs, grenades, torpedoes, mines, missiles, etc., and parts.....	125,574	40,669	158,009	288.5
7404.00	Copper waste and scrap.....	47,273	52,569	155,694	196.2
	Total of items shown.....	9,777,358	10,453,362	10,665,331	2.0
	All other.....	10,565,317	10,073,697	10,711,013	6.3
	Total of all commodities.....	20,342,675	20,527,059	21,376,344	4.1

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

Table A.41 Leading U.S. imports from Taiwan, by HTS subheading, 2004-06

HTS subheading	Description	2004	2005	2006	Percent change 2005-06
		<i>1,000 dollars</i>			
8542.21	Electronic monolithic digital integrated circuits.....	2,387,572	2,549,009	3,257,239	27.8
8473.30	Parts and accessories for automated data processing machines and units.	2,630,972	2,520,730	2,521,528	0.0
8525.20	Transmission apparatus incorporating reception apparatus.....	253,024	820,294	1,659,702	102.3
8523.90	Prepared magnetic media for sound or similar recording, unrecorded, n.e.s.o.i.....	1,036,280	1,340,382	1,351,924	0.9
8528.12	Incomplete or unfinished color reception apparatus for televisions.	614,222	1,103,428	1,189,539	7.8
8526.91	Radio navigational aid apparatus.	336,244	470,848	828,257	75.9
8542.29	Electronic monolithic integrated circuits, other than digital.....	1,049,912	861,277	819,046	-4.9
9801.00	U.S. articles exported and returned, not advanced or improved in condition; animals exported or returned.	541,589	644,063	778,625	20.9
8471.60	Input or output units for automated data processing machines.	740,815	588,728	551,701	-6.3
8471.80	Other units of automated data processing machines.	972,174	745,819	523,735	-29.8
9999.95	Estimated "low valued" shipments.	425,034	433,019	479,661	10.8
7318.15	Threaded screws and bolts, of iron or steel, n.e.s.o.i., whether or not with their nuts or washers.	415,440	459,325	467,337	1.7
8528.21	Video monitors, color.	153,854	341,290	466,630	36.7
7318.14	Self-tapping screws of iron or steel.	366,679	412,348	447,065	8.4
8534.00	Printed circuits.	410,154	360,070	378,064	5.0
8481.80	Taps, cocks, valves and similar appliances, n.e.s.o.i.	285,389	267,139	337,755	26.4
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.....	289,279	313,949	326,598	4.0
8512.20	Electrical lighting or visual signaling equipment, for use on cycles or motor vehicles, except for use on bicycles.	281,756	291,233	323,478	11.1
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light.	168,326	219,617	309,166	40.8
8504.40	Static converters.....	294,554	294,395	308,412	4.8
8517.50	Other apparatus for carrier-current line systems or for digital line systems.	232,254	142,999	301,993	111.2
9506.91	Gymnasium, playground or other exercise articles and equipment; parts and accessories thereof.....	266,287	286,563	275,833	-3.7
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.....	238,967	265,391	275,759	3.9
7318.16	Nuts, threaded, of iron or steel.....	242,728	260,584	259,954	-0.2
8712.00	Bicycles and other cycles (including delivery tricycles), not motorized.	200,755	286,275	230,893	-19.3
	Total of items shown.	14,834,263	16,278,775	18,669,892	14.7
	All other.	19,627,700	18,295,578	19,415,793	6.1
	Total of all commodities.....	34,461,963	34,574,353	38,085,685	10.2

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

Table A.42 U.S. merchandise trade with Russia, by SITC codes (revision 3), 2004-06

SITC Code No.	Description	2004	2005	2006	Percent Change 2005-06
		<i>1,000 dollars</i>			
Exports:					
0	Food and live animals.	706,593	871,169	768,934	-11.7
1	Beverages and tobacco.	88,855	76,900	53,306	-30.7
2	Crude materials, inedible, except fuels.	63,550	74,246	96,448	29.9
3	Mineral fuels, lubricants and related materials.	10,016	11,361	23,059	103.0
4	Animal and vegetable oils, fats and waxes.	5,072	4,113	1,570	-61.8
5	Chemicals and related products, n.e.s.	237,163	340,120	402,479	18.3
6	Manufactured goods classified chiefly by material.	125,188	155,993	200,789	28.7
7	Machinery and transport equipment.	1,254,055	1,814,665	2,307,799	27.2
8	Miscellaneous manufactured articles.	251,104	294,544	344,726	17.0
9	Commodities and transactions not classified elsewhere in the SITC.	13,380	14,358	15,520	8.1
	Total all exports commodities.	2,754,976	3,657,469	4,214,630	15.2
Imports:					
0	Food and live animals.	230,870	328,696	391,549	19.1
1	Beverages and tobacco.	79,385	79,853	107,517	34.6
2	Crude materials, inedible, except fuels.	135,512	153,730	146,043	-5.0
3	Mineral fuels, lubricants and related materials.	4,150,799	7,676,936	9,404,229	22.5
4	Animal and vegetable oils, fats and waxes.	51	48	61	26.7
5	Chemicals and related products, n.e.s.	1,539,092	1,752,032	1,940,447	10.8
6	Manufactured goods classified chiefly by material.	4,821,375	4,826,341	7,057,930	46.2
7	Machinery and transport equipment.	110,172	172,057	187,172	8.8
8	Miscellaneous manufactured articles.	532,216	246,908	226,386	-8.3
9	Commodities and transactions not classified elsewhere in the SITC.	37,483	116,176	180,293	55.2
	Total all imports commodities.	11,636,955	15,352,777	19,641,626	27.9

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

Table A.43 Leading U.S. exports to Russia, by Schedule B subheading, 2004-06

Schedule B subheading	Description	2004	2005	2006	Percent change 2005-06
<i>1,000 dollars</i>					
0207.14	Chicken cuts and edible offal, including livers, frozen.	489,184	638,060	434,368	-31.9
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.	168,654	261,103	254,138	-2.7
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg.	54,750	53,130	139,923	163.4
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc.	53,810	108,280	135,471	25.1
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc.	40,257	69,498	111,051	59.8
8473.30	Parts and accessories for automated data processing machines and units.	63,027	88,420	94,445	6.8
0203.29	Meat of swine, n.e.s.o.i., frozen.	21,357	30,991	83,194	168.4
8701.90	Tractors, n.e.s.o.i.	19,651	50,544	80,575	59.4
8467.81	Chain saws, for working in the hand, hydraulic or with self-contained nonelectric motor.	11,115	23,727	70,363	196.5
8431.49	Parts and attachments for derricks, cranes, self-propelled bulldozers, graders, and other grading, scraping machinery, n.e.s.o.i.	35,318	67,298	69,066	2.6
8701.20	Road tractors for semi-trailers.	10,063	29,949	65,899	120.0
8704.10	Dumpers (dump trucks) designed for off-highway use.	9,131	20,135	46,315	130.0
3912.11	Cellulose acetates, nonplasticized, in primary forms.	20,210	34,784	46,004	32.3
8705.90	Special purpose motor vehicles, other than those principally designed for the transport of persons or goods, n.e.s.o.i.	5,815	31,320	38,850	24.0
0203.22	Meat of swine, specifically hams, shoulders and cuts thereof, with bone in, frozen.	8,090	16,159	36,375	125.1
8701.30	Track-laying tractors.	10,991	13,583	36,238	166.8
8407.34	Reciprocating spark-ignition piston engines, of a cylinder capacity over 1,000 cc.	154	1,126	35,793	,079.2
8413.70	Centrifugal pumps, for liquids, n.e.s.o.i.	93,186	24,056	34,216	42.2
2401.20	Tobacco, partly or wholly stemmed/stripped.	70,606	65,234	33,176	-49.1
8472.90	Automatic banknote dispensers, coin-sorting, pencil-sharpening, perforating or stapling, and other office machines, n.e.s.o.i.	1,897	9,845	32,316	228.3
8523.90	Prepared magnetic media for sound or similar recording, unrecorded, n.e.s.o.i.	7,366	13,276	31,851	139.9
8431.39	Parts for lifting, handling, loading, or unloading machinery, n.e.s.o.i.	31,184	35,461	30,927	-12.8
9015.90	Parts and accessories for surveying, hydrographic, oceanographic, hydrological, meteorological or geophysical instruments and appliances.	4,873	3,915	30,707	684.3
8433.51	Combine harvester-threshers.	16,365	46,419	29,993	-35.4
8474.10	Machines for sorting, screening, separating or washing earth, stone, ores or other mineral substances, in solid form.	12,103	16,166	29,331	81.4
	Total of items shown.	1,259,155	1,752,480	2,030,582	15.9
	All other.	1,495,821	1,904,989	2,184,048	14.6
	Total of all commodities.	2,754,976	3,657,469	4,214,630	15.2

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."

Table A.44 Leading U.S. imports from Russia, by HTS subheading, 2004-06

HTS subheading	Description	2004	2005	2006	Percent
					change 2005-06
		1,000 dollars			
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light.	1,683,924	3,256,400	4,323,553	32.8
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products.	1,025,565	2,265,792	2,674,336	18.0
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude.	818,147	1,499,784	1,270,684	-15.3
7601.10	Aluminum, not alloyed, unwrought.	1,319,944	1,233,525	1,162,766	-5.7
2844.20	Uranium and its compounds enriched in u235; plutonium and its compounds.	824,963	847,890	840,770	-0.8
7207.12	Semifinished iron/nonalloy steel products, under 0.25 percent carbon, rectangular/not square, width not less than twice thickness.	388,366	319,197	776,828	143.4
7408.11	Wire of refined copper, with a maximum cross sectional dimension over 6 millimeters.	131,842	386,544	719,045	86.0
7502.10	Nickel, not alloyed, unwrought.	238,635	301,321	624,686	107.3
7601.20	Unwrought aluminum alloys.	310,464	345,781	528,019	52.7
7201.10	Nonalloy pig iron containing 0.5 percent or less phosphorus by weight, in primary forms.	304,524	197,958	462,997	133.9
2713.11	Petroleum coke, not calcined.	170,709	181,764	337,901	85.9
0306.14	Crabs, including in shell, cooked by steaming or by boiling in water, frozen.	179,180	264,849	327,586	23.7
7110.21	Palladium, unwrought or in powder form.	249,960	341,524	287,629	-15.8
2711.29	Petroleum gases and other gaseous hydrocarbons, other than natural gas, in a gaseous state.	131,170	150,830	227,332	50.7
2814.10	Anhydrous ammonia.	174,842	112,941	185,873	64.6
2901.21	Ethylene.	56,843	131,561	164,801	25.3
7606.12	Rectangular plates, sheets and strip, over 0.2 mm thick, of aluminum alloy.	65,425	141,384	152,196	7.6
7110.11	Platinum, unwrought or in powder form.	126,114	112,343	150,629	34.1
7110.31	Rhodium, unwrought or in powder form.	26,885	54,922	141,249	157.2
7208.37	Flat-rolled products of iron or nonalloy steel, in coils, hot-rolled, width of 600 or more and thickness 4.75 to 10 millimeters, n.e.s.o.i.	111,978	39,438	139,982	254.9
7102.39	Nonindustrial diamonds, n.e.s.o.i.	125,773	126,852	136,758	7.8
9801.00	U.S. articles exported and returned, not advanced or improved in condition; animals exported or returned.	9,318	76,397	127,827	67.3
4412.14	Plywood consisting of sheets of wood, each ply not exceeding 6 mm in thickness, at least one outer ply of nonconiferous wood, n.e.s.o.i.	152,917	149,173	120,648	-19.1
7209.16	Flat-rolled products of iron or nonalloy steel, in coils, cold-rolled, width of 600 or more and thickness over 1 to 3 millimeters.	131,362	72,196	115,211	59.6
3102.80	Mixtures or urea and ammonium nitrate in aqueous or ammoniacal solution.	87,900	103,756	114,460	10.3
	Total of items shown.	8,846,752	12,714,120	16,113,765	26.7
	All other.	2,790,203	2,638,657	3,527,860	33.7
	Total of all commodities.	11,636,955	15,352,777	19,641,626	27.9

Source: Compiled from official statistics of the U.S. Department of Commerce.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s.o.i." stands for "not elsewhere specified or included."