

United States International Trade Commission

THE YEAR IN TRADE 2010

Operation of the Trade
Agreements Program

62ND REPORT

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July 2011



U.S. International Trade Commission

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The Year in Trade 2010 Operation of the Trade Agreements Program 62nd Report

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PREFACE

This report is the 62nd 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 2010. 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.

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Abbreviations and Acronyms

ACO	Authorized Certificate of Origin
ACTA	Anti-Counterfeiting Trade Agreement
AD	antidumping
AGOA	African Growth and Opportunity Act
AIT	American Institute in Taiwan
AMS	Agricultural Marketing Service (USDA)
APEC	Asia-Pacific Economic Cooperation
APHIS	Animal and Plant Health Inspection Service (USDA)
ARRA	American Recovery and Reinvestment Act of 2009
ASEAN	Association of Southeast Asian Nations
ASU	Aircraft Sector Understanding (OECD Arrangement on Officially Supported Export Credits)
ATAA	Alternative Trade Adjustment Assistance
ATPA	Andean Trade Preference Act
ATPDEA	Andean Trade Promotion and Drug Eradication Act
BEA	Bureau of Economic Analysis (USDOC)
BECC	Border Environment Cooperation Commission (NAFTA)
BIAC	Business and Industry Advisory Committee (OECD)
BOP	balance of payments
BSE	bovine spongiform encephalopathy
CAFTA-DR	Dominican Republic-Central America-United States Free Trade Agreement
CANACAR	Cámara Nacional del Autotransporte de Carga (Mexico)
CBERA	Caribbean Basin Economic Recovery Act
CBI	Caribbean Basin Initiative
CBTPA	Caribbean Basin Trade Partnership Act
CEA	Council of Economic Advisors
CEC	Commission for Environmental Cooperation (NAFTA)
CLC	Commission for Labor Cooperation (NAFTA)
CNL	competitive need limitation
COOL	country of origin labeling
CTD	Committee on Trade and Development (WTO)
CTI	Committee on Trade and Investment (APEC)
CVD	countervailing duty
DDA	Doha Development Agenda (WTO)
DSB	Dispute Settlement Body (WTO)
DSU	Dispute Settlement Understanding (WTO)
DTAA	Division of Trade Adjustment Assistance (USDOL)
EC	European Communities
ECC	Extraordinary Challenge Committee (NAFTA)
EDA	Economic Development Administration (USDOC)
EIAP	Earned Import Allowance Program (CAFTA-DR)
EoDB	ease of doing business (APEC)
ERS	Economic Research Service (USDA)
ETA	Employment and Training Administration (USDOL)
EU	European Union
FAS	Foreign Agricultural Service (USDA)
FMCSA	Federal Motor Carrier Safety Administration (USDOT)
FMRD	Financial Markets Regulatory Dialogue

FSIS	Food Safety and Inspection Service (USDA)
FTA	free trade agreement
FTAA	Free Trade Area of the Americas
FTAAP	Free Trade Area of the Asia-Pacific
FTC	Free Trade Commission (CAFTA-DR, NAFTA)
G8	Group of Eight (major world industrial economies)
G20	Group of 20 (major world industrial and emerging market economies)
GATS	General Agreement on Trade in Services (WTO)
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GI	geographical indication
GPA	Agreement on Government Procurement (WTO)
GSP	Generalized System of Preferences
GTIS	Global Trade Information System
HCTC	Health Coverage Tax Credit
HELP	Haiti Economic Lift Program
HOPE	Haitian Hemispheric Opportunity through Partnership Encouragement Act
HS	Harmonized Commodity Description and Coding System
HTS	Harmonized Tariff Schedule of the United States
ICSID	International Centre for the Settlement of Investment Disputes
IIPA	International Intellectual Property Alliance
IMF	International Monetary Fund
IPR	intellectual property rights
IT	information technology
ITA	International Trade Administration (USDOC)
JCCT	Joint Commission on Commerce and Trade
LCIA	London Court of International Arbitration
LDBDC	least-developed beneficiary developing country
LTFV	less than fair value
MEA	multilateral environmental agreement
Mercosur	Common Market of the South (Mercado Común del Sur)
MOU	memorandum of understanding
MRA	mutual recognition agreement
NAAEC	North American Agreement on Environmental Cooperation (NAFTA)
NAALC	North American Agreement on Labor Cooperation (NAFTA)
NADB	North American Development Bank (NAFTA)
NAFTA	North American Free Trade Agreement
NAMA	nonagricultural market access
NAO	National Administrative Office
NBER	National Bureau of Economic Research
NTM	nontariff measure
NTR	normal trade relations
OCR	Out-of-Cycle Special 301 Review
OECD	Organisation for Economic Co-operation and Development
OIE	World Organization for Animal Health
OTEXA	Office of Textiles and Apparel (USDOC)
PSAG	Private Sector Advisory Group
ROOs	rules of origin
RTA	regional trade agreement
SCM	subsidies and countervailing measures
S&D	special and differential treatment
S&ED	Strategic and Economic Dialogue

SITC	Standard Industrial Trade Classification
SLA	Softwood Lumber Agreement
SPS	sanitary and phytosanitary standards
SRM	specified risk material
SSA	sub-Saharan Africa
TAA	Trade Adjustment Assistance
TAAC	Trade Adjustment Assistance Center
TAATC	Trade Agreement Administration and Technical Cooperation (USDOL)
TEC	Transatlantic Economic Council
TGAAA	Trade and Globalization Adjustment Assistance Act of 2009 (part of ARRA)
TIFA	trade and investment framework agreement
TNC	Trade Negotiations Committee (WTO)
TPA	trade promotion agreement
TPF	Trade Policy Forum
TPP	Trans-Pacific Partnership
TRIPS	Trade-Related Aspects of Intellectual Property Rights (WTO)
TRQ	tariff-rate quota
UAE	United Arab Emirates
UN	United Nations
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development
USCBP	United States Customs and Border Protection
USCIA	United States Central Intelligence Agency
USDA	United States Department of Agriculture
USDHS	United States Department of Homeland Security
USDOC	United States Department of Commerce
USDOE	United States Department of Energy
USDOL	United States Department of Labor
USDOS	United States Department of State
USDOT	United States Department of Transportation
USITC	United States International Trade Commission
USTR	United States Trade Representative
WebTR	Web site on Tariffs and Rules of Origin (APEC)
WIPO	World Intellectual Property Organization
WTO	World Trade Organization

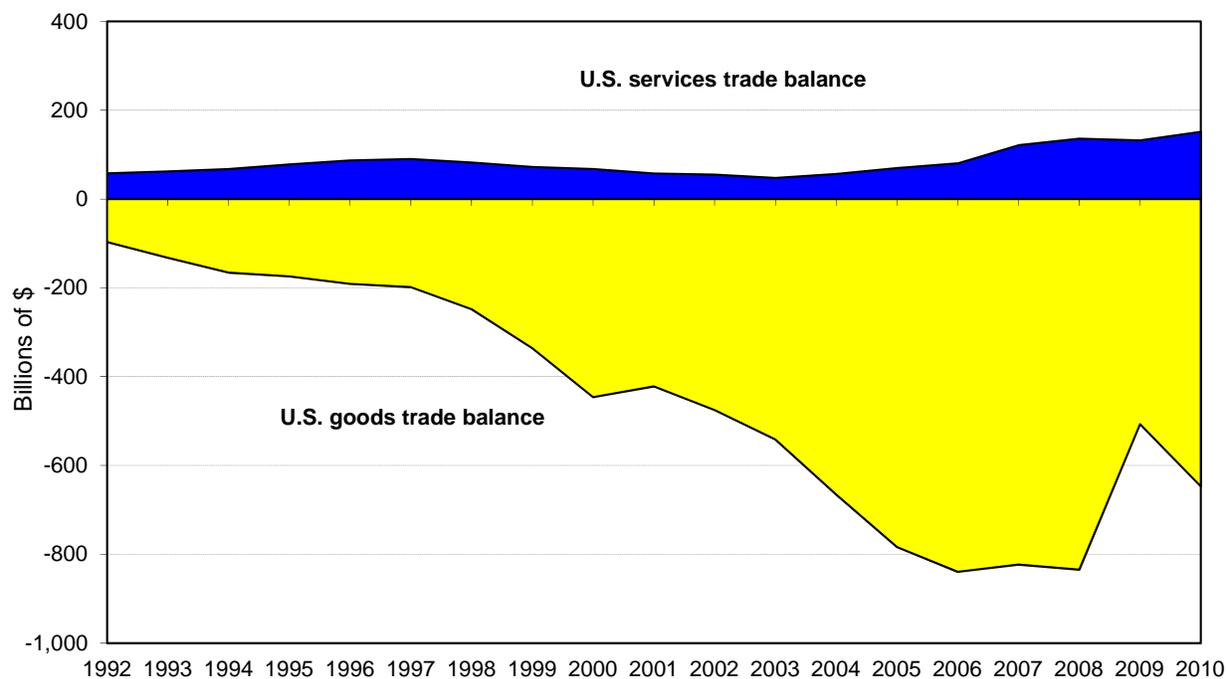
EXECUTIVE SUMMARY

The U.S. trade deficit for goods and services expanded from \$374.9 billion in 2009 to \$495.7 billion in 2010 on a balance-of-payments basis, reversing a three-year downward trend. The deficit on goods increased from \$506.9 billion in 2009 to \$647.1 billion in 2010, but remained substantially below the record \$839.5 billion goods deficit in 2006. At the same time, the U.S. surplus on services rose from \$132.0 billion in 2009 to a record \$151.4 billion in 2010 (figure ES.1). The U.S. economic recovery that began in the summer of 2009 and continued in 2010 boosted the U.S. demand for imports in 2010. Similarly, continued recovery in the rest of the world, especially in emerging and developing economies, increased the demand for U.S. exports, though to a somewhat smaller degree.

The U.S. recovery was driven by increases in private consumption and investment spending. The recovery followed the longest recession since World War II. Real gross domestic product (GDP) grew 2.9 percent in 2010, following no growth in 2008 and a 2.6 percent contraction in 2009. Growth was uneven over the course of 2010, however, with slower growth in the second and third quarters.

The U.S. dollar depreciated 1.3 percent in 2010 against a broad trade-weighted index of currencies. This trend was far from uniform: the European debt crisis, with financial bailouts for Greece in May and Ireland in November, drove the dollar to subsequent peaks against the euro and British pound following each of the bailouts, and to gains for the full year. However, the dollar's depreciation against the Canadian dollar, the Mexican peso, and especially the Japanese yen outweighed its gains against European currencies to produce a small depreciation of the dollar against the broad index for the year.

FIGURE ES.1 U.S. trade balance in goods and services, 1992–2010



Source: USDOC.

A summary of U.S. trade agreement activities in 2010 is presented below, followed by a table summarizing key developments on a monthly basis for the year (table ES.1). Trade agreement activities during 2010 included the administration of U.S. trade laws and regulations; U.S. participation in the World Trade Organization (WTO), the Organisation for Economic Co-operation and Development (OECD), the Asia-Pacific Economic Cooperation (APEC) forum, and the Anti-Counterfeiting Trade Agreement (ACTA); U.S. negotiation of and participation in free trade agreements (FTAs); and bilateral developments with major trading partners.

Key Trade Developments in 2010

Administration of U.S. Trade Laws and Regulations

Safeguard actions: In 2010, the U.S. International Trade Commission (USITC or the Commission) conducted no new safeguard investigations. Only one safeguard measure was in effect during 2010, involving imports of certain passenger vehicle and light truck tires from China. The President had imposed additional tariffs on such tires from China in September 2009 for a three-year period, setting the tariffs at 35 percent ad valorem in the first year, 30 percent ad valorem in the second year, and 25 percent ad valorem in the third year.

Section 301: In 2010, there were two ongoing section 301 cases and one new section 301 petition was filed. In September 2010, the United Steelworkers Union filed a section 301 petition with the United States Trade Representative (USTR) alleging that the acts, policies, and practices of the government of China with respect to various green technologies violate the General Agreement on Tariffs and Trade 1994, China's Protocol of Accession to the WTO, and the WTO Agreement on Subsidies and Countervailing Measures. On October 15, 2010, USTR initiated an investigation, but decided to delay the request for consultations with the government of China in order to verify or improve the petition. The two ongoing section 301 cases during the year concerned the European Union's meat hormone directive and the U.S.-Canada Softwood Lumber Agreement.

Special 301: In the 2010 Special 301 review, the USTR examined the adequacy and effectiveness of intellectual property rights (IPR) protection in 77 countries. USTR did not identify any countries as priority foreign countries, but identified 11 countries for its priority watch list, and highlighted particularly weak IPR protection and enforcement in China and Russia. Algeria, Argentina, Canada, Chile, India, Indonesia, Pakistan, Thailand, and Venezuela were kept on USTR's priority watch list due to significant concerns regarding IPR protection. While 29 countries remained on the watch list, the Czech Republic, Hungary, and Poland were removed because they had made significant progress on the protection and enforcement of IPR.

Antidumping duty investigations: The USITC instituted 3 new antidumping duty investigations and completed 19 during 2010. Antidumping duty orders were issued by the U.S. Department of Commerce (USDOC) in 17 of the investigations completed during 2010.

Countervailing duty investigations: The USITC instituted 2 new countervailing duty investigations and completed 11 investigations during 2010. Countervailing duty orders were issued by the USDOC in 10 of the 11 completed investigations.

Sunset reviews: During 2010, the USDOC and the USITC instituted 73 sunset reviews of existing antidumping and countervailing duty orders and suspension agreements. The Commission completed 32 reviews, resulting in 31 antidumping and countervailing duty orders being continued for five additional years.

Section 337 investigations: During 2010, there were 108 active section 337 investigations and ancillary proceedings, 63 of which were instituted in 2010. Of these 63, 56 were new section 337 investigations and 7 were new ancillary proceedings relating to previously concluded investigations. In all but two of the new section 337 institutions in 2010, patent infringement was the only type of unfair act alleged in the complaint. About two-thirds of the active investigations in 2010 concerned products in the semiconductor, telecommunications, and electronics fields. At the close of 2010, 58 section 337 investigations and related proceedings were pending at the Commission.

Trade Adjustment Assistance (TAA): In 2010, the U.S. Department of Labor (USDOL) reported that it received 2,222 petitions for TAA for workers, a sharp decline from the 4,549 filed in 2009; it certified 2,718 petitions as eligible for TAA during 2010, up from 1,845 in 2009. According to the USDOL, more petitions were filed during 2009 due to the economic recession and the expansion of TAA coverage to service sector workers. TAA programs also provided assistance in 2010 to farmers, firms, and communities impacted by foreign trade.

Trade Preference Programs

Generalized System of Preferences: Duty-free U.S. imports under the Generalized System of Preferences (GSP) program totaled \$22.6 billion in 2010; almost one-fourth of these imports were petroleum products. Thailand was the leading GSP beneficiary in 2010, followed by Angola, India, Brazil, Indonesia, and Equatorial Guinea. As of January 1, 2010, the Republic of the Maldives was added to the list of GSP beneficiaries; Cape Verde was removed from the least-developed beneficiary developing countries (LDBDCs) list, though it remains a GSP beneficiary; and Trinidad and Tobago was removed from GSP eligibility based on its classification as a high-income economy. On January 1, 2011, Croatia and Equatorial Guinea were removed from the list of GSP beneficiaries based on high income. The President's authority to provide duty-free treatment under the GSP program expired on December 31, 2010.

African Growth and Opportunity Act: At the end of 2010, 38 sub-Saharan African (SSA) countries were designated for benefits under the African Growth and Opportunity Act (AGOA), and 26 SSA countries were eligible for AGOA textile and apparel benefits. Duty-free U.S. imports under AGOA, including those covered by GSP, were valued at \$44.3 billion in 2010. U.S. imports under AGOA, exclusive of GSP, were valued at \$38.7 billion in 2010, up 37.8 percent from 2009. This increase was driven mainly by a rise in the value and quantity of U.S. imports of petroleum-related products, which made up 93.1 percent of imports under AGOA in 2010.

Andean Trade Preference Act: At the end of 2010, certain products of two Andean countries—Colombia and Ecuador—were eligible for duty-free treatment under the Andean Trade Preference Act (ATPA), as amended by the Andean Trade Promotion and Drug Eradication Act (ATPDEA). Peru's eligibility continued after the U.S.-Peru Trade Promotion Agreement (TPA) entered into force on February 1, 2009, but was not renewed on December 24, 2010, when ATPA was extended through February 12, 2011. U.S. imports under ATPA were valued at \$14.4 billion in 2010, an increase of 48.3

percent from 2009. Imports from Colombia and Ecuador under ATPA increased substantially, while imports from Peru under ATPA decreased as Peru entered more of its exports to the United States under the U.S.-Peru TPA. Petroleum-related products accounted for 86.2 percent of U.S. imports under ATPA in 2010. Other leading imports under ATPA included fresh cut flowers, apparel, and pouched tuna.

Caribbean Basin Economic Recovery Act: The Caribbean Basin Economic Recovery Act (CBERA), as amended by the Caribbean Basin Trade Partnership Act (CBTPA), provides duty-free and reduced-duty treatment for certain products from designated Caribbean Basin countries. In 2010, 18 countries were eligible for permanent CBERA preferences, and 8 were eligible for CBTPA preferences. U.S. imports under CBERA were valued at \$2.9 billion in 2010, a 22.6 percent increase from \$2.4 billion in 2009. This increase reflects substantial increases in 2010 in the prices of petroleum-related products and methanol, which are major imports from CBERA countries. Apparel was also a leading import under CBERA in 2010. Trinidad and Tobago was the leading supplier of U.S. imports under CBERA in 2010. In response to the devastating earthquake of January 2010, trade benefits for apparel from Haiti were expanded by the Haiti Economic Lift Program, which was signed into law on May 24, 2010.

WTO and OECD

WTO developments: Participants continued to meet in informal sessions during 2010 in an effort to conclude the Doha Round of multilateral trade negotiations. By yearend, the WTO Director-General reported only that uneven progress had been made and that the pace of work needed to accelerate in order to conclude negotiations in 2011. No new members acceded to the WTO in 2010, leaving membership at 153. WTO members attempted to push forward with Russia's accession negotiations in 2010, following the uncertainty arising from the 2009 announcement of a Russia-Belarus-Kazakhstan customs union. At the end of the year, parties to the WTO Agreement on Government Procurement asked China to further revise its offer in connection with its bid to join the agreement, seeking to have the offer cover both subcentral government entities and some state-owned enterprises.

WTO dispute settlement: Of the 17 requests for dispute settlement consultations filed during 2010, 4 involved the United States as complainant and 2 as the respondent. Of the 7 new dispute settlement panels established in 2010, the United States had requested 1 and was the named respondent in 4. A notable development in 2010 was the issuance of the panel report in the long-running case involving the U.S. complaint about EU measures affecting trade in large civil aircraft.

OECD developments: Four new countries acceded to the OECD in 2010—Chile, Estonia, Israel, and Slovenia—bringing total membership to 34. At their annual ministerial meeting, members continued to focus on various aspects of economic recovery from the 2008–09 global downturn. At the end of 2010, participants in the Sector Understanding on Export Credits for Civil Aircraft, part of the Arrangement on Officially Supported Export Credits, reached a tentative agreement on revisions that would raise the minimum interest rate on official export credits for large commercial aircraft.

APEC developments: In 2010, APEC members discussed using existing regional agreements, including the Trans-Pacific Partnership being negotiated by the United States and eight other APEC economies, as pathways toward a future Free Trade Area of the

Asia-Pacific. The Committee on Trade and Investment, which coordinates APEC's trade and investment activities, continued to make progress throughout the year on initiatives related to regional economic integration, including the Pathfinder Initiative for Self-Certification of Origin and the Services Action Plan.

Other plurilateral developments: Anti-Counterfeiting Trade Agreement (ACTA) negotiations successfully concluded on November 15, 2010. ACTA participants include Australia, Canada, the European Union (including its 27 member states), Japan, Korea, Mexico, Morocco, New Zealand, Singapore, Switzerland, and the United States.

FTA Developments in 2010

U.S. FTAs in force in 2010: The United States was a party to 11 FTAs as of December 31, 2010. These include the U.S.-Oman FTA, which entered into force in 2009; the U.S.-Peru Trade Promotion Agreement (TPA) (2009); a multiparty FTA with the countries of Central America and the Dominican Republic (CAFTA-DR) that entered into force first with respect to the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua (2006-07), and later with respect to Costa Rica (2009); the U.S.-Bahrain FTA (2006); the U.S.-Morocco FTA (2006); the U.S.-Australia FTA (2005); the U.S.-Chile FTA (2004); the U.S.-Singapore FTA (2004); the U.S.-Jordan FTA (2001); the North American Free Trade Agreement (NAFTA) (1994); and the U.S.-Israel FTA (1985).

FTA developments: In October 2010, the United States-Israel Joint Committee agreed to develop a work plan under the U.S.-Israel FTA that would review customs procedures and regulations, address remaining barriers to bilateral trade in the areas of agriculture and services, and include negotiation of a Mutual Recognition Agreement (MRA) to assess conformity in telecommunications equipment. On July 30, 2010, the United States expressed its concern that the government of Peru had not taken the steps needed for complete implementation of the Annex on Forest Sector Governance under the U.S.-Peru TPA by the August 1, 2010, deadline. In the first labor case brought against a U.S. FTA partner, USTR announced on July 30, 2010, that the United States would file a case against Guatemala under CAFTA-DR for apparent violations of obligations on labor rights. During 2010, Trans-Pacific Partnership (TPP) countries held four rounds of negotiations and, in December, finalized technical details necessary to prepare initial goods market access offers, which the countries planned to exchange in early 2011. Besides the United States, TPP countries include Australia, Brunei Darussalam, Chile, Malaysia (which formally joined the TPP negotiations in October 2010), New Zealand, Peru, Singapore, and Vietnam.

FTA merchandise trade flows with FTA partners: In 2010, total two-way merchandise trade between the United States and its FTA partners was \$1.0 trillion, or more than one-third of U.S. merchandise trade with the world. U.S. merchandise exports to FTA partners increased strongly, rising by 21.5 percent to \$434.7 billion and accounting for 38.7 percent of total U.S. exports. However, U.S. imports of goods from FTA partners increased even more strongly, rising by 24.3 percent to \$590.1 billion and accounting for 31.1 percent of U.S. imports from the world. As a result, the 2010 U.S. merchandise trade deficit with its FTA partners increased by \$38.5 billion to \$155.4 billion. The United States had a trade deficit with its NAFTA partners of \$166.8 billion, while registering a trade surplus with its other FTA partners of \$11.5 billion. U.S. imports under FTA provisions were valued at \$311.3 billion, accounting for 16.4 percent of total U.S. imports in 2010.

NAFTA developments: All of NAFTA's provisions were fully implemented as of January 1, 2008, with the exception of the NAFTA cross-border trucking provisions. In 2010, the United States, Canada, and Mexico initialed the basic terms of an MRA for telecommunications equipment and renewed an MRA concerning accounting services in the three countries. NAFTA countries also reached a preliminary agreement on a fourth set of changes to the NAFTA rules of origin, to be implemented in 2011, on goods for which annual trade among the three NAFTA parties exceeds \$90 billion. One new submission on labor matters was filed in 2010 under the North American Agreement on Labor Cooperation (NAALC), a supplemental agreement to NAFTA. At the end of 2010, 13 files remained active under articles 14 and 15 of the North American Agreement on Environmental Cooperation (NAAEC), a supplemental agreement to NAFTA, of which 3 were submitted in 2010.

NAFTA dispute settlement: In 2010, there was one active case filed by Canadian investors against the United States under NAFTA's chapter 11 dispute settlement provision. In the same year, five active chapter 11 cases were filed by U.S. investors against Canada, and three active chapter 11 cases were filed by U.S. investors against Mexico. At yearend, the NAFTA Secretariat listed 10 binational panels active under chapter 19, all of which challenged U.S. agencies' antidumping and countervailing duty determinations. Among these panels, 3 were formed in 2010; all of these challenged U.S. agencies' determinations on products from Mexico.

Trade Activities with Major Trade Partners

European Union

The EU as a unit¹ is the largest two-way (exports and imports) U.S. trading partner in terms of both goods and services. U.S. merchandise trade with the EU was valued at \$532.2 billion in 2010, accounting for 17.6 percent of total U.S. trade. U.S. merchandise exports to the EU totaled \$217.3 billion while the value of U.S. merchandise imports from the EU was \$314.9 billion, resulting in a U.S. merchandise trade deficit with the EU of \$97.6 billion in 2010. Leading U.S. exports included aircraft and aircraft parts, certain medicaments, petroleum products, nonmonetary gold, blood fractions (e.g., antiserum), coal, passenger motor vehicles, and medical instruments. Leading U.S. imports included certain medicaments, passenger motor vehicles, petroleum products, nucleic acids and their salts, aircraft and aircraft parts, and heterocyclic compounds. The EU was also the United States' largest trading partner in terms of services in 2010, accounting for 33.4 percent of total U.S. trade in services. The United States registered a trade surplus in services with the EU of \$49.1 billion in 2010.

The U.S.-EU Transatlantic Economic Council (TEC) took a number of concrete steps in 2010. The two sides signed several sectoral statements and agreements to improve regulatory cooperation, including on electronic health record systems, chemicals, and efficiency standards for energy-related products. The TEC also launched a work plan to promote cooperation on innovation, and a joint Web site with information on how to fight counterfeiting and piracy.

¹ The 27 members of the EU in 2010 were Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, the Slovak Republic, Slovenia, Spain, Sweden, and the United Kingdom.

Canada

Canada was the United States' largest single-country trading partner in 2010, accounting for 15.9 percent of total U.S. two-way trade. U.S. merchandise exports to Canada were \$206.0 billion and U.S. merchandise imports from Canada amounted to \$275.5 billion, which resulted in a trade deficit of \$69.6 billion. Leading U.S. exports were motor vehicles and parts; energy products, such as natural gas and petroleum-related products; aircraft and aircraft parts; metal products, such as gold scrap and aluminum plate; and medicaments. Leading U.S. imports from Canada were energy products, such as petroleum-related products, natural and propane gas, and electricity; motor vehicles and vehicle parts; metals, such as gold, aluminum, and copper; wood and wood products; and medicaments. The U.S. trade surplus in private services with Canada expanded 21.2 percent, from \$20.0 billion in 2009 to \$24.2 billion in 2010.

In 2010, the United States and Canada were involved in three separate arbitration cases under the 2006 Softwood Lumber Agreement: (1) arbitration on export measures, (2) arbitration on provincial subsidies, and (3) arbitration on underpricing of government-owned timber in British Columbia. There is also an active section 301 investigation concerning the Softwood Lumber Agreement. In February, the United States and Canada reached a tentative agreement on government procurement that provides reciprocal and permanent market access commitments regarding provincial, territorial, and state procurement, and reciprocal but temporary market access regarding a range of construction and public works projects. Canada's government also introduced legislation aimed at establishing adequate and effective IPR protection and enforcement within Canada and at its borders.

China

In 2010, China was the United States' second-largest single-country trading partner, based on two-way trade, and accounted for 14.9 percent of U.S. trade with the world. The United States' bilateral merchandise trade deficit with China, which rose by \$47.9 billion to \$278.3 billion in 2010, remained higher than the U.S. deficit with any other country. U.S. merchandise exports to China amounted to \$85.7 billion in 2010, and U.S. imports from China amounted to \$364.0 billion. Leading U.S. exports were soybeans, metal waste and scrap, aircraft, and computer chips. Leading U.S. imports were computers and computer parts, wireless telephones, toys, and video games. The United States ran a services trade surplus with China in 2010 of \$10.4 billion, compared to \$7.5 billion the year before.

China's compliance with its WTO commitments remained a focus of U.S.-China trade relations in 2010. Notable areas of U.S. concern were China's IPR enforcement policies, a ban on U.S. beef and pork exports to China, and yuan currency valuation.

Mexico

In 2010, U.S. merchandise trade with Mexico—the United States' third-largest single-country trading partner—was valued at \$360.4 billion, accounting for approximately 11.9 percent of U.S. merchandise trade with the world. U.S. exports to Mexico were \$131.6 billion and U.S. imports from Mexico were \$228.8 billion, resulting in a merchandise trade deficit of \$97.2 billion. Leading U.S. exports to Mexico included refined petroleum products, motor vehicles and parts, corn, soybeans, plastic articles, aircraft and aircraft parts, and parts for electrical apparatus. Leading U.S. imports from Mexico included

crude petroleum, televisions, motor vehicles and parts, computers, cell phones, gold, and medical instruments. The United States registered a trade surplus in services of \$9.3 billion with Mexico in 2010.

In 2009, in response to the United States' termination of the Cross-Border Trucking Demonstration Project, Mexico suspended the preferential tariffs it had applied to certain U.S. goods. The government of Mexico stated that the termination of the demonstration project was inconsistent with U.S. obligations under NAFTA. On August 19, 2010, Mexico revised the list of U.S. goods subject to higher tariffs as a result of this continuing dispute. The revised list added 26 new tariff lines and removed 16 for a total of 99 tariff lines, compared with 89 on the previous list.

Japan

Japan was the United States' fourth-largest single-country trading partner in 2010. U.S. merchandise trade with Japan was valued at \$175.7 billion in 2010, accounting for 5.8 percent of U.S. merchandise trade with the world. U.S. exports to Japan amounted to \$55.7 billion, and U.S. imports from Japan were \$119.9 billion, resulting in a U.S. merchandise trade deficit of \$64.2 billion. Leading U.S. exports to Japan were aircraft and aircraft parts, corn, certain medicaments, soybeans, and wheat. Leading U.S. imports from Japan were passenger vehicles and parts, parts for printers and copying machines, cameras, and parts of airplanes or helicopters. The U.S. services trade surplus with Japan was \$22.0 billion in 2010.

Numerous economic cooperation initiatives between Japan and the United States were advanced or commenced during 2010, including an Open Skies Agreement and the U.S.-Japan Policy Cooperation Dialogue on the Internet Economy. In 2010, the United States and Japan also held talks on U.S. beef exports to Japan, bilateral trade in automobiles, and regulatory reform, including economy-wide and sector-specific reforms.

Republic of Korea

The Republic of Korea (Korea) was the United States' seventh-largest single-country trading partner in 2010. Two-way merchandise trade was valued at \$84.8 billion, accounting for 2.8 percent of total U.S. trade. U.S. exports to Korea were valued at \$36.8 billion, and U.S. imports from Korea totaled \$47.9 billion, resulting in an \$11.1 billion trade deficit in 2010, the smallest deficit in the last decade. Leading U.S. exports to Korea during the year included machinery for producing semiconductors and computer chips, aircraft, corn, and transistors. Leading U.S. imports from Korea included cell phones, automobiles, computer parts and accessories (mainly memory modules), and computer chips. The U.S. trade surplus in services with Korea increased \$1.4 billion to \$7.6 billion in 2010.

U.S.-Korean trade relations in 2010 were dominated by the status of the United States-Korea FTA (KORUS FTA). The KORUS FTA was signed in June 2007, and portions affecting automobile trade were renegotiated in 2010. In addition, as part of the 2010 negotiations related to this FTA, the United States attempted to include a deal allowing U.S. beef exports to Korea to include beef from cattle of all ages. However, no provisions addressing beef were in the final agreement.

Taiwan

Taiwan was the United States' ninth-largest single-country trading partner in 2010, and accounted for 2.0 percent of U.S. trade with the world. The U.S. merchandise trade deficit with Taiwan widened slightly to \$11.7 billion in 2010. U.S. merchandise exports to Taiwan amounted to \$23.9 billion in 2010, led by semiconductor manufacturing and assembly equipment, soybeans, corn, computer chips, aircraft, and ferrous waste and scrap. U.S. merchandise imports from Taiwan totaled \$35.6 billion in 2010, led by cell phones, computer chips, computer parts, radio navigational aid apparatus (mainly GPS devices), and reception apparatus for televisions. The U.S. services trade surplus with Taiwan jumped to \$3.3 billion in 2010, 145.7 percent higher than the 2009 surplus.

In 2010, Taiwan partially reversed a 2009 agreement granting greater market access to U.S. beef imports by banning certain U.S. beef products, including ground beef. As a result of the dispute over beef, annual high-level meetings under the U.S.-Taiwan Trade and Investment Framework Agreement have not been held since 2007.

Brazil

U.S. merchandise trade with Brazil—the United States' 10th-largest single-country trading partner—was valued at \$53.6 billion in 2010, accounting for 1.8 percent of U.S. merchandise trade with the world. U.S. exports to Brazil amounted to \$30.2 billion, and U.S. imports from Brazil were \$23.4 billion, for a U.S. merchandise trade surplus of \$6.8 billion—more than double the 2009 surplus. Leading U.S. exports to Brazil were aircraft and aircraft parts, petroleum oils and refined petroleum products, coal, and medicaments and vaccines. Leading U.S. imports from Brazil included crude petroleum, unroasted coffee, chemical wood pulp, pig and semifinished iron, and aircraft (regional jet aircraft). The U.S. services trade surplus with Brazil was \$10.6 billion in 2010.

Important progress was made in resolving the ongoing U.S.-Brazil dispute over U.S. cotton subsidies. On April 20, 2010, U.S. and Brazilian officials signed a memorandum of understanding establishing a fund to provide technical assistance and capacity building for the Brazilian cotton sector. On June 25, 2010, the United States and Brazil signed the Framework for a Mutually Agreed Solution to the Cotton Dispute.

India

U.S. merchandise trade with India—the United States' 12th-largest single-country trading partner—was valued at \$46.0 billion in 2010, accounting for 1.5 percent of U.S. merchandise trade with the world. U.S. exports to India were \$16.4 billion, and U.S. imports from India were \$29.6 billion, for a U.S. merchandise trade deficit of \$13.2 billion, double the 2009 figure. Leading U.S. exports to India included nonmonetary gold, aircraft and aircraft parts, diammonium phosphate (fertilizer), nonindustrial diamonds, and coal. Leading U.S. imports from India included nonindustrial diamonds; refined petroleum; therapeutic or prophylactic medicaments; gold and platinum jewelry; and bed linens, towels, and apparel. The United States also registered a trade deficit in services with India of \$3.0 billion, a 25 percent increase from 2009.

During 2010, the United States and India signed a Framework for Cooperation on Trade and Investment seeking to strengthen bilateral cooperation and build on recent rapid growth in U.S.-India trade. The chairs of the United States-India Trade Policy Forum Focus Groups also met to discuss IPR, market access in the services sector, tariff and

nontariff measures, agricultural and industrial standards issues, and investment policy. The United States continued to monitor India's IPR protection performance.

Russia

In 2010, Russia ranked 23rd among the United States' major single-country trading partners, accounting for 1.0 percent of total U.S. merchandise trade. In 2010, U.S. imports from Russia (\$25.2 billion) were over four times larger than U.S. exports to Russia (\$5.7 billion), which resulted in a trade deficit of \$19.5 billion. Leading U.S. exports were chicken, aircraft, mechanical machinery (such as boring, harvesting, and sinking machinery, gas turbines, and parts), polyvinyl chloride, pork, and beef. Leading U.S. imports were petroleum and petroleum products; liquefied ethylene, propylene, butylene, and other distillates; and metals, such as uranium, nickel, ferrochromium, aluminum, palladium, and titanium. Data are not available for U.S. trade in private services with Russia.

At the end of 2010, Russia's WTO accession negotiations were reported to be in their final stages. However, Russia's increasing trade restrictions (i.e., stricter tariff-rate quotas, and health and sanitary regulations) on beef, pork, and poultry imports continued to cause complications.

TABLE ES.1 Summary of 2010 trade agreement activities

January

1: Russia implements a new ban on poultry imports treated with chlorine-rinse washes, widely used by U.S. poultry producers.

5: Taiwan bans imports of some cuts of U.S. beef, including ground beef.

12: The Office of the United States Trade Representative (USTR) makes changes to its Special 301 review process addressing intellectual property rights (IPR) protection, adding a public hearing to the process. USTR announces it will establish a Web site dedicated to the Special 301 review process that will include links to current and historical information about the review.

19: Japan alters the rules of its cash-for-clunkers program in order to open the program to some U.S.-made vehicles.

19: The World Trade Organization (WTO) Dispute Settlement Body (DSB) establishes a dispute panel regarding a complaint by China concerning U.S. measures affecting imports of passenger vehicle and light truck tires from China (DS399).

19: The WTO DSB adopts the Appellate Body and panel reports regarding a complaint by the United States concerning China's measures affecting trading rights and distribution services for certain publications and audiovisual entertainment products (DS363).

21: USTR adds small business issues to the portfolio of the Assistant USTR for Market Access and Industrial Competitiveness.

26: U.S. Customs and Border Protection begins enforcement of the "10-plus-two" rule. This rule requires importers to supply 10 data points—known as the Importer Security Filing—and ocean carriers to supply two pieces of data before their imports or container cargo enters a U.S. port.

26–29: The seventh negotiating round for the Anti-Counterfeiting Trade Agreement begins in Guadalajara, Mexico.

February

4: The U.S. Department of Commerce (USDOC) unveils a three-pronged National Export Initiative (NEI) that will step up government advocacy for U.S. companies in foreign markets, increase financing that supports exports by small and medium-sized businesses, and toughen enforcement of existing U.S. trade deals. USDOC also announces the creation of a new Export Promotion Cabinet, which will consist of top officials from the Departments of Commerce, Treasury, State, and Agriculture, as well as from the Export-Import Bank, USTR, and the Small Business Administration. USDOC says the group will give political direction to the existing Trade Promotion Coordinating Committee, which will "operationalize" the NEI.

12: The United States and Canada sign a bilateral agreement on government procurement. The agreement provides for permanent U.S. access to Canadian provincial and territorial procurement contracts in accordance with the WTO Agreement on Government Procurement (GPA). In addition, the agreement enables U.S. companies to compete, through September 2011, for Canadian provincial and municipal construction contracts not covered under the GPA. The United States will provide reciprocal access for Canadian companies to 37 states already covered under the GPA and to a limited number of programs under the 2009 U.S. American Recovery and Reinvestment Act.

18: The WTO DSB adopts a dispute panel report regarding a complaint by Thailand concerning U.S. antidumping measures on polyethylene retail carrier bags from Thailand (DS383).

March

5: The United States and Russia announce an agreement to reopen Russia's market to U.S. pork exports after Russia declared all major U.S. pork facilities ineligible to export to Russia in late 2009 owing to claims that the level of tetracycline found in imported pork from those facilities failed to meet Russian health standards.

8: Brazil notifies the WTO DSB that certain U.S. products will be subject to increased retaliatory duties, and certain IPR concessions will be suspended, as a result of U.S. failure to comply with the DSB findings concerning U.S. measures on cotton (DS267).

TABLE ES.1 Summary of 2010 trade agreement activities—*Continued*

March—*Continued*

8: The U.S. Treasury Office of Foreign Assets Control formally lifts export restrictions on the provision of Internet services to Iran, Sudan, and Cuba, along with the free downloads of software needed for such services.

11: The President announces the relaunching of the President's Export Council, a group of chief executive officers from major U.S. businesses that deliver annual recommendations to the President on how to boost U.S. exports by eliminating barriers to trade. The group had been inactive since the end of the previous administration.

17: The United States and India sign a Framework for Cooperation on Trade and Investment.

19: USTR and the U.S. Department of Agriculture (USDA) announce that the United States and China have reached an agreement on reopening Chinese markets to U.S. pork and pork products.

22: USTR announces reallocation of the unused share of the FY 2010 tariff-rate quota for raw cane sugar.

April

6: The United States and Brazil reach preliminary agreement in the WTO dispute concerning U.S. measures on cotton (DS267), delaying as a result planned Brazilian retaliation on U.S. goods exports and IPR concessions, pending further discussions.

14: A binational panel under the North American Free Trade Agreement (NAFTA) affirms the USDOC decision to use the U.S. antidumping methodology known as zeroing in a case involving an administrative review of stainless steel sheet and strip in coils from Mexico (USA-MEX-2007-1904-01).

20: The WTO DSB establishes a dispute panel (DS403) regarding a complaint by the United States concerning the Philippines' taxes on distilled spirits.

April—*Continued*

20: The USDA increases fees for most categories of transactions under the General Sales Manager 102 export credit guarantee program, with the highest increases affecting guarantees for transactions with high-risk countries and long loan repayment periods.

30: In its Special 301 report concerning IPR protection, USTR removes the Czech Republic, Hungary, and Poland from its watch list.

May

1: The European Union (EU) expands its list of U.S. products subject to retaliation pursuant to WTO DSB rulings concerning the so-called Byrd Amendment (DS217). The list includes 19 new products, all but one of which are apparel.

11: The EU agrees to refrain until 2011 from imposing retaliatory measures resulting from a WTO ruling against the United States concerning U.S. laws, regulations, and methodology for calculating dumping margins ("zeroing") (DS294).

18: The WTO DSB establishes a dispute panel regarding a complaint by Vietnam concerning U.S. antidumping measures on frozen warmwater shrimp (DS404). In addition to several administrative and new shipper reviews, the request for consultations concerns several U.S. laws, regulations, administrative proceedings, and practices, including zeroing methodology.

20: The United States and Libya sign a trade and investment framework agreement.

24: The President signs the Haiti Economic Lift Program, which expands the U.S. import quota for certain textiles and apparel and extends the Caribbean Basin Trade Partnership Act until September 30, 2020.

24–25: The U.S.-China Strategic and Economic Dialogue takes place in Beijing, China. Several topics are discussed, including sustainable and balanced economic growth, the global financial system, and the promotion of trade and investment between the two countries.

TABLE ES.1 Summary of 2010 trade agreement activities—*Continued*

June

8: The United States and EU sign an agreement designed to resolve the long-running dispute over the EU banana import regime.

17: Brazil approves a framework agreement with the United States, reached tentatively in April, that averts possible retaliation measures in the WTO dispute case concerning U.S. measures on cotton (DS267).

24: The U.S. President and the Russian President meet in Washington, DC, to develop more substantive ties between the two countries and resolve key issues involving beef, pork, and poultry exports to Russia, as well as how to expedite Russia's bid for WTO accession.

30: The WTO circulates a dispute panel report regarding a complaint by the United States concerning EU measures affecting trade in large civil aircraft (DS316).

July

2: The United States withdraws duty-free status for certain passenger tires from Thailand under an annual review of the U.S. Generalized System of Preferences program.

14: The United States and Russia formally sign a bilateral agreement that will allow U.S. exporters to resume poultry shipments to Russia using one or a combination of three specific pathogen-reduction treatments.

20: The WTO DSB establishes a dispute panel regarding a complaint by Indonesia concerning a U.S. ban on clove cigarettes (DS406).

21: The EU appeals certain issues of law and legal interpretations in the WTO panel report on the U.S. complaint concerning measures affecting trade in large civil aircraft in the EU and certain EU member states (DS316).

30: The United States initiates its first labor-related enforcement case under a free trade agreement (FTA) by seeking formal consultations with Guatemala under the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR), for what the United States claims is a pattern of failure to enforce its own labor laws, in a formal consultation request sent by USTR and the U.S. Secretary of Labor to their Guatemalan counterparts.

30: India and the United States sign an agreement that will allow India to reprocess U.S.-origin spent nuclear fuel.

August

2–6: The ninth African Growth and Opportunity Act forum is held in Washington, DC, and Kansas City, Missouri.

4: Russia suspends the bilateral poultry agreement reached in July and proposes to put Russian inspectors at U.S. plants exporting poultry to Russia.

11: Mexico ends its antidumping duty measures on U.S. beef imports.

11: The President signs the Manufacturing Enhancement Act, also known as the Miscellaneous Tariff Bill, into law as part of the February NEI. This law suspends duties on hundreds of industrial inputs.

19: Mexico alters its list of retaliatory tariffs, which were imposed on U.S. exports under NAFTA after the United States terminated the Cross-Border Trucking Demonstration Project; Mexico added 26 new products and dropped 16 from its previous list.

19: Following the EU appeal (July 21), the United States appeals certain issues of law and legal interpretations in the WTO panel report on its complaint concerning measures affecting trade in large civil aircraft in the EU and certain EU member states (DS316).

30: The President issues an executive order widening sanctions against North Korea.

September

1: Canada begins to impose a 10 percent ad valorem export charge on softwood lumber destined for the United States, to resolve a dispute concerning export measures under the 2006 U.S.-Canada Softwood Lumber Agreement.

7: The USDOC Bureau of Industry and Security issues a final rule implementing changes approved at the 2009 plenary meeting of the Wassenaar Arrangement, a multilateral agreement that governs export controls for armaments and dual-use goods and technologies. The rule affects some 40 export control classification numbers.

8: The WTO DSB arbitration panel concerning U.S. laws, regulations, and methodology for calculating dumping margins ("zeroing"), suspends proceedings at the mutual request of the United States and EU (DS294).

TABLE ES.1 Summary of 2010 trade agreement activities—*Continued*

September—*Continued*

10: The United States resumes exports of poultry to Russia from a limited number of U.S. producers approved by Russia.

15: The WTO dispute panel examining an EU complaint challenging U.S. measures affecting trade in large civil aircraft (second complaint) (DS353) issues its interim report. The chairman reports that the panel expects to complete its work in the first half of 2011.

15: The United States seeks formal WTO dispute settlement consultations with China regarding certain restrictions and requirements maintained by China pertaining to electronic payment services for payment card transactions and the suppliers of those services (DS413).

21: The WTO DSB adopts a dispute panel report regarding a complaint by the United States concerning EU tariff treatment of certain information technology products, in particular flat-panel display devices, certain set-top boxes, and multifunctional digital machines (DS375), ruling that the EU violated its WTO commitments.

30: The U.S. Department of State announces that it is for the first time sanctioning a foreign company under the Iran Sanctions Act for investing in Iran's energy sector, and that four major international oil companies have pledged to end their investments in Iran's energy sector under threat of U.S. sanctions.

October

1: The United States and Russia reach an agreement under which Russian inspectors will inspect all types of U.S. poultry plants to see whether they meet specified health and sanitary criteria for export to Russia.

1: USTR expands its Special 301 report to include a separate "notorious markets" section.

5: Malaysia officially joins talks to establish a Trans-Pacific Partnership agreement.

15: The United States initiates a section 301 investigation into China's policies affecting trade and investment in green technologies.

October—*Continued*

25: The WTO DSB adopts a dispute panel report on a complaint by China concerning U.S. measures affecting the import of poultry products from China (DS392), ruling that the U.S. measures violate its WTO commitments.

November

1: The U.S.-Japan Policy Cooperation Dialogue on the Internet Economy is launched.

3: The United States and Korea reach an agreement resolving outstanding issues with the U.S.-Korea FTA related to trade in automobiles.

12: The President issues an executive order to establish an export enforcement coordination center housed in, and budgeted by, the U.S. Department of Homeland Security.

12–14: Japan hosts the 22nd Asia-Pacific Economic Cooperation (APEC) Annual Summit in Yokohama. Leaders from member countries meet to discuss progress toward the Bogor goals, pathways toward a free trade area of the Asia-Pacific, and progress made during the year on APEC's Regional Economic Integration initiatives.

13: The United States and Japan launch the U.S.-Japan Dialogue to Promote Innovation, Entrepreneurship and Job Creation; the Energy-Smart Communities Initiative; the U.S.-Japan Clean Energy Policy Dialogue; and the U.S.-Japan Economic Harmonization Initiative.

15: Participants in the Anti-Counterfeiting Trade Agreement negotiations finalize the text of the agreement.

December

13: The United States and Yemen conclude a bilateral WTO accession agreement.

13: The WTO circulates a dispute panel report on a complaint by China concerning U.S. measures affecting imports of passenger vehicle and light truck tires from China (DS399); the report upholds the U.S. measures.

TABLE ES.1 Summary of 2010 trade agreement activities—*Continued*

December—*Continued*

14–15: The U.S.-China Joint Commission on Commerce and Trade takes place in Washington, DC. Several topics are discussed, including the enforcement of IPR in China and China's "indigenous innovation" policies.

21: The WTO dispute panel established in November 2009 to examine complaints by Canada (DS384) and Mexico (DS386) concerning mandatory U.S. country-of-origin labeling provisions reports that the panel expects to issue its final report to the parties by the middle of 2011.

22: The United States requests WTO dispute settlement consultations with China concerning certain measures providing grants, funds, or awards to enterprises manufacturing wind power equipment (including the overall unit and parts) in China.

December—*Continued*

22: Participants in the Aircraft Sector Understanding (ASU), part of the OECD Arrangement on Officially Supported Export Credits, reach agreement in principle to raise the minimum interest rate and set a maximum loan term that official export credit agencies may offer as part of sales of large and regional aircraft. The revised ASU enters into effect on February 1, 2011.

23: USTR releases the 2010 report to Congress on China's WTO compliance.

24: The Andean Trade Preference Act is extended through February 12, 2011, for Colombia and Ecuador.

31: The President's authority to provide duty-free treatment under the Generalized System of Preferences program expires.

Sources: Compiled from official and private sources, including the USDOC, USTR, WTO, *Inside U.S. Trade*, and *International Trade Daily*.

CHAPTER 1

Overview of U.S. Trade

Scope and Approach of the Report

This report provides factual information on the operation of the U.S. trade agreements program and its administration for calendar year 2010.¹ Trade agreement activities during 2010 include the administration of U.S. trade laws and regulations; U.S. participation in the World Trade Organization (WTO), the Organisation for Economic Co-operation and Development (OECD), the Asia-Pacific Economic Cooperation (APEC) forum, and the Anti-Counterfeiting Trade Agreement (ACTA); U.S. negotiation of and participation in free trade agreements (FTAs); and bilateral developments with major trading partners.

This report is based on primary source materials about U.S. trade programs and administrative actions thereunder. These materials principally encompass U.S. government reports, notices, and news releases, including publications and news releases by the U.S. International Trade Commission (USITC or the Commission). Additional primary sources of information include publications of international institutions, such as the International Monetary Fund (IMF), World Bank, OECD, WTO, United Nations (UN), and official publications of foreign governments. Professional journals, trade publications, and news reports are used to provide supplemental factual information when primary source information is unavailable.

Merchandise trade data are provided throughout the report. Chapters 1 and 5 also provide data on services trade. Services data were compiled by the Commission primarily from the Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce (USDOC or Commerce).

Overview of the U.S. Economy in 2010

The U.S. economic recovery that began in the summer of 2009 continued in 2010, driven by increases in private consumption and investment spending.² The recovery followed the longest recession since World War II.³ Real gross domestic product (GDP) grew 2.9 percent in 2010, following no growth in 2008 and a 2.6 percent contraction in 2009 (figure 1.1). Growth turned positive in the third quarter of 2009 and was uneven over the course of 2010, with slower growth in the second and third quarters (figure 1.2). This weak growth, along with other factors such as modest employment gains, prompted the Federal Reserve to deliver an additional stimulus via monetary policy during the second half of 2010.⁴ The increase in real GDP in 2010 primarily reflected positive contributions from private inventory investment, exports, personal consumption expenditures,

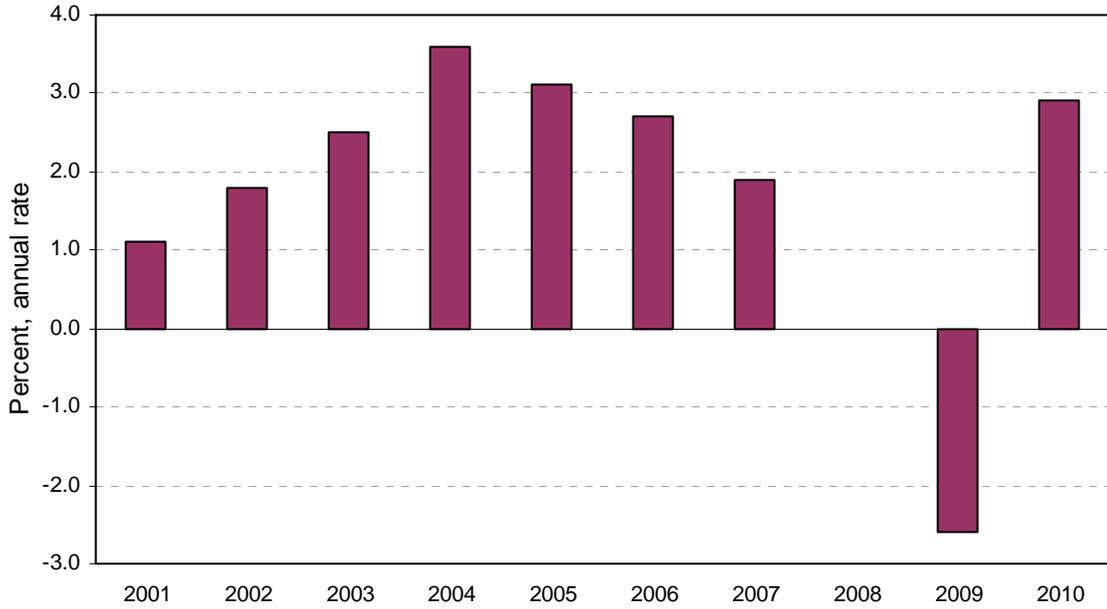
¹ This is the 62nd in a series of annual reports submitted to the U.S. Congress under sect. 163(c) of the Trade Act of 1974 (19 U.S.C. 2213(c)) and its predecessor legislation.

² USDOC, BEA, "U.S. International Transactions: Fourth Quarter and Year 2010," March 25, 2011.

³ NBER, "Announcement of June 2009 Business Cycle Trough," September 20, 2010.

⁴ Board of Governors of the Federal Reserve System, *Monetary Policy Report to the Congress*, March 1, 2011, 1.

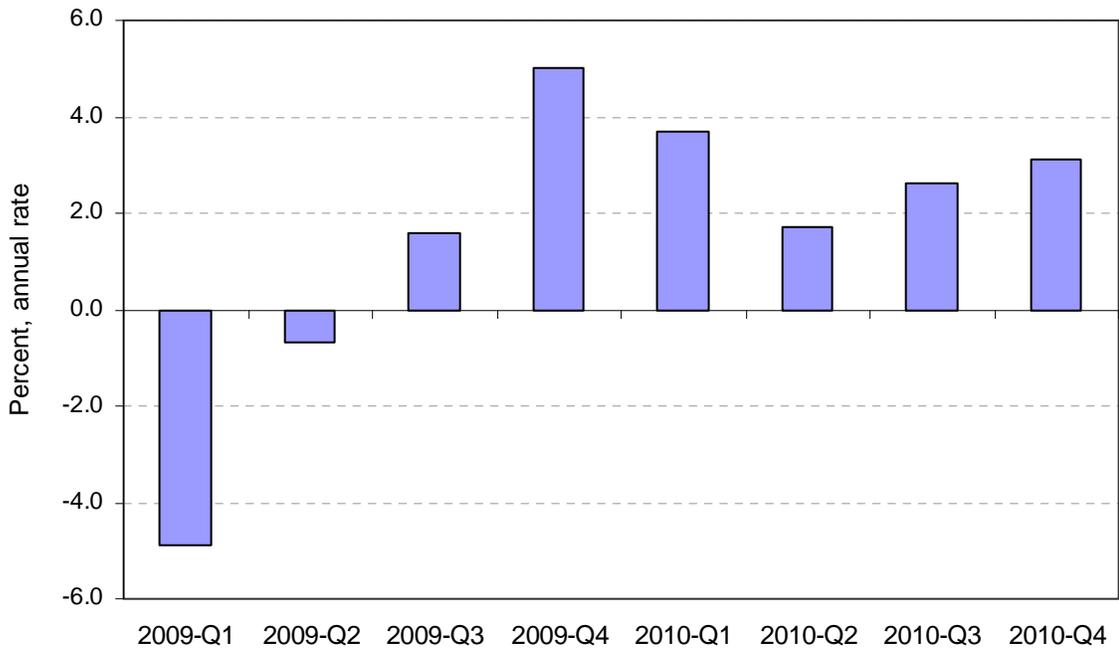
FIGURE 1.1 U.S. real gross domestic product, in percent change, 2001–10



Source: U.S. Department of Commerce. <http://www.bea.gov/national/xls/gdpchg.xls>.

Note: Real GDP growth in 2008 was near zero.

FIGURE 1.2 U.S. real gross domestic product, quarterly, in percent change, 2009–10



Source: U.S. Department of Commerce. <http://www.bea.gov/national/xls/gdpchg.xls>.

nonresidential fixed investment, and federal government spending. Imports, which are a subtraction in the calculation of GDP, also rose.⁵

U.S. international trade grew substantially in 2010; the U.S. economic recovery increased the U.S. demand for imports in 2010, while continued recovery in the rest of the world increased the demand for U.S. exports. The global economy grew 5 percent in 2010, although the pace was geographically uneven.⁶ Economic growth was modest in major advanced economies (3.0 percent), whereas many emerging and developing economies saw robust growth (average 7.3 percent). Among major U.S. trading partners, output in the European Union (EU) euro area increased 1.7 percent, in Japan 3.9 percent, in the United Kingdom 1.3 percent, in Canada 3.1 percent, and in Mexico 5.5 percent, whereas output in China and India grew at 10.3 percent and 10.4 percent, respectively, in 2010.⁷

Exchange-Rate Trends⁸

The U.S. dollar depreciated 1.3 percent in 2010 against a broad dollar index.⁹ Although the European debt crisis, with financial bailouts for Greece in May and for Ireland in November, drove the dollar to subsequent peaks (as shown in figure 1.3) against the euro and the British pound, the dollar's depreciation against the Canadian dollar, Mexican peso, and especially the Japanese yen balanced its gains against European currencies. For the year, the dollar depreciated 3.4 percent against the Canadian dollar, 3.3 percent against the Mexican peso, 8.5 percent against the Japanese yen, and 2.6 percent against the Chinese yuan, while appreciating 3.6 percent against the British pound and 7.9 percent against the euro.

Balance of Payments¹⁰

The U.S. current-account deficit—the combined balances of trade in goods and services, income, and net unilateral current transfers—rose from \$378.4 billion (revised) in 2009 to \$470.2 billion (preliminary) in 2010, the first year-on-year increase in the deficit since

⁵ USDOC, BEA, “U.S. International Transactions: Fourth Quarter and Year 2010,” March 25, 2011.

⁶ IMF, *World Economic Outlook*, April 2011, 1.

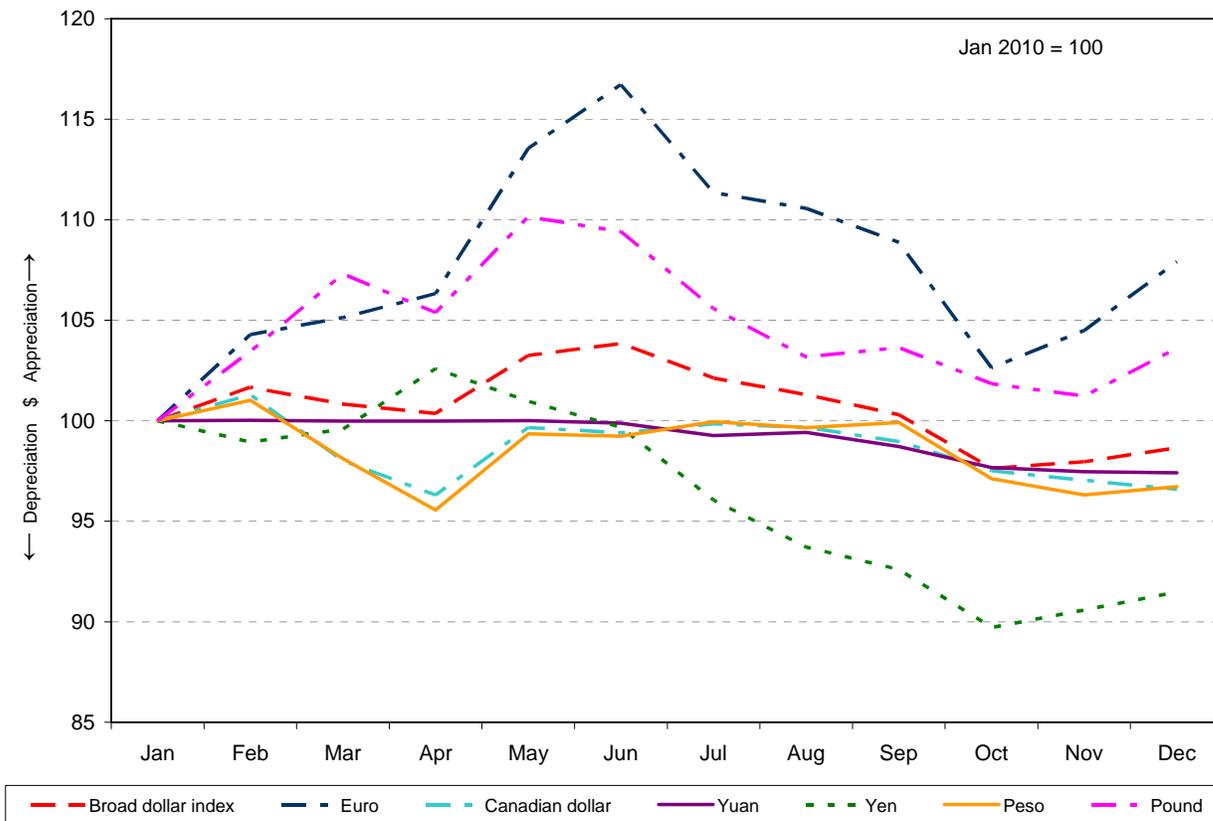
⁷ IMF, *World Economic Outlook*, April 2011, table 1.1, 2.

⁸ Unless otherwise indicated, information in this section is from the Board of Governors of the Federal Reserve System, *Monetary Policy Report to the Congress*, March 1, 2011, 30–35.

⁹ The broad index is a weighted average of the foreign-exchange values of the U.S. dollar against the currencies of a large group of major U.S. trading partners. The index weights, which change over time, are derived from U.S. export shares and from U.S. and foreign import shares. Board of Governors of the Federal Reserve System, “Summary Measures of the Foreign Exchange Value of the Dollar,” n.d. (accessed April 12, 2011).

¹⁰ Trade data in this section of the report may not match data in other sections or the appendix because it is reported on a balance-of-payments (BOP) basis. Total goods data are reported on a BOP basis, whereas detailed commodity and country data for goods are reported on a Census basis. The Census-basis data for goods used elsewhere in this report are compiled from the documents collected by U.S. Customs and Border Protection (USCBP) of the U.S. Department of Homeland Security (USDHS) 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. Data on goods compiled on a Census basis are adjusted by the USDOC BEA to 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 made 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 Bach, “A Guide to the U.S. International Transactions Accounts,” February 2010.

FIGURE 1.3 Indices of dollar exchange rates for selected major currencies and broad measures, monthly, 2010^a



Source: U.S. Federal Reserve Board.

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

2006.¹¹ The deficit also rose as a share of U.S. GDP, growing from 2.7 percent in 2009 to 3.2 percent in 2010. The increase in the current-account deficit was due to a large increase in the goods deficit as well as an increase in net unilateral current transfers to foreigners, partly offset by increases in the surpluses on services and income. Specifically, the deficit on international trade in goods increased 27.6 percent, from \$506.9 billion in 2009 to \$647.1 billion in 2010, while net unilateral current transfers to foreign residents rose 10.0 percent, from \$124.9 billion to \$137.5 billion.¹² At the same time, the surplus on international trade in services grew 14.6 percent, from \$132.0 billion to \$151.4 billion. The surplus on income grew even faster, rising 34.2 percent, from

¹¹ Unless otherwise indicated, information in this section is from USDOC, BEA, “U.S. International Transactions: Fourth Quarter and Year 2010,” March 10, 2011.

¹² Net unilateral current transfers measures transactions in which goods, services, or financial assets are transferred between U.S. residents and residents of other countries without something of economic value being received or provided in return. There are three major components: U.S. government grants (e.g., foreign assistance to developing countries), U.S. government pensions and other transfers, and private remittances and other transfers (e.g., charitable remittances).

\$121.4 billion to \$163.0 billion.¹³ Finally, net financial inflows, which offset the deficit on current account,¹⁴ were \$235.3 billion, up from \$216.1 billion in 2009.¹⁵

The U.S. trade deficit for goods and services increased from \$374.9 billion in 2009 to \$495.7 billion in 2010, reversing a downward trend of several years. The deficit on goods rose from \$506.9 billion in 2009 to \$647.1 billion in 2010, which was substantially below the record \$839.5 billion goods deficit in 2006. U.S. exports of goods increased from \$1,068.5 billion to \$1,288.7 billion, as exports in all major product categories increased substantially. Imports of goods rose from \$1,575.4 billion to \$1,935.7 billion; here, too, the figures for all major product categories showed growth, most of it substantial.

While it was not large enough to offset the large deficit on trade in goods, the U.S. surplus on services grew from \$132.0 billion in 2009 to \$151.4 billion in 2010, a new record.¹⁶ Services exports rose from \$502.3 billion to \$545.5 billion during this period. All major categories of services exports increased, with the largest increases in other private services¹⁷ and travel. At the same time, services imports also increased, rising from \$370.3 billion to \$394.2 billion. All major categories of services imports increased except direct defense expenditures.

U.S. Trade in Goods in 2010

Both U.S. merchandise exports and U.S. merchandise imports increased substantially in 2010, by 19.8 percent and 22.6 percent respectively, as the U.S. and world economies recovered from the downturn of 2008–09. However, merchandise imports continued to exceed merchandise exports, both in absolute terms and as a share of U.S. GDP. U.S. merchandise exports increased from \$936.7 billion (6.6 percent of GDP) in 2009 to \$1,122.1 billion (7.7 percent of GDP) in 2010 (figure 1.4),¹⁸ while U.S. merchandise imports increased from \$1,549.2 billion (11.0 percent of GDP) in 2009 to \$1,898.6 billion (13.0 percent of GDP) in 2010.

U.S. Merchandise Trade by Product Category

Exports

Machinery and transport equipment, which consistently ranks as the largest U.S. export category by value under the Standard International Trade Classification (SITC) system,

¹³ The balance in 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).

¹⁴ The other major offset to the current account deficit is statistical discrepancies.

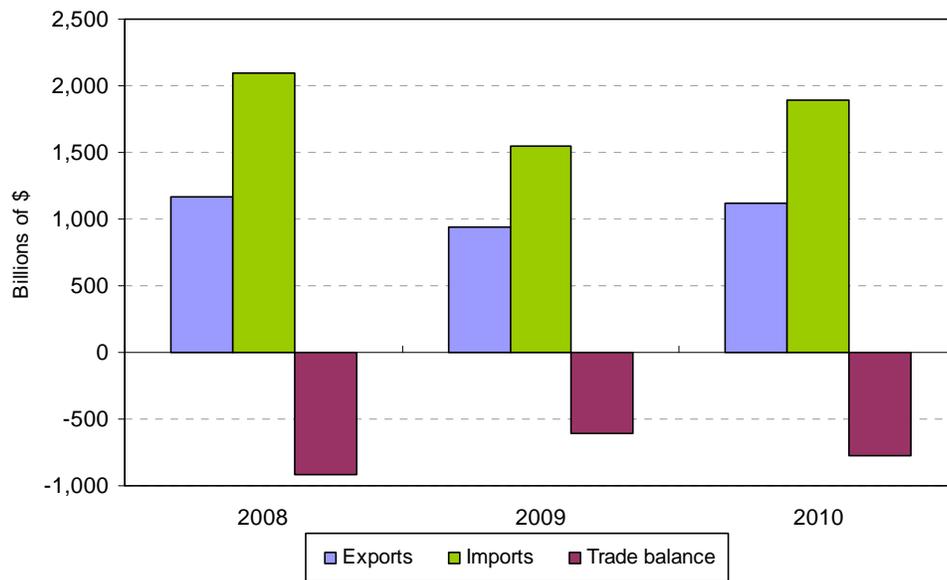
¹⁵ Net financial inflows are net acquisitions by foreign residents of assets in the United States less net acquisitions by U.S. residents of assets abroad. The main components of the financial account are capital transfers, foreign direct investment, portfolio investment, banking and other flows, statistical discrepancies, and official reserve assets.

¹⁶ BOP data include trade in private services, as well as transfers under U.S. military agency sales contracts and U.S. government purchases of miscellaneous services. U.S. trade in services is described in detail below.

¹⁷ Exports of other private services include “mainly film and television tape rentals and expenditures of foreign residents temporarily working in the United States.” USDOC, BEA, U.S. International Transactions Account Data, March 16, 2011, table 3a.

¹⁸ Merchandise trade data in this section do not match the seasonally adjusted BOP-basis data presented above because of adjustments made to the data, as described in footnote 10.

FIGURE 1.4 U.S. merchandise trade with the world, 2008–10



Source: U.S. Department of Commerce.

accounted for 37.8 percent of exports in 2010 (appendix table A.1). U.S. exports of machinery and transport equipment were valued at \$424.4 billion in 2010, up 15.5 percent from \$367.3 billion in 2009. Nearly 60 percent of the total increase in exports in 2010 was accounted for by increased U.S. exports of goods from the following three SITC groups: machinery and transport equipment; chemicals and related products; and mineral fuels, lubricants, and related materials. No SITC group registered a decrease in exports from 2009 to 2010.

Imports

U.S. imports of goods in all SITC groups increased between 2009 and 2010, resulting in an increase of \$349.4 billion, or a 22.6 percent increase, in total imports over 2009. Nearly 64 percent of the increase in imports in 2010 was accounted for by increased U.S. imports of goods from the following two SITC groups, which were also the largest U.S. import categories in 2010: machinery and transport equipment; and mineral fuels, lubricants, and related materials. U.S. imports of machinery and transport equipment increased 25.2 percent, from \$567.5 billion in 2009 to \$710.8 billion in 2010, which accounted for 37.4 percent of total U.S. imports in 2010. U.S. imports of mineral fuels, lubricants, and related materials were valued at \$336.1 billion in 2010, up 30.6 percent from \$257.3 billion in 2009. This SITC group accounted for 17.7 percent of total U.S. imports in 2010, up from 16.6 percent in 2009.

U.S. Imports under Preferential Trade Programs and Free Trade Agreements

U.S. imports under the United States' four preferential trade programs with developing countries increased from \$60.4 billion in 2009 to \$78.5 billion in 2010, or 4.1 percent of total U.S. imports during the year. Duty-free imports totaled \$22.6 billion under the U.S. Generalized System of Preferences (GSP) program (appendix table A.11), \$38.7 billion (excluding GSP imports) under the African Growth and Opportunity Act (AGOA)

(appendix table A.13), and \$14.4 billion under the Andean Trade Preference Act (ATPA) (appendix table A.15). In addition, imports that entered free of duty or at reduced rates under the Caribbean Basin Economic Recovery Act (CBERA) totaled \$2.9 billion (appendix table A.17). U.S. imports under free trade or trade promotion agreement provisions also increased in 2010 to \$311.3 billion, or 16.4 percent of total U.S. imports.¹⁹

*U.S. Merchandise Trade with Leading Partners*²⁰

Table 1.1 shows U.S. trade with selected major trading partners, ranked by total trade (exports and imports) in 2010.²¹ The EU as a unit remained the leading global market for U.S. exports, but was overtaken by China as the leading source of U.S. imports in 2009, continuing into 2010. Canada remained the largest single-country two-way trading partner of the United States, followed by China and Mexico. Figures 1.5 and 1.6 show leading U.S. export markets and import suppliers, respectively, by share in 2010.

China alone accounted for 35.8 percent (\$278.3 billion) of the total U.S. merchandise deficit of \$776.5 billion in 2010. North America Free Trade Agreement (NAFTA) partners Canada and Mexico together accounted for 21.5 percent (\$166.8 billion) of this deficit. The U.S. trade deficit with China rose from \$230.4 billion in 2009 to \$278.3 billion in 2010. U.S. exports to China rose at a faster rate (31.7 percent) than U.S. imports from China (23.2 percent) over the 2009–10 period, albeit from a smaller base.

U.S. Trade in Services in 2010²²

The U.S. surplus in cross-border private services trade increased 12.8 percent in 2010 to \$168.0 billion (figure 1.7).²³ After declining in 2009, both U.S. exports and imports of services partially recovered in 2010, with exports growing at a slightly faster rate than imports. U.S. cross-border exports of private services increased 8.8 percent, from \$483.9 billion in 2009 to \$526.6 billion in 2010, while U.S. cross-border imports of services increased 7.1 percent, from \$334.9 billion to \$358.6 billion during the same period, with 2010 imports still less than the level recorded in 2008. Exports and imports increased in

¹⁹ See chapter 2 of this report for further information on the trade preference programs and chapter 4 for information on U.S. FTAs.

²⁰ See chapter 5 for further information on U.S. merchandise trade with major trading partners, including the EU, Canada, China, Mexico, and other countries.

²¹ Leading U.S. exports to and imports from these partners are presented in appendix tables A.21 through A.50.

²² This section focuses primarily on cross-border transactions in private services, which exclude government sales and purchases of services. Services trade data are drawn from the USDOC BEA data. In these national accounts data, “cross-border transactions” occur when firms resident in one country provide services to consumers in another, with people, information, or money crossing U.S. boundaries in the process. Cross-border transactions appear explicitly as imports and exports in the balance of payments. U.S. firms also provide services to foreign consumers through affiliates established in host countries, with the income generated through “affiliate transactions” appearing as investment income in the balance of payments. The channel of delivery used by service providers depends primarily on the nature of the service. For example, many financial services, such as retail banking services, are supplied most effectively by affiliates located close to the consumer. Conversely, trade in education services predominantly takes the form of cross-border transactions, with students traveling abroad to attend foreign universities.

²³ USDOC, BEA, U.S. International Transactions Accounts Data, March 16, 2011, table 3a. Annual revisions to the data were released in June 2011. USDOC, BEA, U.S. International Transactions Accounts Data, June 16, 2011, table 3a.

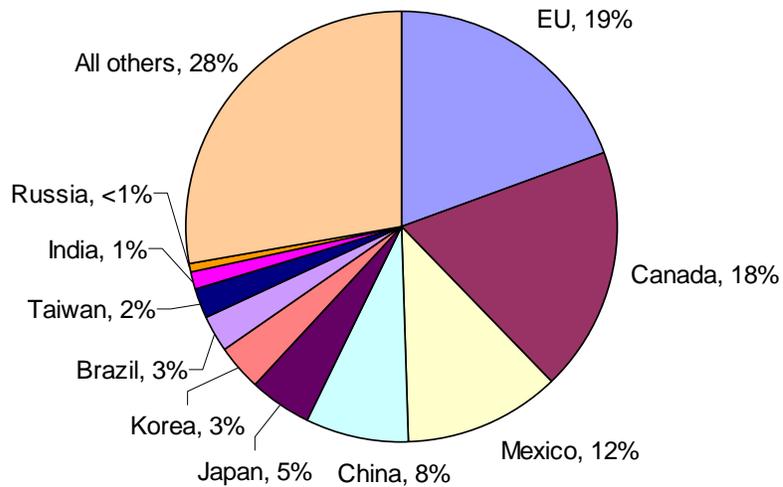
TABLE 1.1 U.S. merchandise trade with major trading partners and the world, 2010, billions of dollars

Major trading partner	U.S. exports	U.S. imports	Trade balance	Two-way trade (exports plus imports)
EU-27	217.3	314.9	-97.6	532.2
Canada	206.0	275.5	-69.6	481.5
China	85.7	364.0	-278.3	449.8
Mexico	131.6	228.8	-97.2	360.4
Japan	55.7	119.9	-64.2	175.7
Korea	36.8	47.9	-11.1	84.8
Taiwan	23.9	35.6	-11.7	59.5
Brazil	30.2	23.4	6.8	53.6
India	16.4	29.6	-13.2	46.0
Russia	5.7	25.2	-19.5	30.9
All others	312.8	433.7	-120.9	746.5
World	1,122.1	1,898.6	-776.5	3,020.7

Source: U.S. Department of Commerce.

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

FIGURE 1.5 Leading U.S. merchandise export markets, by share, 2010

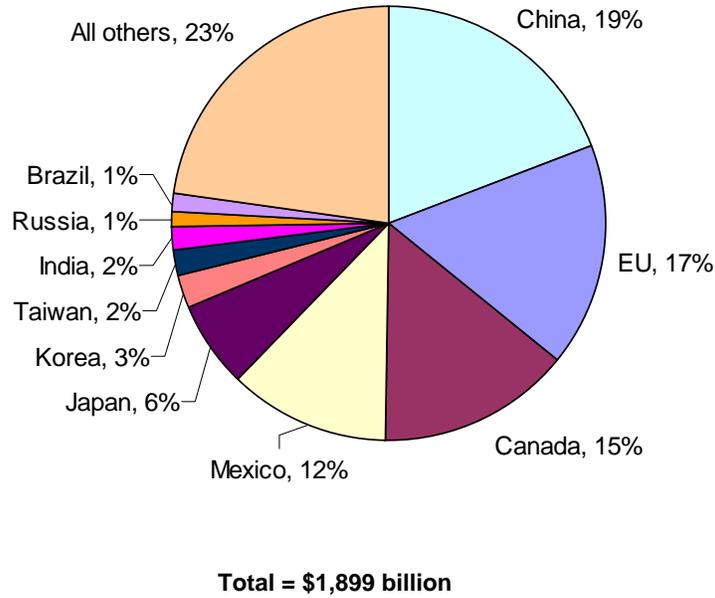


Total = \$1,122 billion

Source: U.S. Department of Commerce.

Note: Because of rounding, percentages may not add to 100 percent.

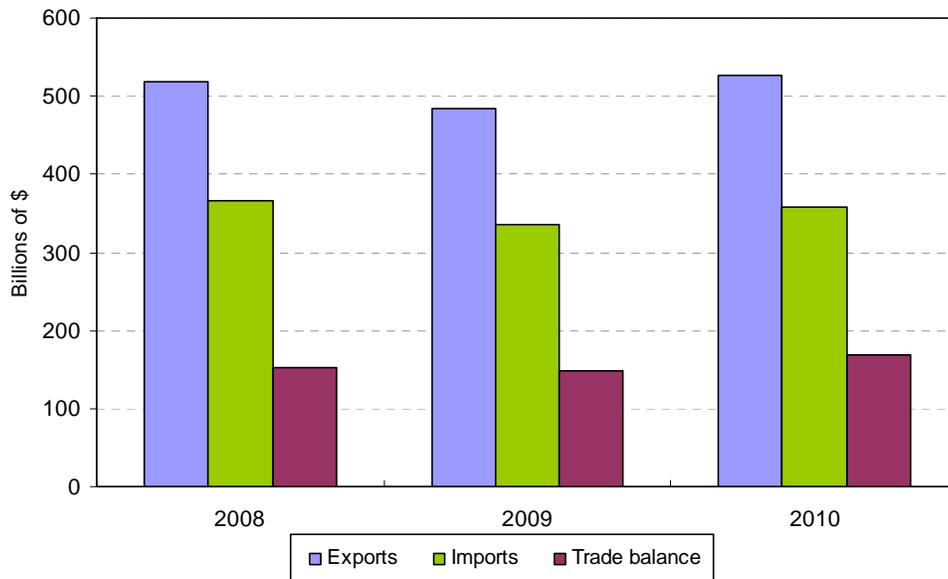
FIGURE 1.6 Leading U.S. merchandise import sources, by share, 2010



Source: U.S. Department of Commerce.

Note: Because of rounding, percentages may not add to 100 percent.

FIGURE 1.7 U.S. private cross-border services trade with the world, 2008–10^a



Source: USDOC, BEA, U.S. International Transactions Accounts Data, March 16, 2011, table 3a.

^a Data for 2010 are preliminary.

most services categories, with the exception of exports of insurance services and imports of financial services, port services, and other services.²⁴ Appendix tables A.2 and A.3 provide data on U.S. trade in private services by product category.

U.S. Services Trade by Product Category

Exports

Business, professional, and technical services led U.S. cross-border services exports in 2010, accounting for 24.4 percent of the total, followed by exports of travel services,²⁵ which accounted for 19.6 percent of the total. Exports of most services products increased from 2009 to 2010, although exports of insurance services decreased. The U.S. property and casualty insurance industry has experienced declining investment returns and premiums in most years since 2005, a trend that has depressed industry revenue and profits.²⁶

Unlike 2009, when exports of travel services, passenger fares, port services, and freight services saw the biggest declines, these same services (along with two other categories—business, professional, and technical services, and telecommunications services) experienced higher-than-average growth in 2010. For example, exports of port services and freight services increased 11.2 and 13.9 percent, respectively, because of higher fuel prices, higher freight rates, and larger volumes of U.S. merchandise trade.²⁷ Travel services and passenger fares²⁸ increased 9.8 and 18.4 percent, respectively. Growth of travel receipts was driven by an increase in foreigners visiting the United States and a corresponding increase in their expenditures.²⁹

Imports

Business, professional, and technical services and travel services led U.S. cross-border services imports in 2010, accounting for 25.0 percent and 20.8 percent, respectively, of the total. U.S. imports in all service categories increased from 2009 to 2010, except for financial services, port services, and other services, which declined by 4.0 percent, 7.8 percent, and 4.8 percent, respectively. Unlike exports, where all categories of services that involve the movement of goods or people increased, there was variation on the import side. While freight imports increased by 28.3 percent and passenger fares increased by 8.1 percent, travel services posted modest growth at 1.9 percent³⁰ and port

²⁴ Imports of other services “include mainly expenditures of U.S. residents temporarily working abroad and film and television tape rentals.” Exports of other services include “mainly film and television tape rentals and expenditures of foreign residents temporarily working in the United States.” USDOC, BEA, U.S. International Transactions Account Data, March 16, 2011, table 3a.

²⁵ Imports of travel services comprise purchases of goods and services by U.S. persons traveling abroad, while exports of travel services comprise such purchases by foreign travelers in the United States. These goods and services include food, lodging, recreation, gifts, entertainment, local transportation in the country of travel, and other items incidental to a foreign visit.

²⁶ Ernst & Young, “U.S. Property-Casualty Insurance Industry Outlook,” January 2011, 1–4.

²⁷ Scott, “U.S. International Transactions,” January 2011, 34; Scott Thomas and Whitaker, “U.S. International Transactions,” October 2010, 66; Scott Thomas, Whitaker, and Yorgason, “U.S. International Transactions,” July 2010, 58; Weinberg and Whitaker, “U.S. International Transactions,” April 2010, 30.

²⁸ Fares received by U.S. carriers from foreign residents for travel between the United States and foreign countries and between two foreign points.

²⁹ Scott, “U.S. International Transactions,” January 2011, 34.

³⁰ Scott, “U.S. International Transactions,” January 2011, 34.

services, as mentioned above, decreased 7.8 percent.³¹ Imports of financial services also fell, but the decline was modest compared to the previous year.

U.S. Services Trade with Leading Partners

The EU was the United States' largest market for both exports and imports of services in 2010 (table 1.2), accounting for 32.7 percent of total U.S. services exports and 34.4 percent of total U.S. services imports (figures 1.8 and 1.9).³² Canada and Japan followed the EU as the United States' second- and third-largest services trading partners in 2010. The United States maintained a services trade surplus with the EU, although the surplus decreased 2.7 percent, from \$50.5 billion in 2009 to \$49.1 billion in 2010. The United States recorded growing bilateral services trade surpluses with Canada, Japan, Mexico, Brazil, China, the Republic of Korea (Korea), and Taiwan between 2009 and 2010.³³ By contrast, the United States posted a services trade deficit of \$3.0 billion with India—a deficit that grew 21.4 percent from \$2.4 billion in 2009. Although industry-specific data by trading partner are not yet available for 2010, the U.S. services trade deficit with India over the past several years has been driven by higher imports of computer and data processing services; in 2009 the cross-border trade deficit with India for such products was \$5.3 billion.³⁴

TABLE 1.2 U.S. private services trade with major trading partners and the world, 2010,^a billions of dollars

Major trading partner	U.S. exports	U.S. imports	Trade balance	Two-way trade (exports plus imports)
EU-27	172.3	123.2	49.1	295.6
Canada	48.9	24.6	24.2	73.5
Japan	46.2	24.1	22.0	70.3
Mexico	23.0	13.7	9.3	36.7
China	20.1	9.6	10.4	29.7
India	10.5	13.5	-3.0	24.1
Korea	15.3	7.7	7.6	23.0
Brazil	15.6	5.0	10.6	20.5
Australia	12.9	6.0	6.9	18.9
Singapore	12.4	3.9	8.5	16.3
Taiwan	9.5	6.2	3.3	15.6
All others	139.9	121.0	18.9	261.0
World	526.6	358.6	168.0	885.2

Source: USDOC, BEA, U.S. International Transactions Accounts Data, March 16, 2011, table 12.

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

^a Data are preliminary.

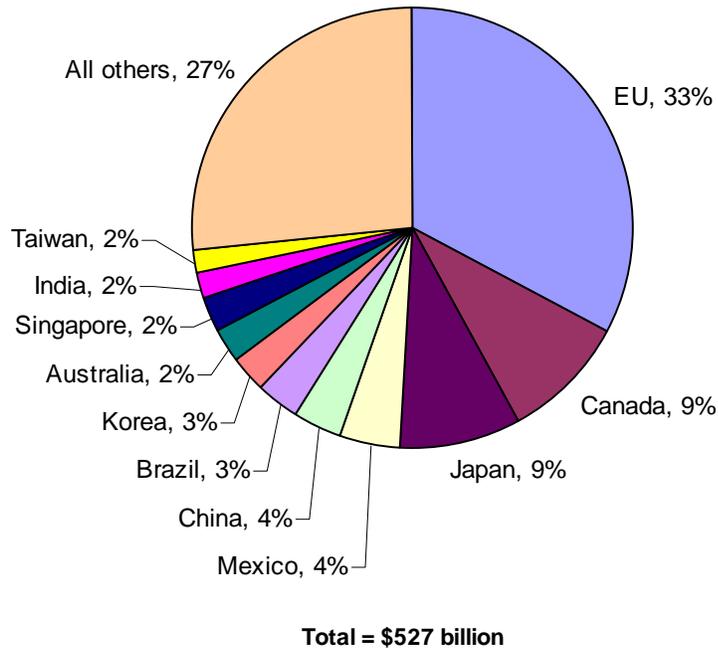
³¹ Annual revisions to the data show that imports of port services, along with financial services and other services, actually increased between 2009 and 2010 and that insurance services decreased during the same time. USDOC, BEA, U.S. International Transactions Accounts Data, June 16, 2011, table 3a.

³² In terms of single countries, the United Kingdom (a member of the EU) is the United States' largest export market for and largest import supplier of private services.

³³ In addition to these focus countries, Australia and Singapore also ranked as major services trading partners. Services exports to Australia were \$12.9 billion in 2010, and services imports were \$6.0 billion, yielding a U.S. services trade surplus of \$6.9 billion. Services exports to Singapore were \$12.4 billion in 2010, and services imports were \$3.9 billion, yielding a U.S. services trade surplus of \$8.5 billion.

³⁴ USDOC, BEA, U.S. International Services, October 2010, 54–5, table 7.2. For more information on the Indian services sector, see USITC, *An Overview and Examination of the Indian Services Sector*, 2010.

FIGURE 1.8 Leading U.S. export markets for private services, by share, 2010^a

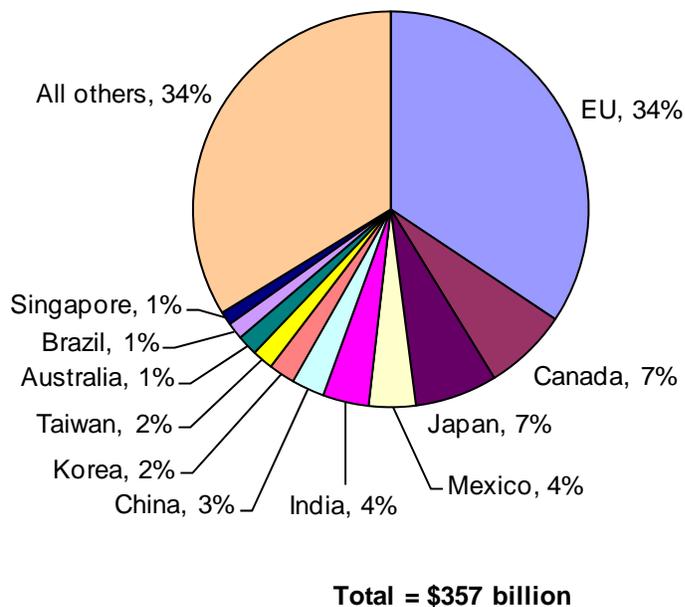


Source: USDOC, BEA, U.S. International Transactions Accounts Data, March 16, 2011, table 12.

Note: Because of rounding, percentages may not add to 100 percent.

^a Data for 2010 are preliminary.

FIGURE 1.9 Leading U.S. import sources of private services, by share, 2010^a



Source: USDOC, BEA, U.S. International Transactions Accounts Data, March 16, 2011, table 12.

Note: Because of rounding, percentages may not add to 100 percent.

^a Data for 2010 are preliminary.

CHAPTER 2

Administration of U.S. Trade Laws and Regulations

This chapter surveys activities related to the administration of U.S. trade laws during 2010. It covers import relief laws, unfair trade laws, trade adjustment assistance, and trade preference programs, including the U.S. Generalized System of Preferences, the African Growth and Opportunity Act, the Andean Trade Preference Act, and the Caribbean Basin Economic Recovery Act.

Import Relief Laws

Safeguard Actions

This section covers safeguard actions under provisions administered by the Commission, including the global safeguards provided for in sections 201–204 of the Trade Act of 1974, the China safeguards provided for in section 421 of the Trade Act of 1974, and the safeguards provided for in various bilateral free trade agreements involving the United States.

The Commission conducted no new safeguard investigations during 2010. Only one safeguard measure was in effect during 2010, with respect to imports of certain passenger vehicle and light truck tires from China. The President imposed the measure in September 2009 following receipt of an affirmative determination of market disruption from the Commission under section 421 of the Trade Act of 1974.¹ The President imposed additional tariffs on such tires from China for a three-year period as follows: 35 percent ad valorem in the first year, 30 percent ad valorem in the second year, and 25 percent ad valorem in the third year.² China challenged the higher U.S. tariffs in a WTO dispute settlement case, which is described in chapter 3.

Laws against Unfair Trade Practices

Section 301 Investigations

Section 301 of the Trade Act of 1974 is the principal U.S. statute for addressing unfair foreign practices affecting U.S. exports of goods or services.³ 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 the

¹ USITC, *Certain Passenger Vehicle and Light Truck Tires From China*, July 2009.

² Proclamation 8414 of September 11, 2009, 74 Fed. Reg. 47861 (September 16, 2009). The higher tariffs were imposed effective September 26, 2009, and were in addition to the existing 4 percent ad valorem rate of duty on U.S. imports of such tires from China.

³ Section 301 refers to sections 301-310 of the Trade Act of 1974, as amended (19 U.S.C. 2411-2420).

United States Trade Representative (USTR) to investigate foreign government policies or practices, or the 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 of 1974 requires the 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 of 1974 requires the 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, the USTR must take action.⁴ If the practices are determined to be unreasonable or discriminatory, and to burden or restrict U.S. commerce, the USTR must determine whether action is appropriate and, if so, what type of action to take.⁵ The time period for making these determinations varies according to the type of practices alleged.

In 2010, there were two ongoing section 301 cases and one new section 301 petition was filed.

Section 301 Cases in 2010

One section 301 case concerned the meat hormone directive of the European Union (EU).⁶ In 1999, the United States imposed additional ad valorem duties of 100 percent on about \$117 million in imports from the EU, following a successful WTO challenge of the EU law that bans imports of meat from animals that have been treated with certain hormones.⁷ In January 2009, the United States and the EU initiated a series of consultations in an effort to resolve the dispute through negotiation. On May 13, 2009, the United States and the EU announced the signing of a memorandum of understanding (MOU).⁸ Under the MOU, the EU agreed to open a duty-free tariff-rate quota (TRQ) for beef produced without growth-promoting hormones (i.e., “High Quality Beef”)⁹ in the amount of 20,000 metric tons,¹⁰ and the United States agreed to reduce the scope of the retaliation list.¹¹ The remaining additional duties continued in effect during 2010.¹²

In a related development, the Court of Appeals for the Federal Circuit ruled in 2010 that the additional duties imposed in the beef hormone dispute were terminated by operation of law on July 29, 2007.¹³ The Court so ruled because neither the petitioner in the meat hormone case nor any representative of the domestic beef industry submitted a written

⁴ Section 301(a) of the Trade Act of 1974, as amended (19 U.S.C. 2411(a)).

⁵ Section 301(b) of the Trade Act of 1974, as amended (19 U.S.C. 2411(b)).

⁶ EU Meat Hormone Directive,

http://ec.europa.eu/food/food/chemicalsafety/contaminants/hormones/index_en.htm.

⁷ 64 Fed. Reg. 40638 (July 27, 1999). *European Communities – Measures Concerning Meat and Meat Products* (DS26, DS48), http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds26_e.htm.

⁸ *Memorandum of Understanding Between the United States of America and the European Commission Regarding the Importation of Beef From Animals Not Treated with Certain Growth-Promoting Hormones and Increased Duties Applied by the United States to Certain Products of the European Communities* (May 13, 2009) (U.S.-EU Beef MOU). For more information on the three-phase MOU, see USITC, *The Year in Trade 2009*, 5-5.

⁹ Article VI of the U.S.-EU Beef MOU defines “High Quality Beef.”

¹⁰ U.S.-EU Beef MOU, Art. II(1).

¹¹ U.S.-EU Beef MOU, Art. II(3); 74 Fed. Reg. 40864 (August 13, 2009).

¹² The additional duties are provided for in subheadings 9903.02.21 through 9903.02.83 of the Harmonized Tariff Schedule of the United States (HTS).

¹³ *Gilda v. U.S.*, No. 2009-1492 (Fed. Cir. Oct. 13, 2010).

request for the continuation of the retaliatory duties to the USTR during the four-year period ending on July 29, 2007, as required by section 307(c) of the Trade Act of 1974.¹⁴

The second active 301 case concerned the 2006 Softwood Lumber Agreement between the United States and Canada (2006 SLA).¹⁵ Under the 2006 SLA, Canada agreed to impose export measures on certain Canadian exports of softwood lumber to the United States. In March 2008, an arbitral tribunal found that Canada had not complied with its obligations under the 2006 SLA,¹⁶ and in February 2009, the arbitral tribunal issued an award on the remedy to be applied.¹⁷ In accordance with the award, the USTR initiated a 301 investigation in April 2009 and determined that the United States would impose additional 10 percent duties on certain imports of softwood lumber from the provinces of Ontario, Quebec, Manitoba, and Saskatchewan.¹⁸ In response to the U.S. action, Canada adopted a law in 2010 that imposed a 10 percent export duty on the subject softwood lumber exports, thereby complying with its obligations under the 2006 SLA. Accordingly, the USTR decided to terminate the imposition of the added import duties.¹⁹

Lastly, in September 2010, the United Steelworkers Union filed a section 301 petition with the USTR alleging that the acts, policies, and practices of the government of China with respect to various green technologies violate the General Agreement on Tariffs and Trade 1994, China's Protocol of Accession to the WTO, and the WTO Agreement on Subsidies and Countervailing Measures.²⁰ The petition covered a wide range of products and sectors, including "end products and upstream inputs in the wind, solar, biomass, geothermal, hydroelectric, clean coal, nuclear, energy-efficient vehicles, and lighting sectors."²¹ Among other allegations, the petition identified export restraints on critical inputs to green technology products; subsidies that are contingent on export performance or domestic content; violations of national treatment; investment restrictions that are contingent on performance requirements or technology transfer; and actionable domestic subsidies.²²

On October 15, 2010, the USTR initiated an investigation of the acts, policies, and practices of China that were identified in the petition, but decided to delay the request for consultations with the government of China in order to verify or improve the petition.²³ The delay was based on the number and diversity of the acts, policies, and practices covered by the petition. After further review, the USTR requested consultations with the government of China under the WTO dispute settlement provisions concerning a program

¹⁴ *Gilda v. U.S.*, No. 2009-1492 (Fed. Cir. Oct. 13, 2010).

¹⁵ *Softwood Lumber Agreement between the Government of the United States of America and the Government of Canada*, signed September 12, 2006.

¹⁶ *U.S. v. Canada*, Case No. 7941, London Court of International Arbitration (LCIA), Award on Liability (March 3, 2008).

¹⁷ *U.S. v. Canada*, Case No. 7941, LCIA, Award on Remedies (February 23, 2009).

¹⁸ 74 Fed. Reg. 16436 (April 10, 2009). The additional duties are provided for in subheading 9903.53.01 of the HTS.

¹⁹ 75 Fed. Reg. 53014 (August 30, 2010). For more information on the softwood lumber dispute, see the section on Canada in chapter 5.

²⁰ *China's Policies Affecting Trade and Investment in Green Technology*, 301 petition filed on behalf of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union, AFL-CIO CLC, September 9, 2010 (hereinafter "China Green Technologies petition").

²¹ China Green Technologies petition, 7.

²² China Green Technologies petition, 9.

²³ 75 Fed. Reg. 64776 (October 20, 2010).

known as the Special Fund for Wind Power Manufacturing, which appears to provide actionable subsidies to Chinese wind power equipment manufacturers.²⁴

Special 301

The Special 301 law²⁵ requires that each year, the USTR must identify and issue a list of foreign countries that deny adequate and effective protection of intellectual property rights (IPR), or deny fair and equitable market access to U.S. persons who rely on IPR protection.²⁶ Under the statute, a country denies adequate and effective IPR protection if the country does not allow foreign persons “to secure, exercise, and enforce rights related to patents, process patents, registered trademarks, copyrights and mask works.”²⁷

A country denies fair and equitable market access if it denies 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.²⁸ A country may 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).²⁹

In addition, the Special 301 law directs the USTR to identify and list so-called priority foreign countries.³⁰ Priority foreign countries are countries that have the most onerous or egregious acts, policies, or practices with 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 identification of a country as a priority foreign country triggers a section 301 investigation, unless the USTR determines that the investigation would be detrimental to U.S. economic interests.

In addition to identifying priority foreign countries as required by statute, the USTR has adopted a practice of naming countries to a “watch list” or a “priority watch list” if the countries’ IPR laws and practices fail to provide adequate and effective IPR protection, but the deficiencies do not warrant identification of the countries as priority foreign countries. 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 moved to the watch list or removed from

²⁴ USTR, *United States Requests WTO Dispute Settlement Consultations on China’s Subsidies for Wind Power Equipment Manufacturers* (December 22, 2010). For more information, see chapter 3 section on WTO dispute settlement.

²⁵ The Special 301 law is set forth in section 182 of the Trade Act of 1974, as amended (19 U.S.C. 2242).

²⁶ Persons who rely on IPR protection means persons involved in: “(A) the creation, production or licensing of works of authorship . . . that are copyrighted, or (B) the manufacture of products that are patented or for which there are process patents.” Section 182(d)(1) of the Trade Act of 1974, as amended (19 U.S.C. 2242(d)(1)).

²⁷ Section 182(d)(2) of the Trade Act of 1974, as amended (19 U.S.C. 2242(d)(2)). Section 901(a)(2) of the Semiconductor Chip Protection Act (17 U.S.C. 901(a)(2)) defines “mask work” as a “series of related images, however fixed or encoded—(A) having or representing the predetermined, three-dimensional pattern of metallic, insulating, or semiconductor material present or removed from the layers of a semiconductor chip product; and (B) in which series the relation of the images to one another is that each image has the pattern of the surface of one form of the semiconductor chip product.”

²⁸ Section 182(d)(3) of the Trade Act of 1974, as amended (19 U.S.C. 2242(d)(3)).

²⁹ Section 182(d)(4) of the Trade Act of 1974, as amended (19 U.S.C. 2242(d)(4)).

³⁰ Section 182(a)(2) of the Trade Act of 1974, as amended (19 U.S.C. 2242(a)(2)).

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 2010 Special 301 review, the USTR examined the adequacy and effectiveness of IPR protection in 77 countries.³¹ In conducting the review, the USTR focused on a wide range of issues and policy objectives relating to IPR protection and enforcement, including the need for more IPR training, resources, and prosecutions; significantly improved enforcement against counterfeiting and piracy; Internet and digital piracy; counterfeit pharmaceuticals; transshipment of pirated and counterfeit goods; ensuring that foreign government ministries only use legally authorized and properly licensed business software; and proper implementation of the TRIPS Agreement by developed and developing countries.

In the 2010 Special 301 review, no countries were identified as priority foreign countries. The 2010 Special 301 report identified 11 countries on the priority watch list and highlighted weak IPR protection and enforcement in China and Russia, both of which were maintained on the priority watch list. In addition, Algeria, Argentina, Canada, Chile, India, Indonesia, Pakistan, Thailand, and Venezuela were kept on the priority watch list due to significant concerns regarding IPR protection. While 29 countries remained on the watch list, the Czech Republic, Hungary, and Poland were removed because they had made significant progress on the protection and enforcement of IPR.

Antidumping and Countervailing Duty Investigations and Reviews

Antidumping Duty Investigations

The U.S. antidumping law is contained in title VII of the Tariff Act of 1930, as amended.³² This law offers relief to U.S. industries that are affected by dumping, which is the sale of imported goods at less than their “fair value” (see below). The U.S. government provides relief by imposing a special additional duty on an underpriced import in order to offset its “dumping margin”—the amount by which its sale price is less than its fair value. Antidumping duties are imposed when (1) the USDOC, the administering authority, has determined that imports are being, or are likely to be, sold at less than fair value (LTFV) 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. (Such a conclusion is called an “affirmative determination.”) Most investigations are conducted on the basis of a petition filed with the USDOC and the Commission by or on behalf of a U.S. industry. The USDOC and the Commission each conduct preliminary and final antidumping duty investigations in making their separate determinations.

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.³³ The antidumping duty is calculated to equal the difference between the U.S. price and the foreign-market value.³⁴

³¹ USTR, “USTR Releases 2010 Special 301 Report on Intellectual Property Rights and 2010 Special 301 Report,” April 30, 2010.

³² 19 U.S.C. 1673 et seq.

³³ 19 U.S.C. 1677b; 19 C.F.R. part 353, subpart D.

³⁴ 19 U.S.C. 1677(35)(A).

The duty specified in an antidumping duty order reflects the weighted average dumping margins found by the USDOC both for specific exporters it has examined and for all other exporters.³⁵ This rate of duty will be applied to subsequent imports from the specified producers/exporters in the subject country, but it may be adjusted if the USDOC receives a request for an annual review.³⁶

The Commission instituted three new antidumping investigations and completed 19 investigations during 2010.³⁷ Antidumping duties were imposed in 2010 as a result of affirmative Commission determinations in 17 of those completed investigations on 11 products from 5 countries (table 2.1).

Details on all antidumping investigations active at the Commission during 2010 are presented in appendix table A.4. A list of all antidumping duty orders, including suspension agreements,³⁸ in effect as of the end of the year is presented in appendix 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.³⁹ In general, procedures for such investigations are similar to those under the antidumping law. Petitions are filed with the USDOC (the administering authority) and with the Commission. Before a countervailing duty order can be issued, the USDOC must confirm that a countervailable subsidy exists and the Commission must make an affirmative determination that a U.S. industry is suffering from material injury, threat of material injury, or material retardation because of the subsidized imports.

The Commission instituted 2 new countervailing duty investigations and completed 11 during 2010. Countervailing duties were imposed in 2010 as a result of affirmative Commission determinations in 10 of those 11 completed investigations on 9 products from 3 countries (table 2.2).

³⁵ 19 U.S.C. 1677(35)(B); 19 U.S.C. 1673d(c).

³⁶ 19 U.S.C. 1675(a).

³⁷ 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.

³⁸ 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.

³⁹ 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).

TABLE 2.1 Antidumping duty orders that became effective during 2010

Country	Product	Range of duty (percent)
China	Coated paper	7.62–135.84
China	Magnesia carbon bricks	128.10–236.00
China	Narrow woven ribbons	123.83–247.65
China	Oil country tubular goods	32.07–99.14
China	Potassium phosphate salts	62.23–95.40
China	Prestressed concrete steel wire strand	42.97–193.55
China	Seamless carbon and alloy steel standard, line, and pressure pipe	50.01–98.74
China	Seamless refined copper pipe and tube	11.25–60.85
China	Steel grating	136.76–145.18
China	Woven electric blankets	93.09–174.85
Indonesia	Coated paper	20.13
Indonesia	Polyethylene retail carrier bags	69.64–85.17
Mexico	Magnesia carbon bricks	57.90
Mexico	Seamless refined copper pipe and tube	24.89–27.16
Taiwan	Narrow woven ribbons	4.37
Taiwan	Polyethylene retail carrier bags	36.54–95.81
Vietnam	Polyethylene retail carrier bags	52.30–76.11

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

TABLE 2.2 Countervailing duty orders that became effective during 2010

Country	Product	Range of duty (percent)
China	Coated paper	17.94
China	Magnesia carbon bricks	24.24–253.87
China	Narrow woven ribbons	1.56–117.95
China	Oil country tubular goods	10.49–15.78
China	Potassium phosphate salts	109.11
China	Prestressed concrete steel wire strand	9.42–45.85
China	Seamless carbon and alloy steel standard, line, and pressure pipe	13.66–56.67
China	Steel grating	62.46
Indonesia	Coated paper	17.94
Vietnam	Polyethylene retail carrier bags	0.44 (<i>de minimis</i>)–52.56

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

Details on all countervailing duty investigations active at the Commission during 2010 are presented in appendix table A.6, and a list of all countervailing duty orders (including suspension agreements)⁴⁰ in effect at the end of the year is presented in appendix table A.7.

Reviews of Outstanding Antidumping and Countervailing Duty Orders/Suspension Agreements

Section 751(a) of the Tariff Act of 1930 requires the USDOC, if requested, to conduct annual reviews of outstanding antidumping duty and countervailing duty orders to determine the amount of any net subsidy or dumping margin and to determine

⁴⁰ 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 agrees 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 agrees 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.

compliance with suspension agreements.⁴¹ Section 751(b) also authorizes the USDOC and the Commission, as appropriate, to review certain outstanding determinations and agreements after receiving information or a petition that shows changed circumstances.⁴² In these circumstances, the party that is asking to have an antidumping duty order, countervailing duty order, or suspension agreement revoked or modified has the burden of persuading the USDOC and the Commission that circumstances have changed sufficiently to warrant review and revocation. On the basis of either the USDOC's or Commission's review, the USDOC may revoke an antidumping duty or countervailing duty order in whole or in part, or may either terminate or resume a suspended investigation. No changed-circumstances investigations were active at the Commission during 2010.

Section 751(c) of the Tariff Act of 1930 requires both the USDOC 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.⁴³ During 2010, the USDOC and the Commission instituted 73 sunset reviews of existing antidumping duty and countervailing duty orders and suspension agreements⁴⁴ and the Commission completed 32 reviews. As a result, 31 antidumping duty and countervailing duty orders were continued for five additional years. Appendix table A.8 shows completed reviews of antidumping duty and countervailing duty orders and suspension agreements in 2010.⁴⁵

Section 337 Investigations

Section 337 of the Tariff Act of 1930, as amended,⁴⁶ authorizes the Commission to investigate certain practices involving the importation of “infringing articles”—i.e., goods (1) that infringe a valid and enforceable U.S. patent, registered trademark, registered copyright, registered mask work, or registered vessel hull design, and (2) for which a domestic industry exists or is in the process of being established. Section 337 makes it unlawful for any person to import such goods into the United States, to sell them for importation, or to sell them within the United States after they are imported. The Commission may launch an investigation into such practices on the basis of a complaint or on its own initiative.⁴⁷

⁴¹ 19 U.S.C. 1675(a).

⁴² 19 U.S.C. 1675(b).

⁴³ 19 U.S.C. 1675(c).

⁴⁴ A total of 15 of the instituted reviews (14 antidumping duty reviews and 1 countervailing duty review) were subsequently terminated and the outstanding orders/findings revoked because a domestic industry did not request that they be continued. The 14 revoked antidumping duty orders/findings were as follows: forged stainless steel flanges from India and Taiwan; granular polytetrafluoroethylene resin from Japan; greige polyester cotton printcloth from China; natural bristle paint brushes from China; non-frozen apple juice concentrate from China; polychloroprene rubber from Japan; porcelain-on-steel cooking ware from Taiwan; sparklers from China; stainless steel butt-weld pipe fittings from Japan, Korea, and Taiwan; superalloy degassed chromium from Japan; and top-of-the-stove stainless steel cooking ware from Korea. The one revoked countervailing duty order was on top-of-the-stove stainless steel cooking ware from Korea. The review concerning the antidumping duty order on U.S. imports of natural bristle paint brushes from China was terminated and the outstanding order revoked because USDOC found in a changed-circumstances review that domestic parties expressed a lack of interest in antidumping duty relief from imports of the subject merchandise.

⁴⁵ For detailed information on reviews instituted, as well as Commission action in all reviews, see the Commission's Web site section “Five-Year (Sunset) Reviews,” at <http://info.usitc.gov/oinv/sunset.NSF>.

⁴⁶ 19 U.S.C. 1337.

⁴⁷ 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

If the Commission determines that a violation exists, it can issue an exclusion order directing U.S. Customs and Border Protection (USCBP) to exclude the subject imports from entry into the United States, and a cease and desist order directing the violating parties to stop engaging in the unlawful practices. The orders enter into force unless disapproved for “policy reasons” by the USTR⁴⁸ within 60 days of issuance.⁴⁹

During 2010, there were 108 active section 337 investigations and ancillary proceedings, 63 of which were instituted in 2010. Of these 63, 56 were new section 337 investigations and seven were new ancillary proceedings relating to previously concluded investigations. In all but two of the new section 337 institutions in 2010, patent infringement was the only type of unfair act alleged. The two exceptions were one investigation involving alleged copyright, trademark, and patent infringement,⁵⁰ and one investigation involving alleged misappropriation of trade secrets as well as patent infringement.⁵¹

The Commission completed a total of 50 investigations and ancillary proceedings under section 337 in 2010, including three enforcement proceedings, one bond forfeiture proceeding, one sanctions proceeding, and two advisory proceedings. Seven exclusion orders, including one general exclusion order, and 20 cease and desist orders were issued during 2010. The Commission terminated 30 investigations without determining whether there had been a violation. Twenty-three of these investigations were terminated on the basis of settlement agreements and/or consent orders.

Approximately two-thirds of the active investigations in 2010 concerned products in the semiconductor, telecommunications, and electronics fields—e.g., cellular smartphones, liquid crystal displays, set-top boxes, biometric scanning devices, and flash memory chips. Other investigations involved commercial equipment such as underground pipe locators and automated media library systems. Another group of section 337 investigations active during the year focused on a variety of consumer items, ranging from inkjet cartridges to ground fault circuit interrupters to caskets.

At the close of 2010, 58 section 337 investigations and related proceedings were pending at the Commission. Commission activities involving section 337 actions in 2010 are presented in table A.9. As of December 31, 2010, exclusion orders based on violations of section 337 were in effect for 79 investigations. Table A.10 lists the investigations in which these exclusion orders were issued.

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 such 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.

⁴⁸ 19 U.S.C. 1337(j). Although the statute reserves the review for the President, since 2005 this function has been officially delegated to USTR. 70 Fed. Reg. 43251 (July 26, 2005).

⁴⁹ Section 337 investigations 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. In either case, 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 USTR, and whether public interest considerations preclude issuing a remedy.

⁵⁰ Certain Lighting Products, Inv. No. 337-TA-719.

⁵¹ Certain DC-DC Controllers and Products Containing the Same, Inv. No. 337-TA-698.

Trade Adjustment Assistance

The United States provides trade adjustment assistance (TAA) to aid U.S. workers, farmers, firms and industries, and communities adversely affected by import competition or by shifts of U.S. production to foreign countries.⁵² The TAA programs were reauthorized, amended, and expanded in 2009.⁵³ Those expanded provisions expired on February 12, 2011, and the TAA programs reverted from the expanded program to the program in effect before the 2009 amendments.⁵⁴

In 2010, TAA comprised the following programs: TAA for Workers, TAA for Firms, TAA for Farmers, and TAA for Communities. These programs are described separately below.

Assistance for Workers

The TAA for Workers program is administered by the U.S. Department of Labor (USDOL) through the Employment and Training Administration (ETA). Geared for workers who have lost their jobs as a result of foreign trade, the TAA for Workers program offers a variety of benefits and services to eligible workers, including job training, income support, job search and relocation allowances, a tax credit to help pay the costs of health insurance, and a wage supplement to certain reemployed trade-affected workers 50 years of age and older.⁵⁵

Two key changes were introduced by the 2009 amendments to the TAA for Workers program: (1) TAA coverage was expanded to more U.S. workers and firms, including workers and firms in the service sector (as opposed to covering just workers in the manufacturing sector), and (2) benefits were made available to U.S. workers whose jobs had been offshored to any country without regard to whether there was an increase in total U.S. imports (as opposed to covering a more limited set of shifts in U.S. production).⁵⁶ As noted above, the expanded provisions were in effect throughout 2010, but expired on February 12, 2011, when the TAA program reverted to the program in effect before the 2009 amendments.⁵⁷

⁵² TAA was formally established by the Trade Expansion Act of 1962 (Pub. L. 87-794) but was little used until the Trade Act of 1974 (Pub. L. 93-618) expanded program benefits and eligibility. The TAA program was amended by the Trade Adjustment Assistance Reform Act (TAA Reform Act), which was part of the Trade Act of 2002 (Pub. L. 107-210). The TAA Reform Act reauthorized and expanded TAA; it also consolidated the TAA and the North American Free Trade Agreement (NAFTA) TAA programs. *Economic Report of the President*, 2009, box 8-2, 232–33; Topoleski, “TAA for Workers,” February 20, 2008.

⁵³ President Obama signed the Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA) on February 17, 2009, as part of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5). This legislation reauthorized and changed certain provisions of the TAA programs for workers, firms, and farmers beginning in May 18, 2009, and created the TAA for Communities program. For additional information on the amendments introduced by the TGAAA, see USITC, *The Year in Trade 2009*, July 2010, 2-2.

⁵⁴ On December 29, 2010, the President signed the Omnibus Trade Act of 2010. Among other things, the act extended certain 2009 TGAAA amendments that were scheduled to expire on December 31, 2010, through February 12, 2011. The TGAAA subsequently lapsed on February 12, 2011. USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 178.

⁵⁵ USDOL, ETA, *Trade Adjustment Assistance Workers*, December 2010, 2–3.

⁵⁶ USDOL, ETA, *Trade Adjustment Assistance Workers*, December 2010, 2–3.

⁵⁷ USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 178. A description of the expanded benefits and services that were available under the 2009 TAA for Workers program (generally available between May 18, 2009, and February 12, 2011) is provided in USITC, *The Year in Trade 2009*, July 2010, 2-2 to 2-3. For a description of the benefits and services that were available under original 2002 amendments to the TAA program (and thus were still available after February 12, 2011), see USITC, *The*

ETA reported that it received 2,222 petitions⁵⁸ for TAA in fiscal year (FY) 2010,⁵⁹ a sharp decline from 4,549 petitions for TAA filed in FY 2009. According to ETA, the 2009 expansion of TAA coverage for service sector workers, as well as the effects of the U.S. economic recession, led to a significant increase in petitions filed in FY 2009.⁶⁰

ETA certified 2,718 petitions eligible for TAA during FY 2010, up from 1,845 petitions certified in FY 2009. According to ETA, the larger number of certifications in FY 2010 in part reflected the larger number of petitions filed during FY 2009.⁶¹ ETA estimated that 280,873 workers were covered by certified petitions for TAA in FY 2010, while an estimated 80,074 workers were covered under petitions that were denied. Petitions were certified for workers in all 50 states and in Puerto Rico; no petitions were certified for workers in the District of Columbia. The most petitions were certified for California (225), Ohio (221), and Pennsylvania (208). The largest numbers of workers covered by certified petitions were in Michigan (34,866), Ohio (25,263), and California (20,571). More than 80 percent of the workers covered by certified petitions for TAA in FY 2010 were in the manufacturing sector, and almost 30 percent of the workers covered by certified petitions were the result of a shift in production (i.e., outsourcing). The most common reason for certifying petitions for service sector workers was also outsourcing: 594 petitions covering 29,546 workers were certified due to a shift in the supply of services to a foreign country, while 214 petitions covering 12,022 workers were certified due to the acquisition of services from a foreign country.⁶²

Assistance for Farmers

The TAA for Farmers program is administered by the U.S. Department of Agriculture (USDA) through the Foreign Agricultural Service (FAS). Under the program, USDA provides technical assistance and cash benefits to eligible U.S. producers of raw agricultural commodities and fishermen whose crops or catch have been adversely affected by imports of like or directly competitive commodities.⁶³ The 2009 reauthorization of the TAA for Farmers program authorized appropriations for the 2009

Year in Trade 2003, July 2004, 2-3 to 2-4. The most current information on benefits and services available under the TAA for Workers program is available from USDOL at <http://www.doleta.gov/tradeact/>.

⁵⁸ For a worker to be eligible to apply for TAA, the worker must be part of a group of workers that file a petition with USDOL as workers adversely affected by foreign trade. In response to the filing, USDOL institutes an investigation to determine whether the workers meet the group eligibility requirements. If the worker group meets the eligibility criteria, a group certification of eligibility is issued. Each worker in the group must then individually apply for TAA services and benefits. USDOL, ETA, "Trade Adjustment Assistance Petition Process," February 14, 2011.

⁵⁹ FY 2010 covers the period October 1, 2009, through September 30, 2010.

⁶⁰ USDOL, ETA, *Trade Adjustment Assistance Workers*, December 2010, 9.

⁶¹ The number of petitions certified for TAA in any fiscal year may not necessarily total the number of petitions filed in that year because of the processing time for petitions (which may span more than one fiscal year), the withdrawal of some petitions, and the termination of investigations. In addition, "for FY 2009 trade-affected workers were provided an opportunity to withdraw petitions filed under the old law and re-file after the effective date of the 2009 amendments. In addition, the backlog created by this withdrawal and re-filing, as well as increased interest in the program under expanded eligibility, resulted in a backlog in Fiscal Year 2009 that was not resolved until Fiscal Year 2010." USDOL, ETA, *Trade Adjustment Assistance Workers: Report to the Committee on Finance of the Senate and Committee on Ways and Means of the House of Representatives*, December 2010, 9.

⁶² USDOL, ETA, *Trade Adjustment Assistance Workers: Report to the Committee on Finance of the Senate and Committee on Ways and Means of the House of Representatives*, December 2010, 11-12.

⁶³ USDA, "Trade Adjustment Assistance (TAA) for Farmers Program," March 14, 2010, 1.

and 2010 fiscal years, and for the period beginning October 1, 2010 through December 31, 2010.⁶⁴

USDA reported that it received 17 petitions⁶⁵ for TAA in FY 2010,⁶⁶ and approved 3 petitions on behalf of U.S. asparagus and catfish producers nationwide, as well as U.S. shrimp producers in the Gulf and South Atlantic region. As a result of these certifications, more than 5,000 producers applied for training and cash benefits under the FY 2010 program.⁶⁷

USDA launched its FY 2011 TAA for Farmers program on May 21, 2010.⁶⁸ It received 33 petitions for assistance, and it certified 3 petitions on behalf of blueberry producers in Maine, lobster producers in five northeastern states, and shrimp producers in Alaska and nine Gulf and South Atlantic states in September 2010. Nearly 6,000 producers applied for training and cash benefits for the period beginning October 1, 2010, and ending December 31, 2010.⁶⁹

Assistance for Firms

The TAA for Firms program is administered by the U.S. Department of Commerce (USDOC) through the Economic Development Administration (EDA). The program provides financial assistance to U.S. manufacturers adversely affected by imports, by providing matching funds to help eligible firms offset the costs of projects aimed at improving their competitive positions. The TAA for Firms program was modified and expanded in 2009,⁷⁰ most notably by offering service industry firms the opportunity to apply for TAA and by allowing firms applying for assistance to use a longer retrospective period to demonstrate their eligibility for benefits. Those modifications expired on

⁶⁴ As discussed above, subsequent legislation extended the program through February 12, 2011. The TAA for Farmers program originally was in effect from October 1, 2002, through December 31, 2007, when funding for the program expired. The TAA for Farmers program was reauthorized and modified by the Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA) on February 17, 2009, as part of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5). A description of benefits and services available under the TAA for Farmers program is provided in USITC, *The Year in Trade 2009*, July 2010, 2-3 to 2-4. The most current information on the TAA for Farmers program is available from USDA, FAS, <http://www.fas.usda.gov/itp/taa/taa.asp>.

⁶⁵ To become eligible for benefits, a group of three or more producers or a commodity organization, acting on behalf of producers in their state or group of states, may request that a commodity be certified as eligible by submitting a petition to FAS. To be eligible, a commodity must be listed in its raw or natural state in chapters 1, 3, 4, 5, 6, 7, 8, 10, 12, 14, 23, 24, 41, 51, or 52 of the Harmonized Tariff Schedule of the United States. FAS initiates an investigation after it accepts a petition for review. On completing its investigation, FAS announces whether the commodity has been “certified” (approved for benefits) and the marketing year for which the certification is valid. USDA, FAS, “Trade Adjustment Assistance (TAA) for Farmers,” March 2010.

⁶⁶ USDA did not provide technical assistance or provide payments to farmers or fishermen during FY 2009. All FY 2009 outlays were administrative costs associated with running the program. USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 179.

⁶⁷ USDA, FAS, “Notice to Program Participants,” April 4, 2011; USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 179.

⁶⁸ For the USDA notice of acceptance of petitions for TAA for Farmers for FY 2010, see 75 Fed. Reg. 11513 (March 11, 2010).

⁶⁹ USDA, FAS, “Notice to Program Participants,” April 4, 2011; USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 179.

⁷⁰ The TAA for Firms program was modified and expanded by the Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA) on February 17, 2009, as part of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5). For additional information on the amendments introduced by the TGAAA, see USITC, *The Year in Trade 2009*, July 2010, 2-4 to 2-5.

February 12, 2011, and the TAA for Firms program reverted from the expanded program to the program in effect before the 2009 amendments.⁷¹

EDA reported that it particularly targeted small and medium-sized firms in FY 2010.⁷² It received 305 petitions⁷³ for TAA in FY 2010, compared to 278 petitions received in FY 2009. EDA certified 330 petitions, up from 164 petitions in FY 2009; no petitions were denied in FY 2010.⁷⁴ Approximately 91 percent of the petitions certified for TAA were for manufacturing firms; of the remainder, about 50 percent were for wholesale firms. The most petitions were certified for firms in Pennsylvania (48), Massachusetts (27), New York (25), and Illinois (23).⁷⁵

Assistance for Communities

The Community TAA (TAA for Communities) program was launched in January 2010⁷⁶ to provide grants to assist U.S. communities that have experienced, or were threatened by, job loss resulting from international trade. Grants under the program could be used to support a wide range of technical, planning, and infrastructure projects to help communities adapt to trade impact issues and diversify their economies. Funding for the program was made available through September 30, 2010, although grants under the program could cover projects lasting as long as three years.⁷⁷

TAA for Communities is administered by the USDOC through the EDA.⁷⁸ To be eligible to apply, communities were to have been previously certified under the TAA for Workers, TAA for Farmers, or TAA for Firms programs. In addition, EDA had to determine that the community was significantly impacted by foreign trade.⁷⁹ EDA

⁷¹ USDOC, EDA, “Trade Adjustment Assistance for Firms” (accessed June 1, 2011). Additional information on the TAA for Firms program is provided in USITC, *The Year in Trade 2009*, July 2010, 2-4 to 2-5. The most current information on the TAA for Firms program is available from USDOC, EDA, <http://www.eda.gov/Research/TradeAdj.xml> and <http://www.taacenters.org/index.html>.

⁷² USDOC, EDA, *Annual Report to Congress*, December 2010, 39.

⁷³ To become eligible for benefits, firms must submit a petition to USDOC through one of 11 national Trade Adjustment Assistance Centers (TAACs). TAACs are typically sponsored by universities or nonprofit organizations, and are the primary point of contact for firms during the certification and adjustment processes. Once a petition has been approved, TAACs work closely with firm management to identify the firm’s strengths and weaknesses and develop a customized adjustment proposal designed to stimulate recovery and growth. After an adjustment proposal has been approved, company management and TAAC staff jointly identify consultants with the specific expertise required to assist the firm. Funds are not provided directly to firms; instead, the EDA funds the TAACs and the TAACs pay a cost-shared proportion of the cost to secure the identified specialized business consultants. USDOC, EDA, *Annual Report to Congress*, December 2010, 2-3.

⁷⁴ The number of petitions certified for TAA in any fiscal year may not necessarily total the number of petitions accepted in that year because of the processing time for petitions (which may span more than one fiscal year) or the withdrawal of petitions. USDOC, EDA, *Annual Report to Congress*, December 2010, 6.

⁷⁵ USDOC, EDA, *Annual Report to Congress*, December 2010, 10.

⁷⁶ The TAA for Communities program was established by the Trade and Globalization Adjustment Assistance Act of 2009 (TGAAA) on February 17, 2009, as part of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5). See also 76 Fed. Reg. 4612 (January 26, 2011). For additional information on the amendments introduced by the TGAAA, see USITC, *The Year in Trade 2009*, July 2010, 2-5.

⁷⁷ “\$36,768,000 is available for the Community TAA Program and shall remain available until September 30, 2010, which means that EDA must obligate all funds to particular projects by that date.” EDA, “Community Trade Adjustment Assistance Program: Frequently Asked Questions,” 9-10, March 4, 2010. Additional information on the TAA for Communities program is provided in USITC, *The Year in Trade 2009*, July 2010, 2-5 to 2-6. The most current information on the TAA for Communities program is available from USDOC, EDA, <http://www.eda.gov/InvestmentsGrants/CommunityTAA.xml>.

⁷⁸ USDOC, EDA, “Community Trade Adjustment Assistance: Program Overview,” n.d. (accessed June 1, 2011).

⁷⁹ USDOC, EDA, “Announcement of Federal Funding Opportunity,” n.d. (accessed June 1, 2011).

established a single competition for the TAA for Communities program, with the deadline to submit a full grant application of April 20, 2010 to be eligible for an award of funding.

EDA reported that more than 130 applicants applied for assistance under the TAA for Communities program, requesting \$156 million dollars for a variety of projects. The full amount of funds available for assistance was awarded on a competitive basis to 36 communities.⁸⁰

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. Certain additional products are allowed duty-free treatment when imported only from countries designated as least-developed beneficiary developing countries (LDBDCs). The President's authority to provide duty-free treatment under the GSP program expired on December 31, 2010.⁸¹

The program is authorized by title V of the Trade Act of 1974, as amended.⁸² By offering unilateral tariff preferences, the GSP program aims to accelerate economic growth in developing countries. An underlying principle of the GSP program is that the creation of trade opportunities for developing countries encourages broad-based economic development and sustains momentum for economic reform and liberalization. The GSP program also ensures that U.S. companies have access to intermediate products from beneficiary countries on generally the same terms that are available to competitors in other developed countries that grant similar trade preferences.⁸³

Countries are designated as "beneficiary developing countries" under the GSP program by the President, although countries can be removed from this designation based on petitions alleging improper country practices, including inadequate protection of intellectual property rights or internationally recognized worker rights. 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 "import-sensitive" and thus not eligible for duty-free treatment under the GSP program. The statute also provides for graduation of countries from the program when they become "high-income" countries and for removal from eligibility of articles, or articles from certain countries, under certain conditions. The extension of the GSP program in 2006 provided that a competitive need limitation (CNL) waiver in effect with respect to a product for five or more years should be revoked if U.S. imports from a specific supplier meet certain "super-competitive" value thresholds.⁸⁴

⁸⁰ 76 Fed. Reg. 4612 (January 26, 2011).

⁸¹ Pub. L. 111-124.

⁸² 19 U.S.C. 2461 et seq.

⁸³ USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 181.

⁸⁴ 19 U.S.C. 2463(d)(4)(B)(ii).

The U.S. GSP program made several changes with respect to product and country eligibility in 2010:

- On June 29, 2010, a number of changes were proclaimed based on the 2009 GSP Annual Product Review.⁸⁵ Two products that could previously only be imported duty-free from least-developed GSP countries were designated as GSP-eligible for all GSP beneficiaries.⁸⁶ A number of products were excluded because imports exceeded CNLs; and one product⁸⁷ that had previously received a CNL waiver had that waiver revoked because imports exceeded the “super-competitive” threshold.⁸⁸
- As of January 1, 2010, the Republic of the Maldives was added to the list of GSP beneficiaries; Cape Verde was removed from the LDBDC list, but remains a GSP beneficiary; and Trinidad and Tobago was removed from GSP eligibility based on high national income. On January 1, 2011, Croatia and Equatorial Guinea were removed from the list of GSP beneficiaries based on high income.⁸⁹

Duty-free imports entered under the GSP program totaled \$22.6 billion in 2010, accounting for 7.7 percent of total U.S. imports from GSP beneficiary countries and 1.2 percent of total imports (table 2.3).⁹⁰ Thailand was the leading GSP beneficiary in 2010, followed by Angola, India, Brazil, Indonesia, and Equatorial Guinea. Almost one-fourth of all duty-free entries under the GSP were petroleum products, compared with nearly a third in 2009. Petroleum products only enter free of duty under the GSP when imported from LDBDCs, including Angola and Equatorial Guinea. (As noted, Equatorial Guinea ceased to be a GSP beneficiary as of January 1, 2011). Appendix table A.11 shows the top 20 products imported under the GSP in 2010, and appendix table A.12 shows the overall distribution of GSP benefits by sector.

African Growth and Opportunity Act

The African Growth and Opportunity Act (AGOA) was enacted in 2000 to provide unilateral preferential trade benefits to eligible sub-Saharan African (SSA) countries pursuing political and economic reform.⁹¹ AGOA provides duty-free market access to all GSP-eligible products and more than 1,800 additional qualifying tariff line-item products from designated SSA countries, and exempts these beneficiaries from GSP CNLs.⁹²

⁸⁵ USTR, *Results of the 2009 GSP Annual Review*, n.d.

⁸⁶ The two products were frozen vegetables—specifically, HTS 0710.22.40 (beans, not elsewhere specified or included, uncooked or cooked by steaming or boiling in water, frozen, reduced in size (green beans, lima beans, misc.)); and HTS 0710.90.91 (mixtures of vegetables not elsewhere specified or included, uncooked or cooked by steaming or boiling in water, frozen).

⁸⁷ HTS 7113.19.25 (gold mixed-link necklaces and neck chains from India).

⁸⁸ Proclamation No. 8539 of June 29, 2010, 75 Fed. Reg. 38905 (July 6, 2010). The CNLs require the termination of a beneficiary developing country’s GSP eligibility on a product if, during any calendar year, U.S. imports from that country: (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.

⁸⁹ Proclamation No. 8467 of December 23, 2009, 74 Fed. Reg. 69221 (December 30, 2009).

⁹⁰ Imports entering the United States free of duty under preference programs are given duty-free preference only upon an importer’s claim for each shipment, supported with documentation.

⁹¹ In addition to providing preferential access to the U.S. market for eligible SSA products, AGOA also includes a number of trade-facilitating provisions. For further information, see USTR, *2008 Comprehensive Report*, 21. The USTR’s 2008 report is the last of eight annual reports required under AGOA.

⁹² Should GSP lapse, AGOA preferences remain in effect.

TABLE 2.3 U.S. imports for consumption from GSP beneficiaries and the world, 2010, millions of dollars

Item	All GSP beneficiaries	World
Total U.S. imports	293,095	1,888,005
Imports of products that are not GSP eligible	249,389	1,043,182
Imports of products that are GSP eligible ^a	43,706	844,823
Imports of products that are GSP eligible from all GSP beneficiaries ^b	29,009	370,040
Imports of products that are only GSP eligible from LDBDCs ^c	14,697	474,784
Total GSP duty free imports	22,554	22,554
Non-LDBDC GSP duty free	17,098	17,098
GSP LDBDC duty free	5,455	5,455
Total of GSP eligible products not benefiting from GSP duty-free treatment ^d	21,152	822,269
GSP program exclusions	6,999	6,999
All other	14,153	815,270

Source: Compiled from official statistics of the USDOC.

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 (least-developed beneficiary developing countries) 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 parentheses. 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, while 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 “free” appears in the special rate column of the HTS, followed by the symbol “A+” in parentheses. The symbol “A+” indicates that all LDBDCs (and only LDBDCs) are eligible for duty-free treatment with respect to all articles provided for in the designated provisions.

^d For a variety of reasons, all imports from beneficiary countries under HTS provisions that appear to be eligible for GSP treatment do not always and necessarily receive duty-free entry under the GSP. Such eligible imports may not receive duty-free treatment under GSP for one or more of at least five different reasons: (1) the importers fail to claim GSP benefits affirmatively; (2) the goods are from a GSP beneficiary that lost GSP benefits on that product for exceeding the so-called 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.

AGOA also provides duty-free treatment for certain apparel articles made in qualifying SSA countries. AGOA is scheduled to be in effect until September 30, 2015.⁹³

In 2010, articles entering the United States free of duty under AGOA were valued at \$38.7 billion, a 37.8 percent increase over 2009, and accounted for 63.9 percent of all imports from AGOA countries (table 2.4). This increase in total imports was driven primarily by an increase in the value and quantity of imports of petroleum-related products.⁹⁴ Duty-free U.S. imports under AGOA, including under the GSP program, were valued at \$44.3 billion in 2010, accounting for 73.1 percent of total imports from AGOA countries and representing an increase of 31.3 percent over 2009.

The leading suppliers of duty-free U.S. imports under AGOA in 2010 were Nigeria (65.1 percent of total AGOA imports), Angola (16.3 percent), the Republic of the Congo (5.0

⁹³ 19 U.S.C. 3701 note. AGOA provisions that provide preferential treatment for certain textiles and apparel also expire on September 30, 2015. 19 U.S.C. 3721(f).

⁹⁴ Although petroleum products enter duty-free under GSP only for LDBDCs, the duty-free preference for petroleum products extends to all AGOA beneficiaries.

TABLE 2.4 U.S. imports for consumption from AGOA countries, 2008–10

Item	2008	2009	2010
Total imports from AGOA countries (millions of \$)	81,438	43,950	60,531
Total under AGOA, including GSP (millions of \$) ^a	66,259	33,709	44,270
Imports under AGOA, excluding GSP (millions of \$)	56,374	28,050	38,665
Total under AGOA as a percent of total	69.2	63.8	63.9

Source: Compiled from official statistics of the USDOC.

^a AGOA-eligible products are those for which a rate of duty “free” appears in the special rate column of the HTS followed by the symbol “D” in parentheses (the symbol “D” indicates that all AGOA beneficiaries are eligible for duty-free treatment with respect to all articles provided for in the designated provisions). In addition, provisions of subchapters II and XIX of chapter 98 of the HTS set forth specific categories of AGOA-eligible products, under the terms of separate country designations enumerated in subchapter notes.

percent), South Africa (4.9 percent), Chad (3.1 percent), and Gabon (2.9 percent). These six countries accounted for 97.2 percent of total imports by value under AGOA; for all six, this represented a slight increase over 2009 (appendix table A.13). Of the leading imports under AGOA, petroleum-related products increased to \$36.0 billion in 2010, up 41.3 percent by value from 2009, and accounted for 93.1 percent of the total value of AGOA imports in 2010, an increase over 2009 (appendix table A.14).⁹⁵ Imports of apparel declined in 2010, from \$0.9 billion, or 3.3 percent of total AGOA imports by value in 2009, to approximately \$0.7 billion, or 1.9 percent, in 2010.

Each year, the President must consider whether SSA countries⁹⁶ are, or remain, eligible for AGOA benefits based on specific criteria.⁹⁷ At the end of 2010, a total of 38 SSA countries were designated as eligible for AGOA benefits, and 26 SSA countries were eligible for AGOA textile and apparel benefits.⁹⁸ On January 1, 2010, Mauritania’s designation as an AGOA beneficiary country was reinstated and Guinea’s, Madagascar’s, and Niger’s AGOA designations were terminated.⁹⁹ The Democratic Republic of the Congo became ineligible for AGOA benefits effective January 1, 2011.¹⁰⁰

Section 105 of AGOA requires the President to establish the U.S.-SSA Trade and Economic Cooperation Forum (also known as the AGOA forum). AGOA also requires the 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 ninth AGOA forum was held in two parts: the ministerial plenary sessions on August 2–3, 2010, in Washington, DC, and a trade and investment promotion event on August 4–6,

⁹⁵ The increase in imports of petroleum and related products primarily reflects increasing prices. Whereas petroleum import volumes (HS chapter 27, barrels) from the five leading AGOA petroleum suppliers (Nigeria, Angola, the Republic of the Congo, Gabon, and Chad) increased by 9 percent between 2009 and 2010, the value of these imports increased by more than 41 percent. Official statistics of the U.S. Department of Commerce (DataWeb) (accessed March 2, 2011).

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

⁹⁷ 19 U.S.C. 3703(a). See also USTR, *2008 Comprehensive Report*, 21–22.

⁹⁸ The following 38 countries are listed in general note 16 of the HTS as designated AGOA beneficiaries: Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Chad, Comoros, the Democratic Republic of the Congo, Djibouti, Ethiopia, Gabon, Gambia, Ghana, Guinea-Bissau, Kenya, Lesotho, Liberia, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Nigeria, the Republic of the Congo, Rwanda, São Tomé and Príncipe, Senegal, Seychelles, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Uganda, and Zambia. USITC, *HTS 2010*, December 31, 2010, 187.

⁹⁹ White House, “Presidential Proclamation—To Take Certain Actions under the African Growth and Opportunity Act,” December 23, 2009. 74 Fed. Reg. 69221 (December 30, 2009).

¹⁰⁰ White House, “Presidential Proclamation—To Take Certain Actions under the African Growth and Opportunity Act,” December 21, 2010. 75 Fed. Reg. 81077 (December 27, 2010).

2010, in Kansas City, Missouri. The Kansas City portion provided for meetings with U.S. and African business leaders as well as site visits to U.S. agribusinesses in the area. The theme of the forum was “New Strategies for a Changing World.”¹⁰¹

Andean Trade Preference Act

The Andean Trade Preference Act (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.¹⁰² The act has had a complex history. The President’s authority to provide preferential treatment under ATPA expired on December 4, 2001, but was renewed and expanded by the Andean Trade Promotion and Drug Eradication Act (ATPDEA), part of the Trade Act of 2002.¹⁰³ The President’s authority to provide preferential treatment under ATPA, as amended by ATPDEA, has expired several times,¹⁰⁴ and two countries (Bolivia and Peru) have been removed from eligibility in recent years. Most recently, the President’s authority to provide preferential treatment under ATPA was set to expire on December 31, 2010, but on December 24, 2010, it was extended through February 12, 2011, for Colombia and Ecuador only.¹⁰⁵ Peru’s eligibility was not renewed on December 24 because of the implementation of the U.S.-Peru Trade Promotion Agreement (TPA), and Bolivia lost its eligibility on December 15, 2008, for failing to meet ATPA’s counternarcotics cooperation criteria.¹⁰⁶

A wide range of products was eligible for duty-free entry under ATPA as originally enacted. ATPDEA amended ATPA to provide duty-free treatment for certain products previously excluded from ATPA, including certain textiles and apparel, certain footwear, tuna in foil or other flexible airtight packages (not cans), petroleum and petroleum products, and watches and watch parts assembled from components originating in countries not eligible for normal trade relations (NTR) rates of duty. Products that continue to be excluded from ATPA preferential treatment include textile and apparel articles not otherwise eligible for preferential treatment under ATPDEA (primarily textile articles), certain footwear, canned tuna, rum and tafia, and above-quota imports of certain agricultural products subject to tariff-rate quotas (primarily sugar, beef, and dairy products).

Total (dutiable and duty-free) U.S. imports from the three ATPA-eligible countries—Colombia, Ecuador, and Peru—were valued at \$28.2 billion in 2010, an increase of 36.2

¹⁰¹ “Ninth AGOA Forum,” <http://www.agoa.gov> (accessed March 14, 2011). For more information, see USDOC, ITA, African Growth and Opportunity Act web site, http://www.agoa.gov/agoa_forum/agoa_forum9.html.

¹⁰² For a more detailed description of ATPA, including country and product eligibility, see USITC, *Impact of the Andean Trade Preference Act*, 2010.

¹⁰³ Pub. L. 107-210, title XXXI. The 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. White House, “Presidential Proclamation—To Implement the Andean Trade Promotion and Drug Eradication Act,” Proclamation No. 7616, 67 Fed. Reg. 67283 (October 31, 2002).

¹⁰⁴ Pub. L. 109-432, sect. 7001 et seq.; Pub. L. 110-42; Pub. L. 110-191; Pub. L. 110-436; and Pub. L. 111-124, sect. 2.

¹⁰⁵ Pub. L. 111-344, sect. 201. ATPA was allowed to expire on February 12, 2011, and had not been extended as of July 15, 2011.

¹⁰⁶ Proclamation No. 8323, 73 Fed. Reg. 72677 (November 25, 2008).

percent from \$20.7 billion in 2009 (table 2.5). U.S. imports under ATPA rose 48.3 percent in 2010 to \$14.4 billion, which represented 51.1 percent of all imports from ATPA countries. U.S. imports under ATPDEA accounted for 89.9 percent of imports under ATPA in 2010 (\$13.0 billion) and U.S. imports under the original ATPA (ATPA excluding ATPDEA) accounted for the remaining 10.1 percent, valued at \$1.5 billion.

In 2010, U.S. imports under ATPA from Colombia and Ecuador increased substantially, while imports under ATPA from Peru fell as Peru shifted more of its exports to the United States from entry under ATPA to entry under the U.S.-Peru TPA (appendix table A.15). As in 2009, Colombia was the largest source of U.S. imports under ATPA in 2010. Imports from Colombia under ATPA increased 69.5 percent in value during 2010, mainly because of higher petroleum prices and higher shipments of light crude oil.

Petroleum and petroleum products accounted for 86.2 percent of U.S. imports under ATPA in 2010 and represented 5 of the top 25 U.S. imports under the program (appendix table A.16). Fresh cut flowers was the next-largest category of imports under ATPA, accounting for 4.8 percent of such imports and 5 of the 25 leading imports under ATPA. Other leading imports under ATPA in 2010 included apparel and pouched tuna.

Caribbean Basin Economic Recovery Act

The Caribbean Basin Economic Recovery Act (CBERA) was enacted in 1983 as part of the Caribbean Basin Initiative (CBI) to encourage economic growth and development in the Caribbean Basin countries by promoting increased production and exports of nontraditional products through duty preferences. The Caribbean Basin Trade Partnership Act (CBTPA) amended CBERA in 2000 and expanded the list of qualifying articles, for eligible countries, to include certain apparel.¹⁰⁷ The CBTPA also extended North American Free Trade Agreement (NAFTA)-equivalent treatment (that is, rates of duty equivalent to those accorded to goods under the same rules of origin applicable under NAFTA) to a number of other products previously excluded from CBERA, including certain tuna, petroleum and petroleum derivatives, certain footwear, watches and watch parts assembled from parts originating in countries not eligible for normal trade relations (NTR) rates of duty, and certain handbags, luggage, flat goods, work gloves, and leather wearing apparel. Products that continue to be excluded from CBERA preferential treatment include textile and apparel products not otherwise eligible for preferential treatment under the CBTPA and above-quota imports of certain agricultural products subject to tariff-rate quotas (primarily sugar, beef, and dairy products). Certain CBTPA preferential treatment provisions were scheduled to expire on September 30, 2010, but were extended through September 30, 2020;¹⁰⁸ other parts of CBERA have no expiration date. In the discussions that follow, the term CBERA refers to CBERA as amended by the CBTPA.

¹⁰⁷ Textiles and apparel not subject to textile agreements in 1983 (textiles and apparel of silk or noncotton vegetable fibers, mainly linen and ramie) are eligible for duty-free entry under original CBERA provisions, which do not have an expiration date.

¹⁰⁸ Certain preferential treatment provisions relating to import sensitive textile and apparel articles from CBERA countries and relating to textile and apparel articles imported under special rules for Haiti were extended to September 30, 2020, on May 24, 2010, when the President signed the Haiti Economic Lift Program Act of 2010, Pub. L. 111-171, sect. 3.

TABLE 2.5 U.S. imports for consumption from ATPA countries, 2008–10

Item	2008 ^a	2009	2010
Total imports from ATPA countries (millions of \$)	28,483	20,690	28,179
Total under ATPA (millions of \$)	17,243	9,714	14,411
Imports under ATPDEA (millions of \$) ^b	14,570	8,063	12,960
Imports under ATPA, excluding ATPDEA (millions of \$) ^c	2,672	1,652	1,451
Total under ATPA as a percent of total	60.5	47.0	51.1

Source: Compiled from official statistics of the USDOC.

^a Includes data for Bolivia for 2008. Bolivia's status as an ATPA beneficiary country was suspended effective December 15, 2008.

^b ATPDEA-eligible products are those for which a rate of duty "free" appears in the special rate column of the HTS followed by the symbol "J+" in parentheses. The symbol "J+" indicates that all ATPDEA beneficiary countries are eligible for duty-free treatment with respect to all articles provided for in the designated provisions.

^c ATPA-eligible products (excluding ATPDEA-eligible products) are those for which a special duty rate appears in the special rate column of the HTS, followed by the symbols "J" or "J*" in parentheses. The symbol "J" indicates that all beneficiary countries are eligible for special duty rate treatment with respect to all articles provided for in the designated provisions, and the symbol "J*" indicates that certain articles, specified in general note 11(d) of the HTS, are not eligible for special duty rate treatment with respect to any article provided for in the designated provision. In addition, subchapter XXI of chapter 98 sets forth provisions covering specific products given duty-free eligibility under the ATPDEA, under the terms of separate country designations enumerated in that subchapter.

In 2010, 18 countries and territories were eligible for nonexpiring CBERA preferences,¹⁰⁹ and 8 were eligible for CBTPA preferences.¹¹⁰ U.S. imports under CBERA increased by 22.6 percent, from \$2.4 billion in 2009 to \$2.9 billion in 2010 (table 2.6).¹¹¹ This increase reflected substantial increases in 2010 in the prices of petroleum and petroleum products and methanol, which are major imports from CBERA countries. U.S. imports under CBERA accounted for 28.6 percent of all U.S. imports from CBERA countries in 2010.

Trinidad and Tobago continued as the leading supplier of U.S. imports under CBERA in 2010, accounting for 76.3 percent of total imports under CBERA. Haiti, the Bahamas, and Jamaica were also leading suppliers (appendix table A.17). Mineral fuels, methanol, and apparel products dominated the list of imports under CBERA in 2010 (appendix table A.18). Of the 25 leading products under CBERA in 2010, 3 were mineral fuels, which entered under CBTPA (accounting for 45.2 percent of total U.S. imports under CBERA in 2010); 3 were knitted apparel entered under CBTPA (12.0 percent); and the remaining 19 were products that qualify for benefits under nonexpiring CBERA provisions (39.8 percent, of which 30.8 percent of the total was methanol). Together, these 25 leading imports accounted for 97.1 percent of total U.S. imports under CBERA in 2010.

¹⁰⁹ Antigua and Barbuda, Aruba, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, the Netherlands Antilles, Panama, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago, and the British Virgin Islands.

¹¹⁰ Barbados, Belize, Guyana, Haiti, Jamaica, Panama, St. Lucia, and Trinidad and Tobago.

¹¹¹ Table 2.6, and appendix tables A.17 and A.18 include data for one CAFTA-DR country (Costa Rica), which was eligible for CBERA benefits during 2008. The decline in U.S. imports under CBERA provisions in 2009 reflects the fact that Costa Rica, which accounted for 20 percent of U.S. imports from CBERA countries in 2008, was no longer a beneficiary as of January 1, 2009, and its imports since then have been accorded special tariff treatment under CAFTA-DR. U.S. FTAs are discussed in more detail in chapter 4 of this report.

TABLE 2.6 U.S. imports for consumption from CBERA countries, 2008–10

Item	2008 ^a	2009	2010
Total imports from CBERA countries (millions of \$)	19,486	9,414	10,121
Total under CBERA, including CBTPA (millions of \$)	4,726	2,359	2,893
Imports under CBTPA (millions of \$) ^b	1,702	1,281	1,671
Imports under CBERA, excluding CBTPA (millions of \$) ^c	3,024	1,078	1,221
Total under CBERA as a percent of total	24.3	25.1	28.6

Source: Compiled from official statistics of the USDOC.

^a Includes data for Costa Rica. Costa Rica joined CAFTA-DR on January 1, 2009.

^b CBTPA-eligible products are those for which a special duty rate appears in the special rate column of the HTS, followed by the symbol “R” in parentheses. The symbol “R” indicates that all CBTPA beneficiary countries are eligible for special duty rate treatment with respect to all articles provided for in the designated provisions. In addition, subchapters II and XX of chapter 98 set forth provisions covering specific products eligible for duty-free entry, under separate country designations enumerated in those subchapters (and including the former CBTPA beneficiaries enumerated in footnote a above).

^c CBERA (excluding CBTPA)-eligible products are those for which a special duty rate appears in the special rate column of the HTS, followed by the symbols “E” or “E*” in parentheses. The symbol “E” indicates that all beneficiary countries are eligible for special duty rate treatment with respect to all articles provided for in the designated provisions, and the symbol “E*” indicates that certain articles, specified in general note 7(d) of the HTS, are not eligible for special duty rate treatment with respect to any article provided for in the designated provision.

Haitian Hemispheric Opportunity through Partnership Encouragement Act and Haiti Economic Lift Program

The Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006 (HOPE Act)¹¹² amended CBERA to provide expanded rules of origin for inputs to apparel and wire harness automotive components assembled in Haiti and imported into the United States.¹¹³ The Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II Act)¹¹⁴ amended the HOPE Act to provide additional trade preferences.

Haiti’s apparel manufacturing industry is the single largest sector in the Haitian economy,¹¹⁵ and the United States is its most important market. U.S. imports of apparel from Haiti increased 1 percent to \$517.6 million in 2010. Cotton knit t-shirts, cotton knit blouses, and cotton underwear comprised almost three-fourths of the apparel products exported from Haiti to the United States in 2010. U.S. imports of apparel in 2010 under provisions of the HOPE Act, as amended by the HOPE II Act, rose to \$159.8 million from \$137.9 million in 2009.¹¹⁶

In January 2010, Haiti suffered its worst earthquake in recorded history.¹¹⁷ In response to the earthquake, on May 24, 2010, President Obama signed into law the Haiti Economic Lift Program of 2010 (HELP Act).¹¹⁸ The principal aim of the HELP Act was to aid in

¹¹² Pub. L. 109-432, sect. 5001 et seq., the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006 (HOPE Act).

¹¹³ There have been no imports of wire harness automotive components from Haiti in 2007, 2008, 2009, or 2010.

¹¹⁴ Pub. L. 110-234, sect. 15401, et seq., the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2008 (HOPE II Act). Provisions of the HOPE Acts were expanded and extended to September 30, 2020, by the Haiti Economic Lift Program (HELP) Act of 2010 on May 24, 2010 (Pub.L. 111-171).

¹¹⁵ Sandler, Travis, & Rosenberg, P.A., “Haiti Suffers Devastating Earthquake,” January 14, 2010, 1.

¹¹⁶ Data on trade under the HOPE acts are from USDOC, Office of Textiles and Apparel (OTEXA), “U.S. Imports under Trade Preference Programs.”

¹¹⁷ Pub. L. 111-171, sect. 2, Haiti Economic Lift Program Act of 2010 (HELP Act).

¹¹⁸ Pub. L. 111-171, sect. 2, Haiti Economic Lift Program Act of 2010 (HELP Act).

Haiti's recovery¹¹⁹ and to offer incentives to make it more cost-effective for U.S. companies to import apparel from Haiti.¹²⁰ The HELP legislation expanded current programs under the HOPE Acts and established new preferences, with unlimited duty-free treatment for certain knit apparel and certain home goods.¹²¹ Expansion of existing programs went into effect as soon as the President signed the law. However, the new preferences for knit apparel and certain home goods did not go into effect until the executive order was issued on November 1, 2010, and no imports had yet entered under two new classifications established by the HELP Act as of yearend 2010.¹²²

Key provisions under HELP (1) extend certain preferential treatment provisions in the Caribbean Basin Trade Partnership Act and the HOPE Act through September 30, 2020; (2) provide duty-free treatment for additional textile and apparel products that are wholly assembled or knit to shape in Haiti, regardless of the origin of the inputs; (3) increase the respective tariff preference levels under which certain Haitian knit and woven apparel products may receive duty-free treatment regardless of the origin of inputs from 70 million to 200 million square meter equivalents; (4) liberalize the earned import allowance rule by allowing the uncapped duty-free importation of one square meter equivalent of apparel wholly assembled or knit to shape in Haiti, regardless of the origin of the inputs, for every two square meter equivalents (previously it was for every three square meter equivalents) of qualifying fabric from the United States; and (5) extend duty-free treatment until (a) December 20, 2015, for apparel wholly assembled or knit to shape in Haiti with at least 50 percent value from Haiti, the United States, or a U.S. free trade agreement partner or preference program beneficiary ("qualifying countries"), (b) December 20, 2017, for Haitian apparel with at least 55 percent value from "qualifying countries," and (c) December 20, 2018, for Haitian apparel with at least 60 percent value from "qualifying countries."

¹¹⁹ Sandler, Travis, & Rosenberg, P.A., "Apparel Sector Expected to Play a Critical Role in Haiti's Recovery," January 28, 2010, 1.

¹²⁰ The White House, "The United States Government's Haiti Earthquake Response," June 25, 2010. In February 2010, during a visit to the MAGIC marketplace textile and apparel trade event in Las Vegas, USTR Ambassador Ron Kirk announced a "Plus One for Haiti Program." The initiative is designed to help post-earthquake recovery efforts in Haiti by encouraging U.S. brands and retailers to work toward sourcing 1 percent of their total apparel production from Haiti. The impact of the program to date has reportedly been limited because of additional administrative costs for U.S. apparel companies and because Haiti lacks the infrastructure needed to increase manufacturing output to meet such a goal. USTR, "USTR Ron Kirk Joined by Apparel Industry Leaders," February 10, 2010; U.S. apparel industry representative, e-mail message to USITC staff, February 16, 2011; U.S. apparel industry representative, interview with USITC staff, March 2, 2011.

¹²¹ USDOC staff, OTEXA, e-mail message to USITC staff, February 16, 2011.

¹²² The two new classifications added to the Harmonized Tariff Schedule are 9820.61.45 (apparel articles found in HTS chapter 98, subchapter XX, U.S. note 6(q)(ii) that are wholly assembled, or knit-to-shape in Haiti from any combination of fabrics, fabric components, components knit-to-shape, or yarns) and 9820.63.05 (any made-up textile articles found in chapter 98, subdivision XX, U.S. note 6(r)(ii) that are wholly assembled, or knit-to-shape, in Haiti from any combination of fabrics, fabric components, components knit-to-shape, or yarns). U.S. Customs and Border Protection, "Memorandum for Directors," November 10, 2010.

CHAPTER 3

Selected Trade Developments in the WTO, OECD, APEC, and ACTA

This chapter covers 2010 developments in the World Trade Organization (WTO), including the Doha Round of multilateral trade negotiations; the work programs, decisions, and reviews of the General Council; and dispute settlement. The chapter also covers activities in other multilateral groups, including the Organisation for Economic Co-operation and Development (OECD), Asia-Pacific Economic Cooperation (APEC), and participants in the negotiations to conclude an Anti-Counterfeiting Trade Agreement (ACTA).

World Trade Organization

Doha Trade Negotiations

In March 2010, Doha Round participants held a week-long stocktaking exercise, punctuated at both its start and its end with formal meetings of the Trade Negotiating Committee (TNC) on March 22 and March 26. In addition to these two formal meetings, the TNC held four informal meetings in 2010, on June 11, July 27, October 19, and November 30.

At the March 22 meeting, the chairs of each of the negotiating groups in the Doha Development Agenda (DDA) gave participants reports, both written and oral, on the state of play in each negotiating area.¹ Following a week of consultations among member delegations meeting in a variety of groupings and formats, the TNC chair—WTO Director-General Pascal Lamy—summarized his view that the stocktaking had yielded a clear catalog of the gaps remaining between different positions, although he said it was less clear at times how large a gap remained and what might be done to resolve the differences.²

In summing up, the TNC chairman reported that delegations had indicated a need for a variety of approaches to address remaining substantive differences simultaneously. As a result, he proposed a three-pronged approach for negotiations to proceed during 2010: (1) renewed discussions in negotiating groups to advance the technical state of individual issues; (2) increased TNC consultations with a variety of groups, as well as additional TNC meetings to maintain a clear overview for all participants of the negotiating landscape; and (3) expanded talks involving smaller and varied groupings of participants in order to develop a more overarching, “horizontal” view of the connections, linkages, and tradeoffs needed to conclude negotiations across multiple subject areas.³

¹ WTO, “Statement by the Chairman,” JOB/TNC/1, March 22, 2010, 1, par. 5.

² WTO, “Statement by the Chairman,” JOB/TNC/2, March 26, 2010, 1, par. 10–11.

³ WTO, “Statement by the Chairman,” JOB/TNC/2, March 26, 2010, 2, par. 2, 7, 8, 9, and 10. The TNC chairman described this three-pronged approach as the “cocktail” approach, using “the right dose of each ingredient and a good shake,” as well as the three “ingredients” of re-energized negotiating group discussions, increased TNC consultations, and meetings involving small and varied groupings of delegations to develop

Trade in Agriculture⁴

The DDA Committee on Agriculture, Special Session, continued its work in 2010 along two lines: (1) developing a common negotiating template, and (2) exploring “bracketed” text (i.e., not yet agreed) or annotated language that marks unresolved issues in the group’s draft negotiating framework (also known as the draft modalities text).

Negotiating template

The committee continued its informal discussions of a number of drafts addressing all of the three agricultural “pillars” under negotiation—domestic support, market access, and export competition. These drafts proposed various formats for the standardized template that will be used to list final negotiated offers in each member’s WTO schedule of concessions and commitments.⁵

In addition, work advanced during the year on the associated base data to be used in the negotiating templates. The WTO Secretariat prepared papers aimed at helping members verify these base data, both on overarching topics, such as the value of production used to calculate domestic support commitments, and on particular subjects, such as production-limited agricultural support payments (“Blue Box subsidies”) when product-specific data are available.

Unresolved issues in the draft modalities text

The chair continued work with participants to clarify technical aspects, such as ambiguities in texts about tariff simplification, the establishment of tariff-rate quotas,⁶ and the agricultural selective safeguard mechanism. This mechanism is intended to allow developing country members to raise tariffs temporarily in the event of import surges or a sudden decline in prices.⁷

Nonagricultural Market Access⁸

Since the December 2005 WTO Ministerial Conference in Hong Kong, talks on nonagricultural market access (NAMA)—i.e., access to markets in industrial goods—have focused on the elements detailed in the so-called NAMA framework set out in the Hong Kong Ministerial Declaration, Annex B. The framework listed several priority issues for discussion—in particular, a formula for cutting industrial goods tariff rates, flexibilities for developing-country members regarding the formula, unbound tariff lines, industry sector coverage, nontariff measures (NTMs), capacity-building measures, and environmental goods.

crosscutting horizontal views of issue areas. WTO, “Statement by the Chairman,” JOB/TNC/2, March 26, 2010, 2, par. 8; WTO, “Informal TNC Meeting: Chairman’s Remarks,” JOB/TNC/4, July 27, 2010, 1, par. 7.

⁴ WTO, “Informal TNC Meeting: Chairman’s Remarks,” JOB/TNC/6, November 30, 2010, 3–6.

⁵ A WTO member’s schedule of concessions contains specific tariff concessions as well as other commitments agreed during negotiations. Each schedule consists of four parts: part I concerns most-favored-nation tariffs, with subsections addressing tariffs on agricultural products, tariff-rate quotas on agricultural products, as well as other products; part II concerns preferential concessions; part III concerns concessions on nontariff measures; and part IV concerns specific commitments on domestic support and export subsidies on agricultural products. WTO, “Trade Topics: Goods Schedules; Members’ Commitments” (accessed February 24, 2011).

⁶ WTO, “Informal TNC Meeting: Chairman’s Remarks,” JOB/TNC/8, March 8, 2011, 1–2, par. 7 ff.

⁷ WTO, “Informal TNC Meeting: Chairman’s Remarks,” JOB/TNC/3, June 11, 2010, 2, par. 9.

⁸ WTO, “Informal TNC Meeting: Chairman’s Remarks,” JOB/TNC/6, November 30, 2010, 3.

During 2010, the DDA Negotiating Group on Nonagricultural Market Access focused largely on NTMs, including sources of NTMs (such as technical barriers to trade imposed through standards and related measures), effects of NTMs as trade barriers in various industrial goods sectors, and efforts to increase the transparency of measures affecting nonagricultural market access. Proposals and contributions largely addressed (1) particular sectors (automobiles, chemicals, electronics, textile labeling, and remanufactured goods), (2) broader issues affecting market access (international standards, conformity assessment, good regulatory practices, and transparency), and (3) particular strategies to address nontariff barriers, including a “horizontal mechanism” designed to resolve disagreements between WTO members over NTMs before resorting to a formal dispute settlement process.⁹ In September, the group met to share information with representatives from a number of standard-setting bodies, including the International Organization for Standards, International Telecommunication Union, International Electrotechnical Commission, and the Bureau of Indian Standards.¹⁰

In transparency discussions, the WTO Secretariat circulated a document to help further the NAMA negotiating group’s discussion of transparency in general and automobiles in particular. The document focused on possible disciplines to be added under the WTO Agreement on Technical Barriers to Trade (TBT), dubbed the TBT-plus approach.¹¹ On the subject of conformity assessment rules, the United States introduced a revised electronics proposal. The United States also circulated materials addressing the development and use of various international standards. Group discussions on chemicals centered around the responses of the European Union (EU) to questions posed about its proposal on the sector, and other discussions addressed textile labeling. At yearend, the chairman indicated that the group’s next step would likely be to move on to text-based negotiations in whole-group sessions, supplemented by consultations with smaller groups.¹²

Trade in Services

In the DDA Council for Trade in Services, Special Session, discussions advanced on market access, as well as in broader areas of the services negotiations. Market-access discussions on trade in services during 2010 principally reflected two new elements: (1) grouping logistical and supply-chain services together, with the aim of facilitating request/offer negotiations; and (2) forming a plurilateral request/offer group to help facilitate negotiations on accounting services.

Other discussions advanced technical issues, addressing topics such as a waiver for the least developed country members concerning disciplines on trade in services, domestic regulation of services, and services subsidies. A major focus of talks on domestic regulation centered around requirements and procedures that affect the qualification and licensing of service providers, as well as how to streamline disciplines in this area. A principal focus of discussions on services subsidies looked at how service subsidy schemes work, as well as the economic distortions they might cause. The Committee on Specific Commitments also discussed possible ways to verify tariff and other commitment schedules under the General Agreement on Trade in Services (GATS),

⁹ WTO, “Trade Policy Review: Report by European Communities,” WT/TPR/G/214, March 2, 2009, 11–12, par. 33.

¹⁰ WTO, “Informal TNC Meeting: Chairman’s Remarks,” JOB/TNC/5, October 19, 2010, 3, par. 2.

¹¹ WTO, “Informal TNC Meeting: Chairman’s Remarks,” JOB/TNC/6, November 30, 2010, 3, par. 3; WTO, “Market Access for Non-agricultural Products—Transparency,” November 9, 2010, 1, par. 1–2.

¹² WTO, “Informal TNC Meeting: Chairman’s Remarks,” JOB/TNC/6, November 30, 2010, 3, par. 3.

following conclusion of the Doha Round.¹³ Additional work on technical issues focused on emergency safeguards and government procurement of services.¹⁴

Trade-Related Intellectual Property Rights

The work program of the Council for Trade-Related Intellectual Property Rights (TRIPs), Special Session, continued in 2010 with its negotiations over the establishment of a multilateral system of notification and registration of geographical indications for wines and spirits. During the year, the session focused on the major stumbling block—i.e., the consequences (including the legal effects) of registration.¹⁵

To develop a technical base for discussion, the chair circulated two questions to participants: (1) what are existing domestic procedures and practices for registration of geographical indications? and (2) how might national authorities governing geographical indications alter their operations in response to different ways of substantiating information on the register of geographical indications for wines and spirits? As raised by the TNC chairman, one issue involved how domestic authorities' procedures for registration and protection currently back up a geographic term's claim of specificity or, alternatively, of "generic-ness."¹⁶ The session's work in 2011 is expected to continue to exchange information to build up technical understanding and in so doing, to identify commonalities and differences among participants.¹⁷

The WTO Director-General also reported in his own capacity (rather than as TNC chairman). He stated that during 2010, he held further consultations on the two TRIPS implementation issues tasked to him by ministers under the 2001 Doha Declaration: (1) the issue of extending talks on geographical indications beyond wine and spirits, and (2) the relation between the TRIPS Agreement and the UN Convention on Biological Diversity concerning, for example, intellectual property rights protection related to traditional knowledge and folklore, plant genetic resources, and biological diversity issues.¹⁸

Trade Remedy Rules

The Negotiating Group on Rules made progress during the year on antidumping issues, "horizontal" subsidies, and fisheries subsidies, and also undertook additional work in the area of regional trade agreements (RTAs). The group focused on the systematic review of the current draft texts for antidumping issues and horizontal subsidies, addressing issues that concerned both language agreed and language not agreed ("unbracketed" and "bracketed text," respectively). The group also discussed a number of issues raised by various participants not currently included in the chair texts. On fisheries subsidies, the group addressed both broad topics—such as prohibitions, special and differential treatment, and other possible exceptions to subsidy disciplines—as well as specific proposals tabled by participants.

Concerning RTAs, WTO members agreed at a meeting of the General Council in May 2010 that the negotiating group should review the current interim transparency

¹³ WTO, "Informal TNC Meeting: Chairman's Remarks," JOB/TNC/6, November 30, 2010, 3–4, par. 6–8.

¹⁴ WTO, "Informal TNC Meeting: Chairman's Remarks," JOB/TNC/5, October 19, 2010, 3, par. 8.

¹⁵ WTO, "Informal TNC Meeting: Chairman's Remarks," JOB/TNC/3, June 11, 2010, 4, par. 6.

¹⁶ WTO, "Informal TNC Meeting: Chairman's Remarks," JOB/TNC/4, July 27, 2010, 3–4, par. 9.

¹⁷ WTO, "Informal TNC Meeting: Chairman's Remarks," JOB/TNC/6, November 30, 2010, 5, par. 5–6.

¹⁸ WTO, "Informal TNC Meeting: Chairman's Remarks," JOB/TNC/5, October 19, 2010, 5, par. 4–5.

mechanism established for RTAs, with the aim of making the mechanism permanent. During the year, the group also continued informal discussions on systemic issues of RTAs, although negotiation on this issue was constrained by the current lack of proposals.¹⁹

Dispute Settlement Understanding

For most of 2010, the Dispute Settlement Body, Special Session, held discussions focused primarily on sequencing and related potential time savings, as well as effective compliance.²⁰ New topics, concerning timeframes for the various stages in the dispute settlement process and post-retaliation situations, were taken up near the end of 2010 as topics for ongoing discussion in 2011.²¹ The issue of sequencing addresses whether a complainant is entitled to request authorization to suspend obligations—i.e., impose retaliatory measures—before a dispute panel or the Appellate Body has established that the respondent has failed to comply with the panel rulings.²² Related to sequencing, the post-retaliation issue concerns a procedure to determine whether or not compliance has in fact been achieved once authorization to retaliate has been granted to the complainant and the respondent has notified the panel that it has complied with the panel ruling. The topic of effective compliance bears on the issue of strengthening dispute settlement remedies related to compensation and the suspension of concessions—e.g., the collective enforcement of panel recommendations, suspension of concessions during the recommended compliance period, and possible cross-retaliation in certain circumstances. The discussion of timeframes involves the possibility of shortening the timeframe for particular stages in the dispute settlement process—holding consultations, setting up a panel, and so forth.²³

Trade Facilitation

In 2010, the Negotiating Group on Trade Facilitation²⁴ continued to refine and elaborate the current draft consolidated text comprising participants' proposals to date, aiming to reduce the amount of bracketed text still outstanding. The group held discussions covering all elements in the working document, focusing in particular on special and differential treatment,²⁵ as well as language on the release and clearance of goods²⁶ and Article VIII topics on customs fees and formalities. Nonetheless, in his yearend summary, the TNC chairman pointed out that the many contested items remaining in the draft text have prevented these negotiations from proceeding to more advanced discussions.²⁷

¹⁹ WTO, "Informal TNC Meeting: Chairman's Remarks," JOB/TNC/6, November 30, 2010, 4, par. 1–3.

²⁰ WTO, "Informal TNC Meeting: Chairman's Remarks," JOB/TNC/5, October 19, 2010, 5, par. 3.

²¹ WTO, "Informal TNC Meeting: Chairman's Remarks," JOB/TNC/6, November 30, 2010, 5, par. 7.

²² WTO, "Special Session of the Dispute Settlement Body," JOB(08)/81, July 18, 2008, 36; WTO, "The Process: Stages in a Typical WTO Dispute Settlement Case" (accessed March 8, 2011).

²³ WTO, "Special Session of the Dispute Settlement Body," JOB(08)/81, July 18, 2008, 37, 39, and 43.

²⁴ The 2001 DDA adopted a work program that included the subject of trade facilitation, focused in particular on GATT Articles V (Freedom of Transit), VIII (Fees and Formalities connected with Importation and Exportation), and X (Publication and Administration of Trade Regulations). In August 2004, the Negotiating Group on Trade Facilitation was established, as a result of the WTO members' decision to launch negotiations in this area under the DDA. For further information, see USITC, *The Year in Trade 2002*, August 2003, 3-14; USITC, *The Year in Trade 2004*, July 2005, 3-5.

²⁵ WTO, "Informal TNC Meeting: Chairman's Remarks," JOB/TNC/6, November 30, 2010, 4, par. 5–6.

²⁶ WTO, "Informal TNC Meeting: Chairman's Remarks," JOB/TNC/5, October 19, 2010, 4, par. 4.

²⁷ WTO, "Informal TNC Meeting: Chairman's Remarks," JOB/TNC/6, November 30, 2010, 4, par. 5–6.

Trade and Environment

During 2010, discussions in the Committee on Trade and Environment, Special Session, focused on two major parts of the committee's mandate under the 2001 Doha Declaration: (1) paragraph 31(i), on the relation between WTO trade rules and trade rules established under multilateral environmental agreements (MEAs); and (2) paragraph 31(iii), on the reduction and elimination of tariff and nontariff barriers to environmental goods and services.²⁸

Paragraph 31(i)

Talks on paragraph 31(i) proceeded during the year based on five main areas of interest, as identified by the committee chair in 2008 from positions tabled by participants: (1) the coordination of trade and environment measures at the national level, as informed by the sharing of participants' national experiences on negotiating and implementing specific trade obligations under MEAs; (2) how to reflect MEA trade obligations within the final DDA outcome; (3) dispute settlement and other legal principles; (4) technical assistance for developing-country members concerning trade and environment disciplines; and (5) overall general principles.²⁹ In October 2010, delegations reintroduced previous submissions to reflect linkages mapped to these five underlying themes.³⁰

Paragraph 31(iii)

Talks on paragraph 31(iii) focused largely on identifying the “universe” of possible environmental goods of interest, and on special and differential treatment for developing countries in this area.³¹ The committee also took note of a paper on environmental services—originally prepared by the WTO Secretariat for the Council for Trade in Services—and the linkages it highlighted between environmental goods and services.³² By yearend, participants had stressed the need to intensify discussions and address the crosscutting issues of nontariff barriers, technology transfer, and capacity building in relation to trade and environment issues, and to further discuss special and differential treatment. The chair agreed to identify commonalities and highlight outstanding issues in submissions already introduced, and to seek to reach a greater in-depth understanding of technical issues within the committee so as to better identify possible environmental goods of interest and move toward text-based negotiations.³³

Special and Differential Treatment

Under the DDA Work Program on Special and Differential Treatment, the chair of the Committee on Trade and Development, Special Session, focused discussions on closing gaps among participants on different elements of a mechanism to monitor special and differential treatment for developing countries.³⁴ Discussions were also held on some of

²⁸ USITC, *The Year in Trade 2001*, May 2002, 2-11.

²⁹ WTO, “Committee on Trade and Environment in Special Session,” TN/TE/19, March 22, 2010, 1.

³⁰ WTO, “Informal TNC Meeting: Chairman’s Remarks,” JOB/TNC/5, October 19, 2010, 4, par. 7.

³¹ WTO, “Informal TNC Meeting: Chairman’s Remarks,” JOB/TNC/5, October 19, 2010, 4, par. 7.

³² WTO, “Informal TNC Meeting: Chairman’s Remarks,” JOB/TNC/6, November 30, 2010, 4–5, par. 7 ff.

³³ WTO, “Informal TNC Meeting: Chairman’s Remarks,” JOB/TNC/6, November 30, 2010, 4–5, par. 7 ff.

³⁴ WTO, “Informal TNC Meeting: Chairman’s Remarks,” JOB/TNC/3, June 11, 2010, 4, par. 1–3. The WTO agreements contain a number of special provisions whereby developed country members treat developing country members more favorably in order to help support their economic development. These provisions—collectively referred to as “special and differential treatment”—can include allowing longer time periods to implement and adjust to various obligations and commitments in WTO agreements; measures to

the agreement-specific proposals addressing special and differential treatment under six specific WTO agreements.³⁵ During the year, an informal group of participants—the so-called Ambassadors on Development Issues—introduced some “Guiding Principles on the Monitoring Mechanism” aimed at articulating the objectives that such a mechanism would seek to achieve. The chair indicated that consultations will continue on refining the monitoring mechanism, and will revert to agreement-specific proposals as appropriate based on member input.³⁶

*General Council*³⁷

Work Programs, Decisions, and Reviews

In 2010, the WTO General Council held five meetings: February 22, May 4, July 29, October 21, and its annual meeting on December 14–15, 2010. In his capacity as TNC chairman overseeing the DDA trade negotiations, the WTO Director-General provided a report to the General Council at each meeting on the state of progress in the trade talks. In October 2010, the Director-General introduced the joint WTO-OECD monitoring and evaluation exercise aimed at helping providers understand whether “Aid-for-Trade” efforts currently underway were effective. He noted that the joint evaluation will provide the main input for the Third Global Review of Aid for Trade, scheduled for July 2011. In December 2010, the Director-General reported to the council that the sectoral initiative on cotton, first raised in the WTO in April 2003 and included in the DDA framework text in August 2004, continued on its two tracks addressing (1) trade policy, and (2) development assistance. He pointed out that progress on the first track was linked prominently to the DDA agricultural negotiations. On the second track, he pointed out that the most recent version of the Evolving Table on Cotton Development Assistance—developed to help monitor the issue—indicated that the value of specific development assistance to cotton was currently estimated at \$570 million.

Transparency arrangements

During the year, the council worked to adopt several transparency arrangements. In December 2010, the council adopted a Decision establishing a Transparency Mechanism for Preferential Trade Arrangements that requires notification of a preferential trade arrangement to the WTO Committee on Trade and Development under provisions of the so-called 1979 Enabling Clause.³⁸ In addition, the council heard about progress made toward converting the provisional Transparency Mechanism for Regional Trade Agreements to a permanent mechanism, building on experience gained to date.³⁹

increase trading opportunities specifically focused on developing countries; and support to help developing countries build their own administrative infrastructure to carry out WTO work, handle WTO disputes, and implement commonly agreed technical standards. Special and differential treatment also includes provisions aimed at addressing the particular issues affecting least-developed-country members.

³⁵ WTO, “Informal TNC Meeting: Chairman’s Remarks,” JOB/TNC/3, June 11, 2010, 4, par. 1–3.

³⁶ WTO, “Informal TNC Meeting: Chairman’s Remarks,” JOB/TNC/6, November 30, 2010, 5, par. 2–4.

³⁷ WTO, “Annual Report (2010),” WT/GC/131, February 8, 2011.

³⁸ Formally, the Decision of 28 November 1979 on Differential and More Favourable Treatment Reciprocity and Fuller Participation of Developing Countries.

³⁹ In December 2006, the WTO General Council adopted a provisional mechanism, developed by the Negotiating Group on Rules in the Doha Round trade negotiations, that would have the Committee on Trade and Development oversee the transparency mechanism for preferential trade arrangements. The mechanism promotes greater uniformity in the information that members provide about these arrangements. The coverage of RTAs remains separate, with the Committee on Regional Trade Agreements overseeing any transparency mechanism covering RTAs.

Work programs

During 2010, the council heard reports on several standing work programs underway: the small economies work program under the DDA, the work program on electronic commerce, and the harmonization work program under the WTO Agreement on Rules of Origin.

In 2002, as part of the Doha Development Agenda, the Work Program on Small Economies was adopted as a standing item for the General Council; ministers agreed that the program would become a standing item for the General Council's consideration. The Committee on Trade and Development was tasked to report regularly to the council on developments in this area. In 2010, the council heard committee reports about proposals in the DDA aimed at helping small and vulnerable economies by providing additional flexibilities for these economies in the areas of agricultural and nonagricultural market access, services, trade facilitation, and fisheries subsidies.

In December 2009, WTO ministers seeking to reinvigorate efforts under the Work Program on E-Commerce tasked the General Council to hold periodic reviews of progress in preparation for the next WTO ministerial conference. In December 2010, the council took note in its review that no work on electronic commerce (e-commerce) had taken place under the work program, although some WTO member delegations reported that work addressing e-commerce had taken place in national capitals during the year. The council also heard suggestions on how to advance the work of the Harmonization Work Program under the WTO Agreement on Rules of Origin, as originally mandated by ministers as part of the 1986–93 Uruguay Round multilateral trade negotiations.

Review of the Decision on the TRIPS Agreement and Public Health

At its annual meeting in December 2010, the General Council heard the seventh annual review of the TRIPS Council concerning the August 2003 Decision on the TRIPS Agreement and Public Health.⁴⁰ The decision allows developing countries, and least developed countries in particular, greater access to vital medicines under the TRIPS Agreement when faced with medical pandemics that threaten public health, such as tuberculosis, human immunovirus/acquired immune deficiency syndrome (HIV/AIDS), or the like.

Accession matters

During the year, the council took note of the appointment of new chairmen for the accession working parties for Belarus, Ethiopia, and Samoa. In May 2010, the General Council agreed to establish an accession working party for Syria. The council also took note of developments in the effort toward simplifying the WTO accession process for developing countries, in particular, least developed countries.

No new members acceded to the WTO in 2010, leaving membership at 153 (table 3.1). Syria became an observer to the WTO in May 2010, bringing the number of observers to 31 (table 3.2).

⁴⁰ WTO, General Council, "Annual Report (2010)," February 8, 2011.

TABLE 3.1 WTO membership in 2010

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

Source: WTO, "Members and Observers" (accessed March 15, 2011).

^a In the WTO, the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu is informally referred to as "Chinese Taipei," also known as "Taiwan."

^b Former Yugoslav Republic of Macedonia.

TABLE 3.2 WTO observers in 2010

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

Source: WTO, "Members and Observers" (accessed March 15, 2011).

Waivers

During the year, the council adopted several waivers that would permit a WTO member to postpone for a year the domestic implementation of nomenclature changes in the Harmonized System (HS 1996, 2002, and 2007) until these nomenclature adjustments can be incorporated into a member's WTO Schedule of Concessions.

The council reviewed individual waivers, renewing several granted to the United States: the African Growth and Opportunity Act (renewed from May 27, 2009 until September 30, 2015); Andean Trade Preference Act (from May 27, 2009 until December 31, 2014); Caribbean Basin Economic Recovery Act (from May 27, 2009 until December 31, 2014); and the Former Trust Territory of the Pacific Islands (from July 27, 2007 until December 31, 2016).

The council also reviewed waivers granted to least developed countries concerning the TRIPS Agreement and pharmaceutical products; to the EU concerning EU preferences for Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro, and Macedonia (FYROM⁴¹), as well as for Moldova; to Mongolia concerning export duties on raw cashmere wool; to Canada concerning the Caribbean-Canada Preferential Trade Agreement; and to Cuba concerning foreign exchange arrangements. The council also reviewed a waiver concerning the Kimberley Process Certification Scheme regarding rough diamonds.

Ministerial conference

In October 2010, the council took up the question of the next WTO ministerial conference, deciding provisionally to hold the eighth ministerial conference in Geneva, Switzerland, December 15–17, 2011.

Administrative matters

As usual, the council took up administrative matters during the year, including budget and finance, membership dues payments, and pension plans. In addition, the council approved the annual report from the United Nations Conference on Trade and Development/WTO International Trade Centre, the appointment of new officers to various WTO bodies, and the election of a chairperson for the General Council.

⁴¹ Former Yugoslav Republic of Macedonia.

Selected Plurilateral Agreements

Agreement on Government Procurement

At yearend 2010, there were 14 parties to the 1973–79 Tokyo Round plurilateral Agreement on Government Procurement (GPA).⁴² Twenty-three additional WTO members held observer status in the Committee on Government Procurement at yearend.⁴³ Nine of these observers (Albania, Armenia, China, Georgia, Jordan, Kyrgyzstan, Moldova, Oman, and Panama) were in the process of negotiating their accession to the agreement, while four others (Croatia, Mongolia, Saudi Arabia, and Ukraine) had provisions in their respective WTO protocols of accession to initiate negotiations for accession to the GPA.

At the December meeting of the WTO General Council, the chair of the Committee on Government Procurement highlighted several developments during 2010. First, he reported that the ongoing renegotiation of the GPA—both its rules and its market access commitments—was near completion after a number of years, with a conclusion possible in 2011. Second, on the subject of accessions to the GPA, the committee chair pointed out that Armenia had been invited to accede to the agreement, and that accession negotiations with both China and Jordan had reached advanced stages.⁴⁴ Of particular importance to GPA members has been China’s commitment under its 2001 WTO Protocol of Accession to open negotiations for accession to the GPA. In December 2007, China submitted its initial offer covering government procurement, followed by a revised offer in July 2010. In December 2010, parties in these negotiations requested a further revised offer before the end of 2011 that includes coverage of both subcentral government entities and some state-owned enterprises,⁴⁵ coverage that China has agreed to consider in forthcoming revised offers.⁴⁶

Ministerial Declaration on Trade in Information Technology Products

At yearend 2010, the Committee of Participants on the Expansion of Trade in Information Technology Products reviewed the implementation of the 2001 Doha Ministerial Declaration on Trade in Information Technology Products (the Information Technology Agreement, or ITA). At the end of 2010, there were 46 participants in the ministerial declaration.⁴⁷ At the participants’ final meeting of the year, the committee

⁴² Aruba, Canada, Chinese Taipei, the European Union, Hong Kong, Iceland, Israel, Japan, the Republic of Korea, Liechtenstein, Norway, Singapore, Switzerland, and the United States. WTO, “Report (2010) of the Committee on Government Procurement,” December 9, 2010, 1, par. 1–4.

⁴³ Albania, Argentina, Armenia, Australia, Bahrain, Cameroon, Chile, China, Colombia, Croatia, Georgia, India, Jordan, Kyrgyzstan, Moldova, Mongolia, New Zealand, Oman, Panama, Saudi Arabia, Sri Lanka, Turkey, and Ukraine. WTO, “Report (2010) of the Committee on Government Procurement,” December 9, 2010, 1, par. 1–4.

⁴⁴ WTO, General Council, “Minutes of Meeting; Held in the Centre William Rappard,” February 16, 2011, par. 147–148.

⁴⁵ WTO, Committee on Government Procurement, “Minutes of the Formal Meeting of 9 December 2010,” March 1, 2011, par. 7.

⁴⁶ USTR, *The 2010 National Trade Estimate Report*, March 2011, 86–87.

⁴⁷ Albania; Australia; Bahrain; Canada; China, Hong Kong; China, Macao; China; Chinese Taipei (Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu); Costa Rica; Croatia; Dominican Republic; Egypt; El Salvador; European Union; Georgia; Guatemala; Honduras; Iceland; India; Indonesia; Israel; Japan; Jordan; the Republic of Korea; Kuwait; Kyrgyzstan; Malaysia; Mauritius; Moldova; Morocco; New Zealand; Nicaragua; Norway; Oman; Panama; Peru; Philippines; Saudi Arabia; Singapore; Switzerland (Switzerland/Liechtenstein customs union); Thailand; Turkey; Ukraine; United Arab Emirates; United States; and Vietnam. WTO, “Status of Implementation—Note,” October 28, 2010.

chair noted that 20 of the 46 participants had provided information to help draw up a list of electromagnetic compatibility and electromagnetic interference standards that participants have adopted for ITA products.⁴⁸ The chair encouraged participants to provide such information so that the committee can advance its work in categorizing these measures.

In addition, the committee considered its NTM work program. This effort aims to identify NTMs that impede trade in information technology products, assess the economic impact of such measures, and estimate the benefits that might result from addressing their trade-distorting effects. Work also continued during the year on narrowing differences between participants concerning classification divergences to be referred either to further committee discussion among customs experts, to the Harmonized System Committee of the World Customs Organization, or to the formal Committee of Participants.

Dispute Settlement Body

This section focuses on complaints filed and on panel and Appellate Body findings and recommendations adopted under the WTO Dispute Settlement Understanding during calendar year 2010.⁴⁹ Appendix table A.19 shows developments during 2010 in the WTO dispute settlement proceedings in which the United States was either a complainant or respondent.

The WTO Dispute Settlement Understanding (DSU) establishes a framework for the resolution of disputes that arise between members under the WTO agreements.⁵⁰ Under the DSU, a member may file a complaint with the WTO Dispute Settlement Body (DSB). After filing, the member must first seek to resolve the dispute through consultations with the named respondent party.⁵¹ If the parties fail to resolve the dispute through consultations, the complaining party may ask the DSB to establish a panel to review the matters raised in the complaint and make findings and recommendations.⁵² Either party may appeal issues of law covered in the panel report and legal interpretations developed by the panel to the WTO's Appellate Body.⁵³

The findings and recommendations of the Appellate Body and of the panel (as modified by the Appellate Body) are then adopted by the DSB unless there is a consensus by the members to reject the ruling. While the guidelines suggest that panels should complete their proceedings in six months, and the Appellate Body should complete its review in 60 days, these periods are often extended.

Once the panel report or the Appellate Body report is adopted, the party concerned must notify the DSB of its intentions with respect to implementation of adopted recommendations.⁵⁴ If it is impracticable to comply immediately, the party concerned is given a reasonable period of time to be decided either through agreement of the parties

⁴⁸ WTO, "Meeting of 11 November 2010," JOB/IT/1, October 29, 2010.

⁴⁹ For additional information on the WTO dispute settlement process, WTO Dispute Settlement Understanding, and individual dispute cases, see the WTO Web site, "Dispute Settlement" gateway at http://www.wto.org/english/tratop_e/dispu_e/dispu_e.htm.

⁵⁰ WTO, "Understanding on Rules and Procedures Governing the Settlement of Disputes," Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations (WTO, Geneva: 1995).

⁵¹ WTO Dispute Settlement Understanding, article 4.

⁵² WTO Dispute Settlement Understanding, article 6.

⁵³ WTO Dispute Settlement Understanding, article 17.6.

⁵⁴ WTO Dispute Settlement Understanding, article 21.3.

and approval by the DSB, or through arbitration. Further provisions set out rules for compensation or the suspension of concessions in the event the respondent fails to implement the recommendations.⁵⁵ Within a specified timeframe, parties can enter into negotiations to agree on mutually acceptable compensation. Should the parties fail to reach agreement, a party to the dispute may request the DSB's authorization to suspend concessions or other obligations to the other party concerned. Disagreements over the proposed level of suspension may be referred to arbitration.

The remainder of this section focuses on dispute settlement activity during 2010 involving the United States either as the complainant or the respondent, including new requests for dispute settlement consultations that have been filed, the issues before new panels established during 2010, and panel reports and Appellate Body reports adopted during 2010. The summaries in this section are intended to identify key issues raised in the complaint, note key procedural events as the dispute moves forward, and indicate the panel or Appellate Body ruling. The summaries should not be regarded as comprehensive or as reflecting a U.S. government interpretation of the issues raised or addressed in the dispute or in a panel or Appellate Body report. The summaries are based entirely on information in publicly available documents, including summaries published online by the WTO and news releases issued by U.S. government agencies.

Most of the dispute settlement panels active at the start of 2010 circulated reports during 2010. However, several panels established before the start of the year were still engaged in their work at the end of the year, with panel reports delayed until 2011 for a number of reasons, including delays in composing the panel and the complexity of the issues. For example, the panel in DS381 (challenge by Mexico of U.S. measures relating to the labeling of Mexican tuna and tuna products as "dolphin safe"), established in April 2009 and composed in December 2009, announced that its report would be delayed to June 2011 due to an unforeseen change in the composition of the panel and the complexity of some of the issues.⁵⁶ The panel in DS382 (challenge by Brazil of U.S. antidumping administrative reviews and other measures related to imports of certain orange juice from Brazil), established in September 2009 and composed in May 2010, announced in July 2010 that its report would be delayed to February 2011 because of scheduling conflicts.⁵⁷ The single panel established for DS384 and DS386 (challenges by Canada and Mexico of U.S. country of origin labeling requirements) established on November 19, 2009, and composed on April 30, 2010, advised in December 2010 that it expects to complete its work by the middle of 2011.⁵⁸ The panel in DS394 (U.S. challenge of China's measures on the exportation of various raw materials), established in December 2009 and composed in March 2010 as a single panel to consider DS394 and similar disputes

⁵⁵ WTO Dispute Settlement Understanding, article 22.

⁵⁶ WTO, DSB, *DS381: United States—Measures Concerning the Importation, Marketing and Sale of Tuna*, online summary. In a separate action relating to this dispute, the United States requested that the NAFTA Free Trade Commission establish a dispute settlement panel regarding Mexico's decision not to move its dolphin-safe labeling dispute from the WTO to the NAFTA, as requested by the United States and required by Article 2005 of the NAFTA. See USTR, "United States Requests Dispute Settlement Panel," September 24, 2010.

⁵⁷ WTO, DSB, *DS382: United States—Anti-Dumping Administrative Review and Other Measures Related to Imports of Certain Orange Juice from Brazil*, online summary. The panel report was circulated on March 25, 2011.

⁵⁸ WTO, DSB, *DS384: United States—Certain Country of Origin Labeling (COOL) Requirements*, online summary, and *DS386: United States—Certain Country of Origin Labeling Requirements*, online summary.

brought by the European Communities (EC)⁵⁹ and Mexico (DS395 and DS398), advised in October 2010 that it expected to finalize its report by April 2011.⁶⁰

Panel reports were issued in June 2010 and March 2011, respectively, in two of the longest-running disputes, involving U.S. and EC complaints about each other's measures affecting trade in large civil aircraft. The panel reviewing the U.S. complaint about EC measures circulated its report to members on June 30, 2010. That report and the procedural history of the dispute are summarized below in this chapter (dispute DS316, *European Communities—Measures Affecting Trade in Large Civil Aircraft*). The panel reviewing the EC complaint about U.S. measures circulated its report on March 31, 2011 (DS353, *United States—Measures Affecting Trade in Large Civil Aircraft—Second Complaint*). That report will be summarized in the *Year in Trade 2011* report. The panel decisions in both disputes have been appealed to the Appellate Body.

There were also developments in several disputes in the post-panel, post-Appellate Body phase relating to arbitration and efforts to avoid countermeasures. In one such dispute, the United States and Brazil in June 2010 announced that they had reached a framework agreement in the cotton dispute to avert the imposition of Brazilian countermeasures of more than \$560 million on U.S. exports and possible countermeasures relating to U.S. intellectual property rights. Previously, WTO panels and the Appellate Body had ruled that certain U.S. agricultural support payments and guarantees are inconsistent with U.S. WTO commitments and WTO arbitration awards.⁶¹

New Requests for Consultations and New Panels Established

During 2010, WTO members filed 17 new requests for WTO dispute settlement consultations, compared with 14 in 2009 and 19 in 2008. Seven new dispute settlement panels were established in 2010, compared with 10 panels established in 2009 and 5 in 2008. Table 3.3 lists the WTO case numbers and names of the seven disputes.

Requests for consultations filed during 2010 in which the United States was the complaining party or named respondent

The United States was the complaining party or the named respondent in six of the 17 requests for dispute settlement consultations filed during 2010. It was the complaining party in four requests (excise taxes maintained by the Philippines on distilled spirits,⁶² measures by China affecting electronic payment services,⁶³ countervailing duties and antidumping duties imposed by China on grain-oriented flat-rolled electrical steel from the United States,⁶⁴ and measures by China concerning wind power equipment⁶⁵). As of

⁵⁹ The term European Communities (EC) is used rather than EU in this report's WTO dispute settlement section if the source document WTO online summary uses EC.

⁶⁰ WTO, DSB, *DS394: China—Measures Related to the Exportation of Various Raw Materials*, online summary.

⁶¹ USTR, "U.S., Brazil Agree on Framework," June 17, 2010. For more information on this agreement, see the chapter 5 section on Brazil.

⁶² WTO, DSB, *DS403: Philippines—Taxes on Distilled Spirits*, online summary.

⁶³ WTO, DSB, *DS413: China—Certain Measures Affecting Electronic Payment Services*, online summary. See also USTR, "United States Files Two WTO Cases Against China, September 15, 2010.

⁶⁴ WTO, DSB *DS414: China—Countervailing and Anti-Dumping Duties on Grain Oriented Flat-rolled Electrical Steel from the United States*, online summary. See also USTR, "United States Files Two WTO Cases Against China," September 2010.

TABLE 3.3 WTO dispute settlement panels established during 2010

Case no.	Complainant	Respondent	Case name	Panel established
DS396	EC	Philippines	Philippines—Taxes on Distilled Spirits	Jan. 19, 2010
DS399	China	United States	United States—Measures Affecting Imports of Certain Passenger Vehicle and Light Truck Tyres from China	Jan. 19, 2010
DS402	Korea, Republic of	United States	United States—Use of Zeroing in Anti-Dumping Measures Involving Products from Korea	May 18, 2010
DS403	United States	Philippines	Philippines—Taxes on Distilled Spirits	April 20, 2010
DS404	Vietnam	United States	United States—Anti-dumping Measures on Certain Shrimp from Viet Nam	May 18, 2010
DS405	China	EU	European Union—Anti-Dumping Measures on Certain Footwear from China	May 18, 2010
DS406	Indonesia	United States	United States—Measures Affecting the Production and Sale of Clove Cigarettes	July 20, 2010

Source: Derived from WTO, “Dispute Settlement: The Disputes—Chronological List of Disputes” (accessed April 14, 2011).

the end of 2010, the United States had requested establishment of a panel in only one of the four complaints—the one involving taxes imposed by the Philippines on distilled spirits. The complaint against the Philippines and its yearend 2010 status are summarized below in the section on panels established during 2010.

Two complaints named the United States as the respondent—one filed by Vietnam (U.S. antidumping measures on frozen warmwater shrimp from Vietnam) and a second filed by Indonesia (U.S. measures affecting the production and sale of clove cigarettes). Panels were requested and established during 2010 in both disputes.

Panels established during 2010 at the request of the United States

As noted above, during 2010, the DSB established one panel at the request of the United States, to consider a U.S. complaint about Philippine taxes that discriminate against imported distilled spirits by taxing them at a higher rate than domestic spirits. The issues raised and the procedural history of the dispute are summarized below.

Philippines—Taxes on Distilled Spirits (DS403). In this dispute, the United States challenged the Philippines’ taxes on distilled spirits, asserting that the Philippines’ taxes on such spirits discriminate against imported distilled spirits by taxing them at a substantially higher rate than domestic spirits. The United States alleged that such measures are inconsistent with Article II:2 of the GATT 1994. The United States filed its request for consultations on January 14, 2010, and the EU subsequently requested to join them. After consultations failed to resolve the dispute, the United States requested establishment of a panel. The DSB established a panel on April 20, 2010, and the

⁶⁵ WTO, DSB, *DS419: China—Measures Concerning Wind Power Equipment*, online summary. See also USTR, “United States Requests WTO Dispute Settlement Consultations on China’s Subsidies for Wind Power Equipment Manufacturers,” December 22, 2010.

Director-General composed a panel on July 5, 2010. On December 16, 2010, the chairman of the panel notified the DSB that the panel expects to issue its final report by June 2011.⁶⁶

Panels established during 2010 in which the United States was the named respondent

During 2010, the DSB established four panels in which the United States was the named respondent. As of the end of 2010, panel reports were still pending in three of these disputes, which are described below. A panel report was issued with respect to the fourth dispute (*United States—Measures Affecting Imports of Certain Passenger Vehicle and Light Truck Tyres from China* (DS399)), which is described in a later section covering cases in which panel reports were issued in 2010.

United States—Use of Zeroing in Anti-Dumping Measures Involving Products from Korea (DS402). In this dispute, filed in November 2009, the Republic of Korea challenged U.S. use of “zeroing” in three antidumping investigations involving certain products from Korea—stainless steel plate in coils, stainless steel sheet and strip in coils, and diamond saw blades and parts thereof. Korea argued that the use of zeroing by the U.S. Department of Commerce in its final determinations either artificially created margins of dumping or inflated margins of dumping, and that such action was inconsistent with U.S. obligations under Article VI of GATT 1994 and the Antidumping Agreement. After consultations failed to resolve the dispute, Korea asked that a panel be established. A panel was established on May 18, 2010, and the panel was composed on July 8, 2010. The matter was still pending at the end of 2010.⁶⁷

United States—Anti-dumping Measures on Certain Shrimp from Vietnam (DS404). In this dispute, Vietnam challenged U.S. antidumping measures on certain frozen warmwater shrimp from Vietnam, alleging that the measures are inconsistent with U.S. obligations under Articles I, II, and VI of the GATT 1994, several provisions of the Antidumping Agreement, Article XVI:4 of the WTO Agreement, and Vietnam’s Protocol of Accession. After the consultations failed to resolve the dispute, Vietnam requested establishment of a panel. The DSB established a panel at its meeting on May 18, 2010, and at the request of Vietnam, the Director-General composed the panel on July 26, 2010. In January 2011, the chairman of the panel notified the DSB that the panel envisioned that a report would be issued to the parties in April 2011.⁶⁸

United States—Measures Affecting the Production and Sale of Clove Cigarettes (DS406). In this dispute, Indonesia challenged a U.S. ban on clove cigarettes. Indonesia alleged that section 907 of U.S. legislation signed into law on June 22, 2009,⁶⁹ prohibits the production or sale in the United States of cigarettes containing certain additives, including clove, but would continue to permit the production and sale of other cigarettes, including cigarettes containing menthol. Indonesia alleged that section 907 is inconsistent, inter alia, with Article III:4 of the GATT 1994, Article 2 of the TBT Agreement, and various provisions of the SPS Agreement. After consultations failed to

⁶⁶ WTO, DSB, *DS403: Philippines—Taxes on Distilled Spirits*, online summary. See also USTR, “U.S. Files WTO Case Challenging Philippine Excise Taxes,” January 2010; USTR, “United States Requests WTO Panel over Philippine Excise Taxes,” March 26, 2010.

⁶⁷ WTO, DSB, *DS402: United States—Use of Zeroing in Anti-Dumping Measures Involving Products from Korea*, online summary. The panel circulated its report on January 18, 2011, and the panel report was adopted by the DSB on February 24, 2011.

⁶⁸ WTO, DSB, *DS404: United States—Anti-dumping Measures on Certain Shrimp from Viet Nam*, online summary.

⁶⁹ *Family Smoking Prevention Tobacco Control Act of 2009*, Public Law 111-31.

resolve the dispute, Indonesia requested establishment of a panel, and the DSB established a panel at its meeting on July 20, 2010; the parties agreed to the composition of the panel on September 9, 2010.⁷⁰ The matter was pending at the end of 2010.

Panel and Appellate Body Reports Issued and/or Adopted during 2010 that Involve the United States

During 2010, the DSB adopted panel and/or Appellate Body reports in original disputes⁷¹ in four cases in which the United States was the complainant or a respondent (table 3.4). Panel reports issued during 2010 in three other disputes in which the United States was the complainant or a respondent were either under appeal before the Appellate Body at yearend 2010 or pending possible appeal.

Reports in which the United States was the complainant

European Communities—Measures Affecting Trade in Large Civil Aircraft (DS316). In this dispute, the United States challenged certain measures by the EC and the member states that provide subsidies to Airbus companies that are inconsistent with obligations under the Agreement on Subsidies and Countervailing Measures (SCM) Agreement and GATT 1994. The measures at issue included over 300 instances of subsidization, including measures relating to financing for the design and development of products, grants, and government-provided goods and services related to manufacturing sites, loans on preferential terms, assumption and forgiveness of debt, and other various measures relating to the entire family of Airbus products (A300 through the A380). A panel was established on July 20, 2005, and composed on October 17, 2005, but completion of a panel report was delayed numerous times due to substantive and procedural complexities.

A panel report was circulated on June 30, 2010. The panel found that many of the alleged subsidies, including certain export measures, loans, grants related to manufacturing sites, an equity interest in Airbus, and capital contributions, constituted specific subsidies. The panel concluded that Airbus would not have been able to bring to the market the large civil aircraft (LCA) it launched at the time it did but for the subsidies it received from the EC and the governments of France, Germany, Spain, and the United Kingdom. The panel concluded that the United States had established that the effect of the subsidies was the displacement of U.S. LCA imports into the European market, the displacement of U.S. LCA exports in Australia, Brazil, China, Chinese Taipei, Korea, Mexico, and Singapore, the likely displacement of U.S. LCA exports in India, and significant lost sales in the same market. The panel found that the United States had not established significant price undercutting, significant price suppression, and significant price depression, and had not established that the EC and certain EC member states caused or threatened to cause injury to the U.S. domestic industry. The panel recommended that the subsidizing member withdraw the prohibited subsidies and/or take appropriate steps to remove the adverse effects of the subsidies.

On July 21, 2010, the EU appealed certain issues of law covered in the panel report and certain legal interpretations to the Appellate Body. On August 19, 2010, the United States appealed certain issues of law and legal interpretations. On September 17, 2010, the

⁷⁰ WTO, DSB, *DS406: United States—Measures Affecting the Production and Sale of Clove Cigarettes*, online summary.

⁷¹ As opposed to panel and Appellate Body reports issued in subsequent compliance proceedings.

TABLE 3.4 WTO dispute settlement panel and Appellate Body reports adopted in 2010

Case no.	Complainant	Respondent	Case name	Report adopted
DS363	United States	China	China—Measures Affecting Trading Rights and Distribution Services for Certain Publications and Audiovisual Entertainment Products	Jan. 19, 2010
DS367	New Zealand	Australia	Australia—Measures Affecting the Importation of Apples from New Zealand	Dec. 17, 2010
DS375	United States	EC and member states	European Communities and its Member States—Tariff Treatment of Certain Information Technology Products	Sept. 21, 2010
DS376	Japan	EC and member states	European Communities and its Member States—Tariff Treatment of Certain Information Technology Products	Sept. 21, 2010
DS377	Chinese Taipei	EC and member states	European Communities and its Member States—Tariff Treatment of Certain Information Technology Products	Sept. 21, 2010
DS383	Thailand	United States	United States—Antidumping Measures on Polyethylene Retail Carrier Bags from Thailand	Feb. 18, 2010
DS392	China	United States	United States—Certain Measures Affecting Imports of Poultry from China	Oct. 25, 2010

Source: Derived from WTO, “Dispute Settlement: The Disputes—Chronological List of Disputes” (accessed April 14, 2011).

Appellate Body notified the DSB that it would not be able to issue its report within 60 days due to the size of the record and the complexity of the appeal. The Appellate Body indicated that it would hold oral hearings in November and December 2010 and estimate thereafter when it would circulate its report.⁷²

China—Measures Affecting Trading Rights and Distribution Services for Certain Publications and Audiovisual Entertainment Products (DS363). In this dispute, the United States challenged various Chinese measures that reserve import rights to films and audiovisual entertainment products to Chinese state-designated firms and also challenged Chinese measures imposing market access restrictions or discriminatory limitations on foreign service providers seeking to distribute publications and audiovisual home entertainment products. The Appellate Body circulated its report in this dispute on December 21, 2009, and the DSB adopted the panel report in this matter, as modified by the Appellate Body report, on January 19, 2010. In general, the panel agreed with the United States and the Appellate Body upheld most of the panel’s conclusions. The panel and Appellate Body reports and procedural history were described in more detail in the Commission’s *Year in Trade 2009* report. At the February 18, 2010, DSB meeting, China informed the DSB of its intention to implement the DSB recommendations and rulings, but said that it would need a reasonable amount of time to do so. On July 12, 2010, China and the United States informed the DSB that they had agreed that the reasonable period of time would be 14 months from the date of adoption of the Appellate Body and panel reports, or by March 19, 2011.

⁷² WTO, DSB, *DS316: European Communities—Measures Affecting Trade in Large Civil Aircraft*, online summary. See also USTR, “United States Achieves Landmark Victory,” June 30, 2010; USTR, “Fighting Unfair Trade Practices,” June 30, 2010.

European Communities and Its Member States—Tariff Treatment of Certain Information Technology Products (DS375). In this dispute the United States challenged the tariff treatment that the EC and its member states accord to certain information technology products (flat panel computer monitors, set-top boxes, and multifunction printers) and claimed that this treatment does not respect their commitments to provide duty-free treatment for these products under the Information Technology Agreement. The United States also claimed that a number of EC customs classification instruments alone or in combination with EEC Council Regulation No. 2658/87, and certain amended explanatory notes published in the EC *Official Journal* after the application of these notes, are inconsistent with the EC's and member states' obligations under Articles II and X of GATT 1994. Japan and Chinese Taipei filed similar complaints (DS376 and DS377). The United States, Japan, and Chinese Taipei jointly and severally requested establishment of a panel; the panel was established on September 23, 2008, and composed on January 22, 2009.

The panel circulated its reports to members on August 16, 2010. The panel in general found that the EC had acted inconsistently with Articles II and X of the GATT 1994 in their tariff treatment of flat panel displays, set-top boxes, and multifunctional digital machines, and recommended that the DSB request the EC to bring the relevant measures into conformity with its obligations under the GATT 1994. The DSB adopted the panel reports at its meeting on September 21, 2010. On December 20, 2010, the United States and the EU informed the DSB that they had agreed that a reasonable time for the EU to implement the recommendations and rulings of the DSB was by June 30, 2011.⁷³

Reports in which the United States was the respondent

United States—Definitive Antidumping and Countervailing Duties on Certain Products from China (DS379). In this dispute, China challenged determinations and orders of the U.S. Department of Commerce in several antidumping and countervailing-duty investigations involving imports from China (DS379), including imports of circular welded carbon quality steel pipe, certain pneumatic off-the-road tires, light-walled rectangular pipe and tube, and laminated woven sacks. China alleged that the U.S. measures were inconsistent with Articles I and VI of the GATT 1994, various articles of the SCM Agreement and the Antidumping Agreement, and Article 15 of China's WTO Protocol of Accession. China requested consultations on September 19, 2008. After consultations failed to resolve the dispute, China requested establishment of a panel. A panel was established on January 20, 2009, and composed on March 4, 2009.

In its report circulated to members on October 22, 2010, the panel rejected most of China's claims. The panel also agreed with the United States that China's claims regarding "double remedy" fell outside the panel's terms of reference and also found, on the merits, that China had failed to establish that the alleged double remedy was inconsistent with the provisions of the SCM Agreement. On December 1, 2010, China notified the DSB of its decision to appeal to the Appellate Body certain issues of law and legal interpretations covered by the panel report.⁷⁴

⁷³ WTO, DSB, DS375: *European Communities and Its Member States—Tariff Treatment of Certain Information Technology Products*, online summary. See also USTR, "United States Wins WTO Dispute," August 16, 2010.

⁷⁴ WTO, DSB, DS379: *United States—Definitive Anti-Dumping and Countervailing Duties on Certain Products from China*, online summary. See also USTR, "United States Prevails in WTO Countervailing Duty Dispute," October 22, 2010. The Appellate Body circulated its reports to members on March 11, 2011, reversing several of the panel's findings, including its finding on "double remedies."

United States—Antidumping Measures on Polyethylene Retail Carrier Bags from Thailand (DS383). In this dispute, Thailand challenged the U.S. practice of “zeroing” negative antidumping margins in calculating overall weighted-average dumping margins in an investigation involving polyethylene retail carrier bags from Thailand (DS383). Thailand alleged that the effect of this practice is either to create margins of dumping where none exist or to inflate margins of dumping. Thailand alleged that the U.S. Department of Commerce’s use of this practice is inconsistent with U.S. obligations under Article VI of the GATT 1994 and Article 2.4.2 of the Antidumping Agreement. After consultations failed to resolve the dispute, Thailand requested establishment of a panel. A panel was established on March 20, 2009, and composed on August 20, 2009. The panel circulated its report to members on January 22, 2010. The panel found that the United States had acted inconsistently with Article 2.4.2 of the Antidumping Agreement by using zeroing and recommended that the DSB request the United States to bring its measures into conformity with its obligations under the Antidumping Agreement. The DSB adopted the panel report on February 18, 2010. On March 19, 2010, the United States informed the DSB that it intended to implement the DSB recommendations and rulings, and on August 31, 2010, the United States advised the DSB that it had done so.⁷⁵

United States—Certain Measures Affecting Imports of Poultry from China (DS392). In this dispute, China challenged U.S. measures in section 727 of the Omnibus Appropriations Act of 2009. China alleged that these measures effectively prohibit Chinese poultry from being imported into the United States because the legislation prohibits the U.S. Department of Agriculture from using funds for this purpose. After consultations failed to resolve the dispute, China requested establishment of a panel, and a panel was established in July 2009 and composed in late September 2009.⁷⁶ Also in late September 2009, the U.S. Congress enacted legislation that sought to address the issue.⁷⁷ In its report circulated on September 29, 2010, the panel found that section 727 was inconsistent with the SPS Agreement in several respects and also with Articles I:1 and XI:1 of the GATT 1994, and that it was not justified under Article XX(b) of the GATT 1994. However, the panel did not recommend that the DSB request the United States to bring the measure (section 727) into conformity with its obligations under the SPS Agreement and the GATT 1994 because section 727 had already expired. The DSB adopted the panel report on October 25, 2010.⁷⁸

United States—Measures Affecting Imports of Certain Passenger Vehicle and Light Truck Tyres from China (DS399). In this dispute, China challenged higher tariffs imposed by the United States on imports of passenger vehicle and light truck tires following an investigation by the USITC under the China safeguard provision in section 421 of the Trade Act of 1974 (19 U.S.C. 2451 et seq.).⁷⁹ China alleged that the higher tariffs are inconsistent with Articles I:1 and II:1 of the GATT 1994 and had not been properly justified pursuant to Article XIX of the GATT 1994 and the Agreement on Safeguards. China also alleged the measures were not properly justified, or were inconsistent as applied, with U.S. obligations under paragraph 16 of China’s Protocol of Accession. A panel was established on January 19, 2010, and composed on March 12, 2010. The panel circulated its report to the members on December 13, 2010.

⁷⁵ WTO, DSB, *DS383: United States—Anti-Dumping Measures on Polyethylene Retail Carrier Bags from Thailand*, online summary.

⁷⁶ WTO, DSB, *DS392: United States—Certain Measures Affecting Imports of Poultry from China*, online summary.

⁷⁷ USTR, “USDA, USTR Applaud Agreement by Congressional Appropriators,” September 25, 2009.

⁷⁸ WTO, DSB, *DS392: United States—Certain Measures Affecting Imports of Poultry from China*, online summary.

⁷⁹ See chapter 2 section on safeguard actions for more details.

The panel disagreed with China on all substantive points. The panel found that the subject imports were increasing rapidly, both absolutely and relatively, in accordance with paragraph 16 of the protocol; rejected China's "as such" argument with respect to the causation standard under paragraph 16 of the protocol; rejected China's arguments with respect to claims that the USITC failed to properly demonstrate that the subject imports were a "significant cause" of market disruption; found that China had failed to establish a prima facie case in relation to its remedy claims under paragraph 16 of the protocol; and found that China's claims under GATT 1994 were dependent on its claims under paragraph 16 of the protocol and that they were therefore similarly unsuccessful. The panel concluded that the United States did not fail to comply with its obligations under paragraph 16 of the protocol and Articles I:1 and II:1 of the GATT 1994, and that there was no "as such" violation of the U.S. statute implementing the causation standard of paragraph 16 of the protocol. On January 27, 2011, China and the United States asked the DSB to extend the 60-day period for filing an appeal with the Appellate Body to May 24, 2011, and the DSB agreed at its meeting on February 7, 2011.⁸⁰

Organisation for Economic Co-operation and Development

The OECD provides a forum where member governments review and discuss economic, social, and governance policy experiences affecting their market economies, as well as the global economy. At the end of 2010, there were 34 OECD members.⁸¹

Ministerial Council Meeting

The OECD Council held its ministerial-level meeting May 27–28, 2010, in Paris, France. Participants discussed the state of the global economic recovery, which had been underway for several months following the financial and economic crisis in 2008–09.⁸² OECD members discussed experiences with measures taken and prospects for the use of others designed to sustain the recovery, in particular issues involving fiscal consolidation; employment; structural reforms; various sources of growth—notably trade and investment, innovation, and so-called green growth; propriety, integrity, and transparency; economic development; and not least, global economic cooperation.

Regarding fiscal consolidation, the members recognized that the fiscal positions of most OECD countries had deteriorated significantly following the financial crisis of 2008, and that fiscal action—such as medium-term policies designed to stabilize and lower the public debt, prioritize public spending, and pursue growth-friendly tax reform—would be needed to promote sustainable growth following economic recovery. Concerning employment measures, members agreed to target active labor market policies in the near term—including support for job search programs, enhanced education and training, and appropriate social protection safety net programs—to avoid so-called jobless growth. On structural reform, the OECD member countries committed to encourage both member and nonmember countries to undertake fiscal consolidation, take appropriate

⁸⁰ WTO, DSB, *DS399: United States—Measures Affecting Imports of Certain Passenger Vehicle and Light Truck Tyres from China*, online summary. See also USTR, "United States Prevails in WTO Section 421," December 13, 2010.

⁸¹ Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom, and the United States.

⁸² OECD, "Meeting of the Council at Ministerial Level," May 28, 2010.

unemployment measures, and address issues such as aging populations and inequality, in order to strengthen their economies' resilience to possible future shocks.

At their ministerial meeting, the council highlighted three major sources of future growth—green growth, innovation, and trade and investment matters. The ministers welcomed the interim report on the Green Growth Strategy, looking forward to the synthesis report containing policy recommendations and strategies at the 2011 ministerial meeting. Ministers also welcomed the final report on the OECD Innovation Strategy, aimed at raising productivity worldwide through its focus on worker education and training; economic framework conditions, such as regulation and tax policies; entrepreneurship capabilities, in particular for small and medium-sized enterprises; and improved public research systems to develop and protect intellectual property rights. Ministers also stressed the important role of open markets in maintaining and increasing economic growth and employment, and voiced their commitment to conclude the Doha Round of multilateral trade negotiations and to foster trade and investment policies facilitating environmentally friendly goods. The ministers welcomed the formal launch of an effort to update the *OECD Guidelines for Multinational Enterprises* aimed at extending responsible business conduct to further open markets. In addition, the members endorsed the OECD Declaration on Propriety, Integrity, and Transparency in the Conduct of International Business and Finance.

Addressing economic development, the members reaffirmed their support for reaching the Millennium Development Goals in 2015, above and beyond the official development assistance already contributed by the OECD countries. Ministers agreed to continue global economic cooperation, working closely in OECD bodies with various groups of nonmember countries, including the five partner countries in the Enhanced Engagement process (Brazil, India, Indonesia, the People's Republic of China, and South Africa).

Trade Committee

In February 2010, the OECD Trade Committee discussed the implications of trade policy responses to the global economic crisis by members and other countries.⁸³ Members pointed out that the use of protectionist trade measures has appeared to be relatively restrained to date. For the medium and longer terms, members highlighted three issues likely to warrant further consideration to support recovery of global trade flows: (1) persistent global imbalances that are likely to require attention from surplus as well as deficit countries; (2) the reshaping of global supply chains that appears to be hastening the international transmission of economic impacts; and (3) the possibility of environmentally sustainable economic growth in both developed and developing countries.

At its meeting in May 2010, Trade Committee members discussed the May ministerial meeting and continued to discuss trade policies likely to help foster global economic recovery.⁸⁴ At its final 2010 meeting in December, the committee heard about the economic impact of export restrictions on raw materials and about the current OECD work on export credits and credit guarantees, as well as a report on the 2010 Global Forum on Trade, which focused on globalization, comparative advantage, and trade policy.⁸⁵ The committee heard reports on recent developments in regional economic integration in the Asia-Pacific region, on progress in developing an OECD trade

⁸³ OECD, "Summary Record of the 154th Session," March 1, 2011.

⁸⁴ OECD, "Summary Record of the 155th Session," March 1, 2011.

⁸⁵ OECD, "Aide-memoire: Plenary Session," March 3, 2011.

restrictiveness index for services, and on OECD activities concerning trade and employment issues.

Export Credit Arrangement and Aircraft Sector Understanding

The Arrangement on Officially Supported Export Credits, developed within the OECD framework, entered into effect in April 1978. The arrangement aims to encourage exporters in participating countries to compete on the price and quality of their goods and services, not on the support they receive from their governments in the form of official export credits or other official support. The arrangement includes four sector understandings, addressing (1) ships, (2) nuclear power plants, (3) civil aircraft, and (4) renewable energies and water projects, which are appended to the arrangement in annexes I through IV, respectively. At the end of 2010, the participants in the arrangement were Australia, Canada, the EU, Japan, Korea, New Zealand, Norway, Switzerland, and the United States.⁸⁶

The Sector Understanding on Export Credits for Civil Aircraft (“Aircraft Sector Understanding” or ASU) was incorporated into the arrangement in 1986.⁸⁷ The ASU covers all civil aircraft—from jumbo jets to small planes and helicopters—and addresses interest rates, loan guarantees, and other conditions applied to export credits for aircraft sales. The ASU sets maximum repayment periods, minimum risk premium rates, and interest rates charged by official export credit agencies’ financing of sales of commercial aircraft.⁸⁸

From 2005 to 2007, participants held talks to revise the ASU, including in the negotiations for the first time a non-OECD member, Brazil. On July 1, 2007,⁸⁹ the revised ASU entered into force, including Brazil as a participant, updating several provisions to facilitate the exchange of information and resolution of possible disputes.⁹⁰ At the end of 2009, the participants decided to negotiate further revisions,⁹¹ this time including as observers to the talks two other non-OECD members—China and Russia. By December 2010, participants had reached a negotiated agreement in principle on revised ASU terms,⁹² which was formally signed in February 2011.

The revised understanding unifies into a single category—applying to both large and regional aircraft—the three categories of commercial aircraft and their separate financing terms and procedures found under the 2007 ASU.⁹³ The revised ASU narrows the difference between government export finance and commercial credit rates by raising the minimum interest rate that official export credit agencies in participating countries may charge for large commercial aircraft,⁹⁴ although it allows a transition period for previously ordered aircraft to be covered under existing financing terms. It also creates a maximum 12-year term for export credit support.⁹⁵

⁸⁶ OECD, Trade and Agriculture Directorate, Participants to the Arrangement, “Arrangement on Officially Supported Export Credits,” March 3, 2011, 5–6, par. 1–6.

⁸⁷ OECD, “Agreement in Principle Reached on Export Credits,” December 22, 2010.

⁸⁸ OECD, “Brazil joins OECD Countries in Landmark Pact,” July 30, 2007.

⁸⁹ OECD, “2007 Sector Understanding on Export Credits for Civil Aircraft,” September 5, 2007.

⁹⁰ OECD, “Agreement in Principle Reached on Export Credits,” December 22, 2010.

⁹¹ OECD, “Sector Understanding on Export Credits for Civil Aircraft,” n.d. (accessed March 10, 2011).

⁹² OECD, “Trade: Agreement in Principle reached,” December 22, 2010.

⁹³ OECD, “OECD Invites China and Russia,” February 25, 2011.

⁹⁴ Inside Washington Publishers, “Countries Agree on ‘Home Market Rule’ Deviations,” January 6, 2011.

⁹⁵ OECD, “OECD Invites China and Russia to join new aircraft financing agreement,” February 25, 2011.

The revised ASU entered into effect on February 1, 2011, incorporated into the March 2011 version of the

Accessions

In May 2007, the OECD Council invited five countries—Chile, Estonia, Israel, Russia, and Slovenia—to open accession discussions with the organization. Four of these countries—Chile, Estonia, Israel, and Slovenia—became new OECD members during 2010 bringing total OECD membership to 34.⁹⁶ Russia's accession has lagged, despite the high-level commitment of Russian leadership to include OECD membership as part of national policies to modernize the country.⁹⁷ Language difficulties have been cited as a key impediment, with exchanges between OECD and key Russian ministries and agencies often remaining incomplete due to insufficient capacity to translate information and data adequately or in a timely way. The OECD view that WTO membership is a prerequisite for OECD accession is also considered a possible obstacle,⁹⁸ given Russia's current priority of forming a Russia-Belarus-Kazakhstan customs union over its WTO accession.

Asia-Pacific Economic Cooperation

APEC is an international organization that consists of Pacific Basin countries seeking to enhance intra-regional economic growth and cooperation.⁹⁹ The organization operates as a cooperative, multilateral economic and trade group, whose decisions are made by consensus and whose commitments are undertaken voluntarily. Since its inception, APEC has aimed to facilitate economic growth, trade, investment, and cooperation in the Asia-Pacific region.¹⁰⁰ To reach its objectives, member countries committed to the “Bogor Goals” in 1994, named after the summit in Bogor, Indonesia. The Bogor Goals set forth a timetable for creating a free and open trade and investment area in the Asia-Pacific region by 2010 for the industrialized countries and by 2020 for the developing countries.¹⁰¹

At the November 2010 annual APEC summit in Yokohama, Japan, ministers responded to an assessment of member economies' progress toward the Bogor Goals, discussed how APEC's aspirations toward a Free Trade Area of the Pacific could be achieved through pathways presented by existing and future regional trade agreements, and developed a new comprehensive long-term growth strategy. The November meeting also represented the culmination of a year-long effort by the Committee on Trade and Investment (CTI) to

Arrangement on Officially Supported Export Credits under Annex III. At the signing ceremony for the 2011 ASU on February 25, 2011, the OECD Secretary-General Angel Gurría invited Russia and China—who participated in the 2010 discussions—to join the participating governments, particularly in light of their production of regional jet aircraft. OECD, “Arrangement on Officially Supported Export Credits,” March 3, 2011; OECD, “Aircraft Sector Understanding,” OECD Web site, February 2, 2011; OECD, “34th Meeting of the Group,” November 22, 2007.

⁹⁶ OECD, “OECD enlargement,” OECD Web site, n.d.

http://www.oecd.org/document/42/0,3746,en_2649_201185_38598698_1_1_1_1,00.html (accessed March 15, 2011).

⁹⁷ For more information on Russia's accession negotiations, see chapter 5.

⁹⁸ USDOS, U.S. Embassy, Moscow, *Russia and OECD Accession*, March 11, 2010.

⁹⁹ APEC was established in 1989 when ministers from 12 Asia-Pacific governments met in Canberra, Australia, to discuss world and regional economic developments, global trade liberalization, and opportunities for regional cooperation. Current APEC membership includes Australia; Brunei Darussalam; Canada; Chile; China; Hong Kong, China; Indonesia; Japan; the Republic of Korea (Korea); Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; the Philippines; Russia; Singapore; Chinese Taipei (Taiwan); Thailand; the United States; and Vietnam. For further details, see APEC, *APEC at a Glance*, November 2010, and the APEC Web site, <http://www.apec.org/>.

¹⁰⁰ APEC, *APEC at a Glance*, November 2010.

¹⁰¹ APEC, *Outcomes & Outlook*, 2011.

increase regional economic integration by lowering barriers to trade and improving the international business environment.

The 2010 Bogor Goal Target, FTAAP, and Related APEC Commitments

In 2010, APEC members completed an assessment of the progress made by 13 member economies (the “2010 economies”¹⁰²) towards the Bogor Goals. The report cited 15 years of trade growth, broad tariff reductions, investment linkages, and the prominence of trade in services as examples of significant progress. The report also listed a lack of uniformity in tariff reductions across sectors, remaining barriers to services trade, and the prevalence of NTMs that restrict trade, and concluded that the 2010 economies had “some way to go toward achieving free and open trade and investment.”¹⁰³ APEC leaders endorsed the assessment and recognized the importance of the Bogor Goals as setting a target for all APEC economies to achieve free and open trade and investment by 2020.¹⁰⁴

The link between APEC and the evolving regional architecture of economic cooperation in the Asia-Pacific region became more defined in 2010. Leaders pledged to take steps toward realizing a Free Trade Area of the Asia-Pacific (FTAAP) that builds on existing or developing regional initiatives, including the Association of Southeast Asian Nations (ASEAN)+3, ASEAN+6,¹⁰⁵ and the Trans-Pacific Partnership (TPP).¹⁰⁶ Senior officials involved in TPP negotiations, which included nine APEC members in 2010,¹⁰⁷ cited the role of APEC in informing the process and content of trade negotiations, and remarked on the inclusive nature of TPP negotiations as the most promising path toward an FTAAP.¹⁰⁸ Japan, which was not involved in TPP negotiations in 2010, participated as an observer in TPP-related discussions held on the sidelines of the November 2010 APEC summit, coinciding with a Japanese ministerial statement that recognized TPP as the “only path to the FTAAP where negotiations have actually begun.”¹⁰⁹ The U.S. Trade Representative stated a goal to conclude the TPP by the November 2011 APEC summit, which will be hosted by the United States in Honolulu.¹¹⁰

APEC trade ministers recognized in June that the Doha Development Agenda (DDA) was stalled, and reaffirmed support for the negotiations. Ministers also renewed a commitment to refrain from protectionist measures through 2011, even if such measures were deemed WTO-consistent.¹¹¹ At the APEC leaders’ meeting in November, heads of state set forth a growth strategy, which focused on sustainable growth policies, including

¹⁰² The 2010 economies include five industrialized countries that had committed to reaching the Bogor Goals by 2010—the United States, Australia, Canada, Japan, and New Zealand—as well as eight developing countries that volunteered to be part of the 2010 assessment—Chile, Hong Kong, Korea, Malaysia, Mexico, Peru, Singapore, and Taiwan.

¹⁰³ APEC, *Report on APEC’s 2010 Economies’ Progress*, November 2010, 85–89.

¹⁰⁴ APEC, “Leaders’ Statement on the 2010 Bogor Goals Assessment,” November 14, 2010; APEC, “Leaders’ Declaration,” November 13–14, 2010, 2, 4.

¹⁰⁵ ASEAN+3 is composed of the 10 ASEAN members as well as China, Japan, and Korea. ASEAN+6 also includes Australia, New Zealand, and India.

¹⁰⁶ APEC, “Pathways to FTAAP,” November 14, 2010; APEC, “Leaders’ Declaration,” November 13–14, 2010, 4.

¹⁰⁷ For more information on the TPP, see the subsection on FTA developments during 2010 in chapter 4.

¹⁰⁸ For examples of citations from senior officials linking the TPP and APEC, see PIIE, “A Trans-Pacific Partnership and the Future,” October 25, 2010.

¹⁰⁹ ACCJ, “An American in Yokohama,” January 15, 2011; MOFA, “Basic Policy on Comprehensive Economic Partnerships,” November 6, 2010.

¹¹⁰ Chu and Ten Kate, “U.S. Puts ‘Foot to the Pedal,’” November 2010.

¹¹¹ APEC, “Supporting the Multilateral Trading System,” June 5–6, 2010.

structural reform, human resource and entrepreneurship development, green growth, a knowledge-based economy, and human security.¹¹²

Regional Economic Integration

In addition to providing a forum for leaders to discuss common goals and possible pathways toward trade and investment liberalization, APEC pursues an agenda of regional economic integration, which relies on developing nonbinding common principles, action plans, workshops, and research on best practices. The CTI is the body that oversees and coordinates APEC's work on trade and investment facilitation.¹¹³ In 2010, the CTI continued to work with its own eight subgroups, three industry-specific "dialogues," and a variety of other APEC groups to improve supply chain connectivity, facilitate investment and services trade, and increase the ease of doing business, among other initiatives.

After its launch in 2009, the APEC Pathfinder Initiative for Self-Certification of Origin ("Pathfinder") continued to add membership in 2010.¹¹⁴ The CTI began a capacity-building program to support member countries in developing self-certification programs. The program's workshops, which continued into 2011, were designed to help regulators and administrators understand the technical requirements of self-certification.¹¹⁵ The CTI also launched WebTR, a Web site on tariffs and rules of origin (ROOs) that acts as a gateway to detailed tariff and ROOs information from APEC economies.¹¹⁶ Having identified eight critical "chokepoints" in regional supply chains in 2009, the CTI developed specific actions to address these impediments, with individual economies taking the lead to facilitate these actions. The chokepoints encompass regulatory issues, lack of coordination between customs agencies, and inadequate transport networks and infrastructure.¹¹⁷ The CTI also agreed to set up a mechanism to foster early dialogue on emerging regulatory issues, including technical requirements and standards for traded goods.¹¹⁸

The CTI continued to work on services trade promotion, which is tracked by the APEC Services Action Plan. In 2010, this effort included research, workshops, and information exchanges relevant to liberalizing of trade in legal, accounting, environmental, health, telecommunications, and information services.¹¹⁹ In 2010, APEC formulated a Strategy for Investment in order to strengthen investment opportunities as a means toward regional economic integration. The strategy has its basis in the APEC Non-binding Investment Principles agreed upon in 1994 and the Investment Transparency Standards developed in 2003. Based on these principles, the strategy is designed to facilitate and promote policies

¹¹² APEC, "Leaders' Declaration," November 13–14, 2010, 4–6.

¹¹³ APEC CTI, *2010 CTI Annual Report to Ministers*, November 2010, 3.

¹¹⁴ Pathfinder allows exporters to self-certify a product's origin in order to avoid the process of applying for and submitting an Authorized Certificate of Origin (ACO). By avoiding the ACO process, traders can reduce transaction costs and time necessary to fulfill the rules of origin requirements of FTAs, allowing them to take advantage of preferential tariffs. In 2010, Pathfinder included nine APEC members. For more information on the foundations of the Pathfinder, see APEC, "APEC Ministers Take Concrete Actions," November 12, 2009; APEC CTI, *2009 CTI Annual Report to Ministers*, November 2009, Appendix I.

¹¹⁵ APEC CTI, *2010 CTI Annual Report to Ministers*, November 2010, 5.

¹¹⁶ APEC, WebTR, <http://www.apec.org/Groups/Committee-on-Trade-and-Investment/Rules-of-Origin/WebTR.aspx> (accessed March 21, 2011).

¹¹⁷ APEC CTI, *2010 CTI Annual Report to Ministers*, November 2010, Appendix V.

¹¹⁸ *Ibid.*, Appendix IV.

¹¹⁹ *Ibid.*, Appendix I.

that are transparent, are convergent, and create investment opportunities in APEC member countries.¹²⁰

At the APEC Ministerial Meeting in November 2009, ministers initiated an Ease of Doing Business (EoDB) Action Plan with the goal of making it 25 percent cheaper, faster, and easier to do business within APEC economies by 2015. The EoDB Action Plan identified five priority areas for reform, including starting a business; getting credit; enforcing contracts; trading across borders; and dealing with permits. In 2010, member economies participated in seminars and working groups to share best practices as part of the first phase of the Action Plan. The second phase of the plan, in which countries create workplans for regulatory reform, began in 2010 and will continue with the same goals.¹²¹

The Anti-Counterfeiting Trade Agreement

Anti-Counterfeiting Trade Agreement (ACTA) negotiations successfully concluded on November 15, 2010, and the agreement will be open for signature beginning in 2011.¹²² Participants included Australia, Canada, the EU (with its 27 member states), Japan, Korea, Mexico, Morocco, New Zealand, Singapore, Switzerland, and the United States.¹²³

The USTR considers ACTA an important new tool to fight the global growth in counterfeiting and piracy of intellectual property. Key provisions include commitments to:

- Enhance approaches to criminal enforcement, including putting in place stronger requirements for (1) applying criminal remedies and (2) seizing fake goods, and the equipment and materials used in their manufacture;
- Combat Internet piracy through a balanced framework that both addresses the widespread distribution of pirated works and preserves fundamental principles such as freedom of expression;
- Give customs authorities the ability to act against import and export shipments as well as to cooperate on in-transit shipments;
- Strengthen civil enforcement provisions, including those that address damages and recovery of costs and attorneys' fees;
- Create cooperation mechanisms among ACTA parties to assist enforcement efforts; and
- Promote strong enforcement practices that lead to meaningful implementation of laws on the books.¹²⁴

ACTA will enter into force after six countries ratify the agreement.¹²⁵

¹²⁰ Ibid., Appendix VII.

¹²¹ APEC, "Joint Statement at the 22nd APEC Ministerial Meeting," November 10–11, 2011.

¹²² USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 155. The ACTA text is available on the USTR Web site, <http://www.ustr.gov/acta> (accessed March 31, 2011).

¹²³ USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 156.

¹²⁴ USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 156; U.S. IPEC, *2010 U.S. IPEC Annual Report*, February 2011, 52–53.

¹²⁵ USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 156.

CHAPTER 4

U.S. Free Trade Agreements

This chapter summarizes developments related to U.S. free trade agreements (FTAs) during 2010. It describes trends in U.S. merchandise trade with FTA partners during 2010, the status of U.S. FTA negotiations during the year, and major North American Free Trade Agreement (NAFTA) activities, including NAFTA dispute settlement developments during the year.

FTAs in Force during 2010

The United States was a party to 11 FTAs as of December 31, 2010.¹ These include the U.S.-Oman FTA, which entered into force in 2009; the U.S.-Peru Trade Promotion Agreement (TPA) (2009); a multiparty FTA with the countries of Central America and the Dominican Republic (CAFTA-DR) that entered into force first with respect to the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua (2006–07), and then Costa Rica (2009); the U.S.-Bahrain FTA (2006); the U.S.-Morocco FTA (2006); 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).

In 2010, total two-way merchandise trade between the United States and its FTA partners was \$1.0 trillion, or more than one-third of U.S. merchandise trade with the world. U.S. merchandise exports to FTA partners that year increased by 21.5 percent to \$434.7 billion and accounted for 38.7 percent of total U.S. exports (table 4.1). U.S. imports of goods from FTA partners grew even more strongly, increasing 24.3 percent to \$590.1 billion and accounting for 31.1 percent of global U.S. imports.

The U.S. merchandise trade deficit with its FTA partners increased by \$38.5 billion over the 2009 level to \$155.4 billion in 2010. The U.S. deficit with its NAFTA partners was \$166.8 billion, an increase of \$43.3 billion from 2009. The United States thus registered a trade surplus with its non-NAFTA FTA partners of \$11.5 billion in 2010, up sharply from \$6.7 billion in 2009. The FTA partners with which the United States recorded a merchandise trade surplus in 2010 were Jordan, Chile, Singapore, Australia, Morocco, Bahrain, Oman, and Peru, while the United States had a merchandise trade deficit with Israel, Canada, Mexico, and the CAFTA-DR countries taken together.

The value of U.S. imports entered under FTA provisions increased 29.6 percent from \$240.3 billion in 2009 to \$311.3 billion in 2010 (table 4.2). Approximately 44.4 percent of total imports from CAFTA-DR partners entered under FTA provisions in 2010. More than 60 percent of total imports from Mexico, Jordan, Chile, and Bahrain entered under FTA provisions. On the other hand, approximately 15 percent or less of total imports

¹ Since the U.S.-Singapore FTA in 2004, the modifications to the Harmonized Tariff Schedule required to implement each FTA can be found at USITC, Tariff Information Center Web site, http://www.usitc.gov/tariff_affairs/hts_index.htm.

TABLE 4.1 U.S. merchandise trade with FTA partners, by FTA partner, 2008-10^a

	2008	2009	2010
	Millions of \$		
Exports:			
Israel	10,238	6,237	6,479
NAFTA	353,932	277,413	337,558
Canada	222,424	171,695	205,956
Mexico	131,507	105,718	131,602
Jordan	904	1,165	1,138
Chile	11,367	8,694	9,903
Singapore	25,655	19,924	26,349
Australia	20,948	18,244	20,296
Morocco	1,506	1,584	1,931
CAFTA-DR ^b	18,875	18,850	22,735
Bahrain	779	629	1,204
Oman ^c	–	1,065	1,061
Peru ^d	–	4,022	6,079
FTA partner total	444,205	357,826	434,732
World total	1,169,821	936,745	1,122,131
FTA partner share of world (percent)	38.0	38.2	38.7
Imports:			
Israel	22,264	18,743	20,975
NAFTA	551,168	400,893	504,360
Canada	334,840	224,584	275,536
Mexico	216,328	176,309	228,824
Jordan	1,139	924	974
Chile	8,182	6,047	7,068
Singapore	15,718	15,588	17,345
Australia	10,535	7,998	8,610
Morocco	880	467	685
CAFTA-DR ^b	15,387	18,816	23,701
Bahrain	517	463	420
Oman ^c	–	883	773
Peru ^d	–	3,834	5,173
FTA partner total	625,790	474,656	590,083
World total	2,090,483	1,549,163	1,898,610
FTA partner share of world (percent)	29.9	30.6	31.1
Trade balance:			
Israel	–12,026	–12,506	–14,496
NAFTA	–197,236	–123,480	–166,802
Canada	–112,415	–52,889	–69,580
Mexico	–84,821	–70,591	–97,222
Jordan	–234	241	164
Chile	3,184	2,646	2,835
Singapore	9,937	4,336	9,005
Australia	10,413	10,246	11,685
Morocco	626	1,117	1,246
CAFTA-DR ^b	3,488	34	–966
Bahrain	262	165	784
Oman ^c	–	182	288
Peru ^d	–	188	906
FTA partner total	–181,586	–116,829	–155,351
World total	–920,661	–612,419	–776,479
FTA partner share of world (percent)	19.7	19.1	20.0

Source: USDOC.

^a Table only includes trade with FTA partners after FTA has entered into force.

^b CAFTA–DR entered into force for Costa Rica as of January 1, 2009.

^c FTA was in force as of January 1, 2009.

^d FTA was in force as of February 1, 2009.

TABLE 4.2 U.S. imports entered under FTA provisions, by FTA partner, 2008-10^a

FTA partner	2008	2009	2010	% change 2009-10
	Millions of \$			
Israel	3,209	2,493	2,726	9.3
NAFTA	306,593	219,664	286,131	30.3
Canada	166,077	112,373	145,426	29.4
Mexico	140,516	107,291	140,705	31.1
Jordan	280	240	606	152.6
Chile	4,454	3,453	4,429	28.3
Singapore	1,018	850	1,163	36.7
Australia	4,356	2,758	2,751	-0.2
Morocco	161	114	163	42.5
CAFTA-DR	9,410	9,009	10,513	16.7
El Salvador	1,685	1,425	1,740	22.1
Honduras	3,016	2,469	2,889	17.0
Nicaragua	816	783	935	19.4
Guatemala	1,635	1,354	1,558	15.1
Dominican Republic	2,259	1,802	2,088	15.9
Costa Rica ^b	–	1,176	1,302	10.7
Bahrain	288	258	274	6.4
Oman ^c	–	456	350	-23.3
Peru ^d	–	981	2,224	126.8
Total imports under FTA provisions	329,770	240,276	311,329	29.6
World	2,090,483	1,549,163	1,898,610	22.6
	Share of total imports from FTA partner			
Israel	14.4	13.3	13.0	
NAFTA	55.6	54.8	56.7	
Canada	49.6	50.0	52.8	
Mexico	65.0	60.9	61.5	
Jordan	24.6	26.0	62.2	
Chile	54.4	57.1	62.7	
Singapore	6.5	5.5	6.7	
Australia	41.4	34.5	31.9	
Morocco	18.3	24.5	23.8	
CAFTA-DR	61.2	47.9	44.4	
El Salvador	75.7	78.2	78.6	
Honduras	74.3	73.8	73.9	
Nicaragua	47.8	48.6	46.5	
Guatemala	47.5	43.2	48.4	
Dominican Republic	57.1	54.5	57.2	
Costa Rica ^b	–	21.0	15.0	
Bahrain	55.7	55.6	65.3	
Oman ^c	–	51.7	45.3	
Peru ^d	–	25.6	43.0	
FTA partner total	52.7	50.6	52.8	

Source: USDOC.

^a Table only includes trade with FTA partners after FTA has entered into force.

^b CAFTA-DR entered into force for Costa Rica as of January 1, 2009.

^c FTA was in force as of January 1, 2009.

^d FTA was in force as of February 1, 2009.

from Israel, Singapore,² and Costa Rica entered under FTA provisions. Imports that entered under FTA provisions accounted for 16.4 percent of total U.S. imports in 2010, an increase from 15.5 percent in 2009.

² The United States has consistently imported less than 7 percent of its total imports from Singapore under the U.S.-Singapore FTA. This is because a large share of U.S. imports from Singapore can enter the United States NTR duty free. For example, in 2010, over half of U.S. imports from Singapore were certain electrical and nonelectrical machinery as well as certain medicaments, which are NTR duty free.

FTA Developments during 2010

In 2010, the United States and Israel celebrated the 25th anniversary of the U.S.-Israel Free Trade Agreement.³ In December 2009, both countries agreed to extend the 2004 Agreement Concerning Certain Aspects of Trade in Agricultural Products (ATAP) through December 31, 2010. The United States-Israel Joint Committee met in October 2010 and agreed to develop a work plan that would address the remaining barriers to bilateral trade, including those in the areas of agriculture and services. As initial steps under the work plan, the two sides agreed to pursue negotiations towards a Mutual Recognition Agreement (MRA) for assessing conformity in telecommunications equipment, and to facilitate trade by reviewing existing customs procedures and regulations. They also made progress on certain market access issues, including standards, customs classification, and technical regulations. They agreed to continue talks through the U.S.-Israel Working Group on Standards and Technical Regulations, which last met in July 2010.⁴

The United States issued a statement on July 30, 2010, expressing its concern that the government of Peru had not taken the necessary steps to ensure complete implementation of the Annex on Forest Sector Governance under the U.S.-Peru TPA by the August 1, 2010, deadline. This annex, part of the Environment Chapter of the U.S.-Peru TPA, was the first set of provisions in any U.S. FTA that identified specific actions required to address an environmental concern.⁵

The status of many pending FTAs remained unchanged throughout 2010. FTAs with Colombia, Panama, and Korea, which were signed by both parties in previous years, were all awaiting congressional approval as of the end of 2010.⁶ There were no changes in the status of other previously initiated FTA negotiations with Ecuador, the South African Customs Union, Thailand, and the United Arab Emirates, or countries involved with the Free Trade Area of the Americas. The United States initiated bilateral FTA negotiations with Malaysia in 2006, but in 2010 Malaysia became the ninth country to join negotiations to conclude a Trans-Pacific Partnership (TPP) agreement that would include the United States. The status of U.S. FTA negotiations during 2010 is shown in table 4.3.

Dominican Republic-Central America-United States Free Trade Agreement

During 2010, CAFTA-DR officials met several times to prepare for CAFTA-DR's first Free Trade Commission (FTC) meeting in early 2011.⁷ In June 2010, USTR officials held technical-level meetings with officials of the other CAFTA-DR member countries to discuss administration and oversight issues and to advance institutional work and planning for the FTC meeting. In August and September 2010, USTR officials met with government and private sector officials in the five Central American partners to discuss bilateral and regional trade issues, to exchange experiences, and to prepare for the FTC meeting. In November 2010, CAFTA vice-ministers met in Washington, DC, to prepare

³ USTR, "Israel Free Trade Agreement," Free Trade Agreements, October 20, 2010.

⁴ USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 120.

⁵ USTR, "Statement by Ambassador Ron Kirk on the Annex," July 30, 2010.

⁶ In November 2010, the United States and Korea reached an agreement resolving outstanding issues with the U.S.-Korea FTA related to trade in automobiles. See the chapter 5 section on Korea for more information.

⁷ USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 117.

TABLE 4.3 Status of U.S. FTA negotiations during 2010

FTA partner(s)	Negotiations launched	Negotiations concluded	Agreement signed by parties	Date of entry into force
Colombia	May 18, 2004	Feb. 27, 2006	Nov. 22, 2006	–
Panama	Apr. 26, 2004	Dec. 19, 2006	June 28, 2007	–
Korea	Feb. 2, 2006	Apr. 1, 2007	June 30, 2007	–
Trans-Pacific Partnership (Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam)	Dec. 14, 2009	–	–	–

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

an agenda for the FTC focused on expanding and broadening the benefits of trade, particularly with respect to small and medium-sized enterprises.⁸

On July 30, 2010, USTR announced that the United States would file a case against Guatemala under the CAFTA-DR for apparent violations of obligations on labor rights.⁹ This represents the first labor case the United States has ever brought against a trade agreement partner. Under Article 16.2.1(a) of the CAFTA-DR, each party to the agreement has committed that it will not fail to effectively enforce its labor laws, through a sustained or recurring course of action or inaction, in a manner affecting trade between the parties.¹⁰ Of concern is the government of Guatemala's failure to meet its obligation to effectively enforce Guatemalan labor laws related to the right of association, the right to organize and bargain collectively, and the right to acceptable conditions of work. The case request stems from an April 2008 submission filed with the U.S. Department of Labor under the labor chapter (chapter 16) of CAFTA-DR by U.S. and Guatemalan labor unions.¹¹ In 2010, a U.S. interagency delegation engaged in formal consultations under chapter 16 of the CAFTA-DR with the government of Guatemala regarding its failure to enforce labor court orders in cases of labor violations.¹²

The Dominican Republic Earned Import Allowance Program (EIAP), which became effective on December 1, 2008,¹³ authorized additional duty-free treatment for certain apparel articles entering under the CAFTA-DR. The EIAP allows producers who purchase a certain quantity of qualifying U.S. fabric¹⁴ for the manufacture of certain pants and bottoms of cotton (excluding denim) in the Dominican Republic to receive a credit

⁸ Ibid. On February 23, 2011, at the FTC meeting in San Salvador, El Salvador, the USTR announced changes to the CAFTA-DR designed to advance regional trade and economic integration in the textile and apparel sector. The changes of particular significance included those related to rules of origin for textile and apparel goods. For example, certain monofilament sewing thread must now originate or be produced in the United States or the CAFTA-DR region to qualify for preferential tariff treatment. Other important changes included increases in cumulation limits to encourage greater integration of regional production through limited reciprocal duty-free access with Mexico and Canada to be used in Central American and Dominican Republic apparel. USTR, "Dominican Republic-Central America-United States Free Trade Agreement," March 2, 2011; USTR, "Joint Statement from the Meeting," February 23, 2011.

⁹ USTR, "USTR Kirk Announces Labor Rights Trade Enforcement Case," July 30, 2010.

¹⁰ USTR, "Letter to the Honorable Edgar Alfredo Rodriguez," July 30, 2010; USTR, "Remarks by Ambassador Ron Kirk," Washington, Pennsylvania, July 30, 2010.

¹¹ USDOL, "U.S. Secretary of Labor Hilda L. Solis Announces Labor Consultations," July 30, 2010.

¹² USDOS, "2011 Investment Climate Statement—Guatemala," March 2011.

¹³ On October 16, 2008, the President signed Public Law 110-436, which amended title IV of the U.S.-CAFTA-DR Act to establish the Earned Import Allowance Program for the Dominican Republic.

¹⁴ As defined in section 404(c)(4) of the act, qualifying fabrics are "wholly formed in the United States" that are "suitable for use in the manufacture of" the eligible articles. On July 29, 2010, OTEXA (USDOC) announced its decision to maintain its interpretation of "wholly formed" fabric to require that all production processes—starting with weaving, including dyeing and finishing, and ending with a fabric ready for cutting or assembly—take place in the United States. 75 Fed. Reg. 45603 (August 3, 2010).

that can be used to ship a certain quantity of eligible apparel using third-country fabrics from the Dominican Republic to the United States duty-free. Specifically, for every two square meter equivalents of qualifying U.S. fabric purchased for apparel production by producers in the Dominican Republic, one square meter equivalent credit is received that can be used in the importation of apparel using nonqualifying fabric.

On July 28, 2010, the Commission submitted its first annual review of the effectiveness of the EIAP to the U.S. House Committee on Ways and Means and the Senate Committee on Finance.¹⁵ In its review, which covered U.S. imports entering under the program from April 2009 through March 2010, the Commission reported that based on information gathered from industry sources, the EIAP had some initial beneficial effect for both the U.S. and Dominican industries. The program reportedly helped slow job losses and production declines in the Dominican cotton trouser sector, allowed Dominican apparel producers and U.S. apparel companies that import woven cotton bottoms from the Dominican Republic to be more cost-competitive by permitting duty-free treatment for woven cotton bottoms made from lower-cost foreign fabrics, and benefited U.S. textile firms that dye and finish fabrics woven in third countries. Users of the program have, however, also recommended changes, such as shifting the 2-for-1 ratio to 1-for-1, adding to the types of fabrics considered to qualify, and offering more training so that more companies can take advantage of the EIAP.

Trans-Pacific Partnership Agreement

The United States and the other TPP countries—Australia, Brunei Darussalam, Chile, New Zealand, Peru, Singapore, and Vietnam¹⁶—concluded four formal rounds of negotiations during 2010. The opening round was held in March 2010, and the second round in June 2010, when talks focused on four key goals: (1) determining the architecture for market access negotiations; (2) deciding the relationship between the TPP and existing FTAs among the negotiating partners; (3) addressing horizontal issues, such as small business priorities, regulatory coherence, and other issues that reflect the way businesses operate and workers interact; and (4) proceeding toward the tabling of text on all chapters of the agreement in the third negotiating round.¹⁷ In the third round in October, negotiations focused on preparation of a consolidated text and proposals for cooperation. Discussions also covered the promotion of competitiveness, supply chain development, and making it easier for small and medium-sized enterprises to take advantage of the eventual TPP agreement.¹⁸ In December 2010, the United States and the other TPP countries concluded the fourth round of TPP negotiations in New Zealand, where 24 negotiating groups worked to develop the legal text in each of the negotiating areas “that will detail the rights and obligations each country will assume, covering the full scope of commercial and trade-related issues between the countries.”¹⁹ They also finalized technical details necessary to prepare initial market access offers for goods,

¹⁵ The Commission instituted investigation No. 332-503, *Earned Import Allowance Program: Evaluation of the Effectiveness of the Program for Certain Apparel from the Dominican Republic*, on April 29, 2009, for the purpose of preparing the reports required by section 404(d) of the Dominican Republic-Central America-United States Free Trade Implementation Act, as amended (19 U.S.C. 4112(d)). Section 404 was added to the act by section 2 of Public Law 110-436, approved October 16, 2008, “An Act to Extend the Andean Trade Preference Act, and for Other Purposes.”

¹⁶ Malaysia formally became a TPP partner in October 2010.

¹⁷ USTR, “USTR Ron Kirk Comments,” June 18, 2010; USTR, “USTR Negotiators Report Successful First Round,” March 19, 2010.

¹⁸ USTR, “Round 3: Brunei, Update on Trans-Pacific Partnership,” October 7, 2010.

¹⁹ USTR, “Positive Outcome from Fourth Round,” December 10, 2010.

which countries planned to exchange in early 2011.²⁰ TPP partners are hoping to “make as much progress as possible” by the APEC leaders’ meeting in November 2011.²¹

On October 5, 2010, following detailed consultations with the United States and other TPP countries, Malaysia formally joined the TPP as a full negotiating member, and USTR informed Congress of Malaysia’s inclusion in the TPP negotiations.²² Ambassador Ron Kirk of USTR stated that the United States and Malaysia had already conducted in-depth discussions about the status of U.S. bilateral free trade agreement negotiations and the standards and objectives that the TPP countries are seeking in an agreement.²³

In 2010, U.S. merchandise exports to TPP countries increased by 24.2 percent to \$81.0 billion compared to the previous year (table 4.4). U.S. exports were dominated by heavy and light fuel oil, civil aircraft and parts, electronic integrated circuits, motor vehicles, parts for boring or sinking machines, medicaments, parts of airplanes or helicopters, non-monetary gold, medical instruments, and telecommunications equipment. U.S. merchandise imports from TPP countries increased by 13.1 percent to \$81.5 billion in 2010 compared to 2009. U.S. imports from these markets included telecommunications equipment, electronic integrated circuits, computers and peripherals, parts of office machines, wooden bedroom furniture, sweaters and pullovers, copper, meat, organic chemicals, and wine of fresh grapes. In 2010, the United States had a trade deficit of \$463.3 million, a decrease of 93.2 percent compared to 2009. If concluded, this trade agreement would be the second-largest after NAFTA in terms of total trade covered, measuring approximately one-fifth the value of total two-way merchandise trade under NAFTA in 2010.

North American Free Trade Agreement²⁴

The North American Free Trade Agreement between the United States, Canada, and Mexico, entered into force on January 1, 1994. All of the agreement’s provisions were implemented by January 1, 2008, with the exception of the NAFTA cross-border trucking provisions.²⁵ In 2010, total two-way (exports plus imports) U.S. merchandise trade with NAFTA partners increased by 24.1 percent over 2009, with U.S.-Canada merchandise trade amounting to \$481.5 billion and U.S.-Mexico merchandise trade totaling \$360.4 billion (table 4.1). The U.S. merchandise trade deficit with NAFTA partners increased to \$166.8 billion in 2010 from \$123.5 billion in the previous year—an increase of 35.1 percent, in contrast to a decrease of 37.4 percent in 2009. Leading products responsible for the deficit include mineral fuels, vehicles and vehicle parts, and electrical and nonelectrical machinery.

²⁰ Ibid.

²¹ USTR, “Strong Sixth Round Progress Propels TPP Negotiations,” April 1, 2011.

²² USDOS, “Malaysia Determined to Join TPP Negotiations,” June 10, 2010; Government of Malaysia, Ministry of International Trade and Industry, “Malaysia Joins the Trans-Pacific Partnership Agreement Negotiations,” October 6, 2010.

²³ USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 141.

²⁴ U.S. bilateral trade relations with Canada and Mexico are described in chapter 5 of this report.

²⁵ The section on Mexico of chapter 5 discusses NAFTA’s cross-border trucking provisions. Further information on the last remaining restrictions on U.S.-Mexico trade that were removed on January 1, 2008, is reported in USITC, *The Year in Trade 2008*, 5-16.

TABLE 4.4 U.S. merchandise trade with potential TPP partners,^a 2008–10

Trade with TPP partners	2008	2009	2010	% change, 2009–10
	Millions of \$			
U.S. exports	80,375	65,241	81,007	24.2
U.S. imports	86,793	72,064	81,471	13.1
Trade balance	-6,418	-6,824	-463	-93.2

Source: USDOC.

^a Potential partners include Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, and Vietnam. Malaysia became a TPP partner in October 2010.

The following sections describe the major activities of NAFTA’s Free Trade Commission (FTC), Commission for Labor Cooperation (CLC), and Commission for Environmental Cooperation (CEC), as well as the dispute settlement activities under NAFTA chapters 11 and 19 during 2010.

Free Trade Commission

The FTC is NAFTA’s central oversight body. It is chaired jointly by trade representatives or their designees from the three member countries.²⁶ The FTC is responsible for overseeing NAFTA’s implementation and elaboration, as well as for its dispute settlement provisions.²⁷

The FTC typically meets annually, but it did not meet in 2010. Instead, it met in January 2011 in Mexico City, Mexico.²⁸ At this meeting, the FTC noted that because all tariff cuts under NAFTA were implemented either on time or ahead of schedule, and recognizing that NAFTA is a catalyst for the region’s economic recovery, the three countries “are developing new and creative ways to increase trade”²⁹ by reducing transaction costs, eliminating barriers to trade, and facilitating access to information. To this end, the FTC agreed to take several steps.

For example, in order to reduce or eliminate unnecessary regulatory differences in a way that may potentially reduce costs to consumers and businesses, as well as to promote deeper economic integration in North America, the FTC initialed the basic terms of a mutual recognition agreement (MRA) for telecommunications equipment, with the goal of concluding the MRA by May 2011. The MRA established procedures to accept test results from laboratories or testing facilities in the territory of another NAFTA country for use in the conformity assessment of telecommunications equipment. The FTC also noted the renewal of the MRA on accountancy services among NAFTA partners, and tasked the relevant NAFTA committees, including the Committee on Standards-Related Measures and the Committee on Sanitary and Phytosanitary Measures, to continue identifying new areas for cooperation.³⁰

The FTC stated that updating and simplifying the NAFTA rules of origin allows more goods to qualify for duty-free treatment under the agreement and reduces transaction

²⁶ The representatives are the USTR, Canadian Minister for International Trade, and Mexican Secretary of the Economy.

²⁷ USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 123.

²⁸ The FTC’s previous annual meeting was in October 2009, in Dallas, Texas.

²⁹ USTR, “Joint Statement from the January 10, 2011 Meeting,” January 10, 2011.

³⁰ *Ibid.*

costs. The FTC announced that the Working Group on Rules of Origin (WGRO) reached a preliminary agreement on a fourth set of changes to the NAFTA rules of origin, to be implemented in 2011, on goods that exceed \$90 billion dollars of annual trilateral trade.³¹ This trade includes certain environmental goods, whose annual trilateral trade is approximately \$6 billion. Moreover, the FTC agreed to start work on technical rectifications to align the NAFTA rules of origin with the updated tariff schedules that will result from the 2012 amendments to the nomenclature of the global Harmonized System. The FTC also directed the WGRO to explore the possibility of making a fifth set of changes to the NAFTA rules of origin.³²

The FTC discussed ways to help small and medium-sized enterprises take advantage of the export opportunities that NAFTA provides. The FTC noted that these enterprises typically target their first exports to a NAFTA country, but they lack access to exporting information. To address this problem, the FTC released *Opportunities for Small and Medium-Sized Enterprises in North America*, a publication designed to answer fundamental questions about starting to export.³³

At the meeting, the FTC also agreed to continue its cooperation with both the CEC and CLC. To accomplish this, the FTC asked the ad hoc working group of senior trade officials to identify potential new areas of collaboration, such as trade flows of used electronics in North America, green buildings, and greening North America's transportation corridors.³⁴ The FTC also asked the senior trade officials responsible for labor to continue to cooperate with their counterparts in the CLC, including the CLC's Secretariat, to discuss specific strategies to improve the labor side agreement and its functioning.³⁵ Finally, the FTC agreed that Canada will host the next NAFTA FTC meeting.

Commission for Labor Cooperation

The CLC, comprising a ministerial council and an administrative secretariat, was established 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 implementing the NAALC. Each NAFTA partner has established a National Administrative Office (NAO) within its labor ministry 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.³⁶ In the United States, that office is the Division of Trade Agreement Administration and Technical Cooperation (TAATC) within the Department of Labor.³⁷ The NAOs and the Secretariat also carry out the Ministerial Council's Cooperative Activities program.

³¹ Further information on the two most recent sets of changes to the NAFTA rules of origin appears in USITC, *The Year in Trade 2009*, 4-8.

³² USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 123.

³³ USTR, "Joint Statement from the January 10, 2011 Meeting," January 10, 2011; USTR, "Making NAFTA Work for U.S. Small and Medium-Sized Business," fact sheet, January 10, 2011.

³⁴ USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 123.

³⁵ USTR, "Joint Statement of the 2009 NAFTA Commission Meeting," October 21, 2009; USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 123.

³⁶ CLC, "The National Administrative Offices" (accessed March 25, 2011).

³⁷ USDOL, ILAB, OTLA, "Trade Agreement Administration and Technical Cooperation" (accessed March 25, 2011).

On January 29, 2010, the Mexican Union of Electrical Workers filed a submission alleging that the government of Mexico failed to adequately enforce its labor laws and uphold its commitment to the NAALC. A decision as to whether to accept the submission for review has been deferred due to ongoing legal proceedings in Mexico related to the submission.³⁸

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 mandate 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;³⁹ (2) the Joint Public Advisory Committee, made up of five private citizens from each of the NAFTA parties; and (3) the Secretariat, located in Montreal. The Secretariat is composed of professional staff that carry out initiatives and conduct research on topics pertaining to the North American environment, environmental law, and environmental standards, as well as processing citizen submissions on enforcement matters.⁴⁰

Articles 14 and 15 of the NAAEC provide citizens and nongovernmental organizations with a mechanism to help enforce environmental laws in the NAFTA countries. Article 14 governs alleged violations submitted for review by the CEC. It sets forth 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.⁴¹ At the end of 2010, 13 complaint files remained active under articles 14 and 15, 3 of which were submitted in 2010 (table 4.5). During 2010, 1 active file involved the United States, 5 involved Canada, and 7 involved Mexico.

At the seventeenth regular session of the CEC Council on August 17, 2010, in Guanajuato, Mexico, the CEC Council considered the proposed strategic plan for 2010–15 to guide the CEC’s work over the next five years. The proposed strategic plan provides objectives for results-focused collaboration between the NAFTA countries on three trilateral priorities: healthy communities and ecosystems, climate change and a low-carbon economy, and greening the economy in North America. The CEC asked the Joint Public Advisory Committee to consult the North American public on the strategic plan and report back to the CEC on comments from the public.⁴²

In November 1993, the United States and Mexico agreed on arrangements to help border communities with environmental infrastructure projects to further the goals of NAFTA and the NAAEC. In 2010, the Border Environment Cooperation Commission (BECC) and the North American Development Bank (NADB) reported working with more than 150 communities throughout the U.S.-Mexico border region to address their environmental infrastructure needs. As of December 31, 2010, the BECC had certified

³⁸ USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 124.

³⁹ The CEC Council consists of the U.S. Environmental Protection Agency Administrator, Canadian Environment Minister, and Mexican Secretary for Environment and Natural Resources.

⁴⁰ CEC, Secretariat, “Three Countries Working Together” (accessed March 25, 2011).

⁴¹ CEC, “Citizen Submission on Enforcement Matters: A Guide to Articles 14 and 15” (accessed March 24, 2011).

⁴² CEC, “CEC Ministerial Statement: Seventeenth Regular Session,” August 17, 2010; USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 149.

TABLE 4.5 Active files through 2010 under article 14 of the North American Agreement on Environmental Cooperation

Name	Case	First filed	Country ^a	Status
Lake Chapala II	SEM-03-003	May 23, 2003	Mexico	The Secretariat posted a request for information relevant to the factual record on its Web site on September 4, 2008.
Coal-fired Power Plants	SEM-04-005	Sept. 20, 2004	United States	The Secretariat posted a request for information relevant to the factual record on its Web site on September 15, 2008.
Quebec Automobiles	SEM-04-007	Nov. 3, 2004	Canada	The Secretariat submitted a draft factual record to the Council, for a 45-day comment period on the accuracy of the draft on March 22, 2011.
Environmental Pollution in Hermosillo II	SEM-05-003	Aug. 30, 2005	Mexico	The Secretariat informed the Council on April 4, 2007, that the Secretariat considers that the submission warrants development of a factual record.
Ex Hacienda El Hospital II	SEM-06-003	July 17, 2006	Mexico	The Secretariat informed the Council on May 12, 2008, that the Secretariat considers that the submission warrants development of a factual record.
Ex Hacienda El Hospital III	SEM-06-004	Sept. 22, 2006	Mexico	The Secretariat informed the Council on May 12, 2008, that the Secretariat considers that the submission warrants development of a factual record.
Species at Risk	SEM-06-005	Oct. 10, 2006	Canada	The submitter(s) asked the Secretariat in writing on January 17, 2011, to withdraw the submission. The withdrawal was received after the response from the concerned government party.
Wetlands in Manzanillo	SEM-09-002	Feb. 4, 2009	Mexico	The Secretariat received a response from the concerned government party and began considering on October 12, 2010, whether to recommend a factual record.
Los Remedios National Park II	SEM-09-003	July 16, 2009	Mexico	The Secretariat received a response from the concerned government party and began considering on December 21, 2010, whether to recommend a factual record.
Skeena River Fishery	SEM-09-005	Oct. 15, 2009	Canada	The Secretariat received a response from the concerned government party and began considering on July 30, 2010, whether to recommend a factual record.
Alberta Tailings Ponds	SEM-10-002	Apr. 13, 2010	Canada	The Secretariat received a revised submission and began to analyze it on October 1, 2010.
Iona Wastewater Treatment	SEM-10-003	May 7, 2010	Canada	The Secretariat received a revised submission and began a preliminary analysis of it on May 7, 2010.
Bicentennial Bridge	SEM-10-004	Dec. 20, 2010	Mexico	The Secretariat notified the submitter(s) on February 28, 2011, that under article 14(2), the submission did not merit requesting a response from the concerned government party, and that submitter(s) had 30 days to file new or supplemental information.

Source: CEC, "Citizen Submission on Enforcement Matters: Active Submissions."

^a Refers to the country against which an allegation was filed.

175 environmental infrastructure projects. As of that same date, the NADB had contracted a cumulative total of approximately \$1.2 billion in loans and grants to support 149 certified projects estimated to cost a total of \$3.2 billion to build. Of those funds, a total of \$1.1 billion has already been disbursed.⁴³

⁴³ NADB, "BECC and NADB Quarterly Status Report," December 31, 2010, 3; NADB, "Summary of Project Implementation Activities," December 31, 2010.

Dispute Settlement

The dispute settlement provisions of NAFTA chapters 11 and 19 cover a variety of areas.⁴⁴ The sections below describe developments during 2010 in NAFTA chapter 11 investor-state disputes and chapter 19 binational reviews of final determinations of antidumping and countervailing cases. Appendix table A.20 presents an overview of developments in NAFTA chapter 19 dispute settlement cases to which the United States was a party in 2010.

Chapter 11 Dispute Settlement Developments

Chapter 11 of NAFTA includes 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 through internationally recognized channels or remedies available in the host country's domestic courts.⁴⁵ A key feature of the chapter 11 arbitral provisions is the enforceability in domestic courts of final awards made by arbitration tribunals.⁴⁶

In 2010, there was one active chapter 11 case filed against the United States by Canadian investors.⁴⁷ In the same year, there were five active chapter 11 cases filed by U.S. investors against Canada⁴⁸ and three active chapter 11 cases filed by U.S. investors against Mexico.⁴⁹

Chapter 19 Dispute Panel Reviews

Chapter 19 of NAFTA contains a mechanism that provides for a binational panel to review final determinations made by national investigating authorities in antidumping and countervailing duty cases. Such a panel serves as an alternative to judicial review by domestic courts and may be established at the request of any involved NAFTA country.⁵⁰

At the end of 2010, the NAFTA Secretariat listed 10 binational panels active under chapter 19 (table 4.6). All 3 binational panels formed in 2010 under chapter 19 challenged U.S. agencies' determinations on products from Mexico and all active cases challenged U.S. agencies' determinations.⁵¹

⁴⁴ NAFTA Secretariat, "Overview of the Dispute Settlement Provisions" (accessed March 24, 2011).

⁴⁵ Internationally recognized arbitral mechanisms include the International Centre for the Settlement of Investment Disputes (ICSID) at the World Bank, ICSID's Additional Facility Rules, and the rules of the United Nations Commission on International Trade Law (UNCITRAL Rules).

⁴⁶ NAFTA Secretariat, "Overview of the Dispute Settlement Provisions" (accessed March 24, 2011).

⁴⁷ USDOS, "NAFTA Investor-State Arbitrations: Cases Filed Against the United States"; NAFTA Secretariat, Canadian Section, "NAFTA—Chapter 11: Cases Filed Against the Government of the United States of America."

⁴⁸ USDOS, "NAFTA Investor-State Arbitrations: Cases Filed Against Canada;" NAFTA Secretariat, Canadian Section, "NAFTA—Chapter 11: Cases Filed Against the Government of Canada."

⁴⁹ USDOS, "NAFTA Investor-State Arbitrations: Cases Filed Against the United Mexican States;" NAFTA Secretariat, Canadian Section, "NAFTA—Chapter 11: Cases Filed Against the Government of the United Mexican States."

⁵⁰ NAFTA Secretariat, "Overview of the Dispute Settlement Provisions" (accessed March 24, 2011).

⁵¹ NAFTA Secretariat, "NAFTA—Chapter 19 Active Cases."

TABLE 4.6 NAFTA Chapter 19 binational panels, active reviews as of the end of 2010

Country ^a	Case number	National agencies' final determination ^b	Case title
United States			
	USA-CDA-2008-1904-02	USDOC Antidumping Administrative Review	Carbon and Alloy Steel Wire Rod
	USA-CDA-2009-1904-01	USDOC Antidumping Administrative Review	Carbon and Alloy Steel Wire Rod
	USA-MEX-2007-1904-01	USDOC Antidumping Administrative Review	Stainless Steel Sheet and Strip in Coils
	USA-MEX-2007-1904-03	USITC Antidumping Duty Review	Welded Pipe
	USA-MEX-2008-1904-01	USDOC Antidumping Administrative Review	Stainless Steel Sheet and Strip in Coils
	USA-MEX-2008-1904-04	USITC Injury Determination	Light-Walled Rectangular Pipe and Tube from China, Korea, and Mexico
	USA-MEX-2009-1904-02	USDOC Antidumping Administrative Review	Stainless Steel Sheet and Strip
	USA-MEX-2010-1904-01	USDOC Antidumping Administrative Review	Stainless Steel Sheet and Strip in Coils
	USA-MEX-2010-1904-02	USITC Injury Determination	Seamless Refined Copper Pipe and Tube
	USA-MEX-2010-1904-03	USDOC Antidumping Administrative Review	Seamless Refined Copper Pipe and Tube

Source: NAFTA Secretariat, "Status Report of Dispute Settlements Proceedings."

^a Canada filed the first two cases contesting U.S. determinations, and Mexico filed the remaining cases.

^b In Canada, final dumping and subsidy determinations are made by the Canada Border Services Agency, and injury determinations are made by the Canadian International Trade Tribunal. In Mexico, all determinations are made by the Secretary of Economy. 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

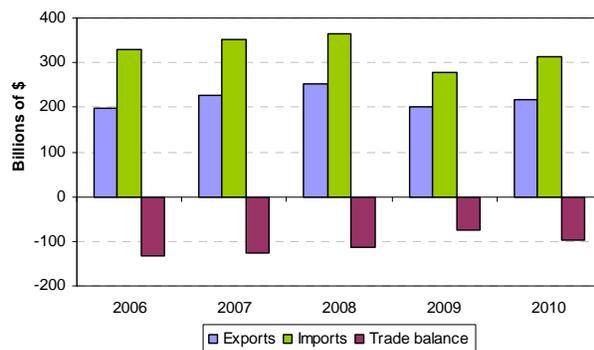
This chapter reviews U.S. bilateral trade relations with 10 selected trading partners during 2010: the European Union (EU), Canada, China, Mexico, Japan, Republic of Korea (Korea), Taiwan, Brazil, India, and Russia (ordered by value of two-way merchandise trade). The global economic recovery that continued in 2010 was reflected in U.S. bilateral trade trends with each of these trading partners.

European Union

The EU as a unit¹ is the largest two-way (exports and imports) U.S. trading partner in terms of both goods and services. U.S. merchandise trade with the EU rose 10.8 percent in 2010 to \$532.2 billion, which accounted for 17.6 percent of total U.S. trade. Because of the economic downturn, which hit the U.S. and EU economies particularly hard, total U.S.-EU trade has not yet recovered to the levels recorded in 2007 and 2008. After declining for several years, the U.S. merchandise trade deficit with the EU climbed \$21.8 billion to \$97.6 billion in 2010 (figure 5.1). On the other hand, the United States registered a trade surplus in services with the EU of \$49.1 billion in 2010, down \$1.4 billion from 2009 (figure 5.2); the EU accounted for 33.4 percent of U.S. trade in services in 2010.²

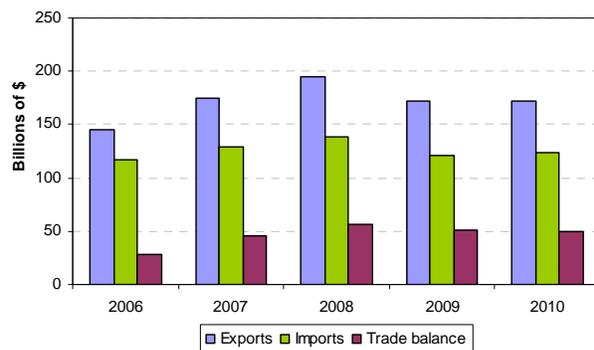
U.S. merchandise exports to the EU increased 7.4 percent to \$217.3 billion in 2010. Leading U.S. exports included aircraft and parts, certain medicaments, petroleum products, nonmonetary gold, blood fractions (e.g., antiserum), coal, passenger motor

FIGURE 5.1 U.S. merchandise trade with the EU, 2006–10



Source: U.S. Department of Commerce.

FIGURE 5.2 U.S. private services trade with the EU, 2006–10^a



Source: U.S. Department of Commerce.

^a Data for 2010 are preliminary.

¹ The 27 members of the EU in 2010 were Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, the Slovak Republic, Slovenia, Spain, Sweden, and the United Kingdom.

² The United Kingdom was the largest single-country U.S. trading partner in services in 2010.

vehicles, and medical instruments. Among the top exports, the most notable increases by value were in nucleic acids and their salts, precious metal scrap, soybeans, and coal.

U.S. merchandise imports from the EU increased more strongly, rising 13.2 percent to \$314.9 billion in 2010. Leading U.S. imports included certain medicaments, passenger motor vehicles, petroleum products, nucleic acids and their salts, aircraft and parts, and heterocyclic compounds. Among the top imports, the largest increases were recorded for passenger motor vehicles and petroleum products. U.S.-EU merchandise trade data are shown in appendix tables A.21 through A.23.

One major focus of the U.S.-EU trade relationship in 2010 was the work of the Transatlantic Economic Council (TEC), an intergovernmental organization that aims to facilitate bilateral trade and investment. The TEC took a number of concrete steps in 2010, which are described below. The United States and EU also signed a second-stage air transport agreement on June 24, 2010, building on the first-stage Open Skies Agreement implemented in 2008, which lifted restrictions on air services between the United States and EU.³ In addition, there were developments in several WTO dispute settlement cases involving the United States and the EU in 2010 (see chapter 3 and appendix table A.19). A panel report was issued in the long-running WTO dispute involving alleged EU subsidies for large civil aircraft; both the EU and the United States appealed the findings (DS316). A panel report was adopted in a WTO dispute concerning EU tariff treatment of certain information technology products (DS375). Also, on June 8, 2010, both sides formally signed an agreement designed to settle all WTO disputes related to the EU banana import regime.⁴ Finally, there is an ongoing section 301 case on the EU meat hormone directive (see chapter 2).

Transatlantic Economic Council

The TEC is a cabinet-level organization that was created at the U.S.-EU Summit in April 2007 to oversee and guide efforts to lower barriers to trade and investment between the United States and the EU. At the November 2010 U.S.-EU summit, the leaders agreed to task the TEC with “develop[ing] a transatlantic agenda to stimulate growth and create jobs in key emerging sectors and technologies.” Acknowledging that the two economies had “not yet fully tapped the potential of transatlantic commerce,” the leaders agreed that the most effective way to boost growth and generate jobs would be to “promote innovation, streamline regulation, and eliminate barriers to trade and investment,” an effort in which the TEC would play a leading role. In particular, summit leaders charged the TEC with finding ways “to improve transatlantic consultation before regulators and agencies develop regulation in new technologies and sectors, to share best practices, and to promote maximum compatibility of regulations and the free flow of ideas, products, and services” and to report on progress in these areas in 2011.⁵

The TEC, which met on December 17, 2010, continued to make progress on building cooperation when developing new regulations in order to avoid erecting unintended barriers to trade, a process that is also known as upstream regulatory cooperation. The TEC agreed to follow shared principles, such as transparency and public participation, when developing regulations; to provide advance notice of planned regulations; and to

³ For more information on the first-stage open skies agreement, see USITC, *The Year in Trade*, 2007, 5-2 to 5-3.

⁴ The agreement was initialed in December 2009. For more information about the agreement, see USITC, *The Year in Trade*, 2009, 5-4 to 5-5.

⁵ European Commission, “EU-U.S. Summit: Joint Statement,” November 20, 2010.

focus its work on the following areas: energy efficiency, e-health, nutritional labeling, electric drive vehicles and related infrastructure, and product safety, such as for toys. The two sides also agreed to set up an ongoing process to identify other sectors for upstream regulatory cooperation.⁶

U.S. and EU government officials signed several sectoral statements and agreements related to regulatory cooperation, including a Memorandum of Understanding on E-health in which they agreed to cooperate on the interoperability of electronic health record systems.⁷ Officials also signed a statement of intent to form a partnership to promote the exchange of technical information on chemicals in order to improve chemical safety.⁸ In addition, the two sides issued a joint statement to strengthen technical cooperation when developing regulations that establish efficiency standards for energy-related products.⁹

The TEC also made progress in ensuring that their customs authorities cooperate in safeguarding against security threats. At the December 2010 meeting, TEC officials announced an understanding on the final steps needed to achieve mutual recognition of authorized traders. Implementation is scheduled by October 31, 2011. TEC officials also agreed to deepen cooperation in constructing policies to ensure supply chain security.¹⁰

The TEC also launched the first work plan under the Transatlantic Innovation Action Partnership, which was established to strengthen cooperation in innovation and promote the commercial use of emerging technologies and sectors.¹¹ The work plan initially focuses on two sectors—raw materials and bio-based products—and on exchanging best practices on innovation policy to encourage innovation and support commercialization. To promote a sustainable and secure international supply of raw materials, the plan calls for collaborative research and cooperation on trade policy, including strengthening the international framework on trade in raw materials in the OECD and other forums. In the area of bio-based products, the plan aims to promote the cooperative development and use of eco-friendly products to produce compatible public policies and standards. Areas for possible future collaboration include nanotechnologies, green procurement, and social innovation.¹²

Finally, the TEC launched a joint Web site to fight counterfeiting and piracy.¹³ The Transatlantic IPR Portal offers guidance and tools to U.S. and EU companies, particularly small and medium-sized enterprises, on how to protect their IPR in foreign markets.¹⁴

⁶ Transatlantic Economic Council, “Joint Statement,” December 17, 2010.

⁷ USDOS, “Annex 2: TEC; Sector Specific Statements,” December 17, 2010; USDOS, “Memorandum of Understanding,” December 17, 2010.

⁸ USEPA, “EPA and European Chemicals Agency Sign Agreement,” December 17, 2010.

⁹ USDOS, “Joint Declaration of the Transatlantic Economic Council,” December 17, 2010.

¹⁰ Transatlantic Economic Council, “Joint Statement,” December 17, 2010.

¹¹ Transatlantic Economic Council, “Joint Statement,” December 17, 2010.

¹² USDOS, “Transatlantic Innovation Action Partnership Work Plan,” December 17, 2010.

¹³ The portal’s web address is http://ec.europa.eu/enterprise/initiatives/ipr/index_en.htm.

¹⁴ European Commission, “Transatlantic Economic Council: EU and US Launch,” December 17, 2010.

Canada

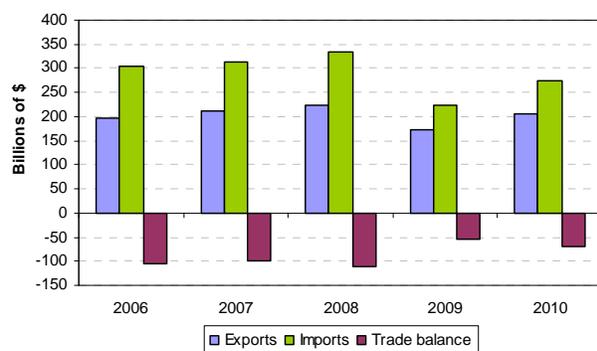
In 2010, Canada was the United States' largest single-country trading partner, with two-way merchandise trade valued at \$481.5 billion, accounting for 15.9 percent of total U.S. trade. The U.S. merchandise trade deficit with Canada worsened markedly from the previous year, increasing 31.6 percent, from \$52.9 billion in 2009 to \$69.6 billion in 2010 (figure 5.3). By contrast, the U.S. trade surplus in private services with Canada expanded briskly, from \$20.0 billion in 2009 to \$24.2 billion in 2010, an increase of 21.2 percent (figure 5.4). Canada was the United States' second largest single-country trading partner in services in 2010, after the United Kingdom.

U.S. exports of goods to Canada increased 20.0 percent, from \$171.7 billion in 2009 to \$206.0 billion in 2010. Leading U.S. exports to Canada during 2010 were motor vehicles and parts; energy products, such as natural gas, oil, and oil products; aircraft and aircraft parts; metal products, such as gold scrap and aluminum plate; and medicaments.

U.S. imports of goods from Canada, however, rose more than U.S. exports, increasing 22.7 percent, from \$224.6 billion in 2009 to \$275.5 billion in 2010. Leading U.S. imports from Canada during 2010 were energy products, such as oil and oil products, natural and propane gas, and electricity; motor vehicles and vehicle parts; metals, such as gold, aluminum, and copper; wood and wood products; and medicaments. U.S.-Canada merchandise trade data are shown in appendix tables A.24 through A.26.

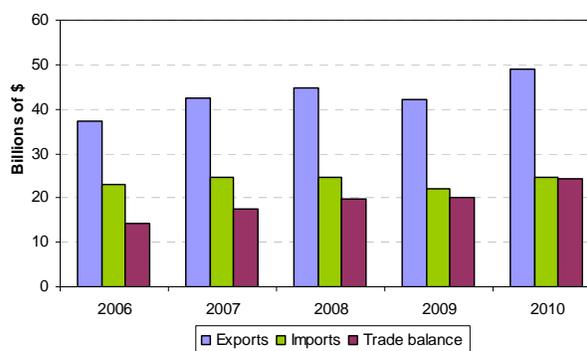
The United States and Canada form the world's largest and most comprehensive trade relationship. Since 1989, overall trade between the United States and Canada has operated within the framework of the U.S.-Canada Free Trade Agreement (1989) and the North American Free Trade Agreement (NAFTA) (1994), the latter signed between the United States, Canada, and Mexico. NAFTA has reduced trade barriers and liberalized trade rules in a large number of areas—including agriculture, services, energy, financial services, investment, and government procurement—and provides an institutional structure in which to settle a variety of disputes between the three partners.¹⁵ Both

FIGURE 5.3 U.S. merchandise trade with Canada, 2006–10



Source: U.S. Department of Commerce.

FIGURE 5.4 U.S. private services trade with Canada, 2006–10^a



Source: U.S. Department of Commerce.

^a Data for 2010 are preliminary.

¹⁵ USDOS, "Background Note: Canada," September 1, 2010.

Canada and the United States are members of the WTO and are also members of a number of other organizations and forums, such as the OECD and APEC, as well as parties to various international agreements, such as ACTA. In addition, the United States and Canada have concluded various agreements to address specific issues, such as the 1996 and 2006 agreements concerning softwood lumber and, most recently in 2010, a tentative agreement concerning access to certain government procurement contracts.

Softwood Lumber

In 1996, the United States and Canada signed the Canada-U.S. Softwood Lumber Agreement (SLA), which established a trigger-price import quota system designed to ensure a stable supply of Canadian lumber exports to the United States. The SLA expired in March 2001. In 2006, the United States and Canada signed a second SLA, which entered into force on October 12, 2006. The 2006 SLA is expected to continue until 2013, with the possibility of extension for a further two years.¹⁶

The SLA provides for binding arbitration to resolve disputes between the parties regarding interpretation and implementation of the agreement.¹⁷ Consultations, the first step in the SLA dispute settlement process, are designed to resolve differences short of arbitration.¹⁸ Failing a resolution of differences through formal consultations, arbitration is conducted under the rules of the London Court of International Arbitration (LCIA), and there is no appeal from the decision of the tribunal.¹⁹ Since the 2006 SLA entered into effect, the two countries have been involved in three arbitration cases, involving (1) export measures, (2) provincial subsidies, and (3) British Columbia timber pricing.²⁰

In the first arbitration case involving export measures, in 2007 the United States requested formal consultations, and subsequent arbitration, under the SLA to resolve concerns about certain adjustments Canada had made to export levels of softwood lumber destined for the U.S. market. Of particular concern was Canada's application of the SLA's surge mechanism and quota volumes.²¹ In 2008, the arbitration tribunal determined that Canada failed to properly calculate its quotas under the terms of the SLA and, in 2009, directed Canada to adjust its quotas by collecting additional export charges.²² (A section 301 investigation related to this dispute was discussed in chapter 2.) Following Canada's failure to impose the measures by the date determined by the tribunal, the United States imposed a 10 percent ad valorem customs duty on imports of softwood lumber from four Canadian provinces, effective April 15, 2009.²³ The United States suspended these duties on September 1, 2010, once Canada began charging a 10 percent ad valorem export charge on softwood lumber destined for the United States in accordance with the tribunal's 2009 decision.²⁴

¹⁶ USTR, "United States Wins Softwood Lumber Arbitration," January 21, 2011.

¹⁷ USTR, "Tribunal Finds Canada Failed to Cure Breach," November 28, 2009.

¹⁸ USTR, "United States Requests Consultations with Canada," October 8, 2010.

¹⁹ USTR, "Tribunal Finds Canada Failed to Cure Breach," November 28, 2009.

²⁰ For further background, see USITC, *The Year in Trade 2007*, July 2008, 5-5; USITC, *The Year in Trade 2008*, July 2009, 5-7; USITC, *The Year in Trade 2009*, July 2010, 5-8 to 5-10.

²¹ USTR, "Statement from USTR Spokesman Sean Spicer," January 16, 2008.

²² USTR, "U.S. Responds to Canadian Failure to Cure Breach," April 3, 2009.

²³ USTR, "United States Imposes Tariffs on Softwood Lumber," April 7, 2009; USTR, "Weekly Trade Spotlight: Montana and Softwood Lumber," August 24, 2009.

²⁴ Government of Canada, "Softwood Lumber Exports to the United States," August 23, 2010.

The second arbitration case concerned assistance programs maintained by the Canadian provinces of Quebec and Ontario.²⁵ The United States requested the arbitration in 2008 after consultations in 2007 failed to resolve the matter. The arbitration considered whether these provincial subsidy programs circumvented the terms of the agreement.²⁶ On January 21, 2011, the LCIA tribunal issued its decision in this second arbitration, finding that a number of provincial assistance programs put in place by Quebec and Ontario circumvented the terms of the SLA. The tribunal further determined as an appropriate adjustment that Canada must impose additional charges on exports of softwood lumber to the United States originating in Quebec and Ontario for the duration of the SLA.²⁷

The third arbitration case concerned underpricing of timber harvested from public lands in the interior region of British Columbia.²⁸ The United States held formal consultations with Canada in October 2010 and requested arbitration before the LCIA in January 2011.²⁹

Government Procurement

In late 2009, the United States and Canada held consultations concerning market access to government procurement contracts below the federal level. These consultations were initiated in response to Canadian concerns regarding market access for Canadian suppliers under the “Buy American” provisions enacted into U.S. law under the American Recovery and Reinvestment Act (ARRA) of 2009, signed February 17, 2009. Although both countries are parties to the Agreement on Government Procurement (GPA) under the WTO, which provides reciprocal market access to procurement contracts at the central government level, neither provides access to the other under the GPA at the subfederal level.³⁰

On February 12, 2010, the United States and Canada reached a tentative agreement on government procurement, subject to domestic approval processes. The agreement contains two major elements: (1) it provides reciprocal and permanent market access commitments under the GPA for provincial, territorial, and state procurement; and (2) it provides reciprocal and temporary market access for a range of construction and public works projects.³¹

In the latter area, Canada agreed to provide U.S. suppliers with access to a range of construction contracts across Canada’s provinces, territories, and a number of municipalities—not otherwise covered under the GPA—through September 2011. In exchange, the United States agreed to provide Canadian suppliers with access to procurement contracts in 37 states—already covered under the GPA—as well as to a limited number of programs under the ARRA funding of local public works projects.³² Both countries agreed to continue discussions concerning mutual procurement opportunities.³³

²⁵ USTR, “United States Requests Consultations with Canada,” October 8, 2010.

²⁶ USTR, “Tribunal Orders Canada to Cure Breach,” February 9, 2009.

²⁷ USTR, “United States Wins Softwood Lumber Arbitration,” January 21, 2011.

²⁸ USTR, “United States Requests Arbitration with Canada,” January 18, 2011.

²⁹ LCIA, “In the LCIA, No. 111790, The United States of America, Claimant,” January 18, 2011.

³⁰ USTR, *2010 Trade Policy Agenda and 2009 Annual Report*, March 2010, 136–37.

³¹ USTR, “U.S.-Canada Joint Statement on Government Procurement,” February 5, 2010.

³² USTR, “U.S.-Canada joint Statement on Government Procurement,” February 5, 2010.

³³ USTR, “Kirk Comments on US-Canada Procurement Agreement,” February 5, 2010. On February 9, 2011, U.S. and Canadian negotiators met in Washington DC to hold initial talks on whether to open

Intellectual Property

Canada has been listed on the USTR Special 301 Watch List for over a decade, according to the International Intellectual Property Alliance, an industry association.³⁴ Canada was added to the USTR Priority Watch List for the first time in 2009 over U.S. concerns about adequate and effective protection and enforcement of IPR, both within Canada and at the border.³⁵ Although Canada signed the World Intellectual Property Organization (WIPO) Internet treaties³⁶ in 1997, it has yet to accede to or implement them, impeding copyright reform in Canada and prolonging weak border enforcement against the transshipment of infringing products through Canada.³⁷

On June 2, 2010, the government of Canada introduced into Parliament the Copyright Modernization Act, bill C-32, designed to implement the WIPO Internet treaties and reform Canada's copyright law after two previous failed attempts at legislative reform.³⁸ The United States continues to urge Canada to enact legislation to implement these treaties and strengthen its copyright laws, neither of which had been accomplished by the end of 2010. The United States has also urged Canada to enact legislation that would authorize customs officers to seize any products suspected of being pirated or counterfeit at the border without the need for a court order. In addition, the U.S. pharmaceutical industry has expressed concern over Canada's 2010 pharmaceutical pricing guidelines, singling out in particular the regulatory burden they place on pharmaceutical manufacturers.³⁹

Canada has been an active participant in the ACTA negotiations, concluded in November 2010.⁴⁰ The ACTA establishes an international framework that will help parties to the agreement to effectively combat the infringement of IPR, in particular the proliferation of counterfeiting and piracy.⁴¹

negotiations on a new bilateral procurement agreement that would expand upon the original February 2010 agreement. Inside Washington Publishers, "U.S., Canada Enter Preliminary Stage," February 17, 2011.

³⁴ IIPA, "Appendix D: Historical Summary," February 15, 2011, 9.

³⁵ USTR, *2009 Special 301 Report*, April 30, 2009, 17.

³⁶ The so-called WIPO Internet treaties comprise the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty.

³⁷ USTR, *2011 National Trade Estimate Report on Foreign Trade Barriers*, March 2011, 54; USDOS, U.S. Embassy, Ottawa, "Canadian Copyright Reform Legislation Based on Bill C61 Introduced," June 3, 2010, par. 2.

³⁸ Government of Canada, "Government of Canada Introduces Proposals to Modernize the Copyright Act," June 2, 2010; USDOS, U.S. Embassy, Ottawa, "Canadian Copyright Reform Legislation," June 3, 2010, par. 1-2.

³⁹ USTR, *2011 National Trade Estimate Report on Foreign Trade Barriers*, March 2011, 54. According to the Pharmaceutical Research and Manufacturers of America (PhRMA), the new pricing guidelines issued by Canada's Patented Medicine Prices Review Board, which has the authority to regulate the prices of medicines sold in Canada, "increase the complexity of reporting." PhRMA, "Pharmaceutical Research and Manufacturers of America (PhRMA) Special 301 Submission 2010," 74-75.

⁴⁰ USTR, *2011 National Trade Estimate Report on Foreign Trade Barriers*, March 2011, 54.

⁴¹ ACTA is discussed in chapter 3 of this report.

China

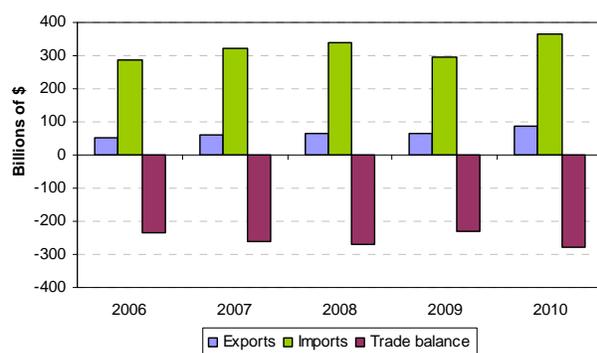
In 2010, China remained the United States' second-largest single-country trading partner based on two-way trade, accounting for 14.9 percent of U.S. trade with the world. U.S. two-way merchandise trade with China amounted to \$449.8 billion, an increase of 24.7 percent over 2009. The United States' bilateral deficit with China, which rose by \$47.9 billion to \$278.3 billion in 2010, remained higher than the U.S. deficit with any other single-country trading partner. The increase in the U.S. trade deficit with China was mostly attributable to an increase in U.S. merchandise imports from China, which more than offset an accompanying increase in U.S. exports to China (figure 5.5). However, the U.S. trade surplus in services with China increased by 39.9 percent to \$10.4 billion in 2010 (figure 5.6).

China overtook Japan to become the third-largest destination for U.S. exports in 2007, and remained in that position, behind Canada and Mexico, through 2010. U.S. merchandise exports to China amounted to \$85.7 billion in 2010, a 31.7 percent increase over 2009. The increase in the value of U.S. exports to China in 2010 was led by exports of soybeans, automobiles, cotton, and metal waste and scrap. Leading U.S. exports to China included soybeans, metal waste and scrap, aircraft, and computer chips.

In 2010, China remained the largest single-country source of U.S. imports. U.S. imports from China amounted to \$364.0 billion, an increase of 23.2 percent over 2009. This increase was led by imports across a wide range of consumer product categories, including electronic devices, toys, and apparel products, following a drop in U.S. consumer demand for similar products in 2009. Leading U.S. imports from China in 2010 were computers and computer parts, wireless telephones, toys, and video games. U.S.-China merchandise trade data are shown in appendix tables A.27 through A.29.

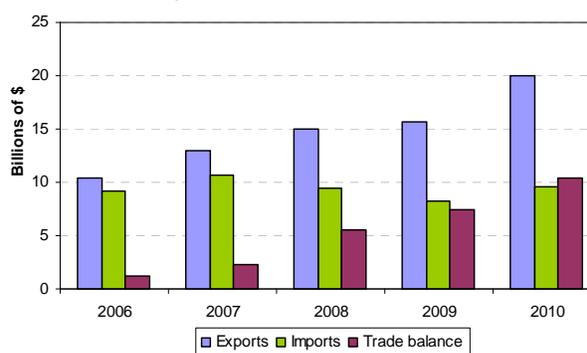
In 2010, U.S.-China bilateral relations focused on IPR enforcement in China, China's indigenous innovation policies, China's restrictions on imports of U.S. beef and pork, and the promotion of more consumption-led growth in China. These issues were among the principal themes of the May 2010 U.S.-China Strategic and Economic Dialogue (S&ED), the December 2010 meeting of the Joint Commission on Commerce and Trade (JCCT), and other bilateral trade policy negotiations.

FIGURE 5.5 U.S. merchandise trade with China, 2006–10



Source: U.S. Department of Commerce.

FIGURE 5.6 U.S. private services trade with China, 2006–10^a



Source: U.S. Department of Commerce.

^a Data for 2010 are preliminary.

There were also developments in a number of WTO dispute settlement cases between the United States and China in 2010. The United States requested consultations with China in three cases regarding (1) measures affecting electronic payment services (DS413), (2) countervailing and antidumping duties on grain-oriented flat-rolled electrical steel from the United States (DS414), and (3) measures concerning wind power equipment (DS419). WTO panel reports were circulated and/or adopted in three cases brought by China: (1) definitive antidumping and countervailing duties on certain products from China (DS379), (2) measures affecting imports of passenger vehicle and light truck tires from China (DS399), and (3) U.S. measures affecting imports of poultry from China (DS392). China also informed the WTO of its implementation or intent to implement the recommendations and rulings of the Dispute Settlement Body (DSB) in two cases brought by the United States: (1) measures affecting IPR protection and enforcement (DS362), and (2) trading rights and distribution services for certain publications and audiovisual entertainment products (DS363). Developments in these cases during 2010 are described in more detail in chapter 3 and appendix table A.19.

Intellectual Property Rights Enforcement

IPR protection and enforcement in China continued to be a high-priority issue for the United States in 2010.⁴² According to USTR, persistent inadequacies in the protection and enforcement of IPR in China represent barriers to U.S. exports and investment, particularly as they relate to retail and wholesale counterfeiting, book and journal piracy, end-user piracy of business software, and copyright piracy over the Internet.⁴³ Nevertheless, USTR noted signs of improvement in China's IPR system. These include a rise in the number of civil IPR cases in courts and one of the largest software piracy prosecutions in China's history.⁴⁴ According to USTR, other steps are still needed for effective IPR enforcement, including better coordination among different Chinese government agencies, more training and resources, and measures to address local protectionism and corruption.⁴⁵ Because of these continued issues, in 2010 China remained on USTR's Special 301 Priority Watch List of countries with significant IPR problems that warrant close monitoring and bilateral consultation.

USTR also noted the need for an increase in criminal prosecution and other enforcement actions against widespread trademark counterfeiting and copyright piracy on the Internet, given China's emergence as a leading user of the Internet, broadband, and mobile devices. According to the 2010 Special 301 Report, a recent enforcement campaign demonstrated that when the Chinese government makes use of its enforcement resources, it can produce results.⁴⁶

In the 2010 Special 301 report, USTR also noted concern about China's development of "indigenous innovation" policies that aim to increase the level of scientific and technological innovation originating within China. USTR stated that such policies may unfairly disadvantage U.S. rights holders.⁴⁷ As a result of this concern, at the conclusion

⁴² On April 19, 2010, the U.S. Senate Committee on Finance requested the USITC conduct two studies on China's IPR. The results were published in USITC, *China: Intellectual Property Infringement*, November 2010; USITC, *China: Effects of Intellectual Property Infringement*, May 2011.

⁴³ USTR, *2011 National Trade Estimate Report on Foreign Trade Barriers*, March 2011, 71.

⁴⁴ USTR, *2010 Special 301 Report*, April 30, 2010, 19.

⁴⁵ USTR, *2010 USTR Report to Congress on China's WTO Compliance*, December 2010, 5, 12, 83–86.

⁴⁶ USTR, *2010 Special 301 Report*, April 30, 2010, 20.

⁴⁷ USTR, *2010 Special 301 Report*, April 30, 2010, 19.

of the December 2010 U.S.-China JCCT meeting, China agreed to delink government procurement preferences from China's broader indigenous innovation policies.⁴⁸

Beef

China imposed a ban on imports of U.S. cattle, beef, and processed beef products in 2003 due to a case of bovine spongiform encephalopathy (BSE), also known as "mad cow disease," discovered in the United States. According to USTR, despite repeated efforts by the United States to provide extensive information on all aspects of U.S. BSE-related surveillance and safety measures currently in place, China continued to ban imports of U.S. beef in 2010.⁴⁹ Since the original ban in 2003, Chinese and U.S. negotiators have met several times to resolve the dispute, but the United States declined to accept China's market reopening offers because they failed to meet World Organization for Animal Health (OIE) standards.⁵⁰ However, at the December 2010 JCCT meeting, China agreed to resume talks with the United States on beef market access. Experts from USTR, the U.S. Department of Agriculture (USDA), and the Food and Drug Administration (FDA) met during the first two weeks in January 2011 with their counterparts in Beijing. These meetings assisted both sides in understanding each other's positions, and resulted in an agreement to continue discussions towards reopening China's market to imports of U.S. beef with scientifically based guidelines that conform to OIE standards.⁵¹

Pork

In April 2009, China banned imports of U.S. pork, pork products, and live swine due to concerns over the H1N1 influenza A virus (commonly known as swine flu) in the United States.⁵² However, China committed to lift this ban at the October 2009 JCCT meeting,⁵³ and on March 19, 2010, USTR and USDA announced that the United States and China had reached an agreement reopening China's market to U.S. pork and pork products. In May 2010, China finalized the agreement on specific U.S. export certificate language regarding the H1N1 influenza A virus, which allowed imports of U.S. pork and pork products to resume.⁵⁴ China continued to restrict imports of live swine from the United States due to lingering concerns over the transmission of the virus. Before the H1N1 scare, the United States had captured about 65 percent of the Chinese live swine import market, a number that was steadily rising each year. According to USTR, the removal of the live swine ban will present U.S. exporters with renewed opportunities in the Chinese live swine market.⁵⁵

⁴⁸ USTR, *21st U.S.-China Joint Commission on Commerce and Trade*, December 15, 2010.

⁴⁹ USTR, *2010 USTR Report to Congress on China's WTO Compliance*, December 2010, 77-78.

⁵⁰ USTR, *2011 Report on Sanitary and Phytosanitary Measures*, March 2011, 35-36.

⁵¹ USTR, *2011 Report on Sanitary and Phytosanitary Measures*, March 2011, 35-36.

⁵² The Food and Agricultural Organization of the United Nations, the World Health Organization, and OIE have reported that H1N1 is not transmitted through properly prepared food products. See USTR, "U.S. and China Agree on Reopening," March 18, 2010.

⁵³ USTR, *2010 USTR Report to Congress on China's WTO Compliance*, December 2010, 77.

⁵⁴ USTR, *2011 Report on Sanitary and Phytosanitary Measures*, March 2011, 34; USTR, "U.S. and China Agree on Reopening," March 18, 2010.

⁵⁵ In March 2011, China agreed to lift this ban after the USDA agreed to conduct H1N1 testing and certification on all live swine exported from the United States. See USTR, "Fact Sheet: Keeping Markets Open," March 30, 2011.

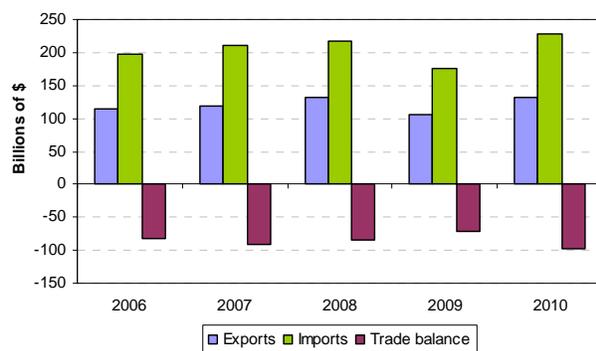
Global Trade Imbalances and China's Exchange-Rate Regime

In 2010, two important trade phenomena—the U.S. merchandise trade deficit with China of \$278.3 billion, and China's policies limiting the flexibility of its currency, the yuan—remained a concern for U.S. policymakers. Between July 21, 2005, when China officially ended its fixed exchange-rate peg with the U.S. dollar, and yearend 2010, the yuan appreciated by approximately 17.9 percent in U.S. dollar terms.⁵⁶ China temporarily allowed the yuan to be managed against a broader set of currencies between mid-2005 and mid-2008 (including the U.S. dollar, euro, Japanese yen, and Korean won), but then went back to a managed exchange rate against the U.S. dollar until mid-2010. During the May 2010 S&ED, officials of the U.S. Treasury Department urged their Chinese counterparts to continue to promote more consumption-led economic growth, move to a more market-determined exchange rate, and continue to promote economic growth in China by encouraging domestic consumption. Such an approach, according to the U.S. officials, would help secure the global recovery and achieve more balanced global growth.⁵⁷

Mexico

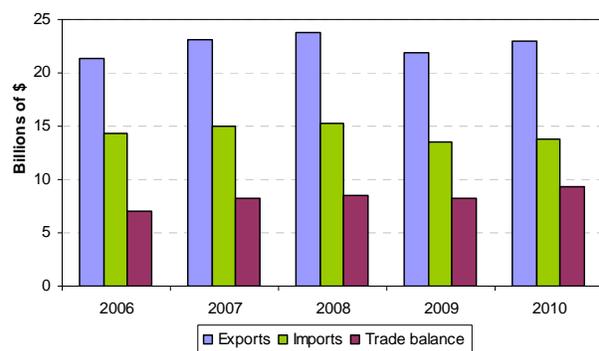
In 2010, Mexico was the United States' third-largest single-country trading partner, following Canada and China. Merchandise trade between the two countries increased 27.8 percent to \$360.4 billion in 2010, accounting for 11.9 percent of U.S. trade with the world. The United States registered its second-largest single-country trade deficit with Mexico at \$97.2 billion; this deficit was outweighed only by that with China and was nearly the same as the U.S. deficit with the EU. The U.S. merchandise trade deficit with Mexico increased by \$26.6 billion to \$97.2 billion in 2010 (figure 5.7); while the value of U.S. merchandise exports to Mexico rose strongly in 2010, the value of the corresponding U.S. imports from Mexico rose even more.⁵⁸ However, the U.S. trade surplus in services with Mexico increased by 11.6 percent to \$9.3 billion in 2010 (figure 5.8): U.S. services exports to Mexico were \$23.0 billion and U.S. services imports from Mexico were \$13.7 billion.

FIGURE 5.7 U.S. merchandise trade with Mexico, 2006–10



Source: U.S. Department of Commerce.

FIGURE 5.8 U.S. private services trade with Mexico, 2006–10^a



Source: U.S. Department of Commerce.

^a Data for 2010 are preliminary.

⁵⁶ IMF, International Financial Statistics database (accessed March 29, 2011).

⁵⁷ U.S. Department of Treasury, "Second Meeting of the U.S.-China Strategic & Economic Dialogue," May 25, 2010.

⁵⁸ The U.S. economy, as well as the changes in the value of the dollar against the currencies of major U.S. trading partners in 2010, are discussed in chapter 1.

U.S. merchandise exports to Mexico totaled \$131.6 billion in 2010, an increase of 24.5 percent from 2009. In 2010, as in the previous year, machinery and transportation equipment continued to be the largest product group in bilateral trade, with automotive trade being an important component in both exports and imports. Other leading U.S. exports to Mexico included petroleum products, corn, soybeans, plastic articles, aircraft and aircraft parts, and parts for electrical apparatus.

In 2010, U.S. merchandise imports from Mexico increased by 29.8 percent to \$228.8 billion. Leading U.S. imports from Mexico included petroleum and petroleum products, television apparatus, motor vehicles, computers, cell phones, nonmonetary gold, and medical instruments. Particularly important in the increase of U.S. imports from Mexico was the rise in the value of imports of crude petroleum and transport equipment—together responsible for the majority of the overall increase in 2010. U.S.-Mexico merchandise trade data are shown in appendix tables A.30 through A.32.

U.S.-Mexican trade relations are governed in large part by NAFTA, which provides duty-free status for a sizable portion of goods traded between the two countries that originate in the United States and Mexico.⁵⁹ A number of trade disputes between the United States and Mexico were the subject of WTO and NAFTA dispute settlement proceedings in 2010. The procedural developments in each of these cases are listed in appendix tables A.19 and A.20, respectively. Trucking has been a particular area of disagreement; recent developments in cross-border trucking provisions under NAFTA between Mexico and the United States are summarized below.

Cross-Border Trucking between the United States and Mexico

NAFTA's cross-border trucking provisions permitted Mexican trucks to provide cross-border truck services throughout the United States beginning in 2000. The provisions' implementation, however, has been delayed because of safety concerns.⁶⁰ On September 7, 2007, the U.S. Department of Transportation (USDOT) initiated a one-year Cross-Border Trucking Demonstration Project aimed at demonstrating the ability of Mexico-based motor carriers to operate safely in the United States beyond the commercial zones along the U.S.-Mexico border.⁶¹ After extending it for two years until 2010, the USDOT terminated the project in January 2009, when Congress banned the use of USDOT funds to operate or maintain the program.⁶² In retaliation, the government of Mexico stated that the termination measure was inconsistent with U.S. obligations under NAFTA, and suspended the preferential tariffs that the NAFTA affords to certain goods from the United States. These new tariffs on U.S. goods exports to Mexico became effective on March 19, 2009.⁶³

On August 16, 2010, the government of Mexico announced that it would add several items to the list of products with suspended preferential tariffs under NAFTA, while

⁵⁹ For more information on NAFTA, see chapter 4.

⁶⁰ Developments in cross-border truck services between the United States and Mexico from 1981 to 2008 are reported in USITC, *Year in Trade 2008*, 2009, 5-16; and in 2009 in USITC, *Year in Trade 2009*, 2010, 5-16.

⁶¹ Details of the program are reported in USITC, *Year in Trade 2007*, 2008, 5-11; USITC, *The Year in Trade 2009*, 2010, 5-16.

⁶² 74 Fed. Reg. 11628 (March 18, 2009); Omnibus Appropriations Act of 2009, Pub. L. No. 111-8.

⁶³ Secretaría de Gobernación, *Diario Oficial de la Federación* (Mexico's *Federal Register*), March 18, 2009. In 2009, the value of U.S. exports to Mexico under the new tariffs amounted to less than 2 percent of total U.S. exports to Mexico. Further information on the new tariffs is reported in USITC, *Year in Trade 2009*, 2010, 5-16.

reducing or eliminating duties on several other products on the list.⁶⁴ The revised list of U.S. goods subject to higher tariffs in the cross-border trucking dispute, published on August 18 in Mexico's official gazette, came into effect on August 19, 2010. The new list added 26 new tariff lines and removed 16 tariff lines, for a total of 99 tariff lines, compared with 89 on the previous list.⁶⁵ The value of U.S. exports to Mexico on the new list is about \$2.5 billion, compared to \$2.4 billion for those on the previous list. In the revised list, duties are lower; they range from 5 percent to 25 percent ad valorem, with a simple average of 16 percent.⁶⁶ The goods affected include 45 finished products and 54 agricultural products.⁶⁷ Products added to the list include pork products, several types of cheeses, frozen sweet corn, pistachios, oranges, grapefruits, and apples. Products that were removed from the list included shelled peanuts, dental floss, copy paper, commercial catalogs, locks, and telephone sets.

The government of Mexico indicated that it is willing to resolve the bilateral dispute.⁶⁸ On January 6, 2011, the U.S. Department of Transportation presented Congress and the Mexican government an "initial concept document for a long haul cross-border Mexican trucking program that prioritizes safety, while satisfying the United States' international obligations."⁶⁹

Japan

In 2010, Japan was the fourth-largest single-country U.S. trading partner, accounting for 5.8 percent of total U.S. merchandise trade—the same as in 2009. U.S. trade with Japan was \$175.7 billion in 2010, an increase of 22.8 percent. The United States recorded a merchandise trade deficit with Japan of \$64.2 billion, up \$15.3 billion from 2009 (figure 5.9). This increase in the bilateral trade deficit was primarily attributable to an \$18.6 billion increase in U.S. imports of machinery and transport equipment (mostly motor vehicles and parts). Japan was both the third-largest market for U.S. exports of services and the third-largest source of services imports in 2010. U.S. services exports to Japan rose 13.0 percent to \$46.2 billion, while imports of services from Japan rose 16.2 percent to \$24.1 billion, resulting in a \$1.9 billion increase in the U.S. services surplus to \$22.0 billion in 2010 (figure 5.10).

At the same time, U.S. merchandise exports to Japan grew 18.4 percent, from \$47.1 billion in 2009 to \$55.7 billion in 2010. Leading U.S. exports to Japan were aircraft and parts, corn, certain medicaments, soybeans, and wheat. While most products among the top 25 U.S. exports to Japan rose in value, the largest increases were in acyclic ethers, certain medicaments, and coal.

⁶⁴ USTR, "Statement from Ambassador Ron Kirk," August 16, 2010.

⁶⁵ Secretaría de Gobernación, *Diario Oficial de la Federación* (Mexico's *Federal Register*), August 18, 2010.

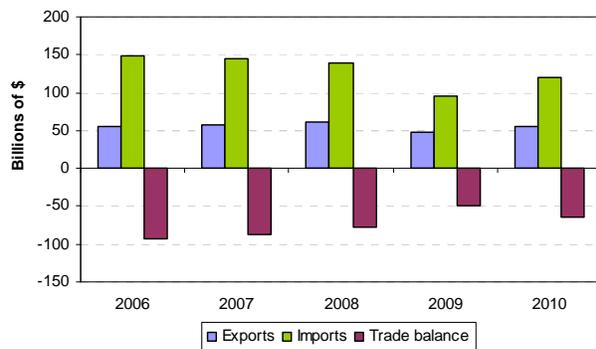
⁶⁶ *Ibid.*; details on the duties and tariff lines for the 2009 list are reported in USITC, *Year in Trade 2009*, 2010, 5-16.

⁶⁷ USTR, *2011 National Trade Estimate Report on Foreign Trade Barriers*, March 2011, 247.

⁶⁸ CRS, "U.S.-Mexico Economic Relations: Trends, Issues, and Implications," February 24, 2011.

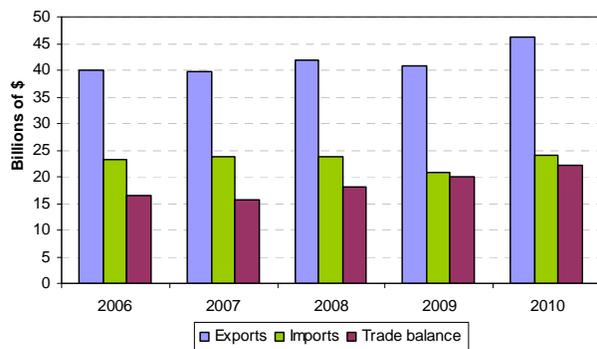
⁶⁹ USDOT, "U.S. Cross-Border Trucking Effort Emphasizes Safety and Efficiency," January 6, 2011. The "concept document" outlines a plan for phasing in a full opening of the U.S. border to Mexican long-haul trucks. A formal proposal, which the public will have the opportunity to comment on, is expected to be announced in the coming months after the specifics of the program are developed.

FIGURE 5.9 U.S. merchandise trade with Japan, 2006–10



Source: U.S. Department of Commerce.

FIGURE 5.10 U.S. private services trade with Japan, 2006–10^a



Source: U.S. Department of Commerce.

^a Data for 2010 are preliminary.

U.S. merchandise imports from Japan grew 24.9 percent to \$119.9 billion in 2010. Leading U.S. imports from Japan were passenger vehicles and parts, parts for printers and copying machines, cameras, and parts of airplanes or helicopters. One category—passenger vehicles and parts—accounted for more than one-third of the increase in merchandise imports, although the value of these exports did not return to 2008 levels. U.S.-Japan merchandise trade data are shown in appendix tables A.33 through A.35.

The United States-Japan Economic Partnership for Growth has served as the primary forum for trade and economic dialogue between the two countries since its establishment in 2001. In 2010, economic cooperation became a priority in the bilateral relationship, as both countries struggled to recover from the global recession.⁷⁰ The United States and Japan also continued to discuss regulatory reform and key trade issues, including beef and automobiles. These topics are discussed in greater detail below. In addition, the two countries engaged in discussions on strengthening APEC and on Japan’s interest in the Trans-Pacific Partnership (TPP).⁷¹

Economic Cooperation Initiatives

Numerous economic cooperation initiatives between Japan and the United States were advanced or commenced during 2010, including an open skies agreement and the U.S.-Japan Policy Cooperation Dialogue on the Internet Economy. The open skies agreement, which was concluded on October 25, 2010, encourages international travel and trade by expanding international passenger and cargo flights between Japan and the United States.⁷² This agreement has lessened government intervention in the commercial aviation market in Japan and will also ensure more opportunities for U.S. airlines at Narita and Haneda airports.⁷³ This increased access to the Japanese aviation market will give U.S. airlines more operational flexibility.⁷⁴

The U.S.-Japan Policy Cooperation Dialogue on the Internet Economy was launched on November 1, 2010. Due to the expansion of economic activities using the Internet, both countries have become leaders in the information and communications technology sector.

⁷⁰ USTR, “Japan.” (accessed March 30, 2011).

⁷¹ USTR, “U.S. Trade Representative Ron Kirk, Japanese Foreign Minister Seiji Maehara,” November 13, 2010.

⁷² USDOS, “Open Skies Agreement,” June 28, 2010.

⁷³ USTR, *2011 National Trade Estimate Report on Foreign Trade Barriers*, March 2011, 212.

⁷⁴ USDOS, “Open Skies Agreement,” June 28, 2010.

This cooperation dialogue established partnerships to deal with related policy issues, such as increased openness of the Internet, the freedom to connect and communicate, and the enhancement of Internet security.⁷⁵

A number of other initiatives were launched simultaneously on November 13, 2010, all of which have the potential to increase trade in goods and services between the United States and Japan:

- The U.S.-Japan Dialogue to Promote Innovation, Entrepreneurship and Job Creation aims to strengthen the connection between innovation and entrepreneurship in order to promote economic growth.⁷⁶
- The Energy-Smart Communities Initiative (ESCI) is built on the Clean Energy Action Plan, another U.S.-Japan initiative agreed upon in 2009. ESCI seeks to expand clean energy and employment as well as the sustainable development of the Asia-Pacific region by supporting energy-efficient structures, transport, and electric power grids.⁷⁷
- The U.S.-Japan Clean Energy Policy Dialogue also builds on the Clean Energy Action Plan and will serve as a forum for experts to discuss the development of policies regarding clean energy technology.⁷⁸
- The U.S.-Japan Economic Harmonization Initiative will serve as a forum for bilateral negotiations regarding trade and economic issues.⁷⁹ Discussions will address methods to further develop economic cooperation and collaboration on global and regional challenges facing Japan and the United States.⁸⁰

Regulatory Reforms

During 2010, bilateral dialogue on the deregulation of Japan's economy continued under the Regulatory Reform and Competition Policy Initiative, based on recommendations originally exchanged in October 2008. Historically, this work has focused on a variety of industry-specific issues as well as issues that affect the overall economic environment.

Japan agreed to continue to ensure timely translations of Japanese laws into English. Japan had translated 260 laws into English as of April 2009, and planned to translate a total of 440 through its Translation Development Program by the end of fiscal year 2010.⁸¹ The Japanese government also improved transparency by increasing the number of public comment periods that are longer than 30 days, which better enables the public to express any views and concerns it may have on new laws. Additionally, the dialogue made progress on several sector-specific reforms in communications, information technology, medical devices and pharmaceuticals, and financial services.

⁷⁵ USDOS, "First Director-General Level U.S.-Japan Dialogue," November 1, 2010.

⁷⁶ USDOS, "U.S.-Japan Dialogue to Promote Innovation, Entrepreneurship and Job Creation," February 25, 2011.

⁷⁷ The White House, "Fact Sheet on U.S.-Japan Initiatives," November 13, 2010.

⁷⁸ The White House, "Fact Sheet on U.S.-Japan Initiatives," November 13, 2010.

⁷⁹ USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 134.

⁸⁰ USTR, "U.S.-Japan Economic Harmonization Initiative," February 2011.

⁸¹ The Japanese fiscal year 2010 covers the period April 1, 2010, through March 31, 2011.

In 2009, there was a setback to the Regulatory Reform and Competition Policy Initiative when the newly elected Japanese government passed a bill to halt the privatization process for the Japan Post Bank and Japan Post Insurance, both part of the publicly owned Japan Post Holdings Co. (Japan Post).⁸² In May 2010, the United States again expressed concern over Japan's "preferential treatment" of Japan Post and urged further progress on the bill. Examples of the reasons for U.S. concern include proposals in Japan that allow fewer auditing and reporting requirements for Japan Post, which would add to its competitive advantage.⁸³

Beef

In 2009, U.S. government officials met with their Japanese counterparts to again request greater access to Japan's beef market and to encourage Japan to base food regulations on commonly agreed scientific norms.⁸⁴ In 2010, however, Japan continued to restrict imports of U.S. beef by requiring all products to be derived from animals 20 months old or younger because of concerns about BSE.⁸⁵

Japan's restrictions on imports of U.S. beef have damaged U.S. beef exports. Before it banned imports of U.S. beef in December 2003, Japan was the largest export market for U.S. beef, taking almost 60 percent of U.S. total beef exports during the 1990s. In 2010, Japan accounted for 15.9 percent of total U.S. beef exports, which was the highest percent since the ban went into effect. Despite a 36.3 percent increase in U.S. exports, Japan was still only the third-largest export market for U.S. beef in 2010.⁸⁶

In April 2010, the United States placed temporary restrictions on beef from Japan due to foot-and-mouth disease (FMD). The decision was made based on warnings from Japan of a FMD outbreak in cattle.⁸⁷

Automobiles

Difficulty accessing Japan's automobile market has been an ongoing U.S. concern. As one example, new Japanese legislation supporting an environmentally friendly vehicle purchase and scrap incentive program (Japan's version of the U.S. "Cash for Clunkers" program) went into effect in June 2009.⁸⁸ The program provided subsidies to encourage purchases of newer, more fuel-efficient automobiles. Although it was scheduled to expire on March 31, 2010, the program was extended for six additional months and expired on September 30, 2010.⁸⁹ The United States raised concerns about the program because U.S. automobiles that were imported using Japan's Preferential Handling Procedure (PHP) certification process were not eligible for the purchase program.⁹⁰ On January 19, 2010, Japan announced it would open the program to qualifying automobiles imported using the PHP process. However, concerns about the overall lack of access to the Japanese

⁸² Tudor, "Japan Shifts Course in Halting Postal Sale," December 5, 2009.

⁸³ USTR, "United States, European Union Raise Shared Concerns on Japan Post," May 2010.

⁸⁴ USTR, "Ambassador Kirk Meets Japanese Minister Hirotaka Akamatsu," October 8, 2009; USDA, "Agriculture Secretary Vilsack Meets Japanese Minister Hirotaka Akamatsu," October 9, 2009.

⁸⁵ USDA, "Japan: Issues and Analysis," June 23, 2010.

⁸⁶ GTIS, Global Trade Atlas database (accessed March 22, 2011).

⁸⁷ USDA, APHIS, "USDA Places Import Restrictions on Beef from Japan Due to Finding of Foot-and-Mouth Disease," May 28, 2010.

⁸⁸ Japan Automobile Manufacturers Association, "Japanese Government Incentives for the Purchase of Environmentally Friendly Vehicles," September 24, 2009.

⁸⁹ USTR, *2011 National Trade Estimate Report on Foreign Trade Barriers*, March 2011, 210.

⁹⁰ USTR, "Kirk Comments on Changes," January 19, 2010.

automobile market continue; as a result, the U.S. government is encouraging Japan to consider international harmonization efforts as it establishes new regulations and standards for its automobile industry.⁹¹

Republic of Korea

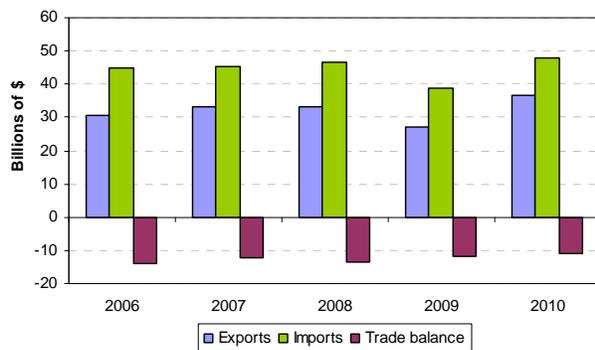
Korea was the United States' seventh-largest single-country two-way trading partner in 2010. Two-way merchandise trade was valued at \$84.8 billion in 2010, accounting for 2.8 percent of U.S. trade with the world. The United States recorded an \$11.1 billion trade deficit with Korea in 2010—the smallest in the last decade (figure 5.11). At the same time, the U.S. trade surplus in services with Korea increased \$1.4 billion to \$7.6 billion in 2010 (figure 5.12).

U.S. exports to Korea were valued at \$36.8 billion in 2010, an increase of 36.1 percent over 2009. Leading U.S. exports to Korea during the year included machinery for producing semiconductors and computer chips, aircraft, corn, and transistors. Most of the 2009 leading exports showed strong increases in value, although some increases were well below the average, such as the increase for parts of machinery for producing semiconductors, flat screens, and computers, and exports of some leading products, such as transistors, actually dropped.

U.S. imports from Korea totaled \$47.9 billion in 2010, an increase of 23.6 percent from 2009. Leading U.S. imports from Korea included cell phones, automobiles, computer parts and accessories (mainly memory modules), and computer chips. There were increases in the value of all of the major leading imports except cell phones. U.S.-Korea merchandise trade data are shown in appendix tables A.36 through A.38.

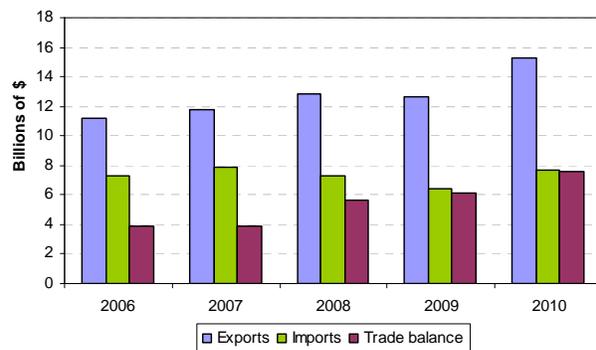
U.S.-Korean trade relations in 2010 were dominated by the status of the United States-Korea FTA (KORUS FTA). The KORUS FTA was signed in June 2007 and parts of it were renegotiated in 2010, leading to possible approval and implementation in 2011. In addition, the United States attempted to include a deal to allow exports of U.S. beef to Korea to include beef from cattle of all ages as part of the negotiations related to the KORUS FTA, but there were no provisions dealing with beef in the final agreement, as discussed in the next two sections.

FIGURE 5.11 U.S. merchandise trade with Korea, 2006–10



Source: U.S. Department of Commerce.

FIGURE 5.12 U.S. private services trade with Korea, 2006–10^a



Source: U.S. Department of Commerce.

^a Data for 2010 are preliminary.

⁹¹ USTR, *2011 National Trade Estimate Report on Foreign Trade Barriers*, March 2011, 210.

U.S.-Korea FTA

On December 3, 2010, the United States and the Republic of Korea reached an agreement that resolved issues related to the KORUS FTA, which was signed on June 30, 2007. The new agreement was focused on motor vehicles and modified the obligations of the parties under the KORUS FTA.

Major provisions of the new agreement include the following: (1) a slower phaseout of tariffs on U.S. and Korean passenger cars, U.S. trucks, and Korean frozen pork; (2) a near quadrupling of the number of cars per U.S. automaker that will be considered safety-compliant when imported into Korea, provided they meet U.S. safety standards; (3) greater transparency in new U.S. or Korean regulations affecting motor vehicle design or technology, and in Korean motor vehicle taxation based on fuel economy or greenhouse gas emissions; and (4) a special safeguard against surges in imports of motor vehicles that lasts longer than the general safeguard provision in the 2007 agreement.⁹²

In June 2010, President Obama announced his intent to finalize the KORUS FTA by the time he visited Korea for the G-20 summit in November.⁹³ USTR Kirk subsequently indicated that autos and beef were the main areas of concern in negotiations preceding the G-20 meeting.⁹⁴ Negotiations were not concluded in time for the November summit, but enough progress was made to reach agreement in December. The beef issue was not resolved by the December 2010 agreement (see below).⁹⁵

The White House is expected to send implementing legislation to Congress in 2011 and has indicated it would like congressional approval by July 1, 2011. The U.S.-Korea FTA would, if approved by Congress and implemented, be the second-largest FTA for the United States after NAFTA.⁹⁶

Beef

Before 2008, Korea intermittently suspended imports of beef from the United States because of concerns about BSE.⁹⁷ On April 18, 2008, the United States and Korea agreed to a protocol that provides for a full reopening of the Korean beef market to exports from the United States. The protocol defines conditions for the importation of U.S. beef into Korea and requires that the United States meet or exceed guidelines set by the OIE.⁹⁸ It permits all U.S. beef (bone-in and boneless) and beef products from cattle of all ages to be imported into Korea, with appropriate specified risk materials, as defined by the OIE, removed.⁹⁹

⁹² White House, "Statement of the President," December 3, 2010; White House, "Fact Sheet," December 3, 2010; USTR, "Letter to Minister for Trade Jong-Hoon Kim," February 10, 2011; USTR, *2011 National Trade Estimate Report on Foreign Trade Barriers*, March 2011, 225; and CRS, "KORUS FTA," March 1, 2011. The general safeguard can be invoked during the 10-year period after the FTA enters into force. The special safeguard for motor vehicles can be invoked for passenger automobiles during the 15-year period following entry into force and for trucks during the 20-year period following entry into force.

⁹³ White House, "Remarks by President Obama," June 26, 2010.

⁹⁴ USTR, "Kirk Comments on U.S.-Korea FTA," June 26, 2010.

⁹⁵ CRS, "KORUS FTA," March 1, 2011, 1, 48–49.

⁹⁶ CRS, "KORUS FTA," March 1, 2011, 1.

⁹⁷ For details, see USITC, *Year in Trade 2008, 2009*, 5-21 to 5-22.

⁹⁸ OIE, Resolution No. XXIV.

⁹⁹ USTR, *2009 Trade Policy Agenda and 2008 Annual Report*, March 2009, 151.

In response to significant public opposition to resuming imports of U.S. beef in Korea,¹⁰⁰ Korean beef importers and U.S. exporters reached a commercial understanding—separate from the April 18 agreement—that only U.S. beef and beef products from cattle less than 30 months of age would be shipped to Korea, as a transitional measure, to improve Korean consumer confidence in U.S. beef. At the request of U.S. exporters, the U.S. Department of Agriculture set up a voluntary Quality System Assessment Program that verifies that beef from participating plants is from cattle less than 30 months of age.¹⁰¹ U.S. beef exports resumed as of June 26, 2008, after Korea published its “Import Health Requirements for U.S. Beef and Products” in its official gazette,¹⁰² and Korea quickly returned to being one of the leading destinations for U.S. beef exports. Korea was the fourth leading destination for U.S. beef exports in 2008–10, with a substantial increase in exports in 2010. Still, U.S. beef exports to Korea remained less than before the 2003 ban.

While USTR Kirk had indicated that beef would be a subject of the renewed FTA negotiations, the Korean position was that beef “did not fall under” the FTA concluded in 2007.¹⁰³ As noted above, the December 2010 agreement did not include any provisions related to Korean imports of U.S. beef, and the commercial understanding remains in effect. President Obama has stated that “We’re going to continue to work with our Korean partners to fully implement this agreement [the KORUS FTA] and build on our progress in other areas, such as ensuring full access for U.S. beef to the Korean market.”¹⁰⁴

Taiwan

In 2010, the United States recorded \$59.5 billion in two-way merchandise trade with Taiwan, a strong increase of 32.8 percent over 2009 trade. In a return to its 2007 position before the global recession, Taiwan became the United States’ ninth-largest single-country trading partner and accounted for approximately 2.0 percent of U.S. trade with the world. Increases in both U.S. imports from Taiwan and U.S. exports to Taiwan caused little change in the United States’ bilateral deficit with Taiwan, which rose from \$11.4 billion in 2009 to \$11.7 billion in 2010 (figure 5.13). The U.S. trade surplus in services with Taiwan climbed to \$3.3 billion in 2010, representing a 145.7 percent increase over the 2009 surplus of \$1.3 billion (figure 5.14).

U.S. merchandise exports to Taiwan were \$23.9 billion in 2010, up 43.0 percent over 2009 and just \$1 billion less than the pre-recession peak in 2007. As a result of this increase, Taiwan became the 12th largest destination for U.S. exports in 2010, up from 14th in 2009. This increase was led by U.S. exports of semiconductor manufacturing and assembly equipment, aircraft, ferrous waste and scrap, and computer chips. Leading U.S. exports to Taiwan included semiconductor manufacturing and assembly equipment, staple crops (soybeans and corn), computer chips, aircraft, and ferrous waste and scrap.

¹⁰⁰ USITC, *Global Beef Trade*, 2008, 6-2.

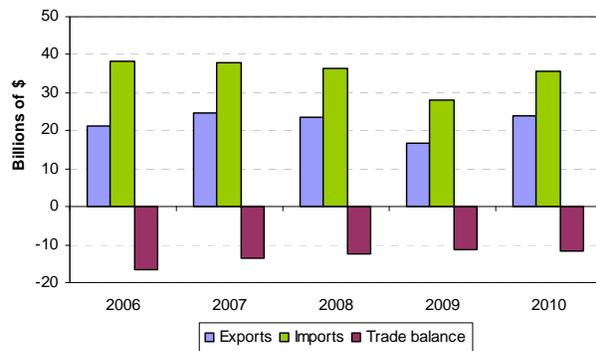
¹⁰¹ USTR, *2009 Trade Policy Agenda and 2008 Annual Report*, March 2009, 151; USTR, “USTR Confirms Korea’s Announcement,” June 21, 2008. Key elements and procedures of the protocol are summarized in USITC, *Global Beef Trade*, 2008, 6-13 to 6-14.

¹⁰² USTR, “Statement from USTR Schwab,” June 25, 2008.

¹⁰³ CRS, “KORUS FTA,” June 25, 2008, 49.

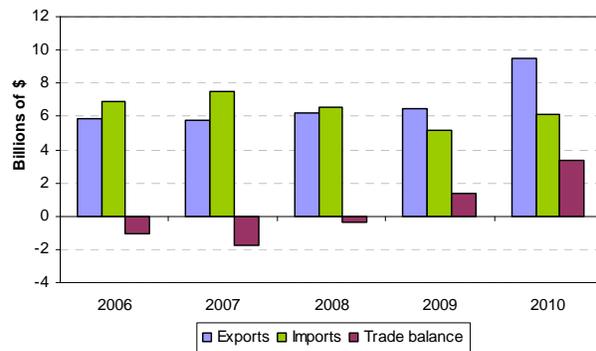
¹⁰⁴ White House, “Remarks by the President,” December 4, 2010.

FIGURE 5.13 U.S. merchandise trade with Taiwan, 2006–10



Source: U.S. Department of Commerce.

FIGURE 5.14 U.S. private services trade with Taiwan, 2006–10^a



Source: U.S. Department of Commerce.

^a Data for 2010 are preliminary.

U.S. merchandise imports from Taiwan amounted to \$35.6 billion in 2010, representing a 26.7 percent increase over 2009. The rise in overall imports from Taiwan was led by an increase in electronic component imports, which recovered as a result of rebounding U.S. consumer demand in 2010. Leading U.S. imports from Taiwan included cell phones, computer chips, computer parts, radio navigational aid apparatus (mainly GPS devices), and reception apparatus for television. U.S.-Taiwan merchandise trade data are shown in appendix tables A.39 through A.41.

The U.S.-Taiwan Trade and Investment Framework Agreement (TIFA) entered into effect in 1994 as the primary forum in which officials from the United States and Taiwan could address bilateral trade issues and promote economic cooperation. Traditionally, high-level meetings are held annually to promote continuing development of commercial opportunities. However, annual vice-ministerial meetings of the TIFA’s Council on Trade and Investment have been suspended since 2007, although working-level talks continued under the TIFA throughout the year. U.S. officials have limited engagement under the TIFA as a result of several of Taiwan’s trade-limiting policies, including continued sanitary and phytosanitary standards that restrict U.S. exports of beef.¹⁰⁵

The United States has continued to work with Taiwan on other issues important to bilateral trade, including IPR protection and Taiwan’s Country Specific Quota (CSQ) for public sector imports of U.S. rice. The IPR protection situation has improved in recent years: Taiwan was removed from the USTR Special 301 watch list in January 2009, and capacity-building programs and bilateral exchanges continued through 2010 to improve patent and copyright protection.¹⁰⁶ In the case of the CSQ on U.S. rice, Taiwan met its procurement obligations in both 2009 and 2010 following shortfalls in both 2007 and 2008.¹⁰⁷ U.S. negotiators remain concerned over transparency issues in the tender bidding process, particularly as regards Taiwan’s use of ceiling prices on imports.¹⁰⁸

¹⁰⁵ American Chamber of Commerce, Taipei, “AmCham Urges Early Scheduling of TIFA Talks,” February 9, 2010; USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 139.

¹⁰⁶ USITC, *Year in Trade 2009, 2010*, 5-23; USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 140.

¹⁰⁷ Taiwan awarded 7,634 tons of the globalized U.S. CSQ to an Australian rice handler in 2010, representing 11 percent of the total U.S. CSQ. The remainder of the U.S. CSQ was awarded to U.S. exporters. USDA, FAS, “GAIN Report, Conclusion of the 2010 Rice CSQ Tenders,” January 3, 2011; USDA, FAS, “GAIN Report, Conclusion of Taiwan 2009 CSQ Rice Quota Tenders,” December 17, 2009.

¹⁰⁸ USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 139.

Beef

Since 2003, Taiwan has restricted imports of U.S. beef with the stated intention of protecting Taiwanese consumers from BSE.¹⁰⁹ In October 2009, Taiwan and the United States agreed upon a protocol which permitted imports of most U.S. beef products, including bone-in beef. Under the protocol, beef from cattle over 30 months of age containing specified risk materials (SRMs) was banned, and as a transitional measure the U.S. beef industry agreed to voluntarily refrain from exporting all beef from animals over 30 months of age despite not being formally obligated to do so under the protocol.¹¹⁰

In January 2010, the Legislative Yuan of Taiwan passed an amendment to the Food Sanitation Act, a law that governs food safety, banning the importation of ground beef and offal products from any country that has had a case of BSE within the last 10 years.¹¹¹ While this measure affected only a small share of U.S. beef exports, USTR and U.S. legislators considered the amendment to be inconsistent with Taiwan's obligations under the 2009 protocol.¹¹² As a result, as noted earlier, high-level talks under the TIFA were not held in 2010.¹¹³

Although the beef dispute remained unresolved in 2010, U.S. beef exports to Taiwan reached \$216 million, up 53 percent over 2009 levels and 102 percent over 2007 levels.¹¹⁴ Despite ongoing concerns over beef, in late 2010 senior U.S. officials expressed interest in scheduling the next high-level TIFA meeting in order to discuss IPR enforcement, pharmaceuticals and medical devices, standards, agricultural issues and technical barriers to trade, and investment.¹¹⁵ However, progress toward talks was halted in January 2011 by a Taiwanese recall of some U.S. beef after trace levels of ractopamine, a drug legal in the United States that promotes leanness, were found in two U.S. shipments. U.S. officials are requesting clarification on standards for trace detection of the drug, and are concerned that the recall might reduce consumer demand for U.S. beef.¹¹⁶

¹⁰⁹ There have been three cases of BSE identified in the United States, none of which entered the food supply. The United States is considered to have "Controlled BSE Risk" by the OIE, meaning that it has taken steps necessary to minimize the risk posed by BSE. For further details, see CDC, "BSE," March 17, 2011; USDA, APHIS, "BSE," November 12, 2010; USTR, *2010 Report on Sanitary and Phytosanitary Measures*, March 31, 2010, 22.

¹¹⁰ Taiwan Department of Health, "Protocol of Bovine Spongiform Encephalopathy (BSE)," October 22, 2009.

¹¹¹ WTO, *Trade Policy Review: Taiwan*, July 2010, 62.

¹¹² USTR, *2010 Report on Sanitary and Phytosanitary Measures*, March 2010, 70; USTR, "Joint Statement from USTR, USDA on Taiwan's Actions to Unjustifiably Restrict U.S. Beef Imports," January 5, 2010.

¹¹³ Committee on Ways and Means, "Rangel, Camp, Levin, Brady Urge Administration to Maintain Pressure on Taiwan to Fix Beef," January 20, 2010.

¹¹⁴ USDA, FAS, FAS online database (accessed March 28, 2011).

¹¹⁵ AIT, "The United States and Taiwan: An Important Economic Relationship," November 30, 2010; AIT, "U.S. and Taiwan Discuss Broadening Bilateral Trade Under TIFA," September 29, 2010.

¹¹⁶ Taiwan Department of Health, "FDA Pledges Strict Inspections for Meat Safety," January 18, 2011; USTR, *2011 Report on Sanitary and Phytosanitary Measures*, March 2011, 80.

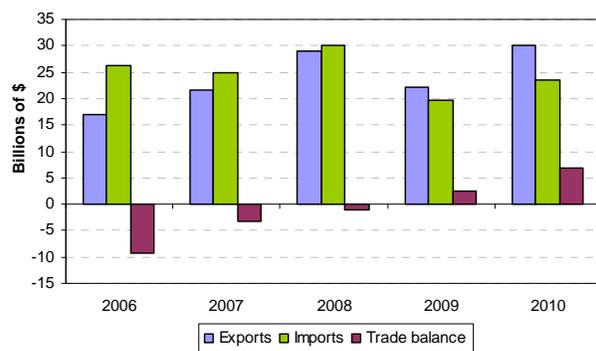
Brazil

Brazil was the United States' 10th-largest single-country two-way trading partner, as well as the United States' second-largest Latin American partner (and the largest South American partner) behind Mexico. Two-way merchandise trade between the two countries was valued at \$53.6 billion in 2010, accounting for 1.8 percent of U.S. trade with the world. The United States recorded a \$6.8 billion trade surplus with Brazil in 2010, more than double its \$2.5 billion surplus in 2009 and a striking change from the deficits recorded in previous years (figure 5.15). The U.S. services trade surplus increased by \$2.8 billion to \$10.6 billion in 2010 (figure 5.16).

U.S. merchandise exports to Brazil amounted to \$30.2 billion in 2010, an increase of 36.2 percent from 2009. Leading U.S. exports to Brazil included aircraft and aircraft parts, petroleum-related oils and refined petroleum products, coal, medicaments, and vaccines. Among the leading exports, there were especially large increases in the value of exports of petroleum-related products and vaccines, as well as substantial increases in coal and medicaments as compared with 2009. The substantial increase in U.S. exports to Brazil allowed Brazil to rise from the 10th- to the 9th-largest single-country destination for U.S. exports in 2010.

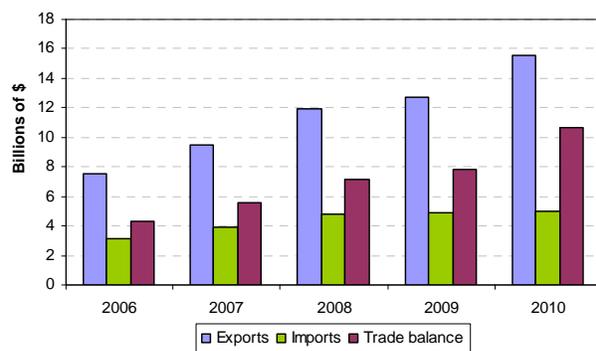
U.S. imports from Brazil totaled \$23.4 billion in 2010, up 19.3 percent from 2009. This increase was led by U.S. imports of crude petroleum oils, unroasted coffee, chemical woodpulp, pig and semifinished iron, and aircraft. Despite strong increases in each of these leading U.S. imports from 2009, Brazil fell from the 16th- to 18th-largest single-country source of U.S. imports in 2010. U.S.-Brazil merchandise trade data are shown in appendix tables A.42 through A.44.

FIGURE 5.15 U.S. merchandise trade with Brazil, 2006–10



Source: U.S. Department of Commerce.

FIGURE 5.16 U.S. private services trade with Brazil, 2006–10^a



Source: U.S. Department of Commerce.

^a Data for 2010 are preliminary.

There were developments in two WTO dispute settlement cases between the United States and Brazil in 2010. First, the United States and Brazil signed a memorandum of understanding as well as a framework agreement for enhancing bilateral cooperation in the cotton sector, as described in the following section. These steps were taken to help make progress in resolving the WTO dispute settlement case concerning U.S. subsidies on upland cotton (DS267), which found that U.S. cotton support payments and GSM-102 agricultural export credit guarantees were inconsistent with U.S. WTO commitments.¹¹⁷

Additionally, on May 10, 2010, a dispute settlement panel was composed for the case initiated by Brazil concerning U.S. Anti-Dumping Administrative Reviews and Other Measures Related to Imports of Certain Orange Juice from Brazil (DS382) (see table A.19).

Cotton

On April 20, 2010, U.S. and Brazilian officials signed a memorandum of understanding establishing a fund to provide technical assistance and capacity building for the Brazilian cotton sector. The fund holds a fixed amount valued at \$147.3 million annually and may also be used to foster related international cotton cooperation in developing countries, including but not limited to those in sub-Saharan Africa, South American countries that are Mercosur members or associate members, and Haiti.¹¹⁸ Separately, the United States agreed to make some near-term modifications to the GSM-102 Export Credit Guarantee Program¹¹⁹ and to engage in technical talks with Brazil about possible future modifications to the program, as well as to complete a risk evaluation assessing fresh beef imports from Brazil in order to prevent importation of foot-and-mouth disease into the United States.¹²⁰

On June 25, 2010, the United States and Brazil signed a Framework for a Mutually Agreed Solution to the Cotton Dispute,¹²¹ which addresses U.S. cotton domestic support and GSM-102 agricultural export credit guarantees. This agreement is intended to act as an interim solution to the cotton dispute until the U.S. Congress enacts a successor law to the U.S. Food, Conservation, and Energy Act of 2008 (“2008 U.S. Farm Bill”) in 2012.¹²² The agreement sets parameters for negotiating a future annual limit on U.S. support for upland cotton and commits the United States to announce the allocation of the GSM-102 program in two approximately equal installments each year, as well as to hold semiannual reviews of the operation of the program with the government of Brazil. Additionally, both delegations agreed to consult at least four times per year to discuss U.S. cotton support under any successor legislation to the 2008 U.S. Farm Bill, to exchange information on the GSM-102 program, and to discuss any other matters related to the cotton dispute.¹²³

¹¹⁷ For more information on this dispute, see chapter 3 and table A.19.

¹¹⁸ USTR, “U.S., Brazil Agree on Memorandum of Understanding,” April 20, 2010.

¹¹⁹ The GSM-102 program is a USDA program that provides guarantees for credit extended by private U.S. banks to approved foreign banks for foreign purchases of U.S. agricultural products.

¹²⁰ USTR, “U.S., Brazil Agree on Framework Regarding WTO Cotton Dispute,” June 17, 2010.

¹²¹ WTO, “Joint Communication from Brazil and the United States,” WT/DS267/45, August 31, 2010.

¹²² USTR, “U.S., Brazil Agree on Framework Regarding WTO Cotton Dispute,” June 17, 2010.

¹²³ USTR, *Framework for a Mutually Agreed Solution*, June 25, 2010.

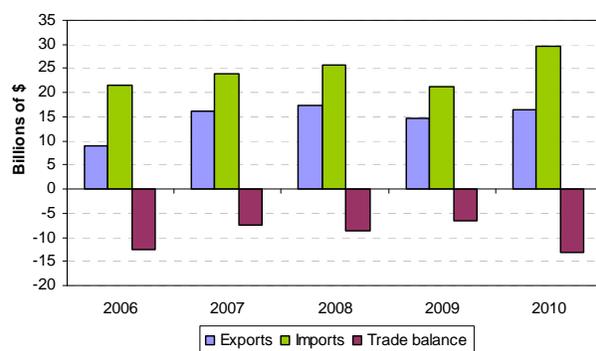
India

In 2010, India was the 12th-largest U.S. trading partner, accounting for 1.5 percent of total U.S. merchandise trade (exports plus imports). U.S.-India merchandise trade grew 28.3 percent to \$46.0 billion in 2010. The U.S. merchandise trade deficit with India doubled, rising to \$13.2 billion in 2010, an increase of \$6.6 billion compared to 2009 (figure 5.17). The U.S. services trade deficit with India also grew substantially, to \$3.0 billion in 2010, rising from \$2.4 billion in 2009. U.S. imports of Indian services increased \$1.1 billion to \$13.5 billion, while U.S. exports of services to India increased \$0.6 billion to \$10.5 billion (figure 5.18).

U.S. merchandise exports to India were \$16.4 billion in 2010, up 12.1 percent compared to 2009. Leading U.S. exports to India were nonmonetary gold, civilian aircraft and parts, diammonium phosphate (fertilizer), nonindustrial diamonds, and coal. The value of exports of nonmonetary gold increased 83.4 percent, from \$643 million in 2009 to \$1.2 billion in 2010, due to a 47.1 percent increase in quantity and a 26.1 percent increase in unit values. An important reason civil aircraft continued as a leading U.S. export to India was that Air India—the Indian flagship carrier—took delivery of three Boeing 777s in 2010, although this was down from 12 the year before. As of the end of 2010, Air India and its subsidiaries had received 38 of the 68 aircraft it ordered from Boeing in 2005.¹²⁴

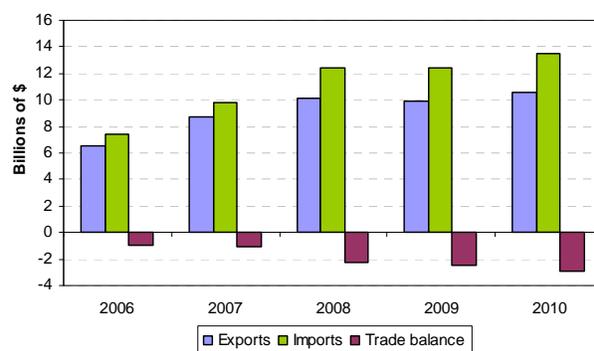
U.S. merchandise imports from India increased 39.5 percent to \$29.6 billion in 2010. Leading U.S. imports by value from India were nonindustrial diamonds, refined petroleum, therapeutic or prophylactic medicaments, gold and platinum jewelry, and bed linens, towels, and apparel. Imports of nonindustrial diamonds increased 67.5 percent to \$5.2 billion in 2010, compared to \$3.1 billion in 2009. The Indian share of total U.S. imports of nonindustrial diamonds continued to increase, climbing from 24.8 percent in 2009 to 28.6 percent in 2010. Similarly, the Indian share of total U.S. imports of gold and platinum jewelry also increased, although imports of these products from India were lower in 2010 than in 2008.¹²⁵ U.S.-India merchandise trade data are shown in appendix tables A.45 through A.47.

FIGURE 5.17 U.S. merchandise trade with India, 2006–10



Source: U.S. Department of Commerce.

FIGURE 5.18 U.S. private services trade with India, 2006–10^a



Source: U.S. Department of Commerce.

^a Data for 2010 are preliminary.

¹²⁴ USDOC official, e-mail message to Commission staff, March 15, 2011.

¹²⁵ In mid-2010, gold mixed-link necklaces and neck chains from India (HTS 7113.19.25) lost GSP duty-free status as a result of USTR's 2009 *GSP Annual Product Review*. See the chapter 2 section on GSP for more details.

Despite nontariff barriers and high—often prohibitive—tariffs on agriculture,¹²⁶ U.S. exports of agricultural products (HS chapters 1–24) to India increased \$158.4 million (29.0 percent) to \$703.9 million in 2010. During 2010, the United States and India discussed agricultural trade barriers and other bilateral economic issues in the U.S.-India Trade Policy Forum (TPF), which remained the primary forum for trade and economic dialogue between the two countries. Additionally, the United States continued to monitor India's protection of IPR by continuing to place India on USTR's Special 301 priority watch list. India's agricultural trade policy, bilateral trade and investment issues, and IPR problems are discussed below.

Agriculture

Indian policymakers manage the supply of agricultural commodities in the domestic market by making frequent changes in India's trade policies. India regularly adjusts restrictions, taxes, and subsidies on foreign trade in agricultural commodities in order to influence price and quantity in the Indian market, with the goal of achieving food security and price stability for low-income farmers and consumers. When stocks of agricultural commodities are low, India often tries to increase the domestic supply by banning exports, subsidizing imports, lowering tariffs, and relaxing nontariff measures like sanitary and phytosanitary measures. Conversely, when domestic stocks reach capacity, India typically subsidizes exports and bans or restricts imports using tariffs and nontariff measures.¹²⁷ Because India is home to more than one-sixth of the world's food consumers and more than one-twelfth of the world's farmland,¹²⁸ changes in India's agricultural trade policies can impact U.S. and global trade in agricultural commodities.

Some policy changes made in 2009 remained in place throughout 2010. For example, India's duty on imports of rice, wheat, and sugar remained at zero.¹²⁹ Also, exports of these commodities remained banned, with some exceptions.

Edible Oil

India continues to encourage imports of crude edible oils, often from the United States. India's tariff on crude edible oils, which was suspended in April 2008, remained suspended for all of 2010.¹³⁰ As a result, U.S. exports of crude soybean oil to India, which were effectively zero in 2008, rose to \$119.7 million in 2009, and increased another 11.0 percent to \$132.9 million in 2010. U.S. exports of crude sunflower and safflower oil likewise were all but nonexistent in 2009, but increased to \$13.8 million in 2010.

Cotton

The United States is the third-largest producer of cotton and the largest exporter of cotton in the world, accounting for almost half of all cotton exports globally. As a result, the U.S. cotton sector is sensitive to changes in other countries' cotton trade policies. India, the second-largest producer of cotton after China, only became a net exporter of cotton

¹²⁶ USITC, *India: Effects of Tariffs and Nontariff Measures*, November 2009, i.

¹²⁷ USITC, *India: Effects of Tariffs and Nontariff Measures*, November 2009, 5–7.

¹²⁸ CIA, "India," in *World Factbook*, January 21, 2010.

¹²⁹ For more information on India's policies concerning rice, wheat, and sugar, see USITC, *Year In Trade, 2009*, 5-28 to 5-29.

¹³⁰ USDA, FAS, "GAIN Report, India: Oilseeds and Products Update," March 7, 2011.

within the last 10 years.¹³¹ Until April 2010, cotton exports were allowed subject to monitoring by India's Textile Commissioner's Office via a registration requirement.¹³² In April, the Textile Commissioner's Office suspended registration of cotton exports, effectively banning exports.¹³³ Shortly after, the Directorate General of Foreign Trade moved cotton to the restricted list, imposing licensing restrictions on the export of cotton. In September, India announced that it was establishing an export quota of 4.3 million bales for the October 2010 to September 2011 marketing year.¹³⁴ These policy changes were a reaction to large increases in world prices for cotton as India sought to protect its domestic textile and apparel industries from these higher prices.¹³⁵

Pulses

Since India was the largest export market for U.S. pulses (chickpeas and peas) in the 2010 crop year, India's pulse trade policy is important to U.S. producers.¹³⁶ India's recent policies have aimed to encourage imports of pulses, including from the United States. The duty on India's pulse imports was suspended in June 2006, and is expected to continue to be suspended until at least March 2011.¹³⁷ India also continued its policy of subsidizing imports of pulses (up to 15 percent of the import price).¹³⁸ India's ban on the export of pulses (with the exception of Kabuli garbanzos), which has also been in place since June 2006, was likewise extended through March 2011.¹³⁹

Nonetheless, serious regulatory problems may discourage U.S. pulse exports to India. Since January 2004, pulse imports from all origins to India have been subject to fumigation by methyl bromide at the port of loading, per the Plant Quarantine Regulation of Import into India Order, 2003. As methyl bromide is being phased out in most countries due to environmental concerns, this rule may prove costly to U.S. pulse exporters in the future. Recently, the Indian government extended until September 2011 an arrangement to import pulses shipped from the United States subject to fumigation by methyl bromide at the port of arrival in India.¹⁴⁰ However, unless the fumigation requirement is removed, U.S. exports of pulses to India cannot be sustained.¹⁴¹

Trade and Investment Dialogue

U.S. and Indian officials signed a Framework for Cooperation on Trade and Investment on March 17, 2010. The agreement strengthens bilateral cooperation and seeks to build on recent rapid growth in U.S.-India trade. Under the agreement, the TPF will remain the primary bilateral mechanism through which the two countries will encourage trade,

¹³¹ USDA, ERS, "World Agricultural Supply and Demand Estimates," March 2011; USDA, FAS, "GAIN Report: India: Cotton and Products Annual," April 12, 2010.

¹³² USDA, FAS, "GAIN Report, India: Cotton and Products Annual," April 12, 2010.

¹³³ Suspending registration of exports has the effect of stopping (banning) exports of goods that have not yet been registered. USDA, FAS, "GAIN Report, India: Exports of Cotton Allowed Under License," June 4, 2010.

¹³⁴ USDA, FAS, "GAIN Report, India: Cotton Update—January 2011," January 7, 2011.

¹³⁵ USDA, ERS, "Cotton Outlook: Appendix Table 13—Index of Selected Cotton Price Quotation Offerings" (accessed June 6, 2011).

¹³⁶ USDA, FAS, "GAIN Report, India: Grain and Feed Annual," February 23, 2011.

¹³⁷ USDA, FAS, "GAIN Report, India: Grain and Feed Annual," February 17, 2010; USDA, FAS, "GAIN Report, India: Grain and Feed Update: May 2010," April 30, 2010.

¹³⁸ USDA, FAS, "GAIN Report, India: Grain and Feed Update: May 2010," April 30, 2010.

¹³⁹ USDA, FAS, "GAIN Report, India: Grain and Feed Annual," February 17, 2010; USDA, FAS, "GAIN Report, India: Grain and Feed Annual," February 23, 2011.

¹⁴⁰ USDA, FAS, "GAIN Report, India: Grain and Feed Annual," February 23, 2011.

¹⁴¹ USDA, FAS, "GAIN Report, India: Grain and Feed Annual," February 17, 2010.

investment, collaboration, and innovation, as well as develop and carry out policies that promote transparency, inclusive economic growth, and compliance with international obligations. Additionally, the United States and India will continue to use the five TPF focus groups (agriculture, innovation and creativity, investment, services, and tariffs and nontariff barriers) to engage on these matters.¹⁴²

The seventh ministerial-level meeting of the TPF was held on September 21, 2010, in Washington, D.C., where the two governments identified areas for future constructive engagement and exchanged concerns on some issues.¹⁴³ The U.S. and Indian chairs of the TPF focus groups also met during 2010. The groups discussed IPR, market access in the services sector, tariff and nontariff measures, agricultural and industrial standards issues, and investment policy. Additionally, the Private Sector Advisory Group (PSAG) presented a report to the TPF, which recommended that both countries sign an agreement on technology trade and also take steps to increase investment in Indian logistics and infrastructure.¹⁴⁴

Intellectual Property Rights

In 2010, India remained on USTR's priority watch list of countries with significant IPR problems that warrant close monitoring and bilateral consultation.¹⁴⁵ USTR continues to urge India to improve its IPR regime with stronger protection for copyrights and patents.¹⁴⁶ In addition, USTR has been pressing for legislation to protect against Indian firms' unfair commercial use of private data that foreign pharmaceutical and agrochemical companies have developed in clinical and field trials before applying for marketing approval from the Indian government. USTR also identified the need for new Indian legislation to implement the provisions of the WIPO Internet treaties and to address optical-disc piracy. USTR identified as a positive development India's incremental improvements in IPR enforcement and modernization efforts. The United States was also encouraged by the Indian government's consideration of possible trademark law amendments that would facilitate India's accession to the Madrid Protocol, a treaty covering the international registration of trademarks.¹⁴⁷

Russia

In 2010, Russia ranked 23rd among the United States' major single-country trading partners, accounting for 1.0 percent of total U.S. two-way merchandise trade (exports plus imports). The U.S. merchandise trade deficit with Russia worsened substantially from the previous year, increasing from \$12.3 billion in 2009 to \$19.5 billion in 2010, a change of 59.4 percent (figure 5.19). This growing deficit was in large part attributable to U.S. imports of petroleum and other primary commodities. Prices for these goods resumed their upward trend in 2010, after plunging sharply in 2009 as the global recession took hold.¹⁴⁸ In 2010, U.S. merchandise imports from Russia (\$25.2 billion) were over four times larger than U.S. exports to Russia (\$5.7 billion). Data are not available for U.S. trade in private services with Russia.

¹⁴² USTR, "United States-India Trade Policy Forum," March 17, 2010.

¹⁴³ USTR, "Joint Statement Regarding the U.S.-India Trade Policy Forum," September 21, 2010.

¹⁴⁴ USTR, "U.S.-India Trade Policy Forum Facts," September 21, 2010.

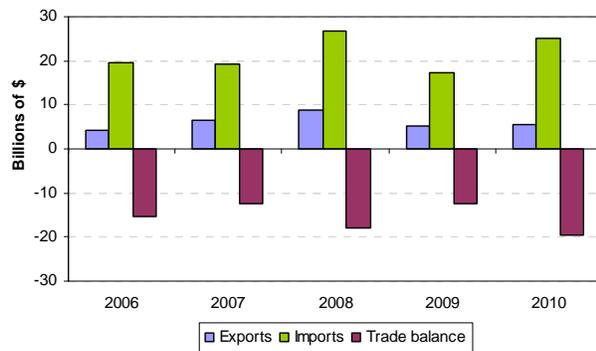
¹⁴⁵ USTR, *2010 Special 301 Report*, April 30, 2010, 26.

¹⁴⁶ USTR, *2011 National Trade Estimate Report on Foreign Trade Barriers*, March 2011, 175.

¹⁴⁷ USTR, *2010 Special 301 Report*, April 30, 2010, 26.

¹⁴⁸ WTO, "Trade Growth to Ease in 2011," April 7, 2011, 6.

FIGURE 5.19 U.S. merchandise trade with Russia, 2006–10



Source: U.S. Department of Commerce.

U.S. exports of goods to Russia increased 9.6 percent from \$5.2 billion in 2009 to \$5.7 billion in 2010. Leading U.S. exports during 2010 were aircraft; mechanical machinery, such as boring, harvesting, and sinking machinery, gas turbines, and parts; foods, such as chicken, pork, and beef; motor vehicles, such as passenger cars, dump trucks, and tractors; and primary form chemicals, such as cellulose and polyvinyl chloride.

The value of U.S. imports of goods from Russia rose much more steeply than U.S. exports, increasing 44.7 percent from \$17.4 billion in 2009 to \$25.2 billion in 2010. In large part this was because the prices of major U.S. imports from Russia—e.g., metals and energy products—rose much more significantly than the prices of U.S. exports to Russia.¹⁴⁹ Leading U.S. imports during 2010 were oil and oil products; liquefied ethylene, propylene, butylene, and other distillates; and metals, such as uranium, nickel, ferrochromium, aluminum, palladium, and titanium. U.S.-Russia merchandise trade data are shown in appendix tables A.48 through A.50.

In January 2009, the United States and Russia established a more structured forum—the Bilateral Presidential Commission—through which to pursue joint action and projects aimed at strengthening international security, encouraging economic well-being, and developing ties between the two countries.¹⁵⁰ In the area of economic and trade relations, Russia has worked since the early 1990s to transform its centrally planned economy into a free market system. A key element in this economic transformation has been Russia's ongoing negotiation of its terms of accession to the WTO and the OECD. In November 2006, the United States and Russia reached a bilateral market access agreement as part of Russia's WTO accession negotiations,¹⁵¹ and Russia is continuing similar negotiations with other WTO members.

¹⁴⁹ WTO, "Trade Growth to Ease in 2011," April 7, 2011, 6.

¹⁵⁰ USDOS, "Background Note: Russia," June 14, 2010. The commission currently includes 16 working groups, chaired by senior government officials from a variety of agencies and ministries, seeking to advance priority bilateral objectives on topics that include policy steering; agriculture; arms control; business development and economic relations; civil society; counterterrorism; counternarcotics; education, culture, sports, and mass media; science and technology; energy; environment; emergency situations; health; military to military; and nuclear energy, nuclear security, and space cooperation.

¹⁵¹ For details, see USITC, *Year in Trade 2006, 2007*, 5-24 to 5-26.

WTO Accession Negotiations

At the end of 2010, 17 years after Russia's original application for WTO membership in June 1993, Russia's accession negotiations were reported to be in their final stages. Complications continue, however, including Russia's response to the 2008 global economic crisis, which it handled by increasing tariffs and raising other trade barriers;¹⁵² the 2010 entry into force of a Russia-Belarus-Kazakhstan Customs Union (RBKCU), which led Russia to briefly suspend work on its WTO accession;¹⁵³ and the need for the U.S. Congress to pass legislation to grant Russia permanent "normal trade relations" tariff treatment.¹⁵⁴ Increasingly restrictive tariff-rate quotas and repeated flare-ups over sanitary and veterinary regulations with the United States, EU nations, and other WTO members have raised concerns about the erosion of these countries' already-agreed bilateral accession agreements with Russia and, more broadly, about Russia's commitment to carry out its negotiated WTO obligations.¹⁵⁵ The United States, along with the EU and WTO Secretariat, have been working with Russia to resolve remaining multilateral issues and to address any new issues that emerge from Russia's membership in the RBKCU in order to expedite and complete Russia's WTO accession negotiations.¹⁵⁶

Trilateral U.S.-EU-Russia Accession Meetings

In the first quarter of 2010, the United States, EU, and Russia held a number of trilateral meetings to develop a plan to restart work on Russia's WTO accession, following the uncertainty created by the RBKCU announcement in June 2009. At their third meeting on March 16–17, 2010, the United States, the EU, and Russia settled on three main tasks deemed necessary to move forward with Russia's WTO accession bid.¹⁵⁷

The first task involves Russia implementing legislative and regulatory commitments made previously in order to rebuild confidence in Russia as an accession applicant—commitments such as the 2006 U.S.-Russia market access agreement covering trade in goods, services, and intellectual property protection.¹⁵⁸ The second task involves updating and completing Russia's draft WTO accession working party report, specifically regarding (1) identification, translation, tracking, and delivery of priority legislation and other key documents; (2) incorporation into the draft working party report of the changes arising from the formation and implementation of the RBKCU; and (3) conclusion of

¹⁵² USDOS, "Background Note: Russia," June 14, 2010.

¹⁵³ On June 9, 2009, Russia, Belarus, and Kazakhstan announced in Moscow that they would form a customs union, to take effect in 2010. The three countries suspended their separate WTO accession negotiations, initially indicating their intent to accede to the WTO as a single customs union but later indicating their intent to complete independent WTO accessions. Subsequently, the RBKCU entered into effect on January 1, 2010, establishing a common external tariff, and the RBKCU Customs Code entered into effect on July 1, 2010. USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 105–6; USDOS, U.S. Mission, Geneva, "October 15, 2009 Informal Consultations," November 9, 2009, par. 3.

¹⁵⁴ At present, the United States accords Russia conditional normal trade relations (NTR) tariff treatment—also known as "most favored nation" trading status—pursuant to the provisions of title IV of the U.S. Trade Act of 1974, as amended, which includes the "freedom of emigration" requirements of the Jackson-Vanik amendment (19 U.S.C. 2432). A legacy of U.S. policies toward Communist countries in Europe and elsewhere, this provision denies NTR treatment to countries that deny their citizens the right to emigrate. For details, see USITC, *Year in Trade 2006, 2007*, 5-24 to 5-26.

¹⁵⁵ USDOS, U.S. Mission, Geneva, "October 15, 2009 Informal Consultations," November 9, 2009, par. 2, 7, 8, 13.

¹⁵⁶ USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 105–6.

¹⁵⁷ USDOS, Secretary of State, "Russia and the WTO," March 30, 2010, par. 4.

¹⁵⁸ USDOS, Secretary of State, "Russia and the WTO," March 30, 2010, par. 4; USITC, *Year in Trade 2006, 2007*, 5-24 to 5-26.

negotiations on remaining issues—such as export duties, state-owned enterprises, and transparency concerns—and incorporation of these commitments into the report. The third task involves finalizing Russia’s market access commitments on goods and services, including Russia’s delivery of consolidated tariff schedules to the United States and the EU; concurring Russia’s current tariff nomenclature to more recent ones published by the global Harmonized System (HS), such as HS2002 and HS2007; and furnishing more recent trade data. Completing these tasks would provide a Russian tariff schedule and set of commitments that Russia’s customs union partners—Belarus and Kazakhstan—could then agree to in their accession bids.¹⁵⁹

Obama-Medvedev Meeting

On June 24, 2010, U.S. President Obama and Russian President Medvedev met in Washington, DC, as part of an initiative to develop a more substantive bilateral relationship between the two countries,¹⁶⁰ including reaffirming a U.S. commitment to Russia’s accession to the WTO as soon as possible.¹⁶¹ In a joint statement released as part of the meeting, the two governments agreed that they would aim to resolve their outstanding bilateral accession issues by September 30, 2010. The statement went on to say that following settlement of these issues, the United States would agree to offer its full support to Russia’s WTO accession bid, provided that the Russian government committed to the accelerated adoption of legislation and other measures that would bring it into conformity with WTO requirements for accession.¹⁶²

Renewed WTO Accession Working Party Meetings

Following the RBKCU’s entry into effect on January 1, 2010, Russia proceeded to furnish the necessary documentation to the WTO Working Party on the Accession of the Russian Federation concerning the RBKCU’s common customs regulations, practices, and procedures. Informal working party consultations were held on September 21, October 25, and December 8, 2010 to review revised sections of the draft text of Russia’s working party report, Russia’s draft consolidated schedule of commitments and concessions on trade in services, and updated data on Russia’s agricultural supports. The working party also heard from the WTO Secretariat on the continuing consolidation of Russia’s bilateral market access agreements on goods, and efforts being made to adjust those commitments in terms of the HS nomenclature used for the customs union’s common external tariff.¹⁶³

U.S.-Russia Bilateral Trade Issues

Despite currently negotiating accession to the WTO, Russia continues to maintain a number of import restrictions, such as tariff-rate quotas (TRQs); customs charges and

¹⁵⁹ USDOS, Secretary of State, “Russia and the WTO,” March 30, 2010, par. 4.

¹⁶⁰ White House, “U.S.-Russia Relations: ‘Reset’ Fact Sheet,” June 24, 2010.

¹⁶¹ White House, “Joint Statement by the Presidents,” June 24, 2010.

¹⁶² White House, “Remarks by President Obama and President Medvedev, East Room,” June 24, 2010. On November 13, 2010, Presidents Obama and Medvedev held a further bilateral meeting in Yokohama, Japan, following which President Medvedev noted the serious progress made in moving Russia closer to WTO accession as a result of U.S. efforts to resolve outstanding bilateral trade issues since their June meeting. White House, “Remarks by President Obama and President Medvedev in Yokohama, Japan,” November 13, 2010.

¹⁶³ USTR, *2011 Trade Policy Agenda and 2010 Annual Report*, March 2011, 105–6.

fees that exceed the cost of service provided; valuation procedures that inflate tariff charges; and burdensome licensing, registration, and certification regimes.¹⁶⁴

Beef, Pork, and Poultry Quotas

In December 2009,¹⁶⁵ Russia extended its quota regime for meat and poultry products for 2010–12, reducing in-quota market access for pork and poultry.¹⁶⁶ Since the onset of the 2008 global economic downturn, Russian TRQs (in aggregate) for beef, pork, and poultry meat combined have tightened from 2.2 million metric tons (mt) in 2008 to 2.0 million in 2009 (–9.9 percent), and to 1.8 million in 2010 (–6.3 percent) (see table 5.1).¹⁶⁷ In May 2010, the government amended its quota regime to establish a quota monitoring process for frozen beef, pork, and poultry imports, as well as reallocate country-specific quotas.¹⁶⁸

With the entry into effect of the RBKCU Customs Code on July 1, 2010, the Customs Union Commission became the body responsible for determining the overall TRQ volume for imported products and its allocation among the three partners. The commission announced the 2011 TRQs for meat and poultry imports on November 18, 2010.¹⁶⁹ Russia followed with its quota distribution of December 25, 2010, sharply cutting its poultry TRQ for 2011 from 600,000 mt in 2010 to 350,000 mt in 2011. Russia also narrowed the poultry product definition of the poultry TRQ and discontinued country-specific allocations for poultry in 2011.¹⁷⁰

Sanitary and Phytosanitary Restrictions

Russia maintains extremely prescriptive sanitary and phytosanitary standards regarding production facilities and processes as part of its food safety requirements, and according to USTR, often attempts to impose these standards on facilities exporting to and goods imported into Russia.¹⁷¹ In 2010, U.S. exports to Russia were restricted or prohibited as a result of such standards, affecting U.S. pork and poultry production processes in particular.

In late 2009, Russia announced a zero-tolerance standard for minimum residue levels of tetracycline-group antibiotics found in pork products, effectively restricting 95 percent of U.S. pork production facilities.¹⁷² In January 2010, the Russian veterinary authority amended this standard to allow for minimum residue findings of up to 10 parts-per-

¹⁶⁴ USTR, *2011 National Trade Estimate Report on Foreign Trade Barriers*, March 2011, 305–6.

¹⁶⁵ Resolution No. 1021 of December 16, 2009. USDA, FAS, “GAIN Report, Big Moves to Self-Sufficiency,” April 6, 2010; USDA, FAS, “GAIN Report, GOR Resolution No. 306 Establishes TRQ Reallocation,” May 11, 2010.

¹⁶⁶ USTR, *2011 National Trade Estimate Report on Foreign Trade Barriers*, March 2011, 306.

¹⁶⁷ USDA, FAS, “GAIN Report, Big Moves to Self-Sufficiency,” April 6, 2010, 7. Russian TRQs for beef, pork, and poultry meat combined announced in April 2010 included further reductions planned for 2011 and 2012, to 1.7 million in 2011 (–9.8 percent) and to 1.6 million in 2012 (–6.0 percent).

¹⁶⁸ Resolution No. 306 of May 5, 2010. USDA, FAS, “GAIN Report, GOR Resolution No. 306 Establishes TRQ Reallocation,” May 11, 2010, 1–2. Under Resolution No. 306, the government will monitor imports of frozen beef, pork, and poultry to see whether individual supplier countries meet 11.5 percent of their annual country-specific quota during any two month period and, if not, the Russian government may reallocate import licenses to any other supplier country.

¹⁶⁹ USTR, *2011 National Trade Estimate Report on Foreign Trade Barriers*, March 2011, 306.

¹⁷⁰ USDA, FAS, “GAIN report, Russia Announces 2011 TRQ Quantities,” December 27, 2010.

¹⁷¹ USTR, *2011 Report on Sanitary and Phytosanitary Measures*, March 2011, 71.

¹⁷² USDOC, USF&CS, *Doing Business in Russia*, 2010, chapter 4; USTR, *2011 Report on Sanitary and Phytosanitary Measures*, March 2011, 73.

TABLE 5.1 Russian tariff-rate quota quantities for meat and poultry, 2006-10^a

	2006	2007	2008	2009	2010
	Thousand metric tons				
Total	2,069.7	2,125.3	2,179.0	1,963.4	1,840.0
Beef: frozen	435.0	440.0	445.0	450.0	530.0
United States	17.9	18.1	18.3	18.5	21.7
Pork: fresh/chilled/frozen	476.1	484.8	493.5	531.9	472.1
United States	54.8	49.0	49.8	100.0	57.5
Pork: trimmings	^(b)	^(b)	^(b)	^(b)	27.9
Poultry: fresh/chilled/frozen	1,130.8	1,172.2	1,211.6	952.0	780.0
United States	841.3	871.4	901.4	750.0	600.0

Source: USDA, FAS, "Big Moves to Self-Sufficiency," Poultry and Products Semi-Annual, table 4. Russia Tariff-Rate Quota Quantities and U.S. Shares, 1000 MT, GAIN report no. RS1020, April 6, 2010.

^a On December 25, 2010, the Russian Ministry of Economic Development announced the initial distribution of 2011 tariff-rate quota quantities (TRQs) to importers, sharply reducing the poultry TRQ from 600,000 mt in 2010 to 350,000 mt in 2011, as well as narrowing the poultry product scope and no longer allocating country-specific TRQs for poultry. Fresh beef, pork, and pork trimming TRQs remained unchanged from 2010. Russia increased the U.S. frozen beef TRQ allocation, from 21,700 mt in 2010 to 41,700 mt in 2011, making an equivalent reduction in the frozen beef TRQ for "Other Countries." USDA, FAS, "GAIN Report, Russia Announces 2011 TRQ Quantities," December 27, 2010.

^b Not applicable.

billion, but still without providing justification for standards more stringent than international norms.¹⁷³ Russia continues to restrict imports from U.S. facilities based on findings of tetracycline-group antibiotics.¹⁷⁴

On January 1, 2010, Russia banned the importation and sale of poultry meat treated with chlorine-water solutions that exceed the levels allowed in drinking water, a measure that resulted in a virtual ban of U.S. poultry exports to Russia due to the widespread use of the chlorine-rinse process by the U.S. poultry meat industry as a standard antimicrobial treatment.¹⁷⁵ On June 24, 2010, the two governments reached an agreement that would allow U.S. poultry exports to Russia to resume,¹⁷⁶ with U.S. producers regaining eligibility to ship poultry items produced on or after July 14, 2010.¹⁷⁷ Although these bilateral negotiations led to resumption of U.S. poultry exports to Russia by September 2010, the issue of the chlorine-rinse restriction itself remains unresolved. Related issues include the maximum limit set by the Russian government on the water content in chilled and frozen chicken, as well as a resolution that bans the importation and sale of poultry frozen for longer than three months if destined for processing into baby food or for special diets.¹⁷⁸

For poultry, Russia maintains a zero-tolerance standard for salmonella and other bacterial disease pathogens, as well as for minimum residue levels of many veterinary drugs used

¹⁷³ USDOC, USF&CS, *Doing Business in Russia*, 2010, chapter 4.

¹⁷⁴ USTR, *2011 Report on Sanitary and Phytosanitary Measures*, March 2011, 73.

¹⁷⁵ USTR, *2011 Report on Sanitary and Phytosanitary Measures*, March 2011, 71; USDOC, USF&CS, "Doing Business in Russia: 2010 Country Commercial Guide for U.S. Companies," 2010, chapter 4.

¹⁷⁶ White House, "Remarks by President Obama and President Medvedev, East Room," June 24, 2010.

¹⁷⁷ USDA, FAS, "GAIN Report, Russia Resumes Imports of U.S. Poultry," September 21, 2010, 6.

¹⁷⁸ USTR, *2011 Report on Sanitary and Phytosanitary Measures*, March 2011, 71–72.

in U.S. poultry production. These requirements have led to multiple restrictions on U.S. poultry facilities, in addition to the exported product.¹⁷⁹

Intellectual Property Rights

Although Russia made some progress in improving its IPR protection and enforcement, USTR continues to include Russia on the priority watch list in the 2010 Special 301 Report.¹⁸⁰ Key USTR concerns include Russia's slow implementation of some commitments made in the 2006 IPR agreement¹⁸¹ between the U.S. and Russian governments, concluded as part of market access negotiations for Russian accession to the WTO.¹⁸² The agreement committed Russia to fight optical-disc and Internet piracy, enact legislation to protect against unfair commercial use of pharmaceutical test data, deter piracy and counterfeiting through tougher criminal penalties, strengthen border enforcement of IPRs, and conform domestic laws to international IPR standards.¹⁸³

According to USTR, in 2010, Internet piracy in Russia was a growing concern, despite the opening of several criminal investigations against suspect operators of Russian Web sites providing access to infringing materials. U.S. and multinational companies also continue to report Russian counterfeiting of trademarked goods, in particular consumer goods, distilled spirits, agricultural chemicals and biotechnology, and pharmaceuticals. Optical-disc piracy also continues to be an issue. Moreover, poor IPR law enforcement is a widespread problem with, for example, reports of surprise raids on illegal optical-disc facilities compromised by unauthorized advance notice of the raids to facility operators.¹⁸⁴

¹⁷⁹ USTR, *2011 Report on Sanitary and Phytosanitary Measures*, March 2011, 71–73. Even after imports of U.S. poultry resumed in September 2010, Russia restricted some U.S. poultry shipments based on findings of salmonella.

¹⁸⁰ USTR, *2011 National Trade Estimate Report on Foreign Trade Barriers*, March 2011, 309.

¹⁸¹ The November 2006 Agreement between the Government of the United States of America and the government of the Russian Federation on Protection and Enforcement of Intellectual Property Rights (2006 IPR Agreement). USTR, *2011 National Trade Estimate Report on Foreign Trade Barriers*, March 2011, 309; USTR, *2010 Special 301 Report*, April 30, 2010, 23.

¹⁸² USTR, *2011 National Trade Estimate Report on Foreign Trade Barriers*, March 2011, 309; USTR, *2010 Special 301 Report*, April 30, 2010, 23.

¹⁸³ USTR, *2010 Special 301 Report*, April 30, 2010, 23.

¹⁸⁴ USTR, *2011 National Trade Estimate Report on Foreign Trade Barriers*, March 2011, 309–311.

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APPENDIX TABLES

TABLE A.1 U.S. merchandise trade with the world, by SITC codes (revision 3), 2008–10

SITC Code No.	Description	2008	2009	2010	% change, 2009–10
		Millions of \$			
Exports:					
0	Food and live animals	83,272	69,132	79,626	15.2
1	Beverages and tobacco	5,168	4,710	5,023	6.7
2	Crude materials, inedible, except fuels	75,517	61,050	79,896	30.9
3	Mineral fuels, lubricants and related materials	75,841	54,358	79,801	46.8
4	Animal and vegetable oils, fats and waxes	4,317	3,192	4,308	35.0
5	Chemicals and related products, n.e.s.	174,111	153,242	180,906	18.1
6	Manufactured goods classified chiefly by material	107,717	80,401	99,723	24.0
7	Machinery and transport equipment	477,111	367,271	424,353	15.5
8	Miscellaneous manufactured articles	111,102	98,789	108,960	10.3
9	Commodities and transactions not classified elsewhere in the SITC	55,666	44,601	59,534	33.5
	Total	1,169,821	936,745	1,122,131	19.8
Imports:					
0	Food and live animals	66,053	61,880	70,252	13.5
1	Beverages and tobacco	16,651	15,310	16,155	5.5
2	Crude materials, inedible, except fuels	36,937	22,350	30,268	35.4
3	Mineral fuels, lubricants and related materials	468,444	257,315	336,134	30.6
4	Animal and vegetable oils, fats and waxes	5,301	3,746	4,349	16.1
5	Chemicals and related products, n.e.s.	187,713	156,279	181,307	16.0
6	Manufactured goods classified chiefly by material	230,697	151,450	193,941	28.1
7	Machinery and transport equipment	718,344	567,502	710,793	25.2
8	Miscellaneous manufactured articles	288,917	246,933	285,669	15.7
9	Commodities and transactions not classified elsewhere in the SITC	71,425	66,397	69,742	5.0
	Total	2,090,483	1,549,163	1,898,610	22.6

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation “n.e.s.” stands for “not elsewhere specified.”

TABLE A.2 U.S. private services exports to the world, by category, 2008–10

Service industry	2008	2009	2010	% change, 2009–10
	Millions of \$			
Business, professional, and technical services	115,229	116,629	128,297	10.0
Travel	109,976	93,917	103,094	9.8
Royalties and license fees	93,920	89,791	95,807	6.7
Financial services	60,798	55,446	58,003	4.6
Passenger fares	31,404	26,424	31,295	18.4
Education	17,938	19,911	21,690	8.9
Port services	21,561	18,159	20,189	11.2
Freight	22,153	17,247	19,637	13.9
Insurance services	13,538	14,651	14,558	−0.6
Telecommunications	9,425	9,284	10,201	9.9
Other	22,004	22,410	23,821	6.3
Total	517,946	483,869	526,592	8.8

Source: USDOC, BEA, U.S. International Transactions Accounts Data, March 16, 2011, table 3a.

Note: Data for 2010 are preliminary.

TABLE A.3 U.S. private services imports from the world, by category, 2008–10

Service industry	2008	2009	2010	% change, 2009–10
	Millions of \$			
Business, professional, and technical services	82,537	81,995	89,514	9.2
Travel	79,726	73,230	74,646	1.9
Insurance services	56,107	55,233	56,454	2.2
Freight	42,046	29,341	37,657	28.3
Royalties and license fees	25,781	25,230	29,227	15.8
Passenger fares	32,563	25,980	28,086	8.1
Financial services	20,154	16,454	15,796	-4.0
Port services	11,656	12,245	11,296	-7.8
Telecommunications	7,254	7,048	7,541	7.0
Education	5,173	5,583	5,960	6.8
Other	2,462	2,578	2,455	-4.8
Total	365,459	334,917	358,632	7.1

Source: USDOC, BEA, U.S. International Transactions Accounts Data, March 16, 2011, table 3a.

Note: Data for 2010 are preliminary.

TABLE A.4 Antidumping cases active in 2010, by USITC investigation number

USITC investigation number	Product	Country of origin	Date of institution	USITC prelim	ITA ^a prelim	ITA final	USITC final	Date of final action ^b
Affirmative = A; Negative = N								
731-TA-1088	Polyvinyl alcohol	Taiwan	9/7/2004	A ^c	A	(^d)	(^d)	(^d)
731-TA-1156	Polyethylene retail carrier bags	Indonesia	3/31/2009	A	A	A	A	4/26/2010
731-TA-1157	Polyethylene retail carrier bags	Taiwan	3/31/2009	A	A	A	A	4/26/2010
731-TA-1158	Polyethylene retail carrier bags	Vietnam	3/31/2009	A	A	A	A	4/26/2010
731-TA-1159	Oil country tubular goods	China	4/8/2009	A	A	A	A	5/14/2010
731-TA-1160	Prestressed concrete steel wire strand	China	5/27/2009	A	A	A	A	6/22/2010
731-TA-1161	Steel grating	China	5/29/2009	A	A	A	A	7/13/2010
731-TA-1162	Wire decking	China	6/5/2009	A	A	A	N	7/26/2010
731-TA-1163	Woven electric blankets	China	6/30/2009	A	A	A	A	8/10/2010
731-TA-1164	Narrow woven ribbons	China	7/9/2009	A	A	A	A	9/25/2010
731-TA-1165	Narrow woven ribbons	Taiwan	7/9/2009	A	A	A	A	9/25/2010
731-TA-1166	Magnesia carbon bricks	China	7/29/2009	A	A	A	A	9/8/2010
731-TA-1167	Magnesia carbon bricks	Mexico	7/29/2009	A	A	A	A	9/8/2010
731-TA-1168	Seamless carbon and alloy steel standard, line, and pressure pipe	China	9/16/2009	A	A	A	A	11/4/2010
731-TA-1169	Coated paper	China	9/23/2009	A	A	A	A	11/10/2010
731-TA-1170	Coated paper	Indonesia	9/23/2009	A	A	A	A	11/10/2010
731-TA-1173	Phosphate salts	China	9/24/2009	(^e)	A	A	(^e)	7/15/2010
731-TA-1174	Seamless refined copper pipe and tube	China	9/30/2009	A	A	A	A	11/15/2010
731-TA-1175	Seamless refined copper pipe and tube	Mexico	9/30/2009	A	A	A	A	11/15/2010
731-TA-1176	Drill pipe	China	12/31/2009	A	A	(^d)	(^d)	(^d)
731-TA-1177	Aluminum extrusions	China	3/31/2010	A	A	(^d)	(^d)	(^d)
731-TA-1178	Glyphosate	China	3/31/2010	(^f)	(^g)	(^g)	(^g)	4/29/2010
731-TA-1179	Multilayered wood flooring	China	10/21/2010	A	(^d)	(^d)	(^d)	(^d)

Source: U.S. International Trade Commission.

^aInternational Trade Administration (ITA), USDOC.

^bFor 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 USDOC is shown.

^cOn October 21, 2004, the USITC made a negative preliminary injury determination. Following judicial proceedings that concluded on March 30, 2010, the USITC published notice of its preliminary affirmative injury determination on remand.

^dPending as of December 31, 2010.

^eUSITC preliminary affirmative with respect to monopotassium phosphate, dipotassium phosphate, and tetrapotassium pyrophosphate. USITC preliminary negative with respect to sodium tripolyphosphate. USITC final affirmative with respect to anhydrous dipotassium phosphate and tetrapotassium pyrophosphate. USITC final negative with respect to anhydrous monopotassium phosphate.

^fPetition withdrawn.

^gNot applicable.

TABLE A.5 Antidumping duty orders and suspension agreements in effect as of December 31, 2010

Country	Commodity	Effective date of original action
Argentina	Lemon juice (suspended)	Sept. 10, 2007
	Honey	Dec. 10, 2001
Australia	Electrolytic manganese dioxide	Oct. 7, 2008
Belarus	Steel concrete reinforcing bar	Sept. 7, 2001
Belgium	Stainless steel plate in coils	May 21, 1999
Brazil	Polyethylene terephthalate film, sheet, and strip	Nov. 10, 2008
	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
	Stainless steel bar	Feb. 21, 1995
	Silicomanganese	Dec. 22, 1994
	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	Citric acid and certain citric salts	May 29, 2009
	Iron construction castings	Mar. 5, 1986
Chile	Preserved mushrooms	Dec. 2, 1998
China	Coated paper	Nov. 17 2010
	Seamless carbon and alloy steel standard, line, and pressure pipe	Nov. 10, 2010
	Magnesia carbon bricks	Sept. 20, 2010
	Narrow woven ribbons	Sept. 1, 2010
	Woven electric blankets	Aug. 18, 2010
	Steel grating	July 23, 2010
	Prestressed concrete steel wire strand	June 29, 2010
	Oil country tubular goods	May 21, 2010
	Potassium phosphate salts	July 22, 2010
	Seamless refined copper pipe and tube	Nov. 22, 2010
	Kitchen appliance shelving and racks	Sept. 14, 2009
	Tow-behind lawn groomer	Aug. 3, 2009
	Citric acid and certain citric salts	May 29, 2009
	Circular welded carbon-quality steel line pipe	May 13, 2009
	Frontseating service valves	April 28, 2009
	HEDP	April 28, 2009
	Steel threaded rod	April 14, 2009
	Circular welded austenitic stainless pressure pipe	Mar. 17, 2009
	Small-diameter graphite electrodes	Feb. 26, 2009
	Uncovered innerspring units	Feb. 19, 2009
	Lightweight thermal paper	Nov. 24, 2008
	Polyethylene terephthalate film, sheet, and strip	Nov. 10, 2008
	Electrolytic manganese dioxide	Oct. 7, 2008
	Steel wire garment hangers	Oct. 6, 2008
	Raw flexible magnets	Sept. 17, 2008
	Off-the-road tires	Sept. 4, 2008
	Sodium nitrite	Aug. 27, 2008
Laminated woven sacks	Aug. 7, 2008	
Light-walled rectangular pipe and tube	Aug. 5, 2008	

TABLE A.5 Antidumping duty orders and suspension agreements in effect as of December 31, 2010—*Continued*

Country	Commodity	Effective date of original action
China— <i>Continued</i>	Steel nails	Aug. 1, 2008
	Circular welded carbon-quality steel pipe	July 22, 2008
	Sodium hexametaphosphate	Mar. 19, 2008
	Certain polyester staple fiber	June 1, 2007
	Certain activated carbon	April 27, 2007
	Certain lined paper school supplies	Sept. 28, 2006
	Artist's canvas	June 1, 2006
	Chlorinated isocyanurates	June 24, 2005
	Magnesium	April 15, 2005
	Tissue paper	Mar. 30, 2005
	Frozen or canned warmwater 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
	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
	Non-malleable cast iron pipe fittings	Apr. 7, 2003
	Ferrovandium	Jan. 28, 2003
	Folding metal tables and chairs	June 27, 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
	Preserved mushrooms	Feb. 19, 1999
	Carbon steel plate	Oct. 24, 1997
	Crawfish tail meat	Sept. 15, 1997
	Persulfates	July 7, 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	

TABLE A.5 Antidumping duty orders and suspension agreements in effect as of December 31, 2010—*Continued*

Country	Commodity	Effective date of original action
China— <i>Continued</i>	Porcelain-on-steel cooking ware	Dec. 2, 1986
	Petroleum wax candles	Aug. 28, 1986
	Iron construction castings	May 9, 1986
	Barium chloride	Oct. 17, 1984
	Chloropicrin	Mar. 22, 1984
	Potassium permanganate	Jan. 31, 1984
	Greige polyester cotton printcloth	Sept. 16, 1983
Finland	Carboxymethylcellulose	July 11, 2005
France	Low-enriched uranium	Feb. 13, 2002
	Ball bearings	May 15, 1989
	Brass sheet and strip	Mar. 6, 1987
Germany	Lightweight thermal paper	Nov. 24, 2008
	Sodium nitrite	Aug. 27, 2008
	Stainless steel sheet and strip	July 27, 1999
	Seamless pipe	Aug. 3, 1995
	Corrosion-resistant carbon steel flat products	Aug. 19, 1993
	Ball bearings	May 15, 1989
	Brass sheet and strip	Mar. 6, 1987
India	Commodity matchbooks	Dec. 11, 2009
	HEDP	Apr. 28, 2009
	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	Polyethylene retail carrier bags	May 4, 2010
	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
Italy	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

TABLE A.5 Antidumping duty orders and suspension agreements in effect as of December 31, 2010—*Continued*

Country	Commodity	Effective date of original action
Italy— <i>Continued</i>	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	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
	Stainless steel bar	Feb. 21, 1995
	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
	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
Korea	Light-walled rectangular pipe and tube	Aug. 5, 2008
	Prestressed concrete steel wire strand	Jan. 28, 2004
	Polyvinyl alcohol	Oct. 1, 2003
	Polyester staple fiber	May 25, 2000
	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
	Corrosion-resistant carbon steel flat products	Aug. 19, 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	
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	Seamless refined copper pipe and tube	Nov. 22, 2010
	Magnesia carbon bricks	Sept. 20, 2010
	Light-walled rectangular pipe and tube	Aug. 5, 2008
	Lemon juice (suspended)	Sept. 10, 2007
	Carboxymethylcellulose	July 11, 2005
	Prestressed concrete steel wire strand	Jan. 28, 2004
	Carbon and certain alloy steel wire rod	Oct. 29, 2002
	Stainless steel sheet and strip	July 27, 1999
	Fresh tomatoes (suspended)	Nov. 1, 1996
Circular welded non alloy steel pipe	Nov. 2, 1992	

TABLE A.5 Antidumping duty orders and suspension agreements in effect as of December 31, 2010—*Continued*

Country	Commodity	Effective date of original action
Moldova	Carbon and certain alloy steel wire rod	Oct. 29, 2002
	Steel concrete reinforcing bars	Sept. 7, 2001
Netherlands	Carboxymethylcellulose	July 11, 2005
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
Romania	Small diameter seamless pipe	Aug. 10, 2000
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	Uncovered innerspring units	Dec. 11, 2008
	Ferrovandium	Jan. 28, 2003
	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
Sweden	Carboxymethylcellulose	July 11, 2005
Taiwan	Narrow woven ribbons	Sept. 1, 2010
	Polyethylene retail carrier bags	May 4, 2010
	Raw flexible magnets	Sept. 17, 2008
	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
	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	
Small-diameter carbon steel pipe	May 7, 1984	
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
	Carbon steel butt weld pipe fittings	July 6, 1992
	Welded carbon steel pipe	Mar. 11, 1986
Trinidad and Tobago	Carbon and certain alloy steel wire rod	Oct. 29, 2002

TABLE A.5 Antidumping duty orders and suspension agreements in effect as of December 31, 2010—*Continued*

Country	Commodity	Effective date of original action
Turkey	Light-walled rectangular pipe and tube	May 30, 2008
	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
	Silicomanganese	Sept. 17, 2001
	Ammonium nitrate	Sept. 12, 2001
	Steel concrete reinforcing bars	Sept. 7, 2001
	Carbon steel plate (suspended)	Oct. 24, 1997
	Solid urea	July 14, 1987
United Arab Emirates	Polyethylene terephthalate film, sheet, and strip	Nov. 10, 2008
United Kingdom	Ball bearings	May 15, 1989
Venezuela	Silicomanganese	May 23, 2002
Vietnam	Polyethylene retail carrier bags	May 4, 2010
	Uncovered innerspring units	Dec. 11, 2008
	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 2010, by USITC investigation number

USITC investigation number	Product	County of origin	Date of institution	USITC prelim	ITA ^a		USITC final	Date of final action ^b
					prelim	final		
Affirmative = A; Negative = N								
701-TA-462	Polyethylene retail carrier bags	Vietnam	03/31/09	A	A	A	A	04/26/10
701-TA-463	Oil country tubular goods	China	04/08/09	A	A	A	A	01/13/10
701-TA-464	Prestressed concrete steel wire strand	China	05/27/09	A	A	A	A	06/22/10
701-TA-465	Steel grating	China	05/29/09	A	A	A	A	07/13/10
701-TA-466	Wire decking	China	06/05/09	A	A	A	N	07/26/10
701-TA-467	Narrow woven ribbons	China	07/09/09	A	A	A	A	08/25/10
701-TA-468	Magnesia carbon bricks	China	07/29/09	A	N	A	A	09/08/10
701-TA-469	Seamless carbon and alloy steel standard, line, and pressure pipe	China	09/16/09	A	A	A	A	11/04/10
701-TA-470	Coated paper	China	09/23/09	A	A	A	A	11/10/10
701-TA-471	Coated paper	Indonesia	09/23/09	A	A	A	A	11/10/10
701-TA-473	Phosphate salts	China	09/24/09	(^c)	A	A	(^c)	07/15/10
701-TA-474	Drill pipe	China	12/31/09	A	A	(^d)	(^d)	(^d)
701-TA-475	Aluminum extrusions	China	03/31/10	A	A	(^d)	(^d)	(^d)
701-TA-476	Multilayered wood flooring	China	10/21/10	A	(^d)	(^d)	(^d)	(^d)

Source: U.S. International Trade Commission.

^aInternational Trade Administration, USDOC.

^bFor 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 USDOC is shown.

^cUSITC preliminary affirmative with respect to monopotassium phosphate, dipotassium phosphate, and tetrapotassium pyrophosphate. USITC preliminary negative with respect to sodium tripolyphosphate. USITC final affirmative with respect to anhydrous dipotassium phosphate and tetrapotassium pyrophosphate. USITC final negative with respect to anhydrous monopotassium phosphate.

^dPending as of December 31, 2010.

TABLE A.7 Countervailing duty orders in effect as of December 31, 2010

Country	Commodity	Effective date of original action
Argentina	Honey	Dec. 10, 2001
Belgium	Stainless steel plate in coils	May 11, 1999
Brazil	Carbon and certain alloy steel wire rod	Oct. 22, 2002
	Hot-rolled carbon steel flat products	July 6, 1999
	Heavy iron construction castings	May 15, 1986
China	Seamless refined copper pipe and tube	Nov. 22, 2010
	Coated paper	Nov. 17, 2010
	Seamless carbon and alloy steel standard, line, and pressure pipe	Nov. 10, 2010
	Magnesia carbon bricks	Sept. 21, 2010
	Narrow woven ribbons	Sept. 1, 2010
	Steel grating	July 23, 2010
	Prestressed concrete steel wire strand	July 7, 2010
	Oil country tubular goods	Jan. 20, 2010
	Citric acid and certain citric salts	May 29, 2009
	Kitchen appliance shelving and racks	Sept. 14, 2009
	Tow-behind lawn groomers	Aug. 3, 2009
	Welded stainless steel pressure pipe	Mar. 19, 2009
	Circular welded carbon-quality steel line pipe	Jan. 23, 2009
	Lightweight thermal paper	Nov. 24, 2008
	Raw flexible magnets	Sept. 17, 2008
	Off-the-road tires	Sept. 4, 2008
	Sodium nitrite	Aug. 27, 2008
	Laminated woven sacks	Aug. 7, 2008
	Light-walled rectangular pipe and tube	Aug. 5, 2008
	Circular welded carbon-quality steel pipe	July 22, 2008
India	Commodity matchbooks	Dec. 11, 2009
	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	Coated paper	Nov. 17, 2010
	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	Carbon steel plate	Feb. 10, 2000
	Pasta	July 24, 1996
Korea	Carbon steel plate	Feb. 10, 2000
	Stainless steel sheet and strip	Aug. 6, 1999
	Corrosion-resistant carbon steel flat products	Aug. 17, 1993

TABLE A.7 Countervailing duty orders in effect as of December 31, 2010—*Continued*

Country	Commodity	Effective date of original action
Norway	Fresh and chilled Atlantic salmon	Apr. 12, 1991
South Africa	Stainless steel plate in coils	May 11, 1999
Thailand	Hot-rolled carbon steel flat products	Dec. 3, 2001
Turkey	Pasta	July 24, 1996
	Welded carbon steel pipe	Mar. 7, 1986
Vietnam	Polyethylene retail carrier bags	May 4, 2010

Source: U.S. International Trade Commission.

TABLE A.8 Reviews of existing antidumping and countervailing duty orders completed in 2010, by date of completion

USITC investigation number	Product	Country of origin	Completion date ^a	Action
AA1921-167	Pressure sensitive plastic tape	Italy	03/11/10	Continued
731-TA-776	Preserved mushrooms	Chile	04/09/10	Continued
731-TA-777	Preserved mushrooms	China	04/09/10	Continued
731-TA-778	Preserved mushrooms	India	04/09/10	Continued
731-TA-779	Preserved mushrooms	Indonesia	04/09/10	Continued
731-TA-1059	Hand trucks	China	04/15/10	Continued
731-TA-130	Chloropicrin	China	04/19/10	Continued
731-TA-1070A	Crepe paper	China	04/30/10	Continued
701-TA-437	Carbazole violet pigment 23	India	05/10/10	Continued
731-TA-1060	Carbazole violet pigment 23	China	05/10/10	Continued
731-TA-1061	Carbazole violet pigment 23	India	05/10/10	Continued
731-TA-770	Stainless steel wire rod	Italy	05/28/10	Continued
731-TA-771	Stainless steel wire rod	Japan	05/28/10	Continued
731-TA-772	Stainless steel wire rod	Korea	05/28/10	Continued
731-TA-773	Stainless steel wire rod	Spain	05/28/10	Continued
731-TA-775	Stainless steel wire rod	Taiwan	05/28/10	Continued
731-TA-1047	Ironing tables	China	06/08/10	Continued
731-TA-149	Barium chloride	China	06/09/10	Continued
731-TA-1043	Polyethylene retail carrier bags	China	06/22/10	Continued
731-TA-1044	Polyethylene retail carrier bags	Malaysia	06/22/10	Continued
731-TA-1045	Polyethylene retail carrier bags	Thailand	06/22/10	Continued
731-TA-44	Sorbitol	France	07/01/10	Revoked
731-TA-1070B	Tissue paper	China	07/01/10	Continued
731-TA-125	Potassium permanganate	China	09/30/10	Continued
731-TA-1082	Chlorinated isocyanurates	China	09/30/10	Continued
731-TA-1083	Chlorinated isocyanurates	Spain	09/30/10	Continued
701-TA-249	Heavy iron construction castings	Brazil	10/27/10	Continued
731-TA-262	Heavy and light iron construction castings	Brazil	10/27/10	Continued
731-TA-263	Heavy iron construction castings	Canada	10/27/10	Continued
731-TA-265	Heavy and light iron construction castings	China	10/27/10	Continued
731-TA-1058	Wooden bedroom furniture	China	12/14/10	Continued
731-TA-282	Petroleum wax candles	China	12/16/10	Continued

Source: U.S. International Trade Commission.

^aThe completion date shown is the date of the USITC notification of USDOC.

TABLE A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2010 and those pending on December 31, 2010

Status of Investigation	Article	Country ^a	Commission determination
Completed:			
337-TA-413	Certain Rare-Earth Magnets and Magnetic Materials and Articles Containing the Same	Taiwan, China	One related (ancillary) advisory proceeding; terminated based on denial of advisory opinion.
337-TA-501	Certain Encapsulated Integrated Circuit Devices and Products Containing Same	Malaysia	Terminated based on a finding of no violation.
337-TA-564	Certain Voltage Regulators, Components Thereof and Products Containing Same	No foreign respondents	One related (ancillary) enforcement proceeding; terminated based on finding a violation of limited exclusion order.
337-TA-602	Certain GPS Devices and Products Containing Same	No foreign respondents	One related (ancillary) advisory proceeding; terminated based on no violation.
337-TA-605	Certain Semiconductor Chips with Minimized Chip Package Size and Products Containing Same	Canada, Switzerland	One related (ancillary) bond forfeiture proceeding; terminated based on denial of bond forfeiture.
337-TA-617	Certain Digital Televisions and Certain Products Containing Same and Methods of Using Same	Taiwan, Hong Kong, China	One related (ancillary) enforcement proceeding; terminated based on withdrawal of complaint.
337-TA-631	Certain Liquid Crystal Display Devices and Products Containing the Same	Japan	One related (ancillary) enforcement proceeding; terminated based on settlement agreement.
337-TA-632	Certain Refrigerators and Components Thereof	Korea, Mexico	Terminated based on a finding of no violation.
337-TA-641	Certain Variable Speed Wind Turbines Components	Japan	Terminated based on a finding of no violation.
337-TA-644	Certain Composite Wear Components and Products Containing Same	India, Italy	One related (ancillary) sanctions proceeding; terminated with award of sanctions
337-TA-648	Certain Semiconductor Integrated Circuits Using Tungsten Metallization and Products Containing Same	Taiwan, Japan, Switzerland, China, Netherlands	Terminated as moot following CAFC remand based on patent expiration.
337-TA-650	Certain Coaxial Cable Connectors and Components Thereof and Products Containing Same	Taiwan, China	Issued limited and general exclusion orders and cease and desist orders.
337-TA-655	Certain Cast Steel Railway Wheels, Processes for Manufacturing or Relating to Same and Certain Products Containing Same	China	Issued limited exclusion order and cease and desist orders.

TABLE A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2010 and those pending on December 31, 2010—*Continued*

Status of Investigation	Article	Country ^a	Commission determination
Completed — <i>Continued</i> : 337-TA-657	Certain Automotive Multimedia Display and Navigation Systems, Components Thereof, and Products Containing Same	Japan	Terminated based on a settlement agreement.
337-TA-661	Certain Semiconductor Chips Having Synchronous Dynamic Random Access Memory Controllers and Products Containing Same	Taiwan, Hong Kong	Issued limited exclusion order and cease and desist orders.
337-TA-663	Certain Mobile Telephones and Wireless Communication Devices Featuring Digital Cameras, and Components Thereof	Korea	Terminated based on a settlement agreement.
337-TA-664	Certain Flash Memory Chips and Products Containing the Same	Korea, Taiwan, China, Malaysia, Hong Kong, Canada, Japan, Sweden	Terminated based on a finding of no violation.
337-TA-665	Certain Semiconductor Integrated Circuits and Products Containing Same	Cayman Islands, Singapore	Terminated based on a finding of no violation.
337-TA-666	Certain Code Cathode Fluorescent Lamp (“CCFL”) Inverter Circuits and Products Containing the Same	Taiwan, Korea	Terminated based on a finding of no violation.
337-TA-667 ^b	Certain Electronic Devices, Including Handheld Wireless Communications Devices	Finland, Canada, Taiwan, Japan	Terminated based on a settlement agreement.
337-TA-668	Certain Non-Shellfish Derived Glucosamine and Products Containing Same	China	Terminated based on a settlement agreement.
337-TA-669	Certain Optoelectronic Devices, Components Thereof, and Products Containing Same	No foreign respondents	Issued limited exclusion order and cease and desist order.
337-TA-670	Certain Adjustable Keyboard Support Systems and Components Thereof	Canada	Terminated based on a finding of no violation.
337-TA-671	Certain Digital Cameras	No foreign respondents	Terminated based on a settlement agreement.

TABLE A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2010 and those pending on December 31, 2010—*Continued*

Status of Investigation	Article	Country ^a	Commission determination
Completed—Continued:			
337-TA-672	Certain Electronic Devices Having Image Capture or Display Functionality and Components Thereof	No foreign respondents	Terminated based on a settlement agreement.
337-TA-673	Certain Electronic Devices Including Handheld Wireless Communications Devices (Consolidated with Inv. No. 667)	Korea, Finland, Taiwan, Japan, Canada	Terminated based on a settlement agreement.
337-TA-677	Certain Course Management System Software Products	Canada	Terminated based on a settlement agreement.
337-TA-678	Certain Energy Drink Products	No foreign respondents	Issued general exclusion order.
337-TA-679	Certain Products Advertised as Containing Creatine Ethyl Ester	No foreign respondents	Issued limited exclusion order and cease and desist orders.
337-TA-680	Certain Machine Vision Software, Machine Vision Systems, and Products Containing Same	Germany, Japan	Terminated based on a finding of no violation.
337-TA-684	Certain Articulated Coordinated Measuring Arms and Components Thereof	Belgium, Japan	Terminated based on a settlement agreement.
337-TA-686	Certain Bulk Welding Wire Containers and Components Thereof and Welding Wire	China, Sweden, Korea, Italy	Terminated based on finding of no violation.
337-TA-688	Certain Hybrid Electric Vehicles and Components Thereof	Japan	Terminated based on a settlement agreement.
337-TA-689	Certain Dual Access Locks and Products Containing Same	China, Taiwan, Japan, Hong Kong, England, Germany	Terminated based on a finding of no violation.
337-TA-693	Certain Foldable Stools	China	Terminated based on withdrawal of the complaint.
337-TA-696	Certain Restraining Systems for Transport Containers, Components Thereof, and Methods of Using Same	China	Terminated based on a consent order.
337-TA-697	Certain Authentication Systems, Including Software and Handheld Electronic Devices	Canada	Terminated based on a settlement agreement.
337-TA-698	Certain DC-DC Controllers and Products Containing the Same	Taiwan, Hong Kong	Terminated based on a settlement agreement.

TABLE A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2010 and those pending on December 31, 2010—*Continued*

Status of Investigation	Article	Country ^a	Commission determination
Completed—Continued:			
337-TA-699	Certain Liquid Crystal Display Devices and Products Containing the Same	Japan	Terminated based on a settlement agreement.
337-TA-702	Certain Liquid Crystal Display Modules and Products Containing the Same, and Methods for Making the Same	Korea	Terminated based on a settlement agreement.
337-TA-705	Certain Notebook Computer Products and Components Thereof	Taiwan	Terminated based on a settlement agreement.
337-TA-706	Certain Wireless Communications System Server Software, Wireless Handheld Devices and Battery Packs	Canada	Terminated based on a settlement agreement.
337-TA-707	Certain Dynamic Random Access Memory Semiconductors and Products Containing Same, Including Memory Modules	Japan, Taiwan, China, Malaysia	Terminated based on a settlement agreement.
337-TA-708	Certain Stringed Musical Instruments and Components Thereof (II)	Japan	Terminated based on a settlement agreement.
337-TA-711	Certain Inkjet Ink Cartridges with Printheads and Components Thereof	Taiwan, Hong Kong, China	Terminated based on withdrawal of complaint.
337-TA-715	Certain Game Controllers	United Kingdom	Terminated based on a settlement agreement.
337-TA-719	Certain Lighting Products	No foreign respondents	Terminated based on a settlement agreement and consent order.
337-TA-725	Certain Caskets	Mexico	Issued a limited exclusion order.
337-TA-727	Certain Underground Cable and Pipe Locators	Germany, China	Terminated based on a settlement agreement.
337-TA-729	Certain Semiconductor Products Made by Advanced Lithography Techniques and Products Containing Same	No foreign respondents	Terminated based on a settlement agreement.
Pending:			
337-TA-487	Certain Agricultural Vehicles and Components Thereof	China, Netherlands, France, Germany, and Canada	One related (ancillary) remand proceeding; pending before the Commission.
337-TA-565	Certain Ink Cartridges and Components Thereof	Hong Kong, China, Germany, Korea	One related (ancillary) advisory proceeding; pending before the Commission.

TABLE A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2010 and those pending on December 31, 2010—*Continued*

Status of Investigation	Article	Country ^a	Commission determination
Pending—Continued: 337-TA-565	Certain Ink Cartridges and Components Thereof	Hong Kong, China, Germany Korea	One related (ancillary) modification proceeding; pending before the Commission.
337-TA-567	Certain Foam Footwear	Canada	One related (ancillary) remand proceeding; pending before the Commission.
337-TA-568	Certain Products and Pharmaceutical Compositions Containing Recombinant Human Erythropoietin	Switzerland, Germany	One related (ancillary) remand proceeding; pending before the Commission.
337-TA-587	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	One related (ancillary) remand proceeding; pending before the Commission.
337-TA-602	GPS Devices and Products Containing Same	Taiwan	Two related (ancillary) enforcement and modification proceedings; pending before the ALJ.
337-TA-617	Certain Digital Televisions and Certain Products Containing Same and Methods of Using Same	Taiwan, Hong Kong, China	One related (ancillary) bond forfeiture proceedings; pending before the ALJ.
337-TA-683	MLC Flash Memory Devices and Products Containing Same	Korea, Taiwan, Hong Kong, Canada, Japan	Pending before the ALJ.
337-TA-685	Certain Flash Memory and Products Containing Same	Japan, Taiwan, China	Pending before the ALJ.
337-TA-687	Certain Video Displays, Components Thereof, and Products Containing Same	Japan	Pending before the Commission.
337-TA-690	Certain Printing and Imaging Devices and Components Thereof	Japan	Pending before the Commission.
337-TA-691	Certain Inkjet Ink Supplies and Components Thereof	China, Hong Kong	Pending before the ALJ.
337-TA-692	Certain Ceramic Capacitors and Products Containing Same	Korea	Pending before the Commission.
337-TA-694	Certain Multimedia Display and Navigation Devices and Systems, Components Thereof, and Products Containing Same	Taiwan, China	Pending before the Commission.

TABLE A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2010 and those pending on December 31, 2010—*Continued*

Status of Investigation	Article	Country ^a	Commission determination
Pending—Continued:			
337-TA-695	Certain Silicon Microphone Packages and Products Containing the Same	China	Pending before the Commission.
337-TA-700	Certain MEMS Devices and Products Containing Same	China, Japan	Pending before the Commission.
337-TA-701	Certain Electronic Devices, Including Mobile Phones, Portable Music Players, and Computers	China	Pending before the ALJ.
337-TA-703	Certain Mobile Telephones and Wireless Communication Devices Featuring Digital Cameras, and Components Thereof	Canada	Pending before the ALJ.
337-TA-704	Certain Mobile Communications and Computer Devices and Components Thereof	Finland	Pending before the ALJ.
337-TA-709	Certain Integrated Circuits, Chipsets, and Products Containing Same Including Televisions, Media Players, and Cameras	Japan	Pending before the ALJ.
337-TA-710	Certain Personal Data and Mobile Communications Devices and Related Software	Taiwan, Finland	Pending before the ALJ.
337-TA-712	Certain Digital Set-Top Boxes and Components Thereof	No foreign respondents	Pending before the ALJ.
337-TA-713	Certain Display Devices, Including Digital Televisions and Monitors	Hong Kong, Taiwan, China	Pending before the ALJ.
337-TA-714	Certain Electronic Devices With Multi-Touch Enabled Touchpads and Touchscreens	No foreign respondents	Pending before the ALJ.
337-TA-716	Certain Large Scale Integrated Circuit Semiconductor Chips and Products Containing Same	Japan, China, Malaysia, Singapore, Taiwan	Pending before the ALJ.
337-TA-717	Certain Digital Imaging Devices and Related Software	No foreign respondents	Pending before the ALJ.

TABLE A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2010 and those pending on December 31, 2010—*Continued*

Status of Investigation	Article	Country ^a	Commission determination
Pending—Continued: 337-TA-718	Certain Electronic Paper Towel Dispensing Devices and Components Thereof	Canada, China, Hong Kong, Mexico, Taiwan, Turkey	Pending before the ALJ.
337-TA-720	Certain Biometric Scanning Devices, Components Thereof, Associated Software, and Products Containing the Same	Korea	Pending before the ALJ.
337-TA-721	Certain Portable Electronic Devices and Related Software	No foreign respondents	Pending before the ALJ.
337-TA-722	Certain Automotive Vehicles and Designs Therefore	China	Pending before the Commission.
337-TA-723	Certain Inkjet Ink Cartridges with Printheads and Components Thereof	Taiwan, Hong Kong, China	Pending before the ALJ.
337-TA-724	Certain Electronic Devices with Image Processing Systems, Components Thereof, and Associated Software	No foreign respondents	Pending before the ALJ.
337-TA-726	Certain Electronic Imaging Devices	Finland, Canada, Taiwan, Korea	Pending before the ALJ.
337-TA-728	Certain Underground Cable and Pipe Locators	China, United Kingdom	Pending before the ALJ.
337-TA-730	Certain Inkjet Ink Supplies and Components Thereof	Hong Kong, China	Pending before the ALJ.
337-TA-731	Certain Toner Cartridges and Components Thereof	Hong Kong, China	Pending before the ALJ.
337-TA-732	Certain Devices Having Elastomeric Gel and Components Thereof	Hong Kong, China, Japan	Pending before the ALJ.
337-TA-733	Certain Flat Panel Digital Televisions and Components Thereof	Korea	Pending before the ALJ.
337-TA-734	Certain Adjustable-Height Beds and Components Thereof	China	Pending before the ALJ.
337-TA-735	Certain Flash Memory Chips and Products Containing the Same	Korea, Finland, Canada, Taiwan, China	Pending before the ALJ.
337-TA-736	Certain Wind and Solar-Powered Light Posts and Street Lamps	Canada	Pending before the ALJ.

TABLE A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2010 and those pending on December 31, 2010—*Continued*

Status of Investigation	Article	Country ^a	Commission determination
Pending—Continued:			
337-TA-737	Certain Liquid Crystal Display Devices and Products Interoperable With the Same	Japan	Pending before the ALJ.
337-TA-738	Certain Components for Installation of Marine Autopilots with GPS or IMU	Japan, Norway, United Kingdom	Pending before the ALJ.
337-TA-739	Certain Ground Fault Circuit Interrupters and Products Containing Same	China	Pending before the ALJ.
337-TA-740	Certain Toner Cartridges and Components Thereof	China, Hong Kong, Canada, Korea, Macao	Pending before the ALJ.
337-TA-741	Certain Liquid Crystal Display Devices, Including Monitors, Televisions, and Modules, and Components Thereof (consolidated with Inv. No. 337-TA-749)	Taiwan, China	Pending before the ALJ.
337-TA-742	Certain Digital Televisions and Components Thereof	Taiwan	Pending before the ALJ.
337-TA-743	Certain Video Game Systems and Controllers	Japan	Pending before the ALJ.
337-TA-744	Certain Mobile Devices, Associated Software, and Components Thereof	No foreign respondents	Pending before the ALJ.
337-TA-745	Certain Wireless Communication Devices, Portable Music and Data Processing Devices, Computers and Components Thereof	No foreign respondents	Pending before the ALJ.
337-TA-746	Certain Automated Media Library Devices	Germany, China, Mexico	Pending before the ALJ.
337-TA-747	Certain Products Containing Interactive Program Guide and Parental Controls Technology	Japan	Pending before the ALJ.
337-TA-748	Certain Data Storage Products and Components Thereof	Malaysia	Pending before the Commission.
337-TA-749	Certain Liquid Crystal Display Devices, Including Monitors, Televisions, and Modules, and Components Thereof (consolidated with Inv. No. 337-TA-741)	Taiwan, China	Pending before the ALJ.

TABLE A.9 Section 337 investigations and related proceedings completed by the U.S. International Trade Commission during 2010 and those pending on December 31, 2010—*Continued*

Status of Investigation	Article	Country ^a	Commission determination
Pending—Continued:			
337-TA-750	Certain Mobile Devices and Related Software	No foreign respondents	Pending before the ALJ.
337-TA-751	Certain Turbomachinery Blades, Engines and Components Thereof	United Kingdom	Pending before the ALJ.
337-TA-752	Certain Gaming and Entertainment Consoles, Related Software, and Components Thereof	No foreign respondents	Pending before the ALJ.

Source: U.S. International Trade Commission.

^a This column lists the countries of the foreign respondents named in the notice of investigation. "Hong Kong" refers to "Hong Kong, China."

^b Inv. no. 337-TA-667 was consolidated with inv. no. 337-TA-673.

TABLE A.10 Outstanding Section 337 exclusion orders as of December 31, 2010

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
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-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-406	Certain Lens-Fitted Film Packages	China, Hong Kong, Korea	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	July 8, 2014
337-TA-416	Certain Compact Multipurpose Tools	China, Taiwan	July 1, 2011 Oct. 21, 2011 Oct. 21, 2011 Oct. 21, 2011
337-TA-424	Certain Cigarettes and Packaging Thereof	No foreign respondents	Nonpatent

TABLE A.10 Outstanding Section 337 exclusion orders as of December 31, 2010—Continued

Investigation No.	Article	Country ^a	Date patent expires ^b
337-TA-440	Certain 4-Androstenediol	China	July 13, 2018
337-TA-446	Certain Ink Jet Cartridges and Components Thereof	Taiwan	Apr. 25, 2012
337-TA-448	Certain Oscillating Sprinklers, Sprinkler Components, and Nozzles	Taiwan, Israel, Germany	July 8, 2014
337-TA-473	Certain Video Game Systems, Accessories, and Components Thereof	No foreign respondents	Dec. 18, 2015
337-TA-474	Certain Recordable Compact Discs and Rewritable Compact Discs	Hong Kong, Taiwan	May 23, 2012
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	Mar. 27, 2012
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
337-TA-505	Certain Gun Barrels Used in Firearms	Switzerland, Netherlands	Sept. 25, 2015
337-TA-511	Certain Pet Food Treats	China	Sept. 23, 2011
337-TA-512	Certain Light-Emitting Diodes And Products Containing Same	Malaysia	Jan. 18, 2015 Sept. 22, 2017 Sept. 22, 2017 Sept. 22, 2017 Sept. 22, 2017 July 27, 2018 July 27, 2018 July 27, 2018
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-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-545	Certain Laminated Floor Panels	Netherlands, Canada, China, Malaysia	Jun. 10, 2017 Jun. 10, 2017 Jun. 10, 2017

TABLE A.10 Outstanding Section 337 exclusion orders as of December 31, 2010—Continued

Investigation No.	Article	Country ^a	Date patent expires ^b
337-TA-549	Certain Ink Sticks for Solid Ink Printers	Korea	Apr. 29, 2022 Apr. 29, 2022 Apr. 29, 2022
337-TA-557	Certain Automotive Parts	Taiwan	Jun. 22, 2018 Jul. 27, 2018 Sept. 28, 2018 Oct. 5, 2018 Oct. 26, 2018 Mar. 1, 2019 Mar. 22, 2019
337-TA-563	Certain Portable Power Stations and Packaging Therefor	China	Feb. 4, 2017 Nonpatent Nonpatent
337-TA-564	Certain Voltage Regulators Components Thereof and Products Containing Same	Korea, Taiwan, Malaysia, China	Mar. 23, 2013
337-TA-565	Certain Ink Cartridges and Components Thereof	Hong Kong, China, Germany, Korea	Jan. 30, 2013 Oct. 1, 2013 Apr. 1, 2014 May 18, 2019 May 18, 2019 Apr. 3, 2022 Aug. 26, 2023 Aug. 17, 2023
337-TA-575	Certain Lighters	Hong Kong, China	Nonpatent
337-TA-582	Certain Hydraulic Excavators and Components Thereof	Canada, Japan	Nonpatent
337-TA-588	Certain Digital Multimeters, and Products with Multimeter Functionality	Hong Kong, China	Nonpatent
337-TA-590	Certain Coupler Devices for Power Supply Facilities Components Thereof	Taiwan, Germany, China	Aug. 5, 2024
337-TA-602	Certain GPS Devices and Products Containing Same	Taiwan, China, Germany, Singapore	Jul. 13, 2020 Nov. 17, 2020 May 18, 2021 Jul. 25, 2021 Jun. 13, 2023 Sept. 29, 2023
337-TA-603	Certain DVD Players and Recorders and Certain Products Containing Same	China, Hong Kong	Dec. 23, 2014 Jan. 18, 2015 Jun. 30, 2016
337-TA-604	Certain Sucralose, Sweeteners Containing Sucralose, and Related Intermediate Compounds Thereof	China	Nov. 28, 2012 Oct. 17, 2017 Apr. 18, 2023
337-TA-611	Certain Magnifying Loupe Products and Components Thereof	China	Jul. 19, 2013 Dec. 3, 2013 May 20, 2022
337-TA-615	Certain Ground Fault Circuit Interrupters and Products Containing the Same	China	Oct. 24, 2014 Nov. 21, 2020 May 3, 2021 Apr. 28, 2025

TABLE A.10 Outstanding Section 337 exclusion orders as of December 31, 2010—Continued

Investigation No.	Article	Country ^a	Date patent expires ^b
337-TA-617	Certain Digital Televisions and Certain Products Containing Same and Methods of Using Same	Taiwan, Hong Kong, China	Apr. 9, 2018
337-TA-629	Certain Silicon Microphone Packages and Products Containing the Same	Malaysia	Jun. 21, 2021 Sept. 16, 2022
337-TA-636	Certain Laser Imageable Lithographic Printing Plates	Israel, Canada	Jan. 30, 2012 Jul. 20, 2012
337-TA-637	Certain Hair Irons and Packaging Thereof	Singapore, China, Hong Kong	Nonpatent
337-TA-638	Certain Intermediate Bulk Containers	China	Mar. 16, 2012 Mar. 21, 2015
337-TA-643	Certain Cigarettes and Packages	Moldova, Belize, Singapore, Ukraine, Kyrgyzstan, Gibraltar, United Kingdom, Switzerland	Nonpatent
337-TA-644	Certain Composite Wear Components and Products Containing the Same	India, Italy	Aug. 27, 2017
337-TA-650	Certain Coaxial Cable Connectors and Components Thereof and Products Containing Same	Taiwan, China	Aug. 2, 2017 Jan. 24, 2020
337-TA-655	Certain Cast Steel Railway Wheels, Certain Processes for Manufacturing or Relating to Same and Certain Products Containing Same	China	Feb. 16, 2020
337-TA-661	Certain Semiconductor Chips Having Synchronous Dynamic Random Access Memory Controllers and Products Containing Same	Taiwan, Hong Kong	Oct. 19, 2015 Oct. 19, 2015 Oct. 19, 2015
337-TA-669	Certain Optoelectronic Devices, Components Thereof, and Products Containing the Same	No foreign respondents	June 25, 2013
337-TA-678	Certain Energy Drink Products	No foreign respondents	Nonpatent
337-TA-679	Certain Products Advertised As Containing Creatine Ethyl Ester	No foreign respondents	Nonpatent
337-TA-725	Certain Caskets	Mexico	May 10, 2015 May 10, 2015 July 9, 2016 May 10 2015 Sept. 13, 2020

Source: U.S. International Trade Commission.

^aThis column lists the countries of the foreign respondents named in the notice of investigation.

^bMultiple dates indicate the expiration dates of separate patents within the investigation.

^cPatent term extended pursuant to 35 U.S.C. §154(c).

TABLE A.11 U.S. imports for consumption and U.S. imports that were either GSP eligible or GSP duty free, by HTS provision, 2010, millions of 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	102,973	11,506	4,696
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	83,995	2,426	737
7113.11.50	Articles of jewelry and parts thereof, of silver, n.e.s.o.i., valued over \$18 per dozen pieces or parts	1,894	959	598
4011.10.10	New pneumatic radial tires, of rubber, of a kind used on motor cars, including station wagons and racing cars	5,600	1,017	495
7606.12.30	Aluminum alloy plates, sheets, and strip, of a thickness exceeding 0.2 mm, rectangular (including square), not clad	1,697	438	398
7202.41.00	Ferrochromium containing more than 3 percent of carbon	597	577	377
7202.30.00	Ferrosilicon manganese	373	249	247
4011.20.10	New pneumatic radial tires, of rubber, of a kind used on buses or trucks	3,073	287	230
2106.90.99	Food preparations not elsewhere specified or included	1,443	233	217
7113.19.29	Gold necklaces and neck chains, other than rope or mixed link	610	301	206
7202.21.50	Ferrosilicon containing by weight more than 55 but not more than 80 percent silicon, and not more than 3 percent calcium	292	200	198
4015.19.10	Gloves, mittens and mitts, seamless, of vulcanized rubber other than hard rubber, other than surgical or medical	455	216	187
1701.11.10	Raw sugar not containing added flavoring or coloring	839	471	186
7113.19.50	Articles of jewelry and parts thereof, of precious metal except silver, except necklaces and clasps	3,547	1,496	160
6802.99.00	Monumental or building stone and articles thereof, n.e.s.o.i., of natural stone, n.e.s.o.i.	221	148	146
8708.30.50	Brakes and servo-brakes and parts thereof, for personal and commercial motor vehicles, excluding tractors suitable for agricultural use	3,949	243	144
8483.10.30	Camshafts and crankshafts, except those designed for spark-ignition internal combustion piston or rotary engines	320	167	137
8708.99.81	Parts and accessories of the motor vehicles, n.e.s.o.i.	5,185	166	136
1704.90.35	Confections ready for consumption	1,112	153	131
2905.11.20	Methanol (methyl alcohol), n.e.s.o.i.	1,302	311	128
	Top 20 items	219,479	21,563	9,754
	All other	1,668,526	22,143	12,800
	Total	1,888,005	43,706	22,554

Source: Compiled from official statistics of the USDOC.

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 U.S. imports that were either GSP eligible or GSP duty free, by HTS import categories, 2010, millions of dollars

HTS Section	Description	Total imports	GSP eligible	GSP duty free
I	Live animals; animal products	20,544	61	53
II	Vegetable products	28,137	928	315
III	Animal and vegetable fats, oils, and waxes	4,366	149	142
IV	Prepared foodstuffs; beverages, spirits; tobacco	43,137	2,390	1,732
V	Mineral products	333,250	14,664	5,464
VI	Chemical products	165,473	3,190	1,835
VII	Plastics and rubber	56,241	3,341	2,190
VIII	Raw hides and skins, leather, furskins; saddlery; handbags	10,734	371	321
IX	Wood; charcoal; cork; straw and other plaiting materials	11,986	679	511
X	Wood pulp; paper and paperboard	23,739	0	0
XI	Textiles and textile articles	95,161	461	285
XII	Footwear, headgear, umbrellas; artificial flowers	24,373	21	15
XIII	Stone, plaster, cement, asbestos, ceramic and glass articles	14,431	1,442	634
XIV	Pearls, precious or semi-precious stones; imitation jewelry	53,588	3,264	1,359
XV	Base metals and articles of base metal	94,364	4,228	3,025
XVI	Machinery and appliances; electrical equipment	504,537	5,492	2,706
XVII	Vehicles, aircraft, vessels, transport equipment	204,987	1,440	1,020
XVIII	Optical, photographic, medical, and musical instruments; clocks	63,340	1,053	541
XIX	Arms and ammunition; parts and accessories thereof	2,704	65	58
XX	Miscellaneous manufactured articles	71,091	467	345
XXI	Works of art, collectors' pieces and antiques	6,236	0	0
XXII	Special classification provisions	55,586	0	0
	Total	1,888,005	43,706	22,554

Source: Compiled from official statistics of the USDOC.

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

TABLE A.13 U.S. imports for consumption under AGOA, by source, 2008–10

Source	2008	2009	2010	% change, 2009–10
	Thousands of \$			
Nigeria	35,366,204	17,228,232	25,153,807	46.0
Angola	9,794,965	4,225,139	6,293,944	49.0
Republic of the Congo	2,639,141	1,471,657	1,935,530	31.5
Republic of South Africa	2,427,690	1,642,893	1,902,140	15.8
Chad	2,309,230	1,190,403	1,186,314	-0.3
Gabon	2,143,355	1,210,007	1,124,244	-7.1
Lesotho	338,797	277,046	280,342	1.2
Kenya	252,243	204,982	220,636	7.6
Democratic Republic of Congo	65,234	35,652	147,042	312.4
Mauritius	97,291	98,747	117,911	19.4
Cameroon	441,316	96,750	113,469	17.3
Swaziland	125,387	94,718	92,798	-2.0
Malawi	26,680	39,734	47,191	18.8
Mauritania	0	0	26,396	^(a)
Botswana	15,803	12,362	11,559	-6.5
Ethiopia	9,392	6,723	6,875	2.3
Ghana	31,494	2,303	2,053	-10.9
Tanzania	1,527	1,006	1,850	83.9
Uganda	473	222	345	55.4
Mozambique	129	0	184	^(a)
Cape Verde	0	0	146	^(a)
Rwanda	5	63	10	-83.4
Senegal	10,229	1,585	7	-99.6
Namibia	6	0	5	^(a)
The Gambia	0	0	5	^(a)
Mali	4	62	4	-94.2
Burkina Faso	0	0	2	^(a)
Zambia	5	7	0	-94.8
Madagascar	277,051	210,004	0	-100.0
Djibouti	0	17	0	-100.0
Niger	1	3	0	-100.0
Guinea	1	1	0	-100.0
Benin	0	0	0	^(a)
Burundi	0	0	0	^(a)
Comoros	0	0	0	^(a)
Guinea-Bissau	0	0	0	^(a)
Liberia	0	0	0	^(a)
Sao Tome and Principe	0	0	0	^(a)
Seychelles	0	0	0	^(a)
Sierra Leone	0	0	0	^(a)
Togo	0	0	0	^(a)
Total	56,373,651	28,050,318	38,664,807	37.8

Source: Compiled from official statistics of the USDOC.

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

^a Not applicable.

TABLE A.14 U.S. imports for consumption of leading imports under AGOA, by HTS provision, 2008–10

HTS No.	Description	2008	2009	2010	% change, 2009–10
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	48,518	23,395	33,842	44.7
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	2,732	1,550	1,518	-2.1
8703.23.00	Passenger motor vehicles with spark-ignition internal combustion reciprocating piston engine, cylinder capacity 1,500-3000 cc	1,553	1,310	1,471	12.3
2710.11.25	Naphthas, not motor fuel/blending stock, from petroleum oils/oils from bituminous minerals, minimum 70 percent by weight of such products	659	261	357	36.7
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	50	87	144	65.9
7202.11.50	Ferromanganese containing by weight more than 4 percent carbon	367	87	142	62.4
6203.42.40	Men's or boys' trousers, breeches, and shorts, not knitted or crocheted, of cotton, not containing 15 percent or more down	153	118	123	4.3
6204.62.40	Women's or girls' trousers, breeches, and shorts, not knitted or crocheted, of cotton, n.e.s.o.i.	257	191	116	-39.2
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.	751	165	97	-41.0
6110.20.20	Sweaters, pullovers, sweatshirts, waistcoats, and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	162	111	84	-24.2
6205.20.20	Men's or boys' shirts, not knitted or crocheted, of cotton, not certified hand-loomed and folklore product	81	70	77	9.9
6110.30.30	Sweaters, pullovers, sweatshirts, waistcoats, and similar articles, knitted or crocheted, of man-made fibers, n.e.s.o.i.	76	69	66	-4.3
8703.24.00	Other passenger motor vehicles, with spark-ignition internal combustion reciprocating piston engine, cylinder capacity over	251	53	58	10.4
6104.62.20	Women's or girls' trousers, breeches, and shorts, knitted or crocheted, of cotton	74	67	55	-16.9
0802.60.80	Macadamia nuts, shelled	15	17	41	144.3
3823.70.60	Industrial fatty alcohols, other than derived from fatty substances of animal or vegetable origin	74	38	40	6.2
0805.10.00	Oranges, fresh or dried	34	31	39	26.2
2401.20.85	Tobacco, partly or wholly stemmed/stripped, threshed or similarly processed, not from cigar leaf	6	25	29	16.9
2204.21.50	Non-sparkling wine of fresh grapes, other than Tokay, not over 14 percent alcohol, in containers not over 2 liters	25	23	27	21.5
2207.10.60	Undenatured ethyl alcohol for nonbeverage purposes	23	17	23	31.8
6104.63.20	Women's or girls' trousers, breeches and shorts, knitted or crocheted, of synthetic fibers, n.e.s.o.i.	26	18	23	29.4
6103.43.15	Men's or boys' trousers, breeches and shorts, knitted or crocheted, of synthetic fibers, n.e.s.o.i.	24	30	21	-30.7
6105.10.00	Men's or boys' shirts, knitted or crocheted, of cotton	46	38	19	-50.5
2710.11.15	Light motor fuel, 70 percent or more by weight from petroleum oils and bituminous minerals, other than crude	31	1	19	1,907.5
6204.63.35	Women's or girls' trousers, breeches, and shorts, not knitted or crocheted, of synthetic fibers, n.e.s.o.i.	25	26	17	-34.1
	Total of items shown	56,013	27,798	38,449	38.3
	All other	361	253	216	-14.6
	Total of all commodities	56,374	28,050	38,665	37.8

Source: Compiled from official statistics of the USDOC.

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, by source, 2008–10

Source	2008 ^a	2009	2010	% change 2009–10
	Millions of \$			
Colombia	7,339	5,589	9,473	69.5
Ecuador	6,595	2,748	4,179	52.1
Peru	3,169	1,376	759	-44.8
Bolivia	140			
Total	17,242	9,714	14,411	48.3

Source: Compiled from official statistics of the USDOC.

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

^a Includes imports under ATPA from Bolivia.

TABLE A.16 U.S. imports for consumption of leading imports under ATPA, by HTS provision, 2008–10

HTS No.	Description	2008 ^a	2009	2010	% change, 2009–10
		Millions of \$			
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	10,128	6,036	8,772	45.3
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	2,079	921	3,172	244.6
0603.11.00	Roses, fresh	310	305	314	2.8
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.	629	245	310	26.7
0603.19.00	Anthuriums, alstroemeria, gypsophilia, lilies, snapdragons and other flowers n.e.s.o.i., fresh	193	188	212	12.9
0603.14.00	Chrysanthemums, fresh	67	75	97	29.3
2710.11.25	Naphthas, not motor fuel/blending stock, from petroleum oils/oils from bituminous minerals, minimum 70 percent by weight of such products	377	127	80	-36.8
6109.10.00	T-shirts, singlets, tank tops, and similar garments, knitted or crocheted, of cotton	163	95	75	-21.8
6203.42.40	Men's or boys' trousers, breeches, and shorts, not knitted or crocheted, of cotton, not containing 15 percent or more down	86	49	66	35.2
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	36	32	65	105.8
6110.20.20	Sweaters, pullovers, sweatshirts, waistcoats, and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	240	127	55	-57.0
1604.14.30	Tunas and skipjack, not in oil, in airtight containers, n.e.s.o.i.	70	43	45	2.5
6105.10.00	Men's or boys' shirts, knitted or crocheted, of cotton	176	85	43	-49.3
0603.12.70	Carnations, other than miniature, fresh	38	34	40	18.5
1701.11.10	Raw sugar not containing added flavoring or coloring	15	21	31	47.6
2613.90.00	Molybdenum ores and concentrates, not roasted	54	15	31	112.4
6908.90.00	Glazed ceramic flags and paving, hearth or wall tiles; glazed ceramic mosaic cubes and the like, n.e.s.o.i.	27	24	26	9.2
2005.99.80	Artichokes, prepared or preserved otherwise than by vinegar or acetic acid, not frozen	47	31	25	-17.8
7407.10.50	Bars and rods, of refined copper	31	14	25	74.9
0710.80.97	Vegetables n.e.s.o.i., uncooked or cooked by steaming or boiling in water, frozen, reduced in size	36	27	24	-11.9
1604.14.40	Tuna and skipjack, not in airtight containers	6	7	23	233.5
3904.10.00	Polyvinyl chloride, not mixed with any other substances, in primary forms	34	19	23	19.9
0603.12.30	Miniature (spray) carnations, fresh	24	22	22	1.2
1704.90.35	Confections ready for consumption	12	16	21	31.1
6204.62.40	Women's or girls' trousers, breeches, and shorts, not knitted or crocheted, of cotton, n.e.s.o.i.	21	22	21	-4.6
	Total of items shown	14,898	8,578	13,618	58.7
	All other	2,345	1,136	793	-30.2
	Total of all commodities	17,243	9,714	14,411	48.3

Source: Compiled from official statistics of the USDOC.

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."

^aIncludes imports under ATPA from Bolivia.

TABLE A.17 U.S. imports for consumption under CBERA, by source, 2008–10

Source	2008	2009	2010	% change, 2009–10
	Thousands of \$			
Trinidad and Tobago	2,365,386	1,533,773	2,205,811	43.8
Haiti	405,118	388,854	364,114	-6.4
Bahamas	141,038	96,545	98,989	2.5
Jamaica	319,600	212,365	83,910	-60.5
Belize	129,517	66,019	61,744	-6.5
Panama	46,466	20,607	28,435	38.0
St. Kitts-Nevis	14,071	8,919	20,466	129.5
Guyana	20,613	14,418	10,632	-26.3
St. Lucia	11,081	10,937	9,199	-15.9
Barbados	6,913	4,603	7,233	57.1
Netherlands Antilles	11,933	868	1,193	37.4
Aruba	229	153	566	269.9
Grenada	126	78	150	92.3
St. Vincent and the Grenadines	171	117	124	6.0
British Virgin Islands	437	26	86	230.8
Dominica	200	115	53	-53.9
Antigua and Barbuda	94	231	21	-90.9
Costa Rica	1,252,756	0	0	^(a)
Total	4,725,749	2,358,628	2,892,726	22.6

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. Costa Rica was only eligible for CBERA benefits before CAFTA–DR entered into force for that country on January 1, 2009.

^a Not applicable.

TABLE A.18 U.S. imports for consumption of leading imports under CBERA, by HTS provision, 2008–10

HTS No.	Description	2008	2009	2010	% change, 2009–10
		Millions of \$			
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	904	800	1,249	56.1
2905.11.20	Methanol (methyl alcohol), n.e.s.o.i.	1,175	568	890	56.8
6109.10.00	T-shirts, singlets, tank tops, and similar garments, knitted or crocheted, of cotton	169	194	204	4.7
6110.20.20	Sweaters, pullovers, sweatshirts, waistcoats, and similar articles, knitted or crocheted, of cotton, n.e.s.o.i.	146	152	125	-17.7
3903.11.00	Polystyrene, expandable, in primary forms	136	94	95	1.6
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.	20	29	32	10.6
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	15	10	27	162.9
1701.11.10	Raw sugar not containing added flavoring or coloring	22	11	26	126.9
6109.90.10	T-shirts, singlets, tank tops, and similar garments, knitted or crocheted, of man-made fibers	22	16	20	23.8
7108.12.50	Gold, nonmonetary, unwrought, other than gold bullion and dore	27	9	17	100.7
0714.90.20	Fresh or chilled yams, whether or not sliced or in the form of pellets	30	16	14	-9.4
0807.20.00	Papayas (papaws), fresh	14	11	12	5.5
8525.50.30	Transmission apparatus for television, n.e.s.o.i.	^(a)	0	11	^(b)
1604.14.40	Tuna and skipjack, not in airtight containers	13	13	10	-19.5
2207.10.60	Undenatured ethyl alcohol for nonbeverage purposes	483	203	10	-94.9
2207.10.30	Undenatured ethyl alcohol of an alcoholic strength by volume of 80 percent volume or higher, for beverage purposes	9	6	10	56.2
0804.30.40	Pineapples, fresh or dried, not reduced in size, in crates or other packages	393	6	8	34.2
8529.10.20	Television antennas and antenna reflectors, and parts suitable for use therewith	8	9	8	-15.0
2009.11.00	Frozen concentrated orange juice	65	17	7	-60.2
2933.61.00	Melamine	0	0	6	^(b)
2202.10.00	Waters, including mineral waters and aerated waters, containing added sugar or other sweetening matter or flavored	4	3	6	83.3
2009.19.00	Orange juice, not frozen, of a Brix value exceeding 20	1	2	6	182.1
2106.90.99	Food preparations not elsewhere specified or included	1	1	6	380.3
0804.50.60	Guavas, mangoes, and mangosteens, fresh, if entered during the period June 1 through August 31, inclusive	3	4	5	45.9
2202.90.90	Nonalcoholic beverages, n.e.s.o.i.	4	5	5	9.5
	Total of items shown	3,662	2,179	2,809	28.9
	All other	1,063	179	84	-53.4
	Total of all commodities	4,726	2,359	2,893	22.6

Source: Compiled from official statistics of the USDOC.

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." Costa Rica was only eligible for CBERA benefits before CAFTA-DR entered into force for that country on January 1, 2009.

^a Less than \$500,000.

^b Not applicable.

TABLE A.19 WTO dispute settlement cases to which the United States was a party, developments in 2010

Case No.	Title	Complainant	Action (month/day/year)
DS26	European Communities—Measures Concerning Meat and Meat Products (Hormones)	United States	United States requests consultations (01/26/96). Panel report circulated (08/18/97). Appellate Body report circulated (01/16/98) and adopted (02/13/98). [Intervening actions omitted.] EC requests consultations with U.S. and Canada under Article 21.5 (12/22/08). Compliance proceedings completed with finding of non-compliance (09/30/09).
DS27	European Communities—Regime for the Importation, Sale and Distribution of Bananas	Ecuador, Guatemala, Honduras, Mexico, United States	U.S., other complainants request consultations (02/05/96). Panel report circulated (08/18/97). Appellate Body report circulated (09/09/97) and adopted (09/25/97). [Intervening actions omitted.] Ecuador requests consultations under Article 21.5 (11/16/06). Ecuador submits revised request for consultations (11/28/06). Ecuador requests establishment of an Article 21.5 panel (02/23/07). Second Recourse to Article 21.5 panel report circulated (04/07/08). Second Recourse to Article 21.5 Appellate Body report adopted with findings that respondent has not complied with rulings (12/11/08). Parties announce comprehensive agreement (12/15/09).
DS217	United States—Continued Dumping and Subsidy Offset Act of 2000 (Byrd Amendment)	Australia, Brazil, Chile, European Communities, India, Indonesia, Japan, Korea, Thailand	Complaining parties request consultations (12/21/00). Panel established (08/23/01) and composed (10/25/01). Panel report circulated (09/16/02). U.S. notifies DSB it will appeal panel decision (10/18/02). Appellate Body circulates its report (06/16/03). Arbitrator finds that U.S. has failed to implement the DSB recommendations and rulings (01/15/04). Arbitrator circulates decisions relating to level of suspension of concessions to offset U.S. Byrd Amendment distributions (08/31/04). DSB authorizes or takes note of various requests or agreements to suspend concessions (2004 -2005). U.S. states at DSB meeting that recent changes bring U.S. law into conformity with its WTO obligations (02/17/06). Japan and EC notify DSB annually of the new list of products on which the additional import duty would apply, prior to the entry into force of a level of suspension of concessions (2006-10).

TABLE A.19 WTO dispute settlement cases to which the United States was a party, developments in 2010—*Continued*

Case No.	Title	Complainant	Action (month/day/year)
DS267	United States—Subsidies on Upland Cotton	Brazil	<p>Brazil requests consultations (09/27/02). Panel established (03/18/03) and composed (05/13/03). DSB adopts Appellate Body report and panel report as modified (03/21/05). After the reasonable period of time for implementation expires (09/21/05), Brazil seeks authorization to suspend concessions, and the U.S. seeks arbitration. Parties seek suspension of arbitration proceedings (11/21/05). Brazil requests the establishment of Article 21.5 panel (08/18/06) and panel is established (10/25/06). Article 21.5 panel report circulated (12/18/07). Article 21.5 Appellate Body report circulated (06/02/08). Article 21.5 Appellate Body report adopted (06/20/08). Recourse to Article 22.6 Arbitration Report circulated (08/31/09). DSB authorizes Brazil to suspend concessions or other obligations (11/19/09). Brazil submits list of products on which it will suspend concessions and also announces it will suspend certain concessions or other obligations under TRIPS Agreement and/or GATS beginning April 7, 2010 (03/08/10). Brazil informs DSB it will postpone imposition of countermeasures pending negotiations (04/30/10). Brazil and U.S. inform DSB that they have concluded a Framework for a Mutually Agreed Solution to the Cotton Dispute and that Brazil will not impose countermeasures authorized by the DSB (08/25/10).</p>
DS291	European Communities—Measures Affecting the Approval and Marketing of Biotech Products	United States	<p>U.S. requests consultations (05/13/03). Single panel established to examine this dispute and disputes DS292 and DS293 (06/29/03); panel composed (03/04/04). Panel reports circulated (09/29/06). DSB adopts the panel reports (11/21/06). The EC announces its intention to implement recommendations and rulings and announces intent to discuss appropriate timeframe pursuant to DSU Article 21.3(b) with Argentina, Canada, and U.S. (12/19/06). U.S. and EC agree on a reasonable period of time for implementation (06/21/07). U.S. and EC inform DSB they have reached agreement on procedures under Articles 21 and 22 (01/14/08). U.S. asks for authorization to suspend concessions (01/17/08). DSB refers matter to arbitration (02/08/08). EC and U.S. ask arbitrator to suspend work (02/15/08). US reiterated its concerns, at DSB meeting, that individual EU member states continued to ban certain biotech products even after having received EU-wide approval (12/21/09).</p>

TABLE A.19 WTO dispute settlement cases to which the United States was a party, developments in 2010—*Continued*

Case No.	Title	Complainant	Action (month/day/year)
DS294	United States—Laws, Regulations and Methodology for Calculating Dumping Margins (Zeroing)	European Communities	<p>EC requests consultations (06/12/03). Panel established (03/19/04) and composed (10/27/04). Panel report circulated (10/31/05). Appellate Body report circulated (04/18/06). Appellate Body report adopted (05/09/06). U.S. announces that it intends to implement the DSB recommendations and rulings (05/30/06). U.S. and EC agree, pursuant to DSU Article 21.3(b), to the reasonable period of time for implementation (07/28/06). U.S. and EC reach an Understanding on Article 21 and 22 procedures (05/04/07). EC requests Article 21.5 consultations (07/09/07). Brazil and Korea request to join the consultations (07/20/07). EC requests establishment of Article 21.5 panel (09/13/07). Article 21.5 Appellate Body report adopted (06/11/09). EC requests authorization to suspend concessions or other obligations per Article 22.2 of DSU (01/29/10). U.S. informs DSB it objects to suspension level proposed by the EU (02/12/10). DSB refers the matter arbitration (02/18/10).</p>
DS316	European Communities—Measures Affecting Trade in Large Civil Aircraft	United States	<p>U.S. requests consultations with EC (10/06/04). Panel established (07/20/05) and composed (10/17/05). Panel circulates its report (06/30/10). EU appeals decision to Appellate Body (07/21/10). Appellate Body notifies that it will hold hearings in November and December and establish a date for circulation of a report thereafter (09/17/10).</p>
DS322	United States—Measures Relating to Zeroing and Sunset Reviews	Japan	<p>Japan requests consultations (11/24/04). Panel established (02/28/05) and composed (04/15/05). Panel report circulated (09/20/06). Appellate Body report circulated (01/9/07). DSB adopts Appellate Body and modified panel reports (01/23/07). Agreement reached on the reasonable period of time for implementation (05/04/07). Article 21.3(c) Arbitration Report circulated (05/11/07). Japan seeks authorization to suspend concessions (01/10/08). Japan asks for establishment of Article 21.5 panel (04/07/08). United States and Japan request arbitrator to suspend work (06/06/08). Article 21.5 panel report circulated (04/24/09). U.S. notifies DSB of intent to appeal (05/20/09). Article 21.5 Appellate Body report adopted (08/31/09). Japan request arbitrator to resume arbitration proceedings (04/23/10). Japan asks Director General to appoint replacement arbitrator (05/25/10). New arbitrator notified to DSB (06/03/10).</p>

TABLE A.19 WTO dispute settlement cases to which the United States was a party, developments in 2010—*Continued*

Case No.	Title	Complainant	Action (month/day/year)
DS344	United States—Final Antidumping Measures on Stainless Steel from Mexico	Mexico	<p>Mexico requests consultations (05/26/06). Panel established (10/26/06) and composed (01/26/07). Panel report circulated (12/20/07). Mexico notifies DSB of decision to appeal (01/31/08). Appellate Body and modified panel reports adopted (05/20/08). Mexico requests that the reasonable period of time for U.S. implementation be determined through binding arbitration pursuant to Article 21.3(c) (08/11/08). Article 21.3 arbitration report circulated (10/31/08), setting April 30, 2009, as reasonable time for U.S. to implement. U.S. informs DSB that U.S. and Mexico concluded a sequencing agreement (05/20/09). Mexico requests establishment of a compliance panel (09/07/10). DSB agrees to defer the matter to the original panel if possible (09/21/10).</p>
DS350	United States—Continued Existence and Application of Zeroing Methodology	European Communities	<p>EC requests consultations (10/02/06). Panel established (06/04/07) and composed (07/06/07). Panel report circulated (10/01/08). EC (11/06/08) and U.S. (11/18/08) notify DSB of decision to appeal. Appellate Body and modified panel reports adopted (02/19/09). U.S. and EC agree that a reasonable time for the U.S. to implement is Dec. 19, 2009 (06/02/09). EU and U.S. notify the DSB of Agreed Procedures under Articles 21 and 22 (01/04/10).</p>
DS362	China—Measures Affecting the Protection and Enforcement of Intellectual Property Rights	United States	<p>U.S. requests consultations with China (04/10/07). Panel established (09/25/07) and composed (12/13/07). Panel report circulated (01/26/09). Panel report adopted (03/20/09). China and U.S. inform the DSB that they had agreed that the reasonable period for China to implement the DSB recommendations and rulings would be by March 20, 2010 (06/29/09). China and U.S. notify DSB of Agreed Procedures under Articles 21 and 22 of the DSU (04/08/10).</p>
DS363	China—Measures Affecting Trading Rights and Distribution Services for Certain Publications and Audiovisual Entertainment Products	United States	<p>U.S. requests consultations with China (04/10/07). Panel established (11/27/07) and composed (03/27/08). Panel report circulated (08/12/09). China (09/22/09) and U.S. (10/05/09) notify their decisions to appeal. Appellate Body report circulated (12/21/09). Appellate Body report adopted (01/19/10). China and U.S. inform DSB that they had agreed that a reasonable period for China to implement the DSB recommendations and rulings would be by March 14, 2011 (07/12/10).</p>

TABLE A.19 WTO dispute settlement cases to which the United States was a party, developments in 2010—*Continued*

Case No.	Title	Complainant	Action (month/day/year)
DS379	United States—Definitive Anti-Dumping and Countervailing Duties on Certain Products from China	China	China requests consultations with U.S. (09/19/08). Panel established (01/20/09) and composed (03/04/09). Panel report circulated (10/22/10). China notifies DSB it will appeal the panel's decision to the Appellate Body (12/01/10). Appellate Body report circulated (03/11/11).
DS381	United States—Measures Concerning the Importation, Marketing and Sale of Tuna and Tuna Products	Mexico	Mexico requests consultations with U.S. (10/24/08). Panel established (04/20/09) and composed (12/14/09). Panel chairman informs DSB panel expects to issue report in February 2011 (06/15/10). Parties agree on new panel member following death of one of members (08/12/10). Chairman informs DSB that panel is likely to issue its final report to the parties on June 8, 2011 (02/24/11).
DS382	United States—Anti-Dumping Administrative Reviews and Other Measures Related to Imports of Certain Orange Juice from Brazil	Brazil	Brazil requests consultations (11/27/08). Panel established (09/25/09) and composed (05/10/10). Panel report circulated (03/25/11).
DS383	United States—Anti-Dumping Measures on Polyethylene Retail Carrier Bags from Thailand	Thailand	Thailand requests consultations (11/26/08). Panel established (03/20/09) and composed (08/20/09). Panel report circulated (01/22/10). DSB adopts panel report (02/18/10). Thailand and U.S. inform the DSB that they agreed that a reasonable time for the U.S. to implement the DSB recommendations and rulings would be by August 18, 2010 (03/31/10). U.S. informs the DSB that it has implemented the DSB recommendations and rulings (08/31/10).
DS384	United States—Certain Country of Origin Labelling (Cool) Requirements	Canada	Canada requests consultations (12/01/08). Single panel established to examine this dispute and DS386 (11/19/09); panel composed (05/10/10). Panel chairman informs DSB that panel expects to issue its final report to the parties in mid-2011 (12/21/10).
DS386	United States—Certain Country of Origin Labelling Requirements	Mexico	Mexico requests consultations (12/17/08). Single panel established to examine this dispute and DS384 (11/19/09); panel composed (05/10/10). Panel chairman informs DSB that panel expects to issue its final report to the parties in mid-2011 (12/21/10).
DS387	China—Grants, Loans and other Incentives	United States	U.S. requests consultations (12/19/08).
DS389	European Communities—Certain Measures Affecting Poultry Meat and Poultry Meat Products from the United States	United States	U.S. requests consultations (01/16/09). Panel established (11/19/09).

TABLE A.19 WTO dispute settlement cases to which the United States was a party, developments in 2010—*Continued*

Case No.	Title	Complainant	Action (month/day/year)
DS392	United States—Certain Measures Affecting Imports of Poultry from China	China	China requests consultations (04/17/09). Panel established (07/31/09) and composed (09/23/09). Panel report circulated (09/29/10). Panel report adopted (10/25/10).
DS394	China—Measures Related to the Exportation of Various Raw Materials	United States	U.S. requests consultations (06/23/09). Single panel established to examine this dispute and disputes DS395 and DS398 (12/21/09); panel composed (03/29/10). Panel chairman informs DSB that the panel expects to complete its work by April 2011 (10/19/10).
DS399	United States—Measures Affecting Imports of Certain Passenger Vehicle and Light Truck Tyres from China	China	China requests consultations (09/14/09). Panel established (01/19/10) and composed (03/12/10). Panel report circulated (12/13/10). DSB agrees, at the request of China and the U.S., to adopt the panel report by May 24, 2011, unless the DSB decides not to do so, or China or the U.S. notifies the DSB that it will appeal the decision (02/07/11).
DS402	United States—Use of Zeroing in Anti-Dumping Measures Involving Products from Korea	Korea	Korea requests consultations (11/24/09). Panel established (05/18/10) and composed (07/08/10). Panel report circulated (01/18/11). Panel report adopted (02/24/11).
DS404	United States—Anti-dumping Measures on Certain Shrimp from Viet Nam	Vietnam	Vietnam requests consultations (02/01/10). Panel established (05/18/10) and composed (07/26/10). Panel chairman notifies DSB that the panel expects to issue its final report to the parties on May 6, 2011 (01/10/11).
DS406	United States—Measures Affecting the Production and Sale of Clove Cigarettes	Indonesia	Indonesia requests consultations (04/07/10). Panel established (07/20/10) and composed (09/09/10). Panel chairman informs DSB that the panel's final report will be issued by the end of June 2011 (03/08/11).
DS413	China—Certain Measures Affecting Electronic Payment Services	United States	U.S. requests consultations (09/15/10). Panel established (03/25/11).
DS414	China—Countervailing and Anti-Dumping Duties on Grain Oriented Flat-rolled Electrical Steel from the United States	United States	U.S. requests consultations (09/15/10). Panel established (03/25/11).
DS419	China—Measures concerning wind power equipment	United States	U.S. requests consultation (12/22/10).

Source: WTO, "Chronological List of Disputes Cases," http://www.wto.org/english/tratop_e/dispu_e/dispu_status_e.htm.

Note: This list focuses on formal actions in disputes during 2010; intermediate procedural actions are generally omitted. Selected pre-2010 and post-2010 actions are noted to place the 2010 actions in context.

TABLE A.20 NAFTA Chapter 19 substantive challenges to original and five-year review determinations of USITC and USDOC, developments in 2010

File No.	Dispute	Action (month/day/year)
USA-CDA-2008-1904-02	Steel Wire Rod (USDOC Affirmative Final Antidumping Determination)	Request for panel review (06/06/08).
USA-CDA-2009-1904-01	Carbon and Alloy Steel Wire Rod (USDOC Affirmative Final Antidumping Determination)	Request for panel review (01/16/09).
USA-MEX-2007-1904-01	Stainless Steel Sheet and Strip in Coils (USDOC Affirmative Final Antidumping Determination)	Request for panel review (01/22/07). Oral argument (09/10/09). Decision (04/14/10).
USA-MEX-2007-1904-03	Welded Large Diameter Pipe (ITC Negative Sunset Determination)	Request for panel review (11/21/07). Oral argument (07/21/10). Panel order affirming in part and remanding in part (01/18/11). ITC remand determination (04/12/11).
USA-MEX-2008-1904-01	Stainless Steel Sheet and Strip in Coils (USDOC Affirmative Final Antidumping Determination)	Request for panel review (03/12/08).
USA-MEX-2008-1904-03	Light-Walled Rectangular Pipe and Tube (USDOC Final Affirmative Antidumping Determination)	Panel concludes that USDOC's final determination is supported by substantial evidence and is otherwise lawful (7/20/10).
USA-MEX-2008-1904-04	Light-Walled Rectangular Pipe and Tube from China, Korea, and Mexico (ITC Affirmative Final Injury Determination)	Request for panel review (08/29/08). Oral argument (07/28/10). Panel order affirming in part and remanding in part (11/26/10). ITC remand determination (02/08/11). Panel order affirming ITC's remand determination (03/10/11).
USA-MEX-2009-1904-02	Stainless Steel Sheet and Strip in Coils (USDOC Affirmative Final Antidumping Determination)	Request for panel review (03/11/09).
USA-MEX-2010-1904-01	Stainless Steel Sheet and Strip in Coils from Mexico (USDOC Results of Final AD Duty Administrative Review)	Request for panel review (03/11/10).
USA-MEX-2010-1904-02	Seamless Refined Copper Pipe and Tube from Mexico (ITC Affirmative Final Injury Determination)	Request for panel review (12/22/10).
USA-MEX-2010-1904-03	Seamless Refined Copper Pipe and Tube from Mexico (USDOC Affirmative Final Antidumping Determination)	Request for panel review (12/22/10).

Source: NAFTA Secretariat, "Status Report NAFTA and FTA Dispute Settlement Proceedings," <http://www.nafta-sec-alena.org/en/StatusReport.aspx>

Note: This list includes active cases during 2010, including those in which little if any formal action occurred during 2010.

TABLE A.21 U.S. merchandise trade with the European Union,^a by SITC codes (revision 3), 2008–10

SITC Code No.	Description	2008	2009	2010	% change, 2009–10
		Millions of \$			
Exports:					
0	Food and live animals	6,756	5,204	6,054	16.3
1	Beverages and tobacco	1,541	1,314	1,477	12.4
2	Crude materials, inedible, except fuels	12,100	6,918	9,630	39.2
3	Mineral fuels, lubricants and related materials	14,269	11,041	13,235	19.9
4	Animal and vegetable oils, fats and waxes	320	215	265	23.6
5	Chemicals and related products, n.e.s.	53,888	50,045	53,368	6.6
6	Manufactured goods classified chiefly by material	15,909	10,773	13,687	27.0
7	Machinery and transport equipment	101,086	75,341	75,260	-0.1
8	Miscellaneous manufactured articles	31,671	27,384	27,421	0.1
9	Commodities and transactions not classified elsewhere in the SITC	13,657	14,158	16,932	19.6
	Total	251,196	202,392	217,329	7.4
Imports:					
0	Food and live animals	5,274	4,874	5,365	10.1
1	Beverages and tobacco	9,746	8,597	9,149	6.4
2	Crude materials, inedible, except fuels	3,133	2,020	2,645	30.9
3	Mineral fuels, lubricants and related materials	30,404	15,900	18,991	19.4
4	Animal and vegetable oils, fats and waxes	1,001	826	842	1.9
5	Chemicals and related products, n.e.s.	84,498	77,821	83,334	7.1
6	Manufactured goods classified chiefly by material	37,219	23,667	29,948	26.5
7	Machinery and transport equipment	132,024	92,638	109,070	17.7
8	Miscellaneous manufactured articles	41,564	33,160	37,472	13.0
9	Commodities and transactions not classified elsewhere in the SITC	18,803	18,600	18,064	-2.9
	Total	363,667	278,104	314,880	13.2

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

^aIncludes 27 EU countries.

TABLE A.22 Leading U.S. exports to the European Union,^a by Schedule B subheading, 2008–10

Schedule B subheading	Description	2008	2009	2010	% change, 2009–10
		Millions of \$			
8800.00 ^b	Aircraft, spacecraft, and parts thereof	0	25,199	22,447	-10.9
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	9,630	10,789	9,767	-9.5
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	9,195	7,148	7,462	4.4
7108.12	Nonmonetary gold (including gold plated with platinum), unwrought, excluding powder	5,218	6,866	6,620	-3.6
3002.10	Antisera and other blood fractions, and modified immunological products	6,497	7,580	6,483	-14.5
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	3,525	2,789	3,894	39.6
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	5,449	2,216	3,610	62.9
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	3,131	2,989	3,003	0.4
3822.00	Composite diagnostic or laboratory reagents, except pharmaceuticals	2,255	2,081	2,296	10.3
2934.99	Nucleic acids and their salts, whether or not chemically defined; other heterocyclic compounds, n.e.s.o.i.	281	714	1,974	176.3
9018.39	Medical etc. needles n.e.s.o.i., catheters, cannulae and the like; parts and accessories thereof	1,720	1,996	1,951	-2.3
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	2,535	1,680	1,854	10.4
8703.33	Passenger motor vehicles with compression-ignition internal combustion piston engine (diesel), cylinder capacity over 2,500 cc	4,781	2,699	1,591	-41.0
3002.20	Vaccines for human medicine	1,213	2,035	1,481	-27.3
9018.19	Electro-diagnostic apparatus n.e.s.o.i., and parts	1,438	1,481	1,425	-3.8
8411.99	Gas turbines parts, n.e.s.o.i.	2,013	1,583	1,412	-10.8
2933.39	Heterocyclic compounds containing an unfused pyridine ring, whether or not hydrogenated, in the structure, n.e.s.o.i.	943	1,167	1,257	7.7
8541.40	Photosensitive semiconductor devices, including photovoltaic cells; light-emitting diodes	967	1,026	1,242	21.0
9701.10	Paintings, drawings and pastels, executed entirely by hand, framed or not framed	2,549	1,729	1,211	-29.9
1201.00	Soybeans, whether or not broken	1,600	773	1,117	44.6
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	1,209	1,248	1,104	-11.6
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades, semibleached or bleached, coniferous wood	1,134	841	1,075	27.8
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	6,745	1,159	1,049	-9.5
7112.99	Waste and scrap of precious metals, other than of gold or platinum, n.e.s.o.i.	1,808	734	1,049	43.0
8471.50	Digital processing units other than those of 8471.41 and 8471.49	1,300	1,158	1,019	-12.0
	Total of items shown	77,135	89,682	87,393	-2.6
	All other	174,062	112,710	129,936	15.3
	Total of all commodities	251,196	202,392	217,329	7.4

Source: Compiled from official statistics of the USDOC.

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."

^aIncludes 27 EU countries.

^bBeginning in January 2009, the Census Bureau suppressed certain 10-digit Schedule B commodity classifications related to the aircraft industry and reported these data in aggregate under HTS Schedule B code 8800.00.0000, "Civilian aircraft, engines, and parts."

TABLE A.23 Leading U.S. imports from the European Union,^a by HTS subheading, 2008–10

HTS subheading	Description	2008	2009	2010	% change, 2009–10
Millions of \$					
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	21,765	21,779	22,004	1.0
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	16,012	8,709	13,986	60.6
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	19,686	10,153	11,106	9.4
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	13,193	7,900	10,382	31.4
2934.99	Nucleic acids and their salts, whether or not chemically defined; other heterocyclic compounds, n.e.s.o.i.	9,635	7,109	7,339	3.2
8411.91	Parts for turbojets or turbopropellers	6,129	5,535	5,399	-2.5
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	7,349	3,432	5,228	52.3
2933.99	Heterocyclic compounds with nitrogen hetero-atom(s) only, n.e.s.o.i.	4,981	6,450	4,673	-27.5
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	2,950	3,199	3,830	19.7
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	3,560	3,293	3,563	8.2
9701.10	Paintings, drawings and pastels, executed entirely by hand, framed or not framed	4,000	2,714	3,546	30.7
7102.39	Nonindustrial diamonds, n.e.s.o.i.	3,364	2,326	3,111	33.7
2844.20	Uranium and its compounds enriched in U-235; plutonium and its compounds	3,336	2,851	3,042	6.7
3004.39	Medicaments, in measured doses, containing hormones or derivatives/steroids used primarily as hormones, but not containing antibiotics, n.e.s.o.i.	2,300	2,123	2,938	38.3
2933.59	Heterocyclic compounds containing a pyrimidine (hydrogenated or not) or piperazine ring in the structure, n.e.s.o.i.	923	1,723	2,536	47.2
3002.90	Human blood; animal blood prepared for medical uses; toxins, cultures of micro-organisms (excluding yeasts) and similar products n.e.s.o.i.	717	713	2,436	241.6
8411.12	Turbojets of a thrust exceeding 25 kN	2,366	2,157	2,350	8.9
9021.39	Artificial parts of the body and parts and accessories thereof, n.e.s.o.i.	2,310	1,802	2,349	30.4
3002.10	Antisera and other blood fractions, and modified immunological products	2,034	2,316	2,274	-1.8
2204.21	Wine n.e.s.o.i. of fresh grapes or fortified wine, in containers not over 2 liters	2,545	2,074	2,146	3.5
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	2,153	1,731	1,916	10.7
3302.10	Mixtures of odoriferous substances and mixtures with a basis of these substances, used in the food or drink industries	2,038	1,788	1,828	2.3
3004.32	Medicaments, in measured doses, containing corticosteroid hormones or analogues, but not containing antibiotics	824	1,217	1,790	47.1
3004.31	Medicaments, in measured doses, containing insulin but not containing antibiotics	1,343	1,826	1,726	-5.5
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	739	850	1,611	89.5
	Total of items shown	136,253	105,770	123,108	16.4
	All other	227,413	172,334	191,773	11.3
	Total of all commodities	363,667	278,104	314,880	13.2

Source: Compiled from official statistics of the USDOC.

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.”

^aIncludes 27 EU countries.

TABLE A.24 U.S. merchandise trade with Canada, by SITC codes (revision 3), 2008–10

SITC Code No.	Description	2008	2009	2010	% change, 2009–10
		Millions of \$			
Exports:					
0	Food and live animals	14,386	13,979	15,077	7.9
1	Beverages and tobacco	970	1,051	1,161	10.4
2	Crude materials, inedible, except fuels	7,760	4,866	6,418	31.9
3	Mineral fuels, lubricants and related materials	15,830	9,299	11,542	24.1
4	Animal and vegetable oils, fats and waxes	549	516	569	10.3
5	Chemicals and related products, n.e.s.	25,111	21,661	25,401	17.3
6	Manufactured goods classified chiefly by material	32,597	24,934	30,866	23.8
7	Machinery and transport equipment	95,191	70,175	86,730	23.6
8	Miscellaneous manufactured articles	21,086	18,187	20,026	10.1
9	Commodities and transactions not classified elsewhere in the SITC	8,945	7,027	8,165	16.2
	Total	222,424	171,695	205,956	20.0
Imports:					
0	Food and live animals	16,803	14,283	15,794	10.6
1	Beverages and tobacco	815	679	780	14.9
2	Crude materials, inedible, except fuels	12,432	7,703	10,474	36.0
3	Mineral fuels, lubricants and related materials	111,266	63,640	82,107	29.0
4	Animal and vegetable oils, fats and waxes	1,545	1,031	1,191	15.5
5	Chemicals and related products, n.e.s.	27,149	20,462	24,305	18.8
6	Manufactured goods classified chiefly by material	46,585	30,697	36,987	20.5
7	Machinery and transport equipment	85,135	60,267	75,800	25.8
8	Miscellaneous manufactured articles	14,657	11,431	12,664	10.8
9	Commodities and transactions not classified elsewhere in the SITC	18,452	14,392	15,435	7.3
	Total	334,840	224,584	275,536	22.7

Source: Compiled from official statistics of the USDOC.

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, 2008–10

Schedule B subheading	Description	2008	2009	2010	% change, 2009–10
Millions of \$					
8704.31	Motor vehicles for transporting goods, with spark-ignition internal-combustion piston engine, gross vehicle weight not exceeding 5 mt	4,517	4,665	6,513	39.6
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	6,687	4,024	5,217	29.7
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	6,120	3,628	4,963	36.8
8800.00 ^a	Aircraft, spacecraft, and parts thereof	0	4,682	4,266	-8.9
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	4,365	3,064	4,237	38.3
8407.34	Reciprocating spark-ignition piston engines, of a cylinder capacity over 1,000 cc	3,950	2,138	3,257	52.4
2711.21	Natural gas, gaseous state	3,842	2,466	2,810	14.0
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	4,019	2,225	2,649	19.1
8708.40	Gear boxes for motor vehicles	2,627	1,580	2,349	48.6
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	1,347	1,740	1,975	13.5
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	1,682	741	1,895	155.7
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	1,913	1,348	1,750	29.8
7112.91	Gold waste and scrap, including metal clad with gold but excluding sweepings containing other precious metals	1,778	1,507	1,529	1.5
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	2,296	1,620	1,374	-15.2
8409.91	Parts for spark-ignition internal-combustion piston engines	1,220	1,079	1,310	21.4
8523.40	Optical media	1,366	1,197	1,276	6.5
8716.10	Trailers and semi-trailers for housing or camping	1,080	668	1,060	58.7
8481.80	Taps, cocks, valves and similar appliances, n.e.s.o.i.	993	943	1,052	11.6
7606.12	Rectangular plates, sheets and strip, over 0.2 mm thick, of aluminum alloy	1,307	767	1,032	34.7
8708.80	Suspension systems and parts thereof, including shock absorbers, for motor vehicles	950	681	1,003	47.3
4901.99	Printed books, brochures, leaflets and similar printed matter, other than in single sheets	998	947	991	4.7
8708.30	Brakes and servo-brakes for motor vehicles, and parts thereof	884	795	985	23.9
8701.20	Road tractors for semi-trailers	978	586	965	64.9
4902.90	Newspapers, etc. appearing less than 4 times per week	994	858	951	10.9
2106.90	Food preparations, other than protein concentrates and textured protein substances, n.e.s.o.i.	831	802	913	13.7
	Total of items shown	56,744	44,750	56,322	25.9
	All other	165,680	126,945	149,634	17.9
	Total of all commodities	222,424	171,695	205,956	20.0

Source: Compiled from official statistics of the USDOC.

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."

^aBeginning in January 2009, the Census Bureau suppressed certain 10-digit Schedule B commodity classifications related to the aircraft industry and reported these data in aggregate under HTS Schedule B code 8800.00.0000, "Civilian aircraft, engines, and parts."

TABLE A.26 Leading U.S. imports from Canada, by HTS subheading, 2008–10

HTS subheading	Description	2008	2009	2010	% change, 2009–10
		Millions of \$			
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	62,485	36,972	48,236	30.5
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	25,184	16,594	24,822	49.6
2711.21	Natural gas, gaseous state	26,703	12,391	13,646	10.1
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	6,173	6,164	10,919	77.1
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	7,695	5,166	7,824	51.4
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	5,496	3,726	5,343	43.4
7108.12	Nonmonetary gold (including gold plated with platinum), unwrought, excluding powder	2,641	2,073	4,238	104.4
3104.20	Medicaments, for therapeutic or prophylactic uses, in measured doses, containing antibiotics other than penicillins	3,084	1,964	2,929	49.2
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	3,600	3,547	2,800	-21.1
4407.10	Coniferous wood sawn or chipped lengthwise, sliced or peeled, of thickness exceeding 6mm	3,216	1,987	2,685	35.1
8407.34	Reciprocating spark-ignition piston engines, of a cylinder capacity over 1,000 cc	2,203	1,743	2,568	47.3
7601.10	Aluminum, not alloyed, unwrought	3,161	2,282	2,489	9.1
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	2,505	1,422	2,345	64.9
2716.00	Electrical energy	3,641	2,071	2,071	0.0
7601.20	Unwrought aluminum alloys	2,366	1,235	2,044	65.5
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	2,296	1,316	1,862	41.5
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades, semibleached or bleached, coniferous wood	1,931	1,224	1,793	46.5
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	2,506	2,093	1,713	-18.2
2711.12	Propane, liquefied	2,387	1,424	1,704	19.7
3901.90	Polymers of ethylene n.e.s.o.i., in primary forms	1,528	1,067	1,450	35.9
4801.00	Newsprint, in rolls or sheets	2,331	1,395	1,348	-3.4
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	2,068	2,181	1,258	-42.3
7403.11	Refined copper, cathodes and sections of cathodes	1,826	915	1,231	34.5
7118.90	Coin, of gold or used as legal tender	637	798	1,112	39.3
8802.30	Airplanes and aircraft, of an unladen weight over 2,000 kg but not over 15,000 kg	1,361	791	1,085	37.1
	Total of items shown	179,025	112,540	149,513	32.9
	All other	155,814	112,045	126,023	12.5
	Total of all commodities	334,840	224,584	275,536	22.7

Source: Compiled from official statistics of the USDOC.

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), 2008–10

SITC Code No.	Description	2008	2009	2010	% change, 2009–10
		Millions of \$			
Exports:					
0	Food and live animals	2,313	2,446	3,184	30.2
1	Beverages and tobacco	142	158	196	24.2
2	Crude materials, inedible, except fuels	20,008	20,917	27,282	30.4
3	Mineral fuels, lubricants and related materials	401	524	1,333	154.1
4	Animal and vegetable oils, fats and waxes	164	70	430	510.9
5	Chemicals and related products, n.e.s.	9,136	9,908	12,416	25.3
6	Manufactured goods classified chiefly by material	4,833	3,981	4,790	20.3
7	Machinery and transport equipment	25,298	22,162	29,292	32.2
8	Miscellaneous manufactured articles	4,200	4,368	5,516	26.3
9	Commodities and transactions not classified elsewhere in the SITC	671	590	1,306	121.4
	Total	67,166	65,124	85,746	31.7
Imports:					
0	Food and live animals	4,796	4,143	4,868	17.5
1	Beverages and tobacco	40	33	31	-8.7
2	Crude materials, inedible, except fuels	1,760	1,224	1,584	29.4
3	Mineral fuels, lubricants and related materials	2,023	303	490	62.0
4	Animal and vegetable oils, fats and waxes	47	48	48	-0.5
5	Chemicals and related products, n.e.s.	10,734	8,519	10,713	25.8
6	Manufactured goods classified chiefly by material	43,644	31,967	37,561	17.5
7	Machinery and transport equipment	151,524	139,029	180,191	29.6
8	Miscellaneous manufactured articles	118,770	106,528	124,625	17.0
9	Commodities and transactions not classified elsewhere in the SITC	4,166	3,751	3,936	4.9
	Total	337,504	295,545	364,047	23.2

Source: Compiled from official statistics of the USDOC.

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, 2008–10

Schedule B subheading	Description	2008	2009	2010	% change, 2009–10
Millions of \$					
1201.00	Soybeans, whether or not broken	7,301	9,211	10,821	17.5
8800.00 ^a	Aircraft, spacecraft, and parts thereof	0	5,304	5,705	7.6
8542.31	Electronic integrated circuits, processors or controllers	3,477	2,865	3,662	27.8
7404.00	Copper waste and scrap	1,763	1,310	2,359	80.1
5201.00	Cotton, not carded or combed	1,631	824	2,064	150.6
7602.00	Aluminum waste and scrap	1,728	1,256	2,025	61.2
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	393	357	1,657	364.7
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	332	445	1,076	141.7
7204.49	Ferrous waste and scrap, n.e.s.o.i.	762	1,521	960	-36.9
2804.61	Silicon, containing by weight not less than 99.99 percent of silicon	466	490	910	85.8
4707.10	Waste and scrap of unbleached kraft paper or paperboard or of corrugated paper or paperboard	515	541	735	35.9
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	385	147	714	385.4
8486.10	Machines and apparatus for the manufacture of semiconductor boules or wafers	125	118	611	419.7
2603.00	Copper ores and concentrates	490	297	593	99.7
7204.29	Waste and scrap, of non-stainless alloy steel	697	618	586	-5.1
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	28	118	572	384.2
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades, semibleached or bleached, coniferous wood	334	415	545	31.4
2303.30	Brewing or distilling dregs and waste	2	101	504	400.4
8473.30	Parts and accessories for automated data processing machines and units	634	492	491	-0.1
4101.50	Whole raw bovine or equine hides and skins, weight exceeding 16 kilograms, fresh, pickled or preserved but not tanned or further prepared	620	445	471	6.0
4707.30	Recovered (waste and scrap) paper or paperboard, mainly of mechanical pulp (for example, newspapers, journals and similar printed matter)	418	283	447	57.8
3207.30	Liquid lustres and similar preparations	77	92	444	381.2
4403.20	Coniferous wood in the rough, not treated	64	98	411	321.4
8542.39	Electronic integrated circuits, n.e.s.o.i.	499	221	399	80.9
1507.10	Soybean oil and fractions, crude, whether or not degummed	106	33	394	1,079.8
	Total of items shown	22,848	27,601	39,159	41.9
	All other	44,318	37,523	46,587	24.2
	Total of all commodities	67,166	65,124	85,746	31.7

Source: Compiled from official statistics of the USDOC.

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."

^aBeginning in January 2009, the Census Bureau suppressed certain 10-digit Schedule B commodity classifications related to the aircraft industry and reported these data in aggregate under HTS Schedule B code 8800.00.0000, "Civilian aircraft, engines, and parts."

TABLE A.29 Leading U.S. imports from China, by HTS subheading, 2008–10

HTS subheading	Description	2008	2009	2010	% change, 2009–10
Millions of \$					
8471.30	Portable digital automated data processing machines not exceeding 10 kg, with at least a CPU, keyboard and display	19,235	22,909	32,043	39.9
8517.12	Telephones for cellular networks or for other wireless networks	12,368	13,055	16,865	29.2
8473.30	Parts and accessories for automated data processing machines and units	8,743	7,679	9,937	29.4
9503.00	Tricycles, scooters, similar wheeled toys; dolls, doll's carriages, and other toys; puzzles; reduced scale models	8,965	8,141	9,775	20.1
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	6,811	5,480	8,421	53.7
9504.10	Video games used with television receiver and parts and accessories	8,246	7,032	6,492	-7.7
8528.72	Reception apparatus for television, incorporating a screen or video display device, color	4,858	5,057	5,132	1.5
6403.99	Footwear not covering the ankles, with outer soles of rubber or plastics or composition leather and uppers of leather	5,148	4,284	4,721	10.2
8528.51	Monitors, other than cathode-ray tube, designed for use with automatic data processing machines	5,354	3,470	3,975	14.6
8525.80	Television cameras, digital cameras, and video camera recorders	3,831	3,390	3,827	12.9
8443.31	Machines that perform two or more of the functions of printing, copying, facsimile transmission, able to connect to a computer or network	2,837	2,883	3,774	30.9
8471.50	Digital processing units other than those of 8471.41 and 8471.49	2,831	2,932	3,744	27.7
6402.99	Footwear with outer soles and uppers of rubber or plastics n.e.s.o.i.	3,388	3,235	3,626	12.1
8528.59	Monitors, other than cathode-ray tube, not designed for use with automatic data processing machines	3,609	3,177	3,433	8.0
6110.20	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of cotton	1,992	2,780	3,363	21.0
8443.99	Parts and accessories of printers, copying and facsimile machines, n.e.s.o.i.	2,968	2,539	3,345	31.7
8504.40	Static converters	2,934	2,616	3,334	27.4
8471.70	Automatic data processing storage units	3,199	2,365	3,104	31.3
4202.92	Trunks, cases, bags and similar containers, with outer surface of plastic sheeting or of textile materials	2,414	2,040	2,690	31.9
8517.70	Parts of telecommunications apparatus	1,649	1,626	2,591	59.3
9403.60	Wooden furniture, other than of a kind used in the bedroom	2,532	1,981	2,409	21.6
9504.90	Game machines except coin-operated; board games; mah-jong; dominoes; dice	3,072	2,816	2,319	-17.6
8543.70	Electrical machines and apparatus, having individual functions, n.e.s.o.i.	813	1,156	2,274	96.7
6403.91	Footwear covering the ankles, with outer soles and uppers of rubber or plastics, excluding waterproof footwear	1,837	1,899	2,264	19.2
6204.62	Women's or girls' trousers, etc., of cotton, not knitted or crocheted	1,269	1,934	2,259	16.8
	Total of items shown	120,905	116,476	145,718	25.1
	All other	216,599	179,068	218,329	21.9
	Total of all commodities	337,504	295,545	364,047	23.2

Source: Compiled from official statistics of the USDOC.

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), 2008–10

SITC Code No.	Description	2008	2009	2010	% change, 2009–10
Millions of \$					
Exports:					
0	Food and live animals	11,285	9,240	10,357	12.1
1	Beverages and tobacco	237	281	314	11.9
2	Crude materials, inedible, except fuels	6,721	4,491	5,489	22.2
3	Mineral fuels, lubricants and related materials	11,082	7,668	14,149	84.5
4	Animal and vegetable oils, fats and waxes	868	639	819	28.1
5	Chemicals and related products, n.e.s.	18,464	16,546	19,260	16.4
6	Manufactured goods classified chiefly by material	19,640	15,637	19,386	24.0
7	Machinery and transport equipment	47,709	37,863	46,292	22.3
8	Miscellaneous manufactured articles	10,271	9,310	10,230	9.9
9	Commodities and transactions not classified elsewhere in the SITC	5,229	4,042	5,306	31.3
	Total	131,507	105,718	131,602	24.5
Imports:					
0	Food and live animals	9,240	9,800	11,786	20.3
1	Beverages and tobacco	2,464	2,357	2,566	8.9
2	Crude materials, inedible, except fuels	1,589	967	1,447	49.7
3	Mineral fuels, lubricants and related materials	42,646	24,196	33,086	36.7
4	Animal and vegetable oils, fats and waxes	87	50	51	2.0
5	Chemicals and related products, n.e.s.	3,937	3,397	4,031	18.7
6	Manufactured goods classified chiefly by material	15,909	11,509	14,785	28.5
7	Machinery and transport equipment	110,794	95,220	127,754	34.2
8	Miscellaneous manufactured articles	20,711	18,275	22,308	22.1
9	Commodities and transactions not classified elsewhere in the SITC	8,952	10,539	11,009	4.5
	Total	216,328	176,309	228,824	29.8

Source: Compiled from official statistics of the USDOC.

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, 2008–10

Schedule B subheading	Description	2008	2009	2010	% change, 2009–10
Millions of \$					
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	4,668	3,996	7,297	82.6
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	4,409	2,324	4,071	75.2
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	1,711	2,155	2,792	29.6
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	2,714	1,296	2,322	79.2
1005.90	Corn (maize), other than seed	2,305	1,385	1,568	13.2
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	1,916	1,027	1,514	47.5
1201.00	Soybeans, whether or not broken	1,786	1,350	1,494	10.7
3926.90	Articles of plastics and articles of other materials of headings 3901 to 3914, n.e.s.o.i.	1,341	1,109	1,402	26.4
8708.40	Gear boxes for motor vehicles	763	848	1,253	47.8
8800.00 ^a	Aircraft, spacecraft, and parts thereof	0	1,151	1,243	8.0
8408.20	Compression-ignition internal-combustion piston engines	1,117	712	1,214	70.6
8538.90	Parts for electrical apparatus for electrical circuits; for electrical control n.e.s.o.i.	1,232	910	1,198	31.7
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	1,378	646	1,090	68.6
8473.30	Parts and accessories for automated data processing machines and units	1,910	1,215	1,068	-12.1
2711.21	Natural gas, gaseous state	472	324	1,039	220.6
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	462	699	1,032	47.6
2902.43	Para-xylene	738	903	1,019	12.8
7326.90	Articles of iron or steel n.e.s.o.i.	972	787	984	25.0
8536.90	Electrical apparatus for switching or protecting electrical circuits, n.e.s.o.i.	906	705	814	15.3
8544.49	Insulated electric conductors, for a voltage not exceeding 80 volts, not fitted with connectors, n.e.s.o.i.	895	608	808	33.0
3901.20	Polyethylene having a specific gravity of 0.94 or more, in primary forms	762	648	748	15.4
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	706	669	743	11.0
8409.91	Parts for spark-ignition internal-combustion piston engines	454	504	733	45.4
3902.10	Polypropylene, in primary forms	861	562	729	29.7
7408.11	Wire of refined copper, with a maximum cross sectional dimension over 6 millimeters	752	408	691	69.3
	Total of items shown	35,232	26,940	38,865	44.3
	All other	96,276	78,778	92,737	17.7
	Total of all commodities	131,507	105,718	131,602	24.5

Source: Compiled from official statistics of the USDOC.

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."

^aBeginning in January 2009, the Census Bureau suppressed certain 10-digit Schedule B commodity classifications related to the aircraft industry and reported these data in aggregate under HTS Schedule B code 8800.00.0000, "Civilian aircraft, engines, and parts."

TABLE A.32 Leading U.S. imports from Mexico, by HTS subheading, 2008–10

HTS subheading	Description	2008	2009	2010	% change, 2009–10
Millions of \$					
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	37,629	20,962	29,152	39.1
8528.72	Reception apparatus for television, incorporating a screen or video display device, color	14,306	12,940	13,397	3.5
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	10,425	7,974	12,115	51.9
8471.50	Digital processing units other than those of 8471.41 and 8471.49	3,762	5,536	9,252	67.1
8704.31	Motor vehicles for transporting goods, with spark-ignition internal-combustion piston engine, gross vehicle weight not exceeding 5 mt	5,115	4,939	7,307	47.9
8517.12	Telephones for cellular networks or for other wireless networks	4,883	6,822	6,491	-4.8
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	2,793	2,763	4,691	69.8
7108.12	Nonmonetary gold (including gold plated with platinum), unwrought, excluding powder	1,067	2,881	3,984	38.3
8544.30	Insulated ignition wiring sets and other wiring sets of a kind used in vehicles, aircraft or ships	3,587	2,461	3,768	53.1
9401.90	Parts of seats (except medical, barbers, dentist, etc.)	2,810	1,966	3,480	77.1
8701.20	Road tractors for semi-trailers	824	2,043	2,867	40.4
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	2,027	2,099	2,512	19.7
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	1,915	1,484	2,296	54.7
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	2,469	2,049	2,288	11.7
8537.10	Boards, panels, consoles, other components incorporating apparatus for control or distribution of electricity, for voltage not exceeding 1,000 volts	1,937	1,550	2,102	35.6
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	1,696	1,322	2,017	52.6
7106.91	Silver, other than powder, unwrought	1,351	1,090	1,973	81.0
8418.10	Combined refrigerator-freezers, fitted with separate external doors	1,693	1,646	1,894	15.0
8704.22	Motor vehicles for goods transport n.e.s.o.i., with compression-ignition internal combustion piston engine, weighing 5 to 20 metric tons	1,231	906	1,861	105.4
8409.91	Parts for spark-ignition internal-combustion piston engines	1,587	1,092	1,687	54.5
8708.40	Gear boxes for motor vehicles	1,044	912	1,669	83.0
2203.00	Beer made from malt	1,567	1,520	1,591	4.7
8471.49	Other digital automated data processing machines, entered in the form of systems	249	308	1,569	410.1
8528.71	Reception apparatus for television, not designed to incorporate a screen or video display device	3,341	1,676	1,563	-6.7
0702.00	Tomatoes, fresh or chilled	1,143	1,126	1,487	32.2
	Total of items shown	110,451	90,064	123,012	36.6
	All other	105,877	86,245	105,812	22.7
	Total of all commodities	216,328	176,309	228,824	29.8

Source: Compiled from official statistics of the USDOC.

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), 2008–10

SITC Code No.	Description	2008	2009	2010	% change 2009–10
Millions of \$					
Exports:					
0	Food and live animals	11,905	10,123	10,792	6.6
1	Beverages and tobacco	847	606	576	-5.0
2	Crude materials, inedible, except fuels	4,820	2,962	3,859	30.3
3	Mineral fuels, lubricants and related materials	1,319	876	1,806	106.3
4	Animal and vegetable oils, fats and waxes	77	69	62	-10.2
5	Chemicals and related products, n.e.s.	10,299	8,390	11,082	32.1
6	Manufactured goods classified chiefly by material	3,412	2,330	2,906	24.7
7	Machinery and transport equipment	19,378	13,632	14,640	7.4
8	Miscellaneous manufactured articles	8,010	6,847	8,138	18.8
9	Commodities and transactions not classified elsewhere in the SITC	1,370	1,240	1,865	50.4
	Total	61,435	47,074	55,727	18.4
Imports:					
0	Food and live animals	546	558	569	2.0
1	Beverages and tobacco	65	64	76	19.3
2	Crude materials, inedible, except fuels	626	421	509	20.9
3	Mineral fuels, lubricants and related materials	575	274	480	75.3
4	Animal and vegetable oils, fats and waxes	39	31	35	13.5
5	Chemicals and related products, n.e.s.	8,532	7,739	8,983	16.1
6	Manufactured goods classified chiefly by material	8,596	6,617	8,626	30.4
7	Machinery and transport equipment	105,462	69,062	87,683	27.0
8	Miscellaneous manufactured articles	10,916	8,116	9,612	18.4
9	Commodities and transactions not classified elsewhere in the SITC	3,755	3,120	3,364	7.8
	Total	139,112	96,002	119,938	24.9

Source: Compiled from official statistics of the USDOC.

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, 2008–10

Schedule B subheading	Description	2008	2009	2010	% change, 2009–10
		Millions of \$			
8800.00 ^a	Aircraft, spacecraft, and parts thereof	0	4,089	4,214	3.1
1005.90	Corn (maize), other than seed	3,845	2,825	3,024	7.0
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	938	1,185	1,582	33.4
1201.00	Soybeans, whether or not broken	1,366	1,101	1,127	2.4
1001.90	Wheat and meslin, excluding durum wheat	1,616	793	794	0.1
0203.19	Meat of swine, n.e.s.o.i., fresh or chilled	723	747	776	3.8
9018.39	Medical etc. needles n.e.s.o.i., catheters, cannulae and the like; parts and accessories thereof	590	536	741	38.3
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	605	668	719	7.7
2844.20	Uranium and its compounds enriched in U-235; plutonium and its compounds	583	650	716	10.1
0203.29	Meat of swine, n.e.s.o.i., frozen	608	621	678	9.2
2909.19	Acyclic ethers, excluding diethyl ether, and their halogenated, sulfonated, nitrated, or nitrosated derivatives	38	76	641	740.0
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	2,096	736	637	-13.5
2804.61	Silicon, containing by weight not less than 99.99 percent of silicon	829	717	635	-11.4
3822.00	Composite diagnostic or laboratory reagents, except pharmaceuticals	557	542	515	-5.0
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	782	287	512	78.2
2713.11	Petroleum coke, not calcined	409	220	497	125.6
9021.39	Artificial parts of the body and parts and accessories thereof, n.e.s.o.i.	254	273	480	75.8
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	221	128	456	255.8
1214.90	Rutabagas (swedes), mangolds, fodder roots, hay, clover, kale, vetches, and other forage products, n.e.s.o.i., whether or not in pellet form	422	442	446	1.0
9306.90	Bombs, grenades, torpedoes, mines, missiles, etc., and parts	367	256	388	51.4
2711.11	Natural gas, liquefied	322	257	387	50.9
0201.30	Meat of bovine animals, boneless, fresh or chilled	213	238	335	40.8
2402.20	Cigarettes containing tobacco	598	345	311	-9.9
2309.10	Dog or cat food, put up for retail sale	273	292	299	2.6
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	387	299	299	0.1
	Total of items shown	18,642	18,324	21,210	15.8
	All other	42,794	28,751	34,517	20.1
	Total of all commodities	61,435	47,074	55,727	18.4

Source: Compiled from official statistics of the USDOC.

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."

^aBeginning in January 2009, the Census Bureau suppressed certain 10-digit Schedule B commodity classifications related to the aircraft industry and reported these data in aggregate under HTS Schedule B code 8800.00.0000, "Civilian aircraft, engines, and parts."

TABLE A.35 Leading U.S. imports from Japan, by HTS subheading, 2008–10

HTS subheading	Description	2008	2009	2010	% change 2009–10
		Millions of \$			
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	17,359	12,787	17,196	34.5
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	17,877	9,064	13,283	46.6
8443.99	Parts and accessories of printers, copying and facsimile machines, n.e.s.o.i.	4,697	3,897	3,969	1.9
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	1,808	1,703	2,382	39.9
8525.80	Television cameras, digital cameras, and video camera recorders	3,273	2,151	2,363	9.8
8703.22	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine over 1,000 but over 1,500 cc	6,733	2,751	2,182	-20.7
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	1,642	1,983	2,068	4.3
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	1,213	1,113	1,766	58.6
8708.40	Gear boxes for motor vehicles	2,441	1,127	1,625	44.3
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	995	1,376	1,411	2.5
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars, including station wagons and racing cars	784	678	922	36.1
2933.79	Lactams, excluding 6-hexanelactam, clobazam, and methyprylon	631	929	880	-5.3
8409.91	Parts for spark-ignition internal-combustion piston engines	1,111	667	879	31.6
8411.91	Parts for turbojets or turbopropellers	959	824	874	6.1
8486.90	Parts and accessories of machines and apparatus used in the manufacture of semiconductors, flat panels, or electronic integrated circuits	581	479	867	81.0
8542.31	Electronic integrated circuits, processors or controllers	662	528	860	62.8
8701.90	Tractors, n.e.s.o.i.	819	576	829	44.0
3818.00	Chemical elements doped for use in electronics, in the form of discs, wafers, similar forms; chemical compounds doped for use in electronics	1,059	645	786	21.9
8541.40	Photosensitive semiconductor devices, including photovoltaic cells; light-emitting diodes	767	535	753	40.6
9018.19	Electro-diagnostic apparatus n.e.s.o.i., and parts	678	579	690	19.2
9102.11	Wrist watches, with battery, mechanical display, of base metal	596	486	671	38.0
8408.90	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines), n.e.s.o.i.	648	349	655	87.6
9002.11	Objective lenses and parts and accessories thereof for cameras, projectors or photographic enlargers or reducers	674	495	650	31.3
8429.52	Self-propelled mechanical shovels and excavators, with a 360-degree revolving superstructure	1,123	344	634	84.1
8481.80	Taps, cocks, valves and similar appliances, n.e.s.o.i.	615	467	619	32.5
	Total of items shown	69,747	46,533	59,814	28.5
	All other	69,366	49,468	60,124	21.5
	Total of all commodities	139,112	96,002	119,938	24.9

Source: Compiled from official statistics of the USDOC.

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), 2008–10

SITC Code No.	Description	2008	2009	2010	% change, 2009–10
		Millions of \$			
Exports:					
0	Food and live animals	4,915	3,331	4,461	33.9
1	Beverages and tobacco	61	49	53	7.8
2	Crude materials, inedible, except fuels	3,518	2,929	3,553	21.3
3	Mineral fuels, lubricants and related materials	1,104	1,169	1,517	29.8
4	Animal and vegetable oils, fats and waxes	141	98	89	-9.4
5	Chemicals and related products, n.e.s.	4,902	4,376	5,982	36.7
6	Manufactured goods classified chiefly by material	1,705	1,408	1,906	35.4
7	Machinery and transport equipment	12,600	10,463	14,390	37.5
8	Miscellaneous manufactured articles	3,564	2,665	3,857	44.7
9	Commodities and transactions not classified elsewhere in the SITC	564	586	1,028	75.5
	Total	33,074	27,074	36,836	36.1
Imports:					
0	Food and live animals	279	290	334	15.3
1	Beverages and tobacco	74	76	81	6.2
2	Crude materials, inedible, except fuels	459	234	376	60.4
3	Mineral fuels, lubricants and related materials	1,497	1,101	1,659	50.6
4	Animal and vegetable oils, fats and waxes	1	2	3	69.9
5	Chemicals and related products, n.e.s.	2,239	1,583	2,172	37.2
6	Manufactured goods classified chiefly by material	6,201	4,035	5,909	46.4
7	Machinery and transport equipment	32,206	28,718	34,078	18.7
8	Miscellaneous manufactured articles	2,678	1,944	2,299	18.3
9	Commodities and transactions not classified elsewhere in the SITC	1,053	785	1,003	27.7
	Total	46,687	38,770	47,914	23.6

Source: Compiled from official statistics of the USDOC.

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, 2008–10

Schedule B subheading	Description	2008	2009	2010	% change, 2009–10
		Millions of \$			
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	654	720	1,986	175.9
8800.00 ^a	Aircraft, spacecraft, and parts thereof	0	1,345	1,579	17.4
1005.90	Corn (maize), other than seed	2,159	1,116	1,422	27.3
8541.29	Transistors, other than photosensitive, with a dissipation rate greater than or equal to 1 Watt	1,068	1,207	922	-23.6
7204.49	Ferrous waste and scrap, n.e.s.o.i.	967	813	882	8.5
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.	295	351	720	105.3
8542.32	Electronic integrated circuits, memories	304	393	645	64.1
2926.10	Acrylonitrile	424	314	484	54.0
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	617	363	449	23.8
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	185	187	424	126.3
2707.30	Xylenes	138	257	379	47.9
8542.39	Electronic integrated circuits, n.e.s.o.i.	338	312	377	20.9
8486.90	Parts and accessories of machines and apparatus used in the manufacture of semiconductors, flat panels, or electronic integrated circuits	292	336	350	3.9
1001.90	Wheat and meslin, excluding durum wheat	526	271	345	27.2
9306.90	Bombs, grenades, torpedoes, mines, missiles, etc., and parts	102	151	342	126.3
1201.00	Soybeans, whether or not broken	187	277	312	12.4
2707.99	Oils and products of the distillation of high temperature coal tar, n.e.s.o.i.; similar products with predominate aromatic constituent	321	305	305	-0.1
8486.10	Machines and apparatus for the manufacture of semiconductor boules or wafers	26	44	258	478.8
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	104	197	246	24.8
0202.20	Meat of bovine animals, cuts with bone in, other than in half or whole carcasses, frozen	110	77	242	213.3
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	1,433	0	238	^(b)
8542.31	Electronic integrated circuits, processors or controllers	357	206	235	14.0
4101.20	Whole raw bovine or equine hides, not over 8 kg when dried, 10 kg when dry salted, or 16 kg when fresh or otherwise preserved, not tanned	121	94	226	140.7
7602.00	Aluminum waste and scrap	382	187	215	15.0
0202.30	Meat of bovine animals, boneless, frozen	160	95	212	123.5
	Total of items shown	11,270	9,621	13,793	43.4
	All other	21,805	17,453	23,043	32.0
	Total of all commodities	33,074	27,074	36,836	36.1

Source: Compiled from official statistics of the USDOC.

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."

^aBeginning in January 2009, the Census Bureau suppressed certain 10-digit Schedule B commodity classifications related to the aircraft industry and reported these data in aggregate under HTS Schedule B code 8800.00.0000, "Civilian aircraft, engines, and parts."

^bNot applicable.

TABLE A.38 Leading U.S. imports from Korea, by HTS subheading, 2008–10

HTS subheading	Description	2008	2009	2010	% change, 2009–10
		Millions of \$			
8517.12	Telephones for cellular networks or for other wireless networks	8,399	8,178	7,490	-8.4
8703.23	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 1,500 but not over 3,000 cc	5,745	5,212	5,625	7.9
8473.30	Parts and accessories for automated data processing machines and units	1,501	1,420	2,629	85.1
8542.39	Electronic integrated circuits, n.e.s.o.i.	1,214	1,015	1,535	51.3
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	2,101	1,257	1,308	4.1
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	1,081	701	1,185	69.0
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars, including station wagons and racing cars	571	480	949	97.7
8418.10	Combined refrigerator-freezers, fitted with separate external doors	642	589	863	46.5
8542.32	Electronic integrated circuits, memories	797	764	838	9.7
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	523	382	731	91.6
8450.20	Household- or laundry-type washing machines, with a dry linen capacity exceeding 10 kilograms	411	524	644	22.9
8451.29	Drying machines for textile yarns, fabrics, or made up textile articles, with a dry linen capacity exceeding 10 kilograms	305	422	525	24.2
7306.29	Seamed or welded iron or steel casing or tubing, of non-circular cross section, of kind used in drilling for oil or gas, not stainless	373	134	485	262.7
2902.20	Benzene	527	234	424	80.8
8504.23	Liquid dielectric transformers having a power handling capacity exceeding 10,000 kva	278	327	415	26.8
8517.70	Parts of telecommunications apparatus	417	386	401	3.7
8542.31	Electronic integrated circuits, processors or controllers	462	320	389	21.6
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	369	320	371	16.1
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	176	154	353	129.8
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	211	268	336	25.3
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	290	249	334	34.1
8708.30	Brakes and servo-brakes for motor vehicles, and parts thereof	209	144	269	86.7
8517.69	Other apparatus for transmission or reception of voice, images or other data, n.e.s.o.i.	218	197	260	32.0
8523.51	Solid state nonvolatile semiconductor storage devices	204	213	226	5.7
8708.94	Steering wheels, steering columns and steering boxes and parts thereof, for motor vehicles	110	95	225	136.7
	Total of items shown	27,133	23,985	28,810	20.1
	All other	19,554	14,784	19,104	29.2
	Total of all commodities	46,687	38,770	47,914	23.6

Source: Compiled from official statistics of the USDOC.

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), 2008–10

SITC Code No.	Description	2008	2009	2010	% change, 2009–10
Exports:					
0	Food and live animals	2,122	2,012	2,115	5.1
1	Beverages and tobacco	47	46	51	10.6
2	Crude materials, inedible, except fuels	3,059	2,042	2,707	32.6
3	Mineral fuels, lubricants and related materials	269	113	138	21.8
4	Animal and vegetable oils, fats and waxes	29	23	17	-26.3
5	Chemicals and related products, n.e.s.	3,675	2,791	4,091	46.6
6	Manufactured goods classified chiefly by material	1,412	859	1,122	30.6
7	Machinery and transport equipment	10,814	6,858	10,402	51.7
8	Miscellaneous manufactured articles	1,712	1,612	2,501	55.1
9	Commodities and transactions not classified elsewhere in the SITC	488	356	759	113.6
	Total	23,628	16,712	23,904	43.0
Imports:					
0	Food and live animals	304	272	279	2.4
1	Beverages and tobacco	10	9	15	60.4
2	Crude materials, inedible, except fuels	321	191	256	34.1
3	Mineral fuels, lubricants and related materials	279	153	150	-1.9
4	Animal and vegetable oils, fats and waxes	9	10	13	32.5
5	Chemicals and related products, n.e.s.	1,250	954	1,308	37.1
6	Manufactured goods classified chiefly by material	5,988	3,803	5,155	35.5
7	Machinery and transport equipment	21,400	17,722	21,997	24.1
8	Miscellaneous manufactured articles	5,326	4,135	4,955	19.8
9	Commodities and transactions not classified elsewhere in the SITC	1,316	825	1,441	74.7
	Total	36,204	28,074	35,568	26.7

Source: Compiled from official statistics of the USDOC.

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, 2008–10

Schedule B subheading	Description	2008	2009	2010	% change, 2009–10
Millions of \$					
8486.20	Machines and apparatus for the manufacture of semiconductor devices or electronic integrated circuits	973	1,160	2,492	114.7
8800.00 ^a	Aircraft, spacecraft, and parts thereof	0	575	1,056	83.5
8542.32	Electronic integrated circuits, memories	1,875	895	892	-0.4
7204.49	Ferrous waste and scrap, n.e.s.o.i.	725	431	715	65.7
1201.00	Soybeans, whether or not broken	953	719	653	-9.1
1005.90	Corn (maize), other than seed	808	727	613	-15.6
8542.31	Electronic integrated circuits, processors or controllers	1,588	729	592	-18.7
8486.90	Parts and accessories of machines and apparatus used in the manufacture of semiconductors, flat panels, or electronic integrated circuits	416	263	578	119.9
8542.39	Electronic integrated circuits, n.e.s.o.i.	673	359	572	59.6
9031.41	Optical instruments for inspecting semiconductor wafers or devices, or photomasks or reticles used in manufacturing these items	127	281	526	87.2
7204.21	Waste and scrap, of stainless steel	330	226	349	54.9
8541.29	Transistors, other than photosensitive, with a dissipation rate greater than or equal to 1 Watt	104	67	265	295.6
9001.90	Lenses, except contact and spectacle, prisms, mirrors and other optical elements, unmounted, other than of glass not optically worked	96	136	261	91.2
1001.90	Wheat and meslin, excluding durum wheat	327	241	231	-4.2
8475.90	Parts of machines for assembling electric/electronic lamps, tubes or flashbulbs, in glass envelopes, for manufacturing or hot working glass	311	223	223	0.1
9306.90	Bombs, grenades, torpedoes, mines, missiles, etc., and parts	25	25	208	746.4
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	57	102	203	99.8
8803.30	Parts of airplanes or helicopters, n.e.s.o.i.	413	175	194	10.8
5201.00	Cotton, not carded or combed	131	103	190	84.7
2902.44	Mixed xylene isomers	67	49	186	275.1
3824.90	Other chemical products and preparations of the chemical and allied industries, n.e.s.o.i.	114	115	182	58.1
2804.61	Silicon, containing by weight not less than 99.99 percent of silicon	109	109	181	66.9
7106.10	Silver powder	97	112	180	60.4
8486.10	Machines and apparatus for the manufacture of semiconductor boules or wafers	27	23	180	696.5
2844.20	Uranium and its compounds enriched in U-235; plutonium and its compounds	207	91	164	79.6
	Total of items shown	10,555	7,936	11,886	49.8
	All other	13,073	8,776	12,018	36.9
	Total of all commodities	23,628	16,712	23,904	43.0

Source: Compiled from official statistics of the USDOC.

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."

^aBeginning in January 2009, the Census Bureau suppressed certain 10-digit Schedule B commodity classifications related to the aircraft industry and reported these data in aggregate under HTS Schedule B code 8800.00.0000, "Civilian aircraft, engines, and parts."

TABLE A.41 Leading U.S. imports from Taiwan, by HTS subheading, 2008–10

HTS subheading	Description	2008	2009	2010	% change, 2009–10
Millions of \$					
8517.12	Telephones for cellular networks or for other wireless networks	1,709	2,179	4,246	94.8
8473.30	Parts and accessories for automated data processing machines and units	1,483	1,155	1,541	33.5
8526.91	Radio navigational aid apparatus	1,678	2,102	1,294	-38.4
8542.39	Electronic integrated circuits, n.e.s.o.i.	2,037	1,271	1,248	-1.8
8542.31	Electronic integrated circuits, processors or controllers	964	796	994	24.8
8542.32	Electronic integrated circuits, memories	1,026	771	895	16.2
8528.71	Reception apparatus for television, not designed to incorporate a screen or video display device	1,032	695	882	26.8
8523.51	Solid state nonvolatile semiconductor storage devices	255	282	480	70.6
7318.15	Threaded screws and bolts, of iron or steel, n.e.s.o.i., whether or not with their nuts or washers	486	299	417	39.2
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	259	266	414	55.9
8512.20	Electrical lighting or visual signaling equipment, for use on cycles or motor vehicles, except for use on bicycles	361	325	374	15.0
8541.40	Photosensitive semiconductor devices, including photovoltaic cells; light-emitting diodes	242	185	373	102.0
7318.14	Self-tapping screws of iron or steel	446	267	362	35.8
8523.40	Optical media	543	433	361	-16.7
8708.29	Parts and accessories of bodies (including cabs) for motor vehicles, n.e.s.o.i.	345	333	351	5.5
8712.00	Bicycles and other cycles (including delivery tricycles), not motorized	324	304	346	13.9
8534.00	Printed circuits	352	247	329	33.4
9506.91	Gymnasium, playground or other exercise articles and equipment; parts and accessories thereof	248	213	318	49.1
8504.40	Static converters	336	239	301	26.4
8525.80	Television cameras, digital cameras, and video camera recorders	135	166	300	80.9
8517.70	Parts of telecommunications apparatus	174	181	290	60.7
8471.80	Other units of automated data processing machines	243	194	275	41.7
8481.80	Taps, cocks, valves and similar appliances, n.e.s.o.i.	328	216	270	24.7
7318.16	Nuts, threaded, of iron or steel	280	150	240	59.8
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	267	198	227	14.8
	Total of items shown	15,553	13,466	17,129	27.2
	All other	20,651	14,609	18,439	26.2
	Total of all commodities	36,204	28,074	35,568	26.7

Source: Compiled from official statistics of the USDOC.

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 Brazil, by SITC codes (revision 3), 2008–10

SITC Code No.	Description	2008	2009	2010	% change, 2009–10
		Millions of \$			
	Exports:				
0	Food and live animals	533	246	374	52.1
1	Beverages and tobacco	8	6	8	32.1
2	Crude materials, inedible, except fuels	592	464	697	50.1
3	Mineral fuels, lubricants and related materials	2,235	1,894	4,188	121.1
4	Animal and vegetable oils, fats and waxes	19	11	15	30.7
5	Chemicals and related products, n.e.s.	6,909	5,422	7,342	35.4
6	Manufactured goods classified chiefly by material	1,758	1,181	1,704	44.3
7	Machinery and transport equipment	14,566	10,809	13,045	20.7
8	Miscellaneous manufactured articles	1,841	1,582	2,012	27.2
9	Commodities and transactions not classified elsewhere in the SITC	567	520	773	48.6
	Total	29,027	22,135	30,157	36.2
	Imports:				
0	Food and live animals	2,185	1,984	2,432	22.6
1	Beverages and tobacco	318	323	324	0.3
2	Crude materials, inedible, except fuels	2,217	1,269	1,942	53.0
3	Mineral fuels, lubricants and related materials	8,411	6,183	7,171	16.0
4	Animal and vegetable oils, fats and waxes	32	23	40	73.1
5	Chemicals and related products, n.e.s.	1,990	1,458	2,092	43.5
6	Manufactured goods classified chiefly by material	6,395	3,268	4,080	24.9
7	Machinery and transport equipment	6,573	3,242	3,462	6.8
8	Miscellaneous manufactured articles	1,187	930	907	-2.5
9	Commodities and transactions not classified elsewhere in the SITC	753	934	953	2.1
	Total	30,061	19,612	23,402	19.3

Source: Compiled from official statistics of the USDOC.

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 Brazil, by Schedule B subheading, 2008–10

Schedule B subheading	Description	2008	2009	2010	% change, 2009–10
Millions of \$					
8800.00 ^a	Aircraft, spacecraft, and parts thereof	0	4,066	3,978	-2.2
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	940	692	1,892	173.3
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	892	895	1,228	37.2
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	443	381	509	33.9
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.	512	582	475	-18.3
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	28	54	406	652.8
3002.20	Vaccines for human medicine	34	34	343	920.1
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	299	215	272	26.6
3105.40	Ammonium dihydrogenorthophosphate (monoammonium phosphate), mixtures thereof with diammonium hydrogenorthophosphate (diammonium phosphate)	248	158	255	61.5
8431.49	Parts and attachments for derricks, cranes, self-propelled bulldozers, graders, and other grading, scraping machinery, n.e.s.o.i.	168	164	239	45.8
2711.12	Propane, liquefied	^(b)	51	225	343.9
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	127	135	202	49.5
2815.12	Sodium hydroxide (caustic soda), in aqueous solution (soda lye or liquid soda)	239	217	199	-8.3
2930.90	Organo-sulfur compounds, n.e.s.o.i.	144	188	198	5.3
2902.50	Styrene (vinylbenzene; phenylethylene)	320	108	196	81.7
8473.30	Parts and accessories for automated data processing machines and units	213	148	184	24.5
2713.11	Petroleum coke, not calcined	169	61	177	188.3
8443.99	Parts and accessories of printers, copying and facsimile machines, n.e.s.o.i.	127	94	169	80.2
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	272	148	164	11.0
8414.80	Air pumps and air or other gas compressors, n.e.s.o.i.; ventilating or recycling hoods incorporating a fan, n.e.s.o.i.	48	123	156	26.9
3808.91	Insecticides	89	98	152	54.4
8525.50	Transmission apparatus for radio-broadcasting or television	119	81	151	87.2
3901.20	Polyethylene having a specific gravity of 0.94 or more, in primary forms	90	103	150	46.2
4703.21	Chemical woodpulp, soda or sulfate, other than dissolving grades, semibleached or bleached, coniferous wood	126	109	149	37.1
8704.10	Dumpers (dump trucks) designed for off-highway use	93	140	148	5.7
	Total of items shown	5,741	9,043	12,218	35.1
	All other	23,286	13,092	17,939	37.0
	Total of all commodities	29,027	22,135	30,157	36.2

Source: Compiled from official statistics of the USDOC.

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."

^aBeginning in January 2009, the Census Bureau suppressed certain 10-digit Schedule B commodity classifications related to the aircraft industry and reported these data in aggregate under HTS Schedule B code 8800.00.0000, "Civilian aircraft, engines, and parts."

^bLess than \$500,000

TABLE A.44 Leading U.S. imports from Brazil, by HTS subheading, 2008–10

HTS subheading	Description	2008	2009	2010	% change, 2009–10
Millions of \$					
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	6,522	4,661	5,188	11.3
0901.11	Coffee, not roasted, not decaffeinated	718	727	1,064	46.4
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	913	817	952	16.5
4703.29	Chemical woodpulp, soda, or sulfate, other than dissolving grades, semibleached or bleached, nonconiferous	836	508	912	79.6
7201.10	Nonalloy pig iron containing 0.5 percent or less phosphorus by weight, in primary forms	1,990	478	650	36.1
8802.30	Airplanes and aircraft, of an unladen weight over 2,000 kg but not over 15,000 kg	241	272	438	61.2
6802.93	Worked monumental or building stone, n.e.s.o.i., of granite	409	281	412	46.3
2713.11	Petroleum coke, not calcined	348	268	371	38.6
8409.99	Parts for use with compression-ignition internal combustion piston engines	393	190	331	74.3
7207.12	Semifinished iron/nonalloy steel products, under 0.25 percent carbon, rectangular/not square, width not less than twice thickness	449	114	312	174.0
2401.20	Tobacco, partly or wholly stemmed/stripped	292	297	295	-0.6
4011.10	New pneumatic tires, of rubber, of a kind used on motor cars, including station wagons and racing cars	241	212	278	31.4
2902.20	Benzene	239	173	261	51.0
2207.10	Ethyl alcohol, undenatured, of an alcoholic strength by volume of 80 percent or higher	454	165	248	50.6
2711.29	Petroleum gases and other gaseous hydrocarbons, other than natural gas, in a gaseous state	190	156	222	42.4
1701.11	Cane sugar, raw, in solid form, not containing added flavoring or coloring matter	37	70	221	217.5
8802.40	Airplanes and other aircraft, of an unladen weight exceeding 15,000 kg	1,969	393	206	-47.5
7202.93	Ferroniobium	224	75	201	168.3
2804.69	Silicon, containing by weight less than 99.99 percent of silicon	171	104	192	85.1
2711.14	Ethylene, propylene, butylene, and butadiene, liquefied	83	82	188	129.0
6403.99	Footwear not covering the ankles, with outer soles of rubber or plastics or composition leather and uppers of leather	310	217	185	-14.7
8414.30	Compressors of a kind used in refrigerating equipment, including air conditioning	194	148	182	22.9
2902.43	Para-xylene	101	127	176	38.1
4409.10	Wood, including strips and friezes, continuously shaped along any of its edges or faces, coniferous	162	126	171	35.3
7108.12	Nonmonetary gold (including gold plated with platinum), unwrought, excluding powder	65	98	154	58.0
	Total of items shown	17,552	10,756	13,811	28.4
	All other	12,509	8,856	9,591	8.3
	Total of all commodities	30,061	19,612	23,402	19.3

Source: Compiled from official statistics of the USDOC.

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.45 U.S. merchandise trade with India, by SITC codes (revision 3), 2008–10

SITC Code No.	Description	2008	2009	2010	% change, 2009–10
		Millions of \$			
Exports:					
0	Food and live animals	335	403	475	17.9
1	Beverages and tobacco	4	3	5	57.1
2	Crude materials, inedible, except fuels	975	1,045	1,136	8.7
3	Mineral fuels, lubricants and related materials	881	959	1,093	14.0
4	Animal and vegetable oils, fats and waxes	4	123	154	25.2
5	Chemicals and related products, n.e.s.	4,790	3,182	3,737	17.5
6	Manufactured goods classified chiefly by material	2,173	1,201	1,829	52.3
7	Machinery and transport equipment	6,123	5,636	5,125	-9.1
8	Miscellaneous manufactured articles	1,210	1,117	1,296	16.1
9	Commodities and transactions not classified elsewhere in the SITC	847	961	1,544	60.7
	Total	17,340	14,629	16,394	12.1
Imports:					
0	Food and live animals	1,024	917	1,186	29.3
1	Beverages and tobacco	33	37	31	-16.6
2	Crude materials, inedible, except fuels	535	380	562	47.8
3	Mineral fuels, lubricants and related materials	337	435	2,324	434.8
4	Animal and vegetable oils, fats and waxes	103	57	97	69.6
5	Chemicals and related products, n.e.s.	3,892	3,647	4,954	35.8
6	Manufactured goods classified chiefly by material	10,026	7,300	10,465	43.4
7	Machinery and transport equipment	3,633	2,819	3,738	32.6
8	Miscellaneous manufactured articles	5,946	5,334	5,938	11.3
9	Commodities and transactions not classified elsewhere in the SITC	336	301	320	6.1
	Total	25,866	21,228	29,614	39.5

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

TABLE A.46 Leading U.S. exports to India, by Schedule B subheading, 2008–10

Schedule B subheading	Description	2008	2009	2010	% change, 2009–10
		Millions of \$			
7108.12	Nonmonetary gold (including gold plated with platinum), unwrought, excluding powder	497	643	1,179	83.4
8800.00 ^a	Aircraft, spacecraft, and parts thereof	0	2,139	1,156	−46.0
3105.30	Diammonium hydrogenorthophosphate (diammonium phosphate)	2,664	1,034	1,079	4.3
7102.39	Nonindustrial diamonds, n.e.s.o.i.	1,217	477	825	73.0
2701.12	Bituminous coal, whether or not pulverized, but not agglomerated	361	346	462	33.4
2707.99	Oils and products of the distillation of high temperature coal tar, n.e.s.o.i.; similar products with predominate aromatic constituent	369	418	407	−2.5
8411.82	Gas turbines, except turbojets and turbopropellers, of a power not exceeding 5,000 kW	36	177	271	53.1
7204.49	Ferrous waste and scrap, n.e.s.o.i.	246	259	254	−1.9
0802.11	Almonds, fresh or dried, in shell	141	139	196	41.2
8517.62	Machines for the reception, conversion, transmission or regeneration of voice, images or other data, including switching/routing apparatus	223	199	188	−5.7
2809.20	Phosphoric acid and polyphosphoric acids	228	97	153	58.1
8411.99	Gas turbines parts, n.e.s.o.i.	54	102	148	44.7
4801.00	Newsprint, in rolls or sheets	110	20	135	568.7
1507.10	Soybean oil and fractions, crude, whether or not degummed	0	120	133	11.0
4707.10	Waste and scrap of unbleached kraft paper or paperboard or of corrugated paper or paperboard	93	95	126	33.8
3904.10	Polyvinyl chloride, not mixed with any other substances, in primary forms	9	96	122	27.1
3815.19	Supported catalysts, n.e.s.o.i.	100	107	109	1.9
9018.90	Medical, surgical, dental or veterinary sciences instruments, appliances, and parts, n.e.s.o.i.	66	80	106	33.6
8409.99	Parts for use with compression-ignition internal combustion piston engines	76	68	99	44.1
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	63	86	94	9.5
7113.19	Articles of jewelry and parts thereof, of precious metal (excluding silver)	118	83	91	9.0
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.	183	160	86	−46.5
2926.10	Acrylonitrile	36	12	84	582.2
8517.70	Parts of telecommunications apparatus	74	70	82	17.0
3824.90	Other chemical products and preparations of the chemical and allied industries, n.e.s.o.i.	33	73	77	4.8
	Total of items shown	6,997	7,101	7,661	7.9
	All other	10,343	7,529	8,733	16.0
	Total of all commodities	17,340	14,629	16,394	12.1

Source: Compiled from official statistics of the USDOC.

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."

^aBeginning in January 2009, the Census Bureau suppressed certain 10-digit Schedule B commodity classifications related to the aircraft industry and reported these data in aggregate under HTS Schedule B code 8800.00.0000, "Civilian aircraft, engines, and parts."

TABLE A.47 Leading U.S. imports from India, by HTS subheading, 2008–10

HTS subheading	Description	2008	2009	2010	% change, 2009–10
		Millions of \$			
7102.39	Nonindustrial diamonds, n.e.s.o.i.	3,876	3,084	5,166	67.5
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	4	303	2,102	594.6
3004.90	Certain medicaments put up in measure doses or in forms or packings for retail sale, n.e.s.o.i.	1,068	1,202	1,840	53.0
7113.19	Articles of jewelry and parts thereof, of precious metal (excluding silver)	1,338	1,077	1,138	5.6
6302.31	Bed linen, other than printed, of cotton, not knitted or crocheted	368	392	584	48.9
6302.60	Toilet and kitchen linen, of terry toweling or similar terry fabrics, of cotton	404	389	465	19.4
6110.20	Sweaters, pullovers, sweatshirts, waistcoats (vests) and similar articles, knitted or crocheted, of cotton	344	332	395	19.1
7305.19	Line pipe used in oil or gas pipelines, external diameter over 406.4 millimeters, of iron or steel, riveted or similarly closed, n.e.s.o.i.	315	^(a)	364	^(b)
8528.71	Reception apparatus for television, not designed to incorporate a screen or video display device	251	240	327	36.1
6206.30	Women's or girls' blouses, shirts and shirt-blouses, of cotton, not knitted or crocheted	261	261	313	20.0
7113.11	Jewelry and parts thereof, of silver, whether or not plated or clad with other precious metal	160	215	291	35.6
0306.13	Shrimps and prawns, including in shell, cooked by steaming or by boiling in water, frozen	126	141	285	102.9
8502.31	Electric generating sets, wind-powered	179	244	260	6.4
3004.20	Medicaments, in measured doses, etc., containing antibiotics, n.e.s.o.i.	229	234	256	9.3
1302.32	Mucilages and thickeners, whether or not modified, derived from locust beans, locust bean seeds or guar seeds	144	92	221	140.5
2933.59	Heterocyclic compounds containing a pyrimidine (hydrogenated or not) or piperazine ring in the structure, n.e.s.o.i.	129	166	219	31.8
6105.10	Men's or boys' shirts, of cotton, knitted or crocheted	245	199	210	5.5
6205.20	Men's or boys' shirts of cotton, not knitted or crocheted	211	174	207	19.1
8708.99	Parts and accessories for motor vehicles, n.e.s.o.i.	156	126	203	61.5
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	319	108	202	87.0
6109.10	T-shirts, singlets, tank tops, and similar garments, of cotton, knitted or crocheted	197	163	202	23.5
2934.99	Nucleic acids and their salts, whether or not chemically defined; other heterocyclic compounds, n.e.s.o.i.	45	69	185	166.7
0801.32	Cashew nuts, fresh or dried, shelled	232	169	184	9.2
6204.62	Women's or girls' trousers, etc., of cotton, not knitted or crocheted	251	219	183	-16.3
8701.90	Tractors, n.e.s.o.i.	190	106	180	69.8
	Total of items shown	11,042	9,705	15,981	64.7
	All other	14,824	11,522	13,633	18.3
	Total of all commodities	25,866	21,228	29,614	39.5

Source: Compiled from official statistics of the USDOC.

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."

^aU.S. value less than \$500,000.

^bPercent change is more than 10,000 percent.

TABLE A.48 U.S. merchandise trade with Russia, by SITC codes (revision 3), 2008–10

SITC Code No.	Description	2008	2009	2010	% change, 2009–10
Millions of \$					
Exports:					
0	Food and live animals	1,683	1,307	1,067	-18.3
1	Beverages and tobacco	94	54	52	-2.5
2	Crude materials, inedible, except fuels	226	166	186	12.1
3	Mineral fuels, lubricants and related materials	48	31	47	53.1
4	Animal and vegetable oils, fats and waxes	1	1	1	24.8
5	Chemicals and related products, n.e.s.	763	560	911	62.8
6	Manufactured goods classified chiefly by material	395	258	302	17.2
7	Machinery and transport equipment	5,065	2,448	2,647	8.1
8	Miscellaneous manufactured articles	632	321	414	29.2
9	Commodities and transactions not classified elsewhere in the SITC	28	16	29	83.5
	Total	8,936	5,160	5,657	9.6
Imports:					
0	Food and live animals	322	307	285	-7.4
1	Beverages and tobacco	118	146	142	-2.6
2	Crude materials, inedible, except fuels	188	119	270	127.0
3	Mineral fuels, lubricants and related materials	16,533	11,947	17,319	45.0
4	Animal and vegetable oils, fats and waxes	1	^(a)	^(a)	-17.57
5	Chemicals and related products, n.e.s.	3,344	1,650	2,563	55.4
6	Manufactured goods classified chiefly by material	5,437	2,654	3,945	48.6
7	Machinery and transport equipment	201	216	282	30.5
8	Miscellaneous manufactured articles	436	301	353	17.6
9	Commodities and transactions not classified elsewhere in the SITC	142	80	39	-51.0
	Total	26,721	17,420	25,199	44.7

Source: Compiled from official statistics of the USDOC.

Note: Because of rounding, figures may not add to totals shown. The abbreviation "n.e.s." stands for "not elsewhere specified."

^aU.S. value is less than \$500,000.

TABLE A.49 Leading U.S. exports to Russia, by Schedule B subheading, 2008–10

Schedule B subheading	Description	2008	2009	2010	% change, 2009–10
		Millions of \$			
0207.14	Chicken cuts and edible offal, including livers, frozen	798	744	315	-57.7
8800.00 ^a	Aircraft, spacecraft, and parts thereof	0	418	243	-41.7
8431.43	Parts for boring or sinking machinery, n.e.s.o.i.	380	251	206	-17.7
3904.10	Polyvinyl chloride, not mixed with any other substances, in primary forms	15	27	154	467.7
8414.80	Air pumps and air or other gas compressors, n.e.s.o.i.; ventilating or recycling hoods incorporating a fan, n.e.s.o.i.	28	51	104	102.6
0203.29	Meat of swine, n.e.s.o.i., frozen	259	134	95	-29.4
0202.30	Meat of bovine animals, boneless, frozen	47	13	92	604.3
8704.10	Dumpers (dump trucks) designed for off-highway use	60	36	83	132.0
8703.24	Passenger motor vehicles with spark-ignition internal-combustion reciprocating piston engine, cylinder capacity over 3,000 cc	483	10	78	676.0
8411.99	Gas turbines parts, n.e.s.o.i.	20	25	72	186.2
8411.82	Gas turbines, except turbojets and turbopropellers, of a power not exceeding 5,000 kW	37	77	70	-9.3
5502.00	Artificial filament tow	45	53	67	26.0
8467.81	Chain saws, for working in the hand, hydraulic or with self-contained nonelectric motor	129	55	60	7.8
8479.89	Machines and mechanical appliances having individual functions, n.e.s.o.i.	53	54	58	7.5
8701.30	Track-laying tractors	101	9	56	519.0
2844.10	Natural uranium and its compounds; uranium alloys, dispersions, ceramic products, and mixtures containing natural uranium or its compounds	15	37	56	52.3
0802.12	Almonds, fresh or dried, shelled	38	35	55	57.3
3912.11	Cellulose acetates, nonplasticized, in primary forms	47	54	54	0.3
3002.10	Antisera and other blood fractions, and modified immunological products	16	13	52	298.7
2844.20	Uranium and its compounds enriched in U-235; plutonium and its compounds	20	12	52	330.5
0203.22	Meat of swine, specifically hams, shoulders and cuts thereof, with bone in, frozen	43	28	51	80.6
8430.41	Boring or sinking machinery, self-propelled, n.e.s.o.i.	72	17	49	184.4
8431.49	Parts and attachments for derricks, cranes, self-propelled bulldozers, graders, and other grading, scraping machinery, n.e.s.o.i.	72	102	49	-51.8
3402.20	Washing or cleaning preparations, other than soap, containing aromatic or modified aromatic surface-active agent, for retail sale	70	39	43	9.5
8433.90	Parts for harvesting or threshing machinery, mowers, balers, machines for cleaning, sorting, grading eggs, fruit/other agricultural produce	22	5	41	724.8
	Total of items shown	2,871	2,301	2,256	-1.9
	All other	6,066	2,859	3,400	18.9
	Total of all commodities	8,936	5,160	5,657	9.6

Source: Compiled from official statistics of the USDOC.

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 Beginning in January 2009, the Census Bureau suppressed certain 10-digit Schedule B commodity classifications related to the aircraft industry and reported these data in aggregate under HTS Schedule B code 8800.00.0000, "Civilian aircraft, engines, and parts."

TABLE A.50 Leading U.S. imports from Russia, by HTS subheading, 2008–10

HTS subheading	Description	2008	2009	2010	% change, 2009–10
Millions of \$					
2710.19	Oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products, not light	10,139	7,714	10,376	34.5
2709.00	Petroleum oils and oils obtained from bituminous minerals, crude	2,974	2,065	4,062	96.7
2710.11	Light oils and preparations from petroleum oils and oils from bituminous minerals, minimum 70 percent by weight of such products	2,234	965	1,286	33.3
2844.20	Uranium and its compounds enriched in U-235; plutonium and its compounds	835	856	1,049	22.6
7502.10	Nickel, not alloyed, unwrought	453	294	685	133.0
7207.12	Semifinished iron/nonalloy steel products, under 0.25 percent carbon, rectangular/not square, width not less than twice thickness	498	187	480	157.0
7201.10	Nonalloy pig iron containing 0.5 percent or less phosphorus by weight, in primary forms	413	275	447	62.3
2713.11	Petroleum coke, not calcined	396	407	405	-0.5
2711.29	Petroleum gases and other gaseous hydrocarbons, other than natural gas, in a gaseous state	345	375	383	2.1
3104.20	Medicaments, for therapeutic or prophylactic uses, in measured doses, containing antibiotics other than penicillins	702	104	358	245.5
7601.10	Aluminum, not alloyed, unwrought	547	421	250	-40.5
7110.21	Palladium, unwrought or in powder form	716	200	241	20.7
2901.21	Ethylene	127	40	237	486.3
0306.14	Crabs, including in shell, cooked by steaming or by boiling in water, frozen	271	264	216	-18.2
8108.90	Titanium and articles thereof, other than unwrought or in powder form or waste and scrap	178	171	211	23.1
7601.20	Unwrought aluminum alloys	252	130	199	52.3
2901.22	Propene (propylene)	151	53	162	207.7
2711.14	Ethylene, propylene, butylene, and butadiene, liquefied	89	87	160	85.1
7202.21	Ferrosilicon, containing by weight more than 55 percent silicon	86	45	159	255.9
7115.90	Articles n.e.s.o.i., of precious metal or of metal clad with precious metal	111	72	147	104.6
3102.80	Mixtures or urea and ammonium nitrate in aqueous or ammoniacal solution	295	96	140	45.7
2707.99	Oils and products of the distillation of high temperature coal tar, n.e.s.o.i.; similar products with predominate aromatic constituent	41	44	140	220.5
2208.60	Vodka	114	144	139	-3.1
6909.19	Ceramic wares for laboratory, chemical or other technical uses, not of porcelain or china, of a hardness of less than 9 Mohs	1	22	116	419.6
7202.49	Ferrochromium, containing 4% (wt.) or less carbon	119	74	102	38.5
	Total of items shown	22,086	15,103	22,149	46.7
	All other	4,635	2,317	3,050	31.6
	Total of all commodities	26,721	17,420	25,199	44.7

Source: Compiled from official statistics of the USDOC.

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.”