



Facts on Global Reform

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Effective Trade Remedies Critical to Fair Trade

U.S. Trade Remedies Against Unfair Trade – Antidumping (AD) and Countervailing Duties (CVD)

Unfair foreign pricing and government subsidies distort the free flow of goods and can adversely affect American business in the global marketplace. U.S. companies injured by dumped or subsidized imports may request the imposition of antidumping or countervailing duties by filing a complaint with the Department of Commerce and the United States International Trade Commission. Following a substantiated complaint, the Department of Commerce will determine whether dumping or subsidization has occurred and the International Trade Commission will determine whether the U.S. industry is being injured because of the dumped or subsidized imports. If dumping or subsidization and injury are found, duties can be imposed to offset the level of dumping or subsidization. Domestic AD/CVD trade remedies are provided for under U.S. law and are consistent with the WTO Antidumping and Subsidies Agreements.

Rules Negotiations in the WTO

The WTO Rules negotiations covers antidumping, subsidies – including fisheries subsidies – and regional trade agreements. The negotiating mandate for the Rules Negotiating Group, agreed to at the 2001 Doha Ministerial Conference, is to clarify and improve the rules while preserving the basic concepts, principles and effectiveness of the WTO Antidumping and Subsidies Agreements.

To date, many proposals have been made by the United States and others to clarify and improve the rules. Due to the complexity of the issues, there is an on-going, intensive technical scrutiny of the proposals. Such an in-depth analysis has been essential in assessing the consistency of the proposals with the negotiating mandate, as well as evaluating the proposals' technical merits and degree of support among other WTO Members.

U.S. Position

Trade Promotion Authority (TPA) provides that the key U.S. negotiating objective for trade remedies is to preserve the ability of the United States to enforce rigorously its trade laws, and avoid agreements that lessen the effectiveness of domestic and international disciplines on unfair trade.

In the WTO Rules negotiations, we are committed to defending our trade laws, targeting the unfair trade practices of others, and improving transparency and due process to ensure that all WTO Members are following the applicable rules and U.S. exporters are fairly treated when subject to trade remedy proceedings in other countries.

Benefits

Strong and effective remedies against unfair trade practices, including those against dumping and unfair subsidies, are essential to ensure that the benefits gained from trade liberalization are not undermined. As President Bush recently stated: "We must continue to vigorously enforce the trade laws on the books so that American businesses and workers are competing on a level playing field."