



White & Case LLP General Trade Report - JETRO

March 2013

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UNITED STATES

GENERAL TRADE POLICY

USTR Releases 2013 Trade Policy Agenda

Summary

On March 1, 2013, the Office of the US Trade Representative (USTR) released the “2013 Trade Policy Agenda and 2012 Annual Report of the President of the United States on the Trade Agreements Program.” Below we provide a brief overview of the 2012 Annual Report as well as details on and analysis of the 2013 Trade Agenda, which identifies the negotiation of certain trade agreements and trade enforcements efforts as Obama Administration trade policy priorities for 2013.

Analysis

I. BACKGROUND

Pursuant to Section 163 of the Trade Act of 1974, as amended, USTR released the 2013 Trade Policy Agenda (“Agenda”) and 2012 Annual Report on March 1, 2013. Together, they discuss the Obama Administration’s trade policy priorities for 2013 and present a summary of 2012 trade-related activities. The 2012 Annual Report discusses trade-related activities undertaken last year relating to the following, among others: (i) the World Trade Organization (WTO); (ii) bilateral and regional negotiations and agreements; (iii) other trade activities, including those related to labor and the environment; (iv) trade enforcement actions; and (v) trade policy development, including trade capacity building, and public input and transparency.

According to the 2013 Trade Policy Agenda (“Agenda”), the Obama Administration will build on the trade-related activities of 2012 by working to: (i) increase US trade; (ii) enforce the United States’ trading rights; (iii) enhance relations between the United States and its trade and investment partners; (iv) support global economic development through trade; and (v) seek input from stakeholders on US trade policy. Below we provide details on the specific items contemplated in the Agenda.

II. 2012 TRADE AGENDA ITEMS

Key trade policy priorities identified in the Agenda include the following, *inter alia*:

US Trade Agreement Negotiations

The Agenda highlights the Trans-Pacific Partnership (TPP) and the Transatlantic Trade and Investment Partnership (TTIP) as key priorities for 2013. With regard to the TPP, the Agenda notes that TPP leaders are striving to complete negotiations in 2013. In light of TPP negotiators’ efforts to conclude the agreement, the

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Agenda states that USTR will work with Congress on Trade Promotion Authority (TPA), *i.e.*, expedited procedures for congressional consideration and approval of the completed TPP agreement.¹ Despite this goal, the Agenda further states that USTR continues to welcome input on how to shape certain texts within the agreement, including that which addresses access to medicines. In regard to the recent addition of Canada and Mexico to TPP, the Agenda states the inclusion of the two countries provides President Obama with an opportunity to fulfill his pledge to address concerns related to the North American Free Trade Agreement (NAFTA).

The Agenda welcomes the public expression of interest by countries in the Asia-Pacific region in possibly joining the agreement. The Obama Administration continues to engage Japan regarding its interest in joining the negotiations. In late February 2013, President Obama and Japanese Prime Minister Shinzo Abe released a Joint Statement in which they confirmed the need to further address bilateral trade issues, specifically those relating to Japan's insurance and automotive sectors, in the context of Japan's interest in joining TPP.² Interestingly, the Joint Statement also states that Japan is not required to make a prior commitment to unilaterally eliminate all tariffs upon joining the negotiations. This statement may indicate some flexibility on the part of the United States toward Japan in protecting its sensitive industries, *e.g.*, agriculture, within the TPP tariff negotiations.

The Obama Administration also intends to launch TTIP negotiations in 2013. According to the Agenda, TTIP would include ambitious market opening commitments as well as new trade rules and new solutions to non-tariff barriers.

The United States looks forward to bilateral investment treaty (BIT) negotiations with India, China and Mauritius in 2013. USTR will also explore the possibility of negotiating a BIT with numerous other countries, including Russia, Cambodia, Ghana, Gabon, and the East African Community (EAC). The United States may also explore the possibility of negotiating a trade and investment framework agreement (TIFA) with Russia.

Enforcement of US Trade Agreements

In 2013, the United States will work to ensure that its free trade agreement (FTA) partners uphold their obligations, specifically with regard to labor rights, the environment and intellectual property rights (IPR) obligations. More specifically, the Agenda states that the United States will strive to uphold commitments related to the following, among other items:

- **IPR.** The Agenda notes that the Obama Administration will continue to work with Korea, Colombia and Panama to ensure that they meet their obligations under their respective FTAs, especially those relating to IPR;

¹ TPA legislation usually contains three components: (i) area-specific trade negotiation priorities; (ii) executive-congressional consultation requirements on trade negotiations; and (iii) expedited procedures for congressional consideration of trade agreement implementing legislation by a so-called "up or down" vote without amendments. Given that TPP negotiations are well underway, TPP-specific TPA legislation would contain (iii) but it remains unclear the extent to which (i) and (ii) will be covered in such TPA bill.

² The US-Japan Joint Statement is available here: <http://www.whitehouse.gov/the-press-office/2013/02/22/joint-statement-united-states-and-japan>

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- **The Environment.** The United States will also work with Peru to ensure it implements its environmental obligations under the US-Peru FTA. In January 2013, the United States and Peru reached agreement on a five-point action plan to support Peru's forestry sector reform efforts and further implement the country's obligations under the US-Peru FTA's Annex on Forest Sector Governance;³ and
- **Labor Rights.** In 2013, the United States will use "every means available" to ensure that Guatemala addresses its alleged labor violations under the United States-Dominican Republic-Central America FTA (DR-CAFTA). The United States will also work with Bahrain and Jordan to address labor rights concerns under their respective FTAs with the United States. In addition, USTR will work with Colombia to ensure the country successfully implements the action plan relating to labor rights to which the United States and Colombia agreed before the US-Colombia FTA entered into force.

Regional and Bilateral Trade Relations

The Agenda also outlines the Obama Administration's trade policy priorities with respect to certain regional and bilateral trading relationships. For example, the Agenda states that the United States will, among other items, work with Indonesia as it hosts the 2013 Asia-Pacific Economic Cooperation (APEC) Leaders Summit to: (i) further facilitate trade in environmental goods and services; (ii) promote good regulatory practices; (iii) improve supply chain linkages; (iv) address the issue of local content requirements; and (iv) ensure the use of non-discriminatory IPR policies. The United States will also work with the countries of the Association of Southeast Asian Nations (ASEAN) through the recently launched Expanded Economic Engagement (E3) Initiative and the US-ASEAN Trade and Investment Framework Agreement (TIFA).

The Agenda also identifies the Obama Administration's priorities with respect to the United States' bilateral trade relationships with certain countries. For example, the Agenda states that the United States will monitor Russia's implementation of its WTO obligations and "take action as necessary" to ensure US exports are treated consistently with Russia's WTO obligations. The United States will also work with Russia to execute its IRP action plan, to which the United States and Russia agreed in late 2012.

In addition, the Obama Administration will use the tools of dialogue, negotiation and enforcement to ensure that the US-China bilateral trade relationship is mutually beneficial. Notably, USTR will work to obtain an improved offer from China to join the WTO Government Procurement Agreement (GPA). The United States will also work with China to improve its ability to protect and enforce IPR and to ensure that state-owned enterprises (SOEs) are not provided undue advantage by the Chinese government. In regard to Chinese market access for US goods, the United States hopes to address issues in the agriculture, information technology and telecommunication, and medical device sectors, among others.

WTO Negotiations

³ More information regarding this agreement is available here: <http://www.ustr.gov/about-us/press-office/press-releases/2013/january/us-peru-action-plan-forest-sector-governance>

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In 2013, the United States will participate in numerous WTO negotiations. Most notably, the United States will participate in the negotiation of two WTO plurilateral trade agreement negotiations, namely:

- **An International Services Agreement (ISA).** USTR intends to launch negotiations toward an International Services Agreement (ISA) in 2013. According to the Agenda, the ISA negotiating framework will be compatible with the WTO General Agreement on Trade in Services (GATS). In addition, USTR seeks an ISA that addresses services trade through electronic channels and ensures transparency and predictability in regard to relevant regulatory policies; and
- **The Expansion of the Information Technology Agreement (ITA).** The Agenda states that the United States will “play a leading role” in 2013 negotiations to expand the scope of products covered under ITA. Participating countries began to negotiate the expansion of this Agreement in 2012.

The United States will also continue to negotiate a trade facilitation agreement with WTO members and address issues relating to least developed countries’ (LDC) participation in the WTO. For example, the Agenda notes that the United States supports LDC participation in trade facilitation negotiations through a demand-driven assistance mechanism designed to help LDCs implement trade facilitation reforms. Many WTO members are currently pushing to achieve outcomes related to these two issues in time for the Ninth WTO Ministerial Conference, scheduled for December 2013.

In regard to WTO accessions, the Agenda welcomes the recent accessions of Lao People’s Democratic Republic and Tajikistan. It also notes that the Obama Administration will continue to work with other countries seeking WTO accession, including Serbia, Ethiopia, Algeria and Afghanistan.

WTO Disputes

The United States will continue to engage with numerous WTO members at the WTO Dispute Settlement Body (DSB) in disputes that United States has already initiated. These disputes include those that challenge: (i) China’s alleged misuse of its trade remedy laws in DS427 and DS440; (ii) China’s export restraints on rare earths in DS431; (iii) China’s alleged use of export-contingent subsidies in DS450; (iv) the European Union’s (EU) compliance with the WTO DSB’s ruling in DS316, which addressed subsidization of the EU aircraft manufacturer Airbus; (v) India’s alleged use of local content requirements in DS456; (vi) India’s alleged ban on certain US agricultural imports in DS430; (vii) Argentina’s allegedly non-transparent and discretionary import restrictions in DS444; and (viii) Indonesia’s import licensing requirements in DS455.

Trade Preference Programs

The Obama Administration will also work with Congress to achieve the reauthorization of the Generalized System of Preferences (GSP) program, which is set to expire on July 31, 2013. In considering the reauthorization of the program, the Agenda states that the Administration will address numerous factors, including: (i) the impact of the program on US businesses; (ii) the needs of the GSP beneficiary countries; and (iii) the growing competitiveness of some GSP beneficiaries. The Obama Administration will also continue to review GSP beneficiary countries’ compliance with GSP eligibility criteria.

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The Agenda states that USTR will also work with Congress to achieve the reauthorization of the African Growth and Opportunity Act (AGOA), which is set to expire on September 30, 2015. The Agenda makes no mention of the Andean Trade Preference Program (ATPA), which is also set to expire on July 31, 2013. Ecuador is the only remaining designated beneficiary country under ATPA.

Outlook

The Obama Administration's 2013 Trade Policy Agenda emphasizes many of the same priorities outlined in its trade agendas of prior years. For example, the Agenda maintains a strong focus on trade enforcement, a trend that has proven to be a cornerstone of President Obama's trade policy. Aside from the TPP, which the United States hopes to complete in 2013, the Agenda does not provide specific timeframes within which it will seek to accomplish the other trade policy priorities it identifies. For example, the Agenda does not provide an anticipated date by which it seeks to complete negotiations toward the expansion of the ITA or the congressional renewal of TPA.

The leadership provided by the USTR is one of a number of factors that influence the Obama Administration's pursuit of its trade policy priorities. Although current USTR Ron Kirk was scheduled to leave office on March 1, 2013, he delayed his exit in light of forced budget cuts, *i.e.*, sequestration. USTR Kirk's successor has yet to be named.

US General Trade Policy Highlights

Senate Finance Leaders Introduce Customs Bill

On March 22, 2013 Senate Finance Committee Chairman Max Baucus (D-MT) and Ranking Member Orrin Hatch (R-UT) introduced the "Trade Facilitation and Trade Enforcement Reauthorization Act of 2013" (S 662 or "Senate customs bill"). According to a fact sheet issued by the Senate Finance Committee, the bill "facilitates trade and improves enforcement of US customs and trade laws, strengthens the private sector consultation process, streamlines [Customs and Border Protection's (CBP)] trade operations and enhances collaboration across Federal agencies."

We summarize below several key aspects of the Senate customs bill:

- **Intellectual Property Rights (IPR) Protection.** S 662 establishes the National IPR Coordination Center within ICE, which would, among other tasks: (i) coordinate the investigation into the sources of IPR-infringing merchandise; (ii) coordinate training with both domestic and international law enforcement agencies to improve IPR enforcement; and (iii) create a database of information regarding IPR infringement;
- **Import Safety.** The Senate customs bill establishes an interagency Import Safety Working Group. Among other tasks, the bill would require the Group to work with the Department of Homeland Security (DHS) to develop a joint import safety rapid response plan that outlines the steps CBP should take to respond to cargo that poses a health or safety risk to US consumers;

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- **De Minimis Level.** S 662 amends the Tariff Act of 1930 to permit articles valued at USD 800 or less to be imported into the United States duty free. The *de minimis* level is currently USD 200; and
- **Automated Commercial Environment (ACE).** S 662 allocates USD 140 million each year for the period 2014-2016 to complete the development of ACE, an initiative already underway to modernize the business processes used to secure US borders, speed the flow of legitimate shipments and target illicit goods. According to CBP, ACE is the backbone for the International Trade Data System, which collects and distributes trade data, and will ultimately become the so-called “single window” for trade and government agencies involved in the import and export of goods.

The Senate customs bill also addresses the issue of duty evasion. More specifically, it would require that CBP initiate an investigation within 10 days of receipt of an allegation or referral that merchandise covered by an antidumping (AD) or countervailing duty (CVD) order is entering the United States through evasion of such order. CBP would need to determine whether there is “substantial evidence” that the merchandise is evading the AD/CVD order within 270 days after the date on which CBP initiates the investigation. Within 90 days of the initiation of investigation, CBP would need to determine whether there is a “reasonable suspicion” that merchandise entered the United States through evasion. The bill would require that CBP take certain actions if it makes affirmative determinations with respect to reasonable suspicion and/or substantial evidence of AD/CVD duty order evasion. According to the fact sheet, the Senate customs bill’s language on duty evasion is based on the “Enforcing Orders and Reducing Customs Evasion Act” (“ENFORCE” Act), which the Senate Finance Committee approved in July 2012.

It is not clear when the Senate Finance Committee will mark up the bill and send it to the Senate floor for a plenary vote. Nonetheless, that the House Ways and Means Committee leaders have not yet jointly issued a customs bill limits the progress the Senate can make toward achieving congressional passage of a customs bill. At the end of the 112th Congress, however, House Ways and Means Democrats and Republicans issued separate customs bills. In particular, House Ways and Means Trade Subcommittee Former Chairman Kevin Brady (R-TX) introduced the “Customs Trade Facilitation and Enforcement Act of 2012” (HR 6642) and House Ways and Means Ranking Member Sander Levin (D-MI) and former Trade Subcommittee Ranking Member Jim McDermott (D-WA) introduced the “Customs Enhanced Enforcement and Trade Facilitation Act” (HR 6656). One of the differences between the two House bills is that the HR 6656 includes language based on the ENFORCE Act that binds CBP to firm deadlines for responding to complaints and completing investigations it launches into claims of duty evasion, while HR 6642 does not. House Ways and Means Committee leaders will likely need to reconcile their different views on this issue before they jointly issue a customs bill.

Click [here](#) for a copy of the Senate customs bill.

TPP Members Conclude 16th Round of Negotiations

On March 13, 2013, the eleven members of the Trans-Pacific Partnership (TPP) agreement completed the 16th round of negotiations in Singapore. Although a US Trade Representative (USTR) press release issued the same day suggests negotiations have “shift[ed] into higher gear,” negotiators do not appear to have made substantive

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progress on the most difficult negotiating areas. Shortly after the round, Japan officially announced its intention to join the negotiations.

According to the USTR press release, TPP negotiators made significant progress on the following texts: (i) customs; (ii) telecommunications; (iii) regulatory coherence; and (iv) development. As a result, negotiators responsible for these texts will not meet again until the late stages of the negotiations. Importantly, the press release does not state that TPP negotiators have completed negotiations on these texts. On the contrary, sources note that TPP members have yet to agree on several aspects of the telecommunications text. Other sources indicate that New Zealand tabled a new proposal relating to regulatory coherence at the 16th round.

The United States failed to table key texts in the areas of intellectual property rights (IPR), sanitary and phytosanitary (SPS) measures, and treatment of tobacco products at the round. In the area of IPR, the United States originally tabled its proposal on access to medicines in September 2011. The proposal was met with heavy criticism from TPP members and, as a result, the United States has undertaken an internal review of the text. Although no new or additional text was tabled, Canada and Mexico briefed other TPP members on the ways in which their respective governments handle IPR issues relating to pharmaceuticals.

The United States is considering whether to table text making the SPS text fully enforceable, *i.e.*, subject to dispute settlement. The United States did not table text on this issue; however, sources note the United States floated the idea of including a consultations mechanism to TPP members. Instead of allowing an arbitral panel to decide whether parties have violated their obligations relating to SPS measures, a consultation mechanism would likely allow a TPP member to request consultations with other TPP members on issues relating to their SPS obligations.

In their second round of TPP negotiations, Canada and Mexico further defined their negotiating priorities. For example, media sources hold that Canada is interested in obtaining increased access to US government procurement opportunities. Other TPP observers are concerned with the strong defensive position Mexico has taken on such sensitive products as textiles and apparel, footwear and dairy products. Sources also note that Mexico is highly concerned over competing with other TPP members for US market access it currently enjoys under the North American Free Trade Agreement.

According to USTR's press release, TPP members will focus future negotiating rounds on the most challenging issues within TPP, namely IPR, competition and environment. In a similar press release, Singapore noted that labor is another of the more difficult areas. With respect to competition, the US proposal on state-owned enterprises (SOEs) continues to receive pushback. Media sources contend that Australia has floated additional ideas for how to approach the SOEs text emphasizing, *inter alia*, the principles on which disciplines for SOEs are based; however, the country does not appear to have tabled any relevant text.

Japan Officially Announces Intention to Join TPP Negotiations

On March 15, 2013, Japanese Prime Minister Shinzo Abe officially announced Japan's intention to join the TPP negotiations. Japan, along with Canada and Mexico, formally expressed its interest in joining the agreement at the November 2011 Asia-Pacific Economic Cooperation (APEC) Leaders' Summit. While Acting USTR Demetrios Marantis welcomed Japan's March 15 announcement, he also signaled the need for the United States

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and Japan to address outstanding bilateral issues. More specifically, he indicated the United States' concern with Japanese policies on automobiles, insurance and non-tariff barriers (NTBs). TPP members maintain that a final decision to invite Japan to join the TPP will be based on the consensus among the 11 current members. Nonetheless, the United States' approval represents a key obstacle Japan must overcome if it is to be invited to join negotiations.

The 17th round of negotiations is scheduled to take place in Lima, Peru from May 15-24, 2013. Before TPP negotiators meet in May, the TPP Trade Ministers will meet on the sidelines of the APEC Trade Ministers meeting, which is scheduled to take place in Surabaya, Indonesia in mid-April 2013. TPP Trade Ministers are expected to discuss progress to date and provide further guidance to negotiators. Although TPP leaders have called on negotiators to complete the agreement this year, the goal is increasingly perceived as unachievable.

Click [here](#) for a copy of USTR's press release.

ITC Issues Second Report on Products for Possible Inclusion in ITA Expansion

On March 13, 2013, the US International Trade Commission (ITC) released the report "The Information Technology Agreement: Advice and Information on the Proposed Expansion, Part 2." The report provides the following for a group of products that could be included in the expansion of the Information Technology Agreement (ITA): (i) tariffs in major markets; (ii) major producing countries; (iii) leading US export markets; and (iv) leading sources of US imports. The report also surveys the benefits to US industry of an ITA expansion.

In July 2012, the US Trade Representative (USTR) requested that ITC provide advice and information on a list of 439 product descriptions, which cover 130 Harmonized System (HS) codes, proposed by ITA participants for inclusion in an expanded ITA. USTR requested that this advice and information be delivered in two reports. The first report, released in November 2012, provides the Information and Communications Technology (ICT) and non-ICT purposes of each of the products, and identifies those products US industry and other interested parties view as import-sensitive.

The latest report provides additional trade-related information on these products. More specifically, the report identifies the following countries as the major US export markets for the 130 products: the European Union (EU), Canada, Mexico, China and Japan. These same five countries are also the most common major suppliers of US imports of those products. Of these five countries, only Mexico is not an ITA member, but it is a US free trade agreement (FTA) partner. The 130 products are subject to tariffs of between 0-35 percent within their respective major markets, *i.e.*, the top global importers of each product. According to the report, some of the highest average tariffs are levied on the following products, among others: (i) printing ink (HS 321511), which faces a 25 percent average duty in Malaysia; (ii) combined refrigerator-freezers (HS 841810), which face a 20 percent average duty in Russia; (iii) household or laundry-type washing machines (HS 845011), which face a 30 percent average duty in Egypt; (iv) duplicating machines (HS 847210), which face a 20 percent average duty in Thailand; and (v) magnetic tape-type (HS 85110), which faces a 30 percent average duty in China.

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The report also provides an overview of selected US subsectors that could benefit from increased market access opportunities under the ITA expansion. These subsectors include: (i) medical devices; (ii) relay and industrial control equipment; (iii) optical media; (iv) loudspeakers and headsets; and (v) multi-component integrated circuits. For example, the report notes the US medical device industry was subject to USD 229 million in duties in 2011. Therefore, the elimination of duties for medical devices under the ITA expansion would create significant duty savings for the US medical device industry.

Sources indicate that 17 ITA members (including the United States) are currently involved in the effort to expand the Agreement. Although China has been involved in the talks, some other major emerging economies, e.g., India, have so far declined to participate in the talks. Negotiators met in mid-March 2013 to engage in another round.

Click [here](#) for a copy of the ITC report.

Click [here](#) for further information on the 2012 MTB process as provided by the House Ways and Means Committee, including links to public comments, ITC reports and the Obama Administrations reviews of the MTBs.

Taiwan and US Hold 7th Round of TIFA Talks

On March 10, 2013, Taiwan and the United States held the long-awaited 7th round of meetings on the bilateral Trade and Investment Framework Agreement (TIFA)⁴ in Taipei. Taiwan's Vice Minister of Economics, Shih-chao Cho and his counterpart, Deputy US Trade Representative (USTR) Demetrios Marantis, co-chaired the meetings. During the meetings, the parties made positive progress, including, among others, signing of two new joint statements on investment principles (the "Investment Principles") and information and communication technology (ICT) services (the "ICT Statement"), respectively, and established new TIFA working groups on investment and technical barriers to trade (TBT).

Specifically, the Investment Principles cover such issues as non-discrimination, fair competition, protection for investors and investments, dispute settlement, transparency, and national security considerations. The document makes reference to the work of the Organization for Economic Cooperation and Development (OECD) as well as provisions under the Statement of the United States and the Europe Union on Shared Principles for International Investment.⁵

With respect to the ICT Statement, it covers, among others, exchange of information and experiences on law and regulations, spectrum management, interconnection, general promotion of ICT services, ICT networks and services, authorizations and licenses, and digital products. Like those ICT statements signed between the United States and other parties, the ICT Statement does not apply to financial services or the protection of intellectual property right (IPR), the protection of privacy and of the confidentiality of personal and commercial data. The

⁴ The agreement was signed in 1994 as a framework for Taiwan-US dialogue on trade-related issues in the absence of diplomatic ties.

⁵ The Statement of the US and the EU on Shared Principles for International Investment was signed on April 10, 2012.

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endorsement of trade principles for ICT services demonstrates the parties' determination to support the global development of ICT services, including internet and other network-based applications that are critical to innovative e-commerce. According to Vice Minister Shih-chao, "the two joint statements [namely, Investment Principles and ICT Statement] strengthen the foundation of cooperation between Taiwan and the United States in the future in many international fields."

Following the meetings, the technical teams of both sides further discussed certain specific topics, including health care and medicine, food safety issues related to imported meat, pesticide residue, protection of IPR, and trade secrets. However, the parties failed to reach consensus on the import of pork from the United States, although the restrictions on the import of beef have been loosened.⁶ Taiwan's negotiators reminded the US delegation of the Taiwanese government's principle of issuing "separate permits for importing beef and pork." With respect to IPR protection, Deputy USTR Marantis welcomed Taiwan's amendments to the *Trade Secret Act* to increase deterrent penalties for trade secret misappropriation.

According to a press release issued by USTR, the parties also used the TIFA meeting as an opportunity to reaffirm their commitment to working together within regional and multilateral fora. For example, both parties are currently working towards the expansion of the Information Technology Agreement (ITA) and the negotiation of an International Services Agreement (ISA) within the World Trade Organization (WTO).

Both sides affirmed the positive progress achieved during this round of meetings. According to Deputy USTR Marantis, "the resumption of TIFA talks between Taiwan and the United States represents a new stage in our economic relationship that will more fully open the lines of communication on trade and investment."

The next round of the Taiwan-US TIFA talks is scheduled to take place in Washington, D.C. in 2014.

Click [here](#) for a copy of the USTR press release on the TIFA meeting.

Click [here](#) and [here](#) for copies of introduction to the Investment Principles and ICT Statement, respectively.

⁶ On July 25, 2012, the Legislative Yuan passed amendments to the "Act Governing Food Sanitation," authorizing government agencies to set safety standards for ractopamine. Following this development, food safety and nutrition exports from the Department of Health agreed to follow the adoption of a new standard for ractopamine levels by the Codex Alimentarius Commission, setting the limit for ractopamine at 10 parts per billion in beef on July 31, 2012. Since then, US beef containing ractopamine can again enter Taiwan's market.

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