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Trade Remedies

The Trans-Pacific Partnership (TPP) levels the playing field for American workers and American businesses, leading to more Made-in-America exports and more higher-paying American jobs here at home. By cutting over 18,000 taxes different countries put on Made-in-America products, TPP makes sure our farmers, ranchers, manufacturers, service suppliers, and small businesses can compete—and win—in some of the fastest growing markets in the world. With more than 95 percent of the world’s consumers living outside our borders, TPP will significantly expand the export of Made-in-America goods and services and support American jobs.

EXECUTIVE SUMMARY

TPP’s Trade Remedies chapter ensures that U.S. producers remain fully able to use trade remedy laws, including safeguards, anti-dumping, and countervailing duties, to address injury resulting from a sudden surge in imports, the sale of exports below a country’s domestic price, or the provision of

subsidies to producers of exported products. At the same time, the chapter ensures that U.S. exporters facing trade remedy measures initiated by other countries—which are increasingly common and affect over \$1 billion in U.S. exports annually—are provided procedural due process, and that procedures used by other TPP countries are transparent.

CHAPTER OVERVIEW

Antidumping and Countervailing Duty

The TPP Agreement will not affect the rights and obligations under the World Trade Organization (WTO) agreements relevant to anti-dumping and countervailing duties (AD/CVD), nor confer additional rights or obligations. It promotes certain well-recognized transparency and due process practices in trade remedy proceedings, such as written notification to another Party of receipt of an AD/CVD application, transparency and due process notifications, maintenance of public files providing availability to all non-confidential documents in the administrative record, and disclosure of key facts on which the decision on whether to apply AD/CVD measures was based. Nothing in this chapter affects our ability to use and enforce U.S. anti-dumping, countervailing duty, or safeguard laws.

Global safeguards

The TPP Agreement will not affect the rights and obligations of TPP Parties under the WTO agreements relating to safeguards, confer additional rights, or impose new obligations. It requires, however, that TPP countries provide for notification electronically of the notifications already required by the WTO once a Party initiates a WTO safeguard investigation. It also prohibits Parties from imposing more than one safeguard on a product at the same time, whether it be a global safeguard, a transitional safeguard, or another special safeguard set out in the TPP Agreement.

Transitional safeguard mechanism

The Trade Remedies chapter allows TPP Parties to apply a transitional safeguard measure to one, some, or all other TPP Parties during the period in which a tariff is being phased out if imports from those Parties have increased as a result of the tariff cuts. These measures can be maintained for up to two years, with a one-year extension. So as to facilitate adjustment, transitional safeguard measures must be progressively liberalized if they last

longer than a year.

Notification and Consultation

When conducting a transitional safeguard investigation, TPP Parties must notify the other Parties of the key milestones in the investigation: initiation, making a finding of serious injury, a decision to apply or extend the measure, and a decision to modify the measure. Parties also must notify the other Party should they decide to apply or extend the transitional safeguard.

Compensation

A Party applying a transitional safeguard measure must provide mutually-agreed compensation in the form of concessions having equivalent trade effects or equivalent to the additional duties expected to result from the measure. Alternatively, a Party facing a transitional safeguard may suspend equivalent concessions, after notification to the other Party or Parties, if the Parties cannot agree on compensation.

NEW FEATURES

While maintaining current U.S. laws on trade remedies, TPP enhances our efforts to promote best practices in foreign AD/CVD investigations consistent with the strong due process and transparency U.S. law guarantees to exporters in other countries. These provisions will help ensure that U.S. exporters facing trade remedy investigations initiated by other countries are provided procedural due process and can defend themselves in a transparent environment. Another new feature in this chapter is the opportunity it presents for a TPP industry to request that transitional safeguard measures be imposed against one, some, or all of the other TPP countries where imports are believed to be a cause or threat of serious injury.

IMPACT

While the United States maintains an open market, U.S. policy has recognized for over 120 years that industries and their workers at times may be confronted with unfair trade practices and many other disruptions that require a rapid but temporary response through import relief. An important example, dating from 2009, was the Obama administration's use of a "special safeguard" to impose temporary, three-year tariffs on certain

Chinese-made automobile tires to provide relief after a sharp and sudden increase in imports threatened jobs and production in the United States. Accordingly, we have ensured that TPP provisions do not weaken U.S. trade remedy laws.

At the same time, TPP will ensure that trade remedies laws in our partner countries will offer due process and transparency. This is a principle embedded in U.S. trade law. It is important that foreign trade remedy systems reflect the same fair principles. This is particularly essential as U.S. exports face frequent cases abroad, with 62 of the 982 anti-dumping cases filed outside the U.S. from 2010 to 2014 targeting U.S. products.

