

Vol. 33, No. 48

December 9, 2013

## Special Report – Ninth WTO Ministerial

### WTO Overcomes Roadblocks to Save Bali Ministerial

A major concession to India and a minor one to Cuba prevented the World Trade Organization (WTO) from suffering another failure at its Ninth Ministerial Conference (MC9) in Bali, Indonesia Dec.7. Indian and Cuban objections to provisions in the Bali Package forced the meeting to go a day beyond originally planned, required two overnight sessions of negotiations and saw the MC9 on the brink of collapse after midnight on Saturday, Dec. 7.

Key outcomes of MC9 included:

- Bali Package is the first multilateral agreement WTO has been able to achieve in 19 years;
- WTO Director-General Roberto Azevedo wins kudos for bringing off final deal;
- U.S. still cares about the WTO;
- Meeting shows fraying of alliances of BRICS, LDCs;
- U.S. Trade Representative (USTR) Michael Froman brings new strength to U.S. negotiations;
- India was isolated in its demands for a permanent peace clause;
- WTO's future agenda seems less in doubt;
- Importance of global supply chains was recognized;
- Doha Round may still have some signs of life in it;
- Developing countries see renewed importance in WTO as they are left out of other trade pacts.

At the delayed closing session of MC9, an emotional and tired Azevedo praised the efforts of ministers in Bali and ambassadors in Geneva for reaching agreement on the package. "In recent weeks, the WTO has come alive," he said. The organization has "not seen such engagement and commitment in a long, long time," Azevedo said. "For the first time in our history, the WTO has truly delivered," he said. The success of MC9 was far from assured. India's absolute objection to placing a time limit on a so-called "peace clause" held up talks most of the week and was only overcome late on Friday (see story page 3).

India, claiming the need for food security, wanted the due restraint agreement, which will allow it to buy corn and wheat from farmers at subsidized prices to give free to the poor, to be permanent. When the India problem was resolved and it looked like a final deal was at hand, Cuba blocked adoption of the package at the last minute because language addressing the U.S. embargo on Cuba had been removed from the proposed text in Geneva.

At a meeting that started after 2:00 a.m. Saturday, Bali time, of the heads of delegations (HOD) made up of the 159 WTO trade ministers, a roll call was held to determine support for the package, which included provisions on agriculture, trade facilitation and development. The vote was 155 to 4.

When the meeting began, “there was a roll call of support for the package,” WTO Spokesman Keith Rockwell told reporters at 3:05 a.m. “The Africa group, the Arab group, ASEAN, the Africa, Caribbean and Pacific group, all of those groups have endorsed the package,” he reported. “Then at the end of the meeting, Cuba, on behalf of itself, Bolivia, Venezuela and Nicaragua, rejected the package,” he said.

Cuba’s objections focused on trade facilitation provisions that are supposed to guarantee freedom of transit of goods of members. A long speech by Cuban Vice Minister Ileana Nunez at the 2:00 a.m. HOD meeting gave Cuba the chance to stick the U.S. in the ribs once again and renew attention to Havana’s long-running complaints against the 53-year old embargo and particularly the ban on foreign ships that have stopped in Cuba from entering U.S. ports.

At a second HOD meeting at 4:30 a.m., Azevedo suspended the talks and told ministers to return at 10 a.m. In the hours that followed, Azevedo, Indonesian Trade Minister Gita Wirjawan and Froman ironed out a deal with Cuba to add non-binding language to the ministerial declaration on the right of countries to have free transit for their goods.

The statement added to the trade facilitation portion of the declaration says: “In this regard, we reaffirm that the non-discrimination principle of Article V of GATT [General Agreement on Tariffs & Trade] 1994 remains valid.” Article V also refers to freedom of transit that all members are supposedly guaranteed, but the U.S. has always disregard this rule when it comes to Cuba by invoking a separate GATT article that allows countries to impose trade restrictions for national security reasons.

Ahead of the deal, the U.S. “bent over backwards” to accommodate India during talks in Geneva, which was why American trade officials were miffed by India’s last-minute rejection of the deal that came out of Geneva, one source told WTTL. Despite that effort India held out against a compromise until Friday.

India’s hard line succeeded despite being nearly totally isolated from almost all members of the WTO, including many of its former allies in developing and least developed countries (LDCs). Indian Commerce Minister Anand Sharma set the tone for India’s position when he told the opening session of MC9 that food security is “non-negotiable” for India. But trade ministers from country after country pleaded for a deal in their speeches to the plenary session.

Along with adopting the permanent agriculture peace clause, trade ministers also agreed on the rest of the “Bali Package,” which included provisions on trade facilitation and the administration of tariff-rate quotas, plus a set of development provisions for LDCs, including a plan to implement a waiver for

services trade, a mechanism for monitoring special and differential treatment, eased rules of origin, duty-free, quota-free treatment of their goods and aid to the four cotton producing countries in Africa – Burkina Faso, Benin, Chad and Mali – known as the Cotton Four (C-4).

## U.S. Puts Conditions on India's Victory on Bali Farm Deal

India's hard-line rejection of a four-year limit to a "peace clause" that precludes complaints against its agriculture subsidy program succeeded in forcing the WTO to agree to a permanent due restraint agreement at its Ninth Ministerial Conference (MC9) in Bali Dec.7.

The U.S. was willing to accept the concession, however, only after extracting conditions that will require India to avoid distortions to farm trade in other WTO members, file long overdue notifications on its farm subsidy programs and provide detailed statistics on the implementation of its food security program. In addition, the agreement calls for finding a permanent solution to food security concerns by the end of 2017 and allows the waiver only for existing programs (see **WTTL**, Nov. 25, page 2).

A key U.S. win was a decision not to meet India's demand to update the "reference price" set in the Uruguay Round agriculture agreement for the application of the "*de minimis*" rule for food subsidies or to raise the *de minimis* level above 10%. India argued that the reference price, which is based on 1986-1988 farm prices, is out of date. According to one ambassador to the WTO, India had not raised these issues during talks ahead of MC9 and only raised them in Bali, perhaps as a negotiating ploy.

In addition to satisfying the U.S., the final deal was crafted to address the concerns of India's competitors for rice and wheat export markets, such as Thailand, and countries that were concerned that Indian surpluses would be dumped in their market, such as Pakistan. India reportedly is the world's largest rice exporter, although it claims that exported rice is its unique Basmati rice. Countries with these concerns were among the last members that had to be convinced to go along with the deal.

The final deal still calls the peace clause an "interim mechanism" but places no date on its expiration. "Members agree to put in place an interim mechanism as set out below, and to negotiate on an agreement for a permanent solution, for the issue of public stockholding for food security purposes for adoption by the 11th Ministerial Conference," the text states. The work on that permanent solution will be the task of a work program on food security that was also established as part of the agriculture agreement. The 11<sup>th</sup> ministerial is expected to be held at the end of 2017. The program will have to make a mid-term report to the 10<sup>th</sup> ministerial at the end of 2015.

Under the agreement, until a permanent solution is agreed upon, countries "shall refrain from challenging through the WTO Dispute Settlement Mechanism, compliance of a developing Member with its obligations under Articles 6.3 and 7.2 (b) of the Agreement on Agriculture (AoA) in relation to support provided for traditional staple food crops in pursuance of public stockholding programmes for food security purposes existing as of the date of this Decision, that are consistent with the criteria of paragraph 3, footnote 5, and footnote 5&6 of Annex 2 to the AoA [Agreement on Agriculture] when the developing Member complies with the terms of this Decision."

India and other users of the clause could still face challenges under the WTO's countervailing duty rules if its subsidies cause an increase in exports that hurt trade in other countries. They also must agree to participate in consultations with other countries that question the operation of their subsidy programs. A country's failure to meet the conditions of the waiver could be subject to WTO dispute settlement and the country would have the burden of proof to show that it is in compliance.

To take advantage of the peace clause a developing country must "have notified the Committee on Agriculture that it is exceeding or is at risk of exceeding either or both of its Aggregate Measurement of Support (AMS) limits (the Member's Bound Total AMS or the *de minimis* level) as result of its programmes mentioned above," the accord says. It also must "have fulfilled and continue to fulfil its domestic support notification requirements under the AoA in accordance with document G/AG/2 of 30 June 1995, as specified in them Annex," the accord specifies. The report would have to cover the five previous years. AMS aid is also known as Amber Box support.

This language is intended to require those using the clause to provide transparency in how it is being applied and require them to meet past obligations to notify the WTO of previous subsidies. India reportedly has failed to file required notifications for the last 10 years. India had opposed these transparency provisions and the U.S. had insisted on them. Among other conditions that countries must meet to invoke the peace clause include: restriction of subsidies to "predominant staples" in the diet of the using country, non-application to programs that have not been notified to the WTO, annual reports.

From the start of the ministerial, India was isolated in its opposition to the agriculture portion of the package. Even its normal allies in least developed countries abandoned it in speech after speech by trade ministers in the opening plenary session of the conference. Ministers from rich and poor countries almost uniformly called for acceptance of draft text worked out in Geneva ahead of MC9.

Some diplomats claim India has already exceeded that limit without challenge and question why New Delhi felt it necessary to get a formal waiver. India has not provided required notifications to the WTO for 10 years on the aid it is providing so no one really knows how much India is spending. Indian Commerce Minister Anand Sharma denied that his country has exceeded the *de minimis* limit and is in violation of WTO rules. "We are not in breach. I would state it emphatically," he declared Dec. 5.

Trade officials also argued that India's demands for a peace clause had nothing to do with food security but rather was a political move intended to win votes from farmers who get the subsidies and the poor who get free food. India, one source noted, could buy as much crop as it wants without needing a waiver if it bought the crops at market prices without subsidies in the form of administered prices. This would fall under the Blue Box of WTO farm rules.

In addition, it can give all the food it wants to the poor without a WTO challenge just as the U.S. does with its food stamp program. The deal, however, gives a political victory to the government in New Delhi, which can claim it has assured food security for its poor and subsidies for subsistence farmers, although it is generally recognized the biggest beneficiaries will be large farmers who have the surplus to sell to the government.

## Trade Facilitation Deal to Help Exporters, Importers

The agreement on trade facilitation reached at the World Trade Organization's (WTO) Ninth Ministerial Conference (MC9) Dec. 7 is being hailed by business groups and trade officials as one of the most important trade deals in the last 20 years. Estimates on the benefits that easier importing and exporting will produce vary wide, with some projections as high as \$1 trillion annually and others seeing savings of hundreds of billions. These figures may not fully account for the overhead costs that companies carry to have employees that can handle complex importing and exporting rules in numerous countries.

Before the Bali meeting, most of the portion of the agreement, Section II, offering special and differential treatment to developing countries – meaning they mostly don't have to do anything if they don't like to -- was largely agreed upon. At MC9 ministers resolved remaining differences over Section I, which mandated certain requirements for developed countries. The biggest hurdle was Cuba's objection to provisions on freedom of transit (see story page 1).

The U.S. will probably have to do little to comply with the agreement as its system, while complex and burdensome, already provides regulatory and judicial safeguards, transparency and electronic processing. It will still need to implement some provisions such as on common documents, a single window for all regulatory clearances, detention testing and advance clearance. Officials from Customs and Border Protection and the Department of Homeland Security participated with U.S. trade officials in negotiating all of the trade facilitation deal so none of its provisions are in conflict with existing laws or regulations, one source said.

Many sources say the greatest beneficiaries of the deal will be less developed countries that have weak customs procedures and high levels of corruption. Least developed countries will have very liberal requirements for implementing the accord and might hold off introducing these changes until they receive financial aid to cover the cost.

One key provision calls for "Trade Facilitation Measures for Authorized Operators. Each Member shall provide additional trade facilitation measures related to import, export or transit formalities and procedures, pursuant to paragraph 7.3, to operators who meet specified criteria, hereinafter called authorized operators," the agreement states.

As an alternative, a member may offer such facilitation measures through customs procedures generally available to all operators and not be required to establish a separate scheme. "The specified criteria shall be related to compliance, or the risk of non-compliance, with requirements specified in a Member's laws, regulations or procedures," it continues.

"The specified criteria, which shall be published, may include: a. an appropriate record of compliance with customs and other related laws and regulations; b. a system of managing records to allow for necessary internal controls; c. financial solvency, including, where appropriate, provision of a sufficient security/guarantee; and d. supply chain security," the text says.

Other provisions include requirements for publishing all import and export rules on the web, simplification of documentation requirements, nondiscriminatory customs fees and pre-arrival clearance.

Violations of the provisions would be subject to dispute-settlement at the WTO.

## WTO Approves Yemen's Accession Agreement

Yemen, one of the most ancient stops on trade routes of the 12<sup>th</sup> century, moved toward membership in the World Trade Organization (WTO) Dec. 4, with the trade body's approval of its protocol of accession and the report of the working party that negotiated it. The Arabian-peninsula country will be able to join the WTO 30 days after it submits notice that its own parliament has ratified the protocol.

Yemen's accession process continued over a 13-year period despite political and civil turmoil in the country and its struggle with Al-Qaeda-linked groups and separatist militants. During that time, the government officials and parliamentarians who worked on the accession remained relatively stable, sources report. WTO Director-General Roberto Azevedo acknowledged the difficulties Yemen has overcome to complete the accession process. "In congratulating the government of Yemen, we should take note of the far-reaching domestic reforms that it has taken over a 13-year period to bring us to this point. I know that at times the process has been hard, and circumstances have been challenging," he said at the ceremony adopting Yemen's accession.

In a statement, Yemen's Minister of Industry and Trade Saadaldeen Talib recalled Yemen's history of trade. "Sometimes, countries experience changing fortunes. But the very essence of a country and the history and civilization of trade remain. Our country has been trading for at least five or six hundred years - in fact, since the Spice Route," he said.

## WTO Sets Deadline for Adopting Procurement Deal

Countries participating in the WTO Government Procurement Agreement (GPA) agreed in Bali Dec. 4 to bring amendments adopted in 2011 into force by March 31, 2014. The commitment to implement the changes to the accord comes as only seven of the 15 parties that belong to the GPA have ratified (see **WTTL**, Nov. 25, page 10). Two-thirds of participants have to ratify the changes for them to go into force.

So far, the amendments have been ratified by Liechtenstein, Norway, Canada, Chinese Taipei, the U.S., Hong Kong-China and the European Union. Several other members have indicated they will submit their acceptances in the coming weeks. In Bali, New Zealand, Montenegro and China said they are working toward joining the plurilateral pact. At the meeting of GPA members in Bali, WTO Director-General Roberto Azevedo said government procurement represents 15-20% of global GDP. "Its significance as an element of international trade is also increasing, due in part to the impact of the GPA and related bilateral and regional arrangements," he said.

## WTO Accession Continues to Draw Applicants

Hand-wringing about the future of the WTO has not deterred countries from continuing to seek to join the world body. Yemen, whose membership was approved Dec. 4, was the 32<sup>nd</sup> nation to join since the WTO's founding in 1995, and 23 other countries are in the process of completing their accession process. It became the WTO's 169<sup>th</sup> member (see story, page 6). The average time for a country to go through the accession process has been 11 years, although some, like Russia, have taken much longer. It took Yemen 13 years to finish the process.

While most of the acceding countries have been relatively small, except for Russia, they are forming an informal block that has sought stronger WTO rules because they were forced to take on tougher obligations as part of their accession protocols. In particular, they have been among countries that have opposed giving India a broad waiver from agriculture rules because they had to accept strict disciplines on their own farm subsidies as part of their protocol agreements.

The WTO boasts that countries that have joined the organization since 1995 have enjoyed faster GDP growth than the original members. One, Cape Verde, was able to graduate from least-developed-country status. Others are on the verge of achieving that.

The largest economy awaiting WTO membership is Kazakhstan. Its accession, which was supposed to be ready in time for the Bali ministerial, went off the tracks because of a "huge complication," according to one source. The problem is related to differences between Kazakhstan's applied and bound tariff levels and its effort to harmonize its tariffs as part of the common external tariff it is supposed to adopt as part of the customs union with Russia and Belarus.

Kazakhstan is holding extensive bilateral talks with countries that are demanding concessions or adjustments for tariffs that might end up higher on their goods than they pay currently. In some cases, Kazakhstan's applied rates are lower than the union's common external tariff.

## China Asserts Stronger WTO Role in Bali

China is starting to assert its own interests in the WTO and not camouflaging its views as part of the so-called BRICS countries, Brazil, Russia, India, China and South Africa. At the WTO's Ninth Ministerial Conference (MC9) in Bali Dec. 3-6, Chinese officials stressed their support for multilateral negotiations and Beijing's active participation in a variety of trade talks. The focus on multilateral negotiations reflects China's concerns about the "surge" of bilateral and regional trade talks that it's not part of.

The statements also follow the policy directives that came out of Chinese Communist Party's (CCP) third plenary Nov. 12, which said China was going to continue domestic trade and investment reforms and play a more active part in global issues (see **WTTL**, Nov. 25, page 4). The move has been welcomed by many diplomats but also with some trepidation given the demands Beijing has made in the talks on expanding the Information Technology Agreement.

In his speech to the MC9 opening session Dec. 3, Chinese Commerce Minister Gao Hucheng noted that

this was his first WTO ministerial. “I feel heavy responsibilities on my shoulder,” he said. Gao noted the pledges that came out of the CCP plenary and also stressed China’s commitment to the WTO and the multilateral trading system. “The multilateral trading system remains the first option on trade agendas across the world,” he said, according to a translator.

“China is a strong supporter and contributor to the multilateral trading system,” Gao said. “We are also open-minded to other multilateral and plurilateral negotiations,” he added. “In order to adapt to the 21<sup>st</sup> century, the WTO also needs to change and break new ground, particularly when it comes to such major issues that we are facing in the surge of regional trade arrangements and expanding ambitions and the low efficiency of the decision-making mechanism in the organization,” he said.

At a separate program earlier in the week, China’s ambassador to the WTO explained China’s goals in the organization but said, “We will have a better vision of the organization after this week.” The multilateral trading system “should still stay as the mainstream of the trade policies of the membership, because the multilateral trading system, in my view, is the most efficient, effective trade regime,” said Chinese Vice Minister and Ambassador Yu Jianhua.

“We have bilateral, regional, plurilateral negotiating and instruments that compete with the multilateral trading system,” he said, noting that China is also negotiating bilateral and regional trade pacts. “However, our business communities have a lot of difficulties in implementing, following all those different treaties,” he said. “The rules of origin, the different preferences, different treaties; it is costly for the business communities and also costly for the administration,” Yu said.

China’s new assertiveness at the WTO comes as the BRICS coalition is fading in influence as its members face different issues that don’t always align. With Brazil’s Roberto Azevedo becoming director-general, Brazil has taken a quieter role; Russia has encountered separate disputes as it attempts to meet its new WTO obligations; and India has become isolated in its demands for exemption from WTO agriculture rules. Although China did not play a major role in negotiating the final Bali Package deal Dec. 6, its lack of backing for India and open distancing from India’s demand for a permanent waiver of agriculture rules was another sign of the fraying of the BRICS block.

## **African Cotton Nations Settle for Aid in Bali**

Once again the poor cotton-producing countries of Africa came away from a WTO ministerial without getting agreement on significant changes in global subsidies for cotton farmers in countries such as the U.S., India and Pakistan. Instead, they have instead settled for provisions in the MC9 Bali Package that are supposed to give them more financial aid and technical assistance for their producers.

Some of the aid they will receive will be used to help plan for what they are calling the “Cotton Road,” a network of roads and railways that will link the cotton farmers in the landlocked countries of Burkina Faso, Chad and Mali with the Atlantic port in Benin. The four West Africa countries are known collectively as the Cotton Four (C-4).

One of the biggest donors of aid to the C-4 is China, which continues to win friends and influence people in Africa with its money. It announced Dec. 3 that it will contribute an additional 700 million renminbi or over \$110 million over four year to trade facilitation for the C-4.

China's commitment is in addition to \$20 million it gave after 2011 WTO ministerial. The money will be used improve infrastructure, purchase equipment, provide technical training, support research and trade and enhance cooperation with cotton buyers, Chinese Commerce Minister Gao Hucheng told press conference in Bali. China is one of world's largest cotton producers and is mostly self-sufficient so it doesn't buy much cotton from foreign sources, including Africa. Due to its subsidies, China also has built a large surplus of cotton that it keeps stockpiled. This overhang has raised concerns that China could sell off its stock and depress global cotton prices, one source noted.

## **TPP Trade Ministers Head to Singapore with Lots to Do**

As trade ministers involved in the Trans-Pacific Partnership (TPP) talks head to Singapore Dec. 7-10, much of the draft legislative text reportedly has been agreed to, but there's still much work for negotiators. They are expected to come to the talks with the authority to make deals, and hope to announce substantial progress in coming up with the framework of the deal. In advance of the round of talks, members of Congress in both chambers and both sides of the aisle are making their views known.

In the House, the bipartisan Friends of the TPP Caucus, which was formed in October to rally votes for the pact, is drafting a letter to President Obama himself asking him to meet with the four caucus co-chairs on the talks, two co-chairs, Reps. Dave Reichert (R-Wash) and Charles Boustany (R-La.), told an event in Washington Dec. 5.

"It's a sign where Democrats and Republicans come together; we're going to meet with the president. We want to tell him how important this is, we want to tell him how much support we have in Congress, personally. I think that's important for us to do, so I'm sure he'll take us up on our offer." The other two caucus co-chairs are Reps. Gregory Meeks (D-N.Y.) and Ron Kind (D-Wisc.).

At same time, other Democratic members drew their own bright line on what must be included in the trade pact, repeating concerns about currency manipulation, labor and environmental rules. "Congress has made clear that currency disciplines are critical to leveling the playing field for American workers and that not including them in the TPP would be a slap in the face to those workers. Any deal announced that does not address this issue is not a deal in the eyes of Congress, which has the final say when it comes to trade," said Rep. Rosa DeLauro (D-Conn.) in a conference call Dec. 5.

In a letter to U.S. Trade Representative Michael Froman Dec. 2, Senate Finance Committee Ranking Member Orrin Hatch (R-Utah) broached the idea of concluding TPP talks with fewer countries and in staggered timetables. Hatch suggested Froman "consider moving forward with only those countries willing to meet the high levels of ambition" in the talks. "I believe that a strong, comprehensive agreement with a group of committed trading partners is far preferable to accepting a weakened

agreement merely for the sake of including all countries that entered the negotiations,” Hatch wrote.

Hatch also encouraged Froman to consider “concluding negotiations on a staggered timetable as countries become willing to meet the high TPP standard,” he wrote. The senator also pushed for “high levels of intellectual property rights protection, including twelve years of regulatory data protection for biologics and the elimination of restrictions on cross-border data flows.”

**\* \* \* Briefs \* \* \***

**SUDAN:** Compass Bank of Birmingham, Ala., agreed Dec. 3 to pay OFAC \$19,125 to settle charge of violating Sudanese Sanctions Regulations (SSR) by originating £8,900 (approximately \$14,898) wire transfer in February 2011. Compass Bank previously paid OFAC \$607,500 civil penalty to settle separate SSR violations in September 2010 (see **WTTL**, Sept. 13, 2010, page 4).

**PRESIDENT’S EXPORT COUNCIL:** President Obama Dec. 5 announced intent to appoint John Donahoe, eBay President and CEO, to his President’s Export Council (PEC). Prior to eBay, Donahoe worked at Bain & Company for 20 years, becoming president and CEO in 1999. Mr. Donahoe received B.A. from Dartmouth College and MBA from Stanford Graduate School of Business.

**NON-ORIENTED ELECTRICAL STEEL:** In 4-0 preliminary vote Dec. 2, ITC determined U.S. industry may be materially injured by dumped imports of non-oriented electrical steel from China, Germany, Japan, Korea, Sweden and Taiwan and subsidized imports from China, Korea and Taiwan. Commissioners Shara L. Aranoff and F. Scott Kieff did not participate. “We applaud the ITC’s preliminary ruling against unfairly traded imports of non-oriented electrical steel,” said James L. Wainscott, CEO of AK Steel, company that brought original petition.

**TRADE FIGURES:** U.S. merchandise exports in October increased 5.7% from year ago to \$135.3 billion, Commerce reported Dec. 4. Services exports increased 5.0% to \$57.4 billion from same month in 2012. Goods imports went up 3.8% from October 2012 to \$195.5 billion, as services imports gained 2.3% to \$37.8 billion.

**SOLAR PANELS:** EU Dec. 2 backed European Commission’s (EC) proposals to impose definitive antidumping and anti-subsidy measures on imports of solar panels from China (see **WTTL**, Sept. 30, page 1). Duties for those Chinese exporters of solar panels who cooperated with investigations stay at average of 47.7% and will apply for two years, EU noted. Duty of 64.9% will be applied to those exporters who did not cooperate in EC’s investigation, which are estimated as less than 20% of exports.

**TPP:** After **WTTL** went to press Nov. 29, USTR changed its blog post on new IPR positions in TPP talks (see **WTTL**, Dec. 2, page 4). “Reflecting input from stakeholders, the U.S. now supports a more flexible approach under which partners could retain reasonable patent pre-grant opposition procedures,” it wrote. Previous language said, “Reflecting input from stakeholders, the U.S. now supports patent pre-grant opposition procedures.”

**ANTIDUMPING:** In fourth case filed this year, China requested consultations with U.S. at WTO Dec. 3, alleging Commerce antidumping methodologies are inconsistent with U.S. obligations. These methodologies include use of “targeted dumping methodology,” including zeroing, in original investigations and administrative reviews; presumption that all producers and exporters from countries that U.S. considers non-market economies (NME) comprise single entity; calculation of single dumping margin or single anti-dumping duty rate for that entity (“NME-wide methodology”); and use of inferences that are adverse to interests of party when Commerce considers that this party has failed to cooperate, WTO said.