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**UNITED STATES – COUNTERVAILING DUTY MEASURES ON
CERTAIN PRODUCTS FROM CHINA**

STATUS REPORT BY THE UNITED STATES

The following communication, dated 11 April 2016, from the delegation of the United States to the Chairperson of the Dispute Settlement Body, is circulated pursuant to Article 21.6 of the DSU.

Status Report Regarding Implementation of the
DSB Recommendations and Rulings in the Dispute
United States – Countervailing Duty Measures on Certain
Products from China
(WT/DS437)

The United States submits this report in accordance with Article 21.6 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU").

On 16 January 2015, the Dispute Settlement Body ("DSB") adopted its recommendations and rulings in *United States – Countervailing Duty Measures on Certain Products from China* (WT/DS437). By letter dated 13 February 2015, the United States informed the DSB of its intention to implement the recommendations and rulings of the DSB in connection with this matter.

The scope of this dispute is one of the most extensive in the history of the dispute settlement system. Although the panel and Appellate Body rejected many of China's claims, the DSB recommendations and rulings call for further administrative action with respect to 15 separate countervailing duty (CVD) investigations.¹ For most of these separate investigations, the recommendations and rulings involve multiple obligations under the *Agreement on Subsidies and Countervailing Measures*.

On 26 June 2015, China referred the matter to arbitration under Article 21.3(c) of the DSU. The United States explained to the arbitrator that it required a reasonable period of time of 19 months. On 9 October 2015, the arbitrator determined that the reasonable period of time for US compliance was 14 months and 16 days, expiring 1 April 2016.

As of the date of this report, the United States has completed the implementation process with respect to nine separate CVD investigations, as well as with respect to the one "as such" finding in this dispute. On 31 March 2016, the US Department of Commerce ("Commerce") issued new final determinations with respect to eight separate CVD investigations,² and the US Trade

¹ *US – Countervailing Measures (China)*, para. 8.1; *US – Countervailing Measures (China) (AB)*, para. 5.1.

² The eight new determinations are in the following CVD investigations: *Certain Tow-Behind Lawn Groomers and Certain Parts Thereof from the People's Republic of China*; *Certain Kitchen Shelving and Racks from the People's Republic of China*; *Pre-Stressed Concrete Steel Wire Strand from the People's Republic of China*; *Certain Coated Paper Suitable for High-Quality Print Graphics Using Sheet-Fed Presses from the People's Republic of China*; *Aluminum Extrusions from the People's Republic of China*; *High Pressure Steel*

Representative has completed the implementation process by directing Commerce to implement these eight determinations. In addition, in one of the CVD investigations covered by the recommendations and rulings, Commerce revoked the CVD order.³

The United States also has completed implementation with respect to the one "as such" finding adopted by the DSB.⁴ Commerce withdrew the approach addressed by that finding prior to the DSB's adoption of the reports in this dispute.⁵

With respect to the remaining "as applied" findings in six investigations, Commerce made a series of preliminary determinations on 31 December 2015, 23 February 2016, 24 February, 2016, 25 February 2016, and 7 March 2016. Shortly thereafter, Commerce sought and accepted comments from interested parties on those preliminary determinations. On 31 March 2016, Commerce held a hearing requested by interested parties. Commerce is reviewing the comments received from interested parties and is working to complete the implementation process for the six remaining investigations as soon as possible.

Cylinders from the People's Republic of China; Lightweight Thermal Paper from the People's Republic of China; and Citric Acid and Certain Citrate Salts from People's Republic of China.

³ In the *Countervailing Duty Investigation of Drill Pipe from the People's Republic of China*, the countervailing duty order was revoked following a negative injury determination by the US International Trade Commission resulting from a domestic legal challenge. See *Drill Pipe from the People's Republic of China: Notice of Court Decision Not in Harmony with International Trade Commission's Injury Determination, Revocation of Antidumping and Countervailing Duty Orders Pursuant to Court Decision, and Discontinuation of Countervailing Duty Administrative Review*, 79 Fed. Reg. 78,037 (Dep't Commerce, 29 December 2014).

⁴ *United States – Countervailing Measures (China)*, para. 7.128.

⁵ See, e.g., *Countervailing Duty Investigation of Grain-Oriented Electrical Steel from the People's Republic of China: Preliminary Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 79 FR 13617 (11 March 2014).