

Dear All,

Continuing to build on our previous efforts, we are once again planning to conduct an informal discussion group session in April during the week of the WTO Committee on Safeguards meeting.

As a result, we would like to invite you to an informal discussion group session to take place immediately following the April 25 meeting of the WTO Committee on Safeguards. Specifically, this informal discussion group would take place at 15.00 (subject to changes in the schedule of the Committee meeting) in the same room as the Committee meeting. This session would be chaired by Chinese Taipei. We suggest that the topics of discussion be (1) duration of the measure, mid-term reviews (Articles 7.1 and 7.4), and (2) structure and staffing. Some discussion items to be presented may include:

A. Determination of Duration of a Measure, Mid-Term Reviews (and how extensions are treated for same) - Articles 7.1 and 7.4.

- What factors or conditions of competition are examined by the authority to determine the length of a measure so as to prevent or remedy serious injury and to facilitate adjustment?
- Is an economic model used to help determine the duration of the measure?
- Does the form of relief (e.g., imposition of duty or quota) affect your decision relating to duration of relief?
- At what point generally does an authority initiate a mid-term review; is notice of initiation of the review published in an official government journal or other document?
- Is the mid-term review open to all interested parties, including importers and exporters?
- Do you hold a public hearing during the review?
- Do you collect additional data or documentation, such as through questionnaires sent to domestic producers, during a mid-term review?
- What factors are examined to determine whether to increase the pace of liberalization?
- Is there a preliminary determination? Is such a determination published?
- How are the results of the mid-term review made public?
- If a measure is extended (e.g., original measure of two years is extended another two years), is a mid-term review conducted during the extension period? If so, when is it conducted?

B. Structure and Staffing

- How is an authority structured? What types of staff within an authority are generally assigned to an investigation to collect information and prepare the investigation report, including to prepare findings and reasoned conclusions on issues of fact and law (e.g., attorneys, investigators, auditors, economists, product specialists, other technical specialists)? Are additional staff assigned to help with the issue of remedy, and if so, what types of staff?
- When expertise is not available within the authority, how does the authority obtain such expertise?
- Are product specialists brought in?
- Are other ministries consulted?
- Does the authority use outside experts?

As with prior sessions, the purpose of this discussion group should be to freely share information.

In order to ensure that the meeting is most fruitful and informative, we encourage all Members to actively participate, preferably with capital-based experts having day-to-day experience in the topics. Please note that the language of the meeting will be English as, unfortunately, no interpretation can be provided.

We would be grateful to receive a response concerning your participation not later than 15 April 2016.

Please do not hesitate to contact me with any questions.

Kind regards,

Victor

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Thank you madam chair.

The authority tasked with safeguards investigations in THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN. AND MATSU is the International Trade Commission of the Ministry of Economic Affairs. The ITC also conducts injury investigations in antidumping and countervailing proceedings in coordination with the Customs Administration.

The decision-making body of the ITC is its board of commissioners. It is comprised of officials from relevant government agencies and outside experts whose major fields of interest encompass economics, international trade and finance, and international trade law. A majority of the board members are nominated from academic or research institutes to ensure the impartiality of the ITC. 13 commissioners compose the 8th and current board, including the deputy minister of the Ministry of Economic Affairs who also serves as Chair.

The ITC has a supporting staff of 12 investigators, most of which are trained in economics, accounting, or international trade, or used to work in private sector and bring with them professional knowledge to the ITC.

When a petition is filed, an informal inter-agency workgroup will be set up to take on the case and provide administrative assistance to the lead commissioner heading the investigation.

A workgroup consists mainly of officers from relevant agencies. Aside from 2~3 assigned ITC investigators, as a general rule, the Customs Administration, the Bureau of Foreign Trade, and the Industrial Development Bureau are included in the investigating process by participating in the workgroup. Industrial specialists and financial analysts are also invited to join the workgroup for their respective professional expertise.

Of course, the help from outside experts does not relieve our investigators of their duty. Probes into evidence and arguments presented in a case are carried out mostly by ITC investigators.

After a careful examination of all the information available to the ITC, a draft report of our findings will be drawn up. The Commission [or board of commissioners] is then convened to consider the case. If an affirmative determination has been reached whereby a two-thirds majority of commissioners present at the meeting concludes that serious injury has been found to exist, the ITC will move forward to take on the issues of remedy.

Proposed remedies might be discussed among members of a workgroup, or at the

Commission meetings, where representatives from relevant agencies, including the Customs Administration and the Industrial Development Bureau weight in on the practicality and efficacy of remedial measures sought by the domestic industry. After due deliberation, the BOARD/Commission may present its recommendation on the definitive safeguard measures to the Ministry of Economic Affairs; however, ITC investigators would not be involved in the execution.

Finally, I think a reminder would not go amiss here. When it comes to safeguards, THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU has very little experience. In the past two decades, only one safeguard investigation has been launched. The evidence before the ITC did not support the petitioner's claim of serious injury. As a result, no safeguard measures were ever introduced.

Obviously, I am not in a position to comment on how article 7.1 and 7.4 of Agreement on Safeguards might have been implemented if the ITC were to have found serious injury in a safeguard investigation. However I am very much interested in what other members have to say on these topics.

The SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU is not a user of safeguards, still I hope this brief introduction of the ITC is helpful to all members. More importantly, I hope I've encouraged some members to share the institutional settings of their investigating authorities and the experiences they've had in implementing article 7.

Thank you, Madam Chair.