

U.S. vows to meet WTO obligations

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Reuters

WASHINGTON (Reuters) - The Bush administration says it will work with Congress to prevent U.S. exports from being hit with potentially hundreds of millions of dollars in new sanctions approved by the World Trade Organisation.

"The United States will comply with its WTO obligations, and the administration will work closely with Congress to do so in a way that supports American jobs and American workers," said Christopher Padilla, a spokesman for the U.S. Trade Representative's office, in a statement on Tuesday.

The WTO approved a retaliation request by the European Union, Japan, Canada, Brazil, India, Mexico, Chile and South Korea after the United States failed to meet a deadline last year for repealing the so-called "Byrd amendment," which has been declared illegal under international trade rules.

The program distributes funds raised by U.S. anti-dumping and anti-subsidy duties on imported goods to companies that asked for the protection. Previously, the funds went into the general treasury.

The U.S. trading partners had asked to hit back with sanctions equal to the amount of disbursements, but the WTO arbitrators set the figure at 72 percent.

In Brussels, EU Trade Commissioner Pascal Lamy urged the United States to avoid sanctions by repealing the measure.

About \$710 million (393 million pounds) has been paid to U.S. ball bearing, steel, seafood, pasta, candle and assorted other companies over the past three years. The U.S. government paid out about \$150 million in December, and at that time, another \$90 million was on hold pending the outcome of a case over which companies were entitled to the money.

The Bush administration began preparations in June to make a fourth round of payments this fall under the program.

A Senate aide, who asked not to be identified, said there was "no way" Congress would simply repeal the Byrd amendment.

Lawmakers were more likely to revamp the program by distributing the funds to communities or workers adversely affected by import competition, the aide said.

"But I think it's going to be very difficult, if not impossible, to do anything this year" given the tight legislative calendar ahead of the U.S. presidential and congressional elections, he added.

A House Democratic aide, who also asked not to be identified, said the ruling was another "big chink" in U.S. President George W. Bush's record of defending U.S. anti-dumping laws at the WTO.

The Bush administration has lost 14 out of 17 cases brought against U.S. trade remedy laws at the WTO, said the aide.

The ruling will bolster the view in Congress that the WTO Appellate Body is overstepping its bounds to impose new trade obligations on the United States, he said.