Glossary

Countervailing Duties: Countervailing duties (CVD) are additional levies imposed on imports by the importing country to offset government subsidies in the exporting country.

Dumping: Dumping is the sale of a commodity in a foreign market at less than fair market value. Fair value is usually considered to be the price at which the same product is sold in the exporting country or to third countries, but can also be the cost of production of the merchandise in question. Article VI of the GATT permits the imposition of special antidumping duties equal to the difference between the price sought in the importing country and the "normal value" of the product in the exporting country. Dumping is generally recognized as an "unfair trade practice" under Section 301.

GATT: The General Agreement on Tariffs and Trade is a multilateral agreement subscribed to by 95 governments that account for more than four-fifths of world trade. The primary objective of the GATT is the liberalization of world trade, most significantly in its Article I, most-favored-nation principles through which a country extends to another the lowest tariff rates it applies to any other country.

ITC: The U.S. International Trade Commission is an independent fact-finding agency whose six members and staff make determinations of injury and recommendations for relief for industries or workers seeking remedies from increasing import competition.

Section 201: Under the Section 201 "escape clause" of the Trade Act of 1974, the ITC is required to investigate complaints filed by domestic industries or workers claiming that they are damaged or threatened by rapidly rising imports. In order to invoke the escape clause, a firm must petition the ITC, which has six months to conduct an investigation and to recommend relief in the form of adjustment assistance or temporary import restrictions. The President has 60 days to accept or modify these recommendations or reject them on the grounds of "national interest."

SOURCE: United States Trade Representative, Executive Office of the President, A Preface to Trade (1982).

Section 301: Under Section 301 of the Trade Agreements Act of 1974, as amended, the President is required to take all appropriate action, including retaliation, to obtain the removal of any act, policy, or practice of a foreign government that violates an international agreement or is unjustifiable, unreasonable, or discriminatory, and burdens or restricts U.S. commerce.

Tokyo Round: The Tokyo Round was the last series of GATT negotiations begun in 1973 and completed in 1979. The Round was marked by efforts to eliminate and reduce non-tariff measures that restrict trade as well as tariffs.

Trade Act of 1974: The Trade Act of 1974 granted the President broad new authority to enter into international agreements to reduce import barriers. It provided for review of proposed agreements under expedited congressional procedures. The Act also granted the President authority to extend tariff preferences to certain imports from developing countries and to set conditions under which most-favored-nation treatment could be extended to imports from nonmarket economy countries.

Trade Agreements Act of 1979: The Trade Agreements Act of 1979 approved and implemented into domestic law the trade agreements negotiated by authority of the Trade Act of 1974 in the Tokyo Round.

USTR: The United States Trade Representative is a Cabinet-level official with the rank of Ambassador who is the President's principal advisor on international trade and commodity policy. The USTR's responsibilities include the conduct of all international trade negotiations and coordination of overall U.S. policy with regard to unfair trade practices, including enforcement of countervailing and antidumping measures.

Uruguay Round: The Uruguay Round refers to the ongoing round of GATT negotiations on tariff reductions to taking place in Uruguay, centering on trade in agriculture and services.