

POLITICO

Weekly Trade

[Feb.22, 2021)

BIDEN WON'T BE A PUSHOVER ON APPELLATE BODY: The Trump administration infuriated the global community by effectively killing the WTO Appellate Body. But U.S. concerns about the court go way back and won't be easily resolved. So don't expect the new U.S. team to rush in with electrode paddles to revive the corpse.

“These are long-standing, bipartisan concerns that we hope our trading partners will work with us to address,” USTR spokesperson Adam Hodge told Morning Trade.

Once Katherine Tai is confirmed as USTR, “we look forward to working with WTO Director General Okonjo-Iweala to tackle the problems with WTO dispute settlement, including the unresolved issues over Appellate Body overreach,” Hodge said in an email.

An aide to Wyden underscored Hodge’s point about the bipartisan nature of U.S. concerns about the Appellate Body.

“Chairman Wyden continues to believe the Appellate Body needs to be reformed,” Wyden spokesperson Keith Chu told Morning Trade. “Such reforms require all WTO members to be committed to ensuring the appellate body works as it was originally intended, rather than following the body’s decade-long history of going rogue and reaching far beyond its mandate.”

Unblocking the ‘adjudicators’: Last week, EU Trade Commissioner Valdis Dombrovskis urged the United States to show goodwill toward resolving the Appellate Body dispute by agreeing to restart the process of selecting judges, or as the U.S. calls them, “adjudicators.”

That issue will come up again today during a meeting of the WTO's Dispute Settlement Body. Hodge did not reply to a question on that topic, but trade observers were skeptical the Biden administration would agree to restart the selection process before it has reached agreement with other members on Appellate Body reforms.

U.S. has filed most appeals: Over the past 25 years, countries have filed 600 cases at the WTO . Some are fought to the bitter end. In others, a solution is negotiated or the case is just dropped.

A total of 265 lower-level panel rulings had been issued by the end of 2020. Those decisions were appealed in 174 of the disputes, or approximately 66 percent. In some cases, both parties appealed different aspects of the decision, which usually involve several points of WTO law.

Despite its complaints about the Appellate Body, the United States has filed more appeals than any other WTO member. Records show the United States has appealed 71 decisions, compared to 59 appeals filed by the EU, 25 by China, 22 by Canada, 21 by Brazil, 11 by India and 8 by Australia.