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**A REPORT FOR
THE CALIFORNIA
CHERRY BOARD**

GENERAL ISSUES OF INTEREST TO THE CCB:

United States and Korea to Continue Amendment Negotiations

- The U.S. Trade Representative (USTR) Robert Lighthizer [announced](#) on January 25 that the next round of negotiations on amendments and modifications of the Korea-U.S. Free Trade Agreement (KORUS) will be held in Seoul, Korea on January 31 and February 1, 2018.
- Negotiators last met on January 5, 2018 to kick off the amendment negotiations in Washington DC, where talks focused largely on the automotive sector and the trade imbalance between the two nations.

Sixth Round of North American Free Trade Agreement Talks Comes to a Close

- The sixth round of negotiations for the North American Free Trade Agreement (NAFTA) ended on January 29. U.S. Trade Representative (USTR) Robert Lighthizer expressed some enthusiasm in that the United States, Canada, and Mexico have begun discussing “some of the core issues,” but went on to warn that the negotiations are “progressing very slowly.”
- During this negotiating round, the chapter on anti-corruption was completed, and the chapters on food-safety measures, digital trade, and telecommunications reached 90 percent completion. Lighthizer rejected a Canadian auto rules of origin proposal, saying it had an “enormous vagueness about it.”
- No progress was made on issues such as investor state dispute settlement, allowing seasonal produce growers to seek antidumping and countervailing duties, and the sunset clause that would allow for NAFTA to terminate after 5 years if there was no agreement to renew it.
- The seventh round of negotiations is set for the end of February in Mexico City. More information is available from the following USTR [press release](#).

Canada Challenges United States at the World Trade Organization

- On January 10, the World Trade Organization (WTO) circulated a [request for consultation](#) from Canada to the United States regarding the regulations, practices, and policies surrounding U.S. antidumping and countervailing duty proceedings. The request for consultations is the first step in the WTO dispute settlement process.

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Canada Challenges United States at the World Trade Organization

- Canada is challenging the application of U.S. trade remedy measures as a whole, not in a specific investigation concerning Canadian products. If the challenge is successful, all exports to the U.S. that have been subjected to antidumping or countervailing duty measures will benefit. On January 23, both [Argentina](#) and [Russia](#) requested to join consultations.
- Canada's challenge to U.S. trade remedy practices comes at a time when the U.S. is considered levying tariffs on billions of dollars of Canadian exports such as softwood lumber, paper, and steel pipe.
- Canada has often used the dispute settlement feature – Chapter 19 – of NAFTA to resolve U.S.-Canada disputes, and even recently filed a challenge to potential lumber tariffs under this provision. However, with the U.S. vowing to remove this provision from the retooled NAFTA agreement, institutional uncertainty has forced Canada to turn to the WTO to resolve this, and possibly future, U.S.-Canada disputes.
- U.S. Trade Representative Robert Lighthizer has condemned Canada's case and has called it a “massive attack” on U.S. trade laws. Further, Canada's challenge has reinforced USTR's position that binding dispute settlement should be kept out of the renegotiated NAFTA, even though the WTO case is independent of NAFTA talks.

Argentina Updates Host List for Brown Marmorated Stink Bug

- On January 26, Argentina [notified](#) the World Trade Organization (WTO) that the National Agriculture and Food Quality and Health Service (SENASA) has updated the host list for the Brown Marmorated Stink Bug BMSB (*Halymorfa halys*).
- Sweet Cherry (*Prunus avium*) will be included as a host of the pest.
- The final date for comments is March 27, 2018.

Health Canada Opens Public Consultation on Neonicotinoids

- Following updates to the literature concerning health risks to pollinators presented by neonicotinoids, Health Canada's Pest Management Regulatory Agency (PMRA) has proposed re-evaluation decisions on [clothianidin](#) and [thiamethoxam](#). Canada began the review process of three agriculturally important neonicotinoids (imidacloprid, clothianidin, and thiamethoxam) in 2012.
- Neonicotinoids gained popularity for pest control due to their water solubility, which allows them to be applied to soil and be taken up by plants. Recently, research has pointed to the potential toxicity to bees and other insects through low level exposure which may impact some bees' ability to forage for nectar, remember where flowers are located, and find their way home to hives. Neonicotinoids, in general, are more toxic to invertebrates than they are to mammals and other higher organisms.
- The public comment period will close on March 19, 2018. More information is available at the following U.S. Department of Agriculture Foreign Agricultural Service GAIN [report](#).

Singapore and Sri Lanka Sign Free Trade Agreement

- The Sri Lanka-Singapore Free Trade Agreement (SLSFTA) was [signed](#) on January 23 to deepen economic ties and facilitate greater trade flows between the two nations.
- Sri Lanka, over the next 15 years, will eliminate tariffs on 80 percent of Singapore's exports and allow Singapore to have more access to the Sri Lankan services market and to government procurement contracts. This is the first modern and comprehensive trade agreement for Sri Lanka, and is expected to increase the flow of investment in the country and support economic development.
- Sri Lanka was Singapore's 36th largest trading partner in 2017, with bilateral trade totaling S\$2.7 billion.