



# Trade Facts

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## A Comparison of Current U.S. and EU positions and the Jan. 11, 2005 Agreement

U.S.-EU Agreement on Terms for Negotiation to End Subsidies for Large Civil Aircraft.	Current U.S. Position	Current EU Position
1. The objective is to secure a comprehensive agreement to end subsidies to large civil aircraft producers in a way that establishes fair market competition for all development and production of LCA in the European Union and the United States.	- Yes	- No (wants initial agreement to reduce, not eliminate subsidies, with elimination at some distant date)
2. At present, the companies concerned in the EU are Airbus and its principal shareholders, and in the US, Boeing.	- Yes	- Yes
3. The agreement will be negotiated within three months.	- Flexible on new time frame	- Flexible on new time frame
4. (a) The agreement will be negotiated between and apply to the United States and the European Union.	- Yes	- ? (EU is now insisting that Japan must be included)
(b) These parties will subsequently work together to broaden the agreement to include as parties other countries with civil aircraft industries, or countries with risk sharing roles relevant to the objective of the agreement.	- Yes	- No (wants to broaden at outset)
5. (a) During the negotiations the parties will not request establishment of WTO panels relating to the pending disputes.	- Yes	- Yes
(b) During the negotiations, within the time frame foreseen in paragraph 3 above, the parties will make no new government support commitments for LCA development or production.	- Yes	- No (EU unwilling to continue standstill on new government launch aid during negotiations)
6. The Parties will use the definition of subsidies in the ASCM. The parties will agree an illustrative list of subsidies to be covered by the agreement which elaborates the ASCM definition. They will use this list to reach agreement on which form of subsidy should be prohibited, actionable or permitted.	- Yes	- ? (EU has consistently sought to expand the definition beyond the WTO)
7. The agreement will be enforced through transparency and strong dispute settlement procedures.	- Yes	- Yes
8. In negotiating the agreement the parties will establish agreed terms and conditions under which either may withdraw at a future date. On the one year anniversary of the agreement, the parties will review its operation, including whether progress on international participation in it is sufficient to prevent circumvention of its objectives and to justify its continuation.	- Yes	- Yes