

U.S. TRADE LEGISLATION PROPOSALS

100th CONGRESS

SUBJECT	CURRENT LAW	HOUSE	SENATE	ADMIN POSITION	CDN POSITION
		"Trade and International Economic Policy Reform Act of 1987" (HR3) [passed April 30, 1987]	"Omnibus Trade and Competitiveness Act of 1987" / [H.R.3(S.1420)] [passed July 21, 1987]		
G. Related Transactions	In cases involving U.S. sales made through parties related to foreign seller, permits deduction of foreign indirect selling costs from foreign market value and allows for profit and commission.	No provision.	Prohibits deduction of foreign indirect selling costs and eliminates allowance for profit and commission.	Would result in unfair calculations/comparisons of prices through elimination of offsets.	Senate proposal mirrors current Cdn practice.
H. Fictitious Sales	No provision	No provision	Gives Commerce authority to disregard home market of prices of products which are being artificially set to evade dumping. Provides for use of average prices of similar products.		Similar concept already provided for under Cdn law.
9. <u>Non-Market Economies</u>	Calls for use of surrogate country or constructed value to determine dumping by non-market economies.	Retains current law.	Expands surrogate country concept to be based on average price at which same or similar products are imported from market economic with largest share of U.S. market.	Prefers lowest average price from eligible markets as appropriate surrogate.	
VI INTELLECTUAL PROPERTY RIGHTS					
1. <u>Section 337 Reform</u>					
A. Injury Test	In addition to unfair act must show substantial injury or tendency to substantially injure U.S. industry or prevention of establishment of same.	Eliminates need to prove injury as regards enforcement of intellectual property rights (valid/enforceable patents, process patents, registered trademarks, copyrights or mask works.). On other cases, adds "impairment of" re establishment	Same as H.R.3 except "impairment of" required for all cases requiring injury test. Similar but not identical definition of industry as in H.R.3.	Supports.	Section 337 is inconsistent with GATT. Elimination of injury test makes section even more unacceptable.