

Trade Glossary

Rev. 2016-03-22

Acronym	Term	Definition
	Berry Amendment	The Berry Amendment is a statutory requirement that restricts the Department of Defense (DoD) from using funds appropriated or otherwise available to DoD for procurement of food, clothing, fabrics, fibers, yarns, other made-up textiles, and hand or measuring tools that are not grown, reprocessed, reused, or produced in the United States. The Berry Amendment has been critical to maintaining the safety and security of our armed forces, by requiring covered items to be produced in the United States. With respect to textiles and clothing, the Berry Amendment has been critical to the viability of the textile and clothing production base in the United States. Congress originally passed domestic source restrictions as part of the 1941 Fifth Supplemental DoD Appropriations Act in order to protect the domestic industry base in the time of war. The Berry Amendment was included in subsequent defense appropriations acts until it was made permanent in Fiscal Year 1994 by Sec. 8005 of Public Law 103-139. The Berry Amendment was subsequently codified in 2002 as 10 U.S.C. 2533a in Section 832 of Public Law 107-107.
DOC	Department of Commerce	The United States Department of Commerce is the Cabinet department of the United States government concerned with promoting economic growth. The mission of the department is to "promote job creation, economic growth, sustainable development and improved standards of living for all Americans by working in partnership with businesses, universities, communities and our nation's workers."
	Doha Round	Also know as the Doha Development Round, this is the name for the long-stalled round of trade talks between WTO Members, including the United States. With no comprehensive deal in sight, WTO members have been trying to conclude portions of the proposed Doha text as separate agreements in piecemeal fashion.
	domestic content requirement	A requirement that firms selling a particular product within a particular country must use, as a certain percentage of their inputs, goods produced within that country.
CAFTA-DR	Dominican Republic-Central America Free Trade Agreement	This agreement removes trade barriers among the United States, the Dominican Republic and five Central American countries: Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. The agreement was modeled after the North American Free Trade Agreement (NAFTA). It was signed on August 5, 2004, in Washington, DC, and has been in force with all seven countries since January 1, 2009.
	dumping	Occurs when goods are exported at a price less than their normal value, generally meaning they are exported for less than they are sold in the domestic market or third-country markets, or at less than production cost.
	duty	A tax on imports
EGA	Environmental Goods Agreement	The United States and other developed countries began negotiations in 2014 to reduce tariffs and non-tariff barriers on environmental goods and services. The list of goods to be covered is still subject to negotiation.
	fabric forward	Requires that fabric is formed (knitted or woven) in the countries that are party to the agreement with yarn from anywhere in the world.
	fiber forward	Fibers must be formed in the countries which are a party to the trade agreement.
FTZ	Foreign Trade Zone	A foreign-trade zone is a designated location in the United States where companies may delay or reduce duty payments on foreign merchandise, as well as receive other savings. Merchandise in a zone may be assembled, exhibited, cleaned, manipulated, manufactured, mixed, processed, relabeled, repackaged, repaired, salvaged, sampled, stored, tested, displayed and destroyed. Production activity must be specifically authorized by the FTZ Board. Retail trade is prohibited in zones. Typically, goods destined for consumption in the U.S. market are not allowed FTZ benefits.

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FTA	Free Trade Agreement	Trade Agreements can create opportunities for Americans and help to grow the U.S. economy. USTR has principal responsibility for administering U.S. trade agreements. This involves monitoring our trading partners' implementation of trade agreements with the United States, enforcing America's rights under those agreements, and negotiating and signing trade agreements that advance the President's trade policy. The United States is Member of the World Trade Organization (WTO), and the Marrakesh Agreement Establishing the World Trade Organization (WTO Agreement) sets out rules governing trade among the WTO's 154 members. The United States and other WTO Members are currently engaged in Doha Development Round of world trade talks, and a strong, market-opening Doha agreement for both goods and services would be an important contribution to addressing the global economic crisis and helping to restore trade's role in leading economic growth and development. The United States has free trade agreements (FTAs) in effect with 20 countries. These FTAs build on the foundation of the WTO Agreement, with more comprehensive and stronger disciplines than the WTO Agreement. Many of our FTAs are bilateral agreements between two governments. But some, like the North American Free Trade Agreement and the Dominican Republic-Central America-United States Free Trade Agreement, are multilateral agreements among several parties. Another important type of trade agreement is the Trade and Investment Framework Agreement. TIFAs provide frameworks for governments to discuss and resolve trade and investment issues at an early stage. These agreements are also a means to identify and work on capacity-building where appropriate. The United States also has a series of Bilateral Investment Treaties (BITs) help protect private investment, develop market-oriented policies in partner countries, and promote U.S. exports.
HTS	Harmonized Tariff Schedule	The Harmonized Tariff Schedule of the United States, Annotated for Statistical Reporting Purposes (HTS), is published by the U.S. International Trade Commission pursuant to section 1207 of the Omnibus Trade and Competitiveness Act of 1988 (Public Law 100-418; 19 U.S.C. 3007) (Trade Act). The legal text of the HTS includes all provisions enacted by Congress or proclaimed by the President. These legal provisions are the General Rules of Interpretation (GRIs); Additional U.S. Rules of Interpretation; General Notes; chapters 1 through 99 (organized into sections I through XXII), section and chapter notes (including additional U.S. notes), headings and subheadings through the 8-digit level (with their numbers, article descriptions, tariff rates, and special tariff programs), Chemical Appendix, Pharmaceutical Appendix, and Intermediate Chemicals for Dyes Appendix. The classification of goods and interpretation of the HTS are the responsibility of U.S. Customs and Border Protection (Customs).
	Kissell Amendment	Name for legislation requiring the Department of Homeland Security, subject to certain exceptions, to buy textile and clothing products made with 100 percent U.S. content and labor. Because of U.S. commitments under the WTO Agreement on Government Procurement (GPA), Kissell only applies to purchases made by two DHS entities, the U.S. Coast Guard and the Transportation Security Administration (TSA). There is a further exception for TSA, as Kissell does not apply to purchases from Canada, Mexico and Chile.
NAFTA	North American Free Trade Agreement	Agreement establishing free trade among the United States, Mexico, and Canada. Negotiated by President George H.W. Bush and signed on 17 December 1992, NAFTA removes barriers to trade and investment and improves the protection of intellectual property rights. Prior to seeking congressional implementation of NAFTA, President Clinton negotiated side agreements on labor and environmental issues. Congress approved implementation of NAFTA in November 1993.
OTEXA	Office of Textiles and Apparel	Housed under the U.S. Department of Commerce - International Trade Administration, the Office of Textiles and Apparel (OTEXA) administers programs and strategies to improve domestic and international competitiveness of the U.S. textiles, apparel, footwear, and travel goods industries. For U.S. manufacturers, suppliers, or exporters, OTEXA can help plan market entry through a variety of services, such as trade promotion events, online resources and personalized counseling, market research, and trade missions and shows. It also works with industry representatives to identify and resolve trade barriers in foreign markets and unfair trade practices.
	rules of origin	Specify the terms and conditions required for a good to qualify or to be considered "originating" in a trade agreement or preference legislation. Rules of Origin for textiles basically fit one of three types: 1) Fiber Forward; 2) Yarn Forward; 3) Fabric Forward
SSL	short supply list / also known as commercial availability list	Fibers, yarns, and fabrics determined not to be available in commercial quantities in a timely manner from within the FTA partner countries may be sourced from outside the countries for use in qualifying textile and apparel products. For example, a fabric that is determined not to be commercially available under the U.S.-Australia FTA may come from a third-party, i.e. China, be cut-and-assembled into a garment in Australia, and imported to the U.S. duty-free.
	Single Transformation	A rule of origin under trade agreements also known as a "cut and sew" or "assembly only" rule. Finished goods must be cut and sewn or otherwise assembled in the parties to the agreement to qualify for benefits. Yarn and fabric inputs in the finished good can be sourced from anywhere in the world under this rule.

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	Tariff Act of 1930	The Tariff Act of 1930 (codified at 19 U.S.C. ch. 4), otherwise known as the Smoot-Hawley Tariff, was an act sponsored by Senator Reed Smoot and Representative Willis C. Hawley and signed into law on June 17, 1930, that raised U.S. tariffs on over 20,000 imported goods to historic levels. The original intention behind the legislation was to increase the protection afforded domestic farmers against foreign agricultural imports. It marked the last time Congress set tariffs on a product-by-product basis.
	tariff binding	Commitment not to increase a rate of duty beyond an agreed level. Once a rate of duty is bound, it may not be raised without compensating the affected parties.
	tariff escalation	Higher import duties on semi-processed products than on raw materials, and higher still on finished products. This practice protects domestic processing industries and discourages the development of processing activity in the countries where raw materials originate.
	tariff peaks	Relatively high tariffs, usually on "sensitive" products, amidst generally low tariff levels. For industrialized countries, tariffs of 15% and above are generally recognized as "tariff peaks".
TPL	tariff preference level	An exception to the rule of origin in FTAs that allows for a certain quantity of textile and apparel goods (usually yarns, fabrics and cut pieces) from a third-country (a country who is not a party to the agreement) to qualify for the FTA benefits. Example: Under the U.S.-Bahrain FTA, Bahrain can use up to 65 million sme of yarns and fabric from any other country and the products made from those yarns and fabrics (up to the 65 million limit) still qualify for duty-free access to the U.S. market.
	tariffication	Procedures relating to the agricultural market-access provision in which all non-tariff measures are converted into tariffs.
	tariffs	Customs duties on merchandise imports. Levied either on an ad valorem basis (percentage of value) or on a specific basis (e.g. \$7 per 100 kgs.). Tariffs give price advantage to similar locally-produced goods and raise revenues for the government.
	Trade Act of 1974	Legislation signed into law on 3 January 1975 that granted the president the authority to enter the Tokyo Round and negotiate international agreements to reduce tariffs and nontariff barriers (see also "Fast-track procedures"). The act also amended US law governing the escape clause, antidumping, and countervailing duties; expanded trade adjustment assistance; established guidelines for granting most favored nation status to East block states; and granted limited trade preferences (GSP) to less developed countries.
TAA	Trade Adjustment Assistance	Originated under the Trade Expansion Act of 1962, this program is designed to provide retraining and financial benefit to workers and firms that are injured as a result of increased imports.
	Trade Agreements Act of 1979	Legislation, adopted under the fast-track procedures, that approved and implemented the trade agreements negotiated during the Tokyo Round. It made US law consistent with the MTN agreements, while at the same time rewriting the countervailing duty and antidumping laws, extending the president's authority to negotiate nontariff barrier agreements, and requiring the president to reorganize executive branch trade functions.
TARA	Trade and Related Agreements	Database owned by the Trade Compliance Center containing text of all trade agreements
	Trade and Tariff Act of 1984	An omnibus trade bill whose provisions included extension of the president's authority to grant trade preferences, authorization for negotiating bilateral trade agreements, and authority to enforce export restraint agreements on steel.
	trade balance	The total value of a nation's merchandise exports minus the value of its merchandise imports, globally vis-à-vis specific countries or regions. A "negative" trade balance is one in which imports exceed exports.
TCC	Trade Compliance Center	The Trade Compliance Center, the TCC, in the U.S. Department of Commerce's International Trade Administration, is the U.S. Government's focal point for monitoring foreign compliance with trade agreements to see that U.S. firms and workers get the maximum benefits from these agreements. The TCC is your one-stop shop for getting U.S. government assistance in resolving the trade barriers or unfair situations you encounter in foreign markets.
TEA	Trade Expansion Act of 1962	Legislation that authorized the Kennedy Round of trade negotiations, amended US escape clause procedures, and established the trade adjustment assistance program.
	trade facilitation	Removing obstacles to the movement of goods across borders (e.g. simplification of customs procedures).
TIC	Trade Information Center	Housed in Commerce, operates a telephone information and referral service for US businesses interested in exporting (1-800-USA-TRADE)
TPRB, TPRM	Trade Policy Review Board	General Council operating under special procedures for meetings to review trade policies and practices of individual WTO members under the Trade Policy Review Mechanism.

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	Trade Preference Programs	A Trade Preference Program is legislated by Congress and provides duty-free treatment to certain apparel products from designated beneficiary countries that meet the program's rules. Generally these programs allow duty-free entry of apparel into the U.S. if the apparel is cut and assembled in a beneficiary country using U.S. fabrics made of U.S. yarns.
TPA	Trade Promotion Authority	Trade Promotion Authority (TPA) gives the President the authority to negotiate trade agreements with foreign nations that Congress cannot amend or filibuster. These trade agreements attempt to reduce Congress can only vote "yea" or "nay" to the agreement. TPA is commonly referred to as "Fast Track" authority.
TPCC	Trade Promotion Coordinating Committee	An interagency group mandated by Congress and chaired by the Secretary of Commerce. It was established pursuant to the Export Enhancement Act of 1992 to provide a unifying framework to coordinate the export promotion and financing activities of the U.S. Government, as well as to develop a comprehensive plan for implementing strategic priorities. Made up of 20 federal agencies.
	trade remedy procedures	Trade remedies are trade policy tools that allow governments to take remedial action against imports which are causing material injury to a domestic industry. Such remedies are divided broadly into: actions taken against dumping (selling at an unfairly low price); special "countervailing" duties to offset subsidies; and emergency measures to limit imports temporarily, designed to "safeguard" domestic industries.
TRIPS	Trade-Related Aspects of Intellectual Property Rights	Issues involving nations' treatment of intellectual property owned by foreigners. The United States has focused on preventing the piracy of intellectual property in foreign nations. Specific areas covered by the Uruguay Round agreement on TRIPS include copyrights, patents, trademarks, industrial designs, design of integrated circuits, and anticompetitive practices in licensing.
TRIMs	Trade-Related Investment Measures	Issues involving restrictions on the operations of foreign firms - requiring, for example, foreign firms to produce a certain percentage of the final product locally or export a certain percentage of their output. Although the TRIMs agreement was less ambitious than the TRIPS agreement, the Uruguay Round did produce the first GATT agreement on investment measures. The Uruguay Round agreement on TRIMs focused on providing national treatment and eliminating quantitative restrictions.
TPP	Trans-Pacific Partnership	The Trans-Pacific Partnership (TPP) is a free trade agreement being negotiated (as of April 2014) to liberalize the economies of the Asia-Pacific region. Countries involved include: Australia, Brunei Darussalam, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, United States, Vietnam and Japan.
T-TIP	Transatlantic Trade and Investment Partnership	On March 20, 2013, the Obama Administration notified the U.S. Congress of its intent to enter into negotiations on a comprehensive trade and investment agreement with the European Union termed the Transatlantic Trade and Investment Partnership
KORUS	U.S. - Korea FTA	The United States and the Republic of Korea signed the United States-Korea Free Trade Agreement (KORUS FTA) on June 30, 2007. On December 3, 2010, the United States and Korea concluded new agreements, reflected in letters signed on February 10, 2011, that provide new market access and level the playing field for U.S. auto manufacturers and workers. Congress approved the agreement on October 12, 2011, and Korea's National Assembly approved it on November 22, 2011. The agreement entered into force on March 15, 2012.
USTR	US Trade Representative	An official in the Executive Office of the President, with cabinet-level and ambassadorial rank, charged with advising the president, working with Congress, and leading and coordinating the US government on international trade negotiations. ("USTR" also designates the governmental unit that the trade representative heads.) Established by the Carter administration in 1980, the USTR was given increased authority in the Omnibus Act of 1988. The USTR succeeded the Special Trade Representative (STR), created (at congressional insistence) in the Trade Expansion Act of 1962, whose status and authority were strengthened in the Trade Act of 1974.
WTO	World Trade Organization	The World Trade Organization (WTO) is an intergovernmental organization which regulates international trade. The WTO officially commenced on 1 January 1995 under the Marrakech Agreement, signed by 123 nations on 15 April 1994, replacing the General Agreement on Tariffs and Trade (GATT), which commenced in 1948. The WTO deals with regulation of trade between participating countries by providing a framework for negotiating trade agreements and a dispute resolution process aimed at enforcing participants' adherence to WTO agreements, which are signed by representatives of member governments and ratified by their parliaments. Most of the issues that the WTO focuses on derive from previous trade negotiations, especially from the Uruguay Round (1986–1994).
GPA	WTO Agreement on Government Procurement	The Agreement on Government Procurement (GPA) is a plurilateral agreement under the auspices of the World Trade Organization (WTO) that entered into force in 1981, it was then renegotiated in parallel with the Uruguay Round in 1994, and its current form entered into force on 1 January 1996. It regulates the government procurement of goods and services by the public authorities of the parties to the agreement, based on the principles of openness, transparency and non-discrimination. Including the United States and the 27 members of the European Union, there are currently 39 signatories to the GPA.

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	yarn forward	<p>Yarn must be formed in the countries that are a party to the trade agreement (fiber can come from anywhere).</p> <p>Sources</p> <p><i>American Trade Politics</i> , 4th Edition, 2005 <i>Encyclopedia Britannica</i> <i>Merriam-Webster Dictionary</i> Office of the United States Trade Representative, www.ustr.gov Report to the President on the National Export Initiative: The Export Promotion Cabinet's Plan for the Doubling U.S. Exports in Five Years. Sept. 2010. Textile Trade 101, Branson 360 World Trade Organization</p>