



Department for
International Trade

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Angus Brendan MacNeil MP
Chair of the International Trade Committee
House of Commons
London SW1A 0PW

17th October 2017

Dear Angus,

Thank you for your letter of 3 October, asking about the Government's role and actions in relation to the US Department of Commerce anti-dumping and countervailing duty investigation into 100- to 150-seat civil aircraft manufactured by Bombardier, Inc.

As the Government has publicly stated, we are very disappointed with the initial determination by the Department of Commerce. However, it is only the first step in the process. The Department of Business, Energy and Industrial Strategy (BEIS) has been co-operating fully with the US investigation, in order to robustly defend the UK's position.

The Government has submitted factual evidence and legal arguments to the Department of Commerce, as part of the process, and is preparing to make legal representations at a hearing later this year. A publicly available version of the submissions to date can be found here:

<https://access.trade.gov/login.aspx?ReturnUrl=%2fpublic%2fhome.aspx>

We will continue to co-operate with the US administration, and robustly argue that as our launch aid to Bombardier (Shorts) was a loan on commercial terms, the claims of subsidies are unjustified. We expect the final determination by the US Department of Commerce on Canadian and UK subsidies and dumping by Bombardier in December. The actual imposition of tariffs will be subject to a decision in February 2018 by the US International Trade Commission on whether there is a substantial injury to Boeing. The Government will assess its options for appeal, should the final determinations reflect the initial findings of the Department of Commerce.

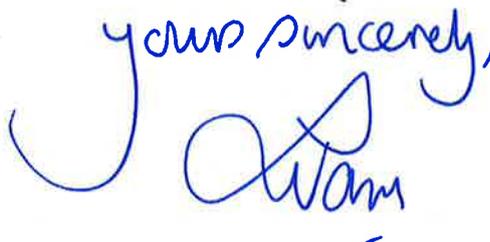
My Department has been working closely with BEIS and other government departments to ensure the UK response to this case is as effective as possible. The UK Government has engaged regularly with Boeing, the Canadian government, Bombardier and all levels of the US administration to reach a credible resolution as quickly as possible. We have made clear to Boeing that their action is not what we would expect of a long-term partner to the UK.

The Prime Minister has raised the issue directly with President Trump on two occasions, and with the Canadian Prime Minister Justin Trudeau. We have reiterated to the US Administration that this action directly impacts the US as well as the UK. Over 50% of the C-Series aircraft is made by US based companies and it supports over 22,000 US jobs.

As the Prime Minister has stated, the UK Government will continue to strongly defend our interests in support of Bombardier, and protect its 4,000 workers in Belfast and the UK supply chain.

Finally, you raised the UK's future approach to WTO disputes, after we have left the European Union. As the Government's paper, *Preparing for our future UK trade policy*, published on 9 October, states, by the time we leave the EU, we will ensure we are ready to act independently to protect UK interests should our trading partners fail to meet their international obligations and to defend any disputes brought against the UK.

While we remain a Member of the EU, its institutions remain responsible for launching a WTO dispute on behalf of its Member States, if it believes there is justification to do so. I cannot comment as to the possible reaction of the European Union to the Department of Commerce findings, other than to say that the UK has kept the European Commission fully informed as the case has progressed.

Yours sincerely,


THE RT HON DR LIAM FOX MP
Secretary of State, Department for International Trade
& President of the Board of Trade