



The World Trade Organization (WTO) is the only international organization dealing with the rules of trade between nations.

The function of the WTO:

- monitor member states' trade policies
- provide a forum to negotiate new trade agreements
- arbitrate trade disputes

The WTO works because its dispute settlement system provides a forum for enforcing rules. That allows the U.S. to fight unfair trade actions or deals that disadvantage the U.S. dairy industry in a manner inconsistent with WTO rules.

But the system is not working because the U.S. has been blocking nominations to the Appellate Body since 2017. The Appellate Body lost its quorum in December 2019. As a result, the dispute settlement system is, in effect, no longer binding.

The World Trade Organization (WTO) is no longer effective and is in need of major reforms.

The U.S. is now calling for major reforms to:

- increase transparency
- reinvigorate the negotiating arm
- address the "diverse development levels" of members, and
- correct what the U.S. sees as flaws of the dispute settlement system

The WTO dispute settlement system is worth saving. It has adjudicated hundreds of cases between member countries, including more than 120 brought by the United States against trade-distorting measures of other nations.

The U.S. should work closely with allies to ensure the WTO becomes once again an effective organization.