

TRADE REMEDIES

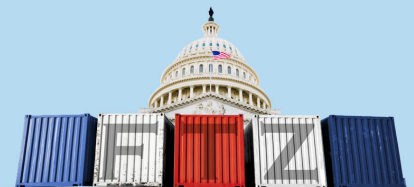
John Magnus
President, TradeWins LLC
For NAFTAZ

**NAFTZ**
PARTNERSHIP. PRIDE. PROSPERITY.



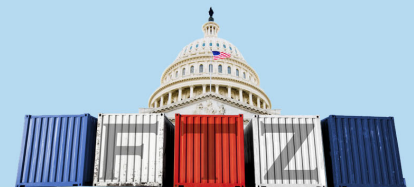
COMPONENTS OF THE TRADE AGENDA

- Negotiations
- Disputes and dispute settlement
- Enforcement
- Autonomous reform of applied U.S. trade policies



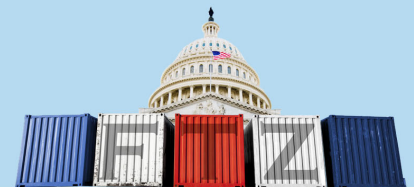
TRADE REMEDIES: TRADITIONAL & UNSUAL

- Traditional
 - Antidumping & countervailing duties
 - Section 337
- Unusual
 - Section 232 – adjusting imports found to threaten national security
 - Section 201 – mini-renaissance for safeguard measures
 - Section 301 – bilateral pressure and retaliation



ANTIDUMPING & CVD ENFORCEMENT

- High case load
 - Mix of industrial/intermediate & consumer-ready products
 - Still lots of China, but also lately more Canada & Mexico
 - Many cases hitting energy sector
- Aggressive approach at USDOC
 - Particular market situation
 - Targeted dumping
 - Adverse facts available
- Steady state at USITC



SECTION 232: ADJUSTING STEEL & ALUMINUM IMPORTS



25%

Tariff on most steel mill products



10%

Tariff on most primary and extruded aluminum imports



4

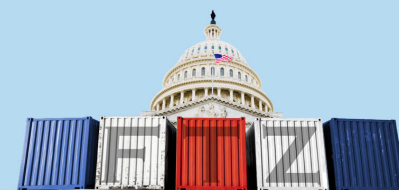
Countries exempted from steel tariffs

(Argentina, Australia, Brazil and South Korea)



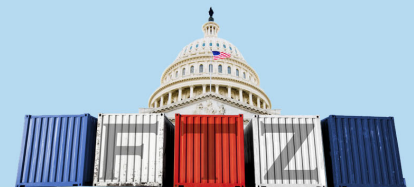
TBD

Unknown end date for tariffs



TRADE RESTRAINTS UNDER SECTION 232

- Debate over national security rationale
- Trading partner retaliation
 - Without waiting for DS results
 - Reaction to shifting US rationales
- Institutional Issues
 - Run by Commerce Dep't Bureau of Industry & Security
 - Country exclusion process handled by USTR
- Product exclusion process -- chaotic
- Next up: Autos?



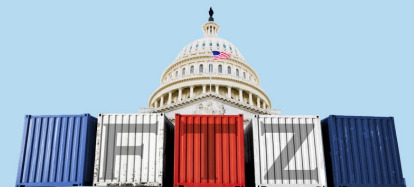
SECTION 201 SAFEGUARD MEASURES

- Rationale
- Measures in force
 - Solar equipment
 - Washing machines
- Trading partner responses
 - WTO members
 - NAFTA partners
- More to come?



CHINA SECTION 301 PROCEEDING

- Three US tariff lists
 - List 1 -- \$34B of imports from China – 25% tariffs since July
 - List 2 -- \$16B of imports from China – 25% tariffs since August
 - List 3 -- \$200B of imports from China – 10% (so far) tariffs since Sept
 - Remaining imports from China could be implicated soon
- Exclusion process(es) – potential relief at 10-digit level
- Underlying Chinese acts/policies/practices – involving tech and IP
- Other components of USG response – investment restrictions &c.
- China's counter-retaliatory actions
- Government-to-government engagement



STEPPING BACK

- Policy incoherence?
 - Example: Construction fasteners
 - Example: Solar manufacturing
 - Example: FTZ operations
- Debate in Congress
 - Limiting tariff authorities
 - Broader overhaul of basic plumbing of US trade regime

