



# TARIFFS AND ENERGY STORAGE SUPPLY CHAINS

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Presentation to Energy Storage Association • June 2019

# OVERVIEW

- **Unusual Tariffs & Tariff Threats in the US Trade Regime**
- **The China Section 301 Proceeding and Its Trajectory**
- **Comparison to Other “Trump Tariff” Measures**
- **Other New Elements in the Current US Trade Agenda**
- **Q&A**

# Unusual Tariffs and Tariff Threats In the US Trade Regime

- **Section 232** – adjusting imports found to threaten national security
- **Section 201** – safeguard measures enjoying a mini-renaissance
- **Section 301** – bilateral pressure and retaliation
- **IEEPA** – bilateral pressure vs. Mexico, immigration-themed

# China Section 301 Proceeding

## *-- Current Status --*

- **Underlying Chinese acts/policies/practices – involving tech and IP**
- **Four US tariff lists**
  - List 1: \$34B of imports from China – 25% tariffs – in effect since July 6
  - List 2: \$16B of imports from China – 25% tariffs – in effect since August 23
  - List 3: \$200B of imports from China – 10% (could become 25%) tariffs – in effect since Sept 24
  - List 4 – now proposed; includes Li-ION batteries 8507.60.00
  - Exclusion process(es) – potential for relief at 10-digit level
- **Other components of USG response – investment restrictions, WTO litigation, heightened export regulation**
- **China's counter-retaliatory actions**

# China Section 301 Proceeding

## -- Trajectory --

- **Govt-to-govt engagement**

- Has broadened to include numerous elements in bilateral relationship
- Is currently stalled in recriminatory atmosphere
- Differing views on what USG is truly aiming to achieve and by when

- **List 3 tariffs**

- Increase to 25% is pending
- Exclusion process (at 10-digit level) expected to launch if this happens

- **List 4 tariffs**

- Going through public comment process
- Removals not achieved at 8-digit level may be difficult to achieve at 10-digit level
- Li-ION batteries have two 10-digit breakouts, for vehicle batteries and for “other”

# Other Trump Tariff Measures

## -- *Section 232* --

- **Debate over national security rationale**
- **Trading partner retaliation**
  - Without waiting for DS results
  - Reaction to shifting US rationales
- **Institutional issues**
  - Run by the U.S. Department of Commerce's Bureau of Industry and Security (BIS)
  - Country exclusion process has appeared chaotic
- **Product Exclusion Process**
  - Importer-specific; massive volume of requests, slow processing
  - DOC is not approving exclusions that have domestic industry opposition
- **Next up: autos?**

# Other “Trump Tariff” Measures

## -- *Section 201 Safeguards* --

- **Rationale**
- **Measures in force**
  - Solar equipment
  - Washing machines
- **Trading partner responses**
  - WTO Members
  - NAFTA parties
- **More to come?**

# Other New Elements in the US Trade Agenda

- **NAFTA → USMCA**
- **Absence of other FTA negotiations**
- **Pressure tactics aimed at WTO**
- **Incentivizing more trade remedy filings**
  - Handling of current case load
  - New regulations addressing, for example, currency subsidies
- **Broader fusion of trade policy and national security policy**
- **In Congress: preparation to overhaul the US trade regime's basic plumbing?**



# Questions??

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