

Client Alert



INTERNATIONAL TRADE

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For more information, contact:

Stephen J. Orava (Steve)

+1 202 661 7937 sorava@kslaw.com

J. Michael Taylor

+1 202 626 2385 jmtaylor@kslaw.com

Stephen P. Vaughn

+1 202 626 9230 svaughn@kslaw.com

Ryan Majerus

+1 202 626 9279 rmajerus@kslaw.com

Patrick J. Togni

+1 202 626 2958 ptogni@kslaw.com

Jeffrey M. Telep

+1 202 626 2390 jtelep@kslaw.com

Christine E. Savage

+1 202 626 5541 csavage@kslaw.com

King & Spalding

Washington, D.C.
1700 Pennsylvania Avenue, NW
Suite 900
Washington, D.C. 20006
T. +1 202 737 0500

USTR Requests Comments By March 11 For Use In Initiation Of Actions On Unfair Trade Practices

Interested parties have until March 11 to file comments on any and all trade-related and market access concerns and to engage with USTR on appropriate relief for nearly every tariff and trade barrier maintained by our trading partners.

On February 20, 2025, the Office of the U.S. Trade Representative released a Notice inviting comments from the public on the Administration's overall trade policy and its recent reciprocal tariffs announcement. As we have explained in prior client alerts, the "America First Trade Policy" Memorandum released on inauguration day created a roadmap for the key trade agencies to review and investigate issues that harm and threaten to harm U.S. trade, manufacturing, and national security – with a deadline of April 1 to report their findings to the President. The America First Trade Policy calls for a broad review of the statutory authorities for taking trade action (including, but not limited to, IEEPA, Sections 232 and 301, and the AD/CVD laws) – as well as trade issues that include persistent trade deficits, currency manipulation, export controls, outbound investment, China's PNTR status, discriminatory or extraterritorial taxes, the collection of tariff revenues and the feasibility of establishing an External Revenue Service, loss of tariff revenues and public health risks of imports under the de minimis exemption, opportunities to expand export markets, and the effectiveness of U.S. trade agreements (e.g., USMCA, KORUS, and the Phase One Agreement).

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Subsequently, on February 13, President Trump issued the <u>"Reciprocal Tariffs and Trade" Memorandum</u>, which requires USTR and Commerce to investigate non-reciprocal tariff arrangements with our trading partners – including tariffs, extraterritorial taxes such as VATs, non-tariff barriers, policies impacting exchange rates, domestic/export subsidies, and other practices hindering market access and fair competition. Section 3(a) of this memorandum suggests that the America First Trade Policy reports will be the first step toward the initiation of investigations on reciprocal tariffs and trade matters, which ultimately could lead to tariffs and other remedial actions by the President later this year.

The most recent <u>notice</u> by USTR now invites comments on a country-by-country basis, and notes that "submissions regarding economic areas with member states, such as the European Union, may set out responses on an economy-wide or member state-by-member state basis." USTR requests information on an "expansive range" of unfair trade practices "such as policies, measures, or barriers that undermine or harm U.S. production, or exports, or a failure by a country to take action to address a non-market policy or practice in a way which harms the United States." It specifies that commenters "should include the foreign country or economy concerned, the practice or trade arrangement of concern, a brief explanation of the operation of the practice or trade arrangement, and an explanation of the impact or effect of the practice or trade arrangement on the interested party or on U.S. interests generally."

In addition, the notice asks that commenters "quantify the harm or cost (including actual cost or opportunity cost) to American workers, manufacturers, farmers, ranchers, entrepreneurs and businesses from the practice or trade arrangement of concern – ideally ascribing a dollar amount to the harm or cost and describing the underlying methodology." Finally, the notice, makes clear that "USTR is particularly interested in submissions related to the largest trading economies, such as G20 countries, as well as those economies that have the largest trade deficits in goods with the United States, including Argentina, Australia, Brazil, Canada, China, the European Union, India, Indonesia, Japan, Korea, Malaysia, Mexico, Russia, Saudi Arabia, South Africa, Switzerland, Taiwan, Thailand, Türkiye, United Kingdom, and Vietnam," which "cover 88 percent of total goods trade with the United States."

KEY TAKEAWAYS

Over the past month, the Trump Administration has made clear that it intends to implement a robust trade policy at blazing speed. Although the notice also encourages "ongoing engagement," USTR is providing a critical opportunity for companies and industries over the next three weeks to comment broadly on its proposed trade actions, including reciprocal tariffs. The notice reflects the Administration's desire to move quickly, indicating that USTR also may take action in advance of these submissions. The private sector needs to carefully evaluate the impact of these wideranging tariffs on their business and supply chains, and clients should understand the importance of participating in this process effectively to communicate with decisionmakers before any actions are taken.

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