

New York State Bar Association: 2018 Regional Meeting
Seoul, Republic of Korea
April 23-24, 2018

Panel 1: Developments in International Trade and Investment:
KORUS and the Looming Trade Wars

- I. **President Trump’s Stated Trade Policy.** *See generally* Office of the United States Trade Representative, 2018 Trade Policy Agenda and 2017 Annual Report of the President of the United States on the Trade Agreements Program.
 - A. Five Pillars—apparently on the foundation of “America first.”
 1. Supporting Our National Security.
 - (a) “A strong economy protects the American people, supports, our way of life, and sustains American power.”
 - (b) “The United States will no longer turn a blind eye to violations, cheating, or economic aggression.”
 2. Strengthening the U.S. Economy.
 - (a) Improving the competitiveness of American business in the worldwide arena.
 - (b) Corporate tax reduction enacted in December.
 - (c) Aggressive effort to eliminate regulations said to hamper business activity.
 3. Negotiating Better Trade Deals.
 - (a) “For too long, the rules of global trade have been tilted against American workers and businesses.

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- (b) The U.S. “will alter – or terminate – old trade deals that are not in our national interest.”
- 4. Aggressive Enforcement of U.S. Trade Laws.
 - (a) The trade enforcement agenda is “designed to prevent countries from benefiting from unfair trading practices.”
 - (b) “Will use all tools available – including unilateral action where necessary – to support this effort.”
- 5. Reforming the Multilateral Trading System. Skeptical of the activity of the World Trade Organization (WTO).
 - (a) “The WTO has not always worked as expected.”
 - (b) “The WTO has been used by some Members as a bulwark in defense of market access barriers, dumping, subsidies, and other market distorting practices.”
 - (c) U.S. “will not allow the WTO – or any other multilateral organization – to prevent us from taking actions that are essential to the economic well-being of the American people.”
- B. But what about retaliation?
 - 1. The President says that “trade wars are good, and easy to win.”

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2. If imports exceed exports with any given country, “just stop trading.”
 - (a) History does not tend to support this view.
 - (b) The U.S. Smoot-Hawley Tariff Act of 1930 sought to protect U.S. industries, but is widely-believed to have deepened the Great Depression worldwide.

II. Significant Sources of U.S. Executive Authority

- A. Section 301 of the Trade Act of 1974 (19 USC § 2411): unjustified, unreasonable, or discriminatory burdens or restrictions on U.S. commerce.
 1. Covers violations of trade agreements, international law, or “an act, policy, or practice of a foreign country.”
 2. Proceedings may be initiated by the United States Trade Representative (USTR) based on the filing of a petition by any interested party—or self-initiated after consulting with private sector advisory committees.
 - (a) Upon finding a violation, the USTR has broad remedial authority, including imposing tariffs on imports.
 - (b) USTR has discretionary authority to take all appropriate and feasible action, subject to the specific direction of the

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President, to obtain the elimination of the act, policy or practice, including:

- (i) suspending benefits of trade agreement concessions;
- (ii) imposing duties or other import restrictions;
- (iii) withdrawing preferential duty treatment; and
- (iv) entering into binding agreements to eliminate or phase out the act, policy or practice, eliminate the burden on U.S. commerce, or provide compensatory and satisfactory trade benefits.

3. However, Section 301 also requires that the United States engage in international dispute resolution efforts, most notably at the WTO, in parallel with Section 301 procedures.

4. Challenges in the WTO, as well as in U.S. courts, may be brought to USTR orders.

B. Section 201 of the Trade Act of 1974 (19 USC § 2251): Safeguards.

1. Temporary import relief to domestic industry through higher tariffs or other measures if U.S. industry is seriously injured, or threatened with serious injury by increased imports.

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- (a) Imports must be a “substantial cause of” the serious or threatened injury.
- (b) Tariffs and other remedies can be ordered.
- 2. Safeguards apply to **all** imports from **all** countries—not country specific.
- 3. The ITC administers the process.
 - (a) Before this administration, last used by President Bush in 2002.
 - (b) Other nations successfully challenged the measures before the WTO.
- 4. The U.S. Court of International Trade (U.S. CIT) reviews these cases under 19 U.S.C. § 1581(i) (residual jurisdiction).
- C. Title IV of the Tariff Act of 1930, as amended: Anti-dumping (19 USC § 1673 *et seq.*) (AD) and Counter-vailing Duties (19 USC § 1671 *et seq.*) (CDV): imports sold at less than fair value or that benefit from government subsidies.

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1. Industries can petition the Department of Commerce (DOC) for relief. Also, the DOC can self-initiate an investigation, although under past practice, this is unusual.
2. The DOC determines:
 - (a) whether either dumping or government subsidies exist, and
 - (b) if so, the margin (dumping) or amount (subsidy); or
3. The ITC determines:
 - (a) whether there is material injury or threat of material injury to domestic industry; or
 - (b) whether *establishment* of an industry is being materially retarded.
4. Failure of foreign companies to cooperate in the investigation can be considered in ordering relief and potential penalties. (19 U.S.C. § 1677e allows for the application of adverse inferences. This section was modified under the Trade Preferences Extension Act of 2015.)
5. “Circumvention,” typically by shipment through a third country for minor processing, can also be investigated and remedied. (19 USC § 1677j)

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6. The U.S. CIT reviews appeals of AD/CVD determinations from the DOC and the ITC under 19 U.S.C. § 1581(c).
- D. Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. § 1862): “national security”.
 1. A proceeding can be initiated by a U.S. department or agency head, or by an interested party (industry member)—or self-initiated by the DOC.
 - (a) A unit of the DOC—the Bureau of Industry and Security (BIS)—investigates an allegation of threat to national security.
 - (b) After BIS investigation, the DOC Secretary issues a report and recommendations to the President.
 - (c) President then can negotiate to limit or restrict imports, or take action to adjust imports, so that they don’t threaten or impair the national security.
 2. Prior to the Trump administration, there were only two such BIS investigations since the U.S. joined the WTO in 1995—involving crude oil (1999) and steel (2001). In each case, BIS declined to recommend action.

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3. Although a complaint before the WTO could be made, GATT Article 21 exempts national security actions.
 4. Authority for U.S. CIT to review appeals of these cases is under 19 U.S.C. § 1581(i) (residual jurisdiction).
- E. Section 337 of the Tariff Act of 1930 (19 USC § 1337): unfair acts or methods of competition, and commonly involving intellectual property (IP) rights.
1. Overseen by the ITC.
 - (a) Industries or companies may petition the ITC to investigate.
 - (i) The procedure is regularly used by patent holders to challenge importation of infringing goods. Also used by trademark and copyright holders.
 - (ii) If the ITC decides to bring a case, the petitioning party's claims is heard by an ITC administrative law judge (ALJ).
 - (iii) An ITC staff attorney typically participates in the case hearing, along with the petitioning and responding parties.

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- (b) The ALJ issues and initial determination, which is subject to review by the ITC.
- (c) The ITC review considers the public interest taking account of factors:
 - (i) public health and welfare;
 - (ii) competitive conditions in the U.S. economy;
 - (iii) the production of similar or directly competitive U.S. products; and
 - (iv) U.S. consumers.
- (d) Remedial authority includes an exclusion order barring importation, or a cease and desist order prohibiting the unlawful activity.
- (e) The President, acting through the USTR, is authorized to disapprove the remedy (60 days to review). Disapproval is unusual.
- (f) Temporary relief, such as exclusion, may also be ordered before the hearing is held.

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2. Proceedings can be challenged before the WTO, by arguing that Section 337 and any remedy imposed constitutes a violation of GATT/WTO rules or obligations. ITC determinations can also be reviewed in the U.S. courts.
3. A recent example of a Section 337 case is a petition by U.S. Steel, alleging that Chinese steel manufacturers maintained a government-supported price-fixing cartel. The ITC began an investigation, and the case was heard by an ALJ.
 - (a) The ALJ ruled against U.S. Steel on the ground that U.S. Steel did not suffer “antitrust injury.”
 - (b) Under U.S. antitrust law, for a competitor to show “antitrust injury,” there must be proof of lost sales due to below cost pricing (predatory pricing). The complaining party must also show that it and other U.S. steel competitors would be driven out of business, thereby allowing the predator to recoup the losses on the below cost pricing. U.S. Steel conceded it could not show antitrust injury.

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- (c) On appeal to the ITC, the Commission affirmed the ALJ's ruling.
In the Matter of Certain Carbon and Alloy Steel Products, Inv. No. 337-TA-1002 (ITC Mar. 19, 2018).
- 4. Under 19 U.S.C. § 1337(c), determinations made pursuant to investigations commenced under § 1337 are reviewed at the Court of Appeals for the Federal Circuit. The standard of review is pursuant to the Administrative Procedure Act, 5 U.S.C. § 706 (arbitrary and capricious).
- F. Section 182 of the Trade Act of 1974, as amended: “Special 301” for IP rights.
 - 1. USTR must identify countries that deny adequate IP rights protection or fair access for persons relying on IP.
 - 2. Those countries with the most onerous “acts, policies or practices” or with the greatest adverse impact on U.S. products are “Priority Foreign Countries,” and may be investigated under Section 301.
 - 3. A “Priority Watch List” and a “Watch List” are issued.
- G. International Emergency Economic Powers Act of 1977 (IEEPA) (50 U.S.C. § 1701 *et seq.*)

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1. Authorizes the President to deal with “unusual or extraordinary” threats to the national security, foreign policy, or the economy, which originate “in whole or in substantial part from outside the United States.”.
 2. A pre-condition to use of the IEEPA is a declaration of a national emergency under the National Emergencies Act. The emergency must be renewed yearly.
 3. Under IEEPA, the President can block transactions and freeze assets.
 - (a) IEEPA has been used in the past to impose embargoes and sanctions.
 - (b) If construed to authorize tariffs, that would be an expanded reading of Presidential power.
 4. Periodic reporting by the President to Congress is required, although congressional approval of action taken is not.
- H. Authority of the U.S. Court of International Trade (U.S. CIT). *See* 28 U.S.C. §§ 1581-1585.
1. The U.S. CIT has exclusive jurisdiction to reviews decisions of the DOC, the ITC, and U.S. Customs and Border Patrol under the trade laws.

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- (a) The U.S. CIT has exclusive jurisdiction to reviews decisions of the DOC and the ITC under the trade laws. 28 U.S.C. § 1581 specifically grants U.S. CIT with jurisdiction to review determinations made under the Tariff Act of 1930, *i.e.*, § 1581(a) addresses denial of protests (classification cases); § 1581(c) AD/CVD determinations; § 1581(i) residual jurisdiction.
 - (b) Also has exclusive jurisdiction as the trial level court for specified trade and customs cases (*i.e.*, civil penalty cases under 28 U.S.C. § 1582.).
 - (c) The jurisdictional grant is intended to centralize all cases involving international trade in one specialized court with national U.S. jurisdiction.
2. The U.S. CIT is composed of nine judges.
- (a) Currently as of April 2018, two judicial positions are vacant.
 - (b) Judges are appointed for life under Article III of the U.S. Constitution.

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3. The U.S. CIT has nationwide jurisdiction, and is empowered to hear cases anywhere in the U.S., as well as in foreign countries.
 4. The U.S. CIT has full powers in law and equity. *See* 28 U.S.C. § 1585.
 5. Appeals from the U.S. CIT are to the United States Court of Appeals for the Federal Circuit, and from that Court to the U.S. Supreme Court.
- I. Committee on Foreign Investment in the United States (“CFIUS”). *See also* Section VI.
1. CFIUS is an inter-agency committee, chaired by the Secretary of the Treasury, which consists of 16 agencies, including the Departments of Commerce, Defense, Homeland Security, and State, as well as the USTR.
 2. Transactions in which a U.S. company is involved in an acquisition by a foreign entity are subject to review by CFIUS to determine whether the transaction could affect national security interests.
 - (a) CFIUS can review the transaction before or after it closes.
 - (b) Transaction participants can provide notice of the transaction to CFIUS prior to closing the transaction, although they are not required to do so.

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- (c) If CFIUS reviews and permits the transaction, that is a “safe harbor” against any subsequent review.
 - (d) CFIUS can also self-initiate review, but tends to do so only where there may be national security concerns.
 - (e) CFIUS does not investigate every transaction of which it is notified.
3. Upon completion of its review, CFIUS can recommend to the President that the transaction be ordered blocked.
 4. To block the transaction, the President must find “credible evidence” that the transaction will impair national security and that existing laws are insufficient to protect national security.
 5. Presidential action is not subject to legislative or judicial review.
 6. CFIUS can also condition favorable review on modification of the transaction by the parties.
 7. Transactions may be reviewed even though the acquiring foreign entity would not own a majority or a controlling interest, in the U.S. company, or a majority of its board of directors.

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8. Congress is currently considering changes that would likely confer greater review authority on CFIUS.

III. Korea-U.S. Free Trade Agreement (KORUS)

- A. Korea is important.
 1. The world's 11th largest market.
 2. The 6th largest U.S. trading partner. Over \$119 B in 2017.
 3. And the U.S. is Korea's second largest trading partner, after China.
- B. Lengthy, controversial negotiation of the original agreement.
 1. KORUS was initially approved April 2007.
 2. Then, went through significant negotiations and opposition in both countries before taking effect in March 2012.
- C. US exports to Korea have since increased ~5% per year during the period of the treaty, with US exports of services up far more.
- D. However, the Korea-US trade deficit in goods has also increased—from \$13.2 B. in 2011 to \$27.6 B. in 2016. However, in 2017—Trump's first year—the goods deficit declined to about \$22.9 B (down 17%). *See* <https://www.census.gov/foreign-trade/balance/c5800.html> (2017: U.S. trade in goods with Korea, South).

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1. But these numbers do not tell the full story. Since 2012, consumption in Korea has declined generally, and imports likewise have declined, while exports to the U.S. have increased.
2. Korean imports globally declined 20% in 2015-16. Increased imports from the U.S. are an exception.
3. In 2016, the U.S. had a \$10.7 B. surplus in services. Banking, finance, communications, equipment leasing and express delivery have benefited.
4. In terms of dollar, the deficit for Korea is small compared to China (\$350 B. in 2016) or Germany or Japan.
 - (a) The bulk of the deficit with Korea is in the auto industry (70-80%).
 - (b) Beef and pork show a surplus, Large tariff reduction for beef (40% to 24%). US exports of other agricultural products have also increased (potatoes and cherries, for example).
5. Also, under KORUS, Korean foreign direct investment (FDI) has increased significantly, creating US jobs. From ~ \$25B (2012) to ~41B

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(2016). See <https://www.bea.gov/international/factsheet/factsheet.cfm?Area=626>.

6. Moreover, KORUS greatly enhances protection of intellectual property. The agreement is intended to establish the “gold standard” for this hugely important economic sector.
- E. Yet, according to President Trump, “We have a very, very bad trade deal with Korea For us it produced nothing but losses.”
 1. Renegotiation of KORUS became a priority for the administration.
 - (a) In September, Trump hinted at withdrawal. Thereafter, contacts leading to formal negotiating sessions began (October).
 - (b) The U.S. delegation reportedly brought a list of 50 demands.
 2. Formal renegotiation began several months ago (January).
 - (a) Very harsh rhetoric from the President: “It was a very, very bad deal. The deal is a disaster. We are negotiating, but we will scrap the deal if we don’t see any progress.”
 3. The role that Congress may play remains to be seen. Thus far, the President has not invoked the provisions of the U.S. Trade Promotion

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Authority (TPA), which requires the President to consult with Congress.

- (a) Gives Congress a seat at the U.S. table.
- (b) Congress has not engaged the President pro-actively.

- F. As of late March, negotiations reportedly had been produced an agreement in principle, seemingly in connection with negotiation of an exemption for Korea from the announced steel and aluminum tariffs. *See* Section IV below.

Points said to be resolved:

1. Steel exports by Korea to the U.S. will be reduced by roughly 30%.
2. Yearly exports of autos by the U.S. will be doubled, from 25,000 to 50,000, without having to meet Korean emissions standards.

However, the impact of this change may be minimal because US exports in 2017 were only about 20,000 autos—below the then-existing 25,000 quota.

3. Application of Korean environmental regulations for autos will be eased.
4. The current US tariff on trucks exported by Korea to the U.S. will be extended by 20 years to 2041.

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5. Korea will be exempt from the steel and aluminum tariffs announced by the President in March. *See* Section IV below.
6. There apparently is also a “side” agreement designed to prevent currency “manipulation” to influence the trade balance.
- G. Nonetheless, within days of the announced resolution, the President dialed back: “I may hold it up until after a deal is made with North Korea You know why? Because it’s a very strong card.”
- H. How much of the U.S. position on KORUS is intended to send a message to Canada and Mexico? NAFTA seems to be the bigger target.

IV. Recent Tariffs on Steel and Aluminum.

- A. February 16, 2018: DOC Secretary Ross issued a report to President Trump. Action on imports was said to be justified on “national security” grounds. Triggered a 60-day period within which to act.
- B. March 1, 2018: The President met with Steel industry representatives, after which the President announced a 25% tariff on steel and 10% on aluminum
 1. NYSE fell more than 400 points.
 2. Many Republicans were critical. Tariffs typically run counter to Republican principles.

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3. The President's top economic adviser, Gary Cohn, reportedly resigned in response.
- C. Ironically, the proposed tariffs would fall heavily on US allies, particularly Canada, Brazil, Korea and Japan—the four largest steel exporters to the U.S.
1. Canada called the tariff “unacceptable”.
 2. EU officials announced there would be retaliation.
 3. Trump responded that the U.S. would retaliate against EU exports of cars to the U.S.
- D. The process leading to the announcement seemed irregular. Cabinet level departments were not consulted, and afterwards administration officials left open the notion that the eventual decision could change.
- E. China produces and exports a lot of steel, but not to the U.S.—on the order of 2.5% of US steel imports yearly. However, with production from China flooding the global market, other nations receiving Chinese imports turn to exports of their own internal production in response.
- F. March 8, 2018: Tariffs formally ok'd, effective in 15 days.
1. Canada and Mexico are exempt—presumably to encourage the two to renegotiate NAFTA along lines acceptable to the President.

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2. The President's proclamation states: "Any country with which we have a security relationship is welcome to discuss with the United States alternative ways to address the threatened impairment of the national security caused by imports from that country."
 3. Therefore, the door is open for US allies to negotiate for their own exemptions. But this approach undercuts the "national security" underpinning for the tariffs.
- G. March 23: The President announces that various countries, along with Canada and Mexico, are temporarily exempted until May 1, 2018.
1. Korea is among those included.
 2. Japan is not.
 3. What the criteria or objectives are for any of the exempted countries to remain exempted past May 1 is unclear. Similarly unclear is what any non-exempt country might do to become exempt.
- H. Congress has the authority to over-rule the tariffs. But that seems unlikely.
- I. Legal action in the U.S. courts challenging the tariffs is also possible.
1. However, action taken by the President and other Executive branch officials is generally afforded deference under the "*Chevron*"

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doctrine—and that is particularly so where “national security” is invoked as a justification. Still, the Supreme Court has reminded that “national security”, as used in Section 232, is “narrower” than the term “national interest.” *Federal Energy Administration v. Algonquin SNG, Inc.* 426 U.S. 548, 569 (1976). *See generally Chevron U.S.A., Inc. v. Natural Resources Defense Council, Inc.*, 467 U.S. 837 (1984).

2. Nevertheless, US trial (district) courts and courts of appeals have tended to give close scrutiny, and to invalidate, actions by the President nominally taken on national security grounds.
 3. Thus far, the U.S. Supreme Court has not ruled on the merits of any of these lower court decisions.
- J. WTO challenges are also a possibility.
1. Korea or the EU could bring a case before the WTO's Dispute Settlement Body.
 2. In 2002, President Bush imposed tariffs on steel.
 - (a) The WTO ruled against the U.S.
 - (b) Facing tariffs from Europe, the U.S. accepted the ruling and removed the steel tariffs.

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3. Here, however, the U.S. claims to be acting to protect national security, and there is a WTO exemption:
 - (a) Article 21—"Security Exceptions"—exempts action that a signatory "considers necessary for the protection of its essential security interests", including that "taken in time of war or other emergency in international relations"
 - (b) But this exemption has never been tested in any case. Countries may wish to not to open up this subject before the WTO.
 - (c) A favorable ruling for the U.S. could result in other countries using the same justification. An unfavorable ruling could be ignored by the U.S.
 - (d) Either way, the WTO's legitimacy would suffer. Furthermore, in Qatar's recent case before the WTO challenging the UAE blockade, the U.S. has asserted that a country is entitled to decide for itself whether to invoke Article 21, and if it does, there is no role for the WTO to play.

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4. The exemptions from the tariff for selected countries might also violate the WTO's most-favored-nations (MFN) provision.
- K. Can the tariffs be "gamed? Legislation from the time of the 1930's Depression created "Foreign Trade Zones" (FTZs).
1. Various features of this program give importers opportunities to reduce tariff burdens.
 2. If the tariffs stay in place on a widespread basis, we can expect use of FTZ provisions.
- L. The seeming rashness of it all: what does this say about the President's approach not only to world trade, but also to world trade as a means to peaceful global order, going forward?
- V. **Presidential Action Blocking Broadcom's Attempted Acquisition of Qualcomm**
- A. In November 2017, Broadcom, a Singapore technology company announced its intent to acquire Qualcomm, another tech company, located in San Diego, California.
1. Qualcomm's chip and semiconductor technology is used a wide variety of products, including ones used in the defense industry.
 2. Qualcomm is also a leader in developing 5G cell phone technology.

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- B. This was a non-consensual transaction—in effect a “hostile” takeover of Qualcomm.
1. Pending completion of the acquisition, Broadcom sought to elect directors to Qualcomm’s board at the company’s January meeting.
 2. Qualcomm opposed the efforts, and notified the proposed takeover to CFIUS.
 3. In an unusual order, CFIUS ordered that Qualcomm’s annual meeting be postponed while it conducted its review.
- C. March 2018: Invoking CFIUS authority, the President blocks Broadcom’s proposed \$117 B. acquisition of Qualcomm.
1. The President’s executive order finds that:
 - (a) “There is credible evidence” that Broadcom, “ through exercising control of Qualcomm . . . might take action that threatens to impair the national security of the United States”; and
 - (b) Other laws “do not . . . provide adequate and appropriate authority . . . to protect the national security in this matter.”
 2. This was an unusual CFIUS proceeding in several respects.

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- (a) The CFIUS review proceeded very quickly. And there was more public visibility into the proceedings that generally occurs.
 - (b) As proceedings evolved, CFIUS appeared, at least publicly, to assume a more adversarial posture to Qualcomm than exists in a more typical review.
 - (c) This is the first time that CFIUS has been used to block a transaction that did not involve a Chinese buyer. However, a consideration was that Broadcom might retard Qualcomm's research and development of 5G technology and thus disadvantage the company against competitors in China.
3. This is the second technology acquisition blocked by the President under CFIUS.
- (a) In September 2017, the President also blocked the sale of Lattice Semiconductor to a Chinese-backed investor.
 - (b) Prior to the Trump administration, only three transactions were ordered blocked by the President under CFIUS.

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VI. Action Directed to China

- A. March 22, 2018: President Trump orders the USTR to take action against China in response to “unreasonable” and “discriminatory” policies and practices relating to intellectual property restrictions imposed on US companies seeking to operate in China.
1. The President’s action is based on an investigation under Section 301, ordered in August 2017.
 2. After conducting its investigation, the USTR concluded that “China’s technology transfer regime continues, notwithstanding repeated bilateral commitments and government statements”
 3. The President’s order also directed the USTR to pursue dispute settlement in the WTO, as required by Section 301.
- B. In response to both this U.S. announcement and the earlier U.S. announcement on steel and aluminum, China stated that it would imposed its own tariffs.
1. As of April 2, China had announced tariffs on roughly \$3 billion of U.S. exports of 128 products, covering such items as pork and other meat, fruit and nuts, sparkling wine, ethanol, and steel pipes.

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2. The increase on ethanol is said to be so steep and to eliminate any cost advantage to Chinese buyers from U.S. imports, thus amounting to an effective cut-off, at least for the short-term.

VII. Other Examples of US Action Thus Far

- A. January 2017: Withdrawal from Trans-Pacific Partnership (TPP)
 1. One of the President's first official acts
 2. After other nations proceed in modified form, President suggests possible revisiting of US position.
 3. Some argue that withdrawal is very short-sighted. Significant Asian trading partners are left to focus on regional economic integration, with China poised to take on an increasing important role. Meanwhile, the U.S. looks on from the outside.
 4. In response, earlier this year Asian-Pacific nations entered their own version of a multi-national agreement, to which the U.S. is not a party.
 5. President Trump has said the U.S. could consider a return to TPP if there were terms more favorable to the U.S. That scenario does not seem very likely.
- B. 2017: Renegotiation of North American Free Trade Agreement (NAFTA)

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1. “We’ve had a very bad deal with Mexico, we’ve had a very bad deal with Canada—it’s called NAFTA.”
2. Negotiations have begun with Canada and Mexico
- C. January 2018: Section 201 “safeguards” on washing machines and solar panels.
 1. Directed at China and South Korea.
 2. Could hinder expansion by Samsung in US (South Carolina).
- D. Mid-February 2018: DOC Secretary Ross said there were 94 AD and CVD cases filed since inauguration—an 81% increase from the prior year.

VIII. The role of the U.S. in the Asia-Pacific Area: Where are we going?

- A. A hugely important area—economically dynamic and politically sensitive.
- B. Actions by the President seem, however, to be reducing the U.S. role and interest in leadership.
- C. Who will gain? This is China’s backyard.
 1. China already accounts for a greater percentage of Korea’s imports than does the U.S.

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2. A similar relationship is found throughout countries throughout the Asia-Pacific region Australia, Indonesia, Japan, Singapore, New Zealand, for example: imports from China exceed those from the U.S.