

State International Trade Directors – Monthly Call

Tuesday, September 18, 2018 @ 3:00 pm Eastern

Host: Patrick Kirwan, Director, Trade Promotion Coordinating Committee (TPCC), U.S. Department of Commerce International Trade Administration (ITA)

The monthly call between ITA and State International Trade Directors covered the following five (5) topics. Notes from the call for each topic area are below.

1. Foreign Government Retaliation Lists

US currently has tariffs on Canada, EU, China, Turkey, Mexico, Russia and these countries have issued retaliatory tariffs. China under Section 301 Tariff based on March 22, 2018 report from USTR on its "Findings of the Investigation into China's Acts, Policies and Practices related to Technology Transfer, Intellectual Property, and Innovation under Section 301 of the Trade Act of 1974."¹ Others have 232 Tariffs.² July 6, Aug 24 and Sept 26 China continues to impose new tariffs. [Have resources to help answer questions via web](#). Searchable database for 232 tariffs by product. China will be separate. Agriculture big area – [so USDA has released info](#) - including mitigation programs. US filing WTO complaints.

2. Discover Global Market Event

Discover Global Markets (DGM) is the U.S. Department of Commerce's flagship event series for U.S. exporters. DGM events since 2012. Down to 1 event this year – Aerospace & Defense in Salt Lake City for Dec. 10-12. Focused on networking and meetings. Have representatives from 15 countries, with 7 countries bringing in buyers. Taiwan, Malaysia, Korea, India, Japan, Singapore, Australia and New Zealand. Big OEMs in region will participate to fill in Supply Chain – matchmaking. Conference will have roundtables. [See conference website](#)

3. STEP Awards

The U.S. Small Business Administration (SBA) Office of International Trade, announced \$18 million of State Trade Expansion Program (STEP) awards to support export growth of America's small businesses. This year, 44 states earned a STEP award through SBA's competitive award process for the Federal fiscal year (FY) 2017 to fund activities that promote small business export sales. See website: <https://www.sba.gov/offices/headquarters/oit/spotlight>

¹ Section 301 of the Trade Act of 1974, as amended requires the United States Trade Representative (USTR), subject to the specific direction, if any, of the President regarding such action, to take appropriate and feasible action in response to a foreign government's violation of a trade agreement, or any other international agreement the breach of which burdens or restricts United States commerce; and authorizes the Trade Representative, subject to the specific direction of the President, if any, to take action to obtain the elimination of acts, policies, and practices of foreign countries that are unjustifiable, unreasonable, or discriminatory and burden or restrict United States commerce. See 19 U.S.C. §2411(a)(1).

² On March 8, President Trump signed official proclamations implementing tariffs on steel and aluminum products, under section 232 of the Trade Expansion Act, as amended. The President announced that these actions were taken in response to steel and aluminum articles "imported into the United States in such quantities and under such circumstances as to threaten to impair the national security of the United States."

The award notices went out last week. There was a wide number of state awards; like to see as many states and territories receiving awards as possible. "Targeting as much geography and as many states as we can." Hoping to see public awards notice today or tomorrow. All \$18 M from Congress distributed.

4. NAFTA Negotiations

As of August 31, intent to sign agreement between US with Mexico (and Canada if willing). Canadian ministers have been engaged. 90 days after signing will be posted to public...before submission to Congress by USTR. *Posting around September 30*

Still hopeful to have "rebalanced" tri-lateral agreement.

Some highlights of the U.S. and Mexico agreement include will have duty free agriculture and no restrictions on alcohol, cheese. Labor agreement reciprocity. 10-year protection for prescription drugs. Shipment values are duty free and no entry procedures (big upside). The rules of origin renegotiated so that 75% US vehicles made in US to call US origin. Benchmark performance and trade performance to 16-year agreement with 6-year review. If not agreed, would be annual review. "Excellent way to ensure accountability."

US Trade Representative (USTR) in the Executive Office of the President thinks has reached strong, rebalanced, new NAFTA and hope Canada will join. [For more information see USTR Fact Sheets](#).

5. SBDC

Fed agency officials recently attended Small Business Development Center conference. Working since 2006 to get exporting into conference. Successful in this effort as had 26 related workshops this year, including several in Spanish. Looking to bring SBDCs in to publicize STEP awards. Adding trade assistance into ecosystem of referrals from SBDCs. Have found stronger relationships with export referrals and SBDCs if located in same cities – building up relationships.

Topics for Next Month – let USTR know. Perhaps add SelectUSA to next month's call.