

## **Alert** | International Trade



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### **U.S. May Impose Additional Tariffs on EU Products**

On June 26, 2020, the Office of the U.S. Trade Representative announced that it is considering modifying the list of European Union products subject to additional tariffs upon importation into the United States and increasing the tariff rate up to 100 percent. The USTR is accepting comments whether specific products should be either added to or deleted from the lists and whether the rate on specific products should be increased. Comments are due by July 26, 2020.

The current rate of additional tariffs is 25% on EU products and 15% on aircraft and aircraft parts. Products of the United Kingdom are also included. In addition to aircraft, the current lists of products include olives, wine, Irish and Scotch whiskies, cheese, oranges, lemons, sweaters, pullovers, sweatshirts, suits, swimwear, blankets, bed linen, axes, tweezers, hand tools, knives, printed books, lithographs and self-propelled machinery. The lists are grouped by product category and country. Accordingly, not all covered products from each EU country are included, so importers are advised to review the current and proposed lists.

Products proposed by the USTR to be added to the tariff lists include certain helicopters and aircraft, fish, cheese, fruit, coffee chocolate, olive oil, beer, vodka, certain chemicals, polyester staple fiber, high tenacity polyester yarn, cotton twill fabric, carpets, glassware, and lifting machinery.

The additional tariffs on EU products stem from a long-running U.S.-EU dispute over subsidies to Airbus and is pursuant to Section 301 of the Trade Act of 1974, the same provision used to impose additional tariffs on products of China. The trade dispute dates to a 2004 U.S. challenge in the World Trade Organization to EU subsidies of Airbus which had “adverse effects” on the U.S. According to the USTR, the tariffs will be applied until the EU removes the Airbus subsidies.

Interested parties may submit comments to the USTR; those should address whether maintaining or imposing additional duties on a specific product is appropriate to enforce U.S. WTO rights and whether maintaining or imposing additional tariffs would cause disproportionate economic harm to U.S. interests including businesses and consumers. Comments are due by July 26, 2020.

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