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**INSIDE THIS ISSUE**

- **ITC USMCA Report Release Delayed Due to Shutdown**
- **Tentative Deal Reached to Reopen Government for Three Weeks**
- **U.S.-China Talks This Week**
- **Light Brown Apple Moth Boundary Changes**
- **WTO Dispute Settlement Body to Establish Panel for U.S.-China 301 Tariff Dispute**
- **WTO Dispute Settlement Body to Establish Panel for Turkey-U.S. Retaliatory Tariff Dispute**

**A REPORT FOR  
THE CALIFORNIA  
CHERRY BOARD**

**GENERAL ISSUES OF INTEREST TO THE CCB:**

**ITC USMCA Report Release Delayed Due to Shutdown**

- The International Trade Commission (ITC) will be delayed in publishing its economic impact report on the U.S.-Mexico-Canada Agreement (USMCA) due to the recent federal government shutdown, according to media sources.
- The report was scheduled to be released on March 15, as required under the U.S. Trade Promotion Authority (TPA).
- It is expected that the delay in the ITC investigation will be as long as the government shutdown – 35 days – putting the new release date for the USMCA report in early May 2019.

**Tentative Deal Reached to Reopen Government for Three Weeks**

- On January 25, congressional leaders and President Trump reached a deal to reopen the government for three weeks while negotiations continue over border security funding.
- The deal funds the government through February 15, 2019 and does not provide any funding for the much-contested wall along the U.S-Mexico border.
- The plan came a day after Senators blocked two proposals: President Trump's proposal to end the government shutdown that included a \$5.7 billion for a border wall and the Democrat's plan for 2 weeks of federal funding that did not include any funding for a wall.
- The two votes were the first the Senate had taken to reopen the government since the shutdown began on December 22, 2018.
- This partial government shutdown is the longest in U.S. history and lawmakers from both sides of the aisle are supportive of plans to make sure that there are no future shutdowns. So far, two bills in the House and three bills in the Senate have been floated in order to try to automatically fund the government, even if lawmakers are unable to agree on spending bills.

**U.S.-China Talks This Week**

- A Chinese delegation, led by Vice Premier Liu He, will be in Washington DC from January 30-31 to meet with the U.S. delegation led by U.S. Trade Representative (USTR) Robert Lighthizer.

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### *U.S.-China Talks This Week*

- While Treasury Secretary Steven Mnuchin remains optimistic that a deal between the U.S. and China can be struck before the 90-day negotiation window closes, USTR Lighthizer made it clear to lawmakers at a January 17 meeting with the Ways and Means Committee, that the Trump administration has no plans to extend the negotiating timeframe if no deal is reached by March 1.
- Gaining IP protections, overhauling Chinese joint venture requirements and forced technology transfer practices, and creating enforcement mechanisms are the top U.S. priorities for the talks.

### **Light Brown Apple Moth Boundary Changes**

- The Light Brown Apple Moth LBAM (*Epiphyas postvittana*) quarantine boundaries have changed.
- Effective January 23, a regulated area boundary in San Luis Obispo County has been expanded and can be found in grids [348](#) and [364](#).
- Effective January 23, the regulated area boundary in Orange County has been expanded and can be found in grids [470](#) and [471](#).
- For more information on LBAM, as well as the Southern California, Northern California, and full state quarantine maps, please see the California Department of Food and Agriculture [website](#).

### **WTO Dispute Settlement Body to Establish Panel for U.S.-China 301 Tariff Dispute**

- At the most recent [meeting](#) of the Dispute Settlement Body (DSB) on January 28, China submitted its second request for the establishment of a World Trade Organization (WTO) panel to address the U.S. Section 301 tariffs.
- The U.S. blocked China's first request at the December 18 DSB meeting, but it cannot block a second request.
- China said it was making its second request due to the urgency of this dispute, which continues to damage China's legitimate economic and trade interests as well as the rules-based multilateral trading system. The U.S. said China was damaging the international trading system through its trade-distorting forced technology transfer policies and that China is seeking to use the dispute settlement system as a shield for a broad range of trade-distorting policies and practices not covered by WTO rules.
- The DSB agreed to establish the panel. The European Union, Japan, Norway, Canada, New Zealand, Singapore, Russia, Chinese Taipei, Ukraine, Indonesia, India, Kazakhstan, Korea, and Brazil reserved their third-party rights to participate in the proceedings.

### **WTO Dispute Settlement Body to Establish Panel for Turkey-U.S. Retaliatory Tariff Dispute**

- At the January 28 meeting of the WTO DSB, the U.S. submitted its second request for a panel to examine Turkey's additional duties imposed on a number of U.S. products as a response to the U.S. Section 232 steel and aluminum tariffs.
- Turkey blocked the U.S.'s first request at the January 11 DSB settlement meeting.
- The U.S. maintains that the steel and aluminum tariffs were imposed to address a threat to national security, therefore justified under Article XXI of the GATT, and that Turkey and other WTO members levying retaliatory tariffs against the U.S. undermine WTO rules by calling the U.S. measures safeguards. Turkey reiterated that the steel and aluminum tariffs were to protect U.S. producers from the competitive effects of imports and not based on national security concerns.
- The DSB agreed to establish the panel. The EU, Japan, Canada, Ukraine, Thailand, Indonesia, Singapore, New Zealand, Mexico, Russia, Norway, Switzerland, Chinese Taipei, Venezuela, Guatemala, Kazakhstan, Brazil, China, and India reserved their third-party rights to participate in the proceedings.