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**A REPORT FOR  
THE CALIFORNIA  
CHERRY BOARD**

## GENERAL ISSUES OF INTEREST TO THE CCB:

**EU - Canada Comprehensive Economic Trade Agreement Gets Green Light from EU Court of Justice**

- On April 30, the EU Court of Justice ruled that the dispute settlement resolution in the EU – Canada Comprehensive Economic Trade Agreement (CETA) was compatible with EU law.
- Belgium had worried that the dispute settlement mechanism would infringe on the EU Court of Justice's final say on EU laws.
- CETA has been provisionally in effect since 2017.

**Trump Pledges Expansion of Section 301 Tariffs on Chinese Goods**

- On Tuesday, the Office of the U.S. Trade Representative (USTR) is expected to issue a Federal Register notice signaling an increase of the current 10 percent tariffs on \$200 billion in Chinese goods to 25 percent. USTR Robert Lighthizer also stated that another notice will soon be published starting a comment period regarding a 25 percent tariff on the Chinese goods are currently tariff free.
- This abrupt about-face comes amid reports from both USTR Lighthizer and Treasury Secretary Steven Mnuchin that China was "renegeing" on several commitments during last week's trade talks. Neither USTR Lighthizer nor Secretary Mnuchin specified which commitments are at issue.
- Despite the renewed threat of tariffs, the U.S.-China trade talks are expected to continue. A Chinese delegation, including Vice Premier Liu He, will visit Washington D.C. on Thursday for the resumption of negotiations.

**U.S. Codex Office Announces Public Meeting**

- The U.S. Codex Office notified in the Federal Register that it will sponsor a public meeting on June 21, 2019.
- The objective of the public meeting is to provide information and receive public comments on U.S. draft positions for the 42<sup>nd</sup> Session of the Codex Alimentarius Commission (CAC) to be held in Geneva, Switzerland on July 8-12, 2019.
- A list of items to be discussed at the public meeting can be found in the Federal Register [notification](#).

### **WTO Adopts Ruling on National Security Justification for Trade Restrictions**

- On April 26, the World Trade Organization adopted an April 5 ruling addressing the use of national security justifications for trade restrictions. (BCI Monitor 04-09-19)
- Ruling on a case surrounding the Russia-Ukraine border dispute, the WTO found that while countries may impose trade restrictions on the basis of national security, the WTO has the authority to determine whether a national security threat warrants such restrictions.
- The ruling states that an “emergency in international relations would refer to a situation of armed conflict or latent armed conflict.” While this ruling found that Russian tariffs on Ukraine were justified, it is unclear whether the U.S. tariffs recently levied on the basis of national security will clear that standard.
- A spokesperson for the Office of the U.S. Trade Representative (USTR) stated that the U.S. would stand by its position that it is not within the authority of the WTO to second guess a sovereign’s national security declaration.
- This ruling comes as the U.S. continues to block nominations to the WTO Appellate Body. If the ruling is appealed, the appeal might not be heard until the U.S. allows nominations to resume.

### **USTR May Launch Exclusion Process for Third Tranche of Section 301 Tariffs**

- The Office of the U.S. Trade Representative (USTR) reportedly may initiate an exclusion process for the third tranche of Section 301 tariffs.
- The USTR already has an exclusion process in place for the 25 percent tariffs on the first two tranches of goods worth \$50 billion. USTR Lighthizer had previously stated that he would not establish an exclusion process for the third tranche of goods, currently tariffed at 10 percent, unless the U.S. China trade talks failed, however congressional pressure has reportedly caused the USTR to begin work on a process for those goods.