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Trade & Manufacturing Alert

**August 2019**

The United States And China Engage In A New Set Of Trade Talks, But President Trump Announces A Tariff Of 10 Percent On \$300 Billion Worth Of Chinese Imports

Antoinette Bedros

On July 30, 2019, the United States and China opened a new round of trade negotiations designed to improve the two countries' trade relationship. The talks were the [first](#) face-to-face negotiations between the countries since President Trump and Chinese President Xi Jinping agreed in June to re-start stalled trade talks. The talks -- attended by United States Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin -- were [intended](#) to re-build trust between the two countries. [More »](#)

FBI Director Wray Testifies That FBI Is Investigating Persistent Intellectual Property Theft By Chinese Entities

Pat Togni

[In his testimony](#), before the Senate Judiciary Committee on July 23, 2019, Christopher Wray, Director of the Bureau of Investigation ("FBI"), addressed the threat posed by China to U.S. intellectual property rights. During the hearing, Wray stated that "there is no country that poses a more severe counterintelligence threat to this country right now than China." He explained that a variety of actors within the Chinese government and the Chinese Communist Party, as well as "private sector entities" and "nontraditional collectors," are working "to steal their way up the economic ladder at our expense." He further testified that the FBI is now conducting more than 1,000 investigations of "attempted theft of U.S. intellectual property," with "almost all {of the investigations} leading back to China." [More »](#)

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The United States Presses For More Transparency In The WTO Dispute Settlement System, But Continues To Block Appointments To The Appellate Body

Chris Hyner

At the most recent meeting of the World Trade Organization's ("WTO") Dispute Settlement Body ("DSB"), which took place on July 22, 2019, the United States [pressed](#) Members to improve the transparency of the WTO's dispute settlement system, asserting that the system's current lack of transparency is simply "unacceptable." Currently, proceedings within the DSB are conducted in confidential settings with the public often having little to no access to the documents filed in the proceedings. [More »](#)

**CHINA SUBSIDY
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President Issues Executive Order Directing Revision Of Federal Acquisition Regulations To Strengthen Buy American Provisions, Including Greater Use Of Iron And Steel Products

J. Michael Taylor

On July 15, 2019, President Trump [issued](#) an executive order directing the Federal Acquisition Regulatory Council (the "Council") to amend the Federal Acquisition Regulations ("FAR") to change the definition of foreign goods under the Buy American Act (the "Act"). Under the Act, a Federal entity must purchase goods manufactured in the United States unless comparable foreign goods are available at significantly lower prices or unless certain public policy exceptions are applicable. Under the Act's current thresholds, an end product is considered to be manufactured in the United States if the cost of components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of the product's components. [More »](#)

NEWS OF NOTE

- [EU Trade Commissioner Malmstrom Announces That the EU Will Impose €39 Billion Worth of Retaliatory Tariffs on U.S. Goods if President Trump Imposes Section 232 Tariffs On Automobiles And Automotive Parts](#) – *Manuel Sanchez-Miranda* – The European Union's Trade Commissioner Cecilia Malmström has [threatened](#) to impose €39 billion of retaliatory tariffs on U.S. goods if President Trump follows through with

his threat to impose duties on automobiles and automotive parts. [More »](#)

- [Canada Close To A Deal With EU On Possible Fix To WTO Deadlock](#) – *Saud Aldawsari* – On July 11, 2019, Canada's Prime Minister Justin Trudeau [announced](#) that Canada and the European Union are close to finalizing a possible solution to the United States' continued refusal to allow the appointment of new members to WTO's Appellate Body (AB). The terms of two of the three remaining members of the AB will expire in December 2019, which will effectively make the AB unable to carry out its duties since three members are required for any AB appeal panel. The interim fix would involve establishing an interim appeal arbitration process to address trade issues arising between the two countries. [More »](#)

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