



KING &amp; SPALDING

# Trade & Manufacturing Alert

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## KORUS Renegotiation Update

*Patrick J. Togni*

As we have reported [previously](#), United States Trade Representative (USTR) Robert Lighthizer formally notified Korea in July that the U.S. requested a special Joint Committee meeting under the U.S.-Korea Free Trade Agreement (KORUS) to start the process of negotiating to remove barriers to U.S. trade and consider amendments to the agreement. USTR's action was consistent with the Trump Administration's stated objective of reducing the trade deficit. KORUS entered into force in March 2002 and, from 2011 to 2016, the U.S. trade deficit in goods with Korea more than doubled from \$13.2 billion to \$27.6 billion. This edition provides you with an update on the current status of KORUS renegotiations. [More »](#)

## NAFTA Renegotiation Status Update: Fourth Round Of Talks Conclude In Ottawa, With Little Progress, Fifth Round Begins In Mexico City On November 17

*Manuel Sanchez Miranda*

The fourth round of talks regarding renegotiation of the North American Free Trade Agreement (NAFTA) were held in Arlington, Virginia, during October 11-17, 2017. According to a [Trilateral Statement](#) on the Conclusion of the Fourth Round of NAFTA Negotiations, "the United States, Canada, and Mexico have now substantively completed discussions in the Chapter on Competition." Additionally, the Trilateral Statement states that NAFTA countries "have now put forward substantially all initial text proposals" and "made progress in several other negotiating groups, including customs and trade facilitation, digital trade, good regulatory practices, and certain sectorial annexes." The next round of negotiations will take place in Mexico City from November 17-21, 2017. Meanwhile, "negotiators will continue intersessional engagement, as well as intensive consultations with their respective stakeholders." [More »](#)

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## USTR Holds Hearing In Investigation Of China's Technology Transfer And IP Practices

*Saud Aldawsari*

On August 18, 2017, the United States Trade Representative (USTR) initiated an investigation pursuant to Section 302(b)(1)(A) of the Trade Act of 1974 (Section 301) on certain technology transfer and IP practices of the Government of China (GOC). USTR's action followed President Trump's August 14 Memorandum instructing the USTR to consider the possible initiation of an investigation. The purpose of the investigation is to determine whether the GOC's policies are unreasonable or discriminatory and burden or restrict the commerce of the United States. USTR conducted the first hearing of this Section 301 investigation on October 10. [More »](#)

### News of Note

- **U.S. Census Seeks Comments On Routed Export Transactions** – [Elizabeth Owerbach](#) – LOn October 6, 2017, the U.S. Census Bureau published a Federal Register notice inviting public comment on the regulations for routed export transactions. Routed export transactions occur when a Foreign Principal Party in Interest (FPPI) directs the movement of goods outside the United States and authorizes a U.S. agent to file Electronic Export Information pursuant to the Foreign Trade Regulations on their behalf. [More »](#)
- **Commerce Continues China's Non-Market Economy Status** – [Richard Lutz](#) – On October 27, 2017, the U.S. Department of Commerce (Commerce) announced its affirmative preliminary determination in the antidumping investigation involving Certain Aluminum Foil from China. As part of this investigation, Commerce also initiated an investigation into the status of the People's Republic of China (PRC) as a non-market economy (NME). In conducting its inquiry into the status of the PRC as a NME country, Commerce considered six factors established in U.S. law, including the convertibility of Chinese currency, whether wage rates are determined by free bargaining between labor and management, restrictions on foreign investment, the extent of government ownership or control of the means of production, government control over the allocation of resources and over the price and output decisions of enterprises, and other factors. [More »](#)

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