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# Trade & Manufacturing Alert

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## Trump Administration Commences China Section 301 Investigation

*Benjamin Bay*

On August 14, 2017, President Trump issued a [Presidential Memorandum](#) instructing United States Trade Representative (USTR) Robert Lighthizer to determine whether or not to investigate “any of China’s laws, policies, practices, or actions that may be unreasonable or discriminatory and that may be harming American intellectual property rights, innovation, or technology development” under Section 301 of the Trade Act of 1974. The Government of China is accused of not only lax enforcement against the direct theft of the intellectual property of American companies, but also of requiring American companies to form joint ventures with Chinese companies as a pre-requisite for access to the Chinese market. The joint venture system forces the American company to then transfer or disclose valuable intellectual property to its Chinese partner, even if the Chinese partner is most likely to become a competitor in the future. The Trump Administration has estimated that annual cost of Chinese theft of American intellectual property could be valued as high as \$600 billion. [More »](#)

## NAFTA Renegotiation Begins In Washington

*Clint Long*

On August 16, 2017, Canada, Mexico, and the United States formally commenced renegotiation of the North American Free Trade Agreement (NAFTA) in Washington, DC. [U.S. Trade Representative \(USTR\) Robert Lighthizer](#) called it “an historic day for the United States” because, “for the first time, [the United States] will start negotiating to revise a major free trade agreement.” Although substantive aspects of the meetings were conducted privately, the three countries publicly [stated that](#) “[t]he scope and volume of proposals during the first round of the negotiation reflects a commitment from all three countries to an ambitious outcome and reaffirms the importance of updating the rules

### In This Issue

Trump Administration Commences China Section 301 Investigation

NAFTA Renegotiation Begins In Washington

Russia Sanctions Update: Countering America’s Adversaries Through Sanctions Act

### News of Note

- USTR Initiates 2017 Annual Review Of Generalized System Of Preferences Product And Country Practices
- KORUS Renegotiation Yet To Begin In Earnest
- Ransomware Attacks Against U.S. Manufacturers Are On The Rise

[China Subsidy Exchange Blog](#)

[Contacts](#)

governing the world's largest free trade area." [More »](#)

## Russia Sanctions Update: Countering America's Adversaries Through Sanctions Act

*Betre Gizaw*

On August 2, 2017, President Trump signed the Countering America's Adversaries Through Sanctions Act (the Act) into law. While the Act introduces several changes to the Russia, Iran, and North Korea sanctions programs, this article will focus on changes related to the Russia sanctions program. As we have previously outlined, Congress sought to strengthen the Russia sanctions by: (i) directly enhancing certain sanctions, (ii) mandating that the President institute new sanctions (depending on specific findings of fact), and (iii) authorizing the President to institute certain additional sanctions. We discuss two important changes. [More »](#)

## News of Note

- **USTR Initiates 2017 Annual Review Of Generalized System Of Preferences Product And Country Practices – *Elizabeth Owerbach*** – On August 11, 2017, the United States Trade Representative (USTR) published a Federal Register notice (the Notice) announcing the Initiation of the 2017 Annual GSP Product and Country Practices Review. The Generalized System of Preferences (GSP) “promotes economic development by eliminating duties on thousands of products when imported from one of 120 designated beneficiary countries and territories.” [More »](#)
- **KORUS Renegotiation Yet To Begin In Earnest – *Saud Aldawsari*** – South Korean and U.S. officials failed to agree on whether and how to proceed with renegotiation of the U.S.-Korea Free Trade Agreement (KORUS). In July, the United States Trade Representative (USTR) called a special Joint Committee meeting under KORUS to renegotiate the free trade agreement. In late August, South Korean Trade Minister Kim Hyun-chong and Ambassador Robert Lighthizer held their first meeting on this topic via a video conference. Minister Kim proposed a “joint study to research, analyze, and assess the effect of” KORUS prior to any renegotiations. USTR Lighthizer repeated President Trump's intent to secure “substantial improvements” to KORUS. [More »](#)
- **Ransomware Attacks Against U.S. Manufacturers Are On The Rise – *Patrick J. Togni*** – The term ransomware refers to a malicious cryptware attack that prevents or limits users from accessing their systems unless a ransom is paid. Victims of a successful

ransomware attack might be presented with something like the following message on their computer screen:

*“If you see this text, then your files are no longer accessible, because they have been encrypted. Perhaps you are busy looking for a way to recover your files, but don’t waste your time. Nobody can recover your files without our decryption service. We guarantee that you can recover all your files safely and easily. All you need to do is submit the payment and purchase the decryption key.”* [More »](#)

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