

NEWS IN BRIEF

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Agreement on USMCA Announced

The White House and Democrats in the House of Representatives have finally come to an agreement on the US-Mexico-Canada Agreement. After agreeing to sidebar changes in labor, the environment, and after Mexico had conceded to some of the edits required by labor, Speaker Pelosi has been able to announce that there is an agreement on the USMCA bill for ratification and that a vote for ratification should happen soon. Once the United States ratifies the agreement Canada should follow shortly after. After that happens, the USMCA should go into effect 90 days after all three countries have ratified the agreement.

Note: For the first part of 2020 NAFTA will still be in effect and NAFTA Certificates of Origin will still be required for goods to qualify for duty-free application.

USTR Announces a new Proposed 301 Duty for France

On December 2nd, the Office of the U.S. Trade Representative (USTR) announced a new proposed 301 duty against France for its controversial Digital Services Tax. There are 68 items listed. The 301 rates could be as high as 100%. The USTR issued a Federal Register Notice (FRN) that lists the HTS items that are affected. It announced a hearing on the proposed 301 duties that will take place on December 30th, 2019. The notice also asks for comments which can be submitted by January 6, 2020. The FRN notice can be found by [clicking here](#).

Japan has Approved New U.S.-Japan Trade Agreement

U.S. Trade Representative Robert Lighthizer issued a statement on December 4th, announcing that Japan has approved the recently signed U.S. Japan Trade Agreement. We can expect that President Trump will issue an implementing Presidential Proclamation within the next few weeks to begin

the process for the United States ratification of the agreement. It is anticipated that this agreement should be approved quickly. The USTR's press release on this can be found [here](#).

USTR Issues New Notice of China 301 Duty Exclusion

On November 29th, the Office of the U.S. Trade Representative (USTR) issued a Federal Register Notice announcing more exclusion to the China 301 duties for List 3. The fifth list of exclusions for List 3 has 32 items listed, in which each item has a specific language for the HTS number associated with it. Carmichael has updated its programs to be able to run your entry history against the latest list. The FRN with this detailed list can be found by [clicking here](#).

China 301 List 4B Might Not Go into Effect on December 15

There is hope that the China 301 duties on List 4B may not go into effect on December 15th. In a news conference in Indianapolis, Agriculture Secretary said: "I do not believe those will be implemented and I think we may see some backing away". Back in October, President Trump had said that the negotiators for both countries had reached agreements on agriculture sales, intellectual property rights, and financial services that would form Phase 1, however; it was never finalized. Hopefully the hard negotiations that have been going on may bring a resolution by the end of the week. We will have to follow the White House and USTR announcements along with the President's twitters and hope that a resolution can be announced.



By **Todd Boice**, President