



Turbulence Across the Pond: United States and EU Trade Tariff Threats Over Subsidies

IN SHORT

The Situation: The U.S. government proposed a preliminary list of European goods potentially subject to additional tariffs under Section 301 of the Trade Act of 1974 ("Section 301"). Also, the European Union ("EU") proposed a preliminary list of U.S. goods potentially subject to additional tariffs.

The Result: The United States and the EU have not yet determined the level of the increase (if any) in the rate of tariffs on such goods, and the preliminary list is subject to input by stakeholders, which could result in changes to the list. The total value of the countermeasures is subject to arbitration at the World Trade Organization ("WTO") and can therefore still change.

Looking Ahead: Interested parties should consider advancing their interests through the notice-and-comment process made available by the U.S. government and the public consultation opened by the EU and assessing their options if those efforts are not successful.

On April 8, 2019, the United States Trade Representative ("USTR") initiated an investigation under Section 301 to enforce U.S. rights in the WTO dispute against the EU regarding EU subsidies on large civil aircraft. The USTR proposed the imposition of additional tariffs on a variety of EU goods. On April 17, 2019, the EU published a list of U.S. goods that it is considering to subject to additional import duties under Regulation (EU) No 654/2014 to enforce the EU's rights in the WTO dispute against the United States regarding U.S. subsidies on large civil aircraft. The European Commission has started a process of public consultation, inviting stakeholders to comment on the proposed list.

The U.S. move evidences the Trump administration's continued willingness to use tariffs to counteract trade practices of U.S. trading partners it identifies as adversely affecting U.S. commerce. The Trump administration recently used Section 301 to impose additional 10 to 25 percent tariffs on three sets of Chinese-origin products, which we have previously detailed [here](#) and [here](#). The strong reaction by the EU shows that it is willing to take similar actions to enforce its rights further to the culmination of the WTO proceedings, especially in the face of additional tariffs being imposed on EU goods.

WANT TO KNOW MORE?
Read the full version.

THREE KEY TAKEAWAYS

1. Many companies will be impacted by the additional tariffs if eventually imposed, including small businesses and consumers. Therefore, stakeholders should consider engaging in the U.S. notice-and-



Renato Antonini
Brussels



Laura Fraedrich
Washington

comment process and/or the EU public consultation.

2. Stakeholders should also monitor the U.S. docket for comments from other parties that could potentially impact their interests.
3. The additional U.S. tariffs on imports from the EU could be in place as soon as the summer of 2019. The additional EU tariffs on imports from the United States are only expected at a later stage.



Chase D. Kaniecki
Washington

[All Contacts >>>](#)

YOU MIGHT BE INTERESTED IN: [Go To All Recommendations >>](#)



[Navigating Public-Private Partnerships Around Connected Technology](#)



[How FIRRMA Impacts U.S. Private Equity Funds](#)



[Sanctions Enforcement Action Provides Incentives for Companies and a Warning for Individuals](#)

SUBSCRIBE

SUBSCRIBE TO RSS



Jones Day is a global law firm with more than 2,500 lawyers on five continents. One Firm WorldwideSM

Disclaimer: Jones Day's publications should not be construed as legal advice on any specific facts or circumstances. The contents are intended for general information purposes only and may not be quoted or referred to in any other publication or proceeding without the prior written consent of the Firm, to be given or withheld at our discretion. To request reprint permission for any of our publications, please use our "Contact Us" form, which can be found on our website at www.jonesday.com. The mailing of this publication is not intended to create, and receipt of it does not constitute, an attorney-client relationship. The views set forth herein are the personal views of the authors and do not necessarily reflect those of the Firm.

© 2019 Jones Day. All rights reserved. 51 Louisiana Avenue, N.W., Washington D.C. 20001-2113