

**INFORMATIONAL MEMORANDUM: APAC ATAC MEETING READ OUTS ON
CURRENT AGRICULTURE TRADE POLICY PROPOSALS**

TO: USTR ROBERT E. LIGHTHIZER
FROM: CONFIDENTIAL ASSISTANT GARRETT KAYS
DATE: JANUARY 18, 2017

EXECUTIVE SUMMARY

Senior staff from USTR, USDA and HHS gathered to update and take advice from the Agricultural Policy Advisory Committee (APAC) and the six Agricultural Technical Advisory Committees (ATAC) on the issues that USG is addressing in trade negotiations. (b) (1), (b) (3), (b) (5)

[REDACTED] (b) (3), (b) (5)

BACKGROUND / AREAS OF INTEREST

APAC and ATAC were established under the Federal Advisory Committee Act (FACA) and the Trade Act of 1974. The committees are made up of stakeholders representing commodity organizations, agribusinesses and academia. As USTR sought to renegotiate NAFTA, the

(b) (1), (b) (3), (b) (5)

Below is a summary of their feedback:

- APAC Readout

- (b) (1), (b) (3), (b) (5)
- (b) (3), (b) (5)
- (b) (3), (b) (5)
- (b) (3), (b) (5)
- (b) (3), (b) (5)
- (b) (3), (b) (5)
- (b) (1), (b) (3), (b) (5)

Drafted by: G. Kays
Cleared by:
OGC approval:
FO approval:

(b) (3), (b) (5)

- Key take aways of ATAC meetings

- (b) (1), (b) (3), (b) (5)

- (b) (3), (b) (5)

- (b) (1), (b) (3), (b) (5)

- (b) (3), (b) (5)

ATTACHMENTS

- Readout of each of the six separate ATAC meetings

[APG]

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NOTES FROM INDIVIDUAL ATAC MEETINGS

- Processed Foods (PF) ATAC

- (b) (3), (b) (5) [REDACTED]
 - (b) (3), (b) (5) [REDACTED]
 - (b) (3), (b) (5) [REDACTED]
 - (b) (3), (b) (5) [REDACTED]
- (b) (1), (b) (3), (b) (5) [REDACTED]
- (b) (3), (b) (5) [REDACTED]
- (b) (3), (b) (5) [REDACTED]
- (b) (3), (b) (5) [REDACTED]

- Sweeteners and Sweetener Products ATAC

- (b) (3), (b) (5) [REDACTED]
- (b) (3), (b) (5) [REDACTED]
- (b) (1), (b) (3), (b) (5) [REDACTED]
- (b) (1), (b) (3), (b) (5) [REDACTED]

- Fruits and Vegetables (F&V) ATAC

- (b) (1), (b) (3), (b) (5) [REDACTED]
 - (b) (1), (b) (3), (b) (5) [REDACTED]

[APG]

- (b) (3), (b) (5) [Redacted]
- (b) (3), (b) (5) [Redacted]
- (b) (3), (b) (5) [Redacted]
- (b) (1), (b) (3), (b) (5) [Redacted]

• Grains, Feed, Oilseeds and Planting Seeds ATAC

- (b) (3), (b) (5) [Redacted]
- (b) (3), (b) (5) [Redacted]
- (b) (3), (b) (5) [Redacted]
- (b) (1), (b) (3), (b) (5) [Redacted]
- (b) (3), (b) (5) [Redacted]

• Tobacco, Cotton and Peanuts (TCP) ATAC

- (b) (3), (b) (5) [Redacted]
- (b) (3), (b) (5) [Redacted]
- (b) (1), (b) (3), (b) (5) [Redacted]

• Animals ATAC

- (b) (3), (b) (5) [Redacted]
- (b) (3), (b) (5) [Redacted]
- (b) (3), (b) (5) [Redacted]

[APG]


Seeking clearance by 9:00 am

From: "Bomer Lauritsen, Sharon E. EOP/USTR" (b) (6)
[REDACTED]
[REDACTED]

To: "Pagan, Maria L. EOP/USTR" <maria_pagan@ustr.eop.gov>, "Millan, Juan A. EOP/USTR" <juan_millan@ustr.eop.gov>

Cc: "Mallek, Jonathan P. EOP/USTR" <jonathan.p.mallek@ustr.eop.gov>, "Wentzel, Roger A. EOP/USTR" <roger_wentzel@ustr.eop.gov>

Date: Thu, 15 Mar 2018 08:56:38 -0400

Attachments 
: Congressional Hearing Issues.Agricultural Affairs - 3.15.2018.docx (35.75 kB)

Hi friends,
Still awaiting OGC clearance on attached which is due at 10 am.
Doud cleared and wanted question and answer on notifications added.
Thank you.
Sharon

Sharon Bomer Lauritsen
Assistant U.S. Trade Representative
Office of Agricultural Affairs and Commodity Policy
Office of the U.S. Trade Representative
Tel: 202/395-6127

RE: Q & A Update for Doud

From: "Bomer Lauritsen, Sharon E. EOP/USTR" (b) (6)
[REDACTED]
[REDACTED]

To: "Mallek, Jonathan P. EOP/USTR" <jonathan.p.mallek@ustr.eop.gov>, "Wentzel, Roger A. EOP/USTR" <roger_wentzel@ustr.eop.gov>, "Callahan, Julie E. EOP/USTR" <julie_e_callahan@ustr.eop.gov>, "Anderson, Lisa M. EOP/USTR" <lisa.m.anderson@ustr.eop.gov>

Date: Tue, 20 Mar 2018 15:06:41 -0400

Attachments: Ag Office QA -3.20.18.docx (56.94 kB)
:

Already gave final to Gregg to review.

From: Mallek, Jonathan P. EOP/USTR
Sent: Tuesday, March 20, 2018 1:04 PM
To: Wentzel, Roger A. EOP/USTR <Roger_Wentzel@ustr.eop.gov>; Callahan, Julie E. EOP/USTR <Julie_E_Callahan@ustr.eop.gov>; Anderson, Lisa M. EOP/USTR <Lisa.M.Anderson@ustr.eop.gov>
Cc: Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>
Subject: RE: Q & A Update for Doud

Hi Roger, Lisa, and Julie,

Please take a look at the attached and make any necessary updates. Sharon will get AUSTR-level approval on policy related material, but please be sure to get OGC/legal clearance on any substantial changes and return to me ASAP.

Best,
Jon

From: Mallek, Jonathan P. EOP/USTR
Sent: Wednesday, March 14, 2018 9:43 AM
To: DL-USTR-Sec_25 <DL-USTR-Sec_25@dsr.eop.gov>
Subject: Q & A Update for Doud

All,

Sharon would like a comprehensive set of Qs & As for Gregg (beyond the material already put together for his books) to cover questions that may come up in upcoming stakeholder roundtables and

congressional hearings. Attached are the Q&As from APAC/ATAC to serve as a starting point. Please update and add any CURRENT issues by **COB Monday, March 19**. Topics that should be included are any issues that stakeholders have raised with us or Congress.

Best,
Jon

Agriculture Questions and Answers

NAFTA

Q: NAFTA has been a huge boon to not only America's farmers and ranchers, but also to the U.S. food processing industry, which employs 1.7 million people. How will the Trump Administration renegotiate NAFTA to do no harm to this boon and increase exports?

A: For many agricultural sectors, U.S. farmers, ranchers, and food processing industries have taken advantage of opportunities under NAFTA, although that has not been the case for all Americans. We are committed to negotiating a NAFTA that preserves the access that America's farmers have achieved through NAFTA; expands access into Canada for dairy, poultry and eggs; and modernizes the rules of NAFTA to the benefit of American agriculture.

Q: How will the Administration ensure American farmers won't lose out in a NAFTA renegotiation?

A: The Administration is committed to ensuring no harm to America's farmers and ranchers in a renegotiation of NAFTA. There are areas, however, where U.S. farmers could increase exports, such as to Canada. USTR is consulting with agricultural stakeholders and Members of Congress, consistent with Trade Promotion Authority, on the United States' approach to and positions in the negotiations.

Q: Will the President withdraw the United States from NAFTA?

A: The President is committed to renegotiating the NAFTA, so that it works better for U.S. farmers, ranchers, workers, and businesses. We are working to achieve that goal.

Q: Tariff-free access to Canada and Mexico is critical to American agricultural exports. Our agricultural sectors also use inputs from Canada and Mexico. Will tariffs in any of the NAFTA countries be raised in renegotiation?

A: The Administration is committed to ensuring no harm to America's food and agricultural exports in a renegotiation of NAFTA. We are working to ensure a successful negotiation which would keep current agricultural tariffs at zero.

Q: Congress changed the U.S. law regarding country of origin labeling for beef and pork, yet some stakeholders are calling to provide for such labeling in NAFTA. What is your position on COOL?

[APG]

A:

(b) (5)
[Redacted]

(b) (1), (b) (5)
[Redacted]

NAFTA ISDS (Opt-In)

Q: Why is the United States pursuing drastic changes to NAFTA ISDS?

A: ISDS, as currently structured in NAFTA, has the effect of insuring companies' investments in foreign countries, where they often would not benefit from strong investment protections.

(b) (1), (b) (5)
[Redacted]

(b) (1), (b) (5)
[Redacted]

(b) (1), (b) (5)
[Redacted]

(b) (1), (b) (5)
[Redacted]

NAFTA Performance Review

Q: Why is the United States proposing a sunset review? This would undermine business certainty and harm American agriculture.

[APG]

A: The U.S. review proposal increases U.S. sovereignty and flexibility so that America will not be irrevocably bound to a deal as economic circumstances change over time. If a renegotiated NAFTA is truly beneficial, then the President can continue it by simply deciding to stay in.

This is business. Every businessperson periodically reviews contracts and agreements, and even reorganizes corporate structure and other fundamentals of a company. It is not reasonable to sign a document dealing with economic and business relations between countries and have a commitment to stay in a deal at all costs, even if aspects of a deal are bad. We do not want to have to wait another 24 years for a chance to review and reconsider the terms of the agreement – that’s how we ended up with a broken dispute settlement system, unenforceable labor and environment provisions, and total lack of chapters and rules dealing with the modern economy.

NAFTA Dispute Settlement

Q: Why is the United States proposing to weaken NAFTA’s dispute settlement system?

A: (b) (1), (b) (5)
[REDACTED]

In the exceptional case where a Party found that a panel ruling was clearly erroneous or clearly misapplied the law, a Party would be able to set the ruling aside. This is common sense: where there is clear error, there is no reason why any party would want the ruling to go into effect. This “circuit breaker” provision would permit the United States to maintain its sovereignty over its trade policy and would drive negotiated outcomes for the most controversial disputes.

We believe that all three NAFTA parties take their trade obligations seriously and would not resort to unilateral measures as a regular practice. Rather, we anticipate that the parties will generally rely on panel decisions and enter into negotiations where necessary.

Canada

Q: What are you going to do right now to stop Canada from applying its new pricing system for dairy (Class 7)? This has hurt U.S. exports to Canada, and to third markets. Will you initiate a dispute against Canada on this unfair policy?

[APG]

A: I know this is a critical issue for our dairy farmers. We are working to address this problem in the NAFTA renegotiation.

(b) (1), (b) (5)

Q: Will you get Canada to eliminate its tariffs on dairy, poultry and eggs in the renegotiation of NAFTA?

A: Canada has finally begun opening its dairy market through its agreements with Europe, and now through CPTPP. We are seeking to open up Canada's market significantly to the full range of U.S. dairy, poultry and egg products through the NAFTA negotiation.

Q: The last Administration announced WTO dispute consultations against Canada on British Columbia wine policies. This Administration announced additional WTO dispute consultations. Will you move forward with that dispute, as well as tackle other provinces' wine policies? Will you address Canadian wine policies in NAFTA renegotiation?

A: The U.S. wine industry has serious concerns with policies restricting sales of U.S. wine in Canada. We are seeking to address these concerns in the NAFTA renegotiation. (b) (5)

Q: How will you ensure U.S. wheat is treated fairly by Canada? Will you address Canadian grain policies in NAFTA renegotiation?

A: We are working to fix Canada's refusal to provide national treatment for the grading of U.S. grain through the NAFTA renegotiation.

Mexico

Q: Mexico still prohibits imports of U.S. potatoes. Will you get that fixed once and for all with a renegotiation of NAFTA?

A: Mexico is the second largest U.S. export market for fresh potatoes. USTR and USDA are working to expand access beyond the immediate border region, based on science.

(b) (5)

[APG]

(b) (5)

Q: Some U.S. agriculture producers are concerned that Mexico may pursue antidumping investigations against U.S. agricultural products in retaliation for U.S. proposals in NAFTA on trade remedies. What are your views on that?

A: USTR will work to ensure that all U.S. producers are given a full opportunity to defend their interests in any proceedings and that any trade remedies imposed by Mexico are consistent with their trade obligations.

Q: Why is the United States pursuing a problematic proposal on perishable and seasonal products that has generated so much concern among agriculture stakeholders?

A: (b) (5)

(b) (5)

Q: The agriculture industry has often been the target in Mexican antidumping actions and has been able to effectively use the Chapter 19 dispute settlement system to keep the Mexican authorities in check. How can you assure that this will continue in NAFTA 2.0?

A: As we have consistently stated, our objective is to maintain and strengthen export opportunities, and improve market access for U.S. agriculture. (b) (1), (b) (5)

[APG]

Q: Will you agree to increased imports of sugar from Canada as a part of NAFTA or to address the current suspension agreements with Mexico on sugar access?

A: I fully appreciate the sensitivity that any increases in imported sugar have on U.S. sugar producers. We will consult fully with Congress and USDA, which operates the U.S. sugar program, should the matter be raised in NAFTA renegotiation.

We are not engaged in the suspension agreements with Mexico on sugar access as that is a responsibility of the Commerce Department.

NAFTA Geographical Indications

Q: How are you fighting back against inappropriate adoption of geographical indication standards that harm U.S. producers, particularly dairy producers?

A: The United States has tabled a very strong proposal to push back against the EU model of GIs, which we see as fundamentally unfair. It is important to ensure transparency and fairness for U.S. producers and traders using common food names or who have prior trademark rights.

Korea

Q: What will you do to ensure that any changes to KORUS do not harm American agriculture, which has benefitted greatly from the agreement?

A: I understand the importance of KORUS to U.S. farmers and ranchers. I will continue to engage with U.S. agricultural stakeholders, Congress, and the public to identify priorities to improve agricultural market access in Korea. Your industry's input is an important part of this process.

Q: Is agriculture part of the current renegotiation and modification of KORUS?

A: At the moment we are focusing on the most pressing issues for reducing our trade deficit with Korea and improving KORUS, mainly those barriers in the industrial goods sectors like autos and auto parts.

Q: What will you do to resolve the rice tariffication issue with Korea?

A: I understand that Korea's market is a key export destination for U.S. rice, but also know that there is no guarantee that U.S. performance will be duplicated every year. Through the WTO, USTR and USDA are working to secure a favorable outcome for our industry regarding the tariffication process.

[APG]

Q: What will you do to get full access for U.S. beef into Korea?

A: U.S. beef exports to Korea were valued at over \$1 billion in 2016, nearly double the value of exports in 2012. USTR continues to examine how we can further expand market access for our exporters.

Q: Korea has recently lifted a ban on all U.S. poultry imports due to outbreaks of highly-pathogenic avian influenza. What will you do to ensure that future cases do not impede access to Korea's market?

A: I am pleased that Korea recently signed an understanding with USDA on how Korea will regionalize the United States in case of future outbreaks of HPAI.

Q: We have repeatedly expressed concerns about Korea's compliance with its KORUS commitments in the areas of customs verification for agricultural products. How will you seek to address these issues?

A: Our trading partners, including South Korea, must respect the United States and the agreements they have signed with us. USTR is actively engaging with the Korean government to ensure that Korea does not abuse customs verification procedures for agricultural products.

Q: What will you do to open the Korean market to U.S. fruits like apples, cherries, and pears?

A: We continue to press Korea to remove unwarranted SPS measures and open its market to U.S. horticultural products in a manner based on science and consistent with international standards.

Argentina

Q: How can the import of lemons from Argentina be justified, when U.S. citrus producers have expressed such strong opposition due to economic impact and phytosanitary risks?

A: (b) (5) [REDACTED]

[APG]

Q: When will U.S. producers be able to export products that have long been barred from Argentina without scientific justification, including pork, beef, poultry and fruits?

A: USTR is working closely with USDA to ensure that these longstanding barriers to our exports, particularly of pork and beef, are resolved expeditiously, as committed to by Presidents Trump and Macri when they met last year. We expect Argentina to announce full market access for pork in the near future, and will continue engaging to remove unjustified barriers to exports of other agricultural products.

Brazil

Q: The United States and Brazil signed a Memorandum of Understanding (MOU) in 2014 ending the longstanding WTO dispute on cotton. Among other things, the MOU identifies specific authorized activities that Brazil may fund with payments made by the United States. A recent press report suggests that Brazil may not be living up to its commitments under the MOU. What will you do about that?

A: USTR, in coordination with USDA, continues to examine Brazil's adherence to the cotton MOU and to obtain any information needed to verify that Brazil is meeting its MOU commitments.

Q: What will you do to ensure that Brazil fulfills its Uruguay Round commitment to establish a tariff-rate quota (TRQ) for wheat?

A: USTR, alongside USDA, initiated negotiations with the Brazilian government in 2016. These negotiations are ongoing, with the objective of arriving at a solution that will provide U.S. wheat growers with stable, duty-free access to Brazil's market.

Q: What will you do in response to the TRQ on ethanol imports Brazil implemented on September 1, to the detriment of U.S. ethanol exporters which have recently exported volumes far higher than the TRQ's 600 million liter limit?

A: I recognize the importance of a vibrant ethanol industry to the U.S. economy and, in particular, to U.S. rural communities. The United States has made clear our strong opposition to Brazil's measure to reduce imports of U.S. ethanol, and we will continue to press Brazil to ensure that the measure is temporary in order to minimize disruptions to trade.

[APG]

Catfish

Q: What is USTR doing to address the concerns of our trading partners over the catfish rule?

A: USTR continues to work with USDA to ensure that implementation of the final rule is consistent with our WTO obligations and avoids disruption of trade in products that meet U.S. food safety standards.

Chile- Same Q may be raised regarding similar measures proposed by Canada, Israel, Peru, Uruguay

Q: Chile plans to require unreasonable warning labels on food products that lack a scientific basis and set a negative precedent for other countries to follow and contrary to WTO obligations. What are you going to do about it?

A: (b) (5)

China

Q: Do you support USTR's dispute settlement against China's domestic support for corn, wheat and rice?

A: Yes. The United States has challenged China's domestic support for corn, wheat and rice in the WTO, and we are pursuing this dispute in an effort to ensure China complies with its WTO obligations.

Q: China made a number of significant commitments to promote agricultural innovation and to further the agriculture biotech approval process in China based on international standards. Has China adhered to those commitments?

A: China is a hugely important market for exports of U.S. soybeans at \$14 billion, and it used to be an important market for U.S. corn at over \$1 billion. China's continued failure to not have timely approvals for ag biotech products puts this trade at significant risk. I understand that in 2017, China approved only four of the eight products agreed to in the 100-day plan. I will continue to press China to move products through its regulatory approval system and provide certainty to U.S. farmers and exporters.

[APG]

Q: What is the agreement by China to import U.S. beef as part of the 2017 100-day plan? Why did the United States decide to allow China to maintain its ban on hormones and beta agonists?

A: USDA and USTR negotiated a new protocol, which opened the Chinese market to U.S. beef in June 2017. I will continue to work with USDA, China and other countries to advance science based decisions on the use of veterinary drugs.

Q: What are the next steps on the 100-day plan? What other agriculture issues will be resolved?

A: China continues to maintain a number of questionable barriers to U.S. food and agricultural products. I will continue to prioritize resolving these agricultural trade barriers.

Q: What will the Administration do to get China to allow imports of U.S. pork and beef produced with animal feed with ractopamine?

A: China's market is open to U.S. pork and beef produced without the use of ractopamine. I will continue to work with China and other U.S. agencies to address these unwarranted Chinese trade barriers.

Q: China unfairly imposes large antidumping and countervailing duties on U.S. dried distiller grains (DDGs). In January 2017, China imposed anti-dumping rates up to 53.7 percent and countervailing duty rates of 12 percent on DDGS, in addition to reinstating the value-added tax of 13 percent. What will you do to address this issue?

A: I understand that China's imposition of antidumping and countervailing duties and reinstatement of a VAT tax has significantly impaired U.S. exports of dried distiller grains to China. USTR raised this issue with China in 2017, including at the bilateral CED meeting in July. In December 2017, China removed the VAT tax on DDGs. I continue to review the AD/CVD matter to assess how it can be resolved.

Q: China has launched an AD/CVD investigation of U.S. sorghum exports. What will you do to address this issue?

A: I understand that China has self-initiated AD and CVD investigations of U.S. sorghum exports. USTR, USDA, and DOC are working together with the sorghum industry to defend vigorously U.S. interests in this matter and ensuring that China follows the WTO rules as to how these investigations should be conducted.

[APG]

Q: China also has increased ethanol tariffs from 5 percent to over 30 percent in 2017, and as a result, no U.S. ethanol was shipped to China in the first quarter of 2017. What will you do about that?

A: I know this is an issue of significant concern to the U.S. ethanol industry, and I am examining this matter.

Q: China's TRQ administration for corn, wheat and rice distorts world markets and harms U.S. interests. What is the status of the WTO panel request?

A: I know that access to the China market is very important to America's farmers. USTR requested a WTO dispute panel on China's TRQ administration for corn, wheat and rice in September 2017. A panel has been composed, and we are working to defend vigorously U.S. interests in this matter.

Q: China excluded our poultry exports using AD/CVDs that the WTO found illegal three years ago. What will you do to restore this valuable market for U.S. poultry farmers?

A: USTR successfully litigated China's imposition of these duties at the WTO. As a result, China dropped the AD/CVDs on U.S. poultry on February 27, 2018.

Q: In January 2015, China banned all U.S. poultry imports due to outbreaks of highly pathogenic avian influenza. What will you do to restore access to China's market?

A: I understand that this is a very important issue to America's poultry farmers. I will continue to work with USDA to resolve this issue in 2018.

Q: China recently enacted new regulations requiring certification for all imported food, including safe food. U.S. regulatory agencies don't require this. What will you do to make sure U.S. food exports are not disrupted?

A: China is the United States' largest export market for food and agriculture products, so I understand the importance of maintaining this major market. China announced a 2-year delay on the implementation of this rule to October 2019. I assure you that USTR, in cooperation with USDA and the U.S. regulatory agencies, is working together to ensure that U.S. food exports are not disrupted.

[APG]

Dispute Settlement

Q: USTR is pursuing dispute settlement against China's domestic support for corn, wheat and rice. Will you take a dispute against (India, Turkey, Brazil, and Thailand) on their agriculture domestic support as well?

A: Excess domestic support to a country's farmers can result in reduced market access opportunities for U.S farmers, as well as distort international markets. The United States is already challenging China's domestic support for corn, wheat and rice. USTR is looking into these issues and identifying the best option for addressing our concerns.

Q: This Administration has made a commitment to enforce international trade rules. What will you do to challenge the myriad of unfair trade barriers to U.S. agricultural exports? Will you take a WTO dispute on [country/product]?

A: USTR and USDA work hard every day to resolve unfair trade barriers to U.S. agricultural exports. I know this is an important issue for you, and I will certainly examine how we can most effectively move forward.

Domestic Support

Q: Other countries target U.S. farm domestic support programs, including for our cotton and soybean farmers. How will you handle other countries' attacks on U.S. farm programs?

A: Farm programs are essential to the security and economic well-being of American farmers and rural communities. I will defend these programs as clearly compliant with our international obligations.

European Union

Q: What is the Administration's position on the resumption of T-TIP negotiations?

A: (b) (5)



Q: What would be the possible timetable for an FTA with the United Kingdom? Do you think the United Kingdom is prepared to eliminate all agricultural tariffs in an FTA with the United States?

[APG]

A: The United States and the United Kingdom established a Trade and Investment Working Group in July 2017, which we are using to advance our trade relationship prior to Brexit and lay the groundwork for a potential future FTA. (b) (5)

Q: The European Union maintains sanitary and phytosanitary measures that lack scientific justification and prohibit imports of U.S. food and agriculture products. What do you intend to do to remove these measures, particularly for corn, soybeans, beef, pork and poultry?

A: (b) (5)

Q: How will you move forward on the 301 action on U.S. beef to the EU initiated by the last Administration?

A: Continued non-compliance by the EU with the WTO findings in the beef/hormones dispute is an important issue for the United States and U.S. beef producers. I am aware of the U.S. beef industry's interests, and my staff and I are engaged in discussions with the European Commission to seek a negotiated solution and working hard to achieve an outcome that addresses our industry's interests.

Q: The U.S. bison industry wants bison to receive duty-free access for bison meat shipped to the European Union, equal to the treatment given to U.S. beef under the High Quality Beef tariff rate quota. Under the last Administration, the Secretary of Agriculture and the USTR had made a commitment to address this issue, and I want to see that commitment extended under the current administration.

A: The high quality beef TRQ under the Memorandum of Understanding with the EU was an arrangement negotiated specifically for beef. I understand the last Administration sought duty-free access for bison under the T-TIP negotiations. As you know, the T-TIP negotiations were suspended at the end of 2016 by the previous Administration. I will keep your request in mind as we consider future steps in any trade negotiations with the EU.

[APG]

Q: The EU’s approval process related to agricultural biotechnology continues to disrupt U.S. exports, especially of soybeans, corn and corn products. How will you address this significant problem and will you support taking another WTO dispute?

A: My understanding is that the European Food Safety Authority has consistently reached the same safety conclusions on biotech crops as have the U.S. and other regulators: that biotech crops grown in the United States are just as safe as conventional equivalents. However, EU procedures for the approval of biotech products continue to involve prolonged, unpredictable, and unexplained delays at every stage of the approvals process. My staff and I are looking at all options to engage the EU to address the unnecessary delays in EU approvals and ensure that U.S. corn and soybean exports are not disrupted.

Q: The EU is making unscientific decisions to ban important crop protection tools (pesticides). What will you do about that?

A: I recognize that our farmers grow products in a modern supply chain and rely on export markets for their livelihood. When our trading partners make unscientific decisions to ban critical products used by American farmers – like pesticides scientifically proven to be safe – this hurts our farmers not only in the export market, but also in how they will have to grow products for the U.S. market as well.

USTR and USDA are working closely together and with U.S. producers to ensure we are actively engaging the EU for scientific decisions.

EU Geographical Indications (GIs)

Q: The European Union continues to pursue the creation of monopolies in markets around the globe, including right here in the United States, by excluding other countries from using common, generic food names like “parmesan”, “bologna”, “champagne”, and “feta.” How will you work to combat expanded recognition of the EU’s list of geographical indications?

A: I understand that the United States and the EU have long-standing differences over the scope and level of intellectual property rights protection for geographical indications (GIs). This is an important concern. I will press the EU to expand market access for U.S. producers into the EU and also work to safeguard third country markets, including removing barriers such as over-broad GI protection for EU products that serve to block U.S. producers and traders using common food names or who have prior trademark rights.

[APG]

India

Q: India is a huge potential market for U.S. food and agriculture products, but it maintains high tariff and SPS barriers. How do you think we should engage with India to open that market?

A: Removing market access barriers in India for U.S. agriculture is a high priority for me. (b) (5)

Q: In July 2016, the United States requested authorization to impose countermeasures on \$450 million of Indian imports because India continues to ban U.S. poultry without any scientific basis and contrary to international standards. We are still unable to ship poultry to what should be a huge market for us. Will you commit to move forward with retaliation?

A: We have made an enormous amount of progress in the last few months. India and the United States agreed to export certificates for U.S. poultry in early March and India has already approved several import permits for shipments of U.S. poultry. We plan to work closely with other U.S. agencies to ensure that poultry shipments can enter India without problems.

Q: U.S. almond shipments are reportedly being smuggled through Kashmir to avoid India's tariff on almonds, which is negatively affecting exports from U.S. producers. How will you work to resolve this issue?

A: We continue to raise this issue and request that India eliminate or reduce its tariffs on almonds, including at our last bilateral meeting. (b) (5)

Q: India is a large potential market for U.S. dairy products but maintains SPS barriers and high tariffs that effectively ban U.S. dairy exports. The U.S. dairy industry has recently filed a petition to remove India's GSP privileges because of these continued market barriers. What will you do to open the Indian market to U.S. dairy?

A: I appreciate that India's dairy market is of great interests for U.S. producers. (b) (5)

[APG]

Q: India is a large potential market for U.S. pork exports, but it maintains SPS barriers that effectively ban U.S. pork. What will you do to open the Indian market to U.S. pork?

A: (b) (5)

Japan

Q: Didn't we lose significant agriculture market access by withdrawing from TPP?

A: I know Japan is at the top of the U.S. agriculture's priority list for a free trade agreement, and we are looking at all possible approaches to advance the interests of our farmers and ranchers in this important market.

Under the leadership of the Vice President, the Administration is laying important groundwork under our economic dialogue with Japan, which includes trade as a key element.

Q: With the U.S. withdrawal from TPP, how will you recover the progress that had been made with Japan on its tariffs on beef? Without the TPP deal, we are losing market access to Australian beef due to its own FTA with Japan.

A: The fact that Australian beef enjoys a lower tariff than U.S. beef exports to Japan is a serious concern. We are exploring how we move forward on our bilateral trade agenda, including with Japan that will advance the interests of our farmers and ranchers.

Q. At the beginning of August, Japan invoked a safeguard on frozen beef, raising the import tariff on U.S. beef from 38.5 percent to 50 percent. The higher safeguard tariff will remain in place until March 31, 2018, the end of Japan's fiscal year. Frozen beef imports from Australia the will not be affected due to its FTA arrangement with Japan, leaving Australia's tariff at 27.2 percent. Japan is the most important export market for U.S. beef. What will you do to address the safeguard tariff on frozen beef to Japan?

A. I agree that Japan is a critically important market for U.S. beef producers, and I am concerned about the imposition of this safeguard. USTR has requested the Japanese government to remove the safeguard tariff.

[APG]

Nigeria/GSP-AGOA

Q: Nigeria receives AGOA and GSP benefits, yet blocks exports of U.S. poultry. Do you think countries should get preference to the U.S. market, when they have unwarranted barriers on U.S. exports?

A: We intend to use the full range of tools that might be available, including GSP and AGOA, to address any unwarranted trade barriers that exist for America's farmers and ranchers (b) (5)

Peru

Q: What will you do regarding Peru's CVD investigation on U.S. ethanol?

A: USTR is coordinating closely with the Departments of Commerce and Agriculture, and the local offices of any states being investigated, to fully participate in the investigation, provide any necessary information, and defend our rights and interests throughout the proceeding. As in prior investigations, we are in close communication with U.S. industry participants to ensure that the investigation is in line with the procedural and substantive rules that apply.

Russia

Q: The last administration initiated no WTO cases against Russia. Given ongoing issues, can you commit to challenging Russia's paltry implementation of WTO commitments on food and agriculture?

A: I am committed to increasing U.S. agricultural exports. While there are currently Russian sanctions imposed on U.S. food and agricultural exports, I will examine this issue to assess how we might address the issues.

Q: There have been press reports that Russia is now enforcing a zero tolerance policy on certain hormones and feed additives in beef and beef products. What actions will you take to ensure that U.S. beef is not subjected to another non-science based measure?

A: As a WTO Member, Russia has made commitments to base its SPS measures on science. While there are currently Russian sanctions imposed on U.S. food and agricultural exports, I will examine this issue closely to assess how we might address the issues.

Q: I understand that U.S. dairy products are completely shut out of the Russian market, and have been for several years now. What will you do to remedy this situation?

[APG]

A: While there are currently Russian sanctions imposed on U.S. food and agricultural exports, we continue to try to resolve these issues so that U.S. dairy producers will have access when these sanctions are lifted.

Saudi Arabia and Gulf Countries

Q: We are concerned that U.S. food exports to the Gulf countries will be disrupted with new certification requirements. How are you addressing this significant problem?

A: I will look into this matter and work to ensure that U.S. food and agriculture exports are not disrupted.

South Africa

Q: We understand that since our SPS agreement with South Africa on pork in January 2016, U.S. exports of those products have faced additional restrictions. What will you do to resolve this?

A: We gained additional access for several cuts of pork last year and we are working closely with USDA and the South African government to resolve the remaining technical issues on behalf of U.S. pork producers.

Q: In 2015, the U.S. and South African poultry industries reached agreement on a TRQ mechanism that would allow 65,000 MT of U.S. poultry to enter South Africa free of antidumping duties. The U.S. poultry industry is now reporting that South Africa may be allocating licenses in such a way as to prevent fulfillment of the quota. What will you do to address this issue?

A: After bringing this issue to the attention of the South African government, this issue appears was resolved in this quota year. However, we continue to monitor closely U.S. poultry shipments to South Africa to ensure that the TRQ administration and poultry trade in general is running smoothly.

Taiwan

Q: What steps do you plan to take to remove the barrier that Taiwan continues to put in place against U.S. pork over the use of ractopamine?

A: I am committed to increasing U.S. agricultural exports. My staff and I have been pressing Taiwan to remove its ban on pork produced with ractopamine and will continue to do so.

[APG]

Q: What is USTR doing to increase Taiwan market access for U.S. beef exporters in light of the partial ban on beef products due to BSE?

A: I appreciate the importance of Taiwan's beef market for America's ranchers. While U.S. beef exports to Taiwan have increased over the last few years, we continue to press Taiwan to remove the remaining partial ban on U.S. beef products.

Q: What is the Trump Administration's position on pursuing an FTA with Taiwan?

A: (b) (5) [REDACTED]

Thailand

Q: Thailand has blocked U.S. pork for a number of years due to a prohibition on ractopamine. What will you do to convince Thailand to lift this ban?

A: Thailand's continued ban on ractopamine is unacceptable. The Administration is working to resolve this pressing issue as soon as possible in a manner consistent with international standards.

Q: Thailand has used subsidies to distort world markets for rice? What will you do about this?

A: I share your concerns that excess domestic support to a country's farmers can result in reduced market access opportunities for U.S farmers, as well as distort international markets. USTR continues to raise our ongoing domestic support concerns with other countries, including Thailand.

Turkey

Q: Turkish exports of wheat flour have disrupted U.S. wheat exports to a number of important traditional markets. The U.S. wheat industry tells me that these Turkish flour exports benefit from unfair subsidies. What will you do to address this problem?

A: I understand that the U.S. wheat industry is concerned about Turkish subsidies for wheat flour. I will look into this matter.

[APG]

Vietnam

Q: Vietnam has imposed a multitude of SPS-related barriers on U.S. exports of meat and horticultural products. How will you best address these issues?

A: I share your concerns that Vietnam’s SPS measures are having a detrimental impact on U.S. agricultural exports. USTR is working with USDA to remove barriers to U.S. meat and horticultural exports to Vietnam.

World Health Organization

Q: The World Health Organization is publishing reports and guidance that are not science-based and recommending policies that are inconsistent with WTO rules. What will the Administration do about that?

A: (b) (5) [REDACTED]

World Trade Organization

Q: What is next for WTO agriculture negotiations?

A: (b) (5) [REDACTED]
[REDACTED]
[REDACTED] My team and I will be consulting with you to ensure that negotiations are fair for U.S. farmers and ranchers and provide a level playing field for them.

[APG]

RE: DOUD: CHINA IS STOCKPILING WORLD'S GRAIN SUPPLIES

From: "Kays, Garrett G. EOP/USTR" <kenneth.g.kays@ustr.eop.gov>
To: "Doherty, Julia M. EOP/USTR" <julia_doherty@ustr.eop.gov>, "Bomer Lauritsen, Sharon E. EOP/USTR" <sharon_e_bomerlauritsen@ustr.eop.gov>, DL-USTR-Sec_25 <(b) (6)@dsr.eop.gov>
Date: Thu, 22 Mar 2018 09:36:29 -0400
Attachments: AgriPulse 032118 final.pdf (64.65 kB)

Absolutely. See attached!

From: Doherty, Julia M. EOP/USTR
Sent: Thursday, March 22, 2018 9:26 AM
To: Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; DL-USTR-Sec_25 <(b) (6)@dsr.eop.gov>
Cc: Kays, Garrett G. EOP/USTR <Kenneth.G.Kays@ustr.eop.gov>
Subject: RE: DOUD: CHINA IS STOCKPILING WORLD'S GRAIN SUPPLIES

Garrett – Can Gregg share his prepared remarks with the staff? I think everyone would be interested in reading them. We may also have the opportunity to echo his remarks in our meetings. Julia

From: Bomer Lauritsen, Sharon E. EOP/USTR
Sent: Thursday, March 22, 2018 9:22 AM
To: DL-USTR-Sec_25 <(b) (6)@dsr.eop.gov>
Subject: FW: DOUD: CHINA IS STOCKPILING WORLD'S GRAIN SUPPLIES

From: Kays, Garrett G. EOP/USTR
Sent: Thursday, March 22, 2018 9:08 AM
To: Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>
Cc: Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>
Subject: DOUD: CHINA IS STOCKPILING WORLD'S GRAIN SUPPLIES

DOUD: CHINA IS STOCKPILING WORLD'S GRAIN SUPPLIES

NEW AG TRADE NEGOTIATOR SAYS "EVERYONE MUST PLAY BY THE RULES."

By Dave Kurns

3/21/2018

Gregg Doud is one week on the job as the chief agricultural negotiator for the U.S. trade representative, and his reading list is long. Doud, who is taking the lead on getting ag trade agreements done, says the list of global trade issues and violations is so long that he hasn't even gotten through reading it.

The number of trade partners who "do not play by the rules" is deep, Doud said, and "these players have been breaking the rules for far too long." President Trump is "stepping into the breach" to fight these unfair practices. "And he is absolutely right," Doud said.

Doud, approved by the Senate on March 1, made his remarks at the Agri-Pulse "Harvesting Perspectives" summit in Washington, D.C., on Wednesday, March 20. Before his appointment, he previously served as the president of the Commodity Markets Council, worked as a staffer for the Senate Agriculture Committee, and was chief economist for the National Cattlemen's Beef Association.

Transparency is a key issue that impacts trade globally – and Doud pointed at China as a key example of hiding practices. China has not submitted the level of its agricultural supports to the World Trade Organization since 2010.

Another issue is the oversupply of commodities that China is stockpiling. Doud reports that China has:

- 47% of the world's residual supply of wheat
- 40% of the world's residual supply of corn
- 66% of rice
- 46% of cotton
- 22% of the residual supply of soybeans

Stockpiling these commodities is "depressing prices for every other farmer across the globe," Doud said. This oversupply saturates other markets, as well. "This is a problem," Doud said. "A big problem we are dealing with at the USTR."

This "total disregard" for fair market trading is "imposing a cost on each one of us," he said. The USTR is taking this issue to the WTO and using it as a forum to make changes.

Doud owns part of his family's Kansas farm – a century farm. He holds a master's degree in agricultural economics from Kansas State University.

Now that he's on the job, it completes the trade team working for USTR's Robert Lighthizer. The team is "ready to go at USTR ... and there's a lot to be done," Doud said.

<https://www.agriculture.com/news/business/doud-china-is-stockpiling-world-s-grain-supplies>

Garrett Kays
Confidential Assistant
Office of the United States Trade Representative
Kenneth.G.Kays@ustr.eop.gov
Work: (202)-395-8582 | Cell: (b) (6)

Gregg Doud

Agri-Pulse speech

March 21, 2018

Good afternoon and thank you for the opportunity to speak to you today on behalf of President Trump, Ambassador Lighthizer and my colleagues at USTR regarding the topic of agricultural trade and specifically our priority, which is to increase US ag exports.

First of all just let me say that I am happy to finally be on the job. It is also important to note that Ambassador Lighthizer finally has a full team of deputies now on the job at USTR as of this week and it couldn't come at a more critical time. It is time to get to work. There is much to be done.

For a handbook on the "to do" list, I would refer everyone to the President's 2018 Trade Policy Agenda -- Putting America First. In the agenda it says that the Trump Administration will use all tools to ensure America's farmers are treated fairly.

First of all, let me say that I have spent many years here in Washington involved in coordinating the critical roles that both USDA and the Foreign Ag Service play along with the folks who are now my colleagues at Ag Affairs at USTR. I have known Undersecretary Ted McKinney for many years and we are already coordinating and will continue to coordinate in our critical roles to resolve issues and open markets for US ag exports.

In my remarks today I would like to start by discussing those who follow the rules versus those who don't. In trade speak the word we use in this context is enforcement.

On one hand are American's farmers and ranchers who have a comprehensive knowledge of how markets function. We are extremely familiar with our own futures markets, which in most cases are the institutions that establish the price at which most agricultural commodities are traded in today's world. We are also extremely fortunate to have the statisticians and economists at USDA that provide our marketplace with data that is the envy of the rest of the world.

America's farmers and ranchers wake up each morning believing that the sun will rise, it will rain, eventually even in Kansas, and that the price signals they receive via the efficiencies of our resources, markets, technology and ingenuity from farm to fork are the envy of the rest of the world.

But this nation's farmers and ranchers are also long familiar with the fact that we can produce more than this nation can consume. That means we must export to markets / consumers new and old.

In this regard, American agriculture has long been threatened by international partners who do not play by the rules. Too many producers globally don't appear to operate under the same

economics of supply and demand and reaction to markets forces that we do. These folks have been breaking the rules for far too long and President Trump has stepped into the breach and decided that something has to be done about it. And he's absolutely right.

In this arena, the Trump Administration is taking action. Currently at the WTO, we are challenging China's market price support for rice, wheat and corn. Our estimates are that China has exceeded its WTO support limits in these commodities by nearly \$100 billion dollars. That's 100 billion with a B.

When this kind of money is spent to support farmer income via ag commodity prices, the result is predictable, and China's stock levels have reacted accordingly. Did you know...according to USDA...China is now home to 47% of the world's residual supply of wheat, 40% of corn, 66% of rice, 46 percent of cotton and 22% of soybeans? This oversupply, caused by non-economic production, not only closes the Chinese market to American wheat and corn, but it also saturates other markets with cheap products that harm our livelihood at home. This is a problem. A problem that we are addressing at the WTO.

We are also challenging China's administration of tariff-rate quotas for rice, wheat and corn. Why? Because they're not fulfilling what they committed to when they became a member of the WTO. If they were, China would have imported about \$3.5 billion worth of additional crops last year alone.

These are important WTO cases. China's farm supports have over stimulated its production of agricultural commodities for several years and have resulted in a massive stockpile of food and fiber that is depressing prices for every other farmer in the rest of the world. President Trump is leading on this issue, at the WTO, and in other trading venues as warranted, to tackle China's trade distorting policies head on.

The contrast between a belief in the market forces of supply and demand versus the total disregard of these forces could not be more stark. What I would like to impress upon each of you today is that this contrast is imposing a cost on each of us in our agricultural markets that we can no longer continue to allow.

The President's trade agenda also mentions "reforming the multilateral trading system." There are many aspects of that, but for today's purposes I would like to highlight one word and that is -- Transparency.

In order to negotiate we must first have a fundamental understanding of the problems we are facing. Today's issues are not the same as they were in 2000 or even 2010.

It is time to go back to the basics and fundamentals within today's global agricultural policy and market access environment. At one end of the spectrum within the ag discussion at the WTO these days we have folks who want more support and more protection. Yet on the other end of the spectrum we must continue to pursue the basics of trade liberalization and increased market access.

The U.S. is taking a stand at the WTO; it is time to return to negotiation in order to use the system as a forum to further fairer and freer trade across the globe. In this regard, we are calling for a reset of the agriculture negotiations beginning with improved transparency and a more realistic understanding of who should and should not continue to claim developing status.

U.S. agriculture has always had an aggressive trade agenda. And by U.S. agriculture I mean, farmers, ranchers, merchandizers, processors and handlers. When we say trade, we're really speaking of access to new customers with emphasis on the word customers versus the word markets. We use words like safety, trust, wholesomeness, reliable supplier and sound science.

But is that enough?

No. Our first step will be to seek an extension of Trade Promotion Authority until 2021 and aggressively use that authority to negotiate or revise trade agreements so they are fair, balanced and support American prosperity. This includes NAFTA and KORUS, and new trade deals that we will seek out.

In order to lower the many barriers to our products that continue to exist we also have to have terms of trade and agreements between ourselves and consumers, our customers, in other countries.

Milestones along this path include:

- A Successful NAFTA renegotiation;
- Building coalitions with other countries to support sound regulatory policies for new technologies, and in some cases, not regulating new technologies if that is appropriate;

In the coming decades, our farmers will face significant new agricultural challenges, including pest and disease pressures, as well as the need to adapt production to address environmental concerns and to enhance consumer wellbeing.

Breeding will play a vital role in our efforts to address these challenges. Genome editing carries the potential to deliver significant societal benefits in the coming decades.

We believe governments should provide clear and predictable pathways to for commercialization of products.

As recognized in the recent Report to the President of the Agriculture and Rural Prosperity Task Force, overly burdensome regulatory policies negatively affect innovation, which unnecessarily prevent farmers from accessing innovative, safe solutions to their challenges.

I will work with the agricultural community to deliver on the Task Force's recommendations on an international strategy on breeding innovation, as well as with the interagency to take forward the work to modernize the US regulatory approach to biotechnology.

- Resolving unwarranted trade barriers in Argentina, Brazil, China, the European Union, India, Japan, Korea, the Middle East, African countries, Southeast Asia;
- Laying groundwork with the United Kingdom to prepare for a potential FTA once the UK leaves the European Union.
- Preparing for other potential bilateral agreements, including in the Indo-Pacific and African regions.
- And the list goes on.

I understand that times are tough in farm country and for our agribusinesses. I look forward to going to bat on behalf of U.S. agriculture to make progress on the multitude of trade challenges we have in front of us. For my part, there are many days ahead involving coordination and consultation with you and negotiation with our customers. It is an honor to be serving you in this role. There is a lot to do. Thank you for this opportunity to speak to you today.

Re: 301/China ag response

From: sharon_e_bomerlauritsen@ustr.eop.gov
To: "Hurst, Joan E. EOP/USTR" <joan_e_hurst@ustr.eop.gov>
Date: Fri, 23 Mar 2018 11:04:46 -0400

Thanks. Just saw other email

Sharon Bomer Lauritsen
Assistant USTR, Agricultural Affairs

On Mar 23, 2018, at 10:50 AM, Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov> wrote:

Sharon,

I have confirmed it on the WTO website.. I have a copy of China's WTO bound rates downloaded on my desktop as well.

Joan Hurst
Director for Agricultural Affairs
Office of the U.S. Trade Representative
Office: (202) 395-6117
Email: joan_hurst@ustr.eop.gov

From: Bomer Lauritsen, Sharon E. EOP/USTR
Sent: Friday, March 23, 2018 10:40 AM
To: Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>
Subject: Fwd: 301/China ag response

Pl confirm wto rate

Sharon Bomer Lauritsen
Assistant USTR, Agricultural Affairs

Begin forwarded message:

From: "Doud, Gregory F. EOP/USTR" <Gregory.F.Doud@ustr.eop.gov>
Date: March 23, 2018 at 10:36:22 AM EDT
To: "Griffin, Payne P. EOP/USTR" <Garrison.P.Griffin@ustr.eop.gov>, "Greer, Jamieson L. EOP/USTR" <Jamieson.L.Greer@ustr.eop.gov>, "McCartin, Terry J. EOP/USTR" <Terry_McCartin@USTR.EOP.GOV>, "Bomer Lauritsen, Sharon E. EOP/USTR" <Sharon_E_BomerLauritsen@ustr.eop.gov>, "Davis, Emily K. EOP/USTR" <Emily.K.Davis@ustr.eop.gov>, "Vaughn, Stephen P. EOP/USTR" <Stephen.P.Vaughn@ustr.eop.gov>, "Buis, William L. EOP/USTR" <William_Buis@ustr.eop.gov>,

"Millan, Juan A. EOP/USTR" <Juan_Millan@ustr.eop.gov>, "Emerson, Jeffrey W. EOP/USTR" <Jeffrey.W.Emerson@ustr.eop.gov>, "Young, Stewart B. EOP/USTR" <Stewart.B.Young@ustr.eop.gov>, "Walters, Gregory M. EOP/USTR" <Gregory.M.Walters@ustr.eop.gov>, "Hurst, Joan E. EOP/USTR" <Joan_E_Hurst@ustr.eop.gov>, "Doherty, Julia M. EOP/USTR" <Julia_Doherty@ustr.eop.gov>, "Howe, Julia M. EOP/USTR" <Julia_M_Howe@ustr.eop.gov>
Cc: "Breinig, Amelia J. EOP/USTR" <Amelia.J.Breinig@ustr.eop.gov>
Subject: RE: 301/China ag response

12%

From: Griffin, Payne P. EOP/USTR
Sent: Friday, March 23, 2018 10:00 AM
To: Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>; McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; Davis, Emily K. EOP/USTR <Emily.K.Davis@ustr.eop.gov>; Vaughn, Stephen P. EOP/USTR <Stephen.P.Vaughn@ustr.eop.gov>; Busis, William L. EOP/USTR <William_Busis@ustr.eop.gov>; Millan, Juan A. EOP/USTR <Juan_Millan@ustr.eop.gov>; Emerson, Jeffrey W. EOP/USTR <Jeffrey.W.Emerson@ustr.eop.gov>; Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>; Walters, Gregory M. EOP/USTR <Gregory.M.Walters@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; Doherty, Julia M. EOP/USTR <Julia_Doherty@ustr.eop.gov>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>
Cc: Breinig, Amelia J. EOP/USTR <Amelia.J.Breinig@ustr.eop.gov>
Subject: RE: 301/China ag response

What is china's WTO bound rate on that product?

From: Doud, Gregory F. EOP/USTR
Sent: Friday, March 23, 2018 9:58 AM
To: Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>; McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; Davis, Emily K. EOP/USTR <Emily.K.Davis@ustr.eop.gov>; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>; Vaughn, Stephen P. EOP/USTR <Stephen.P.Vaughn@ustr.eop.gov>; Busis, William L. EOP/USTR <William_Busis@ustr.eop.gov>; Millan, Juan A. EOP/USTR <Juan_Millan@ustr.eop.gov>; Emerson, Jeffrey W. EOP/USTR <Jeffrey.W.Emerson@ustr.eop.gov>; Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>; Walters, Gregory M. EOP/USTR <Gregory.M.Walters@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; Doherty, Julia M. EOP/USTR <Julia_Doherty@ustr.eop.gov>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>
Cc: Breinig, Amelia J. EOP/USTR <Amelia.J.Breinig@ustr.eop.gov>
Subject: RE: 301/China ag response

All,
I just spoke to Smithfield...

(b) (5)

The tariff on US frozen pork will be increased from 12% to 37%.

Will provide more intel as it comes in...
Gregg

From: Greer, Jamieson L. EOP/USTR
Sent: Friday, March 23, 2018 9:49 AM
To: McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; Davis, Emily K. EOP/USTR <Emily.K.Davis@ustr.eop.gov>; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>; Vaughn, Stephen P. EOP/USTR <Stephen.P.Vaughn@ustr.eop.gov>; Busis, William L. EOP/USTR <William_Busis@ustr.eop.gov>; Millan, Juan A. EOP/USTR <Juan_Millan@ustr.eop.gov>; Emerson, Jeffrey W. EOP/USTR <Jeffrey.W.Emerson@ustr.eop.gov>; Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>; Walters, Gregory M. EOP/USTR <Gregory.M.Walters@ustr.eop.gov>; Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; Doherty, Julia M. EOP/USTR <Julia_Doherty@ustr.eop.gov>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>
Cc: Breinig, Amelia J. EOP/USTR <Amelia.J.Breinig@ustr.eop.gov>
Subject: RE: 301/China ag response

Terry, (b) (5)

From: McCartin, Terry J. EOP/USTR
Sent: Friday, March 23, 2018 9:44 AM
To: Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; Davis, Emily K. EOP/USTR <Emily.K.Davis@ustr.eop.gov>; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>; Vaughn, Stephen P. EOP/USTR <Stephen.P.Vaughn@ustr.eop.gov>; Busis, William L. EOP/USTR <William_Busis@ustr.eop.gov>; Millan, Juan A. EOP/USTR <Juan_Millan@ustr.eop.gov>; Emerson, Jeffrey W. EOP/USTR <Jeffrey.W.Emerson@ustr.eop.gov>; Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>; Walters, Gregory M. EOP/USTR <Gregory.M.Walters@ustr.eop.gov>; Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; Doherty, Julia M. EOP/USTR <Julia_Doherty@ustr.eop.gov>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>
Cc: Breinig, Amelia J. EOP/USTR <Amelia.J.Breinig@ustr.eop.gov>
Subject: RE: 301/China ag response

I am wondering (b) (5) [redacted]
[redacted]

(b) (5) [redacted]
[redacted]
[redacted]
[redacted]
[redacted]
[redacted]
[redacted]
[redacted]
[redacted]
[redacted]

(b) (5) [redacted]
[redacted]
[redacted]

Terry

From: Bomer Lauritsen, Sharon E. EOP/USTR
Sent: Friday, March 23, 2018 9:17 AM
To: Davis, Emily K. EOP/USTR <Emily.K.Davis@ustr.eop.gov>; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>; Vaughn, Stephen P. EOP/USTR <Stephen.P.Vaughn@ustr.eop.gov>; Busis, William L. EOP/USTR <William_Busis@ustr.eop.gov>; McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Millan, Juan A. EOP/USTR <Juan_Millan@ustr.eop.gov>; Emerson, Jeffrey W. EOP/USTR <Jeffrey.W.Emerson@ustr.eop.gov>; Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>; Walters, Gregory M. EOP/USTR <Gregory.M.Walters@ustr.eop.gov>; Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; Doherty, Julia M. EOP/USTR <Julia_Doherty@ustr.eop.gov>
Cc: Breinig, Amelia J. EOP/USTR <Amelia.J.Breinig@ustr.eop.gov>
Subject: RE: 301/China ag response

And Ambassador Doud and my staff since I will be in negotiations today.

Joan – Julia – please draft for Amb. Doud’s clearance points below.

From: Davis, Emily K. EOP/USTR
Sent: Friday, March 23, 2018 9:14 AM
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<Juan_Millan@ustr.eop.gov>; Emerson, Jeffrey W. EOP/USTR <Jeffrey.W.Emerson@ustr.eop.gov>; Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>; Walters, Gregory M. EOP/USTR <Gregory.M.Walters@ustr.eop.gov>

Cc: Breinig, Amelia J. EOP/USTR <Amelia.J.Breinig@ustr.eop.gov>

Subject: 301/China ag response

All – Gathering us on an email for developing out message on 301, and China’s threats to “retaliate” on agriculture. Below are some points I’ve quickly put together based on conversations and emails this morning. Please feel free to add, edit or remove as you see fit.

Sharon/Terry (b) (5)

Juan – (b) (5)

Thanks all!

(b) (5)

(b) (5)



RE: 301/China ag response

From: "Doherty, Julia M. EOP/USTR" <julia_doherty@ustr.eop.gov>
To: "Hurst, Joan E. EOP/USTR" <joan_e_hurst@ustr.eop.gov>, "McCartin, Terry J. EOP/USTR" <terry_mccartin@ustr.eop.gov>, "Howe, Julia M. EOP/USTR" <julia_m_howe@ustr.eop.gov>
Date: Fri, 23 Mar 2018 12:17:59 -0400
Attachments: China has a history of threatening to block or raise tariffs on agricultural products.docx (16.06 kB)

(b) (5)

See if this works for everyone. If so, we'll need to send to Doud to review and transmit to 2nd floor.

From: Hurst, Joan E. EOP/USTR
Sent: Friday, March 23, 2018 11:36 AM
To: McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>; Doherty, Julia M. EOP/USTR <Julia_Doherty@ustr.eop.gov>
Subject: RE: 301/China ag response

Good point Terry. (b) (5)

Joan Hurst
Director for Agricultural Affairs
Office of the U.S. Trade Representative
Office: (202) 395-6117
Email: joan_hurst@ustr.eop.gov

From: McCartin, Terry J. EOP/USTR
Sent: Friday, March 23, 2018 11:35 AM
To: Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>; Doherty, Julia M. EOP/USTR <Julia_Doherty@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>
Subject: RE: 301/China ag response

(b) (5)

From: Howe, Julia M. EOP/USTR
Sent: Friday, March 23, 2018 11:32 AM
To: McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Doherty, Julia M. EOP/USTR <Julia_Doherty@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>
Subject: RE: 301/China ag response

Joan just saw your note, but had been making some revisions, set forth below. Can you give a little more color (b) (5) Look forward to reviewing.

From: McCartin, Terry J. EOP/USTR
Sent: Friday, March 23, 2018 11:07 AM
To: Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>; Doherty, Julia M. EOP/USTR <Julia_Doherty@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>
Subject: RE: 301/China ag response

Julia, Julia and Joan,

Here are my suggested inserts for the requested ag-related points for your review:

(b) (5)



(b) (5)



Terry

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Sent: Friday, March 23, 2018 9:17 AM

To: Davis, Emily K. EOP/USTR <Emily.K.Davis@ustr.eop.gov>; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>; Vaughn, Stephen P. EOP/USTR <Stephen.P.Vaughn@ustr.eop.gov>; Busis, William L. EOP/USTR <William_Busis@ustr.eop.gov>; McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Millan, Juan A. EOP/USTR <Juan_Millan@ustr.eop.gov>; Emerson, Jeffrey W. EOP/USTR <Jeffrey.W.Emerson@ustr.eop.gov>; Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>; Walters, Gregory M. EOP/USTR <Gregory.M.Walters@ustr.eop.gov>; Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; Doherty, Julia M. EOP/USTR <Julia_Doherty@ustr.eop.gov>

Cc: Breinig, Amelia J. EOP/USTR <Amelia.J.Breinig@ustr.eop.gov>

Subject: RE: 301/China ag response

And Ambassador Doud and my staff since I will be in negotiations today.

Joan – Julia – please draft for Amb. Doud’s clearance points below.

From: Davis, Emily K. EOP/USTR

Sent: Friday, March 23, 2018 9:14 AM

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Cc: Breinig, Amelia J. EOP/USTR <Amelia.J.Breinig@ustr.eop.gov>

Subject: 301/China ag response

All – Gathering us on an email for developing out message on 301, and China’s threats to “retaliate” on agriculture. Below are some points I’ve quickly put together based on conversations and emails this morning. Please feel free to add, edit or remove as you see fit.

Sharon/Terry – (b) (5)

Juan – (b) (5)

Thanks all!

(b) (5)

(b) (5)



(b) (5)



RE: 301/China ag response

From : "Hurst, Joan E. EOP/USTR" <joan_e_hurst@ustr.eop.gov>
"McCartin, Terry J. EOP/USTR" <terry_mccartin@ustr.eop.gov>, "Doherty, Julia M.
To: EOP/USTR" <julia_doherty@ustr.eop.gov>, "Howe, Julia M. EOP/USTR"
<julia_m_howe@ustr.eop.gov>
Date: Fri, 23 Mar 2018 14:11:41 -0400

Draft is with Amb. Doud. I can let her know.

Joan Hurst
Director for Agricultural Affairs
Office of the U.S. Trade Representative
Office: (202) 395-6117
Email: joan_hurst@ustr.eop.gov

From: McCartin, Terry J. EOP/USTR
Sent: Friday, March 23, 2018 2:05 PM
To: Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; Doherty, Julia M. EOP/USTR <Julia_Doherty@ustr.eop.gov>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>
Subject: RE: 301/China ag response

Checking in. Emily wanted our input by 2:00. Can you perhaps send forward the draft that is under review, or at least let everyone know that our input will be sent forward soon?

From: Hurst, Joan E. EOP/USTR
Sent: Friday, March 23, 2018 12:51 PM
To: Doherty, Julia M. EOP/USTR <Julia_Doherty@ustr.eop.gov>; McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>
Subject: RE: 301/China ag response

That's fine with me.

Joan Hurst
Director for Agricultural Affairs
Office of the U.S. Trade Representative
Office: (202) 395-6117
Email: joan_hurst@ustr.eop.gov

From: Doherty, Julia M. EOP/USTR
Sent: Friday, March 23, 2018 12:49 PM

To: Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>
Subject: RE: 301/China ag response

(b) (5) and send to Doud. I see Juan listed (b) (5) Do we want to use his list for the (b) (5)

From: Hurst, Joan E. EOP/USTR
Sent: Friday, March 23, 2018 12:44 PM
To: McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Doherty, Julia M. EOP/USTR <Julia_Doherty@ustr.eop.gov>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>
Subject: RE: 301/China ag response

I agree. (b) (5)

(b) (5)

Joan Hurst
Director for Agricultural Affairs
Office of the U.S. Trade Representative
Office: (202) 395-6117
Email: joan_hurst@ustr.eop.gov

From: McCartin, Terry J. EOP/USTR
Sent: Friday, March 23, 2018 12:40 PM
To: Doherty, Julia M. EOP/USTR <Julia_Doherty@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>
Subject: RE: 301/China ag response

Looks good (b) (5)

From: Doherty, Julia M. EOP/USTR
Sent: Friday, March 23, 2018 12:18 PM
To: Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>
Subject: RE: 301/China ag response

(b) (5)

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Subject: RE: 301/China ag response

Good point Terry. (b) (5)

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Office of the U.S. Trade Representative
Office: (202) 395-6117
Email: joan_hurst@ustr.eop.gov

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Subject: RE: 301/China ag response

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Look forward to reviewing.

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Subject: RE: 301/China ag response

Julia, Julia and Joan,

Here are my suggested inserts for the requested ag-related points for your review:

(b) (5)



Terry

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Sent: Friday, March 23, 2018 9:17 AM

To: Davis, Emily K. EOP/USTR <Emily.K.Davis@ustr.eop.gov>; Greer, Jamieson L. EOP/USTR

00004

<Jamieson.L.Greer@ustr.eop.gov>; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>; Vaughn, Stephen P. EOP/USTR <Stephen.P.Vaughn@ustr.eop.gov>; Busis, William L. EOP/USTR <William_Busis@ustr.eop.gov>; McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Millan, Juan A. EOP/USTR <Juan_Millan@ustr.eop.gov>; Emerson, Jeffrey W. EOP/USTR <Jeffrey.W.Emerson@ustr.eop.gov>; Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>; Walters, Gregory M. EOP/USTR <Gregory.M.Walters@ustr.eop.gov>; Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; Doherty, Julia M. EOP/USTR <Julia_Doherty@ustr.eop.gov>
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Sharon/Terry – (b) (5) [Redacted]

Juan – (b) (5) [Redacted]

Thanks all!

(b) (5) [Redacted]

(b) (5)



RE: Final Gov Colyer Briefing Paper

From: "O'Brien, Daniel C. EOP/USTR" <daniel.c.obrien@ustr.eop.gov>

To: "McCartin, Terry J. EOP/USTR" <terry_mccartin@ustr.eop.gov>, "Foley, Molly L. EOP/USTR" <molly.l.foley@ustr.eop.gov>, "Young, Stewart B. EOP/USTR" <stewart.b.young@ustr.eop.gov>

Cc: "Bomer Lauritsen, Sharon E. EOP/USTR" <sharon_e_bomerlauritsen@ustr.eop.gov>, "Hurst, Joan E. EOP/USTR" <joan_e_hurst@ustr.eop.gov>, "Howe, Julia M. EOP/USTR" <julia_m_howe@ustr.eop.gov>, "Rueda, Jorge M. EOP/USTR" <jorge.m.rueda@ustr.eop.gov>, "Gresser, Edward B. EOP/USTR" <edward_b_gresser@ustr.eop.gov>, "Melle, John M. EOP/USTR" <john_melle@ustr.eop.gov>, "Watson, Daniel L. EOP/USTR" <daniel_watson@ustr.eop.gov>, "Kays, Garrett G. EOP/USTR" <kenneth.g.kays@ustr.eop.gov>, "Wentzel, Roger A. EOP/USTR" <roger_wentzel@ustr.eop.gov>, "Malmrose, Roy A. EOP/USTR" <roy_malmrose@ustr.eop.gov>, "Mroczka, Victor S. EOP/USTR" <victor_s_mroczka@ustr.eop.gov>, "Millan, Juan A. EOP/USTR" <juan_millan@ustr.eop.gov>, "Laing, Sally S. EOP/USTR" <sally_s_laing@ustr.eop.gov>, "Blunt, Amanda C. EOP/USTR" <amanda_c_blunt@ustr.eop.gov>, "Watson, Daniel L. EOP/USTR" <daniel_watson@ustr.eop.gov>

Date: Sat, 24 Mar 2018 15:01:57 -0400

Attachments BP_Gov Colyer_DUSTR Mahoney_032318 ag office jh ogc-cs DW SBL JM.docx
: (68.22 kB)

Thanks. Updated in attached.

Molly, should be good to go.

From: McCartin, Terry J. EOP/USTR
Sent: Saturday, March 24, 2018 2:46 PM
To: O'Brien, Daniel C. EOP/USTR <daniel.c.obrien@ustr.eop.gov>; Foley, Molly L. EOP/USTR <Molly.L.Foley@ustr.eop.gov>; Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>
Cc: Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>;

Rueda, Jorge M. EOP/USTR <Jorge.M.Rueda@ustr.eop.gov>; Gresser, Edward B. EOP/USTR <Edward_B_Gresser@ustr.eop.gov>; Melle, John M. EOP/USTR <John_Melle@ustr.eop.gov>; Watson, Daniel L. EOP/USTR <Daniel_Watson@USTR.EOP.GOV>; Kays, Garrett G. EOP/USTR <Kenneth.G.Kays@ustr.eop.gov>; Wentzel, Roger A. EOP/USTR <Roger_Wentzel@ustr.eop.gov>; Malmrose, Roy A. EOP/USTR <Roy_Malmrose@ustr.eop.gov>; Mroczka, Victor S. EOP/USTR <Victor_S_Mroczka@ustr.eop.gov>; Millan, Juan A. EOP/USTR <Juan_Millan@ustr.eop.gov>; Laing, Sally S. EOP/USTR <Sally_S_Laing@ustr.eop.gov>; Blunt, Amanda C. EOP/USTR <Amanda_C_Blunt@ustr.eop.gov>; Watson, Daniel L. EOP/USTR <Daniel_Watson@USTR.EOP.GOV>
Subject: RE: Final Gov Colyer Briefing Paper

(b) (5) [Redacted]
[Redacted]
[Redacted]
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Subject: Final Gov Colyer Briefing Paper

Molly/Stewart,

The attached reflects the full set of edits from Ag, China, and West Hem. (b) (5) [Redacted]
[Redacted]
[Redacted]

See TP below on page 4:

- (b) (5) [Redacted]

Thanks,
Dan

This email contains NAFTA Foreign Government Information, classified CONFIDENTIAL, modified handling authorized (C/FGI-MOD). Per the classification authorization issued on August 1, 2017, the contents must be handled in a manner to avoid unauthorized disclosure for four years after the entry into force of an agreement or four years after the completion of the last round of negotiations, whichever occurs first.

From: Bomer Lauritsen, Sharon E. EOP/USTR

Sent: Friday, March 23, 2018 7:05 PM

To: Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>; Rueda, Jorge M. EOP/USTR <Jorge.M.Rueda@ustr.eop.gov>; Gresser, Edward B. EOP/USTR <Edward_B_Gresser@ustr.eop.gov>; O'Brien, Daniel C. EOP/USTR <daniel.c.obrien@ustr.eop.gov>; Melle, John M. EOP/USTR <John_Melle@ustr.eop.gov>; Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>

Cc: Foley, Molly L. EOP/USTR <Molly.L.Foley@ustr.eop.gov>; Watson, Daniel L. EOP/USTR <Daniel_Watson@USTR.EOP.GOV>; Kays, Garrett G. EOP/USTR <Kenneth.G.Kays@ustr.eop.gov>; Wentzel, Roger A. EOP/USTR <Roger_Wentzel@ustr.eop.gov>; McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Malmrose, Roy A. EOP/USTR <Roy_Malmrose@ustr.eop.gov>; Mrocicka, Victor S. EOP/USTR <Victor_S_Mrocicka@ustr.eop.gov>; Millan, Juan A. EOP/USTR <Juan_Millan@ustr.eop.gov>; Laing, Sally S. EOP/USTR <Sally_S_Laing@ustr.eop.gov>; Blunt, Amanda C. EOP/USTR <Amanda_C_Blunt@ustr.eop.gov>

Subject: RE: Gov. Colyer (Kansas)

With my edits.

From: Hurst, Joan E. EOP/USTR

Sent: Friday, March 23, 2018 4:41 PM

To: Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>; Rueda, Jorge M. EOP/USTR <Jorge.M.Rueda@ustr.eop.gov>; Gresser, Edward B. EOP/USTR <Edward_B_Gresser@ustr.eop.gov>; O'Brien, Daniel C. EOP/USTR <daniel.c.obrien@ustr.eop.gov>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; Melle, John M. EOP/USTR <John_Melle@ustr.eop.gov>; Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>

Cc: Foley, Molly L. EOP/USTR <Molly.L.Foley@ustr.eop.gov>; Watson, Daniel L. EOP/USTR <Daniel_Watson@USTR.EOP.GOV>; Kays, Garrett G. EOP/USTR <Kenneth.G.Kays@ustr.eop.gov>; Wentzel, Roger A. EOP/USTR <Roger_Wentzel@ustr.eop.gov>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Malmrose, Roy A. EOP/USTR <Roy_Malmrose@ustr.eop.gov>; Mrocicka, Victor S. EOP/USTR <Victor_S_Mrocicka@ustr.eop.gov>; Millan, Juan A. EOP/USTR <Juan_Millan@ustr.eop.gov>; Laing, Sally S. EOP/USTR <Sally_S_Laing@ustr.eop.gov>; Blunt, Amanda C. EOP/USTR <Amanda_C_Blunt@ustr.eop.gov>

Subject: RE: Gov. Colyer (Kansas)

With a slight edit, based on OGC comments on the TRQ case.

Joan Hurst
Director for Agricultural Affairs

Office of the U.S. Trade Representative
Office: (202) 395-6117
Email: joan_hurst@ustr.eop.gov

From: Howe, Julia M. EOP/USTR
Sent: Friday, March 23, 2018 4:29 PM
To: Rueda, Jorge M. EOP/USTR <Jorge.M.Rueda@ustr.eop.gov>; Gresser, Edward B. EOP/USTR <Edward_B_Gresser@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; O'Brien, Daniel C. EOP/USTR <daniel.c.obrien@ustr.eop.gov>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; Melle, John M. EOP/USTR <John_Melle@ustr.eop.gov>; Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>
Cc: Foley, Molly L. EOP/USTR <Molly.L.Foley@ustr.eop.gov>; Watson, Daniel L. EOP/USTR <Daniel_Watson@USTR.EOP.GOV>; Kays, Garrett G. EOP/USTR <Kenneth.G.Kays@ustr.eop.gov>; Wentzel, Roger A. EOP/USTR <Roger_Wentzel@ustr.eop.gov>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Malmrose, Roy A. EOP/USTR <Roy_Malmrose@ustr.eop.gov>; Mrocza, Victor S. EOP/USTR <Victor_S_Mrocza@ustr.eop.gov>; Millan, Juan A. EOP/USTR <Juan_Millan@ustr.eop.gov>; Laing, Sally S. EOP/USTR <Sally_S_Laing@ustr.eop.gov>; Blunt, Amanda C. EOP/USTR <Amanda_C_Blunt@ustr.eop.gov>
Subject: RE: Gov. Colyer (Kansas)

Some minor edits on the China section.

From: Rueda, Jorge M. EOP/USTR
Sent: Friday, March 23, 2018 4:21 PM
To: Gresser, Edward B. EOP/USTR <Edward_B_Gresser@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; O'Brien, Daniel C. EOP/USTR <daniel.c.obrien@ustr.eop.gov>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; Melle, John M. EOP/USTR <John_Melle@ustr.eop.gov>; Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>
Cc: Foley, Molly L. EOP/USTR <Molly.L.Foley@ustr.eop.gov>; Watson, Daniel L. EOP/USTR <Daniel_Watson@USTR.EOP.GOV>; Kays, Garrett G. EOP/USTR <Kenneth.G.Kays@ustr.eop.gov>; Wentzel, Roger A. EOP/USTR <Roger_Wentzel@ustr.eop.gov>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>; Malmrose, Roy A. EOP/USTR <Roy_Malmrose@ustr.eop.gov>; Mrocza, Victor S. EOP/USTR <Victor_S_Mrocza@ustr.eop.gov>; Millan, Juan A. EOP/USTR <Juan_Millan@ustr.eop.gov>; Laing, Sally S. EOP/USTR <Sally_S_Laing@ustr.eop.gov>; Blunt, Amanda C. EOP/USTR <Amanda_C_Blunt@ustr.eop.gov>
Subject: RE: Gov. Colyer (Kansas)

Joan, sorghum section is good on my end. Thanks.

From: Gresser, Edward B. EOP/USTR
Sent: Friday, March 23, 2018 4:17 PM
To: Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; O'Brien, Daniel C. EOP/USTR <daniel.c.obrien@ustr.eop.gov>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; Melle, John M. EOP/USTR <John_Melle@ustr.eop.gov>;

Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>

Cc: Foley, Molly L. EOP/USTR <Molly.L.Foley@ustr.eop.gov>; Watson, Daniel L. EOP/USTR <Daniel_Watson@USTR.EOP.GOV>; Kays, Garrett G. EOP/USTR <Kenneth.G.Kays@ustr.eop.gov>; Wentzel, Roger A. EOP/USTR <Roger_Wentzel@ustr.eop.gov>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>; Rueda, Jorge M. EOP/USTR <Jorge.M.Rueda@ustr.eop.gov>; Malmrose, Roy A. EOP/USTR <Roy_Malmrose@ustr.eop.gov>; Mroczka, Victor S. EOP/USTR <Victor_S_Mroczka@ustr.eop.gov>; Millan, Juan A. EOP/USTR <Juan_Millan@ustr.eop.gov>; Laing, Sally S. EOP/USTR <Sally_S_Laing@ustr.eop.gov>; Blunt, Amanda C. EOP/USTR <Amanda_C_Blunt@ustr.eop.gov>
Subject: FW: Gov. Colyer (Kansas)

+ Bill and Fay

From: Hurst, Joan E. EOP/USTR

Sent: Friday, March 23, 2018 4:10 PM

To: O'Brien, Daniel C. EOP/USTR <daniel.c.obrien@ustr.eop.gov>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; Melle, John M. EOP/USTR <John_Melle@ustr.eop.gov>; Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>; Gresser, Edward B. EOP/USTR <Edward_B_Gresser@ustr.eop.gov>

Cc: Foley, Molly L. EOP/USTR <Molly.L.Foley@ustr.eop.gov>; Watson, Daniel L. EOP/USTR <Daniel_Watson@USTR.EOP.GOV>; Kays, Garrett G. EOP/USTR <Kenneth.G.Kays@ustr.eop.gov>; Wentzel, Roger A. EOP/USTR <Roger_Wentzel@ustr.eop.gov>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>; Rueda, Jorge M. EOP/USTR <Jorge.M.Rueda@ustr.eop.gov>; Malmrose, Roy A. EOP/USTR <Roy_Malmrose@ustr.eop.gov>; Mroczka, Victor S. EOP/USTR <Victor_S_Mroczka@ustr.eop.gov>; Millan, Juan A. EOP/USTR <Juan_Millan@ustr.eop.gov>; Laing, Sally S. EOP/USTR <Sally_S_Laing@ustr.eop.gov>; Blunt, Amanda C. EOP/USTR <Amanda_C_Blunt@ustr.eop.gov>

Subject: RE: Gov. Colyer (Kansas)

Hi Daniel,

Here's the memo with edits from the Ag office. I'm also cc'ing my colleagues across USTR who work on China, AD/CVDs and the China WTO disputes to review.

Thanks,

Joan Hurst
Director for Agricultural Affairs
Office of the U.S. Trade Representative
Office: (202) 395-6117
Email: joan_hurst@ustr.eop.gov

From: O'Brien, Daniel C. EOP/USTR

Sent: Friday, March 23, 2018 2:39 PM

To: Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; Melle, John M.

EOP/USTR <John_Melle@ustr.eop.gov>; Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>; Gresser, Edward B. EOP/USTR <Edward_B_Gresser@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>

Cc: Foley, Molly L. EOP/USTR <Molly.L.Foley@ustr.eop.gov>; Watson, Daniel L. EOP/USTR <Daniel_Watson@USTR.EOP.GOV>; Kays, Garrett G. EOP/USTR <Kenneth.G.Kays@ustr.eop.gov>; Wentzel, Roger A. EOP/USTR <Roger_Wentzel@ustr.eop.gov>

Subject: RE: Gov. Colyer (Kansas)

Draft attached.

Ag/China colleagues, please add any points required and send back. Thanks

This email contains NAFTA Foreign Government Information, classified CONFIDENTIAL, modified handling authorized (C/FGI-MOD). Per the classification authorization issued on August 1, 2017, the contents must be handled in a manner to avoid unauthorized disclosure for four years after the entry into force of an agreement or four years after the completion of the last round of negotiations, whichever occurs first.

From: Bomer Lauritsen, Sharon E. EOP/USTR
Sent: Friday, March 23, 2018 2:09 PM
To: O'Brien, Daniel C. EOP/USTR <daniel.c.obrien@ustr.eop.gov>; Melle, John M. EOP/USTR <John_Melle@ustr.eop.gov>; Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>; Gresser, Edward B. EOP/USTR <Edward_B_Gresser@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>
Cc: Foley, Molly L. EOP/USTR <Molly.L.Foley@ustr.eop.gov>; Watson, Daniel L. EOP/USTR <Daniel_Watson@USTR.EOP.GOV>; Kays, Garrett G. EOP/USTR <Kenneth.G.Kays@ustr.eop.gov>; Wentzel, Roger A. EOP/USTR <Roger_Wentzel@ustr.eop.gov>
Subject: RE: Gov. Colyer (Kansas)

U.S. State	Top Ag Products Produced	Total value of all commodity production (\$Millions)	Top 5 Exports	Total Value of all Exports (\$Millions)
Kansas	1. Cattle and calves	15,554	1. Wheat	4,143
Kansas	2. Corn		2. Beef and veal	
Kansas	3. Wheat		3. Soybeans	
Kansas	4. Soybeans		4. Feeds and other feed grains 3/	
Kansas	5. Sorghum		5. Corn	

This shows Kansas top five ag products produced, and top five exported globally.

Key NAFTA issue: (b) (1), (b) (5)

China – (b) (5)

China – (b) (5)

Adding Joan to help on china issues.

From: O'Brien, Daniel C. EOP/USTR

Sent: Friday, March 23, 2018 1:12 PM

To: Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; Melle, John M. EOP/USTR <John_Melle@ustr.eop.gov>; Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>; Gresser, Edward B. EOP/USTR <Edward_B_Gresser@ustr.eop.gov>

Cc: Foley, Molly L. EOP/USTR <Molly.L.Foley@ustr.eop.gov>; Watson, Daniel L. EOP/USTR <Daniel_Watson@USTR.EOP.GOV>; Kays, Garrett G. EOP/USTR <Kenneth.G.Kays@ustr.eop.gov>; Wentzel, Roger A. EOP/USTR <Roger_Wentzel@ustr.eop.gov>

Subject: RE: Gov. Colyer (Kansas)

Sharon and Ag colleagues--I am putting this paper together now. I have the Kansas trade stats to CA and MX, but if there is anything else you want to highlight let me know. I should have something to circulate in a couple of hours.

From: Bomer Lauritsen, Sharon E. EOP/USTR

Sent: Tuesday, March 20, 2018 4:50 PM

To: Melle, John M. EOP/USTR <John_Melle@ustr.eop.gov>; Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>; Gresser, Edward B. EOP/USTR <Edward_B_Gresser@ustr.eop.gov>; O'Brien, Daniel C. EOP/USTR <daniel.c.obrien@ustr.eop.gov>

Cc: Foley, Molly L. EOP/USTR <Molly.L.Foley@ustr.eop.gov>; Watson, Daniel L. EOP/USTR <Daniel_Watson@USTR.EOP.GOV>; Kays, Garrett G. EOP/USTR <Kenneth.G.Kays@ustr.eop.gov>; Wentzel, Roger A. EOP/USTR <Roger_Wentzel@ustr.eop.gov>

Subject: RE: Gov. Colyer (Kansas)

And Roger and Garrett to help with Ag. Amb. Doud actually knows the Governor quite well, and would probably want to coordinate with ACJM on this call.

From: Melle, John M. EOP/USTR

Sent: Tuesday, March 20, 2018 4:47 PM

To: Young, Stewart B. EOP/USTR <Stewart.B.Young@ustr.eop.gov>; Gresser, Edward B. EOP/USTR <Edward_B_Gresser@ustr.eop.gov>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; O'Brien, Daniel C. EOP/USTR <daniel.c.obrien@ustr.eop.gov>

Cc: Foley, Molly L. EOP/USTR <Molly.L.Foley@ustr.eop.gov>; Watson, Daniel L. EOP/USTR <Daniel_Watson@USTR.EOP.GOV>

Subject: RE: Gov. Colyer (Kansas)

Ok – adding Dan who can help with drafting.

John

From: Young, Stewart B. EOP/USTR
Sent: Tuesday, March 20, 2018 4:42 PM
To: Melle, John M. EOP/USTR <John_Melle@ustr.eop.gov>; Gresser, Edward B. EOP/USTR <Edward_B_Gresser@ustr.eop.gov>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>
Cc: Foley, Molly L. EOP/USTR <Molly.L.Foley@ustr.eop.gov>
Subject: Gov. Colyer (Kansas)

Ambassador Mahoney stopped by to say he would like to speak with Gov. Colyer – could we put together a memo for him for that call?

Largely introductory, (b) (5) Would likely take place next week.

Stewart B. Young
Deputy Assistant U.S. Trade Representative
Office of Intergovernmental Affairs and Public Engagement
202-395-2864 (Office) (b) (6) (Cell)
Stewart.B.Young@ustr.eop.gov

PHONE CALL: DUSTR MAHONEY WITH KANSAS GOVERNOR JEFF COLYER

TO: AMBASSADOR C.J. MAHONEY
FROM: JOHN MELLE, AUSTR, WESTERN HEMISPHERE AFFAIRS and SHARON BOMER LAURITSEN, AUSTR, AGRICULTURE
DATE: MARCH 23, 2018

EXECUTIVE SUMMARY

You will hold an introductory phone call with Kansas Governor Jeff Colyer. Lieutenant Governor Colyer was elevated to the governorship on January 31, 2018, when then-Governor Brownback resigned to become Ambassador-at-Large for International Religious Freedom. Governor Colyer has declared his candidacy in the November 2018 elections for Governor.

Colyer sent a letter to President Trump on March 7, 2018, underlining the importance of NAFTA to Kansas manufacturing and agriculture. (b) (1), (b) (5)

DETAILS

Date Monday, March 26, 2018
Time TBD
Location Phone call
Logistics TBD

ATTENDEES

Deputy USTR Mahoney
AUSTR John Melle (as appropriate)
AUSTR Sharon Bomer (as appropriate)

Governor Colyer

BACKGROUND / AREAS OF INTEREST

- This will be an introductory phone call.

- (b) (5)
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

KANSAS TRADE DATA

- Kansas' goods exports totaled \$11.3 billion in 2017, with \$2.5 billion to Canada, and \$1.9 billion to Mexico. Kansas' goods exports represented 0.7 percent of total U.S. goods exports in 2017.
- In 2017, civilian aircraft, engines, and parts were the top goods exports from Kansas at \$2.6 billion.
- This was followed by wheat (\$834 million); beef, fresh and frozen (\$1 billion); soybeans (\$404 million); and, corn (\$216 million).

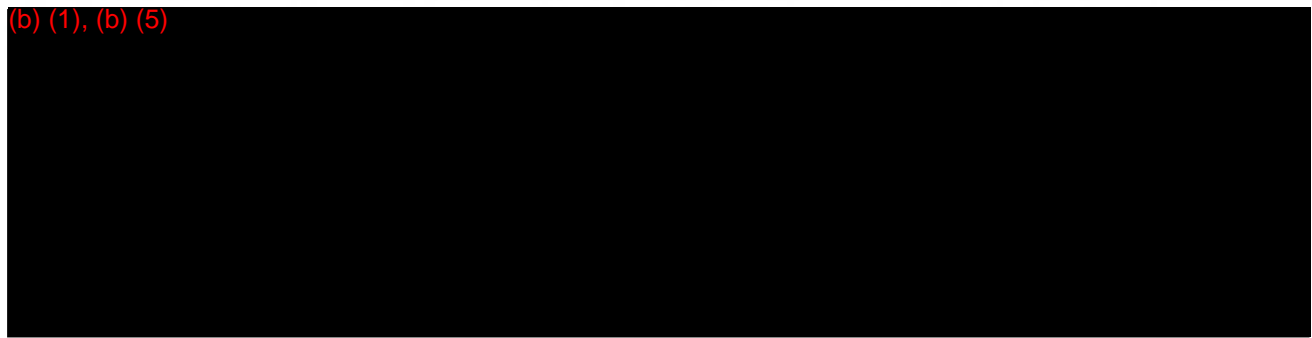
TALKING POINTS

- I wanted to begin my time as Deputy USTR by reaching out to you.
- As a Kansas native, I understand how important the state is to the U.S. economy. I am proud of the diversity of the state's economy, with broad representation across the agricultural, manufacturing, oil, gas, and service industries.
- I understand you know Ambassador Gregg Doud well, and I look forward to working with him on agricultural trade issues.
- President Trump is committed to negotiating and implementing trade agreements that benefit all Americans – our workers, farmers, ranchers, manufacturers and service providers. This is certainly true for the NAFTA renegotiations.

NAFTA GENERAL

- Since NAFTA entered into force over 24 years ago, the U.S. economy and global trading relationships have undergone substantial changes.


(b) (1), (b) (5)



- President Trump is committed to negotiating and implementing trade agreements that benefit all Americans – our workers, farmers, ranchers, manufacturers and service providers.

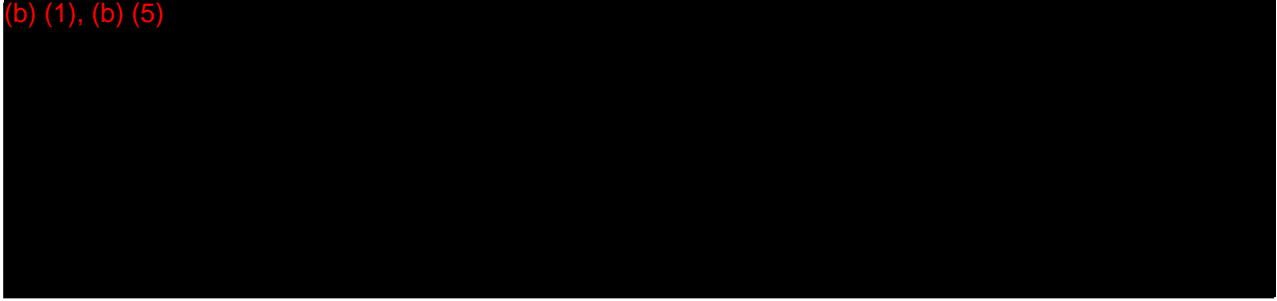
AGRICULTURE

(b) (1), (b) (5)



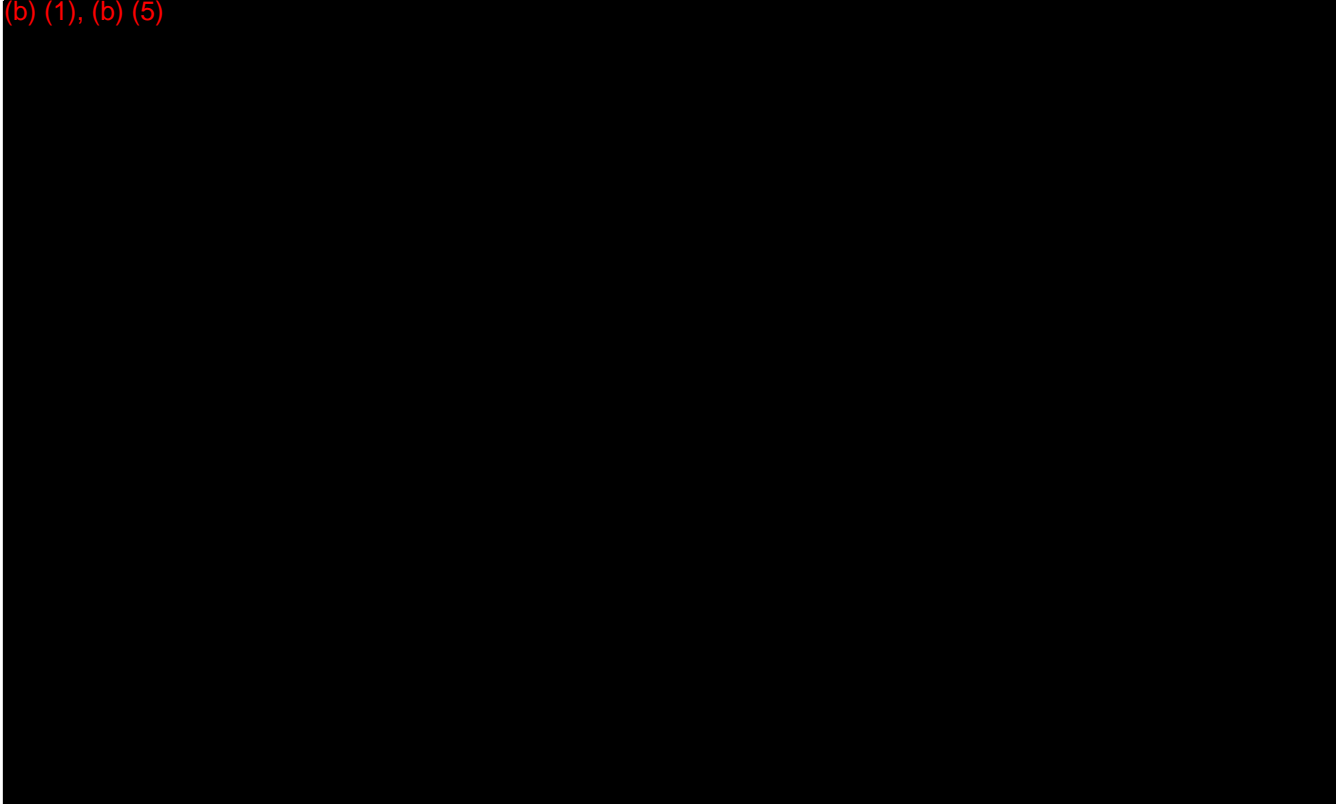
[APG]

(b) (1), (b) (5)

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CURRENT STATE OF PLAY:

(b) (1), (b) (5)

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CHINA AGRICULTURE

- I recognize what an important export market China is for the U.S. agricultural sector. In 2017, China was the second largest destination for U.S. agricultural exports, with imports from the United States of about \$20 billion.

Sorghum Investigation

- In February 2018, China self-initiated AD/CVD investigations of the U.S. sorghum exports to China in retaliation for the United States self-initiating antidumping and countervailing duty investigations of imports of Chinese aluminum foil.

[APG]

- We have a strong team working with the U.S. sorghum industry. Right now USTR, USDA and the Department of Commerce are working with the U.S. sorghum industry to answer questionnaires about the U.S. sorghum industry.

(b) (5)

China Biotech

- China's process for reviewing applications for approval of agricultural biotechnology products continues to be plagued by extensive and unpredictable delays.
- These delays have led to the current backlog of nearly 30 applications – and impose unnecessary risks to U.S. exports of corn, soybeans and alfalfa worldwide.
- In 2017, under the 100 Day Action Plan, China promised to act on eight of the many pending applications, but it only followed through on four of them.

(b) (5)

China's Potential Retaliation for 232 and 301.

- While China has not announced potential retaliation on 301, on March 23, China published a proposed list of U.S. products that may be targets of 232 retaliation.
- The proposed list of 128 tariff codes includes 105 agricultural food and agricultural products, including U.S. pork, fruits, tree nuts, ginseng and wine. Seamless steel pipes are on the list as well.
- The products will face an additional tariff of 10 percent or 25 percent effective May 1.
- China has not yet announced the date when it will begin applying the additional tariffs.

WTO Disputes with China on Agricultural Issues

- USTR is aggressively pursuing two WTO disputes against China's distortive policies on wheat, rice and corn. USTR is challenging China's market price support for these commodities that is up to 100 billion dollars in excess of what China committed to under WTO rules. The next meetings at the WTO on this matter are scheduled for April 2018.
- USTR is also examining China's opaque and unpredictable tariff-rate quota administration through which China artificially restricts imports of US wheat, rice, and corn. Meetings at the WTO are scheduled for July, 2018.

[APG]

(b) (5)



[APG]

00005

BIOGRAPHY



On January 31, 2018, Jeff Colyer, M.D. was sworn in as the 47th Governor of Kansas. He has also served in the Kansas House of Representatives and the Kansas Senate, where was a leader on fiscally responsible budgeting, healthcare policy, and protecting the sanctity of life. Dr. Colyer also served as a White House Fellow under President Ronald Reagan and President George H.W. Bush in international affairs.

Prior to government service, Dr. Colyer volunteered, as a surgeon, in dangerous war zones such as Afghanistan, Iraq, the Balkans, Libya, and Africa. He also served an International Medical Corps volunteer and the only surgeon in southern Rwanda during the genocide that killed 800,000 people. As a craniofacial/plastic surgeon, he is passionate about reconstructing complex skull and facial deformities in children.

Dr. Colyer earned a bachelor's degree in economics from Georgetown University, a master's degree in international relations from Cambridge University, and a medical doctorate from University of Kansas, School of Medicine. Dr. Colyer and his wife, Ruth, have been married since 1991 and have three daughters Alexandra, Serena and Dominique.

[APG]

00006

RE: For your review

From: "Bomer Lauritsen, Sharon E. EOP/USTR" (b) (6)
[REDACTED]
[REDACTED]

To: "Kays, Garrett G. EOP/USTR" <kenneth.g.kays@ustr.eop.gov>

Date: Tue, 03 Apr 2018 13:19:23 -0400

Attachments National Chicken Council - 4.4.18.docx (38.87 kB); National Chicken Council TPs
: AGD.docx (25.49 kB)

Did significant edits.

From: Kays, Garrett G. EOP/USTR
Sent: Tuesday, April 3, 2018 11:58 AM
To: Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>
Subject: RE: For your review

Updated attached.

NCC said they are looking to hear about China retaliation, China ban on HPAI, India WTO case and an update on NAFTA.

Harrison said that the meeting will be more similar to a roundtable – no podium. They would like for him to make some remarks and then have some back and forth afterwards.

Let me know if I can prepare any other information. Thanks!

From: Kays, Garrett G. EOP/USTR
Sent: Monday, April 2, 2018 10:03 AM
To: Sharon E. EOP/USTR Bomer Lauritsen (Sharon_E_BomerLauritsen@ustr.eop.gov)
<Sharon_E_BomerLauritsen@ustr.eop.gov>
Subject: For your review

With materials from Leslie, Joan, Karisha and Dylan.

Garrett Kays
Confidential Assistant
Office of the United States Trade Representative
Kenneth.G.Kays@ustr.eop.gov
Work: (202)-395-8582 | Cell: (b) (6)

INFORMATIONAL: MEETING WITH NATIONAL CHICKEN COUNCIL

TO: CHIEF AGRICULTURAL NEGOTIATOR, GREGG DOUD
FROM: AGRICULTURAL AFFAIRS STAFF
DATE: APRIL 2, 2018

EXECUTIVE SUMMARY

You have been invited to speak to the National Chicken Council Executive Policy Committee meeting on Wednesday, April 4th at 9:00 AM. The group will consist of approximately 20 CEOs, presidents and other senior executives from NCC processor member companies, as well as NCC senior staff. Companies represented will include; Sanderson Farms, Perdue Farms, Pilgrim's, Tyson Foods and many others. We are expecting that they would like to hear more on high-level trade issues, but Ag staff have included specific issues and TPs below.

BACKGROUND / AREAS OF INTEREST

- **NAFTA**

Mexico is the United States' largest export market for poultry at \$934 million in 2017. Almost half of that is fresh/frozen chicken cuts.

Canada is the U.S. third largest market at \$459 million, including \$240 million in fresh/chilled chicken cuts, and roughly \$126 million in processed chicken, despite TRQs. Canada's WTO TRQ is 39,844 metric tons, but the United States exported 168,427 mt of chicken as a three year average (2013-2017) as Canada issues supplemental import permits.

- **CHINA**

China has a history of threatening to block or raise tariffs on agricultural products and poultry has been caught in this issue. U.S. exports were at a high in 2008 at \$722 million but at 4315.4 million in 2014 before the HPAI outbreak.

U.S. poultry has been out of China's market because of China's AD/CVD case against the United States. In 2013 the United States prevailed in a WTO case challenging China's imposition of AD/CVD duties on broiler (i.e., poultry) products. The United States won challenges against China's redeterminations in 2014 and in May 2016, which left duties in place. China finally removed the AD/CVD duties on broiler products on February 27, 2018,

However, China's nationwide HPAI ban remains in place on the United States. The ban on imports of all U.S. poultry is ostensibly based on previous detections of high pathogenic avian influenza (HPAI), even though U.S. surveillance and enforcement efforts based on international guidelines ensure the safety of U.S. exports.

USTR, along with USDA, continues to raise the HPAI regionalization issue with China at the WTO.

[APG]

- **India**

In early March, FSIS and India came to agreement on export certificates for the export of U.S. poultry to India, which signals a possible resolution to our WTO poultry dispute with India. With the resolution on the technical aspects of the certificates, the United States is now able to ship poultry and poultry products to India for the first time since India banned imports of U.S. poultry in 2006. As of March 30, India has approved three Sanitary Import Permits (SIPs) for shipments of U.S. poultry and FAS in New Delhi has spoken with other Indian importers who are planning to apply for import permits. We have been told that the first air shipment of poultry should arrive in India the first week of April. (b) (5)

[REDACTED]

(b) (5)

- **South Africa**

In June 2015, the poultry industries in both countries, i.e., the USA Poultry & Egg Export Council (USAPEEC) and the South African Poultry Association (SAPA), with support from USTR, reached an agreement establishing a 65,000 mt TRQ to avoid U.S. industry lobbying to have AGOA benefits rescinded from South Africa. The TRQ product is exempt from antidumping (AD) duties. The United States can now export chicken leg quarters to South Africa within-quota at the most favored nation rate of 37 percent, while exports over the quota are still subject to AD duties. On January 6, 2016, the two countries also finalized a USDA health certificate for the export of poultry, as well as a side agreement addressing South Africa's sampling and testing for Salmonella. Under this side agreement, South Africa has eliminated its non-science-based zero tolerance policy for Salmonella in poultry and committed to transition to a risk-based sampling plan. The first U.S. chicken entered the South African market in March 2016.

(b) (5)

[REDACTED] Exports increased dramatically in 2017, totaling more than \$90 million. While we do not have full numbers yet from the 2017/2018 quota year, U.S. exports have already filled 73 percent of the 65,000 MT quota. (b) (5)

[REDACTED]

- **CAFTA-DR**

[APG]

CAFTA-DR has been an important FTA for U.S. poultry. U.S. poultry exports reached an all time high of \$257.8 million in 2017. In April 2017, Guatemala announced that it would unilaterally accelerate the elimination of its out-of-quota tariff on chicken leg quarters. The result was an elimination of tariffs five years early. That same year, El Salvador, Honduras, and Nicaragua each reached an agreement with USTR on the quantities for years 13 to 17 of the Chicken Tariff Rate Quotas established under the CAFTA-DR agreement. In year 18 tariffs are eliminated for chicken leg quarters.

The quantities are listed below for your reference:

- 1) For the Republic of El Salvador, the aggregate quantity of goods entered, as provided in Note 16 subparagraph (a) of Appendix I of the General Notes to the Tariff Schedule of Annex 3.3 of the Republic of El Salvador, for years 13 to 17, shall be the following:

Chicken Leg Quarters:

Year	Quantity (Metric tons)
13	4,858
14	4,955
15	5,153
16	5,359
17	5,574
18	unlimited

- 2) For the Republic of Honduras, the aggregate quantity of goods entered, as provided in Note 4 subparagraph (a) of Appendix I of the General Notes to the Tariff Schedule of Annex 3.3 of the Republic of Honduras, for years 13 to 17, shall be the following:

Chicken Leg Quarters:

Year	Quantity (Metric tons)
13	5,477
14	5,587
15	5,810
16	6,043
17	6,284
18	unlimited

- 3) For the Republic of Nicaragua, the aggregate quantity of goods entered, as provided in Note 4 subparagraph (a) of Appendix I of the General Notes to the Tariff Schedule of Annex 3.3 of the Republic of Nicaragua, for years 13 to 17, shall be the following:

Chicken Leg Quarters:

Year	Quantity
------	----------

[APG]

	(Metric tons)
13	3,582
14	3,654
15	3,800
16	3,953
17	4,111
18	unlimited

Saudi Arabia

Saudi Arabia has announced new Halal requirements that ban the stunning of chickens before slaughter. (b) (5)

[REDACTED]

Korea

(b) (5)

[REDACTED]

###

[APG]

00004

Remarks - National Chicken Council

April 4, 2018

Introduction

- It is good to have the opportunity to meet with you all as one of my first engagement opportunities at USTR. I know how important trade is for you and your organizations. I am eager to get to work, but especially with my industry counterparts.
- I am happy to finally be on the job and am appreciative of all of your support during my confirmation process. With a full team of Deputies on board at USTR, we are able to expand upon the President's agenda of Putting America First and take this message to our trading partners to ensure that America's farmers, ranchers and agribusinesses are treated fairly.
- I am currently on my fourth week on the job, but I want to make sure that I am meeting with as many stakeholders as possible. Many of you have long-standing relationships with me and the Ag affairs staff at USTR. I take pride in our office's relationship with our fellow aggies and it is something I look forward to continuing to develop.
- USTR works hard on a range of issues to help open export markets for U.S. poultry. 2017 saw an important increase of 10%, over 2016 for global exports to \$4.2 billion to 133 countries.
- This past year, USTR and USDA resolved issues with S Korea, although we apparently still have some issues, we eliminated the antidumping duty on China, although we still have AI barriers, and it looks like we are starting to export poultry to India. I know there is more work to be done.

China retaliation re: 232 & 301

- It is impossible today to talk about trade and not mention retaliation from China from the Section 232 and 301 investigations initiated by USTR.
- I understand how nervous folks are in the countryside, but let me take a minute to further describe these issues:
- Steel
 - The United States is the world's largest importer of steel and our imports are nearly four times our exports. Six basic oxygen furnaces and four electric furnaces have closed since 2000 and employment has dropped by 35%.
 - World steelmaking capacity is 2.4 billion metric tons, up 127% from 2000 while steel demand grew at a slower rate.

- The recent global excess capacity is 700 million tons, almost 7 times total U.S. consumption. China is by far the largest producer, exporter and source of excess capacity.
- China's excess capacity alone exceeds the total U.S. capacity. In an average month, China produces nearly as much steel as the U.S. does in a year.
- Aluminum
 - Aluminum imports have risen to 90% of total demand for primary aluminum, up from 66% in 2012.
 - From 2013 to 2016 aluminum industry employment fell by 58%, 6 smelters shut down and only two of the remaining 5 smelters are operating at capacity, even though demand has grown considerably. There is only one remaining U.S. producer of the high-quality aluminum alloy needed for military aerospace.
- The appropriate response from China should be to change its behavior. China needs to stop its unfair trading practices, which are harming U.S. national security and distorting global markets.
- China has historically put unfair limits on U.S. exports of competitive, high-quality agricultural products through a variety of policies. China's latest tariffs on 128 products are more of the same.
- America's farmers and ranchers are second to none, and the Trump Administration is committed to fighting unfair trade practices and growing more export opportunities for them.
- The United States will use all available authority and tools to defend and protect our farmers, ranchers and workers, including appropriate action through the World Trade Organization.
- While I think it is unfortunate that China felt the need to retaliate in this way, I think it was time that something was done to address these issues.
- At the same time, President Trump has directed USTR to investigate the theft of intellectual property by China through the Section 301 investigation and this is what we found:
 - China uses foreign ownership restrictions, including joint venture requirements and equity limitations, to pressure technology transfer from U.S. companies to Chinese entities.
 - China imposes substantial restrictions on U.S. firms' investments through restrictions on technology licensing terms.
 - China facilitates the systematic investment in, and acquisition of, U.S. companies and assets by Chinese companies to obtain cutting-edge technologies and intellectual property and to generate large-scale technology transfer in industries deemed important by Chinese government industrial plans.
 - China supports unauthorized intrusions into the computer networks of U.S. companies.
- While China is yet to retaliate against the U.S.'s proposed actions to prevent these obscene market practices, I understand how nervous the agriculture industry might be for what comes next.

Chinese poultry market access

(b) (5)

- This comes to no surprise for U.S. egg and poultry producers. U.S. poultry has been out of China's market because of China's AD/CVD case against the United States. In 2013, the United States prevailed in a WTO case challenging China's imposition of AD/CVD duties on broiler products.
- The United States won challenges against China's redeterminations in 2014 and in May of 2016, which left duties in place. China finally removed the AD/CVD duties on broiler products in of February 2018.
- However, China's nationwide HPAI ban remains in place on the United States. The ban on imports of all U.S. poultry is ostensibly based on previous detections of high pathogenic avian influenza (HPAI), even though U.S. surveillance and enforcement efforts based on international guidelines ensure the safety of U.S. exports.
- USTR and USDA will continue to raise the HPAI regionalization issue with China at the WTO.

NAFTA

- For many agricultural sectors, U.S. farmers, ranchers, and food processing industries have taken advantage of opportunities under NAFTA, although that has not been the case for all Americans.
- In NAFTA renegotiation, (b) (1), (b) (5)
- (b) (1), (b) (5)
- (b) (1), (b) (5)
- We are seeking to reach agreement as soon as we can, but we need a good agreement and will not be driven by a timetable.

New FTAs

- (b) (5)
- (b) (5)
- (b) (5)
- (b) (5)

India WTO case

- Regarding India, in early March, FSIS and India came to an agreement on export certificates for the export of U.S. poultry to India, which signals a possible resolution to our WTO poultry dispute with India.
- As of last Friday, India has approved three Sanitary Import Permits (SIPs) for shipments of U.S. poultry and FAS in New Delhi has spoken with other Indian importers who are planning to apply for import permits.
- We have been told that the first air shipment of poultry should arrive in India the first week of April.
- We encourage U.S. exporters to make sure they understand Indian labeling requirements before putting product on the water. USDA FAS is prepared to help with those.
- USTR has been very clear with Indian officials that India must first demonstrate sustained, unimpeded, long-term market access before we will have any discussions about long-term suspension of the dispute.

Conclusion

- There are many trade issues that are facing U.S. producers and agribusinesses and the economic downturn in farm country creates even more urgency to expand U.S. agricultural market access abroad.
- I look forward to going to bat on behalf of U.S. agriculture to make progress on the multitude of these trade challenges we have in front of us. For my part, there are many days ahead involving coordination and consultation with you and negotiation with our customers.
- It is an honor to be with you today and I look forward to answering any of your questions.

RE: This morning please

From: "Hurst, Joan E. EOP/USTR" <joan_e_hurst@ustr.eop.gov>
To: "Bomer Lauritsen, Sharon E. EOP/USTR" <sharon_e_bomerlauritsen@ustr.eop.gov>, "Daniels, Dylan T. EOP/USTR" <dylan.t.daniels@ustr.eop.gov>
Date: Fri, 06 Apr 2018 10:03:20 -0400

Attachments
: Chinese Laundry List for Ag.docx (17.64 kB)



Here's my Chinese laundry list. I tried to be as complete as possible so some of the points at the end are vague. I briefly mentioned seafood in here.

Joan Hurst
Director for Agricultural Affairs
Office of the U.S. Trade Representative
Office: (202) 395-6117
Email: joan_hurst@ustr.eop.gov

-----Original Message-----

From: Bomer Lauritsen, Sharon E. EOP/USTR
Sent: Friday, April 6, 2018 6:54 AM
To: Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; Daniels, Dylan T. EOP/USTR <Dylan.T.Daniels@ustr.eop.gov>
Subject: This morning please

Joan - not sure when your plane is but can you please provide a complete bulleted list of our bilateral problems with China. I can probably guess but want to make sure it's complete. Gregg has additional ideas which I can explain in person

Dylan. (b) (5)

Thank you

Sharon Bomer Lauritsen
Assistant USTR, Agricultural Affairs

For Linscott -- India

From: "Wineland, Timothy N. EOP/USTR" <timothy_wineland@ustr.eop.gov>
To: "Lynch, Brendan A. EOP/USTR" <brendan_a_lynch@ustr.eop.gov>
Cc: "Howe, Julia M. EOP/USTR" <julia_m_howe@ustr.eop.gov>
Date: Fri, 06 Apr 2018 11:24:19 -0400
Attachments Section 301 Messaging Documents 4.03.docx (44.92 kB); 301 - Product List TPs -
: USTR Cleared.docx (28.82 kB)

Brendan - Here's some comprehensive info on the 301 action. (b) (5)

From: Wineland, Timothy N. EOP/USTR
Sent: Wednesday, April 4, 2018 5:40 PM
To: Sevilla, Christina R. EOP/USTR <Christina_Sevilla@ustr.eop.gov>; Winter, Audrey S. EOP/USTR <Audrey_Winter@ustr.eop.gov>
Subject: RE: If asked China 301 retaliation points

Hi Christina – the attached documents are interagency cleared TPs on the whole 301 affair. With regard specifically to China retaliation, I have excerpted from the longer attachment a cleared response on the issue of retaliation.

Q: Will China take retaliatory action?

- How China responds is of course a decision that China will have to make.
- The appropriate response from China should be to change its behavior, which China's government has pledged to do many times in the past but has not. Economies around the world – including China's domestic economy – will benefit if China responds by making needed reforms to its trade distortive policies, instead of adopting new and harmful policies to block trade and distort world markets.
- We've engaged China in dialogue for over 14 years. The President has been forceful in stating that we need more than just empty dialogue to restore balance to the U.S.-China trade relationship.
- We cannot afford to tolerate China's economic aggression against U.S. technology and innovation. Chinese policies and actions are already hurting Americans. The President's decisions on the 301 investigation are designed to help Americans in the crosshairs of China right now.

It would be a huge mistake for China to double-down on its harmful trade policies by launching even more.

From: Sevilla, Christina R. EOP/USTR

Sent: Wednesday, April 4, 2018 5:13 PM

To: Winter, Audrey S. EOP/USTR <Audrey_Winter@ustr.eop.gov>; Wineland, Timothy N. EOP/USTR <Timothy_Wineland@USTR.EOP.GOV>

Subject: If asked China 301 retaliation points

Hi Audrey, Tim- am off to Kentucky for trade outreach events Thurs/Fri- does China office have any if asked points on China 301 retaliation for domestic audiences ?

Thanks Christina

Sent from my iPhone

SECTION 301 TALKING POINTS

TOPLINES:

- Under President Trump's leadership, the United States is committed to rebalancing the U.S.-China trade relationship to achieve more fair and reciprocal trade.
- This requires confronting China over its market-distorting forced technology transfers, intellectual property practices, and unauthorized intrusions into the computer networks of U.S. companies.
- These policies harm U.S. businesses, contribute to our massive trade deficit with China, seriously threaten our national security and the long-term competitiveness of the United States, and divert American jobs to workers in China.
- For years and continuing through the Trump Administration, the United States has repeatedly attempted to work with China in a cooperative and constructive manner to address China's unfair policies, but China has failed to resolve U.S. concerns.
- Therefore, as directed by the President, the U.S. Trade Representative has conducted a thorough investigation of China's practices and policies that harm or threaten U.S. intellectual property rights, innovation, or technology development.
- The responsive actions that the President has instructed us to take demonstrate that the United States will not tolerate unfair trade and economic aggression that has harmed American workers and companies.
- President Trump continues to deliver on his promise to use all trade laws available to address China's unfair trade practices.

301 INVESTIGATION AND RESPONSES:

WHY A 301 INVESTIGATION

- Since 2003, the United States has attempted to remedy China's unfair trade practices through varying versions of economic dialogues.
- Despite consistent high-level engagement over 14 years, these U.S.-China dialogues failed to achieve any fundamental shifts in the direction of Chinese policies and practices, including with regard to technology transfer.
- President Trump also tried this approach. Following the Mar-a-Lago Summit, the President agreed to participate in the U.S.-China Comprehensive Economic Dialogue (CED), but that structure failed to produce the results necessary to level the playing field for American workers and businesses.

- On August 14, 2017, President Trump determined that decisive action must be taken to protect U.S. innovators and job-creators from China's harmful economic aggression.
- Initiating a Section 301 investigation under the Trade Act of 1974 gave USTR broad authority to analyze and address China's unfair trade practices.
- Section 301 provides for a range of possible responsive actions to meet the goal of eliminating or otherwise resolving these unfair practices, such as the imposition of duties or other restrictions on goods or services.
- The United States is committed to using all available tools to make it costly for China to engage in destructive economic behavior.
- China's extensive and unfair trade practices harm not only the United States, but also our allies and partners around the world. We are eager to work with others to address the problems we have identified.

THE PROCESS OF THE INVESTIGATION

- Following a Memorandum from the President, on August 18, 2017, USTR initiated a Section 301 investigation into Chinese acts, policies, and practices regarding technology transfer and intellectual property.
- The investigation set out to determine whether China's activities are unreasonable, unjustifiable, or discriminatory foreign government practices that burden or restrict U.S. commerce.
- From the beginning, USTR, with assistance from the interagency Section 301 committee, has conducted the investigation based on a thorough analysis of evidence, including submissions provided by public consultation.
- USTR held a public hearing on October 10, 2017, consulted with private sector advisory committees, initiated two rounds of public written comment periods, and received approximately 70 written submissions from academics, think tanks, law firms, trade associations, and U.S. companies and workers.
- Taking account of the findings in the investigation, the President has directed that responsive actions should include increased tariffs on certain Chinese products, a WTO dispute on technology licensing, and possible investment restrictions to be recommended by the Treasury Department.

THE 301 INVESTIGATION FINDINGS

- Based on a thorough and rigorous investigation, the U.S. Trade Representative has advised the President that certain acts, policies, and practices of the Chinese government related to technology transfer, intellectual property, and innovation are unreasonable or discriminatory and burden or restrict U.S. commerce.

[APG]

- **Forced Technology Transfer From U.S. Inventors and Companies**
 - China uses foreign ownership restrictions, such as joint venture requirements and foreign equity limitations, and various administrative review and licensing processes to require or pressure technology transfer from U.S. companies to Chinese entities.
 - *Example:* China's Ministry of Industry and Information Technology imposes regulations requiring foreign companies that access China's New Energy Vehicles market to transfer core technologies to a joint venture and to disclose the development and manufacturing technology for the complete new energy vehicle.
- **Discriminatory Licensing Restrictions Against U.S. Technologies**
 - China's regime of technology regulations forces U.S. companies seeking to license technologies to Chinese entities to do so on non-market based terms that favor Chinese recipients.
 - *Example:* China State Council's Regulations on Technology Import and Export impose contractual restrictions on the licensing of intellectual property and foreign technology into China, yet the regulations do not apply in the case of a contract between two Chinese enterprises or one involving a Chinese technology exporter.
- **Predatory Foreign Acquisition of U.S. Companies and Assets**
 - China directs and unfairly facilitates the systematic investment in, and acquisition of, U.S. companies and assets by Chinese companies to generate large-scale technology transfer in industries deemed important by state industrial plans.
 - *Example:* Apex Technology Co., a Chinese investment consortium, acquired Lexmark International, a U.S. computer-printer maker, through the financial investment of the Chinese government-backed Integrated Circuit (IC) Fund. Prior to the acquisition, Lexmark had sued Apex, alleging it infringed at least 15 patents. Apex also had been sued by Canon Inc., Seiko Epson Corp., and Hewlett-Packard Co.
- **Hacking of U.S. Commercial Networks**
 - China conducts and supports unauthorized intrusions into, and theft from, the computer networks of U.S. companies to access their sensitive commercial information and trade secrets.
 - *Example:* In 2014, the United States charged five Chinese military hackers for computer hacking and economic espionage directed at six American victims in the U.S. nuclear power, metals and solar products industries.

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- An interagency team of subject matter experts and economists calculated the estimated cost of Chinese unfair acts, policies, and practices related to technology transfer. The estimated damages to the U.S. economy are at least \$50 billion per year. The resulting tariff list to be announced this week will align with this estimate, and will approximately be \$50 billion in Chinese imports.

THE RESPONSES TO FINDINGS OF UNFAIR TRADE PRACTICES

- Based on the 301 investigation findings, the President directed his Administration to act in light of ongoing harm to the U.S. economy and the threat to U.S. economic competitiveness in technology-intensive industries resulting from China's acts, policies, and practices. The responses include:
 - **Launching a case against China at the World Trade Organization**
 - As the Administration has said from the beginning, if an unfair trade practice identified in the 301 investigation can be addressed through WTO dispute settlement, we will do so.
 - Based on the findings of the investigation and as directed by the President, USTR will pursue WTO dispute settlement to address discriminatory licensing processes adopted by China that result in the transfer of technologies from U.S. companies.
 - The United States hopes to work with other countries in pursuing this case, in addition to the other cases against China that the United States has been litigating before the WTO.
 - **Adding 25 percent tariffs on certain products from China**
 - The Administration estimates that the damages to the U.S. economy resulting from China's unfair technology transfer practices are at least \$50 billion per year.
 - Based on the value of the U.S. damage assessment, USTR is proposing an additional 25 percent tariff on a specified product list totaling approximately \$50 billion.
 - Product sectors subject to the additional tariff will include aerospace, arms, information communication technology, and machinery.
 - The proposed tariff list was selected based on an algorithm that balances the application of maximum pressure on China's unfair industrial policy, and minimizing any impact on the U.S. economy.
 - USTR plans to publish the proposed product list this week. In accordance with the Presidential Memorandum, after a period of notice and comment, USTR will publish a final list of products and tariff increases.

[APG]

- **Considering restrictions on investment by China in key U.S. technologies**

- The President has further directed relevant departments and agencies to work with the Secretary of the Treasury to propose measures to address harm to the United States resulting from China's investment practices directed toward the acquisition of sensitive technologies that are not fully addressed by existing authorities.
- These actions will best position the United States to defend U.S. innovation from unfair trade practices and to achieve greater fairness and reciprocity in the United States' trade relationship with China.
- The goal is to mitigate Chinese mercantilist practices and create a level playing field that will give all Americans a better chance to succeed.

BACKGROUND:

- Section 301 of the Trade Act of 1974 gives the U.S. Trade Representative broad authority to take action, as directed by the President, to address a foreign country's unfair trade practices or policies.
- The statute includes authorization to take any actions that are within the President's power with respect to trade in goods or services, or any other area of relevant relations with the foreign country.

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Q and A on USTR's Section 301 Investigation of China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation

Determination

Q: What is Section 301?

A: "Section 301" refers generally to Chapter 1 of Title III of the Trade Act of 1974 (codified as amended in 19 U.S.C. §§ 2411-2417). Section 301 gives the USTR broad authority to investigate and, subject to the President's direction, respond to a foreign country's unfair trade practices.

Q: What are the determinations in the Section 301 investigation of China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation?

A: Based on evidence from public testimony and submissions, public reports, scholarly articles, and other sources of information, the USTR investigation supports the following findings:

(1) China uses foreign ownership restrictions, such as joint venture requirements and foreign equity limitations, and various administrative review and licensing processes to require or pressure technology transfer from U.S. companies to Chinese entities;

(2) China's regime of technology regulations forces U.S. companies seeking to license technologies to Chinese entities to do so on non-market based terms that favor Chinese recipients;

(3) China directs and unfairly facilitates the systematic investment in, and acquisition of, U.S. companies and assets by Chinese companies to generate large-scale technology transfer in industries deemed important by state industrial plans; and

(4) China conducts and supports unauthorized intrusions into, and theft from, the computer networks of U.S. companies to access their sensitive commercial information, such as, trade secrets.

Q: What responsive actions will the United States take?

A: In response to China's state-led, market-distorting efforts to force, pressure, and steal U.S. technologies and intellectual property, the President has determined that the following actions will best position the United States to defend U.S. innovation and achieve greater reciprocity in its economic relationship with China:

(1) **Tariffs:** The United States will impose tariffs on approximately \$50 billion in Chinese imports with an additional 25% duty ad valorem. A proposed product list will be published this week. Following a period of notice and comment, USTR will announce the final product list and increased rates of duty.

(2) **WTO Dispute Settlement:** The USTR will pursue a WTO dispute settlement case to address China's discriminatory licensing practices, possibly in conjunction with key allies that are interested in combatting China's unfair trade practices.

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(3) **Study of Investment Restrictions:** The President has further directed relevant departments and agencies to work with the Secretary of the Treasury to propose measures to address harm to the United States resulting from China's investment practices directed toward the acquisition of sensitive technologies that are not fully addressed by existing authorities, such as CFIUS or export controls.

Q: How many products are subject to the tariff increase? What is the value of the responsive action? For how long will the tariff increases be in effect?

A: The proposed product list will cover more than 1,300 separate tariff lines. The total import value of these Chinese products is estimated to be \$50 billion.

Q: Won't tariffs end up harming American consumers?

A: The proposed tariff list was developed using an algorithm designed to balance maximum pressure on China and minimizing economic impact on the United States.

Q: How did USTR determine the list of products subject to the tariff increase? How did USTR determine the value of the damage?

A: The list of products was based on extensive economic analysis, using widely-accepted sources of trade and other economic data, and is designed to target China's unfair industrial policies. The total value of imports for the products subject to the tariff increase is commensurate with an economic analysis of the harm caused by Chinese acts, policies, and practices related to technology transfer. An interagency process involving career staff international trade experts and economists determined the amount of the tariffs and the proposed list of Chinese imports to which they will apply.

A Federal Register notice to be issued by the USTR will identify the imported products on which these proposed tariffs may be imposed and will provide an opportunity for interested parties to comment.

Q: Does the cited harm arise from all the acts, policies, and practices subject investigation, or just a subset of them?

A: The value of imports for the products subject to the tariff increase is commensurate with an economic analysis of the harm caused by Chinese technology transfer and administrative licensing acts, policies, and practices covered in the investigation.

Q: Didn't interested parties raise "other" acts, policies, and practices of China relating to technology transfer, intellectual property, and innovation? What, if any, determination is USTR making with regard to potential inclusion of those acts, policies, and practices in this investigation? Are they going to be addressed through other applicable mechanisms?

A: Interested parties raised concerns with respect to other acts, policies, and practices of the Chinese government related to technology transfer, intellectual property, and innovation in the course of this investigation.

These include acts, policies, and practices of the Chinese government purportedly related to national security or cyber intrusions, the inadequate protection of intellectual property, China's Antimonopoly

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Law and related measures, China's Standardization Law and related measures, and China's talent acquisition practices.

These acts, policies, and practices are also of concern to USTR, and we will continue to work with industry and other stakeholders on these matters.

Public Comment and Consultations Process

Q: Will the public and industry have opportunities to provide their views on the tariff increase and the list of products?

A: Yes. The Federal Register notice will invite comments from interested parties on the proposed tariffs. The notice will specify the specific due date for comments and for a public hearing.

Q: Were Congress and the advisory committees consulted throughout this process? Will they have further opportunities to comment?

A: Yes. We have briefed Congress throughout the process. We have also consulted with the advisory committees before initiating the investigation, and provided further opportunities for input during the investigation.

Q: Where can I find the FRN?

A: USTR plans to issue the FRN with the proposed product list this week.

Q: Why are the particular concerns with China's Cyber Security law, data localization, and other acts not included in the determination?

A: Interested parties identified other acts, policies, and practices of the Chinese government related to technology transfer, intellectual property, and innovation in the course of this investigation.

These include acts, policies, and practices of the Chinese government purportedly related to national security or cyber intrusions, the inadequate protection of intellectual property, China's Antimonopoly Law and related measures, China's Standardization Law and related measures, and China's talent acquisition practices.

These additional acts, policies, and practices are of concern to the USTR, and require further investigation and evaluation. We will continue to work with industry and other stakeholders on these matters.

Effects

Q: Who are the supporters of USTR's investigation?

A: We received over 70 written submissions during the public comment period and heard from witnesses with varied interests and perspectives on China's technology transfer acts, practices, and policies.

[APG]

The majority of the submissions and witnesses support USTR's determination that China engages in unreasonable and discriminatory technology transfer acts, policies, and practices that burden or restrict U.S. commerce.

Q: Will China take retaliatory action?

- How China responds is of course a decision that China will have to make.
- The appropriate response from China should be to change its behavior, which China's government has pledged to do many times in the past but has not. Economies around the world – including China's domestic economy – will benefit if China responds by making needed reforms to its trade distortive policies, instead of adopting new and harmful policies to block trade and distort world markets.
- We've engaged China in dialogue for over 14 years. The President has been forceful in stating that we need more than just empty dialogue to restore balance to the U.S.-China trade relationship.
- We cannot afford to tolerate China's economic aggression against U.S. technology and innovation. Chinese policies and actions are already hurting Americans. The President's decisions on the 301 investigation are designed to help Americans in the crosshairs of China right now.
- It would be a huge mistake for China to double-down on its harmful trade policies by launching even more.

Q: How might the Administration blunt the impact of any Chinese retaliatory action?

A: The United States stands ready to defend our producers that may be harmed by foreign country retaliation, in particular farmers and ranchers who are often the first to be targeted by trade actions. As we take a stronger approach to the way we handle trade, we will use all of our authorities to ensure that we protect and preserve our agricultural interests.

Q: China and U.S. agriculture exports.

- China has historically put unfair limits on U.S. exports of competitive, high-quality agricultural products through a variety of policies. The Trump Administration is committed to vigorous enforcement to defend the interests of America's farmers and ranchers.
 - At the World Trade Organization (WTO), USTR is aggressively pursuing two disputes against China's distortive policies on wheat, rice and corn. USTR is challenging China's market price support for these commodities that is up to \$100 billion in excess of what China committed to under WTO rules. USTR is also attacking China's opaque and unpredictable tariff-rate quota administration through which China artificially restricts imports of US wheat, rice, and corn.

[APG]

- In February 2018, USTR won a WTO compliance challenge against China's unfair duties on poultry broiler products. As a result, China declared that it was terminating those WTO-inconsistent duties.
- In addition, as President Trump and U.S. Trade Representative Robert Lighthizer have said, the Administration is aggressively pursuing new trade deals to open markets for our farmers and ranchers.
- As we take a stronger approach to the way we handle trade, we will use all of our authorities to ensure that we protect and expand our agricultural interests.

Q: What effect will this investigation have on the broader relationship with China? Will bilateral activities under the Comprehensive Economic Dialogue (CED) or other fora continue?

A: We have made it plain to China that we have serious concerns about the matters under investigation and the overall balance in our trade and investment relationship. China should take steps to address these serious concerns.

Q: What does USTR seek to accomplish with this Section 301 investigation against China?

A: The President has reiterated that we need to restore balance to the U.S.-China trade relationship, and that means we need to confront China's market distorting technology transfer requirements and intellectual property practices that threaten American innovation in critical sectors.

The goal of the Section 301 investigation and responses is to change China's unfair and market-distorting behavior that harms American companies, innovators, and workers – as well as those of our allies and partners around the world.

As discussed in our determination, these measures include forced technology transfers through investment restrictions and administrative reviews, discriminatory licensing restrictions, government-directed acquisition of foreign technology, and cyber-enabled theft of U.S. commercial information.

Q: How will the tariff increase affect the stock market / employment / consumer prices / tax cut?

A: The proposed tariff action reflects extensive analysis and was designed to target or address China's unfair industrial policies. In the long run, the actions taken by the USTR and the President will benefit the entire U.S. economy by ending China's predatory technology transfer practices and theft of intellectual property.

Q: The President also announced a study of investment restrictions?

A: The President has further directed relevant departments and agencies to work with the Secretary of the Treasury to propose measures to address harm to the United States resulting from China's investment practices directed toward the acquisition of sensitive technologies that are not fully addressed by existing authorities, such as CFIUS or export controls.

Q: Will the Administration seek to impose visa restrictions?

[APG]

A: We have seen the media reports, but do not have any information to share. We would refer you to the Department of State for general questions about U.S. visa policy.

Legal and International

Q: Does taking action under Section 301 mean that USTR is giving up dispute settlement and recourse through the World Trade Organization?

A: Not at all. China's behavior has been undermining the global trading system and the WTO for years, using its protected market to force technology transfers and acquiring leading technology companies overseas. Import substitution policies, like China's Made in China 2025 initiative, clearly state that China seeks to take away domestic and international market share from foreigners, in defiance of global norms. The world's second-largest economy should not continue to ignore fundamental precepts of the global trading system.

For this reason, the President is directing the USTR to pursue a resolution of China's discriminatory licensing practices through the WTO's dispute settlement mechanism in conjunction with key allies, if possible.

However, most of China's acts, policies, and practices examined in this investigation that were found to be unreasonable and to burden and restrict U.S. commerce do not appear to be disciplined by the existing rules of the WTO.

Q: Is USTR's Section 301 action consistent with U.S. WTO obligations? Would China prevail if it were to pursue a WTO dispute settlement case against the United States?

A: China's behavior has been undermining the global trading system and the WTO for years, using its protected market to force technology transfers and by acquiring leading technology companies overseas. Import substitution policies, like China's Made in China 2025 initiative, clearly state that China seeks to take away domestic and international market share from foreigners, in defiance of global norms. The world's second-largest economy should not continue to ignore fundamental precepts of the global trading system.

The President and the U.S. Trade Representative do not believe that most of the matters covered in the investigation involve the WTO Agreements, and nothing in U.S. law or under the WTO Agreement prevent the United States from taking actions that are required to protect the U.S. national interest.

One of the matters covered in the investigation – technology licensing requirements – does appear to be inconsistent with China's WTO obligations, and USTR will raise this issue in WTO dispute settlement.

China should respond to these findings and the action by undertaking the necessary economic and policy reforms and market liberalization needed to end its trade-distortive practices. In contrast, counter-reactions – either unilaterally or through attempted recourse to WTO dispute settlement – would do nothing to address the harmful impacts of China's policies.

[APG]

Q: Do you anticipate domestic litigation over USTR's section 301 action? If so, could a court enjoin or overturn USTR's action?

A: USTR's action is fully consistent with all applicable U.S. laws.

Q: How would the responsive actions under consideration (tariffs, investment restrictions), affect U.S. relationship with allies and likeminded countries?

A. Most of our allies and trade partners share the same concerns about China's state-driven, mercantilist policies on trade and technology transfer.

Many countries also agree that China continues to game the WTO's international rules-based trading system and the openness of our economies in ways that threaten all of our economies and our long-term competitiveness.

In addition, we have maintained a sustained engagement effort with our allies and other like-minded countries in confronting China.

- Last November, the United States and Japan supported the EU's position against China in the WTO dispute related to China's non-market economy status.
- During the WTO Ministerial Meeting in Argentina last December, the EU Trade Commissioner, the Japanese Trade Minister and the U.S. Trade Representative issued a joint statement recognizing that "forced technology transfer" threatens the proper functioning of international trade, the creation of innovative technologies, and sustainable growth of the global economy. Together, we agreed to enhance trilateral cooperation in the WTO and in other fora to address this and other critical trade concerns.
- Earlier this month, the EU Trade Commissioner, the Japanese Trade Minister and the U.S. Trade Representative underscored "their shared objective to address non market-oriented policies and practices."

Q: Will the Administration's announcement that it is placing Section 232 tariffs on steel and aluminum imports on allies like Japan and the UK hurt the United States' ability to gain international support for its efforts to change China's behavior on issues like forced technology transfer and IP theft?

A. We have had ongoing discussions with many countries around the world that share our concerns about China's unfair trade practices, including China's market-distorting industrial policies, forced technology transfer, and IP theft. We look forward to working with our allies and partners – and indeed all countries that are concerned about China's behavior – to address these issues.

Q: Would the Section 301 announcement dampen China's interest in cooperating with the U.S. on the DPRK and other issues?

A. North Korea is a shared security threat. It is in the joint and shared interests of America and China to work together on this issue.

[APG]

- Separate from North Korea, we have longstanding concerns about China's unfair trade practices. With two economies as large as ours, it is natural and normal for us to have differences that we must address.
- It is a priority of this Administration to establish a fair and reciprocal economic relationship that serves the interests of the American people.

General International Communication Guidance:

- We need to distinguish between objectives of addressing China's policies and the tools that the United States has available and may be willing to use, which may be different from those of our trading partners. Regardless of agreement on the tools, it is extremely important that the United States and its partners remain united on the objective.
- We would not ask our allies and other like-minded countries to choose between China and the United States, but we would ask them to understand and support our objectives.

[APG]

RE: AZ Stakeholders Meeting

From: "Kays, Garrett G. EOP/USTR" <kenneth.g.kays@ustr.eop.gov>
To: "Bomer Lauritsen, Sharon E. EOP/USTR" <sharon_e_bomerlauritsen@ustr.eop.gov>
Date: Mon, 09 Apr 2018 16:28:49 -0400
Attachments 2018.04.06 - Senator Flake and AZ Delegation_ARL-041118_Ag_SA AGD.docx
: (229.56 kB)

I went back and double checked the email and Doud's version was attached.

I reattached on this email. Did it go through?

Do I need to upload to SP?

From: Bomer Lauritsen, Sharon E. EOP/USTR
Sent: Monday, April 9, 2018 4:27 PM
To: Kays, Garrett G. EOP/USTR <Kenneth.G.Kays@ustr.eop.gov>
Subject: Re: AZ Stakeholders Meeting

Nothing attached. Is it in sharepoint?

Sharon Bomer Lauritsen
Assistant USTR, Agricultural Affairs

On Apr 9, 2018, at 4:26 PM, Kays, Garrett G. EOP/USTR <Kenneth.G.Kays@ustr.eop.gov> wrote:

CC-

Doud just had a couple additions. Let me know if you need anything else from us!

Garrett

From: O'Brien, Daniel C. EOP/USTR
Sent: Monday, April 9, 2018 3:11 PM
To: Cobaugh, CC M. EOP/USTR <Christina.M.Cobaugh@ustr.eop.gov>
Cc: Watson, Daniel L. EOP/USTR <Daniel.Watson@USTR.EOP.GOV>; Melle, John M. EOP/USTR <John.Melle@ustr.eop.gov>; Boron, Andrea W. EOP/USTR <Andrea.W.Boron@ustr.eop.gov>; Yang, Leslie S. EOP/USTR <Leslie.Yang@ustr.eop.gov>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon.E.BomerLauritsen@ustr.eop.gov>; Ackerly, Stewart H. EOP/USTR <Stewart.H.Ackerly@ustr.eop.gov>; Foley, Molly L. EOP/USTR <Molly.L.Foley@ustr.eop.gov>; Bishop, Cameron M. EOP/USTR <Cameron.M.Bishop@ustr.eop.gov>
Subject: RE: AZ Stakeholders Meeting

CC-please hold off for a bit, as Ag needs to run through Amb Doud's office. Will follow up.

From: O'Brien, Daniel C. EOP/USTR
Sent: Monday, April 9, 2018 1:18 PM
To: Cobough, CC M. EOP/USTR <Christina.M.Cobough@ustr.eop.gov>
Cc: Watson, Daniel L. EOP/USTR <Daniel.Watson@USTR.EOP.GOV>; Melle, John M. EOP/USTR <John.Melle@ustr.eop.gov>; Boron, Andrea W. EOP/USTR <Andrea.W.Boron@ustr.eop.gov>; Yang, Leslie S. EOP/USTR <Leslie.Yang@USTR.EOP.GOV>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon.E.BomerLauritsen@ustr.eop.gov>; Ackerly, Stewart H. EOP/USTR <Stewart.H.Ackerly@ustr.eop.gov>; Foley, Molly L. EOP/USTR <Molly.L.Foley@ustr.eop.gov>; Bishop, Cameron M. EOP/USTR <Cameron.M.Bishop@ustr.eop.gov>
Subject: AZ Stakeholders Meeting

CC,

AZ Stakeholder paper. This has cleared WHem, Ag, WAMA, OGC, and DUSTR Mahoney's office.

Thank you.

Daniel O'Brien
Director, Mexico
Office of the U.S. Trade Representative
600 17th Street, NW
Washington, DC 20508
202-395-9454

This email contains NAFTA Foreign Government Information, classified CONFIDENTIAL, modified handling authorized (C/FGI-MOD). Per the classification authorization issued on August 1, 2017, the contents must be handled in a manner to avoid unauthorized disclosure for four years after the entry into force of an agreement or four years after the completion of the last round of negotiations, whichever occurs first.

<2018.04.06 - Senator Flake and AZ Delegation_ARL-041118_Ag_SA AGD.docx>

**MEMORANDUM: MEETING SENATOR JEFF FLAKE AND ARIZONA
AGRICULTURAL DELEGATION**
TO: AMBASSADOR ROBERT LIGHTHIZER
**FROM: AMBASSADOR C.J. MAHONEY AND AMBASSADOR GREGG
DOUD**
THROUGH: JOHN MELLE
DATE: APRIL 10, 2018

EXECUTIVE SUMMARY

You will be meeting with Senator Flake and a delegation of representatives of Arizona's agricultural and business sectors, mainly importers of Mexican produce.

Senator Flake placed a hold on Ambassador Doud's nomination because of his disapproval of USTR's seasonality proposal in the NAFTA renegotiation. Senator Flake specifically asked that we withdraw the tabled seasonality text. When we responded that we would not do so, he asked that you meet with Arizona-based agricultural interests as a condition of lifting the hold on Ambassador Doud's nomination. This meeting is the result.

DETAILS

Date	Wednesday, April 11, 2018
Time	
Location	Winder 203
Logistics	TBD

ATTENDEES

USTR

- You
- Jamieson Greer, Chief of Staff
- C.J. Mahoney, DUSTR
- Gregg Doud, Chief Agricultural Negotiator
- John Melle, AUSTR for Western Hemisphere
- Greg Walters, AUSTR for IAPE
- Sharon Bomer Lauritsen, AUSTR for Ag Affairs
- Stewart Young, DAUSTR for IAPE
- Fred Fischer, Director for Industry Trade Policy

Senator Flake and Staff

- Senator Jeff Flake, AZ
- Chandler Morse, Chief of Staff to Senator Flake
- Chris Stoller, Southern Arizona Director, Office of Senator Flake

Arizona Delegation

- Jim Kolbe: Co-Chair, Arizona Transportation & Trade Corridor Alliance
- Lance Jungmeyer: President, Fresh Produce Association of the Americas
- Jaime Chamberlain: President & CEO, JC-Distributing (produce company)
- Chris Ciruli: President & CEO, Ciruli Brothers (produce company)
- Felipe Garcia: Executive VP, Visit Tucson
- Glenn Hamer: President, Arizona Chamber of Commerce and Industry

Drafted by: DOBrien; LYang
Cleared by: VMrocka; DWatson; SBomer
OGC approval: CSmothers
FO approval: Amb Mahoney

- Russ Jones: President & CEO, RL Jones Customs Brokerage
- Chris Udall: Executive Director, Agribusiness & Water Council of Arizona
- Luis Ramirez: President, Ramirez Advisors Inter-National

TALKING POINTS

- Since NAFTA entered into force over 24 years ago, the U.S. economy and global trading relationships have undergone substantial changes.
- The United States has two primary objectives in these talks: renegotiate and modernize NAFTA.
 - Renegotiate: a comprehensive review to substantially change the agreement, rebalancing it to address the United States' trade deficit and manufacturing losses.
 - Modernize: update the 24-year-old agreement to reflect 21st century standards—for digital trade, intellectual property, financial services and more.

- (b) (1), (b) (5) [Redacted]
- (b) (1), (b) (5) [Redacted]
- (b) (1), (b) (5) [Redacted]

Agriculture

- For many agricultural sectors, U.S. farmers, ranchers, and food processing industries have taken advantage of opportunities under NAFTA, although that has not been the case for all Americans.
- In the NAFTA renegotiation, we are committed to preserving existing access and to modernizing NAFTA rules to the benefit of American agriculture.
- (b) (1), (b) (5) [Redacted]

[APG]

- We are also working to open up Canada’s market to the full range of U.S. dairy, poultry, and egg products.

Seasonality

- (b) (1), (b) (5) [Redacted]

- (b) (1), (b) (5) [Redacted]

(IF RAISED – (b) (5) [Redacted]

- (b) (5) [Redacted]

- (b) (5) [Redacted]

- (b) (5) [Redacted]

(IF RAISED – (b) (5) [Redacted]

- (b) (5) [Redacted]

- (b) (5) [Redacted]

- (b) (5) [REDACTED]
- (b) (5) [REDACTED]

IF RAISED – STEEL AND ALUMINUM 232

- The President’s decision to impose tariffs is based on a concern about the threat that excess capacity and imports of steel and aluminum pose to U.S. national security. His decision was based on the recommendations of the Secretary of Commerce.
- As you know, the Commerce Secretary’s recommendations were based on a lengthy consultative process, one that included consideration of the interests of users of steel products.
- The President has acknowledged the needs of steel-consuming industries by instructing Commerce to establish a process through which U.S. consumers can seek exclusion for products not available in the United States in sufficient quantity or quality.
- The Commerce Department has already promulgated the procedure for seeking such exclusions.

If asked (b) (5) [REDACTED]

- (b) (5) [REDACTED]
- (b) (5) [REDACTED]
- (b) (5) [REDACTED]

IF RAISED – U.S. TARIFFS ON GOODS FROM CHINA/SECTION 301

- Under the law, the President of the United States can take appropriate action to address China’s underlying unfair trade practices – and he has done so appropriately and responsibly.

[APG]

- Unfortunately, China has chosen to respond thus far with threats to impose unjustified tariffs on billions of dollars in U.S. exports, including U.S. agricultural products – on top of the tremendous harm China’s unfair trade policies have already caused.
- Under these regrettable circumstances caused by China, the President is right to ask for additional appropriate action to obtain the elimination of the unfair acts, policies, and practices identified in USTR’s report.
- The President’s responsive actions demonstrate that the United States will not tolerate unfair trade and economic aggression.
- The United States is open to discussions with China to seek true market-based reforms and to stop China’s unfair trade policies that are harming U.S. innovators, businesses, and workers.
 - Under President Trump’s leadership, the United States is committed to rebalancing the U.S.-China trade relationship to achieve more fair and reciprocal trade.
 - This requires confronting China over its market-distorting forced technology transfers, intellectual property practices, and cyber intrusions of U.S. commercial networks.
 - For years and continuing through the Trump Administration, the United States has repeatedly attempted to work with China in a cooperative and constructive manner to address China’s unfair policies, but China has failed to resolve U.S. concerns.
 - The responsive actions that the President has instructed us to take demonstrate that the United States will not tolerate unfair trade and economic aggression that has harmed American workers and companies.

BIOGRAPHICAL INFORMATION



**Senator Jeff
Flake, AZ**

- Republican Senator Flake has served as United States Senator from Arizona since 2013.
- Senator Flake served as a Representative from Arizona’s 6th district from 2003-2013 as well as for Arizona’s 1st district from 2001-2003.
- Senator Flake obtained a B.A. in International Relations and an M.A. in Political Science from Brigham Young University.

[APG]

BIOGRAPHICAL INFORMATION



Chandler Morse
Chief of Staff to Senator Flake

- Morse has served as Chief of Staff to Senator Flake since 2015.
- Prior to this position, he served as Senate Legislative Director for Senator Flake in 2013-2015; as House Deputy Chief of Staff & Legislative Director for Congressman Jeff Flake in 2009-2013; and as the Legislative Policy Director at the Congressional Western Caucus in 2005-2007.
- Morse earned his Bachelor's degree in Policy from The Ohio State University and his Master's degree in Environmental Science from the University of Maine.



Chris Stoller
Southern Arizona Director, Office of Senator Flake

- Chris Stoller is the Director of Senator Flake's Southern Arizona Office in Tucson, AZ. He is responsible for leading the Senator's overall efforts throughout Southern Arizona and for outreach to the Hispanic community statewide.



Jim Kolbe
Co-Chair, Arizona Transportation & Trade Corridor Alliance

- Jim Kolbe co-chairs the Arizona Governor's Transportation and Trade Corridor Alliance (TTCA), which encompasses the former CANAMEX Task Force.
- His eleven consecutive terms in the U.S. House of Representatives (from 1985-2007) include 20 years on the Appropriations Committee, four years as Treasury, Post Office and Related Agencies Subcommittee chair and six years as Foreign Operations, Export Financing and Related Agencies Subcommittee chair.
- Kolbe earned a Bachelor of Arts in Political Science from Northwestern University and a Master of Business Administration from Stanford University.



Lance Jungmeyer
President, Fresh Produce Association of the Americas

- Lance Jungmeyer is President of the Fresh Produce Association of the Americas (FPAA). The FPAA serves the needs of more than 100 North American-owned companies involved in the growth, harvest, marketing, import, and distribution of Mexican produce.
- Lance has more than 20 years' experience in the produce industry and is active in government, industry and civic groups including Trade Facilitation committees at the U.S. Chamber of Commerce.

[APG]

BIOGRAPHICAL INFORMATION



Jaime Chamberlain
President & CEO, JC-Distributing (produce company)

- Jaime S. Chamberlain is President of Nogales, AZ. based J-C Distributing Inc., an importer of Mexican fruits and vegetables.
- Mr. Chamberlain is a past Chairman of the Board of Directors of the Fresh Produce Association of the Americas and is a sponsor member of the Nogales/Santa Cruz County Port Authority.



Chris Ciruli
President & COO, Ciruli Brothers (produce company)

- Chris Ciruli currently serves as COO of Ciruli Brothers, and the Chairman of the FPAA's Mango Division. As Chief Operations Officer, Chris is responsible for overseeing the company's shipping operations, including the development of sales and marketing programs. Chris recently served a two-year term as Treasurer of the National Mango Board, and prior to that he was Chairman of the Board of Directors for the Fresh Produce Association of the Americas.
- Mr. Ciruli earned a BS in Business Administration from Northern Arizona University.



Felipe Garcia
Executive VP, Visit Tucson

- Felipe Garcia has served as Executive Vice-President of Visit Tucson since 2004.



Glenn Hamer
President, Arizona Chamber of Commerce and Industry

- Glenn Hamer has been president and CEO of the Arizona Chamber of Commerce and Industry since 2006.
- Prior to this position, Glenn served as chief of staff to Arizona Congressman Matt Salmon; executive director of the Arizona Republican Party during a winning U.S. Senate race; and as a legislative assistant to Arizona Sen. Jon Kyl, where he worked on issues ranging from identity theft to violent crime to intellectual property reforms. Glenn also served as the executive director of the Solar Energy Industries Association, and as director of business development and government relations for First Solar.
- Glenn is a graduate of Cornell University's School of Industrial and Labor Relations and Arizona State University's College of Law.

[APG]

BIOGRAPHICAL INFORMATION



Russ Jones
*President &
CEO, RL
Jones Customs
Brokerage*

- Russ Jones is President & CEO of RL Jones Customs Brokerage. The Brokerage covers all major U.S. Southern Border Ports, providing import/export, warehousing, transportation, and freight forwarding services.



Chris Udall
*Executive
Director,
Agribusiness
& Water
Council of
Arizona*

- Chris Udall joined the Agribusiness & Water Council of Arizona in November as Executive Director in 2004.
- Prior to his current position, Chris served for 10 years as a Congressional Aide to U.S. Representatives J.D. Hayworth and Rick Renzi, focusing on water and other issues related to the districts' natural resources.
- Agricultural Economics graduate of Brigham Young University.



Luis Ramirez
*President,
Ramirez
Advisors Inter-
National*

- Luis is president of Ramírez Advisors Inter-National, LLC (RAI-N).
- Luis was recently appointed to a third term on the Good Neighbor Environmental Board, which advises the President and Congress on Mexico-U.S. environmental issues and good neighbor practices.
- He has also served on the Federal Data Management Improvement Act (DMIA) Task Force, advising the U.S. Attorney General and the Secretary of Homeland Security.
- He earned his BA from the University of Arizona, cum Laude and his MS in Foreign Service from Georgetown University, where he was awarded a Dean's Citation of Service.

[APG]

NAMI - 4.18.18

From: "Kays, Garrett G. EOP/USTR" <kenneth.g.kays@ustr.eop.gov>
To: "Doud, Gregory F. EOP/USTR" <gregory.f.doud@ustr.eop.gov>
Date: Tue, 17 Apr 2018 18:01:43 -0400
Attachments: NAMI - 4.18.18.docx (22.31 kB)

Final version.

Remarks – North American Meat Institute

April 18, 2018

Introduction

- It is nice to be back in San Antonio and to meet with you all as one of my first travel opportunities at USTR. I know how important trade is for you and your organizations. I am eager to get to work, with my industry counterparts to expand upon the President's agenda of Putting America First and take this message to our trading partners to ensure that America's farmers, ranchers and agribusinesses are treated fairly.
- I am currently on my sixth week on the job, but I want to make sure that I am meeting with as many stakeholders as possible. Many of you have long-standing relationships with me and the Ag affairs staff at USTR. I take pride in our office's relationship with our fellow aggies and it is something I look forward to continuing to develop.
- USTR works hard on a range of issues to help open export markets for U.S. meat products. 2017 saw an important increase of 11%, over 2016, for global meat exports to \$17.3 billion. Also, for the first time since 2012, trade in all meats (beef, pork, and broiler meat) is expected to rise in 2018. While pork and broiler meat will make modest gains of 1 and 2 percent respectively, beef export growth will rise 5 percent.
- We now export poultry to 128 countries, beef to 113 countries and pork to 98 countries. Here's the message to those who aren't on this list but should be: You're on the wrong side of the fence.
- This past year, USTR and USDA resolved issues with South Korea to open the market for poultry for the first time since 2014, shipped beef to Brazil for the first time in 13 years, it looks like we are starting to export poultry to India and we will be sending pork to Argentina in the near future. While these are great accomplishments by the men and women at USDA and USTR, I know there is more work to be done.
- There are four items that I would like to discuss today that we are addressing at USTR: China, New Markets, Enforcement and U.S. agricultural leadership.

1. China

China retaliation re: 232 & 301

- It is impossible today to talk about trade and not mention recent actions by the Administration against China from the Section 232 and 301 investigations initiated by USTR.
- I understand how nervous folks are in the countryside, but let me take a minute to further describe these issues:
- For Steel:
 - The United States is the world's largest importer of steel and our imports are nearly four times our exports. Six basic oxygen furnaces and four electric furnaces have closed since 2000 and employment has dropped by 35%.

- World steelmaking capacity is 2.4 billion metric tons, up 127% from 2000 while steel demand grew at a slower rate.
- The recent global excess capacity is 700 million tons, almost 7 times total U.S. consumption. China is by far the largest producer, exporter and source of excess capacity.
- China's excess capacity alone exceeds the total U.S. capacity. In an average month, China produces nearly as much steel as the U.S. does in a year.
- Aluminum
 - Aluminum imports have risen to 90% of total demand for primary aluminum, up from 66% in 2012.
 - From 2013 to 2016 aluminum industry employment fell by 58%, 6 smelters shut down and only two of the remaining 5 smelters are operating at capacity, even though demand has grown considerably. There is only one remaining U.S. producer of the high-quality aluminum alloy needed for military aerospace.
- As you all are aware, China imposed \$3 billion in retaliatory tariffs on U.S. pork, fruit, and nuts in response to our Section 232 investigation on Chinese steel and aluminum and was the first calculated assault on the U.S. agriculture industry.
- The President also asked USTR to investigate Chinese technology transfer regime that undermines U.S. intellectual property, manufacturing and innovation. After 8-9 months of research, USTR found that China had caused \$50 billion in damage through the following practices:
 - Unfair technology transfer regime;
 - Discriminatory licensing requirements;
 - Government intervention in Chinese outbound invest in U.S. companies; AND
 - Unauthorized intrusions into U.S. commercial computer networks and cyber-enabled theft of intellectual property
- Upon the announcement of our 301 enforcement actions from USTR, China announced an ADDITIONAL \$50 billion in damage through retaliatory tariffs. This set of tariffs, in combination with the initial \$3 billion, covers nearly 82% of U.S. agricultural exports to China.
- USTR is accepting public comments until April 23rd and would welcome any input by our industry stakeholders.
- To date, U.S. agriculture has been the tip of the spear and borne the brunt of China's tariffs and other potential retaliation. As such, agriculture should be at the forefront to get its market access issues to China resolved.
- Unfortunately, China's non-economic policies are not ground breaking for us in agriculture... no matter what part of the industry you are involved in.

- For example, the Trump Administration is challenging China's market price support for rice, wheat and corn. Our estimates are that China has exceeded its WTO support limits in these commodities by nearly \$100 billion dollars. That's 100 billion with a B.
- We are also challenging China's administration of tariff-rate quotas for rice, wheat and corn. Why? Because they're not fulfilling what they committed to when they became a member of the WTO. If they were, China would have imported about \$3.5 billion worth of additional crops last year alone.
- These kind of domestic policies allow for China to have a MASSIVE amount of the world's ending stocks, such that USDA estimates that China has:
 - 40% of the world supply of corn stocks
 - 47% for wheat
 - 65% for rice
 - 23% for soybeans, and;
 - 46% for cotton
- This is also consistent with the moving targets that China continues to push, blocking U.S. beef out of their market. Even though the U.S. won a WTO case against Chinese duties against U.S. poultry exports, non-tariff barriers remain, that are not consistent with international animal health standards.
- The appropriate response from China should be to change its behavior. In the past, China has always sought the golden egg, but now they are going after the goose that laid it too.
- America's farmers and ranchers are second to none, and the Trump Administration is committed to fighting unfair trade practices and growing more export opportunities for them.
- While I think it is unfortunate that China felt the need to retaliate in this way, I think it was time that something was done to address these issues. I am committed, to not only short term market access opportunities, but to making institutional reform in China so that their policies no longer damage the interests of U.S. farmers and ranchers.

2. New Markets

NAFTA

- USTR is working around the clock to ensure a successful completion of NAFTA.
- I am committed to maintaining tariff free access for much of agriculture, while fulfilling our TPA requirements in seeking market access for U.S. dairy, poultry and eggs.
- A successful NAFTA renegotiation would send a signal to our non-NAFTA trade partners and the marketplace that President Trump has a strategy to benefit all parties involved.
- Completion of these negotiations would go a long way in calming the markets and bringing certainty to our farmers and ranchers.

New FTAs

- Since USTR now has its full complement of Deputies, we are having many strategic conversations about establishing new FTAs with other countries.
- USTR is coordinating with other agencies and performing in-depth analysis of markets that could provide future growth for U.S. ag exports.

- (b) (5) [REDACTED]
- I understand the potential opportunities that are in place in Southeast Asia and Africa.
- USTR officials are already working to lay the groundwork for a future FTA with the United Kingdom upon their exit from the European Union.

3. Enforcement

- The United States will use all available authority and tools to defend and protect our farmers, ranchers and workers, including appropriate action through the World Trade Organization to make sure that our trading partners are playing the by the rules and are being held accountable.
- The U.S. has brought some of the largest WTO cases, in the history of ALL WTO cases, in the agriculture trade arena against our partners, such as the cases against;
 - China's domestic support and TRQ administration,
 - EU on their implementation of beef hormone traceability,
 - India's prohibition on imports of poultry due to avian influenza concerns,
 - Indonesia on import licensing of livestock products,
 - And many more.
- We are using the recently reauthorized Generalized Systems of Preference program to evaluate India and Indonesia's eligibility to access the U.S. market for dairy and pork at nearly duty free levels.
 - These countries have implemented a wide array of trade barriers that create serious negative effects on U.S. commerce.
 - The acceptance of these petitions by industry and the GSP self-initiated review will result in one overall review of their compliance with the GSP market access criterion.
- We are working with our WTO colleagues to create a strategy to push for more transparency and data reporting to the WTO. For example, the last time China reported their domestic support was in 2010. How are you supposed to negotiate with a country if you don't have access to reciprocal information?

4. U.S. Leadership in Agricultural Trade

- The U.S. is leading among other colleagues to address tariff and non-tariff barriers for U.S. agricultural exports in the WTO.
- USTR is leading many conversations with our counterparts in setting international standards for Maximum Residue Levels for crop inputs that are based on sound science and risk assessment.
- USTR and USDA are also working to other countries to establish common sense approaches in CODEX, WHO and IARC that do not impact U.S. producers and consumers.

- Lastly, we must be creative in our approach, while going on offense. I welcome the opportunity to work together to be creative on further trade opportunities – MOUs, streamlining of export certificates, ag sectorals, etc. For example, we even signed a MOU on Trade in Food and Agriculture Products with Bahrain a couple weeks ago.

Conclusion


- I understand that times are tough in farm country and for our agribusinesses.
- I look forward to going to bat on behalf of U.S. agriculture to make progress on the multitude of trade challenges we have in front of us.
- We have a really great group of people at USTR.
- I'm working with Ted McKinney every day.
- For my part, there are many days ahead involving coordination and consultation with you and negotiation with our customers.
- It is an honor to be serving you in this role. There is a lot to do. Thank you for this opportunity to join you today.

FW: USTR Talking Points

From: "Davis, Emily K. EOP/USTR" <emily.k.davis@ustr.eop.gov>

To: "Doud, Gregory F. EOP/USTR" <gregory.f.doud@ustr.eop.gov>, "Bomer Lauritsen, Sharon E. EOP/USTR" <sharon_e_bomerlauritsen@ustr.eop.gov>

Cc: "Emerson, Jeffrey W. EOP/USTR" <jeffrey.w.emerson@ustr.eop.gov>, "Kays, Garrett G. EOP/USTR" <kenneth.g.kays@ustr.eop.gov>

Date: Thu, 19 Apr 2018 18:20:48 -0400 

Attachments 301 and China Response Talking Points.docx (28.77 kB); 232 China Response TPs - FINAL.DOCX (29.56 kB)

Amb Doud and Sharon –

Attached are the two sets of points that were developed re: China and their retaliation on agriculture.

Are there additional points or background you'd recommend? We're working with the WH to build out a comprehensive comms document on trade.

(b) (5)
[Redacted text block]

Would welcome any thoughts, ideas or information you can share or point us to. Thanks!

Emily

From: Ditto, Jessica E. EOP/WHO
Sent: Thursday, April 19, 2018 2:34 PM
To: Davis, Emily K. EOP/USTR <Emily.K.Davis@ustr.eop.gov>; Emerson, Jeffrey W. EOP/USTR <Jeffrey.W.Emerson@ustr.eop.gov>
Subject: USTR Talking Points

Please send over the TP's on Agriculture and any other materials that you want us to use in the messaging guide. I want to make sure we are using the latest versions.

RE: USTR Talking Points

From: "Davis, Emily K. EOP/USTR" <emily.k.davis@ustr.eop.gov>
"Bomer Lauritsen, Sharon E. EOP/USTR"
To: <sharon_e_bomerlauritsen@ustr.eop.gov>, "Doud, Gregory F. EOP/USTR"
<gregory.f.doud@ustr.eop.gov>
Cc: "Emerson, Jeffrey W. EOP/USTR" <jeffrey.w.emerson@ustr.eop.gov>, "Kays, Garrett G. EOP/USTR" <kenneth.g.kays@ustr.eop.gov>
Date: Fri, 20 Apr 2018 10:29:46 -0400



Attachments
: China and Agriculture - Talking Points 042018.docx (32.42 kB)

Combined talking points documents and incorporated the additional lines in attached. Thanks again

From: Davis, Emily K. EOP/USTR
Sent: Thursday, April 19, 2018 6:43 PM
To: Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>
Cc: Emerson, Jeffrey W. EOP/USTR <Jeffrey.W.Emerson@ustr.eop.gov>; Kays, Garrett G. EOP/USTR <Kenneth.G.Kays@ustr.eop.gov>
Subject: RE: USTR Talking Points

Thank you, both. We'll incorporate those points in.

From: Bomer Lauritsen, Sharon E. EOP/USTR
Sent: Thursday, April 19, 2018 6:27 PM
To: Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>; Davis, Emily K. EOP/USTR <Emily.K.Davis@ustr.eop.gov>
Cc: Emerson, Jeffrey W. EOP/USTR <Jeffrey.W.Emerson@ustr.eop.gov>; Kays, Garrett G. EOP/USTR <Kenneth.G.Kays@ustr.eop.gov>
Subject: RE: USTR Talking Points

You could add,

(b) (5) [Redacted text block consisting of three lines of blacked-out content]

From: Doud, Gregory F. EOP/USTR
Sent: Thursday, April 19, 2018 6:25 PM

To: Davis, Emily K. EOP/USTR <Emily.K.Davis@ustr.eop.gov>
Cc: Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; Emerson, Jeffrey W. EOP/USTR <Jeffrey.W.Emerson@ustr.eop.gov>; Kays, Garrett G. EOP/USTR <Kenneth.G.Kays@ustr.eop.gov>
Subject: Re: USTR Talking Points

Thank you Emily.

The only thing we might also want to consider saying is (b) (5)

Thanks,
Gregg

Sent from my iPhone

On Apr 19, 2018, at 6:20 PM, Davis, Emily K. EOP/USTR <Emily.K.Davis@ustr.eop.gov> wrote:

Amb Doud and Sharon –

Attached are the two sets of points that were developed re: China and their retaliation on agriculture.

Are there additional points or background you'd recommend? We're working with the WH to build out a comprehensive comms document on trade.

I think it could especially use some points on sorghum; below is what is in use currently, as worked out with the WH:

(b) (5)

Would welcome any thoughts, ideas or information you can share or point us to. Thanks!

Emily

From: Ditto, Jessica E. EOP/WHO
Sent: Thursday, April 19, 2018 2:34 PM
To: Davis, Emily K. EOP/USTR <Emily.K.Davis@ustr.eop.gov>; Emerson, Jeffrey W. EOP/USTR <Jeffrey.W.Emerson@ustr.eop.gov>
Subject: USTR Talking Points

Please send over the TP's on Agriculture and any other materials that you want us to use in the messaging guide. I want to make sure we are using the latest versions.

<301 and China Response Talking Points.docx>

<232 China Response TPs - FINAL.DOCX>

FOR REVIEW BY COB: Q&As for House Ag Committee closed door roundtable

From: "Yang, Leslie S. EOP/USTR" <leslie_yang@ustr.eop.gov>
"O'Brien, Daniel C. EOP/USTR" <daniel.c.obrien@ustr.eop.gov>, "Boron, Andrea W. EOP/USTR" <andrea.w.boron@ustr.eop.gov>, "Laing, Sally S. EOP/USTR" <sally_s_laing@ustr.eop.gov>, "Mandell, Lauren A. EOP/USTR" <lauren_a_mandell@ustr.eop.gov>, "Smothers, Courtney E. EOP/USTR" <courtney_smothers@ustr.eop.gov>, "Blunt, Amanda C. EOP/USTR" <amanda_c_blunt@ustr.eop.gov>, "Stirk, John D. EOP/USTR" <john_stirk@ustr.eop.gov>, "Mrocicka, Victor S. EOP/USTR" <victor_s_mrocicka@ustr.eop.gov>, "Daniels, Dylan T. EOP/USTR" <dylan.t.daniels@ustr.eop.gov>, "Majerus, Ryan M. EOP/USTR" <ryan_m_majerus@ustr.eop.gov>, "Kendall, Elizabeth L. EOP/USTR" <elizabeth_l_kendall@ustr.eop.gov>, "Lee, Daniel E. EOP/USTR" <daniel_lee@ustr.eop.gov>, "Harrington, Conor B. EOP/USTR" <conor_b_harrington@ustr.eop.gov>

To:

Date: Fri, 20 Apr 2018 09:24:41 -0400

Attachments  : Ag Office QA -3.20.18 lsy.docx (52.99 kB)

Dear Colleagues,

Please see attached Q&A for AGD's House Ag Committee closed door roundtable. Would appreciate comments/clearance by COB today. Fortunately, these were recently updated, so this shouldn't take more than a few minutes.

Dan/Andrea: page 1—general NAFTA and ag

Sally: page 1-2—COOL

Lauren: page 2—ISDS

Dan/Andrea/Courtney: page 2-3—performance review

Courtney: page 3—DS

Andrea/Amanda/Sally: pages 3-4--CA dairy

Sally: page 4—CA tariffs

Andrea/Dan/Sally: page 4--CA wine

Sally: page 4—CA wheat

Dan: page 4—MX potatoes

Victor: pages 4-5:--TR and seasonal

Dylan and Ryan: pages 5-6—sugar

Team IPN: page 6--GIs

Thank you,
Leslie

This email contains NAFTA Foreign Government Information, classified CONFIDENTIAL, modified handling authorized (C/FGI-MOD). Per the classification authorization issued on August 1, 2017, the contents must be handled in a manner to avoid unauthorized disclosure for four years after the entry into force of an agreement or four years after the completion of the last round of negotiations, whichever occurs first.

final NAFB speech

From: "Doud, Gregory F. EOP/USTR" (b) (6) [REDACTED]
[REDACTED]
[REDACTED]

To: "Garrett Kays (Kenneth.G.Kays@ustr.eop.gov)" <kenneth.g.kays@ustr.eop.gov>

Date: Mon, 23 Apr 2018 16:28:45 -0400

Attachments
: NAFB 4.23.18 GK PG.DOCX (23.45 kB)

Garrett,
This version has been review and approved (Payne & Jamieson). There are a couple of minor edits.
Gregg

Remarks – National Association of Farm Broadcasters

April 23, 2018

Introduction

- It is a pleasure to be with you and have a conversation that is critically important to this nation's farmers, ranchers and processors: trade. I know how important trade is for all of us in agriculture. Grains, oilseeds, meat, fruits, vegetables, wine – you name it. Everyone's livelihood hinges on our ability to export these products -- \$140 billion worth – to the 96% of the world's consumers that live outside the United States.
- I am currently on my 7th week on the job and have had a lot of meetings with stakeholders. I know many of the folks in agriculture very well and so does the Ag affairs staff at USTR. We take pride in our office's relationship with our fellow aggies and it is something I look forward to continuing to develop.
- There are four items that I would like to discuss today that we are addressing at USTR: China, New Markets, Enforcement and U.S. agricultural leadership.
- China
 - USTR is addressing China's history of non-economy policy, head-on, after limited to no success in WTO and through constructive coordination: JCCT – Strategic & Economic Dialogues
 - Section 232 and 301 investigations are currently front and center in the Trump Administration's approach to addressing China's market-distorting policies, but this is nothing new for us in agriculture.
- The President also asked USTR to investigate Chinese technology transfer regime that undermines U.S. intellectual property, manufacturing and innovation. After 8-9 months of research, USTR found that China had caused \$50 billion in damage through the following practices:
 - Unfair technology transfer regime;
 - Discriminatory licensing requirements;
 - Government intervention in Chinese outbound invest in U.S. companies;AND

- Unauthorized intrusions into U.S. commercial computer networks and cyber-enabled theft of intellectual property
- It is the story of the goose that laid the golden egg, and now China wants the goose. To the extent that on at least eight occasions since 2010, the Chinese government has committed to limiting their technology transfer regime, but has failed to uphold their commitments.
- USTR is accepting public comments until today -- April 23rd.
- I understand how nervous folks are in the countryside, but let me take a minute to further describe these issues:
- For Steel:
 - The United States is the world's largest importer of steel and our imports are nearly four times our exports. Six basic oxygen furnaces and four electric furnaces have closed since 2000 and employment has dropped by 35%.
 - The recent global excess capacity is 700 million tons, almost 7 times total U.S. consumption. China is by far the largest producer, exporter and source of excess capacity.
 - China's excess capacity alone exceeds the total U.S. capacity. In an average month, China produces nearly as much steel as the U.S. does in a year.
- Aluminum
 - Aluminum imports have risen to 90% of total demand for primary aluminum, up from 66% in 2012.
 - From 2013 to 2016 aluminum industry employment fell by 58%, 6 smelters shut down and only two of the remaining 5 smelters are operating at capacity, even though demand has grown considerably.
 - There is only one remaining U.S. producer of the high-quality aluminum alloy needed for military aerospace.
- As you all are aware, China imposed \$3 billion in retaliatory tariffs on U.S. pork, fruit, and nuts in response to our Section 232 investigation on Chinese

steel and aluminum and was the first calculated assault on the U.S. agriculture industry.

- Upon the announcement of our 301 enforcement actions from USTR, China announced an ADDITIONAL \$50 billion in damage through retaliatory tariffs. This set of tariffs, in combination with the initial \$3 billion, covers nearly 82% of U.S. agricultural exports to China.
- To date, U.S. agriculture has been the tip of the spear and borne the brunt of China's tariffs and other potential retaliation. As such, agriculture should be at the forefront to get its market access issues to China resolved.
- Unfortunately, China's non-economic policies are not limited to manufacturing, they also hurt us in agriculture... no matter what part of the industry you are involved in.
- For example, the Trump Administration is challenging China's market price support for rice, wheat and corn. Our estimates are that China has exceeded its WTO support limits in these commodities by nearly \$100 billion dollars. That's 100 billion with a B.
- We are also challenging China's administration of tariff-rate quotas for rice, wheat and corn. Why? Because they're not fulfilling what they committed to when they became a member of the WTO. If they were, China would have imported about \$3.5 billion worth of additional crops last year alone.
- These kind of domestic policies allow for China to have a MASSIVE amount of the world's ending stocks, such that USDA estimates that China has:
 - 40% of the world supply of corn stocks
 - 47% for wheat
 - 65% for rice
 - 23% for soybeans, and;
 - 46% for cotton
- This is also consistent with the moving targets that China continues to push, blocking U.S. beef out of their market. Even though the U.S. won a WTO case against Chinese duties against U.S. poultry exports, non-tariff barriers remain, that are not consistent with international animal health standards.
- The appropriate response from China should be to change its behavior.

- While it is unfortunate that China felt the need to retaliate in this way, it is time that something was done to address these issues. This Administration is committed, to not only short term market access opportunities, but to making institutional reform in China so that their policies no longer damage the interests of U.S. farmers and ranchers.
 - I understand the concern in farm country, but USTR is looking for every opportunity to engage with China and address these concerns.

1. New Markets

NAFTA

- USTR is working around the clock to ensure a successful completion of NAFTA.
- We are committed to maintaining tariff free access for much of agriculture, while fulfilling our TPA requirements in seeking market access for U.S. dairy, poultry and eggs.
- A successful NAFTA renegotiation would send a signal to our non-NAFTA trade partners and the marketplace that President Trump has a strategy to benefit all parties involved.
- Completion of these negotiations would go a long way in calming the markets and bringing certainty to our farmers and ranchers.

New FTAs

- Since USTR now has its full complement of Deputies, we are having many strategic conversations about establishing new FTAs with other countries.
- USTR is coordinating with other agencies and performing in-depth analysis of markets that could provide future growth for U.S. ag exports.
- (b) (5) [REDACTED]

- I understand the potential opportunities that are in place in Southeast Asia and Africa.
- USTR officials are already working to lay the groundwork for a future FTA with the United Kingdom upon their exit from the European Union.

2. Enforcement

- The United States will use all available authority and tools to defend and protect our farmers, ranchers and workers, including appropriate action through the World Trade Organization to make sure that our trading partners are playing the by the rules and are being held accountable.
- The U.S. has brought some of the largest WTO cases, in the history of ALL WTO cases, in the agriculture trade arena against our partners, such as the cases against;
 - China's domestic support and TRQ administration,
 - EU on their implementation of beef hormone traceability,
 - India's prohibition on imports of poultry due to avian influenza concerns,
 - Indonesia on import licensing of livestock products,
 - Several others...
- We are working with our WTO colleagues to create a strategy to push for more transparency and data reporting to the WTO. For example, the last time China reported their domestic support was in 2010. How are you supposed to negotiate with a country if you don't have access to reciprocal information?
- We are using the recently reauthorized Generalized Systems of Preference program to evaluate India and Indonesia's eligibility to access the U.S. market for dairy and pork at nearly duty free levels.
 - These countries have implemented a wide array of trade barriers that create serious negative effects on U.S. commerce.
 - The acceptance of these petitions by industry and the GSP self-initiated review will result in one overall review of their compliance with the GSP market access criterion.

3. U.S. Leadership in Agricultural Trade

- The U.S. is leading among other colleagues to address tariff and non-tariff barriers for U.S. agricultural exports in the WTO.
- USTR is leading many conversations with our counterparts in setting international standards for Maximum Residue Levels for crop inputs that are based on sound science and risk assessment.
- USTR and USDA are also working to other countries to establish common sense approaches in CODEX, WHO and IARC that do not impact U.S. producers and consumers.
- Lastly, we must be creative in our approach, while going on offense. I welcome the opportunity to work together to be creative on further trade opportunities – MOUs, streamlining of export certificates, ag sectorals, etc. For example, we even signed a MOU on Trade in Food and Agriculture Products with Bahrain a couple weeks ago.

Conclusion

- This past year, USTR and USDA resolved issues with South Korea to open the market for poultry for the first time since 2014, shipped beef to Brazil for the first time in 13 years.
- We are keeping an eye on the effort to export poultry to India and we will be sending pork to Argentina in the near future. While these are great accomplishments by the men and women at USDA and USTR, I know there is more work to be done.
- I understand that times are tough in farm country and for our agribusinesses.
- We have a really great group of people at USTR.
- I'm working with USDA's Undersecretary for Trade Ted McKinney every day.
- For my part, there are many days ahead involving coordination and consultation with you and negotiation with our customers.
- It is an honor to be serving you in this role. There is a lot to do. Thank you for this opportunity to join you today.

NAFB bullet points

From: "Kays, Garrett G. EOP/USTR" <kenneth.g.kays@ustr.eop.gov>

To: "Doud, Gregory F. EOP/USTR" <gregory.f.doud@ustr.eop.gov>

Date: Mon, 23 Apr 2018 10:41:56 -0400

For your review.

Bullet points for National Association of Farm Broadcasters speech – April 23rd at 7:00 PM

- China
 - USTR is addressing China's history of non-economy policy, head-on, after limited to no success in WTO and through constructive coordination
 - Section 232 and 301 investigations are currently front and center in the Trump Administration's approach to addressing China's market-distorting policies, but this is nothing new for us in agriculture.
 - We are addressing China's unfair trade practices at the WTO with our 2 cases addressing China's TRQ administration and their domestic support.
 - I understand the concern in farm country, but USTR is looking for every opportunity to engage with China and address these concerns.
- Enforcement
 - Our trading partners must play by the rules and must remain accountable, and as needed, we must take enforcement action to keep the playing field level. Here are some examples of how the Trump Administration is working to protect our farmers, ranchers and workers, such as WTO cases regarding the following:
 - EU on their implementation of beef hormone traceability,
 - India's prohibition on imports of poultry due to avian influenza concerns,
 - Indonesia on import licensing of livestock products,
 - And many more.
 - We are also using leverage created by GSP to address trade barriers with countries such as India and Indonesia that prevent market access for U.S. ag exports
 - We are also pushing for more transparency and data reporting at the WTO. China has not reported their domestic support since 2010.
- New Markets
 - NAFTA – we are working around the clock to ensure a success close to NAFTA that maintains tariff free access for many ag commodities and fulfills our TPA requirements in seeking market access for U.S. dairy, poultry and eggs.
 - We are also looking for every opportunity to go on offense and are having many strategic conversations about new FTA possibilities. (Japan, UK in the future, SE Asia, Africa, etc.)

-
- We also need to be creative on new opportunities – MOU, Ag annexes and sectorals, etc. We signed a MOU on food and ag trade with Bahrain a couple of weeks ago and are looking for additional opportunities similar to this.
-
- U.S. Leadership in Ag trade
-
- The U.S. maintains our commitment to reducing tariff and non-tariff barriers at the WTO for ag exports
 - USG is leading the conversation on Maximum Residue Levels, CODEX and other issues to establish common sense approaches that do not harm U.S. producers, consumers and agribusinesses.
-

Garrett Kays
Confidential Assistant
Office of the United States Trade Representative
Kenneth.G.Kays@ustr.eop.gov
Work: (202)-395-8582 | Cell: (b) (6)

RE: Draft Memo for ARL's Meeting with Vice Premier Liu

From: "Bomer Lauritsen, Sharon E. EOP/USTR" (b) (6)
[REDACTED]
[REDACTED]

To: "McCartin, Terry J. EOP/USTR" <terry_mccartin@ustr.eop.gov>, "Chen, Philip D. EOP/USTR" <philip_d_chen@ustr.eop.gov>, "Busis, William L. EOP/USTR" <william_busis@ustr.eop.gov>, "Allen, Brooks E. EOP/USTR" <brooks_e_allen@ustr.eop.gov>, "Tsao, Arthur N. EOP/USTR" <arthur_n_tsao@ustr.eop.gov>, "Nestor, Shannon M. EOP/USTR" <shannon_m_nestor@ustr.eop.gov>, "Bedros, Antoinette M. EOP/USTR" <antoinette.m.bedros@ustr.eop.gov>, "Kendall, Elizabeth L. EOP/USTR" <elizabeth_l_kendall@ustr.eop.gov>, "Diehl, Mike EOP/USTR" <michael_diehl@ustr.eop.gov>, "Doherty, Julia M. EOP/USTR" <julia_doherty@ustr.eop.gov>, "Hurst, Joan E. EOP/USTR" <joan_e_hurst@ustr.eop.gov>, "Sanford, Jim C. EOP/USTR" <james_sanford@ustr.eop.gov>, "Miller, Ashley A. EOP/USTR" <ashley_a_miller@ustr.eop.gov>, "Motwane, Jai Y. EOP/USTR" <jai_motwane@ustr.eop.gov>, "Laporte-Oshiro, Catherine EOP/USTR" <catherine.laporte-oshiro@ustr.eop.gov>, "Schuman, Sara C. EOP/USTR" <sara_c_schuman@ustr.eop.gov>, "Koch-Weser, Iacob N. EOP/USTR" <iacob_n_koch-weser@ustr.eop.gov>, "Bahar, Daniel EOP/USTR" <daniel_bahar@ustr.eop.gov>, "Mandell, Lauren A. EOP/USTR" <lauren_a_mandell@ustr.eop.gov>, "Melly, Christopher P. EOP/USTR" <christopher_melly@ustr.eop.gov>, "McHale, Jonathan R. EOP/USTR" <jonathan_mchale@ustr.eop.gov>, "Shackleford, Dawn M. EOP/USTR" <dawn_shackleford@ustr.eop.gov>, "Shpiece, William F. EOP/USTR" <william_shpiece@ustr.eop.gov>, "Johnson, Fay M. EOP/USTR" <fay_m_johnson@ustr.eop.gov>

Cc: "Griffin, Payne P. EOP/USTR" <garrison.p.griffin@ustr.eop.gov>, "Morris, Rachel M. EOP/USTR" <rachel.m.morris@ustr.eop.gov>, "Turner, Amy C. EOP/USTR" <amy.c.turner@ustr.eop.gov>, "Wineland, Timothy N. EOP/USTR" <timothy_wineland@ustr.eop.gov>, "Winter, Audrey S. EOP/USTR" <audrey_winter@ustr.eop.gov>, "Main, Ann M. EOP/USTR" <ann_main@ustr.eop.gov>, "Howe, Julia M. EOP/USTR"

<julia_m_howe@ustr.eop.gov>, "Zhao, Shelly EOP/USTR"
<shelly.zhao@ustr.eop.gov>, "Yang, Aileen D. EOP/USTR"
<aileen_d_yang@ustr.eop.gov>, "Rigoli, Lisa A. EOP/USTR"
<lisa.a.rigoli@ustr.eop.gov>

Date: Fri, 27 Apr 2018 07:28:14 -0400

Attachments
: Draft Memo for Meeting with Vice Premier Liu 04262018 SBL.docx (296.23 kB)

A couple of suggestions from Ag office in attached.

From: McCartin, Terry J. EOP/USTR
Sent: Thursday, April 26, 2018 5:52 PM
To: Chen, Philip D. EOP/USTR <Philip_D_Chen@ustr.eop.gov>; Busis, William L. EOP/USTR <William_Busis@ustr.eop.gov>; Allen, Brooks E. EOP/USTR <Brooks_E_Allen@ustr.eop.gov>; Tsao, Arthur N. EOP/USTR <Arthur_N_Tsao@ustr.eop.gov>; Nestor, Shannon M. EOP/USTR <Shannon_M_Nestor@ustr.eop.gov>; Bedros, Antoinette M. EOP/USTR <Antoinette.M.Bedros@ustr.eop.gov>; Kendall, Elizabeth L. EOP/USTR <Elizabeth_L_Kendall@ustr.eop.gov>; Diehl, Mike EOP/USTR <Michael_Diehl@ustr.eop.gov>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; Doherty, Julia M. EOP/USTR <Julia_Doherty@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; Sanford, Jim C. EOP/USTR <James_Sanford@ustr.eop.gov>; Miller, Ashley A. EOP/USTR <Ashley_A_Miller@ustr.eop.gov>; Motwane, Jai Y. EOP/USTR <Jai_Motwane@ustr.eop.gov>; Laporte-Oshiro, Catherine EOP/USTR <Catherine.Laporte-Oshiro@ustr.eop.gov>; Schuman, Sara C. EOP/USTR <Sara_C_Schuman@ustr.eop.gov>; Koch-Weser, Jacob N. EOP/USTR <jacob_N_Koch-Weser@ustr.eop.gov>; Bahar, Daniel EOP/USTR <Daniel_Bahar@ustr.eop.gov>; Mandell, Lauren A. EOP/USTR <Lauren_A_Mandell@ustr.eop.gov>; Melly, Christopher P. EOP/USTR <Christopher_Melly@ustr.eop.gov>; McHale, Jonathan R. EOP/USTR <Jonathan_McHale@ustr.eop.gov>; Shackelford, Dawn M. EOP/USTR <Dawn_Shackelford@ustr.eop.gov>; Shpiece, William F. EOP/USTR <William_Shpiece@ustr.eop.gov>; Johnson, Fay M. EOP/USTR <Fay_M_Johnson@ustr.eop.gov>
Cc: Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>; Morris, Rachel M. EOP/USTR <Rachel.M.Morris@ustr.eop.gov>; Turner, Amy C. EOP/USTR <Amy.C.Turner@ustr.eop.gov>; Wineland, Timothy N. EOP/USTR <Timothy_Wineland@USTR.EOP.GOV>; Winter, Audrey S. EOP/USTR <Audrey_Winter@ustr.eop.gov>; Main, Ann M. EOP/USTR <Ann_Main@ustr.eop.gov>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>; Zhao, Shelly EOP/USTR <Shelly.Zhao@ustr.eop.gov>; Yang, Aileen D. EOP/USTR <Aileen_D_Yang@ustr.eop.gov>; Rigoli, Lisa A. EOP/USTR <Lisa.A.Rigoli@ustr.eop.gov>
Subject: Draft Memo for ARL's Meeting with Vice Premier Liu
Importance: High

Close Hold

Attached is a draft memo for ARL's meeting with Vice Premier Liu. Can those who need to review and clear on it provide me with their comments by no later than **noon tomorrow (Friday)**?

Thanks.

Terry

From: McCartin, Terry J. EOP/USTR

Sent: Wednesday, April 25, 2018 9:30 PM

To: Chen, Philip D. EOP/USTR <Philip_D_Chen@ustr.eop.gov>; Busis, William L. EOP/USTR <William_Busis@ustr.eop.gov>; Allen, Brooks E. EOP/USTR <Brooks_E_Allen@ustr.eop.gov>; Tsao, Arthur N. EOP/USTR <Arthur_N_Tsao@ustr.eop.gov>; Nestor, Shannon M. EOP/USTR <Shannon_M_Nestor@ustr.eop.gov>; Bedros, Antoinette M. EOP/USTR <Antoinette.M.Bedros@ustr.eop.gov>; Kendall, Elizabeth L. EOP/USTR <Elizabeth_L_Kendall@ustr.eop.gov>; Diehl, Mike EOP/USTR <Michael_Diehl@ustr.eop.gov>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; Doherty, Julia M. EOP/USTR <Julia_Doherty@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; Sanford, Jim C. EOP/USTR <James_Sanford@ustr.eop.gov>; Miller, Ashley A. EOP/USTR <Ashley_A_Miller@ustr.eop.gov>; Motwane, Jai Y. EOP/USTR <Jai_Motwane@ustr.eop.gov>; Laporte-Oshiro, Catherine EOP/USTR <Catherine.Laporte-Oshiro@ustr.eop.gov>; Schuman, Sara C. EOP/USTR <Sara_C_Schuman@ustr.eop.gov>; Koch-Weser, Iacob N. EOP/USTR <Iacob_N_Koch-Weser@ustr.eop.gov>; Bahar, Daniel EOP/USTR <Daniel_Bahar@ustr.eop.gov>; Mandell, Lauren A. EOP/USTR <Lauren_A_Mandell@ustr.eop.gov>; Melly, Christopher P. EOP/USTR <Christopher_Melly@ustr.eop.gov>; McHale, Jonathan R. EOP/USTR <Jonathan_McHale@ustr.eop.gov>; Shackelford, Dawn M. EOP/USTR <Dawn_Shackelford@ustr.eop.gov>; Shpiece, William F. EOP/USTR <William_Shpiece@ustr.eop.gov>; Johnson, Fay M. EOP/USTR <Fay_M_Johnson@ustr.eop.gov>

Cc: Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>; Morris, Rachel M. EOP/USTR <Rachel.M.Morris@ustr.eop.gov>; Turner, Amy C. EOP/USTR <Amy.C.Turner@ustr.eop.gov>; Wineland, Timothy N. EOP/USTR <Timothy_Wineland@ustr.eop.gov>; Winter, Audrey S. EOP/USTR <Audrey_Winter@ustr.eop.gov>; Main, Ann M. EOP/USTR <Ann_Main@ustr.eop.gov>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>; Zhao, Shelly EOP/USTR <Shelly.Zhao@ustr.eop.gov>; Yang, Aileen D. EOP/USTR <Aileen_D_Yang@ustr.eop.gov>; Rigoli, Lisa A. EOP/USTR <Lisa.A.Rigoli@ustr.eop.gov>

Subject: Draft US-China (b) (1), (b) (5)

Importance: High

Close Hold

To all:

(b) (5)
An initial draft is attached.

(b) (5)
[Redacted]

As for length, we have been asked to try to keep it to four pages or so; this draft is just over five pages.
Given the length constraint (b) (5)

[REDACTED]

Please provide me with your comments by no later than **2:00 PM tomorrow (Thursday)**.

Thanks!

Terry

MEMORANDUM: MEETING WITH CHINESE VICE PREMIER LIU HE

TO: USTR ROBERT E. LIGHTHIZER
THROUGH: DUSTR JEFFREY GERRISH
FROM: TERRY McCARTIN, ACTING AUSTR FOR CHINA
DATE: APRIL 26, 2018

EXECUTIVE SUMMARY

The meetings that you, Secretary Mnuchin and others will hold with Chinese Vice Premier Liu He on May 3-4 in Beijing (b) (5)

[REDACTED]

DETAILS

Date May 3-4, 2018
Time TBD
Location TBD

ATTENDEES

USTR	CHINA
YOU	Vice Premier Liu
Jamieson Greer	Others (see China's delegation list)
Stephen Vaughn	
Terry McCartin	
James Green	

OTHER U.S. AGENCIES

See U.S. delegation list

BACKGROUND / AREAS OF INTEREST

Trade Data

U.S.-China trade:

- 2017 U.S.-China total trade in goods and services: \$709.6 billion
- 2017 U.S.-China goods trade deficit: \$375.2 billion
- 2017 U.S.-China services trade surplus: \$38.5 billion

Drafted by: T. McCartin
Cleared: G. Doud, S. Bomer
OGC approval:
FO approval:

China trade with the world:

- 2017 China goods trade surplus with the world: \$489.2 billion
- 2016 China services trade deficit with the world: \$242.6 billion (latest data available)

Attachment A shows our balance of trade with China from 2001 through 2017.

Attachment B provides a breakdown of the various categories of services that we supply to China.

(b) (5)



(b) (5)



-[APG]-

(b) (5)

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(b) (5)

(b) (5)

Section 301 Investigation

On August 14, 2017, the President issued a Memorandum instructing the U.S. Trade Representative to determine whether to investigate under section 301 of the Trade Act of 1974 laws, policies, practices or actions of the Government of China that may be unreasonable or discriminatory and that may be harming American intellectual property rights, innovation, or technology development. On August 18, 2017, after consultation with the appropriate advisory committees and the inter-agency Section 301 Committee, USTR initiated an investigation.

Based on the information obtained during the investigation and the advice of the Section 301 Committee, USTR made the following determinations: (1) China uses foreign ownership restrictions, such as joint venture requirements and foreign equity limitations, and various administrative review and licensing processes, to require or pressure technology transfer from U.S. companies; (2) China's regime of technology regulations forces U.S. companies seeking to license technologies to Chinese entities to do so on non-market based terms that favor Chinese recipients; (3) China directs and unfairly facilitates the systematic investment in, and acquisition

-[APG]-

of, U.S. companies and assets by Chinese companies to obtain cutting-edge technologies and intellectual property and generate the transfer of technology to Chinese companies; and (4) China conducts and supports unauthorized intrusions into, and theft from, the computer networks of U.S. companies to access their sensitive commercial information and trade secrets.

In response to a March 22 Presidential Memorandum, agencies have been pursuing the following responsive actions:

- Tariffs: On April 6, USTR published a Federal Register notice proposing an additional 25 percent tariff on a specified list of Chinese products totaling approximately \$50 billion per year in order to address the damage to the U.S. economy resulting from China's unfair technology transfer policies and practices. USTR asked for public comments by May 11 and scheduled a public hearing for May 15. Following China's announcement of its own proposed imposition of \$50 billion in retaliatory tariffs on U.S. products, the Administration, at the President's direction, has been compiling a second proposed list imposing an additional 25 percent tariff on another \$100 billion of Chinese products. On April 5, China launched a WTO dispute, *United States – Tariff Measures on Certain Goods from China* (DS543), which challenges the United States' proposed tariffs under Articles I and II of the General Agreement on Tariffs and Trade 1994 (GATT 1994). (b) (5) [REDACTED]
- WTO Dispute: On March 23, USTR launched a WTO dispute, *China – Certain Measures Concerning the Protection of Intellectual Property Rights* (DS542), which challenges Chinese regulations that impose discriminatory licensing terms on U.S. companies seeking to license technologies to Chinese companies. (b) (5) [REDACTED]
- Investment Restrictions: (b) (5) [REDACTED]

Section 232 Investigations

The President issued proclamations on March 8 that imposed additional tariffs of 25 percent and 10 percent, respectively, on imports of steel and aluminum from all countries other than Canada and Mexico. On March 22, the President temporarily exempted Argentina, Australia, Brazil, South Korea and the 28 countries of the European Union from these tariffs in light of ongoing discussions with those partners. The temporary exemptions (for all countries, including Canada and Mexico) expire on May 1. The tariffs entered into force on March 23. The President's proclamations authorize Commerce to exclude individual steel and aluminum articles from the additional tariffs in cases where there is insufficient U.S. production of the relevant articles. Commerce published a rule for requesting product exclusions on March 19. The proclamations also provide that the President may modify or remove the section 232 tariffs for individual

-[APG]-

countries with which the United States “has a security relationship,” if the United States and that country arrive at “satisfactory alternative means” for addressing the threat to U.S. national security posed by imports from that country, and to ensure that imports from the exempted country do not undermine the objective of the section 232 tariffs through transshipment or other actions that would lead to increased exports to the United States.

On April 1, in retaliation, China issued a notice imposing additional tariffs of 15 percent on 120 products imported from the United States, and additional tariffs of 25 percent on eight other products, effective April 2. The covered U.S. products total roughly \$3 billion, which is roughly equivalent to the estimated \$3.2 billion in Chinese exports affected by our section 232 steel and aluminum tariffs. The U.S. products targeted by China include fresh and dried fruits, tree nuts, wine, ginseng, ethanol, seamless steel pipes, pork and pork products, and recycled aluminum.

On April 6, 2018, China launched a WTO dispute, *United States – Certain Measures on Steel and Aluminum Products* (DS544), which challenges the United States’ steel and aluminum tariffs under the WTO Agreement on Safeguards and Articles I, II and X of the GATT 1994. Consultations have not yet been held.

(b) (5)

[REDACTED]

BIOGRAPHICAL INFORMATION



LIU HE
Vice Premier

Liu He was elevated to the Politburo at the 19th Party Congress in October 2017 and was appointed Vice Premier in charge of U.S. economic and trade relations at the National People’s Congress on March 2018. He has served as the Director of the Party’s Central Leading Small Group for Financial and Economic Affairs since 2013. A “leading small group” is an ad-hoc, interagency consulting and coordinating body run by the

-[APG]-

Communist Party that provides direction for policymakers. It was recently announced that Liu's economic-focused leading small group will be upgraded to a "commission," signaling a strengthened role.

During a 2013 meeting with a senior U.S. official, Xi Jinping introduced Liu He as a key economic advisor who was "very important to him." Liu has three decades of experience in various economic policymaking roles.

Liu has served as a professor of economics at several highly regarded universities in Beijing and received an MPA from Harvard in 1995. He is the founder and convener of the "Chinese Economists 50 Forum."

Liu was forced to do manual labor in Jilin in northeast China during the Cultural Revolution. He also served as a soldier and as an official in the Beijing Radio Factory.



-[APG]-

ATTACHMENT A

U.S. Trade Balance with China (\$Billions)							
Year	Goods Exports	Goods Imports	Goods Balance	Services Exports	Services Imports	Services Balance	Goods & Services Balance
2001	19.2	102.3	-83.1	5.4	3.6	+1.8	-81.3
2002	22.1	125.2	-103.1	5.8	4.5	+1.3	-101.8
2003	28.4	152.4	-124.1	5.9	4.3	+1.6	-122.4
2004	34.4	196.7	-162.3	7.3	6.2	+1.1	-161.1
2005	41.2	243.5	-202.3	8.7	6.9	+1.8	-200.4
2006	53.7	287.8	-234.1	10.6	10.1	+0.4	-233.7
2007	62.9	321.4	-258.5	13.1	11.8	+1.3	-257.2
2008	69.7	337.8	-268.0	15.8	10.9	+4.9	-263.1
2009	69.5	296.4	-226.9	17.1	9.6	+7.5	-219.4
2010	91.9	365.0	-273.0	22.5	10.6	+11.9	-261.2
2011	104.1	399.4	-295.2	28.4	11.8	+16.7	-278.6
2012	110.5	425.6	-315.1	33.0	13.0	+20.0	-295.1
2013	121.7	440.4	-318.7	37.5	13.9	+23.6	-295.1
2014	123.7	468.5	-344.8	44.3	14.0	+30.3	-314.6
2015	115.9	483.2	-367.3	48.5	15.1	+33.5	-333.8
2016	115.6	462.6	-347.0	54.2	16.1	+38.0	-309.0
2017	130.4	505.6	-375.2	56.0	17.6	+38.5	-336.7



-[APG]-

FW: URGENT: Draft US-China (b) (5)

From: "Bomer Lauritsen, Sharon E. EOP/USTR" <sharon_e_bomerlauritsen@ustr.eop.gov>

To: "Doherty, Julia M. EOP/USTR" <julia_doherty@ustr.eop.gov>, "Hurst, Joan E. EOP/USTR" <joan_e_hurst@ustr.eop.gov>

Date: Sun, 29 Apr 2018 20:57:10 -0400

Attachments USTR Revisions (b) (5)
: (b) (5).DOCX (36.77 kB)

I am working on this now

From: McCartin, Terry J. EOP/USTR

Sent: Sunday, April 29, 2018 8:05 PM

To: Chen, Philip D. EOP/USTR <Philip_D_Chen@ustr.eop.gov>; Busis, William L. EOP/USTR <William_Busis@ustr.eop.gov>; Allen, Brooks E. EOP/USTR <Brooks_E_Allen@ustr.eop.gov>; Tsao, Arthur N. EOP/USTR <Arthur_N_Tsao@ustr.eop.gov>; Nestor, Shannon M. EOP/USTR <Shannon_M_Nestor@ustr.eop.gov>; Bedros, Antoinette M. EOP/USTR <Antoinette.M.Bedros@ustr.eop.gov>; Kendall, Elizabeth L. EOP/USTR <Elizabeth_L_Kendall@ustr.eop.gov>; Diehl, Mike EOP/USTR <Michael_Diehl@ustr.eop.gov>; Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; Doherty, Julia M. EOP/USTR <Julia_Doherty@ustr.eop.gov>; Hurst, Joan E. EOP/USTR <Joan_E_Hurst@ustr.eop.gov>; Sanford, Jim C. EOP/USTR <James_Sanford@ustr.eop.gov>; Miller, Ashley A. EOP/USTR <Ashley_A_Miller@ustr.eop.gov>; Motwane, Jai Y. EOP/USTR <Jai_Motwane@ustr.eop.gov>; Laporte-Oshiro, Catherine EOP/USTR <Catherine.Laporte-Oshiro@ustr.eop.gov>; Schuman, Sara C. EOP/USTR <Sara_C_Schuman@ustr.eop.gov>; Koch-Weser, Iacob N. EOP/USTR <Iacob_N_Koch-Weser@ustr.eop.gov>; Bahar, Daniel EOP/USTR <Daniel_Bahar@ustr.eop.gov>; Mandell, Lauren A. EOP/USTR <Lauren_A_Mandell@ustr.eop.gov>; Melly, Christopher P. EOP/USTR <Christopher_Melly@ustr.eop.gov>; McHale, Jonathan R. EOP/USTR <Jonathan_McHale@ustr.eop.gov>; Shackelford, Dawn M. EOP/USTR <Dawn_Shackelford@ustr.eop.gov>; Shpiece, William F. EOP/USTR <William_Shpiece@ustr.eop.gov>; Olson, Christina EOP/USTR <Christina_Olson@ustr.eop.gov>; Johnson, Fay M. EOP/USTR <Fay_M_Johnson@ustr.eop.gov>; Whitlock, Joe P. EOP/USTR <Joseph_P_Whitlock@ustr.eop.gov>; Nissen, Todd M. EOP/USTR <Todd_Nissen@ustr.eop.gov>; Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>

Cc: Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>; Morris, Rachel M. EOP/USTR <Rachel.M.Morris@ustr.eop.gov>; Turner, Amy C. EOP/USTR <Amy.C.Turner@ustr.eop.gov>; Wineland, Timothy N. EOP/USTR <Timothy_Wineland@USTR.EOP.GOV>; Winter, Audrey S. EOP/USTR <Audrey_Winter@ustr.eop.gov>; Main, Ann M. EOP/USTR <Ann_Main@ustr.eop.gov>; Howe, Julia M. EOP/USTR <Julia_M_Howe@ustr.eop.gov>; Zhao, Shelly EOP/USTR <Shelly.Zhao@ustr.eop.gov>; Yang, Aileen D. EOP/USTR <Aileen_D_Yang@ustr.eop.gov>; Rigoli, Lisa A. EOP/USTR <Lisa.A.Rigoli@ustr.eop.gov>

Subject: URGENT: Draft US-China (b) (5)

Importance: High

Close Hold

To all:

(b) (5)
Our deadline to provide these revisions to ARL is noon on Monday, so I will need your input as soon as possible Monday morning.

I already have revised (b) (5)

(b) (5)

(b) (5)

Please let me know if you have any questions.

Thanks!

Terry

[EXTERNAL] Potential Damage assessment add, RE: China soy

From : "Gary C. Martin" (b) (6) @naega.org>
To: "McKinney, Ted - OSEC, Washington, DC" (b) (6) @osec.usda.gov>, "Doud, Gregory F. EOP/USTR" <gregory.f.doud@ustr.eop.gov>
Date: Wed, 02 May 2018 08:47:59 -0400

By our count 1.5mmt US soy new shipments headed to China for June – July discharge. Not sure how much to STE. Eerily similar to the Sorghum number in April.

From: Gary C. Martin
Sent: Wednesday, May 2, 2018 8:21 AM
To: McKinney, Ted - OSEC, Washington, DC (b) (6) @osec.usda.gov>; Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>
Subject: RE: China soy

Thanks, My availability today is via mobile (b) (6) and will be sporadic this morning and until around 2 PM (b) (6)

Gary

From: McKinney, Ted - OSEC, Washington, DC <(b) (6) @osec.usda.gov>
Sent: Wednesday, May 2, 2018 7:58 AM
To: Gary C. Martin (b) (6) @naega.org>; Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>
Subject: RE: China soy

Thank you, Gary. Gregg and I discussed this yesterday. Will be back to you either by email or phone today at 4:00 pm, our prescribed follow up time.

Ted

From: Gary C. Martin [mailto:(b) (6) @naega.org]
Sent: Wednesday, May 2, 2018 7:55 AM
To: Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>; McKinney, Ted - OSEC, Washington, DC (b) (6) @osec.usda.gov>
Subject: RE: China soy

Looking forward to any opportunity to address the China soybean dilemma.

Adding Ted to this stream to Gregg, as I have been updating him too and understand that the two of you are comparing notes.

1. From China, perhaps some additional clarity on how AQSIQ is treating US Soybean shipments upon arrival. Unfortunately it is bad news: Certainly being applied to shipments that have the AD for +1% FM as per FGIS on the APHIS phyto. Appears maybe one or more that do not have AD have also been impacted. Of the 5 or more vessels I am aware of that have been allowed to discharge, entire consignment is being placed in storage silo under quarantine. Important new: All testing / Examination of US is now being done at central location hence no more testing by local CIQ. Sampling and Results of testing not transparent or being made available, only messages about what needs to be done to allow quarantined consignments to proceed to crushing. Messaging in this regard is inconsistent. Bottom line is at least 30 day delay.

Related, I am repeating here of the very important information we have been asking El Lissy for since Dec 13, 2017. To date nothing from him or APHIS of substance as Osama continues to respond with a lack of clarity and indication he plans to delay:

Ongoing Request for Clarification regarding APHIS and AQSIQ treatment of US soybeans exported from the U.S. and imported into China

NAEGA seeks further explanation and documentation regarding official actions and controls given a Systems Approach that includes new measures deployed on US soybean exports to China on January 1, 2018. The measures include the placing by APHIS of an additional declaration indicating Foreign Material that exceeds 1 percent on the APHIS issued phytosanitary certificates for applicable US shipments of soybeans to China.

The explanation, documentation and information we seek include:

1. Copy of any instructions issued to both government and commercial parties by AQSIQ regarding treatment of imported US Soybeans in light new measures deployed on January 1, 2018.
 2. Written agreements between USDA and AQSIQ with specific information on what specific actions AQSIQ, provincial and local officials plan take, including:
 - a. US Soybean shipments that ARE NOT accompanied by a Phytosanitary Certificate with the Additional Declaration
 - b. US Soybean shipments that ARE accompanied by a Phytosanitary Certificate with the Additional Declaration.
 3. A list of persons, including their titles, who attended the December 2017 APHIS/ AQSIQ bilateral meeting at which the new measures deployed on US soybean exports to China on January 1, 2018 were discussed.
2. Brazil ./ BRAZIL in addition to the premiums we have discussed is getting expedited treatment at China discharge = A RECORD 11MMT in April. WOW 200 plus vessels , 7 per day.
 3. Market share – See attached that includes March – NOT GOOD.
 4. Local happenings: I am meeting with USSEC / Sutter tomorrow. Several press calls for information we are not responding to. One respected global econ / market analysis firm is reportedly working on report to demonstrate that the drop in US export share of soybeans in

Dec-Feb / early March this year versus same period previously was due to something other than export competitiveness out of the US (supply-demand status, availability of soybeans, transportation cost, fob/landed costs, etc.).

From: Gary C. Martin
Sent: Thursday, April 26, 2018 1:51 PM
To: 'Doud, Gregory F. EOP/USTR' <Gregory.F.Doud@ustr.eop.gov>
Subject: RE: China soy

Just found out the CIQ is holding another cargo of US Soy in Shandong. Will undergo more “testing”. It graded 1.4 FM by FGIS. APHIS if they keep misinforming will state no problem exists.

From: Gary C. Martin
Sent: Thursday, April 26, 2018 1:48 PM
To: Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>
Subject: RE: China soy

In my (not so humble) opinion this is not likely to be as directly tied to retaliation like other actions we have discuss.

Remember CIQ (local authority at ports) is often seeking authority and enrichment. While CIQ action can be instructed by Beijing a local CIQ does not dare profit from it. CIQ action that is enabled by Decree 177 and the uncertainty of what Beijing’s direction is in response to the APHIS AD on the Phyto is ripe for such “opportunity”.

Beijing has already had the “retaliation impact” with last week’s do not buy US soybeans campaign . There are so few US SB consignments to be discharged right now that a retaliation message like what happened on Sorghum last week will not be sent. So small that no one will notice. Again AQSIO will not even be informed.

Hence an even greater opportunity for local CIQ to “interpret” the AD as is being reported. My bet is it is localized to one port and no vessels carrying STE cargoes will be impacted.

On Apr 26, 2018, at 9:58 AM, Gary C. Martin (b) (6) <naega.org> wrote:

Just a quick update on Soybeans: Overnight it appears that CIQ will now increase their evaluation and scrutiny of all US soybean vessels including not only surface review but entire review of material in all levels of all holds – the expectation stated was that the time required for the release of materials and vessels will increase.

From: Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>
Sent: Thursday, April 26, 2018 1:14 PM

To: Gary C. Martin (b) (6) @naega.org>

Subject: RE: China soy

OK

Good to know.

Thank you and keep this kind of info coming.

Appreciate it.

From: Gary C. Martin (b) (6) @naega.org>

Sent: Thursday, April 26, 2018 1:00 PM

To: Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>

Subject: [EXTERNAL] RE: China soy

Just a quick update on Soybeans: Overnight it appears that CIQ will now increase their evaluation and scrutiny of all US soybean vessels including not only surface review but entire review of material in all levels of all holds – the expectation stated was that the time required for the release of materials and vessels will increase.

From: Gary C. Martin

Sent: Thursday, April 26, 2018 7:22 AM

To: Gregg Doud (Gregory.F.Doud@ustr.eop.gov) <Gregory.F.Doud@ustr.eop.gov>

Subject: China FW: CONFIDENTIAL: Draft Comments to MOFCOM on Sorghum AD preliminary determination

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Greg, Hope all is well. Excited to hear that Mnuchin will be joined by Lighthizer, Kudlow and Navarro. Do hope that Soybeans (both tariff and NTB / Decree 177 compliance) as well as Sorghum AD CVD find their way on to the table of issues for immediate resolution. See many avenues and stand ready to assist wherever and whenever we can.

Expect you have already seen the attached but wanted to be sure. Last attached is a confidential draft of what will be submitted to MOFCOM on Friday. Also included some of the key planned exhibits. Essentially an initial commentary on China's preliminary antidumping determination, which has several fundamental errors. Certainly fertile ground for planting a WTO action sometime in the future if needed. Please respect the confidentiality and privilege.

Gary

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Working Together to Make Trade Work Since 1912

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RE: China Ag Retaliation Actions

From: "Bomer Lauritsen, Sharon E. EOP/USTR" (b) (6)
[Redacted]
[Redacted]

To: "Cobaugh, CC M. EOP/USTR" <christina.m.cobaugh@ustr.eop.gov>

Date: Wed, 16 May 2018 17:46:37 -0400 

Attachments Copy of Actions for US Exports version 1450 516.xlsx (33.98 kB); Internal
: USTR.USDA Priority China Issues 5.16.2018 v2.docx (47.66 kB)

These are two other documents for consideration for ARL from today

From: Cobaugh, CC M. EOP/USTR
Sent: Wednesday, May 16, 2018 5:38 PM
To: Bomer Lauritsen, Sharon E. EOP/USTR <Sharon_E_BomerLauritsen@ustr.eop.gov>; Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>
Subject: RE: China Ag Retaliation Actions

We are putting together materials for ARL's meetings tomorrow and Jamieson wanted to see if there were updated versions of the attached doc. We will include this version unless you direct us otherwise. Thanks!

From: Bomer Lauritsen, Sharon E. EOP/USTR
Sent: Friday, April 27, 2018 6:00 PM
To: Lighthizer, Robert E. EOP/USTR <Robert.E.Lighthizer@ustr.eop.gov>
Cc: Mahoney, C.J. J. EOP/USTR <Curtis.J.Mahoney@ustr.eop.gov>; Cobaugh, CC M. EOP/USTR <Christina.M.Cobaugh@ustr.eop.gov>; Greer, Jamieson L. EOP/USTR <Jamieson.L.Greer@ustr.eop.gov>; Gerrish, Jeffrey D. EOP/USTR <Jeffrey.D.Gerrish@ustr.eop.gov>; Vaughn, Stephen P. EOP/USTR <Stephen.P.Vaughn@ustr.eop.gov>; Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>; McCartin, Terry J. EOP/USTR <Terry_McCartin@USTR.EOP.GOV>; Griffin, Payne P. EOP/USTR <Garrison.P.Griffin@ustr.eop.gov>
Subject: China Ag Retaliation Actions

Amb. Lighthizer,

In response to your request this morning, for a list of the actions that China is taking (b) (5)
[Redacted]
[Redacted]
[Redacted]

Sharon

Re: [EXTERNAL] Feedback on Ag Trade?

From: sharon_e_bomerlauritsen@ustr.eop.gov
To: "Doud, Gregory F. EOP/USTR" <gregory.f.doud@ustr.eop.gov>
Date: Mon, 21 May 2018 06:14:21 -0400

Since we can't give individual companies insights I wonder if we need to think about a debrief for advisors on non confidential basis once we know more of next steps

Sharon Bomer Lauritsen
Assistant USTR, Agricultural Affairs

On May 20, 2018, at 10:27 PM, Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov> wrote:

Sent from my iPhone

Begin forwarded message:

From: Gordon Russell (b) (6) [REDACTED]@ldc.com>
Date: May 20, 2018 at 9:36:33 PM EDT
To: "gregory.f.doud@ustr.eop.gov" <gregory.f.doud@ustr.eop.gov>
Cc: Kendell Keith (b) (6) [REDACTED]@comcast.net>
Subject: [EXTERNAL] Feedback on Ag Trade?

Good evening Gregg –

Would you share some insight into Mnuchin's comment that he expects to see a 35/45% increase in US agricultural exports to China this year alone?

What is the time frame for the "year" he refers to? 2018 calendar year or '18/19 crop year?

(b) (4) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The Chinese have been unwilling to entertain US origin cargos for the last 45/60 days, fearing the retaliatory import tariff. Are you expecting trade to promptly resume?

<image005.png>

<image001.png>

Gordon Russell
Head of Oilseeds for the US
Phone: (b) (6) | Mobile: (b) (6) |
(b) (6) @ldc.com



Louis Dreyfus Company LLC
40 Danbury Road Wilton, CT 06897 / USA

From: Gordon Russell
Sent: Thursday, May 03, 2018 12:12 PM
To: gregory.f.doud@ustr.eop.gov
Cc: Kendell Keith (b) (6) @comcast.net>
Subject: FW: Eikon: China launches "emergency" campaign to boost soy output

Morning Greg –

Forwarding a Reuters article that our global head of grains & oilseeds research passed along as well as a small bit of commentary from him.

Also wanted to update you on what we see transpiring in the cash markets globally.

(b) (4)
[Redacted]

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(b) (4)
[Redacted]

Rgds.

<image001.png>

Gordon Russell
Head of Oilseeds for the US
Phone: (b) (6) | Mobile: (b) (6) |
(b) (6) @ldc.com



Louis Dreyfus Company LLC
40 Danbury Road Wilton, CT 06897 / USA

From: Emilien Mazo
Sent: Thursday, May 03, 2018 11:55 AM
To: Global-OilseedsTrade <(b) (6) @ldc.com>
Subject: FW: Eikon: China launches "emergency" campaign to boost soy output

(b) (4)
[Redacted content]

From: Iris Lv
Sent: Thursday, May 03, 2018 11:46 PM
To: Bei-oilseedstraders (b) (6) @ldc.com>
Subject: Eikon: China launches "emergency" campaign to boost soy output

THOMSON REUTERS

EIKON™

China launches "emergency" campaign to boost soy output - Reuters News

03-May-2018 07:22:21 PM

To view this story on Eikon, click [here](#)

BEIJING, May 3 (Reuters) - China is taking extra efforts to increase its soybean output this year amid an ongoing trade spat with the United States that threatens to curb imports from its second supplier.

China is the world's top buyer and consumer of soybeans, with most used to feed its huge livestock sector. But Beijing has threatened to levy a 25 percent tariff on soybean imports from the United States, its second supplier, in retaliation over trade measures taken by Washington.

The threat of the tariffs alone have already cut off U.S. soybean imports, and pushed up prices from other suppliers such as Brazil, supporting the price of soymeal, a widely used animal feed ingredient. ([Full Story](#))

Authorities in the north-eastern Heilongjiang and Jilin provinces met last weekend to discuss actions to boost planting of soybeans, reports posted on city government websites said.

A document circulating online apparently published by the Heilongjiang provincial government called for an extra 5 million mu (333,333 hectares) to be planted with soybeans this year.

The so-called "emergency notice" also called for an additional 200 million mu to be included in an ongoing programme to rotate corn with other crops such as soybeans.

No-one answered the telephone at Heilongjiang provincial government offices to confirm the document. However, a notice on the website of Heihe city in Heilongjiang referred to provincial and national-level meetings to boost soybean planting.

It added the city held a meeting on Monday urging officials to fully implement the task of boosting soybean planting.

The government of Jilin provincial capital Changchun also outlined several actions to fulfil the new policy in a document posted online, dated April 28.

Those included sending officials "deep into the countryside" to supervise planting and make sure seed supply and machinery was sufficient, while also launching media campaigns to promote the "political task" of increasing soybean production.

No-one answered the telephone at Jilin government offices. The Ministry of Agriculture and Rural Affairs did not immediately respond to a fax.

The new plan is unlikely to offer much immediate relief for buyers of feed. An additional 5 million mu of soybeans would increase output by around 600,000 tonnes, estimated Yang Linqin, an analyst at COFCO Futures.

China is expected to import 96 million tonnes of soybeans in the 2017/18 year, according to official numbers, versus domestic production of 14.6 million tonnes. ([Full Story](#))

But the official efforts to increase domestic production underline Beijing's concerns about the impact of the tariffs.

"Domestic policy is [already in place] to reduce corn planting and increase soybean planting, but releasing this emergency notice is more aimed at the trade war," said Yang.

"Compulsory" government action would be much more effective than relying on farmers' own intentions, she added.

Farmers had previously signalled that they would plant more corn this year, potentially reversing a recent decline in production of the grain in favour of soybeans. ([Full Story](#))

(Reporting by Dominique Patton. Additional reporting by Beijing Newsroom; editing by David Evans)

((dominique.patton@thomsonreuters.com ; +86 10 6627 1027; Reuters Messaging: dominique.patton.thomsonreuters.com@reuters.net))

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Keywords: CHINA-SOYBEANS/ (PIX)

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Prep for tomorrow

From: "Kays, Garrett G. EOP/USTR" <kenneth.g.kays@ustr.eop.gov>

To: "Doud, Gregory F. EOP/USTR" <gregory.f.doud@ustr.eop.gov>

Date: Mon, 21 May 2018 18:17:08 -0400

Attachments AGD NASDA Remarks 051718.docx (17.39 kB); US Dialogue for Food and Ag Trade
: - 5.11.18.docx (25.15 kB); WTO AB TPs.docx (14.48 kB)

Attached is a one pager for your remarks for NASDA and the longer version of your remarks for the meeting with the US Dialogue for Food and Ag Trade.

Also, attached are some TP's on the WTO Appellate Body issue that are from the President's Trade Agenda.

Let me know if you need anything else!

Garrett

Garrett Kays
Confidential Assistant
Chief Agricultural Negotiator
Office of the United States Trade Representative
Kenneth.G.Kays@ustr.eop.gov
Work: (202)-395-8582 | Cell: (b) (6)

Remarks – U.S. Dialogue for Food and Agriculture Trade

May 11, 2018

Introduction

- It is an honor to be here with you today and I know how important trade is for all of us in agriculture. Grains, oilseeds, meat, fruits, vegetables, wine – you name it. Everyone’s livelihood hinges on our ability to export these products -- \$140 billion worth – to the 96% of the world’s consumers that live outside the United States.
- While I am still getting used to being on this side of the podium, it is great to be with so many friends and colleagues and I am eager to work with all of you to address the long list of trade issues that affect each of your members and organizations.
- There are four items that I would like to discuss today that we are addressing at USTR: China, New Markets, Enforcement and U.S. agricultural leadership.

1. China

- USTR is addressing China’s history of non-economy policy, head-on, after limited to no success in WTO and through constructive coordination: JCCT – Strategic & Economic Dialogues
- Section 232 and 301 investigations are currently front and center in the Trump Administration’s approach to addressing China’s market-distorting policies, but this is nothing new for us in agriculture.
- The President asked USTR to investigate Chinese technology transfer regime that undermines U.S. intellectual property, manufacturing and innovation. After 8-9 months of research and thousands of hours of staff work, USTR found that China had caused \$50 billion in damage through the following practices:
 - Unfair technology transfer regime;
 - Discriminatory licensing requirements;
 - Government intervention in Chinese outbound invest in U.S. companies; AND
 - Unauthorized intrusions into U.S. commercial computer networks
- It is the story of the goose that laid the golden egg, and now China wants the goose. To the extent that on at least eight occasions since 2010, the Chinese government has

committed to limiting their technology transfer regime, but has failed to uphold their commitments.

- Many of you know that the U.S. Government sent a high-level delegation over to China last week and that they are planning to do the same for next week. While I am unable to predict how this plays out, I do know that our approach, since China's accession into the WTO in 2001, has not been successful and President Trump has stepped into the breach to change the way that we do business with China.
- As you all are aware, China imposed \$3 billion in retaliatory tariffs on U.S. pork, fruit, and nuts in response to our Section 232 investigation on Chinese steel and aluminum and was the first calculated assault on the U.S. agriculture industry.
- Upon the announcement of our 301 enforcement actions from USTR, China announced an ADDITIONAL \$50 billion in damage through retaliatory tariffs. This set of tariffs, in combination with the initial \$3 billion, covers nearly 82% of U.S. agricultural exports to China.
- In additional to these egregious tariffs, the recent treatment of our ag products at Chinese ports has the attention of the highest levels of the U.S. government and is an issue we are seeking to address.
- To date, U.S. agriculture has been the tip of the spear and borne the brunt of China's tariffs and other potential retaliation. As such, my message to Ambassador Lighthizer is that agriculture should be at the forefront to get its market access issues to China resolved.
- Unfortunately, China's non-economic policies are not limited to manufacturing; they also hurt us in agriculture... no matter what part of the industry you are involved in.
- For example, the Trump Administration is challenging China's market price support for rice, wheat and corn. Our estimates are that China has exceeded its WTO support limits in these commodities by nearly \$100 billion dollars. That's 100 billion with a B.
- We are also challenging China's administration of tariff-rate quotas for rice, wheat and corn. Why? Because they're not fulfilling what they committed to when they became a member of the WTO. If they were, China may have imported about \$3.5 billion worth of additional crops last year alone.

- These kind of domestic policies allow for China to have a MASSIVE amount of the world's ending stocks, such that USDA estimates that China has:
 - 38% of the world supply of corn stocks
 - 52% for wheat
 - 67% for rice
 - 22% for soybeans, and;
 - 40% for cotton
- This is also consistent with the moving targets from China that block U.S. beef out of their market. Even though the U.S. won a WTO case against Chinese duties against U.S. poultry exports, non-tariff barriers remain, that are not consistent with international animal health standards.
- The appropriate response from China should be to change its behavior.
- This Administration is committed, to not only short term market access opportunities, but to making serious reform in China so that their policies no longer damage the interests of U.S. farmers and ranchers.
 - I understand the concern in farm country, but USTR is looking for every opportunity to engage with China and address these concerns.

2. New Markets

NAFTA

- USTR is working around the clock to ensure a successful completion of NAFTA.
- We are committed to maintaining tariff free access for much of agriculture, while fulfilling our TPA requirements in seeking market access for U.S. dairy, poultry and eggs.
- A successful NAFTA renegotiation would send a signal to our non-NAFTA trade partners and the marketplace that President Trump has a strategy to benefit all parties involved.
- Completion of these negotiations would go a long way in calming the markets and bringing certainty to our farmers and ranchers.

New FTAs

- Since USTR now has its full complement of Deputies, we are having many strategic conversations about establishing new FTAs with other countries.
- USTR is coordinating with other agencies and performing in-depth analysis of markets that could provide future growth for U.S. ag exports.
- We have a strong interest in doing a bilateral agreement with Japan. USTR is engaging in talks with Japan to deepen our trade relationship and will seek to move the ball forward. The President and Ambassador Lighthizer met with Prime Minister Abe last month to show our commitment to doing more business with Japan.
- I understand the potential opportunities that are in place in Southeast Asia and Africa.
- USTR officials are already working to lay the groundwork for a future FTA with the United Kingdom upon their exit from the European Union.

3. **Enforcement**

- The United States will use all available authority and tools to defend and protect our farmers, ranchers and workers, including appropriate action through the World Trade Organization to make sure that our trading partners are playing by the rules and are being held accountable.
- Last week, I made my first international trip to deliver USTR's FIRST EVER counter notification to the WTO concerning India's market price support for rice and wheat.
- The U.S. estimates that India supports its rice producers ranging from 74 to 84.2 percent of the value of production and wheat producers ranging between 60.1 to 68.5 percent of the value of production between 2010 and 2014. This is especially troublesome given the fact that India's WTO obligations set their *de minimis* level of 10 percent of the value of total production of a particular commodity.
- Over the last five years, India has exported between \$5.3 billion and \$8 billion of rice, which is more rice than any other country in the world. These exports amount to over twenty percent of India's domestic production. India's global wheat exports ranged between \$70 million to \$1.9 billion during the same time period.

- The U.S. has also brought some of the largest WTO cases, in the history of ALL WTO cases, in the agriculture trade arena against our partners, such as the cases against;
 - China's domestic support and TRQ administration,
 - India's prohibition on imports of poultry due to avian influenza concerns,
 - Indonesia on import licensing of horticultural and livestock products.

And we are looking at doing more.

- We are pushing for more transparency and data reporting to the WTO. For example, the last time China reported their domestic support was in 2010. How are you supposed to negotiate with a country if you don't have access to reciprocal information?
- We are using the recently reauthorized Generalized Systems of Preference program to evaluate India and Indonesia's eligibility for access to the U.S. market, by using statutory criterion for equitable and reciprocal access for U.S. exports.
 - These countries have implemented a wide array of trade barriers that create serious negative effects on U.S. commerce, including dairy to India and pork to Thailand.
 - Next steps on this should be announced soon.

4. U.S. Leadership in Agricultural Trade

- The U.S. is leading among other colleagues to address tariff and non-tariff barriers for U.S. agricultural exports in the WTO.
- In December, the United States provided important leadership in the WTO and called for a reset for agriculture negotiations in the WTO. The United States believes that we must look at what the challenges are that face farmers today, which are not the problems of 20 years ago after the Uruguay Round. You will see us doing more in Geneva going forward.
- USTR is leading coalition building with other countries on using international standards, sound science and risk assessment for Maximum Residue Levels for crop inputs, and we are working with the EU on SPS regionalization.
- USTR and USDA are also working with other countries to advocate for science based approaches in CODEX, WHO and IARC.

- And as called for in the Rural Prosperity Task Force Report, USTR will be leading to create an international strategy that removes unjustified trade barriers and expands markets for U.S. biotechnology products.
- Lastly, we must be creative in our approach, while going on offense. I welcome the opportunity to work together to be creative on further trade opportunities – MOUs, streamlining of export certificates, ag sectorals, etc. For example, we signed a MOU on Trade in Food and Agriculture Products with Bahrain a couple weeks ago.

Conclusion

- I understand that times are tough in farm country and for our agribusinesses, but we have a great group of staff at USTR that are committed to address the long list of trade issues facing U.S. agriculture.
- I'm on the phone or meeting with USDA's Undersecretary for Trade Ted McKinney every day as we coordinate the interagency effort needed to address these issues and seek new market opportunities.
- For my part, there are many days ahead involving coordination and consultation with you and negotiation with our customers.
- It is an honor to be serving you in this role. There is a lot to do. Thank you for this opportunity to join you today.

RE: Prep for tomorrow

From: "Kays, Garrett G. EOP/USTR" <kenneth.g.kays@ustr.eop.gov>
To: "Doud, Gregory F. EOP/USTR" <gregory.f.doud@ustr.eop.gov>
Date: Mon, 21 May 2018 18:43:02 -0400
Attachments: Farm Foundation Forum remarks - 5.22.18.docx (28.09 kB)

[Compiled and updated version here.](#)

From: Kays, Garrett G. EOP/USTR
Sent: Monday, May 21, 2018 6:17 PM
To: Doud, Gregory F. EOP/USTR <Gregory.F.Doud@ustr.eop.gov>
Subject: Prep for tomorrow

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Let me know if you need anything else!

Garrett

Garrett Kays
Confidential Assistant
Chief Agricultural Negotiator
Office of the United States Trade Representative
Kenneth.G.Kays@ustr.eop.gov
Work: (202)-395-8582 | Cell: (b) (6)

Remarks – Farm Foundation Forum: *A Conversation with the Ambassadors: Trade War or Rhetoric?*

May 22, 2018

Introduction

- It is an honor to be here with you today and I know how important trade is for all of us in agriculture. Grains, oilseeds, meat, fruits, vegetables, wine – you name it. Everyone’s livelihood hinges on our ability to export these products -- \$140 billion worth – to the 96% of the world’s consumers that live outside the United States.
- It is an honor to be with so many friends and colleagues as we discuss the long list of trade issues that affect agriculture.
- However, I wanted to start with a little background and history of the office we all have held and the impressive work of all of my colleagues.
- In 1997, Peter Scher was nominated and confirmed to the rank of ambassador while serving as Special Trade Negotiator for Agriculture. He was in the position when the WTO ruled against the EU for not accepting U.S. beef, which we are still addressing TODAY.
- The Chief Agricultural Negotiator ambassadorship was formally created by the Trade and Development Act of 2000 while Scher was in the position, making him the first to bear the title.
- The first formal nominee to the new ambassadorship was Gregory Frazier. While he and I share the same first name, he is also a fellow Kansan and K-State Wildcat. Before coming to USTR, Frazier served another Kansan, Dan Glickman, as Chief of Staff at USDA after an impressive career on Capitol Hill.
- Next, Allen Johnson brought his extensive farm organization experience – with the National Oilseed Processors Association, Iowa Soybean Association and Iowa Soybean Promotion Board - to the position and worked to finalize some of the United States’ largest FTAs with countries, such as Jordan, Australia, Chile and Singapore.
- Dr. Richard T. Crowder also served in the Bush Administration working on the WTO accession agreement with Russia, but also the Korean, Colombian, Peruvian and Panama FTAs. But in a prior role as Under Secretary of International Affairs &

Commodity Programs at USDA, he played a leadership role in negotiating on agriculture issues in the Uruguay Round of the GATT.

- Dr. Islam A. Siddiqui brought an impressive scientific background to USDA and USTR as undersecretary for marketing and regulatory programs; as senior trade adviser to Secretary Dan Glickman; and as deputy undersecretary for marketing and regulatory programs in the Clinton Administration and then played an active role in the 2013 WTO negotiations in Bali.
- On December 17, 2013, President Barack Obama nominated Darci Vetter to succeed Dr. Siddiqui. Darci has a variety of of USDA and Capitol Hill experience serving as Deputy Under Secretary for Farm and Foreign Ag Services, but also International Trade Advisor for Chairman Max Baucus on the Senate Finance Committee.
- Overall, I am honored to join my friends and colleagues on this panel today and humbled by their wealth of experience and insight.... In case Ag trade wasn't exciting enough!
- There are four items that I would like to discuss today that we are addressing at USTR: China, New Markets, Enforcement and U.S. agricultural leadership.

1. China

- USTR is addressing China's history of non-economy policy, head-on, after limited to no success in WTO and through constructive coordination: JCCT – Strategic & Economic Dialogues
- Many of you know that the U.S. Government has been having high level conversations with the Chinese. While I am unable to predict how this plays out, I do know that our approach, since China's accession into the WTO in 2001, has not been successful and President Trump has stepped into the breach to change the way that we do business with China.
- Upon the announcement of our 301 enforcement actions from USTR, China announced an ADDITIONAL \$50 billion in damage through retaliatory tariffs. This set of tariffs, in combination with the initial \$3 billion, covers nearly 82% of U.S. agricultural exports to China.

- In additional to these egregious tariffs, the recent treatment of our ag products at Chinese ports has the attention of the highest levels of the U.S. government and is an issue we are seeking to address.
- To date, U.S. agriculture has been the tip of the spear and borne the brunt of China's tariffs and other potential retaliation. As such, my message is that agriculture should be at the forefront to get its market access issues to China resolved.
- Unfortunately, China's non-economic policies are not limited to manufacturing; they also hurt us in agriculture... no matter what part of the industry you are involved in.
- For example, the Trump Administration is challenging China's market price support for rice, wheat and corn. Our estimates are that China has exceeded its WTO support limits in these commodities by nearly \$100 billion dollars. That's 100 billion with a B.
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- The appropriate response from China should be to change its behavior.
- This Administration is committed, to not only short term market access opportunities, but to making serious reform in China so that their policies no longer damage the interests of U.S. farmers and ranchers.

- I understand the concern in farm country, but USTR is looking for every opportunity to engage with China and address these concerns.

2. New Markets

NAFTA

- We have now completed seven formal rounds in the renegotiation of the NAFTA. In recent months, we have intensified that engagement through nearly continuous negotiation at all levels of government – including several weeks at the ministerial level.
- To date, substantive discussions have concluded in nine chapters and six sectoral annexes. We have also made significant progress in several other chapters. In these areas, we have secured ambitious, TPP-plus commitments.
- We are committed to maintaining tariff free access for much of agriculture, while fulfilling our TPA requirements in seeking market access for U.S. dairy, poultry and eggs.
- A successful NAFTA renegotiation would send a signal to our non-NAFTA trade partners and the marketplace that President Trump has a strategy to benefit all parties involved.
- Completion of these negotiations would go a long way in calming the markets and bringing certainty to our farmers and ranchers.

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- We have a strong interest in doing a bilateral agreement with Japan. USTR is engaging in talks with Japan to deepen our trade relationship and will seek to move the ball forward.

- I understand the potential opportunities that are in place in Southeast Asia and Africa.
- USTR officials are already working to lay the groundwork for a future FTA with the United Kingdom upon their exit from the European Union.

3. **Enforcement**

- The United States will use all available authority and tools to defend and protect our farmers, ranchers and workers, including appropriate action through the World Trade Organization to make sure that our trading partners are playing the by the rules and are being held accountable.
- Last week, I made my first international trip to deliver USTR's FIRST EVER counter notification to the WTO concerning India's market price support for rice and wheat.
- The U.S. estimates that India supports its rice producers ranging from 74 to 84.2 percent of the value of production and wheat producers ranging between 60.1 to 68.5 percent of the value of production between 2010 and 2014. This is especially troublesome given the fact that India's WTO obligations set their *de minimis* level of 10 percent of the value of total production of a particular commodity.
- Over the last five years, India has exported between \$5.3 billion and \$8 billion of rice, which is more rice than any other country in the world. These exports amount to over twenty percent of India's domestic production. India's global wheat exports ranged between \$70 million to \$1.9 billion during the same time period.
- The U.S. has also brought some of the largest WTO cases, in the history of ALL WTO cases, in the agriculture trade arena against our partners, such as the cases against;
 - China's domestic support and TRQ administration,
 - India's prohibition on imports of poultry due to avian influenza concerns,
 - Indonesia on import licensing of horticultural and livestock products.

And we are looking at doing more.

- We are pushing for more transparency and data reporting to the WTO. For example, the last time China reported their domestic support was in 2010. How are you supposed to negotiate with a country if you don't have access to reciprocal information?

- We are using the recently reauthorized GSP program to evaluate developing country's eligibility for access to the U.S. market. For example, USTR just announced we are accepting a petition from the pork industry to evaluate Indonesia's GSP preference due to the market access issues facing U.S. pork.

4. U.S. Leadership in Agricultural Trade

- The U.S. is leading among other colleagues to address tariff and non-tariff barriers for U.S. agricultural exports in the WTO.
- In December, the United States provided important leadership in the WTO and called for a reset for agriculture negotiations in the WTO. The United States believes that we must look at what the challenges are that face farmers today, which are not the problems of 20 years ago after the Uruguay Round. You will see us doing more in Geneva going forward.
- USTR is leading coalition building with other countries on using international standards, sound science and risk assessment for Maximum Residue Levels for crop inputs, and we are working with the EU on SPS regionalization.
- USTR and USDA are also working with other countries to advocate for science based approaches in CODEX, WHO and IARC.
- And as called for in the Rural Prosperity Task Force Report, USTR will be leading to create an international strategy that removes unjustified trade barriers and expands markets for U.S. biotechnology products.
- Lastly, we must be creative in our approach, while going on offense. I welcome the opportunity to work together to be creative on further trade opportunities – MOUs, streamlining of export certificates, ag sectorals, etc. For example, we signed a MOU on Trade in Food and Agriculture Products with Bahrain a couple weeks ago.

Conclusion

- I understand that times are tough in farm country and for our agribusinesses, but we have a great group of staff at USTR that are committed to address the long list of trade issues facing U.S. agriculture.

- I'm on the phone or meeting with USDA's Undersecretary for Trade Ted McKinney every day as we coordinate the interagency effort needed to address these issues and seek new market opportunities.
- For my part, there are many days ahead involving coordination and consultation with you and negotiation with our customers.
- It is an honor to be serving you in this role. There is a lot to do. Thank you for this opportunity to join you today and it is an honor to join my predecessors on this panel.