



Bulletin 19-39 December 3, 2019

**CIAA Bulletin**

**An Exclusive CIAA Member  
Update**

## **USTR Threatens French Cheese with Additional Duties**

Following an investigation into France's Digital Services Tax (DST), USTR has [proposed a list](#) of goods that may be subject to additional Section 301 duties. The list of goods includes French cheeses. The French DST levies a 3 percent tax on revenues for providing "digital interface" services and "targeted advertising" in France, which the U.S. argues discriminates against U.S. companies.

The proposed list of goods covers a little over 20 cheese tariff subheadings. No duty rate has been proposed at this time, but the notice mentions duties of up to 100 percent on products from France.

To obtain public input on the goods that could be subject to the additional Section 301 duties and the applicable duty rate, USTR has scheduled a hearing at 9:30 AM on January 7, 2020. Individuals or companies interested in testifying at the hearing must submit a request to testify and a summary of the testimony to USTR by December 30, 2019.

Individuals that are unable to attend the hearing or want to provide additional feedback to USTR can submit written comments to USTR through [regulations.gov](https://www.regulations.gov) by January 6, 2020. Additionally, USTR is accepting written feedback on testimony provided until January 14, 2020.

The tariffs will not go into effect until USTR issues a final list of subject products and announces a duty rate.

CIAA intends to submit comments in response to this notice. CIAA members should provide their assessment of the impact of these tariffs to the association in order to help CIAA provide context to USTR. CIAA also encourages its members to submit comments and testify at the hearing individually if they will be impacted by these tariffs.

We will continue to monitor developments related to USTR's tariffs. Should you have any questions regarding this alert, contact the Husch Blackwell LLP team at [CIAAGeneralCounsel@huschblackwell.com](mailto:CIAAGeneralCounsel@huschblackwell.com).

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## USTR Threatens Potential Higher Duties, Adding More Products to Tariff List Due to EU Airbus Subsidy Non-Compliance

Tariffs on European cheese could increase following the latest development with the European Union's subsidization of Airbus.

On Monday, December 2, 2019, a WTO compliance panel [rejected](#) the EU's claims that it had removed subsidies paid to large civil aircraft manufacturers, which caused \$7.5 billion of harm to U.S. interests. In addition to finding that the EU's subsidies did not meet WTO obligations, the WTO further found that the European governments had extended their subsidies to Airbus by renegotiating aid after the WTO allowed the U.S. to implement countermeasures.

The initial onslaught of countermeasures occurred when the U.S. imposed 10 percent tariffs on new European large civil aircrafts and 25 percent tariffs on agricultural and other products. This included a large number of cheeses and dairy products imported from various EU countries.

In light of the WTO's ruling, the U.S. announced in a [press release](#) that it will assess the possibility of increasing tariffs and expanding the list of products subject to the additional Section 301 duties. USTR will publish a notice in the Federal Register later this week with additional information regarding this process. Any adjustment to the list or tariff level are expected to coincide with the review of this tariff action mandated by Section 306(b)(2) of the Trade Act of 1974.

We will continue to keep you updated as developments related to these duties occur. If you have questions, please contact the Husch Blackwell team at [CIAAGeneralCounsel@huschblackwell.com](mailto:CIAAGeneralCounsel@huschblackwell.com).

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### *Dates to Remember*

December 20, 2019 (approximately)  
FAS issues first notice of calendar year 2020 licenses to licensees.

December 31, 2019  
Last day for licensees to make entries to fulfill the requirement to use 85% of their calendar year 2019 license amount. Last day for which calendar year 2019 licenses are valid.

January 1, 2020  
First day of validity for calendar year 2020 licenses.

January 19, 2020  
CIAA Fancy Food Show Reception  
5:00 pm- 7:30 pm

Thirsty Bear Brewery  
San Francisco, CA

\* If a deadline date falls on a Saturday, Sunday, or Federal holiday, the deadline will be the next business day (Section 6.36(a) of the Dairy Tariff-Rate Import Quota Licensing Regulation). This does not apply to dates of entry for eligibility.

**Cheese Importers Association of America**

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