



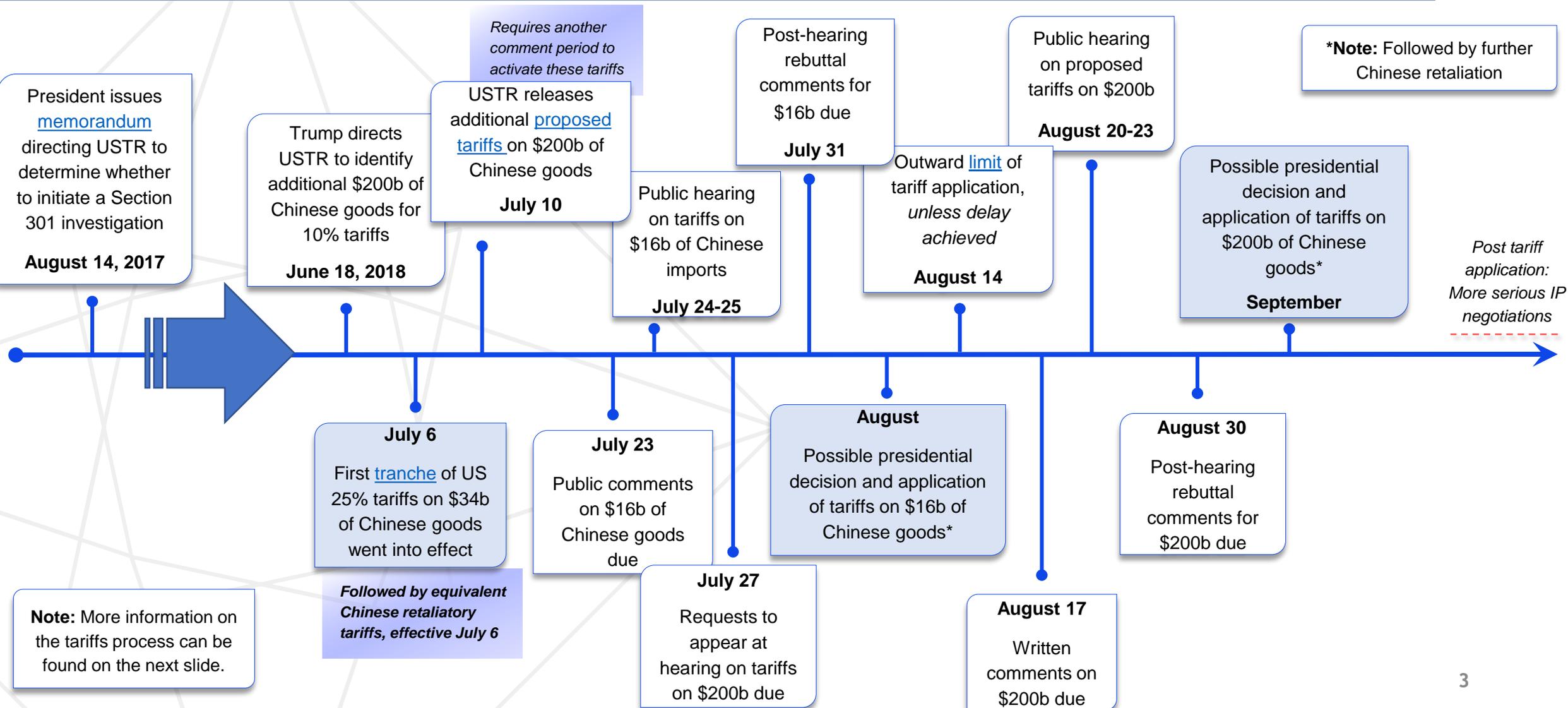
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Section 301: Timelines
US Investigation of Chinese Intellectual Property Practices
July 24

Three Elements of US Section 301 Investigation

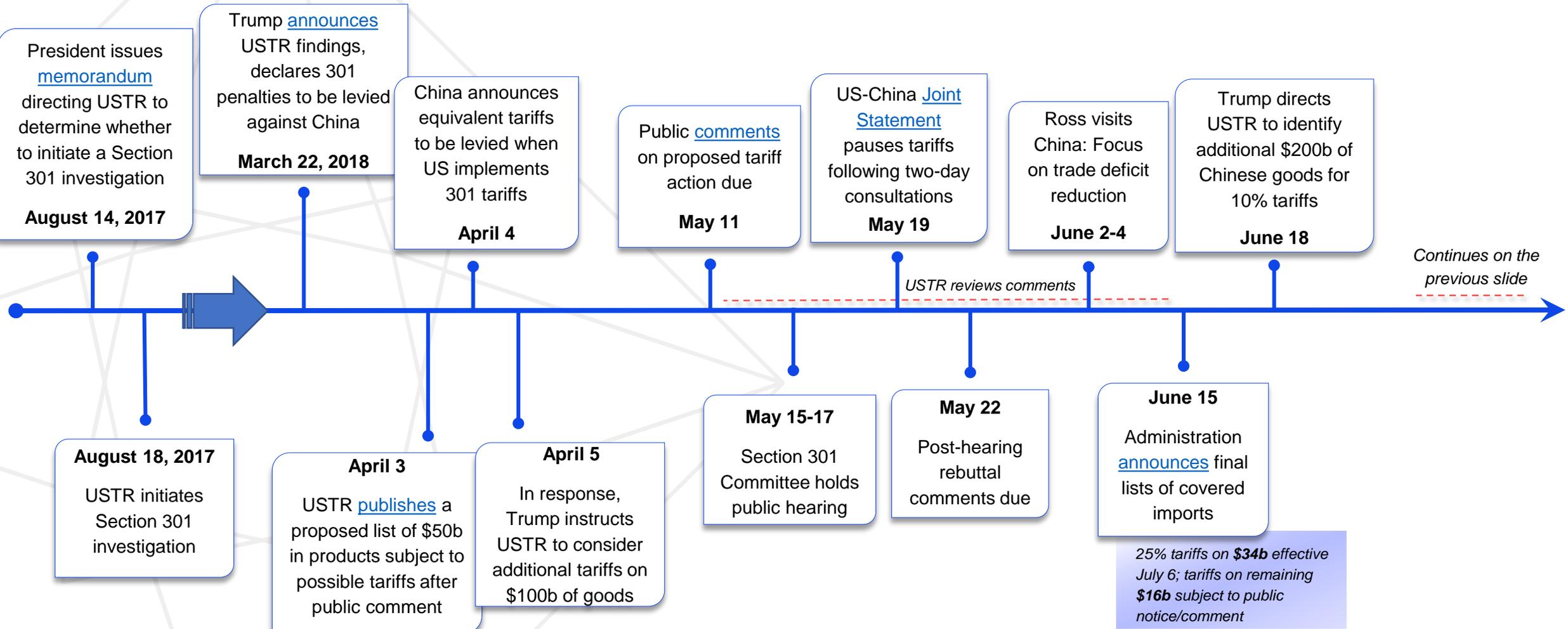
- **Proposed tariffs on \$50 billion in Chinese goods**
 - First tranche of 25% tariffs on \$34 billion of Chinese goods was applied July 6, 2018.
 - Tariffs on remaining \$16 billion of goods - and an additional \$200 billion - are currently in a public comment period to consider additional tariff application.
- **China responds with WTO challenge and counter-tariffs**
- **WTO Case Against China's IP and Licensing Practices**
- **Investment Restrictions through FIRRMA, a CFIUS reform bill**
 - Committee on Foreign Investment in the United States (CFIUS) Reform
 - Export Control Reform Act of 2018
 - International Emergency Economic Powers Act (IEEPA)

Section 301: Tariffs on \$16b and \$200b



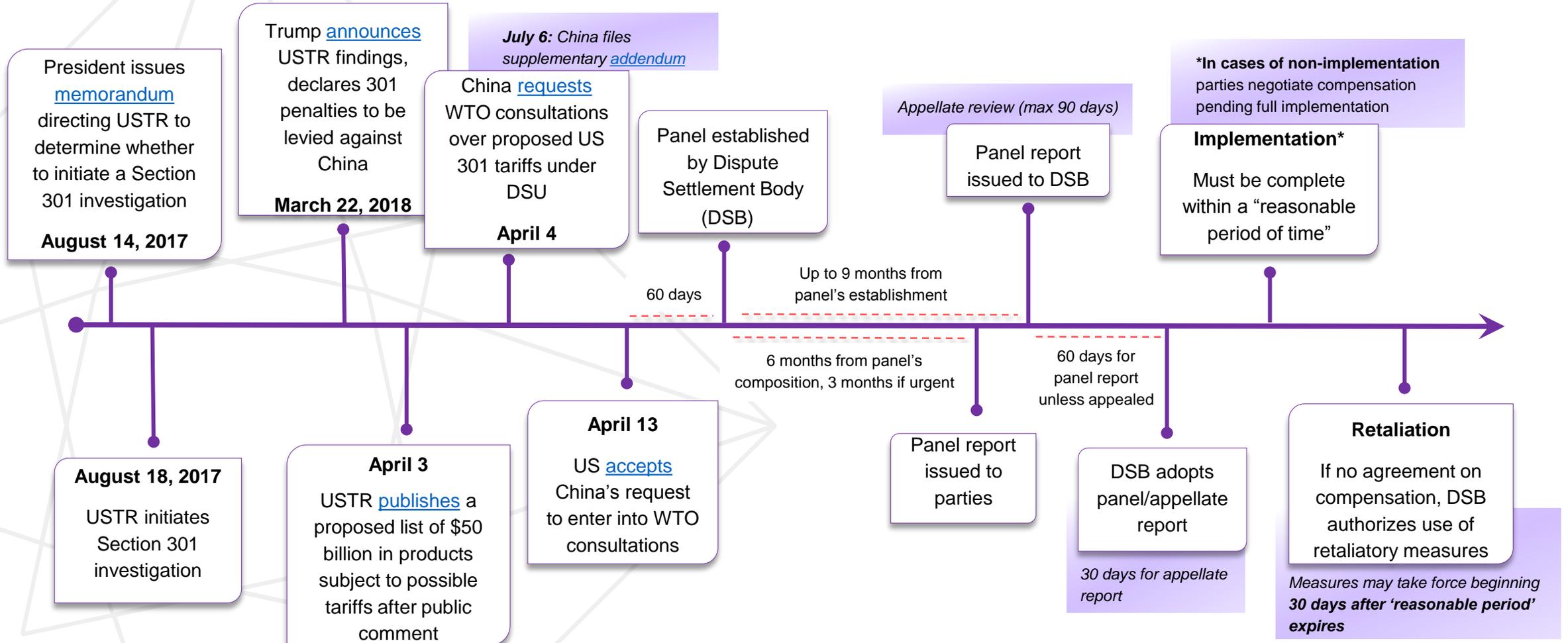
Note: More information on the tariffs process can be found on the next slide.

Section 301: Tariffs Background

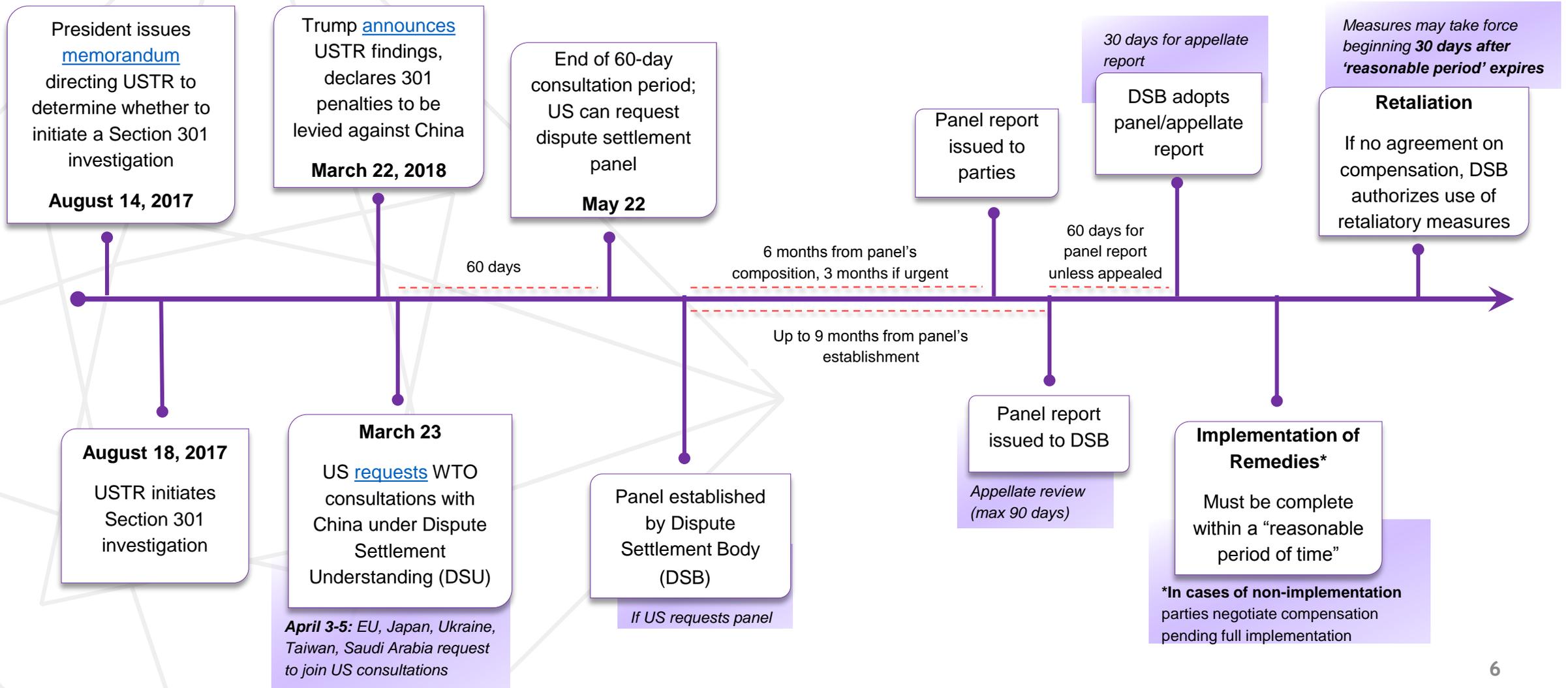


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China Launches WTO Case against Proposed US Section 301 Tariffs



Section 301: US-filed WTO Case on Chinese IP Licensing Practices



Section 301: Investment Restrictions

President issues [memorandum](#) directing USTR to determine whether to initiate a Section 301 investigation
August 14, 2017

Trump [announces](#) USTR findings, declares 301 penalties to be levied against China
March 22, 2018

Trump [announces](#) investment restrictions will be implemented through FIRRMA; directs Commerce to lead review of export controls
June 27

August 18, 2017
USTR initiates Section 301 investigation

May 21
Mnuchin gives Trump an update on Treasury's progress to address concerns regarding Chinese investments in the US

Within 60 days

Status: FIRRMA advanced in both chambers. House version modernizes export controls. Neither version applies CFIUS to outbound investment. House and Senate will meet this month to reconcile their two versions of the bill.

Measures under consideration:

Passage of the **Foreign Investment Risk Review Modernization Act (FIRRMA)** would implement significant changes to CFIUS review process, further tightening scrutiny of Chinese investments in the services/other sectors in the U.S.

Export Control Reform Act (ECRA) of 2018 establishes framework to protect critical and emerging U.S. technology and know-how.

*The ECRA passed House Foreign Affairs Committee on April 17, but unclear whether Congress will proceed with ECRA or FIRRMA, or a combination of both.

The **International Emergency Economic Powers Act (IEEPA)** of 1977 gives President broad authority to deal with "any unusual and extraordinary threat" to U.S. national security, foreign policy, or economy.

*Trump must first declare a national emergency under the National Emergencies Act to be granted extensive powers by the IEEPA.



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