

# USTR Proposes Increased Duties on Variety of Products; Companies Can Seek Relief

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On March 31, 2021, the Office of the U.S. Trade Representative (USTR) published a notice seeking comments regarding proposed duties on imported goods from Austria, India, Italy, Spain, Turkey, and the United Kingdom (UK). The proposed tariffs, up to 25 percent *ad valorem*, would be imposed to retaliate for digital services tax (DST) these countries are expected to collect from U.S. companies. Following its investigations of these countries' DST laws, the USTR determined that they are unreasonable and discriminatory and burden or restrict U.S. commerce. The USTR now seeks comments on its proposed tariffs regarding:

- The level of the burden or restriction on U.S. commerce resulting from the DSTs, including the amount of DST payments owed by U.S. companies, the annual growth rate of such payments, and other effects, such as compliance costs;
- The appropriate aggregate level of trade to be covered by additional duties;
- The level of the increase, if any, in the rate of duty; and
- The products subject to increased duties, including whether certain tariff subheadings proposed should be retained or removed or whether additional subheadings should be added.

The proposed products vary widely for each country, from glass, textiles, furniture, and ceramics to sardines, octopus, jewelry, perfumes, clothing, and video game consoles. Companies that may be affected can submit comments on the individual DST investigations as well as on multijurisdictional issues common to two or more of the investigations. The goods the USTR targeted for additional duties as a result of the

investigations vary widely across industries and can be found here for **Austria, India, Italy, Spain, Turkey**, and the **UK**. U.S. companies doing business in the identified countries should review the proposed list of goods potentially subject to increased tariffs and, if they may be affected, consider filing comments.

The USTR has set the following schedule for comments and hearings:

- April 21, 2021: submit requests to appear at a hearing, along with a summary of testimony.
- April 30, 2021: submit written comments.
- May 3-18, 2021: hearings and rebuttal comments due.

Based on the USTR's handling of the China and Large Civil Aircraft Section 301 proceedings, companies may be able to convince the USTR to leave their products off the list of products subject to additional duties. Lowenstein's Global Trade & Policy team can help companies that may be affected by these proposed duties navigate this process and potentially minimize any increased costs as a result of the USTR's final action. Contact your Lowenstein attorney if you are interested in learning more.

# Contacts

Please contact the listed attorneys for further information on the matters discussed herein.

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