STATEMENT OF

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BEFORE THE

THE 301 COMMITTEE MEMBERS

CONCERNING

PROPOSED DETERMINATION OF ACTION PURSUANT TO SECTION 301: CHINA'S ACTS, POLICIES, AND PRACTICES RELATED TO TECHNOLOGY TRANSFER, INTELLECTUAL PROPERTY, AND INNOVATION

(DOCKET NO.: USTR-2018-0018)

July 24, 2018

EXECUTIVE SUMMARY

Increased tariffs of 25% on Articles of Iron and Steel under HTSUS 7308.10.00, 7308.20.00, 7308.90.30, 7308.90.60, 7308.90.70 7308.90.95 and other products under Tariff Chapter 73 and on Aluminum and articles thereof under HTSUS 7614.10.10 and 7614.90.20 and other products under Tariff Chapter 76 should not be subject to additional tariffs on tariff list 2 which contains 284 proposed tariff lines identified by the interagency Section 301 Committee.

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FORMAL STATEMENT

1. Good afternoon, Distinguished Chairperson and Members of the 301 Committee, My name is Bo Yi, Associate Professor of International Trade Law from China and I am also an attorney of International Trade Law from Jiangsu Fengdian Law Firm at Nanjing.

2. I would like to express my warmest thanks to the 301 committee, for the opportunity to offer comments concerning the proposed determination of action pursuant to section 301: China's acts, policies, and practices related to technology transfer, intellectual property, and innovation (docket no.: ustr-2018-0018)

3. I am pleased to submit this statement for opposing USTR's proposed action to increase tariffs on a list of products regarding Iron and Steel under HTSUS Chapter 73 and Aluminum under Chapter 76.

I It will probably amount to double jeopardy tariffs to the same productions among Steels and Aluminum imported from China

4. On March 8, 2018, Your President Trump signed two proclamations imposing a 25 percent tariff on steel imports and a 10 percent tariff on aluminum imports from all countries to protect US national security. On March 22, 2018, Your President Trump announced his decision to take action against what he terms as China's unfair trade practices. These are outlined in the USTR Section 301 investigation report of China's acts, policies and practices related to technology transfer, intellectual property, and innovation. Both Section 232 and 301 tariffs imposed on productions imported from China's aim and goal are to protect American business interests. However, either of them can achieve this aim and

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objectives.

5. When the Section 232 tariffs took effect on March 23, 2018， Articles of Iron and Steel under HTSUS 7308.10.00, 7308.20.00, 7308.90.30, 7308.90.60, 7308.90.70 7308.90.95 and other products under Tariff Chapter 73 and on Aluminum and articles thereof under HTSUS 7614.10.10 and 7614.90.20 and other products under Tariff Chapter 76 imported from China have been imposed increased tariffs of section 232. And productions of Steels and Aluminum from China have been suffered by punitive tariffs of section 232. If increased tariffs of section 301 will also apply to the said productions under Iron and Steel of Tariff Chapter 73 and Aluminum and articles thereof Tariff Chapter 76 of HTSUS, it will probably amount to double jeopardy tariffs to the same productions among Steels and Aluminum imported from China.

6. Although I am a foreigner from China, I always read the Constitution of the United States of America. In my opinion, the Constitution of the United States of America not only protect Americas' legal right but also protect foreigner's legal right in the United States. Please look at the article of Amendment V of the Constitution of the United States of America, which rules that "nor shall any person be subject for the same offense to be twice put in jeopardy of life or limb." To my knowledge,

Section 301 tariffs shall not punish goods from China twice. Products of Steel and Aluminum are likely to be hit with multiple rounds of tariffs. Certain steel and aluminum items covered by both tariff measures—the Section 232 measures imposed as of 23 March as well as these proposed Section 301 tariff measures—will have total additional duties imposed in the amount of 50% on certain China-origin

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steel imports and 35% on certain China-Origin aluminum imports where the tariff headings are within the scope of both orders

II Certain Steel and Aluminum Items Imported from China Covered by These Proposed Section 301 Tariff Measures are not strategically important to or related to the "Made in China 2025" Strategy

7. The Proposed 301 tariffs constitute the US administration's sharpest response to China's launch of its Made in China 2025 strategy. The policy, announced in 2015, highlighted ten sectors for support on the way to China becoming an advanced manufacturing power: information technology, high-end machinery and robotics, aerospace, marine equipment and ships, advanced rail transport, new-energy vehicles, electric power, agricultural machinery, new materials and bio-medical.

8. However, Certain Steel and Aluminum Items Imported from China Covered by These Proposed Section 301 Tariff Measures are not strategically important to or related to the "Made in China 2025" Strategy.

III The United States should resolve relevant differences to China Through Dialogue and Cooperation

9. China and the United States have a basis for resolving their disputes through cooperation, and it would be unwise for the United States to return to unilateral action of the proposed 301 tariffs against China.

10.it is also the expectation of the American people to resolve U.S.-China differences through dialogue.

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Imposing import tariffs on each other will not only hurt the economies of the United States and China but will also destroy the whole world.

11. Resolving differences through dialogue between the United States and China is also the expectation of the international community. On July 5, the eighth BRICS Economic and Trade Ministers meeting issued a separate statement on supporting the multilateral trading system and opposing unilateralism and protectionism. The statement expressed the commitment of the BRICS countries to firmly uphold a rules-based, transparent, non-discriminatory, open and inclusive multilateral trading system with the WTO at its core and resolutely oppose unilateralism and protectionism, In particular, strong concern was expressed at the current unilateral measures that were inconsistent with WTO rules and placed the multilateral trading system in crisis. The statement called on WTO members to abide by WTO rules, abide by the commitments of the multilateral trading system, work together to strengthen the WTO and to make every effort to meet the severe challenges facing the current multilateral trading system.

12. China and the United States have a basis for dialogue to resolve differences. In May this year, when Our Country's Vice Premier Liu He led a Chinese delegation to the United States for consultations, China and the United States agreed to correctly resolve the current Sino-US trade dispute through dialogue and cooperation and not to fight a trade war. This has sent a positive and powerful signal to the market, stabilized market expectations, and made it clear to the international community that Sino-US economic and trade relations can be mutually beneficial and win-win through continued and strengthened cooperation.

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CONCLUSIONS

13. In view of the above, I will vigorously oppose the proposed tariff measures of section 301 to products entering the United States under HTSUS HTSUS 7308.10.00, 7308.20.00, 7308.90.30, 7308.90.60, 7308.90.70 7308.90.95 and other products under Tariff Chapter 73 and on Aluminum and articles thereof under HTSUS 7614.10.10 and 7614.90.20 and other products under Tariff Chapter 76 . All of them should not be subject to additional tariffs of section 301. I hope and wish that the United States Government adequately address the economic and trade differences between China and the United States in a constructive manner so as to create a suitable legal environment for trade exchanges and investment cooperation between Chinese and American enterprises.

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