



# **Escalating U.S. Tariffs: Timeline**

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# Updated June 21, 2019

The trade practices of U.S. trading partners and the U.S. trade deficit are a focus of the Trump Administration. Citing these and other concerns, the President has imposed tariff increases under three U.S. laws:

- (1) Section 201 of the Trade Act of 1974 (**Table 1**) on U.S. imports of washing machines and solar products;
- (2) Section 232 of the Trade Expansion Act of 1962 (**Table 2**) on U.S. imports of steel and aluminum, and potentially motor vehicles and parts, uranium, and titanium sponge; and
- (3) Section 301 of the Trade Act of 1974 (**Table 3**) on U.S. imports from China.

Congress delegated aspects of its constitutional authority to regulate foreign commerce to the President through these trade laws. These statutory authorities allow the President, based on agency investigations, to take various actions, including to impose import restrictions to address specific concerns (see text box). They have been used infrequently in the past two decades, in part due to the 1995 creation of the World Trade Organization (WTO) and its enforceable dispute settlement system. Prior to this Administration, U.S. import restrictions were last imposed under these trade laws in 1986 for Section 232, in 2001 for Section 301, and in 2002 for Section 201. The President also proposed increasing tariffs on imports from Mexico using authorities delegated by Congress under the International Emergency Economic Powers Act

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7-.... www.crs.gov IN10943 (IEEPA), but subsequently suspended the proposed tariffs citing an agreement reached with Mexico (**Table 4**). For information on retaliatory tariffs by U.S. trading partners, see CRS Insight IN10971, *Escalating U.S. Tariffs: Affected Trade*.

### U.S. Laws Related To Trump Administration Trade Actions

Section 201 of the Trade Act of 1974—Allows the President to impose temporary duties and other trade measures if the U.S. International Trade Commission (ITC) determines a surge in imports is a substantial cause or threat of serious injury to a U.S. industry.

Section 232 of the Trade Expansion Act of 1962—Allows the President to adjust imports if the Department of Commerce finds certain products are imported in such quantities or under such circumstances as to threaten to impair U.S. national security.

**Section 301 of the Trade Act of 1974**—Allows the United States Trade Representative (USTR) to suspend trade agreement concessions or impose import restrictions if it determines a U.S. trading partner is violating trade agreement commitments or engaging in discriminatory or unreasonable practices that burden or restrict U.S. commerce.

**International Emergency Economic Powers Act (IEEPA) of 1977**—Allows the President to regulate the importation of any property in which any foreign country or a national thereof has any interest *if the President declares a national emergency to deal with an unusual and extraordinary threat*, which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States.

Increasing U.S. tariffs or imposing other import restrictions through these laws potentially opens the United States to complaints that it is violating its WTO and free trade agreement (FTA) commitments. Several U.S. trading partners, including China and the European Union, have initiated dispute settlement proceedings and imposed retaliatory tariffs in response. The retaliatory actions also raise questions with regard to their adherence to WTO commitments, which the United States has raised at the WTO.

## Timeline and Status of U.S. Trade Actions

The tables below provide a timeline of key events related to each trade action. In addition to tariffs, the President has imposed quotas, or quantitative limits on U.S. imports of certain goods from specified countries, as well as tariff-rate quotas (TRQs), for which one tariff applies up to a specific quantity or value of imports and a higher tariff applies above that threshold.

## Table 1. Section 201 Global Safeguard Investigations

Key Dates	• 5/17/2017—U.S. industry petition initiates ITC injury investigation on solar cells/modules.	
	<ul> <li>6/5/2017—U.S. industry petition initiates ITC injury investigation on large residential washers.</li> </ul>	
	<ul> <li>9/22/2017—ITC makes affirmative solar cells/modules injury determination.</li> </ul>	
	• 10/5/2017—ITC makes affirmative large residential washers injury determination.	
	<ul> <li>I1/I3/2017—ITC submits report and recommended action on solar cells/modules to President.</li> </ul>	
	<ul> <li>12/4/2017—ITC submits report and recommended action on large residential washers to President.</li> </ul>	
	<ul> <li>1/23/2018—President proclaims actions on solar cells/modules and large residential washer effective February 7, 2018.</li> </ul>	
U.S. Import Restriction	Solar Cells: 4-year TRQ with 30% above quota tariff, descending 5% annually.	
	Solar Modules: 4-year 30% tariff, descending 5% annually.	
	Large Residential Washers: 3-year TRQ, 20% in quota tariff descending 2% annually, 50% above quota tariff descending 5% annually.	
	Large Residential Washer Parts: 3-year TRQ, 50% above quota tariff, descending 5% annually.	

Countries	Affected
Ocumento.	

Canada excluded from the duties on washers. Certain developing countries excluded if they account for less than 3% individually or 9% collectively of U.S. imports of solar cells or large residential washers, respectively. All other countries included.

#### **Current Status**

Effective February 7, 2018.

### Table 2. Section 232 Steel, Aluminum, Auto, Uranium, and Titanium Sponge Investigations

- 4/2017—Commerce self-initiates investigations on U.S. steel (4/19) and aluminum (4/26) imports.
- I/2018—Commerce submits steel (I/II) and aluminum (I/I7) investigation findings and recommendations to President.
- 3/23/2018—United States imposes steel and aluminum duties. Temporary exemptions to May 1 in place for certain U.S. security partners (later extended to June 1).
- 4/30/2018—President permanently exempts South Korea from steel duties, based on a quota arrangement.
- 5/23/2018—Commerce self-initiates investigation on U.S. motor vehicle and parts imports.
- 5/31/2018—President permanently exempts Argentina and Brazil from steel duties, and Argentina from aluminum duties, based on quota arrangements. Australia permanently exempted from both duties without a quota.

#### **Key Dates**

- 7/18/2018—Commerce initiates investigation on U.S. uranium imports based on industry petition.
- 2/17/2019—Commerce submits motor vehicle and parts investigation findings and recommendations to President.
- 3/4/2019—Commerce initiates investigation on U.S. titanium sponge imports based on industry petition.
- 4/16/2019—Commerce submits uranium investigation findings and recommendations to President.
- 5/17/2019—President proclaims motor vehicle and parts imports a national security threat and directs USTR to negotiate with European Union (EU), Japan, and others to resolve threat.
- 5/19/2019—President exempts Canada and Mexico from steel and aluminum duties. Canada, Mexico, and United States announce process for reinstating tariffs should imports surge.

#### U.S. Import Restriction

Aluminum: 10% tariffs on specified list of aluminum imports, effective indefinitely.

Steel: 25% tariffs on specified list of steel imports, effective indefinitely.

Autos and Parts: No tariffs currently in effect, pending negotiations.

#### **Countries Affected**

Aluminum: Argentina,\* Australia, Canada, and Mexico exempted. All other countries included.

**Steel**: Argentina,\* Australia, Brazil,\* Canada, Mexico, and South Korea\* exempted. All other countries included.

**Autos and Parts:** EU, Japan, and other countries "deemed necessary" targeted for negotiations. (\*) Quantitative import restrictions imposed in place of tariffs.

Aluminum: Tariffs effective March 23, 2018.

Steel: Tariffs effective March 23, 2018.

#### **Current Status**

**Autos and Parts:** National security threat declared. Negotiations to resolve threat are ongoing with USTR to report to the President on their status within 180 days of May 17, 2019.

Uranium: Investigation completed. Determination on national security threat pending.

**Titanium Sponge:** Investigation ongoing. Determination on national security threat pending. (Retaliation also in effect, see CRS Insight IN10971, Escalating U.S. Tariffs: Affected Trade.)

# Table 3. Section 301 Investigation of China's IP and Innovation Policies

- 8/14/2017—President directs USTR to consider investigation on China's laws, policies, practices, or actions affecting U.S. intellectual property and forced technology transfers.
- 3/22/2018—USTR releases Section 301 report and finds that China's policies are
   "unreasonable or discriminatory, and burden or restrict U.S. commerce." President signs
   memorandum proposing to: (1) implement tariffs on certain Chinese imports; (2) initiate a
   WTO dispute settlement case against China's discriminatory technology licensing; and (3)
   propose new investment restrictions on Chinese efforts to acquire sensitive U.S. technology.
- 4/6/2018—USTR publishes proposed list of products to be subject to additional 25% tariff.
- 5/19/2018—United States and China release joint statement as initial negotiations held to resolve U.S. concerns.
- 5/29/2018—President announces U.S. plan to proceed with Section 301 actions, including 25% tariff on \$50 billion of U.S. imports.
- 6/15/2018—USTR releases two-stage plan to impose 25% tariffs on approximately \$50 billion of Chinese imports.

#### **Key Dates**

- 6/18/2018—President directs USTR to propose additional list of imports (stage 3) valued at \$200 billion to be subject to 10% tariff if China retaliates against Section 301 tariffs.
- 7/6/2018—United States imposes stage I tariffs (25% tariff on \$34 billion of U.S. imports).
- 8/23/2018—United States imposes stage 2 tariffs (25% tariff on \$16 billion of U.S. imports).
- 9/24/2018—In response to Chinese retaliatory tariffs, United States imposes stage 3 tariffs (10% tariffs on \$200 billion of U.S. imports initially set to increase to 25% on January 1, 2019).
- 12/1/2018—President announces new negotiations with China to resolve U.S. concerns and declares stage 3 tariffs will remain at 10%.
- 5/5/2019—President tweets negotiations are moving too slowly, and plans to increase stage 3 tariffs to 25% and to prepare tariffs on remaining Chinese imports (stage 4).
- 5/10/2019—United States imposes stage 3 tariff increase to 25%.
- 5/17/2019—USTR publishes proposed stage 4 tariff list (25% tariff on \$300 billion of U.S. imports).
- 6/18/2019—President Trump tweets that he plans to meet with President Xi during G-20 and resume staff-level talks with China.

#### U.S. Import Restriction

Stage I—25% import tariff on 818 U.S. imports (final, approx. \$34 billion).

Stage 2—25% import tariff on 279 U.S. imports (final, approx. \$16 billion).

Stage 3—10% import tariff increased to 25% on 5,733 U.S. imports (final, approx. \$200 billion).

Stage 4—25% import tariff on 3,812 U.S. imports (proposed, approx. \$300 billion).

### **Countries Affected**

China.

Current Status	Stage 1—Effective July 6, 2018.  Stage 2—Effective August 23, 2018.  Stage 3—Effective September 24, 2018 (10%), May 10, 2019 or June 15, 2019 on products exported from China before May 10 (25%).  Stage 4—Proposed.  (Retaliation also in effect, see CRS Insight IN10971, Escalating U.S. Tariffs: Affected Trade.)		
Table 4. Proposed Tariffs on Mexico under IEEPA			
Key Dates	• 5/30/2019—President announces intent to invoke IEEPA authorities to impose 5% tariff on all imports from Mexico, starting June 10, 2019, and increasing by 5% monthly to 25% in response to concerns over Mexico's immigration policies affecting the United States.		
	<ul> <li>6/7/2019—President tweets that the United States reached an agreement with Mexico (see State Department announcement), suspending the proposed tariffs indefinitely.</li> </ul>		
U.S. Import Restriction	Proposed 5% import tariff on all U.S. imports from Mexico, increasing by 5% monthly to a maximum of 25% (proposed, approx. \$346.5 billion).		
Countries Affected	Mexico.		
Current Status	Suspended indefinitely.		

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