



OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Continuation of Actions: China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation

AGENCY: Office of the United States Trade Representative.

ACTION: Notice.

SUMMARY: In a notice published on May 5, 2022, the Office of the United States Trade Representative (USTR) announced the first step in the statutory four-year review process of the two actions, as modified, taken under Section 301 in the investigation of China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation. The notice informed representatives of domestic industries which benefit from the actions, as modified, of the possible termination of the actions and of the opportunity for the representatives to request continuation of the actions. The docket to receive requests for continuation for the July 6, 2018 action, as modified, closed on July 5, 2022. The docket to receive requests for the August 23, 2018 action, as modified, closed on August 22, 2022. USTR received requests for continuation of both actions from representatives of domestic industries which benefit from the actions.

Accordingly, the actions have not terminated and will remain in effect, subject to possible further modifications, including any modifications resulting from the statutory four-year review.

DATES: The July 6, 2018 action, as modified, did not terminate on July 6, 2022, and will remain in effect, subject to possible further modifications.

The August 23, 2018 action, as modified, did not terminate on August 22, 2022, and will remain in effect, subject to possible modifications.

FOR FURTHER INFORMATION CONTACT: For questions about this notice, contact Associate General Counsels Megan Grimball or Philip Butler at (202) 395-5725.

SUPPLEMENTARY INFORMATION:

A. Background

For background on the Section 301 actions, modifications, and four-year review process in the investigation of China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation, please see 87 FR 26797 (May 5, 2022) (May 5 notice).

As stated in the May 5 notice, under Section 307(c)(1)(B) of the Trade Act of 1974, as amended (Trade Act) (19 U.S.C. 2417(c)(1)(B)), the July 6, 2018 action under Section 301, as modified, and the August 23, 2018 action under Section 301, as modified, were subject to possible termination on their respective four-year anniversary dates (*i.e.*, July 6, 2022 and August 23, 2022, respectively) unless a representative of a domestic industry which benefits from the respective action submitted in the 60-day period prior to the four-year anniversary of the respective action a request that the action continue.

Pursuant to Section 307(c)(2) of the Trade Act (19 U.S.C. 2417(c)(2)), USTR notified representatives of domestic industries which may benefit from the July 6, 2018 action, as modified, or the August 23, 2018 action, as modified, of the possible termination of these actions, as modified, and of the opportunity for these representatives to request continuation of the actions. *See* May 5 notice. As provided in the May 5 notice, representatives of domestic industries which benefit from the July 6, 2018 action, as modified, were afforded the opportunity to submit between May 7, 2022 and July 5, 2022, a request to continue the action, and representatives of domestic industries which benefit from the August 23, 2018 action, as modified, were afforded the opportunity to submit such requests between June 24, 2022 and August 22, 2022.

B. Continuation of Actions

USTR received numerous requests to continue the July 6, 2018 and August 23, 2018 actions, as modified. For the July 6, 2018 action, as modified, requests were

submitted by a range of domestic industries, including 244 requests from domestic producers and 44 requests from trade associations. For the August 23, 2018 action, as modified, requests were submitted by a range of domestic industries, including 114 requests from domestic producers and 32 requests from trade associations.

Representatives of domestic industries reported that they benefit from the trade action in a number of ways. For example, representatives of domestic industries reported that the July 6, 2018 action provides an incentive for the Chinese government to stop the harmful policies and practices that are the target of the tariff action. Additionally, representatives stated that the action has allowed them to compete against Chinese imports, invest in new technologies, expand domestic production, and hire additional workers. Similarly, for the August 23, 2018 action, representatives of the domestic industry reported that the additional tariffs have created more leverage to induce China to eliminate the policies and practices that are the subject of the Section 301 action, and have helped to address unfair competition resulting from China's technology transfer policies and practices and encourage better policies and practices.

Based on the requests for continuation received by USTR, and in accordance with Section 307(c)(1)(B) of the Trade Act (19 U.S.C. 2417(c)(1)(B)), the U.S. Trade Representative has determined that the July 6, 2018 action, as modified, and the August 23, 2018 action, as modified, did not terminate on their four-year anniversary dates (July 6, 2022 and August 23, 2022), and accordingly will remain in effect because at least one representative of a domestic industry which benefits from each action, as modified, has submitted to the U.S. Trade Representative during the last 60 days of such four-year period a written request for the continuation of such action.

C. Further Steps in Statutory Four-Year Review

In light of the continuation of the actions, the U.S. Trade Representative will conduct a review of the July 6, 2018 and August 23, 2018 actions, as modified, in

accordance with Section 307(c)(3) of the Trade Act (19 U.S.C. 2417(c)(3)). USTR will publish a separate notice or separate notices describing the review process. The process will include opening a docket for interested persons to submit comments on, among other matters, the effectiveness of the actions in achieving the objectives of the investigation, other actions that could be taken, and the effects of such actions on the United States economy, including consumers.

Greta Peisch,
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Office of the United States Trade Representative.

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