The U.S. and China signed Jan. 15 a phase one trade agreement under which the U.S. has suspended some tariff increases and will roll back others in return for what the White House called "structural reforms and other changes to China's economic and trade regime." U.S. officials said formal notice of the reduction in the tariff on List 4 goods from 15 percent to 7.5 percent will be published in the next few days. The U.S. will maintain 25 percent tariffs on List 1, 2, and 3 goods for the foreseeable future, and press accounts said China has no immediate plans to lift its retaliatory tariffs on U.S. goods.

According to information from the Office of the U.S. Trade Representative, the U.S.-China agreement includes provisions on the following issues. For more information, please contact trade consultant Nicole Bivens Collinson at (202) 730-4956.

**Intellectual Property**

- requires China to (1) expand the scope of civil liability for trade secret misappropriation beyond entities directly involved in the manufacture or sale of goods and services, (2) make it easier for trade secret owners to obtain preliminary injunctions to prevent the use of stolen trade secrets, (3) ensure that criminal enforcement is available for willful trade secret misappropriation, (4) etc.

- requires China to (1) allow pharmaceutical patent holders to seek expeditious remedies before the marketing of an allegedly infringing product, (2) provide patent term extensions to compensate for unreasonable patent office and marketing approval delays, (3) etc.

- requires China to (1) ensure that any geographical indication measures taken in connection with an international agreement do not undermine market access for U.S. exports, (2) not provide GI protection to individual components of multi-component terms if they are generic, (3) etc.

- obligates China to (1) provide deterrent-level civil remedies and criminal penalties for IP theft, (2) take effective action against e-commerce platforms that fail to take necessary measures against infringement, (3) significantly increase actions to stop the manufacture and distribution of counterfeits
with significant health or safety risks, (4) significantly increase the number of enforcement actions against pirated and counterfeit goods at physical markets and that are exported or in transit, (5) etc.

**Technology Transfer**

- prohibits the forcing or pressuring of foreign companies to transfer their technology as a condition for market access, administrative approvals, or receipt of any advantages
- requires any transfer or licensing of technology to be based on market terms that are voluntary and reflect mutual agreement
- prohibits state-directed or -supported outbound investment aimed at acquiring foreign technology in sectors and industries targeted by a party’s industrial policies
- ensures that enforcement and administrative proceedings are impartial, fair, transparent, and non-discriminatory

**Agriculture**

- China will purchase and import on average at least $40 billion of U.S. food, agricultural, and seafood products annually over the next two years and will strive to import an additional $5 billion per year during that time
- China’s timeframe for review and authorization of agricultural biotechnology products for feed or further processing will be lowered to an average of 24 months
- China will make specific improvements to its administration of wheat, corn, and rice tariff-rate quotas, including the allocation methodology, treatment of non-state trading quota applicants, and increased transparency
- neither the U.S. nor China will implement food safety regulations or require actions of the other’s regulatory authorities that are not science- and risk-based, and China will improve sanitary and phytosanitary measures affecting a wide variety of products
- China will expand the scope of beef products allowed to be imported, eliminate age restrictions on cattle slaughtered for export to China, and provide for the establishment of maximum residue levels for three hormones legally used in the U.S.
- China will broaden the list of pork products eligible for importation to include processed products such as ham and certain types of offal
- China will immediately recognize U.S. Department of Agriculture oversight of U.S. meat, poultry meat, and processed meat and poultry meat facilities, thereby eliminating any unique registration requirements and allowing imports of products accompanied by USDA certificates
- China will streamline the timelines and procedures for registering U.S. dairy and infant formula facilities and products and provide regulatory certainty and market stability for products like fluid milk and dairy permeate powder
- China will authorize the importation of U.S. rice from any USDA-approved rice facility within 20 business days of its receipt of notification that USDA has approved the facility as compliant with the U.S.-China phytosanitary protocol.

- China will approve the importation of 26 aquatic species requested for export by the U.S.

- China will finalize phytosanitary protocols for U.S. avocados, blueberries, potatoes, nectarines, barley, alfalfa hay pellets and cubes, almond meal pellets and cubes, and timothy hay.

- China will immediately resume imports of pet food containing poultry ingredients, lift the ban on ruminant ingredients, and streamline the timelines and procedures for registering U.S. facilities.

**Currency**

- Requires high-standard commitments to refrain from competitive devaluations and targeting of exchange rates while promoting transparency and providing mechanisms for accountability and enforcement.

**Expanded Trade**

- China will import at least $200 billion more in U.S. goods and services than it did in 2017, including (1) at least $120 billion in 2020 and $131.9 billion in 2021 of manufactured goods such as industrial machinery, electrical equipment, pharmaceutical products, aircraft, vehicles, optical and medical instruments, iron and steel, solar-grade polysilicon, hardwood lumber, and chemical products, (2) at least $30.1 billion in 2020 and $45.5 billion in 2021 of energy products such as liquefied natural gas, crude oil, and metallurgical coal, and (3) at least $99.9 billion in 2020 and $112.2 billion in 2021 of U.S. services such as financial services, insurance services, cloud services, and travel services.

**Dispute Resolution**

- Includes a dispute settlement arrangement that creates regular bilateral consultations at both the principal and working levels and allows each party to take proportionate responsive actions that it deems appropriate.

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