

Tai says USTR will publish final digital tax retaliation by June



BY DOUG PALMER | 05/13/2021 04:03 PM EDT



U.S. Trade Representative Katherine Tai reiterated her determination to resolve a long-running trade dispute over aircraft subsidies for Boeing and Airbus. | Bill O'Leary/The Washington Post via AP

The Biden administration will publish its tariff retaliation lists in digital tax disputes with four European countries, India and Turkey "by the beginning of June," U.S. Trade Representative Katherine Tai said on Thursday.

Statutory deadline fast approaching: Earlier this week, USTR wrapped up several days of hearings on proposed U.S. retaliation against the six countries, which include the U.K., Spain, Italy and Austria.

The Trump administration began the probes nearly one year ago. Tai faces a statutory deadline in the beginning of June to announce the results, but USTR had not previously said when it would do so.

Tai is widely expected to suspend duties on potentially billions of dollars of imported goods from the six countries for six months to provide more time for negotiations at the Organization for Economic Cooperation and Development on the digital tax issues.

The United States believes the digital tax initiatives by the six countries unfairly discriminate against U.S. internet giants like Google and Facebook. Other countries say it is their right to tax the companies on revenue earned within their borders.

EU steel retaliation hike also looming: The conclusion of USTR's digital tax investigations coincides with a June 1 deadline that the European Union has set to raise its retaliatory duties on American whiskey and a long list of other goods in response to steel tariffs that former President Donald Trump imposed in 2018.

During a House Ways and Means Committee hearing on President Joe Biden's trade agenda, Tai was asked several times about the possibility of persuading the EU to put off the upcoming tariff increases.

Tai indicated the issue was part of talks with the EU about working together to address the global overcapacity in the steel and aluminum sector, which originally prompted Trump to impose the duties.

Tai told Rep. [Gwen Moore](#) (D-Wis.) she hoped "very soon" to have concrete progress to report on the discussions.

On another tariff issue, Tai reiterated her determination to resolve a long-running trade dispute over aircraft subsidies for Boeing and Airbus to prevent U.S. and EU retaliatory tariffs from being reimposed in early July.

Proposed tech council: Late last year, the EU proposed creating a transatlantic Trade and Technology Council to discuss an array of bilateral concerns.

Pressed on that issue, Tai told the committee the Biden administration is "very interested" in the EU proposal and "working on a formal response."

That issue is likely to be discussed at the coming U.S.-EU summit in mid-June.

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YOUR ACCOUNT MANAGEMENT TEAM

Thomas Zhang

Senior Account
Manager

tzhang@politico.com

(703) 236-7925

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