
DEC Mission Statement

The Montana DEC will **support Montana exporters** and **provide a collective Montana exporter voice** to advise on **export education** needs and disseminate education opportunities to its collective networks; and to **advise policy makers on export policies** under consideration and provide suggestions for future legislation.

Attendees

Official DEC Members*

BD – Satic USA, Chair

Barry, Woods' Powr Grip, Vice Chair

Carey – US Commercial Service, Executive Secretary

Joel – Ascent Vision

Mara – Enell

Richard – The Law Office of Richard Hegger

Angie – Montana Dept of Commerce-ExportMontana

Brigitta – MounTerra & Montana World Trade Center

**Official DEC membership, controlled by the US Department of Commerce – International Trade Administration, can be accepted in June in even-numbered years.*

Guests

Scott – Rocky Mountain Bank

Webb Brown

Michael – Bannockburn Global Forex

Export Resource Partners

Jenni – Montana Manufacturing Extension Center

Next Meeting

Helena, MT: 2-4 pm, Tuesday, December 10, Helena

In person: Montana Department of Commerce, 301 S Park Ave, Helena, Rm 308. Area exporters will be invited as guests for future DEC membership.

Call-in: 877-309-2074, Access Code: 715-707-774

Agenda items will include:

- President's E-Awards Nominees
- Exporter of the Year applications and process
- Exporter trainings: suggestions, advise on current ideas
- Trade Policy updates: USMCA, Section 301, Section 232
- Promoting Montana Pavilions and Trade Missions
- Mentoring examples: Towhaul helped a Missoula company, etc.
- Member recruitment drive

DEC Meetings Schedule

DEC meetings will be scheduled quarterly for 2019-2020, roughly mid-December, mid-March, early May, and mid-September, co-locating with other pertinent gatherings, such as the Exporter of the Year award celebration, Manufacturing & International Trade Day, etc. **It is understood that most DEC members will call in**, rather than attend in person. Angelyn will coordinate and host the DEC meetings for those who can attend in person. However, it is also understood that all DEC members will make every effort to attend the Exporter of the Year award ceremony in person, as the DEC's most important outreach event of the year.

This schedule coincides with the new Exporter of the Year award schedule as follows:

- March 1: EOTY applications due; DEC determines awardee in mid-Mar meeting
- 1st week of May (in World Trade Month): DEC hosts award celebration in awardee's hometown

Treasurer's Report

Brigitta presented the Treasurer's Report, and it was approved with \$379.31 as the balance.

DEC 2019-2020 Projects

For the remainder of 2019 into 2020, the DEC would like to support the following:

- **Exporter Awards:** hosting or helping to recruit for –
 - MT DEC Exporter of the Year
 - President's E-award
 - SBA Exporter of the Year
- **Trade Policy Advocacy:** continuing to monitor USMCA, Section 301 (China), Section 232 (steel & aluminum) for changes and reach out to policy makers on behalf of Montana exporters.
- **Exporter Trainings:** supporting and co-hosting exporter trainings, as appropriate.
- **Mentoring:** being available to mentor Montana exporters on international trade issues.
- **Advising:** acting as advisors to export resource partners (e.g. ExportMontana, MWTC, etc.) as they plan trainings and marketing activities for Montana exporters.
- **Promoting:** increasing awareness among Montana exporters of the availability of resource partners' activities and programs (e.g. USCS's Gold Keys, ExportMT's STEP grant, MWTC's trade missions, etc.)

Exporter Trainings

DEC will support the following export training topics:

Ideas to Discuss

- **Foreign Exchange** (MWTC) – Michael with Bannockburn presented to the DEC on foreign exchange information. Brigitta will set up a time for Michael to present this via webinar to Montana exporters, co-hosted by MWTC and DEC.

- **Recent US Trade Policy – How Does It Affect Me?** (USCS) – this topic will cover Chinese tariffs and steel/aluminum tariffs
- **International Risk Management & Payment Methods** (SBA)
- **Export Process from Request for Quote to Shipment** (USCS & ExportMontana) – this checklist in the development process. Once finalized, USCS/ExportMT will offer a webinar.
- **Selling Products / Services in Canada** – pilot; ExportMontana will present on basics of selling products / services to Canada, and a panel of local exporters will talk about their experiences exporting to Canada.

Pending

- **Export 101** (ExportMontana): Lewistown (Oct)

Completed

- **USMCA:** MWTC
- **Export 101:** ExportMontana presented in Great Falls (May), Kalispell (May), Miles City (Aug), Wolf Point (Aug), Hamilton (Sept). Will record the next session and produce an accompanying Export 101 booklet.

Postponed

- **Free Trade Agreements & Tariffs** (USCS)
- **International Standards**, e.g. CE Mark, etc. (USCS)

USMCA Update

The proposed replacement for NAFTA, US-Mexico-Canada Agreement (USMCA), is currently under consideration by Congress. Until its approval, NAFTA remains in place.

Carey indicated that it is not that much different from NAFTA as it relates to Montana, except for in the Agricultural sector (grains, dairy, etc.). The [Montana USMCA impact fact sheet](#) is available for download.

Chinese Imports Tariffs Update

Regarding the status of the Section 301 Investigation and tariffs on Chinese imports, additional goods were added to the tariff schedule, subject to a 25% tariff rate. The Administration may increase the tariff rate to 30% on October 1, 2019. China has matched these increases with their own retaliatory tariffs.

See a detailed report on the actions in Appendix A.

ExportMontana has been awarded \$499,488 in funding for the US SBA's STEP grant, Sept 30, 2019 – Sept 29, 2021 for:

- Funding grants for individual Montana exporters for:
 - International Trade Show Exhibition – up to \$10,000 reimbursement + up to \$2,000 travel stipend
 - Language Translation Services & Production Fees – up to \$3,000 reimbursement
 - U.S. Commercial Service Programs – up to \$5,000 reimbursement + up to \$2,000 travel stipend
 - International Compliance Testing – up to \$3,000 reimbursement
 - Montana Online Global Program – up to \$3,000 reimbursement
 - International Travel Stipend – up to \$2,000 reimbursement
- Hosting Montana Pavilions for Montana exporter industry groups:
 - Nov 2019, France, Milipol Paris, security and defense industry
 - Feb 2020, Canada, BuildEx Vancouver, building and construction products and services
 - Mar 2020, Germany, IWA Outdoor, outdoor and hunting industry
 - Mar 2020, Germany, EWF, flyfishing products and services
 - April 2020, Sub-Saharan Africa, companies selling into South Africa, etc.

DEC indicated support for the plan and will help disseminate program information to Montana exporters.

Upcoming Events

DATE	EVENT	LOCATION	RESPONSIBLE PARTY
2019			
OCTOBER 14-16	Innovate Montana Symposium	Butte	Governor's Office of Economic Development
OCTOBER 30	Export 101 Training	Lewistown	ExportMontana
NOVEMBER 19-22	Montana Pavilion at Milipol for security & defense products/services	Paris, France	ExportMontana
DECEMBER 10	District Export Council Meeting	Helena	District Export Council
2020			
JANUARY 2	Exporter of the Year applications go out to Montana exporters	Via email	ExportMontana
FEBRUARY 12-13	Montana Pavilion at BuildEx for building & construction products/services	Vancouver, BC, Canada	ExportMontana
MARCH 1	Exporter of the Year applications are due	Via email	ExportMontana
TBD (MID-MARCH)	District Export Council Meeting, determine Exporter of the year winner	TBD	District Export Council
MARCH 6-9	Montana Pavilion at IWA Outdoor for outdoor products/services	Nuremberg, Germany	ExportMontana
MARCH 28-29	Montana Pavilion at Experience the World of Fly-fishing for fishing products	Munich, Germany	ExportMontana
(TENTATIVE) APRIL 12-18	(tentative) Africa Sales Mission	South Africa	ExportMontana
TBD (EARLY MAY)	District Export Council Meeting & Exporter of the Year Award Ceremony	Awardee's location	District Export Council
MAY 20-22	Ireland Trade Mission	Dublin, Ireland	Montana World Trade Center
TBD (MID-SEPTEMBER)	District Export Council Meeting	TBD	District Export Council

APPENDIX A

MONTANA DISTRICT EXPORT COUNCIL: Special Report - China Section 301 Tariff Actions

\$34 Billion Trade Action (List 1)

- April 6, 2018 – FR Notice of determination. Announcement that the U.S. Trade Representative (USTR) has determined that the Government of China’s acts, policies, and practices related to technology transfer, intellectual property, and innovation are discriminatory and burden or restrict U.S. commerce. USTR proposes the imposition of an additional duty of 25 percent on a list of products from China valued at approximately \$50 billion in terms of estimated annual trade value for calendar year 2018 (see the Annex to [83 FR 14906](#) for a list of affected subheadings).
- June 20, 2018 – FR Notice of action.
 1. Imposition of an additional ad valorem duty of 25 percent on products from China entered for consumption on or after July 6, 2018 (see [83 FR 28710](#), Annex A for a list of affected subheadings - 818 in total).
 2. Identification of an additional list of products from China valued at approximately \$16 billion appropriate for the imposition of an additional 25 percent ad valorem duty (see [83 FR 28710](#), Annex C for a list of affected subheadings – 284 in total).

July 11, 2018 - exclusion process announced ([83 FR 32181](#))
- July 18, 2018 - exclusion guidelines published ([USTR link](#))
- September 18, 2018 - exclusion request form published ([USTR link](#))
- December 21, 2018 – FR announcement of exclusions granted ([83 FR 67463](#))
- March 25, 2019 - FR announcement of exclusions granted ([84 FR 11152](#))
- April 18, 2019 – FR announcement of exclusions granted ([84 FR 16310](#))
- May 14, 2019 – FR announcement of exclusions granted ([84 FR 21389](#))
- May 22, 2019 - CBP publishes CSMS #19-000260 guidance for filing post summary corrections & protests ([CBP link](#))
- June 4, 2018 – FR announcement of exclusions granted ([84 FR 25895](#))
- July 9, 2019 – FR announcement of exclusions granted ([84 FR 32821](#))
- September 3, 2019 – FR request for comments. Proposal to increase the rate of additional duty from 25 percent to 30 percent on products of China currently subject to tariff actions taken in June, August, and September, with an aggregate annual trade value of approximately \$250 billion. Proposed modification will be effective October 1, 2019 (see [84 FR 46212](#) annexes for a list of affected subheadings – 6830 in total).

\$16 Billion Trade Action (List 2)

- June 20, 2018 – FR Proposed determination on Additional Action. Identification of an additional list of products from China valued at approximately \$16 billion appropriate for the imposition of an additional 25 percent ad valorem duty (see [83 FR 28710](#), Annex C for a list of affected subheadings – 284 in total).
- August 16, 2018 - FR Notice of action. Imposition of an additional ad valorem duty of 25 percent on products from China entered for consumption on or after August 23, 2018 (see [83 FR 40823](#), Annex A for a list of affected subheadings – 279 in total).
- September 18, 2018 - exclusion request guidelines published ([83 FR 47236](#))
- September 18, 2018 - exclusion request form published ([USTR link](#))
- July 31, 2019 – FR announcement of exclusions granted ([84 FR 37381](#))
- September 3, 2019 – FR request for comments. Proposal to increase the rate of additional duty from 25 percent to 30 percent on products of China currently subject to tariff actions taken in June, August, and September, with an aggregate annual trade value of approximately \$250 billion. Proposed modification will be effective October 1, 2019 (see [84 FR 46212](#) annexes for a list of affected subheadings – 6830 in total).

\$200 Billion Trade Action (List 3)

- July 17, 2018 – FR request for comments. Proposal to maintain the \$34 billion tariff action and the proposed \$16 billion tariff action and to take further action in the form of an additional 10 percent ad valorem duty on products of China with an annual trade value of \$200 billion. (see [83 FR 33608](#), Annex A for a list of affected subheadings – 6031 in total).
- September 21, 2018 – FR notice of modification of action. Imposition of an additional initial ad valorem duty of 10 percent on Chinese products entered for consumption on or after September 24, 2018 with an increase to 25 percent on January 1, 2019 (see [83 FR 47974](#), Annexes A & B for a list of affected subheadings – 6031 in total)
- October 4, 2018 – tariff list published ([USTR link](#))
- December 19, 2018 – FR notice of modification of action. Postponement of the date on which the rate of the additional duties will increase to 25 percent for products of China covered by the September 2018 tariff action. Subject duties will increase to 25 percent on March 2, 2019 (see [83 FR 65198](#))
- March 5, 2019 - FR notice of modification of action. Postponement of the date on which the rate of the additional duties will increase to 25 percent for products of China covered by the September 2018 tariff action. Postponement is until further notice (see [84 FR 7966](#)). The rate of additional duty imposed under the September 2018 tariff action remains at 10 percent.
- May 9, 2019 – FR notice of modification of action. Increase the rate of additional duty from 10 percent to 25 percent for products of China covered by the September 2018 tariff action with an implementation date of May 10, 2019. (see [84 FR 20459](#))

- June 24, 2019 - FR notice and request for comments. Announcement of an electronic portal for the submission of exclusion requests and procedures for submitting requests. (see [84 FR 29576](#))
- Exclusions granted (one notice, published August 7, 2019)
September 3, 2019 – FR request for comments. Proposal to increase the rate of additional duty from 25 percent to 30 percent on products of China currently subject to tariff actions taken in June, August, and September, with an aggregate annual trade value of approximately \$250 billion. Proposed modification will be effective October 1, 2019 (see [84 FR 46212](#) annexes for a list of affected subheadings – 6830 in total).

\$300 Billion Trade Action (List 4)

- May 17, 2019 – FR request for comments. Proposal to impose an additional ad valorem duty of up to 25 percent on products of China with an annual trade value of approximately \$300 billion. (see the Annex to [84 FR 22564](#) for a list of affected subheadings – 3805 in total).
- August 20, 2019 – FR notice of modification of action.
 1. Imposition of additional duties of 10 percent ad valorem on products of China entered for consumption on or after September 1, 2019 (see [84 FR 43303](#), Annex A).
 2. Imposition of additional duties of 10 percent ad valorem on products of China entered for consumption on or after December 15, 2019 (see [84 FR 43303](#), Annex C).
- August 30, 2019 - FR notice of modification of action. ([84 FR 45821](#))
 1. Increase in the additional ad valorem duty rate from 10 to 15 percent for products of China covered by the \$300 billion tariff action published August 20, 2019. For products covered by Annex A of the August 20, 2019 notice the rate of additional duty will be 15 percent on the current effective date of September 1, 2019.
 2. Increase in the additional ad valorem duty rate from 10 to 15 percent for products of China covered by the \$300 billion tariff action published August 20, 2019. For products covered by Annex C of the August 20 notice, the rate of additional duty will be 15 percent on the current effective date of December 15, 2019.
- September 1, 2019 – Increase in the additional ad valorem duty rate to 15 percent for products of China listed in Annex A of the August 20, 2019 notice takes effect.

PRC actions

- June 16, 2018 - China announces that it will impose an additional 25 percent tariff on U.S. goods with a value of \$50 billion. The announcement sets out two lists. The first list contains 545 tariff subheadings that correspond to the initial U.S. \$34 billion action and has an effective date of July 6, 2018. The second list contains 114 tariff subheadings that correspond to the additional proposed U.S. \$16 billion action with an effective date to be determined. (click [here](#) for the full list of products).
- July 6, 2018 - China imposed an additional tariff of 25 percent on selected U.S. products valued at US \$34 billion.

- August 3, 2018 – China proposes a range of additional tariffs on 5,207 products originating from the US valued at US\$60 billion (click [here](#) for the list of products).
- August 23, 2018 - China imposed an additional tariff of 25 percent on selected U.S. products valued at US \$16 billion (click [here](#) for the list of products affected).
- September 24, 2018 - China imposed additional tariffs of 5 and 10 percent on selected U.S. products valued at \$60 billion
- May 13, 2019 - China announces tariff hikes on U.S. products valued at US \$60 billion effective June 1, 2019.
- June 1, 2019 – China increases tariffs on U.S. products valued at US \$60 billion (see links below for lists of affected products).
 - [List 1](#), subject to a 25 percent tariff, up from 10 percent
 - [List 2](#), subject to a tariff of 20 percent, up from 10 percent
 - [List 3](#), subject to a tariff of 10 percent, up from 5 percent
 - [List 4](#), remains subject to a tariff of 5 percent
- August 23, 2019 - China announces additional tariffs on \$75 billion of imports of U.S. goods in two separate actions. Duties of 5 and 10 percent duties will be imposed on 5078 goods in two batches. Duties of [List 1](#) products become effective September 1, duties on [List 2](#) products take effect December 15, 2019.

WISERTrade Statistics: US and Montana exports to China

US exports to China (PRC)			
<i>2017 (USD)</i>	<i>2018 (USD)</i>	<i>July 2018 YTD (USD)</i>	<i>July 2019 YTD (USD)</i>
120,797,587,176	120,148,141,129	74,241,275,897	60,773,690,729
% change 2017-2018		-7.43	% change July 2018 - July 2019 YTD
			-18.19

Montana exports to China (PRC)			
<i>2017 (USD)</i>	<i>2018 (USD)</i>	<i>July 2018 YTD (USD)</i>	<i>July 2019 YTD (USD)</i>
128,631,586	114,529,463	71,718,933	56,489,426
% change 2017-2018		-10.96	% change July 2018 -July 2019 YTD
			-21.23

For Additional Information

- US-China Trade War: The Guns of August –
<https://www.pjie.com/blogs/trade-and-investment-policy-watch/us-china-trade-war-guns-august>
- The US-China Trade War: A Timeline
<https://www.china-briefing.com/news/the-us-china-trade-war-a-timeline/>