

June 21, 2023

The Honorable Piyush Goyal
Minister of Commerce and Industry
Government of India

Dear Minister Goyal:

In the course of discussions related to the termination of outstanding dispute settlement proceedings under the WTO Agreement¹, as well as market access related to certain products of significance to our bilateral trade relationship, the Government of the United States of America (United States) and the Government of the Republic of India (India) have reached the following understandings:

1. India shall rescind the additional duties on U.S. origin products on the following tariff lines imposed in response to U.S. measures of March 8, 2018 under Section 232 of the Trade Expansion Act of 1962, as amended (Section 232) and revert to the current applied most-favoured-nation (MFN) rate for these tariff lines. India shall rescind these duties within 90 days of the receipt of this letter. India shall notify the United States upon rescinding the additional duties and shall provide a copy of the relevant legal instruments.

HS Code	Additional duty to be removed
0713.20.90 (Chickpeas, dried and shld)	10%
0713.40.00 (Lentils, dried and shld)	20%
0802.11.00 (Almonds, fresh or dried, in shell)	Rs. 7/kg
0802.12.00 (Almonds, shelled)	Rs. 20/kg
0802.31.00 (Walnuts, fresh or dried, in shell)	20%
0808.10.00 (Apples, fresh)	20%
2810.00.20 (Boric Acid)	20%
3822.00.90 (Other - Diagnostic Regents)	20%

2. The United States notifies India that from the start of the exclusions process to date, the approval rates of exclusion requests for products imported from India have been 70 percent

¹ These disputes include: DS 436, *United States — Countervailing Measures on Certain Hot-Rolled Carbon Steel Flat Products from India*; DS 456, *India — Certain Measures Relating to Solar Cells and Solar Modules*; DS 510, *United States — Certain Measures Relating to the Renewable Energy Sector*; DS 541, *India — Export Related Measures*; DS 547, *United States — Certain Measures on Steel and Aluminium Products*; and DS 585, *India — Additional duties on certain products from the United States*.

for steel products and 80 percent for aluminum products. The United States confirms that since January 1, 2023, it has approved 1,424 exclusion requests that listed India as the sole Country of Origin. As a result, 308,666 metric tons of steel products and 28,772 metric tons of aluminum products have been made eligible to enter Section 232 duty free from India.

3. The United States shall continue to review pending and new requests for exclusions from Section 232 duties on steel and aluminum products, including with respect to products imported from India, as authorized by the President under Section 232. When reviewing exclusion requests under similar market conditions² going forward, the United States shall strive to ensure effective market access opportunities for Indian exporters in the same proportions provided in paragraph 2 above, as consistent with U.S. law, *i.e.*, any action taken by the President under Section 232 and its applicable procedures.
4. As long as the Section 232 measures on steel and aluminum products are in effect, India and the United States shall exchange information on a six-monthly basis, every calendar year, under a Joint Monitoring Mechanism established within 90 days of the receipt of this letter. The reporting obligations are as follows:

For India:

- (a) India shall provide information on the level of duties being imposed on the tariff lines provided in paragraph 1;

For the United States:

- (b) The United States shall provide information on the exclusion requests received, including the products and quantities for which the exclusions are sought, the applications granted, denied, or pending as of date under the Section 232 measures with respect to import of steel and aluminium products from India.

The United States and India agree that, upon request by the other partner they shall provide information of interest related to the measures at issue in the WTO disputes listed in footnote 1.

5. The United States and India each reserve the right to take appropriate action, including the restoration of status quo, after notifying the other Government, in writing, of concerns related to the implementation of these understandings. This letter is without prejudice to the WTO rights and obligations of India and the United States.

² For the purposes of the Section 232 exclusions process, exclusions from the duties may be granted if the U.S. Secretary of Commerce determines the steel or aluminum article for which the exclusion is requested is not produced in the United States in a sufficient and reasonably available amount or of a satisfactory quality, or based upon specific national security considerations.

I have the honor to propose that this letter and your letter in reply, confirming that your Government shares these understandings shall constitute an agreement between our two Governments to enter into effect on the date of your letter in reply.

Sincerely,

Ambassador Katherine Tai
United States Trade Representative

June 22, 2023

The Honorable Katherine Tai
United States Trade Representative
Washington, D.C., United States

Dear Ambassador Tai:

I am pleased to acknowledge your letter of June [xx], 2023, which reads as follows:

In the course of discussions related to the termination of outstanding dispute settlement proceedings under the WTO Agreement¹, as well as market access related to certain products of significance to our bilateral trade relationship, the Government of the United States of America (United States) and the Government of the Republic of India (India) have reached the following understandings:

- 1. India shall rescind the additional duties on U.S. origin products on the following tariff lines imposed in response to U.S. measures of March 8, 2018 under Section 232 of the Trade Expansion Act of 1962, as amended (Section 232) and revert to the current applied most-favoured-nation (MFN) rate for these tariff lines. India shall rescind these duties within 90 days of the receipt of this letter. India shall notify the United States upon rescinding the additional duties and shall provide a copy of the relevant legal instruments.*

HS Code	Additional duty to be removed
0713.20.90 (Chickpeas, dried and shld)	10%
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2. *The United States notifies India that from the start of the exclusions process to date, the approval rates of exclusion requests for products imported from India have been 70 percent for steel products and 80 percent for aluminum products. The United States confirms that since January 1, 2023, it has approved 1,424 exclusion requests that listed India as the sole Country of Origin. As a result, 308,666 metric tons of steel products and 28,772 metric tons of aluminum products have been made eligible to enter Section 232 duty free from India.*
3. *The United States shall continue to review pending and new requests for exclusions from Section 232 duties on steel and aluminum products, including with respect to products imported from India, as authorized by the President under Section 232. When reviewing exclusion requests under similar market conditions² going forward, the United States shall strive to ensure effective market access opportunities for Indian exporters in the same proportions provided in paragraph 2 above, as consistent with U.S. law, i.e., any action taken by the President under Section 232 and its applicable procedures.*
4. *As long as the Section 232 measures on steel and aluminum products are in effect, India and the United States shall exchange information on a six-monthly basis, every calendar year, under a Joint Monitoring Mechanism established within 90 days of the receipt of this letter. The reporting obligations are as follows:*

For India:

- (a) *India shall provide information on the level of duties being imposed on the tariff lines provided in paragraph 1;*

For the United States:

- (b) *The United States shall provide information on the exclusion requests received, including the products and quantities for which the exclusions are sought, the applications granted, denied, or pending as of date under the Section 232 measures with respect to import of steel and aluminium products from India.*

The United States and India agree that, upon request by the other partner they shall provide information of interest related to the measures at issue in the WTO disputes listed in footnote 1.

5. *The United States and India each reserve the right to take appropriate action, including the restoration of status quo, after notifying the other Government, in writing, of concerns related to the implementation of these understandings. This letter is without prejudice to the WTO rights and obligations of India and the United States.*

² For the purposes of the Section 232 exclusions process, exclusions from the duties may be granted if the U.S. Secretary of Commerce determines the steel or aluminum article for which the exclusion is requested is not produced in the United States in a sufficient and reasonably available amount or of a satisfactory quality, or based upon specific national security considerations.

I have the honor to propose that this letter and your letter in reply, confirming that your Government shares these understandings shall constitute an agreement between our two Governments to enter into effect on the date of your letter in reply.

I have the honor to confirm that my Government shares these understandings, and that your letter and this letter in reply constitutes an agreement between our two Governments.

Sincerely,

Minister Piyush Goyal
Minister of Commerce and Industry