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Answer given by Executive Vice-President Dombrovskis
on behalf of the European Commission
(28.7.2021)

The Commission has noted the recent determination of the United States (US) Trade Representative under Section 301 of the US Trade Act of 1974, in which it alleges that Austria, Italy and Spain have measures in place that discriminate against the US¹, while at the same time postponing the application of tariffs on exports from these Member States until 29 November 2021. The Commission continues to monitor this process, as well as a similar process against France, while noting that the US has not applied any unilateral trade measures as part of this Section 301 process.

The Commission is discussing the Section 301 investigations in its regular contacts with its counterparts. In this, the Commission stresses the importance that any US investigation complies with international law and in particular the agreements establishing the World Trade Organization (WTO). An adjudication in the WTO's dispute settlement system is the only acceptable route to challenge an alleged discrimination perceived by the US. The Commission has made clear that the EU will react as one to US trade sanctions incompatible with the rules of the WTO.

Following the EU-US summit of 15 June 2021², both sides announced their determination to foster a fair, sustainable, and modern international tax system and cooperate to reach a global consensus on the question of taxation of multinational companies through the Inclusive Framework of the G20 and Organisation for Economic Co-operation and Development (OECD). The EU and the US confirmed their support to the Global Agreement on Corporate Taxation at the July 2021 meeting of the G20 Finance Ministers and Central Bank Governors.

¹ <https://www.federalregister.gov/documents/2021/01/21/2021-01171/notice-of-determination-pursuant-to-section-301-spains-digital-services-tax>

² <https://www.consilium.europa.eu/en/press/press-releases/2021/06/15/eu-us-summit-statement-towards-a-renewed-transatlantic-partnership/>