

Alert | International Trade

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USTR Publishes List of Section 301 Tariffs on Certain Goods from China

On April 3, 2018, the U.S. Trade Representative (USTR) published a list of products imported from China on which it recommended imposing 25 percent tariffs, in addition to any other existing tariffs on those goods. USTR issued this list in the context of an investigation conducted under section 301 of the Trade Act of 1974, which authorizes the president to unilaterally take any appropriate action to remove any practices of countries that violate an international trade agreement or that engage in acts, policies, or practices that are "unreasonable or discriminatory and burden or restrict" U.S. commerce.

These proposed tariffs follow USTR's finding that China has required U.S. companies to transfer their technology to Chinese competitors and has otherwise harmed U.S. intellectual property rights holders and U.S. companies seeking to invest in China. China has responded by threating to impose a 25 percent tariff on similar exports from the United States to match the \$50 billion worth of goods the United States has so far targeted with these tariffs.

Covered Products

The preliminary product <u>list</u> prepared by USTR covers approximately 1,300 Harmonized Tariff Schedule (HTS) codes in the following product categories:

- Aluminum and steel products;
- Machinery equipment and parts;
- Motor vehicles and parts;

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- Medicines containing ephedrine, alkaloids, insulin, or artificial mixtures of natural hormones, among other pharmaceuticals;
- Home appliances;
- Weapons; and
- · Agricultural equipment, among others.

The list, which also provides exceptions for certain products and categories, may be expanded, as President Trump has threatened additional tariffs on \$100 billion worth of imports from China, in response to China's threat to impose additional import duties on \$50 million of U.S. goods.

Public Comments and Hearing Opportunity

USTR is providing an opportunity to submit comments on the contents of the list, potential economic harm to U.S. interests, the potential effectiveness of these measures, and other related topics. Anyone interested in appearing at the hearing scheduled for May 15, 2018, should submit a request to appear by April 23, 2018, and at that time must also submit a summary of their proposed testimony. Any rebuttal comments must be submitted by May 22, 2018. Persons wishing to submit only written comments must do so by May 11, 2018.

Once the public comment and hearing process is concluded, USTR is required to consult with other federal agencies, such as the U.S. Department of Commerce, before publishing a final list of products and tariffs. It is still unclear when USTR will publish its final list, as there are no statutory timeframes to guide this process. USTR is expected to act as expeditiously as possible, but given the hearing schedule, and the need for USTR to review all comments received, it is unlikely that it will be able to act until mid-to-late June or July at the earliest.

Greenberg Traurig's International Trade group is ready to answer questions regarding these tariffs and to assist companies that wish to participate in the comment and hearing process.

About Greenberg Traurig's International Trade Practice

Greenberg Traurig's International Trade Group provides continual consultation and advice to clients on expanding trade opportunities and the impact of U.S. governmental action on global trade.

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