

Alert | International Trade



August 2019

USTR Prepares to Impose More Section 301 Tariffs on Goods from China

On Aug. 20, 2019, the **United States Trade Representative (USTR)** announced 10% additional duties on the fourth list of products from China (List 4) imposed under section 301 of the Trade Act of 1974 (Section 301). The goods included on List 4 have an annual import value of approximately \$300 billion. In combination with **prior actions under Section 301**, almost all goods imported from China will now be subject to section 301 additional duties following the imposition of the List 4 tariffs.

On Aug. 23, **President Trump announced** that the duties to be imposed on List 4 goods would be raised from 10% to 15%, as a response to the imposition of additional tariffs on U.S. goods by China (which was itself the Chinese response to the announcement of the List 4 duties). President Trump also announced that the 25% Section 301 duties already in place on goods contained on Lists 1, 2, and 3 would be increased to 30% on Oct. 1, 2019, again in retaliation for Chinese tariff increases.

Many consumer items which had previously been spared from the tariffs, such as clothing, video game consoles, and sports equipment, are included on List 4. In part due to the upcoming holiday shopping season, USTR announced it will be staggering the application of the tariffs to minimize holiday shopping disruption. Two sub-sets of List 4 have been created, with products listed under Annex A in the USTR notice becoming subject to additional duties on **Sept. 1, 2019**, and additional duties on products listed under Annex C becoming effective on **Dec. 15, 2019**.

Importantly, those wishing to avoid the tariffs will want to have their goods entered into the United States before the two effective dates. The additional duties will be applicable with respect to products that are entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. of the dates above. Goods that are shipped before the effective date and that are “on the water” at that time will be subject to the additional duty.

As with prior rounds of duties imposed under Section 301, USTR will establish a tariff-exclusion process. USTR has said that the details of the exclusion process will be announced in a future Federal Register notice. It is expected that the List 4 exclusion process will closely mirror the format and substance of the [List 3 exclusion process](#). It should also be noted that exclusion requests for List 3 goods may be filed up through Sept. 30, 2019.

Greenberg Traurig’s [International Trade Practice](#) can assist with the exclusion request process and stands ready to counsel clients in any tariff-related matter.

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