



ANOTHER ROUND OF PROPOSED SECTION 301 10% DUTIES ON \$200 BILLION OF CHINESE PRODUCTS

On July 10, the U.S. Trade Representative (USTR) has released a [statement](#) and upcoming [notice](#) that will appear in the Federal Register which proposes to impose additional 10% duties on a third list of Chinese products with an annual trade value of \$200 billion pursuant to a determination under Section 301 of the Trade Act of 1974 (19 U.S.C. § 2411) that certain laws, policies, practices, and actions of the Chinese government are unreasonable or discriminatory and harm American intellectual property rights and technology.

The proposed list includes 6,031 8-digit tariff subheadings across almost all HTS Chapters, such as agriculture, food, gases, chemicals, plastic articles, tires, leather, bags, gloves, wood products, paper, textiles, fabrics, hats, stone, ceramics, glass, utensils, tools, engines, air conditioners, photocopiers, computer equipment, motors, valves, stoves, batteries, TVs, monitors, LEDs, vehicle parts, bicycles, microscopes, furniture, and iron, steel and base metal products.

Critical dates provide a short time period:

- **July 27, 2018** Deadline to request to appear at public hearing
- **August 17, 2018** Deadline to file comments, submit a summary of expected testimony, and pre-hearing submissions
- **August 20-23, 2018** Public hearings
- **August 30, 2018** Post-hearing rebuttal comments

The \$200 billion proposed list follows the imposition on July 6, 2018 of 25% duties on the first list of 818 tariff subheadings of Chinese products valued at \$34 billion annually. The second list of Chinese products proposes to impose 25% duties on products with an additional \$16 billion annual import value. According to the USTR, the proposed \$200 billion list is a supplemental action because China announced retaliatory actions to the earlier tariffs and failed to address U.S. concerns about technology transfer, intellectual property and innovation. In June, President Trump [directed](#) the USTR to identify \$200 billion in Chinese goods to impose a 10% tariff if China did not take action. The first, second, and third Section 301 lists amount to \$250 billion in import value which is about half of all Chinese U.S. imports (\$505 billion).

The upcoming Federal Register notice indicates that included Chinese products admitted into a U.S. Foreign Trade Zone (FTZ) on or after the effective date of the duties must be admitted in Privileged Foreign (PF) FTZ status except for “domestic” status products.

Please contact [Marshall Miller](#), [Sean Murray](#), or [Brian Murphy](#) with questions about the Section 301 actions, their potential impact, and/or ways to minimize potential liability, such as filing

comments to remove tariff and subheadings from the proposed list. Remember that comments on this long list of products are due by August 17.

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