



POTENTIAL CHINA SECTION 301 LIST 4 DUTIES AUGUST 1, 2019

On August 1, 2019, President Trump announced in a [tweet](#) that additional 10% duties will be imposed on September 1, 2019 on \$300 billion in China goods. Although not specifically referenced in President Trump's tweet, the \$300 billion amount is consistent with the China Section 301 List 4 previously proposed by the United States Trade Representative (USTR).

On May 17, 2019, USTR [announced](#) the proposed China Section 301 List 4. The list includes 3,805 full or partial HTSUS Subheadings, which cover essentially all China products not subject to prior China Section 301 lists. This includes a wide range of merchandise such as apparel, footwear, toys, computers, and printers. As proposed in May, China Section 301 List 4 excludes pharmaceuticals (HTS Chapter 30), pharmaceutical inputs and medical goods, and rare earth and other minerals. As was the case with prior China Section 301 lists, it is possible some HTS provisions will be removed or limited based on public comments and the public hearings that were held in mid-June on the proposed China Section 301 List 4.

USTR has not yet provided formal notice through publication in the Federal Register of the 10% additional duties on List 4 goods described in the President's tweet, so the precise implementation of the 10% duty is still not defined. As a result, no final List 4 is available at this time. The U.S. is scheduled to continue trade talks with China in early September, so circumstances could still change.

Clients should be considering measures to expedite Customs entry before the additional 10% duties go into effect and measures to avoid or mitigate the impact of those duties. The May 17, 2019 USTR notice indicates that, on or after the effective date, covered China goods admitted into a U.S. foreign-trade zone must be admitted in Privileged Foreign (PF) status. Based upon the history of Lists 1, 2, and 3, clients should consider action to change to PF status affected FTZ on-hand merchandise before the effective date.

Please contact [Marshall Miller](#), [Brian Murphy](#), [Sean Murray](#), or [Ryan Thornton](#) with questions or for assistance.

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