



SECOND ROUND OF USTR PRODUCT EXCLUSIONS FOR CHINA SECTION 301 LIST 1

The Office of the U.S. Trade Representative (USTR) posted on March 20 a [Notice](#) of a second round of approved product exclusions which will be published later in the *Federal Register*. The product exclusions cover a limited number of products on the first list of China products subject to 25% additional duties under Section 301 and are additions to the first round of approved product exclusions announced in [December](#).

The China Section 301 List 1 25% additional duties went into effect on July 6, 2018 and apply to 818 8-digit subheadings of the Harmonized Tariff Schedule of the United States (HTSUS). The latest USTR Notice provides relief from these 25% additional duties for 33 product categories/products defined in two different formats:

1. 3 product categories exclude entire 10-digit HTSUS subheadings (i.e., HTSUS subheadings 8412.21.0045, 8430.31.0040, and 8607.21.1000, covering certain telescoping cylinders, self-propelled rock breaking machines, and air brakes and parts for certain railway vehicles).
2. 30 products are excluded by new unique product-specific descriptions described in certain HTSUS subheadings, such as certain plastic knobs, plastic and ABS check valves, turbocharger compressor housings, plastic salad spinners, breast pumps, computer storage units, specific electric AC and DC motors, soldering irons, specific electric transformers, electronic water purifying oxidizers for washers, rubber tracks for construction equipment vulcanized, TFT LED LCD displays, and other very specifically described products.

The USTR notice includes an Annex which will amend the HTSUS with the product-specific language which may be claimed under new HTSUS Subheading 9903.88.06.

These exclusions from China Section 301 List 1 additional duties apply retroactively back to the July 6 implementation of the additional duties and prospectively for 1 year from the publication of this Notice in the *Federal Register*. The 33 product categories/products were approved based on 87 separate product exclusion requests, but the exclusion scope is based on the Annex language, and any importer can use the exclusion where the imported product satisfies the Annex description. The USTR Notice indicates that Customs will publish guidance on the Customs entry process, which should be similar to the prior CBP CSMS [message](#) for the first round of China Section 301 List 1 exclusions. The USTR Notice does not provide any guidance on its application to excluded products that were previously admitted into FTZs in Privileged Foreign (PF) status; however, the prior CSMS message address this issue.

The USTR Notice states that it continues to review Exclusion Requests and will periodically issue decisions.

Although the U.S. and China are still negotiating a potential agreement relating to Section 301, President Trump has [indicated](#) Section 301 duties will remain for a “substantial period of time” even if a deal is reached.

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

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