



## Recent Actions Relating to Section 301 Tariffs on Imports of Chinese-Origin Products

### IN SHORT

**The Situation:** The U.S. government took action on three sets of Chinese-origin goods subject to, or potentially subject to, additional tariffs under Section 301.

**The Developments:** The U.S. government imposed additional 25 percent tariffs on certain Chinese-origin goods, while also providing details on how to submit exclusion requests for particular products. In addition, the U.S. government proposed additional tariffs on two other sets of Chinese-origin products, both of which are subject to ongoing notice-and-comment processes.

**The Impact:** Interested parties should consider advancing their interests through the processes made available by the U.S. government.

The U.S. Trade Representative ("USTR") has taken action on three sets of Chinese-origin goods subject to, or potentially subject to, additional duties pursuant to Section 301 of the Trade Act of 1974.

On June 15, 2018, the USTR created two sets of Chinese-origin goods ("List 1" and "List 2") and, effective July 6, 2018, imposed additional 25 percent tariffs on products included on one of the lists. We previously wrote about Lists 1 and 2 in a June 2018 [Commentary](#). The third set of products ("List 3") was announced on July 10, 2018, in response to China's announcements that it would impose equivalent tariff measures on U.S. goods. List 3 includes an extensive list of Chinese-origin goods potentially subject to additional 10 percent tariffs. Additional details relating to Lists 1-3 are provided below.



Interested parties can keep track of newly submitted requests and the associated response and reply periods by visiting

[www.regulations.gov](http://www.regulations.gov).



#### List 1

Additional 25 percent tariffs became effective on Chinese-origin goods included on List 1 on July 6, 2018. The USTR, in a recent [announcement](#), provided details regarding the procedures for requesting that particular products included on List 1 be excluded from the additional 25 percent tariffs. Interested parties must submit any requests for exclusion by October 9, 2018, and the USTR strongly encourages parties to use its exclusion request form.

According to the USTR, each product exclusion request must: (i) contain certain product-specific information, including the physical characteristics (e.g., dimensions, material composition, or other characteristics) that distinguish the product from other products within the covered tariff classification; (ii) provide the quantity and value of the Chinese-origin product that the requester purchased in each of the last three years; and (iii) address the following factors, in addition to any other relevant information:

- Whether the particular product is available only from China;
- Whether the imposition of additional duties on the particular product would cause severe economic harm to the requester or other U.S. interests; and
- Whether the particular product is strategically important or related to "Made in China 2025" or other Chinese industrial programs.

Any exclusion request that is granted will apply retroactively back to the July 6, 2018, effective date of the additional duties and will last for one year.

Any responses in support of or in opposition to an exclusion request must be submitted within 14 days after the request is posted for public comment, and any replies to such responses must be submitted within seven days after the close of the 14-day response period. Interested parties can keep track of newly submitted requests and the associated response and reply periods by visiting [www.regulations.gov](http://www.regulations.gov) and entering docket number "USTR-2018-0025" in the search field.

#### List 2

The public notice-and-comment process for Chinese-origin goods included on List 2 is ongoing. The relevant dates (both past and future) are as follows:

- **June 29:** Deadline for requests to appear.
- **July 23:** Deadline for submitting written comments.
- **July 24:** Public hearing.
- **July 31:** Deadline for submitting post-hearing rebuttal comments.

The USTR requests that commenters specifically address whether imposing additional 25 percent duties on a particular subheading included on List 2 would be practicable or effective to obtain the elimination of China's practices, and whether maintaining or imposing additional duties on a particular product would cause disproportionate economic harm to U.S. interests, including small- or medium-sized businesses and consumers. The docket number is USTR-2018-0018.

### List 3

In a July 10, 2018, [announcement](#), the USTR proposed additional 10 percent tariffs on Chinese-origin products covered in a list of 6,031 tariff subheadings, having an annual trade value of \$200 billion.

Similar to List 2, List 3 is undergoing a public notice-and-comment process. The relevant dates are as follows:

- **July 27:** Deadline for requests to appear.
- **August 17:** Deadline for submitting written comments.
- **August 20–23:** Public hearing.
- **August 30:** Deadline for submitting post-hearing rebuttal comments.

Comments may address any aspect of the proposed action, including whether specific tariff subheadings on the proposed list should be retained or removed, or whether those not on the proposed list should be added; the level of the increase, if any, in the rate of duty; and the appropriate aggregate level of trade to be covered by additional duties. The USTR also requested that commenters address the same issue described above for List 2 concerning the elimination of China's practices and harm to U.S. interests. The docket number is USTR-2018-0026.

## TWO KEY TAKEAWAYS

1. Many companies are or will be significantly affected by these actions. Given the opportunities for stakeholders to provide input, companies may want to engage in the available processes.
2. Companies also may want to monitor the dockets for product exclusion requests or comments from other parties that could potentially harm their interests. The three different lists of products covered by these tariff increases cover a broad range of products and, as such, have the potential to affect a wide range of stakeholders.



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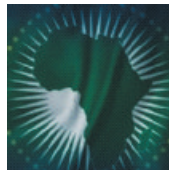


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