

USTR Announces List of \$200 Billion Worth of Chinese Goods that May Be Subject to 10 Percent Tariffs

July 11, 2018

On July 10, 2018, the United States Trade Representative (USTR) issued another list of Chinese products that may be subject to 10% duties stemming from the Section 301 investigation into China's unfair practices related to technology transfer, intellectual property, and innovation. This list of products includes 6,031 tariff subheadings, covering a broad range of products, including agricultural goods, chemicals, building materials, and electronics, with an annual trade value of approximately \$200 billion.

Yesterday's issuance follows two prior lists of Chinese products announced by USTR on June 15, 2018. The first list covers 818 tariff lines with a trade value of \$34 billion, which were subjected to 25% duties as of July 6. USTR's second list includes 284 tariff lines with a trade value of \$16 billion. These products may also be subject to 25% duties after a public comment and hearing period, which is currently underway.

USTR has announced a public comment and hearing period for the recently issued third list of products. Requests to testify at the Section 301 Committee's public hearing are due July 27; written comments are due August 17; and a public hearing will be held from August 20-23. Post-hearing rebuttal comments must be submitted by August 30.

As background, President Trump directed USTR to issue this most recent \$200 billion list due to China's retaliation on the first two lists. The day after USTR issued the first two product lists, the Government of China responded with a statement that it would impose equivalent

Authors

Alan H. Price
Partner

202.719.3375
aprice@wiley.law

Timothy C. Brightbill
Partner

202.719.3138
tbrightbill@wiley.law

Nova J. Daly
Senior Public Policy Advisor
202.719.3282
ndaly@wiley.law

Laura El-Sabaawi
Partner
202.719.7042
lel-sabaawi@wiley.law

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tariffs on U.S. imports. On June 16, 2018, the Government of China announced in State Council Customs Tariff Commission 2018 Public Notice No. 5 that it would impose a 25% tariff on U.S. goods with a value of \$50 billion, also split into two lists. The first list contains 545 tariff subheadings, with duties effective July 6. China's second list contains 114 tariff subheadings, with duties to be effective on a later date.

Wiley Rein is well placed to provide counsel and direction should your company choose to prepare comments for submission, as well as to engage the Administration and assist companies affected by the U.S. actions and Chinese retaliation.