

ALERT

Administration to Move Forward with 10% "List 4" Section 301 Tariffs on Chinese Goods

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After announcing in late June that a proposed fourth round of tariffs on Chinese goods was on hold pending trade negotiations, the President tweeted today that he intends to implement 10% tariffs on Chinese goods subject to the "List 4" tariff proposal, effective September 1.

After the Administration imposed tariffs ranging from 10-25% on three successive rounds of Chinese goods in 2018, trade tensions appeared to lessen as the United States and China engaged in a productive series of trade talks. But these negotiations with China broke down in May of 2019, and the Administration announced a proposal to levy additional tariffs of up to 25% on a fourth round of imports from China. The "List 4" proposal covered \$300 billion in consumer and industrial items, nearly all Chinese imports not subject to the prior three rounds of tariffs.

Throughout June, the Administration collected comments on the scope of the proposal. The Office of the U.S. Trade Representative held hearings on the proposal between June 17 and June 25. Final comments on the proposal were due on July 2. However, before the deadline for final comments elapsed, the President announced that the Administration planned to hold off on the imposition of tariffs, pending renewed negotiations with China. U.S. negotiators went to China earlier this week to restart talks. However, they appear not to have met the reception they had hoped for, and the President has now announced that tariffs will go forward.

It is not clear at this time whether tariffs will be imposed on all of the products subject to the May proposal. With respect to each of the three previously implemented rounds of tariffs, the finalized scope of

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the tariffs has been somewhat narrower than the initial proposals. One of the primary reasons that the Administration collected comments the "List 4" proposal was so it could obtain a better sense as to the likely impact of the proposal, and whether the imposition of tariffs on particular products stood to uniquely harm certain U.S. interests.

This is a developing situation. Interested companies can review the List 4 tariff proposal here. Comments filed with respect to the proposal can be reviewed here, and the transcripts of the hearings on the proposal can be found at the bottom of this page, under "Proposed Supplemental \$300 Billion Trade Action."

Should you have any questions regarding the impending tariffs and how they may affect your imports, Wiley Rein's International Trade Practice is well-positioned to help.

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