

ALERT

Update to China Section 301 Client Alert – USTR Releases Product List

April 3, 2018

Today, April 3, 2018, the Office of the United States Trade Representative (USTR) released a proposed list of products that will be subject to tariffs as part of the Administration's response to findings from the Section 301 investigation into China's IP practices. The list includes nearly 1,300 HTS codes and tariffs of 25%, in addition to any existing tariffs on those goods. By total value, the products covered by these tariffs equate to an estimated \$50 billion in annual imports for year 2018. The range of products listed goes beyond statements in the President's March 22 Memorandum.

The product categories covered by USTR's release include:

- Chemicals, particularly pharmaceuticals;
- Steel and aluminum;
- Machinery (both mechanical and electronic), but excluding wireless and telecom devices;
- Vehicles – cars and boats/ships;
- Certain measurement devices, like mirrors, microscopes, navigational instruments, and medical goods like defibrillators, hearing aids, pacemakers, etc.;
- Weapons (guns/bombs, etc.); and
- Seats for aircraft and motor vehicles.

USTR is seeking public comments on this proposed action, and has provided for a 30-day comment period, ending May 11, 2018. Comments will be accepted through Regulations.gov. After the public comment period closes, USTR will hold a public hearing on May 15, 2018, where parties will be able to share their views on the proposed

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tariffs. Additional details on how to submit your comments and/or requests to appear at the public hearing can be found in sections G and F of the Federal Register notice.

The USTR notice also informs parties of actions to be taken under WTO dispute settlement to address China's discriminatory licensing practices. Comments and rebuttal comments to that process are due May 11, 2018 and May 22, 2018, respectively.

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 any potential Chinese retaliation.

The final determination on the tariff actions will be published in the Federal Register at a future date following the hearing.