

USTR Announces Modification to Proposal to Impose Additional Tariffs on \$200 Billion in Chinese Goods

August 2, 2018

On August 1, 2018, the United States Trade Representative (USTR) announced that it would modify its July 10 proposal to add 10% to Chinese goods imported under 6,031 tariff lines. Pursuant to the modification, the proposal is being adjusted to reflect proposed tariffs of 25%.

USTR's July 10 proposal covered a broad range of products, including agricultural goods, chemicals, building materials, and electronics, with an annual trade value of approximately \$200 billion. The new modification does not make any alterations to the proposal's product coverage.

In conjunction with the modification, USTR has announced that it will continue to accept comments on the proposal through August 17, and will hold a hearing on the proposal over August 20-23. However, USTR is extending the deadline for filing requests to testify (which originally expired on July 27) to August 13. The period for rebuttal comments is also being extended from August 30 to September 5.

USTR's July 10 proposal followed the agency's issuance, on July 15, of two prior lists of Chinese products. 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, but USTR has not yet announced a final determination in this regard.

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Practice Areas

International Trade

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 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 has already assisted multiple clients with regard to the Section 301 process. We are 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.