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A LAW FIRM SERVING A DIVERSE CLIENTELE IN IMPORT, EXPORT, AND FOREIGN TRADE ZONE LAW.

## **CHINA SECTION 301 TARIFFS – PROPOSED LIST 4**

The Office of the U.S. Trade Representative (USTR) has posted a notice (which will later appear in the Federal Register) with a List 4 of China products which have been proposed to be subject to additional 25% tariffs. The list includes \$300 billion of China products covered by 3,805 full or partial tariff subheadings. Proposed List 4 covers essentially all China products not included on prior China Section 301 Lists, but excludes pharmaceuticals (HTS Chapter 30), pharmaceutical inputs and medical goods, and rare earth and other minerals. The USTR notes that goods covered by prior China Section 301 product exclusions are not affected. A wide range of merchandise that has never been involved in Trade Remedy tariffs such as apparel, footwear, toys, computers, printers, and cell phones are included.

The schedule for submission of comments and a public hearing are as follows:

- June 10: Deadline to request to appear at hearing and submit a summary of testimony
- June 17: Due date to submit written comments
- June 17: Public Hearing

## FTZ CONSIDERATIONS

The USTR notice provides that covered merchandise admitted into a U.S. foreign-trade zone on or after the effective date must be admitted as Privileged Foreign status (except Domestic status goods.) However, the USTR language in the latest China Section 301 List 3 and Proposed List 4 notices on the duty rate to apply for Privileged Foreign (PF) goods at the time of entry is inconsistent with prior USTR FTZ language, and we are considering the potential impact. Clients in production FTZs assessing the effect of the Proposed List 4 HTS provisions on FTZ operations should be focused not only on China products admitted into their FTZs but also on the HTS provisions of finished products, where the highest value zone material is China-origin. If your finished products are on the list, contact us for a process to avoid imposition of the 25% additional tariffs.

Please contact Marshall Miller, Brian Murphy, or Sean Murray with questions or for assistance in preparing comments on the potential impact on imports.

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