



CHINA SECTION 301 LIST 3 TRADE REMEDY RATE INCREASE POSTPONED “UNTIL FURTHER NOTICE”

The U.S. Trade Representative (USTR) has issued a [notice](#), which will be published in the Federal Register, officially “postponing” “until further notice” the March 2, 2019 scheduled increase from 10% to 25% of China Section 301 List 3 duties. Customs has confirmed via CSMS [message](#) that China Section 301 List 3 duties will remain at 10%, and changes to the HTSUS have already been [made](#) in ACE to continue application of the 10% rate. The delay is due to progress in U.S. and China negotiations and was initiated by a February 24 Presidential tweet. While many have reacted positively to this action, we caution that “postpone” could mean that the List 3 duties may take on a more permanent Customs duty rate increase similar to Section 232 steel/aluminum Trade Remedies. Additionally, it is unclear how quickly “further notice” might be issued to end the indefinite delay in the rate increase. The Section 232 rate increase from 25% to 50% on Turkish origin steel was previously enacted via tweet and statement late on a Friday over one [weekend](#) and made effective 12:01 AM Monday morning.

CHINA SECTION 301 TRADE REMEDY LIST 3 EXCLUSION PROCESS

An explanatory [statement](#) to the law which ended the government shutdown directed the USTR to establish a China Section 301 List 3 exclusion process within 30 days. However, in testimony before the House Ways & Means Committee, USTR Lighthizer was [noncommittal](#). A bipartisan, bicameral “Import Tax Relief Act of 2019” [bill](#) has been introduced to force the USTR to establish a List 3 exclusion process, which would clarify standards to approve exclusions on articles not produced outside China at a cost-competitive price at commercial scale. As a result, it is unclear if and when there will be a List 3 exclusion process.

CHINA SECTION 301 TRADE REMEDIES CONTINUING MANAGEMENT

Since July 6, 2018, U.S. importers have had to carefully manage the impact of China Section 301 Trade Remedy List 1, 2, and 3 with a potential List 4. In managing this effort, we offer the following to provide fundamental resources to the management effort:

HTSUS

<https://hts.usitc.gov/>

CHINA SECTION 301 LISTS

- <https://www.cbp.gov/trade/programs-administration/entry-summary/section-301-trade-remedies>
- <https://www.cbp.gov/document/guidance/section-301-htsus-reference-guide>

- <https://ustr.gov/issue-areas/enforcement/section-301-investigations/record-section-301-investigation>

CHINA SECTION 301 HTS RESEARCH

<https://ustr.gov/issue-areas/enforcement/section-301-investigations/search>

CHINA SECTION 301 EXCLUSIONS

<https://ustr.gov/issue-areas/enforcement/section-301-investigations/request-exclusion>

As always, we offer advice and counsel 24/7 on import, export, and FTZ effective Trade Remedy management. Please contact [Marshall Miller](#), [Sean Murray](#), or [Brian Murphy](#) with questions or for assistance.

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