

4929 Main Street, Kansas City, Missouri 64112 Phone: (816) 561-4999 | Fax: (816) 561-5999

1875 | Street N.W., 5th Floor 233 Broadway, Suite 2702 Washington, DC 20006 Phone: (202) 429-2017 Fax: (816) 561-5999

New York, New York 10279 Phone: (212) 608-2707 Fax: (212) 513-7206



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

IMPLEMENTATION OF ADDITIONAL SECTION 301 DUTIES ON LIST TWO OF CHINESE PRODUCTS AND NEW DEVELOPMENTS ON LIST THREE

The U.S. Trade Representative (USTR) has had a busy day issuing notices on the China Section 301 additional duties.

1. Implementation of Additional Duties on Product List 2

The USTR has issued a press release that it will be implementing the 25% additional tariffs on the second list of Chinese products beginning August 23.

The USTR press release includes a final product list. That list includes 279 of the 284 HTSUS provisions that were on the originally-proposed list, so there were very few changes in response to the public comments and hearings. The five deleted HTSUS provisions are:

3913.10.00	Alginic acid, and its salts and esters, in primary forms
8465.96.00	Splitting, slicing or paring machines for working wood, cork, bone, hard
	rubber, hard plastics or similar hard materials
8609.00.00	Containers (including containers for transport of fluids) specially
	designed and equipped for carriage by one or more modes of transport
8905.90.10	Floating docks
9027.90.20	Microtomes

A copy of the USTR press release and a link to the final product list can be accessed here. A formal notice is to be published shortly in the Federal Register.

Finally, the USTR press release indicates that a process will be announced for requesting exclusions from these additional duties, so clients may have another chance to avoid these duties. In addition to filing Exclusion Requests, clients should be considering options such as expediting shipments, reviewing tariff classifications, tariff (re-)engineering products, using foreign-trade zones (FTZs), and changing supply chains and sourcing in order to minimize duty exposure.

2. Extension of Public Comment Period on Product List 3

The USTR published a notice in today's Federal Register (83 Federal Register 38760) that officially extended the public comment period for the third list of Chinese products from August 17 to September 6. The third list of Chinese products covers 6,031 HTSUS provisions valued at \$200 billion. The notice provides the following dates and deadlines:

August 13 Due date for requests to appear at the public hearing
 August 20-23 Public hearings at the U.S. International Trade Commission
 September 6 Due date for all public comments and post-hearing rebuttal comments

The official reason for the extension is that the President has asked the USTR to consider raising the rate of the additional duties for this third round of products from 10% to 25%. The USTR notice states:

The possible increase in the proposed rates of the additional duty is intended to provide the Administration with additional options to obtain the elimination of the [Chinese] acts, policies, and practices covered in the investigation.

Thus, the notice indicates that the change from 10% to 25% is still a proposal, and it has not yet been formally adopted.

Clients are encouraged to file comments by the September 6 deadline.

Contact Marshall Miller, Brian Murphy, or Sean Murray with questions.

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