



USTR PRODUCT EXCLUSIONS FOR CHINA SECTION 301 LIST 1

The Office of the U.S. Trade Representative (USTR) published a Notice of product exclusions in Friday's *Federal Register*. The product exclusions cover a very limited number of products on the first list of Chinese products subject to 25% additional duties under Section 301. These 25% additional duties went into effect on July 6, 2018 and apply to 818 8-digit subheadings of the Harmonized Tariff Schedule of the United States (HTSUS).

The USTR Notice provides relief from these 25% additional duties for 31 products/product categories. The exclusions are defined two different ways:

1. 7 product categories (covering certain hydraulic engines, drinking water coolers, injection molds for plastics, ball bearings, and CB radios) are excluded by totally excluding entire 10-digit HTSUS subheadings (i.e., HTSUS subheadings 8412.21.0075, 8418.69.0120, 8480.71.8045, 8482.10.5044, 8482.10.5048, 8482.10.5052, and 8525.60.1010).
2. 24 products are excluded by new unique product-specific descriptions. These products include certain outboard engines, belt conveyors, parts of papermaking machines, radiation therapy systems, and thermostats.

A copy of the *Federal Register* notice that includes the Annex to the HTSUS with the product-specific language may be accessed [here](#).

These exclusions from the Section 301 additional duties apply retroactively back to the July 6 implementation of the additional duties and prospectively for 1 year from the publication of this Notice (i.e., December 28, 2019). The USTR Notice indicates that Customs is to publish guidance on the Customs entry process. Therefore, we expect that Customs will issue a CSMS message shortly. The USTR Notice does not provide any guidance on its application to excluded products that were previously admitted into FTZs in Privileged Foreign (PF) status. Hopefully, this will be addressed in the Customs guidance.

The USTR Notice states that it continues to review Exclusion Requests and will periodically issue decisions. Thus, despite the limited scope of this Notice, it offers encouragement that more importers could receive relief from the Section 301 additional duties.

Please contact [Marshall Miller](#), [Brian Murphy](#), or [Sean Murray](#) with questions.

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