

U.S. Releases Final List of Tariffs on \$16 Billion in Chinese Imports and Other Recent U.S.-China Tariff Developments

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International Trade

The Trump Administration has released its final [list](#) of approximately \$16 billion in Chinese imports that will be subject to an additional 25 percent *ad valorem* tariff. The imposition of these tariffs, along with 25 percent tariffs imposed on July 6 on \$34 billion in Chinese imports, is in response to the Administration's determination in March that China's technology transfer and intellectual property ("IP") policies and practices have caused at least \$50 billion in harm annually to the U.S. economy.

Release of the final list follows the Administration's review of public comments on a [proposed product list](#) that it published in June. Notably, only five of 284 product categories were removed from the originally-proposed list. The removed product categories are: intermodal shipping containers (8609.00.00), floating docks (8905.90.10), certain machines used for splitting, slicing or paring hard materials such as working wood, cork, bone, hard rubber, or hard plastics (8465.96.00), alginic acid (3913.10.00) and microtomes (9027.90.20). U.S. Customs and Border Protection will begin to collect the additional duties on the remaining 279 product categories on August 23, 2018.

The Administration has [announced](#) that it will provide an opportunity to request that "particular products" subject to the additional duties be excluded from the tariffs. A Federal Register Notice outlining the details of the product-exclusion process will be released shortly.

China responded by [announcing](#) 25 percent tariffs on \$16 billion worth of U.S. goods. The tariffs will also take effect beginning on August 23. The list is reported to cover 333 product categories, including tractors, snowmobiles, passenger cars, trucks and motorcycles, fiber optical cables, coal, grease, asphalt and plastic products, and recyclables.

The announcement of the second final tariff list comes not long after the Administration published [a statement](#) on August 1 announcing that it would consider raising the level of the additional tariff to be imposed on a further \$200 billion in Chinese imports from 10 percent to 25 percent. In light of this potential change, USTR recently extended the close of the written comment period on this proposed tariff list from August 30 to September 5; the due date for requests to appear at the public hearing from July 27 to August 13; and the due date for submission of written comments from August 17 to September 6. The scheduled start date of the Section 301 hearing (*i.e.*, August 20) has not changed. The details relating to the extensions can be found [here](#).

Just two days after the Administration's August 1 announcement, China responded by [releasing](#) its own lists of approximately \$60 billion in U.S. exports that would be subject to additional

tariffs. If implemented, the latest Chinese tariffs would cover 5,207 product categories, at rates of 5 percent, 10 percent, 20 percent, and 25 percent.

The current situation presents companies with risks and opportunities. American companies with interests in China should evaluate the impact of the tariffs on their businesses, identify risks arising from U.S. actions and formal or informal Chinese retaliation, and consider potential opportunities to address longstanding concerns through U.S.-China negotiation channels.

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- [Chris Adams](#), who recently joined Covington from the U.S. Department of Treasury, where he served as Senior Coordinator for China Affairs, managing the highest level U.S.-China economic policy dialogues for the Obama and Trump administrations;
- [Alan Larson](#), former Under Secretary of State for Economic, Business and Agricultural Affairs;
- [Timothy Stratford](#), former Assistant USTR for China Affairs;
- [John Veroneau](#), former Deputy USTR and former USTR General Counsel; and
- [Gina Vetere](#), former Senior Policy Advisor to the Deputy USTR and former Director of IP and Innovation at USTR.

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