

LEGAL UPDATES

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Service

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U.S. Seeks Comments on Proposed China Tariffs

On April 3, 2018, the Office of the U.S. Trade Representative (USTR) released its proposal to impose a 25 percent tariff on approximately 1,300 products imported from China. In response, China announced a 25 percent tariff on 106 products imported from the United States, including soybeans, automobiles and aircraft. USTR also announced deadlines for comments and a hearing.

The U.S. proposal is part of the administration's response to the allegedly unfair trade practices that USTR found in its Section 301 investigation of China's policies and practices on technology transfer and intellectual property. According to USTR, the proposed list targets products that benefit from China's industrial plans, with a value of approximately \$50 billion. (View the USTR notice and proposed list of products.)

China did not indicate when its retaliatory tariffs would go into effect, but stated that the final measure and effective date would be announced separately. (View an unofficial translation of the Chinese list and the original Chinese version.)

USTR is soliciting comments on its proposal and will hold a hearing. The deadlines are:

April 23, 2018: File requests to appear at the hearing and summaries of testimony. Pre-hearing submissions may also be filed at this time.

May 11, 2018: Submission of written comments.

May 15, 2018: Hearing date.

May 22, 2018: Submission of post-hearing rebuttal comments.

In its notice, USTR requests comments on any aspect of the proposed action, including:

The specific products to be subject to increased duties, including whether products should be retained, removed or added to the list.

The level of increase, if any, in the rate of duty.

The appropriate aggregate level of trade to be covered by additional duties.

USTR also requests that commentators address specifically “whether imposing increased duties on a particular product would be practicable or effective to obtain the elimination of China’s acts, policies and practices, and whether maintaining or imposing additional duties on a particular product would cause disproportionate economic harm to U.S. interests, including small or medium-size businesses and consumers.”

What This Means to You

Companies should carefully review the list of products to determine if filing comments is in their business interest and consider taking actions to mitigate paying increased tariffs or avoid a slowdown in production.

Contact Us

For more information on how the proposed tariffs might impact your business, please contact Jeffrey S. Neeley, Nithya Nagarajan or Stephen Brophy of Husch Blackwell’s International Trade & Supply Chain team.