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## USTR Releases Proposed List of Chinese Products to Be Subject to Section 301 Tariffs

APRIL 3, 2018

On April 3, the Office of the United States Trade Representative (USTR) [released a list](#) of proposed products that may be subjected to additional tariffs of 25 percent ad valorem, in accordance with President Trump's March 22 [Presidential Memorandum](#) directing action pursuant to Section 301 of the Trade Act of 1974. The tariffs are intended to address China's technology transfer, intellectual property, and innovation-related laws, policies, practices and actions that were determined by USTR to be "unreasonable or discriminatory and burden or restrict U.S. commerce."

The proposed list covers products classified under the specified eight-digit subheadings of the Harmonized Tariff Schedule of the United States and was compiled based on analysis by several U.S. government agencies. The list is intended to affect products that benefit from the Chinese industrial policies identified in [USTR's report](#), and includes products used in the medical, energy, aircraft, manufacturing and technology sectors, among others. According to USTR, the list covers approximately \$50 billion of estimated annual trade value for 2018.

The tariffs will not take effect immediately. USTR will first seek public comment on the proposed product list. Comments are due May 11, 2018, and rebuttal comments are due May 22, 2018. USTR will also hold a public hearing with respect to the proposed product list on May 15, 2018. The due date for filing a request to appear at the hearing and a summary of expected testimony is due April 23, 2018. USTR requests comments and testimony related to the following topics: the specific products to be subject to increased duties, the level of increase of the duty rate and the appropriate aggregate level of trade that should be covered by additional duties.

China has already responded to the Section 301 tariffs by publishing a proposed list of [106 U.S. products](#), including soybeans, automobiles and chemicals, that may be subjected to additional tariffs of 25 percent. These proposed tariffs would be in addition to the 15 to 25 percent tariffs that China has already imposed on 128 U.S. products in response to the Trump Administration's [imposition of tariffs on imported steel and aluminum](#) under Section 232 of the Trade Expansion Act of 1962. Although it did not draw a direct connection to the Section 301 action, the Chinese government also announced today that it will raise antidumping tariffs on ethylene glycol and

diethylene glycol imported from the U.S., as well as some European suppliers. Finally, China maintains that sales by the subsidiaries of U.S. companies in China should also be counted in the overall context of bilateral trade. Given this, delays or rejections of applications for approvals for such subsidiaries or investigations of their operations are also possible retaliatory actions.

WilmerHale continues to monitor these developments closely. For more information on this or other trade or intellectual property matters, please contact Ambassador Charlene Barshefsky, Naboth van den Broek, David J. Ross, Lester Ross, Patrick J. McLain, Heather Petruzzi or Sarah S. Sprinkle.

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