

# Client Alert

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## **United States Trade Representative Releases Proposed List Of Chinese Products For Potential 25 Percent Tariff To Combat Discriminatory Or Unreasonable Technology Transfer, Intellectual Property, And Innovation Practices**

As outlined in our prior [client alert](#), on March 22, 2018, President Trump signed a memorandum instructing his administration to take action against the “unfair and harmful acquisition of U.S. technology” by China. Part of the President’s memorandum included an instruction for United States Trade Representative Robert E. Lighthizer (“USTR”) to implement tariffs on a list of products that benefit from China’s unfair industrial policies.

Following those instructions, USTR released on April 3, 2018, a proposed list of products that are under consideration for a tariff increase of 25 percent (in addition to any already existing tariff). The list, which appears as an Annex to USTR’s notice, includes products covering approximately 1,300 lines of the U.S. Harmonized Tariff Code, totaling approximately \$50 billion worth of trade from China each year. The list covers a wide range of products, including products from the aerospace, information communication, chemical, food and drug, medical devices, metals, technology, transportation, and electronics sectors. The proposed list of products is available [here](#).

The proposed product list and tariff rate will be finalized and implemented only after a notice and comment period. Comments are due on May 11, 2018. USTR requests comments with respect to any aspect of the notice, including:

- The specific products to be subject to increased duties, including whether products listed in the Annex should be retained or removed, or whether products not currently on the list should be added;
- The level of increase, if any, in the rate of duty; and
- The appropriate aggregate level of trade to be covered by the additional duties.

With respect to the inclusion or removal of specific products from the Annex, USTR requests commenters to address “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-sized businesses and consumers.”

In response, the Chinese government circulated a list of products by HTS category on which it plans to impose a 25% tariff if and when the Trump Administration's tariffs go into effect. The Chinese government's retaliatory list generally targets agriculture (e.g., soybeans, corn, wheat, beef, tobacco), whiskies (e.g., bourbon), automobiles and other vehicles, a wide range of chemicals and plastics, and aircraft.

The notice and comment period will include a hearing on May 15, 2018. Interested persons are invited to file requests to appear at the hearing by April 23, 2018. Pre-hearing comments are due on May 11, 2018, and post-hearing comments are due on May 22, 2018. No date was provided for the implementation of tariffs.

USTR's press release on this announcement can be found [here](#).

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