

Section 301 Tariff on List 3 Increases; Exclusion Process Proposed

After being stalled for months, the U.S. Trade Representative (USTR) announced on May 9, 2019, that an additional duty would become effective on List 3 of Chinese products. The products on the list were subject to additional duties of 10 percent that were initially scheduled to go into effect September 2018, and were scheduled to increase to 25 percent on January 1, 2019. That scheduled increase was subsequently postponed. The USTR's May 9 announcement results in a 25 percent increased duty rate on all relevant goods that are exported on or after May 10, 2019, or that enter the United States after June 1, 2019. The notice further stated that procedures for requests that particular goods be excluded from the additional duty would be adopted.

No formal exclusion procedures have been approved, however on May 21, 2019, the USTR published a notice seeking expedited approval of the form that would be used to submit exclusion requests. According to the notice, the USTR anticipates that applications for exclusion will be accepted beginning on or around June 30, 2019. Factors that are relevant to exclusion requests include, but are not limited to, whether the product is produced in any country other than China, whether the additional duty will result in severe economic harm, and whether the product is of strategic importance or related to the "Made in China 2025" program.

The USTR's recent notice, including the proposed form for exclusion requests, is available [here](#).



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