



## ALERTS

### The Hits Keep Coming: An Update To The Update With More Tariffs And More Opportunities To Participate

August 13, 2018 | [Atlanta](#) | [Chicago](#) | [Columbus](#) | [Dallas](#) | [Delaware](#) | [Elkhart](#) | [Fort Wayne](#) | [Grand Rapids](#) | [Indianapolis](#) | [Los Angeles](#) | [Minneapolis](#) | [New York](#) | [San Diego](#) | [South Bend](#)

The Office of the United States Trade Representative (USTR) has announced additional tariffs and related deadlines.

#### 1. Section 301 List 2 Products Are Final and the Additional 25% in Tariffs Go Into Effect Aug. 23, 2018

On Aug. 7, the USTR [announced](#) its finalized List 2 of products, representing \$16 billion in imports from China that will be subject to the Section 301 25 percent *ad valorem* tariffs. U.S. Customs and Border Protection will begin collecting tariffs on List 2 Products from China beginning Aug. 23.

In the end, the USTR's final List 2 contains 279 of the originally proposed 284 tariff lines. In other words, the USTR removed only five (or 1.8%) of the tariff lines, despite all the testimony it received concerning various products. Items such as (i) floating docks, (ii) microtomes, (iii) alginic acid and its salts and esters, (iv) containers, and (v) splitting, slicing or paring machines for working wood, cork, bone, hard rubber, hard plastics or similar hard materials were removed.

Although it appears that the USTR decided to be over-inclusive in its final list, it has yet to announce that it intends to allow for specific product exclusion requests, as it did for items on List 1. We are monitoring for such an announcement.

## RELATED PEOPLE



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## 2. Section 301 “List 3” Products: Extensions for Participation in the Hearing and Public Comment Process That Covers \$200 Billion of Imports From China

On Aug. 2, the White House announced plans to increase the Section 301 proposed tariffs of 10 percent to 25 percent on over \$200 billion of trade with China covering over 6,000 tariff lines (List 3). In light of this proposed increase, the USTR [extended the deadlines](#) for participation in the hearing and public comment process. The new deadlines are as follows:

- **Aug. 13** (previously July 27): Due date for filing requests to appear and a summary of expected testimony at the public hearing.
- **Sept. 6** (previously Aug. 17): Due date for submission of written comments.
- **Aug. 20-23**: The Section 301 Committee will convene a public hearing in the main hearing room of the U.S. International Trade Commission, 500 E Street SW, Washington, D.C., 20436, beginning at 9:30 a.m.
- **Sept. 6** (previously Aug. 30): Due date for submission of post-hearing rebuttal comments.

The USTR has disclosed that over 240 witnesses so far have requested to testify in the Section 301 hearing scheduled for Aug. 20-23, based on appearances originally due July 27.

This proceeding began with the July 10 release of a proposed list of Chinese imports, found in Annex A of a draft Federal Register [notice](#). The long list of a vast array of items, covering over 6,000 tariff lines and approximately \$200 billion worth of goods, is the third group of Chinese imports that may be subject to tariffs. The proposed List 3 includes, for instance:

- Food and agricultural products
- Chemicals and materials used to make products such as coatings, glass, refrigerants, rubber and steel
- Textiles, furs, hats, gloves
- Sub-assemblies and parts for various products
- Furniture, refrigerators/freezers
- Finished goods such as flatware, knives, and chairs, and many more.

All interested parties, from domestic producers to U.S. importers, should consider reviewing the list and participating in the hearing and/or submitting comments in accordance with the schedule above.

## 3. Trump Administration Vows to Double Steel and Aluminum Tariffs Against Turkish Imports Under Section 232

President Donald Trump announced on Aug. 10, that the United States will double the national security-based Section 232 steel and aluminum tariffs on goods from Turkey, referencing the rapid depreciation of the Turkey’s lira, which plunged more than 10 percent against the U.S. dollar. If doubled, the resulting tariffs would be 50 percent on steel and 20 percent on aluminum products from Turkey.



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## 4. Another 232 National Security Investigation on Uranium Imports

On July 18, the [Department of Commerce](#) initiated an investigation into whether uranium imports are harming national security, which could result in more tariffs on these U.S. imports. U.S. uranium producers, Energy Fuel Resources (USA) Inc. and Ur-Energy USA Inc., filed a petition in January 2018, requesting the Commerce Department investigate the matter under the Section 232 of the 1962 Trade Expansion Act, which is the same provision under which the president recently imposed steel and aluminum tariffs. The petition targets uranium imports from state-owned producers in China, Russia, Kazakhstan, and Uzbekistan, which now supplies over 40 percent of U.S. demand, whereas U.S. miners supply only 5 percent.

The products covered by the petition include nearly all forms of uranium, including natural uranium (ores and concentrates), natural uranium metal and alloys, dispersions, ceramic metal composites (cermets), ceramic products, and mixtures containing natural uranium or natural uranium compounds; uranium enriched in U-2352 and its compounds; alloys, uranium milled into triuranium octoxide (U<sub>3</sub>O<sub>8</sub>) and/or converted into uranium hexafluoride (UF<sub>6</sub>), uranium tetrafluoride (UF<sub>4</sub>), or uranium dioxide (UO<sub>2</sub>), high enriched uranium (HEU), and low enriched uranium contained in fuel rods and assemblies used by the power plants to produce nuclear energy for 20 percent of U.S. electricity. Subject uranium normally enters under HTSUS 2612.10.00, 2844.10.10, 2844.10.20, 2844.10.50, and 2844.20.00.

The remedy requested includes at least a 25 percent tariff and a “Buy America” requirement to compel federal government utility agencies to buy U.S.-sourced uranium.

The exact timing of the investigation remains unclear, but the Commerce Department must deliver its report 270 days after initiation, or by April 15, 2019; the last time, the report was delivered 266 days after initiating the steel and aluminum investigations.

## 5. Section 301 Product Exclusion Form Released

The USTR also released its form for the Section 301 product exclusion process on List 1 products. The good news is that the Section 301 exclusion form appears to be much simpler than the Section 232 product exclusion form used by the Commerce Department. Furthermore, the USTR appears to be broadly interpreting the definition of “one product,” rather than a narrow SKU number approach utilized in the Section 232 context. The bad news is that there is no specific timeframe set forth for the USTR to finalize its exclusion decision. Nevertheless, the effective date of any exclusion granted will be applied retroactively to July 6, 2018. Importantly, the deadline for filing product exclusions requests from List 1 of Section 301 is Oct. 9, 2018.

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