



### **ALERTS**

# USTR Opens New Comment Period On China Section 301 Tariff Exclusions

October 12, 2021

#### **Highlights**

The U.S. Trade Representative announced a new comment period to consider reinstatement of 549 previously extended Section 301 China product exclusions

U.S. importers and other interested parties may submit written comments beginning Oct. 12, but no later than Dec. 1, 2021

Reinstated exclusions would be retroactive with respect to merchandise entered, or withdrawn from a warehouse, for consumption on or after Oct. 12, 2021

The Office of the U.S. Trade Representative (USTR) is considering whether to reinstate nearly 550 Section 301 tariff exclusions for products originating in China and has announced a 50-day public comment period – opening Oct. 12 and running through Dec. 1, 2021 – to consider whether to reinstate those exclusions.

During its Section 301 China investigation, USTR granted product exclusions subject to additional tariffs under Lists 1, 2, 3, and 4A. From December 2019 to October 2020, it determined it would extend 137 exclusions under List 1; 59 exclusions on List 2; 266 exclusions on List 3;

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and 87 exclusions on List 4. With the exception of some product exclusions related to the COVID-19 pandemic, all of these exclusions have expired.

USTR has asked for written comments on whether to reinstate 549 product exclusions that were previously extended. Importers and manufacturers are encouraged to review the list of 549 product exclusions that are eligible for renewed tariff relief to determine whether they may have an interest in the proposed reinstatement of exclusions.

USTR is particularly interested in receiving comments addressing:

- 1. Whether the particular product and/or a comparable product is available from sources in the United States and/or in third countries
- 2. Any changes in the global supply chain since September 2018 with respect to the particular product or any other relevant industry developments
- 3. The efforts, if any, the importers or U.S. purchasers have undertaken since September 2018 to source the product from the United States or third countries
- 4. Domestic capacity for producing the product in the United States

Notably, any exclusions reinstated under this review would be retroactive with respect to merchandise entered, or withdrawn from a warehouse, for consumption on or after Oct. 12, 2021. In other words, USTR is not providing potential tariff relief for those entries made between the expiration date and Oct. 12, 2021. This is a change from USTR's prior practice which provided retroactive relief from the previous expiration date.

U.S. importers and purchasers of the 549 products, as well as other interested parties, may want to consider submitting written comments before the Dec. 1, 2021, deadline.

To obtain more information, please contact the Barnes & Thornburg attorney with whom you work or Luis Arandia at 202-408-6909 or luis.arandia@btlaw.com, David Spooner at 202-371-6377 or david.spooner@btlaw.com, or Linda Weinberg at 202-408-6902 or linda.weinberg@btlaw.com.

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