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Practice Update

USTR Issues Notices to U.S. Importers Related to U.S.-China Trade War Amid Coronavirus Spread

March 26, 2020 By Felicia Leborgne Nowels

The Office of the U.S. Trade Representative (USTR) has issued two separate notices of interest to U.S. importers caught in the U.S.-China trade war and that are seeking relief through Section 301 tariff exclusions.

USTR Seeks Comments on Medical-care Products Hit by Section 301 Tariffs

On March 25, 2020, USTR published in the Federal Register (<u>85 FR 16987</u>) a notice **inviting members of the public, business and government agencies to submit comments on whether "further modifications to the 301 tariffs may be necessary.**" The invitation comes amid the recent rapid increase in COVID-19 cases throughout the United States.

According to the notice, USTR, in consultation with the Department of Health and Human Services (HHS), has prioritized the review of Section 301 exclusion requests related to Chinese-origin medical care products relevant to the U.S. response to COVID-19. Since March 5th, USTR has granted approximately 200 separate exclusions covering personal protective equipment products and other medical-care related products. In light of the current public health crisis, **USTR is now calling for public comments on possible further modifications to** **Related People**

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remove duties from *additional* Chinese-origin medical-care products.

Submissions are limited to comments on products covered by the Section 301 action, "regardless whether the product is subject to a pending or denied exclusion request." Although the comment period is open at least until **June 25, 2020** (since it may be extended), USTR advises interested parties to submit comments as promptly as possible to facilitate timely consideration of possible modifications.

Additional China Section 301 Tariff Exclusions Under List 3

Furthermore, on March 26, 2020, USTR published in the Federal Register (<u>85 FR 17158</u>) its **latest round of product exclusions from the Section 301 additional 25 percent tariff on Chinese-origin goods under List 3**. The exclusions cover a wide range of products, including seafood, hot pepper seeds and other vegetable seeds, chemicals, plastic parts of fences, gaskets and washers, tires, backpacks and tote bags, leather apparel, printed cartons and corrugated boxes, yarns and textile fabrics, marble bathtubs and sinks, steel and aluminum goods, automobile and engine parts, AC electric motors, printed circuit boards, color television cameras, bicycles, steel storage racks and shelving units, wood cabinets and lamps.

The exclusions are reflected in a one 10-digit subheading (7002.10.2000) and 176 specially prepared product descriptions covering an additional 202 separate requests. Amendments were also made to a prior notice by adding five new exclusions for certain ventilation fans for motor vehicles.

The exclusions are retroactive to September 24, 2018 and will expire on August 7, 2020. Exclusions can be claimed by any importer (not only the requestor) whose product meets the product descriptions in the USTR notice. Importers are encouraged to review this new round of exclusions closely and apply for Section 301 duty refunds for their imported products that meet the specified exclusions criteria.

If your company is interested in submitting comments in response to USTR's March 25 notice and/or in seeking Section 301 duty refunds for qualifying imports meeting the specified exclusions criteria in USTR's March 26 notice, please contact us.

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