

Administration Releases Proposal to Subject Fourth Round of Chinese Goods to Additional Duties

May 14, 2019

After the markets closed yesterday, May 13, 2019, the Office of the U.S. Trade Representative (USTR) posted its “Tranche 4” proposal to subject additional products from China to tariffs under Section 301 of the Trade Act of 1974.

The proposal appears to include nearly all tariff codes not previously subjected to additional tariffs by the prior three tranches of tariffs. This includes products that were included in the initially-proposed versions of those tranches, but ultimately removed from their final scope of coverage. Notably, the “Tranche 4” proposal includes cell/ smartphones and many other consumer electronics, as well as wearing apparel, shoes, and a wide variety of industrial materials ranging from chemicals to yarns to metals.

That said, the proposal “excludes pharmaceuticals, certain pharmaceutical inputs, select medical goods, rare earth materials, and critical minerals.” USTR has also confirmed that the proposal does not affect goods specifically excluded from the scope of the existing “Tranche 1” or “Tranche 2” tariffs pursuant to USTR’s product-specific exclusion process for those tranches.

The proposed additional duty rate for all listed tariff provisions is 25%. Written comments on the new proposal are due to USTR by June 17, 2019. The agency will hold a hearing the same day. Requests to appear are due by June 10, 2019. Post-hearing rebuttal comments are due by June 24, 2019.

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