

Administration Cancels List 4B Section 301 Tariffs, Announces Partial Rollback of List 4A Tariffs

December 13, 2019

Since July of 2018, the Administration has imposed additional tariffs on four successive rounds of Chinese products, under Section 301 of the Trade Act of 1974. The tariffs imposed on the first three rounds of goods currently stand at 25%. A 15% duty was imposed effective September 1, 2019, on a fourth round of goods (the "List 4A" products). A fifth round of duties (corresponding to goods on "List 4B"), was scheduled to be imposed this Sunday, December 15, 2019, at a 15% rate. Notably, List 4B covers virtually all remaining Chinese goods, including large numbers of consumer products.

However, the President tweeted this morning that the 15% List 4B tariffs will not go into effect as planned. The President has not yet confirmed whether these tariffs have been permanently canceled, or whether they may still be imposed at a later date.

In the same series of tweets, the President indicated that there would be a partial rollback of the List 4A tariffs. Specifically, while these tariffs have previously been charged at a 15% rate, the President indicated that they would be reduced by half, to 7.5%.

Finally, the President also stated that there would be no reduction, at least at this time, to the existing Lists 1 - 3 tariffs, which are in place at a 25% rate.

Hot on the heels of the President's tweets, the Office of the U.S. Trade Representative issued a press release confirming the tariff rollback, as well as providing some additional details on the terms of the agreement with China that led to today's decision. The agreement

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incorporates commitments by China to make structural reforms to its economic and trade regimes affecting areas such as intellectual property and technology transfer. China has also committed to additional purchases of U.S. goods and services.