#### King & Spalding

# Client Alert



International Trade

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# USTR Announces Next Steps On Proposed 10 Percent Tariff On Imports From China

Tariffs To Be Effective On September 1, 2019 For Some Products And December 15, 2019 For Others; Certain Products Will Not Be Subject To Additional Tariffs; Product Exclusion Process To Be Implemented

The United States Trade Representative ("USTR") issued a <u>press release</u> on August 13 to announce "the next steps in the process of imposing an additional tariff of 10 percent on approximately \$300 billion of Chinese imports." The additional tariff, as previously announced by President Trump on August 1, will affect a fourth tranche of Chinese-origin products imported into the United States. The List 4 tariff will take effect in two stages: a first set of products will become subject to the additional tariff on September 1. A second set of products will be subject to the additional tariff on December 15. USTR refers to the lists as <u>List 4A</u> and <u>List 4B</u>, respectively.

In setting a December 15 effective date for List 4B, USTR explained that the decision followed input received from interested parties during <u>seven days of public hearings</u> in June. USTR explained that "[p]roducts in this group include, for example, cell phones, laptop computers, video game consoles, certain toys, computer monitors, and certain items of footwear and clothing."

Importantly, USTR also explained that "[c]ertain products are being removed from" List 4 "based on health, safety, national security and other factors and will not face additional tariffs of 10 percent." An official list of the removed products has not been released by USTR. <u>USTR previously explained</u> that it intended to exclude certain products from List 4 on a similar basis, including "pharmaceuticals, certain pharmaceutical inputs, select medical goods, rare earth materials, and critical minerals."

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USTR also announced its intent "to conduct an exclusion process for products subject to the additional tariff" under List 4. Finally, USTR explained that it "will publish in the Federal Register as soon as possible additional details and lists of the tariff lines affected by this announcement."

In sum, today's announcement has the potential to affect virtually all of the remaining balance of trade between China and the United States except for certain products that will be excluded from List 4 on the basis of health, safety, or national security considerations.

#### TARIFF TRACKER

The King & Spalding Tariff Tracker presents a snapshot of the current status of tariff developments using a map with hyperlinks to lists of specific products affected. To view the map, click <u>here</u>.

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