

# USTR Releases a Third Proposed List of Tariffs on \$200 Billion in Chinese Imports

July 11, 2018

International Trade; Public Policy

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Last night, the Office of the U.S. Trade Representative (“USTR”) [released](#) a new proposed list of \$200 billion worth of products from China that could face an additional 10 percent *ad valorem* tariff. The list covers 6,031 product categories, including a multitude of consumer goods such as luggage, tires, furniture, apparel, mattresses, household goods, components in telephones and flat panel displays and more. The list will be subject to a public comment and hearing process, which is scheduled to conclude in late August: requests to appear at the hearing and a summary of expected hearing testimony, along with optional pre-hearing written comments, must be submitted by July 27, 2018; written comments are due August 17, 2018; a public hearing will be held on August 20-23, 2018; and post-hearing rebuttal comments must be submitted by August 30, 2018.

The newly proposed tariff list follows two earlier tariff lists that the Trump Administration has released as a result of an investigation conducted by the USTR under Section 301 of the Trade Act of 1974. That investigation found at least \$50 billion in harm to the U.S. economy each year due to Chinese intellectual property and technology transfer policies and practices. [The first list of tariffs](#) on \$34 billion worth of Chinese products went into effect last Friday; [the second list](#) covering \$16 billion worth of Chinese goods is currently subject to a public comment and hearing process. USTR stated that the \$50 billion in products targeted by these two lists “are those that benefit from China’s industrial policy and forced technology transfer practices.” The release of the third list was foreshadowed by President Trump’s [directive to USTR last month](#) to identify \$200 billion worth of Chinese goods for further tariffs if China followed through with its threat of retaliation. Beijing has in fact retaliated by implementing tariffs last Friday targeting \$34 billion in U.S. imports into China. President Trump has threatened to add a fourth round of tariffs on goods worth \$200 billion if China retaliates yet again. In response to this third round of proposed tariffs, Beijing [vowed](#) to respond with counter-measures and a WTO lawsuit. The specifics of China’s response remain to be seen.

American companies with interests in China should evaluate the impact of the tariffs on their businesses, identify risks arising from U.S. actions and formal or informal Chinese retaliation, and consider potential opportunities to address longstanding concerns as the two governments seek resolution of their trade disputes.

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Following are some of Covington's trade professionals in Washington and Beijing who have been advising clients on Section 301 matters:

- **Christopher Adams**, who recently joined Covington from the U.S. Department of Treasury, where he served as Senior Coordinator for China Affairs, managing the highest level U.S.-China economic policy dialogues for the Obama and Trump administrations;
- **Alan Larson**, former Under Secretary of State for Economic, Business and Agricultural Affairs;
- **Timothy Stratford**, former Assistant USTR for China Affairs;
- **John Veroneau**, former Deputy USTR and former USTR General Counsel; and
- **Gina Vetere**, former Senior Policy Advisor to the Deputy USTR and former Director of IP and Innovation at USTR.

If you have any questions concerning the material discussed in this client alert, please contact the following members of our International Trade and Public Policy practices:

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