

# PUBLICATION

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## Tariff Trade War with China?

April 24, 2018

The Office of the U.S. Trade Representative published a proposed list of 1,333 Chinese products under consideration for 25% tariffs on April 3 under Section 301 of the Trade Act of 1974, which provides the President and the USTR broad authority to investigate and respond to harmful trade practices in foreign countries found to impair U.S. commerce.

### Are your products on the list?

The proposed product list targets strategic Chinese industries, and includes semiconductors, electric vehicles, medical devices, aerospace products, and various emerging technologies in robotics and electronics. The majority of the products fall under Chapters 84, 85 and 90 of the U.S. Harmonized Tariff Schedule for machinery and mechanical appliances, electrical machinery and equipment, and various medical devices.

### Will there be a chance for public comment on the proposed list?

Yes. You can submit comments on the product list by filling out [this form](#) through May 11. There is a public hearing at the International Trade Commission on May 15. There will also be an opportunity to submit post-hearing rebuttal comments that are due by May 22.

### How has China responded?

China announced on April 4 it plans to impose a 25% tariff on 106 U.S. products in response to the proposed U.S. tariffs. China's Ministry of Commerce has posted the product list and it includes major U.S. exports to China, including soybeans, small aircraft, whiskey, chemicals, and certain vehicles. No date was set for the 25% duties to formally enter into effect.

### Key Takeaways

1. See if your products or competitors' products are on one of the lists.
2. Review contract provisions for your options.
3. Consider supply change alternatives. Think of other available producers and available trade agreements.
4. Plan for alternative supply sources. You have time. It is possible that the actual imposition of these tariffs will not be formalized on either side for months to come, and future negotiations on both sides could significantly reduce the amount of products impacted by the recent proposals.
5. Stay tuned for further updates and details to come as the public comment and hearing process gets underway.