

Import Alert: Extension of Remaining Section 301 China Tariff Exclusions until May 31, 2024

January 8, 2024

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Key Takeaways

- Importers of products from China covered by the Section 301 exclusions may continue to enjoy significant tariff savings through at least May 31, 2024.
- USTR is opening a docket to receive public comments on whether to further extend certain exclusions.
- The results of the four-year review of the effectiveness and economic impact of the China Section 301 tariffs are not available yet. Some reporting suggests that certain tariffs may be raised while others may be reduced or eliminated, but nothing is definitive yet.

On December 26, 2023, the United States Trade Representative (USTR) <u>announced</u> that 429 product-specific exclusions set to expire on December 31, 2023, had been extended through May 31, 2024. See <u>88 FR 90225</u>. The 352 reinstated Section 301 product exclusions are listed in Annex A to <u>87 FR 17380</u>. The 77 COVID-related exclusions are listed in Annex B to <u>88 FR 31580</u>. This means that importers of products from China covered by the exclusions may continue to enjoy significant tariff savings through at least the first five months of the year.

In addition, on January 22, 2024, USTR will open a docket to receive public comments on whether to further extend certain exclusions beyond May 31, 2024. USTR will evaluate each exclusion on a case-by-case basis. The focus of the evaluation will be on the availability of products covered by the exclusion from sources outside of China, efforts undertaken to source products covered by the exclusion from the United States or third countries, why additional time is needed, and on what timeline, if any, the sourcing of products covered by an exclusion is likely to shift to sources outside of China. USTR will also consider whether extending the exclusion will impact U.S. interests, including the

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overall impact of the exclusion on the goal of obtaining the elimination of China's acts, policies, and practices covered in the Section 301 investigation. Comments must be submitted by February 21, 2024.

Finally, USTR has yet to provide further details regarding the status of the required four-year review of the effectiveness and economic impact of the China Section 301 tariffs or when any announcements regarding the review should be expected. The results of the review were initially supposed to be announced by December 31, 2023. There have been mixed reports suggesting that some tariffs may be raised while others may be reduced or eliminated, but nothing is definitive yet. We will continue to monitor this closely.

If you have questions about the Section 301 China tariffs or exclusions or might be interested in submitting a comment regarding the further extension of exclusions, we invite you to contact a member of the DCG Trade Group for assistance.

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