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## President Trump Asks USTR to Consider a Tariff Increase From 10 percent to 25 percent on \$200 Billion of Chinese Products

By Nate Bolin, Douglas J. Heffner, Kathleen M. Murphy, William R. Rucker, James L. Sawyer and Luke J. Karamyalil

On August 1, 2018, the U.S. Trade Representative (USTR) [announced](#) a potential increase to the proposed Section 301 tariff for \$200 Billion of Chinese [products previously identified](#) on July 10, 2018 (“List 3”). As discussed in our prior [client alert](#), President Trump had initially directed USTR to identify \$200 billion of additional Chinese imported goods that would be subject to 10 percent retaliatory tariffs. President Trump then directed USTR to “consider increasing the proposed level of the additional duty from 10 percent to 25 percent,” and yesterday’s action by USTR follows that directive. This continues the Trump administration’s remedies pursuant to USTR’s Section 301 investigation regarding “China’s acts, policies and practices related to technology transfer, intellectual property, and innovation” that were determined to be “unreasonable and discriminatory, and a burden to U.S. commerce.”

Due to this proposed increase from 10 percent to 25 percent, the purpose of the investigation is now two-fold: (1) to determine which products should be included or excluded from List 3, and (2) to determine whether the tariffs for List 3 products should remain at 10 percent or be increased to 25 percent.

In light of this change to the scope of the investigation, USTR has modified certain deadlines for the notice and comment period to accommodate parties that now would like to participate in the hearing process. All relevant dates, including the new deadlines for submitting a request to participate in the public hearing, for submitting written comments, and for submitting post-hearing comments, are below:

Event	Previous Schedule	Revised Schedule
Hearing Request	July 27, 2018	August 13, 2018
Written Testimony	Not Announced	August 9, 2018*
Written Comments	August 17, 2018	September 5, 2018
Hearing Dates	August 20-23, 2018	August 20-23, 2018
Post-Hearing Rebuttal Comments	August 30, 2018	September 5, 2018

\*For interested parties that have already filed a request to participate in the public hearing.

As noted above, in order to appear at the August 20–23 public hearing, **a party must submit its request to appear by August 13.** Such a request must include a summary of the testimony and may be accompanied by a pre-hearing submission. The remarks at the hearing may be no longer than five minutes.

Given the potential increase in the tariff rate for List 3 products, companies that originally decided not to participate in this round may want to reconsider. As the dates detailed above are fast approaching, it is important that companies organize quickly to submit comments and to prepare for the USTR hearing.

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Drinker Biddle’s Customs and International Trade Team has extensive experience navigating public comments, having successfully removed certain tariff lines from the initial proposed list. For further information, contact members of the Customs and International Trade Team listed below.

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