



Section 301 Background:

Under Section 301 of the Trade Act of 1974, the United States Trade Representative (USTR) initiated an investigation to determine whether China's acts, policies, and practices related to technology transfer, intellectual property, and innovation are unreasonable, unjustifiable, or discriminatory and burden or restrict U.S. commerce.

- Following a thorough analysis of available evidence, USTR, with the assistance of the interagency Section 301 committee, prepared findings showing that the acts, policies, and practices of the Chinese government related to technology transfer, intellectual property, and innovation are unreasonable or discriminatory and burden or restrict U.S. commerce.
 - China uses joint venture requirements, foreign investment restrictions, and administrative review and licensing processes to force or pressure technology transfers from American companies.
 - China uses discriminatory licensing processes to transfer technologies from U.S. companies to Chinese companies.
 - China directs and facilitates investments and acquisitions which generate large-scale technology transfer.
 - China conducts and supports cyber intrusions into U.S. computer networks to gain access to valuable business information.
- An interagency team of subject matter experts and economists' estimates that China's policies result in harm to the U.S. economy of at least \$50 billion per year.

When did Section 301 duties become effective?

- Originally July 6, 2018.

What does Section currently 301 cover?

- Over 800 eight-digit harmonized tariff subheadings.
- Current list published to the USTR's website as "[List 1](#)".

Are more Section 301 tariffs expected?

- Yes, there is a proposal and modification which could affect an additional \$200 billion in estimated annual trade value.
 - Additional proposal published as "[List 2](#)" (\$16 billion in estimated annual trade value).
 - Modification to original proposal published in the [Annex to this notice](#). (\$200 billion in estimated annual trade value).



- The Office of the U.S. Trade Representative (USTR) is seeking public comment and will hold a public hearing regarding this proposed modification of the action in the investigation.

Are there additional tariff reporting elements for items subject to Section 301?

- In addition to the reporting of the typical Chapter 1 through 97 Harmonized Tariff Schedule classification, 9903.88.01 is required.

What are the duty amounts for Section 301?

- 25% ad valorem for List 1 (effective now) and List 2 (original proposal).
- 10% ad valorem for modification to original proposal.
- Additional to any "normal" duties, taxes, AD/CVD due.

What countries are covered by 301?

- Section 301 duties currently only apply to products of China.
- Based on country of origin, not country of export.

Are Section 301 duties due on goods covered by a Trade Preference Programs?

- Yes. Products from China subject to the Section 301 that are eligible for special tariff treatment under General Note 3(c)(i) shall be subject the additional 25% ad valorem. The use of a trade preference program will not provide relief from Section 301 duties.

Are goods entered under Section 301 eligible for drawback?

- Section 301 duties are eligible for duty drawback.