



## Global Trade Advisory Alert

### USTR requests comments on Section 301 Tariff Exclusion Extensions

On 30 April 2020 and 6 May 2020, the US Trade Representative (“USTR”) published two notices in the *Federal Register* requesting comments concerning the extension for up to 12 months of certain exclusions granted for the Section 301 tariffs announced in Lists 1, 2, and 3. Such exclusions are set to expire on 9 July 2020, 31 July 2020, and 20 August 2020, respectively.

Parties have until 1 June 2020 to submit comments on the List 1 and 2 exclusions, and until 8 June 2020 on the List 3 exclusions. Comments may be filed in the *USTR Comments Portal*, in the respective docket for each list. Comments should include details on:

1. Whether the product or a comparable product is available from sources in the US and/or third countries;
2. Any changes in the global supply chain since July 2018 for the product or relevant industry developments; and

3. The efforts that the importer or US purchasers have undertaken since July 2018 to source the product from the US or third countries.

### **General Section 301 Exclusion Status Update**

As of 4 May 2020, 52,747 unique Section 301 exclusion requests have been submitted by US importers with the following results:

- List 1: 10,814 exclusion requests were submitted. All have been processed. Specifically, 3,657 requests were approved and 7,157 were denied (34% approval rate and 66% denial rate, respectively).
- List 2: 2,869 exclusion requests were submitted. All have been processed. Specifically, 1,074 requests were approved and 1,795 were denied (37% approval rate and 63% denial rate, respectively).
- List 3: 30,283 exclusion requests were submitted. 1,373 requests have been approved and 28,614 have been denied (5% approval rate and 94% denial rate, respectively). There are 296 requests still pending (1%).
- List 4A: A total of 8,781 exclusion requests have been submitted. 146 have been approved and 0 have been denied. (2% approval rate to date). There are 8,635 requests still pending (98%).

The opportunity to file original exclusion requests has closed for all lists.

### **How we can help**

Deloitte's Global Trade Advisory specialists are part of a global network of professionals who can provide specialized assistance to companies in global trade matters. Our professionals can help companies seeking to manage the impacts and potential impacts of the developments described above by:

- preparing exclusion extension requests;
- obtaining and analyzing import data to assess the potential impacts of the trade measures;
- examining supply chains and imported products to determine opportunities to manage increased costs due to the additional tariffs;
- conducting strategic sourcing reviews to identify potential alternative sources of affected products;
- scrutinizing the accuracy of tariff classifications;
- considering tariff engineering opportunities;
- reviewing Incoterms<sup>®</sup> used in contracts to confirm responsibilities for customs duty payments; and
- undertaking customs valuation planning to manage the impacts of the additional tariffs.

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