



## Outline of Tentative Trade Deal with China Announced

On June 11th, President Trump announced, via a Truth Social posting, a broad outline for a tentative trade deal between the United States and China. The posting implies that the parties have created a framework for resolving some of the many trade issues between them. The proposed outline is discussed below; however, please note that the White House has not issued any formal, written information on this topic; President Trump has not issued an Executive Order or Presidential Memoranda regarding it; no Federal Register notice has been issued; and China is already downplaying President Trump's characterization of it as done deal.

**Key Provisions of the Purported Tentative Agreement** set out in the Truth Social posting and briefings from White House officials:

- **Rare Earth Exports:** China agrees to resume shipments of rare earth minerals and magnets, essential for U.S. industries such as defense and electronics. However, these shipments are subject to a six-month license, introducing a temporary measure to maintain leverage.
- **Tariffs:** The U.S. agrees to impose a 55% tariff on Chinese imports, combining existing China tariffs. China will apply a 10% tariff on U.S. goods.
- **Student Visas:** The U.S. will allow Chinese students to study at American universities, maintaining academic exchanges.

Many questions exist surround the 55% total tariff, as it reportedly represents the aggregation of the 10% baseline reciprocal tariff, the 20% China IEEPA tariffs used to address the fentanyl emergency, and 25% from pre-existing duties from President Trump's first term. It is unclear if the reference to the 25% is to the existing China section 301 tariffs, which imposed a 25% tariff on certain products, but only a 7.5% on others. It also makes no mention of the sectorial tariffs, such as on steel and aluminum or on automobiles and parts of automobiles, and if and how those will be assessed if of Chinese origin. We will provide updates when more information becomes available.

Next steps toward an agreement require final approval from both leaders, and no timetable for approval has been announced. Until there is a formal change to the tariffs, the current tariff structure on goods originating in China remains.

# DENTAL TRADE ALLIANCE

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### **Status of Ongoing Lawsuit on IEEPA Duties**

Previously we reported that the U.S. Court of International Trade had issued a decision and judgment striking down President Trump’s use of the International Emergency Economic Powers Act (IEEPA) as a basis for the “reciprocal” tariffs and the China, Mexico and Canada “fentanyl” and “illegal immigration” tariffs. Execution of that decision was formally enjoined by the U.S. Court of Appeals for the Federal Circuit during the pendency of the appeal. This means that importers will continue to pay the IEEPA-based duties while the case is heard by the court of appeals. A hearing is scheduled for mid-July, with a decision expected shortly thereafter. The loser of the appeal will inevitably appeal to the U.S. Supreme Court.

Any questions can be directed to Rick Van Arnam, the Dental Trade Alliance’s regulatory affairs counsel, at [rvanarnam@barnesrichardson.com](mailto:rvanarnam@barnesrichardson.com).

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