

Section 301 Investigation into China's Acts, Policies and Practices Related to Technology Transfer, Intellectual Property, and Innovation.

(See [Section 301 Investigation](#) for all USTR proceedings. Searchable HTS site: [USITC HTS](#))

Background: In August 2017, the administration/USTR initiated an investigation under Section 301 of Trade Act of 1974 into China's acts, policies, and practices related to technology transfer, intellectual property, and innovation. In March 2018, USTR concluded that China's acts, policies and practices related to technology transfer, IP, and innovation are unreasonable and discriminatory, and issued the first list of products to be subject to a 25% increased tariff rate, effective July 6th. The first list of products to be subject of 25% tariff increase, was released on April 3rd, and covered 818 tariff lines, covering \$34 billion worth of Chinese goods (medical and scientific equipment, semiconductors, vehicles and aircraft, machinery, electrical and audiovisual equipment, and agricultural and industrial machinery). Two subsequent lists were released in June and September 2018 (with two HTS subheadings directly affecting publishers included).

In December 2018, following a side meeting at the G20 summit in Argentina, Trump and Chinese President Xi called a "truce." They gave their teams 90 days (from December) to negotiate a deal (China to address structural problems and purchase more U.S. goods). The "truce" did result in the threatened 25% hike scheduled to go into effect on January 1 being postponed for this 90 day period (or until "further notice" per a WH statement). Thus, the 10% tariff rate on \$200 billion worth of products did not go up to 25%, while negotiations continued. Hanging over these negotiations was the added threat to tax the remaining \$300 billion in Chinese goods between 10-25% likely back on the table.

That threat was made real with the May 14th (pre-publication announcement) of the proposed 25% ad valorem tariffs on \$300 billion Chinese-origin products. See Notice of Request for Comments for the fourth tranche (List 4) of products: [Request for Comments - China Section 301 Investigation May 2019](#).

Section 301 Investigation Timeline:

August 18, 2017: USTR initiated investigation under Section 301 of Trade Act of 1974 into China's acts, policies, and practices related to technology transfer, intellectual property, and innovation.

March 2018: USTR concluded the Section 301 investigation, finding China's acts, policies and practices related to technology transfer, IP, and innovation are unreasonable and discriminatory.

April 3 2018: USTR releases first list of products to be subject of 25% tariff increase, effective July 6, 2018. The products are identified by the Harmonized Tariff Schedule (HTSUS) code. The first tariff list covers 818 tariff lines, covering \$34 billion worth of Chinese goods (medical and scientific equipment, semiconductors, vehicles and aircraft, machinery, electrical and audiovisual equipment, and agricultural and industrial machinery).

June 15, 2018: USTR released the second list of 284 products or tariff lines (under HTSUS) to be subject to 25% tariff hike.

August 3, 2018: China similarly announced list of U.S. products to be subject to a 25% tariff hike, covering some \$16 billion in Chinese products. Products covered include chemicals, polymers and plastics, vehicles and transportation equipment, motorcycles, semiconductors, and semiconductor manufacturing equipment.

August 7, 2018: USTR updated List 2 (with 5 tariff lines removed). Interested rights holders filed product exclusion requests.

July 10: USTR announced a third list of products on which 10% , later increased to 25% (on August 1st), tariff hike would be imposed (following public comment and hearings).

September 17, 2018: USTR announced the final products included on List 3, which are subject to a 10% tariff hike as of September 24th. Tariff hike then increases to 25% on January 1, 2019 (assuming no relief negotiated between U.S. and PRCG).

A total of 5,745 tariff lines are subject to the initial 10% tariff hike. For the full list see [Section 301 Final Tariff List](#).

Tariff lines affecting publishers and industry partners (printers):

- 4820.10.20: Diaries, notebooks and address books, bound; letter and memorandum pads and similar articles, of paper or paperboard.
- 4820.20.00: Exercise books of paper or paperboard.
- 8419.90.20: Parts of machinery and plant, for making paper pulp paper or paperboard.
- 8440.1000: Bookbinding machinery, including book-sewing machines.
- 8440.9000: Parts for bookbinding machinery, including book-sewing machines.

December 2018: Trump and Xi agree to stay in tariff tiff escalation, sending their teams back to negotiating table. Results in hold on further increase to 25% of the 10% tariff rate on the products announced in the September 2018 (List 3). 10% was to increase to 20% on January 1 2019 but was postponed “until further notice.”

- US & China continue negotiations on trade deal.

May 10, 2019: USTR announced that 10% tariff rate for products increase to 25% as China had “retreated” from commitments made during earlier negotiations.

May 14, 2019: USTR releases Request for Comments on proposed imposition of 25% tariffs on all remaining Chinese-origin products imported into the U.S. This fourth list of products covers 3,805 HTS subheadings. (FRN printed May 17th.)

Tariff lines affecting publishers under List 4:

4901.10.00 Printed books, brochures, leaflets and similar printed matter in single sheets, whether or not folded

4901.91.00 Printed dictionaries and encyclopedias and serial installments thereof

4901.99.00 Printed books, brochures, leaflets and similar printed matter, other than in single sheets

4901.99.10 Textbooks

4901.99.40 Bibles, testaments, prayer books and other religious books

4901.99.50 Technical, scientific and professional books

4901.99.60 Art and pictorial books valued under \$5 each

4901.99.65 Art and pictorial books valued \$5 or more each

4901.99.70 Hardbound books

4901.99.75 Rack size paperbound books

4902.90.20 Newspaper, journals and periodicals, except those appearing at least four times a week

4902.90.40 Other business and professional journals and periodicals (including single issues tied together for shipping purposes)

4903.00.00 Children's picture, drawing or coloring books

4905.91.00 Maps and hydrographic or similar charts of all kinds, including atlases and topographical plans, printed in book form

4911.10.00 Printed trade advertising material, commercial catalogs and the like

4911.10.40 Printed catalogs relating principally to current offers for the sale of U.S. products

(There are potentially other goods, under other subheadings of which we not aware you may be importing from China.)