

[Billing Code 3290-F0]

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE**

**Notice of Product Exclusion Extensions: China's Acts, Policies, and Practices  
Related to Technology Transfer, Intellectual Property, and Innovation**

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice of product exclusion extensions.

**SUMMARY:** Effective July 6, 2018, the U.S. Trade Representative imposed additional duties on goods of China with an annual trade value of approximately \$34 billion as part of the action in the Section 301 investigation of China's acts, policies, and practices related to technology transfer, intellectual property, and innovation. The U.S. Trade Representative initiated the exclusion process in July 2018 and, to date, has granted ten sets of exclusions under the \$34 billion action. The third set of exclusions was published in April 2019 and will expire in April 2020. On February 5, 2020, the U.S. Trade Representative established a process for the public to comment on whether to extend particular exclusions granted in April 2019 for up to 12 months. This notice announces the U.S. Trade Representative's determination to extend certain exclusions for 12 months.

**DATES:** The product exclusion extensions announced in this notice will apply as of April 18, 2020, and extend for one year. U.S. Customs and Border Protection will issue instructions on entry guidance and implementation.

**FOR FURTHER INFORMATION CONTACT:** For general questions about this notice, contact Assistant General Counsels Philip Butler or Benjamin Allen, or Director of Industrial Goods Justin Hoffmann at (202) 395-5725. For specific questions on

customs classification or implementation of the product exclusions identified in the Annex to this notice, contact [traderemedymail@cbp.dhs.gov](mailto:traderemedymail@cbp.dhs.gov).

**SUPPLEMENTARY INFORMATION:**

**A. Background**

For background on the proceedings in this investigation, please see prior notices including 82 FR 40213 (August 23, 2017), 83 FR 14906 (April 6, 2018), 83 FR 28710 (June 20, 2018), 83 FR 32181 (July 11, 2018), 83 FR 67463 (December 28, 2018), 84 FR 11152 (March 25, 2019), 84 FR 16310 (April 18, 2019), 84 FR 21389 (May 14, 2019), 84 FR 25895 (June 4, 2019), 84 FR 32821 (July 9, 2019), 84 FR 46212 (September 3, 2019), 84 FR 49564 (September 20, 2019), 84 FR 52567 (October 2, 2019), 84 FR 58427 (October 31, 2019), 84 FR 70616 (December 23, 2019), 84 FR 72102 (December 30, 2019), 85 FR 6687 (February 5, 2020), 85 FR 12373 (March 2, 2020), and 85 FR 16181 (March 20, 2020).

Effective July 6, 2018, the U.S. Trade Representative imposed additional 25 percent duties on goods of China classified in 818 8-digit subheadings of the Harmonized Tariff Schedule of the United States (HTSUS), with an approximate annual trade value of \$34 billion. *See* 83 FR 28710 (the \$34 billion action). The U.S. Trade Representative's determination included a decision to establish a process by which U.S. stakeholders could request exclusion of particular products classified within an 8-digit HTSUS subheading covered by the \$34 billion action from the additional duties. The U.S. Trade Representative issued a notice setting out the process for the product exclusions, and opened a public docket. *See* 83 FR 32181 (the July 11 notice).

In April 2019, the U.S. Trade Representative granted a set of exclusion requests, which expire on April 18, 2020. *See* 83 FR 67463 (the April 18 notice). On February 5, 2020, the U.S. Trade Representative invited the public to comment on whether to extend, by up to 12 months, particular exclusions granted in the April 18 notice. *See* 85 FR 6687 (the February 5 notice).

Under the February 5 notice, commenters were asked to address whether the particular product and/or a comparable product is available from sources in the United States and/or in third countries; any changes in the global supply chain since July 2018 with respect to the particular product, or any other relevant industry developments; and efforts, if any, importers or U.S. purchasers have undertaken since July 2018 to source the product from the United States or third countries.

In addition, commenters who were importers and/or purchasers of the products covered by an exclusion were asked to provide information regarding their efforts since July 2018 to source the product from the United States or third countries; the value and quantity of the Chinese-origin product covered by the specific exclusion request purchased in 2018, the first half of 2018, and the first half of 2019, and whether these purchases are from a related company; whether Chinese suppliers have lowered their prices for products covered by the exclusion following the imposition of duties; the value and quantity of the product covered by the exclusion purchased from domestic and third country sources in 2018, the first half of 2018 and the first half of 2019; the commenter's gross revenue for 2018, the first half of 2018, and the first half of 2019; whether the Chinese-origin product of concern is sold as a final product or as an input; whether the imposition of duties on the products covered by the exclusion will result in severe

economic harm to the commenter or other U.S. interests; and any additional information in support or in opposition of the extending the exclusion.

The February 5 notice required the submission of comments no later than March 16, 2020.

## **B. Determination to Extend Certain Exclusions**

Based on the evaluation of the factors set out in the July 11 notice and February 5 notice, which are summarized above, pursuant to sections 301(b), 301(c), and 307(a) of the Trade Act of 1974, as amended, and in accordance with the advice of the interagency Section 301 Committee, the U.S. Trade Representative has determined to extend for 12 months certain product exclusions covered by the February 5 notice, as set out in the Annex to this notice. The U.S. Trade Representative's determination also takes into account advice from advisory committees and any public comments concerning the extension of the pertinent exclusion.

In accordance with the July 11 notice, the exclusions are available for any product that meets the description in the Annex, regardless of whether the importer filed an exclusion request. Further, the scope of each exclusion is governed by the scope of the 10-digit HTSUS headings and product descriptions in the Annex to this notice, and not by the product descriptions set out in any particular request for exclusion.

As set out in the Annex, the U.S. Trade Representative has determined to extend the following exclusions granted under the April 18, 2019 notice under heading 9903.88.07 and under U.S. note 20(j) to subchapter III of chapter 99 of the HTSUS: (2), (4), (6), (7), (11), (12), (14), and (21).

## **ANNEX**

Effective with respect to good entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on July 6, 2018, and before April 18, 2021, the additional duties provided for in heading 9903.88.01 shall not apply to products which are provided for in heading 9903.88.07 and described by U.S. notes 20(j)(2), 20(j)(4), 20(j)(6), 20(j)(7), 20(j)(11), 20(j)(12), 20(j)(14) and 20(j)(21) to subchapter III of chapter 99 of the HTSUS, as follows:

- (2) Roller machines designed for cutting, etching or embossing paper, foil or fabric, manually powered (described in statistical reporting number 8420.10.9080)
- (4) Ratchet winches designed for use with textile fabric strapping (described in statistical reporting number (8425.39.0100)
- (6) Counterweight castings of iron or steel designed for use on fork lift and other work trucks (described in statistical reporting number 8431.20.0000)
- (7) Tines, carriages, and other goods handling apparatus and parts designed for use on fork lift and other works trucks (described in statistical reporting number 8431.20.0000)
- (11) Reject doors, pin protectors, liners, front walls, grates, hammers, rotor and end disc caps, and anvil and breaker bars, of iron or steel, the foregoing parts of metal shredders (described in statistical reporting number 8479.90.9496)
- (12) Steering wheels designed for watercraft, of stainless steel, having a wheel diameter exceeding 27 cm but not exceeding 78 cm (described in statistical reporting number 8479.90.9496)
- (14) Pipe brackets of aluminum, each with 4 ports, the foregoing measuring 27.9 cm x 20.3 cm x 17.8 cm and weighing 11.34 kg, designed for installation into air brake control valves (described in statistical reporting number 8481.90.9040)

(21) Instruments for measuring or checking voltage or electrical connections; electrical circuit tracers (described in statistical reporting number 9030.33.3800)

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