

CUSTOMER ADVISORY

USTR Extends Some Sec. 301 Trade Exclusions Until 2025
31 MAY 2024

USTR Extends Some Sec. 301 Trade Exclusions Until 2025

Late in the evening of May 24, 2024, prior to the long weekend, the U.S. Trade Representative (USTR) published a Federal Register Notice extending all exclusions through June 14, 2024, while approximately 60% of the Sec. 301 items due to expire were extended for another year, through May 31, 2025.

On December 29, 2023, prior to the last expiration date of December 31, 2023, the USTR published a notice inviting comments. The notice provided that, in considering possible extensions, the USTR would “evaluate each exclusion on a case-by-case basis, with the focus on the evaluation on the availability of products covered by the exclusion from sources outside of China, efforts undertaken to source products covered by the exclusion from the United States or third countries, and whether further extension of a particular exclusion would aid in shifting sourcing outside of China.” See 88 FR 90225. The notice also provided that the USTR would consider the impact on U.S. interests of extending or not extending an exclusion and the goal of obtaining the elimination of China’s acts, policies, and practices covered in the investigation.

The USTR hoped that extending these exclusions would support serious efforts to shift sourcing out of China. Furthermore, the additional time provided would allow importers to demonstrate

that, despite efforts to source products from alternative sources, the availability of the product outside of China remained limited. This must be supported by genuine data to back up their claim.

Of the 265 exclusions that will expire on June 14, 2024, there were 102 exclusions where no public comments were received requesting further extension. For the remaining exclusions, public comments received did not demonstrate that the products were not available outside China nor that the continuance of the exclusion would aid efforts to shift sourcing out of China in the near term. While some importers indicated in their comments that they were considering alternative sources, their responses did not provide sufficient detail on their efforts in this regard, while other importers simply asserted their claims of unavailability based on China being the most cost-effective source due to pricing. They provided no support for efforts made to find alternative sources of comparable quality outside of China. The USTR commented that, despite more than four years of these exclusions, few commenters reported having taken significant steps to shift sourcing out of China, which was the principal reason for instating these additional Sec. 301 duties.

See Annex A and Annex B of this notice for the transition period for the expiring exclusions extended through June 14, 2024. The exclusions listed in Annex C of this notice are further extended through May 31, 2025, while the exclusions listed in Annex D are not being extended beyond the 14-day transition period.

For consultation and assistance in complying with this program, you may also reach out to us at: customs_compliance_group@am.kwe.com