

May 9, 2019

Update - Section 301 Tariff Increase Based on Date of Export to the U.S.

Dear Valued Customer,

On May 9, 2019 the Office of the United States Trade Representative (USTR) published the Federal Register notice formally announcing the increase in tariff amounts for the third round of Section 301. According to the notice, the 25% tariff will only go into effect if both conditions are met:

1. The goods export from China on or after May 10, 2019, AND
2. The goods are entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 am EST on May 10, 2019

Air cargo departing on or after May 10 will be immediately impacted by the change in tariff, but cargo currently on the water should still be at the 10% rate.

At this time there are still technical questions surrounding U.S. Customs and Border Protection (CBP) programming to be able to implement the tariff increase based on the export date. Until these programming changes are implemented, the 25% tariff will be in effect.

A copy of the USTR's Federal Register Notice can be found here:

<https://ustr.gov/sites/default/files/enforcement/301Investigations/2019-09681.pdf>

On May 6, 2019, U.S. Trade Representative Robert Lighthizer told reporters that the third round of the Section 301 tariffs will be increased to 25% from 10%, impacting \$200 billion worth of Chinese goods. The goods were previously to go into effect on March 1, 2019 but had been delayed due to ongoing trade discussions with China.

Thank you for being our Valued Customer. If you have any questions, please do not hesitate to contact C.H. Robinson for further information.

Sincerely,

C.H. Robinson Customs Compliance Team

Our information is compiled from a number of sources that to the best of our knowledge are accurate and correct. It is always the intent of our company to present accurate information. C.H. Robinson accepts no liability or responsibility for the information published herein.

