



# USTR NEWS

## UNITED STATES TRADE REPRESENTATIVE

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### **Statement By U.S. Trade Representative Robert Lighthizer on Section 301 Action**

*Washington, DC* – U.S. Trade Representative Robert Lighthizer today released the following statement regarding action under Section 301 of the Trade Act of 1974:

“On Friday, in response to unfair Chinese practices, the United States began imposing tariffs of 25 percent on approximately \$34 billion worth of Chinese imports. These tariffs will eventually cover up to \$50 billion in Chinese imports as legal processes conclude. The products targeted by the tariffs are those that benefit from China’s industrial policy and forced technology transfer practices.

“China has since retaliated against the United States by imposing tariffs on \$34 billion in U.S. exports to China, and threatening tariffs on another \$16 billion. It did this without any international legal basis or justification.

“As a result of China’s retaliation and failure to change its practices, the President has ordered USTR to begin the process of imposing tariffs of 10 percent on an additional \$200 billion of Chinese imports. This is an appropriate response under the authority of Section 301 to obtain the elimination of China’s harmful industrial policies. USTR will proceed with a transparent and comprehensive public notice and comment process prior to the imposition of final tariffs, as we have for previous tariffs.

“On August 14, 2017, President Trump instructed USTR to begin the Section 301 process. For many years, China has pursued abusive trading practices with regard to intellectual property and innovation. USTR conducted a thorough investigation

over an 8-month period, including public hearings and submissions. In a [detailed 200-page report](#), USTR found that China has been engaging in industrial policy which has resulted in the transfer and theft of intellectual property and technology to the detriment of our economy and the future of our workers and businesses.

“USTR’s Section 301 report found that Chinese policies and practices force U.S. innovators to hand over their technology and know-how as the price of doing business in China. China also uses non-economic means to obtain U.S. technology, such as using state-owned funds and companies to buy up American businesses and imposing burdensome intellectual property licensing requirements in China. USTR’s report also found that the Chinese government sponsors the outright theft of U.S. technology for commercial benefit. These practices are an existential threat to America’s most critical comparative advantage and the future of our economy: our intellectual property and technology.

“For over a year, the Trump Administration has patiently urged China to stop its unfair practices, open its market, and engage in true market competition. We have been very clear and detailed regarding the specific changes China should undertake. Unfortunately, China has not changed its behavior – behavior that puts the future of the U.S. economy at risk. Rather than address our legitimate concerns, China has begun to retaliate against U.S. products. There is no justification for such action.

“As in the past, the United States is willing to engage in efforts that could lead to a resolution of our concerns about China’s unfair trade practices and to China opening its market to U.S. goods and services. In the meantime, we will remain vigilant in defending the ability of our workers and businesses to compete on a fair and reciprocal basis.”

The proposed list and process for the public notice and comment period is set out in the a Federal Register notice, which will be published within the next few days. To view the notice, including the list of proposed tariffs on \$200 billion of Chinese imports, [click here](#).

\*Link to the detailed 200-page report: <https://ustr.gov/sites/default/files/Section%20301%20FINAL.PDF>  
Link to the FR Notice, including list of proposed tariffs can be found at: [https://ustr.gov/sites/default/files/301/2018-0026%20China%20FRN%207-10-2018\\_0.pdf](https://ustr.gov/sites/default/files/301/2018-0026%20China%20FRN%207-10-2018_0.pdf)