



USTR REDUCES LIST 4A TARIFFS TO 7.5% STARTING FEB 14, 2020

SENATA APPROVES USMCA - THE "NEW NAFTA" IS ONE STEP CLOSER TO IMPLEMENTATION

Yesterday, the United States and China signed the so-called "[Phase One](#)" trade deal. The agreement did not specify details about the reduction of Section 301 List 4A duties from 15% to 7.5%, but today the U.S. Trade Representative released its [draft Federal Register notice](#) indicating that the new, lower rate will apply to merchandise entered or withdrawn for consumption as of 12:01 AM on February 14, 2020. Entries filed before that date will, therefore, remain subject to the higher 15% duty rate (so the reduction is not retroactive). List 4B duties remain suspended.

In separate news, the U.S. Senate voted to approve the [USMCA](#) (new NAFTA) implementation bill. The USMCA implementing legislation now heads to the White House for signature. In the interim, the original NAFTA in force since 1994 remains in effect. Even once the White House signs off on the implementation bill, Canada must also approve implementing legislation. Once that happens, it is anticipated that the new USMCA will take effect approximately 90 to 120 days after the last NAFTA country approves the new USMCA. Specifically, per the [Protocol](#) to the USMCA, it will enter into effect on the first day of the third month after the last country notifies its approval.

Roll & Harris LLP is continuing to monitor events and will send out future updates as the situation develops.

Please do not hesitate to contact us at info@thetradelawfirm.com with any questions you may have.