Subject: China Tariffs and Legal Update – Summary from June 9 Discussion

Hi Team,

Following my conversation with Troy Clark, here’s a distilled summary of the current tariff framework and related legal developments:

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### Key Takeaways:

• China tariffs apply to China, Hong Kong, and Macau through August 12.\*  
 • Tariff components include:  
 • Base HTS rate  
 • 25% Section 301 tariff (50% for steel/steel derivatives)  
 • 20% fentanyl tariff  
 • 10% reciprocal tariff (in place until August 12)  
 • Canada and Mexico are exempt from the fentanyl tariff but face a 25% reciprocal tariff.  
 • Certain goods covered under USMCA and those previously exempt under NAFTA remain exempt.  
 • The term “stacked” is now used to describe how fentanyl and reciprocal tariffs layer on top of the 301 tariffs.  
 • The Court of International Trade (CIT) ruled that the presidential authority behind some of these tariffs may be invalid. The appellate court has heard the case and a Supreme Court review is possible.  
 • Per Troy, if the appellate ruling upholds the CIT decision, importers will be entitled to refunds for any fentanyl and reciprocal tariffs paid. The key question is whether those refunds will be automatic or require importer action.

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#### Outstanding Questions:

• Will the Supreme Court take up the case if the appellate court affirms the CIT ruling?  
 • Will refund processing be automatic or require importer filings?

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Let me know if you’d like this converted into a client-facing memo.

Best,  
Stephen

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\*Footnote:  
301 vs. Fentanyl Tariffs  
Section 301 tariffs address unfair trade practices—typically 25%, rising to 50% for steel products. Fentanyl tariffs are targeted measures (20%) aimed at curbing opioid trafficking. These tariffs are “stacked,” meaning they apply in addition to the 301s when relevant.