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IMPOSING DUTIES TO ADDRESS THE SYNTHETIC OPIOID SUPPLY CHAIN IN THE PEOPLE'S REPUBLIC OF CHINA

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 *et seq.*) (IEEPA), the National Emergencies Act (50 U.S.C. 1601 *et seq.*) (NEA), section 604 of the Trade Act of 1974, as amended (19 U.S.C. 2483), and section 301 of title 3, United States Code,

I, DONALD J. TRUMP, President of the United States of America, find that the sustained influx of synthetic opioids has profound consequences on our Nation, including by killing approximately two hundred Americans per day, putting a severe strain on our healthcare system, ravaging our communities, and destroying our families. Synthetic opioid overdose is the leading cause of death for people aged 18 to 45 in the United States.

During my first term, I took steps to end the direct flow of fentanyl and other synthetic opioids from the People's Republic of China (PRC) to the United States. Since then, the Chinese Communist Party (CCP), which exerts ultimate control over the government and enterprises of the PRC, has subsidized and otherwise incentivized PRC chemical companies to export fentanyl and related precursor chemicals that are used to produce synthetic opioids sold illicitly in the United States.

Furthermore, the PRC provides support to and safe haven for PRC-origin transnational criminal organizations (TCOs) that launder the revenues from the production, shipment, and sale of illicit synthetic opioids. These PRC-origin TCOs coordinate and communicate using PRC social media software applications in the conduct of their business.

Many PRC-based chemical companies also go to great lengths to evade law enforcement and hide illicit substances in the flow of legitimate commerce. Some of the techniques employed by these PRC-based companies to conceal the true contents of the parcels and the identity of the distributors include the use of re-shippers in the United States, false invoices, fraudulent postage, and deceptive packaging. While more than 500,000 pounds of drugs have been seized at the southern border each of the last 3 fiscal years, in addition, more than 42,000 pounds of drugs have been seized at the northern border each year on average over the last 3 years. Illicit drugs kill tens of thousands of Americans each year, including 75,000 deaths per year attributed to fentanyl alone.

The influx of these drugs to our Nation threatens the fabric of our society. The PRC plays a central role in this challenge, not merely by failing to stem the ultimate source of many illicit drugs distributed in the United States, but by actively sustaining and expanding the business of poisoning our citizens.

The flow of contraband drugs like fentanyl to the United States through illicit distribution networks has created a national emergency, including a public health crisis in the United States, as outlined in the Presidential Memorandum of January 20, 2025 (America First Trade Policy), Proclamation 10886 of January 20, 2025 (Declaring a National Emergency at the Southern Border of the United States), and Executive Order 14157 of January 20, 2025 (Designating Cartels and Other Organizations as Foreign Terrorist Organizations and Specially Designated Global Terrorists).

Despite multiple attempts to resolve this crisis at its root source through bilateral dialogue, PRC officials have failed to follow through with the decisive actions needed to stem the flow of precursor chemicals to known criminal cartels and shut down the money laundering TCOs. The PRC implements the most sophisticated domestic surveillance network coupled with the most comprehensive domestic law enforcement apparatus in the world. The PRC also routinely exerts extraterritorial reach across the globe to threaten, harass, and suppress what it views as political dissent. As such, the CCP does not lack the capacity to severely blunt the global illicit opioid epidemic; it simply is unwilling to do so.

Immediate action is required to address the national emergency I declared and to finally end this emergency, including the public health crisis caused by opioid use and addiction, which will not happen until the full compliance and cooperation of the PRC government is assured.

I hereby determine and order:

<u>Section 1</u>. (a) As President of the United States, my highest duty is the defense of the country and its citizens. I will not stand by and allow our citizens to be poisoned, our laws to be trampled, our communities to be ravaged, or our families to be destroyed.

I previously declared a national emergency with respect to the grave threat to the United States posed by the influx of illegal aliens and drugs into the United States in Proclamation 10886. Pursuant to the NEA, I hereby expand the scope of the national emergency declared in that proclamation to cover the failure of the PRC government to arrest, seize, detain, or otherwise intercept chemical precursor suppliers, money launderers, other TCOs, criminals at large, and drugs. In

addition, this failure to act constitutes an unusual and extraordinary threat, which has its source in substantial part outside the United States, to the national security, foreign policy, and economy of the United States. I hereby declare and reiterate a national emergency under the NEA and IEEPA to deal with that threat. This national emergency requires decisive and immediate action, and I have decided to impose, consistent with law, ad valorem tariffs on articles that are products of the PRC as set forth in this order. In doing so, I invoke my authority under section 1702(a)(1)(B) of IEEPA, and specifically find that action under other authority to impose tariffs is inadequate to address this unusual and extraordinary threat.

Sec. 2. (a) All articles that are products of the PRC, as defined by the Federal Register notice described in section 2(d) of this order (the Federal Register notice), shall be, consistent with law, subject to an additional 10 percent ad valorem rate of duty. Such rate of duty shall apply with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern time on February 4, 2025, except that goods entered for consumption, or withdrawn from warehouse for consumption, after such time that were loaded onto a vessel at the port of loading or in transit on the final mode of transport prior to entry into the United States before 12:01 a.m. eastern time on February 1, 2025, shall not be subject to such additional duty, only if the importer certifies to U.S. Customs and Border Protection within the Department of Homeland Security as specified in the Federal Register notice.

(b) The rates of duty established by this order are in addition to any other duties, fees, exactions, or charges applicable to such imported articles.

(c) Should the PRC retaliate against the United States in response to this action through import duties on United States exports to the PRC or similar measures, the President may increase or expand in scope the duties imposed under this Executive Order to ensure the efficacy of this action.

(d) In order to establish the duty rate on imports of articles that are products of the PRC, the Secretary of Homeland Security shall determine the modifications necessary to the Harmonized Tariff Schedule of the United States (HTSUS) in order to effectuate the objectives of this order consistent with law and shall make such modifications to the HTSUS through notice in the *Federal Register*. The modifications made to the HTSUS by this notice shall be effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern time on February 4, 2025, except as otherwise noted in subsection 2(a) of this section, and shall continue in effect until such actions are expressly reduced, modified, or terminated.

(e) Articles that are products of the PRC, except those that are eligible for admission under "domestic status" as defined in 19 CFR 146.43, which are subject to the duties imposed by this order and are admitted into a United States foreign trade zone on or after 12:01 a.m. eastern time on February 4, 2025, except as otherwise noted in subsection 2(a) of this section, must be admitted as "privileged foreign status" as defined in 19 CFR 146.41. Such articles will be subject upon entry for consumption to the rates of duty related to the classification under the applicable HTSUS subheading in effect at the time of admittance into the United States foreign trade zone.

(f) No drawback shall be available with respect to the duties imposed pursuant to this order.

(g) For avoidance of doubt, duty-free *de minimis* treatment under 19 U.S.C. 1321 shall not be available for the articles described in subsection (a) of this section.

(h) Any prior Presidential Proclamation, Executive Order, or other presidential directive or guidance related to trade with the PRC that is inconsistent with the direction in this order is hereby terminated, suspended, or modified to the extent necessary to give full effect to this order.

(i) The articles described in subsection (a) of this section shall exclude those encompassed by 50 U.S.C. 1702(b).

<u>Sec. 3.</u> (a) The Secretary of Homeland Security shall regularly consult with the Secretary of State, the Attorney General, the Assistant to the President for National Security Affairs, the Attorney General, and the Assistant to the President for Homeland Security on the situation regarding the PRC. The Secretary of Homeland Security shall inform the President of any circumstances that, in the opinion of the Secretary of Homeland Security, indicate that the PRC government has taken adequate steps to alleviate the opioid crisis through cooperative actions. Upon the President's determination of sufficient action to alleviate the crisis, the tariffs described in section 2 of this order will be removed.

(b) The Secretary of Homeland Security, in coordination with the Secretary of State, the Attorney General, the Assistant to the President for National Security Affairs, and the Assistant to the President for Homeland Security, shall recommend additional action, if necessary, should the PRC fail to take adequate steps to alleviate the illicit drug crisis through cooperative enforcement actions.

Sec. <u>4</u>. The Secretary of Homeland Security, in consultation with the Secretary of the Treasury, the Attorney General, and the Secretary of Commerce, is hereby authorized to take such actions, including adopting rules and regulations, and to employ all powers granted to the President by IEEPA as may be necessary to implement this order. The Secretary of Homeland Security may, consistent with applicable law, redelegate any of these functions within the Department of Homeland Security. All executive departments and agencies shall take all appropriate measures within their authority to implement this order.

<u>Sec</u>. <u>5</u>. The Secretary of Homeland Security, in coordination with the Secretary of the Treasury, the Secretary of Commerce, the Assistant to the President for National Security Affairs, the Attorney General, and the Assistant to the President for Homeland Security, is hereby authorized to submit recurring and final reports to the Congress on the national emergency under IEEPA declared in this order, consistent with section 401(c) of the NEA (50 U.S.C. 1641(c)) and section 204(c) of IEEPA (50 U.S.C. 1703(c)).

<u>Sec. 6.</u> <u>General Provisions</u>. (a) Nothing in this order shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department, agency, or the head thereof; or(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law

or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

THE WHITE HOUSE,

February 1, 2025.