

## Frequently Asked Questions Tariffs and Retaliation on U.S. Boats

The U.S. marine industry is facing a triple threat from worldwide tariffs on steel and aluminum, anti-dumping and countervailing duties on Chinese aluminum sheet, and Section 301 tariffs on nearly 300 marine component products.

The compounding effect of tariffs increase the cost of raw materials and component parts, and reduce global exports as a result of retaliation from our top trading partners.

Below are frequently asked questions regarding Section 232 worldwide steel and aluminum tariffs and retaliation on the boating industry by Canada, Mexico, and the European Union.

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### **Q: What is a tariff?**

A: Tariffs are a tax on goods imported from overseas, making them less attractive to consumers.

### **Q: Who pays the tariff?**

A: The tariff will be paid by the importer of record. Manufacturers and dealers will need to work with their brokers to pay the tariff prior to the boat being released by customs authorities.

### **Q: What are the different trade threats to the industry?**

A: 1) The “232” 10% tariff on aluminum worldwide 2) Retaliation against the 232 tariff from the European Union on all exported U.S. boats, 3) The additional anti-dumping and countervailing tariffs on Chinese sheet aluminum totaling more than 200% and 4) The “301” tariff on products from China, including numerous products used by the marine industry, 5) The uncertainty surrounding the future of NAFTA.

### **Q: What is the impact on the marine industry?**

A: As a result of these tariff decisions, U.S. marine manufacturers are confronted with rising

costs of raw materials, component parts, and retaliation from our top trading partners.

### **Q: Do retaliatory tariffs only apply to aluminum boats?**

A: No, the tariffs in Mexico, Canada, and the EU will apply to ALL boats, both aluminum and fiberglass.

### **Q: How important are Canada, Mexico and the European Union to U.S. Manufacturers?**

A: Canada, Mexico, and the European Union – account for 69 percent of annual U.S. boat exports.

### **Q: Do the tariffs apply to new or used boats?**

A: Tariffs will be applied to all boats, new and used, that fall under the Harmonized Tariff Schedule (HTS) codes listed by trading partners. To view the HTS codes subject to retaliation click the link below.

Canada – [See Notification](#)

European Union – [Annex 1](#) and [Annex 2](#)

Mexico – [See Notification](#)

### **Q: Are engines included?**

A: The Section 232 retaliatory tariffs will be applied to the boat package that fall under the listed HTS codes.

### **Q: When do the tariffs go into effect?**

A: Mexico immediately imposed tariffs, Canadian tariffs take effect July 1<sup>st</sup>, and the EU has taken steps to impose their 232 tariffs on June 22<sup>nd</sup>.

### **Q: Are boats purchased prior to July 1<sup>st</sup> subject to the tariffs?**

A: Yes, the tariffs will be applied to boats when the boats are brought into export country unless they are in transit before the effective date of the tariff.

**Q: What about boats that are shipped and in transit to Canada and the EU before July 1<sup>st</sup>?**

A: Boats that are in transit to Canada and the EU prior to July 1<sup>st</sup>, or whenever the tariffs go into effect, would be excluded. The burden is on the shipping party to show proof of transit.

**Q: Would boats manufactured in another country that are imported into the U.S. and re-exported to EU, Canada, or Mexico be subjected to the retaliatory tariffs?**

A: No, the countermeasures will only apply to goods originating from the U.S., which shall be considered as those goods eligible to be marked as a good of the U.S. in accordance with the Determination of Country of Origin for the Purposes of Marking Goods (NAFTA Countries) Regulations. If the tubing is of Italian or South Korean-origin, this countermeasure surtax will not apply.

**Q: Why are boats being targeted with tariffs?**

A: Boating is the only recreational product to be singled out by all three major U.S. allies in their retaliation. Our allies are calculating the political impact of imposing tariffs on successful U.S. industries and uniquely made in America products.

**Q: Is there an end date/ dollar value cap for the retaliation?**

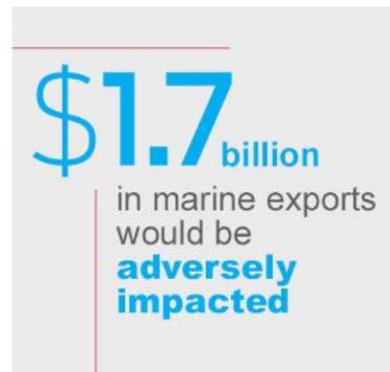
A: Unclear. If the U.S. reaches an agreement on trade, President Trump can exempt markets like the EU from the tariffs. The EU is pursuing their tariffs in accordance with WTO guidelines that allows for a rebalancing corresponding to the damage caused by the US measures with EU exports worth €6.4 billion (2017) being affected. We urge President Trump to work closely with Canada, Europe, and Mexico to quickly reach a resolution which does not threaten growth, jobs and innovation in the marine industry.

**Q: How can I help advocate to end the tariffs on the marine industry?**

A: With our industry facing such significant tariffs, it is important you let your voice be heard.

President Trump needs to hear from the industry about how harmful these tariffs are. NMMA encourages stakeholders to take action today and tell the president to make a deal that immediately withdraws these tariffs.

Join the fight against boat tariffs and sign the petition to President Trump by clicking here: <https://www.votervoice.net/NMMA/Petitions/1356/Respond>



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