

NMMA 2019 TARIFF RESOURCE GUIDE

ALUMINUM & STEEL

The U.S. government has imposed global tariffs on steel (25%) and aluminum (10%), under Section 232 of the Trade Act of 1974 (threat to national security). The tariffs apply to processed raw materials (steel/aluminum plate, sheets, bars, etc.) but not finished products (e.g., engines, wheels, exhausts, etc.).

Most of the tariffs began on June 1, 2018, with Argentina, Australia, Brazil and South Korea exempted based on trade agreements. Canada and Mexico were added to the exemption list on May 20, 2019.

U.S.-based companies are eligible for a one-year tariff exclusion if they can demonstrate that the foreign-produced material is not made in the U.S. in reasonably available quantity or satisfactory quality. Use the following links to file an exclusion request:

- ▶ <https://www.bis.doc.gov/index.php/232-steel>
- ▶ <https://www.bis.doc.gov/index.php/232-aluminum>

RETALIATION

Canada and Mexico applied retaliatory tariffs on all U.S. boat exports at 10% and 15% respectively. Canada removed its retaliatory tariff on April 30, 2019 and Mexico removed theirs on May 20, 2019. Remission of previously paid tariffs was not granted.

The European Union was not exempted from steel and aluminum tariffs and subsequently applied retaliatory tariffs on a range of U.S. products, including all recreational vessels. The retaliatory tariff rate is 25% and applies to all U.S. manufactured boat exports and charter vessels. Engines are not separately tariffed, but the 25% tariff rate is applied to boat and engine packages. Click on the following link for a full list of products:

- ▶ <https://bit.ly/2JUverg>

CHINESE PRODUCTS

On March 22, 2018, the administration announced tariffs under Section 301 of the Trade Act of 1974 and were implemented in four tranches. The tariffs are an attempt to lower the U.S.' trade deficit with China and to deter cybertheft of intellectual property by Chinese government and companies

List 1 - \$34 billion

Date of implementation: July 6, 2018

25% tariffs on 818 Harmonized Tariff Code listings, including miscellaneous metal and rubber parts for boat equipment, navigation equipment, and marine engines.

- ▶ Examples of marine products: engines, antennas, navigational equipment, and metals.
- ▶ Full list: <https://bit.ly/2QZnrty>
- ▶ *Exclusion requests closed Oct. 9, 2018: [Docket USTR-2018-0025](#)*

CHINESE PRODUCTS (CONT.)

List 2 - \$16 billion

Date of implementation: August 23, 2018

25% tariffs on 279 Harmonized Tariff Code listings, including many types of plastics.

- ▶ Examples of marine products: steel and aluminum component parts.
- ▶ Full list: <https://bit.ly/2LX8R6x>
- ▶ *Exclusion requests closed Dec. 18:* <https://bit.ly/2O37m74>

List 3 - \$200 billion

Date of implementation: September 24, 2018

25% tariffs – raised from 10% on May 10, 2019 – on 5,745 full or partial Harmonized Tariff Code listings.

- ▶ Examples of marine products: boats, canoes/kayaks, steel tires.
- ▶ Full list: <https://bit.ly/2zf1e35>

The process for requesting an exclusion will not begin until on or around June 30, but the USTR has published details on preparing requests for particular products classified within a covered tariff subheading: <https://bit.ly/2l2Z7UL>

List 4 - \$300 billion

Date of implementation: TBD

25% tariffs on nearly 4,000 Harmonized Tariff Code listings, including virtually any product not already subject to a tariff.

- ▶ Examples of marine products: life jackets, fishing gear, apparel for recreation.
- ▶ Full list: <https://bit.ly/2MyiRUA>

USTR will hold a public hearing on June 17. All requests to testify must be submitted by June 10. Final comments will be due seven days after the final day of the hearings. To request to testify or submit comments click here: <https://bit.ly/2wDFhJ6>

SHARE YOUR STORY

NMMA is actively advocating for the boating industry at all levels of government. Please fill out the following survey so that we may better understand how tariffs are impacting your company: <http://bit.ly/2Xt1C7Y>