



TARIFF INCREASE SECTION 232- STEEL & ALUMINUM TARIFFS

Steel and aluminum entered or withdrawn from warehouse for consumption on or after March 23, 2018 will be subject to increased tariffs.

On March 8, 2018, President Trump signed proclamations imposing new 25% tariffs on imported steel and 10% on aluminum. Steel and aluminum entered or withdrawn from warehouse for consumption on or after March 23, 2018 will be subject to the new tariffs. The Proclamations exempted imports from Canada and Mexico however, a number of other countries have since been exempted by the President.

WHAT PRODUCTS ARE IMPACTED?

As detailed in the Proclamations, two new tariff provisions have been created in the Harmonized Tariff Schedule (HTS) of the United States:

HTS 9903.80.01 pertains to "Steel Articles":

Under U.S. Note 16, Subchapter III, Chapter 99 as the following: 7206.10 through 7216.50, 7216.99 through 7301.10, 7302.10, 7302.40 through 7302.90, and 7304.10 through 7306.90, including any subsequent revisions to these HTS classifications.

HTS 9903.85.01 pertains to "Aluminum Articles":

which is defined under U.S. Note 19, Subchapter III, Chapter 99 HTS as the following: (a) unwrought aluminum (HTS 7601); (b) aluminum bars, rods, and profiles (HTS 7604); (c) aluminum wire (HTS 7605); (d) aluminum plate, sheet, strip, and foil (flat rolled products) (HTS 7606 and 7607); (e) aluminum tubes and pipes and tube and pipe fitting (HTS 7608 and 7609); and (f) aluminum castings and forgings (HTS 7616.99.51.60 and 7616.99.51.70), including any subsequent revisions to these HTS classifications.



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WHAT COUNTRIES ARE IMPACTED?

Currently, imports from all countries with the exception of Canada, Mexico, Australia, Argentina, South Korea, Brazil and member countries of the European Union (Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom).

ARE THERE EXCEPTIONS?

The Proclamations authorize the Department of Commerce to grant exclusions from the new tariffs.

In order to qualify:

1. The requestor must be a U.S. domiciled party using steel or aluminum articles identified in the Proclamations and engaged in business activities in the United States.
2. The steel or aluminum articles are determined not to be produced in the United States in a sufficient and reasonably available amount or of a satisfactory quality or based upon national security considerations.

HOW WILL THE TARIFF BE ASSESSED?

The tariff will be assessed on an *ad valorem* basis and is in addition to any current or future duties, fees, and taxes, including anti-dumping and countervailing duties. Subject steel and aluminum goods will not be entitled to special duty rates under free trade agreements and special trade preference programs.

HOW SHOULD I PREPARE?

Impacted clients should consider a number of actions in preparation of the new tariffs:

1. Importers should review their product databases to ensure that their steel and aluminum goods are classified correctly and identify those goods that will be impacted by the new tariffs. Advise your customs brokers accordingly.

2. Consult with your customs bond surety to evaluate whether an increase in your bond limit is warranted.
3. Take advantage of the exclusions available through the Department of Commerce.
4. Evaluate whether modifying manufacturing processes abroad of subject steel and aluminum goods may result in a change of tariff classification; thereby, removing the good from the scope of the new tariffs.
5. Consider strategic changes in your importing program to mitigate tariff exposure, such as: Temporary Importation Bonds (TIBs), Foreign Trade Zones (FTZs), or duty drawback.

Crane Trade offers a number of solutions to its clients to address the impending Section 232 tariffs...

WHERE CAN I GET MORE INFORMATION?

Crane Worldwide Trade Services LLC is a full-service international trade and regulatory compliance consulting firm. Crane Trade offers a number of solutions to its clients to address the impending Section 232 tariffs including tariff classification, tariff engineering, and Department of Commerce exclusion request submissions. Please contact your Crane representative for additional information.

We would love to hear from you.

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