



Dear Valued Customer,

Effective Friday, March 23, 2018, US Customs & Border Protection (CBP) implemented the additional duties required by the Presidential Proclamations issued for articles of steel and aluminum. Steel will be assessed an additional 25 percent rate of duty, and aluminum will be assessed an additional 10 percent rate of duty. These duties are on top of the regular rate of duty, and are in addition to any anti-dumping and/or countervailing duty assessed on the product. The Federal Register notices for the Presidential Proclamations may be found in these links for [steel](#) and for [aluminum](#).

### **HTS Numbers**

#### **Articles of Steel:**

For the purposes of this proclamation, "steel articles" are defined at the HTS 6-digit level as the following:

7206.10 through 7216.50  
7216.99 through 7301.10  
7302.10  
7302.40 through 7302.90  
7304.10 through 7306.90

HTSUS 9903.80.01 will be reported in conjunction with the primary HTS number for the product.

#### **Articles of Aluminum:**

For the purposes of this proclamation, "aluminum articles" are defined in the HTS as the following headings and full HTS numbers:

7601  
7604 through 7609  
7616.99.5160  
7616.99.5170

HTSUS 9903.85.01 will be reported in conjunction with the primary HTS number for the product.

### **Foreign Trade Zone Impact**

Any article subject to these duties admitted into a U.S. foreign trade zone (FTZ) must be admitted as "privileged foreign status" and will be subject upon entry for consumption to any ad valorem rates of duty related to the classification at that time.

Any article subject to these duties that were admitted as "privileged foreign status" into a U.S. FTZ prior to March 23, 2018 will be subject upon entry for consumption to any ad valorem rates of duty related to the classification at that time.

## **Exemptions**

### *March 23, 2018 through April 30, 2018*

Articles that are the product of these countries are excluded from these duties: Australia, Argentina, Brazil, Canada, Mexico, South Korea, 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).

### *May 1, 2018 and later*

As of May 1, 2018 there will be no country exemptions.

## **Exclusions**

Companies may apply for an exclusion from the additional duties. The Department of Commerce, Bureau of Industry and Security issued a [Federal Register notice](#) that provides the directions for such application. Only U.S. individuals or organizations using the affected steel or aluminum may apply for the exclusion. Exclusion requests are to be filed electronically at the website specified in the notice. Exclusions may be granted if the article is not produced in the U.S. or not produced in the U.S. in sufficient and reasonably available amounts or in a satisfactory quality, or for a specific national security consideration. The exclusion is valid only for the individual or organization to which it is granted. The normal response time for an exclusion request is expected to not exceed 90 days.

Countries may also apply for an exclusion from the additional duties through a separate process.

## **CBP Enforcement Efforts**

CBP will be looking for misclassification and undervaluation issues. Importers should carefully consider any changes to classifications for their products.

CBP will likely increase its requests for documents at the time of entry filing, and issue CBP Form 28 for information after entry filing. If an importer receives a CBP Form 28, the response to CBP is due within 30 days from the date of issue. Importers need to be prepared to provide documents that support the classification, valuation, and production site of the merchandise. This may include product specifications, procurement documents, mill certificates, and production records.

For entries that declare the articles are the product of Canada or Mexico, importers should anticipate inquiries that will require validation that the products did not originate elsewhere and transshipped through Canada or Mexico. It is not known yet whether the products must meet NAFTA eligibility rules to qualify for the exclusion.

We appreciate your continued support as a valued customer and should you require further information or clarification, please contact your Schenker brokerage office.