INTERNATIONAL FASTENER EXPO2025

Weathering the Trade and Tariff Tempest: Responding to a Dynamic Global Trade Environment

Edward "Ned" Steiner
Senior Director,
Sandler, Travis & Rosenberg

INTERNATIONAL FASTENER EXPO2025

OUTLINE/AGENDA/INTRODUCTION

- Tariff Recap
- How do I Know Which Tariffs Apply and Which do Not?
- “Tariff” Deals – Not “Trade” Deals
- What is this “transshipment”?
- IEEPA Court Challenges
- How to React to Tariffs?

Tariff Overview

Before Trump 2.0

- Section 301 on China
- Section 232 on Steel & Aluminum

Since Trump 2.0

- New IEEPA Reciprocal on all countries
- New IEEPA on Mexico, Canada, China, Brazil, and India
- Expanded Section 232 on Steel & Aluminum
- New Section 232 on Autos and parts
- New Section 232 on Copper
- Suspended de minimis effective August 29, 2025

Tariffs In Effect

Country	Type	Tariff Rate
China	Section 301	7.5%, 25%, 50%,100%
China	IEEPA Fentanyl	20%
Mexico	IEEPA Fentanyl	25% except potash at 10%
Canada	IEEPA Fentanyl	35% except potash & energy at 10%
All	IEEPA Reciprocal	10-41%
All	Section 232 Steel/Aluminum	50% (UK 25%)
All	Section 232 Autos & parts	25% (UK TRQ – 10%)
All	Section 232 Copper	50%
Brazil	IEEPA Brazil	40%
India	Russian Oil	25%

INTERNATIONAL FASTENER EXPO2025

Potential Tariffs

Country	Type *(Tariff Rate)*	Status
Importers of Venezuelan oil	IEEPA Venezuela *(25%)*	E.O. signed 03/24/2025. No countries targeted to date
China	Section 301 Semiconductors *(TBD)*;	Initiated December 2024; Public hearing held on 03/11/2025; normally takes about a year
China	Section 301 Shipbuilding *(up to 100% on STS Cranes and Cargo Handling Equipment)*	Proposed tariffs announced; public comments due 05/19/2025; normally takes about a year
Nicaragua	Section 301 Labor/Human Rights *(TBD)*	Initiated December 2024; Public hearing held on 01/16/2025; Likely one year for investigation
Various	FMC Choke Points *(Potential $1m penalty; block unloading; block ships)*	Investigation phase
Brazil	Section 301 *(TBD)*	Initiated 07/17/2025; Comments due 08/18/2025 Public hearing 9/03/2025
Various	Section 232 Lumber/Timber; Pharma; Semiconductors; Critical Minerals; Trucks; Airplanes and parts; Polysilicon; Drones*;* Wind Turbines and Parts *(TBD)*	Investigation phase

How do I Know Which Tariffs Apply and Which do Not?

- Do I need to pay on full value or content only?
  - Steel/Aluminum/Copper content only
- Is there a U.S. value exemption?
  - Reciprocal tariffs
  - Steel (melt and pour) and Aluminum (smelt and cast)
  - Auto tariffs – USMCA qualifying vehicles
- Are there any other exclusions/exemptions?
  - Review Federal Register notices and CBP guidance for each tariff
  - May include exemptions for donations/informational material; USMCA; specific products; in-transit date; etc.
- What about tariff stacking? (next slide)

INTERNATIONAL FASTENER EXPO2025

Tariff Stacking

TARIFF STACKING	Sec 232 Auto	Sec 232 Steel/AL	Sec 232 Copper	CA/MX IEEPA Border	China IEEPA Fentanyl	Brazil/Russian Oil IEEPA	IEEPA Reciprocal
Sec 232 Auto	APPLIES	NO	NO	NO	YES	NO	NO
Sec 232 Steel/AL	NO	YES (Content)	Yes (Content)	NO	YES	NO	YES (Non-Steel/AL Content)
Section 232 Copper	NO	Yes (Content)	YES (Content)	YES (Non-Copper Content)	YES (Non-copper content)	NO	YES (Non-Copper Content)
CA/MX IEEPA Border	NO	NO	YES (Non-Copper Content)	APPLIES	N/A	N/A	N/A
China IEEPA Fentanyl	YES	YES	YES (Non-Copper Content)	N/A	APPLIES	N/A	N/A
Brazil/Russian Oil IEEPA	NO	NO	NO	N/A	N/A	APPLIES	YES
IEEPA Reciprocal	NO	YES (Non-Steel/AL Content)	YES (Non-Copper Content)	N/A	YES	YES	APPLIES

INTERNATIONAL FASTENER EXPO2025

Section 232 Overview

- Generally covers all countries
- Sector specific
- Generally not negotiated (except for autos, UK metals)
- Exemptions based on U.S. content (steel/aluminum)
- Applies to content for some sectors (steel/aluminum, copper)
- No country/company exemptions

INTERNATIONAL FASTENER EXPO2025

Reciprocal Tariffs Overview

- Bi-lateral
- Number of countries covered
- Some tariffs reduced based on “deals”
- Some tariffs higher because of no “deals”
- Some tariffs kept at 10%
- U.S. value exemption if at least 20% U.S. originating
- ANNEX II – new list of exempt products

“Tariff” Deals – Not “Trade” Deals

Reached/announced deals with at least 12 countries

- Only two Executive orders (UK and Japan)
- Only two joint statements (EU and Indonesia)
- ANNEX III – list of potential “zero” tariff products, based on negotiations

INTERNATIONAL FASTENER EXPO2025

China

- **August 11:** Joint Statement from meetings in Stockholm
  - U.S. and China suspended 34% again for 90-days (Nov. 10); only 10% on each other's products
  - China to remove NTBs they agreed to remove in May 12 joint statement
- China remains subject to Section 301 and IEEPA Fentanyl
  - Remaining Section 301 exclusions expiring August 31 *(extended through November 29)*
- Threat of NATO tariff of 50-100% for purchasing Russian oil
- **September 15**: "Big Trade meeting has gone very well," Trump; "Framework for a TikTok deal," Bessent

INTERNATIONAL FASTENER EXPO2025

Canada

- **March 4:** Subject to 25% IEEPA Border tariff on non-USMCA goods (Potash and Energy at 10%)
- **August 1:** Raised from 25% to 35%
- **September 1:** Canada drops 25% retaliatory tariffs on most US goods; maintains tariffs on U.S. steel, aluminum and autos

Mexico

- **March 4:** Subject to 25% IEEPA Border tariff on non-USMCA goods (Potash at 10%)
- **July 12:** Trump threatened tariff increase to 30%
- **July 31:** Agreed to a 90-day extension of status quo

USMCA scheduled for a joint review in July 2026

United Kingdom

- **June 16:** Deal/Executive order signed
- **Reciprocal tariff**: Baseline 10%
- **Market access:** U.S. access for beef, ethanol, other ag exports; U.K. to reduce/eliminate many NTBs
- **Section 232**
  - Autos: TRQ of 100,000 at 7.5% additional tariff
  - Auto parts: 10% tariff inclusive of MFN
  - Aluminum/Steel: lower rate of 25%; TRQ to be determined
  - Negotiate preferential treatment on pharma and other sectors in the future
- **Civil aircraft and parts:** exempt from Aluminum/Steel tariffs and IEEPA Reciprocal
- **Coming up**: Trump to visit UK Sept. 16-18 – set to announce tech-sector investment, U.S.-UK partnership on civilian nuclear energy, and defense technology acquisition plans

INTERNATIONAL FASTENER EXPO2025

European Union

- Announced **July 27;** joint statement released **August 21**
- EU tariff commitments
  - Eliminate tariffs on U.S. industrial goods
  - Preferential terms for U.S. seafood & agriculture
  - Extend 2020 Lobster agreement (expired July 31, 2025)
- US tariff commitments
  - **Reciprocal tariff**: 0% if MFN > 15% / 15% total if MFN < 15%
  - **MFN-only tariffs**: effective Sep. 1 for unavailable natural resources, all aircraft and aircraft parts, generic pharmaceuticals and their ingredients, and chemical precursors.
  - **Sec. 232 pharma, chips, and lumber**: capped at 15% including MFN
  - **Sec. 232 Autos and Parts**: Apply Reciprocal tariff methodology; contingent on EU legislation
  - **Sec. 232 steel and aluminum**: Explore future cooperation, potentially through tariff-rate quota solutions
- Digital services tax issue remains unaddressed

Indonesia

- Deal announced **July 15**; joint statement released **July 22**
- **Reciprocal tariff:** 19%; may identify products for further reduction
- Indonesia will:
  - Eliminate 99% of tariff barriers and address NTBs
  - Negotiate stronger rules of origin
  - Join the Global Forum on Steel Excess Capacity and take actions to address steel overcapacity
  - Protect internationally recognized labor rights (including forced labor import ban) and adopt high levels of environmental protection
  - Remove restrictions on exports of industrial commodities, including critical minerals
  - Purchase commitments of U.S. aircraft; Ag products; and energy products
- Next steps: "In the coming weeks, the United States and Indonesia will negotiate and finalize the Agreement on Reciprocal Trade…"

Japan

- Deal announced **July 22**; fact sheet released **July 23;** EO signed **Sept. 4**
- **Reciprocal tariff:** 0% if MFN > 15% / 15% total if MFN < 15%; retroactive to August 7
- **Sector specific treatment:**
    - <u>Aerospace</u>: exempt from tariffs (pending FR notice September 15)
    - <u>Auto and parts</u>: Same treatment as Reciprocal tariff (pending FR notice September 15)
    - <u>Other products</u>: Potential exemption from Reciprocal tariffs for unavailable natural resources, generic pharmaceuticals, generic pharmaceutical ingredients, and generic pharmaceutical chemical precursors.
- Japan to
    - Make purchases in agriculture, commercial aircraft, and defense equipment
    - Approve US auto standards
    - Invest $550 billion in the U.S., selected by the U.S. government

INTERNATIONAL FASTENER EXPO2025

South Korea

- Announced **July 30** by Trump and Lutnick
- **Reciprocal Tariff**: 15% duty on SK goods (down from 25%)
- **Auto**: Lutnick says the deal includes auto tariff
- **Chips and Pharma**: SK "will not be treated any worse than any other country"
- **Investments**: $350B
- **Purchases**: $100B of US energy products
- **Market access**: Make market "completely OPEN TO TRADE" for U.S. products
- Next steps: pending joint statement and/or E.O.

INTERNATIONAL FASTENER EXPO2025

India

- **April**: Finalized “Terms of Reference” for negotiations
- **Negotiations**: Five rounds of trade talks held; sixth round postponed
- **August 1:** 25% reciprocal tariff (down from 26%)
- **August 6**: Trump signs EO subjecting India to an additional 25% tariff effective August 27, for directly or indirectly importing Russian oil
- **Total tariff:** 50%

Brazil

- **July 17:** Launched Section 301 investigation
- **August 6:** 40% IEEPA (on top of 10% Reciprocal tariff)
- **Total tariff:** 50%

Others (Vietnam, Philippines, Pakistan, Taiwan, and more)

- Only social media announcements
- No details or confirmation of deals
- Assigned lower Reciprocal rate than original
- Lutnick Sep. 11 remarks: “Big deal coming with Taiwan”

INTERNATIONAL FASTENER EXPO 2025

Transshipment

- New concept of “transshipment” rates if goods are “transshipped” from an agreement country, can be assessed additional duties (40%)
- Legal transshipment vs Illegal transshipment
- **August 7**:
  - Lutnick says there should be a 30% content rule to determine the origin for application of the tariffs
  - CBP posted on LinkedIn concept of “illegal transshipment” subject to new 40% tariff

IEEPA Court Challenges

- **May 28**: CIT ruled IEEPA tariffs unlawful, DOJ appealed to CAFC; motion to stay granted until appeal over.
- **May 29**: DC court IEEPA ruled tariffs not allowed, but only applying to plaintiffs, and similarly stayed.
- **August 31**: U.S. Court of Appeals for the Federal Circuit rules 7-4 that IEEPA tariffs are unlawful, but delays ruling from going into effect until October 14 while the administration appeals.
- **September 9**: Supreme Court agrees to hear both cases together on expedited schedule
    - Opening brief on the merits filed by Sept. 19; Amicus brief by Sept. 23; Responses by Oct. 20; Amicus brief by Oct. 24; Reply brief by Oct. 30; Argument in the first week of November

How to React to Tariffs?

Mitigation Strategies

- Classification
- Origin
- Valuation
  - Content (Steel/Aluminum/Copper)
  - First Sale
  - Transfer Pricing
- Bonded Warehouse
- Duty Drawback
  - Available for Section 301 (China), IEEPA Reciprocal, IEEPA Brazil, IEEPA Russian Oil (India)

Questions?

We Value and Request Your Feedback

With your help and input we can continue to deliver educational content that is the best in the industry! Please use your mobile device's camera to scan the QR code below and complete a quick session evaluation.

Your feedback is greatly appreciated and helps provide us with first-hand insight that is carefully reviewed as we plan future IFE educational programs.

Thank you!

September 15-17, 2025
Mandalay Bay Convention Center, Las Vegas
www.fastenershows.com

INTERNATIONAL FASTENER EXPO2025