

Government Relations/Advocacy Updates

Tariffs

In September, U.S. businesses paid \$4.4 billion in tariffs, up more than 50 percent from the same month last year according to industry group Tariffs Hurt The Heartland. Exports of U.S. products hit by retaliatory tariffs dropped by 26 percent, or \$2.5 billion, compared to September 2017.

Tariffs Hurt The Heartland, working with consulting firm Trade Partnership to calculate the costs using government data, says that U.S. companies paid approximately \$545 million in steel and aluminum tariffs in September, and \$800 million for Chinese products, despite most of these tariffs not going into effect until the end of the month.

“This historic rise in costs for American businesses, farmers and consumers is only the beginning,” says Charles Boustany, a former Congressman from Louisiana and a spokesman for the Tariffs Hurt the Heartland campaign. “Tariffs are taxes on Americans and every month this trade war continues these taxes will continue to grow. This data doesn’t yet include the bulk of tariffs the Administration has imposed on \$200 billion in products that Americans buy every day; tariffs that are set to rise to 25 percent at the end of this year. In the coming months these tariffs will reach directly into the pockets of U.S. consumers and will continue to impact the bottom line of U.S. businesses and farmers. Instead of doubling-down on tariffs that this data shows are clearly hurting Americans, it is time for meaningful negotiations to take place. We urge the Administration to pursue negotiations with our trading partners that will de-escalate the trade war and spare Americans further economic pain.”

Tariffs Hurt The Heartland is supported by the coalitions Farmers For Free Trade and Americans For Free Trade, of which PPAI is a member. The Association is developing tools for promotional products businesses to stay informed of, identify and navigate the tariffs and their effects, and working with import and tariff experts at Akin Gump Strauss Hauer & Feld LLP, it has produced a plain English “translation” of the very technical list of products affected by government levies. You can find a link to the list, organized by HTS (Harmonized Tariff Schedule) code, on the PPB Newslink website. Follow PPB Newslink for continuing information on this issue. The Association also encourages industry companies to communicate with supply chain partners, clients and end users about the tariffs and their impact.

Department of Labor Proposes Change To Retirement Plans

The U.S. Department of Labor has published a notice of proposed rulemaking related to association retirement plans. The proposed rule would allow trade associations and other groups to qualify as employers when they pool their resources to sponsor retirement plans for their members. The association retirement plans would be eligible to operate in a state, county or city. The retirement plans would also be able to operate in multi-state metropolitan areas, or within specific industries countrywide. The Department of Labor expects the rule to enable small businesses to pool their resources to lower administrative costs and offer retirement benefits that are competitive with the plans offered by large companies. The proposed rule currently has a public commenting period that is open through December 24, 2018.

USTR Denies De Minimis Waivers Under Generalized System of Preferences

The United States Trade Representative (USTR) has denied all “de minimis” waivers applied for under the Generalized System of Preferences (GSP). The GSP program allows duty-free access to the U.S. market for products from developing and least-developed countries to facilitate global competition and to improve consumer choice in the U.S. To qualify for the GSP program, the imports from an eligible country must not exceed 50 percent of the total imports of a particular good. However, the USTR can issue a waiver for the import tariff if total imports of the good amount to less than the de minimis threshold of \$23.5 million. The decision effectively applies tariffs to nearly \$165 million of imports from developing nations such as Indonesia and Thailand, among other countries.

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