

In 2017, the Office of the United States Trade Representative (USTR) began to review US imports, focusing on potential national security threats and technology/software theft. As part of this review, Administration officials examined opportunities to increase domestic manufacturing and jobs. USTR considers tariffs as one pathway to achieving increased domestic manufacturing, output and associated jobs.

USTR's review of imports, exports and their economic impact resulted in the issuance of tariffs ranging from 10-25 percent on a broad range of raw materials and products from China, the European Union, Canada, Mexico and other countries. The most significant of these tariffs for TLMI member companies was for 10 percent, levied on \$200 billion worth of products imported from China. These tariffs became effective in September of 2018.

The 2018 tariffs have had a significant impact across labels, tags, packaging, adhesives, paper and film substrates, equipment and other products utilized within the. Compounding these challenges are retaliatory tariffs that have been issued in response by China, the European Union and other countries.

Several TLMI member companies filed tariff exclusion requests and sought product reclassifications to avoid additional product and raw materials cost. Overall, very few exemption requests have been granted by the agency.

TLMI Position Statement:

- It is imperative that the economic playing field is level across the globe for all manufacturers.
- Implementation of broad-based tariffs has added to the cost and availability of many products and raw materials throughout the tag and label industry supply chains.
- Tariffs should be individual, product-specific and justified with the effects to US manufacturing well understood.
- TLMI opposes arbitrary and undefined tariff rate schedule increases for imported products.
- USTR should ensure "due process" is made available for all stakeholders.
 - Due process should include, but not be limited to:
 - Justification as to why an exclusion request is either granted or denied
 - Appropriate documentation supporting any decision by USTR
 - A clearly outlined appeals process for stakeholders.
- USTR should allow "consolidated industry or organization exclusion requests", rather than requiring an individual or company provide the request for a tariff exclusion.