



March 19, 2025



Alabama International Trade Center

The Japan America Society of Alabama

KUEHNE+NAGEL

AMERICA'S SBDC ALABAMA

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THE UNIVERSITY OF ALABAMA* Research & Economic Development Alabama SBDC Network

U.S. COMMERCIAL SERVICE

MADE IN ALABAMA

Export Alabama

Import Tariffs & Supply Chain Resiliency

2025 Tariffs, China Tariffs, Nearshoring, Steel & Aluminum Tariffs

Webinar



Growing Alabama's Economy, One Small Business at a Time

Alabama SBDC: Statewide Presence



Alabama International Trade Center



University of NORTH ALABAMA
1830

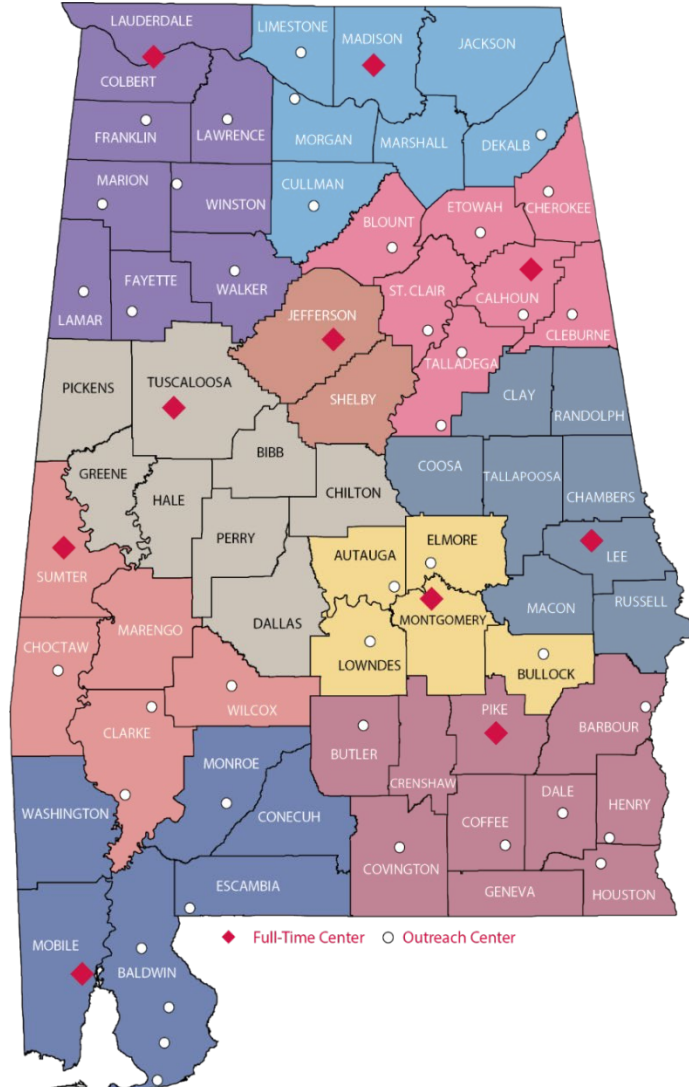


Research & Economic Development
Alabama SBDC Network

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UWA
THE UNIVERSITY OF WEST ALABAMA



10 Full-Time Service Centers, 40 Outreach Locations



Growing Alabama's Economy, One Small Business at a Time

Alabama SBDC: Core Services

Register Here: <http://asbdc.org/>

- **No-Cost, Confidential, One-on-One Counseling and Training**
 - **Start Your Business**
 - *Alabama's Answers: Small Business Guide for Alabama*
 - **Grow Your Business**
 - **Finance Your Business**
- **Workshops**
 - Free or low-cost
 - Management, Marketing, Finance
 - <https://www.asbdc.org/workshops-webinars/>

Alabama International Trade Center



- Export/Import Market Research
 - SBIR Grants
- Trade Consulting
- Training Programs
 - One on one; online
 - Nasbite Trade Passport
 - <https://www.trade-passport.org/>
 - Webinars – live and on demand
 - <https://aitc.ua.edu/calendar/>
 - <https://aitc.ua.edu/on-demand-webinars/>
- Trade Finance Programs
 - SBA and EXIM
 - Export Working Capital and Export Credit Insurance
- <http://AITC.ua.edu>



Introduction to Exporting and Importing Webinars

- <https://aitc.ua.edu/on-demand-webinars/>

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AMERICA'S SBDC ALABAMA

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Introduction to Importing

WEBINAR

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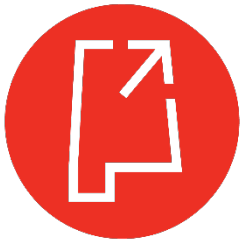
Export Alabama

U.S. COMMERCIAL SERVICE United States of America Department of Commerce

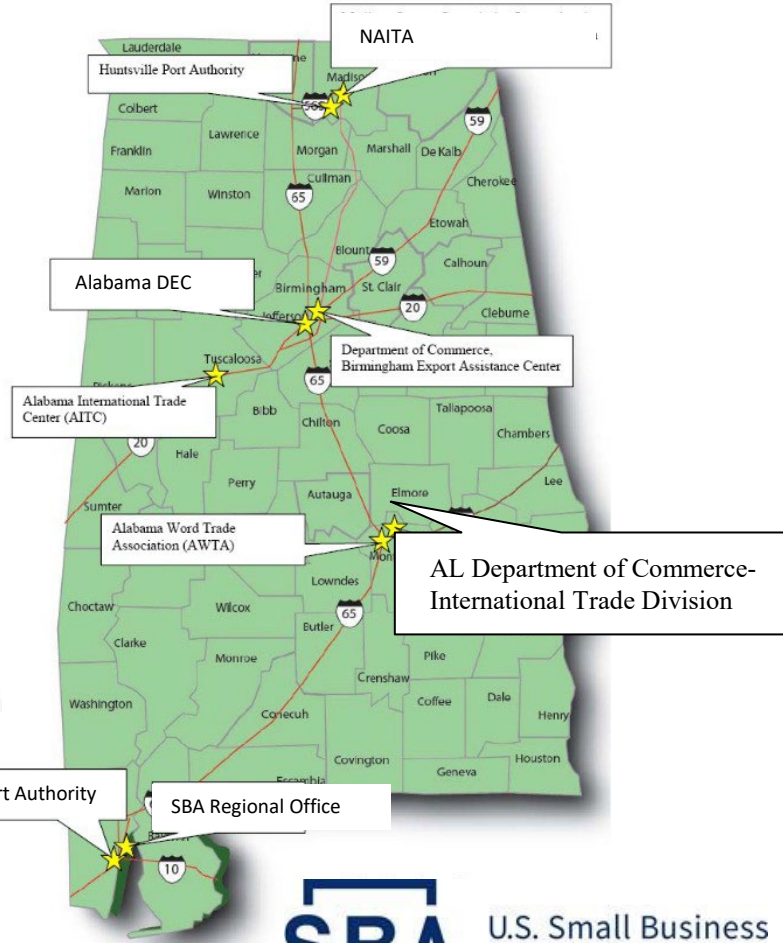
Intro to Exporting

ONLINE WEBINAR

THE UNIVERSITY OF ALABAMA Research & Economic Development Alabama SBDC Network



Export Alabama



Alabama Department of Commerce



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Import Tariffs and Supply Chain Resiliency

March 19th, 2025

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Today's Speakers



Derek McKenney
Global Customs Business Development



Matthew Clark
Trade Consulting Solutions



- Brief History of Tariffs
- New U.S. Administration
- U.S. Trade Strategy Tools
- Global Trade Today
- Compliance Tools for Adapting
- Other Considerations
- Recommendations

Brief History of Tariffs

1789: The first U.S. tariff law was passed to raise revenue and protect domestic industries.

1800s: Tariffs were the federal government's main source of income before income taxes.

1828: The "Tariff of Abominations" caused tensions between North and South.

1861–1865: During the Civil War, tariffs were used to fund the Union.

1890: The McKinley Tariff raised rates sharply to protect U.S. manufacturing.

1930: The Smoot-Hawley Tariff worsened the Great Depression by triggering global retaliation.

1940s–1990s: The U.S. shifted toward trade liberalization, forming GATT and later the WTO.

2000s: Tariffs were used more selectively, often in response to dumping or subsidies.

2018: The U.S. imposed broad tariffs under Trump, targeting steel, aluminum, and China.

2025: High tariffs imposed against key trading countries, retaliation follows.



Primary Focus Areas

- Immigration
- Drug Trafficking
- Protecting Key US Industries
- Reduce US Trade Deficit
- National Security
- Protecting US Technology
- Protecting the US dollar
- US Job Protection
- Grow the US Economy
- Leverage in trade negotiations

Secondary and Non-Focus Areas

- Environmental
- Climate Change and Clean Energy Initiatives



Presidential Tools for Shaping Trade

Tariffs

- Broad tariffs against countries/regions
- Target tariffs against industries
- Reciprocal Tariffs

Trade Restrictions

- Quotas
- Embargoes
- Licenses

Changes to Rules

- Origin Rules
- Qualification Rules

Possible Trade Changes

- Universal Tariffs - A higher rate for all countries
- Additional tariffs against China
- Additional tariffs - BRICs (100%)
- Removal of China from Most Favored Nation Status(MFN) 35% general duty
- International Emergency Economic Powers Act (IEEPA) Tariffs
- Section 232 Tariffs
- Reciprocal Trade and Tariffs
- Retaliatory Tariffs

Canada/Mexico

- 25% on nearly every product
- Duty free and no tariffs if eligible under USMCA
- No Drawback available
- 10% on Canada energy products



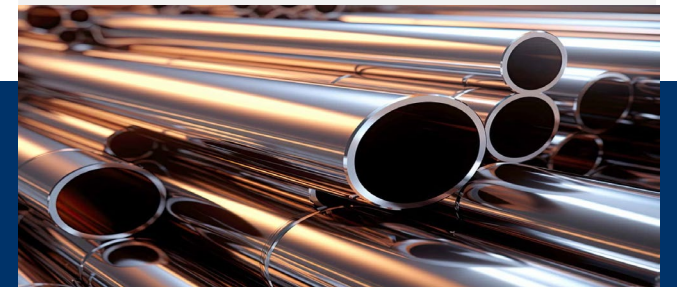
China

- 10% IEEPA tariffs on nearly all products
- 10% IEEPA tariffs added on March 2. Currently set at 20%
- No Drawback available



Steel/Aluminum

- 25% on Steel and Steel Derivatives.
- 25% on Aluminum and Aluminum Derivatives
- Previous exemptions and quota agreements are terminated
- End of exclusion process



Programs	General Duty	Section 301 Tariffs	25%/10% Emergency Tariffs
USMCA	Exempt	Not Exempt	Exempt
9801	Exempt	Exempt	Exempt
9802	Partially Exempt	Partially Exempt	Partially Exempt
9817 (Nairobi)	Exempt	Exempt	Exempt
Other 98 Programs	Exempt	Exempt	Exempt
321 (deminimis)	Program is Not available *		
Drawback	Available	Available	Not available

* Initially cancelled, now available until process put in place to enforce.

Compliance Measures



HTS Classification

Proper classification of your product according to the rules of interpretation



Valuation

Customs value is proper according the rules and regulations



Country of Origin Determination

Country of last substantial transformation



HTS Classification

- Assigns a specific code to imported or exported goods based on their description and composition.
- Each code corresponds to a product category that corresponds with a duty rate.
- Proper classification determines applicable duty rates, import/export controls, and eligibility for trade agreements.
- Accurate HTS classification ensures compliance with customs regulations and minimizes the risk of penalties or shipment delays.

Consider:

Tariffs

Binding Rulings

Auditing to ensure consistency

Document classification exercises for reasonable care



Valuation

- Customs valuation determines the declared value of imported goods for duty and tax assessment purposes.
- The primary method used is Transaction Value — the price actually paid or payable for the goods.
- Impacts the calculation of import duties, taxes, and tariffs

Consider:

- First Sale
- Reconciliation
- Identify Assists and other additions to Customs Value



Country of Origin

- Country of origin identifies the country where a product is manufactured or substantially transformed.
- It determines eligibility for preferential duty rates under free trade agreements (e.g., USMCA, CPTPP).
- Origin affects labeling requirements, import restrictions, and anti-dumping or countervailing duties.
- Accurate origin determination ensures compliance with customs and trade regulations.

Monitor:

- Changes in origin
- Changes in vendor
- Changes in value
- Identify new production processes
- Identify origin of component parts/raw materials



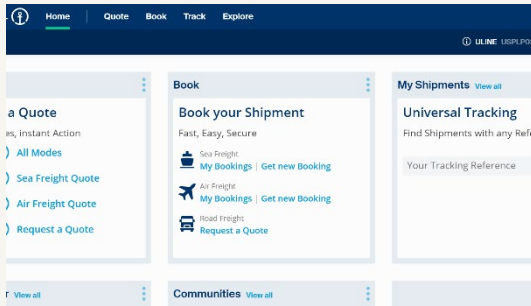
Free Trade Agreements

- Free Trade Agreements (FTAs) are treaties between countries that reduce or eliminate tariffs and trade barriers.
- They promote preferential duty treatment for qualifying goods that meet specific origin and content rules.
- Compliance requires correct application of rules of origin and proper documentation (e.g., certificates of origin).
- Strategic use of FTAs supports cost savings, trade efficiency, and global sourcing decisions.

Monitor:

- Processing changes
- COO changes
- Value changes
- Standard / Actual variance impact on RVC Calculations
- Identify critical components and request FTA Certs





Traceability

Tracks the origin, movement, and transformation of goods from source to end user

Ensures compliance with trade, customs, and sustainability regulations (e.g., forced labor, environmental standards)

Supports risk management

Enhances transparency and regulatory readiness

Renegotiations

Optimize pricing, terms, and supply conditions.

Can improve landed cost, sourcing flexibility, and contract alignment.

Supports supply chain resilience and competitive advantage

Government Enforcement

Compliance with trade, customs, and regulatory laws

Audits, inspections, penalties, and investigations

Often triggered by misclassification, undervaluation, or origin misdeclaration

Non-compliance leads to financial, operational, and reputational risks

Bond Sufficiency

Ensures importers have adequate financial coverage for customs obligations.

Customs bonds guarantee payment of duties, taxes, and penalties.

Insufficiency can delay shipments or trigger compliance reviews.

Review helps manage risk and maintain smooth import operations

- 3 pillars of compliance:
 - **HTS Classification**
 - **Value**
 - **Country of Origin**
- Free Trade Agreements
- Review Sourcing Regions and Vendor Contracts