



September 21, 2018

Soule Blake & Wechsler  
180 Harvard Ave.  
Stamford, CT 06902

Dear Valued Customer,

Last Monday the President decided to implement 301 Tariffs on the modified list 3 at a rate of 10% effective on shipments that arrive in the U.S. starting next Monday (September 24<sup>th</sup>). While the first 2 301 Lists implemented earlier this year covered only a few items that SB&W manufactures, List 3 covers many of items we provide for our customers.


Specifically, this decision that was formally released by the United States Trade Representative Office, renders an additional **10%** duty on \$200 billion worth of imported goods from China and is additionally scheduled to be increased to 25% on January 1, 2019.

SB&W values our relationship with all our customers and we only intend to offset costs beyond our control. This tariff implementation is the equivalent of placing a 10% tax on most goods we make payable upon arrival in the US. We have no choice but to add a surcharge to invoices on open orders to offset this government-imposed tax.

The **8%** surcharge is calculated as a fixed percentage based the additional costs that SB&W incurs as a result of the implementation of the 10% Section 301 tariff. The surcharge applies to goods that arrive after Sept. 24 until the end of the year and will be reviewed and adjusted at the beginning of 2019 when and if the additional duty increases to 25%.

We are hoping that trade relations stabilize and new tariffs implemented are a temporary situation. Until then, we will strive to continue to offer the quality and service expected from a world-class manufacturer.

Sincerely,



Stephen Soule, President  
Soule Blake and Wechsler

**Related Links:**

Whitehouse Statement: <https://www.whitehouse.gov/briefings-statements/statement-from-the-president-4/>

More information about **Section 301**: <https://ustr.gov/issue-areas/enforcement/section-301-investigations>