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March 24, 2025

VIA EMAIL (<u>traderemedy@cbp.dhs.gov</u>) VIA U.S. MAIL

Mr. Brandon Lord
Department of Homeland Security
U.S. Customs and Border Protection
Office of Trade, Trade Policy and Programs
1300 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Dear Mr. Lord:

As the Trump administration advances its trade strategy to strengthen national security and American competitiveness within the United States-Mexico-Canada Agreement (USMCA) framework, the Independent Lubricant Manufacturers Association (ILMA) respectfully requests that the Customs and Border Protection's (CBP) Office of Trade provide clear and timely guidance on the additional duties imposed on energy imports from Canada.

ILMA members, including those based in Canada and Mexico, produce more than a quarter of the automotive lubricants and three-quarters of the metalworking fluids sold in North America. These products support a global economy and serve a wide range of critical infrastructure applications, including ensuring the reliability of aircraft, automobiles, and industrial machinery. Many of the Association's members rely on cross-border supply chains with Canada for raw material inputs and to market finished lubricant products. As such, they are experiencing uncertainty regarding the applicable tariff rate for Canadian energy imports that are not USMCA compliant.

Like the bulletin issued by CBP to clarify the applicable tariff rate for potash, ILMA requests that the Office of Trade issue guidance within the Automated Commercial Environment system, specifying the Harmonized Tariff Schedule of the United States (HTSUS) subheadings that qualify for the 10% additional duty on Canadian energy imports that are not USMCA compliant under subheading 9903.01.13, HTSUS. Specifically, ILMA requests confirmation from CBP that the following HTSUS headings and subheadings, if not USMCA compliant, are subject to the energy "carve-out" for energy resources imported from Canada and the importer of record can claim the 10% duty under subheading 9903.01.13:

- ▶ HTSUS 2710
- ▶ HTSUS 2901
- ▶ HTSUS 3403.11.2000 and HTSUS 3403.19.1000

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ILMA believes that these HTSUS headings and subheadings fall within the definition of "refined petroleum products." For example, products under heading 2710 fit within the common understanding of the term. CBP has classified refined petroleum products under heading 2710 in various rulings. See, e.g., NY K83881 (March 19, 2004); NY K83318 (Feb. 23, 2004).

Along the same lines, lubricating oil and oil and grease preparations containing 50% or more by weight of petroleum oils or oils obtained from bituminous materials under subheadings 3403.11.2000 and 3403.19.1000 should qualify for the 10% duty as "refined petroleum products."

Providing this requested clarification would give ILMA members much-needed certainty, allowing them to navigate better the evolving trade landscape. We would welcome the opportunity to meet with your office to discuss further this issue.

Sincerely,

Holly Alfano

Chief Executive Officer

ce: ILMA Board of Directors

Jeffrey L. Leiter, Esq. Jorge Roman, Esq.

James Eggenschwiler, Esq.