

# The Vision Council Updates Industry Members on Impact of Latest Tariffs

**Alexandria, VA – March 7, 2025** – The Vision Council is closely monitoring the latest round of tariffs announced by the Trump administration and hosted a webinar on March 6 that highlighted several significant implications for the optical industry. If implemented, these new tariffs will increase costs on a wide range of imported goods, including materials essential to eyewear manufacturing and distribution.

A recording of the webinar, hosted by Rick Van Arnam, Regulatory Affairs Counsel for The Vision Council, and Omar Elkhatib, Senior Manager of Government Relations, is available upon request by emailing <a href="mailto:media@thevisioncouncil.org">media@thevisioncouncil.org</a>.

# **Key Updates on Tariffs Affecting the Optical Industry**

#### Tariffs on Products from China:

- Additional 20% duty on all Chinese-origin materials (10% effective February 5, 2025, and an additional 10% on March 4, 2025).
- This is in addition to existing China 301 tariffs and regular duties, which currently range from 7.5% to 25%, with some products facing duties as high as 50% to 100%.
- Tariffs have been imposed under the International Emergency Economic Powers Act (IEEPA) due to concerns over fentanyl imports.
- China has retaliated with tariffs on U.S. coal, liquefied natural gas, crude oil, agricultural machinery, cars, and key agricultural products, as well as export controls on critical metals.

### Tariffs on Products from Mexico and Canada:

- A 25% tariff is planned for goods from both Mexico and Canada, citing national security concerns related to immigration and fentanyl.
- Canada has retaliated with tariffs on U.S. agricultural products, wines, liquors, fruit
  juices, and industrial items, but optical products remain largely unaffected except for
  U.S.-origin cases.
- As of the airing of the webinar, a delay had been granted to Mexico on goods that fall
  under the USMCA trade pact; immediately after the webinar, the delay was extended to
  Canada too on USMCA qualifying goods. Both delays will be effective as of March 7,
  2025.

## Steel and Aluminum 25% Tariff:

- Effective March 12, 2025, a 25% tariff applies to steel and aluminum products, including unwrought materials and expanded derivative products.
- Existing exclusions and quotas have been canceled, with no exceptions allowed.
- New tariffs impact structural steel, aluminum mountings, fittings, brackets, and air conditioner parts, potentially increasing costs across the eyewear supply chain.
- An investigation into copper tariffs is underway, with potential implementation later this
  year.

Potential Future Tariffs on All Products Regardless of Origin:

- President Trump has threatened across-the-board tariff hikes of 10% to 20%.
- The concept of "reciprocal tariffs" is being explored, which could mean unique duty rates per product or an aggregate country-wide rate.
- These measures, if implemented, will likely trigger widespread retaliatory duties from trade partners, impacting pharmaceuticals, semiconductors, and EU-origin materials.

# **Industry Implications**

Potential industry implications were discussed on the webinar, as the new tariffs are expected to significantly disrupt the eyewear industry, leading to increased production costs, supply chain adjustments, and heightened compliance scrutiny. Manufacturers and suppliers may face price hikes on essential materials, particularly those sourced from China, Mexico, and Canada. The removal of steel and aluminum tariff exclusions will further strain supply chains, affecting the production of eyewear components. Companies will need to explore alternative sourcing strategies and evaluate cost-saving measures to remain competitive in this evolving trade environment.

Additionally, U.S. Customs and Border Protection is expected to intensify its scrutiny on countryof-origin determinations and transshipment practices, adding another layer of complexity to trade compliance.

"I encourage members of the optical industry to learn more about the country-of-origin issues that will be impacting importers affected by these new tariffs," said **Rick Van Arnam**, **Regulatory Affairs Counsel for The Vision Council**. "Since the 301 Tariffs first went into effect in 2018, U.S. Customs has been scrutinizing country-of-origin issues. So, if you find yourself in a situation where you're unclear or unsure of what the actual origin of the product is, then it would greatly benefit you to drill down and to determine whether or not there's been a substantial transformation."

## **Next Steps**

The Vision Council is actively engaging with policymakers and trade officials to represent the industry's interests and mitigate negative impacts.

"The Vision Council is actively advocating on Capitol Hill for possible tariff relief for our industry. We're working with the relevant committees of jurisdiction that impact the United States Trade Representative, and we are building relationships with members of Congress who can champion our causes," said **Omar Elkhatib, Senior Manager of Government Relations at The Vision Council**. "We've been told by former and current members of Congress that the pathway we are taking right now is the best path forward, and we are confident that by the time an exception or exemption process arises, we will have the proper groundwork in place to help our members."

#### **Additional Resources**

Members of The Vision Council have access to the newly launched <u>Tariff Dashboard</u> which aggregates import data from the United States International Trade Commission and includes a

tariff simulator. The Vision Council will also be providing updates for members as more information becomes available on its website <a href="here">here</a>.