



HEYCO METALS, INC.

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July 9, 2019

To Our Valued Customers,

Subject: Section 301 Investigation Concerning the Enforcement of U.S. WTO Rights in the Large Civil Aircraft Dispute – Supplemental List Addition of Copper Alloy Strip HTS Codes

On July 2, we were advised that the Office of the United States Trade Representative (“USTR”) has issued a supplemental list of products that would potentially be subject to additional duties under a Section 301 WTO trade dispute against the EU, and certain EU member states, regarding EU subsidies for the Large Civil Aircraft Industry. This is more commonly referred to as the Airbus and Boeing dispute. The list of supplemental products includes the following copper alloy HTS codes:

- 7409.11.50** Refined copper, plates, sheets and strip, in coils, with a thickness over 0.15mm but less than 5 mm
- 7409.21.00** Copper-zinc base alloys (brass), plates, sheets and strip, in coils
- 7409.31.50** Copper-tin base alloys (bronze), plates, sheets and strip, in coils, with a thickness o/0.15mm but less than 5mm & a width of 500mm or more
- 7409.31.90** Copper-tin base alloys (bronze), plates, sheets and strip, in coils, w/thickness o/0.15mm but less than 5mm & a width of less than 500mm
- 7409.40.00** Copper-nickel base alloys (cupro-nickel) or copper-nickel-zinc base alloys (nickel silver), plates, sheets and strip, w/thickness o/0.15mm
- 7409.90.90** Copper alloys (o/than brass/bronze/cupro-nickel/nickel silver), plates, sheets & strip, w/thick. o/0.15mm but less th/5mm & width less 500mm

Ad valorem duties of up to 100% are being considered. The purpose of this letter is to notify you of potential major price disruptions in these alloys. Heyco Metals will do our best to find alternate sources of material, but many of the alloys we supply are sourced from EU based mills. In particular, high purity 500-series bronze strip is not available in the U.S. and can only be cost effectively sourced from EU member states. 87% of the U.S. consumption of bronze strip is imported from the EU.

If your company would like to object to the inclusion of these copper HTS codes, you may find more information here: <https://www.regulations.gov/document?D=USTR-2019-0003-0616> . The timeline is condensed with comments due 7/24 and a public hearing scheduled for 8/5.

Should you have any questions, please contact me via email to arrange a call: mpjemison@heycometals.com.

Regards,

Michael P. Jemison
President
Heyco Metals, Inc.