

## APA Advisory - APA to Request Exemption from 10% Tariff Imposed on Fireworks

February 27, 2025

To: ##[Name | First]## ##[Name | Last]##, ##[Organization]##

Subject: APA to Request Exemption from 10% Tariff Imposed on Fireworks

As reported in <u>February Sparks</u> the Administration imposed a 10% tariff on Chinese imports effective February 4, 2024. APA discussed the tariffs and possible strategies to carve out an exemption for fireworks in a <u>February 14, 2024, APA Minute</u>.

During APA's Winter Educational Conference last week in Las Vegas, NV, tariffs remained a very hot topic, and strategic suggestions were presented by Ryan Carney, Government Affairs Advisor, K&L Gates, LLP. On February 21, 2025, during APA's Board of Directors meeting, the Board had an extensive strategic session led by APA's Legal Counsel, Barry Hartman, K&L Gates, LLP who was joined by his fellow partner, Nathaniel (Nate) Bolin – a seasoned customs, tariffs, and trade policy advisor. You can read more about Mr. Bolin's expertise <u>here</u>. While there currently is no public process to file for an exclusion, the APA Board has decided to retain the additional services of Mr. Bolin to strategically seek relief from the Trump Administration from the 10% tariff applicable to fireworks imported from China.

This exemption strategy will be implemented immediately and includes refining a draft letter that was prepared earlier this month to present directly to President Trump and the President's entire trade team overseeing China policy. We will use that core letter to seek support from others, including Members of Congress, and enlist the help of the APA membership especially those that have strong relationships with their elected representatives, and provide talking points. We will also identify customers (public entities) who may be harmed and may be willing to send a brief letter to the White House supporting our request for exemption. Additionally, the APA has invited the NFA to partner with us on this effort and we plan to conduct a joint strategy meeting as soon as possible knowing that the tariff matter is of utmost importance to the entire industry, and we can be more effective as a united team rather than tackling this issue separately. We will also engage PGI in our grassroots efforts.

We believe the time to act is over the next two weeks. As such, be on the lookout for a special "Call to Action" including the final letter presented to President Trump, talking points, a targeted list of congressional representatives for outreach, and further instruction. President Michael Ingram said that "he believes the APA and the fireworks industry has a good story to tell based upon our unique dependency on China coupled with the successful exclusion APA achieved from the 25% tariffs issued in 2018. We are prepared to work very hard to pursue relief from the new 10% tariff and with the help of the membership, NFA, PGI, and their memberships, we are optimistic that we can obtain a successful outcome."

**Breaking News:** APA is aware of the breaking news announced this morning of a potential additional 10% tariff being levied on Chinese imports on March 4, making the situation for our industry even more serious. We understand the major implications that this could have on the industry, and we are taking the matter seriously and will act promptly to present our concerns to President Trump.

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