LCBO

June 21, 2018

TO: All Trade Partners

RE: Potential New Surtax on US Whiskey, Intended Effective Date July 1, 2018

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Dear Trade Partners,

On May 31, 2018, the United States (US) announced the imposition of tariffs on imports of certain steel and aluminum products from Canada. In response to these measures, the Government of Canada has indicated that it intends to impose surtaxes or similar trade-restrictive countermeasures against imports of US steel, aluminum and other products.

Canada has published lists of US products that could be targeted. A possible 10% surtax on US whiskies would be effective July 1, 2018, but would not be applicable to orders in transit on that day.

Canada has yet to finalize the countermeasures that will be in effect as of July 1, 2018, and has indicated that these will remain in place until the US eliminates its trade-restrictive measures against Canada. More information can be found on this [Government of Canada](#) page.

The LCBO will continue to monitor developments and will advise if the surtax will not, in fact, be implemented.

In the event a decision is taken by Canada to apply the surtax, it would be calculated on the quote value and added to the landed cost to establish the final retail price. An updated spirits pricing calculator is available [here](#). The surtax would be applied to new products and private orders beginning July 6, 2018.

Existing LCBO products would be re-priced for July 23, 2018. The deadline for submitting revised quotes is June 28, 2018. Please use "surtax' in the subject line and send to pricing@lcbo.com. Suppliers who wish to maintain retail prices should indicate "Rebate Existing Inventory" on the re-quote letter and understand that the rebate cost will be charged back.

Please contact me with questions.

Thank you for your continued support and partnership,

David Cacciottolo

Manager, Pricing Administration