



Weekly Update | 7.31.2025

UNDERSTANDING TARIFF CHANGES

Navigating recent executive orders, proclamations, and memorandums and understanding how they may affect your business.*

**All information provided herein is informational and advisory only. We strongly encourage importers to consult legal counsel for definitive and binding information.*

2025 Tariff Change Timeline

- **October 1st, 2025** **Merchandise Processing Fee minimum increases to \$33.58, and maximum will change to \$651.50. MPF rate is .3464%**
- **August 12th, 2025** **IEEPA Reciprocal Tariffs from China and Hong Kong expected to return to 34% after 90-day period.**
- **August 1st, 2025** **IEEPA Reciprocal Tariff increase if Annex I countries do not establish trade agreements after 90+ day pause.**
- **July 9th, 2025** **United Kingdom origin Section 232 steel and aluminum goods including derivatives evaluated if ERD conditions met.**
- **June 23rd, 2025** **Certain Household Appliances will be subject to Section 232 and 50% duty increase except United Kingdom which is 25%.**
- **June 15th, 2025** **All entries for IEEPA in-transit exclusions must be filed and duties paid.**
- **June 4th, 2025** **Steel and Aluminum and derivatives Section 232 duties increase from 25% to 50% for all countries except United Kingdom.**
- **May 29th, 2025** **CIT ruled all IEEPA Executive Orders were invalid. Court of Appeals issued stay of order until appeal can be decided.**
- **May 14th, 2025** **IEEPA Reciprocal Tariffs for China and Hong Kong lowered from 125% to 10% for a 90-day period.**
- **May 14th, 2025** **De Minimis US Postal packages duty rate decreases from 125% to 54%.**
- **May 3rd, 2025** **Automobile Parts Section 232 effective with a duty rate of 25%.**
- **May 2nd, 2025** **De Minimis eligibility removed from all packages from China and Hong Kong adding a duty rate of 120%.**
- **April 10th, 2025** **IEEPA Reciprocal Tariff Annex I specific rates paused for 90 days, and 10% Base country rate applied to ANNEX I countries.**
- **April 9th, 2025** **IEEPA Reciprocal Tariff for China and Hong Kong increased from 34% to 125%.**
- **April 9th, 2025** **IEEPA Reciprocal Tariff increase effective for Annex I countries. *Paused for 90 days except China and Hong Kong***
- **April 5th, 2025** **IEEPA Reciprocal Tariff increase effective for Base Countries not included in Annex I with a duty rate of 10%.**
- **April 3rd, 2025** **Automobile Section 232 effective with a duty rate of 25%.**
- **March 12th, 2025** **Steel and Aluminum expansion with derivatives effective with a 25% duty rate.**
- **March 4th, 2025** **IEEPA for Canada and Mexico effective for non-USMCA eligible goods with a duty increase of 25%.**
- **March 4th, 2025** **Tariff Stacking relief effective which eliminates many provisional tariffs from being applied to the same items.**
- **March 4th, 2025** **Second IEEPA duty increase for China and Hong Kong effective with an additional 10% duty rate.**
- **February 1st, 2025** **First IEEPA duty increase for China and Hong Kong effective with a 10% duty rate.**

Status of Trade Deals Leading Up to August 1st, 2025

- July 7th, 2025 President Trump issued an Executive Order extending the time for Annex I countries to establish a trade deal. The date was changed from July 9th, 2025 to August 1st, 2025. Link here: [Extending the Modification of the Reciprocal Tariff Rates – The White House](#) Letters were sent to specific countries stating what their new reciprocal tariff rate would be if agreements were not reached.
- **Bangladesh** President Trump has advised that Bangladesh has an intended reciprocal tariff increase to 35% effective August 1st.
- **Brazil** Announced on July 30th, 2025 Brazil will increase from 10% to 50% adding an additional 40% IEEPA effective August 6th, 2025. See below.
- **Cambodia** A letter was sent to Cambodia on July 7th, 2025 by President Trump of the intended reciprocal tariff increase to 36% effective August 1st. Recent fighting with Thailand has prevented Cambodia from negotiating since President Trump said it would be “inappropriate” until there is a ceasefire. Both Cambodia and Thailand are meeting in Malaysia to negotiate a ceasefire.
- **Canada** A letter was sent to Canada on July 10th, 2025 by President Trump advising the intended reciprocal tariff increase to 35% effective August 1st.
- **India** Trade talks have stalled with President Trump. On July 30th President Trump called out the trade barriers to U.S. exports in the Indian market. He also pointed out that India purchases energy and military equipment from Russia. He stated 25% will apply effective August 1st.
- **Malaysia** A letter was sent on July 7th, 2025 by President Trump advising Malaysia of the intended reciprocal tariff increase to 25% effective August 1st.
- **Mexico** A 90-day extension was granted beyond the August 1st deadline. The current tariff rates for Mexican goods will be extended also. A letter was sent to Mexico on July 12th, 2025 by President Trump advising the intended reciprocal tariff increase to 30% if a trade deal is not met.
- **Russia** President Trump has given Russia a 50-day (September 2nd, 2025) ultimatum to end the war with Ukraine or a 100% secondary tariff will be placed on their goods.
- **South Korea** A letter was sent on July 7th, 2025 by President Trump advising South Korea of the intended reciprocal tariff increase to 25% effective August 1st.
- **Thailand** A letter was sent on July 7th, 2025 by President Trump advising Thailand of the intended reciprocal tariff increase to 36% effective August 1st. Recent fighting with Cambodia has prevented Thailand from negotiating since President Trump said it would be “inappropriate” until there is a ceasefire. Both Cambodia and Thailand are meeting in Malaysia to negotiate a ceasefire.

Copper Subject to Section 232

All Countries

Effective August 1st, 2025

- President Trump issued a proclamation on July 30th, 2025 advising that copper will be subject to Section 232 effective August 1st, 2025. Full proclamation can be viewed here [Adjusting Imports of Copper into the United States – The White House](#)
- Semi-finished copper products and intensive copper derivative products will be subject to 50% Section 232 duty rate when imported into the U.S.
- The 50% tariff rate will be in addition to any duties, fees, exactions, and charges already due for these products.
- Similar to steel and aluminum Section 232 the copper content can be declared and only that content is subject to the 50% duty rate. The non-copper content will be subject to the IEEPA reciprocal duties owed for the country of origin.
- Drawback will not be allowed on the duties paid for copper Section 232.
- The tariff numbers this applies to are below.

7406.10.00	7409.19.90	7413.00.10	7406.20.00	7409.21.00	7413.00.50
7407.10.15	7409.29.00	7413.00.90	7407.10.30	7409.31.10	7415.10.00
7407.10.50	7409.31.50	7415.21.00	7407.21.15	7409.31.90	7415.29.00
7407.21.30	7409.39.10	7415.33.05	7407.21.50	7409.39.50	7415.33.10
7407.21.70	7409.39.90	7415.33.80	7407.21.90	7409.40.00	7415.39.00
7407.29.16	7409.90.10	7418.10.00	7407.29.34	7409.90.50	7418.20.10
7407.29.38	7409.90.90	7418.20.50	7407.29.40	7410.11.00	7419.20.00
7407.29.50	7410.12.00	7419.80.03	7408.11.30	7410.21.30	7419.80.06
7408.11.60	7410.21.60	7419.80.09	7408.19.00	7410.22.00	7419.80.15
7408.21.00	7411.10.10	7419.80.16	7408.22.10	7411.10.50	7419.80.17
7408.22.50	7411.21.10	7419.80.30	7408.29.10	7411.21.50	7419.80.50
7408.29.50	7411.22.00	8544.42.10	7409.11.10	7411.29.10	8544.42.20
7409.11.50	7411.29.50	8544.42.90	7409.19.10	7412.10.00	8544.49.10
7409.19.50	7412.20.00				

- By October 28th, 2025 the Secretary of Commerce will establish a process for including additional derivative copper articles that will be added to the scope of Section 232.
- Articles subject to Section 232 Automobiles and Auto Parts are exempt from this order.

Brazil Reciprocal IEEPA Increase

- Effective August 6th, 2025
- President Trump issued an Executive Order July 30th, 2025 advising that Brazil will be subject to an additional 40% duty under the International Emergency Economic Powers Act. The Executive Order can be viewed here [Addressing Threats to The United States by the Government of Brazil – The White House](#)
- This is in addition to the Reciprocal IEEPA duty amount that is currently at 10%.
- Below are the exemptions that were listed in the Executive Order.
 - Goods in transit that were loaded on to a vessel at the port of loading and in transit on the final mode of transit prior to 12:01 a.m. ET Aug. 6, AND were entered for consumption, or withdrawn from warehouse for consumption before 12:01 a.m. ET on Oct. 5, 2025.
 - Goods provided for in 50 U.S.C. 1702(b) , which covers any postal, telegraphic, telephonic, or other personal communication; donations of food, clothing and medicine intended to relieve human suffering; merely informational materials; any transactions ordinarily incident to travel to or from any country, including importation of accompanied baggage for personal use.
 - Goods in Annex I, which includes a wide variety of goods such as silicon metal, pig iron, civil aircraft, Brazil nuts, orange juice, some energy products, wood pulps, certain paper, etc. Annex I is listed at the bottom of the Executive Order which is linked above.
 - Goods subject to section 232, which currently include steel, aluminum, automobiles & parts, and now copper (effective Aug. 1).
- It is specifically stated that if Brazil retaliates against the U.S. or the goods produced by the U.S. the President may increase or expand the scope of the tariffs.
- This use of the International Emergency Economic Powers Act is stated to be due to the Government of Brazil having taken unprecedented actions that harm and are a threat to the economy of the United States, conflict with and threaten the policy of the United States to promote free speech and free and fair elections at home and abroad and violate fundamental human rights.

De Minimis Suspended for All Countries

- Effective August 29th, 2025
- President Trump issued an Executive Order on July 30th, 2025 advising that De Minimis for shipments that are valued less than \$800 will be suspended effective August 29th, 2025. The Executive Order can be viewed here [Suspending Duty-Free De Minimis Treatment for All Countries – The White House](#)
- Shipments that are routed through the International Postal Service will be assessed duties with the below procedures.
 - Ad Valorem duty: A duty equal to the effective tariff rate imposed under the International Emergency Economic Powers Act (IEEPA) that is applicable to the country of origin of the product. This duty shall be assessed on the value of each package.
 - Specific duty: A duty ranging from \$80 per item to \$200 per item, depending on the effective IEEPA tariff rate applicable to the country of origin of the product. This specific duty assessment will be available for six months, after which all applicable shipments must comply with the ad valorem duty assessment.
- Low value shipments will need to be transmitted as a type 11 (Informal) which is a shipment below \$2500 in value or a type 01 (formal) entry.
- Currently a Customs Bond is required for type 01 and type 11 entries by Customs and Border Protection. This could also be required for shipments that previously cleared as de minimis.
- This Executive Order modifies the Executive Orders issued in February and April of this year related to de minimis shipments from China and Hong Kong.
- China, Hong Kong, Canada, and Mexico will permanently have de minimis removed and all other countries will have de minimis suspended.
- The Executive Order specifically states that if the CIT ruling IEEPA as void is upheld by the Court of Appeals that the suspension of or continued suspension of duty free de minimis shall not be affected. It appears that this is an attempt to protect the current changes to de minimis from any on going court rulings by the Court of Appeals.

European Union and United States Trade Deal

- Announced July 27th, 2025 by President Trump and European Commission President Ursula Von der Leyen stating the United States has established a trade agreement with the European Union.
- The details and effective date of the deal have not been released.
- The agreement includes a 15% Reciprocal IEEPA Tariff on European Union goods. This is an increase of 5% on the reciprocal IEEPA. The 15% is lower than the initial 30% tariff that was included in the letter sent by President Trump earlier this month.
- The 15% does include automobiles, computer chips, and pharmaceuticals.
- The trade agreement will not change the 50% Section 232 tariff on Steel and Aluminum from the EU.
- EU tariffs on United States imports will be lowered to 0% on most items.
- The European Union has committed to purchasing \$750 billion in U.S. energy products, invest \$600 billion in the United States, and acquire additional military equipment made in the United States.
- This agreement is an attempt to rebalance the \$235 billion trade deficit we had with the European Union in 2024.
- EC President Von der Leyen referred to this as a “framework” agreement with details to be negotiated “over the next weeks”. The agreement still requires approval by the EU member states. The ambassadors plan to meet on Monday with the commission.
- France and Hungary have both criticized the agreement believing the agreement is not equal. With U.S. tariffs on alcohol from the EU undetermined, large exports like wine, champagne, and beer seem to be a hope for these tensions to be quieted.

Indonesia and United States Trade Deal

- Announced July 15th, 2025 by President Trump stating the United States has established a trade deal with Indonesia.
- The details and effective date of the deal have not been released.
- The agreement includes a 19% Reciprocal IEEPA Tariff on Indonesian goods. This is an increase of 9% on the reciprocal IEEPA. The 19% is lower than the initial 32% tariff that was announced for Indonesia in April.
- Goods that originate in other countries that are routed through Indonesia (Transshipped) will be subject to the other countries higher tariff in addition to the Indonesian tariff. This will limit other countries from attempting to evade US tariffs by shipping through Indonesia.
- Indonesia has committed to purchasing \$4.5 billion in U.S. Agricultural products, \$15 billion in energy products, and 50 Boeing aircrafts.
- This agreement is an attempt to rebalance the \$17.9 billion trade deficit we had with Indonesia in 2024.
- There will be no tariffs for the U.S. to ship goods into Indonesia per Howard Lutnick the U.S. Secretary of Commerce.
- The trade agreement will not change the 50% Section 232 tariff on Steel and Aluminum from the Indonesia.
- President Trump's Truth Social post can be found here [Truth Details | Truth Social](#).

Philippines and United States Trade Deal

- Announced July 22nd, 2025 by President Trump stating the United States has established a trade deal with Philippines.
- The details and effective date of the deal have not been released.
- The agreement includes a 19% Reciprocal IEEPA Tariff on Philippine goods. This is an increase of 9% on the reciprocal IEEPA. The 19% is higher than the initial 18% tariff that was announced for the Philippines in April.
- This agreement is an attempt to rebalance the \$4.9 billion trade deficit we had with Philippines in 2024.
- There will be no tariffs for the U.S. to ship goods into Philippines per President Trump.
- The trade agreement will not change the 50% Section 232 tariff on Steel and Aluminum from the Philippines.
- Per President Trump's Truth Social post, the US and Philippines will work together Militarily.
- President Trump's Truth Social post can be found here [Truth Details | Truth Social](#).

Japan and United States Trade Deal

- Announced July 22nd, 2025 by President Trump stating the United States has established a trade deal with Japan.
- The details and effective date of the deal have not been released. President Trump called it the “largest trade deal in history”.
- The agreement includes a 15% Reciprocal IEEPA Tariff on Japanese origin goods. This is an increase of 5% on the reciprocal IEEPA. The 15% is lower than the initial 24% tariff that was announced for Japan in April.
- Japan is the first to negotiate lower tariffs on automobiles that until this agreement have been at 25%.
- Japan will invest \$550 billion into the U.S. through equity and loans to support Japanese owned businesses to invest in important fields like pharmaceuticals and semiconductors.
- Japan will be opening regulations for imports from the U.S. of agricultural goods including rice and automobiles.
- This agreement is an attempt to rebalance the \$68.5 billion trade deficit we had with Japan in 2024.
- Ryosei Akazawa, Japan’s tariff negotiator, stated that they were still negotiating on steel and aluminum tariffs.
- President Trump’s Truth Social post can be found here [Truth Details | Truth Social](#).

Vietnam and United States Trade Deal

- Announced July 2nd, 2025 by President Trump stating the United States has established a trade deal with Vietnam.
- The details and effective date of the deal have not been released.
- The agreement includes a 20% Reciprocal IEEPA Tariff on Vietnamese goods. This is an increase of 10% on the reciprocal IEEPA. The 20% is lower than the initial 46% tariff that was announced for Vietnam in April.
- Goods that originate in other countries that are routed through Vietnam (Transshipped) will be subject to a 40% tariff before entry into Vietnam. This will limit other countries from attempting to evade US tariffs by shipping through Vietnam.
- The US will be tariff free into the Vietnamese market.
- The trade agreement will not change the 50% Section 232 tariff on Steel and Aluminum from Vietnam.
- This agreement is an attempt to rebalance the \$122 billion trade deficit we had with Vietnam in 2023.
- Below is the full post from President Trump.
 - “It is my Great Honor to announce that I have just made a Trade Deal with the Socialist Republic of Vietnam after speaking with To Lam, the Highly Respected General Secretary of the Communist Party of Vietnam. It will be a Great Deal of Cooperation between our two Countries. The Terms are that Vietnam will pay the United States a 20% Tariff on any and all goods sent into our Territory, and a 40% Tariff on any Transshipping. In return, Vietnam will do something that they have never done before, give the United States of America TOTAL ACCESS to their Markets for Trade. In other words, they will “OPEN THEIR MARKET TO THE UNITED STATES,” meaning that, we will be able to sell our product into Vietnam at ZERO Tariff. It is my opinion that the SUV or, as it is sometimes referred to, Large Engine Vehicle, which does so well in the United States, will be a wonderful addition to the various product lines within Vietnam. Dealing with General Secretary To Lam, which I did personally, was an absolute pleasure. Thank you for your attention to this matter!”

China and United States Trade Deal

- Announced June 11th, 2025 on Truth Social, President Trump stated, “deal with China is done”. This announcement came from the negotiations by US Treasury Secretary Scott Bessent, Commerce Secretary Howard Lutnick, and US Trade Representative Jaimeson Greer in London.
- Although the announcement did not address Section 232, it did state that the 10% IEEPA reciprocal, 25% Section 301, and 20% Fentanyl IEEPA would remain in place.
- It was also stated that exports from the US to China would be subject to a 10% tariff.
- President Trump also stated that full magnets and necessary rare earth elements will be supplied by China to the US. Chinese negotiators agreed to start approving rare-earth license applications as soon as President Trump and Chinese leader Xi Jinping sign the trade framework. It is believed this is in exchange for the relaxation of the restrictions on sales of jet engines and parts to China.
- Commerce Secretary Lutnick stated that in the short term, at least, the US tariffs on China won’t go up. It is not clear if he meant the 90-day period on the lowered reciprocal tariffs have been extended beyond that time frame.
- Details of the framework of the agreement are still being worked out, but the last two days of strong negotiations in London have produced positive movement in stabilizing trade with China.
- Before these talks, the Department of Commerce extended the Section 301 exclusions for certain Chinese origin goods to now expire on August 31st, 2025. This will be an area of concern for many importers as the expiration date nears again. We will continue to advise as developments occur.
- US Commerce Secretary Howard Lutnick stated to the press that the 55% (25% Section 301, 20% Fentanyl IEEPA, 10% Reciprocal IEEPA) “definitely” would not change.

United Kingdom and United States EPD

All Countries

Announced May 8th, 2025

- In the first of its kind Economic Prosperity Deal (EPD) the United Kingdom and United States have begun negotiations to formalize and implement the three below objectives.
 - To grow the quality and volume of mutually beneficial trade between the United States and the United Kingdom, creating good, high-paying jobs and growth in both countries;
 - To remove barriers to make it easier for American and British businesses to operate, invest and trade in both countries; and
 - To ensure that the Special Relationship is rooted in an enduring economic partnership that is fair, reciprocal, future-facing, and built on a shared vision of the challenges that face our economies.
- The statement is found at this link [General Terms for the United States of America and the United Kingdom of Great Britain and Northern Ireland Economic Prosperity Deal – The White House](#)
- Items include are:
 - Addressing Tariffs
 - US exports to the UK of beef will receive duty free treatment for the first 13,000 mt. US exports of ethanol will also receive duty free treatment for the first 1.4 billion liters.
 - UK exports to the US of automotives will receive 10% duty rate for the first 100,000 vehicles from the UK. US also commits to preferential treatment of Pharmaceuticals depending on the outcome of the Section 232 investigation.
 - Addressing Non-Tariff Barriers-Includes Agricultural trade between countries.
 - Increasing Digital Trade
 - Other agendas like mutual security, intellectual property rights protection, forced labor, and deepening trade relationships with UK and US.

U.S. Court of International Trade \$3.4M Fraud Penalty

The **U.S. Court of International Trade** issued in a recent opinion that California company Rayson Global Inc knowingly reported Chinese mattress springs as country-of-origin Thailand.

- U.S Judge Timothy C. Stanceu determined the maximum civil penalty should be awarded to the government from Rayson Global Inc.
 - Rayson Global Inc is required to pay Customs and Border Protection any unpaid duties, taxes, and fees plus interest on lost revenue.
 - The civil penalty will be \$3.4 million in addition to over \$2.4 million in CBP fees and lost revenue.
 - The penalties and fees were assessed on 46 entries of inner mattress springs from Thailand that were purposely reported as country-of-origin China.
 - Claiming country-of-origin Thailand allowed Rayson Global Inc to evade 6% ad valorem tariff, 10% Section 301 tariff, and 234.51% antidumping duties.
 - Rayson Global Inc did not respond in the court proceedings and therefore the court accepted information supplied by the U.S. government.
 - The case is United States vs Rayson Global Inc and Doris Cheng (CEO), case number 23-00201 heard by the CIT.
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- This is a stark reminder that recent Section 232 regulations specifically state that **maximum** civil penalties will be assessed on any cases of evasion found by the Department of Commerce and will not be subject to mitigation meaning the full penalties will be owed.
 - CBP has announced that they are focusing on exclusions that were issued in 2018 for Section 232. They plan to issue penalties if it is found that importers have overused the exclusions beyond the amounts granted with an exclusion.
 - Making compliant decisions now prevents issues like the above from becoming an issue for your companies in the future. Please let us know how we can help your company with these efforts and assist with protecting you from CBP penalties.

Court of International Trade Ruling Regarding IEEPA

- Ruling Issued May 29th, 2025
- The Court of International Trade (CIT) issued a combined opinion in *V.O.S Selections Inc. et al v. Donald J. Trump et al*: Court No. 25-66 and *The State of Oregon et al v. Donald J. Trump et al*: Court No 25-77. The CIT finds that the International Emergency Economic Powers Act does not authorize the President to impose by executive order the additional duty provisions for fentanyl and reciprocal tariffs.
- President Trump's Administration filed a request for a stay of the order which would suspend the order until a ruling on an appeal could be determined. The Court of Appeals granted an administrative stay of order on May 29th, 2025 until they could consider President Trump's appeal. This could eventually end in the Supreme Court making the final ruling.
- The Court of Appeals for the Federal Circuit announced on June 10th, 2025 they had approved the longer stay of order while they considered the case. They also stated that because this case held "issues of exceptional importance" they would expedite the consideration. The CAFC will hold oral arguments on July 31st, 2025 and the case will be considered by the full CAFC comprised of 12 judges when usually it would be a three-judge panel.
- No immediate changes are expected in CBP's collection of IEEPA duties.
- If the CIT order is upheld or the stay of order is expired the below changes should result:
 - Original IEEPA tariff duties enacted on February 1st and March 4th 2025 would no longer be collected. (20%)
 - Canada and Mexico IEEPA duties for non-USMCA eligible goods would no longer be collected. (25%)
 - Reciprocal IEEPA duties for all countries would no longer be collected. (Currently 10%)
 - Trade Agreements that were established with the United Kingdom and China would be called into question as they were established in reaction to the IEEPA executive orders.
- It is not clear if the CIT order is upheld whether refunds for duties that are already collected will be issued. The first shipments from the original IEEPA tariff changes were processed on or after February 4th, 2025. This would mean that liquidation of those entries would be in December 2025. This would allow for protests to be filed in early June 2026 which leaves importers of record with time to pursue refunds if they are made available.
- In briefs submitted to CAFC the US Government defended its ability to "regulate, direct and compel" which they believe allows them to implement tariffs. The Plaintiff's brief maintains that IEEPA does not authorize or give power to the Executive Branch and their actions have overreached constitutional limits. The CAFC decision will affect the validity of trade agreements made during the time of IEEPA and could undo many of the negotiations with other countries if the CIT decision is upheld.

Current CBP Investigations

ALL COUNTRIES OF ORIGIN

- President Trump stated on March 24th, 2025 that in the very near future he will announce tariffs on pharmaceuticals and semiconductors. The 232 investigations can be found here. [2025-06587.pdf](#) [2025-06591.pdf](#) The BIS is requesting public comments by May 7th, 2025. CBP reminded the pharmaceutical trade community specifically that declaring incorrect value on import or export documentation is trade evasion and CBP will fully pursue any violations to the fullest extent possible. [CBP reminds pharmaceutical trade community of their legal obligations in light of 'most-favored-nation' drug-pricing requirements | U.S. Customs and Border Protection](#)
- An Executive Order has been issued to the USTR suggesting the Harbor Maintenance Fee and a 10% service fee should be charged on imports calling on Canada and Mexico ports and then moving into the US by land ports. These charges would be part of the charges owed by the importer of record to Customs and Border Protection.
- An Executive Order creating an investigation into critical minerals under Section 232 has been issued. A report is due by October 12, 2025. [Ensuring National Security and Economic Resilience Through Section 232 Actions on Processed Critical Minerals and Derivative Products – The White House](#)
- The Secretary of Commerce initiated an investigation to determine the effects on the national security of imports of medium-duty trucks, heavy-duty trucks, and medium- and heavy-duty truck parts, and their derivative products. The investigation is under Section 232. The Federal Register notice can be found here [Federal Register :: Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Trucks](#). Comments can be submitted until May 16th, 2025.
- The Bureau of Industry and Security (BIS) initiated an investigation to determine the effects on the national security of imports of commercial aircraft and jet engines, and parts for commercial aircraft and jet engines. The pending Federal Register notice can be found here [Federal Register :: Public Inspection: National Security Investigation: Imports of Commercial Aircraft and Jet Engines and Parts for Commercial Aircraft and Jet Engines](#).
- The Department of Commerce has initiated a Section 232 review for Polysilicon imports and its derivatives. Polysilicon is crucial for electronics and solar power applications. The comment period ends on August 6th, 2025 [Federal Register :: Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Polysilicon and its Derivatives](#)
- The Department of Commerce has initiated a Section 232 review for UAS (Unmanned Aircraft Systems) to determine the effects on national security. The comment period ends on August 6th, 2025. [Federal Register :: Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Unmanned Aircraft Systems \(UAS\) and Their Parts and Components](#)

Section 232 Steel Tariffs Household Appliances

ALL COUNTRIES OF ORIGIN

- Effective June 23rd, 2025.
- Published in the Federal Register on June 16th, 2025 it was announced that certain household appliances containing steel will be included in Section 232 . The Federal Register Notice can be found here [2025-11067.pdf](#).
- The notice advises that the below classifications are being added to Section 232 Annex 1 which includes them in the steel derivative regulations. This will make those items subject to the 50% Section 232 provisional duties. The additional duty will only be assessed on the steel content of the items.
 - Combined refrigerator-freezers under HTSUS subheading 8418.10.00
 - Small and large dryers under HTSUS subheadings 8451.21.00 and 8451.29.00
 - Washing machines under HTSUS subheadings 8450.11.00 and 8450.20.00
 - Dishwashers under HTSUS subheading 8422.11.00
 - Chest and upright freezers under HTSUS subheadings 8418.30.00 and 8418.40.00
 - Cooking stoves, ranges, and ovens under HTSUS subheading 8516.60.40
 - Food waste disposals under HTSUS subheading 8509.80.20
 - Welded wire rack under statistical reporting number 9403.99.9020 *Note that products classified under statistical reporting number 9403.99.9020 continue to be subject to tariffs under Proclamation 10895 as derivative products of aluminum for their aluminum content.

Section 232 Aluminum and Steel Tariff Expansion

ALL COUNTRIES OF ORIGIN

- Announced by President Trump on May 29th, 2025 there will be an increase from 25% to 50% duty for steel and aluminum Section 232 effective June 4th, 2025 for all countries except United Kingdom. [Adjusting Imports of Aluminum and Steel into the United States – The White House](#)
- United Kingdom origin steel and aluminum and their derivatives imports will remain at 25% tariff rate through July 9th, 2025. At that time, the Commerce Secretary will adjust duty rate to 50% if conditions of the ERD are not met by the United Kingdom.
- The Executive Order allows for HTS chapters 73 and 76 to declare steel and aluminum content like the derivative provisions where Section 232 duties are only owed on the content value. Before this change chapters 73 and 76 were not eligible to only apply the 50% to aluminum/steel content.
- The Executive Order also states, “the non-aluminum, non-steel content of all aluminum and steel articles and derivative articles shall be subject to tariffs pursuant to Executive Order 14257 of April 2, 2025 (Regulating Imports With a Reciprocal Tariff To Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits), as amended, and any other applicable tariffs.” This amends the IEEPA reciprocal exemption for goods subject to Section 232 to apply the IEEPA reciprocal duties (Currently 10%) to the non-steel and not aluminum content
- Original Section 232 tariffs have been in effect since 2018 with exclusions granted
- Section 232 expansion will be effective March 12, 2025, for original section 232 tariffs and **all** new derivative items.
- The list of the additional derivative tariffs were published in the Federal Register on February 18, 2025
 - A link to all tariffs affected by the 232 expansion can be found here [Steel-Aluminum-HTS-Codes.xlsx](#)
 - For derivative items included in the section 232 appendices, the 25% increase will only apply to the aluminum and steel content. This requires multiple lines to be submitted to CBP to report steel and aluminum content. CBP has instructed if steel and aluminum content is unknown at time of entry that section 232 duties will apply to the entire value of the derivative items. Importers should be reporting material and value breakdown for derivative items on the commercial documents provided to their customs brokers to facilitate compliant and accurate entries.
- Items on the new steel and aluminum derivative list that are made of US origin steel and aluminum will be exempt with certificates of melt and pour
- Customs and Border Protection has been instructed to prioritize review of these imports and if misclassification is found, maximum monetary penalties will apply. The instruction on steel imports also states mitigation will not be allowed (this contradicts existing CBP regulations).

Reciprocal Tariffs Enacted Under IEEPA

ALL COUNTRIES OF ORIGIN

- Effective on April 5, 2025. Countries included in Annex I effective August 1st, 2025 (Paused for 90+ days). **Expected to be reenacted on August 1st, 2025 if trade deals are not reached.**
- President Trump issued an Executive Order declaring a national emergency due to trade deficits with foreign trading partners. View here [Federal Register :: Regulating Imports With a Reciprocal Tariff To Rectify Trade Practices That Contribute to Large and Persistent Annual United States Goods Trade Deficits](#)
- To rebalance the global trade **all countries** will receive a **10% increase** to ad valorem duty **except countries listed in Annex I.**
- Such rates of duty shall apply with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on April 5, 2025, except that goods loaded onto a vessel at the port of loading and in transit on the final mode of transit before 12:01 a.m. eastern daylight time on April 5, 2025, and entered for consumption or withdrawn from warehouse for consumption after 12:01 a.m. eastern daylight time on April 5, 2025, shall not be subject to such additional duty.
- ANNEX I contains country specific ad valorem. ANNEX I is located here. [Annex-I.pdf](#).
- Furthermore, except as otherwise provided in this order, at 12:01 a.m. eastern daylight time on April 9, 2025, all articles from trading partners enumerated in [Annex I](#) to this order imported into the customs territory of the United States shall be, consistent with law, subject to the country-specific ad valorem rates of duty specified in [Annex I](#) to this order. Such rates of duty shall apply with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on April 9, 2025, except that goods loaded onto a vessel at the port of loading and in transit on the final mode of transit before 12:01 a.m. eastern daylight time on April 9, 2025, and entered for consumption or withdrawn from warehouse for consumption after 12:01 a.m. eastern daylight time on April 9, 2025, shall not be subject to these country-specific ad valorem rates of duty set forth in [Annex I](#) to this order. **These country-specific ad valorem rates of duty shall apply to all articles imported pursuant to the terms of all existing U.S. trade agreements, except as provided below.**
- ANNEX II contains the goods that are exempt from this order. ANNEX II is located here. [Annex-II.pdf](#)
- This increase to duties is in addition to any other duties, fees, taxes, exactions, or charges applicable to imported articles. **USMCA qualifying goods are exempt.** This exclusion is further explained in parts (e) and (d) of the executive order.

Amendments to Reciprocal Tariffs

All Countries

Amendment Issued May 30, 2025, and Effective April 5, 2025 and April 9, 2025.

- To prevent importers from abusing the exemption for shipments that were in-transit before April 5, 2025 and April 9, 2025, CBP added a final entry date for the exemptions. All entries claiming the exemption must be entered for consumption before 12:01 a.m. ET June 16, 2025 or they lose eligibility.

Amendment Issued April 11, 2025, and Effective April 10, 2025 ,adding additional exemptions found here [Clarification of Exceptions Under Executive Order 14257 of April 2, 2025, as Amended – The White House](#)

- The Tech Industry originally had raised hopes as this includes some smartphones, laptops, and similar electronics, but were advised by the Administration that these items would face separate increases “in a month or two” as part of a trade investigation into semiconductors.
- The below classifications were added to ANNEX I and are therefore exempt from reciprocal tariffs. (Semiconductors)

- 8471 8473.30 8486 8517.13.00 8517.62.00 8523.51.00 8524 8528.52.00 8541.10.00 8541.21.00 8541.29.00 8541.30.00
8541.49.10 8541.49.70 8541.49.80 8541.49.95 8541.51.00 8541.59.00 8541.90.00 8542

Amendment Issued April 9, 2025 effective April 10th, 2025 pausing ANNEX I found here [Modifying Reciprocal Tariff Rates to Reflect Trading Partner Retaliation and Alignment – The White House](#)

- All duty rates in ANNEX I of the Reciprocal Tariff Executive Order will be “paused” for 90 days. All countries with a higher than 10% reciprocal rate in ANNEX I will be subject to the “base ports” 10% duty increase effective April 10, 2025, for 90 days and further extended to August 1st, 2025.

Guidance Issued May 15th, 2025 by Customs and Border Protection found here [International Emergency Economic Powers Act \(IEEPA\) Frequently Asked Questions | U.S. Customs and Border Protection](#)

- Regarding feeder vessels and shipments that were required to be loaded on a vessel prior to April 10th, 2025 to receive exemption:
 - If the shipment was loaded on the vessel prior to April 10th, 2025 and was not transshipped to a new vessel then the exemption will be granted.
 - If the shipment changed vessels on or after April 10th, 2025 prior to arriving to the US then the exemption will not apply.
- If you receive a CF29 regarding the exemption being removed by CBP for your shipment, please notify us as soon as possible. We believe protesting this action may have benefits to you as the importer.

Tariff Stacking

All Countries

Effective March 4, 2025

- President Trump issued the Executive Order on April 29th, 2025, to relieve some of the burden on importers by eliminating some of the overlapping tariffs or “stacking” of certain tariffs. The EO can be found here [Federal Register :: Addressing Certain Tariffs on Imported Articles](#).
- Below are the details of the stacking that is being eliminated.
 - Tariffs subject to Automobiles and Automobile Parts Section 232 are not subject to Canada or Mexico IEEPA. They also are not subject to Aluminum and Steel with derivatives Section 232.
 - Tariffs subject to Canada and Mexico IEEPA are not subject to Aluminum and Steel with derivatives Section 232. All duty rates in ANNEX I of the Reciprocal Tariff Executive Order will be “paused” for 90 days.
- The EO is very clear that tariffs subject to Section 232 aluminum and its derivatives are still subject to Section 232 steel and its derivatives if the tariff falls on both lists.
- The order is retroactive to March 4th, 2025, and refunds will be issued by CBP. The Department of Commerce Secretary has until May 16th, 2025, to establish a process for importers to seek entry adjustment to receive a refund. Meanwhile, importers must refrain from requesting refunds until the process is published in the Federal Register.
- Below is the prioritization that was released by CBP on May 15th, 2025.
 - First if Section 232 Auto/Auto Parts apply then IEEPA Canada, IEEPA Mexico, 232 Aluminum, and 232 Steel do not apply.
 - Note if goods are exempt from Canada and Mexico IEEPA because they are eligible for USMCA then they are not considered exempt from Section 232 Aluminum and Steel.
 - Second if IEEPA Canada or IEEPA Mexico apply then 232 Aluminum and 232 Steel do not apply.
 - Third if both Section 232 for Steel and its derivatives and Section 232 for Aluminum and its derivatives both apply, both duties are still due.

Tariff Stacking Page 2

All Countries

Effective June 4th, 2025

- New Priority order – effective with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on June 4, 2025, below is the new priority order of the five presidential actions identified in Executive Order 14289, as amended:
 - First 232 Auto/Auto Parts - Proclamation 10908 of March 26, 2025 (Adjusting Imports of Automobiles and Automobile Parts into the United States), as amended;
 - Second 232 Aluminum - Proclamation 9704 of March 8, 2018 (Adjusting Imports of Aluminum into the United States), as amended;
 - Third 232 Steel - Proclamation 9705 of March 8, 2018 (Adjusting Imports of Steel into the United States), as amended;
 - Fourth International Emergency Economic Powers Act (IEEPA) Canada - Executive Order 14193 of February 1, 2025 (Imposing Duties to Address the Flow of Illicit Drugs Across Our Northern Border), as amended;
 - Fifth IEEPA Mexico - Executive Order 14194 of February 1, 2025 (Imposing Duties to Address the Situation at Our Southern Border), as amended.
- If an article is subject to the 232 Auto/Auto Parts tariff. If so, then the article IS NOT subject to the 232 Aluminum, 232 Steel, IEEPA Canada, or IEEPA Mexico tariffs. (**NOTE:** Parts of passenger vehicles and light trucks that qualify for preferential treatment under the United States-Mexico-Canada Agreement (USMCA), ARE NOT subject to the 232 Auto/Auto Parts, the IEEPA Canada, or the IEEPA Mexico tariffs.)
- Then (if the article is not subject to the 232 Auto/Auto Parts tariff), filers should determine if an article is subject to the 232 Aluminum and/or 232 Steel tariff. For derivative products subject to both the 232 Aluminum and 232 Steel tariffs, duties will be owed on both the value of the aluminum and steel content of that product.
- If the article is subject to the 232 Aluminum and/or 232 Steel tariffs, as well as subject to IEEPA Canada or IEEPA Mexico tariffs, then the article IS NOT subject to the IEEPA Canada or IEEPA Mexico tariffs.

Importer Preparation Items

The items in this publication are advisory and for information purposes only. Legal counsel should be consulted to establish scope and available actions for your business.

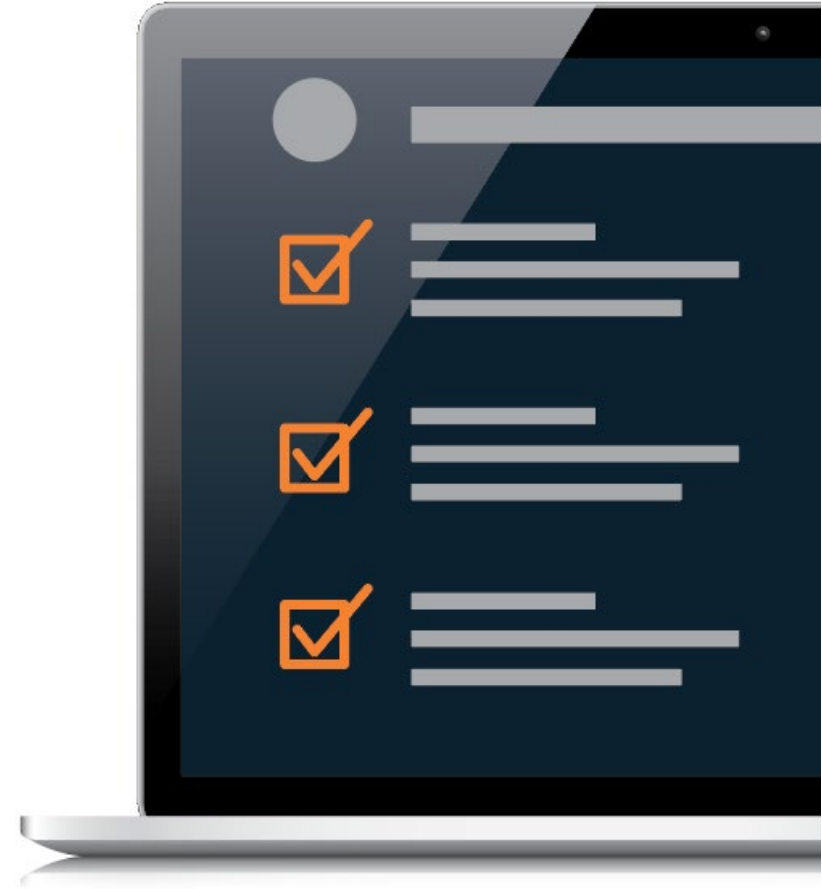
- Items that could help an Importer of Record prepare for these changes are below:
 - Establish which of your goods are affected and ensure compliance
 - Have open conversations with your suppliers (Ask how they are planning on proceeding as shippers)
 - Consider alternative vendors outside of countries currently affected or affected less.
 - Encourage suppliers to use US origin steel and aluminum in derivative items
 - If you are not the direct buyer of the goods that you are importing research using “First Sale” rates on your commercial invoices. This can relieve duties paid by lowering the declared value. CBP has strict requirements for this process.
- Prior to signing fixed-rate contracts, evaluate the carrier's current fleet and future fleet of Chinese built vessels to determine possible financial impact.
- Remember, even when using a broker, you, the importer of record, are ultimately responsible for the correctness of the entry documentation presented to CBP and all applicable duties, taxes and fees. Microsoft Word - iius.doc
- Be very careful in how you react as an importer to tariff increases. CBP is already issuing CF28's and CF29's to establish compliance to recent changes is in place. It is no longer an **if** they will catch a lack of compliance, it is **when** they catch it.
- A memo issued on May 12th, 2025, from the head of the Department of Justice's Criminal Division states they will be including “trade and customs fraudsters, including those who commit tariff evasion” as a priority in prosecuting corporate and white-collar crimes. It also includes a “Voluntary Disclosure Policy” to help companies to avoid criminal prosecution.
- **Keep a list of your shipments you have paid IEEPA tariffs on. Should the CIT ruling be upheld by the Court of Appeals that information will help you to file PSC's, Protests, and other filings to obtain refunds for duties paid should they become available.**

Next Steps

Executive orders, proclamations, and memorandums continue to be issued and/or changed at a frenetic pace. We understand how challenging it is to break down and interpret the information. We are hopeful this update will provide valuable insights in a meaningful way.

eShipping will continue sending weekly updates and we will do our best to work together to navigate this ever-changing and challenging situation.

Please contact your eShipping account manager if you have additional questions. Our account managers will work with our compliance and customs brokerage teams accordingly.



Archive Information For Review

International Emergency Economic Powers Act (IEEPA)

COUNTRY OF ORIGIN: CHINA AND HONG KONG

- In effect as of February 1, 2025
- Second phase of IEEPA effective March 4th, 2025.
- 20% duty increase on all China and Hong Kong origin goods
- This is in addition to the ad valorem duty, section 301 duties, and section 232 duties (if applicable)
- Shipments loaded on the vessel, rail or truck on or before January 31, 2025 and then having an entry cleared with Customs and Border Protection with duties processed by CBP before March 7, 2025 will not be subject to the additional IEEPA duty. This means shipments must be cleared and duties paid to CBP by March 6, 2025.
- On February 27, 2025, President Trump announced an additional 10% applied to China and Hong Kong origin goods effective March 4th, 2025. This increased IEEPA duties from 10% to 20%.

Guidance Issued May 15th, 2025 by Customs and Border Protection found here [International Emergency Economic Powers Act \(IEEPA\) Frequently Asked Questions | U.S. Customs and Border Protection](#)

- Regarding feeder vessels and shipments that were required to be loaded on a vessel prior to April 10th, 2025 to receive exemption:
 - If the shipment was loaded on the vessel prior to April 10th, 2025 and was not transshipped to a new vessel then the exemption will be granted.
 - If the shipment changed vessels on or after April 10th, 2025 prior to arriving to the US then the exemption will not apply.
- If you receive a CF29 regarding the exemption being removed by CBP for your shipment, please notify us as soon as possible. We believe protesting this action may have benefits to you as the importer.
- On Friday June 27th, 2025 the NCBFAA, NRF, NITL and 91 other trade associations sent a letter to the Department of Homeland Security and Congress requesting them to address ongoing concerns with the interpretation of “in transit”. The changes in interpretation have caused confusion and do not seem to agree with other CBP responses. “The trade associations noted that CBP’s Informed Compliance Publication (ICP) Bona Fide Sales and Sale for Exportation, which is underlined by scores of rulings, supports the notion that in-transit eligibility should be based on the initial country of loading and export.” The full letter can be found here [Microsoft Word - Coalition Letter- Relay Vessel Issue - June 2025 FINAL](#).

International Emergency Economic Powers Act (IEEPA)

COUNTRY OF ORIGIN: CANADA AND MEXICO

- Effective March 4th, 2025, for Canada and Mexico Entries Not Included in USMCA Free Trade Program
- 25% duty increase on Canada and Mexico origin goods
- 10% duty increase on Canadian energy products
- This is in addition to the ad valorem duty and section 232 duties (if applicable)
- Originally these changes were scheduled for February 1, 2025, but were delayed to March 4th, 2025.
- Exemptions are:
 - Goods that are entered free of duty as originating under USMCA are exempt from the IEEPA tariffs as of March 7th, 2025.
 - Goods that are for personal use.
 - Goods entered under Chapter 98 HTSUS including:
 - 9802.00.40 or 9802.00.50 (repairs/alterations) tariffs apply on value added in Mexico/Canada
 - 9802.00.60 (metal articles processed abroad) tariffs apply on value added in Mexico/Canada
 - 9802.00.80 (assembly of US components) tariffs apply on value added in China and Hong Kong
 - 9801 goods exported from the US and returned from Mexico/Canada not subject (even if Mexico/Canada origin)
 - Other Chapter 98 goods are excluded
 - Donations of food, clothing and medicine intended to relieve human suffering (claim HTSUS 9903.01.21 for the exemption)
 - Merely informational materials (claim HTSUS 9903.01.22 for the exemption)

Section 232 Automobiles and Automobile Parts

ALL COUNTRIES OF ORIGIN

- Effective April 3rd, 2025 for automobiles.
- Effective May 3rd, 2025 for automobile parts.
- Effective before May 3rd, 2025 for automobile parts. An Executive Proclamation was published in the Federal Register on April 3rd, 2025 here. [Federal Register :: Adjusting Imports of Automobiles and Automobile Parts Into the United States](#)
- The 25 percent tariff took effect with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. Eastern Daylight Time on May 3, 2025.
- The proclamation advises that an additional 25% duty will be assessed on automobiles and automobile parts from all countries except the US.
- “For automobiles that qualify for preferential tariff treatment under the USMCA, importers of such automobiles may submit documentation to the Secretary identifying the amount of U.S. content in each model imported into the United States. “U.S. content” refers to the value of the automobile attributable to parts wholly obtained, produced entirely, or substantially transformed in the United States. Thereafter, the Secretary may approve imports of such automobiles to be eligible to apply the ad valorem tariff of 25 percent in clause (1) of this proclamation exclusively to the value of the non-U.S. content of the automobile. The non-U.S. content of the automobile shall be calculated by subtracting the value of the U.S. content in an automobile from the total value of the automobile.” If the US content is found to be inaccurate due to overstatement the 25% will apply to the full value of the automobile and full value of any additional automobiles of the same model imported after April 3rd, 2025. This is in addition to any assessed fees or penalties.
- The scope of tariffs involved are included here. [Attachment 2 Auto Parts HTS List 1.pdf](#) [Federal Register :: Adjusting Imports of Automobiles and Automobile Parts Into the United States](#)
- This proclamation does not apply to commercial vehicles or their parts.

Decrease in China Reciprocal and De Minimis

All Countries

Announced May 12th, 2025

Effective May 14th, 2025

- Due to negotiations in Geneva, Switzerland China and the United States have agreed to lower their reciprocal/retaliatory tariff duties to 10% vs the current 125%.
- The executive order was issued on May 12th, 2025 addressing the reciprocal duty decrease and lowering of De minimis duty charges. The executive order can be found here [Modifying Reciprocal Tariff Rates to Reflect Discussions with the People's Republic of China – The White House](#).
- The decrease to the reciprocal tariff will be effective for any shipments entered for consumption on or after May 14th, 2025. The decrease will be in effect for 90 days. At the end of the 90-day period the reciprocal tariff amount will return to 34% instead of 125%.
- The White House has issued a fact sheet at this link [Fact Sheet: President Donald J. Trump Secures a Historic Trade Win for the United States – The White House](#) and a statement at this link [Joint Statement on U.S.-China Economic and Trade Meeting in Geneva – The White House](#).
- Note: There were not any changes to Section 301, Section 232, or the 20% IEEPA in this executive order.
- De Minimis Changes effective on or after May 14th, 2025 are:
 - US postal packages will change from 120% to 54% duty rate.
 - July 1st, 2025 change to \$200 per postal item will be removed completely.

Removal of De Minimis for China

CHINA AND HONG KONG COUNTRY OF ORIGIN

- Effective May 2nd, 2025.
- For the Postal Network, Carriers will collect these duties and outlay to CBP once a month or if CBP decides at a timeframe they determine appropriate. Carriers also will report total number of postal items containing goods and if choosing the 120% duty rate the value of postal items containing goods on each conveyance in a specific timeframe.
- CBP suspended some regulations to accommodate these changes. All small package shipments that are moving with the US Postal service or carriers like DHL, FedEx, and UPS out of China or Hong Kong will be affected. This should be considered when choosing to move with these types of carriers. It could become more complicated to ensure your companies CBP compliance as this will affect an estimated 5.6 million packages over this year.
- An Executive Order was issued on April 2, 2025 eliminating duty-free *de minimis* treatment for low-value imports from China.
- The Secretary of Commerce has notified that adequate systems are in place to collect tariff revenue for these shipments that were originally announced to have *de minimis* removed earlier this year.
- Imported goods (Country of Origin China) sent through means other than the international postal network that are valued at or under \$800 and that would otherwise qualify for the *de minimis* exemption will be subject to all applicable duties (125%), which shall be paid in accordance with applicable entry and payment procedures.
- All relevant postal items containing goods that are sent through the international postal network that are valued at or under \$800 and that would otherwise qualify for the *de minimis* exemption are subject to a duty rate of either 120% of their value or \$100 per item (increasing to \$200 per item after June 1, 2025). This is in lieu of any other duties, including those imposed by prior Orders.
- Carriers transporting these postal items must report shipment details to U.S. Customs and Border Protection (CBP), maintain an international carrier bond to ensure duty payment, and remit duties to CBP on a set schedule.
- CBP may require formal entry for any postal package instead of the specified duties.
- The Secretary of Commerce will submit a report within 90 days assessing the Order's impact and considering whether to extend these rules to packages from Macau.

Ongoing Dept of Commerce Investigations

ALL COUNTRIES OF ORIGIN

- An Executive Order was issued on March 6th, 2025, instructing the Secretary of the Commerce to investigate under section 232 of the Trade Expansion Act to determine the effects on the national security of imports of timber, lumber, and derivative products. A report is due to the President within 270 days. The executive order can be viewed here [Federal Register :: Addressing the Threat to National Security From Imports of Timber, Lumber, and Their Derivative Products](#). Comment period ended on April 1st, 2025.
- President Trump issued an executive order on March 24th, 2025 stating that “On or after April 2, 2025, a tariff of 25 percent may be imposed on all goods imported into the United States from any country that imports Venezuelan oil, whether directly from Venezuela or indirectly through third parties. Duties imposed by this order will be supplemental to duties on imports already imposed pursuant to IEEPA, section 232 of the Trade Expansion of 1962, section 301 of the Trade Act of 1974, or any other authority.” The executive order can be viewed here. The Federal Register notice is here. [Federal Register :: Imposing Tariffs on Countries Importing Venezuelan Oil](#)
- The International Trade Commission (ITC) initiated an investigation under section 232 to determine if the global market for nonfat milk solids is affecting the US market and its competitiveness. Written comments are due by July 28th, 2025. [Federal Register :: Nonfat Milk Solids: Competitive Conditions for the United States and Major Foreign Suppliers](#)

Port Fees

- In 6 months (Oct 14), Chinese-owned and operated vessels will be charged a fee based on net tonnage and will increase over time.
 - Chinese-built ships operated by non-China carriers will be charged less, based on net tonnage or by container.
- The plan will impact Cosco & OOCL the hardest although it will impact nearly all ocean carriers who own Chinese-built vessels calling US ports.
 - The USTR declined to impose fees based on a company's prospective orders of Chinese-built vessels.
 - The best estimated cost for Chinese carriers will be around \$250-\$500/container based on recent callings by the Cosco Hope, Cosco Italy and OOCL Bauhinia.
- Chinese vessel operators will pay \$50 per net ton of the vessel (Container vessels can range from 50,000 to 220,000 tons).
- For Chinese-built vessels calling a US port, a fee of \$18 per net ton of vessel or \$120/container. It is the highest amount of the two which applies.
 - This increases gradually to either \$33 per net ton of vessel or \$250/container by April 2028.
 - The fee on a Chinese built vessel can be waived if the operator orders and takes delivery of a US-built vessel of same or larger tonnage within 3 years.
- This is likely to cause a network adjustment in Ocean Alliance such that CMA CGM and Evergreen will be operating US-bound services as much as possible (Lars Jensen).
- Other carriers will shuffle vessels where possible to have Chinese ships in other trades (Lars Jensen).
- The exemption for vessels below 4000 TEU and voyages below 2000nm will incentivize transshipment for cargo to USEC in the Caribbean hub ports (Lars Jensen).

Port Fees, Continued

- Outside of COSCO & OOCL, no other top 10 carrier has more than 50% of its fleet coming from China, giving them more options to reallocate ships between trades and adjust schedules to minimize port calls for China-built ships (Xeneta)
- On the orderbook side, the European carriers (MSC, Maersk, CMA CGM and Hapag-Lloyd) will also be hit, with all having more than half of current orderbook in Chinese yards (Xeneta)
 - Except for ONE, other Asian carriers will not be impacted by the orderbook fee
- The USTR has scheduled a March 24 public hearing on the fees. While the actual regulation still needs to be worked out, ocean carriers are readying a variety of responses. Those include spinoffs of their China-built ships into separate fleets that serve intra-Asia and European markets. Non-Chinese carriers are also floating surcharges to cover the port fees or asking for premium rates due to their lack of exposure to China-built ships.
- MSC CEO noted the proposed fees for each US port call mean hundreds of dollars per FEU in costs passed on to shippers – and possibly make transatlantic lanes serviced by smaller vessels uneconomical – they will also drive carriers to omit calls at smaller ports, leading to lower volumes at these ports and possible congestion and delays as more containers are routed through the major hubs (Freightos).

Share of Chinese Build Containerships

Share of Chinese built ships in carriers' fleets and orderbooks

