



## AMERICA FIRST TRADE POLICY

•On January 20, his first day in office, President Trump issued an America First Trade Policy [memorandum](#) directing a variety of trade policy reviews. See our January [21](#) What's New for more details, 90 Fed. Reg. [8471](#) (Jan. 30, 2025).

•As directed by the January 20 Presidential Memorandum, the U.S. Trade Representative (USTR) has announced reviews of unfair foreign trade [practices](#) and the China Phase One [agreement](#) negotiated during the first Trump Administration which resulted in reduced China Section 301 tariff rates.

## RECIPROCAL TARIFFS

On February 13, President Trump announced U.S. government agency reports and investigations into non-reciprocal trading arrangements (e.g., foreign country import tariffs, unfair and discriminatory taxes including VATs, exchange rate practices) that disadvantage the U.S., to be followed by a report detailing proposed remedies in pursuit of reciprocal trade relations with each trading partner. See our February [13](#) What's New for details. Based on the April 1 due date of the initial reports, it appears that reciprocal tariffs may not be imposed for many months. Contact [Marshall Miller](#), [Brian Murphy](#), or [Sean Murray](#) with comments.

## INDIA-US TRADE

During a joint press conference following their February 13 meeting, President Trump stated that he and Indian Prime Minister Narendra Modi have [agreed](#) to negotiations on a bilateral trade agreement, with the goal of completing the first stage of the agreement by fall 2025. President Trump stated that the agreement would address long-time disparities in the trading relationship.

## CENSUS VSDs

The U.S. Census Bureau Trade Regulations Branch (TRB) has developed a fillable [form](#) for Voluntary Self Disclosures (VSDs) of violations of the Foreign Trade Regulations, including Automated Export System (AES) filing errors. Census has also posted an instruction [guide](#) for the form. The form is very mechanical in approach and could raise issues concerning the scope and protections of the VSD. Contact [Sean Murray](#) with

## 2025 FIRM SEMINARS

We will be offering the following Spring training seminars in person at our Kansas City office:

- FTZ 101 – March 25
- FTZ 201 – March 26
- Import/Export 101 – April 29
- Import/Export 201 – April 30

More detailed information is posted on our website. Contact [Shari Rees](#) with questions. Seminars are offered to Miller & Company clients only.

## CANADA & MEXICO TARIFFS

On February 1, President Trump issued Executive Orders (EOs) that imposed 25% additional tariffs on products of [Canada](#) and [Mexico](#) and prohibited use of Section 321 duty-free *de minimis* treatment beginning February 4. However, on February 3, President Trump issued new EOs ([Canada](#) and [Mexico](#)) that "paused" the additional duties until March 4. The U.S. may impose the 25% additional tariffs on March 4 if Canada and Mexico do not make sufficient progress in border and fentanyl enforcement. 90 Fed. Reg. [9113](#) (Feb. 7, 2025); 90 Fed. Reg. [9117](#) (Feb. 7, 2025); 90 Fed. Reg. [9183](#) (Feb. 10, 2025); 90 Fed. Reg. [9185](#) (Feb. 10, 2025).

## FTZ DUTY BENEFITS

Even with the restrictions on admitting subject merchandise in Privileged Foreign (PF) status, foreign-trade zones (FTZs) may offer substantial duty avoidance and deferral benefits from the new Section 232, 301, and IEEPA additional duties. The new Section 232 and IEEPA prohibitions on claiming drawback do not prohibit using FTZs. Contact [Marshall Miller](#) and [Linda King](#) with questions.

## FTZ ON-HAND INVENTORY

Clients are reminded that the Trump Administration has been inconsistent in its treatment of FTZ on-hand inventory when applying the additional tariffs. We have always advised clients to file entry on FTZ on-hand inventory in advance of increased tariffs to be certain the increased duties are avoided. For the China IEEPA duty increase, PF status appears to lock in the duty rate for FTZ on-hand inventory, but PF status does not lock in the duty rate for China IEEPA in-transit inventory admitted in PF status or for

## STEEL & ALUMINUM TARIFFS

•On February 10, President Trump issued two Presidential Proclamations which impose, pursuant to Section 232, 25% additional tariffs on steel and aluminum products of all countries, effective March 12, eliminating country exemptions, quota arrangements and product exclusions, and substantially increasing the scope of covered derivative products. See details in our February [11](#) What's New.

•On February 14, the Presidential Proclamations were re-issued with annexes providing the lists of covered [aluminum](#) and [steel](#) derivative products. See our February [14](#) What's New for more details.

•Clients are encouraged to review their imports against the lists of covered aluminum, steel, and derivative products to identify duty liability and consider duty mitigation or avoidance strategies.

•The additional tariffs will be levied on the value of the steel/aluminum in the "downstream" materials. Clients are encouraged to consider how to properly value such material content.

•Contact [Marshall Miller](#), [Brian Murphy](#), or [Sean Murray](#) with questions.

## 10% IEEPA CHINA TARIFFS

•President Trump implemented 10% additional tariffs on China and Hong Kong products, effective February 4, declaring a national emergency under the International Emergency Economic Powers Act (IEEPA) to address China's failure to take actions to address chemical precursor suppliers and others involved in the synthetic opioid (fentanyl) supply chain.

•Unlike the earlier Section 301 China additional tariffs, these 10% additional tariffs apply to all products of China and Hong Kong. No product exclusions or exemptions are provided.

•No duty drawback is allowed.  
•Covered merchandise must be admitted into foreign-trade zones (FTZs) in Privileged Foreign (PF) status.

•Products shipped prior to February 1 and arriving in the U.S. by March 7 may be entered on a Type 01 entry to avoid the 10% additional tariffs. PF status FTZ admission will not lock in the duty rate as the Type 06 entry does not recognize the "in transit" code so the Type 06 entry

the new Section 232 25% steel/aluminum additional tariffs.

## FCPA ENFORCEMENT

On February 10, President Trump [issued](#) an Executive Order that directed the Attorney General to pause new Foreign Corrupt Practices Act (FCPA) enforcement actions for 180 days until new FCPA enforcement guidance has been issued. The EO [states](#) that the new enforcement guidance is to promote American competitiveness and the efficient use of federal law enforcement resources. 90 [Fed. Reg. 9587](#) (Feb. 14, 2025).

## CUBA LIST

The State Department has published the Cuba Restricted List, which is a list of entities that are under the control of, or act for or on behalf of, the Cuban military, intelligence, or security services or personnel. U.S. persons are prohibited from direct financial transactions with listed entities. 90 [Fed. Reg. 9101](#) (Feb. 6, 2025).

## CHINA 301 SHIPBUILDING

The USTR has issued its determination under Section 301 that China's actions in the maritime, logistics, and shipbuilding sectors are unreasonable and burden or restricts U.S. commerce. The USTR stated that it will determine what actions to take in subsequent proceedings. 90 [Fed. Reg. 8089](#) (Jan. 23, 2025).

## TRADE STUDY CANCELLED

In December 2024, the USTR [requested](#) that the U.S. International Trade Commission (ITC) investigate the effects of goods and services trade and trade policy on U.S. micro, small, and medium-sized enterprises (MSMEs), with a focus on those owned or led by persons belonging to underserved communities, including those based on race, ethnicity, gender, orientation, age, disability, rural location, or certain other factors. The ITC has terminated the investigation based on a February 4 request from the USTR. 90 [Fed. Reg. 9630](#) (Feb. 14, 2025).

## DEFENSE EXPORT HANDBOOK

The International Trade Administration [introduced](#) its 2025 Defense Trade Handbook. It covers topics related to exporting defense products including sections on Foreign Military Sales (FMS), commercial sales, International Traffic in Arms Regulations (ITAR) and Export Administration Regulations (EAR), export controls, licensing, export control plans, as well as ways to promote U.S. defense products.

## MULTI-MODAL MANIFEST

On February 15 CBP deployed an enhancement to the ACE Multi-Modal Manifest (MMM) to facilitate the transfer of held air cargo shipments to Centralized Examination Stations (CESs) and Container Freight Stations (CFSs). The release began testing January 16. CSMS [#63761834](#) (Jan. 15,

## FTZ PRODUCTION

Clients should take immediate action to avoid increased tariffs on FTZ-produced finished products. Standard FTZ inventory control system programming identifies the country of origin as the highest value foreign FTZ-produced material in the finished product. This is a Census statistical standard, not a CBP origin standard. For clients whose FTZ production substantially transforms the imported merchandise, contact the firm to discuss declaring U.S. origin and the FTZ identification number as the MID.

## RECORD TRADE DEFICIT

The U.S. Census Bureau and the U.S. Bureau of Economic Analysis [announced](#) a \$98.4 billion deficit for goods and services in December, an increase from \$78.9 billion in November. For all of 2024, the U.S. had a \$1.2 trillion deficit, which is an increase of \$133.5 billion (17%) from 2023 and the highest on record.

## BIS LICENSE FREEZE?

Some practitioners are reporting that the Bureau of Industry & Security (BIS) has placed a freeze on the processing of new export license applications since February 5. Applicants should review the status of license applications in SNAP-R. Contact [Sean Murray](#) or [Chuck Ballard](#) with questions.

## ADVANCED CHIP CONTROLS

•As reported in January [Briefings](#), BIS issued an Interim Final Rule on January 15 that revised ECCN 3A090 and other ECCNs, increased license requirements, added lists of approved and authorized integrated circuit designer and third-party assembly and test companies, added reporting requirements for front-end fabricators, and requires additional due diligence measures. Comments are due to BIS by March 14. 90 [Fed. Reg. 5298](#) (Jan. 16, 2025).

•On February 14, BIS issued a correcting amendment to the Interim Final Rule to clarify that the Regional Stability (RS) controls for ECCN 3A090.a apply to or within any destination worldwide. 90 [Fed. Reg. 9604](#) (Feb. 14, 2025).

## LPP EXCEPTION

On January 29, the Census Bureau [announced](#) a new license code C75 for license exception Low Processing Performance (LPP) in the Automated Export System (AES). LPP can be used for some exports of ECCN 3A090.a and 4A090.a items to certain countries.

## ICC SANCTIONS

•On February 6, President Trump [issued](#) an Executive Order (EO) that ordered sanctions against the International Criminal Court (ICC) based on its issuance of arrest warrants for Israeli Prime Minister Benjamin Netanyahu and Former Minister of Defense Yoav Gallant even though Israel is not a member

will assess the new 10% duty.

•The additional tariffs apply to all HTS classifications, including scrap HTS classifications. We encourage our FTZ clients to review their existing FTZ scrap/waste process to ensure they will not pay significantly increased tariffs on scrap and waste in the future. Pharma clients should reconsider the "amount charged" methodology and petroleum clients should reconsider attribution rules.

•China has already announced retaliatory measures and filed a WTO complaint.

•See our February [3](#) and [4](#) "What's New" client emails for more details and contact us with questions. 90 [Fed. Reg. 9038](#) (Feb. 5, 2025); CSMS [#63988468](#) (Feb. 3, 2025).

## CHINA DE MINIMIS

The Executive Order issued by President Trump on February 1 made products of China and Hong Kong ineligible for duty-free entry using *de minimis* entry procedures (aka Section 321 entries) beginning February 4, but on February 4 President Trump issued another EO that reinstated *de minimis* entries for Chinese and Hong Kong origin goods until adequate systems are in place to fully and expeditiously process and collect applicable tariff revenue. 90 [Fed. Reg. 9431](#) (Feb. 12, 2025); CSMS [#64082249](#) (Feb. 11, 2025).

## IEEPA ACE/ABI ISSUES

Some brokers and importers are reporting that Customs entries are being processed (and released) without including the IEEPA tariffs. CBP has issued an administrative message with guidance on the proper order of entry line reporting. Clients are encouraged to review their Customs entries to confirm that all entry line level data is correctly reported and includes the additional duty calculations. CSMS [#64018403](#) (Feb. 5, 2025).

## NEW USMCA REGS

The USTR has issued a 47-page Interim Final Rule to amend the U.S.-Mexico-Canada Agreement (USMCA) regulations in 19 C.F.R. Part 182 covering automotive goods, textile and apparel goods, drawback and duty-deferral program requirements, general definitions, recordkeeping and Protest requirements, the temporary admission of goods, applicable fee provisions, and other conforming change. These regulations go into effect on March 18, except for labor value content certification and steel and aluminum purchasing certification requirements, which go into effect on May 19. Comments are being accepted until March 18. Contact [Sean Murray](#) or [Brian Murphy](#) with questions. 90 [Fed. Reg. 6456](#) (Feb. 3, 2025).

## IRAN POLICY

On February 4, President Trump issued a [memorandum](#) directing the U.S. government to impose "maximum pressure" on Iran. Among other things, the State Department is

2025).

### ITAR UPDATES

On January 17, the Directorate of Defense Trade Controls (DDTC) issued an Interim Final Rule that updated the International Traffic in Arms Regulations (ITAR). The changes affected 14 categories on the U.S. Munitions List (USML) by removing items, adding items, and clarifying certain item listings. The effective date of the changes is September 15, 2025. Comments are due by March 18, 90 [Fed. Reg. 5594](#) (Jan. 17, 2025).

### AUTO SPRINGS & BUSHINGS

On November 20, CBP published a notice that it was revoking six and modifying two classification rulings on metal and rubber automotive springs and suspension bushings that were mostly classified in Heading 4016 as other articles of vulcanized rubber and proposed classification in Heading 8487 as other motor vehicle parts and accessories. After receiving comments, CBP has withdrawn the proposed revocations and modifications so that it can further consider their classification. Interested parties may want to consider filing additional comments for Customs consideration. 59 [Cust. B. & Dec. 190](#) (Feb. 5, 2025).

of the ICC or a party to the Rome Statute that established the ICC.

•On February 13, the Office of Foreign Assets Control (OFAC) [added](#) Karim Khan, ICC chief prosecutor, to the Specially Designated Nationals (SDN) List. 90 [Fed. Reg. 9369](#) (Feb. 12, 2025).

### RUSSIA EXPORT PENALTIES

•On January 17, BIS [announced](#) it had reached a settlement agreement with Haas Automation (Haas). Haas allegedly engaged in prohibited transactions with Russia involving Computer Numerical Control (CNC) equipment. Under terms of the settlement, Haas has agreed to pay BIS \$1.5 million in penalties and another \$1 million in penalties to OFAC.

•On February 11, BIS issued a Temporary Denial Order for 180 days denying the export privileges of Apelsin Logistics of Hallandale Beach, Florida, its president, and five foreign companies for the transshipment of U.S.-origin goods through Turkey and other countries to Russia. Several individuals in other countries were also sanctioned. The president of Apelsin Logistics was [indicted](#) by the U.S. Department of Justice in July for smuggling, exporting a spectrometer without a license, and conspiracy. 90 [Fed. Reg. 9305](#) (Feb. 11, 2025).

to rescind any waivers that help Iran, hinder Iran's ability to export oil, and isolate Iran diplomatically. The U.S. Ambassador to the United Nations is to encourage other countries to increase sanctions on Iran, enforce existing sanctions, etc. Finally, the Attorney General is to take steps to impound Iranian oil, pursue violators of the Iran sanctions, and request extradition to the U.S. of terrorists that have killed or injured U.S. citizens.

### IRAN OIL NETWORK

On February 6, OFAC [announced](#) that it was sanctioning an international network that is facilitating the sale of Iranian oil to China. OFAC has placed a number of entities vessels, and individuals on its Specially Designated Nationals (SDN) List from a number of countries including, India, the United Arab Emirates, and China.

### FTZ STATISTICS FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 2/15/2025

	Approved
Zones	310
Subzones*	898
	Pending
Zones	1
Subzones	9
Misc.	33

\*From [Fed. Reg. Notices](#)

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