



CANADA & MEXICO TARIFFS

• As provided in our [March 3](#) and [6](#) “What’s New” updates, the Trump Administration imposed 25% additional tariffs under the International Emergency Economic Powers Act (IEEPA) for most Canadian and Mexican products effective March 4 based on the declaration of a “national emergency” involving fentanyl. Lower 10% additional tariffs were announced for Canadian energy products and Canadian and Mexican potash. The additional tariffs apply to products of Canada and Mexico as determined by either the United States-Mexico-Canada Agreement (USMCA) Marking Rules in 19 C.F.R. Part 102 or the “substantial transformation” origin standard. On March 7, the Trump Administration paused these additional tariffs, but only for products that qualify for USMCA preferential treatment. This exemption for USMCA-qualified products might expire on April 2. Duty drawback is not available. Relief may be available for imports from these countries that qualify as U.S. origin or are classified in HTSUS Chapter 98. CSMS [#64335789](#), [#64336037](#) (March 6, 2025); [Official CBP Statement on Tariffs](#) (March 8, 2025); 90 [Fed. Reg. 11423](#) (March 6, 2025).

• Canada and Mexico have taken retaliatory measures, including a Canadian [WTO](#) challenge.

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

USMCA REGS

U.S. Customs and Border Protection (CBP) has [issued](#) an administrative message reminding that the Interim Final Rule with the USMCA implementing regulations on automotive goods, textiles and apparel, drawback, recordkeeping, temporary admissions, and other issues goes into effect on March 18. However, the vehicle certification requirements do not apply until May 19. CSMS [#63793783](#) (March 12, 2025).

CHINA SHIPBUILDING 301

As reported in February [Briefings](#), the U.S. Trade Representative (USTR) published a determination on January 23 that China’s efforts to dominate the maritime, logistics, and shipbuilding sectors are unreasonable, burden or restrict U.S.

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

Both seminars will include sessions on the various additional tariffs. More detailed information is posted on our website. Contact [Shari Rees](#) with questions. Seminars are offered to Miller & Company clients only.

APRIL 2 “TARIFF DAY”?

• On several occasions in the last month, President Trump has suggested that reciprocal tariffs and/or additional tariffs on the automotive, pharmaceutical, and semiconductor sectors may be announced on April 2.

• Even though the details are not yet available, importers should prepare accordingly and consider measures to mitigate the impact of the additional tariffs by expediting shipments, routing incoming shipments into foreign-trade zones (FTZs) and bonded warehouses, potentially filing Customs entry on merchandise already in FTZs and bonded warehouses if necessary, using bonded movements and facilities for in-transit and re-export operations, and reviewing tariff classifications and country of origin determinations to confirm the applicable tariffs.

RECIPROCAL TARIFFS

• On February 13, President Trump ordered the Senior Counselor to the President for Trade and Manufacturing and the USTR to initiate, in coordination with other agencies, an investigation into the harm from non-reciprocal trade. Upon completion, a report will be provided to the President for consideration of reciprocal actions against foreign trading partners. 90 [Fed. Reg. 9837](#) (Feb. 13, 2025).

• On February 25, USTR invited interested parties to provide information relating to any unfair trade [practice](#) by a foreign country or economy or with respect to a non-reciprocal trade arrangement. USTR stated a particular interest in information on the largest trading economies, such as G20 countries, as well as the economies with the

STEEL & ALUMINUM TARIFFS

• On March 12, the Trump Administration imposed 25% additional tariffs under Section 232 on a wide swath of steel, aluminum, and derivative articles from all countries. Subject products include a number of “downstream” steel and aluminum articles classified outside HTS Chapters 73 and 76. The 25% tariffs on these downstream articles are imposed on only the steel and aluminum content if it can be segregated and valued. The President’s actions eliminate the prior absolute and tariff-rate quotas (TRQs) and product exclusions, and increase the Section 232 tariffs on aluminum from 10% to 25%. Importers must report the country of melt and pour for steel and the primary and secondary countries of smelt and country of most recent cast for aluminum.

• For foreign-trade zones, there are differences in tariff treatment between steel and aluminum articles.

• CBP has issued detailed guidance in CSMS [#64384423](#) and [#64384496](#) (March 11, 2025), which address some but not all issues. 90 [Fed. Reg. 9807](#) (Feb. 10, 2025); 90 [Fed. Reg. 11249](#) (March 5, 2025); 90 [Fed. Reg. 11423](#) (March 6, 2025); 90 [Fed. Reg. 11743](#) (March 11, 2025).

• See our [March 3](#), [10](#), and [11](#) “What’s New” updates for more details.

• Clients can contact [Brenda Zeller](#) for a searchable, consolidated list of tariff classifications subject to the Section 232 additional tariffs.

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

STEEL & ALUMINUM CATAIR

CBP has updated its Entry Summary CBP and Trade Automated Interface Requirements (CATAIR) document with aluminum smelt and cast and steel melt and pour instructions, which are required reporting for Section 232 steel and aluminum articles and derivative articles. Clients are encouraged to work with their broker and review filings because the filing requirements are extensive and unclear. CSMS [#64366327](#) (March 10, 2025).

CHINA IEEPA 20% TARIFFS

Effective March 4, President Trump increased the IEEPA tariffs on all products of China and Hong Kong

commerce, and are actionable under Section 301. On February 27, USTR published a notice that proposed various charges, including a \$1 million service fee for entrance of Chinese-operated vessels and a \$1.5 million port fee for Chinese-built vessels, as well as actions to promote the transport of U.S. goods on U.S. vessels. A public hearing has been scheduled for March 24 and comments are being accepted through that date. 90 Fed. Reg. [10843](#) (Feb. 27, 2025).

TIMBER & LUMBER 232

On March 1, President Trump ordered the Commerce Department to initiate an investigation under Section 232 into the national security threat posed by imports of timber, lumber, and their derivative products. This continues a trade dispute with Canada dating back to 1982. Commerce has 270 days to assess the damage and recommend actions to mitigate the damage. The investigation must be completed before Section 232 additional tariffs can be imposed on imports. Commerce has invited public comments through April 1. 90 Fed. Reg. [11941](#) (March 13, 2025); 90 Fed. Reg. [11359](#) and [11365](#) (March 6, 2025).

COPPER 232 INVESTIGATION

On February 25, President Trump ordered the Commerce Department to initiate an investigation under Section 232 into the national security threat posed by copper imports. Commerce has 270 days to prepare a report assessing the damage caused by copper imports and recommending actions to mitigate the damage. The investigation must be completed before Section 232 additional tariffs or other measures can be imposed. See our [February 26](#) "What's New" update for more details. Comments are due by April 1. 90 Fed. Reg. [11001](#) (Feb. 25, 2025); 90 Fed. Reg. [11940](#) (March 13, 2025).

CONTROLS & FREE SPEECH

In Quadrant Mechanics' long-running effort to fight alleged violations of export controls related to providing technical data to a Chinese company without a license, a federal judge has issued an opinion that the Arms Export Control Act (AECA) and International Traffic in Arms Regulations (ITAR) are not unconstitutional restrictions on free speech in violation of First Amendment. *U.S. v. Quadrant Magnetics*, Case [3:22-cr-00088-DJH](#) (WDKY, Feb. 13, 2025).

FORWARDER SENTENCED

On February 21, the U.S. Department of Justice (DOJ) [announced](#) that Gal Haimovich, an Israeli national, has paid the full civil forfeiture amount of about \$2 million and been sentenced to two years in prison and three years of supervised release for conspiring to ship aircraft parts to sanctioned Russian airlines without the proper export licenses. Mr. Haimovich, the owner of an international freight forwarding

company, largest trade deficits in goods with the U.S., including Argentina, Australia, Brazil, Canada, China, the EU, India, Indonesia, Japan, Korea, Malaysia, Mexico, Russia, Saudi Arabia, South Africa, Switzerland, Taiwan, Thailand, Turkey, the UK, and Vietnam. The provided information is to help USTR recommend appropriate actions to remedy unfair trade practices and pursue reciprocal trade relations. Comments were only accepted for two weeks and the comment period closed on March 11. 90 Fed. Reg. [10677](#) (Feb. 25, 2025).

321 TRUCK MANIFEST REJECT

Beginning March 20, CBP will deploy a validation in the Automated Commercial Environment (ACE) Truck Manifest Application to reject manifests with Section 321 bills if the consignee address does not include a valid state or province code. CSMS [#64397214](#) (March 12, 2025).

DIGITAL SERVICES TAXES

On February 21, President Trump issued a memorandum and a "[Fact Sheet](#)" on preventing the unfair exploitation of American innovation. The memorandum directs the USTR to renew investigations into whether any foreign governments discriminate against U.S. companies through digital services taxes (DSTs), fines, or penalties.

UNFAIR FOREIGN TAXES

On February 21, President Trump [issued](#) a Presidential Action entitled "Defending American Companies and Innovators from Overseas Extortion and Unfair Fines and Penalties." It states that when the U.S. government identifies instances where foreign governments impose unfair taxes, fines, or other obstacles on U.S. entities, it is Trump Administration policy to impose tariffs and take other actions necessary to mitigate the harm to the U.S. and repair any resulting imbalances.

CHINA REQUEST

On March 6, the House Select Committee on the Chinese Communist Party sent a [letter](#) to the Secretary of Homeland Security and USTR calling for additional actions against unlawful Chinese trade practices, including enforcement actions against companies that transship Chinese products through third countries, specifically noting automotive parts, textiles and apparel, and fentanyl precursor chemicals.

CHINESE HACKERS

On March 5, the Office of Foreign Assets Control (OFAC) [announced](#) that Zhou Shuai and his company Shanghai Heiyang Information Technology Company, Ltd. had been added to the Specially Designated Nationals (SDN) List. Mr. Shuai is accused of obtaining sensitive data from U.S. persons through hacking and selling the information to potential criminals. Mr. Shuai is currently in China, but OFAC is

from 10% to 20%. The exemption for in-transit shipments expired on March 7. CSMS [#64299816](#) (March 3, 2025); [#64347680](#) (March 7, 2025); 90 Fed. Reg. [11426](#) (March 6, 2025). See our [March 3](#) "What's New" update for more details. Contact [Marshall Miller](#), [Brian Murphy](#), [Sean Murray](#), or [David Ostheimer](#) with questions.

CHINA IEEPA TARIFFS FAQ

CBP has [issued](#) a frequently asked questions (FAQ) document that provides interpretations on particular applications of the IEEPA China tariffs, such as informal entries, Immediate Transportation (IT) entries, enroute shipments, FTZs, and the order of reporting on entry lines. For FTZs, Customs states that the applicable duty rate upon CBP entry is the rate that applied at the time of FTZ admission in Privileged Foreign (PF) status. Some of this guidance may be the basis for Post Summary Corrections (PSCs) or Protests. Contact [Marshall Miller](#), [Brian Murphy](#), [Sean Murray](#), or [David Ostheimer](#) with questions.

FTZ IDENTIFIER ALERT

FTZ Operators need to ensure they are utilizing the updated 9-character Zone Identifier in Census Automated Export System (AES) filings. Census has changed the severity of Response Message 15A in AES to "Compliance Alert" from "Informational." CSMS [#64321322](#) (March 5, 2025).

AMERICA FIRST INVESTMENT

On February 21, the President [announced](#) a new "America First Investment Policy" intended to encourage and expedite inbound investments in the U.S. from friendly countries and discourage investments from "foreign adversaries" including China, Cuba, Iran, Russia, North Korea, and Venezuela. The goal is to keep hostile powers from investing in industries that are sensitive to national security.

FDA MESSAGE SET UPDATE

CBP deployed updates to the Food and Drug Administration (FDA) message set in ACE on March 1. The updates include changes to Intended Use Codes (IUC) for cosmetics, ceramicware, animal devices, food, human drugs (prescription and over-the-counter), and pharmaceutical necessities. CSMS [#64232214](#) (Feb. 25, 2025); CSMS [#64063659](#) (Feb. 22, 2025).

RUSSIAN AIRCRAFT PARTS

Flighttime Enterprises of Cincinnati, along with three employees, has been [charged](#) with conspiring to ship aircraft parts to Russia without the required export licenses. They are accused of making false certifications, using false labels, and using intermediate countries and consignees to hide the final end users. If convicted, the three employees face up to 10 years in prison.

company, admitted that his scheme involved deceiving U.S. companies about the true destination of their goods.

AES STATE UPDATE

CBP has published an update to the Automated Export System Trade Interface Requirements (AESTIR), Appendix A. Response Code 26C now provides a Compliance Alert if the U.S. Principal Party in Interest (USPPI) address includes an incorrect State code. CSMS #[64231666](#) (Feb. 25, 2025).

HOUTHIS SANCTIONED

On March 5, OFAC [announced](#) it was sanctioning seven leaders of the Houthis organization operating in Yemen. The seven individuals are accused of smuggling weapons from Russia into Yemen and at least one individual is accused of recruiting Yemenis to fight for Russia against Ukraine.

IRAN SANCTIONS VIOLATION

Ray Hunt of Alabama has [pleaded guilty](#) of conspiring to export goods in violation of U.S. sanctions on Iran. From 2015 to 2022, Mr. Hunt purchased equipment used in the energy sector and transshipped it through Turkey and the United Arab Emirates (UAE) to Iran. Payments were routed through UAE banks. Mr. Hunt also undervalued his shipments to avoid triggering Census AES filing requirements.

offering up to \$2 million for his arrest.

IRANIAN UAV NETWORK

On February 26, the Treasury Department [announced](#) that it had added six entities in Hong Kong and China to the SDN List for acting as front companies in procuring components for unmanned aerial vehicle (UAV) manufacturers in Iran.

EXPORT VIOLATION PLEA

David Bohmerwald, the owner of a Raleigh, North Carolina electronics resale business, has [pleaded guilty](#) to attempting to export accelerometer technology with military applications to China without a license. Mr. Bohmerwald purchased 100 accelerometers from a U.S.-based company, and that company notified law enforcement personnel due to the suspicious and unusual purchase request. Mr. Bohmerwald also made false statements regarding the value of the shipments to avoid triggering the Census AES filing requirements. He faces up to 20 years in prison.

KIMBERLEY PROCESS

On March 6, the U.S. State Department published its updated list of countries participating in the Kimberley Diamond Certification Process, which limits trade in rough diamonds to certain countries and authorized government entities. 90 [Fed. Reg. 11454](#) (March 6, 2025).

CYBERSECURITY IN ACE

CBP has recommended that all trade members add a Technical Point of Contact (POC) designated for cybersecurity in their ACE Portal account. Clients should carefully consider this recommendation because it would provide CBP with a separate, non-trade compliance company contact. CSMS #[64244364](#) (Feb. 26, 2025).

STRING LIGHTS ORIGIN

In the context of the Generalized System of Preferences (GSP), CBP has announced the [revocation](#) of three ruling letters on the origin of incandescent string lights. CBP had previously ruled that the Chinese-origin light bulbs were not substantially transformed when processed in a GSP country into light strings, but has now reconsidered and determined that while the light bulbs are a significant component of the finished string lights, important work is performed in the GSP countries to form the lamp bases and sockets. 59 [Cust. B. & Dec. 1](#) (March 10, 2025).

FTZ STATISTICS	
FOREIGN-TRADE ZONES BOARD ACTIVITY AS OF 3/15/2025	
	Approved
Zones	310
Subzones*	898
	Pending
Zones	4
Subzones	9
Misc.	33

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

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