



SECTION 122 TARIFFS

· As noted in our May 7 What's New [update](#), a three-judge panel of the U.S. Court of International Trade (CIT) has issued a 2-1 decision overturning the Section 122 tariffs, reasoning that a trade deficit does not qualify as a balance-of-payments deficit for application of Section 122. While the CIT enjoined U.S. Customs and Border Protection (CBP) from Section 122 tariff collections and ordered refunds, the immediate relief was limited to the three plaintiffs. The Justice Department immediately appealed the decision to the U.S. Court of Appeals for the Federal Circuit (CAFC), but also filed a motion with the CIT for a stay that would block the relief granted to the plaintiffs while the case is appealed. [State of Oregon, et. al. v. U.S.](#), CIT Slip Op. [26-47](#) (May 7, 2026).

· CBP collection of Section 122 tariffs will continue for other importers while the decision is appealed, but the Section 122 tariffs are already scheduled to end on July 24. Contact [Brian Murphy](#) or [Sean Murray](#) with questions.

UK WHISKEY TARIFFS

On April 30, President Trump announced that in honor of King Charles' visit, he would be removing the tariffs and restrictions on Scottish whiskey. The U.S. Trade Representative (USTR) has issued a [statement](#) that, as part of the U.S.–UK Economic Prosperity Deal (EPD), the U.S. has decided to provide preferential duty access to whiskey produced in the United Kingdom, and the U.S. and UK will provide preferential treatment for other U.S. and British goods. Details have not yet been issued.

232 PHARMA TARIFF RELIEF

The Bureau of Industry and Security (BIS) has issued a Notice with procedures for pharmaceutical companies to submit plans to "onshore" manufacturing. In return, the companies will be able to temporarily avoid the 100% Section 232 tariffs on covered pharmaceuticals. Applications are requested by June 12. Contact [Sean Murray](#) with questions. 91 [Fed. Reg. 26989](#) (May 13, 2026).

FIRM NEWS

The firm is pleased to announce that:

- Bridget Beran-Netemeyer has passed the Missouri Bar Exam and become an attorney with the firm.
- Kevin Ekstrand, licensed customs broker with more than 20 years of experience, has joined the firm as an Import/Export Compliance Director.

CAPE AND IEEPA REFUNDS

· CBP launched the first phase of the Consolidated Administration and Processing of Entries (CAPE) program on April 20 to automate International Emergency Economic Powers Act (IEEPA) tariff duty refunds. [According](#) to CBP Executive Director of Trade Programs Brandon Lord, as of May 11, 8.3 million entries have been liquidated and/or reliquidated without IEEPA duties for an anticipated duty refund and interest amount of approximately \$35.46 billion.

- While 126,237 CAPE declarations have been submitted as of May 11, only 86,874 had passed CBP file validations. 1,800 refunds have not been transmitted to the Treasury Department because of issues with the importer's ACH account information. CBP is re-liquidating some entries multiple times as part of the process. We encourage clients to closely monitor their CAPE declarations to identify issues and confirm refunds. Contact [Brian Murphy](#), [Sean Murray](#), or [Brenda Zeller](#) with questions.
- CBP has deployed four new ACE reports to assist trade users and brokers in monitoring CAPE declaration submissions and IEEPA refunds. CSMS [#68536553](#) (May 4, 2026).
- CBP has warned importers of scams targeting IEEPA refunds and provided best practices to secure information and payments. CSMS [#68569567](#) (May 7, 2026).
- CBP has recently added to its IEEPA Duty Refunds Frequently Asked Questions ([FAQ](#)), including mandatory duty netting rules, debt diversions and offsetting, payment distribution, legal action requirements, and multi-IOR broker bulk uploads.
- For assistance in submitting a CAPE declaration, determining

FTC ENFORCEMENT SWEEP

Following President Trump's March Executive Order 14392 on ensuring truthful advertising of products claiming to be "Made in America," the Federal Trade Commission (FTC) [announced](#) on April 14 a "Made in USA" sweep, including enforcement actions against TouchTunes Music Company, a manufacturer of electronic dartboards, Americana Liberty LLC and a related company and company principals, and Oak Street Bootmakers. Americana Liberty represented in advertising and labeling that American flags were "100% Made in the USA" when several products were wholly imported from China and others included significant foreign content. TouchTunes agreed to pay \$625,000 towards consumer redress, the largest to-date under the FTC Made in USA labeling rule.

CHINA SECTION 301

- On May 6, the USTR initiated the second statutory four-year review of the China Section 301 tariff actions. These actions, originally imposed in July and August 2018, are subject to potential termination unless a request for continuation is made by domestic industry. If one or more continuation requests are received, USTR will proceed to the next phase of the review, which will include an opportunity for broader public comments on the effectiveness and potential modification of the tariffs. 91 [Fed. Reg. 24636](#) (May 6, 2026).
- On May 12, the Justice Department filed a [brief](#) in opposition to the plaintiff's petition to the U.S. Supreme Court for a writ of certiorari in the [HMTX Industries](#) litigation over the propriety of the China Section 301 tariffs on Lists 3 and 4A products. The plaintiff's response is due on May 26. Please contact [Brian Murphy](#) or [Sean Murray](#) with questions.

301 FORCED LABOR

On April 28-29, USTR held [public hearings](#) for its Section 301 investigation into the use of forced labor by 60 U.S. trading partners, which includes some close and NATO allies. Most witnesses encouraged initial engagement and negotiation instead of tariffs and

EU AUTO TARIFFS

On May 1, President Trump announced plans to raise tariffs on European autos and auto parts back to 25% on July 4, arguing the European Union (EU) has failed to implement its commitments under the 2025 trade deal with the U.S. While the U.S. lowered its tariffs to 15% last year in line with the deal, EU actions to eliminate tariffs on U.S. industrial goods remain stalled amid internal legislative negotiations and competing demands from member states.

USMCA NEGOTIATIONS

The U.S. and Mexico have formally [launched](#) the next phase of the 2026 review of the U.S.-Mexico-Canada Agreement (USMCA) by scheduling the first official bilateral negotiating round for the week of May 25 in Mexico City. USMCA stipulates that the parties are to conduct a review of the agreement every six years.

AGOA

USTR is seeking public [comments](#) on the African Growth and Opportunity Act (“AGOA”), which is currently authorized through December 31. The USTR is soliciting input on how the program can be overhauled to align with U.S. national and economic interests, including addressing non-tariff barriers to U.S. exports, increasing reciprocity with beneficiary countries, strengthening supply chain resiliency (including critical minerals), and revising eligibility criteria and enforcement mechanisms. Comments are due on May 15. 91 [Fed. Reg. 23142](#) (April 29, 2026).

LACEY ACT PENALTY

Publicly-traded Boise Cascade Company has pleaded [guilty](#) and was sentenced for a Lacey Act felony violation for its role in a scheme by Horizon Plywood to evade antidumping and countervailing duties (AD/CVD) on Chinese plywood imports. The government alleged that Boise Cascade knew that Horizon had previously tried to hide the origin of the wood by transshipping products from China to Malaysia and was aware that the U.S. executed a search warrant at Horizon’s warehouse before placing new orders. The company will pay a \$6,382,000 fine, representing twice gross profits on the wood it purchased from Horizon. Two Horizon principals were sentenced in February 2024 for conspiracy and Lacey Act violations.

GE ITAR PENALTY

On April 17, the Directorate of Defense Trade Controls (DDTC) [announced](#) a settlement with General Electric (GE) Aerospace covering alleged violations of provisos on DDTC licenses, providing technical data to China

CAPE eligible entries, or reviewing your ACE Portal CAPE and refund reports, contact [Brenda Zeller](#).

ACE USER ACCOUNTS

CBP has issued a reminder that ACE Portal Trade Account Owners (TAOs) can unlock and reactivate user accounts directly through the “Tools” tab in ACE, eliminating the need to contact the ACE Help Desk and providing instant access restoration for both Proxy Trade Account Owners and Trade Account Users. Contact [Brenda Zeller](#) with questions. CSMS #[68510928](#) (May 1, 2026).

FTZ WEEKLY ENTRIES

Foreign-Trade Zone (FTZ) clients are reminded that cancellation of a CBP Form 3461 Weekly Estimate Cargo Release or CBP Form 7501 Weekly Entry Summary is only acceptable when no foreign, non-duty-paid merchandise was shipped during the applicable zone week. Cancelling the Weekly Estimate removes CBP authorization to ship, and any product shipped without an approved estimate is an unauthorized FTZ release, potentially resulting in fines, penalties, and liquidated damages.

SELECTING FTZ SOFTWARE

FTZ operators selecting FTZ software should thoroughly review all operational processes to ensure the software can fully accommodate them. Not all software can handle all FTZ operations. Contact [Marshall Miller](#) or [Amanda Ward](#) with questions or for assistance with FTZ software.

2028 HTS COMMENTS

The U.S. International Trade Commission (USITC) is seeking public comments on [proposed](#) modifications to the Harmonized Tariff Schedule of the U.S. (HTSUS) in line with World Customs Organization (WCO) HTS [amendments](#) that are scheduled to enter into force on January 1, 2028. The proposed HTS changes impact numerous provisions, including Headings 3004, 3007, 7013, 7318, 8205, 8415, 9018, and 9505. Comments are due by May 18. 91 [Fed. Reg. 21311](#) (April 21, 2026).

232 STEEL/ALUMINUM & AUTOS

The Commerce Department has announced new procedures to reduce Section 232 steel and aluminum tariffs for certain steel and aluminum producers operating production facilities in Canada or Mexico, based on newly-committed U.S. production capacity. The notice establishes eligibility for reduced Section 232 steel and aluminum tariffs for applicants that produce steel or aluminum in Canada or Mexico that qualifies for USMCA and is melted/poured or smelted/cast in Mexico or Canada and that supply,

forced labor import bans. Many think the Trump administration is considering Section 301 forced labor tariffs to replace the Section 122 tariffs expiring in July.

301 EXCESS CAPACITY

On May 5-8, USTR held [public hearings](#) for its Section 301 investigation into excess structural capacity involving 16 major trading partners. Several witnesses emphasized the need to distinguish between non-market and market economies, and to avoid remedies that could adversely impact U.S. manufacturing. Testimony has focused on China, with witnesses asserting that state-supported excess capacity driven by non-market policies, including subsidies and other unfair practices, is distinct in scale and impact from other countries under review. Some industry representatives supported targeted trade remedies, particularly for Chinese-origin goods, and cautioned against measures applied broadly to allied countries or to inputs not available domestically.

ACE ERROR DICTIONARY

CBP has published a revised version of the ACE Entry Summary Error Dictionary. The update includes a new error code for when a filer attempts to file a Post-Summary Correction (PSC) when a Consolidated Administration and Processing of Entries (CAPE) declaration has already been submitted. CSMS #[68397097](#) (April 20, 2026).

BIS PROPOSED BUDGET

The BIS [proposed](#) 2027 budget includes an additional 290 export enforcement agents and an additional 23 support specialists, implying an expanded emphasis on export enforcement.

AES VERIFY MESSAGE

On April 20, Census issued a [message](#) regarding Automated Export System (AES) response code 808, which is a verify message generated when a commodity is reported as going to a “highly unlikely” destination based on historic data and industry input. Census [publishes](#) all AES response codes in AESTIR Appendix A.

QUARTZ SURFACE PRODUCTS

The U.S. International Trade Commission (USITC) [announced](#) on May 6 remedy recommendations in its Section 201 safeguard investigation into quartz surface product (QSP) imports. USITC recommended imposing a tariff-rate quota (TRQ) for a four-year period. The proposed TRQ would apply a 25% tariff on in-quota imports and a 40% tariff on above-quota imports, with both rates declining by 1% annually over the four-year relief period. The USITC further

without the proper authority, failing to update registration information, and shipping International Traffic in Arms Regulation (ITAR) controlled parts to countries without a license. Under terms of the settlement agreement, GE Aerospace has agreed to remit \$36 million to the DDTC, \$18 million which is suspended provided GE upgrades its compliance program and allows an external audit of that program.

DRAWBACK CLAIMS

Effective April 22, drawback claims submitted in ACE are being routed directly to the Petroleum, Natural Gas and Mineral Center of Excellence and Expertise. Claims will be routed to the correct drawback specialist team based on the first character of the Importer of Record (IOR). Privilege applications and ruling requests are to be made to specified drawback email addresses based on the IOR. Claims submitted prior to April 21 will remain at and be processed by the drawback office where originally filed. CSMS #[68577428](#) (May 8, 2026).

232 PRODUCT EXCLUSIONS

The U.S. Court of Appeals for the Federal Circuit (CAFC) has affirmed a lower court's decision upholding Commerce Department denials of an importer's Section 232 steel product exclusion requests. The importer had challenged Commerce timeframe calculations in evaluating domestic availability. Seneca Foods Corp. v. U.S., CAFC Slip Op. [2025-1310](#) (May 15, 2026).

directly or indirectly (through incorporation into parts), U.S. producers of automobiles or Medium- and Heavy-Duty Vehicles (MHDVs) on new production commitments that expand U.S. primary steel and aluminum production capacity for auto or truck parts. 91 Fed. Reg. [21790](#) (April 23, 2026); CSMS #[68559236](#) (May 6, 2026).

232 STEEL/ALUMINUM/COPPER

The Commerce Department has added a new HTSUS subheading 9903.82.01 to report products classified in HTS provisions subject to Section 232 steel, aluminum, or copper tariffs that do not contain any such metal content and are therefore exempt from Section 232 tariffs. It has also clarified treatment of U.K.-origin steel articles made by Tata Steel UK with Netherlands as the country of melt/pour. CSMS #[68554727](#) (May 6, 2026); 91 Fed. Reg. [23056](#) (April 29, 2026).

CUBA SANCTIONS

President Trump has issued Executive Order [14404](#), which increases blocking sanctions on persons identified by the Secretaries of State or Treasury as operating in the energy, defense, metals, mining, financial services, and security sectors of the Cuban economy, as well as persons owned, controlled, or directed by the Cuban government or blocked persons. It also includes secondary sanctions against foreign financial institutions who conduct or facilitate transactions with persons having blocked property interests. 91 Fed. Reg. [25061](#) (May 7, 2026).

recommended that imports from certain countries, including free trade agreement partners, not be covered. USITC will transmit its report and recommendations to the President by May 18.

• USTR has requested public comments on the appropriateness of the recommended safeguard measures. Comments are due on June 1, and a public hearing is scheduled for June 16. 91 Fed. Reg. [28096](#) (May 15, 2026).

WTO BALANCE OF PAYMENTS

The U.S. [notified](#) the World Trade Organization (WTO) Committee on Balance-of-Payments Restrictions of the U.S. Section 122 import surcharges and requested consultations.

PHARMA COMPANY DEALS

Senate Finance Committee ranking member Ron Wyden (D-OR), with 18 other Democratic senators, has [introduced](#) the Drug Deal Disclosure Act to require disclosure of the deals signed between the White House and the largest pharmaceutical companies.

FTZ STATISTICS

FOREIGN-TRADE ZONES BOARD ACTIVITY AS 5/15/2026

	Approved
Zones	310
Subzones*	917
	Pending
Zones	3
Subzones	15

*From Fed. Reg. Notices

Miller & Company P.C. | 4929 Main Street | Kansas City, MO 64112 US

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