



U.S.-CANADA TRADE DISPUTE

- Effective August 22, the U.S. imposed 50% Section 338 tariffs on approximately \$20 billion of Canadian-origin goods. The measures were aimed at Canadian policies affecting U.S. alcoholic beverages, dairy products, and motor vehicles. See our [August 24](#) "What's New" for more information. CSMS #[69606660](#) (Aug. 21, 2026).
- Canada responded with [dollar-for-dollar](#) retaliatory tariffs, effective September 8, covering approximately \$20 billion of U.S.-origin goods. Canadian tariff rates range from 15% to 50%. Target sectors include steel, dairy, appliances, agricultural equipment, pulp, paper, and electronics.
- On September 8, President Trump issued five additional Section 338 Presidential [Proclamations](#) to expand and modify tariff coverage, while also announcing future import bans on certain Canadian products with respect to [alcoholic beverages](#), [dairy](#), and [motor vehicles](#). Customs and Border Protection (CBP) has released guidance and a modified [HTS List](#). CSMS #[69851916](#) (Sept. 11, 2026). 91 Fed. Reg. [58311](#), [58319](#), [58325](#), [58331](#), [58339](#) (Sept. 14, 2026).
- The dispute has moved beyond tariffs. The President announced on social media that Canadian suppliers would be excluded from certain U.S. government contracts and New Brunswick has [announced](#) restrictions on U.S. participation in significant provincial contracts beginning October 1.

SECTION 338 COMMENTS

The U.S. International Trade Commission (USITC) has requested comments by November 9 on how it should implement its responsibilities under Section 338 of the Tariff Act of 1930 to identify, monitor, and report foreign discriminatory trade practices that burden U.S. commerce. 91 Fed. Reg. [57387](#) (Sept. 9, 2026).

TRADE CUT OFF THREAT

On September 11, President Trump threatened on social media and in Oval Office comments to cut off trade with countries that have a trade surplus with the U.S. unless the Federal Reserve lowers interest rates.

COPPER SMELT/CAST

Effective September 14, ACE will reject Entry Summaries where the copper primary country of smelt and the country of cast are not reported. Imports of certain copper articles classified in HTS 8544.42.10/20/90 and 8544.49.10 from all countries of origin (except the U.S.) must report primary country of smelt and

2026 FIRM SEMINARS

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

Import/Export 101 – November 4
Import/Export 201 – November 5

See our [website](#) for more detailed information. Please contact [Shari Rees](#) with questions. Seminars are offered to Miller & Company clients only.

FTZ BOARD EXEC SECRETARY

On August 21, Ms. Elizabeth Whiteman retired after 28 years on the Foreign-Trade Zones Board staff and most recently served as its Executive Secretary. Mr. Colin Agostisi has been appointed as the new Executive Secretary. Mr. Agostisi previously worked in the Commerce Department as a Policy Advisor and as a Special Assistant to the Under Secretary of International Trade.

FTZ DIRECT DELIVERY

On September 17, CBP is implementing new Error Code 238 in the ACE Production environment for FIRMS codes that are not approved for FTZ Direct Delivery. Clients are encouraged to verify their ACE account was set up correctly for Direct Delivery by their CBP Port. Contact [Marshall Miller](#), [Linda King](#), [Bridget Beran-Netemeyer](#), or [Amanda Ward](#) with questions. CSMS #[69902241](#) (Sept. 14, 2026).

301 FORCED LABOR LITIGATION

The U.S. Court of International Trade (CIT) has consolidated legal challenges to the Section 301 forced labor tariff action into a master [case](#) heard by a three-judge panel. On September 14, the judges granted motions [filed](#) by several parties to appear as amicus curiae, including a former U.S. Trade Representative (USTR) and a former government counsel involved in drafting and implementing Section 301.

REJECTED REFUNDS

CBP has reminded importers and customs brokers to review the Automated Commercial Environment (ACE) Automated Clearing House (ACH) Rejected Refunds Report (REV-613) for refunds rejected due to a lack of ACH enrollment. Importers with rejected refunds should enroll in ACH through the ACE Portal. Contact [Brian Murphy](#), [Sean Murray](#), or [Brenda Zeller](#) with questions. CSMS #[69570464](#) (Aug. 18, 2026).

TYPE 06 ENTRIES

CBP SECURITY SUMMIT

During its [2026 Trade and Cargo Security Summit](#) in Dallas on September 8-10, Department of Homeland Security (DHS) Secretary Markwayne Mullin emphasized that supply chain visibility is a national security issue, and Customs Headquarters officials repeatedly stressed actions and planned actions consistent with Executive Order (E.O.) [14411](#) on Strengthening Custom Enforcement, such as risk-based targeting using artificial intelligence (AI) tools, increased penalties, coordination with the Department of Justice (DOJ) on tariff evasion, and Importer of Record (IOR) validations. CBP has already sent 10,000 IOR verification notices with an 88% failure rate. See our [June 4](#) "What's New" on E.O. 14411. Contact [Brian Murphy](#) with questions.

CBP ENFORCEMENT

CBP has started taking actions to give effect to E.O. 14411:

- CBP has issued a General Notice that it is engaged in enhanced efforts to verify the accuracy of information provided by new and existing IORs on the CBP Form 5106 importer identity form. CBP is reviewing CBP Form 5106 information on file and, beginning September 18, will immediately void IOR numbers with inaccurate or incomplete data. Clients should review and update their information on file, including physical address, email address, and telephone number. See our [August 18](#) "What's New" for additional information. 91 Fed. Reg. [53627](#) (Aug. 19, 2026).
- CBP has issued a Proposed Rule requesting comments on new requirements to increase visibility into supply chains, including the provision of foreign export documents, the identification of parties to the production and transportation, supply chain tracing, and expanding the Customs Trade Partnership Against Terrorism (CTPAT) program requirements. Comments are due by December 1. Clients are strongly encouraged to comment because of the significant potential expansion of import requirements. 91 Fed. Reg. [56408](#) (Sept. 2, 2026).
- Contact [Marshall Miller](#), [Brian Murphy](#), or [Sean Murray](#) with questions.

BROKER ALERT

The CBP CTPAT program has issued an [alert](#) to customs brokers that E.O. 14411 will fundamentally change the responsibilities of CTPAT-validated brokers, requiring them to maintain a higher standard of due diligence when representing foreign importers. It notifies brokers that they will need to perform comprehensive vetting of foreign

country of cast, and may report the secondary country of smelt. If primary or secondary country of smelt, and/or country of cast are not known, importers may report "OTH" (other). CSMS #[69711865](#) (Aug. 31, 2026).

CHINA 301 EXCLUSIONS

The U.S. Trade Representative (USTR) has announced amendments to certain China Section 301 product exclusion tariff provisions as a result of HTSUS statistical changes. 91 [Fed. Reg. 56538](#) (Sept. 2, 2026).

BEEF IMPORTS

Presidential Proclamation [11059](#), dated August 26, adds 300,000 metric tons to the in-quota quantity of beef eligible for import in 2026 under four HTSUS classifications. It will be apportioned in equal parts for September, October, and November. Representative Shomari Figures (AL-02) has introduced H.R. [10229](#) to nullify the Proclamation. 91 [Fed. Reg. 55989](#) (Aug. 31, 2026).

BEEF ORIGIN

On September 4, President Trump issued E.O. [14425](#), "Supporting America's Ranchers," directing federal agencies to identify policies that strengthen the U.S. cattle industry. The order calls for a review of mandatory country-of-origin labeling for beef products. 91 [Fed. Reg. 57765](#) (Sept. 10, 2026).

BIS LICENSE QUANTITIES

CBP has announced that AESTIR Commodity Response Code 802 (BIS License Tolerance Exceeded) will change from a "Verify" message to a "Fatal Error," effective September 25, at the request of the Bureau of Industry and Security (BIS). As a result, Automated Export System (AES) filings that exceed 110% of the BIS license value will be rejected until corrected. CSMS #[69647661](#) (Aug. 25, 2026).

U.S. BULK POWER SYSTEMS

On August 26, President Trump issued E.O. [14421](#), declaring a national emergency regarding foreign-supplied bulk-power system electric equipment. The order directs the Federal Government to prioritize U.S.-manufactured energy infrastructure in future procurement activities and authorizes the Department of Energy to prohibit, condition, or require the replacement of foreign-produced grid equipment that poses national security, cybersecurity, or supply chain risks to the U.S. electric system. 91 [Fed. Reg. 55995](#) (Aug. 31, 2026).

ASE-EQUIPPED AIRCRAFT

The State Department has issued an Interim Final Rule, effective October 13, removing certain civil aircraft modified with Aircraft Survivability Equipment (ASE) from the U.S. Munitions List (USML) and reducing related ITAR licensing requirements. The rule is intended to reduce regulatory burdens on operators and maintenance providers while maintaining ITAR controls over the underlying ASE technology, related technical data, and defense services. Comments are due by September 28. 91 [Fed. Reg. 55457](#) (Aug. 28, 2026).

U.S. MUNITIONS LIST

The State Department has extended the temporary modification of USML

validation, Error F883: PSC NOT ALLOWED TO MODIFY IEEPA HTS, which prevents filers from submitting a Post Summary Correction (PSC) for FTZ Entry Type 06 entries if the International Emergency Economic Powers Act (IEEPA) tariff classification is modified. On August 21, the validation was deployed to both the ACE Certification and Production environments. CSMS #[69635410](#) (Aug. 24, 2026).

SECTION 232 DRONES

CBP has issued guidance on filing entries under the Section 232 Presidential Proclamation on Unmanned Aircraft Systems and Unmanned Aircraft Systems Components, including instructions not to report 3 HTSUS classifications covering trade agreement partner countries and onshoring plans until further guidance has been issued. 91 [Fed. Reg. 53699](#) (Aug. 19, 2026); CSMS #[69738151](#) (Sept. 2, 2026).

ITN VALIDATIONS

CBP has announced an enhancement to the ACE Document Image System (DIS) that will validate the provided Internal Transaction Number (ITN). Under the update, invalid or improperly formatted ITNs will result in rejection of the DIS submission. CSMS #[69827440](#) (Sept. 10, 2026).

PAX SILICA

The State Department has [announced](#) a "Pax Silica Declaration" on AI and supply chain security with 25 signatories, including Japan, the EU, Korea, UK, Israel, and Taiwan. The goal is to partner on global technology supply chains, address non-market practices, and cooperate on national security concerns.

NOTORIOUS MARKETS REVIEW

USTR is seeking public comments for its 2026 Review of Notorious Markets for Counterfeiting and Piracy, which identifies online and physical markets that facilitate substantial trademark counterfeiting or copyright piracy. The 2026 review will include a special focus on high-quality counterfeit goods commonly referred to as "superfakes" or "superclones." 91 [Fed. Reg. 55154](#) (Aug. 26, 2026).

CBP ENFORCEMENT AREAS

CBP has established four Customs Enforcement Areas (CEAs) in the near shore waters of South Florida, Central/South California, Puerto Rico, and Texas. CBP will increase efforts in these areas to oversee cargo shipments. The CEA designations expand authorizations for CBP officers to board and examine vessels and their cargo and persons, as well as to seize and arrest individuals. 91 [Fed. Reg. 54800](#) (Aug. 25, 2026).

CHINA PNTR

A recent USITC [report](#) found that revoking China's Permanent Normal Trade Relations (PNTR) status would likely reduce overall U.S. economic output, with higher prices and production costs outweighing gains in certain domestic industries. The report also examined a phased tariff approach and found that gradually increasing tariffs could lessen short-term economic impacts.

importers before conducting customs business on their behalf and maintain thorough records of their vetting process. Brokers should consider their potential liability. Contact [Brian Murphy](#) or [Kevin Ekstrand](#) with questions.

HTSUS ORDINALS

CBP has issued updated guidance on the order for reporting multiple Harmonized Tariff Schedule of the United States (HTSUS) classifications on an Entry Summary line when a Chapter 98 and/or Chapter 99 provision applies. The guidance includes the order for reporting trade remedy provisions for Section 301, Section 338, Section 232, and Section 201 additional tariffs. Clients should review their entries against this guidance to verify they have no reporting errors. We are seeing mis-ordered and missed lines on Customs entries. CSMS #[69668138](#) (Aug. 27, 2026).

IRAN ACTIONS

- On August 24, the Department of Treasury [launched](#) "Operation Economic Outcast," a major sanctions campaign. The [operation](#) targets Iran's aviation, digital asset, gold, shipping, and technology sectors. Key actions include adding nearly 60 entities, individuals, and vessels to Office of Foreign Assets Control (OFAC) sanctions, suspending several OFAC general licenses, and tightening restrictions on Strait of Hormuz "toll" payments. 91 [Fed. Reg. 55266](#) (Aug. 27, 2026); 91 [Fed. Reg. 57511](#) (Sept. 10, 2026).
- OFAC has indefinitely suspended five general licenses issued pursuant to the Iranian Transactions and Sanctions Regulations based on foreign policy changes toward Iran. The general licenses authorized certain services in support of professional and amateur sports, certain academic exchanges, and the importation and exportation of certain educational services. 91 [Fed. Reg. 54957](#) (Aug. 26, 2026).

ACE RAIL CARGO MANIFEST

CBP has issued a Final Rule requiring the electronic submission of Electronic Export Manifest (EEM) data for rail cargo exported to Canada and Mexico. Under the rule, rail export manifest information must be transmitted electronically in ACE, including advanced cargo and transportation data, improving CBP's ability to conduct risk assessments and target high-risk shipments. The rule goes into effect on October 26, 2026, with enforcement beginning October 26, 2027. 91 [Fed. Reg. 55170](#) (Aug. 26, 2026); CSMS #[69684363](#) (Aug. 28, 2026).

CHINA & RUSSIA WTO

USTR has requested public comments for its annual Congressional report on China and Russia's compliance with their obligations as members of the World Trade Organization (WTO). Comments are due for China on September 17 and for Russia on October 1. 91 [Fed. Reg. 56275](#) (Sept. 1, 2026); 91 [Fed. Reg. 53476](#) (Aug. 18, 2026).

Category XI(b) to August 30, 2028 for certain intelligence-related electronic systems, equipment, and software, while the department and its interagency partners continue their USML review. 91 [Fed. Reg. 55461](#) (Aug. 28, 2026).

EXPORT BARRIERS

USTR has requested comments by October 29 on foreign trade barriers to U.S. exports for its annual National Trade Estimate Report on Foreign Trade Barriers. 91 [Fed. Reg. 58247](#) (Sept. 14, 2026).

FTZ STATISTICS

FOREIGN-TRADE ZONES BOARD ACTIVITY AS 9/15/2026

		Approved
Zones		312
Subzones*		927
		Pending
Zones		3
Subzones		24

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

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