

NCBFAA Customs Committee Meets with CBP to Prepare Import Industry for Tariffs

Silver Spring, MD, Feb. 24, 2025 – The National Customs Brokers and Forwarders Association of America (NCBFAA), which represents more than 1,300 Regular Member companies that provide customs brokerage services to hundreds of thousands of U.S. importers – large and small, remains at the forefront of providing pertinent regulatory and operational information to our nation's customs brokers to ensure utmost compliance with the recently announced import tariffs by the White House.

Customs Committee Meets with CBP Leadership Regarding China Tariffs

The NCBFAA Customs Committee Leadership, along with Customs Counsel from Sandler, Travis & Rosenberg, P.A., met with Customs and Border Protection (CBP) Leadership on Friday, Feb. 21, for an open dialogue regarding the recent imposition of the China IEEPA tariffs. Our questions for CBP to answer were based on customs broker member feedback. Early this week, we will provide our members with a summation of the information that was provided to the NCBFAA Customs Committee by CBP to help our customs broker members prepare their operations, as well as those of their importer clients, for the imposition of the China tariffs.

Clarification to Turkey Section 232 Steel Tariff

The proclamation refers to the 50% tariff on turkey under HTS 9903.80.02. However, when you look at the HTSUS, there is no 9903.80.02. NCBFAA Customs Counsel did further research after the mention of 50% in some initial communications, to find that in May 2019, HTSUS 9903.80.02 was deleted. Thus, despite the reference in the President's document, because that HTS no longer exists, Turkey is only subject to the 25% tariffs. We apologize for the confusion. We have corrected this in subsequent updates.

IEEPA Tariff Background

President Trump on Saturday, Feb. 1, issued Executive Orders, under the authority of the International Emergency Economic Powers Act (IEEPA), to impose at midnight starting Feb. 4, 25% tariffs on imports from Canada (except energy products tariffed at 10%) and Mexico, and an additional 10% on imports from China. However, after discussions on Monday, Feb. 3, with the leaders of Mexico and Canada during which they promised increased enforcement against drug trafficking and immigration along their borders with the U.S., President Trump announced a delay of 30 days to impose the 25% tariffs and said he looked forward to continued negotiations with Mexico and Canada. The new prospective effective date is March 4.

This was not the case for China. The 10% additional tariffs on imports from China took effect at 12:01 a.m. ET, Feb. 4. Initially, the Executive Order removed all Chinese goods from eligibility under a section 321 de minimis claim. Removal from de minimis entry meant that Chinese goods had to enter either under a formal or informal entry. By Friday, Feb. 7, the President issued an amendment to his original executive order that allows Chinese goods to use de minimis until such time as the Department of Commerce notifies the President that "adequate systems are in place to fully and expediently process and collect tariff revenue applicable."





Then, on Feb. 10, President Trump <u>announced</u> 25% tariffs on certain steel and aluminum imports entering the U.S. Those tariffs will take effect on March 12. (<u>Please note</u> the NCBFAA Customs Committee and Customs Counsel are seeking clarification as to whether the March 12 date applies to all designated steel and aluminum products and derivatives, since the language is a bit unclear.) All previous Steel and Aluminum agreements with trading partners including Argentina, Australia, Brazil, Canada, EU, Japan, Mexico, S. Korea, Ukraine, the U.A.E., or the UK are cancelled, effective March 12. Turkey is only subject to the 25% tariffs. No exclusions or exemptions will be issued, effective February 11, and all generally approved exclusions shall terminate on March 12. However, if an importer has an existing exclusion for steel or aluminum products, the Commerce Department has issued a notice that the exclusion is effective until the expiration date or until their excluded volume is exhausted, whichever occurs first. Customs and Border Protection (CBP) has also been directed to prioritize reviewing classification of steel and its derivative products and directs CBP to issue penalties without consideration of mitigating factors if it finds such products misclassified in a manner that avoids the additional tariffs.

This tariff announcement was followed on Feb. 13 by President Trump's <u>announcement</u> that the White House will commence a comprehensive investigation to determine "the equivalent of a reciprocal tariff with respect to each foreign trading partner" on other countries with existing tariffs on U.S. goods. These tariffs will not be imposed immediately by the Trump Administration with goal to give countries time to either lower or eliminate their tariffs on U.S. goods, according to the White House. The U.S. has one of the lowest average duty rates – 2-2.5% -- on imported goods, whereas India, for example, currently has a more than 10% tariff on U.S. goods.

Keeping You Informed

NCBFAA members with questions and comments regarding IEEPA tariffs can send them to the Customs Committee at customs@ncbfaa.org.

Meanwhile, NCBFAA will continue to keep our members updated about the U.S. tariffs through the Monday Morning eBriefing and eblasts, and a dedicated <u>IEEPA Tariffs webpage</u> on our website.

About NCBFAA

Headquartered in Silver Spring, Maryland, the National Customs Brokers and Forwarders Association of American (NCBFAA) represents more than 1,300-member companies with 110,000 employees in international trade -the nation's leading freight forwarders, customs brokers, ocean transportation intermediaries (OTIs), NVOCCs and air cargo agents, serving more than 250,000 importers and exporters. Established in New York in 1897, NCBFAA is the effective national voice of the industry. Through its various committees, counsel and representatives, the Association maintains a close watch over legislative and regulatory issues that affect its members. It keeps them informed of these and other related issues through its weekly Monday Morning eBriefing, and various meetings and conferences throughout the year.



