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MEMO TO CLIENTS

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NEWS IN BRIEF

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Updated Carmichael Tariff Charts

Carmichael introduced our guide to the additional tariffs being assessed by President Trump to help our customers review the tariffs. The President has been continually active with changes to the addition tariffs. Carmichael will be updating these charts and will post a link on each Memo to our clients. Here is a link to our latest version: http://www.carmnet.com/wp-content/uploads/2025/05/TRADE-REMEDY-TARIFF-CHARTS-REVISED-5-2-2025.pdf

Tariff Deals are Being Negotiated

President Trump has stated that his administration is continuing negotiations on reciprocal tariffs. There are potential deals for three countries, South Korea, Japan, and India, which could be completed in two or three weeks.

Exemption for Tariffs for Some Auto Parts

A proclamation was issued that will allow U.S. automakers to get a partial credit against the 25% section 232 duty for non-qualifying USMCA parts from Canada and Mexico used in the manufacture of U.S.-made cars and light trucks. An automobile manufacturer may apply for an import adjustment offset amount equal to 3.75 percent of the aggregate Manufacturer's Suggested Retail Price (MSRP) value of the vehicle. The automobile manufacturer will have to produce a projection for parts used in U.S. vehicle manufacturing. The Proclamation can be found at: Amendments to Adjusting Imports of Automobiles and Automobile Parts Into the United States – The White House

New Executive Order to Address When Articles May Seem to Fall on Multiple Programs

President Trump issued a new Executive Order to clarify when items may seem to fall under multiple tariff orders, there is language in the orders that does exempt some of the multiple assessments. The application of one set of tariffs may exclude articles from assessments under another provision. This improper stacking of duties has been a problem in trying to review all the notices and subsequent changes that are quickly made, but only after some duties were paid. An example of where additional duties are properly stacked is on goods from China that may be subject to 301 duties, additional duties of 20% for all products for fentanyl prevention and the reciprocal duties of 125%.

The new executive order did not clarify which items qualify for the refunds and the process of requesting the duties back. A Federal Register Notice (FRN) will be issued by May 16 to update what could have been improperly assessed and the procedures that CBP will put in place for the refund requests. CBP has asked that importers and brokers refrain from requesting refunds until the instructions are issued in the FRN. CBP will probably issue guidelines in a CSMS message quickly after the FRN is issued. The Executive Order about this change can be found at: Addressing Certain Tariffs on Imported Articles – The White House

USTR Has Published a Proposal for Fees of Chinese-Made Vessels

President Trump has published a proposal for fees on Chinse-made vessels to counter the dominance of Chinese shipbuilding. His proposal included a fee of $1 million to $1.5 million for each stop at any U.S. ports. They would be assessed every time a vessel would stop at any U.S port on its trip.

The office of the U.S Trade Representative has published its own proposal. This review for this proposal to counter Chinese dominance started under the Biden Administration. These actions will occur in two phases over a reasonable period of time to allow businesses to adjust. For the first 180 days, applicable fees will be set at zero. Then after the first phase actions, after 180 days:

- Fees on vessel owners and operators of China based on net tonnage per U.S. voyage, increasing incrementally over the following years - the fee would start at $50/NT in 180 days and increase by $30/NT per year over the next three years.
- Fees on operators of Chinese-built ships based on net tonnage or containers, increasing incrementally over the following years - the fee would start at $18/NT or $120 per container in 180 days, and would increase by $5/NT per year, or the same proportional yearly amount per container (e.g., in year 2, to $154 per container), over the next three years; and
- To incentivize U.S.-built car carrier vessels, fees on foreign-built car carrier vessels based on their capacity - the fee would start at $150 per Car Equivalent Unit (CEU) capacity of the entering non-U.S.-built vessel within 180 days.

The second phase actions will not begin for 3 years:

- To incentivize U.S.-built liquified natural gas (LNG) vessels, limited restrictions on transporting LNG via foreign vessels. These restrictions will increase incrementally over 22 years.

The USTR notice of this proposal can be found at: https://ustr.gov/about/policy-offices/press-office/fact-sheets/2025/april/fact-sheet-ustr-takes-action-bolster-us-shipbuilding

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