

THE CARMICHAEL COMPASS

"WHEN THE TIDES OF TRADE SHIFT, WE'RE YOUR COMPASS."

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Reminder: Chinese Cargo Ship Fee Begins October 14

Fees on Chinese-built, -owned, or -operated vessels as well as foreign-built vehicle carriers entering U.S. ports began October 14. These fees, which will increase exponentially over the next three years, are the result of a determination by the USTR that the attempted dominance of China's maritime, logistics, and shipbuilding sectors is actionable under Section 301 trade laws.

In a [CSMS](#) message sent on October 3, CBP stated that the burden for determining if a vessel owes one of these fees is on the operator of the vessel, not CBP. The outline attached to the message encourages responsible parties to ensure fees are paid prior to vessel arrival as vessels without proof of payment will be denied lading or unlading operations. The recommended time frame for initiation of the payments is three business days before arrival. Payment of these fees will be made directly through the Department of the Treasury's secure official [Pay.gov](#) website.

A revised [CSMS](#) message was sent on October 10, just days before the fees are set to begin. In the revised message, CBP updated the Annex III fee amount for vessels classified as a vehicle carrier or roll-on/roll-off vessel from \$14 to \$46 per net ton. Other changes include eliminating a provision permitting the suspension of liquid natural gas export licenses if certain restrictions on the use of foreign-built vessels are not met and imposing tariffs of 100% on imports of ship-to-shore cranes and cargo handling equipment, effective November 9.

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Second Round of Steel and Aluminum Tariff Inclusion Requests Posted

On October 7 the U.S. Commerce Department's Bureau of Industry and Security posted 95 requests for new tariff subheadings to be included under the 50% Section 232 tariffs on steel and aluminum derivatives. Comments on the requests are due 14 days from posting on October 21. This also initiates a 60-day period where the BIS will consider the requests.

The first round of requests resulted in the addition of 407 new subheadings to Section 232. These tariffs took effect on August 18, approximately three months after the initial posting of the inclusion requests for comment.

The tariff subheadings in this latest round of requests can be found in the rulemaking docket of the BIS [here](#).

CBP Releases Section 232 Guidance for Timber, Lumber, and their Derivatives

In the afternoon of October 10, CBP released a [CSMS](#) message covering the Section 232 duties on timber, lumber, and their derivative products. These duties, which went into effect October 14, cover a total of 22 tariff headings and subheadings across the categories of softwood timber and lumber; upholstered wooden furniture; and completed kitchen cabinets, vanities, and their parts.

Products that are subject to both the Section 232 duties on autos and auto parts as well as Section 232 for timber, lumber, and their derivatives will only pay duty on the Section 232 auto/auto parts. Products subject to the Section 232 duties on timber, lumber, and their derivatives are also exempt from the IEEPA Canada and Mexico tariffs, IEEPA reciprocal tariffs, IEEPA Brazil tariffs, and the IEEPA tariffs for the purchase of Russian Oil. There is no in-transit exemption.

Drawback continues to be available, and goods entered into a Foreign Trade Zone on or after October 14 must be admitted under privileged foreign status unless eligible for domestic status. Additionally, 158 Chapter 44 HTSUS subheadings were removed from Annex II to the IEEPA Reciprocal tariffs and will now be subject to reciprocal tariffs as of October 14, 2025.

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