

THE CARMICHAEL C MPASS

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

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Government Shutdown and Entry Processing

The government shutdown went into effect this morning at 12:01 a.m. However, U.S. Customs and Border Protection has confirmed that it is open for business and fully staffed. This includes all entry and exam processing. The client reps will be available, and the ACE business support will be working. Refund requests will continue to be processed, but there is still a question about whether the Treasury will be able to process any checks.

Agriculture reviews and exams done by Ag-CBP officers will continue. The Trade Remedy Branch of CBP will remain open.

We are getting some information about other agencies:

- **FDA** will have operational staff to process entries.
- **U.S. Fish and Wildlife** will have some operational staff to process import entries, but you should check with Fish and Wildlife in your port of entry to confirm the Services that they can provide.
- **CPSC** is still working on what processes they will be allowed to do, and might face a shutdown.

CBP is planning informational calls for the trade as the shutdown continues.

AGOA has Expired

US-Africa preferential trade pact (AGOA) African Growth and Opportunity Act, expired at midnight last night, on September 30, 2025. Shipments with AGOA products cannot file for AGOA benefits at this time. AGOA needs legislative approval and will probably not get much attention in Congress at this time. Duties will have to be on what has qualified for AGOA treatment. U.S. Customs and Border Protection (CBP) made a statement on a call with the Trade this morning that goods entered and **duty paid at this time will not be eligible for duty refunds** if/when AGOA is renewed later.

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Section 232 Tariffs Begin Oct. 14 on Timber, Lumber, Upholstered Furniture, Wooden Cabinets, and Vanities

In a proclamation issued September 29, 2025, President Trump declared the implementation of Section 232 tariffs on a myriad of wood/lumber-based products.

Beginning October 14th, a 10% tariff will take effect for timber, lumber, and their derivatives under subheading 9903.76.01. For upholstered furniture and wooden cabinets and vanities, the tariff will be 25% under subheadings 9903.76.02 for upholstered furniture and 9903.76.03 for kitchen cabinets and vanities.

These tariffs on upholstered furniture will increase to 30% on January 1, 2026. The tariff on wooden cabinets and vanities will increase to 50%. Countries with which the U.S. has reached an agreement that addresses the threatened impairment of national security imposed by imports of wood products will not be subject to this increase.

For the EU and Japan, the Section 232 tariffs announced in this proclamation will be capped at 15%, including the most-favored nation rate under subheading 9903.76.22 for the EU and subheading 9903.76.21 for Japan. Goods from the UK will be subject to a rate that "shall not exceed" 10% plus the most-favored nation rate under subheading 9903.76.20.

Goods subject to these Sections will not be subject to the reciprocal tariffs, the IEEPA Brazil tariffs, or the IEEPA Russian Oil tariffs. Goods subject to both Section 232 on timber, lumber, and their derivatives and the Section 232 tariffs on autos and auto parts will only be subject to the tariffs on autos and auto parts per the non-stacking of tariff measures. Goods subject to both the timber/lumber Section 232 tariffs and the IEEPA tariffs on Canada and Mexico will only be subject to the Section 232 tariffs on timber/lumber.

Also note, 150 tariff subheadings from Chapter 44 for the HTSUS were removed from the "Annex II" list of goods exempt from reciprocal tariffs, effective October 14. Drawback will be available, and any goods entered into a FTZ on or after October 14 must be entered under privileged foreign status unless eligible for domestic status. There will be an inclusion process created to add additional goods to the actions in the future.

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