

THE CARMICHAEL C MPASS

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

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US Government Appealing Decisions on IEEPA Refunds

The administration is appealing the Court decision on IEEPA refunds and reciprocal duties. The Department of Justice (DOJ) has taken a stance against automatic refunds for finally liquidated entries. The DOJ has stated that the CIT does not have the authority to order refunds on finally liquidated entries for importers that have not filed suit. CBP has followed this with the position that they will not issue IEEPA refunds for entries with liquidations that are final. CIT Judge Eaton has ordered a hearing on June 9 with the Commissioner of Customs to review the refund process.

Not much has been published yet. We believe that the current CAPE process will continue, but what will be the position of completing CAPE II? We continue to suggest that importers file protests for entries with IEEPA duties that have liquidated more than 150 days ago. As this issue unfolds, we will send out updates. Importers are encouraged to talk to their Customs counsel for legal guidance as we wait for decisions to become final.

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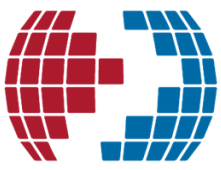
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USTR Proposes Section 301 Tariffs on Brazil

Also late on June 1, the [U.S. Trade Representative \(USTR\)](#) announced its proposal of a 25% Section 301 tariff on all goods of Brazil except those covered by Section 232 and an annex of more than 1200 HTS exceptions. Comments on these proposed measures are due on July 1, and a public hearing has been set for July 6.

Interested parties can find a copy of the Federal Register notice announcing the USTR's determination [here](#). Comments and requests to attend the public hearing may be made through USTR's [portal](#).



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Additional Section 232 Metal Changes Coming June 8

In a [proclamation](#) issued late June 1, President Trump has announced a series of Section 232 metal reductions for agricultural equipment, mobile industrial equipment and machinery, and heating, ventilation, and air conditioning equipment. These reductions are set to go into effect at 12:01 AM on June 8.

The tariffs covering agricultural and HVAC equipment will be added to Annex III which are subject to a 15% Section 232 tariff until 2028. The subheadings covering mobile industrial equipment and machinery will be eligible for temporary breaks if imported from countries that have reciprocal trade deals with the US or if they qualify for USMCA treatment. Those with reciprocal trade deals like Japan, South Korea, Taiwan, etc. will receive a 15% "all-in" rate. Goods qualifying for USMCA treatment will be subject to 25% duty only on the non-US content of the product but the total effective duty on the imported product cannot be less than 15%.

In addition to these reductions, steel racks and aluminum lithographic plates were added to the list of goods subject to Section 235 tariffs on steel and aluminum derivatives. The threshold to qualify as made of American aluminum, steel, or copper has also been lowered from 95% to 85%.

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