

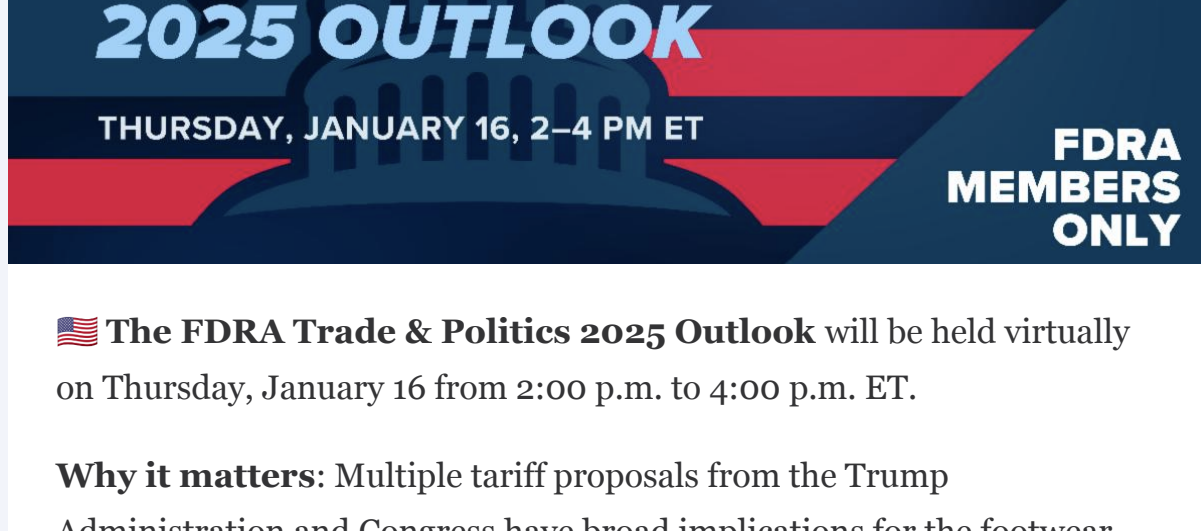
Customs Report

By Thomas Crockett • Nov 21, 2024

Smart Brevity® count: 4 mins...1089 words

A few quick updates on a key FDRA trade event, Uyghur Forced Labor Prevention Act (UFLPA) enforcement, and recent classification decisions.

Key FDRA trade outlook in January



The FDRA Trade & Politics 2025 Outlook will be held virtually on Thursday, January 16 from 2:00 p.m. to 4:00 p.m. ET.

Why it matters: Multiple tariff proposals from the Trump Administration and Congress have broad implications for the footwear industry. Expert speakers will cover the latest intel and ways to prepare.

- Possible actions we will cover: across-the-board tariffs, tariff increases on Chinese-made products, tax cuts in 2025 (with tariffs to pay for them), changes to de minimis, increased UFLPA enforcement, and more.

Give me the details: It is just \$100 to attend. All proceeds will go to the Emergency Tariff Fight Fund.

[Register](#)

Key developments with the UFLPA



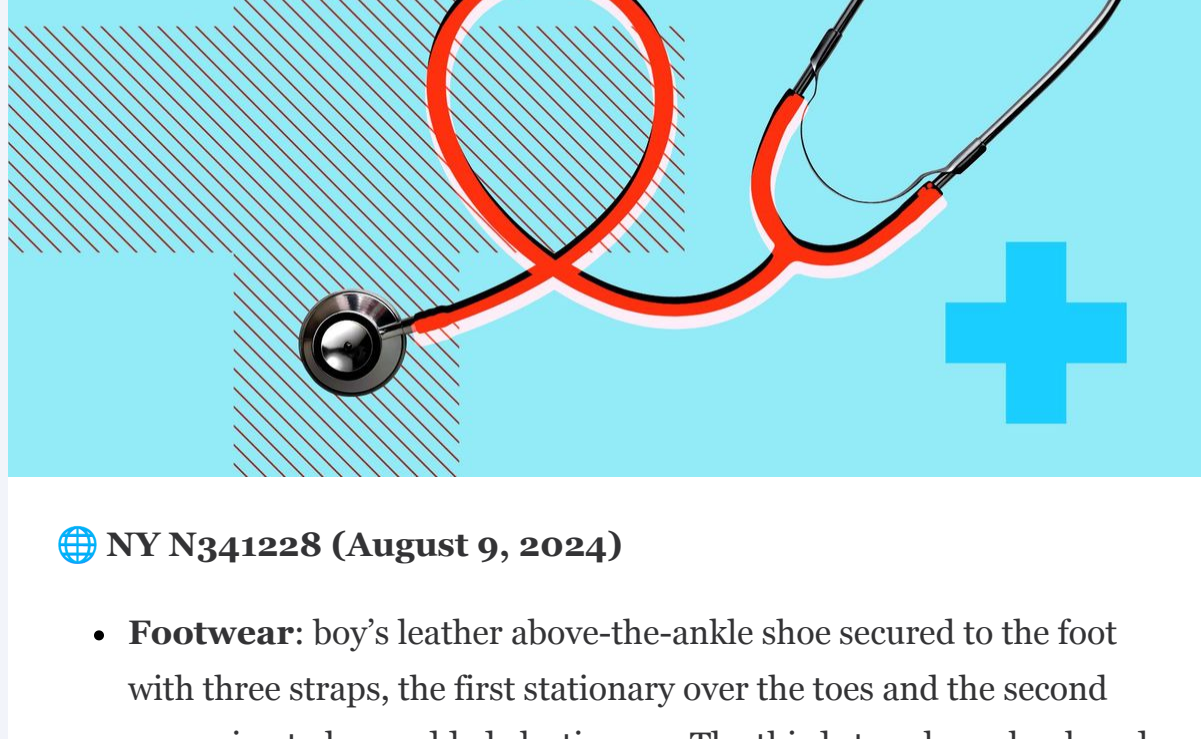
New entities added to the UFLPA Entity List: On October 31, the Department of Homeland Security (DHS) added four more textile companies to the UFLPA Entity List of known bad actors.

- **Tell me more:** DHS added Esquel Group; Changji Esquel Textile Co., Ltd.; Turpan Esquel Textile Co., Ltd.; and Guangdong Esquel Textile Co., Ltd. Effective November 1, CBP applied the rebuttable presumption that goods produced by these four firms are prohibited from entering the U.S. [Read more.](#)
- **One more thing:** The process for DHS to add entities to the list can take months or even years. We expect to see a continued expansion of the Entity List over the next year. View the [current list.](#)

New UFLPA Stats: On November 1, DHS updated its searchable tool of UFLPA stats.

- **Key takeaways:** Since the UFLPA went into effect, 1,963 apparel, footwear, and textile shipments have been detained for suspected connections to Xinjiang. 62% of those shipments have been denied entry into the U.S. By value, Vietnam has significantly more shipments detained than China. [See the stats](#)
- **Yes, but:** The stats group footwear with apparel and textiles. To our knowledge, no footwear shipments have been detained as being produced in or containing materials or components from Xinjiang. That could change, with the first-ever addition of a [footwear factory](#) to the UFLPA Entity List in June 2024.

Recent classification decisions: orthopedic footwear?



NY N341228 (August 9, 2024)

- **Footwear:** boy's leather above-the-ankle shoe secured to the foot with three straps, the first stationary over the toes and the second appearing to have added elastic gore. The third strap has a hook and loop closure on the lateral side. The rubber/plastic (R/P) sole has a special heel incorporating heel wedges that promote the outside outward rotation of the foot.
- **Takeaway:** It is not clear that the importer sought classification as an orthopedic appliance ... but CBP says the footwear is not considered an orthopedic appliance. The shoe is classified in 6403.91.60 (8.5%)(4A).
- **Tell me more:** CBP highlights that the shoe is not orthopedic because it is readily wearable by the general population, is not custom made, and is manufactured for both feet in a variety of sizes. [Read more.](#)

Recent classification decisions: athletic v. nonathletic debate



NY N342338 (September 24, 2024)

- **Footwear:** closed toe/heel, men's over-the-ankle shoe with a textile upper and R/P sole, valued over \$12/pair. The shoe is described as lightweight, with a cushioned outsole, and suitable for trail running. The upper is lined with material that makes it protective against water.
- **Takeaway:** The shoe is considered athletic and classified in 6404.11.90 (20%)(4A). This ruling illustrates that athletic footwear is not subject to protective rates, even when qualifying as protective. [Read more.](#)

NY N342428 (October 1, 2024)

- **Footwear:** sneaker with a lace closure and plastic upper, valued in excess of \$12/pair. The importer points out that the R/P sole is rigid due to the integrated metal shank that supports a bottle opener. The importer claimed the wide metal shank renders the shoe inflexible and therefore non-athletic.
- **Takeaway:** CBP notes that it did not find a metal shank. It did find a small metal C-shaped item in the center of a thin plastic piece under the midfoot. It noted that, in its view, the size and placement of the item would not interfere with the proper use of the shoe as athletic. It also noted that the combination is considered a composite good with essential character imparted by the footwear. The sneaker is classified in 6402.99.90 (12%)(4A). [Read more.](#)
- **One more thing:** Note that even if CBP had agreed that the shoe was non-athletic, classification would not have changed.

NY N342662 (October 11, 2024)

- This ruling corrects the classification found in NY N341575 (August 15, 2024). That ruling describes the shoe as an athletic type with a functional lace closure over a separate tongue.
- The current ruling describes the shoe as having a sewn-in, elastic lace closure that need only be spread apart to put on the shoe. For that reason, CBP now agrees that the shoe was classified as a slip-on. Classification is fixed in 6404.19.90 (9%) (4A). [Read more.](#)

Classification decision: origin



NY N342456 (October 4, 2024)

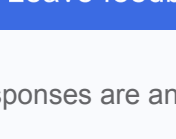
- **Issue:** origin of footwear manufactured in China and India. The ruling addresses two different scenarios. In the first scenario, the upper is described as formed and the sole are manufactured in China. The components are assembled in India. In the second instance, the shoe is assembled in India using a formed upper from China and a sole manufactured in India.
- **Takeaway:** CBP rules the country of origin in both instances is China. This result is based on the view that the attachment of the formed uppers (made in China) to the soles is a minor assembly operation and does not result in a substantial transformation.
- **Our thought bubble:** A more direct approach to origin would have noted that the uppers were formed. It has been the understanding of the trade since the 1990s that footwear manufactured with formed uppers originates in the country where the uppers were produced. Moreover, there are numerous rulings that allow importers to make minor alterations to formed uppers (creating a small hole in the bottom) to avoid treatment of the uppers as formed.

The FDRA Customs Report is a newsletter of customs, administrative, and other developments affecting importers of footwear prepared as a service for FDRA members. Matters reported on or summarized herein may not be construed as legal advice on specific situations.

Thanks for reading this month's FDRA Customs Report. Feel free to share this newsletter with others on your team. Have a great rest of the week!

Thomas

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