

Customs Report

By Thomas Crockett • Feb 28, 2025

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A few quick updates on tariffs, de minimis, forced labor enforcement, and recent footwear classification decisions.

China tariffs increase next week

🇺🇸 President Trump plans to double the IEEPA tariff on China next week, hiking the tariff rate from 10% to 20% for all Chinese-made goods.

- This will hit companies next Tuesday (March 4th). The tariff is in addition to any existing tariffs on products, like 301 tariffs. We believe the tariff increase will likely take effect, because the U.S. and China do not seem to be close to a deal.
- The President has also threatened to resume the planned 25 percent tariffs on all goods from Canada and Mexico.

Go deeper: ICYMI, we provided more analysis in our tariff update yesterday, which you can read [here](#).

De Minimis changes on the horizon



In 2025, we expect major changes to de minimis, which allows certain low-value shipments to come into the U.S. duty free. Two updates:

🛑 Stop and start: The President paused and then unpaused de minimis shipments from China.

- When President Trump imposed new tariffs on China this month, he revoked de minimis treatment for all goods from China ... but then, a few days later, he reversed course and allowed those shipments to resume.
- **One reason:** U.S. Customs & Border Protection (CBP) processes over **1** 4 million de minimis shipments into the U.S. each day. The majority of these shipments are from China. Stopping the program abruptly caused major disruptions for CBP and the U.S. Postal Service.
- **The bigger picture:** CBP and the U.S. Postal Service have views on de minimis ... but the Department of Commerce is overseeing the policy. The agency needs more time to put together a longer-term solution.

📄 Two different regulations: CBP is moving forward with two proposed regulations that it started drafting during the Biden Administration.

- **Process changes:** The first proposed regulation would create a new process for entering de minimis shipments, allowing CBP to target high-risk shipments more effectively. These include those containing synthetic opioids such as fentanyl. Comments are due March 17. [Read the proposed rule](#).
- **Product bans:** The second proposed regulation would exclude from de minimis products that are subject to additional duties under sections 201, 232, or 301. In addition, it proposes that entries claiming this duty exemption provide the 10-digit HTS number. Comments are due March 24. [Read the proposed rule](#).

Forced labor enforcement news



🇺🇸 New UFLPA Stats: On February 1, the Department of Homeland Security (DHS) updated its searchable tool of Uyghur Forced Labor Prevention Act (UFLPA) stats. Key takeaways:

- The auto 🚗 sector has been the most heavily targeted sector in 2025, by far. Nearly 90% of the shipments detained in fiscal year 2025 have been auto-related.
- 171 🧥 apparel, 👞 footwear, and 🧵 textile shipments have been detained in fiscal year 2025. Since the UFLPA went into effect in June 2022, 2,023 apparel, footwear, and textile shipments have been detained.
- **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 still change, with the the first-ever addition of a [footwear factory](#) to the UFLPA Entity List in June 2024. This is the only footwear factory on the list.
- **One more thing:** These stats provide a snapshot of UFLPA enforcement prior to Trump taking office at the end of January. We should have a better picture of what enforcement looks like with the new administration as we look at the stats over the next few months. [See the stats](#).

📑 New lawsuit over the UFLPA: Camel Group Co., a Chinese manufacturer of 400 different products including automobile batteries, filed suit in the Court of International Trade over the UFLPA. It is challenging the decision of DHS's Forced Labor Enforcement Task Force to place it on the Entity List of known bad actors.

Tell me more: Camel asserts that, prior to being placed on the list, it had received 82 detention notices from CBP. The company adds that, in all instances, CBP agreed that Camel had provided sufficient information to establish that its products were not made using forced labor or being sourced from the Xinjiang region of China.

- Camel alleges that DHS placed it on the list based on information provided by a professor at Sheffield Hallam University, who had been a policy advisor to DHS. Camel also says it was not provided access to the evidence DHS relied on in adding it to the list.



Recent classification decisions



🌐 NY N344419 (December 20, 2024)

- **Footwear:** two types of 🧤 weightlifting shoes. The uppers of one of the styles is textile and the other rubber/plastic (R/P). The outsoles of both are predominantly R/P. Valued over \$12/pair.
- **One more thing:** The shoes have a foxing-like band, and a lace closure supplemented with a strap and hook and loop closure. The bottoms of the shoes are described as “completely inflexible”.
- **Takeaway:** CBP fixes classification of the textile upper shoe in 6404.19.90 (9%)(4A). The R/P upper shoe falls in 6402.99.90 (20%)(4A). [Read more](#).

🌐 NY N344591 (December 23, 2024)

- **Footwear:** woman’s, closed toe, open heel, indoor slipper. The upper is man-made textile over R/P padding.
- **One more thing:** The R/P outsole has a textile application covering the majority of the area that touches the ground.
- **Takeaway:** Classification lies in 6404.19.37 (12.5%)(4B). [Read more](#).

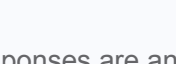


The FDRA Customs Report is a newsletter of customs, administrative, and other developments affecting importers of footwear prepared as a service for FDRA members. Matters reported on or summarized herein may not be construed as legal advice on specific situations.

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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