Customs Report

By Thomas Crockett • May 22, 2025

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A few quick updates on de minimis, a key footwear classification event, forced labor enforcement, tariff lawsuits, a boot recall, and recent classification decisions.

Below are the most recent updates on de minimis shipments:

No administrative exemption for de minimis from China: Effective 12:01 a.m. on May 2nd, de minimis is no longer available for shipments from 📁 China and 🔀 Hong Kong. Imports from China and Hong Kong, other than postal, are subject to all applicable duties and normal entry procedures.

P International mail and de minimis: Effective 12:01 a.m. ET on May 14th, de minimis shipments arriving through international mail from 📜 China and 🔀 Hong Kong are subject to an ad valorem duty rate of 54% or a flat specific duty rate of \$100 per package.

- The President lowered the rate from 120% to 54% in the recent executive order announcing the 90-day tariff reduction on Chinesemade products.
- Go deeper: Read the recent notice from CBP: <u>CSMS Notice</u>

One more thing: There are still two pending proposals on de minimis, started under the Biden administration, that would apply to all countries.

- The first would create a new process for entering de minimis shipments. The goal is to allow CBP to target high-risk shipments more effectively. <u>Read FDRA's comments on this proposal</u>.
- The second proposal would exclude products subject to additional tariffs under sections 201, 232, and 301. It would also require that entries claiming de minimis provide the 10-digit HTS number. Read FDRA's comments on this proposal.

Digital Sample Review June 18



Be sure to join us for our <u>digital sample review</u> with CBP Footwear National Import Specialist Stacey Kalkines on Wednesday, June 18th. Stacey is THE footwear classification decision maker at CBP, and this is a great opportunity to ask her questions in an off-the-record setting.

Why it matters: There are more than 400 ways to classify a shoe, and small changes mean a huge difference in tariff rates — and *s* costs for companies!

Oh, also: We will have the CBP apparel, footwear, and textiles team join us to talk about enforcement trends.

Take note: Please email pictures of your **s** footwear samples to me at

Latest on de minimis shipments

tcrockett@fdra.org ahead of the event, and we will discuss each sample with the expert panel live during the event.

Register here

Forced labor enforcement news



New UFLPA Stats: On May 12th, the Department of Homeland Security (DHS) updated its searchable tool of Uyghur Forced Labor Prevention Act (UFLPA) stats.

- So far in fiscal year 2025, 262 🎽 apparel, 👠 footwear, and 🧵 textile shipments have been detained. 139 of those shipments have been denied, 41 have been released, and 82 are pending.
- Since the UFLPA went into effect in June 2022, 2,114 apparel, footwear, and textile shipments have been detained.
- Yes, but: The stats group footwear 👞 with apparel 👕 and textiles **I** . 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 <u>footwear factory</u> to the UFLPA Entity List in June 2024. This is the only footwear factory on the list.

A breakdown by country of origin:

- The most textile and apparel shipments detained in fiscal year 2025 (by value) come from the following countries: 📁 China (26%), 🚬 The Philippines (21%), 🚺 Bangladesh (18%), and 💳 Nicaragua (15%).
- **One big change**: Vietnam accounted for 57% of the shipments detained in 2024 by value, but that number has dropped significantly, to just 6%, in fiscal year 2025.

Go deeper: <u>View the UFLPA stats</u>



More lawsuits filed over the tariffs



Below are two different cases we are tracking that challenge the emergency tariffs imposed by President Trump:

• In *Vos v. Trump*, six small importers filed a lawsuit on April 14th, arguing President Trump exceeded his authority by imposing tariffs under the International Emergency Economic Powers Act ("IEEPA"). The court denied the importers' request for a preliminary injunction to halt the tariffs.

• Twelve states – Oregon, Arizona, Colorado, Connecticut, Delaware, Illinois, Maine, Minnesota, Nevada, New Mexico, New York, and Vermont — filed a lawsuit on April 23rd. This case also asserts IEEPA does not authorize the Trump tariffs. Both cases are assigned to separate three judge panels.

Our thought bubble: The chance of relief from the tariffs through a lawsuit is low, because it takes years for these cases to work their way through the legal process. We still do not have a final decision from the lawsuit over the tariffs President Trump imposed in 2018 and 2019.

Go deeper: The New York Times has a good tracker of all the different lawsuits filed against the administration <u>here</u>.



Footwear recall: waterproof boots



The U.S. Consumer Product Safety Commission (CPSC) announced another 🖨 footwear recall in April.

• The recall covers certain waterproof boots. The hook of one boot can catch on the lace of the other boot, posing a falling hazard to the consumer. Read more

Go deeper: CPSC Ombudsman Will Cusey joined us at a previous FDRA Product Safety Digital Conference to talk about what happens during a recall. You can view the CPSC slides from that event here: FDRA CPSC presentation

Recent classification decisions: leather flocking, slip-on?



() NY N346339 (March 28, 2025)

- Footwear: children's waterproof boots. The uppers and outsoles are vulcanized rubber. The outsoles have applied leather flocking.
- Takeaway: CBP characterized the leather fibers as thinly applied on a majority of the outer sole but not obscuring the rubber/plastic (R/P) material underneath. As a result, CBP treated the flocking as a "similar attachment" — described in note 4(b), Chapter 64 — and for that reason, disregarded it. CBP fixed classification in 6401.92.90 (37.5%)(4A). <u>Read more</u>.

() NY N346450 (March 18, 2025)

• Footwear: women's above-the-ankle fashion boot with a two-inch

heel. The upper is man-made fabric simulated to look like suede. The R/P sole has textile flocking covering a majority of the external surface area in contact with the ground. The boot has a 7.5 inch functional slide fastener on the medial side. The value exceeds \$12.

• Takeaway: The importer asked whether the boot, which has a zipper to ease entry, could be considered a slip on, placing classification in 6404.19.37. CBP declined, placing classification in 6404.19.90 (9%)(4A). <u>Read more</u>.

Recent classification decisions: protective?



() NY N345743 (March 3, 2025)

- **Footwear**: espadrille, a below-the- ankle, closed toe, closed heel slip-on. The upper is textile, 68/32 jute/cotton.
- One more thing: The R/P sole has a very thin application of nondurable textile fibers covering the majority of the sole that comes in contact with the ground. CBP classified the shoe in 6404.19.36 (7.5%)(4B).
- **Takeaway**: The importer noted that the shoe had been treated with a water repellent and will be advertised as such. CBP submerged the shoe in two inches of water for a few seconds. Water entered the boots through the stitching and for that reason was not considered protective. <u>Read more</u>.

NY N345906 (February 27, 2025)

- Footwear: waterproof chest waders. The waders extend from the chest down to the permanently attached R/P boots. The wader portion includes a belt and storage pockets. The external surface of the upper (ESAU) consists of the R/P boot upper along with the textile chest wader, yoke, and straps. The majority of the upper is textile.
- Takeaway: CBP fixed classification in 6404.19.20 (37.5%)(4B) as protective footwear. <u>Read more</u>.

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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