

Trump, Bessent Diverge on Deals' Likelihood Ahead of July 9

Treasury Secretary Scott Bessent, on [Bloomberg Television](#) on June 30, didn't predict how many deals would be announced with the 18 largest trading partners of the U.S. before July 9. However, he said that countries "are coming in with offers" that long-time staff negotiators "can't believe," because they're so good.

"There's going to be a flurry going into the final week, as the pressure increases," he said.

While Bessent had recently said that countries that are negotiating in good faith would not face Liberation Day tariffs on July 9, he said that it will be the president's decision.

"We have countries that are negotiating in good faith, but they should be aware, if we can't get across the line because they're being recalcitrant, then we could spring back to the April 2 levels," he said. "I hope that won't have to happen."

Bessent was speaking after a Fox Business [interview](#) that aired June 29, but was filmed a few days earlier, with President Donald Trump, who said it would be "no big deal" to extend the pause on Liberation Day tariffs, but said rather than make deals, he'd prefer to send out letters to countries about what tariffs their exports will face in the U.S.

He excluded China, India and the U.K. from this description, saying they either had deals or "pretty much" have a deal, in India's case.

"I'd rather just send them a letter, very fair letter, saying, congratulations, we're going to allow you to trade in the United States of America. You're going to pay a 25% tariff, or 20% or 40[%] or 50%, I would rather do that." Another time he gave the examples 10%, 25%, 35% and 50%.

He said he will send these letters out sometime before July 9, and the rates will be based on the trade deficit. "We'll

look at how a country treats us. Are they good? Are they not so good? Some countries, we don't care. We'll, you know, we'll just send a high number out," he said.

When the letter is sent, he said, "that's the end of the trade deal."

"I could send one to Japan: Dear Mr. Japan, here's the story. You're going to pay a 25% tariff on new cars, you know?"

He said that Japan has a major trade surplus with the U.S., and if they "take a lot of oil" or a "lot of other things" that would reduce it.

In a social media [post](#) on June 30, Trump again complained about Japan. "To show people how spoiled Countries have become with respect to the United States of America, and I have great respect for Japan, they won't take our RICE, and yet they have a massive rice shortage," he wrote. "In other words, we'll just be sending them a letter, and we love having them as a Trading Partner for many years to come." On April 2, the administration declared a 24% tariff for Japanese goods, due to the trade deficit. However, the largest proportion of the goods trade deficit with Japan is in cars and car parts, and that tariff is 25%.

Host Maria Bartiromo asked Trump if the deals would be done before an appeal is over on the lawfulness of the emergency tariffs. "The words of this [law] are so beautiful, they were meant for it," Trump argued, but said if judges decide that wasn't the right law, there are "very good alternatives."

But, he said, if judges didn't allow tariffs from those other avenues, "we would fall prey to other countries destroying us. If they do tariffs on us, we'll do tariffs on them."

Bartiromo asked him about his decision to stop talking to Canada, unless they dropped the digital services tax. Canada then did reverse course on the law, and talks have resumed.

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"USMCA is no good and they cheat," Trump complained, referring to over-quota tariff rates on dairy. He said Canada takes advantage of the U.S.

He then said, "Hopefully we'll be fine with Canada. I love Canada. Frankly, Canada should be the 51st thing. Okay? It really should, because Canada relies entirely on the United States." — *Mara Lee*

WH Opposition to AGOA Prevented AGOA, GSP Renewal in Tax Bill

Senate Finance Committee Chairman Mike Crapo, R-Idaho, wanted to include trade items in the bill that extends and expands Trump income tax cuts, according to a lobbyist on trade matters.

"They wanted to do trade," he said. It was going to include a renewal of the long-expired Generalized System of Preferences benefits program, the African Growth and Opportunity Act, and "Haiti may have also been in play."

The lobbyist added, "depending on who you talk to," Crapo also wanted to pass a Miscellaneous Tariff Bill. The Haitian trade preference programs and AGOA expire at the end of September; the last MTB and GSP both expired at the end of 2020.

"From my understanding, and this is from both industry and congressional sources, all the [White House] pushback was actually on AGOA," he said, but that prevented any trade items from being included.

The development was first reported by *Inside U.S. Trade*.

The lobbyist said when they talk to those in the administration, "We don't get anything on GSP, thumbs up or thumbs down, there's no position."

He said he tells members of Congress that during the first Trump administration, there was also no signal for or against GSP before it expired at the end of 2017, but then after it was gone, the Trump administration endorsed it. That time, it was renewed in March 2018. The MTB followed in September that year.

Rep. Blake Moore, R-Utah, a member of the House Republican leadership and a Ways and Means Committee

member, is the most vocal GSP advocate in Congress. "I was also a supporter of putting GSP into anything it could," he said, but the bill "wasn't really part of our substantive discussions" as Ways and Means built its portion of the tax bill.

Moore said he does talk to those at the Office of the U.S. Trade Representative about the need to bring GSP back, especially as the tariff policies change.

"You're hard on China. We've got to be able to encourage folks to be able to embrace other markets" as places to source goods. "As the strongest supporter of GSP, I hope the administration understands that," Moore said in a hallway interview June 24. He said the official he talked to at USTR was "generally supportive," but Moore said that it's really Congress's responsibility to pass a bill. He said "if Congress can figure this out," he assumes Trump would sign the bill.

"If we can't put it up, we don't have a leg to stand on. He wasn't dismissive of it, but he wasn't like, 'Okay, I'll prepare the President to sign it.'"

The lobbyist said even though GSP has been expired for the longest period in its 50-year history, he thinks it is not gone for good.

"I think it's a question of how many issues need to stack up here for anything to move," he said. He said he doesn't know if Democrats would support a GSP-AGOAHaiti trade preferences package if trade adjustment assistance is not part of the deal. — *Mara Lee*

Lutnick Says Deals Will Include Zero Tariffs on Some Natural Resources

Commerce Secretary Howard Lutnick, after receiving critiques over 10% tariffs on bananas and tariffs on Asian food imports from House Appropriations Committee members, said that countries that sell "unavailable natural resources" like bananas, cocoa, coffee and spices will be allowed to export those goods duty-free, as long as they don't have barriers to U.S. agricultural exports.

He gave the example of Ghana being allowed to export cocoa duty-free, "but you will allow our farmers to sell

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soybeans.” He added, “Our chicken and beef are treated horribly around the world.”

Rep. Madeline Dean, D-Pa., held up a banana as she noted that Walmart has hiked the price of bananas by 8% since the administration imposed a 10% tariff on bananas.

A note of impatience crept into Lutnick’s voice as he said, “As countries do deals with us, that will go to zero.”

Most Republicans in the [hearing](#) praised the administration’s tariff push, as forcing countries to the negotiating table, though some posed a few gentle questions suggesting they don’t fully agree with the administration’s approach.

Rep. Tony Gonzales, R-Texas, told Lutnick that in his district, economic ties with Mexico and other Latin American countries are essential for prosperity. He asked how Mexico’s production of inputs can help North America compete with China.

Lutnick suggested, though he didn’t directly say, that the U.S. doesn’t want any manufacturing in Mexico in sectors where the U.S. competes.

“What has happened is NAFTA allowed corporate chiefs to take their factories out of Michigan, and out of Ohio and move it to where there’s cheaper labor,” he said. “So they attacked American workers for the benefit of corporate profits.”

“It’s illogical that we’re making cars in Mexico for Americans,” Lutnick argued.

However, he added that Mexico “should be in the mining business, they should be in the refining business.”

He said the U.S. wants “to lean on our great partner just to our south,” but said that partnership “just needs to be reimagined.”

Rep. Dale Strong, R-Ala., noted that his district has Mazda and Toyota manufacturing before asking Lutnick which sectors the Commerce Department should be acting to protect through national security tariffs.

Lutnick said aircraft parts, semiconductors and pharmaceutical production each need to be a focus. “You can’t fight

a war and ask your adversary to send you antibiotics,” he said. The U.S. already has the most production of aerospace engines and components in the world, and the sector is responsible for the No. 1 manufactured export.

One of the Republicans praised the tariffs as working, citing the projection of how much they would lower the deficit over the next 10 years (if they did not change over that time).

Lutnick bragged that the Treasury is collecting “\$34 billion a month because of tariffs. Anyone who says tariffs aren’t working can’t count to \$34 billion.”

Lutnick faced more skepticism from Sen. John Kennedy, R-La., during a Senate Appropriations Committee hearing the day before (see [ITT 06/04/2025](#)). Kennedy also said on MSNBC June 5 that he thinks reciprocity negotiations should be aimed at lowering tariffs on non-trade barriers in both the U.S. and among trading partners.

“Let there be a free exchange of goods and services—may the best product and the best service win,” Kennedy said, describing his philosophy of trade. He said he doesn’t know if Lutnick doesn’t know where the administration is heading, but said, “I’m going to assume he was being purposely evasive.” — *Mara Lee*

Value of Steel in Appliances to Be Taxed at 50%

The value of the steel in refrigerator-freezers; dryers; washing machines; dishwashers; chest and upright freezers; cooking stoves; ranges and ovens; food waste disposals; and welded wire rack will be taxed at 50%, starting on June 23, the Bureau of Industry and Security said in a [notice](#) that will be published in the *Federal Register* June 16.

The additions in the Harmonized Tariff Schedule are 8418.10.00; 8418.30.00; 8418.40.00; 8422.11.00; 8450.11.00; 8450.20.00; 8451.21.00; 8451.29.00; 8509.80.20; 8516.60.40; and 9403.99.9020. The last number applies to both steel and aluminum wire racks.

If any of those products were imported from the U.K., they would be subject to 25% tariffs; however, Mexico, China, South Korea, Thailand, Canada and Vietnam are all more common exporters, depending on the appliance. There are

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appliances imported from Denmark, Turkey, Germany, Italy, France, Poland, Sweden, the Czech Republic and the U.K. in lower volumes.

If the products are imported from Mexico or Canada, and not subject to trade remedies, the rest of the value of the good would be duty-free. For all other countries other than China, they would be subject to 10% tariffs on the value other than the steel. In the case of refrigerators from China, they are already subject to 25% Section 301 tariffs and 30% emergency tariffs.

The derivative additions are nearly identical to the subheadings CBP erroneously included in a CSMS message June 3, with the addition of subheading 8509.80.20 that wasn't in the CSMS message (see [ITT 06/09/2025](#)).

The notice did not link these additions to the derivatives addition process launched by BIS, which accepted comments from domestic producers, and then responses to those proposed additions by June 4. BIS said it would make its final decision on which derivatives to add within 60 days.

However, steelmaker Nucor requested that these appliances be added (see [ITT 05/21/2025](#)), but they asked for hundreds more HTS codes that have not yet been listed.

Nucor said that steel accounts for up to 75% of the weight of a typical household appliance, but the weight is not relevant to how the tariff is levied.

CBP asks importers to provide information about the producer's costs to buy the steel for the refrigerator, washer, dryer or other appliance, exclusive of transportation or tariff costs.

Many of the products are imported by the brands, but Lowe's is also a direct importer, according to data services that track import records. — *Mara Lee*

CBP Issues Guidance on Changes for Section 232 Steel and Aluminum Tariffs

CBP issued a pair of CSMS messages late June 3 clarifying the changes to the [steel](#) and [aluminum](#) tariffs.

The guidance clarifies the elimination of the reciprocal tariff exemption for goods that pay Section 232 tariffs on steel

and aluminum, as well as a change to the order of stacking exemptions (see [ITT 06/03/2025](#)). It also unexpectedly included some new tariff subheadings apparently now subject to the tariffs on derivatives (see [ITT 06/04/2025](#)).

While the tariff stacking executive order had retroactively applied its exemptions back to March 4, and allowed for refunds, the new stacking order—which puts the 50% steel and aluminum tariff second behind auto tariffs, instead of third behind fentanyl tariffs—only applies to entries on or after June 4.

CBP's guidance also covers a change to Section 232 tariff treatment for goods of Chapters 73 and 76. Previously those goods had been subject to Section 232 steel or aluminum tariffs, respectively, on 100% of their value. Now, like for derivatives outside of Chapters 73 and 76, they will pay the tariffs only on their steel and aluminum content.

“As of June 4, 2025, for all steel and steel derivative articles classified in Chapter 73 that are subject to Section 232 steel duties under any Chapter 99 HTSUS heading, the applicable Section 232 duty is assessed only on the value of the steel content,” CBP said.

Both orders set out a series of new tariff schedule numbers for steel and aluminum from the U.K., which remains subject to 25% tariffs under a deal reached with the U.K. last month (see [ITT 05/09/2025](#)).

The CSMS messages indicate that a change in treatment for goods in foreign-trade zones applies only to steel, and not aluminum. For steel, the guidance says, goods previously admitted to zones in privileged foreign status, as required under the Section 232 tariffs, still will be hit by the tariff increase. It says goods admitted in privileged foreign status prior to June 4 and entered after June 4 will face the tariff in effect after June 4.

CAFC Stay Order Neutral on Merits of IEEPA Cases, Indicates Decision by August, Attorneys Say

The U.S. Court of Appeals for the Federal Circuit's stay of the Court of International Trade decision vacating all International Emergency Economic Powers Act tariff action likely doesn't signal a win for either side on the merits of the issue, various attorneys told us. In addition, the court's

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move to set a July 31 oral argument date and have all active judges hear the case indicates a decision will likely be issued in August, the attorneys said.

On June 10, the appellate court [stayed](#) the trade court's ruling regarding President Donald Trump's tariff action taken under IEEPA pending the government's appeal of the case (see [ITT 06/11/2025](#)). In a per curiam order, the court said both the U.S. and the plaintiffs, comprising 12 U.S. states and five importers, "have made substantial arguments on the merits."

The court merely said it "considered the traditional stay factors," and said a "stay is warranted under the circumstances. The order cited a recent Supreme Court decision, *Trump v. Wilcox*, which said the purpose of interim relief isn't to "conclusively determine the rights of the parties, but to balance the equities as the litigation moves forward."

One trade attorney told us that this specific invocation of *Wilcox* indicates that the court isn't making a determination on the merits of the case. In another case cited by the CAFC in the stay order, *Niken v. Holder*, the Supreme Court said the "authority to hold an order in abeyance pending review allows an appellate court to act responsibly," adding that the reviewing court can't always "bring considered judgment" quickly enough to "afford relief to the party aggrieved by the order under review."

The aggrieved party in this case is the government, the attorney said, noting that the importers and states challenging the tariffs can receive remedies in the form of refunds if they prevail but that there's no such option for the U.S. "If the tariffs are not enforceable, even for a temporary period of time, that is (substantial) revenue that the Government cannot recover," the attorney said.

Lawrence Friedman, partner at Barnes Richardson, agreed that the stay order is neutral as to the merits of the case. He said the court's note that the case is of "exceptional importance" isn't a "signal other than to say that it is not a slam dunk on either side."

As part of its stay order, the appellate court decided to have all active judges hear the case, as opposed to proceeding with its ordinary course of appointing a three-judge panel to hear the case. One attorney suggested the court balanced its decision to deny a stay of the CIT ruling with the decision

to have all of the judges hear the case and on an expedited basis. The plaintiffs should "take some solace in the indication that the court does not see the issues raised by the appeal as even remotely frivolous," the attorney said.

Friedman emphasized the unusual nature of the en banc decision, saying he isn't aware of any trade cases where the appellate court has decided at the outset to hear the case en banc. This type of review at any stage of the proceeding is rare in trade cases, with the court last reviewing a trade case en banc in January 2020. The court has only ever [issued](#) four en banc decisions in trade cases in its history.

Regarding the timing of the case, Friedman said the court's July 31 oral argument date indicates an August decision. "Of course, if there is a lot of internal disagreement on the actual language of the opinion or the outcome, it may take longer," he added. — **Jacob Kopnick**

New and Revised FDA Import Alerts for June 9

On June 9, the FDA posted new and revised versions of the following Import Alerts on the detention without physical examination of:

- [99-39](#): Imported Food Products that appear to be Misbranded ([here](#))
- [99-38](#): Low-Acid Canned Foods or Acidified Foods due to Inadequate Process Control ([here](#))
- [99-37](#): Low-Acid Canned Foods and Acidified Foods without filed Scheduled Processes ([here](#))
- [99-19](#): Food Products due to the presence of *Salmonella* ([here](#))
- [99-05](#): Raw Agricultural Products for Pesticides ([here](#))
- [66-79](#): Drugs from Foreign Establishments Refusing FDA Inspection ([here](#))
- [66-41](#): Unapproved New Drugs Promoted in the U.S. ([here](#))
- [53-17](#): Cosmetics due to Microbiological Contamination ([here](#))
- [45-02](#): Foods Containing Illegal and/or Undeclared Colors ([here](#))
- [23-14](#): Food Products due to the Presence of Mycotoxins ([here](#))

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- 16-120: Fish/Fishery Products from Foreign Processors (Manufacturers) not in compliance with Seafood HACCP ([here](#)).

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