



RUTGERS

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Understanding Geo-political Risks, Trade Disruption and Tariffs: Navigating Through Proven Strategies and Solutions to create Resilience in Global Supply Chains

Presenter:

Thomas Cook
Managing Director
Blue Tiger International

Speaker

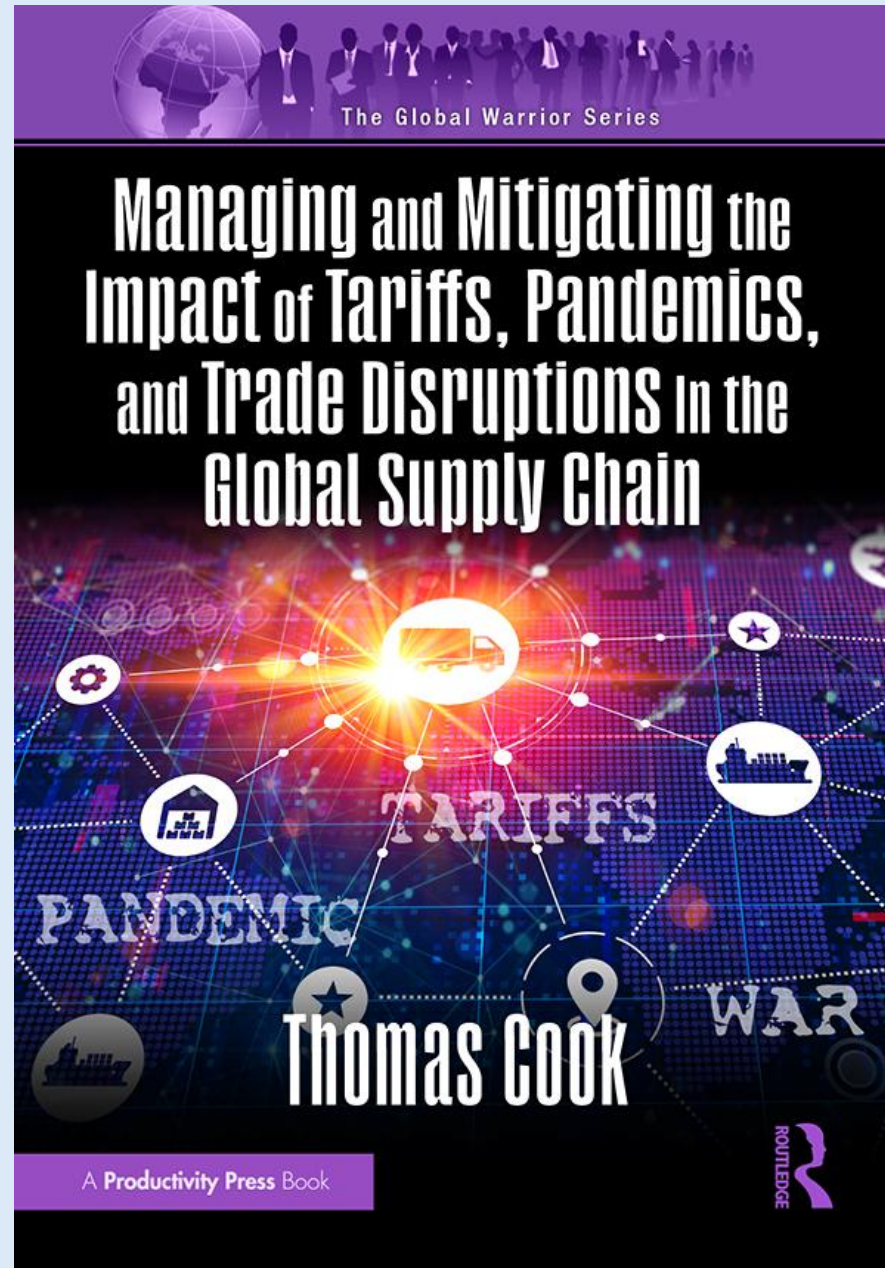


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Managing Director
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- Tom is Managing Director of Blue Tiger International, (bluetigerintl.com) a premier international business consulting company on supply chain management, trade compliance, purchasing, global trade and logistics.
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**My 21st
Book**



**Would love to
give it to
someone in
the audience**

We are going to discuss and frame the issues around the Trump Tariffs and the Administration's Agenda on Global Trade

The Extent of:

- Chaos
- Disruption
- Unprecedented Uncertainty!
- Understanding Trump's Goals & Processes
- Then Focusing on "Solutions"



Blue Tiger International has been working in and on Tariff Mitigation & Trade Disruption Solutions for over 30 years and has developed over 20+ Options that can be customized to specificity for all industries...

Creating Resilience in Global Supply Chains.



Global Trade & Import/Export Supply Chains Have Always Had “Challenges”

In Normal Times:

- Geo-political
- Economic
- Wars and Terrorism ... **USA & Iran**
- Weather
- Hazards of international shipping
- Bad players in international trade
- U.S. Customs (CBP) & in Foreign Countries
- +++++



- **Chaos**
- **Disruption**
- **Uncertainty**

Chain of Custody
Issues!!!



The Challenges with the Trump Administration

Threatens
Trade



Threatens
Margins



Threatens
Resilience &
Sustainability



The Administration changes
with how "CBP Operates"



The Challenges with Trump

Resilience and Sustainability are in Jeopardy



Supply Chain resilience is the process of adapting well in the face of adversity, trauma, tragedy, or global events, allowing corporations to "bounce back" from difficult experiences and potentially grow stronger. It is not a fixed trait, but rather a set of behaviors, thoughts, strategies and actions that can be learned, developed and acted on "proactively"

To Create Resilience & Sustainability... We Have Various Options



Pivot Quickly

**Resource
Development**

**Creative &
Diligent on
Solutions**

To Create Resilience & Sustainability... We Have Various Options

Global Sourcing

→ **Diversified Sourcing
+ Multiple Providers**

Carrier Selection

→ **Work with Carriers
that provide routing
options and
contingency planning**



Safety Stock

→ **Increase and
add in multiple
locations**

To Create Resilience & Sustainability... We Have Various Options

The current war in Iran



Potential Thoughts and Actions:

- Anticipated?
- Concern: Cost of energy
- Client in Northern California ...
Industrial location utilizes high volumes of petroleum in manufacturing process
- Purchase agreement for 100% of need with Saudi Based Energy Company
- In December 2024 ... we established two alternative sources for 70% of petroleum need... U.S and Canadian Supplier
- We increased safety stock to 200%

To Create Resilience & Sustainability... We Have Various Options

The current war in Iran



Potential Thoughts and Actions:

Supply Chain Risk Management Strategy

- Increased short term cost of energy, plus additional storage capacity
- But created ability to survive any energy disruptive event

Make Informed Decisions

WE WORK WITH 20+ SOLUTIONS:

- **FTZ**
- **Bonded**
- **Tariff Engineering**
- **Drawback**
- Freight Consolidation
- **Demand Planning**
- Intensive Operations Training and Resources
- Direct Shipping
- **Alternative and Near Sourcing**
- Choice of INCO Terms
- Utilization of Technology – Import vs. Export
- Free Trade Agreements
- Warehousing/Distribution
- Comprehensive Robust Landed Cost Modeling
- Robust Supply Chain Assessments
- Bringing in Guidance and Expertise
- Trade Compliance Management
- **First Sale**
- HTS Alterations
- Parts vs. Finished
- **Domestic Intermediary**



Controlling “Landed Costs”



Landed Cost Formula

$$\begin{array}{l} \text{Manufacturing Cost} \\ + \\ \text{Shipping Cost} \\ + \\ \text{Shipping Insurance} \\ + \\ \text{Import Duties} \\ + \\ \text{Other Fees*} \end{array} = \text{Landed Cost}$$



Blue Tiger's Four-Step Process

Assessment

**Recommendations &
Financial Model**

**Operational Model
(Purchasing, sales,
customer service)**

Implementation



CFS

- Holds Temporary Imports, typically near inbound gateways, without customs clearance
- 14 Days
- Exports ... move freely
- Typically utilized by service providers



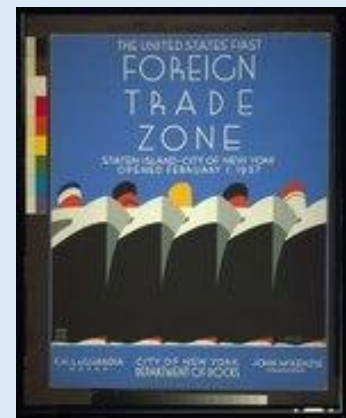
Bonded Warehouse

- Holds goods up to 5 years without requiring customs clearance
- No manufacturing
- Exports ... move freely
- Only deal with CBP and certain geographic restrictions



**FTZ

- Holds goods indefinitely without requiring customs clearance
- Exports ... move freely
- Reduced Clearance Costs
- Reduced MPF Fees
- Allows Manipulation
- Allows manufacturing & assembly
- Tariff Inversion (temporarily on EO Hold)
- Controlled by Dept of Commerce and CBP
- Allowed almost anywhere



Case Study:

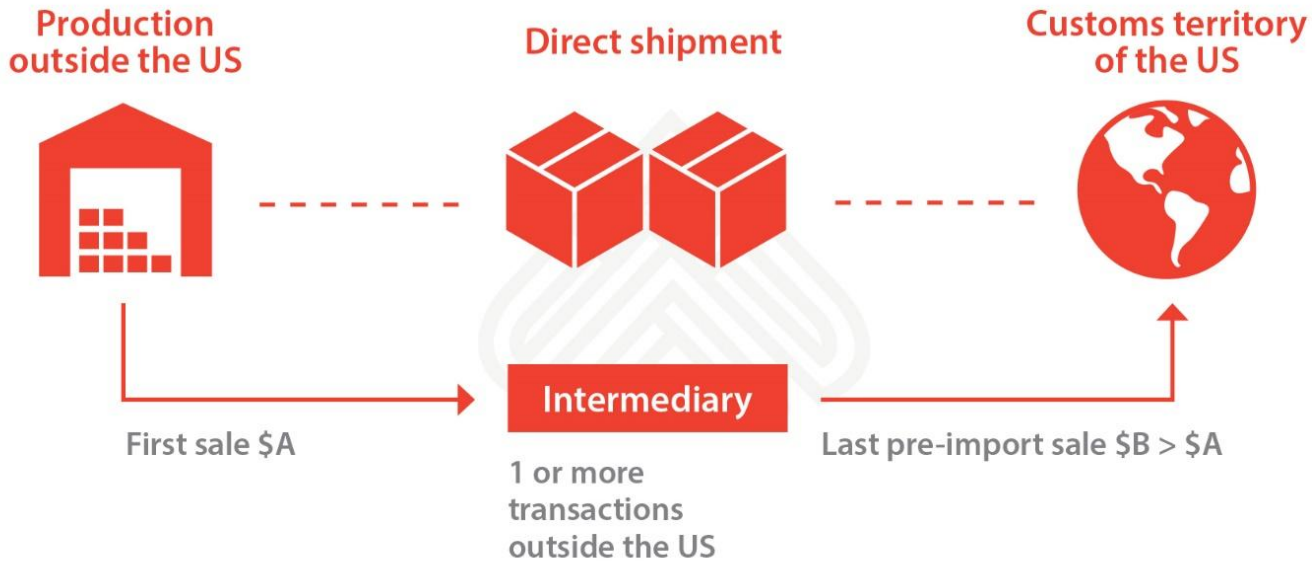
A large Baltimore -based Fuel Supply Company

- Imports 100m of raw petroleum products
- Can hold product up to 9 months before sale
- We created a FTZ at their terminal
- Annualized FTZ costs of \$165,000 with savings exceeding \$3.4m annually



First Sale

First Sale in a Three-Tiered Transaction



Graphic © Asia Briefing Ltd.

Pay to Supplier: \$155,000
Commission to Buying Agent: 10%
Declare to CBP: \$139,500 @ 50% Duty Rate
Savings per Transaction: \$7,500
30 Shipments Annually: \$232,500

Tariff Engineering



- **Tariff engineering is the legal practice of modifying product design, materials, or assembly to qualify for a lower tariff rate under the Harmonized Tariff Schedule (HTS).**
- **It's a proactive strategy used by businesses to strategically reduce import costs by ensuring a product is classified into a more favorable duty category, often through small but genuine changes that alter its fundamental nature.**
- **Examples include adding felt to sneakers to classify them as slippers or including a pocket in a garment to reduce its duty rate.**

Case Study ... Tariff Engineering

German Auto/Truck Products Company selling into the USA ... annual volume of 500 million

Steel made up approximately 30% of imported values at 15% ... 22m in duties

Our engineers were able to replace 50% of products with a composite material, taking out steel ... impacting and lowering the tariff...

Approximately 10-11m less in duties annually



Demand Planning & Expedited Freight Review



**Air Freight ... 18x
More Expensive**

**Freight Review...
averaging 15-20%
savings**

Case Study:

A Texas-based industrial products importer had a spend of \$83m annually, of which 40% was utilized for expedited and air freight shipping.

- Our study and assessment uncovered that only 4% of the expedited spend was justified.
- We were able to determine that the main reasoning for the increased expedited and air freight shipments, were poor demand planning operations.
- **We brought in a technology costing approximately \$87,000 ... but we reduced freight spend by 15 million dollars annually.**



Case Study:

NJ Importer of a Food Oil Additive from China, saw tariff increases from 15-25-50%

- **We found an alternative supplier in a Mexican Maquiladora Contract Manufacturing Location.**
- **The acquisition cost was 7% higher, but the landed cost was comparable, but there was savings in oversight, travel and lead-times.**



Domestic Intermediary

- **Foreign Manufacturer**
- **USA-based Sales Office or Maintenance/Repair Location**
- **Transfer Pricing to USA Intermediary and they take the sale domestically**
- **Reduce “Landed Costs”**

Case Study: Foreign Italian Medical Products Manufacturer with USA-Based Sales Office

- Product is transferred to USA-based Subsidiary at a transfer price lessening the value declared to CBP by 42%
- On \$250m in USA export sales they save almost \$17m in duty ... U.S. businesses have increased tax obligations of \$2.5m ... net savings of \$14.5m



CBP Cultural and Operational Change

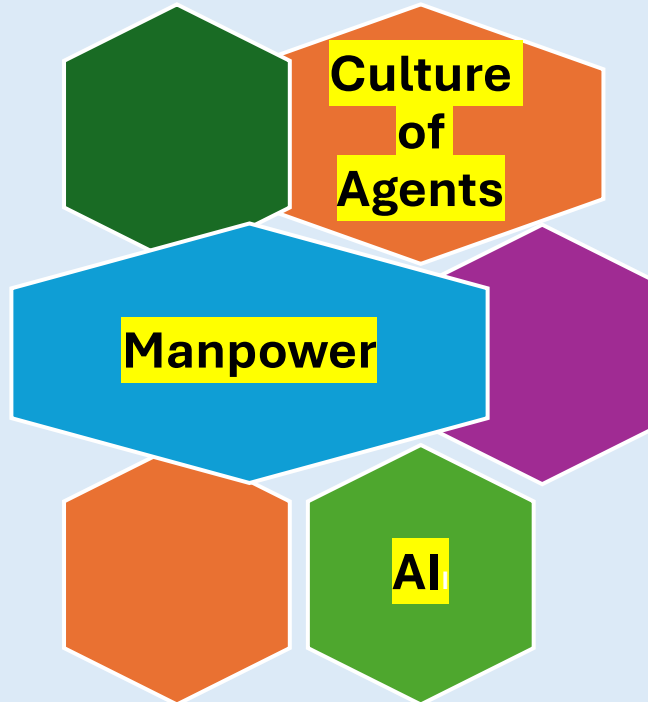
Facilitator to Enforcement

Valuation, Origin, HTS + BOM

DHS & DOJ on False Information



CBP Cultural and Operational Change



- Two Areas of CBP Change are:
- Substantial Transformation
 - Bills of Materials

IEEPA: Overview



Long title	An Act with respect to the powers of the President in time of war or national emergency.
Acronyms (colloquial)	IEEPA
Enacted by	the 95th United States Congress
Effective	December 28, 1977
Citations	
Public law	95-223
Statutes at Large	91 Stat. 1625
Codification	
Titles amended	50 U.S.C.: War and National Defense
U.S.C. sections created	50 U.S.C. ch. 35 § 1701 et seq.
Legislative history	
<ul style="list-style-type: none"> • Introduced in the House as H.R. 7738 by Jonathan Brewster Bingham (D-NY) on June 13, 1977 • Committee consideration by House Foreign Affairs, Senate Banking, Housing, and Urban Affairs • Passed the House on July 12, 1977 (passed) • Passed the Senate on October 11, 1977 (passed) with amendment • House agreed to Senate amendment on November 30, 1977 (agreed) with further amendment • Senate agreed to House amendment on December 7, 1977 (agreed) • Signed into law by President Jimmy Carter on December 28, 1977 	
United States Supreme Court cases	
<ul style="list-style-type: none"> • Dames & Moore v. Regan, 453 U.S. 654 (1981) • Learning Resources, Inc. v. Trump (2026) 	

IEEPA Update & Next Steps;

Per Diaz Trade Law ...According to Director Lord, as of March 4, 2026, **330,566 importers have made over 53 million entries** with approximately \$166 billion in IEEPA duties. CBP has proposed to the court the following plan for issuing the IEEPA refunds:

- The importer files a declaration in ACE that includes a list of entries on which IEEPA duties were paid.
- ACE runs a series of validations on each entry within the declaration and automatically recalculates the duty owed without the IEEPA tariffs (with applicable interest).
- CBP verifies the declaration and processes refunds as soon as practicable.
- ACE automatically finalizes (liquidates or reliquidates) the entries.
- ACE automatically aggregates the refunds with interest by importer and liquidation date.

CBP certifies the refunds.

WORK IN PROCESS!!!

ACE runs a series of validations on each entry within the declaration and automatically recalculates the duty owed without the IEEPA tariffs (with applicable interest).

Issues:

- ***CBP has to finalize their position and timing?***
- ***They will be auditing each claim ... timing and exposure?***
- ***Is your documentation available, correct and reviewed?***
 - ***Costs vs Gains/Exposures***

Our Recommendations:



- Seek professional guidance from several sources
 - Assess risks vs. gain
 - Get your files in order
 - Audit ... inhouse or external
- Follow instructions and pay attention to likely future updates and changes
- Payment is unlikely to happen in the short-term and could take several years
 - Get CTPAT Certified

Additional recommendations:

- **Become CTPAT Certified**
- **Seek support from your Customs Broker, Legal Trade Professional or Compliance Consultant**
- **Get your files organized**
- **Develop multiple resources & pay attention to new developments**



CTPAT
YOUR SUPPLY CHAIN'S STRONGEST LINK.





General Import Checklist

- ✓ EIN Number
- ✓ LOI to Broker
- ✓ PO Management
- ✓ HTS
- ✓ Valuation
- ✓ Origin
- ✓ Record Keeping
- ✓ Forced Labor
- ✓ Other Gov't Agencies



- ✓ Correct Tariffs & Duties (layering)
- ✓ Reconciliations
- ✓ Protests
- ✓ Post Entry Corrections
- ✓ Drayage & Inland Freight
- ✓ Deconsolidation
- ✓ CB 28 Responses

Managing an Import/Export Trade Compliance Program:

- Point Person Established
- Senior Management Support
- Committee Potential
- SOPs
- Technology
- Training
- Audits (Internal vs. External)
- Resource Development & Outreach
- Brokerage Management Structure



Summary

Understanding how resilience & sustainability are achieved

Culture from the Top ... drives approach

Risk Management



Resilience

20+ Solutions...
“landed Costs”

Stop Chasing
Costs

Obtain the Best
Value for Your
Spend

On a Positive Note ...

Since Covid ...

**the elevation of supply chain and the
supply chain manager in all business
models ...**



With All the Issues, Challenges and Risks...

- Comes opportunity for those who seek to find solutions.
- See success where others only see problems and despair.
- Diligence, persuasiveness and creativity trump chaos + disruption.

I hope I have provided some potential thoughts, ideas and solutions to shed favorable light on this difficult business environment we are all managing through.





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Speaker



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