

How one tariff change is affecting USPS



While there are many questions about the tariffs that President Donald Trump has imposed by the United States on other countries, one relevant to letter carriers is: How will it affect the Postal Service?

Most goods that are shipped into the country and incur import fees don't go through USPS. But there are a large number of foreign-mailed packages that do come through USPS that have not had taxes imposed on them, nor do they go through any kind of U.S. Customs and Border Protection (CBP) check. This is where Trump's tariffs have had the biggest impact—and sparked the most confusion—in terms of how the Postal Service has traditionally done business.

That confusion was on display in February when Trump announced the end of the “de minimis” loophole for Hong Kong, which exempted merchandise with a value totaling less than \$800, allowing it to enter the country duty-free and with minimal inspections. This exception is what has allowed Chinese companies such as Shein and Temu to ship goods directly to American consumers quickly and tax-free.

It was estimated that 1.4 billion packages—more than 90 percent of all packages coming into the United States through USPS and private shippers—used that exception last year. Sixty percent of those packages came from China, largely through Hong Kong.

Hong Kong, a semi-autonomous city, is China's largest trading port. Because of its previous status as an independent city, it previously had a special trading status with the United States that allowed goods from the city to be subject to lower tariffs and a customs

process separate from that for goods from mainland China. That special trade status was revoked in 2020 as the Chinese government cracked down on protests and imposed strict national security laws largely removing its independence.

Although USPS accounts for only about 5 percent of the country's total de minimis shipments—about 75 million packages—experts told *USA Today* that it was not set up to assess and process duties on packages coming from abroad.

Private delivery companies FedEx, UPS and DHL do not have the same problem, as they have in-house customs brokerage divisions that collect any tariffs owed by package recipients. By contrast, USPS receives items from foreign postal services, often with limited information about their contents. Trump has said that his de minimis decision is based on a campaign promise to punish Chinese chemical makers for supplying the raw materials to produce synthetic opioids, which are often shipped to Mexico (where the opioids are produced), using the loophole.

When Trump issued the executive order on Feb. 1 enacting the closure of the exception, it gave USPS and CBP only three days for the policy to take effect. Within four days, more than a million packages were piled up at New York's JFK Airport, along with many more at other ports of entry as CBP officials scrambled to try to deal with the problem.

“You just can't snap your fingers. ... It doesn't work that way,” former senior CBP official John Leonard told *USA Today*. Leonard said that these types of changes can take months to implement.

The Postal Service was caught up in the confusion, with then-Postmaster General Louis DeJoy announcing on Feb. 4 that it would stop accepting parcels from Hong Kong and China. Twelve hours later, DeJoy announced that USPS was reversing that position.

On Feb. 7, the White House paused the de minimis order to give USPS and CBP more time to prepare. In a public statement, USPS said that it was working with CBP to “implement an efficient collection mechanism for the new China tariffs to ensure the least disruption to package delivery.”

CBP had been clearing hundreds or thousands of de minimis shipments at once, but the new rules will require individual clearances, significantly increasing the burden for postal services and customs agents.

The Postal Service has explained that it will collect any tariffs when the customer comes to the Post Office to receive the package.

Before the order was set to go back into effect on May 2, Hong Kong announced on April 16 that it was suspending postal package service to and from the United States. It will continue accepting mail that contains only documents.

In May, it was announced that China and the Trump administration had brokered a deal to avoid escalating tariffs. However, the de minimis exception was not reinstated.

No one knows how the escalating trade war with China will proceed from here, but it’s likely that USPS will continue to find itself stuck in the middle. **PR**

U.S. Postal Service celebrates 250 years

The U.S. Postal Service is celebrating 250 years of mail service to the American people this year.

The commemoration, symbolized by a logo of an eagle in flight, will include new stamps, a postal history book and coffee-table book, other merchandise and a special episode of the animated series “Mail with Mr. ZIP” on YouTube.

The 250th anniversary dates back to Benjamin Franklin, considered the founding father of America’s postal system. He served as postmaster general for the American colonies under British rule and developed the mail network throughout the colonies. As the conflicts that led to the American Revolution heated up, Franklin

was dismissed in 1774 when he was deemed disloyal to the Crown. But he bounced back, serving on a committee in the Second Continental Congress charged with creating an independent postal system. Congress named him postmaster general in 1775.

The new postal system would serve an essential role in uniting the colonies as a new nation. Under Franklin’s leadership, the postal system spread word of the adoption of the Declaration of Independence the following year, and it did so as well with other developments in the move toward independence. It helped unite the colonies as one nation in the years that followed.

USPS celebrates 250 years (continued)



NALC President Brian L. Renfroe noted the coming anniversary in his keynote address at the 73rd Biennial Convention in Boston, Franklin's hometown, last year.

"Next year will mark the 250th anniversary of the United States Postal Service. Despite our frustrations with management, and the never-ending battle to improve our jobs, I think we can all agree that working for the Postal Service is still something to be proud of," Renfroe said at the convention.

"Created in 1775 during the Second Continental Congress, before the Declaration of Independence was even signed, the Post Office was created to foster our newfound democracy. Our new government relied on the postal system to inform the electorate and keep information flowing," NALC's president added. "Our work, of course, has changed dramatically since then, but the core of our duties remains the

same. The work we do upholds our democracy and our country every single day. Americans count on letter carriers. Whether it's their ballots, checks, medications, packages, or cards from loved ones, America depends on us to stay connected."

In a statement about the celebration, acting Postmaster General Doug Tulino said, "The founders of our great nation saw the intrinsic need of postal services as the United States was born—even before the country itself was formed. Since that time, our universal mail system has strengthened the bonds of friendship, family and community. The Postal Service remains a great organization connecting our nation and helping power our economy."

Tulino noted that the anniversary is the first of several that will mark key events in the nation's founding, such as next year's 250th anniversary of the adoption of the Declaration of Independence.

"We are proud to help set the stage for the 250th anniversary of the United States next year," he said, "and we look forward to continuing to serve the American public for another 250 years."

The "eagle in flight" logo echoes the current official seal of USPS featuring a bald eagle, the agency's symbol since 1970, when the Postal Reorganization Act was signed into law following the Great Postal Strike.

USPS will use social media posts, podcasts, blog posts and an ad campaign with the theme "Delivering since 1775" to publicize the milestone.

News and updates of the Postal Service's 250th anniversary activities can be found at usps.com/news or by searching for the hashtag #USPS250 on social media. **PR**