
WISCONSIN

ECONOMIC DEVELOPMENT

SBDC

*Small Business
Development Center*
UNIVERSITIES OF WISCONSIN

**NAVIGATING
TARIFFS
IN A GLOBAL TRADE
ENVIRONMENT**

February 2026

LOOK FORWARD >

Navigating tariffs on imported goods can be complex for both importers and exporters—especially in today’s rapidly shifting global trade environment. For Wisconsin businesses, staying proactive and informed is essential. Companies that anticipate changes, plan strategically, and regularly review reliable tariff information are better positioned to remain competitive and resilient.

This guide is designed to help businesses think strategically rather than reactively. Companies can benefit from diversifying suppliers and markets, monitoring credible sources, and building long-term strategies that align with their goals. While this guide is not a step-by-step manual on how to export, it provides access to valuable resources, information channels, and tools that can support informed decision-making.

The challenges of tariff navigation are real—but so are the opportunities. With the right preparation and awareness, Wisconsin businesses can turn complexity into a strategic advantage.

Below is a set of resources designed to help your business manage tariffs, optimize operations, and maintain a strong position in international markets. The Wisconsin Economic Development Corporation (WEDC), in partnership with the Small Business Development Center (SBDC) Go Global Initiative, encourages businesses to stay informed to understand any potential impact tariffs may have.

For companies that are serious about exporting, please consider the **Expotech™ program** overseen by the global trade and investment team at WEDC. Expotech is an export acceleration program designed specifically to help Wisconsin manufacturers and other product-focused companies increase international sales, reduce risk, and enter new markets more effectively. Email intl@wedc.org for more information.

Table of Contents

Reducing Tariff Exposure.....	3
Supply Chain Management.....	8
Freight Forwarders	9
Classification Tools	10
Additional Support.....	12
Your Input.....	13

Reducing Tariff Exposure

Strategic adjustments can help minimize tariff-related costs

In today's dynamic global trade environment, reducing tariff exposure is not just a compliance exercise—it's a strategic advantage. Organizations that proactively assess their supply chains, understand tariff structures, and leverage available trade programs can significantly improve cost efficiency while strengthening their competitive position in international markets.



Harmonized Tariff Schedule (HTS)

Identify applicable U.S. tariff rates by product category.

U.S. Customs and Border Protection (CBP)

Learn how duty rates are determined and explore tariff-rate quotas.

U.S. Trade Representative

Stay informed on tariff updates.

USDA Agricultural Tariff Tracker

Understand how tariffs impact agricultural markets.

Consult a licensed customs broker. Customs brokers provide businesses with confidence, efficiency, and compliance when navigating the complexities of importing goods. Because customs regulations are extensive, frequently updated—and because they can vary depending on product classification, origin, valuation, and admissibility requirements—having expert support can make a significant difference. The SBDC and WEDC can greatly assist a company in making informed decisions.

- **M.E. Dey & Company** – Milwaukee
- **PLS Custom House Broker Inc.** – Greendale
- **Krenz & Hannan International Inc.** – Greendale
- **Midwest Custom Services of Wisconsin** – Racine
- **New Landing LLC** – Green Bay
- **Worldwide Logistic Solutions LLC** – Wrightstown

Consider alternative sourcing and production strategies or utilizing countries with existing trade agreements—such as procuring inputs from countries not subject to new tariffs or relocating specific manufacturing processes to the U.S.—to minimize exposure to additional duties.

- **Explore free trade agreements** for cost-effective sourcing.
- **Utilize preference programs** for duty-free entry of qualifying goods:
 - **U.S.-Mexico-Canada Agreement (USMCA)**
 - **Generalized System of Preferences**
 - **African Growth and Opportunity Act**
 - **Caribbean Basin Initiative**
 - **Nepal Trade Preference Program**
- **Conduct regular supply chain assessments** to identify vulnerabilities and inefficiencies.
- **Explore Foreign Trade Zones (FTZs) for additional tariff mitigation opportunities.** Foreign Trade Zones save on tariffs by allowing businesses to defer, reduce, or eliminate import duties through duty deferral, inverted tariff rates, and duty elimination on re-exports. Located near ports of entry but considered outside U.S. customs territory, these secure areas allow companies to pay tariffs only when goods leave the zone, avoid duties on items sent to other countries, and choose lower tariff rates for finished products.

Some zones are designated as an Alternative Site Framework. Under this framework, grantees can propose a service area—typically a region near a U.S. Customs port of entry, or the location of the company—within which temporary or permanent FTZ sites offer greater flexibility for businesses to respond to market changes or supply chain needs. Pre-approved locations intend to attract multiple users. FTZs (sometimes referred to as “free trade zones”), in Wisconsin currently include #41 in Milwaukee, #167 in Green Bay, and #276 in Madison. Talks are in progress with Superior for an Alternative Site Framework..

- Duty deferral until goods enter U.S. Commerce
- Reduced duties based on finished product vs. raw materials
- No duties on re-exported or scrapped goods
- Weekly entry filing to reduce merchandise process fees

Bonded warehouses

Similar to how FTZs work for importers, bonded warehouses are used in the same way by exporters. Imported goods may be stored duty-free for up to five years, and duty rates are based on the rates in effect at the time of withdrawal. Bonded warehouses are run by private organizations within the state of Wisconsin, with several types of charges involved in storing materials. In contrast to an FTZ, where assembling of manufactured parts is allowed, this activity is limited in a bonded warehouse and is only allowed for goods that will be exported.



In Wisconsin specifically, storage duration is limited to five years for a bonded warehouse, whereas indefinite storage is allowed in an FTZ. For a bonded warehouse, duties are deferred until goods are withdrawn, whereas for an FTZ, duties are deferred until the product enters U.S. commerce. Items kept in a bonded warehouse are subject to state and local taxes (which items in an FTZ are not). Bonded warehouses have a primary focus on storage of materials, with very limited capacity for processing, whereas FTZs allow for testing, repackaging, labeling, etc.

Duty drawback

If you import goods and later re-export or destroy them under customs supervision, you can claim a refund on duties, taxes, and certain fees paid at importation. [Learn more about duty drawback](#). WEDC is here to help; email us at intl@wedc.org for assistance and resources.

Post-summary corrections and protests

If classification or valuation errors are identified, they may be corrected provided the entry has not yet been liquidated. Alternatively, a protest may be filed within 180 days of liquidation.

- [CBP Post Summary Correction Guide](#)
- [CBP Protests](#)
- [CBP ACE Protest Filer Account Application](#)

First sale declaration

First sale declaration is a U.S. CBP procedure that allows importers to declare the value of goods based on the first sale in a multi-tiered transaction rather than the final sale to the U.S. importer. This often results in lower customs duties because the first sale price (manufacturer to intermediary) is typically less than the later sale price (intermediary to importer).

In global supply chains, goods often pass through intermediaries before reaching the U.S. importer. Normally, duties are calculated on the last sale price. Under the First Sale Rule, if certain conditions are met, the importer can use the earlier sale price for duty calculation.

Key requirements:

1. **Bona fide sale:** There must be a genuine sale between the manufacturer and the intermediary.
2. **Arm's length transaction:** Each party must act independently in their own interest.
3. **Goods clearly destined for export to the U.S.:** At the time of the first sale, goods must be intended for U.S. export.
4. **Documentation:** Importers must maintain detailed records (contracts, invoices, proof of payment, bills of lading) to support the declared value.

First sale declarations require strict compliance with CBP regulations.

Documentation is subject to audits. Complex coordination often takes place between manufacturers and intermediaries. CBP can also challenge valuations and obtain a binding ruling. Consulting an expert is strongly recommended, and the SBDC and WEDC are here to help. Email intl@wedc.org to connect.

Learn more about first sale declarations:

- [CBP First Sale Declaration](#)
- [CBP Webinar Portal](#)
- [ITA Webinar Schedule](#)

Tariff engineering

Companies that import semi-finished goods may benefit from tariff engineering strategies, which can help reduce duties and optimize costs. In contrast, importing fully finished goods typically offers limited opportunities for leveraging this approach.

The laws in the U.S. provide a framework for how to import your goods; thus, during the manufacturing process (or even before), the importer should speak with their overseas vendor, customs broker, and/or attorney to determine the most cost-effective way of manufacturing the product to save on import duties—otherwise known as tariff engineering. The earlier this is done in the production process, the more one can predict how the relevant customs authorities will react to the product during importation.

In situations where questions arise regarding the correct tariff classification, importers should keep in mind that even if their conclusion is accepted by the customs authority, domestic parties may challenge it. Importers should make sure to have complete backup documentation supporting the chosen classification and should review with an expert prior to requesting a customs ruling.



Supply Chain Management

A comprehensive understanding of your supply chain is critical for mitigating tariff-related risks

Effective supply chain management is essential for businesses competing in today's complex global trade environment. As markets, suppliers, and logistics networks span multiple countries, companies must navigate disruptions, shifting regulations, geopolitical uncertainty, and fluctuating costs. A well-managed supply chain helps businesses remain resilient by improving visibility, reducing risks, controlling expenses, and ensuring products move more efficiently from origin to customer.

Wisconsin Small Business Development Center – (SBDC) – Global

Assists companies with supply chain strategy, focusing on market diversification, risk mitigation, strategic planning, and guidance on alternative solutions

Wisconsin Manufacturing Extension Partnership

Nonprofit consulting organization that can assist with strategic growth planning, supply chain optimization, Lean manufacturing, and automation

Global Trade Dashboard

Provides real-time tariff analysis

U.S. Bureau of Industry and Security

Determine whether your item is described in an Export Control Classification Number (ECCN). ECCNs are five character alpha-numeric designations used on the Commerce Control List to identify items for export control purposes.

Freight Forwarders

Companies that specialize in arranging the logistics and transportation of goods on behalf of shippers

Freight forwarders act as intermediaries between the shipper and various transportation services. For companies that do not have in-house logistics expertise, working with a freight forwarder can greatly simplify complex international shipping processes.

A freight forwarder can help identify trends, advise on Incoterms and compliance, assist with classification, coordinate shipping logistics, book cargo space with carriers, prepare documents such as bills of lading and export declarations, manage customs clearance, and provide warehousing and cargo insurance.



Find a freight forwarder in Wisconsin

Freight forwarder services – [state, national, and global freight forwarder directory](#)

National Customs Brokers & Forwarders Association of America, Inc. (NCBFAA) – [customs broker and freight forwarder listings](#)

Find a customs broker

U.S. Customs and Border Protection – [Permitted Customs Brokers Listings](#)

Classification Tools

Accurate product classification is essential for compliance and cost management

Product classification in international trade is a highly complex process. Errors in classification can lead to penalties, but there are mechanisms available to correct mistakes and, in some cases, obtain refunds. Businesses are strongly encouraged to seek professional guidance and maintain thorough records to navigate these challenges effectively.

- **Avoiding penalties:** Proper documentation, expert consultation, and proactive compliance reviews can help mitigate risks.
- **Obtaining refunds:** If a misclassification results in overpayment, refunds may be possible—but the process is often lengthy and requires persistence.

Accurate Harmonized Tariff Schedule (HTS) classification is important. Changes to the HTS may catch companies off guard, costing them millions of dollars in lost opportunity. Since customs agencies use this number to assess duties and taxes, getting it wrong could make your product cost-prohibitive in a foreign market—or give foreign competitors just enough advantage to price you out.

For importers, using the HTS classification incorrectly comes with risks of fines and penalties. The International Trade Commission’s latest round of changes to the HTS took effect Oct. 1, 2025. To help trade professionals stay current on these tariff revisions and statistical reporting changes, Internal Trade Today is offering a complimentary overview of the **2025 U.S. Harmonized Tariff Schedule Guide**.

- **HS & HTS Code Lookup Tool (Imports)** – Find standardized six-digit Harmonized System codes for traded products.
- **Schedule B Search Tool (Exports)** – Identify the correct Schedule B number for export filings.
- **U.S. Export Classification Tool** – Determine your ECCN
- **Interactive Commerce Control List** – Technical specifications and classification guidance from the Bureau of Industry and Security.
- **Small Business Development Center of the University of Wisconsin** - Helps with product classification
- **U.S. International Trade Commission** – This independent, nonpartisan, quasi-judicial federal agency fulfills a range of trade related mandates, providing independent analysis and information on tariffs, trade, and competitiveness, as well as maintaining the U.S. tariff schedule.

- **Bureau of Industry and Security** – Classify your item
- **International Trade Today** – Overview of the 2025 U.S. HTS Guide as well as updates on changes and trade compliance news
- **Tariff Classification and Engineering** – Guidance from CBP on classification and valuation strategies
 - **Understanding Tariff Engineering** – Shapiro
 - **Tariff Engineering: What It Is and How to Do It Right** – O’Meara & Associates
 - **CBP Trade Outreach Webinars**
 - **Grassi Advisors** (nonprofit focused advisory firm) – Highlights strategic responses like diversifying revenue and reassessing procurement

Additional Support

Connecting with trade and industry associations is a strategic way to stay informed on regulatory updates, market trends, and global trade best practices. These organizations offer valuable resources, events, and networking opportunities for Wisconsin businesses involved in international commerce.

WEDC: We are here to answer your questions and provide resources. Visit our [export page](#) or email us at intl@wedc.org.

Trade organizations: Joining a trade organization can offer a wide range of benefits depending on your industry, role, and goals. Focuses might include:

- **Professional networking:** Connect with peers, industry leaders, and potential collaborators.
- **Business development:** Gain access to new markets, clients, and suppliers.
- **Education and training:** Stay current with industry trends, regulations, and best practices.
- **Advocacy and representation:** Trade organizations often lobby on behalf of their members at the state and federal levels.

Wisconsin Department of Agriculture, Trade, and Consumer Protection (DATCP) – Inclusive list of [international trade associations in Wisconsin](#)

Monitor official notices: Regularly review government bulletins and trade updates to stay ahead of policy changes.

- U.S. International Trade Commission – USITC – [Trade & Tariff Announcements](#)
- U.S. Customs and Border Protection – [CBP Announcements](#)
- Congressional Research Services (CRS) Tariff Actions Timeline – [CRS Tariff Actions Timeline & Status](#)
- [Trade Updates and Tariff News](#) – A centralized source for breaking news and updates on global tariff changes, trade negotiations, and country-specific actions
- [Executive Orders](#) – Stay informed on executive orders as they are signed.



Webinars

- **U.S. Customs and Border Protection** – Free live and recorded webinars on trade policy, enforcement, and compliance; topics include, tariff classification, HTSUS updates, and small business support
- **International Trade Administration** – Webinars and seminars on export strategy, documentation, and market conditions, often co-hosted with local trade offices and public-private partners

Your Input

WEDC would like to understand how tariff issues are impacting your business. Please fill out this short survey to let us know!

[Tariff Survey](#)