

## Executive Order Ends \$800 Duty-Free Exemption, Burdening USVI Residents With New Shipping Costs

**The de minimis exemption once allowed duty-free imports up to \$800. Now, residents in the USVI and other territories must prepay duties. Plaskett said she and fellow territorial leaders are pressing the White House for a waiver to restore fairness.**

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Residents in the U.S. Virgin Islands and other territories outside the U.S. Customs Zone are facing new shipping burdens after Executive Order 14324 eliminated the duty-free de minimis exemption for goods valued at \$800 or less. On Wednesday, V.I. Delegate to Congress Stacey Plaskett said the change, which took effect August 29, is forcing residents to prepay duties on many packages before the U.S. Postal Service will accept them.

Plaskett explained that the Virgin Islands has been outside the Customs Zone since becoming a U.S. territory, and it is within the authority of the territory's governor to request changes to that status. She said the time has come for the Virgin Islands to evaluate whether remaining outside the Customs Zone still provides the same benefit it did more than a century ago.

"All of the U.S. territories, Guam, American Samoa, the Northern Mariana Islands, and the U.S. Virgin Islands, except for Puerto Rico which is the only U.S. territory inside the customs zone, are experiencing the same problems following Executive Order 14324," Plaskett stated. "I and my family are experiencing these same shipping challenges alongside my constituents as packages are being sent. All of the Members of Congress and other government officials of U.S. Territories affected by being outside the Customs Zone are working directly with the White House to address this burdensome consequence of the Administration's order on de minimis rules."

Under the new policy, customers shipping from the Virgin Islands and other affected territories to the U.S. mainland and Puerto Rico must calculate and prepay duties using the Zonos Prepay app before visiting the Post Office. The system provides a Declaration ID and QR code, without which USPS cannot accept the package. Exceptions apply to documents, goods without monetary value, gifts worth \$100 or less, items valued over \$800, and returns.

Plaskett called the requirement an "unfair burden" that disproportionately impacts territorial residents. She pledged to pursue a waiver similar to one she previously secured to prevent punitive port fees and shipping restrictions from driving up costs for Virgin Islanders. "I will apply that same determination to find a waiver for the U.S. territories from this customs duty requirement," she said.

The White House has framed the change as part of a broader national security strategy. In the July 30 executive order announcing the suspension of the duty-free de minimis exemption, President Donald Trump cited multiple ongoing national emergencies tied to drug trafficking and illicit trade.

The administration said the de minimis system had become vulnerable to abuse, particularly by traffickers using low-value shipments to evade detection. "Many shippers go to great lengths to evade law enforcement and hide illicit substances in imports that go through international commerce," the order stated. It pointed to practices such as false invoices, fraudulent postage, deceptive packaging, and the use of re-shippers in the United States to mask the true contents and origins of packages.

According to the order, eliminating the exemption globally was deemed "necessary and appropriate to ensure that the tariffs imposed ... are effective in addressing the emergency" and to close loopholes that officials believe were being exploited by traffickers. The President determined that suspending the duty-free treatment for low-value imports was essential "to deal with the unusual and extraordinary threats to the national security, foreign policy, and economy of the United States."