



Introduction: Navigating the Uncertainty of U.S. Tariffs

In today's global trade environment, tariffs remain **unpredictable**. Governments frequently adjust import duties based on economic, political, and trade negotiations, making it difficult for businesses to plan ahead. **New tariffs can be imposed overnight, increasing costs and disrupting supply chains.**

For merchants, the key to **staying competitive** is **flexibility**—having multiple options for fulfillment, importation, and order routing. The ability to **quickly adjust** shipping strategies and avoid unnecessary costs **ensures long-term stability**, regardless of trade policy changes.

One highly effective method to **mitigate tariff risks** is **leveraging Type 86 and Section 321** to import **duty-free** shipments valued under **\$800 per recipient per day**. By strategically routing inventory through **Canada or Mexico**, businesses can **eliminate U.S. import duties** while maintaining fast and efficient order fulfillment.

CommerceBlitz simplifies this process, giving merchants the flexibility to adjust their logistics operations in real time. Whether tariffs increase or decrease, **CommerceBlitz helps businesses remain agile, lower costs, and improve delivery speeds.**

Optimizing Cross-Border E-Commerce Logistics: Leveraging Type 86 for Tariff Mitigation

Executive Summary

U.S. import tariffs can make cross-border e-commerce expensive, but businesses can **eliminate duties** by leveraging **Section 321 and Type 86 entries**. These regulations allow duty-free importation of goods valued under **\$800 per shipment per customer per day**.

One effective strategy is to **bulk ship inventory to Canada or Mexico** and then break it into smaller shipments for **duty-free final delivery** into the U.S. This method not only **avoids tariffs** but also improves **fulfillment speed and cost efficiency**.

The Challenge: Managing Tariffs and Import Costs

U.S. tariffs on certain goods can increase costs for e-commerce sellers, making it difficult to maintain competitive pricing. Traditional bulk import methods expose businesses to these duties, particularly for high-volume shipments.

However, **Section 321 and Type 86 entries** allow importers to bypass duties on low-value shipments, provided they meet CBP regulations. The key is finding an efficient way to route inventory and execute last-mile fulfillment while maintaining compliance.



How CommerceBlitz Helps

CommerceBlitz **automates** and **simplifies** this process by providing:

- ✓ **Seamless Inventory Management** across staging warehouses
- ✓ **Automated Order Splitting** to comply with de minimis thresholds
- ✓ **Instant Customs Clearance & Type 86 Integration**
- ✓ **Optimized Carrier Selection** for last-mile U.S. delivery

Let's look at **real-world examples** of how merchants can implement this strategy with CommerceBlitz.

Example 1: DTC eCommerce Brand Selling Consumer Electronics

Scenario:

A **direct-to-consumer (DTC) brand** sells **smartphone accessories** and ships thousands of orders monthly from China. Importing these goods **directly into the U.S.** would incur tariffs, increasing costs by 15%-25%.

Solution with CommerceBlitz:

1. **Ship Bulk Inventory to Canada (or Mexico)**
 - Avoids direct U.S. import duties.
 - Goods are received and stored in a CommerceBlitz-connected fulfillment center.
2. **Automated Order Processing**
 - Orders from U.S. customers are **automatically split** into individual shipments valued below **\$800 per order**.
3. **Customs Clearance via Type 86**
 - **CommerceBlitz syncs with U.S. Customs Brokers** to submit **Type 86 entries in real-time**, ensuring smooth customs clearance.
4. **Final Delivery to Customers**
 - Once cleared, orders **enter last-mile carrier networks (FedEx, USPS, UPS, etc.)** and are delivered **within 2-4 days**.

Impact:

- ✓ **Eliminates import tariffs (15-25% savings per order)**
 - ✓ **Faster fulfillment compared to direct shipping from China**
 - ✓ **Automated compliance with CBP regulations**
-

Example 2: Wholesale Merchant Selling Apparel to U.S. Boutiques



Scenario:

A Canadian apparel distributor **supplies boutique stores across the U.S.** Previously, they **shipped in bulk to the U.S.**, facing **high tariffs and import processing delays**.

Solution with CommerceBlitz:

1. **Use Canada as a Staging Hub**
 - Bulk shipments arrive in Canada **tariff-free**.
 - Stored in **CommerceBlitz-powered warehouses** for streamlined fulfillment.
2. **Order Routing for U.S. Retailers**
 - CommerceBlitz automatically **splits large orders** into individual shipments under **\$800 per store per day** to **qualify for Section 321**.
3. **Customs & Delivery Automation**
 - **Type 86 entries are filed automatically** to CBP.
 - Orders are handed off to major carriers for final delivery **within 3-5 days**.

Impact:

- ✓ **Eliminates duties for B2B orders (saving 10-20% on each shipment)**
 - ✓ **Avoids delays from standard import processing**
 - ✓ **Easy scalability with automated routing & clearance**
-

Why CommerceBlitz?

CommerceBlitz **removes the complexity** of setting up a Section 321/Type 86 fulfillment strategy by:

- ✓ **Managing inventory** across U.S., Canadian, and Mexican fulfillment centers
- ✓ **Automating customs clearance** with seamless Type 86 integration
- ✓ **Optimizing last-mile delivery** to ensure **fast, cost-effective** shipping

Whether you're an **eCommerce retailer, wholesaler, or marketplace**, CommerceBlitz makes it **easy to implement** a cross-border fulfillment strategy that **avoids tariffs while maintaining delivery speed**.

How AI Enhances Tariff Mitigation and Logistics Optimization

Artificial intelligence plays a crucial role in automating and optimizing cross-border logistics strategies, ensuring businesses stay compliant while minimizing costs. AI-driven systems can analyze historical shipping data, predict tariff changes, and dynamically adjust inventory distribution to maintain duty-free status.

CommerceBlitz integrates AI to:

- ✓ **Predict and Optimize Shipping Routes** – AI-driven algorithms assess factors such as order



volume, customer location, and carrier performance to recommend the most efficient fulfillment path.

✓ **Automate Compliance & Customs Filing** – AI-powered tools monitor CBP regulations and auto-generate Type 86 filings, reducing the risk of errors and delays.

✓ **Enhance Inventory Allocation** – Machine learning models forecast demand fluctuations and optimize stock distribution across fulfillment centers in Canada and Mexico to ensure orders remain under Section 321 thresholds.

By leveraging AI, CommerceBlitz not only streamlines tariff mitigation strategies but also improves operational efficiency, reducing manual work while accelerating delivery times.

Conclusion & Next Steps

By leveraging **Type 86 and Section 321**, merchants can **reduce import costs** and **scale their U.S. operations** without worrying about tariffs.

✉ **Want to learn how CommerceBlitz can help your business? Contact us today!**

(844) 932-5489 - Support@commerceblitz.com