



more trump tariffs – what is happening?

Susan Kohn Ross
Client Alert

February 17, 2025

In **our Alert issued in early February**, we addressed the announcement of new tariffs imposed on Canada, Mexico and China. After a few days of uncertainty and negotiation, we ended up with a new tariff on China (which includes Hong Kong), though the de minimis cancellation was withdrawn, and no new tariffs on Canada or Mexico are currently in place. President Trump then issued an Executive Order saying there was programming needed to the Customs and Border Protection (CBP) system, and so the revocation of de minimis for China would be delayed. President Trump also tasked the Secretary of Commerce with confirming when the needed programming was in place. See **China and De Minimis**. There is an apparent inconsistency given CBP states its programming is completed. See **CSMS 64045612**. Even more confusing is the request the Secretary of Commerce be charged with advising when programming is completed by an agency generally under the supervision of the Homeland Security (DHS) Secretary.

Next, CBP issued a message explaining the order in which classifications are to be reported on the entry summary. See **CSMS 64018043**, an order which is particularly important for having 7501s (entry summaries) accepted, but also drawback claims and the like.

Then, we finally received clarity regarding the threatened reciprocal tariffs. On February 13, 2025, the U.S. announcement came with the explanation the goal was seeking "fair, free, [and] reciprocal trade." The **Fact Sheet re Reciprocal Trade** itself explains the goal of these tariffs as seeking a correction to ongoing "unfair trade practices," and focuses solely on the rate of duty being paid for specific American goods entering foreign countries in comparison to the rate of duty imposed by the U.S. for the same goods being imported into each individual country. Ethanol, motorcycles, shellfish, and vehicles are specifically called out, as well as the trade deficit generally. The digital services tax is also mentioned. Steel and aluminum are also cited as justifications for these actions, as well as intellectual property theft.

attorneys

Susan Kohn Ross

practice areas

international trade
regulatory



more trump tariffs – what is happening?

The Fact Sheet also refers to the additional duties imposed on Canada and Mexico, which remain suspended. The Fact Sheet also ignored the steel and aluminum tariffs which had previously been imposed (see below for more details). What this reciprocal tariffs approach could end up doing is causing the same product to be subject to a different rate of duty on import into the U.S. depending entirely on the country of export, or will it be country of origin? Prime Minister Modi of India happened to be in D.C. at the time, so India will be the first country with which negotiations will take place. Japan is second. At what point will market access, and critical products such as energy and minerals be considered? Non-tariff barriers are mentioned in the **Reciprocal Trade Memo to Secretaries**, but again, why is the Commerce Secretary mentioned and any response not put under DHS, even while the DHS Secretary is a recipient of the memo?

Regarding those steel and aluminum tariffs, the Secretary of Commerce delivered a report which resulted in the Administration taking action under Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862). This makes sense since trade remedies are enforced by Commerce. All alternative arrangements (e.g., exclusions) were suspended immediately (steel as of February 10, and aluminum as of February 11, 2025) and the tariffs imposed as of 12:01 a.m. on March 12, 2025. The countries impacted are listed in the **Federal Register Steel Tariffs 2-18-2025**, starting at the top of Page 9822.

Annex I lists the countries subject to the 10% additional tariff and Annex II lists those countries subject to the 25% additional tariff. Interested parties have 90 days from issuance to recommend additional steel and derivative goods to be added to the list of products subject to additional tariffs. Upon receipt of such requests, the Secretary of Commerce has 60 days to make a decision. CBP is also directed to place a priority on the classification of steel imports and to assess monetary penalties (at the highest amounts possible). As has been the case throughout these additional duty impositions, no drawback is allowed and FTZ is only permitted for "domestic status."

Reading almost identically to the steel tariffs Presidential Proclamation, the one related to aluminum products was issued on February 11, 2025. The key clause regarding countries and rates can be found in **Federal Register Aluminum Tariffs 2-18-2025**, starting in the middle of Page 9810.

Neither of these February 10 and 11, 2025 publications contains the Annex I or II data as a separate listing. On February 18, 2025, the steel and aluminum tariffs' Presidential Proclamation was published in the Federal Register. The above links are to the Federal Register publication wherein the relevant products and rates are listed throughout the text.

For an interesting article re from where the U.S. sources steel and aluminum, check out the Council of Foreign Relations article **What Trump's Aluminum and Steel Tariffs Will Mean In Six Charts**.

Going back to the **America First Trade Policy** memo issued on January 25, 2025, the reports highlighted are all due, but one, on April 1, 2025. The exception is that from the Office of Management and Budget which is due April 30, 2025. Even if nothing else happens in the meantime (which is not likely), it seems reasonable to expect more activity by the Administration once those reports are received.



more trump tariffs – what is happening?

In addition to all of that activity, the National Customs Broker and Forwarder's Association of America published a notice on February 14, 2025 advising that CBP's computer system is not always properly calculating the new duties on China goods, explaining the system does not verify computations when an entry line includes more than two tariff numbers, nor are export dates validated. So, whether you are an importer or a customs broker, make sure you check your entry summaries to confirm the right amount was declared and paid on each entry. CBP will hold importer's responsible, even if the error results from the customs broker's interface with ACE which is not functioning correctly due to a lack of adequate programming by CBP.