



PRESIDENT TRUMP INITIAL TARIFF ACTIONS (January 21, 2025)

President Trump's first day in office did not go as expected on trade matters. President Trump did not immediately impose 20% universal tariffs, 60% increased China tariffs, and 25% tariffs on Mexico and Canada, as he had threatened.

President Trump did issue a [America First Trade Policy memorandum](#), which directs the Secretaries of various government departments to conduct reviews to address "unfair and unbalanced trade" and submit reports to the President by April 1, 2025. The Director of Office of Management and Budget (OMB) is directed to submit its report by April 30, 2025.

In press comments late yesterday, President Trump [threatened](#) to impose 25% tariffs on Mexico and Canada on February 1 in response to fentanyl and immigration issues and even [tied](#) increased China tariffs to a TikTok deal.

The America First Trade Policy memo directs issuance of reports and recommendations on the following subjects:

Tariff-Related

- Investigate annual trade deficits and recommend appropriate measures such as a "global supplemental tariff."
- Assess China compliance with the January 15, 2020 U.S./China Section 301 Phase One [agreement](#) and recommend actions including imposition of tariffs or other measures.
- Assess the USTR [May 14, 2024 China Section 301 Four Year Review report](#) and consider potential additional tariff modifications, "particularly with respect to industrial supply chains and circumvention through third countries, including updated cost estimate imposed by any unfair trade practices identified in such review — and recommend such actions as are necessary to remediate any issues identified in connection with this process."
- Investigate other China policies and practices under 19 U.S.C. § 2411 (Section 301).
- Review and assess policies and practices of major U.S. trading partners on exchange rates with their currencies and the U.S. dollar per 19 U.S.C. § 4421 and 20 U.S.C. § 5305 and recommend measures to counter currency manipulation, misalignment that prevents balance of payments adjustments, or provides trading partners unfair competitive advantage in international trade.
- Investigate the feasibility of establishing the "External Revenue Service" (ERS) "to collect tariffs, duties, and other foreign trade-related revenues."
- Review foreign unfair trade practices under 19 U.S.C. § 2411, 50 U.S.C. § 1701, etc.
- Assess legislative proposals on Permanent Normal Trade Relations (PNTR) with China and make recommendations.
- Assess "unlawful migration and fentanyl flows from Canada, Mexico, the PRC, and any other relevant jurisdictions and recommend appropriate trade and national security measures to resolve that emergency."
- Commence the USMCA public consultative process under 19 U.S.C. §

4611(b).

- Assess revenue loss and counterfeit product and contraband drug risks resulting from the *de minimis* 19 U.S.C. § 1321 entry \$800 amount.
- Conduct a full economic and security review of U.S. industrial and manufacturing base to assess whether it is necessary to initiate investigations to adjust imports that threaten the national security under 19 U.S.C. § 1862 (Section 232).
- Assess the effectiveness of the exclusions, exemptions, and other import adjustment measures on steel and aluminum under 19 U.S.C. § 1862 (Section 232) and make recommendations.

AD/CVD, IPR, Buy American, etc.

- Review antidumping and countervailing duty (AD/CVD) policies and regulations on transnational subsidies, cost adjustments, affiliations, “zeroing” and foreign verifications.
- Assess status of U.S. intellectual property rights (IPR) conferred on China persons and ensure reciprocal and balanced treatment of IPR with China
- Identify countries for U.S. to negotiate bilateral or sector-specific agreements for U.S. export market access.
- Review existing trade agreements including the WTO Agreement on Government Procurement, and assess the impact on E.O. 13788 (April 18, 2017) (Buy American and Hire American), and make recommendations to favor domestic workers and manufacturers over foreign nations.
- Investigate whether foreign countries subject U.S. citizens or corporations to discriminatory or extraterritorial taxes pursuant to 26 U.S.C. § 891.
- Review U.S. export control system and advise on any modifications in light of developments involving strategic adversaries or geopolitical rivals, as well as all other relevant national security and global considerations, including recommendations on maintaining and enhancing the U.S. technological edge and how to identify and eliminate loopholes, and on export control enforcement policies and practices.
- Review and recommend appropriate action on “connected vehicles” and expansion to additional connected products.
- Review whether E.O. 14105 (Aug. 9, 2023) (Addressing U.S. Investments in Certain National Security Technologies and Products in Countries of Concern) should be modified or rescinded and replaced, and assess the implementing Final Rule and make recommendations, including potential modifications to the Outbound Investment Security Program.
- Assess any distorting impact of foreign government financial contributions or subsidies on U.S. federal procurement programs and propose guidance, regulations, or legislation to combat such distortion.

Notwithstanding the delay in the imposition of additional tariffs, our January 14, 2025 [guidance](#) on tariff mitigation strategies remains relevant with the continuing risks of tariff increases. Contact [Marshall Miller](#), [Brian Murphy](#), [Sean Murray](#), or [David Ostheimer](#) with questions.

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