

President Trump Issues Sweeping Trade Policy Review Directives to Key Agencies

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On January 20, 2025, as one of his first acts in office, President Trump signed [a memorandum entitled the “America First Trade Policy”](#) directed to the Secretaries of Commerce, State, Treasury, Defense, and Homeland Security, the U.S. Trade Representative (USTR), the Office of Management and Budget (OMB), the Assistant to the President for Economic Policy (Kevin Hassett, National Economic Council Director), and the White House Senior Counselor for Trade and Manufacturing (Peter Navarro). The memorandum does not impose specific trade-restricting action – such as tariffs on imported goods – at this time.

In comments to the press from the Oval Office on Monday, President Trump stated that he may impose 25 percent tariffs on goods from Canada and Mexico as early as February 1. Yet, rather than immediate action, President Trump’s memorandum instructs the identified officials and their agencies to conduct what is essentially a top-to-bottom review of U.S. trade policy on numerous fronts, with the goals of defending the United States’ economic and national security, promoting our technological advantages, and benefiting American “workers, manufacturers, farmers, ranches, entrepreneurs, and businesses.” Actions resulting from the order could involve tariffs on Canadian and Mexican imports, albeit later than February 1. Areas of trade policy to be examined include:

- Trade deficits; unfair trade practices by foreign countries and potential remedies, including Section 301 actions, global safeguards actions, and actions related to a declaration of a national economic emergency under IEEPA; the impact of the USMCA; currency manipulation; the application of the antidumping (AD) and countervailing duty (CVD) laws; importation of counterfeit products and contraband drugs under the *de minimis* duty exemption; and the subjection of U.S. persons to foreign discriminatory or extraterritorial taxes (Section 2).
- Trade with China, including compliance with the Phase One Agreement between the United States and China; assessment of the Section 301 tariff program four-year review report and third-country circumvention of program duties; identification of additional unreasonable or discriminatory acts, policies, or practices by China that could be addressed under Section 301; and legislative proposals related to the status of Permanent Normal Trade Relations with China (Section 3).
- Other economic security matters touching upon the effectiveness of the Section 232 steel and aluminum tariff programs; identification of additional import threats to national security implicating Section 232; enforcement and enhancement of the United States’ export control system with respect to exports to strategic rivals; the implementation of the new Outbound

Investment Security Program; and the unlawful migration and fentanyl flows from Canada, Mexico, China, and other countries (Section 4).

“Unified” reports for each topic are generally due by April 1, 2025, with an OMB report on federal procurement and foreign government subsidies due April 30, 2025. Details of the mandates of the America First Trade Policy memorandum are as follows:

Section 2 – Unfair and Unbalanced Trade

- Section 2(a): Investigate the United States’ “large and persistent annual trade deficits in goods” and recommend appropriate action such as “global supplemental tariffs” or other policies in response. (**Commerce**, *in consultation with Treasury and USTR; report due April 1*) Note that the “large and persistent” reference to trade deficits reflects statutory language in Section 122 of the Trade Act of 1974 (19 U.S.C. § 2132), which authorizes the President to impose temporary tariffs to address balance-of-payments deficits, among other balance-of-payments distortions.
- Section 2(b): Investigate the feasibility and implementation of a new External Revenue Service to collect taxes, duties, and “other foreign trade-related revenue.” (**Treasury**, *in consultation with Commerce and Homeland Security; report due April 1*)
- Section 2(c): Review unfair trade practices by other countries and recommend appropriate actions, including measures authorized by the U.S. Constitution; 15 U.S.C. §§ 71-75 (additional duties and retaliatory authority to discourage agreements to import goods with restrictive conditions); 19 U.S.C. § 1337 (unfair import practices through the importation of intellectual property-infringing goods); 19 U.S.C. § 1337 (additional duties for foreign country discrimination against U.S. commerce); 19 U.S.C. §§ 2252-2253 (global safeguards actions for import-caused serious injury to a domestic industry); 19 U.S.C. § 2411 (“section 301” action for foreign acts, policies, or practices that violate a trade agreement or are unjustifiable and burden or restrict U.S. commerce); 50 U.S.C. § 1701 (national economic emergency under the International Emergency Economic Powers Act); and trade agreement implementing laws. (**USTR**, *in consultation with Treasury, Commerce, and the Senior Counselor for Trade and Manufacturing; report due April 1*)
- Section 2(d): Commence the public consultation process required for the 2026 review of the USMCA, and assess and make recommendations regarding the impact of the United States’ participation in the agreement on aspects of the U.S. economy. (**USTR**; *report due April 1*)
- Section 2(e): Review our trading partners’ policies and practices with respect to rates of currency exchange and recommend appropriate action to address currency manipulation or misalignment affecting balance-of-payment adjustments or unfair competitive advantages, including designation of countries as currency manipulators. (**Treasury**; *report due April 1*)
- Section 2(f): Review existing trade agreements and recommend any “revisions” necessary for “reciprocal and mutually advantageous concessions.” (**USTR**; *report due April 1*)
- Section 2(g): Identify trading partners for new bilateral or sector-specific agreements to obtain market access for U.S. “workers, farmers, ranchers, service providers, and other businesses.” (**USTR**; *report due April 1*)
- Section 2(h): Review policies and regulations regarding the application of the antidumping (AD) and countervailing duty (CVD) laws, including with respect to transnational subsidies, cost

adjustments, affiliations, “zeroing” (an AD calculation methodology, struck down by the World Trade Organization, where the foreign producer’s U.S. price is set equivalent to its home market price when the former is higher, resulting in increased dumping margins), and verification of foreign producers and governments’ data in AD and CVD proceedings. (**Commerce**; report due **April 1**)

- Section 2(i): Assess tariff revenue loss due to the importation of counterfeit products and illicit drugs under the duty-free *de minimis* exemption. (**Treasury, Commerce, Homeland Security, and the Senior Counselor for Trade and Manufacturing**, in consultation with USTR; report due **April 1**)
- Section 2(j): Assess whether any foreign country subjects United States citizens or corporations to discriminatory or extraterritorial taxes, pursuant to 26 U.S.C. § 891 (authorizing the doubling of tax rates on citizens of a foreign country that subject U.S. persons to discriminatory or extraterritorial taxes). (**Treasury**; report due **April 1**)
- Section 2(k): Review trade agreements’ impact on federal government procurement covered by the 2017 Buy American and Hire American Executive Order, and make recommendations to “favor{s} domestic workers and manufacturers.” (**USTR**, in consultation with the Senior Counselor for Trade and Manufacturing; report due **April 1**)

Section 3 – Economic and Trade Relations with China

- Section 3(a): Review the Economic and Trade Agreement between the United States and China (also known as the Phase One Agreement reached in January 2020 as a result of negotiations following the United States’ imposition of Section 301 tariffs on Chinese goods) for compliance, and recommend actions such as the imposition of tariffs or other measures “as needed.” (**USTR**; report due **April 1**)
- Section 3(b): Review the May 2024 report following the statutory four-year review of the current China Section 301 tariff program and “consider potential additional tariff modifications as needed,” including consideration of third-country circumvention and an update of the costs of unfair trade practices. (**USTR**; report due **April 1**)
- Section 3(c): Investigate other unreasonable or discriminatory acts, policies, or practices by China and recommend action under Section 301 (19 U.S.C. § 2411), among other legal authorities. (**USTR**; report due **April 1**)
- Section 3(d): Assess and make recommendations regarding legislative proposals related to the status of Permanent Normal Trade Relations with China. (**Commerce, USTR**; report due **April 1**)
- Section 3(e): Assess U.S. intellectual property rights that have been granted to Chinese persons, and make recommendations “to ensure reciprocal and balanced treatment” of IP rights with China. (**Commerce**; report due **April 1**)

Section 4 – Additional Economic Security Matters

- Section 4(a): Review the United States’ industrial and manufacturing base to determine the need to initiate any investigations under 19 U.S.C. § 1862 to adjust imports that threaten national security (also known as Section 232). (**Commerce**, in consultation with Defense and

*other agencies; report due **April 1***

- Section 4(b): Review and assess the effectiveness of exclusions, exemptions, and “other import adjustment measures” on steel and aluminum under Section 232. (**Assistant to the President for Economic Policy**, in consultation with Commerce, USTR, and the Senior Counselor for Trade and Manufacturing; report due **April 1**)
- Section 4(c): Review the United States’ export control system, and make recommendations to maintain and enhance the United States’ “technological edge” and regarding enforcement, including identifying and eliminating loopholes that “enable the transfer of strategic goods, software, services, and technology to countries to strategic rivals and their proxies.” (**State, Commerce**, in consultation with other agencies; report due **April 1**)
- Section 4(d): Review and recommend action with respect to connected vehicles. (**Commerce**; report due **April 1**)
- Section 4(e): Review the Outbound Investment Security Program implemented to address the threat declared in the August 2023 Executive Order by countries of concern that seek to develop and exploit sensitive technologies or products critical for military, intelligence, surveillance, or cyber-enabled capabilities, and make recommendations regarding the future of the Executive Order and the final implementing rule dated November 15, 2024. (**Treasury**, in consultation with Commerce and other agencies; report due **April 1**)
- Section 4(f): Assess any distorting impact of foreign government financial contributions or subsidies on U.S. federal procurement programs, and propose responsive guidance, regulations, or legislation. (**OMB**; report due **April 30**)
- Section 4(g): Assess unlawful migration and fentanyl flows from Canada, Mexico, China, and other countries, and recommend appropriate action to address that emergency. (**Commerce, Homeland Security**; report due **April 1**)

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