



President Trump Signs Reciprocal Trade and Tariffs Memorandum

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On February 13, 2025, President Trump signed an [executive memorandum on “Reciprocal Trade and Tariffs”](#) directing his economic team to create a “Fair and Reciprocal Plan” for imposing a supplemental tariff that will be designed to counteract a wide range of tariff, tax and non-tariff barriers that negatively affect U.S. producers selling into foreign markets.

As described in the memorandum, the United States designed and led the global trading system chiefly by lowering duties and other barriers to imports at a rate that outpaced its trading partners, causing it to become “one of the most open economies [with] the lowest average weighted tariff rates in the world,” with “fewer barriers to imports than other major world economies, including those with similar political and economic systems.”

This new executive action seeks to make U.S. trade “more reciprocal and balanced” to reduce the trade deficit, grow the U.S. economy, and improve U.S. trade relationships to benefit U.S. workers, manufacturers, farmers, ranchers, entrepreneurs and businesses.

Purpose and Scope

The Fair and Reciprocal Plan is intended to ensure “comprehensive fairness and balance across the international trading system,” and it is correspondingly ambitious in scope. It aims to capture all “measures that disadvantage the United States as applied, regardless of what they are called or whether they are written or unwritten.”

The President has directed his economic advisors (in a process led by the Secretary of Commerce and U.S. Trade Representative, but also the Secretaries of Treasury, Commerce, and Homeland Security, Assistant to the President for Economic Policy, Kevin Hassett, and Senior Counselor to the President for Trade and Manufacturing, Peter Navarro) to identify all:

- tariffs;
- unfair, discriminatory or extraterritorial taxes (including value-added tax, or VAT),
- costs arising from nontariff barriers;
- harmful acts, policies, or practices burdening U.S. businesses operating in other countries, including subsidies and burdensome regulatory reporting requirements;

- policies and practices “that cause exchange rates to deviate from their market value[] to the detriment of Americans,” and that cause “wage suppression” or that otherwise make U.S. businesses and workers less competitive; and
- any other unfair limitation on market access or structural impediment to fair competition with the United States.

The Plan will result in a determination of “the equivalent of a reciprocal tariff with respect to each foreign trading partner,” sufficient to capture all of the forgoing “non-reciprocal trading arrangements” vis-à-vis the United States. How a reciprocal tariff would be calculated and what it would take into account are details presumed to be determined or recommended as part of the investigation process.

Timing

The America First Trade Policy, signed by President Trump on his first day in office (January 20, 2025) ordered a series of reports to be published by the Secretaries of Commerce and Treasury, and the U.S. Trade Representative, by April 1, 2025.

According to the Reciprocal Trade and Tariffs memorandum, the Fair and Reciprocal Plan will be created by “the Secretary of Commerce and the United States Trade Representative,” in consultation with the other economic advisors after the delivery of the America First Trade Policy reports on April 1.

The memorandum instructs the head of each relevant executive department and agency (e.g., the Secretary of Commerce, USTR, etc.) to initiate “all necessary actions to investigate the harm to the United States” using “their respective legal authorities” culminating in the issuance of a report detailing the harm to the United States from any non-reciprocal trade arrangements on a country-by-country basis (ostensibly, the Fair and Reciprocal Plan).

Details on any formal opportunities for stakeholder engagement during the investigation process are not yet known.

The White House Memorandum on Reciprocal Trade and Tariffs can be found [here](#).

The White House Fact Sheet President Donald J. Trump Announces “Fair and Reciprocal Plan” on Trade can be found [here](#).

This is the fourth major tariff related announcement by the Trump administration since February 1, 2025. For more information on:

- The February 1, 2025 imposition of 10% tariffs on goods from China, and threat of 25% tariffs on goods from Canada and Mexico pursuant to IEEPA, [click here](#).
- The February 3, 2025 temporary suspension of threatened 25% tariffs on goods from Canada and Mexico pursuant to IEEPA, [click here](#).
- The February 11, 2025 reimposition and expansion of tariffs on steel and aluminum products and derivative products pursuant to Section 232, [click here](#).