

# Tariffs and Trade Actions: Summing Up the Last Few Days

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The tariff news of the last day has been coming at full speed. Whether a small manufacturer or part of a multinational group company; a firm that manages cross-border supply chains on a daily basis or one that rarely thought about customs duties before now; a commuter listening to the local news or a hedge fund manager – it has become both necessary and challenging to follow President Trump’s [tariff moves](#) since he announced his [America First Trade Policy](#) on his first day in office. The pace of action has only increased. Here are the key takeaways from recent days, including the last 24 hours:

## U.S. Tariffs on Goods from Canada and Mexico

- **Tariffs of 25% on all goods from Canada and Mexico went into effect as of 12:01 am on Tuesday, March 4, 2025**, after a 30-day delay for the United States to negotiate with each country on a more permanent solution to “stop the flow of fentanyl and illegal migrants.”
  - For Canadian energy imports, including crude oil, natural gas, refined petroleum products, coal, biofuels, and critical minerals, the effective tariff rate is only 10%.
  - Humanitarian donations, informational materials, and products carried in baggage for personal use are exempt from the tariffs, but may have to be declared with U.S. Customs and Border Protect (CBP) and appropriately classified.
  - Goods eligible for *de minimis* treatment, including postage, are temporarily exempt from the tariffs. *De minimis* entry will no longer be available for imports from Canada or Mexico when, at a future date, the Secretary of Commerce provides notice that systems are in place to collect tariff revenue on such entries.
- Goods of Canada and Mexico are defined pursuant to both the rules of origin set forth in part 102, title 19 of the Code of Federal Regulations, as applicable, and the last country of substantial transformation.
- These tariffs are in addition to applicable antidumping duties, countervailing duties, and other normal duties, including Most Favored Nation and preferential rates under U.S. trade agreements.
- Duty drawback is not available. Canadian and Mexican goods must be admitted into a U.S. foreign trade zone under privileged foreign status, with tariffs owed upon entry for

consumption. U.S. Harmonized Tariff Schedule (HTSUS) Chapter 98 special classifications remain available for eligible imports, with certain exceptions for repairs, alterations or processing performed in Canada or Mexico.

- Legal authority: The International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.*) (IEEPA) and, for Mexico, the National Emergency at the Southern Border announced in Proclamation 10886 of January 20, 2025, pursuant to the National Emergencies Act (50 U.S.C. § 1601 *et seq.*), and, for Canada, the expansion of that national emergency to include the U.S. Northern Border (Executive Order 14193 of February 1, 2025).

## **U.S. Tariffs on Goods from China**

- **Tariffs of an additional 10% (resulting in an overall 20% increase in tariff level since President Trump entered office) went into effect on all goods from China and Hong Kong as of 12:01 am on Tuesday, March 4, 2025.**
- This is an increase of the tariffs of 10% on all goods from China and Hong Kong that had applied for entries from 12:01 am February 4, 2025 through March 3, 2025.
- These tariffs are in addition to applicable tariffs on imported Chinese goods, ranging from 7.5% to 100%, imposed beginning in 2018 pursuant to Section 301 of the Trade Act of 1974 (19 U.S.C. § 2411 *et seq.*). These tariffs are also in addition to applicable antidumping duties, countervailing duties, and other normal duties.
  - Humanitarian donations, informational materials, and products carried in baggage for personal use are exempt from the tariffs, but may have to be declared with U.S. Customs and Border Protect (CBP) and appropriately classified.
  - Goods eligible for *de minimis* treatment, including postage, are temporarily exempt from the tariffs. *De minimis* entry will no longer be available for imports from Canada or Mexico when, at a future date, the Secretary of Commerce provides notice that systems are in place to collect tariff revenue on such entries.
  - Goods in transit or loaded onto a vessel before February 1, 2025, *and* entered for consumption between February 4, 2025, and March 7, 2025, are exempt from the tariffs.
- Goods of China or Hong Kong are defined by the last country of substantial transformation.
- Duty drawback is not available. Goods must be admitted into a U.S. foreign trade zone under privileged foreign status, with tariffs owed upon entry for consumption. U.S. Harmonized Tariff Schedule (HTSUS) Chapter 98 special classifications remain available for eligible imports, with certain exceptions for repairs, alterations or processing performed in China or Hong Kong.
- Legal authority: The International Emergency Economic Powers Act (50 U.S.C. § 1701 *et seq.*) (IEEPA) and the National Emergency at the Southern Border announced in Proclamation 10886 of January 20, 2025, pursuant to the National Emergencies Act (50 U.S.C. § 1601 *et seq.*), and the expansion of that national emergency to include the products from China (Executive Order 14195 of February 1, 2025).

## **Retaliatory Actions by Canada, China, and Mexico**

### ***Canada***

- **Canada has imposed tariffs of 25% on certain goods from the United States, valued**

**at C\$30 billion, imported into Canada as of 12:01 am on Tuesday, March 4, 2025.** This is the first tranche of tariffs, with a second tranche announced to cover C\$125 billion of American goods expected on March 25, 2025.

- Goods covered by the first tranche, according to Canadian Harmonized System (HS) code, can be found [here](#).
  - The products covered include food products, wine/spirits/beer, cosmetic products, apparel and footwear, pulp and paper products, motorcycles, and household appliances.
  - Pneumatic tires that are “for use as original equipment in the production of any vehicle, machine or appliance” referred to in Canadian HS 4011 are exempt from the tariffs.
  - This tariffs apply to U.S. goods whether imported for commercial or personal use.
- U.S. goods that are in transit to Canada on March 4, 2025, are exempt from the tariffs.
- Canadian HS Chapters 98 and 99 classifications, including duty drawback and other duty remittance and deferral programs, remain available.
- Goods of the United States are defined according to Canadian regulations regarding the rules of origin under the United States-Mexico-Canada Agreement (USMCA). Proof of origin must be provided, subject to limited exceptions.
- **Ontario has also announced that it will impose a 25% tax on electricity it exports to 1.5 million homes in Minnesota, Michigan, and New York.**
- A 25% tariff will also be imposed on and additional C\$125 billion worth of U.S. goods in 21 days if the U.S. tariffs remain in place at that time. The list of goods subject to this second tranche of tariffs has not been issued yet.

## ***China***

- **China has imposed tariffs of 15% on U.S. chicken, wheat, corn, and cotton, and of 10% on U.S. soybeans, sorghum, pork, beef, seafood, fruit, vegetables, and dairy products, effective March 10, 2025.**
  - China is also suspending the import of U.S. lumber, effective immediately, and suspending the soybean import qualifications of three U.S. companies, citing pest and sanitary issues in both cases.
  - Goods in transit through April 12, 2025, are exempt from China’s tariffs.
  - China also added 15 U.S. companies to its Export Control List and added 10 U.S. companies on its Unreliable Entity List.
- These retaliatory measures are in addition to the actions China took in response to the United States’ initial 10% tariffs on imports from China and Hong Kong under IEEPA on February 4.
  - China previously imposed 15% tariffs on U.S. exports of certain types of coal and liquefied natural gas, and 10% tariffs on U.S. exports of crude oil, agricultural machinery, large-displacement cars, and pickup trucks, all effective February 10, 2025.
  - China had also previously announced new export controls on more than two dozen metal

products and related technologies, including tungsten (industrial and defense applications) and tellurium (solar cells); and anti-monopoly investigation into Google; and initiation of a dispute before the World Trade Organization.

### ***Mexico***

- **Mexican President Sheinbaum has announced that her country will impose 25% tariffs on U.S. goods, effective Sunday, March 9, 2025.** The list of goods subject to Mexican tariffs has not yet been announced, but may be issued later this week.

### **U.S. Section 232 Tariffs on Derivative (Downstream) Products**

- On Monday, March 3, 2025, the Commerce Department issued notices [here](#) and [here](#) clarifying that March 12, 2025, is the effective date for the 25% Section 232 tariffs to apply to derivative steel and aluminum products identified in Annex I to the President's February 10, 2025, proclamations and classified in HTSUS Chapters 73 and 76.
- The derivative product tariffs do not apply to derivative products processed in another country from steel articles that were melted and poured in the United States or aluminum products that were smelted and cast in the United States.
- Tariffs on the few other derivative steel products identified in Annex I to the February 10th proclamations, classified in HTSUS chapters other than 73 and 76, will be effective at another time when the Secretary of Commerce issues public notification that systems are in place to process and collect tariff revenue for those specific imports.
- Legal authority: Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. § 1862).

### **U.S. Tariffs on Agricultural Goods**

- On Monday, March 3, 2025, President Trump announced via social media that additional tariffs on agricultural products will take effect on April 2, 2025. The scope, legal authority, and other details regarding such tariffs have not been announced.

### **New Section 232 Investigations Announced**

- President Trump's first administration made liberal use Section 232 of the Trade Expansion Act of 1962 to investigate the effects of imports on the national security. These investigations lead to the imposition of tariffs on steel and aluminum articles, and also resulted in investigations of automobiles and other products.
- **Last week, citing global overcapacity and significant vulnerabilities in the copper supply chain, President Trump announced the initiation of a [Section 232 investigation on imports of copper](#).**
  - The investigation will focus on imports of copper in all forms, including but not limited to raw mined copper, copper concentrates, refined copper, copper alloys, scrap, and derivative products.
  - The Secretary of Commerce is directed to submit a report to the President within 270 days with findings regarding whether imports of copper threaten the national security, recommendations for mitigating any such threats (including tariffs, export controls, and domestic production incentives), and other policy recommendations for strengthening the

copper supply chain.

- **Over the weekend, President Trump announced the initiation of a [second Section 232 investigation on imports of timber and lumber](#).**
  - The Executive Order notes that timber, lumber, and derivative products such as paper products, furniture, and cabinetry, are critical to the national and economic security and play a vital role in civilian industries like construction.
  - The Order also highlights that the U.S. softwood lumber industry has capacity to meet 95 percent of U.S. demand, but that the country has been a net importer since 2016.
  - As with the copper investigation, the Secretary of Commerce is directed to submit a report to the President within 270 days with findings regarding whether imports of timber, lumber, and derivative products threaten national security, recommendations for mitigating such threats, and policy recommendations for strengthening the timber and lumber supply chain.
  - We anticipate that the Commerce Department will publish Federal Register notices in the coming days announcing a process for stakeholders to participate in these investigations by providing information and comments.