

Reciprocal Tariffs to be Investigated, Potentially Imposed Later in 2025

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Yesterday, President Trump issued a memorandum introducing the President's "[Fair and Reciprocal Plan](#)" to investigate and take actions to correct "longstanding imbalances in international trade."

President Trump intends the "Fair and Reciprocal Plan" to address tariff and non-tariff trade barriers disadvantaging U.S. exporters and businesses. According to a [White House Fact Sheet](#) issued in conjunction with the memorandum, the United States has run a trade deficit every year since 1975, with the U.S. trade deficit in goods exceeding \$1 trillion in 2024. Under the "Fair and Reciprocal Plan," the Trump Administration aims "to counter non-reciprocal trading agreements" and "address other unfair and unbalanced aspects of [the U.S.] trade with foreign trading partners" leading to this trade deficit by undertaking a broad analysis of the non-reciprocal trade relationships and practices of all United States trading partners, including:

- Tariffs imposed on U.S. products;
- Unfair, discriminatory, or extraterritorial taxes imposed on U.S. businesses, workers, and consumers, including a value-added tax;
- Costs to U.S. businesses, workers, and consumers arising from nontariff barriers or unfair or harmful acts, policies, or practices, including subsidies and burdensome regulatory requirements on U.S. businesses operating abroad;
- Policies and practices that cause exchange rates to deviate from their market value to the detriment of Americans; and
- Any other practice that, in the judgment of the United States Trade Representative (USTR), in consultation with the Secretary of the Treasury, the Secretary of Commerce, and the Senior Counselor to the President for Trade and Manufacturing, imposes any unfair limitation on market access or any structural impediment to fair competition.

In order to effect the "Fair and Reciprocal Plan," the President directs Commerce and USTR, in consultation with Treasury, Homeland Security, the Assistant to the President for Economic Policy, the Senior Counselor to the President for Trade and Manufacturing, and the heads of other executive

departments that they deem relevant, to review the agency reports due on April 1 pursuant to the January 20 [America First Trade Policy Memorandum](#) and initiate “all necessary actions to investigate the harm to the United States from any non-reciprocal trade agreements adopted by any trading partners.”

Following the completion of those investigatory actions, Commerce and USTR are directed to submit to the President a report detailing proposed remedies in pursuit of reciprocal trade relations with each trading partner, but the memorandum does not specify a deadline for submission of the report. The investigatory actions and proposed remedies could reflect a mix of different legal tools, including the use of Section 301 of the Trade Act of 1974 (previously used for the 2018 and 2019 tariffs on China); Section 232 of the Trade Expansion Act of 1962 (previously used for the [tariffs on steel and aluminum](#)); and the International Emergency Economic Powers Act (IEEPA) (utilized [earlier this month](#) for the paused tariffs on Canada and Mexico, and the newly effective 10% tariffs on China).

The memorandum does not provide a timeline for Presidential action after the submission of the reports and recommendations from Commerce and USTR.

This process will present multiple opportunities for input from stakeholders as the investigations and potential actions play out over the coming months.

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