

'Fair and Reciprocal Plan' Threatens Future Tariffs on All U.S. Trading Partners

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On Feb. 13, 2025, President Trump announced his “Fair and Reciprocal Plan” to “reduce [the United States’] large and persistent annual trade deficit in goods and to address other unfair and unbalanced aspects of [U.S.] trade with foreign trading partners.” At this time, the White House has only released a [memorandum](#) and accompanying [Fact Sheet](#) addressing this new Plan for reciprocal tariffs. Below are a few key observations based on the limited information so far:

- Unlike the [tariffs recently imposed against China and currently deferred on Mexico and Canada](#) under the International Emergency Economic Powers Act (IEEPA), reciprocal tariffs will not be imposed immediately. The memorandum states that the U.S. Department of Commerce and the U.S. Trade Representative, in consultation with other agencies, shall initiate and investigate any harm to the U.S. from non-reciprocal trade practices of other countries **after** submission of the specified reports due under the America First Trade Policy Memorandum. Most of these reports under the America First Trade Policy are due April 1, 2025.
- All U.S. trading partners will presumably be subject to the Fair and Reciprocal Plan investigations, including World Trade Organization (WTO) members. Indeed, the White House Fact Sheet refers to “132 countries and more than 600,000 product lines” where U.S. exporters face higher tariffs more than two-thirds of the time. Interestingly, the Fact Sheet provides specific examples of non-reciprocal treatment by certain countries and in certain industries, such as the European Union (shellfish, cars), India (agriculture and motorcycles), and Brazil (ethanol). It is unclear if these named countries and industries will become prioritized targets for reciprocal tariffs. Ultimately, any new reciprocal tariffs imposed by the U.S. are likely to be challenged in the WTO.
- The Commerce Department and USTR will be charged with investigating not only unbalanced tariff treatment by other countries, but also other nontariff barriers such as digital trade barriers, government procurement, lack of intellectual property protection, and export

subsidies, among others. Thus, we may see the U.S. take action beyond imposing just reciprocal tariffs, e.g., digital service taxes.

- The Fact Sheet uses the phrase “The Art of the International Deal,” which may suggest that the “Fair and Reciprocal Plan” is intended primarily as a negotiating tactic.

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