

Trump Administration Modifies Tariff Actions under National Security Powers

by Justin T. Huff, T. Augustine Lo, Dave Townsend, and Lawrence Ward

Not long after announcing new global “reciprocal” tariffs on imports from around the world at the beginning of April 2025, which we previously reported in a [recent eUpdate](#), President Trump began modifying that tariff action. These changes included sharply increasing the tariff rate on Chinese origin products, while limiting the reciprocal tariffs on goods of other countries to 10% until July 2025. President Trump has exempted, at least for now, broad categories of consumer electronic products and certain semiconductor manufacturing equipment. These tariff actions are occurring against a backdrop of further trade investigations that are likely to result in new trade restrictions.

Modifications to and Exemptions from Reciprocal Tariffs

In response to China’s announced countermeasures against the reciprocal tariffs, President Trump dramatically increased the tariff rates on Chinese origin goods. He successively issued two Executive Orders (“EOs”) on April 8, 2025, and April 9, 2025, that impose significantly higher tariff rates than initially announced on April 2, 2025. On April 8, 2025, President Trump increased the reciprocal tariff rate on goods of China, Hong Kong, and Macau origin to 84% effective April 9, 2025. The next day, President Trump further increased that reciprocal tariff rate to 125% effective April 10, 2025, and the special tariff on international postal parcels from China and Hong Kong effective May 2, 2025, to either 120% ad valorem or \$100 per postal item (to be increased to \$200 per postal item beginning June 1, 2025). These reciprocal tariffs on Chinese origin products are assessed in addition to the 20% tariff previously imposed in February and March 2025 under a border emergency, which we reported in a [previous eUpdate](#); tariffs imposed under Section 301 of the Trade Act of 1974 (“Section 301”) on most Chinese origin products (with rates at 7.5%, 25%, 50%, or 100% as set forth in various lists); and, any anti-dumping or countervailing duties.

Meanwhile, President Trump sharply curtailed the global reciprocal tariffs announced for other countries within one day after they took effect. Based on a 90-day pause

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announced on April 9, 2025, the goods of most other countries are subject to a 10% reciprocal tariff rate. (There are some major exceptions, including Canadian and Mexican origin goods that remain subject to an earlier tariff action; and a special exemption that applies to goods of Belarus, Cuba, North Korea, and Russia, which remain subject to other economic and trade sanctions.)

On April 11, 2025, President Trump announced additional exemptions for certain goods from the reciprocal tariff action. This addendum provided a list of tariff classification provisions under Chapters 84 and 85 of the Harmonized Tariff Schedule of the United States. These provisions cover many mass-market electronic devices and certain equipment used in the manufacturing of semiconductor devices and electronic products.

Other Trade Proceedings

Separately, the Trump Administration has announced additional trade measures that are meant to promote the reshoring of manufacturing and production of strategically important goods. The Office of the United States Trade Representative (“USTR”) has announced proposed phased port fees and charges that would be imposed on certain Chinese-built vessels and their operators who make port calls in the United States. USTR issued this proposal after conducting hearings on the Chinese maritime industry under Section 301 of the Trade Act of 1974. There is an opportunity to submit comments on these proposals through May 19, 2025, and an opportunity through May 8, 2025, to request to attend the hearing on May 19, 2025.

In conjunction with the USTR’s Section 301 investigation of China’s maritime sector, President Trump issued an EO on April 9, 2025, titled “Restoring America’s Maritime Dominance.” That EO instructs the USTR to coordinate the Section 301 investigation with other Cabinet members’ parallel efforts in this area. President Trump also instructs the U.S. Secretary of Homeland Security to “take all necessary steps, including proposing new legislation,” to collect Harbor Maintenance Fees (“HMF”) on goods that enter the United States overland from Canada and Mexico if the goods were shipped previously by sea to Canadian and Mexican ports. At present, HMF is collected only on goods imported through U.S. seaports for the purpose of funding U.S. harbor and seaport maintenance.

The Trump Administration also has initiated new investigations under Section 232 of the Trade Expansion Act of 1962 (“Section 232”) against imports of critical minerals and derivative products; pharmaceutical products and ingredients; semiconductors and semiconductor manufacturing equipment; and trucks. The President is authorized to “adjust” imports that affect national security under Section 232. These investigations are ongoing and allow public input with varying deadlines in May 2025. It remains to be seen whether these investigations will lead to import tariffs or other trade restrictions.

Lawsuits Alleging Tariffs Are Unlawful

There are a handful of ongoing lawsuits that challenge some of President Trump’s recent tariff actions that rely on the International Emergency Economic Powers Act (“IEEPA”).

On April 23, 2025, twelve states filed a complaint in the U.S. Court of International Trade (“CIT”) claiming that IEEPA tariffs are unlawful. This complaint follows an earlier complaint filed by the State of California, as well as complaints by several U.S. importers. Some of these cases have been filed in U.S. District Court instead of the CIT. It remains to be seen whether those court challenges will be successful, including pending issues over whether the CIT or U.S. District Court has jurisdiction and venue, and whether plaintiffs could obtain preliminary relief to block the collection of these tariffs while the lawsuits proceed in court.

Conclusion

Companies that rely on imported products may wish to take appropriate steps consistent with law to assess and potentially mitigate the effects of this constantly changing tariff landscape. Dorsey & Whitney has attorneys who focus on helping businesses consider strategic and compliance issues related to tariffs. Please feel free to contact one of the authors below if you have questions about this eUpdate.