

Trump Administration's Whirlwind Tariff Actions Continue

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On March 4, 2025, the Trump Administration imposed 25% import tariffs on nearly all Canadian and Mexican origin goods under the International Emergency Economic Powers Act ("IEEPA"). The same day, a similar IEEPA-based tariff imposed on Chinese origin goods increased from 10% to 20%. Within two days, however, President Trump signed Executive Orders to suspend the tariff for Canadian and Mexican goods that qualify for preferential treatment under the U.S.-Mexico-Canada Agreement ("USMCA") from March 7, 2025, until April 2, 2025, and to reduce the tariff rate for Canadian and Mexican origin potash that are not USMCA-eligible to 10%.

The Trump Administration likely will revise these tariff actions further following subsequent negotiations with the affected countries. These decisions portend further tariffs through executive action with little or no advance warning. It is equally difficult to predict the course of Canadian countermeasures, which took effect on March 4, 2025, and potential Mexican countermeasures. These rapidly changing tariff actions coincide with recently announced investigations of imports of copper and lumber products under Section 232 of the Trade Expansion Act of 1962 ("Section 232").

Tariffs on Canadian and Mexican Goods

As we reported in a [recent eUpdate](#), President Trump announced these IEEPA-based tariffs in February 2025, citing an emergency relating to drug trafficking and irregular border crossings. While the tariff on Chinese origin products (which includes Hong Kong origin goods) took effect at 10%, President Trump postponed the 25% tariffs on Canadian and Mexican origin goods for 30 days. President Trump let the tariffs on

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Canada and Mexico come into effect on March 4, 2025, before suspending them three days later for USMCA-qualifying Canadian and Mexican goods until April 2, 2025. At the same time, the IEEPA-based tariff on Chinese origin products increased to 20% without similar relief.

Narrow exemptions for the tariff actions exist. All three tariff actions exempt baggage accompanying travelers for personal use and certain goods returning to the United States. The tariff actions on Canadian and Mexican origin products also exempt donations of food, clothing, and medicine, and information and informational materials. Certain Canadian origin energy products are subject to a lower tariff at 10%. These exemptions still may be relevant for Canadian and Mexican origin goods that do not benefit from the temporary pause for USMCA-eligible goods. The IEEPA-based tariffs are cumulative to all other import duties that could be assessed on imported products (e.g., general import duties, antidumping duties, countervailing duties, safeguard duties, and duties imposed under Section 232 and Section 301 of the Trade Act of 1974).

Although the initial tariff action on Chinese origin goods eliminated the “*de minimis*” exemption for small parcels under Section 321 of the Tariff Act of 1930, the Trump Administration quickly backtracked after widespread reports of disruptions to e-commerce and mail deliveries. According to the revised notices, the *de minimis* exemption remains in place for affected parcels from China, Canada, and Mexico until the U.S. Secretary of Commerce reports that adequate systems are in place to process these parcels. Once the *de minimis* exception is eliminated, then even low-value shipments to the United States may become subject to tariffs.

The targeted countries are the three largest U.S. trading partners. After the U.S. tariff actions came into effect on March 4, 2025, Canada announced countermeasure tariffs that had been held in abeyance during the previous monthlong suspension. Mexico similarly announced its intention to impose countermeasures before President Trump granted relief.

The one-month delay in tariffs on certain Canadian and Mexican goods coincides with the anticipated report on trade reciprocity from the Office of the United States Trade Representative (“USTR”) due in April 2025 under President Trump’s “America First Trade Policy” memorandum. The USTR has solicited public comments to prepare that report, with a March 11, 2025, deadline to submit comments. The USTR report may lead to additional “reciprocal tariffs” or other trade restrictions against major trading partners, and likely retaliatory countermeasures against U.S. goods.

Product Specific Tariffs Under Section 232

President Trump also launched via Executive Orders two Section 232 investigations on copper and lumber imports into the United States. As a basis for the Section 232 investigation of copper imports, President Trump highlights the role of copper as a critical mineral for defense, energy, infrastructure, and emerging technologies. Issued on February 25, 2025, the Executive Order also noted the existence of U.S. copper reserves, and the dominant position of non-U.S. copper production.

Similarly, on March 1, 2025, President Trump issued the Executive Order starting the Section 232 investigation of lumber imports to the United States. The Executive Order claims that timber, wood, and derivative products including paper, furniture, and cabinetry, are critical for civilian construction and military applications. President Trump states that U.S. domestic softwood lumber supplies would be sufficient to meet the majority of U.S. demand. The same day, President Trump issued a separate Executive Order that called for increased U.S. production of timber and wood from federal lands.

Section 232 authorizes tariffs to adjust imports that are deemed to pose a national security risk. The statute requires an investigation by the U.S. Secretary of Commerce with public participation before the issuance of a report and any subsequent tariff action. As we previously summarized, President Trump also expanded the scope of existing Section 232 duties on steel and aluminum products in February 2025, with changes taking effect on March 12, 2025.

Conclusion

Dorsey & Whitney has attorneys who are experienced in helping clients assess the impact of these new tariffs and who have advised companies participating in Section 232 investigations and other trade proceedings. If you have questions about this eUpdate or the actions described in it, please contact one of the authors, linked below.