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Trump's Trade Policy: Year one in Review and the Road Ahead

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Agenda

Key Policy Priorities

Major Tariff Actions to Date

Trade Enforcement Priorities

How Companies Are Responding

Forecasting



Key Policy Priorities

Key Policy Priorities



1st Term Continued

China, Reduce Trade Deficits, Target Certain Industries



America First Trade Policy

Reciprocal Tariffs, Commerce Reports



Economic Nationalism

Reduce Budgets, Deficits are Scorecards, Tax Policy, etc.



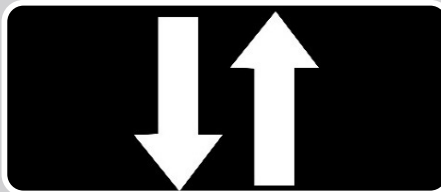
Major Tariff Actions to Date

Tariff Buckets



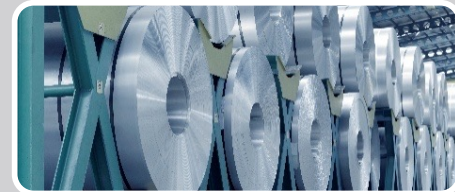
Global Reciprocal

- Intended to raise revenue / reduce trade deficit



Political Leverage

- Initiated based on creating leverage against foreign policy concerns



Strategic Tariffs

- Section 232, Section 301, etc.

Global Reciprocal Tariffs

- Baseline Global Rate: 10% (effective Apr. 5, 2025)
- Additional Duties based on Trade Deficit with each Individual Country (effective Apr. 9, 2025)
- “Framework” Deals
 - EU: 15% (Ceiling)
 - UK: 10% (Stacking)
 - Japan: 15%
 - Others



Political Leverage Tariffs

- China: 30% + Section 301 (~25%) = 55%
- India: 25% + 25% = 50%
- Brazil: 10% + 40% = 50%
- Canada: 35% (10% Energy), USMCA Exemption
- Mexico: 25% (10% Potash), USMCA Exemption

Strategic Tariffs

Auto and Auto Parts
Heavy Duty Trucks
(25%)

Timber and Lumber
(10%), and
Derivatives (e.g.,
Upholstered Wood
Furniture (25%)

Steel and Aluminum
and Derivatives
(50%)

Copper and
Derivatives (50%)



Threatened:
Pharma, etc.

Tariff Tools Available to Trump Administration

Action	Issue/Purpose	Prerequisites	Limitations
IEEPA	“Unusual or extraordinary” threats to national security, foreign policy or the economy	Declaration of national emergency; consult with Congress “in every possible instance” before action	None – can target multiple products and countries
Section 232	National security	DOC BIS report	Targets specific sectoral goods (countries are indirect targets)
Section 301	Unfair foreign trade practices	USTR report	Targets a specific country; 4-year review
Section 201	Safeguard tariffs	USITC finding of serious injury due to imports	Targets specific products from all countries; up to 4 years (can be extended to 8 years); 50% ceiling
Section 122	“Large and serious” balance-of-payments deficits	Existence of “fundamental” international payments problems	Up to 15% tariff; limited to 150 days (unless extended by Congress)
Section 338	Discrimination of U.S. commerce by foreign countries	Existence of discrimination of U.S. commerce	Up to 50% tariff; targets a specific country



Trade Enforcement Priorities

Criminal Enforcement Focus

- DOJ prioritizes trade and customs fraud
“Memorandum: Focus, Fairness, and Efficiency in the Fight Against White-Collar Crime” (May 12, 2025)
- Trade Fraud Taskforce Announced August 29
 - DOJ and DHS partnership
 - Dozens of DOJ agents added to new Trade Crimes Taskforce

Key Areas for Enforcement

False Country of
Origin and
Transshipment

Falsely Claiming
Preferential
Treatment, FTAs
or Exemptions

Undervaluation

Evasion –
including
misclassification
to avoid duties

Forced Labor

- Not intentionally removed as a focus
 - Casualty of resource diversion
- Detentions in 2024 = \$1.71B
- Detentions in 2025 (through 3Q2025) = \$0.12B
- Negotiating tool against China





How Companies Are Responding

Prepare for the Long Haul

- Tariffs and trade matters will continue to be major questions for business
- Even if tariffs rates level out (not anticipated yet) tariffs will continue to exceed pre-Trump levels. Companies will need to pay attention to tariff mitigation strategies.
- Fundamentals include knowing your products, knowing your suppliers, and understanding production.

Increased Customs Resources

Internal staffing devoted to Customs and tariffs increasing

Companies developing better pathways to quickly identify and pull relevant data

May be difficult to obtain the assistance of experienced resources as compliance professionals and brokers are in very high demand

Tariff Mitigation Strategies

Reviewing
Customs
value
carefully for
potential
proper
reductions

Diversifying
supply chain
to have
options
during tariff
turmoil

Review
Chapter 98
and trade
agreement
opportunities

Drawback
and FTZs

What Not to Do

- Improper tariff “mitigation” strategies may include:
 - Double invoicing that conceals proper customs value
 - Transshipment – falsifying country of origin
 - Using “first sale” or other complex tariff strategies without thorough consideration



Forecasting

IEEPA Tariffs at the SCOTUS

- November 5th: Oral Arguments
 - Consensus suggests that IEEPA tariffs will be overturned
- Three main arguments:
 - Text of IEEPA does not explicitly mention “tariff” or synonym of the word, instead authorizing the President to “regulate...importation”
 - Major Questions Doctrine concern: is “regulate...importation” clear enough to allow tariffs, which have a vast economic and political significance?
 - Nondelegation Doctrine concern: are tariffs taxes? If so, the Constitution vests the power to tax in Congress, so is IEEPA a valid delegation of that power to the President?

IEEPA and Reciprocal Tariffs

- Importers of record have been pursuing multiple avenues to try to protect rights to a potential refunds
 - Preparing PSCs
 - Filing liquidation extension requests
 - Filing protests

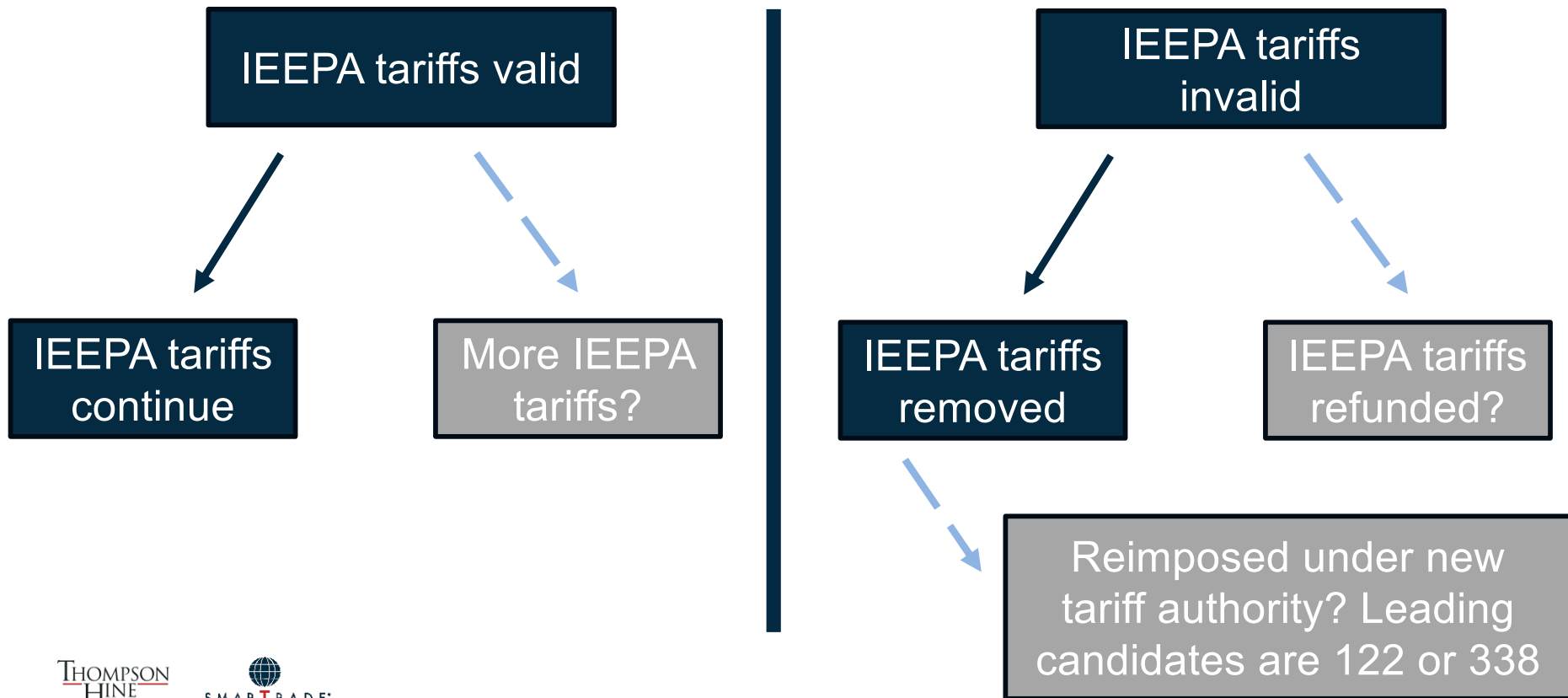
IEEPA Tariffs at CIT

- 1,000+ copycat cases filed at the CIT since Nov. 5th oral arguments at SCOTUS
 - Concern that failure to file jeopardizes chance to secure refund if SCOTUS invalidates IEEPA tariffs
- December 15th: Denial of Preliminary Injunction
 - Courts can order liquidation of entries
- December 23rd: Administrative Order re Stay
 - All cases filed at CIT automatically stayed pending resolution of SCOTUS Case

IEEPA Tariffs Liquidation Timeline

- Likely earliest possible liquidation dates:
 - Global Reciprocal Tariffs: February 13, 2026
 - Reciprocal Tariffs on China: February 10, 2026
 - Political Leverage Tariffs:
 - China: December 15, 2025
 - India: July 7, 2026
 - Brazil: June 16, 2026
 - Canada: January 12, 2026
 - Mexico: January 12, 2026

Next Steps After SCOTUS Review



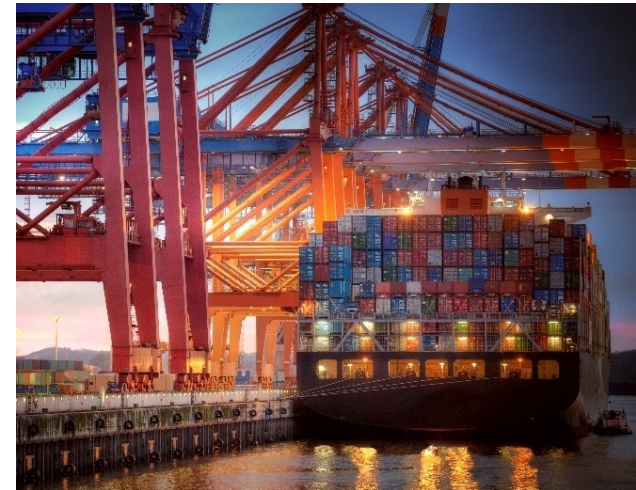
But . . . Section 232 and Section 301

These tariff
authorities
expected to be
ascendent

- Recent Section 232 actions on trucks, timber and lumber, and pharma
- Pending Section 232 on semiconductors, commercial aircraft, critical minerals, and others
- Section 301 on Brazil pending as well as additional investigations re China and Nicaragua

Trade Remedies

- 2024 was already a record year for investigations with 117 active investigations at end of the year.
- Trend continues, 70 new investigations through September 30, 2025, currently 102 active investigations.
- America First Memo – review of AD/CVD policies including “zeroing” which may lead to amendments to favor domestic industry.
- **Circumvention Risk** – with increased use of tariffs, likely to see increased circumvention; expect enforcement; need heightened diligence.
 - Tools to combat this by reporting through EAPA, CBP e-allegation portal, qui tam under False Claims Act



Trade Agreements

- Continued focus on bilateral or sector-specific agreements with individual countries rather than multi-country agreements
 - Continued bumpiness in implementation and consistency.
 - Lobbying focus on the lists of covered products.
- Already seeing impact of trade policies as other countries racing for their own bilateral trade deals not including US to offset potential trade barriers with US



Questions

We invite you to stay abreast of continuing trade developments via our blog, [ThomsonHineSmarTrade.com](https://www.thomsonhine.com/smarttrade). To receive an email notification whenever a new post is published, [please subscribe to the blog](#).

The screenshot shows the website's navigation bar with the ThomsonHine logo on the left and menu items: Home, Events, Contact, About, a red Subscribe button with a right arrow, and a search icon. Below the navigation bar is a secondary menu with categories: Tariffs/Trade Policy, Remedies & Enforcement, Free Trade Agreements, China, Russia, All Topics (with a grid icon), and Archives (with a calendar icon). The main content area features a large banner with the SMARTRADE logo (a globe icon above the text 'SMARTRADE' where the 'T' is red) and the tagline 'Timely news and analysis of the latest developments in international trade law'. To the right of the text is a 3D graphic of several globes arranged in a descending staircase pattern.



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