

CONFIDENTIAL

## PRESIDENT TRUMP ANNOUNCES FAIR AND RECIPROCAL TARIFF PLAN

February 13, 2025

### TOP LINE

Against a several-days-long threat of immediate reciprocal tariffs for US trading partners, the White House instead issued a [“Fair and Reciprocal Plan”](#) that lays out a process for agencies including USTR, Commerce, and Treasury, among others, to investigate and quantify policies and practices that represent a burden or cost to US goods and companies in foreign markets. Agencies are then directed to outline proposed remedies in pursuit of reciprocal trade relations with each trading partner.

This plan, in many ways, is a reiteration of aspects of the Americas First Trade Policy [memorandum](#), issued January 20, which among its instructions, directed agencies to calculate and respond to international trade barriers and unfair subsidies by April 1.

The White House signaled it was prepared to use executive authorities to implement new tariffs, including Section 301, Section 232, and the [International Emergency Economic Powers Act](#).

### FEASABILITY WILL BE AN ISSUE

The Department of Homeland Security is among the agencies listed as participating in the plan, important because Customs and Border Protection (CBP), which falls under DHS remit, will be responsible for implementing and enforcing new tariffs at the US ports of entry. The United States currently has one set of tariffs, applicable for every country in the world. **Changes to individual tariffs for different countries would represent a significant administrative challenge for the agency and may result in the White House choosing to prioritize certain goods and/or countries rather than a full-scale policy of reciprocity.** An earlier White House EO stripping Chinese exports of de minimis treatment was rescinded within a day, almost certainly because customs and postal officials were not prepared to administer the changes at the border.

### WHITE HOUSE PRIORITIES

In its [fact sheet](#) accompanying the announcement, the White House identified some **clear targets of interest** including long-standing complaints with key trading partners like the **European Union, India, and Brazil**, and underscored the President’s longstanding concern with the **US trade deficit in goods**.

Notwithstanding its clear willingness to impose new tariffs, the White House also continues to **signal its interest in negotiating new deals as an alternative to imposing “reciprocal” treatment**. India, a country frequently cited by the President as [“the King of Tariffs”](#) due to its high tariff burden on US goods, appears first in line for such a negotiation. In advance of his White House visit, Indian Prime Minister Modi and his government unilaterally reduced import tariffs in key sectors of importance to the United States and is almost certainly prepared to do more. The visit will be an important test of President Trump’s willingness to pursue trade liberalization negotiations and a signal for other foreign leaders seeking pathways to avoid new tariffs on their exports to the United States.