



# Trade Wars Briefing and The Potential Impact on Your Business

Michelle Schulz  
Managing Partner & Founder  
Schulz Trade Law PLLC



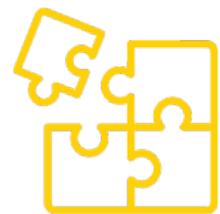


# Welcome



## WHO WE ARE

With decades of experience, Schulz Trade Law PLLC is a Dallas boutique that focuses entirely on international trade law.



## WHAT WE DO

- Lead in the Trade Bar & Trade Policy
- Navigate the toughest trade issues
- Find practical solutions





# INTRODUCTION

Overview of U.S. trade policy shifts under Trump's second term

Key themes: Tariffs, retaliation, enforcement, supply chain

The significance of tariffs in U.S. economic, political, and foreign policy





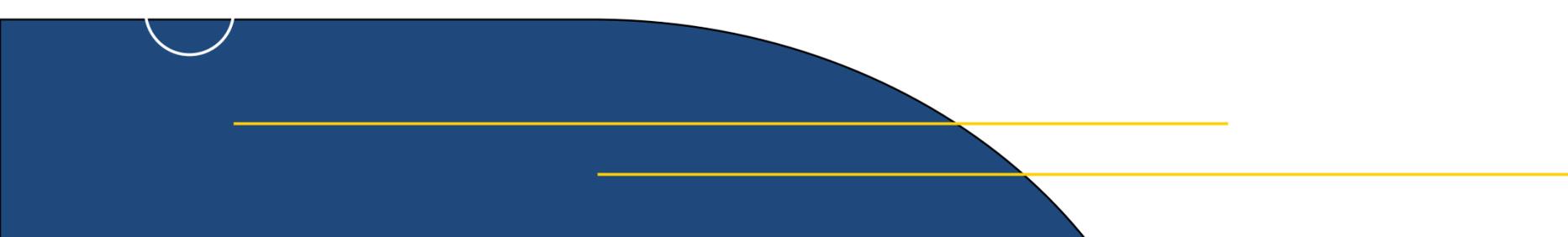
# Trump's Tariff Announcements

Barney, Inc. had a banner year in 2024.

Barney's products:  
Aircraft engine parts

In January 2025, he threw a company party to  
celebrate.

The Company is hopeful the new policies will help  
this American company thrive in '25.





## Hypothetical #1

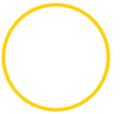
The company Barney, Inc. imports an aircraft under tariff code 9802.00.80. The goal is to pay a reduced tariff excluding US content. Key factors include:

- Value of the U.S. engines
- Type of Customs filing for past shipments
- Any other US content

Can Barney, Inc. claim 9802?

Also, if Barney, Inc.'s engine qualifies for preferential tariff treatment under the USMCA, can they claim it on the whole plane?

If they had a valid certificate of origin for the US goods but forgot to claim USMCA on the Customs entry, what should they do? Can they file a retroactive claim?





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## Answer to Hypothetical #1.

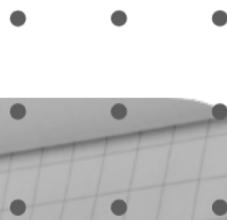
Barney, Inc. can file a 9802.00.80 claim and lower the dutiable value to account for additional U.S. origin components.

If they forgot to make the claim, they can go back and file a Post Correction. -Summary

They can claim USMCA only on originating parts and components.

It is possible to file a retroactive USMCA claim within one year.





# Trump's Tariff Announcements

Key Executive Orders: this year:

- February 1: EO 14193 imposes 10% tariff on Chinese imports, 25% on Canadian and Mexican imports
- April 2: "Liberation Day" introduces 10% baseline tariff on nearly all imports; higher tariffs paused for most countries except China
- April 9: New EO targets Chinese low-value goods with steep tariffs (up to \$150 per item by June)
- May 12: Amendment to EO 14266 → U.S. and China agree to 90-day tariff rollback; U.S. tariffs drop to 30%, China's to 10%

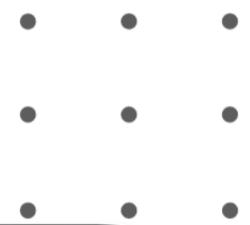


# Trump's Other Tariff Announcements

## Additional Trade Actions in Progress

- Jan 20: "America First Trade Policy" memo launches full review of U.S. trade practices
- China Trade Status: Ongoing review of China's NTR status could enable tariffs without 301/232
- Reciprocal Tariffs Plan: Newly imposed tariffs to match those faced by U.S. exports





Country	Tariffs Charged to the U.S.A. Including Currency Manipulation and Trade Barriers	U.S.A. Discounted Reciprocal Tariffs
China	67%	34%
European Union	39%	20%
Vietnam	90%	46%
Japan	64%	32%
India	46%	24%
South Korea	52%	26%
South Korea	50%	25%
Canada	72%	36%
Ireland	61%	31%
Thailand	64%	32%

# Major Announcement on Reciprocal Tariffs

May 28, 2025 : Court of International Trade (CIT) blocks President Trump's broad use of the International Emergency Economic Powers Act (IEEPA) to impose tariffs.

- The CIT held IEEPA does not grant the President unlimited authority to impose tariffs.

May 29, 2025 : The United States Court of Appeals for the Federal Circuit issued an administrative stay of the decision while it considers Trump's appeal.

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## U.S.- Canada Trade War: Reactions to EO 14193

### Canada's Response (Retaliation) to US tariffs

March 4, 2025: Canada imposes a 25% tariff on \$30 billion worth of U.S. goods in retaliation to U.S. tariffs on Canadian exports. Targeted U.S. Products:

- Food & Beverages: Orange juice, peanut butter, wine, spirits, beer, coffee
- Manufactured Goods: Appliances, apparel, footwear, motorcycles
- Industrial Materials: Cosmetics, pulp, paper

Canada has announced plans to impose additional tariffs on up to \$125 billion in U.S. goods if U.S. tariffs remain in place.





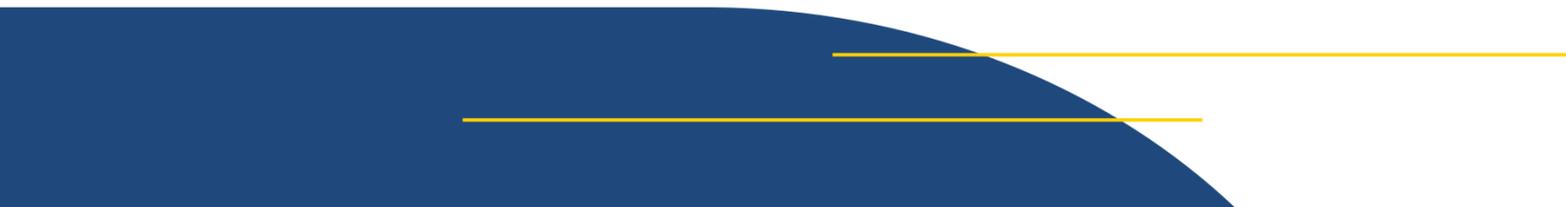
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# U.S.- Mexico Trade War Dynamics

## To EO 14193

### Mexico's Reaction

- Mar 4: President Sheinbaum criticizes U.S. tariffs as unjustified and aggressive
- Mar 6: Mexico announces plans for limited retaliation and economic safeguards
- Apr 2: Government outlines strategy focused on dialogue and trade partnerships
- May 15: No formal retaliatory tariffs issued; Mexico pursuing diplomatic channels





# U.S.- China Trade War Dynamics To EO 14193

## Tariffs on China and China's Reaction

- Feb 1: EO 14193 imposes 10% tariff on all Chinese imports
- Apr 2: Tariffs peak at 145%, then reduced to 30% after 90-day pause
- Apr 9: New tariffs on low-value Chinese imports (up to 150% by June)
- May 14: 10% baseline tariff to remain in place long-term

China has imposed retaliatory tariffs on U.S. coal, LNG, crude oil, agricultural machinery, and large engine vehicles, while tightening export controls on critical minerals





# Industry-Specific Tariff Impacts

## Auto, Steel, and Aluminum Sectors

- Feb. 10, 2025: 25% tariffs announced on all imported autos, steel, and aluminum effective ending exemptions for major trade partners (Effective March 12)
- Targets previously exempt countries:
  - Argentina, Australia, Brazil, Canada, EU, Japan, Mexico, South Korea, Ukraine
- Canada, EU, and others respond with tariffs on U.S. goods, including agriculture and machinery

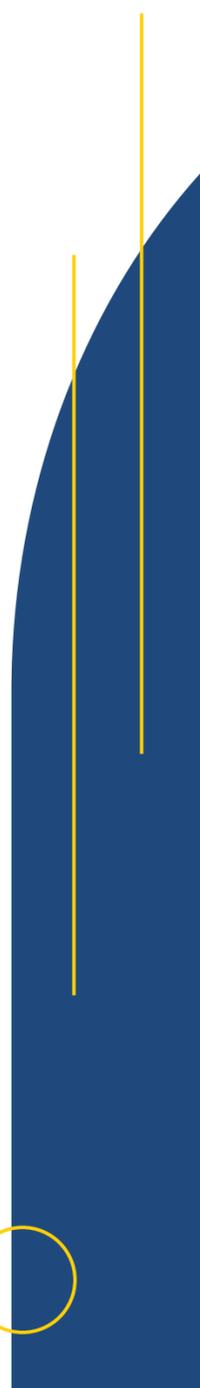


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# Steel Manufacturers

## Association (SMA) "5-Point Action Plan"

- Requests from the Steel Industry to the Administration:
  - Expand Section 232 tariffs to downstream steel products
  - Increase Section 301 tariffs to 60% on steel -intensive products
  - Impose tariffs on Chinese -origin products processed in third countries





# Executive Orders (Feb. 11, 2025)

## Implementing SMA's requests

- 25% tariff on steel and derivatives from previously exempt countries
- Increase in Section 232 aluminum tariffs from 10% to 25%
- CBP has been instructed to impose maximum penalties without consideration of mitigating factors on steel and aluminum imports





# Derivatives of Steel

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Steel Derivatives: Fasteners and hardware, Structural steel, Household and industrial steel items, Construction materials, Miscellaneous steel articles

Classifications subject to 25% duty rate – **now 50%:**

9903.8 1.87: Iron or steel products listed in subdivision j (except derivative articles)

9903.8 1.88: Iron or steel products except for derivative articles listed in subdivision (l), (m) and (n)

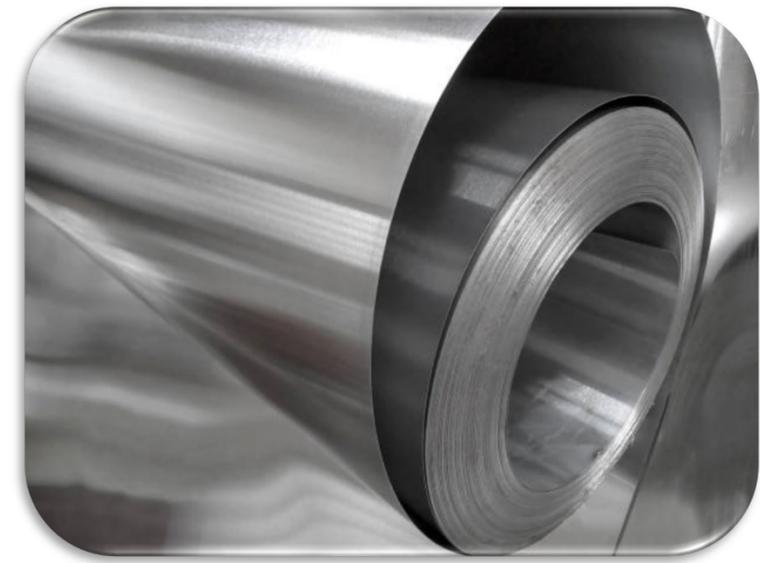
9903.8 1.90: Derivative iron or steel products listed in subdivision (m)

9903.8 1.93: Derivative products of iron or steel, as specified in subdivisions (l) and (m)

9903.8 1.92: Derivative steel or iron products listed in subdivision (m) or (n) (new derivative steel articles)



# Derivatives of Aluminum



Derivatives of aluminum such as fabricated aluminum products (e.g., aluminum extrusions, sheets, plates, foils)

Classifications subject to 25% duty rate – now 50%:

9903.85.02: Aluminum products except derivative articles listed in subdivision (g).

9903.85.04: Derivative aluminum products listed in subdivision (i)

9903.85.07: Derivative aluminum products listed in subdivision (j)

9903.85.09: Derivative steel articles listed in subdivision (j) or (k)

9903.85.08: Derivative aluminum products listed in subdivision (k)

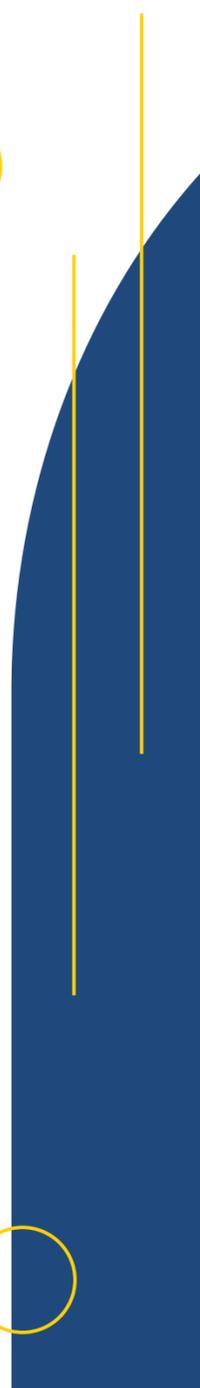




# Aluminum Extrusions



- What are extrusions anyway?
- Aluminum extrusions made from aluminum alloys, regardless of form, finishing, or fabrication. This includes extrusions that are assembled with other parts or unassembled, and whether coated, painted, anodized, or thermally improved.
- They are crucial for creating strong and lightweight structural elements like fuselage, wings, landing gear, and engine nacelles.





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# Industry-Specific Tariff Impacts

## Technology and Semiconductor Industry Risks

- Trump's "America First Trade Policy" memorandum outlines:
  - Review of China's technology transfer policies (potential new Section 301 tariffs)
  - Crackdowns on circumvention likely through Southeast Asian supply chains (this was the focus of the Biden Administration on solar panels)
  - Possible extension of bans on connected technology products (smartwatches, security cameras, motion sensors, etc.)





“Time to  
bring out  
my red  
power  
shirt!”

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## Industry-Specific Tariff Impacts

- Barney, Inc. had not planned on the tariff impacts he is feeling.
- Senior Manager knew the importer, not the exporter abroad, pays import duties under the U.S. Customs regulations.
- Barney, Inc.’s trade compliance group began to assess the potential impacts in real dollars.
- What are some ways in which they could assess the potential impact of the latest tariffs?
- If you were at Barney, Inc., where would you start?



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# Micro vs. Macro Analyses

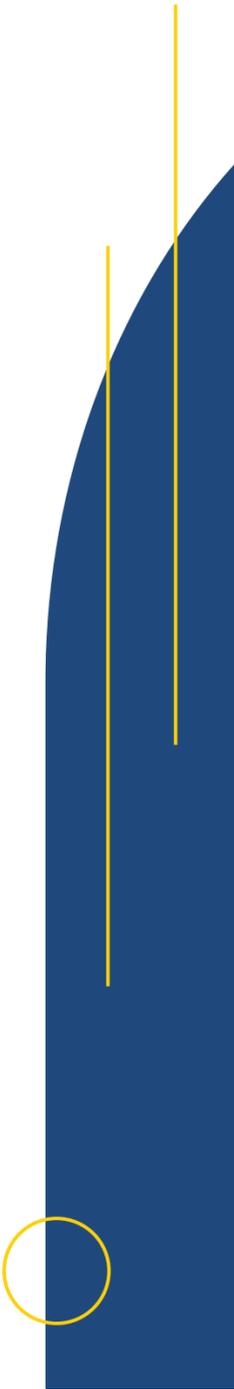
**Micro**

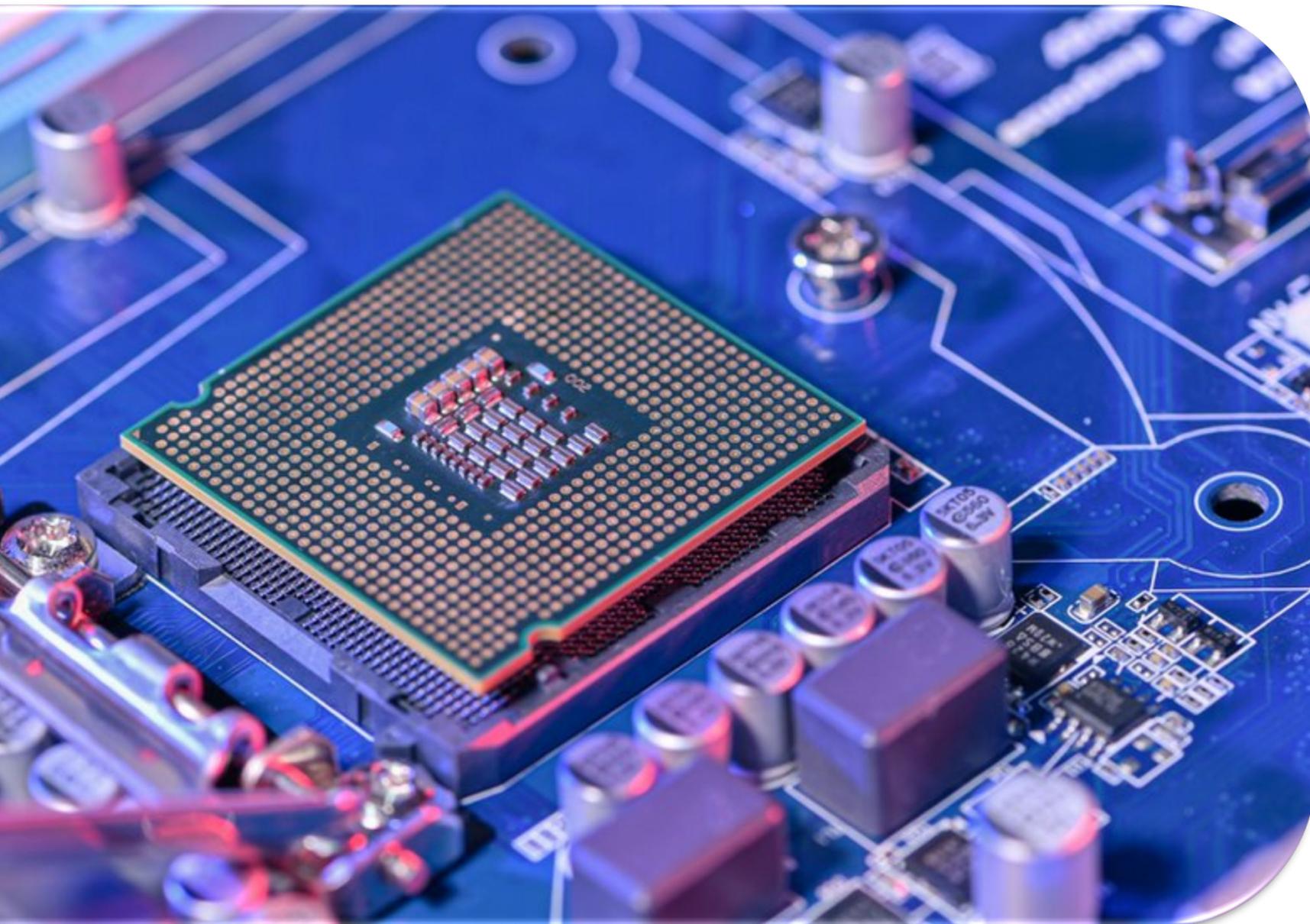
Classification Database:  
investigate specific line items

Case-by-Case:  
Review of special program indicators.  
Any shield from 25% duty on Canadian items?  
Reviewing contracts.  
Example: change of law clauses

**Macro**

Automated Commercial Environment reports  
Data Patterns  
Source countries

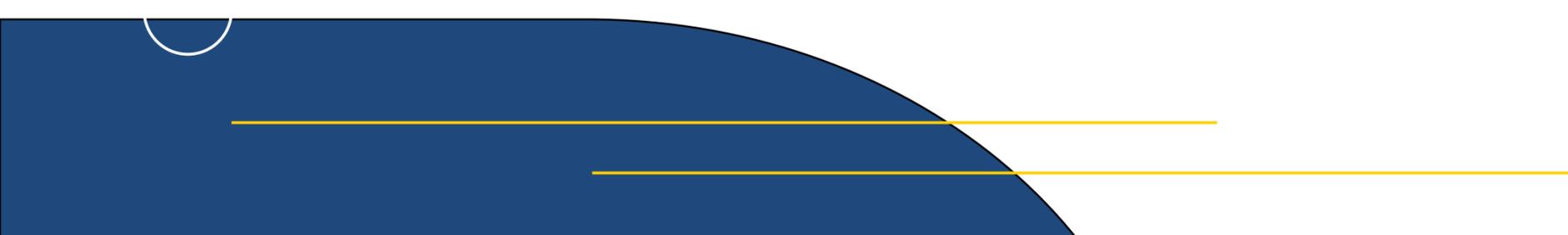




# Industry-Specific Tariff Impacts

## Semiconductor and Electronics Supply Chain Risks

- Jan 16, 2024: U.S. bans components in connected vehicles with ties to China or Russia
- Potential expansion of bans to other connected devices (e.g., smart home tech, wearables) due to national security concerns





# U.S.-China Temporary Tariff Reduction

- Joint Agreement Announced (May 12): U.S. and China agree to a 90 -day tariff rollback beginning May 14, 2025
- U.S. Commitments on China:
  - Reduce reciprocal tariff from 34% to 10% (originally imposed Apr 2)
  - Remove 125% duties imposed Apr 8 –9• Maintain 20% IEEPA tariff from EO 14195 (Feb 1) → Chinese goods now face 30% total
  - Applies to imports from China, Hong Kong, and Macau





# U.S.-China Temporary Tariff Reduction

- China's Commitments (90 Days):
  - Lower retaliatory tariffs on U.S. goods from 34% to 10%
  - Remove post-April 2 additional tariffs and non-tariff measures
- Important Notes for Businesses:
  - Changes are temporary and non-retroactive
  - No Executive Order issued yet — so tariffs may change again
  - Businesses should plan strategies for savings





# Potential Future Trade Disputes

- EU exploring countermeasures, escalating risk of a transatlantic trade war

- Bipartisan congressional opposition and pressure from affected U.S. industries

- Pending legal disputes over tariff legality and trade agreement violations

- Tariffs increasingly used to pressure foreign governments (e.g., Colombia deportations)





# Enforcement and Compliance Issues

## CBP's role in enforcement:

- Increased audits for steel and aluminum imports
- Targeting circumvention schemes in Southeast Asia
  - Detentions, CF28s

## Potential exemptions or legal challenges:

- Uncertainty over current and future application of Section 301 and 232 tariffs



## The Future of Global Trade Under Trump

- Escalation risks with Canada, Mexico, EU, and China, among others
- Unpredictability
- Supply chain diversification
  - Example: Shift from China to Southeast Asia, Latin America, Africa
  - U.S. companies leveraging trade agreements, duty -saving programs where allowed





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## Barney, Inc. gets discouraged. Hey, Barn, Don't Give Up!

- Planning now can help navigate this.
- Time to do those overdue self -audits.
- Time to check your tariff codes
- Time to check your country of origin.
- Time to check your Customs valuation.
- And to be proactive – get records ahead of time in case of Requests for Information.
- You don't have to be caught unprepared!





# Poll Question #1

Will the new tariffs impact your business?

- A) Yes
- B) No
- C) Maybe
- D) I don't know, I just work here.





# Poll Question #2

If you had to pick a trade war strategy, which one would you choose?

- A) Raise tariffs even higher – make importers pay!
- B) Negotiate new trade deals – diplomacy first!
- C) Find loopholes and reroute supply chains – adjust strategy!
- D) Ignore the tariffs and hope for the best – fingers crossed!





# Poll Question #3

Which country do you think will retaliate the hardest against U.S. tariffs?

- A) China
- B) Canada
- C) Mexico
- D) France



Barney is proactive.

But his friend Sam?





# Conclusion and Recommendations for Trade Compliance

- Risk mitigation for importers/exporters:
  - Stay ahead of regulatory changes in the U.S.
  - Monitor retaliatory tariffs and circumvention measures
  - Explore alternative supply chains (Southeast Asia, Latin America, Africa)
  - Review your trade data
  - Conduct an audit . Can start with a mini!
- Actionable next steps:
  - Develop tariff mitigation offsetting strategies
  - Work with Customs brokers and trade counsel for compliance



# Thank You!

 8333 Douglas Ave, Ste. 975  
Dallas, TX 75225

 214-643-6150

 [michelle@schulztradelaw.com](mailto:michelle@schulztradelaw.com)

 [schulztradelaw.com](http://schulztradelaw.com)