

Tariffs: Reciprocal Tariffs

The Court of International Trade (CIT) blocked President Trump's emergency "reciprocal" and fentanyl-related tariffs on the grounds that he exceeded his authority under the International Emergency Economic Powers Act (IEEPA). The case is on appeal to the Federal Circuit, which temporarily reinstated the tariffs while it considers the appeal.

If the courts permanently block the tariffs, President Trump still has multiple tools available to impose reciprocal tariffs:

- Target *specific countries* with **Section 301 tariffs** for unreasonable/discriminatory acts, policies, or practices that burden U.S. commerce. This could be a likely tool for targeting the nontariff barriers in other countries the White House has identified ... but it requires an investigation that could take months.
- Target *specific products* with **Section 232 tariffs** if those imports threaten U.S. national security. This also requires an investigation that could take months. The President is currently using this tool for auto, steel, and aluminum tariffs.
- Use **Section 122 of the Trade Act of 1974** to put in place immediate tariffs of up to 15 percent for 150 days on countries with which the U.S. runs large balance-of-payments deficits. This would be the logical tool for targeting trade deficits. Congress could extend the tariffs after 150 days.
- Use **Section 338 of the Trade Act of 1930** to impose immediate tariffs of up to 50 percent on countries that discriminate against the U.S. If the country continues to discriminate, the President could block imports from that country. This tool has not been used in more than 70 years.