

→ **Managing & Mitigating Tariffs in an Uncertain Environment**

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→ Agenda

- What tariffs are currently in place?
- What's on the horizon?
- What can you do to mitigate existing and potential tariffs?
- Q&A



→ Tariffs are Serving 3 Purposes

Tariff Actions

America First Trade Policy was released Jan 21 and outlined 23 reports and investigations that directly linked to various powers given to the President to increase tariffs.

Broader theme is to reshape the US economy to collect a significantly higher percentage of overall revenue from tariffs and less from income taxes.

1. Drive manufacturing back to the US
2. Leverage for other issues
3. Prohibit the use of US dollars to fund the expansion of the Chinese military

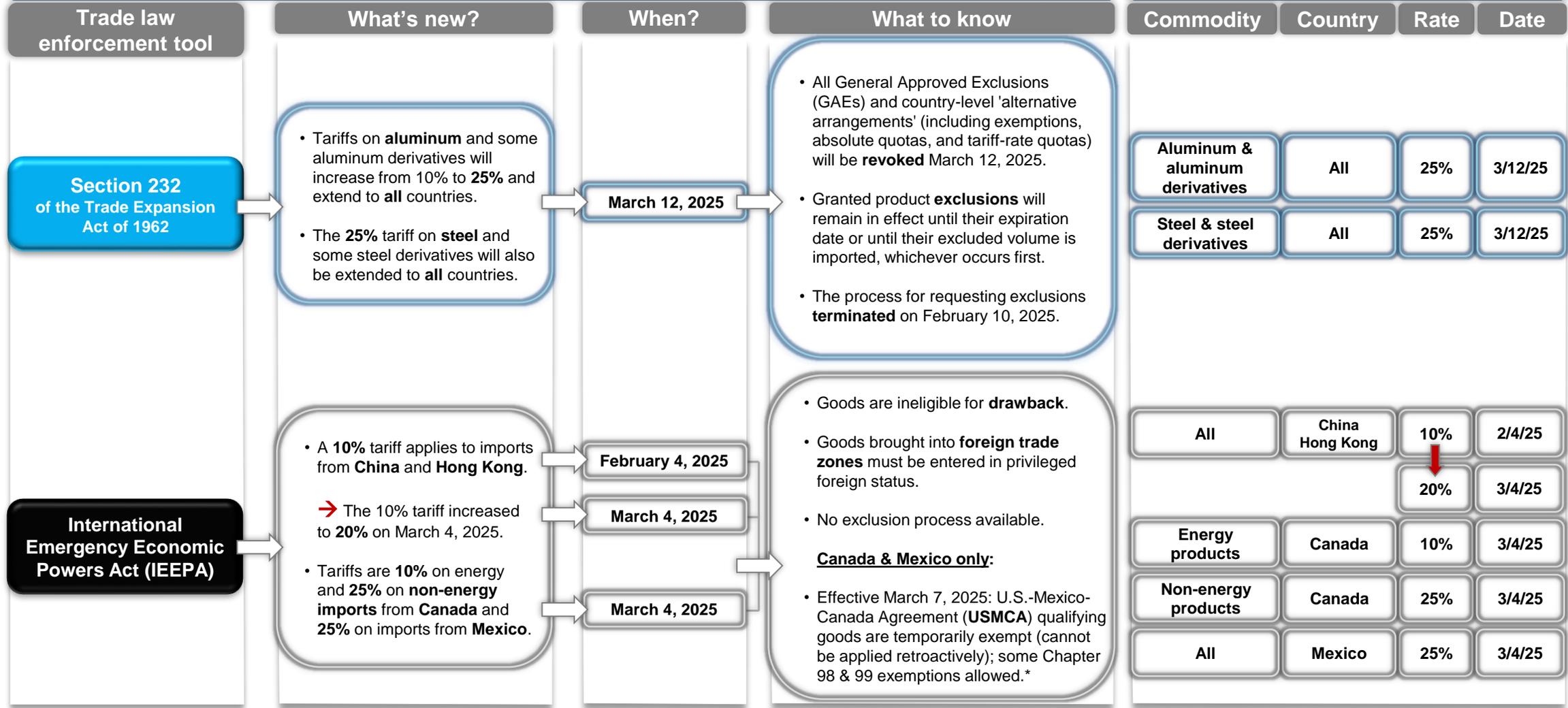
→ Potential Trade Policy & Tariff Changes to Be Aware of in 2025

The incoming administration has proposed significant changes to U.S. trade policy in 2025. Some of the tools the President may use include:

Trade law enforcement tool	What is it?	What to expect
Section 122 of the Trade Act of 1974	<ul style="list-style-type: none"> Country specific Allows President to impose tariffs up to 15% on imports from one or more countries for 150 days. 	<ul style="list-style-type: none"> Has never been used to invoke tariffs before. Regulatory action through USTR; no congressional approval required. May be implemented as early as February 2025.
Section 232 of the Trade Expansion Act of 1962	<ul style="list-style-type: none"> Commodity specific Invoked in 2018; tariffs are 25% on steel imports and 10% on aluminum imports. Requires an investigation by Department of Commerce (DOC) to find that imports threaten to impair U.S. national security. 	<ul style="list-style-type: none"> Currently in use. Regulatory action through USTR; requires positive DOC investigation. May be implemented as early as March 2025; ongoing.
Section 301 of the Trade Act of 1974	<ul style="list-style-type: none"> Country specific; invoked in 2018; tariffs are 7.5%-25% on certain products from China. Requires an investigation by Office of the United States Trade Representative (USTR) to find that foreign countries violated U.S. trade agreements or engaged in "unjustifiable" or "unreasonable" acts and burden U.S. commerce. 	<ul style="list-style-type: none"> Currently in use. Regulatory action through USTR; requires positive USTR investigation. May be implemented as early as March 2025; ongoing.
Section 338 of the Tariff Act of 1930	<ul style="list-style-type: none"> Country or country-group specific Allows President to impose tariffs up to 50% for unspecified duration if found that a foreign country has taken unreasonable or discriminatory actions that disadvantage U.S. commerce. 	<ul style="list-style-type: none"> Previously used to invoke tariffs before 1950. Regulatory action through USTR; no congressional approval required. May be implemented as early as April 2025.
International Emergency Economic Powers Act (IEEPA)	<ul style="list-style-type: none"> Authorizes President to regulate imports declared during a national emergency. 	<ul style="list-style-type: none"> Has never been used to invoke tariffs before. Executive action solely by the President; no congressional approval required. May be implemented as early as 21 January 2025.
United States-Mexico-Canada Act (USMCA)	<ul style="list-style-type: none"> USMCA is reviewed every six years; next review begins July 2025 and will be decided July 2026. 	<ul style="list-style-type: none"> Currently in place. Congressional action. Review and decision: July 2025-July 2026

→ 2025 Tariffs: What's New & What to Know

The Trump administration has used two key trade law enforcement tools to impose new tariffs this year.



- *See 'Notes' section for details
 - Date formats are MM/DD/YYYY
 - Timelines and countries stated herein are subject to change and based on information compiled from sources that are, to the best of our knowledge, accurate and correct at the time of publishing this information.

→ What is currently on pause

Additional Section 232

- **What's the latest?**
Additional Steel and Aluminum tariffs
- Annex 2 awaiting certification (many auto products)

- **What does this mean for Importers?**
They should review the recent Client Advisories issued for more information on the reporting requirements for steel and aluminum.



IEEPA

- **What's the latest?**
Canada & Mexico only
U.S.-Mexico-Canada Agreement (USMCA) qualifying goods temporarily exempt; non-qualifying Canadian potash & energy products temporarily lowered to 10%; some Chapter 98/99 exemptions temporarily allowed.

- **What does this mean for Importers?**
Plan to potentially owe duties on April 2, 2025, on any products currently eligible for USMCA and for which USMCA is being claimed.



De Minimis

- **What's the latest?**
Working to implement the elimination of de minimis from China, Canada, and Mexico.

- **What does this mean for Importers?**
They can still take advantage of de minimis until “adequate systems are in place to fully and expediently process and collect tariff revenue”





→ Retaliatory Tariffs on US products



- **Canada**
 - +25% on \$60B in goods like sports equipment, bourbon, computers, etc.
- **Mexico**
 - Waiting until April 2
- **EU**
 - +25% on \$28B in goods like almonds, bourbon, auto parts, motorcycles
- **China**
 - +10-15% on many agricultural products like wheat, corn, soybeans, pork



→ What is on the horizon?

- **Copper tariffs** | EO [addresses potential threat](#) to U.S. national security under Section 232; requests Department of Commerce (DOC) conduct investigation.
- **Lumber & timber tariffs** | EO [addresses potential threat](#) to U.S. national security under Section 232; requests Department of Commerce (DOC) conduct investigation.
- **Alcohol** | threat to impose a 200% tariff on alcohol from the European Union (EU), including wine and champagne
- **Dairy** | threat of tariffs on Canadian dairy products
- **Automobile, pharmaceuticals, and semiconductors** | threat of 25% tariffs or more
- **Countries that import Venezuelan oil** | EO [Imposing Tariffs on Countries Importing Venezuelan Oil](#) - 25% tariff effective April 2, 2025.



→ What is on the horizon?

What is on the horizon? Continued



- **China maritime/shipbuilding industry**
 - Fines for
 - Chinese owned SSL
 - Chinese built vessel calling US Ports
 - Any SSL with orders for Chinese built vessels
 - March 24 & 26 hearing in D.C.
- **Reciprocal tariffs (Also EU tariffs)**
 - Targeted announcement/start date of April 2
 - Section 338 on straight reciprocal
 - Section 338 on Value Added Tax
 - Section 301 on non-tariff barriers (GMO)
 - Section 122 on currency manipulation
 - IEEPA for national emergencies

Factors to Consider



- **USMCA qualifications**
 - Ensure certificates are up-to-date and accurate
 - Expect additional scrutiny from CBP, including tariff classification
- **Customs bonds**
 - Regularly evaluate customs bond value
 - CBP and the surety companies are monitoring closely
- CBP and PGAs are impacted by additional tariff actions and employment changes / uncertainty
- Ensure bank account daily limits can accommodate daily duty payment requirements to avoid penalty

→ Trade strategies

Mitigate risk, streamline process, and control costs



Control Your Trade Data

Analyze data by supplier, SKU, and project to forecast potential impact with CBP's ACE Portal and C.H. Robinson's Customs Analytics tool. Maintain control of your tariff classifications & declared values.



Flex/Shift Production

Mitigate risks and costs by running sourcing exercises. Consider all factors including lead times, quality, ethical sourcing practices, and trade agreements/legislation.



Bonded Warehouses/ Foreign Trade Zones

Utilize FTZs or bonded warehouses to defer or eliminate tariffs on products that will later be exported.



Negotiate Contracts & FX Strategies

Consider negotiating tariff burden. Deploy currency strategies—diversification, forward contracts, hedging, use of fully convertible currencies, etc.



Seek Duty Exclusions/Refunds

Not available against the latest trade actions. Certain exemptions remain in place for Section 232 & Section 301 products.



Customs Entry Bonds

Higher duties may require a larger bond. Act now to avoid being rendered insufficient. Consider collateral needs.



CBP ACH/Periodic Monthly Statements

Duty advance fee increases. Policy changes. Payments in advance of entry.



Duty Drawback

Not available against the latest trade actions. Certain exemptions remain in place for Section 232 & Section 301 products.



First Sale for Export

When eligible, using FSFE valuation can reduce dutiable value and therefore lessen the impact of tariffs.



→ Tools to stay on top of trade policy



Customs and Border Protection: ACE Portal

- Consolidate export and import data, regardless of how many providers you work with.
- Identify trends, address risks, and review opportunities to improve processes and/or control costs.



C.H. Robinson: U.S. Customs Analytics

- Assess areas of exposure (tariff actions & trade compliance risk) and opportunity (trade agreements and duty exclusions).
- See the impact of new trade measures at the SKU level and in real time.
- Track trade flows and tariff spend by mode, origin, supplier, tariff, product, and more.
- See real-time sourcing strategy at purchase cost and “customs” landed cost per unit of measure.



C.H. Robinson: Sourcing Analysis Tools

- Track changes in sourcing over time, such as major shifts in countries of origin across industries or commodities.
- Discover new markets for production capacity.
- Learn where trade agreements exist to potentially reduce landed cost.

→ **Q&A**



→ **Thank you**

