

Evaluating The Current State Of Trump's Tariff Deals

By **Jeffrey Brooks, Christopher Kane and Luke LaHaye** (September 25, 2025)

The Trump administration's trade approach is not new. The U.S. has a long history of using tariffs to foster domestic manufacturing, promote skilled labor and achieve national independence.

Alexander Hamilton advocated for a more restrictive trade policy to promote U.S. economic growth.

The Trump administration has adopted these same principles, but instead of leveraging tariff policy to reset trade balances, it is also looking to reset geopolitical challenges.

As the administration's ambitious tariff effort rolls into its ninth month, we are entering a critical time to reach trade agreements and settle trade anxiety in the marketplace.

To borrow a line from Lin-Manuel Miranda's "Hamilton," trade agreements have been unfolding "in the room where it happens." Trading partners are engaged in ongoing negotiations to avoid or mitigate U.S. tariffs.

Some countries have received temporary reprieves or quota-based arrangements.

While the administration finalizes a series of trade deals, many remain verbal and lack details necessary to provide market certainty. To stay on theme, the market must be "willing to wait for it."

So, where do things stand?

Paused and Revised Tariffs

Reciprocal Tariffs

On April 7, by executive order, President Donald Trump imposed a new 10% baseline "reciprocal tariff" on all imported goods and increased tariffs on goods from certain countries.[1]

Then on April 15, Trump delayed imposition of the country-specific reciprocal tariffs until July 9, for every country but China.[2] The 10% baseline tariff remained in effect.

The administration then promised to deliver "90 deals in 90 days." After it fell short of its goal, on July 7 the administration extended the suspension to Aug. 1.[3]

On July 7 Trump also sent letters to select countries informing them of updated tariff rates.[4] For some countries, the letters provided lower revised rates than initially announced. For others, the rates were higher. Most letters did not address the rationale behind any rate adjustment.



Jeffrey Brooks



Christopher Kane



Luke LaHaye

On July 31, by executive order, the president modified the country-specific reciprocal tariffs.[5] The revised rates provided in an annex to the order went into effect on Aug. 7. Any country not in the annex remains subject to the 10% baseline tariff.

The executive order recognizes that negotiations are ongoing, but the tariff rates provided remain in effect until agreements are concluded and Trump issues a subsequent order memorializing them.

The July 31 executive order included an in-transit exception, and most country-specific rates are in addition to any other applicable duties and stack on top of preexisting tariffs.

The executive order also includes an increased 40% tariff on goods that are found to be transshipped to evade applicable tariffs, in addition to any appropriate fines and penalties, and any other applicable duties, fees, taxes, exactions or charges.

Tariffs on Goods From Canada, China and Mexico

By a July 31 executive order, Trump increased the tariff on goods from Canada, imposed in connection with the purported fentanyl-related national emergency, from 25% to 35%.[6]

Goods that fall under the U.S.-Mexico-Canada Agreement remain exempt.

Trump did not issue an additional executive order pertaining to Mexico, but posted on social media that he was granting another 90-day extension to allow continued negotiations. Mexico therefore remains subject to a 25% tariff with an exemption for USMCA goods.

As for China, a May 21 executive order reduced the country-specific tariff on goods from China from 125% to 34%, and suspended 24% of that for 90 days expiring Aug. 12.[7] The 20% tariff imposed in connection with the purported fentanyl-related national emergency remained in place.

On Aug. 11, Trump extended the 24% suspension until Nov. 10.[8]

Aluminum and Steel Tariffs

The aluminum and steel tariff proclamations issued on Feb. 18 required the U.S. Department of Commerce to establish a process for including additional derivative articles within the scope of the tariffs.[9] Thereafter, on May 2, the Bureau of Industry and Security established an inclusion process.[10]

On Aug. 19, the Commerce Department published a notice expanding the list of derivative products subject to aluminum and steel tariffs under Section 232 of the Trade Expansion Act.[11] Effective Aug. 18, the tariffs apply to 407 additional Harmonized Tariff Schedule codes.

The tariffs apply to the value of the aluminum or steel content, while the nonaluminum or nonsteel content remains subject to any other applicable tariffs.

Newly Imposed Tariffs

Tariffs on Goods From Brazil

On July 30, Trump imposed a 40% tariff on goods from Brazil, effective Aug. 6.[12] This

brings the tariff on most goods from Latin America's largest economy to 50%.

The executive order includes an in-transit exception, and exempts (1) articles excepted by Title 50 of the U.S. Code, Section 1702(b), (2) articles listed in an annex to the order, and (3) articles subject to Section 232 tariffs.

Otherwise, the 40% tariff is in addition to any other applicable duties, fees, exactions and charges, including Brazil's 10% reciprocal tariff.

Trump again relied on the International Emergency Economic Powers Act to impose the tariff on goods from Brazil. His use of IEEPA is the subject of ongoing litigation challenging the president's authority to impose tariffs.[13]

On Aug. 29, in *V.O.S. Selections Inc. v. U.S.*, the U.S. Court of Appeals for the Federal Circuit recently upheld the U.S. Court of International Trade's decision that the president exceeded his authority in imposing the tariffs under the statute.[14]

IEEPA gives the president authority to control international transactions after declaring a national emergency with respect to an "unusual and extraordinary threat" to the national security, foreign policy or economy of the U.S.

To impose the tariff on goods from Brazil, the executive order claims that recent policies, practices and actions of the Brazilian government constitute such a threat.

Brazilian President Luiz Inácio Lula da Silva stated that he is in no rush to strike a deal with the U.S., or to retaliate against the U.S. tariffs.

On Aug. 6, the Brazilian government filed a request for consultations at the World Trade Organization, which the U.S. has since accepted. The WTO consultation process involves seeking a negotiated solution before proceeding with arbitration.

On July 16, the U.S. Trade Representative announced a Section 301 investigation into Brazil's acts, policies and practices.[15] Section 301 authorizes the USTR to investigate and respond to foreign trade practices that are deemed unfair, unreasonable or discriminatory, and that burden or restrict U.S. commerce.

If the USTR determines that such practices exist, it may take various actions including imposing duties or other import restrictions.

Tariffs on Copper

On July 30, the administration issued a proclamation imposing a 50% tariff on copper starting Aug. 1, under Section 232.[16] The tariff is imposed on all imports of semifinished copper and intensive copper derivative products.

The tariff is in addition to any other applicable duties, fees, exactions and charges. The list of covered Harmonized Tariff Schedule codes is included in an annex.

The enhanced tariff only applies to the copper content, but noncopper content remains subject to other applicable tariffs. However, if the product listed in the annex is also subject to the Section 232 tariffs on automobiles and automobile parts, it will only be subject to the automotive tariff.

The proclamation also instructs the Commerce Department to establish an "inclusions process" by which it can include additional derivative articles within the scope of the tariff.

Suspension of De Minimis Entry

On July 30, the president also signed an executive order suspending de minimis entry as of Aug. 29.[17]

The executive order states that the "duty-free de minimis exemption provided under 19 U.S.C. §1321(a)(2)(C) shall no longer apply to any shipment of articles not covered by 50 U.S.C. §1702(b), regardless of value, country of origin, mode of transportation, or method of entry." Section 1702(b) enumerates narrow exceptions, including donations, informational materials, and transactions ordinarily incident to travel.

The executive order also establishes new rates for shipments sent through the international postal network.

Tariffs on Goods From India

On Aug. 6, Trump issued an executive order imposing a 25% tariff on goods from India as of Aug. 27, in response to India's continued imports of Russian oil.[18] The president again relied on IEEPA to impose the additional tariff. The executive order includes an in-transit exception.

The new tariff is in addition to any other applicable other duties, fees, taxes, exactions or charges, including the 25% reciprocal tariff that took effect on Aug. 7.

However, the tariff does not apply to (1) articles excepted under IEEPA Section 1702(b), (2) articles exempt from the reciprocal tariffs, and (3) articles subject to Section 232 tariffs.

Ongoing Negotiations and Developing Agreements

Although no formal deals have been finalized, below we describe the status of U.S. negotiations and agreements with certain countries.

United Kingdom

On May 8, Trump announced the framework for a trade deal with the U.K., the first agreement the administration has reached since imposing its recent tariffs.[19] Certain terms of the agreement were then memorialized in an executive order on June 16.[20]

The executive order establishes an annual tariff-rate quota of 100,000 automobiles subject to a reduced tariff rate of 10%. Imports in excess of the quota remain subject to the 25% tariff imposed on all imported automobiles, and the most-favored-nation rate for automobiles of 2.5%.

Auto parts are likewise subject to a 10% tariff. The executive order further establishes that the reciprocal, aluminum and steel tariffs do not apply to products that fall under the World Trade Organization's Agreement on Trade in Civil Aircraft. The order did not provide any immediate relief from aluminum and steel tariffs but instead merely states that the Commerce Department must design and establish a tariff-rate quota for such articles.

Indonesia

On July 22, the U.S. and the Republic of Indonesia issued a joint statement announcing they agreed to a framework for negotiating an agreement on reciprocal trade.[21] Indonesia agreed to address or eliminate certain nontariff barriers, and the U.S. agreed to decrease the threatened reciprocal tariffs on goods from Indonesia from 32% to 19%.

Japan

On July 23, the Trump administration announced an agreement that lowers the threatened 25% tariff on goods from Japan to 15%.[22] In exchange, the administration stated that Japan committed to investing \$550 billion in the U.S. for the revitalization and expansion of strategic American sectors, as well as increasing imports of certain U.S. goods.

A joint statement has not been issued, and there has not been an official Japanese government version of the agreement. The specific terms of the Japanese investment remain unclear. Trump has claimed that the \$550 billion is money for him to invest as he sees fit, but Japanese officials are saying that the investment will consist primarily of government-backed loans and guarantees.

European Union

On Aug. 21, the U.S. and the EU issued a joint statement announcing a framework agreement that provides that the EU intends to eliminate tariffs on all U.S. industrial goods and to provide preferential market access for a wide range of U.S. seafood and agricultural goods.[23]

The U.S. committed to applying (1) the higher of its most favored nation tariff or 15% — including Section 232 and reciprocal tariffs — on goods imported from the EU, and (2) only the most favored nation tariff to certain products.

Both parties also agreed to consider expanding the list of products to which only the MFN tariffs would apply, and to ensuring diversified energy supplies, addressing nontariff barriers, and promoting mutual investments on both sides of the Atlantic. To that end, the EU has pledged to buy \$750 billion in U.S. energy purchases and invest an additional \$600 billion in the U.S. through 2028.

Vietnam, the Philippines and South Korea

In separate July announcements, Trump stated that he had reached deals with Vietnam, the Philippines and South Korea. He agreed to reduced tariff rates and claimed that the countries agreed to remove all tariffs from U.S. goods, and that South Korea committed to investing \$350 billion in the U.S. and purchasing \$100 billion of liquified natural gas or other energy products.

Those countries however have not confirmed the deals, and the specific terms of the South Korean investment remain unclear. Negotiations continue, but no formal deals have been finalized.

What's Next?

The market is eager to reach calmer waters and certainty. While some preliminary deals and framework agreements have been reached, most are limited in scope and leave key details unresolved. And legal challenges to Trump's authority to impose his tariffs are ongoing, with

the very real possibility of another Supreme Court ruling.

Ongoing trade negotiations and forthcoming appellate court decisions will shape the future direction of U.S. trade policy and its effects on the global economy.

B. Jeffrey Brooks is a partner at Adams & Reese LLP.

Christopher Kane is a partner and global trade and transportation team leader at the firm.

Luke LaHaye is an associate at the firm.

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[1] Exec. Order No. 14,257, 90 Fed. Reg. 15041 (Apr. 7, 2025).

[2] Exec. Order No. 14,266, 90 Fed. Reg. 15625 (Apr. 15, 2025).

[3] Exec. Order No. 14,316, 90 Fed. Reg. 30823 (July 10, 2025).

[4] Fact Sheet: President Donald J. Trump Continues Enforcement of Reciprocal Tariffs and Announces New Tariff Rates, White House (July 7, 2025).

[5] Exec. Order No. 14,326, 90 Fed. Reg. 37963 (Aug. 6, 2025).

[6] Exec. Order No. 14,325, 90 Fed. Reg. 37957 (Aug. 6, 2025).

[7] Exec. Order No. 14,298, 90 Fed. Reg. 21831 (May 21, 2025).

[8] Exec. Order No. 14,334, 90 Fed. Reg. 39305 (Aug. 14, 2025).

[9] Proclamation No. 10,895, 90 Fed. Reg. 9807 (Feb. 18, 2025); Proclamation No. 10,896, 90 Fed. Reg. 9817 (Feb. 18, 2025).

[10] Adoption and Procedures of the Section 232 Steel and Aluminum Tariff Inclusions Process, 90 Fed. Reg. 18780 (May 2, 2025).

[11] Adoption and Procedures of the Section 232 Steel and Aluminum Tariff Inclusions Process, 90 Fed. Reg. 40326 (Aug. 19, 2025).

[12] Exec. Order No. 14, 323, 90 Fed. Reg. 37739 (Aug. 5, 2025).

[13] After President Trump had threatened but before he had imposed an increased tariff on goods from Brazil, producers and distributors of fruit juices, drinks, and yogurt filed a lawsuit in the U.S. Court of International Trade challenging the president's authority to impose such tariffs. Complaint, Johanna Foods Inc. v. Exec. Off. of the President, No. 25-155 (Ct. Int'l Trade July 18, 2025). The Court stayed the matter pending a final, unappealable decision in V.O.S. Selections Inc. v. U.S. and Oregon v. Trump. Memorandum & Order, Johanna Foods Inc., No. 25-155.

[14] V.O.S. Selections Inc. v. Trump, No. 2025-1812, 2025 WL 2490634 (Fed. Cir. Aug. 29, 2025).

[15] Initiation of Section 301 Investigation: Brazil's Acts, Policies, and Practices Related to Digital Trade and Electronic Payment Services; Unfair, Preferential Tariffs; Anti-Corruption Enforcement; Intellectual Property Protection; Ethanol Market Access; and Illegal Deforestation; Hearing; and Request for Public Comments, 90 Fed. Reg. 34069 (July 18, 2025).

[16] Proclamation No. 10,962, 90 Fed. Reg. 37727 (Aug. 5, 2025).

[17] Exec. Order No. 14,324, 90 Fed. Reg. 37775 (Aug. 5, 2025).

[18] Exec. Order No. 14,329, 90 Fed. Reg. 38701 (Aug. 11, 2025).

[19] Fact Sheet: U.S.-UK Reach Historic Trade Deal, White House (May 8, 2025).

[20] Exec. Order No. 14,309, 90 Fed. Reg. 26419 (June 23, 2025).

[21] Joint Statement on Framework for U.S.-Indonesia Agreement on Reciprocal Trade, White House (July 22, 2025).

[22] Fact Sheet: President Donald J. Trump Secures Unprecedented U.S.-Japan Strategic Trade and Investment Agreement, White House (July 23, 2025).

[23] Joint Statement on a U.S.-European Union framework on an agreement on reciprocal, fair and balanced trade (Aug. 21, 2025).