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# International Trade & Supply Chain Law: 2025 Year in Review & Outlook for 2026

Husch Blackwell's seventh-annual international trade and supply chain law year-in-review report provides a summary review of the major developments in trade policy and the trends that impacted global supply chains while casting an eye toward what promises to be a very busy year in 2026.

### Professionals

**BEAU JACKSON**

KANSAS CITY:

816.983.8202

WASHINGTON:

202.378.2406

BEAU.JACKSON@

HUSCHBLACKWELL.COM

**GRANT D. LEACH**

OMAHA:

402.964.5143

GRANT.LEACH@

HUSCHBLACKWELL.COM

**JULIE E. MAURER**

PHOENIX:

480.824.7883

JULIE.MAURER@

HUSCHBLACKWELL.COM

## "Reciprocal Tariffs" on Most Countries

The White House substantially expanded its IEEPA-based tariffs in a sweeping April 2 executive order that established a near-universal tariff regime. Branded by the White House as a "reciprocal" measure, the order imposed a 10% universal tariff on imports, with certain exemptions, effective April 5 (referred to as IEEPA Reciprocal tariffs). The tariff rates were designed to increase on a country-specific basis for nations with which the United States had significant trade-in-goods deficits, with these higher rates taking effect on April 9. The previous 10% IEEPA-duty rate on China was set to increase to 34%. For Mexico and Canada, prior IEEPA Pentney tariffs on non-USMCA qualifying goods remained at 25%, but the order stipulated that if those tariffs were revoked, the goods would become subject to a 12% ad valorem duty.

A key feature of the tariff proclamation was a provision that the duties would only apply to the non-US content of an article, provided that at least 20% of its value was US-originating. This created a complex compliance challenge for importers needing to document and verify the US content of their products to the satisfaction of US Customs and Border Protection (CBP).

The April 2 order included a list of exempted goods, including articles subject to Section 232 duties on steel, aluminum, and automobiles, as well as other products like pharmaceuticals, semiconductors, and

certain critical minerals. On April 12, the administration expanded this list of exemptions to include specific categories of electronic goods, such as smartphones, computers, and chips. The exemptions were made retroactive to April 5, and CBP issued guidance for importers to request refunds on duties paid for these newly exempted products.

## Deals and De-escalation

Talks between President Trump and Prime Minister Boris Johnson led to the May 8 announcement of the "United States-UK Economic Prosperity Deal." Taking effect on June 30, this deal established new terms for trade in sectors including automobiles, auto parts, and civil aircraft. The agreement imposed a tariff-rate quota (TRQ) for passenger vehicles imported from the UK, limiting the annual volume to 100,000 units starting in 2018. UK auto parts became subject to a 10% tariff but were exempted from the broader IEEPA Reciprocal tariffs. In addition, the deal granted duty-free treatment to UK-origin civil aircraft products, including engines and parts. That exemption paralleled to both IEEPA Reciprocal and Section 232 tariffs.

On May 11, the U.S. and China announced a temporary de-escalation in their trade friction. The two nations agreed to a mutual, 90-day reduction of the steep reciprocal tariffs imposed in April. The US suspended a portion of its tariffs on Chinese goods, lowering the

## Tariffs on Copper Products, Timber, Lumber, and Wood Products

On July 30, President Trump issued a Proclamation announcing the imposition of a 50% Section 232 tariff on "all imports of semi-finished copper products and intensive copper derivative products," as set forth in the relevant annex, as of August 1.

The president issued a Proclamation on September 29 regarding Section 232 tariffs on softwood lumber and lumber, upholstered wooden kitchen cabinets, and vanities. As of October 14, imports of softwood lumber and lumber faced a 10% ad valorem duty. Meanwhile, upholstered wooden furniture, kitchen cabinets, and vanities faced a 25% duty that date, with increases projected to be imposed on January 1, 2019. The United States reached agreements with exporting countries

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## SECTION 301 TARIFFS

Section 301 of the Trade Act of 1974 allows the president to use foreign trade practices disadvantageous to the United States to include violating Free Trade Agreements (FTAs), unreasonable discrimination against U.S. goods, or unnecessarily burdens or restricts U.S. commerce, as a power to respond to such practices by imposing countervailing duties or other measures.

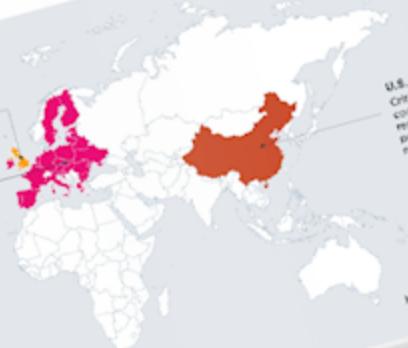
On January 21, in the context of a Section 301 investigation, the U.S. Trade Representative (USTR) proposed new fees on "targeting the Maritime, Logistics, and Ship-Dominance." USTR proposed new fees on ship operators to be charged \$1 million per vessel. Chinese shipyards would incur a service fee of \$1 million per vessel regardless of their nationality or vessel type. The USTR also proposed new fees on ocean exports to be required to be carried by U.S. flagged vessels and stepping up to 15% within seven years.

The final action adopted by USTR was based on net tonnage or container volume flat fee. It also set a 100% tariff on all categories of U.S. owners and importers to implement the proposed restrictions.

## Trade Commitments

**U.S. - U.K.** 🇺🇸🇬🇧  
TRQ for 100,000 vehicles;  
duty-free aircraft products

**U.S. - EU** 🇺🇸🇪🇺  
\$750 billion in U.S.  
energy purchases and  
\$600 billion in EU  
investments by 2028



International Trade Report 2018

Our downloadable report, “International Trade & Supply Chain Law: 2025 Year in Review & Outlook for 2026,” focuses on these key areas:

Tariffs

Trade Remedies

Customs and Import Enforcement

Export Controls and Trade Sanctions

Transportation and Supply Chain

What to Expect in 2026

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