

**SPOTLIGHT REPORT**

June 9, 2026

## Building to Last: Trump's Second Attempt at Reciprocal Tariffs

**What's Happening:** The Trump administration is working to rebuild its reciprocal tariff regime through Section 301, amid ongoing legal battles over refunds and its use of Section 122.

**Why It Matters:** As expected, when the Supreme Court ruled that President Trump's use of the International Emergency Economic Powers Act (IEEPA) to impose sweeping reciprocal tariffs was illegal, the White House has set about to remake the global tariffs regime. Now the project is nearing completion, with the Trump administration on track to complete its most expansive Section 301 investigation by July 24th, when the Section 122 duties will expire without congressional renewal, which is highly doubtful. These duties are expected to be supplemented by additional Section 301 duties on sixteen countries targeted in an investigation focused on excess capacity. **When finished, the expectation is that the result will resemble the status quo before the Supreme Court's decision, despite mounting political pressure on the White House and Republicans to address affordability issues.** These duties will likely face lawsuits when imposed, adding to the legal challenges that have plagued the Trump administration's tariff efforts. However, these measures will be on the strongest legal footing to date, with past challenges to Section 301 tariffs largely unsuccessful, giving them the best chance of surviving judicial scrutiny.

**What's Next:** Once the Section 301 tariffs are enacted, it is unlikely that there will be any more significant new duties unveiled in the months ahead. Additionally, if Trump wanted to raise the existing Section 301 tariffs, he would be unable to do so with the immediacy that he did under IEEPA. Instead, a notice-and-comment period would be required for any changes to the duties, meaning there would likely be at least six to eight weeks before any threats could be acted upon. The more likely tariff action in the coming months would be further targeted relief, like the recent changes to the Section 232 steel and aluminum tariffs. However, the odds of wholesale reversals or suspensions of these tariffs remain small.

### The 301 Rebuild

President Trump continues to move closer to re-implementing his reciprocal tariff regime on a more permanent basis, with last week's [announcement](#) of proposed Section 301 duties on more than 60 countries at rates ranging from 10 to 12.5 percent. **While not covering nearly every country in the world, as Trump's initial reciprocal tariffs did, these duties are estimated to cover the countries that account for more than 99 percent of US imports.** The proposal is subject to public comment until July 6th, and there will be a round of public hearings starting July 7th, too. Importers are already advocating for exemptions from these duties. Still, **we expect that modifications beyond the current proposed relief, which mirrors the exemptions in place for the current Section 122 tariffs, will be minimal.** Similarly, we do not believe that these proposed rates will differ significantly from the final decision. Those rates will likely be announced in the days after the public hearings, setting the stage for these tariffs to come into effect no later than July 24th, when the Section 122 tariffs will expire without congressional renewal, which is highly doubtful.

This probe, focused on other countries' laws restricting imports of forced labor, is one of two Section 301 investigations that the Office of the US Trade Representative (USTR) launched after the Supreme Court struck down Trump's tariffs imposed under the International Emergency Economic Powers Act (IEEPA). Given the larger scope of this inquiry, it needed to move first and ensure that the current tariff regime remains largely in place after the Section 122 tariffs expire. The [second probe](#), which focuses on other economies' excess capacity, targets a smaller set of sixteen trading partners. **The exact timing of the proposed tariffs from this second investigation is uncertain, but the longer USTR waits, the less likely the rates will be in effect by late July. Still, they will likely take effect later this summer, which would mean the inquiry's results should be expected before the end of June.** The tariffs from this investigation will likely stack on top of the forced labor duties, bringing economies like the EU to tariff rates equal to those agreed to in the trade deals negotiated over the last year. It is also possible that initial rates announced by the probe would imply higher tariffs, but USTR grants a lower rate to trading partners that have struck a deal with the US. Duties may also be more individualized than in the first 301 investigation. **While the exact mechanisms of this process remain uncertain, the end goal is clear: to have these rates closely approximate the duties in place before the Supreme Court's decision, where possible.** Additionally, it is this set of sixteen countries that the US is likely most focused on getting trade deals with. The odds of retaliation against these actions are minimal so long as the final result resembles what was previously agreed upon.

**While Section 301 is not as flexible as IEEPA was for Trump to threaten overnight changes in tariff rates, the president is still given significant latitude to adjust rates after they are imposed. However, these changes will be subject to comment periods, meaning most adjustments will require at least six to eight weeks before any new, elevated tariffs can take effect.** Still, Trump can start this process to gain leverage, as he is unlikely to shy away from threatening tariffs to secure wins on foreign policy issues. Whether countries take this threat seriously may depend on whether someone tests Trump's resolve to follow through on these threats and proves they are credible. However, the longer implementation timeline also means that the period of uncertainty from any of

these threats will be longer than it previously was, as Trump is no longer able to wield the immediate threat of tariffs under IEEPA.

## Sectoral Tariffs Take a Backseat

As Trump continues to press forward with the Section 301 tariffs, the Section 232 [sectoral tariffs](#) have largely taken a back seat. However, there remains little indication that the White House intends to remove the duties. Instead, if there are additional adjustments to the current tariffs, including the steel and aluminum tariffs, they will likely focus on exemptions similar to those [announced last week](#) for some agricultural equipment and heating, ventilation, and air conditioning equipment. **These carveouts are intended to provide targeted relief to sectors that the Trump administration wants to prioritize, and additional exemptions may be granted. Still, they should not be seen as a signal that the White House is fundamentally looking to shift its tariff strategy.** There is still a belief within the Trump administration that the duties will yield long-term economic benefits for the US, and that the reductions are temporary to help smooth the transition to relying more on domestic inputs, which is reflected in their time-limited nature.

**Still, when Section 301 duties are imposed, and the White House has largely recreated its global tariff regime, it does not appear that the Trump administration will rush to impose new Section 232 duties.** For example, US Trade Representative Jamieson Greer [recently said](#) there are no plans for “an immediate tariff” on semiconductors, referring to the Section 232 probe targeting chips and electronic devices. However, the White House may still look to release the results of its investigations and announce planned actions based on what was found. These efforts, though, would more likely resemble what is planned for the pharmaceutical sector, where significant carveouts are offered from the tariffs, or what was announced for the critical mineral sector, where the White House has prompted the secretary of Commerce and USTR to begin negotiations with other countries on what can be done to address US national security concerns.

Additionally, the Trump administration may not feel the need to impose tariffs under Section 232, as it likely believes some of the perceived issues are being addressed through other means. For example, while the Section 232 polysilicon probe has not led to any action, domestic businesses continue to petition the Commerce Department’s International Trade Commission to impose duties on alleged Chinese-linked solar components from specific countries. These efforts have so far resulted in duties imposed on countries in [Southeast Asia](#) and [India](#) and, most recently, in a petition alleging similar behavior in [Ethiopia](#). A final determination on tariffs for solar components from Ethiopia is likely to take about a year. Still, initial determinations with proposed rates could be released later this year, giving some sense of whether the probe will result in tariffs. These targeted actions have likely lifted pressure for the Commerce Department to pursue broader Section 232 action on polysilicon, which could have impacts beyond just the solar industry.

## The Litigation Queue

While the White House moves forward with its next round of tariffs, legal battles over its previous measures continue. **Although it was not immediate, it now appears that the Trump administration [intends to](#) make companies fight for refunds to the extent it can by appealing the Court of International Trade's (CIT) decision requiring refunds to all companies that paid the IEEPA duties.** The appeal is not disputing that the tariffs were valid and that refunds are owed. Instead, it takes issue with the universality of the court's order, especially as it pertains to payments that were already finalized, arguing that it violates the Supreme Court's decision last year that federal courts generally cannot issue nationwide injunctions to people who are not parties to the lawsuit. By creating more headaches in the process, the Trump administration hopes that some businesses will forgo refunds and that the government will retain some of what it collected.

As this fight over IEEPA refunds takes shape, the case over whether the White House's Section 122 tariffs were legal continues separately. **After an [initial ruling from the CIT that deemed the Section 122 duties unlawful, the decision has since been stayed following a Trump administration appeal, and now it sits before the US Court of Appeals for the Federal Circuit.](#)** The timing of this legal process, which could include an appeal to the Supreme Court, will not impact whether the duties are suddenly removed, as they are set to expire on July 24th without congressional renewal. However, the outcome will be significant for any importers hoping to receive refunds for these duties if they are deemed illegal, a process likely to be shaped by the decisions made in the IEEPA refund dispute. The White House appears to be on a stronger legal footing than it was in defending its IEEPA tariffs, but this does not guarantee victory when the legal fight is done. The lack of urgency regarding the approaching expiration of the tariffs may also mean that, if the case reaches the Supreme Court, it will not proceed on a similarly expedited timeline to the IEEPA case.

Lastly, **once imposed, there will likely be a third legal process started challenging the Trump administration's upcoming Section 301 duties. These tariffs will be the most legally durable the White House has imposed in this process of establishing reciprocal tariffs, but that [does not mean they are immune.](#)** USTR appears to have avoided procedural missteps that could have jeopardized the tariffs, but challenges on their merits remain likely. Past efforts to challenge Section 301 have largely been unsuccessful. However, the statute has typically not been used to cover such a sweeping set of countries as in the forced labor investigation. **If successfully challenged, such a loss would likely be one of the biggest setbacks to the Trump administration's tariff agenda, as Section 301 had long been seen as one of the most secure options in its arsenal.** However, a defeat is unlikely to deter the White House from trying again to reimpose duties that were previously defeated, either through a different Section 301 investigation or through other authorities, such as Section 338.



