

Tariff Mitigation Advisory Services in a Trump Administration

Export Controls, Sanctions & Trade

Over the past six years, the United States has levied a broad range of new tariffs, including sweeping and global reciprocal measures, Section 301 (Chinese-origin goods), Section 232 (steel and aluminum), Section 201 (solar panels and washing machines) and numerous anti-dumping and countervailing duty orders affecting many countries and products.¹ These tariffs have prompted companies to explore various U.S. tariff and duty mitigation strategies, with the U.S. Foreign-Trade Zones ("FTZ") program being a particularly attractive option

Since his reelection, President Donald Trump has signed Executive Orders imposing new tariffs pursuant to a variety of existing executive authorities, culminating in what he called "Liberation Day," levying a **10% reciprocal tariff on all goods entering U.S. commerce**.² Making good on campaign promises, the president also imposed **increased tariffs on all goods** from a group of targeted 57 countries, **ranging from 11% to 50%**,² among other measures. Previously, the administration also rolled out **25% tariffs on all goods from Mexico**,³ **25% tariffs on most goods from Canada** (except certain energy products subject to 10% tariffs)⁴ and **20% on all goods from China**.⁵

The Executive Orders came with various restrictions and limitations, making it a bit tougher in some instances for U.S. importers to mitigate costs and threats of increased tariffs if certain conditions are not met by U.S. trading partners. Still, the Export Controls, Sanctions & Trade ("ECST") team at FTI Consulting helps affected clients identify and institute available, flexible solutions.



Common Mitigation Strategies Delivered by ECST

- Foreign Trade Zones
- Drawback
- Global Risk Assessments and Contract Reviews
- Chapter 98, including Temporary Importation under Bond ("TIB")
- Free Trade Agreement ("FTA") and Non-Preferential Country of Origin Reviews
- Tariff Classification Reviews and Tariff Engineering
- Supply Chain Restructuring
- Advocacy Programs
- Partnership Programs
- First Sale for Export and Valuation Unbundling

— HOW FTI CONSULTING CAN HELP

ECST's team of experienced consultants, legal professionals, licensed customs brokers, and accredited zone specialists provide comprehensive support to companies by:

- Assessing and calculating **anticipated tariff exposure** to optimize cost savings.
- Conducting **tariff readiness assessments** to evaluate the full range of strategic options.
- Implementing tailored strategies to effectively address tariff challenges.
- Coordinating a **comprehensive communication plan** with key internal and external stakeholders — including supply chain, trade, tax, government relations, customers, and vendors — to confirm seamless integration and alignment.

Punitive Duties Revenue Collection by U.S Customs and Border Protection Since 2020 ⁶

TRADE REMEDY ENFORCEMENT	IMPORTED PRODUCTS	TOTAL DUTIES ASSESSED
Section 201 Duty Assessment	Solar Panels	\$2.64 billion
Section 232 Duty Assessment	Aluminum	\$2.72 billion
	Steel	\$8.67 billion
Section 301 Duty Assessment	China Products	\$221.6 billion

— CUSTOMS PROGRAMS AND PARTNERSHIPS

U.S. Foreign-Trade Zones — FTZs are designated areas considered outside of U.S. customs territory for duty and customs entry purposes. Designed to encourage American investment, incentivize job creation and promote U.S. exports, FTZs offer a wide range of duty, tax and fee benefits for U.S. manufacturers and distribution operations.

Partnership Programs — Programs like Authorized Economic Operator (“AEO”) and Customs Trade Partnership Against Terrorism (“CTPAT”) offer companies opportunities to partner with customs authorities. These programs enhance supply chain security and offer tangible benefits. U.S. CBP is actively exploring expanded benefits for CTPAT members, making these partnerships a strategic opportunity for companies to advocate for and secure additional advantages

Chapter 98, including Temporary Importation Under Bond — Chapter 98 of the Harmonized Tariff Schedule - a path to reciprocal tariff relief - gives the framework for the TIB program, which allows goods to be temporarily imported into the United States under duty suspension for specific purposes without immediate payment of duties, taxes or fees. Goods must be exported, destroyed or otherwise accounted for within a set timeframe, typically one year, making this program ideal for short-term imports.

Duty Drawback — The Duty Drawback program - another viable approach to handling reciprocal tariffs - provides refunds on duties paid for imported merchandise that is subsequently exported or destroyed. This program offers a significant opportunity for companies to retroactively recover costs associated with international trade.

— RISK MANAGEMENT AND ADVOCACY

Advocacy Programs — Companies can engage directly with elected officials or leverage industry associations to advocate on tariff-related topics, such as tariff exclusion processes. Leading organizations often combine internal trade expertise with government affairs strategies to achieve meaningful mitigation results.

Global Risk Assessments and Contract Reviews — Tariff liability is often overlooked in procurement contracts. Companies should evaluate historical and future contracts to clearly define tariff responsibilities, negotiate creative solutions with partners and incorporate transparency in change-in-law or similar provisions.

— STRATEGIC PLANNING AND SUPPLY CHAIN OPTIMIZATION

Supply Chain Restructuring — A comprehensive strategy aimed at optimizing a company's international supply chain to improve tariff positioning. This approach often involves a combination of origin planning, tariff engineering and other considerations, requiring careful collaboration among various internal stakeholders to achieve holistic results.

Free Trade Agreement and Non-Preferential Country of Origin Reviews — Strategic evaluation of product origin is essential for reducing tariff costs. Companies should assess whether their imported products qualify under available FTAs while also confirming proper origin determination under non-FTA situations (e.g., substantial transformation). Many tariffs are tied to the country of origin, so optimizing supply chain decisions can help reduce or avoid tariff liabilities when deployed effectively.

Tariff Classification Reviews and Tariff Engineering — Tariffs are heavily influenced by a product's specific tariff classification. Companies should review the accuracy of classifications across their supply chains and explore tariff engineering strategies to shift classifications where appropriate. These reviews are often conducted alongside supply chain restructuring and country-of-origin planning to ensure comprehensive cost-saving strategies.

Optimizing Customs Value — Companies can explore strategies to appropriately reduce the declared customs value of imported goods, thereby lowering duty costs. These strategies may include:

- First Sale for Export: Leveraging lower transaction values earlier in the supply chain
- Unbundling: Separating non-dutiable charges that are not subject to duty
- Transfer Pricing: Aligning intercompany and transfer pricing to optimize declared values

1. U.S. Customs and Border Protection, "Trade Statistics," U.S. CBP (January 13, 2025), <https://www.cbp.gov/newsroom/stats/trade>
2. The White House, "Regulating Imports with a Reciprocal Tariff to Rectify Trade Practices that Contribute to Large and Persistent Annual United States Goods Trade Deficits," Executive Order (April 2, 2025), <https://www.whitehouse.gov/presidential-actions/2025/04/regulating-imports-with-a-reciprocal-tariff-to-rectify-trade-practices-that-contribute-to-large-and-persistent-annual-united-states-goods-trade-deficits>.
3. The White House, "Imposing Duties to Address the Situation at Our Southern Border," Executive Order (February 1, 2025), <https://www.whitehouse.gov/presidential-actions/2025/02/imposing-duties-to-address-the-situation-at-our-southern-border>.
4. The White House, "Imposing Duties to Address the Flow of Illicit Drugs Across Our Northern Border," Executive Order (February 1, 2025), <https://www.whitehouse.gov/presidential-actions/2025/02/imposing-duties-to-address-the-flow-of-illicit-drugs-across-our-national-border>.
5. The White House, "Further Amendment to Duties Addressing the Synthetic Opioid Supply Chain in the People's Republic of China," Executive Order (March 3, 2025), <https://www.whitehouse.gov/presidential-actions/2025/03/further-amendment-to-duties-addressing-the-synthetic-opioid-supply-chain-in-the-peoples-republic-of-china>.
6. U.S. Customs and Border Protection, "Trade Statistics," U.S. CBP (April 6, 2025), <https://www.cbp.gov/newsroom/stats/trade>.

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