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“Tariff Tsunami”: New Copper Tariffs and Changes to De Minimis Duty Exemption

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On July 30, President Trump took two actions that represent a significant escalation in the administration’s evolving trade strategy: (1) a presidential proclamation (the proclamation) imposing a 50% ad valorem tariff on certain copper products under Section 232 of the Trade Expansion Act of 1962 (the Copper Tariff), and (2) an executive order (the Order) eliminating the longstanding de minimis duty exemption under 19 U.S.C. § 1321(a)(2)(C) for low-value non-postal imports.

At the same time, the administration continues to pursue trade deals with key partners that impose tariff levels unprecedented in recent decades. Taken together, these actions mark a dramatic escalation in the use of tariffs as tools of economic and national security policy.

While the copper and de minimis actions have immediate effects, they also signal the administration’s willingness to take unilateral action across a broad spectrum of industries and countries. Businesses with global supply chains — especially those importing from countries facing pending tariff announcements — should prepare now. The rules are changing quickly, reshaping global trade.

Section 232 Copper Tariffs

The announcement imposing the Copper Tariff follows a U.S. Commerce Department (Commerce) investigation that was finalized on June 30, 2025, which concluded that the United States’ growing reliance on foreign copper producers jeopardizes national security. Citing copper’s essential role in defense systems and infrastructure, the proclamation imposes a 50% ad valorem tariff on a range of copper products — including semi-finished products like pipes, wires, rods, sheets, and tubes, and copper-intensive derivatives, such as pipe fittings, cables, connectors, and electrical components. The Copper Tariff applies to goods entered or withdrawn from a warehouse for consumption beginning at 12:01 a.m. EDT on August 1, 2025.

Exemptions:

- Products already subject to Section 232 automobile and automotive part tariffs under Presidential Proclamation 10908 are excluded from the Copper Tariff.
- Similar to the goods subject to Section 232 steel and aluminum tariffs imposed pursuant to Proclamations 10896 and 10895, the copper content of an imported good is subject to the Copper Tariff only and not reciprocal tariffs established pursuant to Executive Order 14257, as amended by Executive Order 14266, and further amended under Executive Order 14316 and Executive Order of July 31, 2025 (collectively, Reciprocal Tariffs). However, the non-copper content remains subject to applicable Reciprocal Tariffs.

- Duty drawback is prohibited under the Copper Tariff. Importers may not claim refunds under drawback programs for duties paid on copper articles.
- Foreign trade zones must admit covered copper articles in privileged foreign status, meaning they will be dutiable at the 50% rate when entered into U.S. commerce.
- Copper in its raw and refined forms — including copper ores, concentrates, refined cathodes, anodes, copper scrap, and other derivative material — is exempt from the Copper Tariff.

Within 90 days of the proclamation, the Secretary of Commerce is required to establish a formal process for interested parties to request that additional derivative copper articles become subject to the Copper Tariff. Moreover, the proclamation directs the Secretary of Commerce to deliver to President Trump by June 30, 2026, a comprehensive update on domestic copper markets, including refining capacity and supply dynamics, and a recommendation on whether to implement phased universal tariffs on refined copper — specifically, 15% starting January 1, 2027, rising to 30% on January 1, 2028.

Executive Order Ending De Minimis Exemption

Also on July 30, President Trump issued the Order, eliminating the de minimis exemption for non-postal shipments, effective August 29, 2025. The de minimis exemption is a longstanding cornerstone of e-commerce and global retail fulfillment strategies, and its elimination will have profound effects on international trade flows.

Scope and Exemptions:

- Non-postal shipments will no longer be eligible for the $800 de minimis duty exemption, regardless of value, country of origin, or shipping method.
- Postal shipments will retain de minimis treatment temporarily, but this exemption will expire upon implementation of a new process to be announced by U.S. Customs and Border Protection (CBP).
- Once CPB's new postal rules take effect, importers will be required to select one of two methodologies on a monthly basis:
    - An ad valorem duty equal to the effective International Emergency Economic Powers Act (IEEPA) tariff rate applicable to the country of origin of the product, assessed on the value of each dutiable postal item (package) containing goods entered for consumption; or
    - A specific duty per item, available for the first six months only, and applied as follows:
        - Countries with an effective IEEPA tariff rate of less than 16%: $80 per item;
        - Countries with an effective IEEPA tariff rate between 16 and 25% (inclusive): $160 per item; and
        - Countries with an effective IEEPA tariff above 25%: $200 per item.
- After the six-month transitional period, all postal shipments will be required to use the ad valorem method.

These rules are evolving rapidly, and our Tariff Task Force will provide timely and relevant updates as things progress. Please don't hesitate to reach out to us with questions.

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