

# Navigating the New Tariff Reality

*A Three-Session Strategy Series for Manufacturers*

## Session 1: The New Rules of U.S. Trade

Presented by:

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# Navigating the New Tariff Reality

*A Three-Session Strategy Series for Manufacturers*

WE ARE HERE

01

Thursday, March 12 | 11:30 AM – 12:30 PM CT

## The New Rules of U.S. Trade

The SCOTUS reset, what it actually changed (and what it didn't), the active tariff framework — Section 122 / 301 / 232 — the Iran geopolitical layer, and the three planning scenarios your business must model now.

02

Thursday, March 19 | 11:00 AM – 12:30 PM CT

## Audit, Protect & Recover: Your Tariff Exposure Action Plan

IEEPA refund audit process and CBP filing deadlines, HTS cost mapping workshop, supplier contract stress-test, USMCA-qualifying alternatives — working session with your own data and advisors in the room.

03

Thursday, March 26 | 11:00 AM – 12:30 PM CT

## Building Resilience: Planning for Post-July 24 and Beyond

Scenario A/B/C financial modeling, supply chain diversification roadmap, export readiness as a tariff hedge, preparing your lenders and board — and individual advisory follow-through from WBDC ITC, and ILDEC.

# Today: The New Rules of U.S. Trade

01

## The Last 14<sup>+</sup> Days

What changed — and what didn't

10 min

02

## The New Tariff Landscape

Post-SCOTUS framework: Section 122 / 301 / 232

15 min

03

## The Geopolitical Layer

Iran escalation: energy, shipping lanes, and investment risk

10 min

04

## Scenarios + Priority Actions

Three planning paths and what your business must do now

20 min

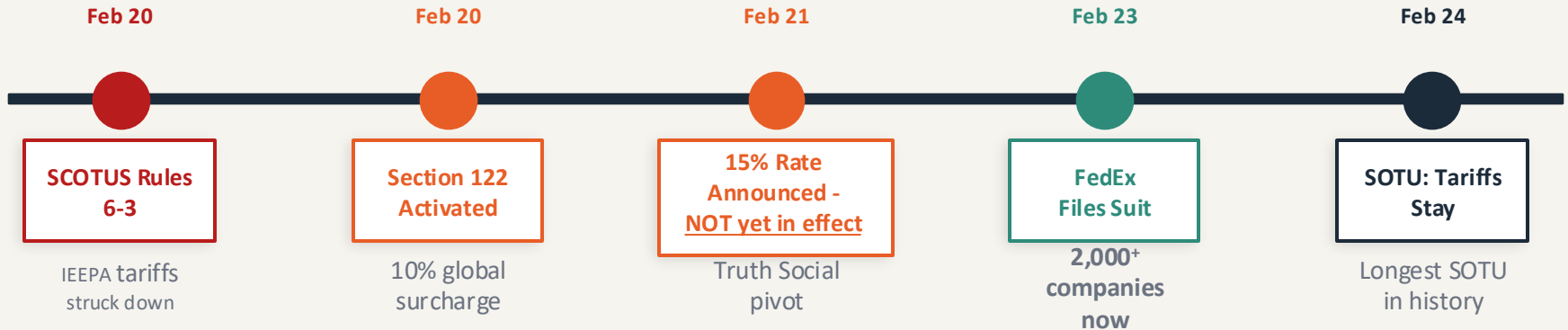
05

## Working Session

Pressure-test your plan

15 min

# The Last 14+ Days



**Effective tariff rate on March 12, 2026: ~10.5% (Section 122 formally at 10%)  
Would be ~13.0% if 15% formally implemented**

~ 10.5%

Effective U.S.  
tariff rate

as of March 12, 2026

*Highest since 1943 (Yale Budget Lab)*

Everything changed.  
Almost nothing changed.

SCOTUS struck down the broadest executive trade authority in a generation

Administration pivoted to Section 122 within hours — formally 10%; 15% announced, not yet formally implemented

2,000+ companies filed; likely 3,000+ firms — \$166B in IEEPA duties confirmed in CBP filings

Section 232 and 301 tariffs remain intact — and are expanding to new sectors

*The rules changed. The rate didn't.*

# Post-SCOTUS: The Legal Reset

## STRUCK DOWN — IEEPA Tariffs

- Liberation Day / reciprocal tariffs on all countries
- Fentanyl-related tariffs on Canada, Mexico, China
- Country-specific IEEPA escalation schedules
- Unilateral emergency tariff authority at any rate, any duration, any country

## ACTIVE — Full Legal Authority

- Section 122: 10% formal (**15% announced, pending formal action**) — Feb 24 – Jul 24, 2026
- Section 232: Steel, aluminum, autos + 6 new national security investigations underway
- Section 301: China-focused — expanding to new sectors
- De minimis elimination in force
- USMCA exemptions remain intact

# Three Tools. All Active. All Affecting Your Landed Costs.

## Section 122

Temporary Global Surcharge

# 10%

formal | 15% announced; still pending

- Effective: Feb 24, 2026
- Expires: July 24, 2026 (150 days)
- Exempt: USMCA, pharma, steel/autos
- (232 already applies to those)
- 15% = statutory max; formal proclamation pending as of March 12

## Section 301

China-Focused, Expanding



6 new industry investigations

- Trade Act of 1974 authority
- Targets: China & unfair trade practices
- New sectors: batteries, chemicals, power grid, telecom equipment
- No automatic expiry — permanent until USTR acts to remove

## Section 232

National Security Tariffs

# 25%+

steel, aluminum + derivatives

- Permanent — no sunset provision
- Applies to downstream derivatives: packaging, components, cans, parts
- 6 new national security investigations
- Iran engagement strengthens the national security legal argument

# The 150-Day Clock: Feb 24 → July 24, 2026



## What Replaces Section 122 After July 24?

### Congress Extends 122

Requires floor vote — unlikely given bipartisan opposition

### Broad 301/232 Package

Administration's telegraphed path — targeted but potentially higher rates

### Managed De-escalation

Bilateral deals reduce to ~8–10% effective rate — best-case scenario

### Renewed Escalation

Iran tensions + midterm pressure trigger new emergency declarations

# Iran Escalation: What It Means for Your Business

The U.S.–Israeli air campaign introduces a second macro layer that compounds — not replaces — the tariff risk you are already managing.

## Energy Prices

Strait of Hormuz Risk

- ~20% of global oil transits Hormuz — any closure spikes crude immediately
- Manufacturing input costs, freight rates & ag fuel costs all exposed
- Fed cannot cut rates into an energy-driven inflation spike
- Every \$10/barrel oil increase = ~0.3% additional inflation headwind

## Shipping Lanes

Red Sea Already Stressed

- Houthi attacks already rerouted Suez traffic since 2024
- Iran escalation = further Red Sea disruption risk
- Chicago, KC, Omaha corridors feel ripple effects in transit time + cost
- Spot freight historically spikes 30–50% in corridor stress events

## Investment Confidence

Capex + Supply Chain Decisions Stall

- Second uncertainty layer stacked on top of July 24 tariff cliff
- Nearshoring / USMCA pivot decisions may be deferred further
- Section 232 national security framing is legally strengthened
- Credit markets price in higher risk premium for import-dependent firms

# Three Scenarios: Which Path Are You Planning For?

|                | SCENARIO A<br>High-Tariff Plateau                    | SCENARIO B<br>Managed De-escalation          | SCENARIO C<br>Renewed Escalation                 |
|----------------|--|--|--|
| Effective Rate | ~12–15%  | ~8–10%                                       | ~16–17%  |
| Section 122    | Expires Jul 24; 301/232 hold rate                    | Expires; bilateral deals partially reset     | Extended or replaced by broad 301/232            |
| Iran Factor    | 232 expansion likely; energy cost pressure continues | De-escalation possible post-ceasefire        | Escalation reinforces 232 national security case |
| Your Priority  | Dual-source & renegotiate contracts NOW              | Lock in agreements before rates reset upward | Accelerate ALL checklist items immediately       |

# Four Things Midwest Manufacturers Must Do Now

## 1 Audit Your IEEPA Refund Exposure **URGENT**

CIT ordered refunds March 4; suspended enforcement March 6 while CBP builds new ACE system (~April 20). File protests NOW for liquidated entries within 180 days — this deadline does not wait for the ACE system. Enroll your ACH banking details in CBP ACE portal today.

## 2 Map Your Section 122 + 301 Landed Cost Impact

Run a full HTS-code audit of your top 20 SKUs and suppliers. Identify which inputs carry the highest combined 122/301 exposure. This is your baseline for every other decision.

## 3 Stress-Test Contracts and Supply Chain

Review supplier contracts for tariff pass-through clauses. Identify dual/near-shore alternatives, especially USMCA-qualifying suppliers — they are exempt from Section 122. Target 20% of high-exposure input value shifted within 90 days.

## 4 Update Financial Forecasts for Three Scenarios

Model Q2–Q3 cash flow with Section 122 at both 10% (current formal rate) and 15% (announced, pending). Build the July 24 cliff into your capex timing. Run Scenario A (12–15%), B (8–10%), C (16–17%) and set a decision trigger for each. Share with lenders and board now.

# IEEPA Refund Audit: Your Window Is Open — But Not Forever

**\$166B+**

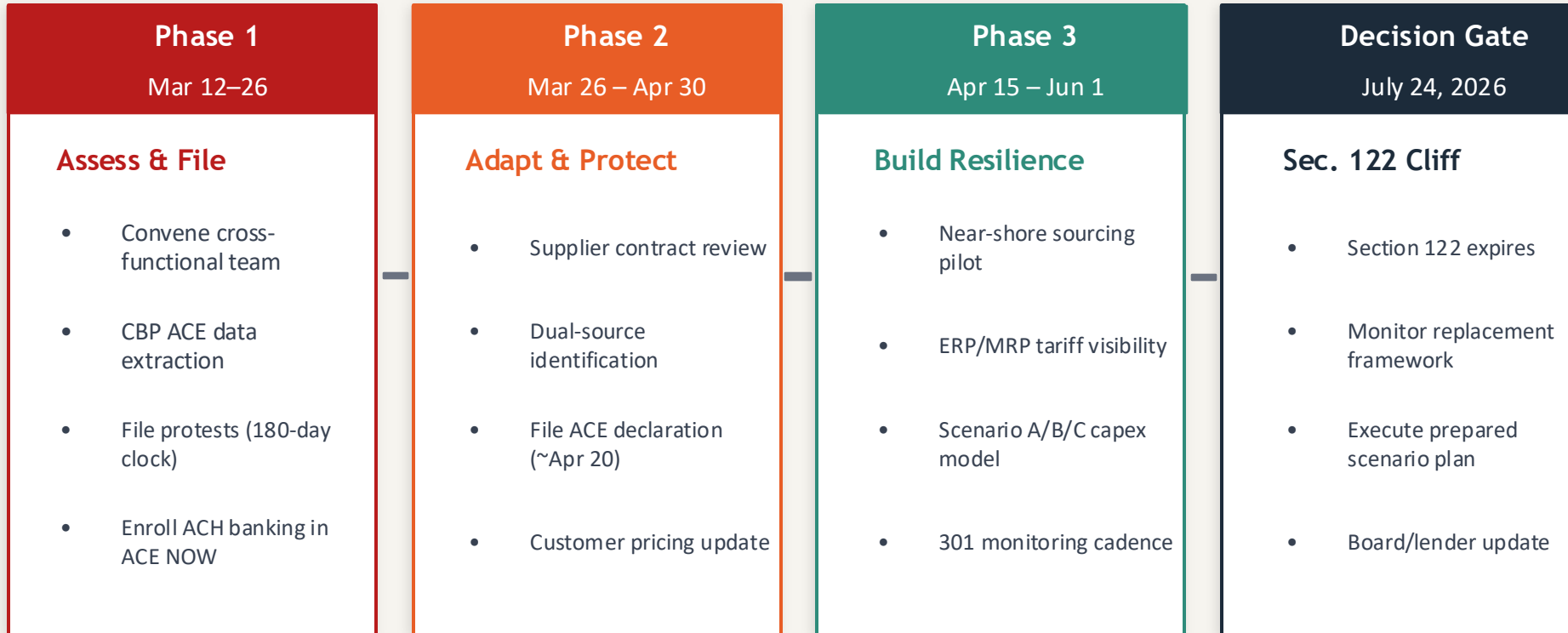
in IEEPA duties  
confirmed CBP filing

**2,000+ complaints**  
likely **3,000+ firms**

|               |  |                  |
|---------------|--|------------------|
| <b>Step 1</b> | Extract CBP ACE data for all 2025–Feb 2026 entries; filter IEEPA HTS codes (9903.01.xx series)       | <b>This week</b> |
| <b>Step 2</b> | Quantify IEEPA duties paid by HTS line; build your refund exposure total                             | <b>Week 1–2</b>  |
| <b>Step 3</b> | File protests for liquidated entries within 180 days of liquidation — do not wait for ACE system     | <b>Week 2–3</b>  |
| <b>Step 4</b> | Enroll ACH banking details in CBP ACE portal NOW — refunds are ACH-only; missing details = delays    | <b>This week</b> |
| <b>Step 5</b> | Prepare ACE declaration (new CBP system launching ~April 20): list all entries and IEEPA duties paid | <b>~Apr 20</b>   |

***CIT suspended enforcement March 6 while CBP builds new ACE refund system (~April 20). File protests NOW regardless — protest preserves your rights whatever happens.***

# Your 90-Day Action Roadmap: March → June 2026



# Pressure-Test Your Plan

Q1

Which of the three scenarios (A / B / C) is your business currently planning for — and have you built all three into your financial model?

Q2

Did your company pay >\$50K in IEEPA tariffs in 2025?

If yes: have you enrolled ACH in CBP ACE, extracted your entry data, and filed protests for liquidated entries?

Q3

What percentage of your high-exposure input spend has a USMCA-qualifying or domestic alternative identified?

Q4

How does the Iran escalation change your energy cost assumptions and capital equipment timing decisions?

# Take These With You

## Trade Policy & Tariffs Outlook – Extended Briefing

19-page sourced briefing: SCOTUS analysis, 122/301/232 framework, IEEPA refund litigation, SOTU signals, Midwest sector impacts, 12 recommendations.



## Trade Policy & Tariffs Outlook – Condensed Briefing

Executive summary version — key takeaways and recommendations for board presentations and leadership briefings.



## Action Checklists – 5 Sector Tools

IEEPA Refund Audit | Self-contained Section 122/301 Risk Management | Agriculture | Manufacturing Supply Chain | Logistics



## One-on-One Advisory

Complete >80% of any checklist and request a complimentary 30-minute advisory session.

*Soraya Hernandez, MBA*  
*Director, IL SBDC ITC at WBDC*

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# Questions & Discussion

**The July 24 clock is running.**

There is meaningful action available to you right now — and we are here to help you take it.

*Download the Action  
Checklists here:*



*Schedule next steps →  
[shernandez@wbdc.org](mailto:shernandez@wbdc.org)*

*Or:*



*Share your feedback :*



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**Thank you and Let's Keep in Touch!**



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