

Washington Tariff & Trade Letter

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POLICY NOTES

Shot Heard Round the World?

After a false start with Colombia last weekend, the Trump Tariff War of 2025 has officially begun, with new levies on imports from the top US trading partners, accounting for 40% of the goods imported into the US last year, Friday,

White House spokesperson Karoline Leavitt told reporters duties of 25% on Canadian and Mexican goods and 10% on Chinese goods would be published on Saturday and would take effect immediately. Mr. Trump told reporters Friday that **Canadian oil** would be hit with lower tariffs of 10%, which could take effect later, on 18 February.

The president also said he planned "absolutely" to impose tariffs on the **European Union** in the future, saying the bloc had not treated the US well. "We're going to be putting tariffs on steel and aluminum, and ultimately copper. Copper will take a little longer," he said.

Earlier in the week as Congressional Republicans gathered at his Doral Hotel in Miami, Mr Trump told them he will be imposing sweeping tariffs soon on computer chips, semiconductors and pharmaceuticals in order to bring production back to the United States. . [READ MORE](#)

Commerce Staffing Plan Begins to Emerge

Trump's Tariff Man at Commerce, Howard Lutnick, is making no bones about the fact that he is a fan of President Trump's idea of across-the-board tariffs on all countries. At a hearing on his nomination before the Senate Commerce Committee last week, several senators expressed a preference for targeted tariffs.

But the nominee for Commerce Secretary, said across-the-board tariffs are the way to get "reciprocity, respect and fairness" from other countries. The 25 percent tariff hike that President Trump says he plans to impose on Canada and Mexico on February 1 is not really a tariff "per se," Mr. Lutnick said, but rather it's about "creating action."

In response to a question, Mr. Lutnick said arguments that raising tariffs will cause higher inflation is "nonsense." He acknowledged, however, that prices on some products could rise.

Candidates for the two principal trade undersecretary roles have been selected, according to reports. **William Kimmitt** is set to be tapped for the position of Under Secretary of Commerce for International Trade, where he will lead the International Trade Administration (ITA), and **Jeffrey Kessler** is expected to be tapped to lead Commerce's Bureau of Industry and Security. [READ MORE](#)

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White House Targets Colombia

The opening salvo of the Administration's trade war turned out not to be against Canada, Mexico or European allies, rather a temporary cancellation of Valentine's Day in retaliation for a perceived snub by the President of Colombia. Sunday,

President Trump announced 25 percent tariffs on all Colombian products after Colombian President Gustavo Petro turned away two US military aircraft carrying migrants being sent back to Colombia as part of Mr. Trump's immigration crackdown. After Mr. Petro provided his presidential aircraft for a "dignified" repatriation, Mr. Trump backed down. [READ MORE](#)

EXIM Doesn't Miss a Beat

The Export Import Bank of the US (Exim) didn't miss a beat in the transition to a new Presidential administration, announcing interim leadership and confirming the Bank's 2025 Annual Conference will be held April 29 & 30 in Washington. Immediately following the President's inauguration, the first three senior members of the bank's "Beachhead Team" – David Slade, José Cunningham, and Bryce McFerran – were sworn as Senior Counselor and Senior Advisors, respectively.

Board Member and former Alabama Congressman Spencer Bachus III, stepped in as Interim President and Chair of the EXIM Board of Directors. The President and Chair, First Vice President and Vice Chair, and another Director position are currently vacant, along with the US Trade Representative and Secretary of Commerce, who serve ex-officio. [READ MORE](#)

TRADE SECURITY

China Hawks React to Deep Seek

House China hawks called for the National Security Advisor to review the potential national security benefits of placing export controls on semiconductor chips critical to the AI infrastructure of People's Republic of China (PRC) company, DeepSeek. As part of the review, the lawmakers also asked to strengthen controls on shipments through third countries that pose a high risk of diversion to the PRC.

The lawmakers further requested that Mr. Waltz consider updating Federal Acquisition Regulations to prohibit the federal government from acquiring AI systems based on PRC models such as DeepSeek, except for appropriate intelligence and research purposes. [READ MORE](#)

[2025 Defense Export Handbook](#)

The Commerce Department, International Trade Administration (ITA) released their The Defense Export Handbook, a toolkit for U.S. defense exporters, particularly those who are new-to-market or new-to-export. This handbook provides an overview of U.S. defense trade policies, rules, regulations, and national laws governing the sale of U.S. defense products; tips to navigate these policies and processes that help carry out defense trade opportunities; and general things to consider as a U.S. exporter when evaluating international markets. [READ MORE](#)

WORLD TRADE ORGANIZATION

[Appellate Body Position Unchanged](#)

The change in Administration has not translated into a change in position when it comes to the World Trade Organization's Appellate Body.. The United States, for the 83rd time, rejected a proposal to start the selection process for filling vacancies on the long moribund AB at yesterday's meeting of the WTO's Dispute Settlement Body. President Trump so far has been largely silent on his views about the WTO. The long-standing US argument is that the AB routinely overstepped its jurisdiction, often issuing reports that had the effect of creating new WTO rules, rather than simply adjudicating disputes. [READ MORE](#)

SANCTIONS & ENFORCEMENT

[Canada & UK Impose Belarus Sanctions, US Absent](#)

Monday, Canada announced it is imposing new sanctions against 10 individuals and 12 entities under the Special Economic Measures (Belarus) Regulations in response to ongoing gross and systematic human rights violations committed by the Lukashenko regime in Belarus, as well as its support of Russia's violation of Ukraine's sovereignty and territorial integrity.

These sanctions are being announced in coordination with the United Kingdom. Customarily, such announcements are coordinated with US sanctions authorities in the Departments of State and Treasury., but action in Washington was lacking [READ MORE](#)

[Cyber Marketplaces Targeted](#)

The Justice Department Thursday announced its participation in a multinational operation involving actions in the United States, Romania, Australia, France, Germany, Spain, Italy, and Greece to disrupt and take down the infrastructure of the online cybercrime marketplaces known as Cracked and Nulled.

The operation was announced in conjunction with Operation Talent, a multinational law enforcement operation supported by Europol to investigate Cracked and Nulled. [READ MORE](#)