Washington Tariff & Trade Letter

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TRADE POLICY & POLITICS

Reciprocal Tariff Plan Unveiled: Calls for Studies

President Donald Trump has unveiled a new initiative aimed at reshaping U.S. trade policy by imposing reciprocal tariffs on foreign goods. The plan, introduced through a presidential memorandum, directs federal agencies to study and propose tariffs that mirror those imposed by U.S. trading partners. The administration maintains that the new tariff structure would bolster American manufacturing by incentivizing companies to produce goods domestically. "There are no tariffs if you manufacture or build your product in the United States," Trump added.

However, concerns over potential inflationary pressures remain. When asked whether the policy's impact on consumer prices would be analyzed, Trump dismissed the need for further study. "There's nothing to study," he asserted. "It's going to go well." **READ MORE**

Allies Circle the Wagons

Major US trade partners are threatening quick retaliation if President Trump goes ahead with his plans to impose across-the-board 25 percent tariffs on all steel and aluminum The European Union and Canada are vowing to retaliate. "Our response will of course be firm and clear," Canadian Prime Minister Justin Trudeau said.

European Union trade ministers are preparing a list of US products that will be targeted for retaliation. European Commission President Ursula von der Leyden declared US tariffs "will trigger firm and proportionate countermeasures." READ MORE

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Democrats Call for End to Threats to Allies

House Ways and Means Committee Democrats are calling on President Trump to end his tariff threats against Canada and Mexico. In a letter to Mr. Trump signed by all the Democrats on Ways and Means, the lawmakers that tariffs should not be used as leverage in dealing with non-trade issues. Mr. Trump and Administration officials have described the tariff as having nothing to do with trade, but about fighting a drug war.

"[The] use of tariffs as a bargaining chip to settle non-trade issues is counterproductive to the goal of revitalizing manufacturing and bringing back American jobs," the lawmakers. "The well being of American workers, families, and businesses should never be gambled for the sake of scoring political points. READ MORE

TARIFFS & CUSTOMS

Steel & Aluminum 232 Lists Published

Monday, President Trump and expanded Section 232 tariffs on steel and aluminum imports, imposing a uniform 25% tariff on all imports of these materials. The new tariffs, effective March 12, 2025, replace previous measures that allowed for country-specific exemptions and quota arrangements.

The revised policy covers an expanded list of downstream derivative products, which had not been previously subjected to tariffs. The final list of these products was published Friday in an annex, with the Secretary of Commerce tasked with establishing a process for further additions by May 11. READ MORE

Steel Proclamation Published

According to the Proclamation on Adjusting Imports of Steel into the United States, issued by President Donald J. Trump on February 10, 2025, the administration has reinstated and expanded the 25% ad valorem tariff on imported steel and derivative steel products. The proclamation cites national security concerns under Section 232 of the Trade Expansion Act of 1962, as amended, and asserts that steel imports "are being imported into the United States in such quantities and under such circumstances as to threaten to impair the national security of the United States." READ MORE

COAC Customs Meeting 5 March

The Commercial Customs Operations Advisory Committee (COAC) will hold its quarterly meeting on Wednesday, March 5, 2025, in Atlanta, Georgia. The meeting will be open for the public to attend inperson or via webinar. READ MORE

STAFFING UP

Rollins New Agriculture Secretary

Brooke Rollins was sworn in Thursday as the new Agriculture Secretary, just hours after her nomination was approved by the Senate on a 72 to 28 vote. Ms. Rollins' first order of business will be working with Congress on a long-delayed farm bill providing authorization for US agricultural programs. READ MORE

Barloon to WTO; Commerce Roles Named

President Trump has named former US Trade Representative's Office official Joseph Barloon to be the chief US representative to the World Trade Organization. Mr. Trump also sent up nominations for key Commerce Department posts, including China hawk Landon Heid to be Commerce assistant secretary for export administration. READ MORE

Sen. Wyden Notes Disapproval of Greer as USTR

Prior to the Senate Finance Committee advancing the nomination of Jamieson Greer as US Trade Representative, Ranking Member Ron Wyden (D-OR), declared his opposition because it does not appear he will have the influence in the Trump Administration to steer trade policy.

"I have no confidence that Mr. Greer will be in the room for important trade and tariff decisions, unlike previous USTRs. Greer has said Donald Trump's use of tariffs to settle scores on issues unrelated to trade are not a trade issue, and therefore not something he would expect to be involved with if confirmed. It's unclear what influence over critical trade decisions Greer will have in the Administration – or whether he'll have any at all." READ MORE

EXPORT CONTROLS

Commerce Halts Export Licensing

The Commerce Department has reportedly suspended processing applications for new export licenses with no communication to stakeholders.

The pause has created confusion among users of the Simplified Network Application Process Redesign (SNAP-R) system, managed by the Bureau of Industry and Security (BIS) within the U.S. Department of Commerce. Department leadership is in flux, pending the installation of political appointees. READ MORE

<u>Due Diligence for Advanced Computing ICs;</u> Amendments & Clarifications

On February 11, 2025, the Bureau of Industry and Security (BIS) issued a correcting amendment to the interim final rule published on January 16, 2025, titled "Implementation of Additional Due Diligence Measures for Advanced Computing Integrated Circuits; Amendments and Clarifications; and Extension of Comment Period."

This correction revises Export Control Classification Number (ECCN) 3A090 by amending its license requirements table. Specifically, the first row's first column is changed from "RS applies to the entire entry, except 3A090.a" to "RS applies to 3A090.a." This modification clarifies that regional stability controls apply solely to ECCN 3A090.a items. READ MORE

Rep Green's Export Control Bill, Back Again

Rep Mark Green (R-TN) once again introduced his China Technology Transfer Control Act, having failed to advance the initiative in the 116th, 117th and 118th Congress. There were no cosponsors. The bill controls exports of certain national interest technology and intellectual property to China, calling for the US Trade Representative to maintain a designated list of product components subject to enforcement. READ MORE

SANCTIONS & CORRUPTION

President Neuters Bribery Enforcement

Monday Feb 10, President Trump issued an executive order halting the initiation of new Foreign Corrupt Practices Act (FCPA) investigations and mandating a review of ongoing enforcement actions.

The order comes in the wake of several high-profile corporate settlements under the statute, underscoring the administration's concerns that current enforcement of the 47 year old Law is detrimental to U.S. economic competitiveness and national security. READ MORE

OFAC Targets Haque Jurist

Following on President Trump's Executive Order imposing sanctions on the International Criminal Court, the Treasury Department added Karim Asad Ahmad Khan to the Specially Designated National List.

Mr. Khan, a British Subject, has served as the chief prosecutor of the International Criminal Court in The Hague since 2021. In May 2024, he announced the ICC's decision to apply for arrest warrants for Israeli Prime Minister Benjamin Netanyahu, Israeli Defense Minister Yoav Gallant, and Hamas leaders Yahya Sinwar, Mohammed Deif, and Ismail Haniyeh for alleged war crimes and crimes against humanity. READ MORE

OFAC Licensing Update: Added Functions

Department of the Treasury's Office of Foreign Assets Control (OFAC) has updated its License Application Portal. In addition to the current application process, the License Application Portal now features an option to establish an account to submit requests for specific licenses or interpretive guidance, or submit reports required by some specific licenses. READ MORE

SANCTIONS & CORRUPTION

Kyrgyz Arms Dealer Arrested at Vegas Trade Show

A Kyrgyz national and international arms dealer has been charged in a federal indictment with conspiracy and illegal smuggling of firearms from the United States to Russia. Sergei Zharnovnikov was arrested on January 24 in Las Vegas, while attending the Shooting, Hunting, and Outdoor Trade (SHOT) Show.

Zharnovnikov is accused of orchestrating a complex scheme to circumvent U.S. export controls by funneling semi-automatic rifle-pistols through his Kyrgyz company to Russia. The indictment details his illegal procurement of firearms from a U.S.-based company in Chesapeake, Virginia, and subsequent exportation, in violation of U.S. export laws. READ MORE

California Customs Broker Defrauds Clients

A customs broker pleaded guilty to defrauding his clients – businesses who ship goods into the United States from foreign countries – out of more than \$5 million, including after he had been indicted on fraud charges, and to committing more than \$1 million in tax evasion. READ MORE

US Based Russian Firm Smuggling Aircraft Parts

An American subsidiary of a Russian aircraft parts supplier, along with three of its current and former employees, have been charged federally with crimes related to a scheme to illegally export aircraft parts and components from the United States to Russia and Russian airline companies without the required licenses from the Department of Commerce.

Flighttime Enterprises, Inc. and the individual defendants evaded the export restrictions imposed on Russia to ship aviation parts to Russia and Russian end users, including airlines subject to Department of Commerce Temporary Denial Orders, by mislabeling shipments, providing false certifications, and using intermediary companies and countries to obscure the true end destination and end users. READ MORE