

Washington Tariff & Trade Letter

Vol. 45, No. 9

wttonline.com

March 3, 2025

TARIFF NOTES

[White House Relentless in Tariff Confrontations](#)

President Donald Trump reaffirmed his administration's aggressive trade policy this week, announcing a series of tariff increases targeting major U.S. trading partners, including Canada, Mexico, the European Union, the United Kingdom, China, and Japan. The measures are set to begin to take effect on March 4th. Mr. Trump confirmed that 25% tariffs on imports from Canada and Mexico will proceed as planned, citing a failure by both nations to curb illegal drug trafficking into the U.S. In a post on Truth Social, the president stated, "The tariffs go into effect next week—drugs are still pouring into our Country, and we will hold these nations accountable." The exact date of implementation of the 25% tariff on EU imports remains pending further clarification from the administration. [READ MORE](#)

[Trump Tariff Timeline](#)

Peter Harrell, Non-Resident Fellow at the Carnegie Endowment, attorney, and host of the Security Economics Podcast shared with us his take on the anticipated timeline for upcoming tariff and trade actions under the Trump administration. While some dates are speculative and all are subject to change, the following milestones are expected: [READ MORE](#)

[White House Targets Digital Trade Taxes](#)

Last week President Trump signed a directive aimed at protecting American companies from foreign-imposed taxes, fines, and regulatory restrictions, vowing to take retaliatory action against governments that unfairly target U.S. businesses. The Presidential Memorandum, titled Defending American Companies and Innovators From Overseas Extortion and Unfair Fines and Penalties, outlines the administration's commitment to countering digital services taxes (DSTs) and other financial measures that disproportionately affect U.S. technology firms. [READ MORE](#)

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[Trump IEEPA Tariffs Deemed Illegal](#)

In a recent policy brief "Trump's Use of Emergency Powers to Impose Tariffs is an Abuse of Power," Georgetown Law Professor Jennifer Hillman examines the legality of President Trump's February 2025 tariffs under the International Emergency Economic Powers Act (IEEPA). Hillman argues that IEEPA does not authorize the president to impose broad-based tariffs and that doing so violates the constitutional delegation of tariff authority to Congress. [READ MORE](#)

POLICY & POLITICS

[Navarro Denies Five Eyes Threat to Canada](#)

White House trade adviser Peter Navarro has firmly denied reports that he advocated for Canada's removal from the Five Eyes intelligence-sharing alliance, calling the notion "crazy stuff." His comments come amid escalating trade and diplomatic tensions between the two neighboring countries. The potential move to exclude Canada from Five Eyes is reportedly being considered as a pressure tactic amid Trump's intensifying threats to annex Canada [READ MORE](#)

[Treasury Won't Enforce Beneficial Ownership Rules](#)

Thursday 27 February FinCEN announced that it will not issue any fines or penalties or take any other enforcement actions against any companies based on any failure to file or update beneficial ownership information (BOI) reports pursuant to the Corporate Transparency Act by the current deadlines. [READ MORE](#)

[Trade Qui Tam to Trump FCPA as Justice Priority?](#)

Speaking at the Federal Bar Association's (FBA) annual Qui Tam Section Conference, Deputy Assistant Attorney General Michael Granston reaffirmed the U.S. Department of Justice's (DOJ) commitment to rigorous enforcement of the federal False Claims Act (FCA), with a particular focus on illegal foreign trade practices. With the administration's more relaxed stance on foreign corruption, the resources previously focused on FCPA enforcement may find employment policing tariff compliance. Mr. Granston linked the DOJ's aggressive FCA enforcement efforts to broader government priorities aimed at enhancing efficiency and eliminating waste, fraud, and abuse. [READ MORE](#)

[Targeting Chinese Investment with CFIUS](#)

February 21, the President announced an "America First Investment Policy," aimed at promoting foreign investment from allies while restricting investments from adversarial nations, notably the People's Republic of China (PRC). [READ MORE](#)

[China Ship Fees Proposed](#)

The Office of the United States Trade Representative (USTR) announced Friday proposed actions in response to China's alleged targeting of the maritime, logistics, and shipbuilding sectors for global dominance, including the imposition of entry fees on Chinese ships calling at US ports. Subsidies for U.S.-built ships are proposed, targeting a more than tenfold increase in carriage on US-built chips within seven years. [READ MORE](#)

BIS / EXPORT CONTROLS

[BIS Purge Hobbles Export Controls](#)

Matthew Borman, principal deputy assistant secretary of commerce for export administration and Eileen Albanese, director of the Office of National Security and Technology Transfer Controls, have been forced out of the Commerce Department, leaving the government's trade security functions hobbled.

As reported earlier Bureau of Industry and Security (BIS) has suspended the processing of applications for new export licenses submitted after February 5th, 2025. As of presstime (24 February) the Bureau has made no formal announcement as to when or if processing will resume. [READ MORE](#)

[BIS Chief Kessler Nomination Hearing](#)

Jeffrey Kessler the Administration's nominee for Under Secretary of Commerce for Industry and Security had a relatively easy go of it in front of the Senate Banking Committee Thursday, as members sunk their teeth into the higher-profile nominees who shared the dias. While Mr. Kessler brings a strong legal background in tariff and trade enforcement and compliance, the technical and national security elements of export administration will call for a high degree of collaboration with what one senator referred to as "career bureaucrats [who] over the years at BIS have rubber stamped deals for decades and sent some of our most important technology to China" [READ MORE](#)

[BIS Leadership Firming Up](#)

In contrast to the Treasury Department's flurry of staffing announcements, the Commerce Department quietly updated its website this week, detailing the staff incoming BIS Chief Jeffrey Kessler will rely on to ensure trade security. The appointment of James Rokas as Mr. Kessler's principal deputy has been thrown into doubt, as Chief of Staff Robert Burkett has replaced Mr. Rokas as acting undersecretary. [READ MORE](#)

[Arms Sales Curbs Reversed](#)

President Trump's decision to revoke a requirement that recipients of arms transfers respected international laws drew jeers and cheers on Capitol Hill. National Security Memorandum 20 (NSM-20) was a Biden-era directive designed to enhance oversight of U.S. arms transfers, ensuring they were not misused by foreign partners in ways that violated human rights. [READ MORE](#)

[CAATSA Exception Review in ACE Protest Module](#)

Customs and Border Protection (CBP) has deployed updates to the ACE Protest Module to include a new secondary issue for Countering America's Adversaries Through Sanction Act (CAATSA) exception reviews. Protest filers will notice changes to the ACE Protest user interface (UI). Specifically, filers protesting a Notice of Exclusion for CAATSA will be able to contest a CBP exclusion decision via the ACE Protest Module. [READ MORE](#)

ON THE MOVE

[Team MAGA Swarms Treasury](#)

The Trump Treasury announced key senior appointments, assigning Secretary Scott Bessent a management team with proven loyalties to the President. John Hurley is nominee to serve as Under Secretary for Terrorism and Financial Intelligence. Mr. Hurley is currently the Managing Partner of Cavalry Asset Management and Managing Member of TGK Ventures. From 2018-2021, Mr. Hurley served on President Trump's Intelligence Advisory Board.

The now relieved Acting Under Secretary for Terrorism and Financial Intelligence is Bradley Smith, a career Treasury official who had held the role since August 2024. Previously, Mr. Smith served as the Director and Deputy Director of OFAC, playing a pivotal role in implementing sanctions, notably those targeting Russia following its 2022 invasion of Ukraine. With the recent ousting of Matt Borman as Principal Deputy Assistant Secretary for Export Administration at the Commerce Department's Bureau of Industry and Security (BIS), the sanctions community is waiting with bated breath to see what happens to Mr. Smith. [READ MORE](#)

[Exim Gets Jump Start with Acting Appointments](#)

Seeking to prevent a repeat of the operational gridlock that hampered the Export-Import Bank of the United States (EXIM) during President Trump's first term, the White House has appointed two veteran career officials to the agency's Board of Directors. The move guarantees a quorum, enabling EXIM to function fully without immediate pressure on the administration to nominate additional Democratic board members. The White House's strategic appointments allow EXIM to function without disruption while reducing immediate pressure to nominate additional Democratic board members, a requirement for maintaining the bank's bipartisan governance structure. [READ MORE](#)

[Brian Young Named CFTC Enforcement Chief](#)

Commodity Futures Trading Commission Acting Chairman Caroline D. Pham today announced Brian Young will serve as the agency's Director of Enforcement. Young has been serving in an acting capacity since January 22, and previously was the Director of the Whistleblower Office. Young joined the CFTC in 2024 as the Director of the Whistleblower Office following nearly 20 years at the Department of Justice. [READ MORE](#)

[You Do Know How to Whistle, Don't you?](#)

The left-leaning news site The Intercept has published a primer on "How to Leak Under the Trump Administration," advising federal employees on best practices for communicating with the press outside official channels. To minimize risks, the article advises whistleblowers against using standard communication methods, such as phone calls, text messages, emails, and social media, as these can expose metadata that links sources to journalists. [READ MORE](#)

WTO / GENEVA

[WTO Ukraine Review; US Takes a Pass](#)

The World Trade Organization completed its review of Ukraine's trade policy and practices last week, releasing a report highlighting the country's resilience in the face of Russia's full-scale invasion which began three years ago. The accompanying resolution condemning the Kremlin's aggression was adopted by 54 WTO members, although the U.S. delegation abstained, reflecting Washington's changed allegiances in the conflict. [READ MORE](#)

[Reciprocal Tariffs as Catalyst for WTO Reform?](#)

A recent blog post, *How the US Reciprocal Tariff Plan Could Save the WTO*, by trade experts Hervé Jouanjean, Jennifer Hillman, and Joost Pauwelyn, presents a counterintuitive argument: that the U.S. proposal for reciprocal tariffs—widely criticized as a destabilizing force—could, if managed strategically, serve as the catalyst for reforming the World Trade Organization (WTO). "If managed properly," the authors write, "this could, in effect, turn into the biggest tariff negotiation round since the creation of the WTO in 1994, with the potential to create a fairer and more enduring result." [READ MORE](#)

SANCTIONS & CORRUPTION

[Allies Roll out More Russian Sanctions; US Mum](#)

As Moscow's war against Ukraine enters its fourth (or eleventh) year, the European Commission announced the Council's adoption of the 16th sanctions package against Russia. As is customary, the

United Kingdom announced complementary sanctions. Unlike with prior initiatives, the United States did not join in the effort, reflecting the new rapprochement between Washington and the Kremlin. The 16th sanctions package intensifies restrictions on key sectors of Russia's economy, including energy, trade, transport, infrastructure, and financial services. [READ MORE](#)

[European Sanctions Enforcement Outdoes OFAC](#)

In 2024, probably for the first time ever, Europe (meaning the EU, UK, Switzerland and Norway), imposed and obtained a greater number of fines and convictions; a higher total value of fines; and also a higher single largest fine, for sanctions breaches than those imposed by the authorities in the United States. A note compiled by Mark Handley of Duane Morris, London, tallies combined enforcement actions taken by OFAC and BIS, as well as criminal convictions secured by the DOJ, as compared to their European peers. [READ MORE](#)

[FinCEN Advisory on FATF Outcomes](#)

The Treasury's Financial Crimes Enforcement Network (FinCEN) issued a release describing changes finalized at the FATF plenary meeting in Paris February 21. After an extensive public consultation, the Plenary agreed changes to the FATF Standards to better support a risk-based approach and financial inclusion, a key priority under the Mexican Presidency. It also finalized important work on combating financial flows related to online child sexual exploitation, with a report approved for publication next month, aiming to protect children from harm. The Treasury announcement focused on the monitoring of high-risk jurisdictions in particular DPRK, Burmese and Iranian transactions. [READ MORE](#)

[Caracas Back in Sanctions Doghouse](#)

The United States has reimposed strict sanctions on Venezuela's oil sector, revoking all licenses granted under the Biden administration. President Donald Trump announced the policy shift, effective March 1, 2025, citing the Venezuelan government's failure to uphold its commitments under a previous agreement. "I am hereby reversing the concessions that Crooked Joe Biden gave to Nicolás Maduro, of Venezuela, on the oil transaction agreement, dated November 26, 2022," Trump stated. [READ MORE](#)

ENFORCEMENT

[California Man Guilty in Trade Secrets Case](#)

California man Liming Li pleaded guilty today in the United States District Court for the Central District of California to one count of possession of trade secrets. Li admitted to unlawfully retaining proprietary information from his former Southern California-based employers and using it to market his own competing company to a China-based entity. Li was arrested on May 6, 2023, at Ontario International Airport upon returning from Taiwan. A subsequent FBI search of his residence revealed numerous digital devices containing proprietary files belonging to his former employers. [READ MORE](#)

Alabama Man Sentenced for Oilfield Gear Sales to Iran

Alabama man Ray Hunt, has been sentenced to five years in prison for violating the International Emergency Economic Powers Act. In July 2024, Hunt pleaded guilty to conspiring to export U.S.-origin goods to the Islamic Republic of Iran in violation of the U.S. trade sanctions. Beginning at least as early as 2015 and continuing to the time of his arrest in November 2022, Hunt conspired with two Iranian companies located in Tehran, Iran, to illegally export U.S.-manufactured industrial equipment for use in Iran's oil, gas, and petrochemical industries. [READ MORE](#)

Carolina Man Guilty in Guidance Component Scheme

The owner of a Raleigh, North Carolina electronics resale business, pleaded guilty to attempting to export accelerometer technology with military applications to China without a license. According to court documents, David Bohmerwald purchased 100 accelerometers from a U.S.-based electronics company, intending to export them to a Chinese business. Authorities were alerted when the U.S. electronics company found Bohmerwald's purchase suspicious. [READ MORE](#)