

Washington Tariff & Trade Letter

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Tariff Man: Week Seven

President Donald Trump has imposed tariffs of 25% on Mexican goods and non-energy products from Canada, 10% on Canadian energy, and an additional 10% on Chinese goods. Then Thursday he suspended actions on USMCA eligible goods for 30 days. In response, Canada has enacted its first round of retaliatory tariffs on a pre-announced list of U.S. products. Ottawa says it is considering additional retaliatory measures, including non-tariff options and has launched disputes proceedings at the World Trade Organization and via the USMCA system. The White House has also granted a 30-day reprieve for automakers following a joint appeal by the CEOs of GM, Ford, and Stellantis. Experts note building auto and parts production capacity to replace Canadian imports will take "maybe two to three years." [READ MORE](#)

China Tariffs Prompt Retaliation

While the President's brinkmanship with our closest neighbors took the air out of the room, the enhanced actions against China did not go unnoticed. An amended Executive Order increases ad valorem tariffs on specified Chinese products from 10% to 20% under the authority of the International Emergency Economic Powers Act and related statutes. As retaliation, China slapped an additional 15 percent tariff on US chicken, wheat, corn and cotton products, and an additional 10 percent tariff on sorghum, soybeans, pork, beef, seafood, fruits, vegetables and dairy products. China's customs agency also announced it was suspending imports of wood from the United States. [READ MORE](#)

Steel & Aluminum Tariffs Published

March 3, the Commerce Department announced the implementation of new tariffs on steel and aluminum imports, following directives issued under Presidential Proclamations 10895 and 10896. These measures, effective March 12, 2025, aim to adjust imports of both metals to protect national security. Under Proclamation 10895, issued on February 10, 2025, the United States will impose new duties on aluminum imports. According to the notice, importers must report to U.S. Customs and Border Protection (CBP) the primary country of smelt, secondary country of smelt, and country of cast for all aluminum products covered by the order. [READ MORE](#)

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De Minimis Differences Proposed

The White House Sunday issued two orders, addressing small parcel shipments from Canada and Mexico and the application of the de minimis exemption from customs duties. The executive orders addressing trade duties at the northern (Canada) and southern (Mexico) borders share a structural and procedural similarity, but distinctions emerge in their treatment of de minimis duty-free exemptions and the underlying policy objectives. [READ MORE](#)

POLICY & POLITICS

Goods Deficit Blows Out in January

The U.S. Census Bureau and the U.S. Bureau of Economic Analysis announced Thursday that the goods and services deficit was \$131.4 billion in January, up \$33.3 billion from \$98.1 billion in December, revised, or 34%. While exports grew 1.2%, imports surged 10% as importers stocked up ahead of the Trump tariff increases. [READ MORE](#)

House Dems Rue Tariffs

Representative Gregory W. Meeks, Ranking Member of the House Foreign Affairs Committee, today introduced Resolutions to terminate President Trump's "unlawful use of 'emergency' authorities" to impose tariffs on Canada and Mexico. The Resolutions address what they contend is an abuse of the International Emergency Economic Powers Act (IEEPA), which it has used to justify tariffs. The legal foundation of IEEPA, the *National Emergencies Act*, allows Congress to introduce a Privileged Resolution to terminate the authority, which must be brought to the House for a floor vote within 15 days. There is little hope of the resolution gaining a majority in the house, let alone gathering enough support to override a presidential veto. [READ MORE](#)

President Continues Retribution on Law Firms

Still harboring a grudge dating back nine years, the President announced that a law firm that worked for Hillary Clinton in the 2016 presidential campaign will be sanctioned, as he finds "good cause to conclude that they neither have access to our Nation's secrets nor be deemed responsible stewards of any Federal funds." According to *The Washington Post*, "the move could have a chilling effect on law firms' willingness to take on clients and cases that run counter to the Trump administration, challenging a fundamental tenet of the rule of law in the United States that everyone should have access to legal representation." [READ MORE](#)

De Minimis Phase Out Bill Introduced

House Ways and Means trade subcommittee ranking Democrat Linda Sánchez (Calif) has introduced legislation to phase out the customs de minimis provision that allows packages valued under \$800 to enter the United States duty free. [READ MORE](#)

Bessent Speech at Economic Club of NY

Treasury Secretary Scott Bessent discussed the President's policies with Larry Kudlow at The Economic Club of New York event on March 6, 2025. "The president has already begun a campaign to rebalance the international economic system," he asserted. "Perhaps we are seeing an early big win with Germany's discussions to dramatically boost its military spending." [READ MORE](#)

SANCTIONS & CORRUPTION

Sanctions Relief for the Kremlin

In a further sign of the Trump White House's rapprochement with the Kremlin, The Treasury and Department of State have been ordered to compile a list of sanctions to be lifted. Europe may soon find itself enforcing measures against Moscow alone. [READ MORE](#)

PRC Sanctions US Firms

Tuesday Beijing announced several export control and sanctions measures on US firms, including the addition of 10 U.S. firms to China's Unreliable Entity List, and restrictions on certain U.S. companies in the high-tech sector. Firms added to the Unreliable Entity List are added for their involvement in arming the Taipei government, while the Export Control List entries are prohibited from importing dual-use items from the PRC. [READ MORE](#)

Beijing Opens First Anti-Dumping Actions

China's Ministry of Commerce (MOFCOM) announced on Tuesday that it has launched an anti-circumvention investigation into certain optical fiber products imported from the US, marking the first time that China has initiated such an investigation. The ministry said in a notice that it has learned that relevant fiber optic products are suspected of circumventing China's anti-dumping measures, and it initiated the probe at the request of domestic industries. Based on the investigation's findings, a decision will be made on whether to impose anti-circumvention measures against the US, the notice said. [READ MORE](#)

More Houthi Sanctions

Treasury's Office of Foreign Assets Control (OFAC) has imposed sanctions on seven senior members of Ansarallah, commonly known as the Houthis, for their roles in smuggling military-grade weapons into Houthi-controlled areas of Yemen and negotiating arms procurement deals with Russia. Additionally, OFAC has designated a Houthi-affiliated operative and his company for recruiting Yemeni civilians to fight for Russia in Ukraine, generating revenue to support Houthi militant operations. [READ MORE](#)

WTO / GENEVA

2025 Trade Policy Agenda

The Office of the United States Trade Representative has released President Donald Trump's 2025 Trade Policy Agenda, outlining a strategy to revitalize American manufacturing and reinforce national security through assertive trade measures. The agenda emphasizes the necessity of a "Production Economy," asserting that "Americans are more than just what they consume," and that the nation should not merely "move money around." It advocates for policies that "favor a Production Economy" to "Make America Great Again."

With the Agenda, the USTR released its review of the nation's World Trade Organization membership. While criticizing the WTO, it's worth noting that the document does not call for the US to abandon the institution. [READ MORE](#)

WTO Trade Data Tools

WTO Tariff & Trade Data, an online platform providing enhanced access to official tariff and trade figures for over 150 economies, was launched on 4 March. The database — currently in its beta version for preliminary release — includes bilateral trade datasets, time series views, and reports on export and import patterns by product and trade partner. [READ MORE](#)

Treasury Staffs Legislative Team

The Treasury announced legislative and public affairs appointments Friday, drawing from political appointees from the previous Trump administration and Republican congressional staff. [READ MORE](#)

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