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CAPITOL BEAT

AMBA proudly introduces *The Capitol Beat*. Delivered monthly from Inside Beltway, this newsletter provides information on the latest happenings in Washington that are important to the mold manufacturing industry. *Please forward this email to a colleague who may have interest in these topics.*

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Trump Outlines “America First Trade Policy”

In a memo issued on Day 1 of his new term, President Trump outlined an administration-wide “robust and reinvigorated trade policy that promotes investment and productivity, enhances our Nation’s industrial and technological advantages, defends our economic and national security and – above all – benefits American workers, manufacturers, farmers, ranchers, entrepreneurs and businesses.”

The trade policy memo directs the United States Trade Representative (USTR) to conduct reviews into unfair trade practices and China’s commitments in its phase-one deal with the U.S., both reviews already underway. Additionally, the memo calls for USTR to review of tariffs on Chinese goods under Section 301, assess federal procurement subject to trade agreements, review reciprocity in existing trade deals, begin public consultation for the 2026 U.S.-Mexico-Canada Agreement review and identify countries “with which the United States can negotiate agreements on a bilateral or sector-specific basis” to expand market access.

The memo also directs the Commerce and Treasury departments, along with USTR, to

“investigate the causes of our country’s large and persistent annual trade deficits in goods, as well as the economic and national security implications and risks resulting from such deficits, and recommend appropriate measures, such as a global supplemental tariff or other policies, to remedy such deficits,” and calls on the Treasury Department to review major trading partners’ policies and practices and recommend measures to counter currency manipulation.

Reports on all the reviews outlined in the memo are due to the President by April 1, 2025.

Bipartisan Bills to Revoke China PNTR Introduced

In January 2025, U.S. lawmakers introduced bipartisan legislation aimed at revoking China’s Permanent Normal Trade Relations (PNTR) status. The legislation would gradually impose tariffs on Chinese imports, starting at 10 percent in the first year and escalating to 100 percent by the fifth year for strategic goods. The introduction of this legislation reflects a growing bipartisan consensus on the need to reassess and potentially reset the United States’ economic relationship with China, particularly in light of ongoing concerns over trade imbalances and national security implications.

In his America First Trade Policy action released January 20, 2025, President Trump called on the Office of the U.S. Trade Representative to review and provide advice on legislation pending to revoke China’s PNTR status. Such a move is significant and would have the practical effect of over time treating China in the same manner as Russia, Belarus, North Korea and Cuba as it related to General Duty rates for goods entering the U.S.

In the House of Representatives, the "Restoring Trade Fairness Act", Rep. John Moolenaar (R-MI), chair of the House Select Committee on the Chinese Communist Party, introduced the legislation on January 23rd along with co-sponsorship from Representative Tom Suozzi (D-NY). In the upper chamber, Senators Tom Cotton (R-AR) and Jim Banks (R-IN) introduced the companion measure.

The proposed legislation seeks to address concerns that granting China PNTR status in 2000—a move that facilitated China’s entry into the World Trade Organization—has led to adverse effects on the U.S. economy. AMBA and other groups have raised concern over China’s state-driven economic model and substantial government subsidies that violate international trade rules, resulting in the erosion of U.S. manufacturing.

Proponents of the bill, such as Representative Moolenaar, assert that it will enhance U.S. national security, strengthen supply chain resilience and repatriate manufacturing jobs. He stated, "This legislation will safeguard U.S. national security, enhance supply chain resilience and bring manufacturing jobs back to America and our allies."

Final FHWA Buy American Rule Issued

A final rule terminating the general waiver of Buy America requirements for manufactured products was published by the Department of Transportation (DOT) in the final days of the Biden administration on January 15, 2025.

In the rule, first proposed by the Federal Highway Administration (FHWA) under the DOT in March 2024, the FHWA revokes the waiver, which has been operational since 1983, permitting manufactured products used in highway projects, excluding those predominantly made of iron or steel, to be sourced from outside the United States.

The final rule also updates the FHWA's standards for manufactured products under the Buy America requirements to align with the "Build America, Buy America" Act (BABA) enacted in 2021. The BABA mandates that all federally assisted infrastructure projects utilize domestically produced iron, steel, manufactured products and construction materials. Additionally, BABA stipulates that "a manufactured product must be produced in the United States and that the cost of components mined, produced or manufactured in the United States must exceed 55 percent of the total cost of all components of the manufactured product."

The requirements under the rule are rolled out in two phases. For projects obligated on or after October 1, 2025, the final assembly of all manufactured projects must occur in the U.S. For projects obligated on or after October 1, 2026, in addition to the final assembly requirement, the cost of components of products that are mined, produced or manufactured in the U.S. must be greater than 55 percent of the total cost of all components of the manufactured product.

The final rule is effective March 17, 2025.

Trump Issues Executive Order on NEPA

In his first day in office, President Trump issued an executive order (EO) aimed at the National Environmental Policy Act (NEPA) regulatory process to try to expedite the permitting of energy projects. The Unleashing American Energy Executive Order issued on January 20, 2025, directs the White House Council on Environmental Quality (CEQ) to propose rescinding CEQ's NEPA regulations by February 19, 2025, and instead issue NEPA implementing guidance to agencies.

This directive mimics the recent ruling by the D.C. Circuit Court of Appeals which determined that the White House does not possess the authority to implement rules under NEPA. The three-judge panel's decision, issued on November 12, 2024, concluded that CEQ lacks the statutory power to create NEPA regulations, thereby overturning a long-standing precedent established by an executive order from President Jimmy Carter in May 1977. This order instructed the CEQ to formulate NEPA regulations and mandated that federal agencies adhere to these regulations unless explicitly prohibited by law.

The D.C. Circuit's opinion asserted that the "CEQ regulations, which claim to dictate how all federal agencies must comply with the National Environmental Policy Act, are ultra vires," meaning they exceed the agency's legal authority and are therefore

unenforceable.

With the revocation of CEQ's regulations, the EO directs CEQ to "convene a working group to coordinate the revision of agency-level implementing regulations for consistency," and directs all agencies to "prioritize efficiency and certainty over any other objectives, including those of activist groups, that do not align with the policy goals" of encouraging energy exploration and production, streamlining regulations, prioritizing economic growth and encouraging infrastructure development, among others, "or that could otherwise add delays and ambiguity to the permitting process."

Corporate Transparency Act Reporting Remains Voluntary

The Department of the Treasury issued an update confirming that the filing of beneficial ownership information remains voluntary despite a January 23, 2025, order from the Supreme Court of the United States reinstating the filing requirements under the Corporate Transparency Act (CTA).

"In light of a recent federal court order, reporting companies are not currently required to file beneficial ownership information with FinCEN and are not subject to liability if they fail to do so while the order remains in force. However, reporting companies may continue to voluntarily submit beneficial ownership information reports," states the alert posted to the Financial Crimes Enforcement Network (FinCEN) website.

The requirement to file beneficial ownership information reports (BOIRs) has been under constant legal challenge. On December 3, 2024, a federal court in Texas granted a nationwide preliminary injunction in the Texas Top Cop Shop case, expressing concerns over the law's constitutionality and its potential negative effects on small businesses. While the January 23 SCOTUS decision granted the federal government's motion to stay the nationwide injunction in the Texas Top Cop Shop case, a separate nationwide order issued on January 7, 2025, in a different case against the CTA filing requirements, *Smith v. United States Department of the Treasury*, remains in place.

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