

# US & Multilateral Trade and Policy Developments

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**Japan External Trade Organization**

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## Trade Policy Developments

### US Federal Communications Commission Restricts New Authorizations for Foreign Produced Unmanned Aircraft and Components

On December 22, 2025, the United States Federal Communications Commission (FCC) added (i) all “uncrewed aircraft systems (UAS) and UAS critical components produced in a foreign Country” and (ii) products from the Chinese UAS manufacturers DJI and Autel Robotics to the Covered List under Section 2 of the Secure Networks Act of 2019.<sup>1</sup> Products and entities on the Covered List are prohibited from obtaining new FCC equipment authorizations. In effect, the broad listing action is a de facto ban on the import, marketing, and sale of all new UAS and covered components manufactured outside the United States, as well as a ban on any new UAS and covered components from manufacturers DJI and Autel Robotics regardless of production location.

The action does not rescind any existing equipment authorizations. UAS and components that are already approved by the FCC will be able to remain on the US market.

The action marks the first time the FCC has added an entire product sector worldwide to the Covered List, instead of targeting specific products tied to specific corporate entities and countries (generally China or Russia) that are deemed to be national security risks.

#### The FCC Covered List

Most radio-frequency emitting devices must be approved by the FCC to be imported, marketed, and sold in the United States. To address security concerns with certain telecommunications suppliers, Congress established the Covered List through Section 2 of the Secure Networks Act of 2019,<sup>2</sup> requiring the FCC Public Safety and Homeland Security Bureau to maintain a list of communications equipment and services<sup>3</sup> that pose an unacceptable risk to the national security of the United States or the security and safety of United States persons.

Communications equipment and services on the FCC Covered List are prohibited from receiving FCC radiofrequency authorizations and listed entities are prohibited from accessing Universal Service funding for listed equipment or services. Other providers of telecommunications services must also report to the FCC any purchase, rent, or lease of any covered communications equipment or service. In effect, listings exclude the covered products from the US market.

Since the introduction of the law, the FCC has expanded its use of the Covered List designations through other regulatory actions. Listed entities are now prohibited from operating as test labs and from participating in the new US Cyber Trust Mark labeling program, while listed equipment and services are prohibited from use in submarine cables.

The FCC does not make the listing decisions itself. Instead, the FCC acts based on national security determinations made by any “executive branch interagency body with appropriate national security expertise,” the Department of

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<sup>1</sup> Public Notice: “Public Safety and Homeland Security Bureau Announces Addition of Uncrewed Aircraft Systems (UAS) and UAS Critical Components Produced Abroad, and Equipment and Services Listed in Section 1709 of the FY2025 NDAA, to FCC Covered List,” FCC, December 22, 2025, accessible here: <https://docs.fcc.gov/public/attachments/DA-25-1086A1.pdf>; and “FCC Updates Covered List to Add Certain UAS and UAS Components,” FCC, December 22, 2025, accessible here: <https://www.fcc.gov/document/fcc-updates-covered-list-add-certain-uas-and-uas-components-0>.

<sup>2</sup> Section 2 of the Secure Networks Act at 47 U.S.C. §§ 1601-1609, accessible here: <https://uscode.house.gov/view.xhtml?jsessionid=34AA9403E69DA0F02AC871628FC742AB?req=granuleid%3AUSC-prelim-title47-chapter15&saved=%7CKHRpdGxIOjQ3IHNIY3Rpb246MTYwMSBIZGI0aW9uOnByZWxpbSk%3D%7C%7C%7C0%7Cfalse%7Cprelim&edition=prelim>; and in the FCC regulations at 47 C.F.R. § 1.50000-1.50006, accessible here: <https://www.ecfr.gov/current/title-47/chapter-I/subchapter-A/part-1/subpart-DD>.

<sup>3</sup> “Communications equipment or service” means any equipment or service used in fixed and mobile networks that provides advanced communication service, provided the equipment or service includes or uses electronic components. “Advanced communications service” means high-speed, switched, broadband telecommunications capability that enables users to originate and receive high-quality voice, data, graphics, and video telecommunications using any technology with connection speeds of at least 200 kbps in either direction.

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Commerce under the Information and Communications Technology and Services (ICTS) Rule, acts of Congress, or “an appropriate national security agency.”<sup>4</sup>

### **The UAS and components listing**

The full “covered equipment or services listing,” added to the Covered List on December 22, 2025, is “Uncrewed aircraft systems (UAS) and UAS critical components produced in a foreign country and all communications and video surveillance equipment and services listed in Section 1709(a)(1) of the FY25 National Defense Authorization Act (Pub. L. 118-159)” (2025 NDAA).<sup>5</sup> The FCC’s action is based on a December 21, 2025 national security determination by an “executive branch interagency body” convened by the Trump administration to review UAS risks, which determined that UAS and components “produced in a foreign country pose an unacceptable risk to the national security of the United States and to the safety and security of U.S. persons.”<sup>6</sup>

The FCC and the national security determination provide additional details to explain what is covered in each part of the listing:

- **UAS:** An “uncrewed aircraft” is an aircraft operated without the possibility of direct human intervention from within or on the aircraft. An “uncrewed aircraft system” (UAS) is an uncrewed aircraft and its associated elements (including an uncrewed aircraft station, communication links, and the components not on board the UA that control the UA) that are required for the safe and efficient operation of the UA in the airspace of the United States.
- **UAS critical components:** “Critical components” includes but is not limited to the following UAS components and any associated software: data transmission devices, communications systems, flight controllers, ground control stations and UAS controllers, navigation systems, sensors and cameras, batteries and battery management systems, and motors.
- **Certain China-related entities:** Section 1709(a)(1) of the 2025 NDAA instructed the FCC to consider adding DJI and Autel Robotics communications or video surveillance equipment to the Covered List, with a decision deadline of December 22, 2025.<sup>7</sup> In addition to adding all foreign-manufactured UAS and components to the Covered List, the FCC has acted on the 2025 NDAA proposal to list communications and video surveillance equipment and services of DJI and Autel Robotics as well (which would in practice, cover all UAS products manufactured by the two companies, their affiliates, and licensees, regardless of the country of production).

### ***Listing is based on country of production***

Key to the scope of the listing is the term “produced in a foreign country,” which means the listing action applies to covered products of all companies (including US companies) that are produced outside the United States. UAS and critical components produced in the United States – even by foreign companies (except for DJI and Autel Robotics) – are not covered by the listing. One point of uncertainty is that the listing does not define “produced in a foreign country,” which may create challenges in determining application in complex multinational supply chains.

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<sup>4</sup> The Department of Homeland Security, the Department of Defense, the Office of the Director of National Intelligence, the National Security Agency, and the Federal Bureau of Investigation.

<sup>5</sup> The full Covered List is available on the FCC website at, “List of Equipment and Services Covered By Section 2 of The Secure Networks Act,” accessible here: <https://www.fcc.gov/supplychain/coveredlist>.

<sup>6</sup> “National Security Determination on the Threat Posed by Uncrewed Aircraft Systems (UAS) and UAS Critical Components Produced in Foreign Countries,” December 21, 2025, accessible here: <https://www.fcc.gov/sites/default/files/National-Security-Determination-for-UAS.pdf> (also in Appendix B of the Public Notice).

<sup>7</sup> Section 1709(a)(1) of the FY25 National Defense Authorization Act (Pub. L. 118-159), accessible here: <https://www.congress.gov/118/plaws/publ159/PLAW-118publ159.pdf>.

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Another implication of relying on country of production instead of entity-specific designations (except for DJI and Autel Robotics) is that any FCC rules that restrict entities the FCC specifically names on the Covered List will not be invoked by this listing.

### ***Opportunity for listing exceptions***

The listing includes an exception for UAS, classes of UAS, and components that are determined by the Department of Defense (DoD) or the Department of Homeland Security (DHS) not to pose security risks. The DoD and DHS will manage the waiver process and send their determinations to the FCC. After receiving a determination, the FCC will update the Covered List to implement the exception.

*Update (January 7, 2026):* The FCC has issued a temporary exception for (i) specific UAS systems, components and software on the DoD's "Blue UAS List" and (ii) products that qualify as "domestic end products" under the Buy American Standard (48 C.F.R. 25.101(a)). The determination expires on January 1, 2027 "unless superseded by a newer national security determination." At that time, the DoD determination says they will (i) reassess the Blue List exception to determine if continued imports from friendly countries "threatens the resiliency of our domestic drone industrial base" and (ii) it will increase the domestic content requirement beyond what is currently in the Buy American Standard (which is 65%).

### ***Does not apply to equipment and services that are already authorized***

In the past, the FCC has not revoked equipment authorizations for equipment and services that it had issued prior to a Covered List action. Recently, on October 28, 2025, the FCC issued a final rule adopting a new procedure through which the FCC could limit previously granted authorizations of covered equipment to prohibit continued importation and marketing, but without prohibiting the continued use of devices already sold and in service.<sup>8</sup>

To place limitations on existing authorizations following this new process, the FCC would issue an additional public notice announcing the limits and identifying the specific products affected. The FCC has not triggered this retroactive process for the UAS listing. In the listing action announcement, the FCC specifically notes that "this update to the Covered List does not prohibit the import, sale, or use of any existing device models the FCC previously authorized" and that "consumers can continue to use any drone they have already lawfully purchased or acquired."

### **Basis for the national security determination**

Though the 2025 NDAA only instructed the executive branch to consider adding certain Chinese UAS companies to the Covered List, the "executive branch interagency body" ultimately determined that all UAS and critical components produced outside the United States pose a high and unacceptable risk to US national security and the safety of US persons (unless certified otherwise by the DoD or DHS).

In making the determination, the Trump administration's "executive branch interagency body" points to security concerns related to UAS use in attacks and disruptions in the United States (specifically raising security concerns involving the 2026 FIFA World Cup, America250 activities, and the 2028 Summer Olympics), unauthorized surveillance, sensitive data exfiltration, and "opaque supply chains" that they claim prevent the US government from enforcing technical standards. The determination highlights the "inherently dual-use" nature of UAS, stating that civilian UAS can be used as "military or paramilitary sensors and weapons." The determination highlights specific points of concern involving cybersecurity risks related to China-linked UAS products but does not elaborate upon or substantiate any of the other claimed security risks.

In addition to direct national security concerns, the determination also asserts that the US government has a national security interest in protecting the domestic UAS manufacturing industry. The determination states the decision is

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<sup>8</sup> "Protecting Against National Security Threats to the Communications Supply Chain Through the Equipment Authorization Program," 90 FR 53227 (November 25, 2025), accessible here: <https://www.federalregister.gov/documents/2025/11/25/2025-21001/protecting-against-national-security-threats-to-the-communications-supply-chain-through-the>.

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partly meant to “ensure American companies are able to meet both peacetime and wartime demand” and that “UAS and UAS critical components must be produced in the United States” to fulfill Trump administration economic security objectives. The argument for the national security importance of protecting the domestic manufacturing base is evocative of the Trump administration’s recent Section 232 tariff actions, but it has not traditionally been part of the justification for FCC Covered List actions.

### **The broadest FCC Covered List action to date**

All previous Covered List actions have applied to specific companies and specific products provided by those companies. The first listings, in March 2021, were for video surveillance and/or telecommunications equipment produced by Huawei, ZTE, Hytera, and Hikvision. Most recently, on July 23, 2024, the FCC issued a listing for “cybersecurity and anti-virus software produced or provided by Kaspersky Lab, Inc. or any of its successors and assignees, including equipment with integrated Kaspersky Lab, Inc. (or any of its successors and assignees) cybersecurity or anti-virus software.” As recently as October 2025, the FCC has highlighted that the equipment and services on the Covered List “are closely tied to the foreign adversaries, like China[.]”<sup>9</sup>

### **Recent tariff and national security actions affecting UAS**

#### ***A growing trend of restricting UAS trade***

In recent years, the United States has adopted a series of national security measures targeting certain UAS technologies from certain countries of concern (such as China), mostly through export controls, government procurement restrictions, and cybersecurity guidance. For example, in November 2024, the Federal Acquisition Regulatory Council implemented procurement limits on certain foreign UAS, prohibiting federal procurement, operation, or the use of federal funding for procurement or operation of UAS from designated foreign entities.<sup>10</sup>

In 2024 and 2025, the policy debate expanded to consider prohibitions, tariffs, and entity-specific prohibitions that would impose restrictions on the private UAS market. Efforts to restrict UAS trade have further intensified under the Trump administration. The Trump administration highlighted potential measures in recent executive orders that aim to promote the development of the US UAS and aerospace industry:

- The executive order on “Unleashing American Drone Dominance” instructs the Department of Commerce to “take actions, including proposing rulemaking and conducting investigations, to secure the United States drone supply chain against foreign control or exploitation.”<sup>11</sup>
- An executive order on “Restoring American Airspace Sovereignty” calls for the United States to “scale up domestic production and expand the export of trusted, American-manufactured drone technologies to global markets.”<sup>12</sup>

#### ***Potential ICTS Rule restrictions***

*Update (January 9, 2026):* BIS has withdrawn the proposed ICTS Rule action on UAS from consideration.<sup>13</sup> The Trump administration has not explained the reason for the withdrawal.

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<sup>9</sup> “Reminder: Communications Equipment and Services on the Covered List Pose an Unacceptable Risk to National Security,” FCC, October 14, 2025, accessible here: <https://docs.fcc.gov/public/attachments/DA-25-927A1.pdf>.

<sup>10</sup> “Federal Acquisition Regulation: Prohibition on Unmanned Aircraft Systems From Covered Foreign Entities,” 89 FR 89464 (November 12, 2024), accessible here: <https://www.federalregister.gov/documents/2024/11/12/2024-26061/federal-acquisition-regulation-prohibition-on-unmanned-aircraft-systems-from-covered-foreign>.

<sup>11</sup> Executive Order 14307 of June 6, 2025: “Unleashing American Drone Dominance,” 90 FR 24727, accessible here: <https://www.federalregister.gov/documents/2025/06/11/2025-10814/unleashing-american-drone-dominance>.

<sup>12</sup> Executive Order 14305 of June 6, 2025: “Restoring American Airspace Sovereignty,” 90 FR 24719, accessible here: <https://www.federalregister.gov/documents/2025/06/11/2025-10803/restoring-american-airspace-sovereignty>.

<sup>13</sup> “OIRA Conclusion of EO 12866 Regulatory Review,” accessible here: <https://www.reginfo.gov/public/do/eoDetails?rid=1134761>.

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The Bureau of Industry and Security (BIS) is considering using the ICTS Rule<sup>14</sup> to impose transaction restrictions on certain information and communications technologies and services used in UAS that are provided by persons owned by, controlled by, or subject to the jurisdiction or direction of foreign adversaries.<sup>15</sup> Based on the information provided by BIS in a January 2025 advance notice of proposed rulemaking, the potential action under consideration could be a prohibition on information and communications technology and services related to UAS and UAS components that are designed, developed, manufactured, or supplied specific Chinese UAS manufacturers (such as DJI and Autel Robotics).

The government intends to coordinate FCC Covered List actions with BIS ICTS Rule actions. The Secure Networks Act specifically instructs the FCC to use BIS ICTS Rule determinations as one of the sources for the Covered List. The first parallel action was with Kaspersky Lab in 2024, where BIS issued an ICTS Rule prohibition targeting Kaspersky Lab shortly before the FCC added Kaspersky and its products to the Covered List.<sup>16</sup> In another potential parallel action, the FCC called for public input in May 2025 to inform how it may add connected vehicle hardware and software provided by Russian and Chinese-linked entities to the Covered List.<sup>17</sup> BIS issued an ICTS Rule action prohibiting the import and sale of the same connected vehicles and related hardware and software linked to China or Russia in January 2025.

### ***Potential Section 232 tariffs***

BIS is conducting a Section 232 investigation to determine the effects on national security of imports of UAS and their components.<sup>18</sup> The initiation notice published in July 2025 describes the investigation as targeting “unmanned aircraft systems (UAS) and their parts and components,” suggesting a similar scope to the FCC Covered List action. As already noted, the supply chain security and defense industrial base interests raised in the Section 232 initiation notice resemble the national security concerns raised in the Covered List determination.

BIS initiated the investigation on July 1, 2025, the BIS report to the president must be delivered by April 28, 2026, the deadline for presidential action would be July 26, 2026 at the latest.

### ***IEEPA tariffs and early exceptions***

Though the Trump administration is considering imposing targeted Section 232 tariffs, UAS and components from most trade partners are currently subject to the Trump administration’s International Emergency Economic Powers Act (IEEPA) tariffs. In early negotiations for reciprocal trade agreements, the Trump administration had offered tariff exclusions for UAS and components as part of their broader offers to restore tariff-free access for products under the WTO Agreement on Trade in Civil Aircraft. UAS were included in the civil aircraft tariff exception list issued in President Trump’s Executive Order 14346 Annex III list of “potential tariff adjustments for aligned partners” (PTAAP), which has formed the basis of the bilateral tariff exceptions granted by the Trump administration in recent

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<sup>14</sup> The ICTS regulations at 15 C.F.R. 7 authorize the Secretary of Commerce to prohibit transactions or impose mitigation measures for ICTS that have been designed, developed, manufactured, or supplied by persons owned by, controlled by, or subject to the jurisdiction of a foreign adversary if the Secretary determines that the ICTS poses an undue or unacceptable risk to US national security or the safety of US persons. China (including Hong Kong), Cuba, Iran, North Korea, Russia, and the Maduro Regime in Venezuela are the designated adversary countries. The rules are enforced by the newly formed Office of Information and Communications Technology and Services (OICTS) at BIS. See the OICTS website for more information, accessible here: <https://www.bis.gov/about-bis/bis-leadership-and-offices/OICTS>.

<sup>15</sup> “Securing the Information and Communications Technology and Services Supply Chain: Unmanned Aircraft Systems,” 90 FR 271 (January 3, 2025), accessible here: <https://www.federalregister.gov/documents/2025/01/03/2024-30209/securing-the-information-and-communications-technology-and-services-supply-chain-unmanned-aircraft>; and “Securing the Information and Communications Technology and Services Supply Chain: Unmanned Aircraft,” accessible here: <https://www.reginfo.gov/public/do/eAgendaViewRule?pubId=202504&RIN=0694-AJ72>.

<sup>16</sup> “Final Determination: Case No. ICTS-2021-002, Kaspersky Lab, Inc.,” 89 FR 52434 (June 24, 2024), accessible here: <https://www.federalregister.gov/documents/2024/06/24/2024-13532/final-determination-case-no-icts-2021-002-kaspersky-lab-inc>.

<sup>17</sup> “The Public Safety and Homeland Security Bureau and the Office of Engineering and Technology Seek Public Input on Commerce Department Determination Regarding Certain Connected Vehicle Technologies,” FCC, May 23, 2025, accessible here: <https://docs.fcc.gov/public/attachments/DA-25-418A1.pdf>.

<sup>18</sup> “Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Unmanned Aircraft Systems (UAS) and Their Parts and Components,” 90 FR 31958 (July 16, 2025), accessible here: <https://www.federalregister.gov/documents/2025/07/16/2025-13365/notice-of-request-for-public-comments-on-section-232-national-security-investigation-of-imports-of>.

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agreements.<sup>19</sup> The preliminary reciprocal trade agreement with the United Kingdom included the UAS tariff exception, as did the civil aircraft exception in the additional 40% IEEPA tariff on imports from Brazil.

The exception policy has quietly changed in the past few months, and the Trump administration is now excluding products related to UAS from the reciprocal trade agreement civil aircraft tariff exemptions. The recent civil aircraft tariff exception lists granted to Japan, the European Union, South Korea, and Switzerland do not include the UAS-related tariff codes. The Trump administration has not explained the change, which will leave reciprocal tariffs in place on UAS products imported from US allies despite the more general policy shift away from imposing tariffs on civil aircraft trade.

## **US Customs to Issue all Refunds Electronically Beginning on February 6**

Effective February 6, 2026, US Customs and Border Protection (CBP) will exclusively issue tariff and fee refunds electronically through Automated Clearing House (ACH) payments. The change applies to all refunds provided to importers, brokers, filers, sureties, service providers, facility operators, foreign-trade zone operators, and carriers, as well as any designated third parties, unless a waiver is granted. The transition is part of a broader Trump administration policy to modernize US government payment systems.

ACH refunds have been an option for some time, but mailing paper checks has remained the predominant method. In 2024 and 2025, CBP issued only 30% of refunds electronically.

### **Transition to electronic payments**

On January 2, 2026, CBP published an interim final rule (IFR) outlining the transition to electronic refunds.<sup>20</sup> The IFR amends CBP's regulations to require electronic issuance of refunds, details the new refund process, and explains the procedure for requesting waivers. Limited waivers will be available under 31 C.F.R. § 208.4,<sup>21</sup> allowing importers to continue receiving paper checks if necessary. CBP expects the waivers to be rarely needed.

In the IFR, CBP also calls for public comments on the action. Interested stakeholders should submit any comments to the docket at regulations.gov by March 3, 2026. Public comments on the IFR will be reviewed by CBP as it develops the permanent final rule.

### **Implementation guidance for importers**

Importers and other parties not currently enrolled for ACH payments must apply for CBP's ACH Refund Program in the Automated Commercial Environment Secure Data Portal (ACE Portal) and provide their banking information in the ACE Portal's ACH Refund Authorization tab to continue receiving refunds after February 6.<sup>22</sup> A US bank account is required, including for foreign Importers of Record. CBP has improved the registration process in preparation for the transition, now allowing users to automatically register via the ACE Portal rather than emailing an ACH Refunds Enrollment Form to CBP staff.

Importers and other parties that are already enrolled in the ACH Refund Program will not experience any changes. Additionally, third party designations provided in a CBP Form 4811 (Special Address Notification) on file before

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<sup>19</sup> Executive Order 14346 of September 5, 2025: "Modifying the Scope of Reciprocal Tariffs and Establishing Procedures for Implementing Trade and Security Agreements," 90 FR 43737, accessible here: <https://www.federalregister.gov/documents/2025/09/10/2025-17507/modifying-the-scope-of-reciprocal-tariffs-and-establishing-procedures-for-implementing-trade-and>.

<sup>20</sup> "Electronic Refunds," 91 FR 21 (January 2, 2026), accessible here: <https://www.federalregister.gov/documents/2026/01/02/2025-24171/electronic-refunds>.

<sup>21</sup> 31 C.F.R. § 208.4 "Waivers," accessible here: <https://www.ecfr.gov/current/title-31/subtitle-B/chapter-II/subchapter-A/part-208/section-208.4>.

<sup>22</sup> Implementation guidance for importers and other parties was circulated by CBP in CSMS # 67305746 – "ICYMI: Electronic Refunds Interim Final Rule Effective February 6, 2026 – ACE Support Call Schedule Now Available," January 6, 2026, accessible here: <https://content.govdelivery.com/bulletins/gd/USDHSCBP-4030112>.

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February 6 will remain valid, allowing CBP to issue electronic refunds to the third parties. Such a third party must also have an ACE Portal account and complete the ACH Refund application.

### **Executive Order on Modernizing Payments**

CBP is adopting the policy change in response to President Trump's Executive Order on "Modernizing Payments to and From America's Bank Account," issued in March 2025.<sup>23</sup> President Trump's order mandates the transition from paper checks to electronic payments for all federal government disbursements and receipts to the extent permissible under applicable law. The policy seeks to improve protection against financial fraud and improper payments, enhance the efficiency of payments, and reduce costs associated with paper-based payments.

### **US Government Launches New Filing Systems for Forced Labor Import-Related Activities**

In recent months, US Customs and Border Protection (CBP) has introduced new centralized webpages and instructional materials for filings related to US import prohibitions on products that are mined, produced, or manufactured, wholly or in part, by forced labor, including by forced or indentured child labor. The Forced Labor Portal (launched on January 21, 2026) provides a centralized filing system for importers to respond to import detentions, and the Forced Labor Allegation Portal (launched on June 20, 2025) provides the public with a single portal for submitting allegations.

Alongside the January 2026 launch of the Forced Labor Portal, CBP also reorganized the forced labor information pages of its website.<sup>24</sup> The reorganized website includes new reference documents for allegations and compliance activities and increases the amount of detail that CBP is providing about its enforcement activities.

While CBP is improving processes and transparency, actual enforcement activity was uneven over the past year. The value of import shipments CBP has stopped at the border declined significantly in the first year of the Trump administration, though this may point to a change in what sectors CBP is targeting instead of a slowdown in overall enforcement. The Forced Labor Enforcement Task Force (FLETTF) has also not added any new entities to the Uyghur Forced Labor Prevention Act (UFLPA) Entity List since January 2025. Despite lack of action on the UFLPA Entity list, however, CBP has issued six new Withhold Release Orders (WROs) since January 2025. Trade policy actions involving labor concerns have also surfaced in other policy areas, including the Trump administration's trade deal negotiations, recent antidumping investigations, and a Section 301 action.

### **Forced Labor Portal**

CBP's new Forced Labor Portal went live on January 21, 2026.<sup>25</sup> The portal provides a centralized platform for importers to make filings related to entity designations and import detentions related to the US prohibitions on imports made with forced labor, including Section 307-based Findings and WROs, the UFLPA, and the Countering America's Adversaries Through Sanctions Act (CAATSA). The introduction of the portal does not change the legal requirements under Section 307, UFLPA, and CAATSA or the Port of Entry detention process.

On the platform, importers can file:

- Modification Requests for WROs and Findings,

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<sup>23</sup> Executive Order 14247 of March 25, 2025: "Modernizing Payments To and From America's Bank Account," (90 FR 14001), accessible here: <https://www.federalregister.gov/documents/2025/03/28/2025-05522/modernizing-payments-to-and-from-americas-bank-account>.

<sup>24</sup> CSMS # 67538179 – "Revamped Forced Labor Website and 2026 Update to the Uyghur Forced Labor Prevention Act (UFLPA) Enforcement Statistics Dashboard," CBP, January 28, 2026, accessible here: <https://content.govdelivery.com/bulletins/gd/USDHSCBP-4068d03>.

<sup>25</sup> The Forced Labor Portal and information about how to use the system are on the CBP website, accessible here: <https://www.cbp.gov/trade/forced-labor/compliance>. CBP will hold a training webinar for the new system on February 18, 2026 at 1:00 pm Eastern Time. The registration page is accessible here: <https://inevent.com/en/WebinarUSCustomsandBorderProtection-1739306113/ForcedLaborPortalOverview-11628-1769632174/hotsite.php>.

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- WRO Admissibility Reviews,
  - UFLPA Exception Reviews,
  - UFLPA Applicability Reviews, and
  - CAATSA Exception Reviews.

Effective January 21, 2026, all new review filings made in response to a Notice of Detention must be made through the Forced Labor Portal. Filings posted in the system will be accessible to the relevant CBP personnel at the Forced Labor Division, the Port of Entry, or the Center of Excellence and Expertise (CEE).

Until now, importers have handled these reviews by emailing their filings to CBP after receiving a Notice of Detention from the Port of Entry. There has not been a centralized method of submitting filings or monitoring the status of reviews.

### **Forced Labor Allegation Portal**

CBP launched the Forced Labor Allegation Portal on June 20, 2025.<sup>26</sup> The Forced Labor Allegation Portal replaces CBP's former practice of receiving forced labor allegations via email and the e-Allegations website. CBP will accept CAATSA, UFLPA, and Section 307 WROs and Findings allegations through the portal. As a live portal, the new system can prompt users to answer specific questions about their allegations, distribute the information to relevant CBP offices, and provide tracking information about the status of allegations.

The system requests information related to the country of export, the suspect merchandise, the suspect entity, and relevant documents from the user making the allegation. Upon receiving the allegations, CBP will review them and decide whether to refer the case for an investigation. An entity named in an allegation will not be notified of the investigation until CBP takes an enforcement action.

### **Latest trends in forced labor enforcement**

#### ***UFLPA Import detentions***

On January 29, 2026, CBP replaced its previous enforcement data reporting system with a new data dashboard that provides more detail than past publications, as well as clarifications of how CBP is reporting the data.<sup>27</sup>

The new dashboard shows that since the UFLPA's entry into force in June 2022, CBP has stopped<sup>28</sup> 69,415 shipments (by line)<sup>29</sup> valued at a total of US\$3.94 billion. As of December 2025, CBP has released 41,859 of these shipments (valued at US\$2.93 billion) into the United States and denied entry to 25,292 shipments (valued at US\$949.48 million). There are 2,264 shipments currently pending decisions, valued at US\$57.76 million.

In 2025, CBP stopped a large volume of shipments, but these products were significantly lower in value than in previous years. In total, CBP stopped 39,174 shipments valued at \$183.08 million in 2025. Compared to 2024, this represents an 84% decline in the value of stopped shipments but a 191% increase in the number of stopped entries, pointing to a large decrease in the value of the individual shipments.

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<sup>26</sup> The Forced Labor Allegation Portal and information about submitting allegations are on the CBP website, accessible here: <https://www.cbp.gov/trade/forced-labor/leveling-playing-field>.

<sup>27</sup> Enforcement data is from CBP's "Uyghur Forced Labor Prevention Act Statistics" webpage, accessible here: <https://www.cbp.gov/newsroom/stats/trade/uyghur-forced-labor-prevention-act-statistics>. Data is available through December 2025.

<sup>28</sup> CBP has clarified that the enforcement data it is reporting for UFLPA is counting instances where CBP has stopped an import shipment for further review (such as electronic data reviews, document reviews, or physical inspection). Not all these stops result in detention.

<sup>29</sup> As part of this update to the data reporting system, CBP has switched from counting shipments by cargo release entry to counting by individual import transactions. The change allows CBP to report what kinds of products have been subject to enforcement actions at a greater level of detail but also causes the total number of reported stops to increase significantly. Following the previous methodology, CBP made 18,049 stops between June 2022 and December 2025 instead of 69,415. The change does not affect the total reported dollar value of the stopped shipments.

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As of the end of December 2025, CBP has released 29,485 of these shipments (valued at \$86.34 million) and denied entry to 7,858 shipments (valued at \$54.34 million). There are 1,831 shipments (valued at \$42.40 million) stopped in 2025 that are still awaiting a decision.

The shift in CBP's enforcement activity resulted from reduced stops of solar panel shipments from South and Southeast Asia, and increased stops of lower value unmanned aerial vehicles (UAVs) from China and Malaysia, auto parts from China, lead-acid batteries from Malaysia, and apparel from China and various other textile manufacturing countries in Asia and Latin America. Low value apparel shipments (such as t-shirts and sweaters) account for half of the total number of stopped shipments. Though there was a long lull in targeting of the solar sector, solar panel stops increased modestly in the second half of 2025, mostly consisting of shipments from Laos and Malaysia.

### ***UFLPA Entity Listings***

The FLETF has not made any additions or modifications to the UFLPA Entity List since President Trump took office.<sup>30</sup> There are currently 144 entities on the UFLPA Entity List.

### ***Withhold Release Orders and Findings activity***

CBP issued five forced labor WROs and zero forced labor Findings in 2025.<sup>31</sup> The WROs affected imports from a car tire manufacturer in Serbia, an apparel manufacturer in Mauritius, a bicycle manufacturer in Taiwan, a fishing vessel from China, and a salt farm in South Korea. CBP deactivated one WRO in 2025, which covered a sugar producer in the Dominican Republic.

In January 2026, CBP deactivated a WRO covering imports from a Malaysian palm oil producer and issued a new WRO prohibiting imports from a Mexican coffee farm.

### **Forced labor import policy beyond customs enforcement**

Besides direct enforcement methods and administrative process improvements by CBP, the Trump administration (and the Biden administration before it) has taken new actions to address forced labor and other labor rights concerns abroad. In 2025, labor-related trade actions emerged in three areas:

- The Department of Commerce has begun considering a foreign government's failure to enforce its own labor laws as a potential factor in setting antidumping duties. Commerce introduced the practice in revisions to the trade remedy regulations, which took effect in April 2024. In 2025, Commerce considered allegations related to labor issues in its investigations of chassis from Thailand, steel wire strand from Malaysia, and raw honey from India.
- The United States Trade Representative (USTR) issued a Section 301 action targeting Nicaragua based on labor rights and rule of law violations, which ultimately led to USTR imposing a phased tariff on certain US imports from Nicaragua. The Nicaragua investigation marks the first time the United States has invoked Section 301's explicit authorities to target labor rights concerns. The labor-related section of the report finds violations of rights to freedom of association and collective bargaining, forced labor and child labor, and other workplace abuses, relying on evidence from the US Department of Labor Bureau of International Labor Affairs' "List of Goods Produced by Child Labor or Forced Labor."
- The Trump administration has incorporated commitments to adopt forced labor import prohibitions into its Agreements on Reciprocal Trade (ARTs). The ARTs with Malaysia, Cambodia, El Salvador, and Guatemala include commitments to adopt forced labor import prohibitions in each country. These agreements reference the United States' Section 307 as a potential model for other countries. The Trump administration is seeking to include similar commitments in all its ARTs. For example, a joint statement issued in July 2025 announcing a

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<sup>30</sup> The UFLPA Entity List is accessible here: <https://www.dhs.gov/uflpa-entity-list>.

<sup>31</sup> Information on WROs and Findings is accessible here: <https://www.cbp.gov/newsroom/stats/trade/withhold-release-orders-findings-dashboard>.

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potential US-Indonesia ART references Indonesia’s intent to “adopt and implement a prohibition on the importation of goods produced by forced or compulsory labor[.]”

## **United States Reauthorizes Africa and Haiti Trade Preference Programs**

On February 3, 2026, the United States approved a bill reauthorizing the African Growth and Opportunity Act (AGOA) and the Haitian Hemispheric Opportunity through Partnership Encouragement Act (HOPE) / Haiti Economic Lift Program (HELP) trade preference programs.<sup>32</sup> In a statement shortly after the approval of the reauthorization, the Office of the United States Trade Representative stated that it will work to implement the needed modifications to the Harmonized Tariff Schedule of the United States “in the coming days.”<sup>33</sup> The reauthorization is retroactive to September 30, 2025 – the date on which the programs’ previous authorizations expired – and will last until December 31, 2026.

Congress and the Trump administration have indicated that this one-year, clean extension is intended provide time to negotiate reforms to US trade preference programs, which has been under discussion since the US Generalized System of Preferences (GSP) expired at the end of 2020.

### **Path to approval**

Discussions in Congress to renew AGOA and HOPE/HELP began before September 2025, with supporters of the programs hoping to pass extensions before the programs expired. Those efforts made little initial progress but then gained momentum in January 2026, after the programs expired. On January 12, 2026, the House of Representatives approved a three-year reauthorization of AGOA and HOPE/HELP.<sup>34</sup> The bills were clean extensions and passed by a strong bipartisan majority. Even so, the future of the legislation in the Senate was uncertain and the Trump administration had only indicated a willingness to approve a one-year extension.

The funding bills that Congress had to approve to reauthorize government spending past January 30 became a convenient legislative vehicle to pass the reauthorization into law. Taking advantage of the opportunity, Congress added the trade preference programs to the Consolidated Appropriations Act of 2026. To move quickly, Congress compromised on the text of the reauthorizations by shortening the renewal timespan from three years to one year. Other than the change in the length of the reauthorization, the final bills are the same as the two reauthorization bills approved by the House on January 12.

After a brief delay and some last-minute changes to the appropriations bill (and a brief, partial government shutdown), caused by an unrelated dispute over the Department of Homeland Security’s funding, the appropriations bill passed into law on February 3.

### **Content of the AGOA and HOPE/HELP renewals**

The bill extends the trade preferences through December 31, 2026 without any modifications. The extension would apply retroactively, allowing importers that filed a covered entry between September 30, 2025, and the date of enactment of the bill to request a refund of tariffs paid.

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<sup>32</sup> Sections 5019 and 5020, H.R.7148 – “Consolidated Appropriations Act, 2026,” 119th Congress (2025-2026), <https://www.congress.gov/bill/119th-congress/house-bill/7148>.

<sup>33</sup> “Statement from Ambassador Jamieson Greer on the Reauthorization of the African Growth and Opportunity Act,” USTR, February 3, 2026, accessible here: <https://ustr.gov/about/policy-offices/press-office/press-releases/2026/february/statement-ambassador-jamieson-greer-reauthorization-african-growth-and-opportunity-act>.

<sup>34</sup> H.R.6500 - AGOA Extension Act, 119th Congress (2025-2026), accessible here: <https://www.congress.gov/bill/119th-congress/house-bill/6500>; H.R.6504 - Haiti Economic Lift Program Extension Act, 119th Congress (2025-2026), accessible here: <https://www.congress.gov/bill/119th-congress/house-bill/6504>.

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- **AGOA:** AGOA, established in 2000, provides additional tariff and quota preferences to qualifying Sub-Saharan African countries<sup>35</sup> on top of the preferences provided in GSP. The preferences, which expired on September 30, 2025, are extended by the reauthorization bill to December 31, 2026 without any modifications.
  - **Haiti HOPE/HELP:** The Haitian trade preference program, established in three phases through the Haitian Hemispheric Opportunity through Partnership Encouragement Act of 2006 (HOPE), the Food Conservation and Energy Act of 2008 (HOPE II) and the Haiti Economic Lift Program of 2010 (HELP), provides tariff and quota preferences for Haitian apparel products, on top of the Caribbean Basin Trade Partnership Act (CBTPA) tariff preferences.<sup>36</sup> HOPE/HELP tariff preferences expired on September 30, 2025 and the Value-Added Quota expired on December 19, 2025 and both are now extended through December 31, 2026. The bill also includes a technical update to the HTSUS subheadings covered by the preferences, accounting for changes in the US tariff code.

### Reform discussions in Congress

The reauthorizations are a clean extension and include none of the various trade preference program reform proposals Congress has debated in recent years. Additionally, the AGOA reauthorization does not expel South Africa from the program, despite calls from influential Republicans for the country's exclusion. Representatives stated they intend to use the additional year the bill would provide to negotiate a reform plan.

For the past few years, members of Congress have debated proposals to reform the eligibility requirements, product coverage, and domestic content thresholds in US trade preference programs, most notably GSP and AGOA. Democrats have sought stronger labor and environmental standards for the eligibility criteria, while China-hawks in both parties have proposed conditions that would require reduced engagement with China by beneficiary countries. Members of Congress also want to strengthen eligibility requirements related to reciprocal market access. The proposed reforms to the eligibility standards have focused mostly on GSP, as AGOA already has stricter eligibility standards. Democrats have also sought to link renewal of Trade Adjustment Assistance (TAA) to the renewal of the preference programs, a move opposed by Republicans.

The debates have frozen efforts to reauthorize GSP, which expired on December 31, 2020.

### Trump Administration position

Ahead of the reauthorization vote, Trump administration officials said they would only support short, one-year extensions, which contributed to the eventual compromise in the February 3 appropriations bill.

In Senate Appropriations Committee testimony on December 9, 2025, USTR Jamieson Greer echoed recent calls by members of Congress for reform to AGOA and other US trade preference programs, stating that the Trump administration's proposed one-year clean extension of AGOA should be used to "work together to find out how to improve it and make it better, rather than just being kind of a giveaway." The Trump administration has also indicated an interest in suspending South Africa's beneficiary status.

### US Congress Considers New Critical Minerals Security and Trade Legislation

In the past month, members of Congress have heightened their focus on critical minerals supply chain security and industry development policy. New legislative proposals, including the Critical Mineral Dominance Act, the Developing Overseas Mineral Investments and New Allied Networks for Critical Energies (DOMINANCE) Act, and the Securing

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<sup>35</sup> The following 32 countries are listed as beneficiaries under AGOA in 2025, retaining duty-free access to the US market for qualifying products: Angola, Benin, Botswana, Cabo Verde (Cape Verde), Chad, Comoros, Republic of the Congo, Democratic Republic of the Congo (DRC), Côte d'Ivoire, Djibouti, Eswatini (formerly Swaziland), The Gambia, Ghana, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Nigeria, Rwanda (note: partial eligibility; apparel benefits suspended since 2018), São Tomé and Príncipe, Senegal, Sierra Leone, South Africa, Tanzania, Togo, Zambia, and Mauritania (restored in 2009).

<sup>36</sup> CBTPA is the only US trade preference program that has not recently expired. Its current authorization extends to September 30, 2030. A fourth preference program, the Nepal Trade Preference Program, expired on December 31, 2025.

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Essential and Critical US Resources and Elements (SECURE) Minerals Act, represent the latest in a series of legislative proposals aimed at strengthening the resilience of critical mineral supply chains. The issue of critical minerals security has quickly become a priority in Washington, with Congress actively advancing related legislation.

### **Background and parallel Trump administration actions**

Congress has increasingly become more involved in promoting access to critical minerals, aligning with the Trump administration's urgent and often aggressive pursuit of critical mineral arrangements. This includes signing mineral development cooperation agreements, incorporating critical mineral supply chain commitments into the Agreements on Reciprocal Trade and pursuing a Section 232 investigation of critical minerals and derivative products. This heightened urgency to secure alternative supply sources stems from China's dominance of critical mineral production and threats of export prohibitions targeting the United States and other countries.

The executive branch has taken steps to diversify supply chains through government to government and private sector agreements, working with both mineral-rich countries, such as Australia and Kazakhstan, and those with advanced downstream processing capabilities, like Japan. In recent months, the Trump administration has announced new bilateral minerals-related deals with Argentina, Australia, Cambodia, Japan, Malaysia, and Thailand, establishing new cooperation frameworks, market access commitments, and identifying projects worth over \$10 billion. The Trump administration has also hosted deal-making events to support projects in Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. Alongside the government-to-government cooperation initiatives, the US Development Finance Corporation (DFC) has begun financing critical mineral development projects, including through several recent mining deals in South America and Central Asia.

In early February 2026, the Trump administration expanded its efforts further. On February 4, the Department of State hosted 54 countries and the European Union for Critical Minerals Ministerial, where the Trump administration is proposing a new preferential trade area for critical minerals, which would include common external trade barriers and price controls to develop a new critical minerals industry independent from China. The Trump administration intends for the proposal to replace and expand upon the Biden administration's Minerals Security Partnership (MSP). Concurrently, the Trump administration unveiled "Project Vault," a new critical minerals stockpile designed to protect manufacturers from supply disruptions. The sponsors of the Secure Minerals Act publicly endorsed Project Vault, highlighting the alignment between executive actions and bipartisan legislative proposals.<sup>37</sup>

### **The Critical Minerals Dominance Act**

The Critical Minerals Dominance Act<sup>38</sup> aims to strengthen the domestic supply of critical minerals by accelerating and expanding mineral production on federal land. The bill directs the Department of the Interior (DOI) to identify and subsequently fast-track approval of priority projects, which Republican supporters of the bill view as codifying President Trump's efforts to accelerate minerals project development.

Introduced in the House on June 23, 2025 by Rep. Pete Stauber (R-MN), with co-sponsors Reps. Nick Begich (R-AK) and Brad Finstad (R-MN), the bill was referred to the Committee on Natural Resources. The committee reported it to the House floor on November 25 by a vote of 26 to 16. The House passed the bill with bipartisan support on February 4, 2026 by a vote of 224 to 195, advancing it to the Senate. The Senate has not yet moved on the bill.

The bill would direct the DOI to:

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<sup>37</sup> "Shaheen, Young Statement on Trump Administration's Critical Minerals Stockpile Announcement," February 3, 2026, accessible here: <https://www.shaheen.senate.gov/news/press/shaheen-young-statement-on-trump-administrations-critical-minerals-stockpile-announcement>.

<sup>38</sup> H.R. 4090 - Critical Mineral Dominance Act, 119th Congress (2025-2026), accessible here: <https://www.congress.gov/bill/119th-congress/house-bill/4090>.

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- Identify active, inactive, or proposed mining projects on federal land that have the potential to increase production of minerals, expand existing operations to include mineral byproducts, or produce hardrock minerals from mine tailings or coal byproducts.
  - Locate federal lands with potential for hardrock mining, prioritizing areas that can be quickly permitted and operational or would yield the greatest improvement to the domestic supply of critical minerals.

The bill provides measures to help “fast track” projects, requesting that DOI “take all necessary and appropriate actions to expedite and approve or issue each such plan of operations, permit application, and other application for approval.” The bill also calls for the regulatory review, identifying “burdensome federal regulations.” Regulations viewed as a hinderance to domestic critical mineral infrastructure would be suspended, revised, or rescinded, as applicable.

Finally, the bill calls for a greatly expanded acceleration of the geologic mapping of the United States, with a focus on previously unknown deposits of critical minerals.

### **The DOMINANCE Act**

The DOMINANCE Act<sup>39</sup> aims to “strengthen US energy security, reduce reliance on the People’s Republic of China (PRC), and build resilient critical minerals supply chains with trusted allies and partners around the world.” It would increase both international and interagency coordination, establish new agencies and programs, and develop a skilled workforce focused on the extraction and refinement of critical minerals.

Introduced in the House on January 3, 2026 by Rep, Young Kim (R-CA) with 13 bipartisan co-sponsors, the bill is under review by the House Committee on Foreign Affairs, where Rep. Kim serves as a member. There is no corresponding legislation in the Senate at this time.

### ***Diplomacy and partnerships***

The DOMINANCE Act directs and authorizes the United States to work with other nations to “build secure, resilient critical mineral supply chains while reducing reliance on strategic competitors, promoting domestic production and recycling, and using economic and diplomatic tools to support fair, transparent, and sustainable markets.”

Some key actions to increase international cooperation include:

- Authorization for the Secretary of State to lead US participation in the MSP.<sup>40</sup>
- Authorization for the president to (with Congressional consultation) negotiate international agreements regarding critical minerals.
- Authorization for the president to join the International Nickel Study Group, an organization that promotes cooperation in the global nickel market and a key source for data on nickel supply, demand, and prices.
- Authorization for the Department of State to create an Assistant Secretary for Energy Security and Diplomacy, responsible for “international energy, energy technology, and critical mineral policies, coordinating with other US agencies, protecting US energy and economic security, and promoting secure, diversified global energy and critical mineral supply chains.”

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<sup>39</sup> H.R. 7037 - Developing Overseas Mineral Investments and New Allied Networks for Critical Energies Act, 119th Congress (2025-2026), accessible here: <https://www.congress.gov/bill/119th-congress/house-bill/7037>.

<sup>40</sup> The bill was written before the Trump administration began to pivot from MSP to Pax Silica and the new critical minerals trade union proposal announced on February 4.

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- A requirement that the Secretary of State must develop a diplomatic strategy to secure diverse critical mineral supply chains within 180 days, leveraging US financial and development tools.

### ***New Department of State offices***

The bill proposes the creation of two new offices under the Department of State:

- **Office of Energy Security Compacts and the Energy Security Compacts Council:** Would facilitate the creation and enforcement of “energy security compacts” with other nations. Energy security compacts are proposed bilateral agreements that provide coordinated investment and technical support to build reliable, affordable, and secure energy systems.
- **Bureau of Energy Security and Diplomacy:** Would implement international energy, energy technology, and critical mineral policies. This Bureau would replace the Bureau of Energy Resources (ENR), which the Trump administration dissolved in 2025, and would prioritize rehiring ENR workers who the Trump administration laid off. According to an archived page from the Department of State, ENR “leads the Department’s efforts to develop and execute international energy policy to promote: energy security for the United States and its partners and allies; US economic growth that benefits American business and people; and global political stability and prosperity through energy development.”<sup>41</sup> The new Bureau mirrors these duties closely, albeit with a larger emphasis on critical minerals.

### ***Programs***

- **Critical Minerals Mining Fellowship Program:** Would train US students in advanced mining studies abroad with the goal of building a skilled workforce and strengthening the domestic critical minerals supply chain.
- **Visiting Mining Scholars Program:** Would bring foreign mining academics and professionals to US universities to improve mining education and workforce development, support research, and increase collaboration between US and international mining institutions.

### **SECURE Minerals Act**

The SECURE Minerals Act,<sup>42</sup> while less trade-oriented, notably establishes a Strategic Resiliency Reserve (SRR) for critical minerals as its primary function.

The bill is bipartisan and was introduced to both the Senate and House at the same time, pointing to a strong level of support and organization. Rep. Robert Wittman (R-VA) introduced the House version and Sen. Jeanne Shaheen (D-NH) introduced the Senate version, both on January 15, 2026. In the House, the bill has been referred to the Committee on Natural Resources, where Rep. Wittman serves as Vice Chairman, and to the Committee on Foreign Affairs. In the Senate, the bill is with the Committee on Energy and Natural Resources, which includes two of the bill’s co-sponsors.

### ***Strategic Resiliency Reserve***

The bill authorizes a US\$2.5 billion investment into the SRR, which would focus on “supporting the critical minerals market, including through stable prices, domestic and allied production (including recycling), stockpiles, competitive

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<sup>41</sup> Bureau of Energy Resources; 2017 – 2021 Archived Content, Department of State, accessible here: <https://2017-2021.state.gov/bureaus-offices/under-secretary-for-economic-growth-energy-and-the-environment/bureau-of-energy-resources/>.

<sup>42</sup> H.R.7126 - SECURE Minerals Act of 2026, 119th Congress (2025-2026), accessible here: <https://www.congress.gov/bill/119th-congress/house-bill/7126>; and S.3659 - SECURE Minerals Act of 2026, 119th Congress (2025-2026), accessible here: <https://www.congress.gov/bill/119th-congress/senate-bill/3659>.

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markets, and supply chain work.” The SECURE Minerals Act also allows for partner countries to invest in the SRR, with a minimum capital contribution of \$100 million.

The SRR would be set up in a government corporation, modeled after the Federal Reserve, and run by a seven-member board appointed by the president and confirmed by the Senate.

The government corporation would be given various tools to maintain the SRR, such as “storage facilities, acquiring critical minerals and materials (including through options or other contracts to stabilize prices), lending and direct contracting with both domestic and allied producers.” Data collection on critical minerals markets would also be expanded to allow for accurate risk assessments on potential vulnerabilities to national security or economic stability.

### ***Oversight and accountability***

Within a year of the enactment of this bill, the SRR is instructed to establish a risk committee and an audit committee. The risk committee would develop policies for the SRR revolving around operational, global, enterprise, and financial risk management. The risk committee would also monitor SRR participants to ensure that they “do not become foreign entities of concern.”

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## Trade Actions

### Section 232

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#### President Trump Orders Critical Minerals Trade Negotiations in Section 232 Action

On January 14, 2026, President Trump issued a Presidential Proclamation implementing Section 232 measures to address national security risks associated with imports of processed critical minerals and their derivative products (PCMDPs).<sup>43</sup> In the proclamation, President Trump invoked Section 232 authorities to direct the negotiation of agreements to “ensure the United States has adequate critical mineral supplies and to mitigate the supply chain vulnerabilities as quickly as possible.”

Unlike the Trump administration’s previous Section 232 actions, the proclamation does not direct the immediate imposition of tariffs on the subject products. Even so, President Trump has reserved the right to impose tariffs on certain PCMDPs in the future, should the negotiations not achieve their intended outcomes.

#### Critical mineral negotiations

President Trump is exercising his authority under Section 232 to direct the Department of Commerce and the United States Trade Representative (USTR) to negotiate agreements with US trade partners aimed at addressing the national security risks associated with PCMDPs.

Following the signing of the proclamation, USTR stated, “by negotiating with interested parties to create an economically viable market for critical minerals, we can promote demand for and boost the supply of critical minerals at home and with partner countries.”<sup>44</sup> However, the proclamation provides limited details on the negotiating strategy, other than instructing negotiators to pursue “price floors for trade in critical minerals and other trade-restricting measures” as part of the agreements. It does not clarify the full scope of the proposed agreements, the minerals and products of focus, or which US trade partners will participate.

Recent developments indicate that this proclamation is likely an extension of ongoing efforts rather than the launch of a new negotiating process. The Trump administration has intensified its push to diversify sources of critical minerals after China expanded export controls on rare earth elements and other critical minerals during the escalation of the US-China trade disputes in 2025. The Trump administration has signed new cooperation agreements and is incorporating mineral supply chain commitments into its agreements on reciprocal trade.

Most recently, the Trump administration proposed creating minimum price floors for certain rare earth elements at a G7 finance ministers meeting on January 12, 2026.<sup>45</sup> The proposal – which France has said it expects to continue discussing during its G7 presidency this year – appears to still be in its initial stages. The Trump administration has signed bilateral critical mineral development agreements with Argentina, Australia, Cambodia, Japan, Malaysia, and Thailand, establishing new cooperation frameworks, market access commitments, and identifying potential projects worth over \$10 billion. The United States also hosted a business development event with five Central Asian countries, leading to an agreement with Kazakhstan to enhance supply chain resilience and promote new commercial

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<sup>43</sup> Presidential Proclamation of January 14, 2026: “Adjusting Imports of Processed Critical Minerals and Their Derivative Products into the United States,” accessible here: <https://www.whitehouse.gov/presidential-actions/2026/01/adjusting-imports-of-processed-critical-minerals-and-their-derivative-products-into-the-united-states/>; and Fact Sheet: “President Donald J. Trump Directs Negotiations to Adjust Imports of Processed Critical Minerals and Their Derivative Products into the United States,” January 14, 2026, accessible here: <https://www.whitehouse.gov/fact-sheets/2026/01/fact-sheet-president-donald-j-trump-directs-negotiations-to-adjust-imports-of-processed-critical-minerals-and-their-derivative-products-into-the-united-states/>.

<sup>44</sup> “Ambassador Greer Issues Statement on Launch of Critical Minerals Negotiations,” USTR, January 14, 2026, accessible here: <https://ustr.gov/about/policy-offices/press-office/press-releases/2026/january/ambassador-greer-issues-statement-launch-critical-minerals-negotiations>.

<sup>45</sup> “Secretary Bessent Convenes Finance Ministerial on Securing Critical Minerals Supply Chains,” US Department of the Treasury, January 12, 2025, accessible here: <https://home.treasury.gov/news/press-releases/sb0356>.

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opportunities in the region. These agreements are with both mineral-rich countries, such as Australia and Kazakhstan, and with advanced downstream processing capabilities, like Japan.

### **Timeline and potential future tariff actions**

The proclamation directs negotiators to report back on the status of the negotiations within 180 days — by July 13, 2026. If President Trump determines that the agreements are not progressing in a timely manner or are insufficient to address the national security threat, he may implement additional measures, including import restrictions. Besides tariffs, the proclamation mentions that the administration is considering establishing “minimum import prices for specific types of critical minerals.”

### **Investigation and covered products**

The US Department of Commerce Bureau of Industry and Security (BIS) initiated the Section 232 investigation to determine the effects of PCMDP imports on national security on April 23, 2025, following an executive order by President Trump.<sup>46</sup>

#### ***Investigation results***

BIS has not provided a public copy of the investigation report it submitted to the president. According to the president’s proclamation, the investigation determined that PCMDPs 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, providing the legal basis for President Trump’s action. In a summary of the investigation results, the proclamation states:

The Secretary [of Commerce] found that the United States is too reliant on foreign sources of PCMDPs, lacks access to a sufficiently secure and reliable supply chain to PCMDPs, is experiencing unsustainable price volatility with respect to critical mineral markets, and is suffering from weakened domestic manufacturing and production capacity of PCMDPs. The Secretary found that these circumstances are a significant national security vulnerability that could be exploited by foreign actors; weaken the industrial resilience of the United States; expose the American people to supply chain disruptions, economic instability, and strategic vulnerabilities; and jeopardize the United States’ ability to meet demands for PCMDPs that are essential to its national defense and critical infrastructure.

#### ***Products covered by the investigation***

BIS examined imports of “processed critical minerals” (including rare earth elements and uranium) and “derivative products,” based on the definitions and mineral lists provided below. While all these products fall within the scope of the investigation, any specific agreement or future tariff action may not cover the full range of products described here.

- **Processed critical minerals** are defined as “critical minerals that have undergone the activities that occur after critical mineral ore is extracted from a mine up through its conversion into a metal, metal powder or a master alloy. These activities specifically occur beginning from the point at which ores are converted into oxide concentrates; separated into oxides; and converted into metals, metal powders, and master alloys.”
- **Derivative products** include “all goods that incorporate processed critical minerals as inputs. These goods include semi-finished goods (e.g., anodes and cathodes) as well as final products (e.g., motors, batteries, radar systems, wind turbines and their components, and advanced optical devices).”
- **Critical minerals** refer to those listed on the “Critical Minerals List” published by the US Geological Survey (USGS) pursuant to section 7002(c) of the Energy Act of 2020. At the start of the BIS investigation, the list included 50 minerals: aluminum, antimony, arsenic, barite, beryllium, bismuth, cerium, cesium, chromium, cobalt,

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<sup>46</sup> “Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Processed Critical Minerals and Derivative Products,” 90 FR 17372 (April 25, 2025), accessible here: <https://www.federalregister.gov/documents/2025/04/25/2025-07273/notice-of-request-for-public-comments-on-section-232-national-security-investigation-of-imports-of>.

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dysprosium, erbium, europium, fluorspar, gadolinium, gallium, germanium, graphite, hafnium, holmium, indium, iridium, lanthanum, lithium, lutetium, magnesium, manganese, neodymium, nickel, niobium, palladium, platinum, praseodymium, rhodium, rubidium, ruthenium, samarium, scandium, tantalum, tellurium, terbium, thulium, tin, titanium, tungsten, vanadium, ytterbium, yttrium, zinc, and zirconium. In November 2025, USGS added boron, copper, lead, metallurgical coal, phosphate, potash, rhenium, silicon, silver, and uranium to the list.<sup>47</sup>

- **Uranium** is specifically defined as a covered “critical mineral.” This is the third Section 232 investigation to examine uranium imports, and the second undertaken under President Trump.
- **Rare earth elements** include the 17 elements identified by the Department of Energy in its April 2020 publication “Critical Materials Rare Earths Supply Chain.” These are the lanthanide series (lanthanum, cerium, praseodymium, neodymium, promethium, samarium, europium, gadolinium, terbium, dysprosium, holmium, erbium, thulium, ytterbium, and lutetium) as well as scandium and yttrium. Most of these are also on the USGS critical minerals list.<sup>48</sup>

### President Trump’s Section 232 tariff policy

Section 232 of the Trade Expansion Act of 1962<sup>49</sup> authorizes the president to take action, including imposing import measures and entering into negotiations, to adjust imports of products determined to threaten national security. Presidential action under Section 232 first requires the Department of Commerce to investigate the national security risks associated with the relevant sector. Unlike other US trade remedy laws (such as safeguards, Section 301, antidumping duties, and countervailing duties), the government need not demonstrate a market access violation or economic injury for a Section 232 action.

In 2025, the Trump administration adopted a two-track tariff strategy, (i) imposing “baseline” and “reciprocal” tariffs on most products from most countries under the International Emergency Economic Powers Act (IEEPA), apparently seeking to negotiate more favorable market access conditions and altering balances of trade; and (ii) imposing Section 232 tariffs (or other measures) on imports associated with industries the Trump administration views as strategically important to US national and economic security. Unlike most other tariffs President Trump has imposed, the IEEPA reciprocal tariffs and the Section 232 tariffs do not “stack” on top of each other. Instead, when President Trump issues a Section 232 tariff order, he exempts the products from the IEEPA tariffs.

Currently, seven Section 232 tariff orders are in effect, covering most imports of steel and steel derivatives; aluminum and aluminum derivatives; passenger vehicles, light trucks, and parts; copper and copper derivative products; timber, lumber, and wood products; and trucks, buses, and truck parts. Alongside the PCMDP proclamation on January 14, 2025, President Trump issued a proclamation on the Section 232 investigation of semiconductors and semiconductor manufacturing equipment, which similarly directed the negotiation of agreements instead of immediately imposing general tariffs, but also included a 25% tariff on a narrow set of integrated circuits that are imported for testing and then re-exported to China.<sup>50</sup> The administration is also conducting Section 232 investigations to consider new tariffs on pharmaceuticals and ingredients, commercial aircraft, polysilicon, unmanned aircraft systems, wind turbines, medical equipment and personal protective equipment, and industrial machinery and robots.

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<sup>47</sup> “Final 2025 List of Critical Minerals,” 90 FR 50494 (November 7, 2025), accessible here: <https://www.federalregister.gov/documents/2025/11/07/2025-19813/final-2025-list-of-critical-minerals>.

<sup>48</sup> “Critical Materials Rare Earths Supply Chain: A Situational White Paper,” US Department of Energy, April 2020, accessible here: <https://www.energy.gov/eere/amo/articles/critical-materials-supply-chain-white-paper-april-2020>.

<sup>49</sup> 19 U.S.C. §1862, accessible here: <https://www.govinfo.gov/app/details/USCODE-2024-title19/USCODE-2024-title19-chap7-subchapII-partIV-sec1862>; and 15 C.F.R. part 705, accessible here: <https://www.ecfr.gov/current/title-15/subtitle-B/chapter-VII/subchapter-A/part-705>.

<sup>50</sup> Presidential Proclamation of January 14, 2026: “Adjusting Imports of Semiconductors, Semiconductor Manufacturing Equipment, and their Derivative Products into the United States,” accessible here: <https://www.whitehouse.gov/presidential-actions/2026/01/adjusting-imports-of-semiconductors-semiconductor-manufacturing-equipment-and-their-derivative-products-into-the-united-states/>.

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## Trump Administration Posts Proposed Automotive Parts Section 232 Tariff Expansion for Public Input

On January 15, 2026, the US Department of Commerce International Trade Administration (ITA) posted the applications it received during the second round of the Section 232 automotive parts tariff inclusions process for public input.<sup>51</sup> The inclusions process allows domestic manufacturers to submit requests for new products to be added to the 25% Section 232 tariff on automotive parts during a two-week application window, which occurs four times per year (in this case, January 1, 2026 to January 14, 2026).<sup>52</sup>

Now that the applications are posted for public review, stakeholders have two weeks to respond to the proposed inclusions before ITA proceeds with its decisions.

### Inclusion applications received

ITA received 11 applications from 3 companies, which include 10 unique HTSUS codes at the 10-digit level (several applications include the same tariff codes and one code is incorrect). In 2024, the United States imported goods valued at US\$14 billion under these classifications.

- HTSUS 3917.40.0095: Other Fittings for Tubes, Pipes & Hoses, of Plastic, not elsewhere specified or included (NESOI).
- HTSUS 8412.21.0075: Linear Acting Hydraulic Motors (Cylinders), NESOI.
- HTSUS 8414.90.4165: Parts of Compressors, Compressor Housings for Compressors NESOI.
- HTSUS 8414.90.4190: Parts of Other Compressors, NESOI.
- HTSUS 8421.29.0015: Oil-Separation Equipment for Filtering or Purifying Liquid.
- HTSUS 8481.20.0050: Hydraulic Valves, NESOI.
- HTSUS 8708.99.8180: Parts, NESOI, of Motor Vehicles, NESOI, of Headings 8701 To 8705 (this code was also submitted in the October 2025 inclusions round, so its presence here will likely be judged redundant by ITA).
- HTSUS 9032.10.0090: Thermostats, NESOI.
- HTSUS 9032.90.6120: Parts and Accessories of Thermostat, NESOI.
- HTSUS 7326.90.9090: This is a discontinued code for “other articles of iron or steel, NESOI.” The applicant will likely file a correction.

### Next steps

Interested parties have until January 29, 2026 at 11:59 pm EST to submit comments responding to the inclusion applications. According to the ITA, collecting public comments on the inclusions applications “will ensure a transparent, complete, and legally robust process for conducting analysis and making final determinations of [automobile parts] inclusion requests.”

Posting the applications for public comment also starts the 60-day period for ITA to complete its internal review and decisions, with a deadline of March 16, 2026. Any resulting tariff increases would be implemented shortly thereafter through a Federal Register Notice.

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<sup>51</sup> Section 232 Automobile Parts Tariff Inclusions Request (January 2026), Docket ID: ITA-2025-0039, accessible here: <https://www.regulations.gov/docket/ITA-2025-0039>.

<sup>52</sup> The inclusions process regulations are at Supplement No. 2 to Part 705, Title 15, accessible here: <https://www.ecfr.gov/current/title-15/subtitle-B/chapter-VII/subchapter-A/part-705/appendix-Supplement%20No.%202%20to%20Part%20705>.

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## Status of the October 2025 inclusions round

Despite proceeding with the January inclusions round, ITA is still finalizing the decisions on applications submitted in the October 2025 round.<sup>53</sup> According to the interim regulations for the inclusions processes, ITA should have finalized its decisions by around December 15, 2025. ITA has not announced a new target date for completion of the decisions.

## President Trump Orders Narrowly Targeted 25% Section 232 Tariff on Certain Advanced Semiconductor Articles

On January 14, 2026, President Trump issued a Presidential Proclamation adopting actions under the Section 232 investigation of semiconductors, semiconductor manufacturing equipment, and derivative products.<sup>54</sup> The proclamation (i) imposes a 25% Section 232 tariff on a narrow set of imports of advanced semiconductors and products containing those semiconductors that are not intended for use in the United States, effective for goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 am EST on January 15, 2026; and (ii) directs the United States Trade Representative (USTR) to “jointly pursue or continue pursuing negotiations” with relevant foreign jurisdictions “to address the threatened impairment of the national security with respect to imported semiconductors, semiconductor manufacturing equipment, and their derivative products.” Depending on the outcome of the negotiations, President Trump may consider imposing higher tariffs on additional semiconductors, semiconductor manufacturing equipment, and derivative products. The proclamation also notes that any potential future tariffs would include a tariff offset program for companies investing in US semiconductor manufacturing capacity.

### Application of the 25% Section 232 tariff

The 25% Section 232 tariff applies to imports of certain semiconductors and products containing those semiconductors, based on their technical parameters and intended use. The Trump administration has indicated that the tariff targets “a very narrow category” of semiconductors. To determine whether the tariff applies, all imports falling under the covered Harmonized Tariff Schedule of the United States (HTSUS) subheadings must declare whether they meet specified descriptive and end-use criteria.

### Covered HTSUS subheadings

The tariff applies to certain imported semiconductors and products containing semiconductors that are classified under designated HTSUS subheadings (described as “semiconductor articles” in the proclamation). Importers of products within the following HTSUS subheadings are required to submit entry filings declaring whether the product is or is not subject to the tariff.

- 8471.50: Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc., not elsewhere specified or included (NESOI).
- 8471.80: Automatic data processing units, NESOI.
- 8473.30: Parts and accessories for automatic data processing machines and units thereof, magnetic or optical readers, transcribing machines, etc., NESOI.

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<sup>53</sup> Section 232 Automobile Parts Tariff Inclusions Request (October 2025), Docket ID: ITA-2025-0038, accessible here: <https://www.regulations.gov/docket/ITA-2025-0038>.

<sup>54</sup> Presidential Proclamation of January 14, 2026: “Adjusting Imports of Semiconductors, Semiconductor Manufacturing Equipment, and Their Derivative Products into the United States,” (91 FR 2443), accessible here: <https://www.federalregister.gov/documents/2026/01/20/2026-01052/adjusting-imports-of-semiconductors-semiconductor-manufacturing-equipment-and-their-derivative>; Fact Sheet: “President Donald J. Trump Takes Action on Certain Advanced Computing Chips to Protect America’s Economic and National Security,” White House, January 14, 2026, accessible here: <https://www.whitehouse.gov/fact-sheets/2026/01/fact-sheet-president-donald-j-trump-takes-action-on-certain-advanced-computing-chips-to-protect-americas-economic-and-national-security/>; and CSMS # 67400472 – GUIDANCE: Section 232 Import Duties on Semiconductors and their Derivative Products, January 14, 2026, accessible here: <https://content.govdelivery.com/accounts/USDHSCBP/bulletins/4047318>.

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### **Required technical parameters**

Semiconductor articles classified in the three covered HTSUS subheadings become subject to the 25% tariff if they also meet the following technical parameters or include a component that meets the following technical parameters.

*The imported products must be a logic integrated circuit, or an article that contains a logic integrated circuit, that meets the technical parameters of having:*

*(1) a total processing performance (TPP) greater than 14,000 and less than 17,500, and a total DRAM bandwidth greater than 4,500 GB/s and less than 5,000 GB/s; or*

*(2) a TPP greater than 20,800 and less than 21,100, and total DRAM bandwidth greater than 5,800 GB/s and less than 6,200 GB/s.*

The parameters are based on certain US export control rules. For a detailed description, refer to the proclamation Annex, or the relevant HTSUS Chapter 99 provisions.

### **No tariff on semiconductor articles that do not meet the technical parameters**

Semiconductor articles that are classified under the specified HTSUS subheadings, but that do not meet the required technical parameters are exempt from the 25% tariff.

- 9903.79.02: tariff exception for products that are classified under the specified HTSUS subheadings, but that do not meet the required technical parameters.

### **Meets the technical parameters and does not satisfy the end-use exceptions**

If the imported semiconductor articles are classified under the specified HTSUS subheadings, and meet the technical parameters, they are subject to the 25% tariff unless an end-use exception applies.

- 9903.79.01: 25% tariff applies to semiconductor articles that (i) are classified under 8471.50, 8471.80, or 8473.30; (ii) meet the specified technical parameters; and (iii) do not otherwise qualify for the end-use exceptions.

### **Tariff exceptions based on end-use**

If a semiconductor article is (i) classified under the HTSUS subheadings 8471.50, 8471.80, or 8473.30 and (ii) meets the specified technical parameters, importers have the option of claiming the following exceptions from the 25% tariff, which are based on the intended use of the imported product. According to the proclamation, these exceptions will prevent the 25% tariff from applying to semiconductor articles that “contribute to the buildout of the United States technology supply chain and the strengthening of domestic manufacturing capacity for derivatives of semiconductors.”

- 9903.79.03: semiconductor articles for use in US data centers.
- 9903.79.04: semiconductor articles for repairs or replacements performed in the United States.
- 9903.79.05: semiconductor articles for research and development in the United States involving these chips.
- 9903.79.06: semiconductor articles for use by startups in the United States.
- 9903.79.07: semiconductor articles for use in non-data center consumer electronics applications in the United States, including gaming, personal computing, professional visualization, workstation applications, and automotive applications.
- 9903.79.08: semiconductor articles for use in non-data center civil industrial applications in the United States, including factory robotics and industrial machinery.

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- 9903.79.09: semiconductor articles for use in United States public sector applications.

The instructions do not specify how importers should substantiate claims for these exceptions. In other situations in which US import rules include end-use provisions (such as the HTSUS Chapter 98 provisions providing tariff exceptions for machinery and parts used for agricultural and horticultural purposes), US Customs and Border Protection (CBP) requires importers to maintain and submit documentation substantiating the actual end use.<sup>55</sup>

### **Additional details for products subject to the 25% tariff**

#### ***Tariff stacking***

Imports subject to the 25% tariff under 9903.79.01 are exempt from other Section 232 sectoral tariffs, as well as the global baseline and reciprocal tariffs imposed under the International Emergency Economic Powers Act (IEEPA), the additional 25% IEEPA tariff on imports from India, the additional 40% IEEPA tariff on certain imports from Brazil, and IEEPA tariffs on imports from Canada and Mexico. This exemption does not extend to the additional 10% IEEPA tariff on all imports from China.

#### ***Drawback***

No drawback is available for duties imposed under this tariff.

#### ***Foreign trade zones***

Products subject to this tariff that are admitted into a US foreign trade zone on or after the effective date of the proclamation must be admitted as “privileged foreign status” under 19 CFR 146.41. Upon entry for consumption, they will be subject to the applicable *ad valorem* duty rates based on their HTSUS classification.

#### ***Chapter 98 provisions***

Goods entered under a provision of chapter 98 that are subject to the tariff remain eligible for, and subject to, the terms of that provision and applicable CBP regulations. However, for goods entered under subheading 9802.00.60, duties will be assessed on the full value of the imported article.

#### **Rationale for the tariff's scope**

The tariff appears to implement President Trump's earlier announcement permitting the sale of certain advanced semiconductors to China. Taken together, the technical parameters and use descriptions imply the tariff is intended to apply to certain Nvidia H200 and AMD MI325X semiconductors that are imported into the United States to fulfill certain security requirements under a new US export control licensing system. The tariff applies only if these semiconductors, which are produced outside the United States, are imported into the United States, undergo a required security test, receive an export license, and are subsequently exported to China. If the semiconductors are not destined for re-export, then the tariff would be unlikely to apply.

Concurrently with the issuance of the tariff order, the US Department of Commerce Bureau of Industry and Security (BIS) introduced a new license review system for the export of certain advanced semiconductors to China if “there is sufficient supply of this product in the United States; production of this product for exports to China will not divert global foundry capacity for similar or more advanced products for end users in the United States; the recipient has demonstrated sufficient security procedures; and the item undergoes independent, third-party testing in the United States to verify its performance specifications.”<sup>56</sup>

President Trump previously stated that export licenses for these advanced semiconductors to China would be contingent upon the United States receiving a 25% fee on the sales. Importing these semiconductors into the United

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<sup>55</sup> See 19 CFR Part 10 Subpart A - Rate of Duty Dependent Upon Actual Use, accessible here: <https://www.ecfr.gov/current/title-19/part-10/subject-group-ECFR6e5353a8038b367>.

<sup>56</sup> See the final rule, “Revision to License Review Policy for Advanced Computing Commodities,” FR 91 FR 1684 (January 15, 2026), accessible here: <https://www.federalregister.gov/public-inspection/2026-00789/revision-to-license-review-policy-for-advanced-computing-commodities>.

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States for third-party testing, as required for the new export license, would trigger the application of the 25% Section 232 tariff, aligning with this policy objective.

### **Potential for broader semiconductor tariffs**

Although the proclamation currently imposes only a single, narrowly targeted tariff, President Trump has reserved the authority to impose broader tariffs in the future.

Within 90 days of the proclamation (*i.e.*, by April 14, 2026), USTR and the Department of Commerce are directed to report to President Trump on the outcome of the negotiations initiated by the proclamation. Depending on the progress of those negotiations, President Trump “may consider imposing significant tariffs on imports of semiconductors, semiconductor manufacturing equipment, and their derivative products[.]” The proclamation adds that any such tariff would include a tariff offset program “to enable companies investing in United States semiconductor production and certain parts of the United States semiconductor supply chain to obtain preferential tariff treatment.” Any future tariffs would need to be incorporated into the HTSUS through a subsequent proclamation, and new legal orders would be required to implement any tariff expansion.

This approach postpones any potential duties or other import measures on semiconductors and downstream goods containing semiconductors until later in the year. It also highlights the significance of the details in ongoing bilateral trade deal negotiations, particularly regarding country-of-origin provisions that have not yet been fully addressed.

### **The Department of Commerce investigation**

BIS initiated the Section 232 investigation to determine the effects of imports of semiconductors, semiconductor manufacturing equipment, and their derivative products on national security on April 1, 2025.<sup>57</sup> BIS submitted the report on the investigation to President Trump on December 22, 2025, but has not provided a public copy. According to the president’s proclamation, the investigation determined that semiconductors, semiconductor manufacturing equipment, and their derivative products 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, providing the legal basis for President Trump’s action. In a summary of the investigation results, the proclamation states:

*The Secretary [of Commerce] found that the present quantities and circumstances of imports of semiconductors, semiconductor manufacturing equipment, and their derivative products pose a threat to the national security and economy. The United States' capacity to produce semiconductors, certain semiconductor manufacturing equipment such as advanced lithography and etching tools, and their derivative products is insufficient to meet domestic demand. This has led the United States to be dependent on foreign sources to meet domestic demand for semiconductors, semiconductor manufacturing equipment, and their derivative products.*

### **President Trump’s Section 232 tariff policy**

Section 232 of the Trade Expansion Act of 1962<sup>58</sup> authorizes the president to take action, including imposing import measures and entering into negotiations, to adjust imports of products determined to threaten national security. Presidential action under Section 232 first requires the Department of Commerce to investigate the national security risks associated with the relevant sector. Unlike other US trade remedy laws, such as safeguards, Section 301, antidumping duties, and countervailing duties, Section 232 does not require the government to demonstrate a market access violation or economic injury.

In 2025, the Trump administration adopted a two-track tariff strategy, (i) imposing “baseline” and “reciprocal” tariffs on most products from most countries under the IEEPA, apparently seeking to negotiate more favorable market access

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<sup>57</sup> “Notice of Request for Public Comments on Section 232 National Security Investigation of Imports of Semiconductors and Semiconductor Manufacturing Equipment,” 90 FR 15950 (April 16, 2025), accessible here: <https://www.federalregister.gov/documents/2025/04/16/2025-06591/notice-of-request-for-public-comments-on-section-232-national-security-investigation-of-imports-of>.

<sup>58</sup> 19 U.S.C. §1862, accessible here: <https://www.govinfo.gov/app/details/USCODE-2024-title19/USCODE-2024-title19-chap7-subchapII-partIV-sec1862>; and 15 CFR part 705, accessible here: <https://www.ecfr.gov/current/title-15/subtitle-B/chapter-VII/subchapter-A/part-705>.

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conditions and altering balances of trade; and (ii) imposing Section 232 tariffs (or other measures) on imports associated with industries the Trump administration views as strategically important to US national and economic security. Unlike most other tariffs President Trump has imposed, the IEEPA reciprocal tariffs and the Section 232 tariffs do not apply cumulatively. Instead, when a Section 232 tariff order is issued, affected products are exempted from the IEEPA tariffs.

Seven Section 232 tariff orders are now in effect, covering most imports of steel and steel derivatives; aluminum and aluminum derivatives; passenger vehicles, light trucks, and parts; copper and copper derivative products; timber, lumber, and wood products; trucks, buses, and truck parts; as well as certain advanced semiconductors. Alongside the semiconductors proclamation on January 14, 2025, President Trump issued a proclamation on the Section 232 investigation of processed critical minerals and derivative products, which directed the negotiation of agreements instead of immediately imposing any tariffs.<sup>59</sup> The administration is also conducting Section 232 investigations to consider new tariffs on pharmaceuticals and ingredients, commercial aircraft, polysilicon, unmanned aircraft systems, wind turbines, medical equipment and personal protective equipment, and industrial machinery and robots

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<sup>59</sup> Proclamation 11001 of January 14, 2026: "Adjusting Imports of Processed Critical Minerals and their Derivative Products into the United States," 91 FR 2439, accessible here: <https://www.federalregister.gov/documents/2026/01/20/2026-01045/adjusting-imports-of-processed-critical-minerals-and-their-derivative-products-into-the-united>.

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## Trade Agreements

### United States Signs Reciprocal Trade Agreements with El Salvador and Guatemala

On January 29, 2026, the Office of the United States Trade Representative (USTR) and the government of El Salvador signed the US-El Salvador Agreement on Reciprocal Trade (ART).<sup>60</sup> The following day, the United States and Guatemala signed a similar reciprocal trade agreement.<sup>61</sup> The US-El Salvador and US-Guatemala ARTs are the third and fourth such agreements completed by the Trump administration, following those with Cambodia and Malaysia in October 2025. These agreements are two of four prospective ARTs with Latin American countries that the Trump administration previewed in November 2025.<sup>62</sup>

The two agreements maintain the current 10% baseline tariff on imports from El Salvador and Guatemala under the International Emergency Economic Powers Act (IEEPA) (the countries were never subject to a higher reciprocal tariff rate), but they introduce new IEEPA tariff exceptions for domestically unavailable natural resources and agriculture products, civil aircraft and parts, and non-patented pharmaceuticals and ingredients. The agreements also grant a new tariff exception for apparel, luggage, and textiles that qualify for preferential treatment under the Dominican Republic-Central America Free Trade Agreement (CAFTA-DR). The CAFTA-DR exception is significant, as it will except approximately half of US imports from El Salvador and one-third of US imports from Guatemala from the IEEPA tariffs.

In exchange for those tariff exceptions, El Salvador and Guatemala have made commitments to easing certain non-tariff trade barriers, recognizing US technical and food safety standards, strengthening labor and environmental protections, and cooperating with US economic security policies. Neither country has committed to reducing tariffs on US imports, nor have they committed to funding investments in the United States or purchasing US export products.

#### Tariff commitments

As part of the agreement, the Trump administration has committed to providing new IEEPA tariff exceptions for specific listed products and certain products that qualify for preferential treatment under CAFTA-DR, but they have not reduced the overall IEEPA tariff rate or any Section 232 tariff rates.

**No IEEPA tariff reduction:** The ARTs maintain the IEEPA April 2 baseline 10% rate for both countries. Neither country has had a higher, specific IEEPA reciprocal rate. The IEEPA tariff rate also remains cumulative with any other applicable tariffs, such as the WTO most-favored nation rate and the CAFTA-DR preferential rate.

**New IEEPA tariff exceptions:** The ARTs include new product-specific IEEPA tariff exemption schedules in Annex 1 of each text, split between Schedule 1A and Schedule 1B, which are further subdivided by sector. The new exceptions in Schedule 1A are based on the list provided in the Potential Tariff Adjustments for Aligned Partners (PTAAP) Annex III list from the September 5, 2025 executive order (EO 14346) on trade agreement negotiating

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<sup>60</sup> The full text of the "Agreement between the United States of America and El Salvador on Reciprocal Trade" is accessible here: <https://ustr.gov/about/policy-offices/press-office/press-releases/2026/january/ambassador-greer-signs-us-el-salvador-agreement-reciprocal-trade>. Also see the USTR press release, "Ambassador Greer Signs the U.S.-El Salvador Agreement on Reciprocal Trade," January 29, 2026, accessible here: <https://ustr.gov/about/policy-offices/press-office/press-releases/2026/january/ambassador-greer-signs-us-el-salvador-agreement-reciprocal-trade>.

<sup>61</sup> The full text of the "Agreement between the United States of America and Guatemala on Reciprocal Trade" is accessible here: <https://ustr.gov/sites/default/files/files/Press/Releases/2026/Guatemala%20ART%201.30%20for%20posting%20CLEAN.pdf>. Also see the USTR press release "Ambassador Greer Signs the United States-Guatemala Agreement on Reciprocal Trade," January 30, 2026, accessible here: <https://ustr.gov/about/policy-offices/press-office/press-releases/2026/january/ambassador-greer-signs-united-states-guatemala-agreement-reciprocal-trade>.

<sup>62</sup> The other two are with Argentina and Ecuador. USTR announced the conclusion of the US-Argentina ART on February 5, 2026, while the US-Ecuador ART is incomplete. See "Ambassador Greer Signs the United States–Argentina Agreement on Reciprocal Trade and Investment," USTR, February 5, 2026, accessible here: <https://ustr.gov/about/policy-offices/press-office/press-releases/2026/february/ambassador-greer-signs-united-states-argentina-agreement-reciprocal-trade-and-investment>.

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authorities.<sup>63</sup> The value of the new tariff exceptions granted by these tariff schedules is small for both countries, after subtracting out the imports that are already exempt from the IEEPA tariffs by the Annex II exceptions list. In 2024, the United States imported \$133 million worth of goods under the new exceptions from Guatemala (equivalent to 2.65% of total US goods imports from Guatemala in 2024) and \$118 million worth of goods under the new exceptions from El Salvador (equivalent to 5.16% of total US goods imports from El Salvador in 2024).

- **Agriculture Schedule 1A:** The agriculture tariff schedules are different between the two ARTs. For Guatemala, the list includes 33 HTSUS subheadings, which had a total import value of \$61 million in 2024. For El Salvador, the list includes the list includes 33 HTSUS subheadings, which had a total import value of \$61 million in 2024. Fresh flower cuttings account for the largest share of import value for both countries under these subheadings. All of these are new tariff exceptions.
- **Industrial Schedule 1A:** This schedule is identical in both agreements. It includes exceptions for non-patented pharmaceuticals and ingredients, civil aircraft and aircraft parts, and natural resources unavailable or not available in sufficient quantities in the United States (such as various minerals, wood products, natural rubber, and silk). The aircraft exception only applies to products classified within the listed HTSUS subheadings that are for use in civil aircraft and the non-patented pharmaceuticals and ingredients exception only applies to products classified withing the listed subheadings that are not patented. Of the 1,626 HTSUS subheadings on this schedule, 660 are already on the Annex II exceptions list.

For Guatemala, the total value of imports under these subheadings in 2024 was \$111 million, up to \$72 million of which could represent new tariff exceptions. For El Salvador, the total value of imports under these subheadings in 2024 was \$120 million, up to \$103 million of which could represent new tariff exceptions. For both countries, most of the imports by value under the new tariff exceptions are accounted for by vehicle wiring and parts, which would only qualify for the tariff exception if they are aircraft parts (and are not otherwise subject to Section 232 steel, aluminum, or copper tariffs).

As with other trade deals announced in the past few months, the civil aircraft and parts exceptions do not include unmanned aircraft (HTSUS 8806), despite the inclusion of unmanned aircraft in the original PTAAP list. The IEEPA tariff exception for civil aircraft is also not accompanied by an exception from the Section 232 tariffs on steel, aluminum, and copper.

- **Schedule 1B:** The El Salvador and Guatemala ARTs also include a second list of exceptions in Schedule 1B, the purpose of which is unclear. All the HTSUS subheadings listed in Schedule 1B are already on the Annex II exceptions list, meaning Schedule 1B does not provide any new tariff exceptions.
  - **Agriculture Schedule 1B:** These lists contain various tropical agricultural products, though the lists are different for each of the two ARTs. All products listed in Schedule 1B for both ARTs are already exempt from the IEEPA tariffs, having been added to the Annex II exceptions list by Executive Order 14360 of November 14, 2025.<sup>64</sup> The total US import value of the products classified within these subheadings in 2024 was \$1.7 billion for Guatemala (mostly bananas and coffee) and \$98 million for El Salvador (mostly coffee).
  - **Industrial Schedule 1B:** For both ARTs this list includes potassium chloride, potassium sulfate, and other mineral or chemical potassic fertilizers. These products are already exempt from the IEEPA tariffs,

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<sup>63</sup> Executive Order 14346 of September 5, 2025: "Modifying the Scope of Reciprocal Tariffs and Establishing Procedures for Implementing Trade and Security Agreements," 90 FR 43737, accessible here: <https://www.federalregister.gov/documents/2025/09/10/2025-17507/modifying-the-scope-of-reciprocal-tariffs-and-establishing-procedures-for-implementing-trade-and>.

<sup>64</sup> Executive Order 14360 of November 14, 2025: "Modifying the Scope of the Reciprocal Tariffs With Respect to Certain Agricultural Products," 90 FR 54091, accessible here: <https://www.federalregister.gov/documents/2025/11/25/2025-21203/modifying-the-scope-of-the-reciprocal-tariffs-with-respect-to-certain-agricultural-products>.

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having been included in the original Annex II exceptions list from April 2, 2025. However, the United States does not import these products from either country.

**CAFTA-DR exception for textile and apparel products:** In Schedule 2, the United States has committed to exempting textiles and apparel products of El Salvador and Guatemala from the IEEPA tariffs if those products qualify for preferential treatment under CAFTA-DR. To receive these benefits, products must comply with the CAFTA-DR rules of origin, including the “yarn-forward” rule. This rule requires that apparel be made from yarn produced within CAFTA-DR member countries to qualify for duty-free treatment. It is designed to ensure that the entire production process occurs within the free trade area, thereby supporting and integrating the textile industries of the participating countries, including the United States. The products listed in Schedule 2 are identical in both ARTs. The total value of US imports under these subheadings was \$1.6 billion for Guatemala (32.4% of total US goods imports that year) and \$1.4 billion for El Salvador (60.6% of total US goods imports that year), making this a potentially significant tariff exception for both countries.

**Section 232 tariff commitments:** Unlike the preliminary ARTs announced with East Asian and European trade partners, the El Salvador and Guatemala ARTs do not include any commitments to lowering Section 232 tariffs. That said, the November 2025 joint statement announcing the El Salvador agreement notes the Trump administration will “positively consider” the agreement when considering future Section 232 actions, including the potential imposition of import tariffs. The Guatemala agreement documents do not include this reference to positive consideration, despite the agreements otherwise being similar.

**No tariff commitments by El Salvador or Guatemala:** The ARTs do not include any tariff reduction commitments by El Salvador or Guatemala. Under CAFTA-DR, El Salvador and Guatemala have already eliminated nearly all tariffs on US-origin products.

**Rules of origin:** As with previous agreements, the texts state the parties may establish preferential rules of origin for the tariff commitments. The Trump administration has not yet implemented alternative rules of origin for any of its trade deals or recent tariff orders. Both agreements also include broad commitments to adopting measures to prevent duty evasion and transshipment.

### **Non-tariff commitments made by El Salvador and Guatemala**

The ARTs include various new non-tariff barrier and domestic regulation commitments by El Salvador and Guatemala, similar to the contents of the ARTs with Malaysia and Cambodia. USTR is now operating from a standard template for the ARTs and the texts of the two agreements are mostly identical, though El Salvador appears to have negotiated less ambitious commitments in several areas. Many of the core market access commitments also simply reaffirm existing WTO commitments and are unlikely to provide new rights. Like other ARTs, the El Salvador and Guatemala texts include annexes of “Specific Commitments,” which list out specific actions the governments intend to carry out, such as modifying licensing procedures, resolving market access disputes, and adopting certain international conventions and standards. If implemented, these specific commitments may be more commercially meaningful than the general commitments in the main text.

- **Import licensing and technical standards:** For technical standards, the agreements reaffirm commitments to international standards and strengthen existing commitments to the recognition of US conformity assessment bodies. For both countries, this includes specific commitments to recognizing US medical devices, pharmaceutical, and automotive standards. On import licensing, El Salvador has agreed to only require non-automatic import licensing for situations that involve public health, safety, and security objectives, while Guatemala has agreed not to apply any non-automatic import licensing requirements on US goods.
- **Sanitary and phytosanitary standards (SPS):** The agreements commit the countries to ensuring that SPS are science- and risk-based, following international standards. The annexes of specific commitments include

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additional sections on recognition of US SPS standards, including dairy safety and acceptance of agricultural biotechnology.

- **Geographical indications (GIs):** Both agreements require the countries not to restrict the use of certain common cheese and meat terms. The list of protected names matches those in the Malaysia and Cambodia ARTs, with the exception that fontina is not included for Guatemala and El Salvador. Guatemala has also committed to broader transparency and fairness in its GI decisions, and the annexes of specific commitments include similar provisions on procedures for accepting GIs.
- **Intellectual property rights (IPR):** The agreements include general commitments to enforce IPR and to implement international conventions related to IPR protection. Guatemala's specific commitments include a section on addressing concerns raised in the USTR Special 301 Report Watch List designation. El Salvador is not named in the Special 301 Report.
- **Forced labor and labor rights:** The agreements commit the countries to adopt prohibitions on imports of goods made in whole or in part with forced labor. Guatemala further commits to apply import prohibitions to entities the United States designates in Section 307 Findings and Withhold Release Orders. The two agreements also reaffirm existing commitments to protecting internationally recognized labor rights. Guatemala has also made specific commitments to strengthening and enforcing its labor laws.
- **Environment:** The agreements include general commitments to enforcing environmental protection standards, as well as a commitment to "address environment-related issues that contribute to non-reciprocal trade." Both agreements include additional specific commitments regarding illegal logging, fisheries management, adopting the WTO Agreement on Fisheries Subsidies, wildlife trafficking, and illegal mining.
- **Customs:** The agreements commit the countries to implement full pre-arrival processing and digitalized procedures for imports. Specific commitments include adopting single windows, allowing periodic payment for express delivery services, creating electronic certification systems for certain food safety requirements, improving customs valuation practices (for Guatemala), and improving practices for advance rulings (for El Salvador).
- **Border measures and taxes:** Both agreements include new commitments for cooperation with the United States to "combat regulatory arbitrage that would disadvantage U.S. workers and businesses," including border-adjusted tax measures. El Salvador and Guatemala also agree not to impose value-added taxes that discriminate against US companies. For El Salvador, the tax commitment is accompanied by a specific commitment to modify its distilled spirits excise tax so that US produced spirits do not face a higher tax rate than similar products, which is likely a reference to aguardiente being subject to a lower excise tax rate than whiskey.
- **Digital trade:** The agreements include significant digital trade commitments, which are priorities for the US technology and services industries. El Salvador and Guatemala have agreed to (i) not impose digital services taxes (DSTs), (ii) refrain from imposing measures that discriminate against digital trade (including ensuring free cross-border data flows), (iii) not require disclosure of technology and source code as a condition of market entry, (iv) not impose customs duties on electronic transmissions, and (v) support a permanent electronic transmissions customs duty moratorium at the WTO. The US-Guatemala agreement also states the United States may terminate the agreement if Guatemala enters into new digital trade agreement with "certain countries."
- **Economic security cooperation:** Similar to the Malaysia and Cambodia ARTs, the El Salvador and Guatemala ARTs include new commitments to align with US economic security policies. These include adopting mutual trade barriers to address national security objectives, addressing unfair trade practices of companies operating in Guatemala and El Salvador, and adopting measures to encourage shipbuilding in market economy countries. The agreements also include commitments to cooperate with US export control (including specific commitments to assist with enforcement of US export controls), sanctions, and investment screening regimes, as well as

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specific commitments on cybersecurity for ports, logistics systems, and telecommunications. The Guatemala ART contains more explicit commitments to adopting US trade restrictions, unilateral export controls, and sanctions designations than the El Salvador ART.

- **Government procurement:** The Guatemala agreement includes a commitment to prohibiting government procurement from countries that are not parties to the WTO Agreement on Government Procurement (GPA), free trade agreement partners, or least developed countries. The El Salvador text states the government “shall ensure a level playing field in procurement[.]”
- **Trade agreements with non-market economies:** Similar to other recent trade agreements, the US-Guatemala ARTs states that the United States may terminate the agreement if Guatemala enters into a free trade agreement with a non-market economy. The El Salvador agreement does not include this commitment.
- **State owned enterprises (SOEs):** The agreements include commitments to SOE disciplines, stating the countries shall ensure SOEs are acting in accordance with commercial considerations, do not discriminate against US goods, and refrain from subsidizing domestic producers.
- **Other commercial commitments:** The El Salvador ART states that the country “is encouraged” to increase US natural gas purchases and that it “shall encourage” US nuclear energy technology adoption. The Guatemala ART includes a commitment to adopting an ethanol fuel blend mandate and to “endeavor to” purchase 50 million gallons (189 million liters) of US ethanol per year.

### Dispute resolution and termination

The two ARTs, consistent with other trade deals from the Trump administration, do not include dispute resolution mechanisms. Instead, if a party believes the other has not complied with the agreement, it may review the terms and take action according to its own laws. The parties may also terminate the agreement by providing written notice, with the termination taking effect 90 days after notification.

Rather than using conventional dispute settlement procedures, the Trump administration has demonstrated a preference for unilateral enforcement measures, such as reimposing tariffs or suspending cooperation programs when it perceives non-compliance. For example, on January 26, 2026, President Trump threatened to increase tariffs on most imports from South Korea back to 25% if the Korean legislature does not accelerate its implementation of US-Korea ART commitments. The administration has also suspended cooperation under the US-UK Technology Prosperity Deal to pressure the UK over unfinished commitments in other sectors.

### Entry into force

Both governments will now proceed with their domestic procedures to ratify the ARTs.

- The US-El Salvador ART will enter into effect five days after the date on which the parties have exchanged written notifications certifying completion of their relevant domestic legal procedures.
- The US-Guatemala ART will enter into effect 30 days after the date on which the parties have exchanged written notifications certifying completion of their relevant domestic legal procedures.

The Trump administration is treating the ARTs as executive agreements and will implement the US tariff commitments through executive branch action instead of an act of Congress. Legal orders to implement the tariff reductions have not yet been issued. In other recent trade deals, President Trump has withheld issuance of his committed tariff reductions until after the other party has taken concrete steps to implement core elements of its commitments.

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## CPTPP

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### Mexico Ratifies UK's Accession to the Comprehensive and Progressive Trans-Pacific Partnership

On January 20, 2026, the Mexican government published a decree<sup>65</sup> in the Official Gazette of the Federation (*Diario Oficial de la Federación*, DOF) approving the Accession protocol of the United Kingdom of Great Britain and Northern Ireland to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).<sup>66</sup> This publication marked the official entry into force of the protocol for Mexico, completing its domestic ratification procedures. The protocol will take effect once the 60-day entry-into-force period expires, i.e., likely around April 2026.

The Mexican Senate approved the United Kingdom's (UK) accession to the CPTPP on December 10, 2025.<sup>67</sup> The protocol, submitted by the Presidency's General Secretariat on July 11, 2024, was expedited as an urgent matter after remaining in committee for over a year. Senate President Verónica Camino Farjat emphasized the treaty's importance for Mexico, especially its provisions related to the digital economy.

The CPTPP allows non-Asia-Pacific countries to join through negotiated terms. The UK formally requested accession in February 2021, the parties concluded negotiations in March 2023, and the UK signed its accession protocol in July 2023, becoming the CPTPP's 12th member country.<sup>68</sup> The protocol entered into force on December 14, 2024, after reaching the minimum number of ratifications.

#### Current status of Mexico-UK trade framework

Trade relations between Mexico and the UK are currently governed by the UK–Mexico Trade Continuity Agreement (TCA), which entered into force on June 1, 2021. The TCA preserves preferential market access following the UK's withdrawal from the European Union and largely replicates the trade provisions of the Economic Partnership, Political Coordination and Cooperation Agreement between the European Community and its Member States and Mexico (1997).<sup>69</sup>

The TCA was explicitly designed as a temporary arrangement, pending the negotiation of a new and modernized bilateral free trade agreement (FTA). On May 22, 2022, Mexico and the UK announced the launch of negotiations to replace the TCA with a comprehensive and updated FTA.<sup>70</sup> To date, however, these negotiations have not resulted in any publicly reported substantive progress.

Although the UK's accession to the CPTPP does not formally replace the bilateral TCA, it is expected to operate in practice as the primary trade framework between Mexico and the UK.

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<sup>65</sup> The decree approving the accession protocol of the UK to the CPTPP is accessible here (in Spanish): <https://sidof.segob.mx/notas/5778477>.

<sup>66</sup> The Protocol of Accession of the United Kingdom of Great Britain and Northern Ireland to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is accessible here: <https://www.gov.uk/government/publications/accession-protocol-of-the-uk-to-the-cptpp>.

<sup>67</sup> The Mexican Senate press release is accessible here (in Spanish): <https://comunicacionsocial.senado.gob.mx/informacion/comunicados/14028-senado-ratifica-protocolo-para-que-el-reino-unido-de-gran-bretana-e-irlanda-del-norte-se-adhieran-al-tipat>.

<sup>68</sup> CPTPP members include Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam, and, following its ratification and accession process, the United Kingdom.

<sup>69</sup> The TCA, covering key sectors, including automotive, pharmaceuticals, textiles, and financial services, entered into force on June 1, 2021. The text is accessible here: [https://assets.publishing.service.gov.uk/media/6038be5ae90e07054f89c51f/CS\\_Mexico\\_1.2021\\_UK\\_Mexico\\_Trade\\_Continuity\\_Agreement.pdf](https://assets.publishing.service.gov.uk/media/6038be5ae90e07054f89c51f/CS_Mexico_1.2021_UK_Mexico_Trade_Continuity_Agreement.pdf).

<sup>70</sup> The Mexican government press release dated May 20, 2022 is accessible here (in Spanish): <https://www.gob.mx/se/prensa/mexico-y-reino-unido-inician-formalmente-negociaciones-hacia-un-nuevo-tratado-de-libre-comercio>.

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### **Mexico-UK trade framework under the CPTPP**

The CPTPP provides a broader and more modern set of trade disciplines, including on services, investment, digital trade, and regulatory cooperation, thereby reducing the practical relevance of the TCA in the absence of a new bilateral agreement.

Mexico will extend its current CPTPP tariff elimination schedule to the UK; however, the government has not yet published its internal implementing decree detailing import tariffs for UK-origin goods under the CPTPP. While UK exports to Mexico are expected to receive extensive tariff preferences, the exact terms will be confirmed upon publication of the decree. Likewise, Mexico has not yet issued origin certification guidelines for UK goods under the CPTPP.

The UK's accession to the CPTPP offers Mexico two main tariff advantages: (i) it strengthens and expands preferential access to the UK market under the CPTPP framework, providing zero tariffs or phased reductions for various products, supplementing the preferences established under the post-Brexit TCA; and (ii) it enables CPTPP operational benefits such as origin accumulation, allowing Mexican exports to incorporate inputs from any CPTPP member, including the UK, while still qualifying for preferential treatment. This facilitates regional supply chains and broadens the scope of origin rules beyond those in the bilateral TCA.

### **Status of Canadian ratification**

Canada is the only CPTPP member state that has not completed its respective domestic ratification procedures to enable the UK's accession to the CPTPP. On October 21, 2025, Canada's Minister for International Trade introduced Bill C-13, enabling the nation's ratification of the UK's accession to the CPTPP. This legislative effort follows commitments made during a high-profile meeting between Canadian Prime Minister Mark Carney and UK Prime Minister Keir Starmer in June 2025. Currently under parliamentary review, the bill is being analyzed for potential economic benefits and implications for Canada.

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## Petitions & Investigations

### Investigations

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#### Commerce Issues Final Affirmative Determination in the Five-Year Review of ADD Order on Welded Large Diameter Line Pipe from Japan

On January 16, 2026, the US Department of Commerce issued its decision to continue the antidumping duty (ADD) order on certain welded large diameter line pipe from Japan (welded line pipe) for another five years.<sup>71</sup> As a result, US Customs and Border Protection (CBP) will maintain the collection of ADD cash deposits at the current rates for all covered imports.

The continuation notice follows the US International Trade Commission (ITC) affirmative determination that revocation of the order would be likely to lead to continuation or recurrence of material injury to the US industry within a reasonably foreseeable time, published on December 29, 2025.<sup>72</sup>

In its parallel proceeding, Commerce issued the final affirmative results of its sunset review on January 3, 2025, concluding that revocation of the ADD order would be likely to lead to the continuation or recurrence of dumping, with margins reaching up to 30.80%.<sup>73</sup> Commerce conducted the review on an expedited basis as no substantive responses were submitted by any respondent interested parties. Subsequently, the ITC announced it would proceed with a full five-year review of the order.<sup>74</sup>

#### Covered product

The product covered by this order is certain welded carbon and alloy line pipe, of circular cross section and with an outside diameter greater than 16 inches, but less than 64 inches, in diameter, whether or not stenciled. This product is normally produced according to American Petroleum Institute (API) specifications, including Grades A25, A, B, and X grades ranging from X42 to X80, but can also be produced to other specifications. The product is classified under Harmonized Tariff Schedule of the United States (HTSUS) codes 7305.11.10.30, 7305.11.10.60, 7305.11.50.00, 7305.12.10.30, 7305.12.10.60, 7305.12.50.00, 7305.19.10.30, 7305.19.10.60, and 7305.19.50.00. HTSUS codes are provided for convenience and customs purposes and the written description of the scope is dispositive.

Not included within the scope of this investigation is the American Water Works Association (AWWA) specification water and sewage pipe and the following size/grade combinations, of line pipe:

- Having an outside diameter greater than or equal to 18 inches and less than or equal to 22 inches, with a wall thickness measuring 0.750 inch or greater, regardless of grade.
- Having an outside diameter greater than or equal to 24 inches and less than 30 inches, with wall thickness measuring greater than 0.875 inches in grades A, B, and X42, with wall thickness measuring greater than 0.750

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<sup>71</sup> "Welded Large Diameter Line Pipe From Japan: Continuation of Antidumping Duty Order," 91 FR 2097 (January 16, 2026), accessible here: <https://www.federalregister.gov/documents/2026/01/16/2026-00784/welded-large-diameter-line-pipe-from-japan-continuation-of-antidumping-duty-order>.

<sup>72</sup> "Certain Welded Large Diameter Line Pipe from Japan," 90 FR 60739 (December 29, 2025), accessible here: <https://www.federalregister.gov/documents/2025/12/29/2025-23803/certain-welded-large-diameter-line-pipe-from-japan>.

<sup>73</sup> "Welded Large Diameter Line Pipe From Japan: Final Results of the Expedited Fourth Sunset Review of the Antidumping Duty Order," 90 FR 303 (January 3, 2025), accessible here: <https://www.federalregister.gov/documents/2025/01/03/2024-31593/welded-large-diameter-line-pipe-from-japan-final-results-of-the-expedited-fourth-sunset-review-of>.

<sup>74</sup> "Certain Welded Large Diameter Line Pipe From Japan; Notice of Commission Determination To Conduct a Full Five-Year Review," 90 FR 6010 (January 17, 2025), accessible here: <https://www.federalregister.gov/documents/2025/01/17/2025-01146/certain-welded-large-diameter-line-pipe-from-japan-notice-of-commission-determination-to-conduct-a>; and "Certain Welded Large Diameter Line Pipe From Japan; Scheduling of a Full Five-Year Review," 90 FR 11995 (March 13, 2025), accessible here: <https://www.federalregister.gov/documents/2025/03/13/2025-04012/certain-welded-large-diameter-line-pipe-from-japan-scheduling-of-a-full-five-year-review>.

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inches in grades X52 through X56, and with wall thickness measuring greater than 0.688 inches in grades X60 or greater.

- Having an outside diameter greater than or equal to 30 inches and less than 36 inches, with wall thickness measuring greater than 1.250 inches in grades A, B, and X42, with wall thickness measuring greater than 1.000 inches in grades X52 through X56, and with wall thickness measuring greater than 0.875 inches in grades X60 or greater.
- Having an outside diameter greater than or equal to 36 inches and less than 42 inches, with wall thickness measuring greater than 1.375 inches in grades A, B, and X42, with wall thickness measuring greater than 1.250 inches in grades X52 through X56, and with wall thickness measuring greater than 1.125 inches in grades X60 or greater.
- Having an outside diameter greater than or equal to 42 inches and less than 64 inches, with a wall thickness measuring greater than 1.500 inches in grades A, B, and X42, with wall thickness measuring greater than 1.375 inches in grades X52 through X56, and with wall thickness measuring greater than 1.250 inches in grades X60 or greater.
- Having an outside diameter equal to 48 inches, with a wall thickness measuring 1.0 inch or greater, in grades X-80 or greater.
- In API grades X80 or above, having an outside diameter of 48 inches to and including 52 inches, and with a wall thickness of 0.90 inch or more.
- In API grades XI00 or above, having an outside diameter of 48 inches to and including 52 inches, and with a wall thickness of 0.54 inch or more.
- An API grade X-80 having an outside diameter of 21 inches and wall thickness of 0.625 inch or more.

### **Commerce Issues Affirmative Preliminary Determination of Sales at Less Than Fair Value in Antidumping Investigation of Lattice-Boom Crawler Cranes from Japan**

On January 16, 2026, Commerce issued a preliminary affirmative determination that lattice boom crawler cranes (LBCCs) from Japan are being, or likely to be, sold in the United States at less than fair value.<sup>75</sup> Commerce has preliminary estimated weighted-average dumping margins of 2.79% for Kobelco Construction Machinery Co., Ltd. (Kobelco) and 0.00% for Sumitomo Heavy Industries Construction Cranes Co., Ltd. (Sumitomo), which are the two exporter/producers that were individually examined. The All-Others rate, for companies not individually examined, will be 2.79% (based on the Kobelco margin).

Commerce will direct CBP to suspend liquidation and require a cash deposit equal to the estimated weighted-average dumping margin for subject imports entered or withdrawn from warehouse for consumption on or after January 16, 2026.

On June 2, 2025, the ITC issued a preliminary affirmative determination that there is a reasonable indication that an industry in the United States is materially injured by LBCCs from Japan.<sup>76</sup> Commerce and ITC will now move on to the final phase of the investigation. **Covered product**

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<sup>75</sup> "Lattice Boom Crawler Cranes From Japan: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Postponement of Final Determination, and Extension of Provisional Measures," 91 FR 2098 (January 16, 2026), accessible here: <https://www.federalregister.gov/documents/2026/01/16/2026-00847/lattice-boom-crawler-cranes-from-japan-preliminary-affirmative-determination-of-sales-at-less-than>.

<sup>76</sup> "Lattice-Boom Crawler Cranes (LBCCs) From Japan," 90 FR 23364 (June 2, 2025), accessible here: <https://www.federalregister.gov/documents/2025/06/02/2025-09861/lattice-boom-crawler-cranes-lbccs-from-japan>.

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In its initiation notice,<sup>77</sup> Commerce defined the scope of the investigation according to the definition below. Interested parties submitted additional comments and rebuttals on the product coverage during the preliminary phase, described in the Preliminary Scope Decision Memorandum. Commerce has made no further modifications to the scope language in the preliminary determination.

The merchandise covered by this investigation consists of lattice boom crawler cranes and lattice boom crawler crane assemblies. Lattice boom crawler cranes combine the assemblies defined below, among other components, including a lower carriage assembly fitted with tank-link crawler tracks, an upper carriage housing the operator cab, engine, and hydraulics, and a boom made of steel pipe welded together in a distinctive lattice pattern. The scope of this investigation covers lattice boom crawler cranes and lattice boom crawler crane assemblies, whether assembled or unassembled, and whether or not the lattice boom crawler crane contains any additional features that provide for functions beyond the primary lifting function. All lattice boom crawler cranes are included in the scope regardless of maximum lift capacity, lattice boom length, jib configuration, or other added features.

Subject merchandise includes, but is not limited to, the following lattice boom crawler crane assemblies which can be imported in isolation or combined in different configurations at the time of import:

- Lattice boom assemblies and pieces thereof. Lattice boom assemblies are formed of interlocking sections of welded high-strength steel pipe, that form the lifting attachment of the crane. A lattice boom is formed by welding main chords together with lacing pipes typically arranged in a “W” or “V” pattern. Lattice boom assemblies consist of a boom butt (also known as a boom bottom or boom base), which attaches to the upper carriage assembly, and a boom head (also known as a boom tip or boom hat), which forms the other end of the boom structure. In between the boom butt and boom head, boom inserts of various lengths can be inserted to reach the desired boom height and load bearing capability. Lattice boom assemblies may be imported with boom butt, boom tip, and boom inserts together, but boom butt, boom tip, and boom inserts imported alone are also covered by the scope.
- Lower carriage assembly. The lower carriage assembly (also may be referred to as a carbody or lower works) is constructed with high-strength steel components and forms the base of the crawler crane. The lower carriage assembly typically includes various motors, drive mechanisms, and hydraulics. The lower carriage assembly may also include a set of counterweights to provide backward stability for the assembled crane. The lower carriage typically has a circular center that is connected to the upper carriage assembly with a bearing. The lower and upper carriage assemblies may or may not be connected by a bearing at the time of importation. Steel arms extend from the center of the lower carriage and connect to the front and rear of the crawler assemblies that are positioned on both sides of the lower carriage assembly. The lower carriage assembly may also contain a hydraulic system that allows for the extension and retraction of the crawler assemblies to create a wider base. A lower carriage assembly may be imported with or without crawler assemblies.
- Crawler assembly. Each lattice boom crawler crane contains at least two crawler assemblies, which are continuous tracks that provide mobility and distribute the crane’s weight evenly across the ground. The tracks of a lattice boom crawler crane consist of steel track shoes, which are interlocking steel plates that form the tread of the tracks and make direct contact with the ground, a track chain, which is a continuous loop of interconnected steel links, and a crawler body and track rollers, which support the track shoes and track chain. Typically, drive motors mounted on the lower carriage assembly connect to crawler-mounted drive sprockets, which engage the track chain and allow the LBCC to move forward and backward.
- Upper carriage assembly. The upper carriage assembly, also known as the upper works, typically includes the operator’s cab, hydraulic systems, engine, boom hoist, mast, and a turntable base with swing drive mechanism

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<sup>77</sup> “Lattice Boom Crawler Cranes From Japan: Initiation of Less-Than-Fair-Value Investigation,” 90 FR 19270 (May 7, 2025), accessible here: <https://www.federalregister.gov/documents/2025/05/07/2025-07897/lattice-boom-crawler-cranes-from-japan-initiation-of-less-than-fair-value-investigation>.

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that connects to the lower carriage assembly and allows the upper carriage to pivot on the lower carriage assembly. The upper and lower carriage assemblies may or may not be connected by a bearing at the time of importation. The upper carriage assembly may also include a separate counterweight tray and counterweights, which allow the crane to maintain balance while lifting heavy loads, as well as a gantry, which helps lift the boom and counterweights during installation, although the counterweight tray, counterweights, and gantry are not required to be attached for the upper carriage assembly to be a subject assembly. The boom butt may or may not be attached to the upper carriage assembly at the time of entry.

- Hoisting assembly. The hoisting assembly, housed within the upper carriage assembly and lattice boom assembly, powers the lifting and lowering of loads and typically consists of a hoisting line of high strength steel cable, a hoist motor, hoist brakes, hoisting drums, and a hook block formed from steel sheaves, which helps distribute the load on the hoisting line and increases lifting capacity. The main hoisting line typically runs from the hoist drums, housed in the upper carriage assembly, up through the lattice boom (which may or may not house additional hoist drums) and hook block.
- Jib assemblies. Jib assemblies are optional components that can be added to the top end of the boom to provide the crane with greater reach. Similar to lattice boom assemblies, jib assemblies typically consist of interlocking sections of welded steel pipe, arranged in a “V” or “W” lattice pattern. Jib assemblies can consist of either fixed jib, which extends from the main lattice boom at a fixed angle, or a luffing jib, which can be raised or lowered by the operator through a separate set of controls.

Importation of any of these assemblies, whether assembled or unassembled, constitutes unfinished lattice boom crawler cranes for purposes of this investigation. Inclusion of other components not identified as comprising the finished or unfinished lattice boom crawler cranes and lattice boom crawler crane assemblies do not remove the products from the scope.

Processing of lattice boom crawler cranes and lattice boom crawler crane assemblies such as welding, joining, bolting, painting, coating, finishing, or assembly, either in the country of manufacture of the in-scope product or in a third country does not remove the product from the scope. Lattice boom crawler cranes and lattice boom crawler crane assemblies subject to this investigation include those that are produced in the subject country whether assembled with other components in the subject country or in a third country. Processing or completion of finished and unfinished lattice boom crawler cranes and the covered lattice boom crawler crane assemblies either in the subject country or in a third country does not remove the product from the scope.

Lattice boom crawler cranes subject to this investigation are typically classifiable under subheadings 8426.49.0010 and 8426.49.0090 of the Harmonized Tariff Schedule of the United States (HTSUS). Lattice boom crawler crane assemblies may also be classified under HTSUS subheadings 8426.49.0010 or 8426.49.0090, or may be classified under subheadings 8431.49.1090, 8431.49.1060, or 8425.19.0000. While the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise under investigation is dispositive.