

American Wire Products Association (AWPA)
Quarterly Trade Policy Report
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March 20, 2024

I. Washington Update

Since Congress reconvened in January, leaders have been largely focused on funding the government and – in the case of the Senate – passing a long-stalled National Security supplemental funding bill (a bill that, for now, seems dead on arrival in the House). In early March, nearly six months into the fiscal year, Congress finalized funding for six of the 12 annual FY24 spending bills, with passage of the remaining bills expected ahead of the Easter recess.

Despite earlier optimism, it is unlikely that second funding package could be the vehicle for the bipartisan *Tax Relief for American Families and Workers Act* which passed the House overwhelmingly in February. The bill includes a trio of business tax changes of importance to U.S. manufacturers, including reinstatement of: immediate R&D expensing; full capital expensing; and less stringent interest deduction limitations. Despite the bill’s strong bipartisan support in the House and the blessing of Senate Democrats, there are some Senate Republicans who have concerns with the legislation’s provisions to expand the child tax credit.

Almost as soon as Congress wraps up work on the FY24 spending bills, Appropriators will need to turn to the FY25 bills, which face most if not all of the same obstacles, not to mention election year politics. While FY25 begins October 1, most expect Congress to punt on any meaningful action until after the November elections. A final FY25 National Defense Authorization Act is also unlikely before the post-election lame duck session, although the Armed Services Committees will begin their work in earnest later this spring.

There are several additional “must-pass” bills we expect Congress to move in the weeks and months ahead. Congress must pass a long-term Federal Aviation Administration (FAA) reauthorization (House and Senate leaders are hoping to reach agreement by early May), as well as pass a new five-year Farm Bill (by September 30). And while election year politics will no doubt further exacerbate partisan tensions, they also open the door for potential progress on bipartisan priorities such as China / trade legislation (discussed in more detail below) and legislation targeting Big Tech. As is always the case, anything not moving by this summer is likely to be left on the back burner until after the elections.

For its part, in addition to coordinating with Senate Democrats on dozens of Judicial confirmations, the Biden Administration remains focused on implementing its “legacy” achievements (*i.e.*, the Bipartisan Infrastructure Law, Inflation Reduction Act, and CHIPS and Science Act) and getting programmatic funding out the door. Additionally, many agencies are rushing to finalize rulemakings in the coming months to beat the Congressional Review Act (CRA) “lookback” window, expected to begin in late May or early June. Anything that’s not completed by then would be easier for Congress to overturn if President Biden loses reelection.

II. Trade Policy Update

A. Section 232 Tariffs and the “Global Arrangement” Negotiations

Extension of EU TRQ Arrangement

On December 28, 2023, President Biden signed proclamations extending the tariff-rate quotas (TRQs) on imports of EU [steel](#) and [aluminum](#) products for two additional years. The TRQ extensions took effect on January 1, 2024, and will last until December 31, 2025. The proclamations maintain the status quo with respect to imports of steel and aluminum from the European Union. As was the case prior to President Biden’s extension of the TRQs, the “melted and poured” requirement will continue to apply, requiring that in-quota volumes from EU member states involve steel that was melted and poured within an EU member state.

Under the original bilateral agreement, concluded in late October 2021, the TRQs – as well as the European Union’s pause on its retaliatory measures on certain U.S. exports to the trading bloc – were set to expire at the end of 2023. On December 18, 2023, the European Commission [announced](#) it was extending the pause on its retaliatory measures until March 31, 2025.

The dual actions provide breathing room for the U.S. and EU governments to continue work on concluding agreement on the Global Arrangement on Sustainable Steel and Aluminum following their failure to meet a self-imposed deadline of October 2023 for an agreement. In a statement regarding the TRQ extension, USTR Katherine Tai noted the Biden Administration’s desire to “continue negotiations on a forward-looking, high-standard arrangement, while providing predictability and stability to steel and aluminum workers and their families on both sides of the Atlantic.” As detailed in previous reports, the Global Arrangement seeks to address two principal issues: (1) non-market excess capacity; and (2) carbon intensity in the steel and aluminum sectors.

ITC Section 332 Investigation

In the coming weeks, the U.S. International Trade Commission (ITC) is expected to send to U.S. steel and aluminum producers a questionnaire in conjunction with its Section 332 fact-finding investigation assessing the greenhouse gas (GHG) emissions intensities of certain steel and aluminum products produced in the United States.

According to a “pre-notification” letter mailed to manufacturers of [covered products](#) in late January, transmittal of the questionnaire is still expected in late March or early April. The survey will be conducted in two parts. First, each company (whether U.S. or foreign-owned) will receive a company-level questionnaire that requests information on a point of contact for each facility owned by the company, to the extent that facility produced covered products in 2022. Second, the facility contacts will receive facility-level questionnaires that will need to be completed and returned to the ITC. Responses are compulsory and facility-level responses will be due 60 days from the time the company-level questionnaire was mailed to the company.

The questionnaire will collect data on the production of covered products and information that will be used to calculate the associated greenhouse gas emissions. Data from questionnaire responses, in combination with other sources (*e.g.*, Environmental Protection Agency (EPA)

reporting data), will then be used by ITC staff to produce national-level estimates of emissions intensities for covered products. The final questionnaire is expected to incorporate feedback received during a December public hearing, as well as written comments submitted to the Commission following publication of a draft questionnaire last fall.

The Section 332 investigation will culminate with a report to be finalized and transmitted to the Office of the U.S. Trade Representative (USTR) no later than January 25, 2025. The investigation was initiated in July at the request of USTR Tai and is intended to help inform the U.S. Government's position in the Global Arrangement negotiations, discussed above.

BIS Product Exclusions Rulemaking

Last October, AWP submitted comments to the Commerce Department's Bureau of Industry and Security (BIS) in response to a proposed rule announced on August 28, 2023, to revise aspects of the process for requesting exclusions from (and objections to such requests) the Section 232 duties on imports of covered steel and aluminum articles. The proposed rule followed a February 2022 request for public comment on the Section 232 exclusions process that was directed by President Biden in Proclamation 10328 (December 2021), which established the TRQ Arrangement with the European Union. In that Proclamation, the President directed BIS to review the Section 232 exclusions process to make improvements as necessary.

The final rule has been under review by the White House Office of Management and Budget (OMB) – the last step required prior to publication – since mid-February. OMB typically completes its review within 90 days, meaning a final rule is likely to be issued sometime this spring.

Ukraine Exemption

Following Russia's invasion of Ukraine in early 2022, President Biden issued a proclamation temporarily exempting Ukrainian steel exports to the United States from the Section 232 tariffs. Ahead of the expiration of the one-year tariff suspension on June 1, 2023, President Biden issued a follow-on [proclamation](#) extending the tariff suspension and expanding it to cover Ukrainian steel processed within the European Union. Given the continued war in Ukraine, another extension is likely ahead of the current expiration date of June 1, 2024.

Turkey WTO Challenge

On December 19, 2023, a World Trade Organization (WTO) panel released its [report](#) concluding that Turkey violated WTO rules by imposing retaliatory tariffs disguised as safeguard measures against the United States. In response to the report, a USTR spokesperson [stated](#):

Türkiye's use of the WTO dispute settlement system to challenge the U.S. Section 232 national security actions undermines the WTO. The WTO does not have the authority to second-guess a WTO Member's response to threats to its security, and WTO reform must ensure that issues of national security cannot be reviewed in WTO dispute settlement. Furthermore, the WTO has proven ineffective at addressing non-market excess capacity from China and others, including Türkiye itself, that is an existential

threat to market-oriented steel and aluminum sectors and, through the effects on imports, a threat to U.S. national security, including by eroding U.S. steel and aluminum manufacturing capacity.

B. North American Steel Trade

Mexican Steel Import Surge and Transparency

The governments of the United States and Mexico continue negotiations in response to ongoing concerns that Mexican steel and aluminum imports are entering the United States at levels in excess of the pre-Section 232 baseline and in violation of the bilateral [2019 Joint Statement on Steel and Aluminum](#). The 2019 Joint Statement was released when the United States lifted the Section 232 steel and aluminum tariffs on Mexican imports. Under the Joint Statement, the governments committed to monitor trade flows and, if necessary, address any surge in imports relative to the historic baseline – including through re-imposition of the Section 232 tariffs. The governments also committed to implement “effective measures” to prevent the transshipment of steel and aluminum from third countries.

The talks have been underway for more than a year and while the Mexican government agreed last fall to reinstate export monitoring, it has not yet finalized or implemented the program. Further, there have been increasingly strong concerns that the official trade statistics issued by the Government of Mexico improperly fail to identify the country of origin of certain articles entering Mexico (that are reported simply as “unidentified” in the official Mexican trade statistics).

It has been reported in recent weeks that the governments are working to reach an agreement on an export monitoring regime for a partial list of steel and aluminum products that would be implemented in the near-term, with the potential to cover an expanded list of products in the months ahead. While not finalized, the steel products likely to be subject to the initial monitoring include: standard pipe; mechanical tubing; wire rod; wire; and rebar. North Carolina Senators Tillis (R) and Budd (R) [pushed](#) for the inclusion of rebar.

In mid-February, USTR Tai [met with](#) Mexico’s Secretary of Economy Buenrostro to discuss both the surge in steel imports and ongoing concerns related to the lack of transparency regarding Mexico’s steel imports from third countries. According to USTR’s readout, “Ambassador Tai emphasized that the 2019 Joint Statement on the Section 232 Duties on Steel and Aluminum allows for the re-imposition of Section 232 tariffs.” Secretary Buenrostro has pushed back, noting the possibility of retaliatory action by Mexico should the United States reimpose Section 232 tariffs. Under the 2019 Joint Statement, however, any retaliatory action must be limited to the affected sector.

Bipartisan Members of Congress are [increasingly frustrated](#) with the lack of progress. As a result, on March 12, Members of the Senate and House introduced the *Stop Mexico’s Steel Surge Act*. The [Senate bill](#) (S. 3917) was led by Senators Cotton (R-AR) and Brown (D-OH) and the [House bill](#) (H.R. 7638) was led by Steel Caucus Co-Chairs Mrvan (D-IN) and Crawford (R-AR). The legislation would reinstate the Section 232 tariffs on Mexican steel imports at 25 percent, for no less than a year, and give the President authority to impose additional quotas and tariff rate

quotas on specific products. Under the legislation, the administration may lift these tariffs once the Secretary of Commerce and U.S. Trade Representative certify that Mexico has adopted policies bringing it into compliance with the 2019 Agreement (i.e., exports to the U.S. come back in line with historic averages). While the prospects for enactment are uncertain, the legislation will, at a minimum, provide additional leverage to the Administration as negotiations continue.

Mexico's general elections in early June are a complicating factor in the negotiations. President Lopez Obrador is concluding his first and – under Mexico law, only – six-year term.

Canadian Melt and Pour Requirement

On February 21, 2024, the Government of Canada [announced](#) that beginning November 5, 2024, steel importers will be required to report “country of melt and pour” information to the Canada Border Services Agency when completing their customs declarations under Canada's Steel Import Monitoring Program. Prior to the November effective date for mandatory reporting, steel importers can begin reporting melt and pour data voluntarily.

According to Canada's Minister of Export Promotion, International Trade and Economic Development Mary Ng, “Canada is implementing a predictable and transparent process for collecting melt and pour information, which will bring more reliability and resiliency to the North American steel supply chain. This is yet another step Team Canada is taking to support good jobs and strengthen our North American competitiveness.”

This action follows public consultations with steel industry stakeholders in 2022. According to the Government of Canada's announcement, “stakeholders will have a further opportunity in the coming months to provide input on related upcoming regulatory changes.” Currently, the United States is the only country that collects this information for steel imports.

C. U.S.-China Relations

In early February, senior officials from the U.S. Department of the Treasury and China's Ministry of Finance [met](#) in Beijing for the third meeting of the Economic Working Group (EWG), one of two bilateral working groups launched in September 2023 to help revive dialogue between the two nations following several years of heightened tensions. Treasury officials conveyed to their Chinese counterparts that Treasury Secretary Yellen looks forward to returning to Beijing this year.

While the ongoing engagement demonstrates a commitment to open lines of communication on shared challenges and a desire for a less-strained economic relationship, U.S. officials also raised a number of issues of concern, including “China's industrial policy practices and overcapacity, and the resulting impact on U.S. workers and firms.”

More broadly, the Biden Administration has continued to take action in response to malign activity on the part of the People's Republic of China. Over the past several weeks, President Biden has:

- Issued an [Executive Order](#) (on February 21) to address cyber security risks at U.S. maritime ports, including threats posed by Chinese-made cranes;

- Issued a February 28 [Executive Order](#) to safeguard Americans’ sensitive personal data (including both health and financial data) from “countries of concern,” including the PRC; and
- Signed off on a fresh round of Russian [sanctions](#) that also covered a handful of PRC-based technology companies as a result of their operations in Russia.

D. Section 301 (China) Tariffs

The Biden Administration is reportedly close to finalizing its four-year statutory review of the Section 301 tariffs on Chinese imports. The protracted review – initiated in May 2022 – could be concluded in the coming weeks. While significant changes to the current tariff regime are not expected, USTR is rumored to be considering some modifications, including increased tariffs on goods of strategic significance and, potentially, the elimination of reduction of tariffs on certain less-strategic goods.

The Administration has signaled that automobiles – and electric vehicles, in particular – may be a sector ripe for additional tariff action. Notably, in response to an inquiry from the House Select Committee on the Chinese Community Party (CCP), USTR Tai in January highlighted the unfair policies and practices in China’s automotive industry, implications for the U.S. market and related supply chains, and the opportunity provided by the ongoing statutory review “to make a full assessment of the Section 301 tariffs, and their effectiveness in changing China’s behavior and counteracting China’s unfair policies and practices.” Bipartisan Members of the Select Committee [wrote](#) to Tai in November to express concerns regarding “the Chinese Communist Party’s potential plan to flood the US market with automobiles, particularly electric vehicles” and calling for the Biden Administration to increase the current additional 25 percent tariff on PRC-imported vehicles to stem an anticipated surge.

A recent Alliance for American Manufacturing (AAM) [report](#) on the rise of China’s state-backed auto sector recommended “exclusionary tariffs on all Chinese automobile imports,” through either the existing Section 301 tariffs or through a separate action. In addition to noting China’s subsidies and continued use of forced labor, the report highlighted “Chinese firms’ heavy spending on plants in Mexico, through which they can access the United States by way of the more favorable tariffs under the United States-Mexico-Canada Agreement (USMCA).” In response to the latter, the AAM report stressed the need to tighten existing USMCA Rules of Origin requirements.

Section 301 Product Exclusions

In late December, USTR [announced](#) the further extension of 429 product exclusions (352 reinstated and 77 COVID-related exclusions) through the end of May along with a public comment period. The exclusions had been slated to expire at the end of the 2023. As previously reported, the vast majority of product exclusions expired in 2019 and 2020. USTR noted that the short-term extension would “enable the orderly sunset of the exclusions” – unless more time was needed to enable shifts in sourcing away from China – and “facilitate the alignment of further decisions on these exclusions with the ongoing four-year review.”

Despite rumors that the agency was setting the stage for a complete phase-out of product exclusions, USTR recently stated, in its [2024 Annual Trade Policy Report](#), that the agency will “continue a targeted tariff exclusions process to ensure that our economic interests are being served, and we will keep open the option of further tariff exclusions processes as warranted.”

E. Vietnam Changed Circumstances Review on Non-Market Economy Status

As previously reported, the Department of Commerce is undertaking a Changed Circumstances Review (CCR) to examine whether the Socialist Republic of Vietnam should remain a non-market economy (NME) country for purposes of the application of U.S. antidumping laws – the U.S. position for more than 20 years. Commerce initiated the review last fall following a request from the Government of Vietnam on September 8, 2023. The Commerce Department’s initial public comment period closed December 21, 2023, and a rebuttal period closed in early February. Commerce is expected to make a decision sometime this summer, possibly following a public hearing this spring.

A decision by the United States to grant Vietnam market economy status would affect current and future antidumping cases regarding imports from Vietnam. Notably, non-market economy status generally results in higher antidumping duty rates through Commerce’s use of surrogate costs for inputs from comparable market economy producers. This means that when calculating the dumping margin for a product from Vietnam, Commerce currently uses data from a third country (that is considered a market economy and is economically comparable to Vietnam) to calculate the production costs of firms in Vietnam, instead of using price and cost data for the Vietnamese producer. If Vietnam is granted market economy status, its dumping margins will be based on a comparison of home market prices in Vietnam to U.S. prices for the Vietnamese goods, and costs will be based on the actual costs of the Vietnamese producers. Commerce’s use of such a methodology would very likely result in significant reductions in (or possibly the elimination of) antidumping duties on products from Vietnam.

In late January, [Senate](#) and [House](#) Democrats wrote to the Biden Administration urging that Vietnam not be granted market economy status. According to the Senate Democrats’ letter, “granting Vietnam market economy status before it addresses its clear nonmarket behavior and the severe deficiencies in its labor law will worsen ongoing trade distortions, erode the U.S. manufacturing base, threaten American workers and industries, and reinforce Vietnam’s role as a conduit for goods produced in China with forced labor.” The letter follows a December [letter](#) from a trio of Senate Republicans expressing concerns that “graduating Vietnam to market economy status at this juncture would not serve the interests of the United States” – noting in particular Vietnam’s economic ties to China and its position as one of the largest sources of transshipped Chinese goods.

F. USTR Supply Chain Resiliency Initiative

On March 7, 2024, the Office of the U.S. Trade Representative [published](#) a [notice](#) seeking input to “inform objectives and strategies that advance U.S. supply chain resilience in trade negotiations, enforcement, and other initiatives.” Specifically, the notice seeks information on developing sector-specific policy tools, strengthening domestic manufacturing and services,

collaborating with like-minded trading partners and allies, and measuring resilience, among other topics. The metals sector is one of the priority sectors identified in USTR's notice. Written comments are due to the agency by April 22 and a public hearing is scheduled for May 2 (with requests to testify due April 12).

More broadly, the public input will inform USTR's work within the White House Council on Supply Chain Resilience, part of the Administration's whole of government effort to strengthen domestic manufacturing and secure trusted supply chains with allied nations.

G. U.S.-Mexico-Canada Agreement (USMCA)

Automotive Rules of Origin

Last October, the U.S. International Trade Commission (ITC) initiated its second Section 332 fact-finding [investigation](#) on the USMCA Rules of Origin (ROOs) and their impact on the U.S. economy, effect on U.S. competitiveness, and relevancy considering recent technology changes (particularly with respect to electric vehicles). Subsequently, on February 22, 2024, the ITC posted a [draft questionnaire](#) and request for comment on elements of the draft.

Once finalized, the ITC will send the questionnaire to all motor vehicle producers in the United States, who will be required to respond. A public hearing to further inform the investigation is scheduled for October 8, 2024. The ITC's final report is due to Congress by July 1, 2025, and will be the second of five biennial reports required by USMCA Implementation Act (the first report was released in June 2023).

Relatedly, USTR continues its statutory review of the operation of the USMCA with respect to trade in automotive goods. To inform its review, USTR and the Interagency Committee on Trade in Automotive Goods solicited written comments (which were due in mid-January) and convened a virtual public hearing on February 7, 2024. During the hearing, several automotive industry witnesses expressed concerns about the burdens of compliance, as well as some of the shortcomings in the rules, particularly related to electric vehicles. The results of this second biennial review – also mandated by the USMCA's implementing law – must be delivered to Congress no later than July 1, 2024. The results of the first review were [published](#) in July 2022.

Finally, as previously reported, it has been more than a year since a USMCA dispute settlement panel ruled against the U.S. government's interpretation of the Agreement's automotive ROOs, which had been challenged by the Canadian and Mexican governments. The panel report cleared the way for Mexico and Canada to suspend certain benefits under the USMCA, but neither government has taken such an action – and, for its part, the United States has yet to say whether, or how, it will comply with the ruling.

Rapid Response Mechanism

On February 28-29, 2024, the first ever USMCA Rapid Response Mechanism labor panel held a two-day hearing in Mexico City regarding the San Martin mine in the state of Zacatecas. The panel also held a verification visit to the San Martin mine, a lead, zinc, and copper mine owned and operated by the Grupo México conglomerate. The panel was [requested](#) by the United States

last August after the two governments were unable to reach an agreement on the matter during consultations. The Mexican government contends that because the labor disputes in question pre-date the USMCA, they are not eligible for review under the Agreement. Earlier this year, the U.S. Chamber of Commerce [submitted](#) an amicus brief in the proceeding, urging against the retroactive application of the Agreement.

USTR's invocation of the USMCA's novel facility-specific enforcement tool in this case stemmed from a May 2023 petition filed by the AFL-CIO, the United Steelworkers, and a Mexican union. The panel has 30 days from the verification to make its determination. If the panel finds that rights are being denied at the mine, the United States may impose remedies, including the suspension of preferential tariff treatment under the USMCA.

Separately, in mid-February, the United States [invoked](#) the RRM for the first time in the food manufacturing sector, requesting that Mexico review whether workers at an RV Fresh Foods facility are being denied the right to freedom of association and collective bargaining.

As detailed in previous reports, the vast majority of RRM actions have involved Mexico's auto parts sector. To that end, on February 5, 2024, USTR [announced](#) the successful resolution of a facility-specific RRM petition regarding a Goodyear facility in San Luis Potosí.

First Six Year Review of the USMCA

This summer will mark the four-year anniversary of the USMCA's entry into force, leaving just two years before the Agreement's first six-year review. Under the terms of the Agreement, the trilateral governments are required to conduct a "joint review" every six years. At the end of each joint review, the parties may confirm their decision to extend the Agreement for another 16 years. If one of the governments does not confirm its wish to extend the Agreement during the six year review, the three parties will have a joint review every year, for ten years "in order to solve those elements that don't permit the extension of the Agreement." Should the parties not agree to extend the Agreement after 16 years, the USMCA would expire.

In a [statement](#) following the third USMCA mid-year meeting, held in late January 2024, officials from the three governments said that "continued implementation of the USMCA is foundational to continued North American economic integration and enhanced regional competitiveness." They stressed a shared commitment to the ongoing and effective implementation of the Agreement and noted the approaching six-year review. The fourth annual Free Trade Commission (FTC) meeting under the USMCA will be held in the United States later this year.

H. Other Bilateral and Multilateral Trade Developments

Indo-Pacific Economic Framework (IPEF). The Biden Administration continues to work to build alliances in the Indo-Pacific, in part to counter China's economic aggression in the region. With respect to the 14-nation IPEF, however, trade-related talks have slowed following the U.S. government's decision to pare back work on the Fair and Resilient Trade pillar during last fall's IPEF ministerial meeting in San Francisco. Facing pushback from some key Congressional

Democrats and with the November elections looming, substantive progress on the trade pillar is not expected this year.

Negotiations on two of the remaining three IPEF pillars (Clean Economy and Fair Economy) has substantively concluded, though [additional work remains](#) ahead of member country ratification. And, notably, the IPEF Supply Chain Agreement [entered into force](#) on February 24, 2024. Participating countries will work to establish the Agreement's three supply chain bodies in the coming months.

U.S.–Taiwan Initiative on 21st-Century Trade. The first agreement under the bilateral Initiative [was signed](#) in June 2023 and [covered](#) a number of areas, including customs administration and trade facilitation, good regulatory practices, services, domestic regulation, anticorruption, and small and medium-sized enterprises. Notably, Congress – increasingly frustrated with the Administration's pursuit of informal trade agreements that do not require Congressional approval – quickly and overwhelmingly passed bipartisan [legislation](#) to retroactively approve the first U.S.-Taiwan agreement and to require additional transparency and consultations with Congress going forward. Negotiations toward a second agreement are ongoing.

U.S.–EU Trade and Technology Council (TTC). The TTC was launched in September 2021, in part to ease tensions between the two governments following a series of trade spats during the Trump Administration. Through the TTC and its 10 working groups, the two governments meet regularly to address shared challenges such as third-party non-market policies and practices and economic coercion; labor rights; supply chain resiliency; technology standards; and the climate crisis. The Fifth Ministerial Meeting was [held](#) in Washington on January 30, 2024, and a Sixth is scheduled for April 4-5 in Belgium.

Critical Minerals Agreements. As discussed in previous reports, the United States and Japan [signed](#) a critical minerals agreement in March 2023 allowing critical minerals sourced in Japan to qualify for the Inflation Reduction Act's Electric Vehicle Tax Credit. The United States also entered into separate bilateral critical minerals negotiations with the European Union and the United Kingdom in March and June, respectively, of last year. Timing for final agreements remains uncertain. And while the U.S. and Indonesian governments agreed in November to work toward future talks on a critical minerals pact, formal negotiations do not appear imminent.

U.S.-UK Talks. As reported previously, both sides have indicated that a trade deal is unlikely before both President Biden and British Prime Minister Sunak stand for re-election later this year.

U.S.–Kenya Strategic Trade and Investment Partnership. The two governments have engaged in regular negotiations since the [launch](#) of the STIP in mid-2022. Most recently, officials from USTR [traveled](#) to Nairobi for a negotiating round at the end of January. In late May, President Biden [will host](#) Kenyan President Ruto for a state visit to discuss, among other issues, ways to bolster trade and investment. The United States continues to point to the STIP as a model for engagement with other allies in Africa.

I. Trade Legislation

While the outlook for a comprehensive trade package remains murky, House Ways and Means Committee Republicans have begun pushing for a smaller trade package – potentially limited to reauthorization of the Generalized System of Preference (GSP) program (which expired at the end of 2020) and a tightening of the *de minimis* threshold, currently set at \$800. In recent months, there has been increasing bipartisan momentum to reduce or eliminate this threshold, which critics contend undermines U.S. manufacturers by allowing foreign interests to avoid paying duties and fees as well as Customs inspections. Concerns that Chinese interests, in particular, are using the loophole to ship counterfeit goods and items made with forced labor has driven increasing attention to the issue.

Other trade provisions to watch:

- *Trade Adjustment Assistance (TAA)*. The labor community and Congressional Democrats are likely to push for the inclusion in any trade package of TAA programs, which have been expired for more than a year. Republicans, for their part, have long tied TAA to Trade Promotion Authority (aka “fast track”) – something the Biden Administration has not asked for and does not need given that it is not pursuing any formal free trade agreements that require congressional approval.
- *Miscellaneous Tariff Bill (MTB)*. While temporary duty suspensions for U.S. importers (collectively known as the Miscellaneous Tariff Bill) have moved in tandem with GSP reauthorizations in recent years, there is growing bipartisan concern that the duty relief program benefits Chinese producers and undercuts U.S. manufacturing. As a result, the two are likely to be decoupled.
- *Trade Enforcement Provisions*. While a broader trade package would be a natural vehicle for bipartisan trade enforcement legislation (*e.g.*, the Leveling the Playing Field 2.0 Act – and the Fighting Trade Cheats Act), a narrow GSP/*de minimis* package may push consideration to later this year or beyond.
- *China PNTR*. The forthcoming retirement of House CCP Select Committee Chair Gallagher (R-WI) may be a driving force for a China-specific legislative package in the months ahead. In addition to *de minimis* reform, the Select Committee has recommended a host of China-related trade and economic legislative proposals. Notably, while the Select Committee did not recommend the outright revocation of China’s Permanent Normal Trade Relations (PNTR) status, it did propose revising China’s trading status by applying a new set of tariffs on the state-led economy. Such a proposal could gain momentum later this year, particularly if China/trade issues remain a hot topic in political campaigns.

III. Biden Administration Trade Personnel Changes

Office of the United States Trade Representative (USTR)

As President Biden approaches the end of his first term, a handful of top USTR officials have resigned their posts:

- Deputy USTR for Western Hemisphere, Europe, the Middle East, Labor, and Environment Jayme White stepped down last year. White was deeply engaged in USMCA implementation, among other issues.
 - President Biden has nominated Nelson Cunningham as his replacement, but the outlook for Cunningham’s confirmation by the Senate is uncertain with several key Democrats expressing concerns with the nomination.
- Deputy USTR for Asia, Africa, Investment, Services, Textiles, and Industrial Competitiveness Sarah Bianchi stepped down in January. President Biden has yet to nominate a replacement.
- Katy Mastman will serve as Acting Assistant USTR for Labor Affairs following the January departure of Josh Kagan.
- General Counsel Greta Peisch departed USTR at the beginning of the year and Juan A. Millán is now serving as Acting General Counsel.
- Additionally, Chief of Staff Heather Hurlburt stepped down at the end of January; Jamila Thompson is serving as Acting Chief of Staff.

Commerce Department | Assistant Secretary of Commerce for Enforcement and Compliance

On February 1, 2024, the United States Senate voted 53-42 to confirm Lisa W. Wang as a judge of the United States Court of International Trade (CIT). Judge Wang served as the Assistant Secretary of Commerce for Enforcement and Compliance at the International Trade Administration (the office charged with AD/CVD enforcement) from 2022 to 2024. Earlier in her career, she served as an Assistant General Counsel for the Office of the U.S. Trade Representative (USTR), and in the Office of the General Counsel within the Department of Commerce.

Ryan Majerus is currently serving as Acting Assistant Secretary for Enforcement and Compliance, and we do not expect the President to nominate a replacement until after the November elections (depending upon the outcome). Most recently, Majerus served as Senior Policy Advisor for Supply Chains at the White House National Economic Council. He also served as ITA’s Deputy Assistant Secretary for Trade Policy and Negotiations.

International Trade Commission

There are currently two vacancies on the U.S. International Trade Commission (ITC) and by the end of the calendar year, the terms of the remaining four commissioners will have expired (three of the four have already expired). It is our understanding that at least one bipartisan “pairing” of Commissioners could be nominated and move through the Senate this year. Commissioners can serve past the end of their term until their successor is appointed and confirmed by the Senate.
