

Washington Update

November 15, 2024

This Week In Washington

Senate - The Senate confirmed several nominations. Senate Republicans elected Senator John Thune (R-SD) to lead the party as Majority Leader when Republicans take control of the chamber in the 119th Congress.

House - The House passed the Critical Mineral Consistency Act ([H.R.8446](#)), the HEATS Act ([H.R.7409](#)), and the FAFSA Deadline Act ([H.R.8932](#)).

Biden Administration - On November 14, the White House [announced](#) new climate investments to reduce greenhouse gas emissions, invest in clean energy manufacturing, and lower home energy costs for families and businesses. These investments come ahead of President Biden's visit to the Amazon, where he will engage with local and Indigenous stakeholders on protecting critical ecosystems, and the 29th United Nation's Climate Change Conference in Baku, Azerbaijan.

Next Week In Washington

Senate - The Senate will reconvene on Monday, November 18 and is expected to continue processing nominations.

House - The House will reconvene on Monday, November 18 and is expected to consider the Restore Department of Veterans Affairs Accountability Act ([H.R.4278](#)), the Committing Leases for Energy Access Now Act ([H.R.1449](#)), and the Stop Terror-Financing and Tax Penalties on American Hostages Act ([H.R.9495](#)).

TAX

Republicans Likely to Enact Tax Reforms Via Reconciliation Following GOP Victory in the House

Key Points:

- *Following the announcement of the Republicans maintaining a majority in the House and capturing the Senate and White House, Congress is likely to pursue tax reforms via a budget reconciliation legislative vehicle.*
- *A tax package is likely to permanently enact many temporary TCJA provisions and lower the corporate tax rate, among other proposals.*

With Republicans set to hold control over the House, Senate, and the Oval Office starting in January, it has become likely that tax policies advocated for by President-elect Trump will be pushed forward via budget reconciliation, an expedited process for considering legislation. The process, which was used for both the Tax Cuts and Jobs Act (TCJA) ([P.L. 115-97](#)) and the Inflation Reduction Act ([P.L. 117-169](#)), would allow Congressional Republicans to act as soon as the first 100 days of the 119th Congress. As part of the process, a budget resolution must be adopted that sets out an acceptable amount of deficit for a tax package, if any. Although an agreement on the deficit margin may be an obstacle, Congress can move legislation rapidly once a number is adopted.

Topline tax priorities being considered by Congressional Republicans include extending key TCJA provisions such as its larger standard deduction, the higher exemption threshold for the estate tax, and the higher alternative minimum tax exemption and phase-out limit. Key changes to the tax code may also include lowering the corporate tax rate; throughout his campaign President-elect Trump proposed lowering the corporate tax rate to 20 percent. In addition, he has floated a proposal to lower the corporate tax rate to 15 percent but maintain a 21 percent rate for companies that outsource, offshore, or replace American workers. Finally, he proposed eliminating the taxation of tip income, though there are few details as to how that would operate exactly.

Trump Transition Team Reportedly Considers Repealing IRA EV Consumer Tax Credit

Key Points:

- *The Trump transition team is currently considering repealing the Biden Administration's \$7,500 consumer tax credit for EVs.*
- *Congress would need to enact any such tax policy change.*

- *Tesla CEO and planned co-lead of the Department of Government Efficiency Musk has previously stated repealing the credit would slightly harm his company and greatly harm the rest of the domestic automaker industry transitioning to EVs.*

President-elect Trump is reportedly considering repealing the New Clean Vehicle Tax Credit established under the Inflation Reduction Act ([P.L. 117-169](#)). The credit currently provides up to \$7,500 for purchases of new, qualified plug-in or fuel cell EVs. Its repeal, which is currently being considered by an energy policy transition team for President-elect Trump, has reportedly received support from Tesla representatives. Earlier this year, Tesla CEO and planned co-lead of the Department of Governmental Efficiency Musk stated that repealing the credits would somewhat hinder his company's sales but would likely provide significant harm to legacy domestic automakers transitioning to EVs. At the COP29 climate conference, Secretary Granholm criticized the proposal, stating it would be counterproductive and benefit other EV markets like China.

The potential policy change is being considered as the EU and China continue to grapple over tariffs on Chinese EVs and anti-dumping duties on European brandy. On October 29, the EU announced it would officially impose tariffs on Chinese EVs up to 45.3 percent following an anti-subsidy probe.

Importantly, this would require a change to the Inflation Reduction Act provisions enacted in Code section 30D, and that requires Congress – the change cannot be made unilaterally by a Trump Administration.

Upcoming Hearings and Meetings

November 19

2025 Tax Policy Debate: On Tuesday, the Joint Economic Committee will hold a hearing entitled, "Hearing to examine the 2025 tax policy debate, focusing on the Tax Cuts and Jobs Act." Witnesses include: the Honorable Kevin Brady, Former Chairman, House Committee on Ways and Means; Dr. Douglas Holtz-Eakin, President, American Action Forum; Ms. Samantha Jacoby, Deputy Director of Federal Tax Policy, Center on Budget and Policy Priorities; and Mr. John Arensmeyer, Founder and CEO, Small Business Majority. The hearing will be held in 210 Cannon House Office building at 2:30 p.m., and [webcast](#) as well.

November 20

2025 Tax Policy: On Wednesday, the Senate Banking Subcommittee on Economic Policy will hold a hearing entitled, "Hearing to examine tax policy in 2025, focusing on implications for the American economy." Witnesses include: Ms. Liz Shuler, President, AFL-CIO; Mr. Marc Morial, President and CEO, National Urban League; and Mr. Brendan Duke, Senior Director For Economic Policy, Center for American Progress. The hearing will be held in 538 Dirksen Senate Office Building at 2:00 p.m., and [webcast](#) as well.

For more information about tax issues, you may [email](#) or call Christopher Hatcher at 202-659-8201. Noah Hawkins contributed to this section.

FINANCIAL SERVICES

Federal Reserve Invites Comments on Report on Impact of International Insurance Capital Standard

Key Points:

- *Comments on the report are due on January 12, 2025.*

On November 13, the Federal Reserve Board invited [comments](#) on a report entitled, "[The Impact of the International Insurance Capital Standard on Consumers and Markets in the United States](#)." The joint report, written by the Federal Reserve Board and the U.S. Department of the Treasury, was required by the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA) to report on the "impact of the consumers and markets in the U.S. before supporting or consenting to the adoption of any final international insurance capital standards [ICS]." EGRRCPA also requires the Federal Reserve Board and Treasury Department to consult with the National Association of Insurance Commissioners (NAIC) in the study.

The report concludes:

"The agencies and states advocated for design changes to the ICS framework that are more appropriate for U.S. insurance products, U.S. insurance markets, and the U.S. regulatory system, in part to limit potential spillover effects to U.S. IAIGs with overseas operations. The decision on the implementation of the ICS will be made by state insurance regulators, who are the primary supervisors of the U.S. insurance industry under the U.S. state-based system of insurance regulation. The states have decided to not implement the ICS, citing,

among other things, concerns with the ICS's reliance on a market-based valuation methodology, non-recognition of certain financial instruments as qualifying capital, and lack of recognition of U.S. jurisdictional differences. Instead, the states have sought recognition by the IAIS of the AM [Aggregation Method] as providing comparable outcomes to the ICS. The states also plan to implement the AM via the GCC [Group Capital Calculation]. Given that the calculation and reporting of the AM would be facilitated via the GCC already adopted by the states, there would be little incremental cost or burden for U.S. IAIGs or impacts on U.S. markets and consumers."

Upcoming Hearings and Events

November 19

Credit Cards: The Senate Judiciary Committee will hold a [hearing](#) entitled, "Breaking the Visa-Mastercard Duopoly: Bringing Competition and Lower Fees to the Credit Card System."

FEMA: The House Transportation and Infrastructure Committee Economic Development, Public Buildings, and Emergency Management Subcommittee will hold a [hearing](#) entitled, "In the Eye of the Storm: Oversight of FEMA's Disaster Readiness and Response."

FEMA: The House Oversight and Accountability Committee will hold a [hearing](#) entitled, "Oversight of the Federal Emergency Management Agency."

November 20

Prudential Regulators: The House Financial Services Committee will hold an oversight [hearing](#) of the federal banking regulators, with officials from the Federal Reserve, Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), and Office of the Comptroller of the Currency (OCC) testifying.

Tax Policy: The Senate Banking, Housing, and Urban Affairs Committee Economic Policy Subcommittee will hold a [hearing](#) entitled, "Tax Policy in 2025: Implications for the American Economy."

November 21

Global Markets: The Commodity Futures Trading Commission (CFTC) will hold a Global Markets Advisory Committee [Meeting](#). The meeting will include presentations on expanding

the use of non-collateral through use of distributed ledger technology and recommendations from the Digital Asset Markets Subcommittee.

December 12

FACI: The Federal Advisory Committee on Insurance (FACI) will hold a [meeting](#).

For more information about financial services issues you may email [Joel Oswald](#) or [Mahlet Makonnen](#). Ashley Kinder contributed to this section.

ENERGY & ENVIRONMENT

President-Elect Announces Nominees for Interior and EPA

Key Points:

- *This week, President-Elect Trump announced his picks for Environmental Protection Agency (EPA) Administrator and Secretary of the Interior.*
- *North Dakota Governor Doug Burgum is Trump's choice to lead the Department of the Interior.*
- *Former Congressman Lee Zeldin would become the next Administrator of the EPA, overseeing regulations authorized under the Clean Air Act, Clean Water Act, and other environmental statutes.*
- *The Senate is expected to confirm both choices.*
- *Trump has yet to announce who he will nominate to be Secretary of Energy.*

Secretary of the Interior:

President-Elect Trump announced his intent to nominate Governor Doug Burgum (R-ND) to be Secretary of the Interior during a Thursday evening event. Burgum has been serving as Governor of North Dakota since 2016 and has been considered a likely choice for an energy role in the next Trump Administration. The Department of the Interior manages vast tracts of public lands along with offshore areas that include the Gulf of Mexico. If confirmed by the Senate, Burgum is expected to dismantle Biden Administration policies that have limited oil and natural gas leasing and production onshore and offshore. In September, Burgum praised a decision by a U.S. District Court to grant a preliminary injunction against implementation of Bureau of Land Management (BLM) regulations limiting venting and flaring on federal lands. In a [statement](#), Burgum asserted that the "BLM rule imposes harmful and unnecessary regulations that undermine states' authority to be the primary regulator of air quality within their borders under the Clean Air Act." Burgum has also

supported the Dakota Access Pipeline, which transports crude oil from the Bakken Shale region of the State.

EPA Administrator:

On Monday, Trump announced former Congressman Lee Zeldin (R-NY) to be his pick for EPA Administrator. Zeldin served in the House from 2015 through 2023. Prior to that he was a member of the New York State Senate. In 2022 he was the Republican nominee for Governor of New York in an unsuccessful challenge to incumbent Governor Kathy Hochul (D-NY). In [announcing](#) the appointment, Trump declared that Zeldin “will ensure fair and swift deregulatory decisions that will be enacted in a way to unleash the power of American businesses, while at the same time maintaining the highest environmental standards, including the cleanest air and water on the planet.”

EPA Finalizes Fee on Methane

Key Points:

- *On November 12, the EPA issued the final rule to establish a fee on methane emissions from large sources in the oil and natural gas sector.*
- *Congress mandated the fee in the “Inflation Reduction Act”.*
- *In 2025, the Republican Congress will likely seek to repeal the fee.*

On Tuesday, the EPA released the text of the [final rule](#) titled “Waste Emissions Charge for Petroleum and Natural Gas Systems: Procedures for Facilitating Compliance, Including Netting and Exemptions”. As part of the “Inflation Reduction Act” ([P.L. 117-169](#)), Congress directed the agency to implement the fee on covered methane emissions. The rule notes that the EPA is required to collect the fee from certain “owners or operators of applicable facilities that...[r]eport more than 25,000 metric tons (mt) of carbon dioxide equivalent (CO₂e) of greenhouse gases (GHGs) per year...”

An EPA [press release](#) declared that the “final rule delivers on this directive and incentivizes companies to take near-term action to conserve valuable energy resources for American consumers and reduce methane emissions – a potent greenhouse gas that is responsible for approximately one-third of the global warming we are experiencing today.”

The final rule will be effective 60 days following publication in the Federal Register.

Upcoming Hearings and Events

November 19

Pending Legislation: The Senate Energy and Natural Resources Committee will hold a [business meeting](#) to mark up 79 pending bills.

Pending Public Lands Legislation: The House Natural Resources Committee Committee's Federal Lands Subcommittee will hold a [hearing](#) on pending legislation.

Cryonic Liquids and Pipelines: The Pipeline and Hazardous Materials Safety Administration (PHMSA) will hold an "[R&D Core De-Brief Presentation](#)" titled "Determine the Maximum Permissible Temperature Drops for Steel when Exposed to Cryogenic Liquid". The research project was intended "to assess the performance of steel components exposed to cryogenic liquid and determine the requirements to ensure mechanical integrity."

November 21

FERC Meeting: FERC will hold its monthly [open meeting](#). The [agenda](#) includes: "Market Update"; "Building for the Future Through Electric Regional Transmission Planning and Cost Allocation"; and "Standards for Business Practices and Communication Protocols for Public Utilities".

November 26

Hydrogen Pipeline Safety: PHMSA will hold an "[R&D Core De-Brief Presentation](#)" titled "Review of Integrity Threat Characterization Resulting from Hydrogen Gas Pipeline Service". The research project is intended to "define a list of possible changes to the [current industry standards] threat assessment process for hydrogen or hydrogen/natural gas blended service in new or existing pipelines."

For more information about energy and environment issues you may [email](#) or call Frank Vlossak at 202-659-8201.

HEALTH

Robert F. Kennedy Jr. Nominated to Serve as Secretary of HHS

Key Points:

- *RFK Jr. is an environmental activist who has spread misinformation on vaccines.*
- *He has promised sweeping changes to food-and-drug regulation and government-funded scientific research.*

President-elect Donald Trump announced his intention to nominate environmental lawyer and vaccine skeptic Robert F. Kennedy Jr. to lead the Department of Health and Human Services (HHS).

Kennedy has disagreed with the characterization that he is anti-vaccine and claims he has never told the public to avoid vaccination, but he has repeatedly made his position on vaccines clear. He founded the nonprofit Children's Health Defense, which is a leading "anti-vax" organization and has continued to make the false claim that vaccines leave children at higher risk for autism.

He has promised to overhaul public health agencies, including the Food and Drug Administration, the National Institutes of Health, and the Centers for Disease Control and Prevention, and to end the employee "revolving door" at the agencies.

Kennedy is well known for his deep skepticism of pharmaceutical industry, "big food", and the federal agencies that regulate them. He says the public health establishment is too focused on infectious diseases and wants to redirect resources towards problems he characterizes as the chronic disease epidemic, including obesity, diabetes, autism and mental illnesses.

There was mixed reaction to the announcement amongst Senators and he is viewed as likely to have a challenging confirmation process.

Johnson & Johnson Files Lawsuit Against HHS Over 340B

Key Point:

- *Johnson & Johnson (J&J) filed a lawsuit against the U.S. Department of Health and Human Services (HHS) regarding the drug-discount program 340B.*

Johnson & Johnson filed a [lawsuit](#) against HHS in hopes of a court ruling determining J&J's plan for the 340B Drug Discount Program is legal. J&J argued 340B no longer assists hospitals properly in providing discounts for low-income patients for outpatient drugs. They argue that because hospitals are given drug discounts, some large hospitals will mark up prices for uninsured patients.

J&J's proposal would make hospitals pay full price upfront and then apply for rebates by submitting claims proving appropriate drug use. According to their lawsuit, efforts from the Health Resources and Services Administration to block the rebate plan are against the 340B law. Meanwhile, hospitals have expressed that J&J's plans would increase financial stress on their end. If J&J's proposed plan is found lawful, it would affect the blood thinner Xarelto and Stelara, a psoriasis treatment drug.

Energy and Commerce (E&C) Republicans Ask GAO to Assess Structure of CDC, FDA, and NIH Lab Safety Offices

Key Point:

- *E&C Republicans ask for a review of laboratory safety programs at the Centers for Disease Control and Prevention (CDC), the Food and Drug Administration (FDA), and the National Institutes of Health (NIH).*

On November 12, Energy and Commerce Committee Chair Cathy McMorris Rodgers (R-WA), Health Subcommittee Chair Brett Guthrie (R-KY), and Oversight Subcommittee Chair Morgan Griffith (R-VA) sent a [letter](#) to the Government Accountability Office (GAO) requesting a review of the laboratory safety programs of CDC, FDA, and NIH. The letter questioned the effectiveness of HHS' oversight, and the members voiced concern about GAO's recommendations on lab safety that the FDA has yet to implement. The members also expressed uncertainty over whether the announcement of organizational reforms for lab safety will prove effective.

The letter specifically noted many laboratories now fall under the Office of the Chief Scientist at HHS, which raises concerns that laboratory safety and security functions fall under the jurisdiction of one office. The letter follows reports that President-elect Donald Trump may plan to overhaul the NIH and CDC over the agencies' "questionable" handling of the COVID-19 pandemic.

Upcoming Hearings and Events

November 19

NIH: The House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies will hold a [hearing](#) with testimony from the Honorable Monica Bertagnoli, Director of the National Institutes of Health.

November 20

Brain Health: The House Foreign Affairs Subcommittee on Global Health, Global Human Rights, and International Organizations will hold a [hearing](#) entitled, "Meeting the Challenges of Global Brain Health: Diagnosis and Treatment for the 21st Century." Witnesses for the hearing include Dr. Gladys E. Maestre, Director of the Alzheimer's Disease Resource Center for Minority Aging Research; Dr. Benjamin C. Warf, Chairman of NeuroKid; and Dr. Andy Shih, Chief Science Officer of Autism Speaks.

For more information about health care issues you may [email](#) Laura Simmons. Aubrie Chastain contributed to this section.

CYBERSECURITY, PRIVACY, AND ARTIFICIAL INTELLIGENCE

Senate Appropriations Committee Releases Homeland Security Bill Featuring Slight Funding Reduction for CISA

Key Points:

- *This week, the Senate Appropriations Committee released its Homeland Security Appropriations Bill, the last of the chamber's twelve FY 2025 appropriations bills. The legislation would fund the Cybersecurity and Infrastructure Security Agency (CISA) at \$2.84 billion for the coming fiscal year.*
- *It remains uncertain how Congress intends to fund the government – either through an additional continuing resolution (CR) or an omnibus funding bill – before the expiration of the current CR on December 20th.*

On Thursday, the Senate Appropriations Committee released its Homeland Security Appropriations Bill ([S. _____](#)), the last of the Senate's twelve FY 2025 appropriations bills. The bill, which appropriates funding for the Cybersecurity and Infrastructure Security

Agency (CISA), recommended a total program level of \$2.84 billion for the agency, which is roughly \$167 million below the budget requested amount and \$31 million below the FY 2024 enacted level. The House passed its [version](#) of the bill in June, funding CISA at a level of roughly \$2.93 billion.

The Committee's [report](#) details a range of cyber and tech initiatives funded in the bill, including the following:

- \$39,165,000 for implementation of the Cyber Incident Reporting Critical Infrastructure Act (CIRCA), an increase from the FY 2024 enacted level;
- \$7,128,000 for the Joint Collaborative Environment (JCE), an increase from the FY 2024 enacted level;
- \$20,319,000 for the Cyber Analytic Data System (CADS), an increase from the FY 2024 enacted level; and
- \$6,800,000 for the Cybersecurity Education and Training Assistance Program (CETAP).

The report also directs CISA action on federal network security reporting, zero trust architecture implementation, protection of critical infrastructure from national security risks, international cybersecurity engagement, open-source software development, and cyber workforce expansion. The Committee's bill provides funding increases over FY 2024 enacted levels for overall operations and support (which includes cyber operations, infrastructure security, emergency communications, risk management, and more) as well as research and development, while decreasing the agency's resources for procurement, construction, and improvements.

The Committee did not mark up the bill prior to the October recess, pending funding requests from the Secret Service in the wake of the Trump assassination attempts. It is not expected to mark up the bill moving forward, pending a determination of whether there is a continuing resolution into 2025 or an omnibus funding bill.

Trump Taps Kristi Noem for DHS Secretary

Key Points:

- *President-elect Donald Trump announced his intent to nominate South Dakota Governor Kristi Noem for secretary of the Department of Homeland Security (DHS).*

This week, President-elect Donald Trump announced that he would nominate South Dakota Governor Kristi Noem to be the Secretary of the Department of Homeland Security (DHS).

In 2022, South Dakota was one of only two states not to seek funding from the combined \$1 billion [State and Local Cybersecurity Grant Program](#), as a spokesperson from Noem's administration called it "wasteful spending." South Dakota was the only state not to seek funding from the program in 2023 ([CyberScoop](#)).

Other cyber initiatives led by DHS and CISA may still garner Noem's support, as the Governor has a track record of supporting and promoting state-level cybersecurity investments. Earlier this year, she signed a bill that allocated \$7 million to the state's attorney general to establish a cybersecurity services initiative to protect essential systems across South Dakota counties and municipalities. Additionally, Noem has expressed support for Dakota State University's flagship Ph.D program in cyber operations, as well as the University's partnership with U.S. Army Cyber Command. And in August, Noem named Madhu Gottumukkala as the state's chief information officer, whose priorities include cyber training for state employees and modernizing state government systems.

Noem awaits U.S. Senate confirmation for her post at DHS, which is expected early next year.

Upcoming Hearings and Meetings

November 18

Cybersecurity and Intelligence Conference: Access Intelligence [holds](#) its 2024 CyberSat conference from November 18-20. Brian Scott, Deputy Assistant National Cyber Director for Critical Infrastructure Cybersecurity Policy at the Office of the National Cyber Director, is set to deliver opening keynote remarks.

AI Governance: The American Bar Association [holds](#) a virtual discussion, beginning at 1 p.m., on "AI Governance."

November 19

Cybersecurity in the Transportation Sector: The House Homeland Security Committee's Transportation and Maritime Security Subcommittee [holds](#) a hearing on "Impacts of Emergency Authority Cybersecurity Regulations on the Transportation Sector."

China's Cybersecurity Threat: The Senate Judiciary Committee's Privacy, Technology, and the Law Subcommittee [holds](#) a hearing on "Big Hacks & Big Tech: China's Cybersecurity Threat."

AI Enabled Fraud/Scams: The Senate Commerce, Science and Transportation Committee's Consumer Protection, Product Safety, and Data Security Subcommittee [holds](#) a hearing on "Protecting Consumers from Artificial Intelligence Enabled Fraud and Scams."

Cloud Security for National Security: The Government Executive Media Group [holds](#) a virtual discussion, beginning at 2 p.m., on "Securing the Nation in the Cloud," focusing on cloud security for national security.

November 20

VA Cybersecurity: The House Veterans' Affairs Committee's Technology Modernization Subcommittee [holds](#) a hearing on "VA Cybersecurity: Protecting Veteran Data from Evolving Threats."

Cybersecurity in Government Ops: The Government Executive Media Group [holds](#) its 2024 Cybersecurity Futures Forum.

November 21

Navigation Tensions in Global AI Governance: The Information Technology and Innovation Foundation's Center for Data Innovation [holds](#) a virtual discussion, beginning at 9 a.m., on "How Policymakers Should Navigate Tensions in Global Artificial Intelligence Governance."

For more information about cybersecurity issues you may email [Mahlet Makonnen](#) or [Frank Vlossak](#). Gray Eisler contributed to this section.

TRADE

House CCP Chairman Moolenaar Introduces Bill to Remove China's PNTR Status, Establish New Tariffs, and Repeal De Minimis for Foreign Adversaries

Key Points:

- *House Select Committee on the CCP Chairman Moolenaar (R-MI) has introduced legislation that would remove China's permanent normal trade relations status.*

- *In addition, the bill would establish a new tariff on Chinese goods ranging from 35 percent to 100 percent and would repeal de minimis treatment for goods from China, North Korea, Russia, and Iran.*

On November 14, House Select Committee on the CCP Chairman Moolenaar (R-MI) [introduced](#) legislation that would revoke the permanent normal trade relations (PNTR) status with China. The bill, dubbed the Restoring Trade Fairness Act ([H.R. 10127](#)), follows companion legislation that was introduced in September by Senator Cotton (R-AR) and Senator Rubio (R-FL). Chairman Moolenaar's bill, which is unlikely to see action in the Lame Duck session, would repeal PNTR status which generally would then apply non-Most-Favored-Nation tariff rates under Column 2 of the Harmonized Tariff System to China. However, Column 2 tariffs were enacted almost a century prior and do not include modern items like semiconductors. As such, the bill would also create a new column under the Harmonized Tariff System applicable to China that would impose a 35 percent minimum tariff on non-strategic goods and a 100 percent minimum tariff on strategic goods. Critically, these tariffs would stack with Section 301 tariffs. The bill would also use tariff revenues to fund munition acquisitions for defense and remedy the impacts of retaliatory trade actions for domestic farmers among other critical industries like semiconductors, fuels, and aircraft manufacturing. Lastly, the legislation would repeal de minimis treatment for items valued below \$800 that ship from China, North Korea, Russia, and Iran.

While unlikely to move in a lame duck session this year, it could be discussed in 2025 as former Trump Administration USTR Lighthizer has testified in Congress in favor of removing PNTR status from China, suggesting the Trump team may favor such a move.

For more information about trade issues you may [email](#) or call Christopher Hatcher at 202-659-8201. Noah Hawkins contributed to this section.