

Manufacturing Public Policy Monthly Slide Deck

Prepared by

Inside the Beltway Solutions, LLC

January 9, 2025



About Inside Beltway

- Washington-D.C.-based non-partisan lobbying, strategic consulting, and industry research firm
- Assist clients to navigate the complexity of public policy to help make informed decisions
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January 2026 Monthly Content

U.S. Congress

2nd Session of 119th Congress Convenes

Regulatory Update

Workforce Pell Committee Mtg Held

DoL Launches American Mfg Apprenticeship Fund

DoL Announces \$145m for Apprenticeships

DoL Announces \$98m for Pre-Apprentices

DoL Shipbuilding Training Funds

SBA Approves Manufacturers Loans

Dept. of Labor Issues Opinion Letters

DoL Wage and Hour Division Data

NLRB Board Members, GC Added

SBA Launches Deregulatory Strike Force

Defense Contracting EO Issued

NIST Invests \$20M to Strengthen AI in Mfg.

EPA WOTUS Listening Sessions

NY Adopts GHG Reporting Requirements

Court Blocks CA Labor Bill

Trade and Tariff Actions

2nd 232 Auto Parts Inclusion Round Opens

Semiconductors Tariffs Set for June 2027

Cabinet, Lumber, Furniture Tariffs Delayed

USMCA Renewal

Mexico Imposing Tariffs on China, Others

Switzerland 15% Tariffs retro to Nov. 14

Section 301 Tariffs on Nicaragua

Section 232 “Content Value” Guidance Summary

UK Auto Quotas Released

EU CBAM Rules Released, Expand to Downstream Steel goods

EU Approves Mercosur Deal

Still Awaiting SCOTUS IEEPA Decision

Supply Lines and Industry Data

U.S. Manufacturing PMI Data

CBO: U.S. Population Growth Stops in 2056

U.S. Tariff Revenue \$30.75b in November

U.S. Trade Deficit Lowest Since 2009

China Record Surplus Despite Tariffs

Drop in Container Imports from China

China Manufacturing Slump Ends

**119th U.S. Congress
(2025-2026)**

2nd Session of 119th Congress Begins

- 3 of 12 government spending bills passed in 2025
- Movement on Commerce, Interior, others
- Departments of Defense, Labor tied together
- Homeland Security bill increasingly a long shot
- Government shutdown set for January 31st
- ACA subsidy votes continue

Regulatory Update and Administrative Actions

Workforce Pell Committee Mtg Held

**UNITED STATES DEPARTMENT OF EDUCATION
OFFICE OF POSTSECONDARY EDUCATION**

**2025 Negotiated Rulemaking Accountability in Higher Education and Access
through Demand-driven Workforce Pell (AHEAD) Committee**

Session 1, December 8 – December 12, 2025

The U.S. Department of Education has established this negotiated rulemaking committee to develop proposed student financial assistance regulations pursuant to Sec. 492 of the Higher Education Act of 1965, as amended (HEA).

<http://www.ed.gov/laws-and-policy/higher-education-laws-and-policy/higher-education-policy/negotiated-rulemaking-for-higher-education-2025-2026#ahead-committee>

Workforce Pell Committee Mtg Held

Workforce Pell expands Pell Grants to short-term workforce training programs enabling students to use Pell aid for credentials aligned with in-demand jobs. The program was authorized under the One Big Beautiful Bill Act (H.R. 1) and is scheduled to take effect July 1, 2026.

- ED convened AHEAD Committee (Dec. 8–12, 2025) to develop regulations implementing Workforce Pell
- Consensus reached on initial regulatory framework
- Key issues: eligibility, aid coordination, quality standards
- Consensus language to anchor forthcoming NPRM
- Next: accountability and earnings metrics topic discussed in 2nd Session (Jan. 5-9, 2026)

<http://www.ed.gov/laws-and-policy/higher-education-laws-and-policy/higher-education-policy/negotiated-rulemaking-for-higher-education-2025-2026#ahead-committee>


DoL Launches American Mfg Apprenticeship Fund

US DEPARTMENT OF LABOR ANNOUNCES LAUNCH OF AMERICAN MANUFACTURING APPRENTICESHIP FUND, DESIGNED TO SUPPORT, EXPAND REGISTERED APPRENTICESHIPS

Project designed through cooperative agreement with Arkansas Department of Commerce

WASHINGTON – The U.S. Department of Labor today announced the launch of its American Manufacturing Apprenticeship Incentive Fund, designed through a cooperative agreement with Arkansas, to support the expansion of advanced manufacturing Registered Apprenticeships nationwide.

The department's \$35.8 million cooperative agreement with the Arkansas Department of Commerce, Division of Workforce Services, will incentivize employers nationwide to develop, expand, or join existing advanced manufacturing Registered Apprenticeship programs through a pay-for-performance model. Through the program, employers will receive \$3,500 for each new apprentice hired.

Administered by the Employment and Training Administration, the American Manufacturing Apprenticeship Incentive Fund supports [America's Talent Strategy](#), as well as several of President Trump's [executive orders related to expanding Registered Apprenticeships](#) .

DoL Announces \$145m for Apprenticeships

US DEPARTMENT OF LABOR ANNOUNCES AVAILABILITY OF \$145M IN FUNDING TO SUPPORT PERFORMANCE-BASED REGISTERED APPRENTICESHIP EXPANSION

WASHINGTON – The U.S. Department of Labor today released a forecast notice announcing the upcoming availability of \$145 million in funding to support a pay-for-performance incentive payments program to further expand the national apprenticeship system.

The initiative, which represents the most significant investment taken to date in response to President Trump's directive to meet and exceed 1 million active apprentices nationwide, is built on a pay-for-performance model, ensuring taxpayer dollars deliver measurable outcomes.

The department will award up to five cooperative agreements for a four-year period of performance focusing on the expansion of newly developed Registered Apprenticeships, as well as the growth of existing programs across industries. The program will also place an emphasis on incentivizing industries with a well-established Registered Apprenticeship program infrastructure.

As of Jan. 6, 2026

<https://www.dol.gov/newsroom/releases/eta/eta20260106>

DoL Announces \$98m for Pre-Apprentices

US DEPARTMENT OF LABOR ANNOUNCES \$98M IN AVAILABLE FUNDING TO DELIVER EDUCATION, OCCUPATIONAL SKILLS TRAINING, JOB SERVICES TO YOUNG PEOPLE

YouthBuild grants fund pre-apprenticeship programs to prepare young people for workforce

WASHINGTON – The U.S. Department of Labor today announced the availability of \$98 million in funding to support the development of pre-apprenticeships in high-demand industries including construction, advanced manufacturing, information technology, and healthcare.

Funded through the department's [YouthBuild Program](#), the grants will help provide academic support, occupational skills training and employment services to young people, ages 16 to 24, in communities where many youths are not participating in the labor force.

The funding opportunity aligns with Trump Administration's [America's Talent Strategy](#), as well as its goal of reaching and surpassing 1 million apprenticeships nationwide. For the first time, the department has set a goal for the percentage of participants that enter a Registered Apprenticeship within one year of exiting the YouthBuild program. This target will ensure grant-funded pre-apprenticeships have genuine partnerships with Registered Apprenticeship sponsors, helping to accelerate high-quality career pathways.

<https://www.dol.gov/newsroom/releases/eta/eta20251230>

As of Dec. 30, 2025

DoL Shipbuilding Training Funds

US DEPARTMENT OF LABOR AWARDS \$13.8M IN FUNDING TO REVITALIZE, TRAIN NEXT GENERATION OF AMERICA'S SHIPBUILDING WORKFORCE

Projects aim to strengthen US maritime dominance

WASHINGTON – The U.S. Department of Labor today announced the award of nearly \$14 million in funding to support the development of programs aimed at reinvigorating and rebuilding the U.S. maritime industry and workforce.

Administered by the department's [Bureau of International Labor Affairs](#), the department awarded \$8 million to Delaware County Community College and \$5.8 million to the Massachusetts Maritime Academy to advance the next generation of American shipbuilders through hands-on, cutting-edge training programs developed in conjunction with international partners.

As of Jan. 8, 2026

<https://www.dol.gov/newsroom/releases/ilab/ilab20260108>

SBA Approves Manufacturers Loans

WASHINGTON — Today, the [U.S. Small Business Administration](#) (SBA) announced it has approved its first round of 7(a) Manufacturers' Access to Revolving Credit (MARC) Loans – already delivering \$3.5 million in working capital to four manufacturers. The loan program, [launched](#) just prior to the federal shutdown, is the first-ever SBA loan offering dedicated to manufacturers – designed to provide maximum flexibility and minimal red tape for small businesses in [NAICS 31-33](#) [↗](#).

The first MARC Loans approved demonstrate the wide range of transactions that the product was engineered to support. Initial MARC transactions approved will support a range of working capital needs, from a \$1.5 million line of credit to a welding and fabrication firm to a \$250,000 facility for a porcelain enamel manufacturer. These initial transactions were supported by community and regional banks who deployed the MARC Loan Program to expand their working capital solutions and support manufacturers in their communities.

The MARC Program complements the SBA's core 7(a) and 504 loan programs, providing a flexible new line of credit to manufacturers and lenders. MARC Loans can be used in combination with SBA and conventional commercial loans, making it a potent new tool in support of the Administration's effort to reshore American industrial dominance.

As of Dec. 17, 2025

<https://www.sba.gov/article/2025/12/17/sba-delivers-first-marc-loans-support-manufacturers>

Dept. of Labor Issues Opinion Letters

US DEPARTMENT OF LABOR ISSUES 6 OPINION LETTERS ADDRESSING EMPLOYEE CLASSIFICATION, BONUSES, OVERTIME EXEMPTIONS, FAMILY MEDICAL LEAVE

WASHINGTON – The U.S. Department of Labor’s [Wage and Hour Division](#) today issued six opinion letters designed to promote clarity, consistency, and transparency in the application of federal labor standards under the Fair Labor Standards Act and Family and Medical Leave Act.

The opinion letters provide official written interpretations from the division that address real-world questions and explain how laws apply to specific factual circumstances presented by individuals or organizations, that may also have a broader interest to those impacted by the issue presented.

“The Wage and Hour Division is committed to providing opinion letters that help American workers and businesses operate within the law so they can focus on meeting the needs of their customers,” said Wage and Hour Division Administrator Andrew Rogers. “We want to help them succeed. Our goal is to empower employers and workers with the tools and knowledge they need to prevent violations before they happen.”

<https://www.dol.gov/newsroom/releases/whd/whd20260105>

Dept. of Labor Issues Opinion Letters


- Learned Professional Exemption – Employers may reclassify to non-exempt; salary basis changes defeat exemption.
- Bonuses & Regular Rate – Non-discretionary bonuses must be included in overtime calculations.
- Roll Call / Pre-Shift Time – Mandatory roll call constitutes hours worked for overtime purposes.
- Commissioned Employees (§7(i)) – Addresses minimum wage benchmark and treatment of tips.
- Travel Time for Treatment – Reasonable travel time to medical appointments qualifies as FMLA leave.

DoL Wage and Hour Division Data

US DEPARTMENT OF LABOR RECOVERS MORE THAN \$259M IN BACK WAGES FOR WORKERS IN 2025

Highest recovery of back wages since 2019

WASHINGTON – The U.S. Department of Labor’s Wage and Hour Division today announced it has recovered more than [\\$259 million in back wages for nearly 177,000 employees](#) nationwide – an average of \$1,465 per worker – in fiscal year 2025, reaffirming its commitment to strengthening the American workforce.

In addition to recovering more back wages than in any year since 2019, the division also enhanced its compliance assistance efforts by providing new guidance and tools aimed at helping employers stay informed of their obligations. The agency created an improved [compliance assistance hub](#), updated [compliance videos](#) on the Fair Labor Standards Act, and created a [YouTube series](#)  on the Family and Medical Leave Act. The division also relaunched its [opinion letter](#) program and the [Payroll Audit Independent Determination](#) program, which offers employers an opportunity to self-report and resolve potential minimum wage and overtime violations under the FLSA, as well as certain potential violations under the FMLA.

As of Jan. 8, 2026

<https://www.dol.gov/newsroom/releases/whd/whd20260108>

NLRB Board Members, GC Added

On January 7, 2026, James Murphy and Scott Mayer were sworn in as new Board members. As a result, the Board now has a quorum to conduct Agency business.

James Murphy, of Maryland, was nominated by President Trump to be a Member of the National Labor Relations Board for a term of five years expiring December 16, 2027. Mr. Murphy returns to the Board after a distinguished career at the Board with over 47 years of service. Mr. Murphy began at the Board as a student law clerk in 1974 and served as counsel to numerous Board members over the decades. Most recently, he served as Chief Counsel to former Chairman Marvin Kaplan.

Scott Mayer, of Pennsylvania, was nominated by the President to be a Member of the National Labor Relations Board for a term of five years expiring December 16, 2029. Before joining the Board, Member Mayer had most recently served as Chief Labor Counsel at The Boeing Company. Previously, he had held senior legal positions at InterContinental Hotels Group, MGM Resorts International, and Aramark, and he practiced law at Morgan, Lewis & Bockius LLP and Blank Rome LLP. In addition, from 2010-2025, he served as an elected member of the Garnet Valley School District in Glen Mills, PA.

On January 7, 2026, Crystal S. Carey was sworn in as General Counsel of the National Labor Relations Board (NLRB or Agency), by Deputy Secretary of Labor Keith Sonderling. Ms. Carey was nominated for a four-year term by President Donald J. Trump on March 24, 2025, and confirmed by the Senate on December 18, 2025.

As of Jan. 7, 2026

<https://www.nlr.gov/news-outreach/news-story/james-murphy-and-scott-mayer-sworn-in-as-board-members-0>

<https://www.nlr.gov/news-outreach/news-story/the-nlr-welcomes-crystal-carey-as-general-counsel>

SBA Launches Deregulatory Strike Force

WASHINGTON — Today, the [U.S. Small Business Administration](#) (SBA) launched a new [Deregulation Strike Force](#) [↗](#), dedicating a full team to the mission of identifying and eliminating excessive Biden-era regulations that have disproportionately increased costs for America’s small businesses and consumers. The strike force, led by the SBA’s [Office of Advocacy](#), is working across all federal agencies to cut regulations that have needlessly driven up prices in key industries such as housing, healthcare, agriculture, and energy.

SBA is the only cabinet-level agency authorized to review and fight regulations that burden small businesses – including those that are costly, duplicative, or which otherwise constrain the success of job creators. Empowered by the Small Business Regulatory Enforcement Fairness Act and the Regulatory Flexibility Act, SBA’s Office of Advocacy will lead the Deregulation Task Force by soliciting feedback from small businesses to identify the most burdensome regulations across key industries. Advocacy will further conduct a government-wide review of Biden-era regulations to cut costs for job creators and promote small business growth and formation.

As of Dec. 15, 2025

<https://www.sba.gov/article/2025/12/15/sba-launches-deregulation-strike-force-support-president-trumps-affordability-agenda>

Defense Contracting EO Issued

Executive Orders

PRIORITIZING THE WARFIGHTER IN DEFENSE CONTRACTING

January 7, 2026

Section 1. Purpose. As Chief Executive and Commander in Chief, I am committed to ensuring that the United States military possesses the most lethal warfighting capabilities in the world. Our Nation can only be at peace if we maintain strength. The performance of America's defense industrial base is critical to this capacity. After years of misplaced priorities, traditional defense contractors have been incentivized to prioritize investor returns over the Nation's warfighters.

Although some contractors have made critical investments in increased production capacity and been responsive to our Nation's vital interests, far more have not. Many large contractors — while underperforming on existing contracts — pursue newer, more lucrative contracts, stock buy-backs, and excessive dividends to shareholders at the cost of production capacity, innovation, and on-time delivery.

Effective immediately, they are not permitted in any way, shape, or form to pay dividends or buy back stock, until such time as they are able to produce a superior product, on time and on budget.

<https://www.whitehouse.gov/presidential-actions/2026/01/prioritizing-the-warfighter-in-defense-contracting/>

Defense Contracting EO Issued

- Refocuses defense contracting on military readiness, production capacity, and on-time delivery.
- Restricts stock buybacks and dividends for underperforming major defense contractors.
- Directs DoD to identify performance shortfalls and require corrective action plans.
- Conditions new and renewed contracts on demonstrated delivery performance.

NIST Invests \$20M to Strengthen AI in Mfg.

NIST Launches Centers for AI in Manufacturing and Critical Infrastructure



December 22, 2025

GAITHERSBURG, Md. — The U.S. Department of Commerce’s National Institute of Standards and Technology (NIST) has expanded its collaboration with the nonprofit MITRE Corporation as part of its efforts to ensure U.S. leadership in artificial intelligence (AI). Through this award, NIST is investing \$20 million to establish two centers to advance the delivery of AI-based technology solutions to strengthen U.S. manufacturing and cybersecurity for critical infrastructure.

“This investment will help accelerate the application of AI in American manufacturing and help drive the American manufacturing renaissance,” said Deputy Secretary of Commerce Paul Dabbar. “We can harness AI to increase the competitiveness of our manufacturers and attract investment in America.”

<https://www.nist.gov/news-events/news/2025/12/nist-launches-centers-ai-manufacturing-and-critical-infrastructure>

EPA WOTUS Listening Sessions

WASHINGTON – U.S. Environmental Protection Agency (EPA) and U.S. Department of the Army (Army) have completed a series of listening sessions to hear input from the public on the agencies’ revised definition of “waters of the United States,” or WOTUS. Public input is essential to the rulemaking process and these sessions provided an important opportunity for the agencies to hear directly from a variety of stakeholders. It is clear that a durable definition of WOTUS is a priority that will protect water quality and help advance the agency’s [Powering the Great American Comeback initiative](#).

The definition of WOTUS guides implementation of certain Clean Water Act programs, including whether farmers, landowners and businesses must secure costly permits before they can pursue a project. Under the Biden Administration, EPA and the Army’s amended 2023 definition of WOTUS was overly broad, failing to fully implement the Supreme Court’s decision in *Sackett v. Environmental Protection Agency*. On November 17, 2025 the [agencies proposed a revised definition of WOTUS](#) that would follow the Supreme Court’s clear direction in *Sackett v. EPA* and eliminate red tape, cut permitting costs, and lower the cost of doing business in communities across the country – all while maintaining key protections for the nation’s waters.

As of Dec. 22, 2025

<https://www.epa.gov/newsreleases/epa-and-army-wrap-public-listening-sessions-proposed-definition-wotus>

NY Adopts GHG Reporting Requirements



Mandatory Greenhouse Gas Reporting

Department of Environmental Conservation

Collecting data from greenhouse gas (GHG) emissions sources statewide will allow for a more focused effort to quantify GHG emissions, better inform policies to reduce GHG emissions, help assess compliance with GHG reduction programs, and assist with developing the Annual Statewide GHG Emissions Report.

Investments in clean energy and GHG emission reduction measures support healthy air quality for New Yorkers while mitigating the negative effects of climate change in the State. As part of New York's ongoing efforts to gather information regarding sources of GHG emissions and implementation of the Climate Leadership and Community Protection Act (Climate Act), the New York State Department of Environmental Conservation (DEC) has adopted the Mandatory Greenhouse Gas Reporting Program (Reporting Program or Part 253) as recommended by the Climate Action Council's Scoping Plan. The Reporting Program requires certain sources of GHG emissions, i.e., Reporting Entities, to annually report emissions and related data to DEC.

<https://dec.ny.gov/environmental-protection/air-quality/mandatory-greenhouse-gas-reporting>

NY Adopts GHG Reporting Requirements

New York program implementing statewide greenhouse gas (GHG) emissions reporting under the CLCPA

- Who must report: Facilities $\geq 10,000$ metric tons CO₂e/year; fuel suppliers; electric power entities; waste haulers; ag lime/fertilizer suppliers
- Key obligations: Annual GHG reporting via NYS e-GGRT; monitoring plans (large sources); recordkeeping; third-party verification (large sources)
- Key dates: Reporting begins Jan. 1, 2026; first reports due June 1, 2027; first verification due Dec. 1, 2027

Court Blocks CA Labor Bill

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF CALIFORNIA

NATIONAL LABOR RELATIONS
BOARD,

Plaintiff,

v.

STATE OF CALIFORNIA and the
PUBLIC EMPLOYMENT RELATIONS
BOARD,

Defendants,

and

INTERNATIONAL BROTHERHOOD OF
TEAMSTERS,

Intervenor.

No. 2:25-cv-02979-TLN-CKD

ORDER

IV. CONCLUSION

Accordingly, Plaintiff's Motion for a Preliminary Injunction (ECF No. 10) is GRANTED

in part and DENIED in part as follows:

1. Defendants are PRELIMINARILY ENJOINED from implementing:
 - a. Cal. Lab. Code § 923.1(b)(1)(B)(i), as to "lack of quorum of the [NLRB]," and "the [NLRB] has lost its independence[;]"
 - b. Cal. Lab. Code § 923.1(b)(1)(B)(ii);
 - c. Cal. Lab. Code § 923.1(b)(1)(B)(iii); and
 - d. Cal. Lab. Code § 923.1(b)(1)(B)(iv).
2. Defendants may implement⁶:
 - a. Cal. Lab. Code § 923.1(b)(1)(A);
 - b. Cal. Lab. Code § 923.1(b)(1)(B), as to "expressly [] ceded jurisdiction[;]" and
 - c. Cal. Lab. Code § 923.1(b)(1)(B)(i), as to "a case is enjoined by a court[.]"

IT IS SO ORDERED.

Date: December 26, 2025

Court Blocks CA Labor Bill

- AB 288 Permits CA PERB to assume jurisdiction over private-sector labor disputes when the NLRB is delayed, lacks quorum, or is unable to act.
- The NLRB sued CA, arguing AB 288 is preempted by the National Labor Relations Act and intrudes on exclusive federal authority.
- Court Ruling (Dec. 26, 2025): Federal district court issued a preliminary injunction blocking enforcement of key AB 288 provisions.
- Court found the NLRB likely to succeed on NLRA preemption, emphasizing the need for a uniform national labor relations system.

Statements, Actions on Tariffs and Trade

2nd 232 Auto Parts Inclusion Round Opens

Federal Register / Vol. 90, No. 239 / Tuesday, December 16, 2025 / Notices

DEPARTMENT OF COMMERCE

International Trade Administration

[Docket No. 251211–0089]

Notice of the Opening of the Inclusions Window for the Section 232 Automobile Parts Tariff Inclusions Process

AGENCY: International Trade Administration, Office of Transportation and Machinery, U.S. Department of Commerce.

ACTION: Notice.

SUMMARY: The Bureau of Industry and Security (BIS), working with the International Trade Administration (ITA) have established a process for including additional automobile parts within the scope of the duties authorized by the President under section 232 of the Trade Expansion Act of 1962. This notice opens the January 2026 inclusions window for submissions.

DATES: The inclusions window will open on January 1, 2026, and close at 11:59 p.m. ET on January 14, 2026.

<https://www.federalregister.gov/documents/2025/12/16/2025-22845/notice-of-the-opening-of-the-inclusions-window-for-the-section-232-automobile-parts-tariff>

Semiconductors Tariffs Set for June 2027

Federal Register / Vol. 90, No. 245 / Monday, December 29, 2025 / Notices

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

Notice of Action: China's Acts, Policies, and Practices Related to Targeting of the Semiconductor Industry for Dominance

AGENCY: Office of the United States
Trade Representative.

ACTION: Notice of action.

SUMMARY: The United States Trade Representative (U.S. Trade Representative) has determined that China's acts, policies, and practices are actionable under Section 301 of the Trade Act of 1974 and that appropriate responsive action includes taking tariff action now on semiconductors from China, with an initial tariff level of 0 percent, increasing in 18 months on June 23, 2027, to a rate to be announced not fewer than 30 days prior to that date, as described below.

DATES: December 23, 2025: The effective date of the action.

<https://www.federalregister.gov/documents/2025/12/29/2025-23912/notice-of-action-chinas-acts-policies-and-practices-related-to-targeting-of-the-semiconductor>

Semiconductors Tariffs Set for June 2027

Tariff code	HS description
28046100	Silicon containing by weight not less than 99.99 percent of silicon.
38180000	Chemical elements doped for use in electronics, in the form of discs, wafers etc., chemical compounds doped for electronic use.
85411000	Diodes, other than photosensitive or light-emitting diodes.
85412100	Transistors, other than photosensitive transistors, with a dissipation rating of less than 1 W.
85412900	Transistors, other than photosensitive transistors, with a dissipation rating of 1 W or more.
85413000	Thyristors, diacs and triacs, other than photosensitive devices.
85414910	Other photosensitive semiconductor diodes, other than light-emitting.
85414970	Photosensitive transistors.
85414980	Photosensitive semiconductor devices nesoi, optical coupled isolators.
85414995	Other photosensitive semiconductor devices, other than diodes or transistors, nesoi.
85415100	Other semiconductor-based transducers, other than photosensitive transducers.
85415900	Other semiconductor devices, other than semiconductor-based transducers, other than photosensitive devices, nesoi.
85419000	Parts of diodes, transistors, similar semiconductor devices, photosensitive semiconductor devices, LED's and mounted piezoelectric crystals.
85423100	Electronic integrated circuits: processors and controllers.
85423200	Electronic integrated circuits: memories.
85423300	Electronic integrated circuits: amplifiers..
85423900	Electronic integrated circuits: other.
85429000	Parts of electronic integrated circuits and microassemblies.

<https://www.federalregister.gov/documents/2025/12/29/2025-23912/notice-of-action-chinas-acts-policies-and-practices-related-to-targeting-of-the-semiconductor>

Cabinet, Lumber, Furniture Tariffs Delayed

PRESIDENTIAL ACTIONS

AMENDMENTS TO ADJUSTING IMPORTS OF TIMBER, LUMBER, AND THEIR DERIVATIVE PRODUCTS INTO THE UNITED STATES

Proclamations | December 31, 2025

“(5) The rates of duty established in this proclamation shall apply with respect to goods entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern daylight time on October 14, 2025. Effective January 1, 2027, the duty rate in clause 2 shall increase to 30 percent and the duty rate in clause 3 shall increase to 50 percent, and shall continue in effect, except for countries with which the United States reaches an agreement that addresses the threatened impairment of the national security posed by imports of wood products. Except as otherwise provided in this proclamation, the tariffs imposed in this proclamation are in addition to any other duties, taxes, fees, exactions, and charges applicable to such imported wood products.”

<https://www.whitehouse.gov/presidential-actions/2025/12/amendments-to-adjusting-imports-of-timber-lumber-and-their-derivative-products-into-the-united-states/>

USMCA Renewal

- Parties must state their USMCA intent by July 1
- Trump wants bilateral, not multilateral talks
- U.S. Trade Representative completed review
 - 1,551 comments filed in November
 - Over 100 individuals testified in December
- USTR Greer told lawmakers in December U.S. will renew USMCA if key issues resolved
- Launch of formal talks start end of January

Mexico Imposing Tariffs on China, Others

- Mexico's Legislature approved tariffs on 1,463 imports from China, other non-FTA countries
- Tariffs of 5-50% take effect January 1, 2026
- Affected sectors: automotive parts, electronics, appliances, textiles, metals, plastics, footwear
- Government cites goals: protect domestic industry, respond to import surges, align with strategic partners, including U.S. ahead of USMCA review

Mexico Imposing Tariffs on China, Others

CÓDIGO	DESCRIPCIÓN	UNIDAD	CUOTA (ARANCEL)	
			IMPUESTO DE IMP.	IMPUESTO DE EXP.
3405.40.01	Pastas, polvos y demás preparaciones para fregar.	Kg	25	Ex.
3916.10.02	De polímeros de etileno.	Kg	5	Ex.
3916.20.03	De polímeros de cloruro de vinilo.	Kg	5	Ex.
3916.90.91	De los demás plásticos.	Kg	5	Ex.
3917.10.05	Tripas artificiales de proteínas endurecidas o de plásticos celulósicos.	Kg	7	Ex.
3917.21.03	De polímeros de etileno.	Kg	7	Ex.
3917.22.03	De polímeros de propileno.	Kg	7	Ex.
3917.23.04	De polímeros de cloruro de vinilo.	Kg	5	Ex.
3917.29.91	De los demás plásticos.	Kg	7	Ex.
3917.31.01	Tubos flexibles para una presión superior o igual a 27.6 MPa.	Kg	7	Ex.
3917.32.91	Los demás, sin reforzar ni combinar con otras materias, sin accesorios.	Kg	7	Ex.

*As of Dec. 11,
2025*

Mexico Imposing Tariffs on China, Others

- Automotive vehicles, parts, and components
 - 84 - Engines, machinery, mechanical parts (for certain components)
 - 85 - Electrical parts used in vehicles
 - 87 - Vehicles other than railway or tramway
 - Example: 8708.40.7570 – Forged shaft for automotive gearboxes
- Metals, steel, plastics, and chemical inputs
 - 72 - Iron and steel
 - 73 - Articles of iron or steel
 - 76 - Aluminum and articles thereof
 - 34 - Soap, surfactants, waxes
 - 39 - Plastics and articles thereof
- Electronics and household appliances
 - 84 - Engines, machinery, mechanical parts (for certain components)
 - 85 - Electrical machinery, electronics, consumer devices

https://infosen.senado.gob.mx/sgsp/gaceta/66/2/2025-12-10-1/assets/documentos/Minuta_Impuestos_Importaci%C3%B3n_Exportaci%C3%B3n.pdf

Switzerland 15% Tariffs retro to Nov. 14

For a covered product of Switzerland with a Column 1 duty rate greater than or equal to 15 percent ad valorem, the additional Reciprocal tariff is zero (0). Use heading **9903.02.82**.

For a covered product of Switzerland with a Column 1 duty rate less than 15 percent ad valorem, the combined Column 1 and additional Reciprocal tariff rate is 15 percent ad valorem. Use heading **9903.02.83**.

Certain products, including certain agricultural goods, unavailable natural resources, generic pharmaceuticals and their ingredients and chemical precursors, and articles of civil aircraft that are products of Switzerland or of Liechtenstein are no longer subject to Reciprocal tariffs, effective for such products entered for consumption, or withdrawn from warehouse for consumption, on or after 12:01 a.m. eastern time November 14, 2025. Use

As of Dec. 17, 2025

Section 301 Tariffs on Nicaragua

Today's responsive action follows the Office of the United States Trade Representative's (USTR's) determination that Nicaragua's acts, policies, and practices are unreasonable and burden or restrict U.S. commerce, taking into account over 2,000 public comments and consulting with government agency experts and USTR cleared advisors.

Effective January 1, 2026, the United States will impose a tariff that is phased-in over two years on all imported Nicaraguan goods that are not originating under the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR). The tariff will be set at zero percent on January 1, 2026 and will increase to 10 percent on January 1, 2027, and to 15 percent on January 1, 2028. Any tariff would stack with others such as the existing 18 percent Reciprocal Tariff. Further, should Nicaragua show a lack of progress in addressing these issues, this timeline and these rates may be modified.

<https://ustr.gov/about/policy-offices/press-office/press-releases/2025/december/ustr-section-301-action-nicaraguas-acts-policies-and-practices-relating-labor-rights-human-rights>

As of Dec. 10, 2025

Section 232 “Content Value” Guidance Summary

CBP Base Metals Center 12/03/25

Guidance we have been sharing **regarding Section 232 “content value”** for the last several months—

If you have an article that legitimately has non-steel/aluminum/copper content to separate, the CBP position is:

- Steel articles of chapter 72 are 100% steel. Section 232 duty is assessed on the full entered value of the article. There is no backing out of any costs not allowed by the Customs Value laws. Manufacturing, labor, coating, etc. costs are not subtracted.
- For steel articles of chapter 73, aluminum articles of chapter 76, and articles classified elsewhere (not including chapter 72):
 - If the *articles* are 100% steel or 100% aluminum, there is no non-steel/aluminum content to separate and Section 232 duty is assessed on the full entered value of the article. There is no backing out of any costs not allowed by the Customs Value laws. Manufacturing, labor, coating, etc. costs are not subtracted.

<https://www.cbp.gov/trade/automated/cargo-systems-messaging-service>

Section 232 “Content Value” Guidance Summary

- If the *articles* are not wholly of steel or aluminum (there are non-steel/aluminum parts/components), the Section 232 duty is assessed on the steel/aluminum content of the article.
 - HQ has said this would be based on “the invoice paid by the buyer of the steel/aluminum content to, or for the benefit of the seller of the steel/aluminum content”. The current position is this represents what the importer paid for the steel/aluminum content of the finished article and is the entered value of the imported article minus the cost of the non-steel/aluminum part/component of the finished article. Non-steel/aluminum content does not refer to fabrication, machining, labor, costs, etc.
 - If allowed to separate out steel/aluminum and non-steel/aluminum content value, separate out the cost to the importer of the non-steel/aluminum part/component. There is no backing out of any costs not allowed by the Customs Value laws. Costs for manufacturing, labor, coating, etc., are not subtracted.
 - If the value of the steel/aluminum content cannot be determined, then report the duty based on the total entered value, on only one entry summary line.

Section 232 “Content Value” Guidance Summary

- Surface treatments like galvanizing and anodizing are integral to the finished steel product, not a separate component or part. Paint, lacquer and other coatings are also not parts. Their cost cannot be deducted. Rule of thumb: if you can't deduct the specific cost when an item classified in chapter 72, you cannot deduct it for a derivative article classified elsewhere either.
- For costs that can be attributable to both the non-steel/aluminum/copper content and the steel/aluminum/copper content, like packaging, we would apportion them across both.
- As far as documentation goes for separating out steel/aluminum content value from non-steel/aluminum value, I would say, “documentation sufficient to support the importer’s claimed steel/aluminum content value”, if CBP asks.
- Our current understanding is we are treating copper and its alloys the same. Copper articles and copper alloy articles like brass are treated the same as steel and aluminum alloys. They are subject to Section 232 duty. We do not break down the chemistry of the imported articles to arrive at a copper only value. Chemistry is not a separate component or part. The value of alloying elements is not deducted.

UK Auto Quotas Released

Restraint Levels:

Pursuant to Executive Order 14309 of June 16, 2025 “Implementing the General Terms of the United States of America-United Kingdom Economic Prosperity Deal,” 90 FR 26419 (June 23, 2025) imports of automobiles that are the products of the UK within the tariff rate quota are subject to an annual limit of 100,000 automobiles. The quota will be administered quarterly pursuant to the Annex guidance published in the Federal Register.

Imports of automobiles within the tariff rate quota that would otherwise be subject to a 25 percent tariff under Proclamation 10908 of March 26, 2025 “Adjusting Imports of Automobiles and Automobile Parts into the United States,” shall instead be subject to a 7.5 percent tariff under Executive Order 140309.

The first and second quarter limits are 25,000 automobiles each. U.S. Customs and Border Protection (CBP) shall carry forward any unused quantity of automobiles that are products of the UK from the first quarter to the third quarter and shall carry forward any unused quantity from the second quarter to the fourth quarter. Articles entered in excess of quarterly limit totals are subject to all applicable tariffs.

EU CBAM Updated Rules Released

- Establish detailed rules for emissions calculation, aligned with EU Emissions Trading System (EU ETS) methodologies.
- Introduce country- and product-specific default emissions values, with safeguards against under-reporting.
- Define CBAM certificate pricing, tied to EU ETS allowance averages.
- Set rules for verification and verifier accreditation, including initial site visits.
- Implement procedures for authorized CBAM declarants and establish the CBAM Registry for reporting, certificates, and customs coordination.

EU to Expand CBAM to Downstream Steel Goods

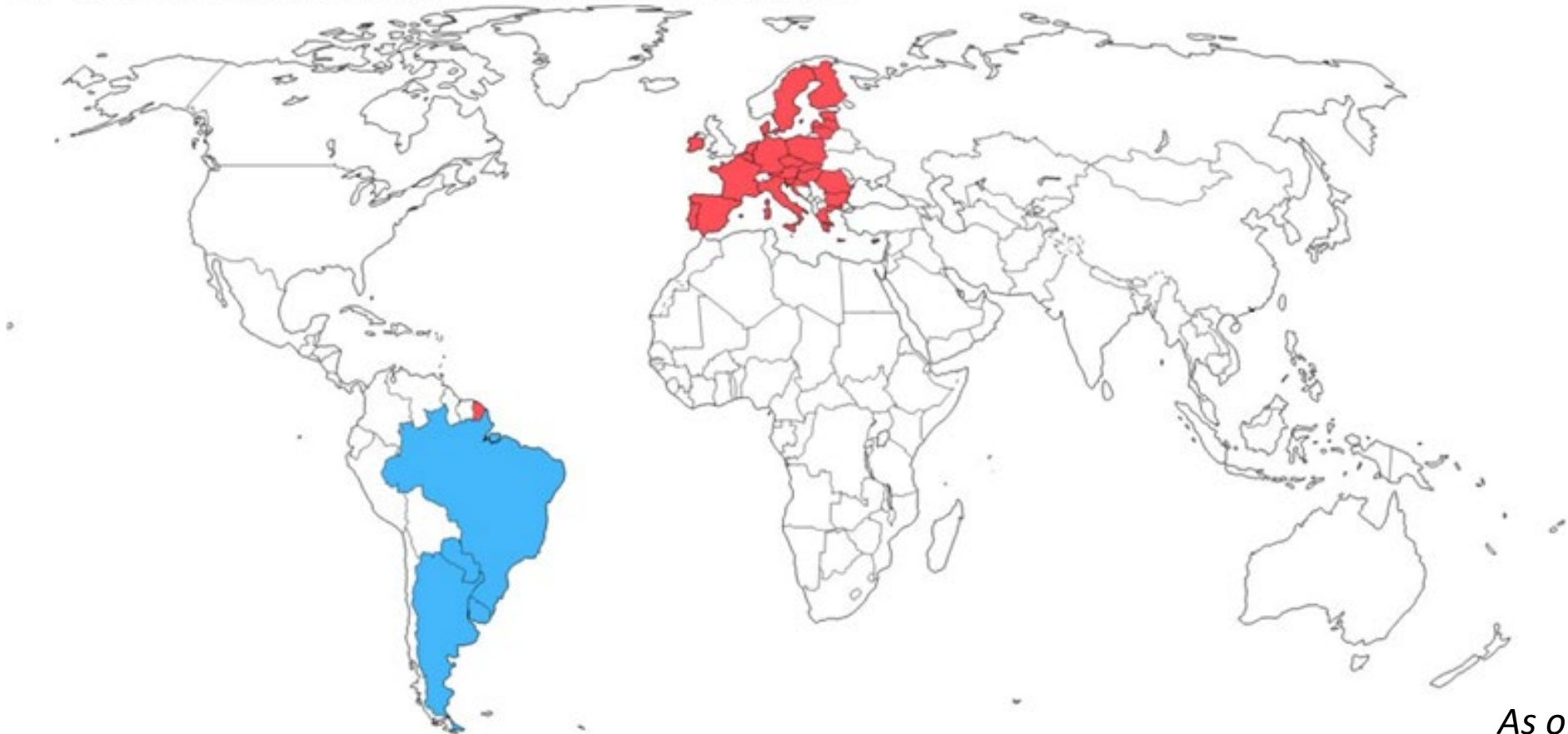
- EC proposed expanding CBAM to approximately 180 downstream products, primarily steel- and aluminum-containing manufactured goods.
- Potentially affected goods include:
 - Steel & iron articles: sheet piling, gas containers, railway materials
 - Fabricated metal products: netting, fencing, furniture fittings
 - Machinery & equipment: engines, pumps, industrial robots, cranes, EV components
 - Vehicles & parts: chassis, gearboxes, wheels, trailers
 - Electrical & metal goods: electric motors, transformers, welding equipment
 - Medical devices & metal construction: tubular instruments, prefabricated buildings containing steel/aluminium
- Expansion would shift CBAM from a primary-materials regime to a broader value-chain mechanism, with implementation targeted as early as 2028, subject to legislative approval.
- Additional anti-circumvention measures would tighten treatment of scrap and emissions data quality.

EU Approves Mercosur Deal

EU-Mercosur Free-Trade Agreement

The deal would create an integrated market of 780 million consumers

■ European Union countries ■ Mercosur countries



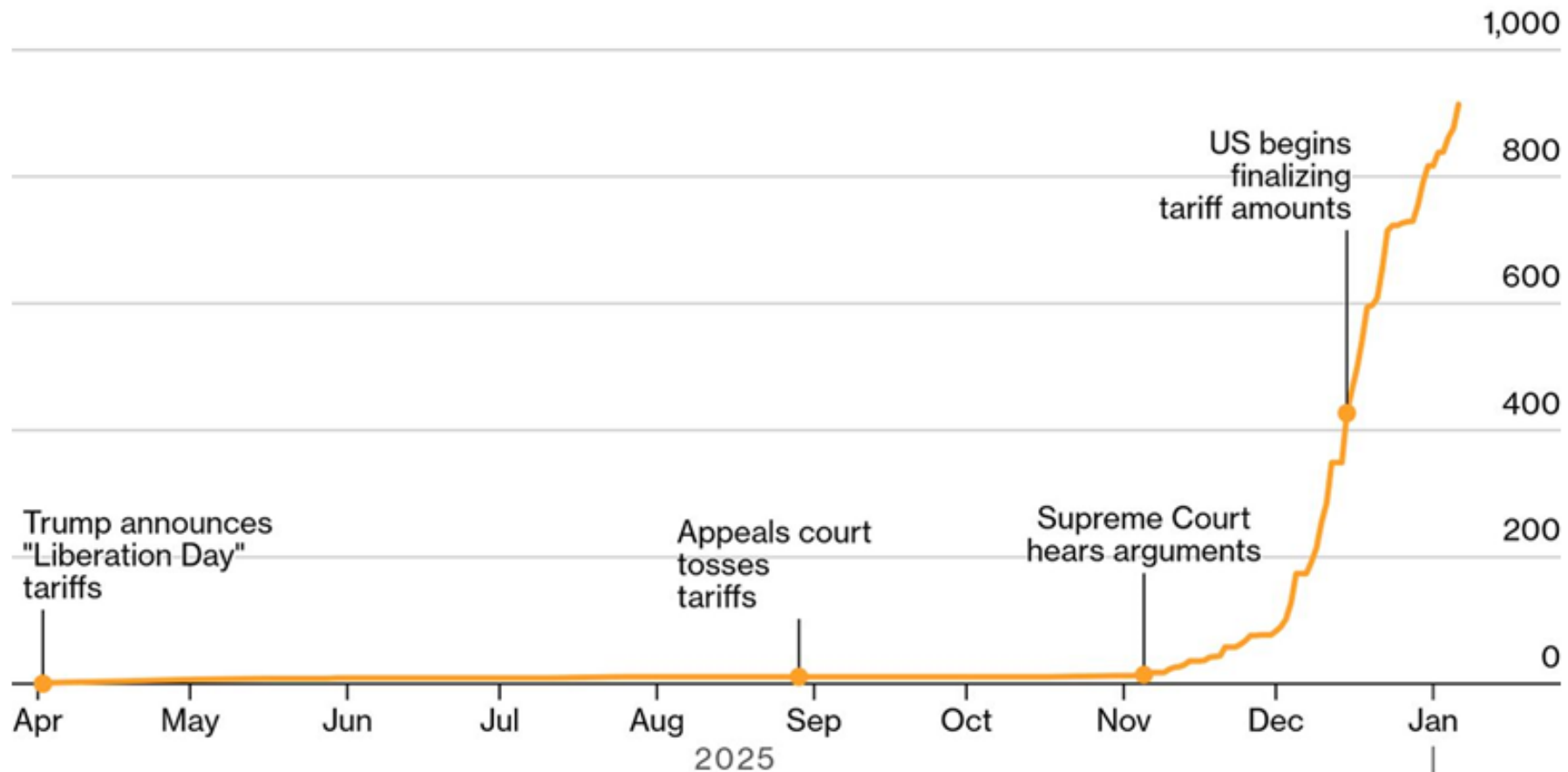
As of Jan. 9, 2026

Still Awaiting SCOTUS IEEPA Decision

Tariff Lawsuits Skyrocket After Supreme Court Arguments

Hundreds of cases filed since hearing, ahead of customs deadline

— Total number of tariff lawsuits



As of Jan. 9, 2026

Sources: Bloomberg; US court records

Bloomberg

Still Awaiting SCOTUS IEEPA Decision

Table 1—Actual CBP Refund Payments Issued and Estimated Refund Value

	2023	2024	2025 *
Paper Refund Checks	269,907	240,879	164,365
Estimated Paper Refund Value	\$4,940,000,000	\$4,568,170,872	\$3,249,773,829
Average Value Per Paper Refund	\$18,303	\$18,965	\$19,772
ACH Refund Payments	94,762	104,439	73,944
Estimated ACH Refund Value	\$2,470,000,000	\$3,260,000,000	\$3,410,000,000
Average Value Per ACH Refund	\$26,065	\$31,214	\$46,116
Total Number of Refund Payments	364,669	345,318	238,309
Percent Paper Refund	74.01%	69.76%	68.97%
Percent ACH Refund	25.99%	30.24%	31.03%
Total Value of Refund Payments	\$7,410,000,000	\$7,828,170,872	\$6,659,773,829
Average Value Per Refund Payments	\$20,320	\$22,669	\$27,946

* 2025 data is only available through Q3 of 2025.

Source: CBP

As of Jan. 9, 2026

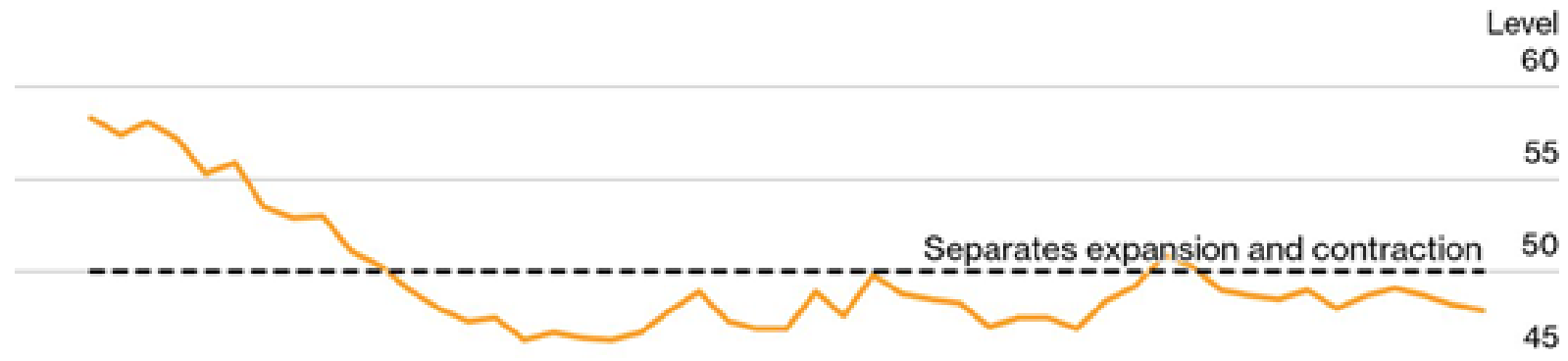
Supply Chains and Data Points

U.S. Manufacturing PMI Data

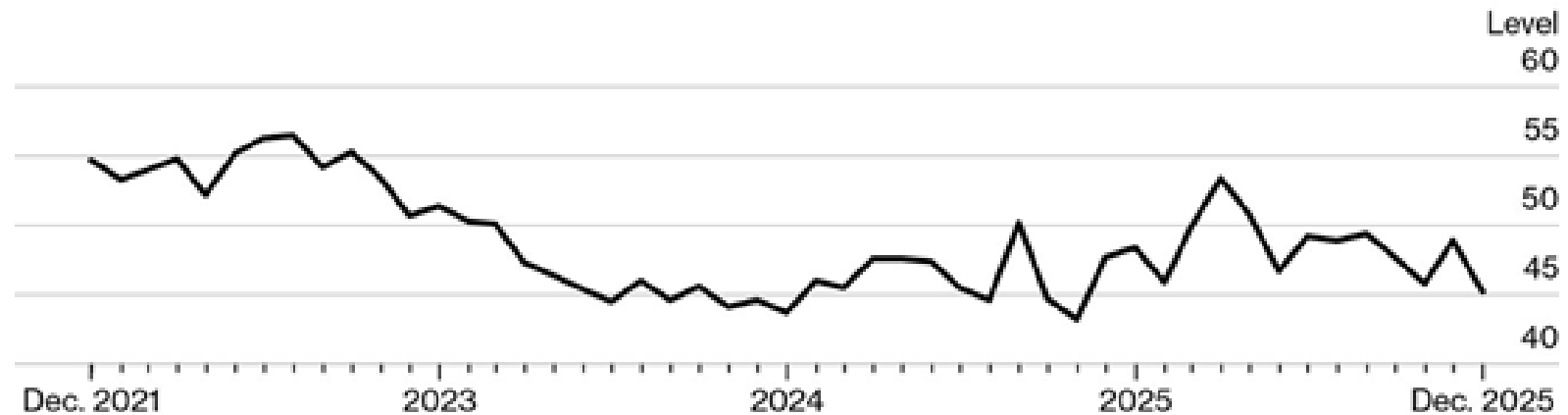
US Manufacturing Continued to Shrink at End of 2025

December decline reflected sharper pullback in inventories

— Purchasing managers index



— Inventories index

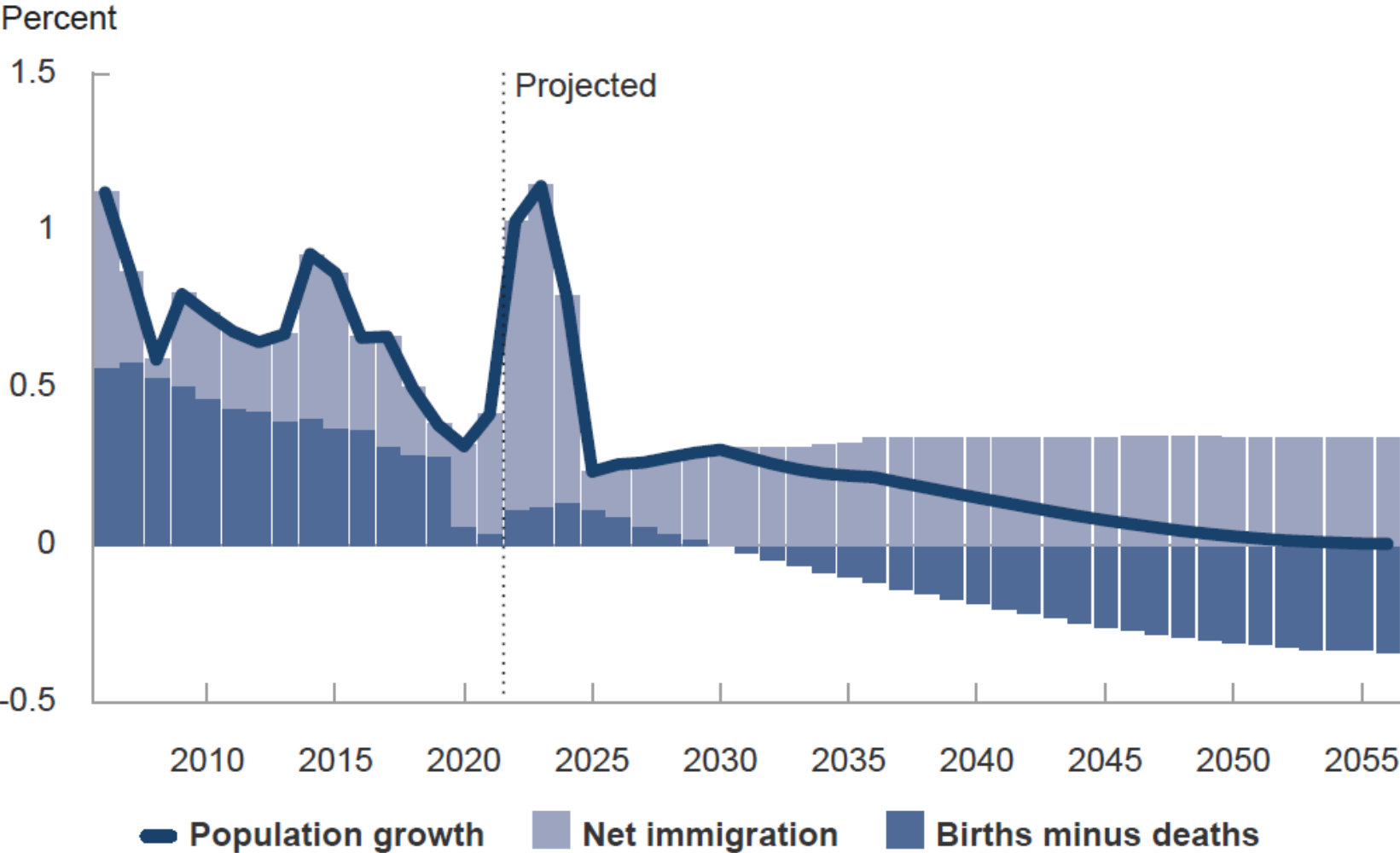


Source: Institute for Supply Management

Bloomberg

CBO: U.S. Population Growth Stops in 2056

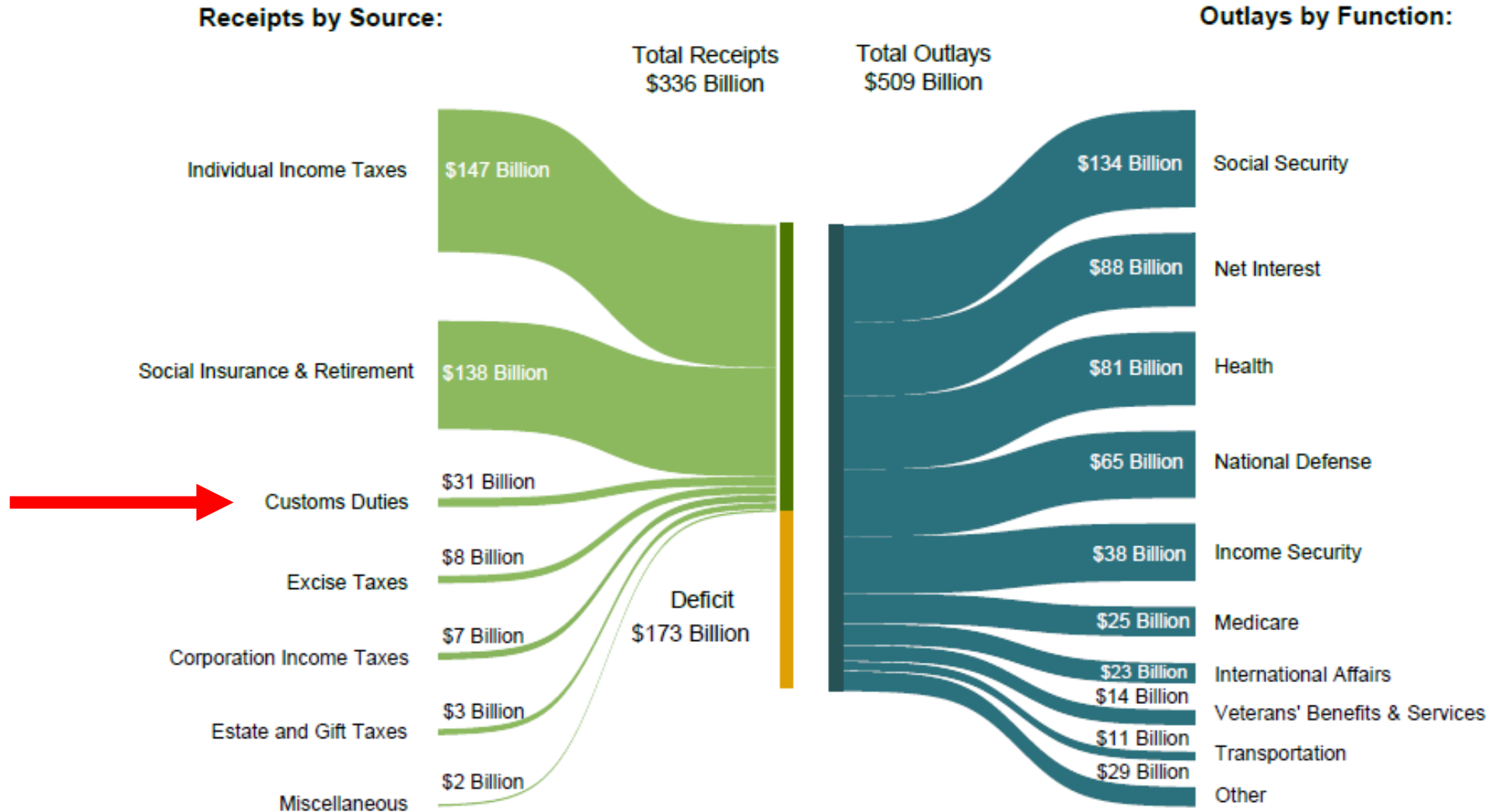
Population Growth and Contributing Factors



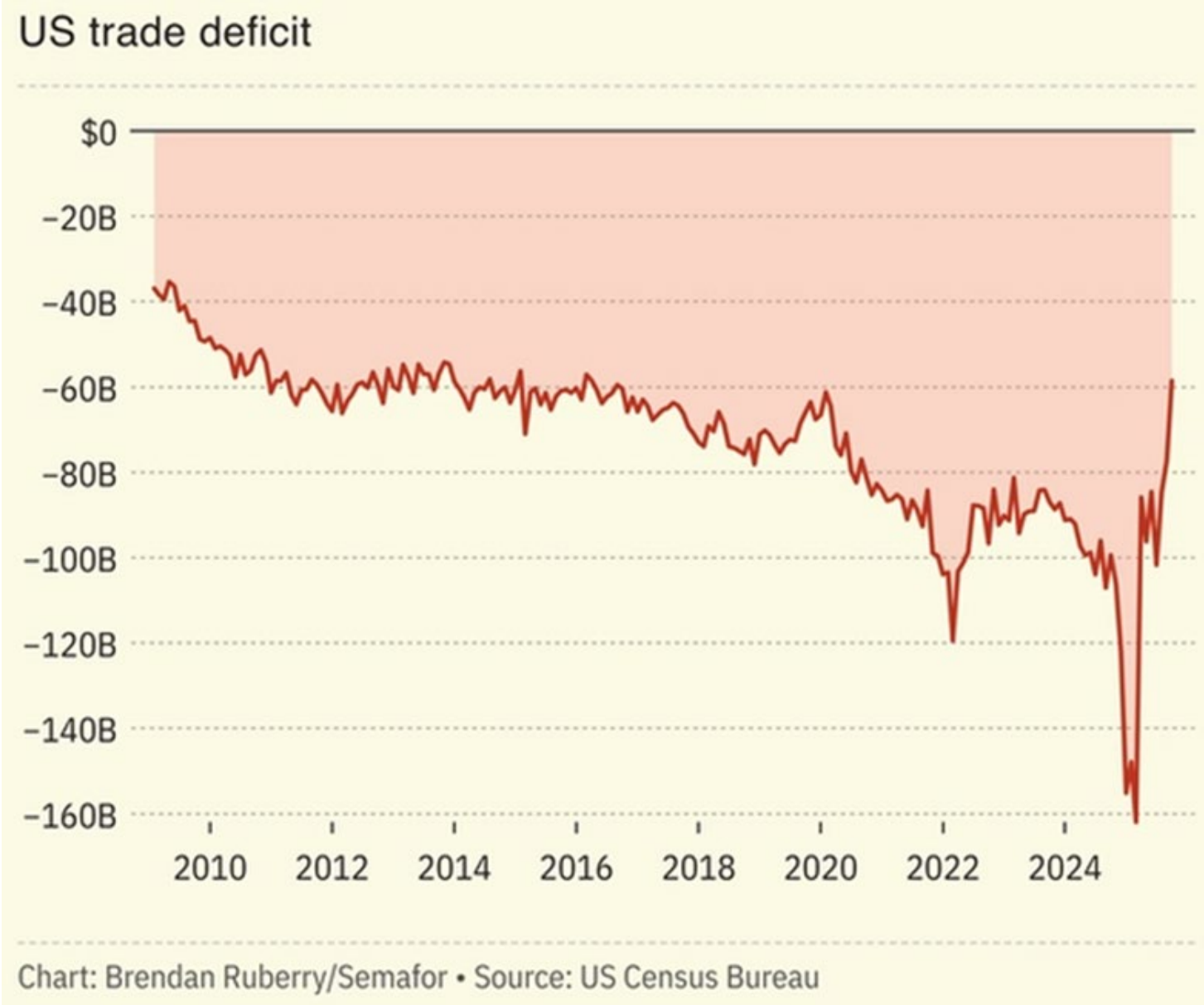
<https://www.cbo.gov/publication/61879>

U.S. Tariff Revenue \$30.75b in November

Figure 1. Receipts, Outlays, and Surplus/Deficit for November 2025



U.S. Trade Deficit Lowest Since 2009

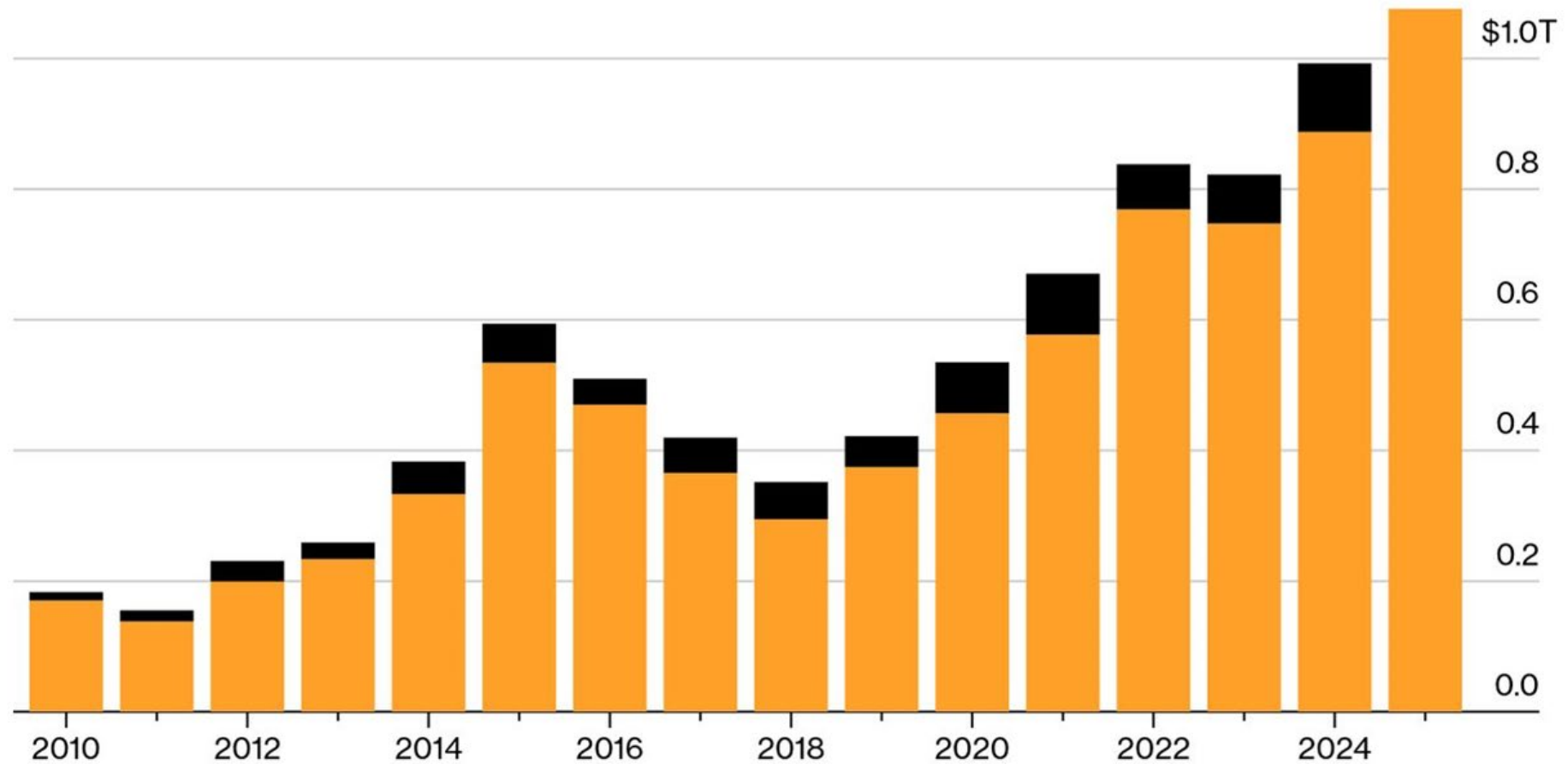


China Record Surplus Despite Tariffs

China's Goods Trade Surplus Tops \$1 Trillion

Exports expanded rapidly in first 11 months of 2025

■ Jan.-Nov. trade surplus ■ December



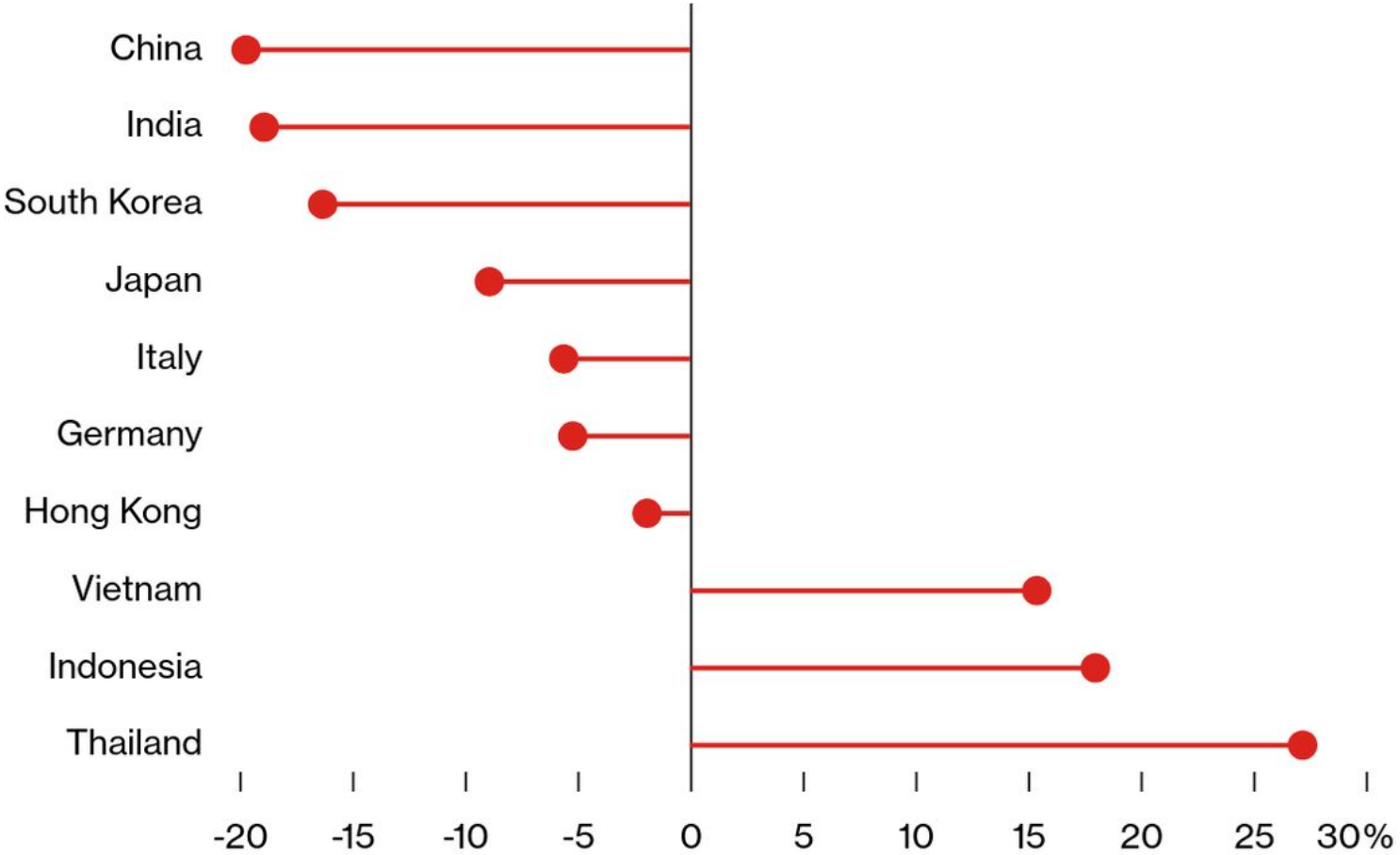
Source: China's Customs General Administration

Bloomberg

Drop in Container Imports from China

US Container Imports From China Dropped 20% in November

Shipments from Korea and India also posted big year-over-year declines



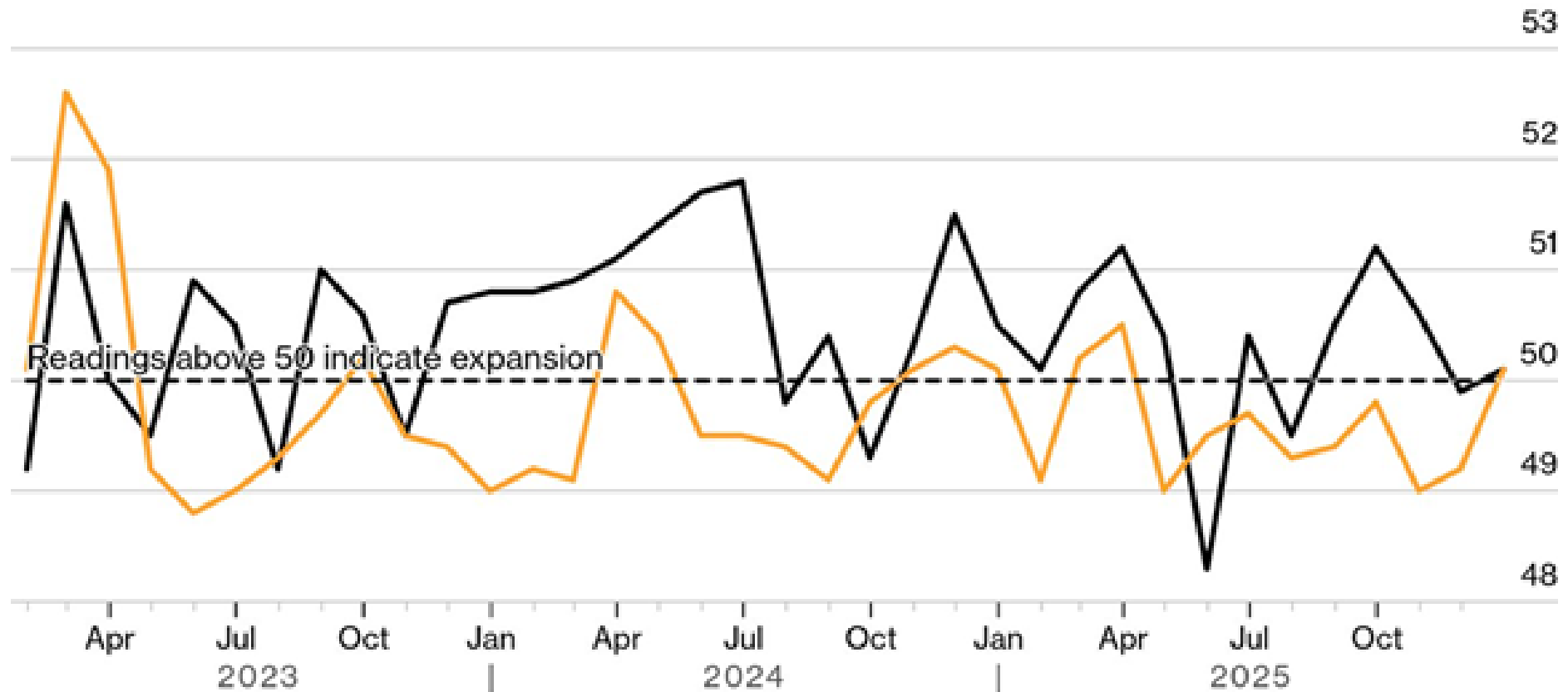
Source: Descartes' latest Global Shipping Report

China Manufacturing Slump Ends

China's Factory Activity Ends Eight-Month Slump

Official and private gauges show a modest manufacturing recovery in December

Official manufacturing PMI RatingDog manufacturing PMI



Sources: National Bureau of Statistics, RatingDog, Bloomberg

Bloomberg

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