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BR INTERNATIONAL TRADE REPORT

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PARTNER

Note from the Editor

By Anthony Rapa

Welcome to this month's issue of the *BR International Trade Report*, Blank Rome's monthly digital newsletter highlighting international trade, cross-border investment, and geopolitical risk issues impacting businesses domestically and abroad. We invite you to share this resource with your colleagues and visit Blank Rome's International Trade webpage for more information about our team.

Recent Developments

Tarrif Updates:

- **Trump Administration implements new Section 301 tariffs.**
  - On July 23, following a Section 301 investigation, the U.S. Trade Representative ("USTR") imposed duties ranging from 10 to 12 percent on countries that the USTR concluded have failed to address forced labor in their supply chains, targeting 59 countries and the European Union.
  - On August 3, a coalition of 25 states, led by California, filed a lawsuit in the U.S. Court of International Trade ("CIT") challenging the measure.
  - The forced labor tariffs come amidst a separate ongoing Section 301 investigation, launched in March, into structural excess capacity in the manufacturing sectors of China, the European Union, Bangladesh, Cambodia, Indonesia, India, Japan, Malaysia, Mexico, Norway, Singapore, South Korea, Switzerland, Taiwan, Thailand, and Vietnam.
- **United States imposes new Section 232 tariffs on pharmaceutical products.**
  - On July 31, President Trump announced a 100 percent duty on imported patented pharmaceuticals. Companies that have approved plans to onshore production will face only a 20 percent tariff for a period of four years, after which such duty will also increase to 100 percent.
  - The Trump Administration also announced 100 percent tariff on generic drugs, following a two-year grace-period beginning in August 2026. EU-origin generic drugs will face a tariff of no more than 15 percent, as previously negotiated in the U.S.-EU Framework on an Agreement on Reciprocal, Fair, and Balanced Trade.
- **Trump Administration announces tariffs on imports of polysilicon products.** On August 6, President Trump announced a 15 percent tariff on imported polysilicon products and its derivatives, which are critical for production of solar panels and semiconductors, effective December 4, 2026.
- **IEEPA tariff refunds near $100 billion** An August 4 filing with the CIT by U.S. Customs and Border Protection ("CBP") revealed that the United States has refunded approximately $100 billion to businesses following the Supreme Court's February 2026 decision in *Learning Resources, Inc. v. Trump*, which struck down tariffs imposed under the International Emergency Economic Powers Act ("IEEPA"). Companies have submitted nearly $29 billion in refund claims to CBP which currently remain under review.
- **BIS proposes expanding Section 232 tariffs on aluminum, steel, and copper to 14 additional derivative articles.** On August 6, the U.S. Department of Commerce's Bureau of Industry and Security ("BIS") requested public comment on a proposal to bring 14 additional derivative articles, including aluminum powder, electric conductor cables, and fire extinguishers, within the scope of existing Section 232 duties on steel, aluminum, and copper. While most items would face a 25 percent tariff, agricultural trailers would face a 15 percent duty and filled steel containers would be subject to a 50 percent duty.
- **Trump Administration announces tariffs on drone imports.**
  - Drones with advanced features that weigh over 25 kilograms at takeoff will be subject to a 100 percent tariff, while less-sensitive drones weighing less than 25 kilograms will face a 25 percent tariff. In addition, drone components, including docking stations, motors, and lithium-ion batteries, will be subject to a 25 percent duty.
  - Several countries, including Japan, South Korea, and the EU, will instead face a 15 percent tariff imposed on certain drones and parts.

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Export Control Developments:

- **BIS eases export controls on UAVs.** The final rule, which took effect on August 13, increases performance thresholds which subject certain unmanned aerial vehicles ("UAVs") to control under the Export Administration Regulations ("EAR"), decreases the controls applicable to certain other items, and newly controls certain UAVs specially designed for military use.

- **Export control jurisdiction of firearm suppressors to transfer from ITAR to EAR control.** Beginning November 20, 2026, BIS will assume export control jurisdiction over silencers, mufflers, and sound suppressors, as the control of such items transitions from control under the International Traffic in Arms Regulations ("ITAR") to control under the EAR

- **BIS imposes export restrictions on black mass and tungsten waste.** On August 6, BIS published a temporary final rule requiring U.S. persons to allocate 100 percent of their monthly sales of "black mass" (defined as "*any shredded lithium-ion battery scrap that contains cathode material*") and tungsten waste and scrap to U.S. persons, unless BIS grants an exception. The requirement, issued under authority of Section 101 of the Defense Production Act of 1950 ("DPA"), takes effect on August 27, 2026. The rulemaking comes after President Trump's July 30 Presidential Determination authorizing the Secretary of Commerce to take immediate steps under the DPA to secure the supply of critical minerals and materials that are scarce and essential for national defense.

President Trump signs executive order to secure defense supply chains and restrict waivers. On July 20, President Trump signed Executive Order 14415, *Securing America's Defense Supply Chains and Ensuring Domestic Acquisition of Critical Minerals*, directing the U.S. Department of War ("DoW") to enhance enforcement of the U.S. prohibition on the use of sensitive materials sourced from adversaries for defense procurement. Beginning January 1, 2027, the DoW will cease issuing waivers under 10 U.S.C. § 4872 unless the prime contractor submits a formal mitigation plan documenting efforts to source compliant products. All defense contractors will be required to map critical supply chains and submit bills of materials to the DoW to remain compliant.

Trump Administration announces billions in funding for critical minerals and processing support. On August 7, President Trump announced more than $3 billion in federal support for mining and processing projects, marking an expansion of the Administration's push to reduce reliance on Chinese-dominated critical mineral supply chains. According to the White House fact sheet, the package will consist of investments by the DoW, the U.S. Department of Energy ("DOE"), the Export-Import Bank, and the Development Finance Corporation into various American critical minerals companies and mining schools, as well as a rare earth mine in Madagascar.

FCC Bans:

- **FCC bans foreign-made power inverters and advanced robotics.** On July 28, the FCC issued a notice adding all foreign-produced power inverters and advanced robotics devices to its "Covered List" of equipment prohibited from receiving FCC equipment authorization. There are exceptions for power inverters granted a "conditional approval" by the DoW or the U.S. Department of Homeland Security ("DHS"), and for advanced robotics items granted such approval by the DoW.

- **FCC considers import ban for military-grade drones.** On July 21, the FCC issued a request for public comment regarding a possible import ban for certain foreign-produced drones with advanced military-grade capabilities, including infrared, swarming, and aerosol poisoning technology.

China issues countermeasures against the United States. On August 5, China's Ministry of Commerce announced a series of retaliatory economic measures against the United States, including export controls on unmanned aerial vehicles and their key components. The countermeasures include export reviews of unmanned aerial vehicles, banning six U.S. organizations from engaging in trade with companies in China, and investigating printing software industries for national security concerns.

USTR Greer meets with Chinese Ambassador Xie Feng. Ahead of President Trump's scheduled summit with President Xi Jinping next month, USTR Jamieson Greer met with China's Ambassador to the United States, Xie Feng. The meeting comes as the Washington and Beijing work to develop the U.S.-China Board of Trade and identify approximately $30 billion in non-sensitive goods that could be the subject of tariff relief ahead of the summit.

Australia and Singapore sign energy security pact. On July 27, Australia announced the signing of the "Protocol on Economic Resilience and Essential Supplies with Singapore," an agreement to strengthen cooperation on energy security, critical supply chains, and trade amid ongoing global supply disruption. The protocol will be incorporated into the existing Singapore-Australia Free Trade Agreement, formalizing commitments made during Australian Prime Minister Anthony Albanese's visit to Singapore in April.

U.S.-Saudi Arabia nuclear cooperation agreement. On July 22, the U.S. DOE announced the signing of a bilateral nuclear cooperation agreement with Saudi Arabia that could leave the door open to domestic enrichment on Saudi soil. Later, however, the Trump Administration appeared to condition the deal on Saudi Arabia's normalization of relations with Israel pursuant to the Abraham Accords. Pursuant to Section 123 of the Atomic Energy Act, in order for the agreement to take effect, the Trump Administration would be required to transmit it to Congress, which would trigger a 90-day review period. Unless a joint majority votes to disapprove, the agreement would enter force following the review period.

Democratic Republic of Congo bans copper and cobalt concentrate exports On August 6, several ministers in the Democratic Republic of Congo ("DRC") signed a government order banning the export of copper and cobalt concentrates, as the country strengthens efforts to force greater domestic processing. The DRC is the world's largest cobalt supplier and a major source of copper. Following the announcement, benchmark three-month copper on the London Metal Exchange rose 1.8 percent to $14,369.50 per metric ton.

For continuous, up-to-date information on the evolving administrative landscape, check out Blank Rome's Trump Administration Resource Hub. Explore previous *BR International Trade Reports* here.

Upcoming Events

Trends, Enforcement Signals, and Strategic Implications from the CFIUS 2025 Annual Report - September 2, 2026
Blank Rome partners Kenneth J. Nunnenkamp and Anthony Rapa will present Trends, Enforcement Signals, and Strategic Implications from the CFIUS 2025 Annual Report as a live webinar on Wednesday, September 2, 2026, from 12:00 to 1:00 p.m. EDT. Read More >>

To learn more about other Recent Developments or Upcoming Events, click here.

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