

Inter-Office Memo

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TO: International Executive Board
FROM: Legislative Department
SUBJECT: Weekly Legislative Update on the Trump Administration

1) TRADE & MANUFACTURING

President Trump [finalized](#) a Section 301 action imposing 10-12.5% tariffs on more than 60 countries related to insufficient bans on forced labor – a move initially announced in June. While the tariffs were purportedly designed to address countries' failure to legislate or enforce bans on products made with forced labor from China, they were widely seen as a more durable replacement for the global IEEPA tariffs that were struck down by SCOTUS (and after stopgap 10% tariffs imposed under Section 122 expired). The new action includes many exemptions, including products that cannot be produced domestically. USTR Greer [told media](#) that the administration will soon conclude its investigation into structural excess capacity in manufacturing sectors, saying it could result in additional tariffs on top of the forced labor action.

USTR Greer forecasted how the Trump administration aims to proceed with the USMCA during the review period, [saying](#) before the Senate Finance Committee that he hopes to present Mexico and Canada with separate "interim arrangements" before the end of the year that would address various trade issues. However, he said issues like Rules of Origin, labor, and environment are likely to take longer to resolve.

President Trump imposed a new set of [50% tariffs](#) on an array of Canadian products, claiming they are necessary to counter Canada's tariffs on various U.S. products (but apparently precipitated, at least in part, by Trump's anger over the recent Canadian wildfires). Covered products are not comprehensive, and include some alcoholic beverages, wood and paper products, dairy products, and others.

The Senate Commerce Committee [unanimously passed](#) the Connected Vehicle Security Act (S. 4429) on July 22. Endorsed by the UAW, the bill would bar the manufacture, sale, or import of vehicles and connected vehicle software and hardware linked to foreign entities of concern like China. Mercedes-Benz unsuccessfully lobbied to weaken the bill, whose prohibitions would apply to the company due to its substantial ownership by Chinese entities.

The Federal Communications Commission [added](#) foreign-produced advanced robotic devices (e.g., humanoid robots) and power inverters to its list of products deemed a national security risk and therefore banned from import into the U.S. market. While the ban on these devices applies to all that are foreign produced, it is mostly aimed at addressing China's pervasive role in the manufacture and supply chain of these products. In response, China's Commerce Ministry [called](#) the action "discriminatory toward Chinese companies and products" and vowed to retaliate. There will be a waiver process for those seeking an exemption from the ban.

President Trump signed a proclamation to create an [incentive program](#) to increase domestic aluminum production. In exchange for committing to build, expand, or update domestic aluminum plants in the U.S., companies can earn a discount that would halve the tariff on imported aluminum from 50% to 25%. The

U.S. currently has only 4 active aluminum smelters. Trump also [announced](#) the launch of a new Section 301 investigation into the EU's antitrust fines on U.S. tech companies.

2) LABOR

The Senate HELP Committee [advanced](#) the nomination of acting Secretary Keith Sonderling for Secretary of Labor on a party-line vote. He awaits further action from the full Senate to be confirmed to the position.

3) HIGHER EDUCATION

The Trump administration is reportedly [mulling](#) a plan to charge \$100,000 to international students hoping to work in the U.S. after graduating through the Optional Practical Training (OPT) program.

In a lawsuit against the Trump administration over cancelled research grants at the University of California system, the administration [admitted](#) to cancelling grants over keyword searches for words related to diversity, gender, and more. The administration also [admitted](#) that they terminated federal grants for clean energy projects solely based on whether the states were Democrat-leaning. All but one of the 284 terminated grants were in a state that voted for "Kamala Harris in the 2024 election and has two Democratic-caucusing senators."

4) CONGRESS

During its last legislative session before August recess, the House narrowly passed a series of funding bills, [including](#) a continuing resolution (CR) to fund the government through December 4. (Republicans are hoping to avoid another government shutdown before the midterm elections as the September 30 funding deadline approaches.) The House also [passed](#) the National Defense Authorization Act (NDAA), which would authorize \$1.15 trillion for the military, and [adopted](#) a budget framework to unlock Reconciliation 3.0, which would provide billions for farm aid and election security as well as additional funding for the military. All of these bills await further action in the Senate. The House adjourned for August recess and will not return to DC until August 31.

The Senate is also aiming to move on a package of bills before the August recess, with its last scheduled session day on August 7. The Senate is trying to move its own version of a CR, as the House-passed version has little path forward in the Senate, but bipartisan negotiations are still ongoing. Late in the week, Senator Collins [indicated](#) she wants to use the CR to block the Trump administration from finalizing its rule imposing unprecedented political control over the federal grantmaking process, though she said it's ultimately "up to the leadership." Senate Majority Leader John Thune is also under pressure from President Trump, again, to adopt the House's budget framework for Reconciliation 3.0. Thune has [maintained](#) that they do not have the votes necessary to pass the reconciliation package yet and is instead focused on avoiding another government shutdown.

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