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# BR INTERNATIONAL TRADE REPORT BLANKROME



**ANTHONY RAPA**

PARTNER

## Note from the Editor

By Anthony Rapa

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Welcome to this month's issue of *The BR International Trade Report*, Blank Rome's monthly digital newsletter highlighting international trade, sanctions, cross-border investment, geopolitical risk issues, trends, and laws 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.

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## Recent Developments

**President Biden blocks Nippon Steel's acquisition of US Steel.** On January 3, President Biden announced that he would block the [\\$15 billion sale of U.S. Steel](#) to Japan's Nippon Steel, citing [national security concerns](#). President Biden's decision came after the Committee on Foreign Investment in the United States ("CFIUS") reportedly [deadlocked](#) in its review of the transaction and referred the matter to the President. U.S. Steel and Nippon Steel condemned the President's action in a [joint statement](#), arguing it marked "a clear violation of due process and the law governing CFIUS," and on January 6 [filed suit](#) challenging the measure.

**Canadian Prime Minister Justin Trudeau announces his resignation as party leader and prime minister.**

On January 6, Prime Minister Trudeau, [who has served](#) as the Liberal Party leader since 2013 and prime minister since 2015, [declared his intention](#) to "resign as party leader, as prime minister, after the party selects its next leader through a robust, nationwide, competitive process." Governor General Mary Simon suspended, or prorogued, the Canadian Parliament until March 24 to allow the Liberal Party time to select its new leader—who will replace Trudeau as prime minister leading up to the [general elections](#), which must be held by October 20. Separately, details have begun to leak of the [potential Canadian retaliation](#) against President-elect Trump's threatened tariffs on Canadian goods. This retaliation could include tariffs on certain steel, ceramics, plastics, and orange juice.

**U.S. Department of Commerce announces new export controls for AI chips.** On January 13, the U.S. Department of Commerce's Bureau of Industry and Security ("BIS") [issued](#) a new interim final rule in an effort to keep advanced artificial intelligence ("AI") chips from foreign adversaries. The interim final rule seeks to implement a [three-tiered system](#) of export restrictions. Under the new rule, (i) certain allied countries would face no new restrictions, (ii) non-allied countries would face certain restrictions, and (iii) U.S. adversaries would face almost absolute restrictions. BIS followed up with another rule on January 15 imposing heightened export controls for

foundries and packaging companies exporting advanced chips, with exceptions for exports to an approved list of chip designers and for chips packaged by certain approved outsourced semiconductor assembly and test services ("OSAT") companies.

**Biden Administration imposes sanctions against Russia's energy sector in parting blow.** On January 10, the U.S. Department of the Treasury ("Treasury") [issued](#) determinations authorizing the imposition of sanctions against any person operating in Russia's energy sector and prohibiting U.S. persons from supplying petroleum services to Russia, and designated two oil majors—Gazprom Neft and Surgutneftegas—among others.

**BIS issues final ICTS rule on connected vehicle imports and begins review of drone supply chain.** On January 14, BIS issued a final rule under the Information and Communications Technology and Services ("ICTS") supply chain regulations prohibiting the import of certain connected vehicles and connected vehicle hardware, capping a rulemaking process that started in March 2024. The rules, which will have a significant impact on the auto industry supply chain, will apply in certain cases to model year 2027 and in certain other cases to model year 2029. (See our [alert](#) on BIS's proposed rule from September 2024.) Meanwhile, BIS [launched](#) an ICTS review on January 2 into the potential risk associated with Chinese and Russian involvement in the supply chains of unmanned aircraft systems, issuing an [Advance Notice of Proposed Rulemaking](#).

**China implicated in cyberattack on the U.S. Treasury.** In December, a China state-sponsored Advanced Persistent Threat ("APT") actor [hacked Treasury](#), using a stolen key. Reports suggest that attack [targeted](#) Treasury's Office of Foreign Assets Control ("OFAC"), which administers U.S. sanctions programs, among other elements of Treasury. Initial reporting indicated that only unclassified documents were accessed by hackers, although the extent of the attack is still [largely unknown](#). The Chinese government has [denied involvement](#).

### **United Kingdom joins the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.**

On December 15, the United Kingdom officially joined the [Comprehensive and Progressive Agreement for Trans-Pacific Partnership](#) (“CPTPP”)—a trade agreement between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam—nearly four years after submitting its 2021 application. The United Kingdom is the first non-founding country to [join the CPTPP](#).

### **Fallout of failed presidential martial law declaration continues in South Korea.**

South Korea continues to face unrest after last month’s short-lived [declaration of martial law](#) by President Yoon Suk Yeol, which led to his [December 14 impeachment](#) and [January 15 arrest](#) by anti-corruption investigators. On December 27, the National Assembly also [impeached Prime Minister Han Duk-soo](#), who had been serving as acting president for the two weeks following Yoon’s impeachment. [Finance Minister Choi Sang-mok](#) now serves as acting president, and faces calls from [South Korean investigators](#) to order the presidential security service to comply with a warrant for President Yoon’s arrest.

### **Office of the U.S. Trade Representative initiates investigation into legacy chips from China.**

In late December, U.S. Trade Representative (“USTR”) Katherine Tai announced a new [Section 301 investigation](#) “regarding China’s acts, policies, and practices related to the targeting of the semiconductor industry for dominance.” The USTR will focus its initial investigation on “legacy chips,” which are [integral to](#) the U.S. manufacturing economy. The USTR began [accepting written comments](#) and requests to appear at the hearing on January 6. The public hearing is scheduled for March 11–12.

### **President-elect Donald Trump eyes the Panama Canal and Greenland.**

At the December 2024 annual conference for Turning Point USA, President-elect Donald Trump [criticized Panama’s management](#) of the Panama Canal, indicating that the [United States should reclaim control](#) due to “exorbitant prices” to American shipping and naval vessels and Chinese influence in the Canal Zone. Panamanian President José Raúl Mulino [rejected Trump’s claims](#), stating “[t]he canal is Panamanian and belongs to

Panamanians. There’s no possibility of opening any kind of conversation around this reality.” President-elect Trump also has sought to revive his [2019 proposal](#) to purchase Greenland from Denmark, emphasizing its strategic position in the Arctic and untapped natural resources. In response, Greenland’s Prime Minister Mute Egede [stated](#) that Greenland is not for sale, but would “work with the U.S.—yesterday, today, and tomorrow.”

### **Nicolás Maduro sworn in for third presidential term, despite disputed election results.**

On January 10, Nicolás Maduro Moros was inaugurated for another six-year term as president of Venezuela, despite [evidence](#) he lost the election to opposition candidate Edmundo González Urrutia. Gonzalez, recognized by the Biden Administration as the president-elect of Venezuela, [met](#) with President Biden in the White House on January 6. In response to Maduro’s inauguration, the United States [announced](#) new sanctions programs against Maduro associates and extended the 2023 designation of Venezuela for Temporary Protected Status by 18 months.

### **U.S. Department of Defense designates more entities on Chinese Military Companies list.**

In its [annual update](#) of the [Chinese Military Companies list](#) (“CMC list”), the Department of Defense (“DoD”) added dozens of Chinese companies to the list, including well-known technology, AI, and battery companies, bringing the total number of CMC List entities to 134. Beginning in June 2026, DoD is prohibited from dealing with the newly designated companies.

### **European Union and China consider summit to mend ties.**

On January 14, European Council President António Costa and Chinese President Xi Jinping spoke via phone call, [reportedly agreeing to host a summit](#) on May 6, 2025—the 50th anniversary of EU-China diplomatic relations. The conversation comes just days before the inauguration of President-elect Donald Trump, who has threatened [additional tariffs on Chinese goods](#) and pushed the European Union to further decouple from China. Despite Beijing’s and Brussels’s willingness to meet, China-EU trade tensions remain high, highlighted by the European Commission’s October decision to impose [duties of up to 35%](#) on Chinese-made electric vehicles.

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## In Case You Missed It

### **Anthony Rapa Joins Wharton Business Daily**

Blank Rome partner [Anthony Rapa](#), co-chair of the firm's International Trade practice group, joined host Dan Loney on Wharton Business Daily on Sirius XM to discuss President Joe Biden's decision to block an acquisition of US Steel by Japan's Nippon Steel due to national security concerns and contemplates future developments.

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### **Nippon Steel Chief Warns Trump That Tariffs Alone Will Not Strengthen US Industry**

Blank Rome partner [Anthony Rapa](#), co-chair of the firm's International Trade practice group, was featured in this *Financial Times* article discussing how potential new tariffs could affect the American steel industry. [Read More >>](#)

### **Anthony Rapa Joins NYSE TV Live**

Blank Rome partner [Anthony Rapa](#), co-chair of the firm's International Trade practice group, was recently interviewed on the New York Stock Exchange's NYSE TV Live. During the segment, which aired on December 23, Anthony discusses what the future may hold for TikTok now that the Supreme Court has agreed to hear the company's appeal of the legislation passed earlier this year that would ban the distribution of TikTok in the United States.

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## Upcoming Events

### **February 19, 2025 Navigating Global Trade: Critical Insights for the Evolving Supply Chain 2025**

Blank Rome partner [Anthony Rapa](#) will serve as a speaker for a comprehensive two-hour course which will provide a deep dive into key aspects of global trade compliance and supply chain management. Topics include U.S. import/export regulations, the current tariff landscape and proposed policy changes, de minimis and Foreign Direct Product Rule (FDPR) applications, and evolving sanctions impacting exports to numerous destinations. The course will equip participants with the tools to navigate complex trade environments and ensure compliance in an ever-shifting global market. This program is eligible for CLE credit. [Read More >>](#)

### **February 25, 2025 Special Update on Disruptive Technology Task Force**

Blank Rome partner [Anthony Rapa](#) will serve as a session moderator at American Conference Institute's ("ACI") Advanced Forum on Global Export Controls, being held February 25 and 26, 2025, in Arlington, Virginia.

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To learn more about other Recent Developments or Upcoming Events, click [here](#).

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