D.C. Political News Round-Up | February 2025

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D.C. Deep Dive

In this month's deep dive, D.C. Partner-in-Charge Jonathan Miller interviews Mason Clutter, FBT Partner and former Chief Privacy Officer of the U.S. Department of Homeland Security, on how businesses can protect themselves and their customers in this brave new digital world. Dive in below!

Keeping Up

Temporary Suspension of Foreign Corrupt Practices Act (FCPA) Enforcement

On February 10, 2025, President Trump issued an executive order temporarily halting the enforcement of the Foreign Corrupt Practices Act (FCPA) of 1977. The Trump administration contends that current FCPA enforcement impedes U.S. foreign policy objectives and places American companies at a disadvantage compared to international competitors. The suspension will remain in effect until Attorney General Pam Bondi issues new enforcement guidelines aimed at balancing competitiveness with efficient law enforcement resource use. Critics warn that this unprecedented move could undermine global anti-corruption efforts and expose

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U.S. businesses to ethical and legal risks.

FTC Adjusts Civil Penalty Amounts for 2025

The Federal Trade Commission (FTC) has announced inflation-adjusted increases in civil penalty amounts for various violations, effective in 2025. Notably, the maximum penalty for certain energy-related violations has risen to $1,510,803. These adjustments are part of the FTC's annual review to account for inflation and ensure that penalties maintain their deterrent effect. Businesses are advised to review these changes carefully to ensure compliance and mitigate potential risks associated with increased penalties.

Executive Order on Digital Financial Technology

On January 23, 2025, President Trump signed an executive order outlining the administration's vision for digital assets. The order reflects a commitment to establishing the United States as a leader in digital financial technology, with implications for the financial services industry, including regulatory considerations and potential opportunities for innovation.

Hydrogen Production Tax Credits Finalized

The U.S. Treasury Department has finalized rules for the 45V clean hydrogen tax credit, providing clarity for hydrogen developers. The rules promote clean hydrogen by allowing full tax credits for projects utilizing newly built clean energy plants. This regulatory certainty enables previously paused projects to progress. However, the rules require stringent sourcing of clean power and emissions monitoring, drawing mixed reactions from industry stakeholders.

FERC Approves Fast-Tracking Power Plants in Mid-Atlantic Grid

The Federal Energy Regulatory Commission (FERC) has approved a proposal from PJM Interconnection, the operator of the mid-Atlantic electric grid, to expedite the construction of new power plants to prevent potential energy shortages. Critics argue that this

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move favors natural gas plants over renewable energy projects, as the proposal prioritizes projects ready for construction that can generate high-capacity energy. Currently, more than 97% of proposals awaiting PJM's approval are for solar, wind, or battery storage, with less than 3% for natural gas.

On the Horizon

Potential Government Shutdown Looms

With the current continuing resolution set to expire on March 14, 2025, Congress faces a tight deadline to pass new funding legislation to prevent a government shutdown. Lawmakers are considering another short-term spending bill to maintain government operations while negotiations continue on longer-term appropriations. However, disagreements over spending priorities, particularly in areas such as defense and social programs, could complicate these negotiations. A government shutdown could have wide-ranging effects, including furloughs of federal employees and disruptions to public services. Businesses that interact with federal agencies should prepare for potential delays and uncertainties.

Senate GOP Advances Budget Plan Amidst House Disagreements on Fiscal Strategy

The Senate Budget Committee has initiated the markup of its Fiscal Year 2025 budget resolution, officially commencing the reconciliation process. This resolution includes directives for committee work focused on immigration and energy policy. The Senate's approach contrasts with the House, where Republicans are formulating their own budget resolution. The differing strategies between the two chambers underscore ongoing fiscal policy debates.

Trade Policy Developments: Increased Tariffs on Steel and Broader Trade Measures

On February 10, 2025, the administration announced a 25% tariff on all steel and aluminum imports, with no exemptions for allied

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nations. The tariff is set to take effect on March 12th, 2025. The decision aims to bolster domestic manufacturing and reduce reliance on foreign materials. While the administration argues that these tariffs will encourage foreign companies to relocate production to the U.S., critics warn of potential price increases and retaliatory trade measures from key allies.

In addition to the steel and aluminum tariffs, the administration has introduced broader trade policy shifts. On February 1, 2025, the administration imposed a 25% tariff on imports from Canada and Mexico, citing border security concerns. Originally set to take effect on February 4, implementation was delayed until March 4 following negotiations on enhanced border enforcement. A 10% tariff on Chinese imports took effect on February 4 as part of ongoing trade policy efforts. These measures are expected to raise costs for industries reliant on imports, prompting businesses to assess supply chain risks and potential alternatives amid concerns over economic impact and retaliatory actions.

For more information, contact the authors or any member of Frost Brown Todd's Lobbying and Public Policy team.

Presidential Administration Impacts

Frost Brown Todd has a dedicated team closely monitoring the significant policy changes and their impact on businesses. We are committed to keeping our clients informed as these changes take effect and new information emerges. Visit our resource page for insight into the latest developments and their implications for business and industry.

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