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## USMCA Panel Rejects US Autos Rule

Canada and Mexico prevailed in their challenge to the US interpretation of automobile content requirements under the US-Canada-Mexico Agreement, according to a dispute panel report made public yesterday. The panel found the US interpretation of the rules “inconsistent” with the USMCA.

Washington expressed disappointment with the ruling, but did not indicate any plans to ignore the decision, as it has in two recent World Trade Organization cases that went against the United States. “We are reviewing the report and considering the next steps,” Adam Hodge, spokesman for the US Trade Representative’s Office said in a statement. “We will engage Mexico and Canada on a possible resolution to the dispute, including the implication of the panel’s findings for investment in the region.”

Under the USMCA’s auto content rules, 75 percent of a vehicles components must originate in North America in order to receive duty-free status. Mexico and Canada argued that Washington’s interpretation of how to calculate the regional percentage is too strict and would result in autos from Mexico and Canada being subject to tariffs. Washington has countered that its interpretation of the rules will keep components from outside countries – particularly China – from receiving duty-free treatment.

Canadian International Trade Minister Mary Ng praised the ruling, saying that it reaffirms Ottawa’s “understanding of the negotiated outcome on the rules of origin for automotive products.” The US Chamber of Commerce also supported the ruling, commenting in a statement that it will provide more certainty for automakers in all three countries. United Steelworkers International President Tom Conway blasted the panel’s decision, calling it “a significant victory for Chinese and other foreign producers.”

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[www.wttonline.com](http://www.wttonline.com)

Editor: Frank Ruffing +1.703.283.5220. [fruffing@tradereqs.com](mailto:fruffing@tradereqs.com)

## US-UK Dialogue on Technology and Data Launch

US and United Kingdom officials will be working on a number of deliverables this year aimed at increasing bilateral cooperation on data flows and emerging technologies like semiconductors and artificial intelligence, according to the Commerce Department's International Trade Administration.

At the first meeting of the US-UK Comprehensive Dialogue on Technology and Data, officials focused on three work streams – data; critical and emerging technologies and secure and resilient digital infrastructure.

### **They identified a package of deliverables for 2023, including:**

- Collaborate to facilitate global trusted data flows, including multilateral discussions with the Global Cross-Border Privacy Rules Forum.
- Finalize and implement a data bridge for US-UK data flows.
- Promote open, interoperable, reliable and secure telecommunication systems, such as open radio access networks (Open RAN), and work to ensure a complementary and cooperative approach to telecommunications R&D.
- Hold roundtable discussions on next-generation license-exempt technologies in the 6 GHz band.
- Champion the new OECD Global Forum on Technology in support of our shared ambition to build a wider community of partners committed to ensuring technology is designed, developed, and deployed, in a way that reflects shared values.
- Identify opportunities for cooperation between the UK and the US semiconductor industry on skills, investments, and R&D.
- Strengthen UK-US collaboration on AI technical standards development and tools for trustworthy AI – including through joint research and information sharing, and support for commercial cooperation.

## North American Summit Yields Modest Fruit

The leaders of Canada, Mexico and the United States pledged trilateral cooperation on semiconductors and critical minerals, along with supply chains as they concluded their summit last week. The agreements were announced even before the North American leaders' summit actually began.

President Biden, Mexican President López Obrador and Canadian Prime Minister Trudeau agreed to organize the first-ever trilateral “semiconductor forum with industry to adapt government policies and increase investment in semiconductor supply chains across North America,” expected to be held early this year.

The leaders also agreed to coordinate semiconductor supply chain mapping efforts to develop a collective understanding of unmet needs. “This mapping with all the three countries will identify complementary investment opportunities,” the [fact sheet](#) said.

The three countries also will expand North American critical minerals resource mapping to collect details on resources and reserves. The Geological Surveys of each country will organize a trilateral workshop to share data and facilitate cooperation.

Earlier in the day, President Biden held a bilateral meeting with Prime Minister Trudeau, where he announced plans to visit Canada in March. According to a readout from the Prime Minister's office, Mr. Trudeau raised several trade disputes with the United States, including Buy America rules, US tariffs on Canadian softwood lumber and steel and aluminum. [[Joint Declaration](#)]

## House Approves Select Panel on China

On a bipartisan vote of 365 to 65, the House agreed yesterday to a resolution (HRes 11) creating a new **Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party**.

**Rep. Mike Gallagher (R-Wisc)** has been selected to chair the panel. The committee is authorized to have 16 members – nine Republicans and seven Democrats. The committee's role is to investigate, submit non-binding policy recommendations and hold public hearings on the status of the Chinese Communist Party's economic, technological and security progress and its competition with the United States.

**House Speaker Kevin McCarthy** insisted the panel would not be partisan. "You have my word and my commitment. This is not a partisan committee. This will be a bipartisan committee." The process of seating the various standing committees is expected to be contentious as McCarthy has already pledged to retaliate against Democrats for removing several far-right members from their committee assignments in the last Congress.

**Former Chairman of the House Armed Services Committee Adam Smith (D-Wash)** told an audience at the Brookings Institution Wednesday that he and Gallagher have begun preliminary conversations over the vision and direction the committee will take, and he is waiting to see if it will be a productive panel or a "China bashing exercise" that simply goes "sideways."

## USITC Launches New Investigations Database

The United States International Trade Commission (USITC) has deployed the **Investigations Database System (IDS)**, an innovative new data management tool that captures, manages, and displays USITC investigation-related information. Users are encouraged to visit the USITC website at <https://ids.usitc.gov> to explore this new tool. [[Link](#)]

A major new feature is the ability to conduct quick searches and advanced searches of the centralized investigation database that generate in-depth search results across multiple practice areas, providing new perspectives and value-added insights for users.

IDS provides users with several ways to obtain information. For example, users can search IDS by keywords (e.g., steel), creating a one-stop shop for investigation data across Section 337, import injury, and factfinding mission areas. Alternatively, users can focus on a single investigative area by focusing on or filtering their searches by practice area.

**\*\* Briefs \*\***

**House Bans Oil Sales to China.** By a vote of 331 to 97 the House approved legislation (HR 22) Thursday to prohibit the sale of petroleum products from the Strategic Petroleum Reserve to China – the second time this week a bill aimed at China has passed the chamber with broad bipartisan support.

The **Protecting America’s Strategic Petroleum Reserve from China Act** is sponsored by **Rep. Cathy McMorris Rodgers (R-Wash)**, the newly-selected chair of the House Energy and Commerce Committee. The bill prohibits the draw down and sale of petroleum products from the Strategic Petroleum Reserve to China, or any entity that is under the ownership, control or influence of the Chinese Communist Party. Millions of barrels of SPR oil have gone to China, Ms. McMorris Rodgers said. “Draining our strategic reserves for political purposes and selling it to China is a significant threat to our national and energy security.”

**Jason Smith to Chair Ways and Means.** Missouri Republican Jason Smith is the new chairman of the House Ways and Means Committee following his selection by the Republican Steering Committee. When it comes to the committee’s jurisdiction over trade, the new chairman made clear he wants to focus on lessening US reliance on imports from China and on fighting Chinese unfair trade practices.

“We will examine using both trade policy and our tax code to re-shore and strengthen our supply chains, where products and services vital to our national security are made here at home using American labor, as well as craft policies that help America achieve food and medical security rather than dependence on nations like China,” he said in a statement. The committee also will “examine whether it is in the best interests of the American people to continue showering tax benefits on corporations that have shed their American identity in favor of a relationship with China.”

**FinCEN / Reporting Beneficial Ownership** Financial Crimes Enforcement Network requests comment on the mechanism that FinCEN proposes to use to collect beneficial ownership information from reporting companies as set out in the Beneficial Ownership Information Reporting Requirements final rule, which requires reporting companies to report information to FinCEN about: (1) the reporting company; (2) the individual beneficial owners of the reporting company; and (3) individuals who have filed an application with specified governmental authorities to create a domestic reporting company or register a foreign reporting company to do business in the United States. The notice requests feedback on or before March 20, 2023 [[Federal Register Notice](#)] Scheduled for publication Ja

**DDTC / Voluntary Disclosure – Violations of the Arms Export Control Act** ITAR §127.12 describes the information which should accompany a voluntary disclosure. Historically, respondents to this information collection submitted their disclosures to DDTC in writing via hard copy documentation. However, as part of an IT modernization project designed to streamline the collection and use of information by DDTC, a discrete form has been developed for the submission of voluntary disclosures. [[88 FR 2382](#)]

**EU Dual Use Control List Updated.** This update to Annex I of the dual-use Regulation forms part of a yearly exercise of the EU control list of dual-use items and is independent from EU export restrictions against Russia or Belarus. The control on digital computers has been adapted to 70 TeraFLOPS as the new threshold. In the chemical and biological sector, the updated list includes software specially designed for nucleic acid assemblers and synthesizers. Under the category of aerospace and propulsion, the addition of sub-orbital crafts and certain technology for the manufacturing of gas turbines (pressure gain combustion) stands out. There is a modification on additive manufacturing equipment designed for “superalloys”. [\[Summary of Key Changes\]](#)

**EU / Deforestation-Free Supply Chain Regulation** From the Brussels Post of the USDA FAS, a review of the now de-facto final text expected to be formally adopted in the coming months. To sell any of the covered products in the EU or export them from the EU, business operators will be required to provide extensive information about the product’s origins, including the precise location(s) and general time of production. [\[Report\]](#)

**USTR / India “Thinking Big” After Trade Forum** India and the United States have scrapped the previously talked about mini trade deal or free trade agreement (FTA) and are instead “thinking big” in terms of bilateral trade and commerce ties, Union commerce minister Piyush Goyal told reporters after the conclusion of the 13<sup>th</sup> India-US Trade Policy Forum with US trade representative Katherine Tai in Washington DC on Wednesday. Goyal said that the two countries are now focusing on greater market access and ease of doing business, scaling up trade, investment and business.

**Outcomes of the forum include a new TPF Working Group on Resilient Trade.** This new Working Group will enable officials to deepen bilateral dialogue on a range of issues that can enhance the resiliency and sustainability of the trade relationship so that it is better able to withstand current and future global challenges. [\[Joint Statement\]](#)

**USTR / Switzerland Streamline Pharma Documentation.** The United States and Switzerland signed an agreement yesterday to help streamline the movement of pharmaceuticals and create a more reliable supply chain. The **US-Switzerland Pharmaceutical Good Manufacturing Practice Mutual Recognition Agreement** allows US and Swiss authorities to share documents from their routine GMP inspections of pharmaceutical manufacturing facilities, which will reduce unnecessary costs and duplicative efforts, according to the US Trade Representative’s Office. [\[USTR Release\]](#)

**USDA / Trade Mission to Netherlands** The Foreign Agricultural Service is accepting applications from U.S. exporters for its first-ever regional agricultural trade mission to Amsterdam, Netherlands, April 17 – 20, 2023.

**USDA / China Exporter Guide** January 12 report provides practical tips for U.S. agricultural, forestry, and fishery exporters on how to conduct business in China, including information on local business practices, a review of consumer preferences, food standards and regulations, and import and inspection procedures. [\[report\]](#).

**OFAC / Marine Safety GL** Authorized through 12:01 a.m. eastern daylight time, April 13, 2023, provided that any payment to a blocked person must be made into a blocked account in accordance with the Global Terrorism Sanctions Regulations: docking, anchoring, crew health and safety, and emergency repairs to eleven vessels owned or controlled by blocked persons. **GL 21B** does not authorize the offloading of any cargo onboard any of the blocked vessels. [[OFAC GL 21B](#)]

**OFAC / Venezuela GL Updates** Treasury's Office of Foreign Assets Control (OFAC) is publishing two general licenses (GLs) issued pursuant to the Venezuela Sanctions Regulations, each of which was previously made available on OFAC's website. **GLs 8K and 41** were issued on November 26, 2022. [[88 FR 2237](#)]. **GLs 12 and 13** were issued on January 28, 2019. See SUPPLEMENTARY INFORMATION for additional relevant dates. [[88 FR 2234](#)] On January 09, 2023, OFAC issued Venezuela-related **General License 31B** authorizing all transactions involving the IV National Assembly, its Delegated Commission, and others. The IV National Assembly is the opposition body, recognized by the US Government, not the Venezuelan National Constituent Assembly convened by Nicolas Maduro or the National Assembly. [[OFAC GL 31B](#)]

**BIS / OIG Reviews OEE Law Enforcement** The Commerce Department's Office of Inspector General completed its review of the Bureau of Industry and Security Law Enforcement Oversight Policies and Procedures, begun in the Fall of 2021. The review identified a Need for Improvement in recordkeeping, specifically with regard to firearms management and control. [[report](#)]

**Yellen to Africa, Tai & WTO DG to Hit the Slopes.** Treasury Secretary Janet Yellen will travel to Senegal, Zambia, and South Africa from January 17 through January 28. While Yellen Safaris, **US Trade Representative Katherine Tai & WTO Director-General Ngozi Okonjo-Iweala** will be in Davos, Switzerland at the WEF Annual Meeting.

Before landing in Davos Ambassador Tai will meet with **European Commission Executive Vice President Valdis Dombrovskis** to discuss the transatlantic relationship, including the work of the Trade and Technology Council and development of a global arrangement on steel and aluminum.

### \*\*\* Calendar \*\*\*

**Information Systems Technical Advisory Committee (ISTAC)** will meet on January 25 and 26, 2023, 9 a.m., in the Herbert C. Hoover Building, Room 3884, 1401 Constitution Avenue, N.W., Washington, D. C. The Committee advises the Office of the Assistant Secretary for Export Administration on technical questions that affect the level of export controls applicable to information systems equipment and technology. **Wednesday, January 25: OPEN SESSION** will be accessible via teleconference. To join the conference, submit inquiries to Ms. Yvette Springer at [Yvette.Springer@bis.doc.gov](mailto:Yvette.Springer@bis.doc.gov), by January 18

**Emerging Technology Technical Advisory Committee (ETTAC)** will meet on January 27, 2023, at 9 a.m., (Eastern Standard Time) in the Herbert C. Hoover Building, Room 3884, 1401 Constitution Avenue, N.W., Washington, DC (enter through Main Entrance on 14th Street between Constitution and Pennsylvania Avenues). The Committee advises the Office of the Assistant Secretary for Export

Administration on the identification of emerging and foundational technologies with potential dual-use applications as early as possible in their developmental stages both within the United States and abroad. **Open Session: 2:40 p.m. – 4:00 p.m.** with Speaker from Pew Research Center and Presentation: Artificial Intelligence and Society: What Do People Say? To join the conference, submit inquiries to Ms. Yvette Springer at [Yvette.Springer@bis.doc.gov](mailto:Yvette.Springer@bis.doc.gov) no later than January 20, 2023.

**Sensors and Instrumentation Technical Advisory Committee (SITAC)** will meet on Tuesday, January 31, 2023, 9:30 a.m., (Pacific Standard Time) at the SPIE Photonics West 2023, at the InterContinental San Francisco, 888 Howard Street, in the C (5th Floor), San Francisco, CA 94103. The Committee advises the Office of the Assistant Secretary for Export Administration on technical questions that affect the level of export controls applicable to sensors and instrumentation equipment and technology. To join the conference, submit inquiries to Ms. Yvette Springer at [Yvette.Springer@bis.doc.gov](mailto:Yvette.Springer@bis.doc.gov) no later than January 24, 2023.

**DDTC Webinar: U.S. Export Control Seminar for Australian, Canadian, and UK Government, Industry, and University Communities** The Canada and UK session runs January 23 – 26, 2023. The Australia session runs February 6 – 9, 2023 (D.C. time) / February 7 – 10, 2023 (Canberra time). Click here for tentative agendas: [Canada & UK seminar](#), [Australia seminar](#). To register, email U.S. Department of State at [DDTCRSVP@state.gov](mailto:DDTCRSVP@state.gov): Registration deadline for the Canada and UK seminar is January 17. Registration deadline for the Australia seminar is January 30. Each seminar session is limited to the first 900 registrants.

**2023 Washington International Trade Conference**, sponsored by Washington International Trade Association (WITA) virtually on Zoom, Monday, February 13, and Hybrid, Tuesday, February 14. [\[Registration\]](#)

**USDA's 99th annual Agricultural Outlook Forum (AOF)**, will be held in-person at the Crystal City Gateway Marriott on February 23-24, 2023, and all sessions will be livestreamed on a virtual platform. More than 30 sessions and 100 agriculture leaders and subject matter experts will discuss key issues impacting the sector [\[Info\]](#)

**WITA 2023 Congressional Trade Agenda**. Friday, March 3, 2023. 9:30 am - 11:00 am ET.

*Featured Speakers:*

**Sally Laing**, Chief International Trade Counsel, U.S. Senate Committee on Finance, Democratic Staff  
**Mayur Patel**, Chief Counsel, International Trade, U.S. Senate Committee on Finance, Republican Staff.  
**Josh Snead**, Republican Chief Trade Counsel, Trade Subcommittee, House Ways and Means Cttee.  
**Alexandra Whittaker**, Democratic Chief Trade Counsel; Staff Director Trade Subcommittee, House Ways and Means Cttee. Ronald Reagan Building & International Trade Center, 1300 Pennsylvania Ave, NW, Washington, DC [\[Registration\]](#)