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## GOP Lawmakers Want Fast-Track Authority Renewed

With hopes of potential new trade agreements and efforts to counter China, Reps. Kevin Brady (R-Texas), Vern Buchanan (R-Fla.), and 16 other Ways and Means Republicans Aug. 3 urged President Biden to begin consultations with Congress to renew Trade Promotion Authority (TPA), which expired July 1.

During two days of hearings on the administration's trade agenda in May, U.S. Trade Representative (USTR) Katherine Tai expressed support for a number of congressional efforts, including renewing TPA, as well as other expired programs, but wouldn't commit to specific timeframes (see **WTTL**, May 17, page 3).

"There appears to be strong bipartisan, bicameral support for completing trade negotiations with the United Kingdom and Kenya that are currently under review by your administration. There also is intense bipartisan interest in exploring other potential trade negotiations in the Asia-Pacific region and around the world. TPA provides the framework for robust consultation with Congress and stakeholders that ultimately will allow you to conclude and implement important new agreements," the lawmakers said.

"Without TPA, America leaves a void on the international stage that malign actors, like China, seek to exploit, and that our allies may fill with policies that reflect priorities other than our own," they added. "It is only with this unified approach that we can deepen relationships with our allies to counter China through trade policy," the lawmakers wrote.

## Mexico Stops Waiting for Gun Control, Sues Manufacturers

Citing the evasion of U.S. export regulations, Mexico filed a lawsuit Aug. 4 in Boston U.S. District Court for damages against seven gun manufacturers and a Boston-area wholesaler, "so that the companies compensate the Government of Mexico for the harm caused

by their negligent practices.” The defendants are: Smith & Wesson, Barrett, Beretta, Century Arms, Colt, Glock, Ruger and Interstate Arms. The Mexican complaint cites U.S. export law, including the requirement to apply for an export license. “Defendants have a duty to comply with various U.S. export regulations—including, but not limited to, the Export Administration Regulations — so as to minimize the risk that their guns will be misused by malicious actors in Mexico,” the lawsuit noted.

Mexico brought “this action to put an end to the massive damage that the defendants cause by actively facilitating the unlawful trafficking of their guns to drug cartels and other criminals in Mexico,” the complaint noted. “Almost all guns recovered at crime scenes in Mexico—70% to 90% of them—were trafficked from the U.S.,” it added.

“One study showed that the prevalence of gun shows in a state has a strong relationship to the number of guns trafficked from that state to Mexico. If the state does not require background checks at gun shows, it is over 2.5 times more likely to export crime guns than states that do have this requirement,” the complaint noted.

The National Shooting Sports Foundation (NSSF) denounced the lawsuit. “These allegations are baseless. The Mexican government is responsible for the rampant crime and corruption within their own borders,” said Lawrence Keane, NSSF senior VP and general counsel. “The American people through their elected officials decide the laws governing the lawful commerce in firearms in our country,” Keane added.

Advocacy groups welcomed the move. “The Mexican government’s legal action is a positive and important step, making gun production companies responsible for distributing military-grade guns to businesses with bad records of selling guns to criminals or others involved in illegal trafficking,” said Global Exchange Co-director Marco Castillo.

## **Solar Industry Airs Dirty Laundry on Safeguard Tariffs**

As five U.S. solar companies requested the International Trade Commission (ITC) recommend extending the Section 201 safeguard tariffs on crystalline silicon photovoltaic cells (CSPV) for four more years, the solar industry association urged the administration to end the import duties. Without an extension, the safeguard remedy will expire Feb. 6, 2022.

In June, Canada formally requested a dispute settlement panel under the U.S.-Mexico-Canada (USMCA) agreement, saying the “tariffs are unwarranted and damaging to the global competitiveness of our long-established, secure, and deeply integrated supply chains” (see **WTTL**, June 21, page 1). Ottawa requested consultations in December 2020.

“The safeguard measures have created the conditions for new investments in the U.S. CSPV industry that created over a thousand U.S. jobs. Domestic module production, in particular, has increased since imposition of the safeguard measures,” Auxin Solar and

Suniva wrote Aug. 2. “Petitioners’ CSPV production increased year-over-year due in large part to safeguard relief and strong demand conditions,” the companies added.

The petition Hanwha Q CELLS USA, LG Electronics USA, and Mission Solar Energy filed two days later acknowledged the challenges the industry faces. “Favorable demand conditions have allowed the U.S. industry to ramp up production and innovate. However, the remedy that the domestic industry received was partially impaired by import stockpiling in advance of the remedy, the economic impact of the COVID-19 pandemic, continued import underselling and increased costs and tariffs on the inputs used to produce modules,” the companies said.

“Extending this safeguard is essential for America to reclaim its lead in solar energy manufacturing and development, and it represents a critical step to achieve the broader goal of American renewable energy independence,” Auxin Solar CEO Mamun Rashid said in a separate statement.

The Solar Energy Industries Association (SEIA) immediately rejected the companies’ petition. “There are no two ways about it. It is time to end the job-killing Section 201 solar tariffs. They are a multibillion dollar drag on industry growth. And leading domestic panel manufacturers are thriving, both here in America and globally. If we hope to reach our ambitious climate goals, we must accelerate solar deployment, not hinder it with unnecessarily punitive trade measures,” SEIA VP and General Counsel John Smirnow countered in a statement.

## Workers Lose Booming Voice in Trade Fights

When AFL-CIO President Richard Trumka died suddenly Aug. 5, many in the labor and political community had something to say in tribute to the longtime union leader. Several specifically highlighted his role in trade fights, especially the 2020 passage of the U.S.-Mexico-Canada Agreement (USMCA) and moves to combat forced labor.

Trumka was elected president of the union in September 2009. “His advocacy and dedication helped ensure transformative pro-worker policies became law. I deeply valued his partnership as we passed the [USMCA], a revolutionary trade deal for U.S. workers,” Rep. Richard Neal (D-Mass.) said.

Sen. Sherrod Brown (D-Ohio) shared his memories during a Senate floor speech. “I voted against every single trade agreement that came in front of me until two years ago, and that’s because Rich Trumka played a major role in changing NAFTA, changing the United States-Mexico-Canada agreement and put in language that Senator Wyden and I worked on.”

“The way that Rich Trumka understood government is if you put workers at the center of our policy, workers at the center of our trade policy, workers at the center of our tax policy, workers at the center of everything we do here, call it the dignity of work, call it the dig-

nity of putting workers at the center, you do that, everything right will flow from there,” Brown said. “I had the pleasure of working with President Trumka throughout my career. His personal invitation to me to lay out our vision for a worker-centered trade policy at the AFL-CIO’s headquarters was a great honor and privilege. He was a vocal supporter of our policy – and for the Biden-Harris administration’s broader economic vision that lifts up our workers,” U.S. Trade Representative (USTR) Katherine Tai said in a statement.

“From EXIM’s earliest days, we have existed to support American jobs and American workers by opening markets around the globe to American products. Our friends at the AFL-CIO have been tireless partners in that effort, serving on EXIM’s Advisory Committee for several decades and providing valuable counsel to our agency,” Acting Ex-Im Bank President and Chair James Burrows noted.

### **Trade Officials Commit to Use Industry Expertise**

U.S. Trade Representative (USTR) Katherine Tai and U.S. Commerce Secretary Gina Raimondo got the band back together Aug. 2, co-hosting the administration’s inaugural Industry Trade Advisory Committee (ITAC) meeting, including members and chairs of all 14 ITACs. In all, more than 300+ trade advisors sit on the various committees.

During the meeting, Tai and Raimondo “outlined the goals of the Biden-Harris administration’s trade and export promotion agenda to the ITAC members. They also committed to working closely with the ITAC members to address shared priorities, such as removing barriers to trade, developing an inclusive and sustainable growth strategy, and using the private sector’s expertise to enforce existing trade agreements and inform U.S. commercial advocacy with foreign governments,” a joint USTR and Commerce readout said.

In August 2014, the Obama administration walked back one of its early actions to ban registered lobbyists from ITAC membership, allowing them back if they meet specific conditions (see **WTTL**, Aug. 18, 2014, page 3). The administration implemented the ban in September 2009.

The 14 ITACs include: aerospace equipment; automotive equipment and capital goods; chemicals, pharmaceuticals, health/science products and services; consumer goods; forest products, building materials, construction, and nonferrous metals; energy and energy services; steel; digital economy; small and minority business; services; textiles and clothing; customs matters and trade facilitation; intellectual property rights; and standards and technical trade barriers.

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

**TRADE FIGURES:** Merchandise exports in June jumped 40.7% from year ago to record-high \$145.9 billion, Commerce reported Aug. 5. Services exports grew 12.1% to \$61.8 billion from June 2020. Goods imports increased 36.1% from June 2020 to \$239.1 billion, as services imports grew 31.3% to \$44.3 billion. Merchandise exports from January to June jumped 22.9% from year ago to

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\$845.2 billion. Goods imports increased 24.4% from 2020 to \$1.4 trillion. U.S. services exports dipped 1.75% to \$358.1 billion from 2020, as services imports grew 6.5% to \$249.0 billion.

**EXPORT ENFORCEMENT:** Reza Sarhangpour Kafrani, aka Reza Sarhang, Iranian national residing in Montreal, was indicted July 30 in D.C. U.S. District Court on charges of illegally exporting mass spectrometry equipment to Iran through Canada and United Arab Emirates (UAE) from February 2015 through January 2017. Kafrani and his co-conspirator applied for export license from Treasury's Office of Foreign Assets Control (OFAC) in November 2015, and again in April 2016, but OFAC declined to grant either application, Justice said. Kafrani and others intentionally concealed from U.S. companies "the true nature of the ultimate end use and the true identities of the ultimate end users of the goods, by providing false and misleading information about the ultimate end use and end users," indictment said.

**MORE EXPORT ENFORCEMENT:** Dali Bagrou and Bagrou's U.S.-based company World Mining and Oil Supply (WMO) pleaded guilty July 30 in Savannah, Ga., U.S. District Court to conspiracy in scheme to procure Vectra 40G power turbine from U.S. manufacturer and ship Vectra to blocked Russian company that intended to use turbine on Arctic deepwater drilling platform. Co-defendant GVA International Oil and Gas Services (GVA) pleaded guilty in May (see **WTTL**, June 7, page 6). Oleg Vladislavovich Nikitin and his Russian company KS Engineering (KSE) pleaded guilty in March. Italian national and GVA owner Gabriele Villone was sentenced in June 2020 to 28 months in prison on related charges. Other charged parties were KSE employee Anton Cheremukhin and GVA employee Bruno Caparini.

**SEAFOOD:** CBP Aug. 4 issued withhold release order (WRO) for tuna and other seafood harvested by Hangton No. 112, Fijian flagged and owned fishing vessel, "based on information that reasonably indicates the use of forced labor in the vessel's fishing operations," including withholding of wages, debt bondage, and retention of identity documents, agency said. CBP previously issued order blocking seafood harvested by Lien Yi Hsing No. 12, Taiwanese-flagged and owned distant water fishing vessel (see **WTTL**, Jan. 11, page 7).

**MAGNESIA CARBON BRICKS:** In 5-0 "sunset" vote Aug. 3, ITC said revoking antidumping duty orders on magnesia carbon bricks from China and Mexico and countervailing duty order on imports from China would renew injury to U.S. industry.

**STEEL PIPE:** In 5-0 final vote Aug. 2, ITC determined U.S. industry is materially injured by dumped imports of seamless carbon and alloy steel standard, line and pressure pipe from South Korea, Russia and Ukraine and subsidized imports from Korea and Russia.

**FCPA:** Miami resident Naman Wakil, Syrian national and U.S. lawful permanent resident, was indicted Aug. 4 in Miami U.S. District Court on charges of conspiracy to violate Foreign Corrupt Practices Act (FCPA) and money laundering. Wakil allegedly bribed Venezuelan officials to obtain at least \$250 million in contracts from Venezuela's state-owned energy company, Petróleos de Venezuela S.A. (PDVSA), and Venezuela's state-owned food company, Corporación de Abastecimiento y Servicios Agrícola (CASA), from 2010 through September 2017.

**WTO:** Working party on Timor-Leste membership held its second meeting July 29. "Timor-Leste continued to progress in its accession by developing and providing the negotiating inputs requested by members, including the initial Market Access Offers on Goods and Services," Joaquim Amaral, country's WTO chief negotiator, said in statement. "Timor-Leste has initiated bilateral consultations on market access with interested members based on the circulated offers,"

he added. Working party held first meeting in October 2020 (see **WTTL**, Oct. 5, 2020, page 8). Timor-Leste government applied for accession in November 2016, and working party was established in December 2016.

**EX-IM BANK:** President Biden Aug. 6 announced intent to nominate Owen Herrnstadt to be member of Ex-Im Bank Board of Directors. Herrnstadt currently serves as chief of staff to international president and director of trade and globalization of International Association of Machinists and Aerospace Workers. He is member of Ex-Im Bank Federal Advisory Committee and aerospace equipment ITAC (see related story, page xx).

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