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McCaul Report Calls for Export Control Reform

A report by the House Foreign Affairs Committee highlights shortcomings in the U.S. export control system and calls for reforms, legislative and administrative. Drawing extensively on the work of former Defense Department Export Control Official Stephen Coonen, the report offers a preview of the reception BIS officials can expect in next week's hearing. "Both the Trump and Biden administrations, principally from the White House, have rightly begun exerting more control over the Commerce Department's Bureau of Industry and Security (BIS). However, no administration will be able to fully leverage the power of export controls to protect U.S. national security without Congressional action. Now, Congress must solidify the efforts of successive administrations so our future will be better secured," the authors assert.

Central to the committee's findings is the concern that BIS, under the Commerce Department, has been too lenient in granting licenses for dual-use technology transfers to China, failing to adequately consider the likelihood of military or surveillance use. [READ MORE](#)

WTO: Digital Trade Report Under Fire

Questions are being raised about a new report on the relationship between digital trade and development issued jointly by the World Trade Organization along with the International Monetary Fund, the Paris-based Organization for Economic Cooperation and Development, the United Nations Conference on Trade and Development.

Some of the major findings in the report seem flawed on several grounds, raising serious questions about the use of the report for WTO members, said people engaged in the negotiations. [READ MORE](#)

USTR: Tai Defends Retreat on Digital Trade

US Trade Representative Katherine Tai defended the decision to withdraw support for previously US-backed proposals at ongoing negotiations at the World Trade Organization on digital trade, saying that the emergence of artificial intelligence requires a rethink of US policy.

Getting too far ahead of US domestic views and technological changes "policy suicide," she told a program Thursday sponsored by the Aspen Security Program. [READ MORE](#)

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[Mexico Extension of CFIUS Envisioned](#)

Treasury Secretary Janet Yellen, and Mexico's Secretary of Finance and Public Credit Rogelio Ramírez de la O signed a Memorandum of Intent Thursday to affirm the importance of foreign investment screening in protecting national security and express their desire to establish a bilateral working group for regular exchanges of information about how investment screening can best protect national security. [READ MORE](#)

[USTR: Vietnam Trade Talks Continue](#)

US and Vietnam trade officials discussed a range of bilateral economic priorities including on agriculture, labor, intellectual property, digital trade, services, ICT products and the environment. The discussions were held under the *US-Vietnam Trade and Investment Framework Agreement*, according to a readout from the US Trade Representative's Office.

It was the first meeting of the Council since the COVID-19 pandemic. The United States and Vietnam signed the TIFA in 2007. **US goods and services trade with Vietnam totaled an estimated \$142.1 billion in 2022, a 422 percent increase over 2012.** Vietnam is the United States' largest goods trading partner in Southeast Asia. The U.S. is already Vietnam's largest market for its exports... [READ MORE](#)

[US Trade Deficit Up in October](#)

The US goods and services deficit was \$64.3 billion in October, up \$3.1 billion from \$61.2 billion in September, the Commerce Department reported Wednesday.

October exports were \$258.8 billion, \$2.6 billion less than September exports while imports were up \$500 million to \$323 billion. [READ MORE](#)

[House Schedules Hearings on BIS](#)

The House Foreign Affairs Committee announced the Subcommittee on Oversight and Accountability will convene a hearing entitled, "Reviewing the Bureau of Industry and Security, Part II: U.S. Export Controls in an Era of Strategic Competition" on Tuesday, December 12th. [READ MORE](#)

[China Hawks Call for BIS Reforms](#)

Following Commerce Secretary Gina Raimondo's call for additional funds for the Bureau of Industry and Security – the Department's enforcement arm for export controls, Republican members of Congress called for a harder line on China first. [READ MORE](#)

[BIS Loosens License Rules for Allies](#)

Thursday, the Commerce Department's Bureau of Industry and Security (BIS) released three rules as part of a broad effort to ease several categories of export licensing requirements and expand the availability of export license exceptions for key allied and partner countries, as well as for members of certain multilateral export control regimes. [READ MORE](#)

[DDTC: Temporary USML Mod for Korea Fighter](#)

The Department of State temporarily modifies the United States Munitions List (USML) Category VIII to accommodate the Korean production of their KF-21 Stealth Fighter.

The Department assessed that this temporary modification does not change the export jurisdiction or classification of any existing commodities, as it only prevents the possibility of future release from paragraph (h)(1) due to use in the KF-21, which has not yet entered into production. Therefore, when the KF-21 enters production, any paragraph (h)(1) commodities authorized for export for this purpose will retain their current export classification described in paragraph (h)(1). [READ MORE](#)

[U.S.-International Atomic Energy Agency Declaration](#)

The Additional Protocol requires the United States to submit declaration forms to the International Atomic Energy Agency (IAEA) on a number of commercial nuclear and nuclear-related items, materials, ... [READ MORE](#)

[More Firearm Export "Pause" Outrage](#)

Tuesday, Republican members of the House Committee on Small Business wrote to Under Secretary of Commerce for Industry and Security Alan Estevez regarding the Bureau of Industry and Security's ... [READ MORE](#)

[US Distillers Fear Tariffs as Steel Progress Stalls](#)

The looming threat of a 50% tariff on US whiskey exports to the EU is causing concern among US distillers and policymakers. This potential tariff, an increase from the suspended 25% duty in January 2022, will take effect in 2024 if no new agreement is reached. The booze duties are tied to the stalled negotiations over EU - US Steel and Aluminium trade.

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[Requests for Nominations: Advisory Committee on Supply Chain Competitiveness](#)

The Department of Commerce, International Trade Administration, seeks nominations for immediate consideration to fill positions on the Advisory Committee on Supply Chain Competitiveness ("The Committee"). [READ MORE](#)

[Steel Import License](#)

In order to monitor steel imports in real-time and to provide the public with real-time data, the Department of Commerce must collect and provide timely aggregated summaries about these imports. The Steel Import License is the tool used to collect the necessary information. [READ MORE](#)

[OFAC / Justice Target Serial Procurer for Russia](#)

Office of Foreign Assets Control (OFAC) is targeting a network led by Belgian serial offender Hans De Geetere involved in procuring electronics with military applications for Russian end-users.

Concurrent with OFAC's action, the U.S. Department of Justice (DOJ) unsealed two separate indictments against De Geetere related to his years-long scheme to unlawfully export sensitive, military-grade technology from the United States to end users located in the People's Republic of China (PRC) and the Russian Federation.

The U.S. Department of Commerce is also concurrently adding Hans De Geetere and five entities to the Bureau of Industry and Security (BIS) Entity List. Additionally, Belgian authorities took action against De Geetere on charges related to his global illicit procurement scheme. ... [READ MORE](#)

[Customs Fraud by German Firm Costs \\$1.9 Million](#)

A German company, KingKong-Tools GmbH & Co KG, and its American subsidiary will pay \$1.9 million to settle allegations of customs fraud under the False Claims Act. The government alleged that King Kong was falsely labelling its tools as "made in Germany" when, in fact, the tools were made in China. By misrepresenting the origin of the tools, King Kong avoided paying higher tariffs. [READ MORE](#)

[Uyghur Region: Three Manufacturers, Two Officials Sanctioned](#)

The Department of State Friday issued the Uyghur Human Rights Policy Act (UHRPA) Report to Congress; Treasury is sanctioning two Chinese government officials for their connection to serious human rights abuses in Xinjiang; and the Department of Homeland Security-led interagency Forced Labor Enforcement Task Force added of three PRC entities to the Uyghur Forced Labor Prevention Act Entity List. [READ MORE](#)

[OFAC Ups Ante on Belarus](#)

Treasury's Office of Foreign Assets Control (OFAC) is designating 11 entities and seven individuals pursuant to Executive Order (E.O.) 14038 and one individual pursuant to E.O. 14024. This action increases the pressure on Alyaksandr Lukashenka's authoritarian regime for its suppression of Belarus's democratic civil society, financial enrichment of the Lukashenka family, and complicity in Russia's war against Ukraine. [READ MORE](#)