

Washington Tariff & Trade Letter

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[Chicken Tax Dodge Costs Ford Motor \\$365 Million](#)

Ford Motor Company has agreed to pay the United States \$365 million to resolve allegations that it violated the Tariff Act of 1930 by misclassifying and understating the value of hundreds of thousands of its Transit Connect vehicles.

The settlement resolves allegations that Ford devised a scheme to avoid higher duties by misclassifying Turkey-built cargo vans with "sham seats," evading the "Chicken Tax" on light truck imports. [READ MORE](#)

[FY 25 Budget Requests Released](#)

As the federal government approaches the halfway point in FY 2024 without congressional budget approval, the White House has introduced the spending plan for FY 2025. The Commerce Department is asking for additional funds for Artificial Intelligence and Export Control Enforcement. [READ MORE](#)

[Biotech Org Boots Chinese, Reverses Stand on BIOSECURE Act](#)

Biotechnology Innovation Organization (BIO), a major American trade group, endorsed the Prohibiting Foreign Access to American Genetic Information Act of 2024 (BIOSECURE Act) and announced that WuXi AppTec would exit the membership organization.

This news comes days after Rep Mike Gallagher (R-WI) wrote to Attorney General Merrick Garland complaining that BIO was advocating against the legislation, on behalf of WuXi AppTec and other China-based members of the trade association. [READ MORE](#)

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www.wttonline.com

Editor: Frank Ruffing +1.703.283.5220. fruffing@traderegs.com

Policy & Politics

[US Steel Deal Draws Fire from White House](#)

President Biden voiced his opposition to Nippon Steel acquiring US Steel. Labor cheered; the Chamber of Commerce jeered.

"U.S. Steel has been an iconic American steel company for more than a century, and it is vital for it to remain an American steel company that is domestically owned and operated," said the President. [READ MORE](#)

[TikTok Bill Opposed for Slapdash Pace](#)

The House passed the Protecting Americans from Foreign Adversary Controlled Applications Act which calls for the forced sale of TikTok by its Chinese owner to an American person or entity.

The legislation, passed by a vote of 352-65. 197 Republican lawmakers voted for the measure and 15 against. On the Democratic side, 155 voted for the bill and 50 against. [READ MORE](#)

[Unions Call for Sec. 301 Action on Shipbuilding](#)

On March 12, 2024, five national labor unions filed a petition requesting an investigation into the acts, policies, and practices of the PRC in the maritime, logistics, and shipbuilding sector.

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[Red GPS?: Gallagher Calls out US Carriers for Using Chinese & Russian Tech](#)

Chairman Mike Gallagher (R-WI) of the House Select Committee on the Chinese Communist Party wrote to FCC Chairwoman Jessica Rosenworcel following reports that U.S. cell phones and other devices are receiving and processing signals from Chinese and Russian satellites in violation of the FCC's rules. [READ MORE](#)

[US Türkiye-Bilateral Trade Talks](#)

Secretary Blinken and Minister Fidan discussed opportunities to transform the U.S.-Türkiye security and defense relationship to build upon each country's significant capabilities ...[READ MORE](#)

[Pacific Island States get COFA Funding, Finally](#)

Washington, D.C. – Today, House Foreign Affairs Committee Chairman Michael McCaul (R-TX), Ranking Member Gregory W. Meeks (D-NY), Subcommittee on the Indo-Pacific Chairwoman Young Kim ... [READ MORE](#)

[Law of the Sea Inaction Costs US, Senators Told](#)

Calls for the US to ratify the 1994 Law of the Sea Convention (LOSC) have been growing as signatories continue to divvy up the undersea world's resources without a place at the table for Washington.

Meanwhile, congressional mining boosters have introduced a bill calling for the Administration to prepare studies of the topic of seabed mining... [READ MORE](#)

Enforcement

[Justice Updates Self-Disclosure Policy](#)

March 7th, the Justice Department published its revision of the National Security Division Enforcement Policy,

This Enforcement Policy sets forth the criteria that NSD, in partnership with U.S. Attorneys' Offices and other Department litigating components, uses in determining an appropriate resolution for organizations that make a voluntary self-disclosure in export control and sanctions matters. [READ MORE](#)

[Reward OFAC Aggression: Sen. Rubio](#)

U.S. Senator Marco Rubio (R-FL) introduced the Sanctions Recovery Act to "incentivize" OFAC to strictly enforce sanctions. "OFAC has not been as aggressive in sanctions enforcement as it should be."

The bill would allow the agency to acquire 5 percent of foreign assets seized as well as of sanctioned fines. The amount collected would benefit salaries and administrative costs, and thus allow OFAC to increase sanctions and recompense Treasury for further enforcement efforts. [READ MORE](#)

[Swiss Bank Fined for Cuba, China, Russia Violations](#)

Treasury's Office of Foreign Assets Control (OFAC) today announced a settlement with EFG International AG, a Switzerland-based global private banking group. EFG has agreed to pay \$3,740,442 to settle its potential civil liability for processing 873 securities transactions in apparent violation of the Cuban Asset Control Regulations, the Kingpin Act, and Executive Order 14024. The settlement amount reflects OFAC's determination that EFG's apparent violations were voluntarily self-disclosed and were non-egregious. [READ MORE](#)

[AML/CFT: Investment Adviser Disclosure Rules Published](#)

FINCEN is issuing a notice of proposed rulemaking (NPRM) to include certain investment advisers in the definition of “financial institution” under the Bank Secrecy Act (BSA), prescribe minimum standards for anti-money laundering/countering the financing of terrorism (AML/CFT) programs to be established by covered investment advisers, require covered investment advisers to report suspicious activity to FinCEN pursuant to the BSA, and make several other related changes to FinCEN regulations. [READ MORE](#)

[AML/CFT: Real Estate Disclosure Rules Published](#)

FinCEN is issuing a proposed rule to require certain persons involved in real estate closings and settlements to submit reports and keep records on identified non-financed transfers of residential real property to specified legal entities and trusts on a nationwide basis. [READ MORE](#)

Export Controls

[Middle East Allies to get FMS Special Treatment](#)

House Foreign Affairs Committee Chairman Michael McCaul (R-TX) joined Rep. John James (R-MI) to introduce the Enhance Cooperation Against Terrorism Act.

This legislation will help improve security cooperation between countries in the Middle East and North Africa region by expediting congressional review of arms sales to U.S. partners and allies [READ MORE](#)

[Clarification of Controls on Radiation Hardened Integrated Circuits and Expansion of License Exception GOV](#)

The Bureau of Industry and Security (BIS) is amending the Export Administration Regulations (EAR) to clarify controls on radiation hardened integrated circuits, including controls on computer and telecommunications equipment incorporating such radiation hardened integrated circuits. [READ MORE](#)

Sanctions

[Magnitsky Act Regs Expanded, Uyghur Act Incorporated](#)

OFAC is amending and reissuing the Global Magnitsky Sanctions Regulations (31 CFR part 583) as a more comprehensive set of regulations that includes additional interpretive guidance and definitions, general licenses, and other regulatory provisions that will provide further guidance to the public.

Further, OFAC is adding the Uyghur Human Rights Policy Act of 2020, as amended to the authority citation of 31 CFR part 583.

Due to the number of regulatory sections being updated or added, OFAC is reissuing the Regulations in their entirety. [READ MORE](#)

Brazilian Money Laundering Sanctions

Treasury's Office of Foreign Assets Control (OFAC) designated Diego Macedo Gonçalves do Carmo (Gonçalves), a member of Primeiro Comando da Capital (PCC), a Brazil-based criminal organization sanctioned pursuant to counter narcotics authorities. The PCC is the most notorious organized crime group in Brazil and among the largest in Latin America, and Gonçalves is a key operative responsible for laundering hundreds of millions of dollars for the organization. [READ MORE](#)

Somali Sanctions: al-Shabaab

The United States is designating sixteen entities and individuals in a transnational network that spans the Horn of Africa, United Arab Emirates, and Cyprus, for facilitating financing and money laundering for the al-Shabaab terrorist organization, a terrorist group responsible for some of the worst terrorist attacks in East Africa's modern history. [READ MORE](#)

Revisions to Export, Reexport, and Transfer (In-Country)

Controls for Nicaragua

BIS amends the Export Administration Regulations (EAR) to apply more restrictive treatment to exports and reexports to, and transfers (in-country) within, Nicaragua of items subject to the EAR.

This rule builds on BIS's prior actions, such as the addition of the Nicaraguan National Police to the Entity List on March 28, 2023, and advances the U.S. Government's efforts to restrict the availability of items subject to the EAR to Nicaragua's military and security services.

This action is consistent with the State Department's addition of Nicaragua to the list of countries that are subject to a U.S. arms embargo under the International Traffic in Arms Regulations (ITAR). [READ MORE](#)