

# Washington Tariff & Trade Letter

Vol. 44, No. 17

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

April 22, 2024

## [Biden Goes Big on Tariff Talk](#)

Wednesday the White House took bold actions to shore up the president's standing with the vanishing pool of voters in American steel manufacturing and shipbuilding, with President Biden calling for the USTR to "consider enhancing the effectiveness of tariffs on Chinese steel and aluminum products" by tripling them.

"I'm proud to be the most pro-union president in American history, for real," he told an audience in Pittsburgh. "Where I was raised, it ain't labor; it's unions," [READ MORE](#)

## [USTR to Launch 301 Investigation of Chinese Maritime Sector](#)

The US Trade Representative announced Wednesday that after review of a petition filed by five national labor unions, USTR is initiating an investigation of acts, policies, and practices of China targeting the maritime, logistics, and shipbuilding sectors for dominance.

Last month five national labor unions filed a petition requesting an investigation into the acts, policies, and practices of the PRC targeting the maritime, logistics, and shipbuilding sectors for dominance. [READ MORE](#)

## [FATF Ministerial in Washington](#)

During their biennial meeting in Washington, DC ministers of the Financial Action Task Force (FATF) reaffirmed their commitment to combat financial crime, and fully support the FATF as the standard-setter for preventing and combatting money laundering, terrorist financing and the financing of the proliferation of weapons of mass destruction (AML/CFT/CPF).

Ministers highlighted the threat posed by the proliferation of weapons of mass destruction (WMD) to international peace and security. [READ MORE](#)

© Copyright 2024 Gilston-Kalin Communications LLC P.O. Box 7592, Arlington, VA 22207  
All rights reserved. Subscription and corporate site license information 703.283.5220

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

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

---

## POLICY & POLITICS

### [House Trade Legislation Markup](#)

Wednesday the House Committee on Foreign Affairs held a markup of six pieces of trade legislation, including the End China's De Minimis Abuse Act , introduced by Rep. Greg Murphy (R-NC), legislation to prevent importers from evading tariffs on Chinese goods. ... [READ MORE](#)

---

### [Tai to Congress: Policy is "middle-out and bottom-up"](#)

United States Trade Representative Katherine Tai testified before congress last week, Monday before the House Ways and Means Committee and Wednesday before the Sebate Fiance Committee.

Her prepared remarks included a recap of her office's activities last year, repeating the refrain that progress in trade negotiations is best measured in ways other than agreements inked. [READ MORE](#)

---

### [Yellen for "Bolder" Development Finance](#)

Treasury Secretary Janet Yellen addressed the World Bank Development Committee, applauding recent initiatives in coordination and portfolio expansion, calling for even greater partnerships to address the worsening global humanitarian crisis.

"We need to see bolder action," she said., asking that the Bank "strengthen knowledge and learning on fragility." [READ MORE](#)

---

### [China Committee Chairs Slam Funding of Blacklisted Firms](#)

A new report from the House Select Committee on China found that US financial institutions have facilitated investment of more than \$6.5 billion to 63 Chinese companies that the US government has red-flagged or blacklisted for advancing Beijing's military capabilities or supporting its human rights abuses. [READ MORE](#)

---

### [US - China Treasury Working Groups Meet](#)

Secretary of the Treasury Janet L. Yellen met with the Economic Working Group (EWG) and Financial Working Group (FWG) on April 16.

Chian Daily, a party organ, cited Liu Ying, a researcher at the Chongyang Institute for Financial Studies of Renmin

---

University of China, as saying the meeting was "of great significance in delivering a positive signal that China-US economic and financial ties are steadily recovering." [READ MORE](#)

---

## [US Japan Korea Trilateral](#)

The inaugural trilateral meeting among the Finance Ministers of Japan, the Republic of Korea, and the United States took place in Washington, DC, furthering discussions from last August's Trilateral Leaders' Summit at Camp David.

The ministers committed to promoting sustainable economic growth and financial stability through open and fair economic practices, while also addressing the volatility in foreign exchange markets, particularly concerning the depreciation of the Japanese yen and the Korean won. [READ MORE](#)

---

## [US - Mexico Hi-Level Dialogue](#)

Officials from the United States and Mexico met virtually Friday for the U.S.-Mexico High-Level Economic Dialogue (HLED) Mid-Year Review. HLED principals discussed joint accomplishments and progress on the dialogue's ongoing workstreams since the third HLED Ministerial in Washington, D.C. on September 29, 2023. [READ MORE](#)

---

# EXPORT CONTROLS & SANCTIONS

## [AUKUS Export Controls Streamlined by BIS, State Pending](#)

The Commerce Department's Bureau of Industry and Security (BIS) published an interim final rule significantly reducing licensing requirements for Australia and the United Kingdom (UK) to foster defense trade and technological innovation.

BIS is removing Commerce Control List (CCL) license requirements to allow Commerce-controlled military items, missile technology-related items, and hot section engine-related items to be exported or reexported to Australia and the UK without a license. Similar relaxation by the State Department on ITAR controlled technology can be expected "over the course of the next 120 days," according to a statement. [READ MORE](#)

---

## [FDP Rule Scope Expanded for Iran, Russia, Belarus](#)

Effective April 18th, a new rule from BIS amends the EAR to impose new controls restricting Iran's access to additional low-level technology, including items manufactured outside the United States that are produced using U.S. technology.

The rule also expands the scope of the Russia/Belarus/Temporarily occupied Crimea region of Ukraine Foreign

---

Direct Product (FDP) rule and the Iran FDP rule: the items in supplement no. 7 to part 746 will now include the entirety of the 'Common High Priority List' (CHPL). [READ MORE](#)

---

## **Ballistic Missile Suppliers Sanctioned**

The State Department designated four entities pursuant to Executive Order 13382, which targets proliferators of weapons of mass destruction and their means of delivery.

These entities – three based in the People's Republic of China and one in Belarus – have supplied missile-applicable items to Pakistan's ballistic missile programs, including its long-range missile program. [READ MORE](#)

---

## **Belarus Sanctions Broadened**

In an effort to further isolate the Russian and Belarus military-industrial complex, the U.S. Treasury's Office of Foreign Assets Control (OFAC) is designating 12 entities and 10 individuals pursuant to Executive Order (E.O.) 14038,

The individuals and entities OFAC is targeting include six revenue-generating state-owned enterprises (SOEs) and one entity and five individuals involved in facilitating transactions for a U.S.-designated major Belarusian defense sector enterprise. [READ MORE](#)

---

## **More Iran Firms Sanctioned**

Treasury's Office of Foreign Assets Control (OFAC) is taking sweeping actions against several actors involved in Iran's unmanned aerial vehicle (UAV) program, suppliers and customers of one of Iran's largest steel producers, and Iranian automobile companies with connections to U.S.-designated entities Islamic Revolutionary Guard Corps (IRGC) and the Ministry of Defense and Armed Forces Logistics (MODAFL). [READ MORE](#)

---

## **ENFORCEMENT**

### **Steel Trader Sentenced to Six Years, \$160 million Forfeiture**

The president of Orlando, Florida-based steel trading firm Metalhouse LLC, was sentenced to six years in prison for conspiracy to commit money laundering to promote violations of U.S. sanctions against Sergey Kurchenko, a pro-Russian Ukrainian oligarch. A business associate, a Belarusian national residing in Miami, was sentenced to 21 months in prison for his role in the scheme. [READ MORE](#)

---

---

## [Thai Plastics Firm Fined \\$20 Million for Iran Sanctions](#)

Treasury's Office of Foreign Assets Control (OFAC) announced a settlement with SCG Plastics Co., Ltd., part of a multinational enterprise headquartered in Bangkok, Thailand.

SCG Plastics has agreed to pay \$20,000,000 to settle its potential civil liability for 467 apparent violations of OFAC sanctions on Iran. [READ MORE](#)

---

## [Justice Roundup: DPRK in Thailand; Iraq - Sudan Arms Trade;](#)

Arms dealers to Sudan & Iraq; Pennsylvanian sentenced for torture & arms to Iraq; DPRK diplomat money laundering [READ MORE](#)

---

## SUPPLY CHAINS

### [US, Mexico Disagree on Call Center Resolution](#)

The USTR has requested a Rapid Response Labor Mechanism (RRM) panel under the United States-Mexico-Canada Agreement (USMCA) to resolve a labor dispute at call center operator Atento Servicios, S.A. de C.V. .

At the conclusion of its 45-day review period, Mexico found a denial of rights had existed, but determined that Atento Servicios had taken the necessary actions to remediate the denial of rights during Mexico's review period. The United States disagrees with this determination and is requesting establishment of an RRM panel to review the situation. [READ MORE](#)

---

### [EU, UK Urged to Ban Forced Labor Imports](#)

The leaders of the House Select Committee on China are calling on the Administration to press allies – particularly Europe and the United Kingdom – to prevent Chinese goods made by Uyghur forced labor from entering their markets.

“We are particularly concerned that goods made by Uyghur forced labor continue to flood into Europe and the United Kingdom (UK), which some have described as ‘dumping grounds’ for these products that are otherwise banned from importation into the United States,” Committee Chairman Mike Gallagher (R-Wis) and ranking Democrat Raja Krishnamoorthi (Ill) wrote in a letter to Secretary of State Antony Blinken. [READ MORE](#)

---