

# Washington Tariff & Trade Letter

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## TARIFF ACTIONS

### USTR Publishes Sec. 301 Tariff Report

The USTR released its report and findings of the Section 301 investigation of China's Acts, Policies, and Practices Related to Technology Transfer, Intellectual Property, and Innovation.

To encourage further elimination of the PRC's technology transfer-related acts, policies, and practices, Ambassador Tai has recommended that products from the PRC currently subject to Section 301 tariffs should remain.

Additionally, President Biden is directing Ambassador Tai to take action to add or increase tariffs for certain products. [READ MORE](#)

### China's Reaction at WTO

China severely chastised the United States for its decision to levy high tariffs on imports of several major items from China, including 100 percent tariffs on electric vehicles, lithium batteries, photovoltaic cells, key minerals, semiconductors, steel and aluminum, port cranes, personal protective equipment, and other products. [READ MORE](#)

### Concern China Could Evade EV Tariff

The Administration is very concerned that China may try to evade the new 100 percent tariffs on Chinese electric vehicles, Commerce Secretary Gina Raimondo told lawmakers Wednesday.

The US Trade Representative's Office, with assistance from the Commerce Department, is looking at how to ensure Chinese EVs made in Mexico are still subject to the tariff, she told members of the Senate Appropriations commerce, justice, science and related agencies subcommittee. [READ MORE](#)

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## [Solar Imports Tightened](#)

May 16, the Administration announced new actions to protect American solar manufacturing from Chinese competition, including removing the bifacial module exclusion under Section 201, announcing the end of the 24 month "bridge," permitting duty free imports from ASEAN suppliers, and enhanced monitoring of trade flows. [READ MORE](#)

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## [Removal of General Approved Exclusions under the Section 232 Steel and Aluminum Tariffs](#)

In a notice to be published in the Federal Register May 20, 2024, the Bureau of Industry and Security of the U.S. Department of Commerce announces the removal of twelve General Approved Exclusions (GAEs) under the Section 232 Steel and Aluminum Tariff action.

This final rule removes 12 General Approved Exclusions (GAEs) that were added in the December 2020 rule and maintained through the December 2021 rule, consisting of six GAEs for steel and six GAEs for aluminum. [READ MORE](#)

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## TRADE POLICY & POLITICS

### [Mexican Mine Dispute not Subject to RRM](#)

Ambassador Katherine Tai issued a statement Monday regarding the finding against the United States in a determination regarding a labor dispute at the San Martin lead, zinc, copper and silver mine in the Mexican state of Zacatecas:

The Rapid Response Labor Mechanism (RRM) panel established under the United States-Mexico-Canada Agreement (USMCA) determined that the agreement had no jurisdiction in the decades long labor dispute. [READ MORE](#)

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### [White House Boots Chinese Crypto Miner](#)

Monday President Biden issued an order prohibiting the purchase and requiring the divestment of certain real estate operated as a cryptocurrency mining facility located within one mile of Francis E. Warren Air Force Base, as well as requiring the removal of certain improvements and equipment at the property.

MineOne acquired the property in June 2022 and then made improvements to allow for use of the property for specialized cryptocurrency mining operations within one mile of F.E. Warren AFB in Cheyenne, Wyoming, a strategic missile base and home to Minuteman III intercontinental ballistic missiles. [READ MORE](#)

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## [China Cloud Access Targeted](#)

A bill has been introduced in Congress to close a loophole in U.S. export control laws that is being exploited by China, according to its sponsors. The Remote Access Security Act will ensure ... [READ MORE](#)

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## [Drones Act](#)

Drones for First Responders (DFR) Act will implement a new tariff on Communist Chinese-controlled drones and use the tariff revenue to establish a new grant program to help first responders, critical infrastructure providers, and farmers, purchase secure drones. [READ MORE](#)

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## [Gallagher Lands on Feet](#)

Former Rep. Mike Gallagher is joining TitledownTech, a venture capital firm started by the Green Bay Packers and Microsoft, as a senior strategic adviser following his early resignation from Congress. [READ MORE](#)

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## [HFAC Markups Thursday 16 May](#)

The House Foreign Affairs Committee held a markup to consider various measures on Thursday, May 16th. [READ MORE](#)

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## [Dems Criticize DoC on Firearms](#)

Sen. Elizabeth Warren (D-Mass) and three House Democrats criticized the Commerce Department for what they say are inadequate steps to address assault weapons exports.

At the same time, the lawmakers praised the US Trade Representative's Office for no longer classifying as trade barriers import license requirements for explosives, firearms and ammunition in its latest National Trade Estimate report. [READ MORE](#)

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## [New Process for WTO Dispute Reform](#)

With the enforcement function of the World Trade Organization having been broken amidst escalating trade tensions, the new facilitator for overseeing the reform of the fractured dispute settlement system has her task cut out, particularly in restoring a binding Appeal/Review mechanism that provides legal certainty in resolving global trade disputes, said people familiar with the development. [READ MORE](#)

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## SANCTIONS & ENFORCEMENT

### [DPRK Telework Scheme Targeted](#)

The Justice Department announced a series of coordinated actions to disrupt the illicit revenue generation efforts North Korean information Technology workers, while the State Department announced a \$5 million reward to help shut down the schemes. [READ MORE](#)

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### [OFAC Backlog Reported Growing](#)

The termination of general license 44A, which had offered temporary relief from Venezuel oil sanctions, reportedly has created a crush of license applications to OFAC. [READ MORE](#)

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### [BIS Antiboycott Advisory on Türkiye](#)

In response to Ankara's suspension of trade with Israel, The US Department of Commerce's Bureau of Industry and Security (BIS) has issued an antiboycott advisory on Turkey.

U.S. companies operating in Türkiye, in particular, are cautioned to be alert to their receipt of any requests to refrain from importing or exporting goods to or from Israel or to provide certification that the goods are not of Israeli origin or do not contain Israeli-origin components or materials. [READ MORE](#)

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### [Iran Internet-Related Sanction Rule Final](#)

The Department of the Treasury's Office of Foreign Assets Control (OFAC) is amending the Iranian Transactions and Sanctions Regulations (ITSR) to incorporate Iran-related General License D-2 and publishing an associated List of Services, Software, and Hardware Incident to Communications, which can be found under the General Licenses and Federal Register Notices sections of the Iran Sanctions page.

In particular, the final rule incorporates, with amendments, a general license relating to the export, reexport, and provision of certain services, software, and hardware incident to communications over the internet. [READ MORE](#)

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### [More Sanctions for DPRK - Russia Arms Traders](#)

Treasury's Office of Foreign Assets Control (OFAC) is imposing sanctions on two Russian individuals and three Russia-based entities for facilitating weapons transfers between Russia and the Democratic People's Republic of Korea (DPRK). [READ MORE](#)

## [More Sudan Rebel Leaders Sanctioned](#)

Treasury's Office of Foreign Assets Control (OFAC) sanctioned Ali Yagoub Gibril and Osman Mohamed Hamid Mohamed, pursuant to Executive Order (E.O.) 14098, for leading the Rapid Support Forces' (RSF) war campaign.

The RSF's attacks in North Darfur, which started last month, have caused dozens of civilian casualties, including children. [READ MORE](#)

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## SUPPLY CHAIN

### [DHS Lists More Chinese Cotton Traders](#)

The Department of Homeland Security (DHS) announced the addition of 26 textile companies based in the People's Republic of China (PRC) to the Uyghur Forced Labor Prevention Act (UFLPA) Entity List. [READ MORE](#)

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### [Russian Uranium Ban Signed](#)

The President signed H.R. 1042, the Prohibiting Russian Uranium Imports Act, into law May 13, 2024.

This bipartisan legislative action prohibits the import of Russian uranium products into the United States as of August 12, 2024, while enabling a three and a half year waiver process through January 1, 2028. [READ MORE](#)

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### [Domestic Content Bonus Guidance](#)

Treasury and Internal Revenue Service (IRS) released additional guidance on the Inflation Reduction Act's (IRA) domestic content bonus

The domestic content bonus applies to facilities and projects built using the required amounts of domestically produced steel, iron, and manufactured products. [READ MORE](#)

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### [Steel Imports e-CERT with Korea](#)

U.S. Customs and Border Protection (CBP) and the Republic of Korea held a ribbon cutting ceremony May 15 to celebrate the deployment of the Electronic Certification System (eCERT) to the Republic of Korea. [READ MORE](#)

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## [Section 301 China Conforming Amendment](#)

Guidance regarding the United States Trade Representative's (USTR's) conforming amendment to one previously reinstated Section 301 exclusion, replacing Harmonized Tariff Schedule of the United States (HTSUS) classification 2929.90.5090 with HTSUS classification 2929.90.5095 effective January 1, 2024. [READ MORE](#)

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## AML / FINANCIAL STATECRAFT

### [AML/CFT Treasury Strategy Released](#)

The Treasury Department issued the 2024 National Strategy for Combatting Terrorist and Other Illicit Financing , which provides a blueprint of the U.S. government's goals, objectives, and ... [READ MORE](#)

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### [Treasury Stops Austrian Deal with Oligarch, Sanctions Parties](#)

Treasury's Office of Foreign Assets Control (OFAC) designated one Russian individual and three Russia-based companies involved in an attempted sanctions evasion scheme in which an "opaque and complex supposed divestment" could have unfrozen more than \$1.5 billion worth of shares belonging to U.S.-designated Russian oligarch Oleg Deripaska.

The transactions was part of a scheme to repatriate some of Austria's Raiffeisen Bank capital stranded in Russia. [READ MORE](#)

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### [FinCEN Broadens ID Requirements](#)

Monday, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) and the Securities and Exchange Commission (SEC) jointly proposed a new rule that would require SEC-registered investment advisers and exempt reporting advisers to establish, document, and maintain written customer identification programs. [READ MORE](#)

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