

Washington Tariff & Trade Letter

Vol. 44, No. 22

wttonline.com

May 27, 2024

TRADE POLICY & POLITICS

Kenya State Visit Revives Calls for FTA

Congressional leaders rallied around the idea of a Free Trade Agreement for Kenya, while the Biden Administration continues to pursue its U.S.-Kenya Strategic Trade and Investment Partnership (STIP) with its associated “high-standard commitments.”

STIP is intended for the United States and Kenya to resolve various nontariff trade issues— including on agriculture, anti-corruption efforts, digital trade, environmental issues, workers’ rights, and trade facilitation. [READ MORE](#)

Sec 301 Tariffs: Details Published in FR; Exclusions Extended

The Office of the U.S. Trade Representative (USTR) released a Federal Register notice for the enhanced Section 301 tariffs announced by the Biden administration last week.

The notice includes annexes listing the 382 HTSUS subheadings and 5 statistical reporting numbers of the HTSUS, with an approximate annual trade value of \$18 billion. Included are Exclusions and a process for requesting exclusions. [READ MORE](#)

Luzon Corridor Development Initiative Steams Ahead

The inaugural Luzon Corridor Steering Committee meeting, to drive infrastructure investment and development along the Corridor met on the sidelines of the Indo-Pacific Business Forum in Manila last week.

Luzon Corridor is the first project of the U.S.-initiated Partnership for Global Infrastructure and Investment in the Indo-Pacific (PGI), which is touted as an alternative to China’s Belt and Road Initiative and Maritime Silk Road. [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

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

Yellen in Frankfurt: Bankers & MBA Students

Treasury Secretary Janet Yellen convened with German bankers on Tuesday. The roundtable discussion focused on global macroeconomic trends, the risks to financial security, and the impact of ... [READ MORE](#)

Americas Partnership Update

The Biden Administration continues to promote its Americas Partnership for Economic Prosperity vision of agricultural cooperation and digital workforce development in Latin America.

Officials from partner countries and experts from the Inter-American Development Bank met in Quito to "discuss how new technologies, climate-smart tools, and bioeconomic approaches can advance efforts to ensure our people have a sufficient supply of sustainably produced food," according to the State Department, [READ MORE](#)

Raimondo Plan for AI Safety Cooperation

At the opening of the AI Seoul Summit, Secretary of Commerce Gina Raimondo released a strategic vision for the U.S. Artificial Intelligence Safety Institute (AIS), describing the department's approach to AI safety.

Raimondo also shared the department's plans to work with a global scientific network for AI safety through meaningful engagement with AI Safety Institutes and other government-backed scientific offices. [READ MORE](#)

Joint Committee Meeting on US-UK Science and Technology

The inaugural Joint Committee Meeting (JCM) on science and technology (S&T) cooperation met in London Monday and Tuesday.

The JCM focused on synthetic biology, quantum, and artificial intelligence as outlined in the June 2023 Action Plan for a Twenty-First Century U.S.-UK Economic Partnership . [READ MORE](#)

Cunningham out for USTR Post, Lands in State Dept.

President Biden has withdrawn the nomination of lobbyist Nelson Cunningham to be Deputy US Trade Representative for the Western Hemisphere, Europe, the Middle East, Labor and Environment, in response to key Democrats' opposition to the choice.

In lieu of the USTR post, Mr. Cunningham will be joining the State Department as a Senior Advisor to Undersecretary of State for Economic Growth, Energy and the Environment Jose Fernandez. [READ MORE](#)

WORLD TRADE ORGANIZATION

WTO / Looking for a "Way Forward"

World Trade Organization General Council Chair Petter Olberg informed members yesterday that a retreat will be convened on July 8-9 to discuss how the WTO can remain a "forward-looking organization" amidst continued stalemates on several issues, said people familiar with the development.

The hidden goal of the retreat seems to be aimed at changing the consensus-based decision-making as enshrined in the Marrakesh Agreement that established the WTO in 1995, said a trade envoy who asked not to be quoted. [READ MORE](#)

WTO / Debate over Responsible Consensus

Many developing countries, including the Africa Group and the Africa, Caribbean and Pacific Group, yesterday rejected the proposal on "responsible consensus" floated by Singapore and several countries at the World Trade Organization, said people familiar with the developments.

The United States seemingly adopted an ambivalent position on "consensus"-based decision-making, saying "consensus" is essential. It added that members have the option to block decisions that conflict with vital national interests, said people who took part in the meeting. [READ MORE](#)

WTO Uproar on EU Deforestation Policy

A group of developing and developed members appealed for the EU to postpone the implementation of its new Regulation on Deforestation-Free Products (EUDR). [READ MORE](#)

Partisan Sparring Persists as WHO Pandemic Initiative Fails

Eight Democratic lawmakers sent a letter to Ambassador Bathsheba Nell Crocker, U.S. Permanent Representative to the UN and other International Organizations in Geneva, in support of the World Health Organization's (WHO) draft Pandemic Agreement that will be considered by the WHO members this month.

Meanwhile, in Geneva, the Associated Press reports Roland Drieste, co-chair of WHO's negotiating board for the agreement, acknowledged Friday that countries were unable to come up with a draft. [READ MORE](#)

SANCTIONS

REPO Now, say Lawmakers

A bipartisan group of lawmakers are urging President Biden to act on a new law allowing him to seize frozen Russian assets and give them to Ukraine for reconstruction ahead of the G7 finance ministers' meeting.

The lawmakers asked for a briefing by June 1 on the progress of talks being led by the National Security Council to encourage G7 and European Union partners to find creative mechanisms for using Russian sovereign funds frozen in their respective jurisdictions. [READ MORE](#)

State Cites Bangladeshi General for Corruption

The U.S. Department of State announced Tuesday the public designation of former General Aziz Ahmed, previously Chief of the Bangladesh Army Staff, due to his involvement in significant ... [READ MORE](#)

Boeing Snared in Chinese Sanctions

After deftly avoiding the sanctions levied in the past on US Defense contractors by Beijing for their transactions with Taipei, Boeing's Defense, Space & Security unit has been placed on the Ministry of Commerce's "unreliable entities list" (UEL).

In April MofCom sanctioned dronemaker General Atomics and General Dynamics Land Systems, while the announcement omitted Boeing, the maker of Taipei's Harpoon anti-ship missile system. The May 20 announcement reiterates the April actions, adding Boeing. [READ MORE](#)

Chinese Sanction Ex-Rep. Gallagher

China's Foreign Ministry on Tuesday announced countermeasures against former U.S. lawmaker Mike Gallagher. He will be banned from entry into China, and all types of property and assets of his in China will be frozen starting on May 21.

Organizations and individuals within the territory of China are prohibited from engaging in relevant transactions, cooperation and other activities with Gallagher. If the sanctions are strictly enforced, those who transact with him, including individuals and institutions, could be affected. [READ MORE](#)

ENFORCEMENT & COMPLIANCE

Early Self-Disclosure Spares Biochem Supplier

Two Florida men have pleaded guilty to one count of wire fraud conspiracy for their roles in a scheme to fraudulently procure deeply discounted products from Massachusetts biochemical company Sigma-Aldrich Inc., doing business as MilliporeSigma, and export them to China using falsified export documents.

As a result of MilliporeSigma's timely self-disclosure and extraordinary cooperation, MilliporeSigma will not be charged, despite the criminal wrongdoing committed by a MilliporeSigma employee. [READ MORE](#)

FinCEN Bilingual Outreach in Puerto Rico

Financial Crimes Enforcement Network (FinCEN) held an outreach event on beneficial ownership reporting requirements at the Puerto Rico Department of State.

the May 22 event was FinCEN's first outreach event in Spanish regarding the Federal requirements to report information to FinCEN about the individuals who ultimately own or control them. [READ MORE](#)

EXPORT CONTROLS

Nonproliferation - GAO Report Highlights Funding Pressures at IAEA

A report from the GAO notes the challenges facing nonproliferation safeguards efforts due to limited funding if the International Atomic Energy Association (IAEA) and a growing set of threat opportunities. [READ MORE](#)

Nonproliferation Sanctions Under Iran, North Korea, Syria Act

Friday the Office of Missile, Biological, and Chemical Nonproliferation, Bureau of International Security and Nonproliferation, Department of State, named three individuals and two entities as violators of the Iran, North Korea, and Syria Nonproliferation Act (INKSNA).

Industry should be aware of its compliance obligations and exercise extra vigilance due to the ubiquitous nature of many of the items, as Iran utilizes commercial-grade components in its weapons. [READ MORE](#)

Scope of the General Technology Note in the Export Administration Regulations

Kevin Wolf at Akin Gump brings to our attention "a reminder re the scope of the GTN and how to read all technology ECCNs on the CCL (i.e., with a "required" limiter)," can be found in an advisory opinion published in 2014 by Eileen Albanese, then Acting Director, Office of Exporter Services, now Director of the Office of National Security and Technology Transfer Controls Bureau, [READ MORE](#)

AI Export Controls Act Clears House Committee

Wednesday the House Foreign Affairs Committee passed H.R. 8315, the "Enhancing National Frameworks for Overseas Critical Exports Act" (ENFORCE Act) 43-3, with broad bipartisan support.

Introduced by Rep. Michael McCaul, the bill expands the authority of the BIS to control the export of Artificial Intelligence Systems. [READ MORE](#)

SUPPLY CHAIN

Tax Credits Proposed for Puerto Rico Pharma

A bipartisan group of House members have introduced legislation that would provide investment tax credits to encourage the movement of pharmaceutical supply chains back to territories like Puerto Rico and Guam from China.

The Bill states: The critical supply chains reshoring investment credit is an amount equal to 40 percent of the qualified investment with respect to any critical supply chain facility placed in service during such taxable year." [READ MORE](#)

Senate Report Blasts Automakers for Slavery Indifference

BMW, Jaguar Land Rover, and Volkswagen all rely on suppliers banned for using Uyghur forced labor, according to a report issued by the Senate Finance Committee.

Interviews and documents obtained by committee staff show that Bourns, Inc., a California-based auto supplier, had sourced components from Sichuan Jingweida Technology Group, a company added to the UFLPA Entity List in December 2023, and whose goods are presumed to be made with forced labor. [READ MORE](#)

Timber Talks with Vietnam

Tuesday Assistant U.S. Trade Representative for Environment and Natural Resources Kelly Milton was in Hanoi to lead the fourth meeting of the U.S.-Vietnam Timber Working Group. [READ MORE](#)

Waiver Guide for Imports of Russian Uranium

The Energy Department published guidelines and instructions for obtaining a waiver to the recently signed Prohibiting Russian Uranium Imports Act, which bans the import of certain types of Russian Low Enriched Uranium into the United States beginning on August 11, 2024. [READ MORE](#)

USMCA Emergency Response Pact Inked

The United States, Canada, and Mexico have signed an addendum to the United States-Mexico-Canada Agreement (USMCA) Free Trade Commission (FTC) Decision No. 5 on North American Competitiveness that will strengthen coordination across all three countries on emergency response. [READ MORE](#)

EXPORT PROMOTION

Farm Export Promotion Funds Flow

The Agriculture Department is allocating \$300 million to 66 US organizations, under the new Regional Agricultural Promotion Program, to build demand for US food and farm exports in high-potential markets around the globe, Agriculture Secretary Tom Vilsack announced yesterday.

The program was launched last October, authorizing \$1.2 billion in Commodity Credit Corporation funding to help US exporters expand their customer base beyond traditional and established markets. [READ MORE](#)

Exim Okays More Angolan Solar

Export-Import Bank of the United States ("EXIM") announced an application for final commitment for a long-term loan of upwards of \$1 billion to expand its exposure to solar development schemes in Angola. [READ MORE](#)

State Trade Expansion Advances

Senate Committee on Small Business and Entrepreneurship today reported out a bill modifying the State Trade Expansion Program (STEP).

The STEP Modernization Act of 2024 updates STEP by streamlining the application, reporting and compliance requirements, improving award consistency and transparency and establishing a formula that will replace the current competitive process for determining award amounts once appropriations reach a set level. [READ MORE](#)

USDA September Trade Mission to Vietnam

The U.S. Department of Agriculture's Foreign Agricultural Service is accepting applications from current and potential U.S. exporters for a trade mission to Vietnam, Sept. 9-13, 2024.

Participants will attend events in Ho Chi Minh City and Hanoi, and will also have the opportunity to engage with visiting buyers from Burma (Myanmar), Cambodia and Thailand. [READ MORE](#)

AD/CVD & CUSTOMS

Brass Rod Import Injury Final Determination

The International Trade Commission issued its final determination yesterday that imports of brass rod are injuring US manufacturers. [READ MORE](#)

China Opens Antidumping Case on US, EU Plastics

China initiated an anti-dumping probe into imports of polyformaldehyde copolymer (POM) originating from the European Union, the United States, Japan and "China's Taiwan region", according to a Ministry of Commerce statement Sunday. [READ MORE](#)

CBP Updated Section 321 de minimis information

Customs & Border Protection (CBP) issued an update including a high level comparison between the two Section 321 Programs (Section 321 Data Pilot and the Entry Type 86 Test).

Section 321, 19 USC 1321 is the statute that describes de minimis, which provides admission of articles free of duty, but the aggregate fair retail value of articles imported by one person on one day and exempted from the payment of duty shall not exceed \$800. [READ MORE](#)

CBP, French Customs Announce Cooperation Pact

US Customs officials and their French counterparts signed a Joint Declaration of Intent on Thursday. Improved collaboration as outlined in the Joint Declaration is expected to include intelligence, inspections, investigations, targeting and operational cooperation, and exchange of best practices in the customs field. [READ MORE](#)