

Washington Tariff & Trade Letter

Vol. 44, No. 24

wttonline.com

June 10, 2024

TRADE POLICY AND POLITICS

[EXIM Africa Strategy a Bust Says Audit](#)

The US Export-Import Bank has failed to make an impact on trade and investment in sub-Saharan Africa, despite a congressional mandate for expansion and extensive overseas travel by EXIM President and Chair of the Board of Directors, Reta Jo Lewis. [READ MORE](#)

[IPEF Moves into Implementation Stage](#)

Member countries of the US-led Indo-Pacific Economic Framework began moving into the next phase of the agreement – implementation of the three completed pillars of clean economy, fair economy and supply chains. The fourth pillar of the IPEF – trade – remains stalled and there were no negotiations on trade at the Singapore ministerial.

The countries, at a ministerial meeting in Singapore, committed to work expeditiously on their domestic processes for entry into force of the Clean Economy Agreement, Fair Economy Agreement and Agreement on IPEF.

For the Supply Chain Agreement, IPEF partners are committed to quickly standing up the Supply Chain Council, Crisis Response Network and Labor Rights Advisory Board and to hold initial meetings of the bodies in the coming months. [READ MORE](#)

[IPEF Clean Economy Investor Forum](#)

At the IPEF Clean Economy Investor Forum participants "identified \$23 billion of priority infrastructure projects for consideration" at the inaugural meeting in Singapore June 6.

Among the major commitments announced were cloud computing, data center and submarine cable projects, India's first battery energy storage system, a carbon capture scheme in Singapore, and several hundred million dollars of U.S. International Development Finance Corporation (DFC) funding to investment funds in the region. [READ MORE](#)

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[Wyden Wants GSP, TAA Renewal](#)

Sen. Wyden said he hopes to move in an expeditious way on legislation similar to that approved by the Senate with strong bipartisan support three years ago. The lapse of GSP in 2020 has resulted in US companies shifting supply chains back to China, he said.

Sen. Wyden also touched on renewal of the African Growth and Opportunity Act, which expires next year, saying Congress will need to look at how to encourage the use of the program and how to modernize it to address digital trade and innovation. [READ MORE](#)

["Put Sand in the Gears" of Kremlin's War Effort, says Adeyemo](#)

In an Opinion piece published in The Financial Times, Deputy Treasury Secretary Adeyemo continued his call for more diligence on the part of allies, industry and the banking community.

"It is important to recognise that the success of our sanctions and export controls is only possible because of a partnership with the private sector. Companies have already done a great deal to help us constrain the Kremlin's access to goods, but we need them to do more."

Mr. Adeyemo said he was not faulting U.S. manufacturers and banks as complicit in Russia's efforts to evade sanctions. "Every time I talk to a major CEO, they ask me what more can they do?" [READ MORE](#)

[DDTC Releases Direct Commercial Sales Authorizations Report](#)

This report documents defense articles and defense services licensed for permanent export to each foreign country and international organization during fiscal year 2023. [READ MORE](#)

[WTO Farm Talks Stalled by Single Undertaking](#)

A concept note issued ahead of the proposed workshop on the way forward in the World Trade Agriculture negotiations on July 2-3 acknowledges for the first time that the lack of progress in agriculture talks is due to "jettisoning of the single undertaking approach in the Doha negotiations in 2011."

The three-page concept note, titled "Rebuilding trust and progress to address contemporary challenges," blames the stalled talks on the: "Difficulties in finding balances and trade-offs after the jettisoning of the single undertaking approach in the Doha negotiations in 2011, and the subsequent acknowledgment of differences on the agreed Doha negotiations framework and architecture as resulting from the Bali and Nairobi Decisions." [READ MORE](#)

[Views Mixed on Informal Ag Talks](#)

Several industrialized countries, including the United States and China, as well as developing countries, actively engaged in the informal process launched by Brazil on how to move the agriculture negotiations forward, said people familiar with the developments.

However, at that meeting, several other developing and some least-developed countries, including India, clearly signaled their indifference to a parallel informal process outside the discussions that come under the purview of the Doha agriculture negotiating body, which is rebranded as the Committee on Agriculture Special Session, said people familiar with the discussions. [READ MORE](#)

SUPPLY CHAIN

[ITC Finds for US Solar Producers](#)

The United States International Trade Commission (USITC) Friday determined that there is a reasonable indication that a U.S. industry is materially injured by reason of imports of solar panels from Cambodia, Malaysia, Thailand, and Vietnam that are allegedly sold in the United States at less than fair value and subsidized by the producers' home governments.

As a result of the Commission's affirmative determinations, the U.S. Department of Commerce will continue its investigations of imports, with its preliminary countervailing duty determinations due on or about July 18, 2024, and its preliminary antidumping duty determinations due on or about October 1, 2024. [READ MORE](#)

[CBP's Troy Miller on Type 86 Crackdown](#)

In a statement released May 31, CBP Acting Commissioner Troy Miller addressed the Bureau's efforts to "Enhance Enforcement and Prevent Exploitation in the De Minimis Environment."

"While the majority of brokers, carriers, and supply chain businesses that participate in CBP's Entry Type 86 Test are compliant with applicable laws, we are enhancing our enforcement efforts to ensure that all participants are held accountable when they are not," he said. [READ MORE](#)

[EV Battery Drumbeat Persists on Hill](#)

Congressional Republican China hawks have called for a comprehensive ban on trade and investment dealings with two leading manufacturers of electric vehicle battery systems,

Led by the new Chair of the House Select China Committee John Moolenaar (R-MI), the lawmakers wrote letters detailing "shocking new evidence implicating major Chinese battery manufacturers, Gotion and CATL, in Chinese Communist Party state-sponsored slave labor and the ongoing Uyghur genocide."

The letters to Mr. Silvers detail supply relationships between the two firms and mineral, metals and labor providers currently under US sanction for their involvement in modern slavery in the Xinjiang Uyghur Region of Western China. [READ MORE](#)

[Hill Scolds MSCI on VW Forced Labor Designation](#)

A bipartisan group of China hawks on Capitol Hill sent a letter to MSCI's President Henry Fernandez outlining "significant concerns" after the firm removed its forced labor red flag for Volkswagen's factory in China.

The Volkswagen factory in Xinjiang is known for using Uyghur forced labor, This led MSCI, an American finance company, to grant Volkswagen a “red flag” rating in 2022. However, MSCI , relying on an audit the lawmakers describe as "flawed," made the decision to lift Volkswagen’s “red flag” rating. [READ MORE](#)

[Commerce Seeks Supply Chain Input](#)

The Department of Commerce seeks public comment to inform its work on assessing and analyzing risk in global supply chains. The deadline is June 21.

This includes input into a determination of an initial list of “critical sectors” and “key goods” as provided under the Indo-Pacific Economic Framework for Prosperity (IPEF) Agreement Relating to Supply Chain Resilience. [READ MORE](#)

COMPLIANCE, ENFORCEMENT & SANCTIONS

[Trade Show Displays Caught in Another Antiboycott Case](#)

Bureau of Industry and Security (BIS) imposed a civil penalty against Airbus DS Government Solutions Inc., a Texas-based satellite communications and networking systems company for shipping trade show materials to Kuwait certifying that the goods were not of Israeli origin and not manufactured by a company on the “Israeli Boycott Blacklist.”

In November 2023 BIS announced a civil penalty of \$44,750 against Forta LLC (Forta), a manufacturer of synthetic reinforcement fibers, for similar trade show infractions [READ MORE](#)

[Five Eyes Warning to Service Members Not to Train Chinese](#)

The Five Eyes Security Alliance issued a joint bulletin warning about continued efforts by the People’s Republic of China (PRC) to recruit current and former Western military personnel to train the PRC military.

"The most sought-after targets to-date have been military pilots, flight engineers, and air operations center personnel. The PRC has also targeted technical experts with insight into Western military tactics, techniques, and procedures," according to the bulletin. [READ MORE](#)

[Ericsson Monitorship Ends](#)

Ericsson announced the conclusion of the work and term of the independent compliance Monitor appointed by the U.S Department of Justice (DOJ) in June of 2020 in connection with Ericsson’s 2019 Deferred Prosecution Agreement (DPA) to resolve historical violations of the Foreign Corrupt Practices Act (FCPA).

The March 2023 Plea Agreement with the DOJ that followed non-criminal breaches of the DPA has also expired as of June 2. [READ MORE](#)

[Helmet Supplier Settles DoD Berry Amendment Violations](#)

Canadian helmet manufacturer Galvion, Ltd. has agreed to pay \$2,495,000 to resolve allegations that it violated the False Claims Act through the knowing sale of non-conforming parts to the United States Department of Defense. Through prime vendors, the company sold products to the United States under a Defense Logistics Agency program which requires that textiles be sourced from the United States in accordance with the Berry Amendment. The investigation stemmed from a complaint made to the DLA Hotline related to the origin of materials used in the company's products. [READ MORE](#)

[Illicit Shipment of Gun Parts to Russia Paid for Daughter's College](#)

A dual U.S.-Russian citizen pleaded guilty Friday to conspiracy to violate the Export Control Reform Act by exporting firearm parts, components, and ammunition to Russia without the required authorization. Dmitry Timashev, 58, coordinated with an associate in Russia to send weapon parts from the United States to Russia. In exchange, the associate paid tuition for Timashev's daughter and rent for an apartment in Ekaterinburg, Russia. [READ MORE](#)

[Syria Sanctions Amended](#)

Treasury's Office of Foreign Assets Control (OFAC) is materially amending the Syrian Sanctions Regulations, 31 C.F.R. Part 542.

In addition to new prohibitions, OFAC is adding several relevant definitions and interpretations and one new general license. OFAC is also incorporating, with amendments, one general license; updating six general licenses; and publishing a list of areas in which activities are authorized under General License 22. [READ MORE](#)

[Turtle Smuggler Nabbed](#)

A federal grand jury charged a New York man in a three-count indictment alleging he illegally shipped eastern box turtles and three-toed box turtles, both protected wildlife species, from the United States to China for the global pet trade black market. [READ MORE](#)