

# Washington Tariff & Trade Letter

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## [Outbound Investment Rule Published](#)

The Treasury Department Friday issued a Notice of Proposed Rulemaking to implement Executive Order 14105 of August 9, 2023, "Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern".

The NPRM builds on the Advance Notice of Proposed Rulemaking issued by Treasury last August and provides the full draft regulations and explanatory discussion regarding the intent of the proposal, and solicits comment from the public [READ MORE](#)

## [Commerce Adds Kaspersky to Blacklist](#)

Just in case you're still depending on a Russian vendor for your cybersecurity, the Commerce Department has banned Kaspersky Labs from directly or indirectly providing anti-virus software and cybersecurity products or services in the United States or to U.S. persons.

The Final Determination by the Bureau of Industry and Security (BIS) is the first of its kind and is the first Final Determination issued by BIS's Office of Information and Communications Technology and Services (OICTS). [READ MORE](#)

## [Senate Dems offer TAA Reauthorization](#)

Senate Finance Committee member Sherrod Brown (D-Ohio) introduced legislation yesterday to reauthorize the Trade Adjustment Assistance program. No Senators from across the aisle joined the initiative.

The TAA Reauthorization Act of 2024 would reauthorize the 2015-2021 version of the TAA program, which includes support for workers, farmers and firms, through December 31, 2030. [READ MORE](#)

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## TRADE POLICY / POLITICS

### [African Growth Act Renewal a Maybe Says Sen. Coons.](#)

Ahead of the 2025 expiration of the African Growth and Opportunity Act (AGOA) trade preference program, one of the Senate's chief boosters of renewal expressed hope the bipartisan support could deliver, but the state of Washington politics makes any outcome uncertain.

The day before the Ways and Means Trade Subcommittee considered potential reforms to help US Farm exports and counter Russian and Chinese activities in the region. [READ MORE](#)

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### [Japan Back on Currency Monitoring List](#)

The Treasury Department reported yesterday that no countries currently meet the definition of currency manipulation, but Japan has been returned to the list of countries to watch.

In its semi-annual Report on Macroeconomic and Foreign Exchange Policies of Major Trading Partners of the United States, Treasury concluded that no major US trading partner manipulated the rate of exchange between its currency and the US dollar for purposes of preventing effective balance of payments adjustments or gaining unfair competitive advantage in international trade during the four quarters through December 2023. [READ MORE](#)

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### [USTR seeks Americas Partnership Comments](#)

The US Trade Representative's Office is seeking public comments on the trade track of the Americas Partnership for Economic Prosperity. The APEP is a US-led initiative that will include Barbados, Canada, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Mexico, Panama, Peru and Uruguay.

Negotiations have not yet formally begun. In the meantime, USTR is looking to hear from the public on US interests and priorities, in order to develop trade-related lines of effort in the trade track of the Partnership. [READ MORE](#)

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### [Exim Signs Trinidad & Tobago MOU](#)

The Export-Import Bank of the United States (EXIM) signed a US\$500 million Memorandum of Understanding (MOU) for the Republic of Trinidad and Tobago. in a ceremony in Port of Spain, Trinidad June 20.

The MOU will develop opportunities and support financing in the "maritime domain awareness, cybersecurity, renewable energy, and water sanitation sectors." In addition, the bank delivered a \$150 million Letter of Interest to finance "maritime vessels and aircraft in support of its maritime operations." [READ MORE](#)

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## [Hearing Scheduled on "Curse of Socialism"](#)

The Subcommittee on the Western Hemisphere of the House Foreign Affairs Committee will convene a hearing titled "The Curse of Socialism in Central America and the Caribbean," on Thursday, June 27th. [READ MORE](#)

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## [Schmidtlein New ITC Chair](#)

Rhonda Schmidtlein is the new Chair of the International Trade Commission, replacing David Johanson, whose term as Chair expired on June 16. She previously served as Chair from January 13, 2017, through June 16, 2018. [READ MORE](#)

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# EXPORT CONTROLS

## [New Iran FDP Rule Effective July 23](#)

The new Iran Foreign Direct Product rules go into effect next month, and the unusual way the rule was imposed may have left some practitioners unprepared.

Enacted by Congress with no input from the Department of Commerce, the provisions of (HR. 6603) introduced by Rep. Nathaniel Moran (R-TX) were included in the massive emergency supplemental appropriation [HR 815] signed into law April 24th. "This is the first time in the history of Congress that it passed a bill to codify a foreign direct product rule," Mr. Moran's office stated. [READ MORE](#)

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## [Standards-Related Export Controls this Summer](#)

The Commerce Department's Bureau of Industry and Security (BIS) expects to issue a final rule this Summer revising the Export Administration Regulations (EAR) to authorize the release of certain technology and software in the context of standards setting and development in standards organizations.

Much of the rulemaking activity was initiated in response to the Huawei sanctions and US firms' continued participation in 5G telecoms standards negotiations. The Bureau published the interim rule in June of 2020, incorporating comments in a follow on interim rule two years later. [READ MORE](#)

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## [Commerce Publishes Russia Rules Announced for G7](#)

BIS Published the final rule announced last week as part of the Administration's participation in the G7 summit. The bulk of the rule is as displayed last week, though the published version adds additional EAR 99 software to coordinate with allies, [READ MORE](#)

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## SANCTIONS / TREASURY

### [Srpska Leader Faces More Sanctions](#)

Treasury's Office of Foreign Assets Control (OFAC) is designating a network of two individuals and seven entities that provide major sources of revenue for U.S.-designated Republika Srpska (RS) President Milorad Dodik and his family. Dodik used his official position to direct RS government contracts to a network of private companies that he and Igor oversee. While Igor controls many of the companies in this network, he obfuscates his personal connection to the companies by relying on distinct nominal owners and directors. [READ MORE](#)

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### [Houthi - PRC - Oman Weapons Axis Targeted](#)

Treasury's Office of Foreign Assets Control (OFAC) is designating two individuals and five entities that have facilitated weapons procurement for Ansarallah, commonly referred to as the Houthis. OFAC is also designating one individual and one company, as well as identifying one vessel, that have facilitated the shipment of commodities, the sale of which provides an important funding stream to the Houthis that aids in their weapons procurement. [READ MORE](#)

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## WTO / GENEVA

### [Call to Reinvigorate Service Trade Talks](#)

The outgoing chair of the World Trade Organization's Council for Trade in Services presented many recommendations yesterday for "reinvigorating" the work in services trade, which appears to have become a casualty due to the pursuit of joint statement initiatives instead of multilateral processes, said people familiar with the developments. [READ MORE](#)

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### [WTO Food Security Talks Roiled by "Legitimacy" Concerns](#)

Sharp divisions marked an informal meeting convened by Brazil at the World Trade Organization to discuss the permanent solution for public stockholding programs for food security, with one country saying that there is no legitimacy to the Brazilian informal process, according to people familiar with the discussions.

The informal meeting appears to have been embroiled over procedural issues, after India challenged the "legitimacy" of the process, said people familiar with the developments. [READ MORE](#)

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## ENFORCEMENT

### [Forwarder Barred 3 Years for Lax Export Compliance](#)

The Department of Commerce's Bureau of Industry and Security (BIS) has imposed a three-year denial order against a Portland, Oregon, package forwarding service prohibiting the firm from participating in all exports under BIS jurisdiction from the United States.

"If a forwarding company – with an entire business model based on exports – fails to implement an adequate compliance program even while subject to a suspended denial order, it should not be able to export items subject to the EAR from the United States," said Assistant Secretary for Export Enforcement Matthew S. Axelrod. [READ MORE](#)

### [Battery Tech Trade Secret Plea](#)

A Canadian national and resident of the People's Republic of China (PRC), pleaded guilty today to conspiring to send trade secrets that belonged to Tesla Motors. ... [READ MORE](#)

## SUPPLY CHAIN

### [Used Cooking Oil Import Surge Questioned](#)

The United States last year imported 3 billion pounds of UCO, half of which came from China – up from a total of 200 million pounds imported in 2020. A bipartisan group of senators is calling on the Biden Administration to address this surge in imports. [READ MORE](#)

### [Importers Lacey Act Plea for Falsifying Species & Harvest Location](#)

A Washington State importer firm pleaded guilty to one felony count, was fined and received probation for evading source of origin declarations for Chinese-origin cabinets in violation of the Lacey Act.

Tip the Scale LLC, of Tacoma, Washington, pleaded guilty and was sentenced for making false declarations regarding the species and harvest location of timber used in wooden cabinets and vanities. The firm agreed to appoint its current Sales Manger, Tran Dip as Chief Compliance Officer to implement a compliance plan. [READ MORE](#)