

Washington Tariff & Trade Letter

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TOP STORIES

[AUKUS Defense Trade Certified, ITAR Exemption](#)

The State Department announced Thursday that the United States, United Kingdom and Australia have removed barriers to defense trade as part of their trilateral partnership.

State advised Congress that the Australia and United Kingdom export control systems are comparable to those of the United States and have implemented a reciprocal export exemption for US entities. [READ MORE](#)

[CFIUS Improves Transparency, Discloses T-Mobile Fine](#)

The Treasury-led interagency Committee on Foreign Investment in the U.S. (CFIUS) rolled out a revised website, aimed at providing increased transparency and information about enforcement actions.

Included in the rollout was disclosure of a record fine related to the telecoms merger between German T-Mobile and Japanese-controlled Sprint. [READ MORE](#)

[Whistleblower Uncovers Customs Valuation Fraud, \\$10 million Fine](#)

Two Milwaukee area electrical manufacturers and their principals paid over \$10 million to resolve allegations that the companies failed to pay millions of dollars in customs duties on goods imported from the People's Republic of China. The defendants provided false invoices to CBP, avoiding payment of millions of dollars of duties on the imported goods, especially after additional duties were imposed on certain goods imported from China in 2018. [READ MORE](#)

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TRADE POLITICS & POLICY

[No Vietnam FTA Hurting US Ag Exports, Says USDA](#)

The United States is largest agricultural trading partner with Vietnam that does not have an FTA with Vietnam. The MFN tariff rates that apply to U.S. agricultural products are substantially higher than those stipulated in Vietnam's many FTAs.

As a result, U.S. agricultural products trade at a substantial disadvantage to competitor countries. The impact on U.S. market share is undeniable, and will continue to accelerate as recent FTAs, such as the European Union - Vietnam FTA, are phased in. [READ MORE](#)

[Solar Tariffs Eased; Makers Call for Boost](#)

President Biden has announced he is more than doubling the volume of imported solar cells that are exempt from the current 14.25 percent import safeguard tariff, in a bid to help US panel producers ... [READ MORE](#)

[Commerce Hikes Softwood Lumber Tariffs](#)

The Commerce Department has hiked tariffs on softwood lumber from Canada in its latest administrative review released last week.

The new combined duty rate that will apply to most softwood lumber exports is 14.54 percent, compared to the previous rate of 8.05 percent set following the last administrative review. [READ MORE](#)

[Tariffs on Carbon Intensive Steel Proposed](#)

New legislation aimed at boosting US steel production proposes imposing tariffs on imports of carbon-intensive steel.

Introduced in Johnstown, PA by California Rep. Ro Khanna, the Modern Steel Act, introduced by a group of House Democrats, would offer funding and incentives for the construction of new facilities producing near-zero emissions iron and/or steel, using cutting edge technologies like hydrogen direct reduction. [READ MORE](#)

[House Panel: China WiFi Routers Threat](#)

The leaders of the House Select Committee on China are calling on the Commerce Department to investigate the threat posed by Chinese wi-fi routers made by TP-Link Technologies.

The company is subject to draconian national security laws in China and can be forced to hand over sensitive US information by Chinese intelligence officials, committee chairman John Moolenaar (R-Mich) and ranking Democrat Raja Krishnamoorthi (Ill) wrote in a letter to Commerce Secretary Gina Raimondo. [READ MORE](#)

EXPORT CONTROLS

[Export Compliance Self-Disclosure Note for Academia](#)

Bureau of Industry and Security (BIS) Export Enforcement has published new resources for the academic community: a compliance note on voluntary self-disclosure trends and a compendium of export compliance resources.

The compliance note, Trends in Voluntary Self-Disclosures Related to Academia to Inform Improvements to Export Compliance Plans, details conduct commonly disclosed by academic institutions over the past ten years that constitutes export control violations. The Compendium of Resources offers a comprehensive guide to export compliance tools, including informational and vetting resources, BIS-specific resources, and examples of recent enforcement actions [READ MORE](#)

[Post-Quantum Encryption Standards Published](#)

NIST has published updated cryptography standards allowing for advances in quantum computing that stand to render most security measures permeable.

The proposed algorithmic encryption models are designed to be uncrackable by the most advanced computing methods envisioned. [READ MORE](#)

[ITAR "Sovereign Deployments Rule"](#)

On August 15, 2024, the DDTC published a final rule to amend International Traffic in Arms Regulations (ITAR) section 120.54 to expand the definition of "activities that are not exports, reexports, retransfers, or temporary imports," subject to certain conditions, titling the language "The Sovereign Deployments Rule" [READ MORE](#)

[OFAC GL for Subways & ATMs in Hong Kong](#)

Chinese Armored Car Service VPower Finance Security (Hong Kong) can continue to service automated teller machines and subway farecard vending in the former Crown Colony according to General License ... [READ MORE](#)

[Outbound Investment Report](#)

In an In Focus report on regulation of US outbound investment in China released yesterday, CRS notes that Congressional approaches to a US outbound investment regime differ with regard to relevant countries, sectors and activity to be covered. [READ MORE](#)

FINANCE & SANCTIONS

[DFC Funding Projects in Problem Nations](#)

The US Development Finance Corporation is funding projects that benefit countries whose intellectual property and data policies harm US commercial interests and jobs, according to a new report from the Information Technology and Innovation Foundation. [READ MORE](#)

[Further Houthi, Hizballah Sanctions](#)

Treasury's Office of Foreign Assets Control (OFAC) sanctioned several companies, individuals, and vessels for their involvement in the shipment of Iranian commodities, including oil and liquefied petroleum gas (LPG), to Yemen and the United Arab Emirates (UAE) on behalf of the network of Houthi financial official Sa'id al-Jamal. [READ MORE](#)

ENFORCEMENT

[Iran Aircraft Parts Arrest](#)

A California man was arrested on charges related to the procurement of U.S.-manufactured aircraft components, including components used on military aircraft, in violation of U.S. economic sanctions and other federal laws.

According to the indictment, beginning at least in 2023, Jeffrey Chance Nader and others conspired to purchase and export – and attempted to export – from the United States to Iran four types of aircraft components, totaling nearly three dozen individual pieces. Some of these components are for use on military aircraft operated by Iran's armed forces, including the F-4 fighter jet. [READ MORE](#)

[\\$5.8 Million Fine for Connector Sales in PRC](#)

The Commerce Department's Bureau of Industry and Security (BIS) imposed a \$5.8 million civil penalty against a Pennsylvania manufacturer for shipments of "low-level items" to parties tied to the People's Republic of China's (PRC) hypersonics, unmanned aerial vehicles (UAV), and military electronics programs.

Formerly known as Tyco Electronics, and before that AMP Incorporated, TE Connectivity Corporation is one of the world's leading manufacturers of connectors and other electronic sensors and assemblies. [READ MORE](#)

[Balkan Transshipment Extradition](#)

A Bulgarian national accused of procuring controlled microelectronics for the Russians made his initial appearance in a federal court in San Antonio August 12 after being extradited from Greece.

The indictment alleges that between at least May 2014 and May 2018 the defendants used the Bulgarian

company Multi Technology Integration Group EEOD (MTIG) to receive export-controlled items from the United States and transship them to Russia without the required licenses. [READ MORE](#)

[Russia - Cyprus Electronics Importer Sentenced](#)

A dual Russian and German national, was extradited from the Republic of Cyprus to the U.S. after being arrested twelve months ago for his involvement in a microelectronics transshipment scheme in support of the Russian war effort.

Arthur Petrov, 33, is charged with conspiring to smuggle microelectronics with military applications from U.S. distributors to Russia as part of an illicit Russian-based procurement network that supplies manufacturers for the Russian military. [READ MORE](#)

[BIS Export Denial Orders](#)

Four new individuals are subject to Denials of Export Privileges by the Commerce Department, three for firearms smuggling, and one for smuggling Monolithic Microwave Integrated Circuits (MMIC) from the United States to China [READ MORE](#)

SUPPLY CHAIN

[Chinese Sensor Firm Gets DoD Relief](#)

In an about-face that peeved China hawks, the Department of Defense is reported to be striking automotive sensor maker Hesai from the "Chinese Military Companies" blacklist. Reporting by The Financial Times cites a May lawsuit by the company challenging the designation that government lawyers concluded they could not win.

The February listing would have prevented the U.S. military and its contractors from using Hesai light detecting and ranging (LiDAR), beginning in 2026. LiDAR is a critical technology used in autonomous systems, like self-driving cars and automated manufacturing equipment. [READ MORE](#)