

# Washington Tariff & Trade Letter

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## TOP STORIES

### [US Files USMCA Complaint on Canada's Digital Tax](#)

Evidently the "strong concerns with Canada's unilateral digital service tax" the USTR cited in the readout of last weeks meeting between Ambassador Katherine Tai and Minister of Export Promotion, International Trade, and Economic Development, Mary Ng. Involved a preview of a USMCA dispute settlement complaint.

Friday Tai announced that the United States has requested dispute settlement consultations with Canada under the United States-Mexico-Canada Agreement (USMCA) regarding Canada's recently enacted digital service tax (DST). [READ MORE](#)

### [Sullivan in Beijing](#)

National Security Advisor Jake Sullivan met with China's Foreign Minister Wang Yi in Beijing last week, where the two sides agreed to initiate a call between the heads of state of both countries "in the coming weeks" and a video call at the military-theater-command level "at an appropriate time."

U.S. efforts to curtail Chinese access to advanced tech, including semiconductors, were criticized by Wang, with the top Chinese diplomat calling on Washington to stop politicizing trade issues. [READ MORE](#)

### [China Committee Calls out Texas Drone Firm as PRC Front](#)

Heads of the House Select Committee on the Strategic Competition Between the United States and the Chinese Communist Party called on the Commerce Department to explain what steps and authorities are needed to address the "white label" resale of drones made by Chinese maker DJI by Hong Kong and Texas firms, [READ MORE](#)

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## POLICY & REGULATION

### [NTE Report: Foreign Trade Barriers](#)

The NTE Report sets out an inventory of significant foreign barriers to, or distortions of, U.S. exports of goods and services, including agricultural commodities and U.S. intellectual property; foreign direct investment by U.S. persons, especially if such investment has implications for trade in goods or services; and U.S. electronic commerce.

USTR invites comments to assist it and the TPSC in identifying significant foreign barriers to, or distortions of, U.S. exports of goods and services, U.S. foreign direct investment, and U.S. electronic commerce for inclusion in the NTE Report. [READ MORE](#)

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### [FinCEN AML Filing Regs Published](#)

Treasury's Financial Crimes Enforcement Network (FinCEN) issued two rules to help safeguard the residential real estate and investment adviser sectors from illicit finance. The investment adviser rule is slated to go into effect in January 2026. Its residential real-estate rule is scheduled to begin in December 2025. [READ MORE](#)

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### [USAID to Revamp Sanctions Regs, Expand Reporting](#)

The U.S. Agency for International Development (USAID) is considering updating its sanctions-related provisions and contract clauses for assistance and acquisition awards.

A primary factor under review is whether to expand reporting requirements to enhance USAID's monitoring of recipients' and contractors' activities involving sanctioned jurisdictions or sanctioned individuals and entities subject to the sanctions programs administered by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC). [READ MORE](#)

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### [OFAC Updates FAQs on Free Speech and Cuba](#)

Treasury's Office of Foreign Assets Control (OFAC) announced three new Frequently Asked Questions updates, one "basic information," clarifying First amendment protections, and two related to updated Cuban sanctions regulations. [READ MORE](#)

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## EXPORT CONTROLS

### [RTX: Endemic ITAR Compliance Failures](#)

RTX Corporation, the defense contracting roll-up formerly known as Raytheon, has entered into a settlement agreement with the U.S. Department of State following a comprehensive investigation into violations of the Arms Export Control Act (AECA) and the International Traffic in Arms Regulations (ITAR).

By paying \$100 million in fines and promising to spend another \$100 million on compliance programs, the firm avoids debarment and further criminal or civil action. [READ MORE](#)

## [Materials and Equipment TAC Sept 12th](#)

The Materials and Equipment Technical Advisory Committee will meet on September 12, 2024, 10:00 a.m.–3:30 p.m., Eastern Daylight Time, in the Herbert C. Hoover Building, Room 3884, 1401 Constitution Avenue NW, Washington, DC [READ MORE](#)

## [Transportation and Related Equipment TAC September 18,](#)

The Transportation and Related Equipment Technical Advisory Committee will meet on September 18, 2024, 9:30 a.m. – 3 p.m., eastern daylight time, in the Herbert C. Hoover Building, Room 1412, 1401 Constitution Avenue, N.W., Washington, D. C. [READ MORE](#)

## [Commerce Info Collection Announcements](#)

BIS invites comment on the following proposed and continuing information collections: Chemical Weapons Convention Provisions, two rarely used short supply activities, and Section 232 Surveys designed to gather information so that BIS can evaluate the impact of foreign imports of strategic commodities on the national security of the United States. [READ MORE](#)

## [DDTC Comments Sought on Registration Statement](#)

Department of State, Directorate of Defense Trade Controls (DDTC) is requesting comments on the administration of Form DS-2032 Statement of Registration; [READ MORE](#)

# ENFORCEMENT

## [Trade Show Antiboycott Cases Abound](#)

A Pennsylvania flashlight manufacturer is the latest US firm to get caught up in antiboycott violations related to participating in trade shows in the Middle East.

Streamlight, Inc. paid the Commerce Department a \$44,750 penalty to resolve three alleged violations of the antiboycott provisions of the Export Administration Regulations (EAR). [READ MORE](#)

## [Boston Consulting Group Angola Bribery Declination](#)

The Justice Department declined to prosecute the Boston Consulting Group, Inc. (BCG) for a scheme in which the firm paid \$4.3 million in "commissions" to obtain consulting contracts with the government of Angola.

The Government's investigation found evidence that from in or about 2011 until in or about 2017, BCG, through its Lisbon, Portugal office, paid its agent in Angola to help BCG obtain business from the Angolan Ministry of Economy ("MINEC") and the National Bank of Angola ("BNA"). [READ MORE](#)

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## [Georgia Tech Security Whistleblower Suit](#)

The United States joined a whistleblower suit and filed a complaint-in-intervention against the Georgia Institute of Technology (Georgia Tech) and Georgia Tech Research Corp. (GTRC) asserting claims that those defendants knowingly failed to meet cybersecurity requirements in connection with the Department of Defense (DoD) contracts.

The whistleblower suit was initiated by current and former members of Georgia Tech's Cybersecurity team. [READ MORE](#)

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## [Military Radio Exports Foiled](#)

The Justice Department unsealed a criminal complaint charging a Hungarian national with violations of U.S. export controls targeting Russia, including by conspiring with others to illegally export U.S.-origin radio communications technology to Russian government end users without a license.

Bence Horvath is charged by complaint with one count of conspiring to violate the Export Control Reform Act of 2018 (ECRA). He was arrested on arrival at San Francisco International Airport in San Francisco, California, on Aug. 23. [READ MORE](#)

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# SUPPLY CHAIN

## [CBP Seeks Pipeline Data Standards](#)

CBP invites the general public and other Federal agencies to comment on a proposed Global Interoperability Standard capable of tracking changes in ownership and destination of pipeline-borne goods such as crude oil, from wellhead to refinery.

If successful, the test could result in the ability to potentially eliminate all port-level paper processes as well as create an automation environment in which pre-arrival data collection, in-bond tracking, and Free Trade Agreement compliance traceability no longer pose issues. [READ MORE](#)

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# EXPORT PROMOTION

## [Agricultural Trade Advisory Committee Members Sought](#)

The U.S. Department of Agriculture and the Office of the U.S. Trade Representative are accepting applications for new members to serve on agricultural trade advisory committees. ... [READ MORE](#)