

# Washington Tariff & Trade Letter

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## TRADE POLITICS AND POLICY

### Costs of GOP Trade Platform Talled

The deportation of millions of people from the United States, steeper tariffs, and the erosion of the Federal Reserve's political independence may make, for some, compelling political speechery, but the economic consequences are daunting, according to a study released Thursday by the nonpartisan Peterson Institute for International Economics. Other observers more definitively on the right have tried to apply real-world budget analysis to the tariff plans of Candidate Trump, with equally disheartening findings. [READ MORE](#)

### China Hawks Target DOJ, PNTR, Capital Gains and More

House Republicans spent their waning days in Washington before heading home to campaign promoting initiatives targeting economic cooperation with the Chinese. Proposals include setting up a specialized trade prosecution task force in the Department of Justice, penalizing investment in the China, revoking Permanent Normal Trade Relations with Beijing, and singling out two display makers as Chinese military companies. [READ MORE](#)

### Research cooperation with Chinese targeted.

The Chairs of the House China and Education Committees raised concerns that decades of federally funded research has benefited the defense and security establishments of the PRC. US-Chinese joint education institutes like **UC Berkeley's** partnership with **Tsinghua University [TBSI]**, and the **University of Pittsburgh's** partnership with **Sichuan University** "serve as conduits for transferring critical U.S. technologies and expertise to China," the report contends, "including to entities linked to China's defense machine and the security apparatus it uses to facilitate human rights abuses." [READ MORE](#)

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## [Trans African Rail Advances](#)

On the sidelines of the 79th UN General Assembly, Secretary of State Antony Blinken hosted a Partnership for Global Infrastructure and Investment (PGII) Lobito Corridor Roundtable with key partners.

This high-level discussion advanced PGII's flagship Lobito Corridor, aiming to develop trans-continental connectivity from the Atlantic to Indian Oceans. [READ MORE](#)

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## [Adeyemo on PGII](#)

Remarks by Deputy Secretary of the Treasury Wally Adeyemo at the 2024 Partnership for Global Infrastructure and Investment Investor Forum

"Over two years ago, we launched the PGI to mobilize \$600 billion for global infrastructure investments, recognizing that this moment demands wide-ranging international investment and public-private collaboration. The United States aims to contribute one-third of this total, and we've already mobilized \$60 billion toward that goal." [READ MORE](#)

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## [EU Trade Defense Report](#)

The European Commission's yearly report on trade defence activities highlights a year of increased vigilance and robust measures.

The EU has doubled its efforts, initiating over twice as many new cases in 2023 as the previous year and reinstating the pre-2022 average. [READ MORE](#)

Democratic lawmakers joined their republican colleagues in calling out the Biden Administration's efforts to declare the Socialist Republic of Vietnam a market economy.

"We are especially concerned by reports that Commerce pledged to the government of Vietnam that your agency's review will result in a favorable determination, to the detriment of U.S. industries and workers," the Senators write. [READ MORE](#)

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# WORLD TRADE ORGANIZATION

## [WTO - China Complaint on US EV Rules](#)

After blocking a first request in July, the trade body finally agreed to establish a dispute panel to review Beijing's claim that the US landmark Inflation Reduction Act discriminates against Chinese products.

The Dispute Settlement Body (DSB) agreed at its meeting on 23 September to a request from China for the establishment of a dispute panel to rule on the WTO compatibility of certain tax credits under the US Inflation Reduction Act. [READ MORE](#)

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## [G20 Ministers Repeat Call for WTO Reform](#)

The G20 foreign ministers meeting on the sidelines of the UN General Assembly joined the call for reform of the World Trade Organization, including its dispute settlement system.

In a statement issued following their meeting, the minister expressed the necessity “to work towards necessary reform of the World Trade Organization to improve all its functions, so that it can become more responsive and resilient in addressing current trade challenges.” [READ MORE](#)

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## [Support for DG’s Second Term](#)

The chair of the World Trade Organization’s General Council said that his consultations with members “so far shows overwhelming support to commence the appointment process” of the incumbent Director-General, Ngozi Okonjo-Iweala. [READ MORE](#)

US and European Union officials are looking to the next meeting of the Trade and Technology Council to deliver results in key areas discussed at this week’s session, European Commission Executive Vice President Margrethe Vestager said Wednesday..

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# ENFORCEMENT

## [DOJ Update on Corporate Compliance](#)

On Monday, September 23, DOJ’s Criminal Division announced updates to its guidance for evaluating corporate compliance programs (“ECCP”).

Principal Deputy Assistant Attorney General Nicole M. Argentieri discussed the revisions in her remarks at the Society of Corporate Compliance and Ethics 23rd Annual Compliance & Ethics Institute, emphasizing the DOJ’s efforts to encourage corporations to invest in robust compliance programs and report misconduct when it occurs. [READ MORE](#)

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## [Aircraft MRO Smuggler Appeal Denied](#)

BIS Chief Alan Estevez dismissed an appeal of a Temporary Denial Order issued in June against Russian national Alexey Sumchenko for his activities smuggling aircraft parts through Hong Kong to Russian airline customers. Sumchenko argued that the alleged misconduct outlined in the TDO occurred after he relinquished ownership of the entities, reasoning Judge Tommy Cantrell found unpersuasive. [READ MORE](#)

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## [Iranian Spy Indicted](#)

An FAA contractor was indicted Friday for illegally acting as an agent of the Iranian government to obtain information on the FAA’s electrical power systems. Abouzar Rahmati (42) exploited his employment with a US company which supported the FAA on a contract related to the power and electrical architecture of the FAA’s National Airspace System (NAS)..[READ MORE](#)

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## [Iranian Hackers Targeted Trump](#)

The Justice Department Friday unsealed an indictment charging three Iranian nationals with a conspiracy to hack into accounts of current and former U.S. officials, members of the media, nongovernmental organizations, and individuals associated with U.S. political campaigns. [READ MORE](#)

Those issues – artificial intelligence, semiconductors and standards setting – are ones that Brussels and Washington have been engaged on since the TTC was launched. [READ MORE](#)

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## EXPORT CONTROLS & SANCTIONS

### [Sanctions Guidance Updated by G7](#)

The G7 published joint guidance for industry on preventing evasion of the export controls and sanctions imposed on Russia. The guidance document contains items which pose a heightened risk of being diverted to Russia, updated red flag indicators of potential export control and/or sanctions evasion,

Best practices for industry to address these red flags, and screening tools and resources to assist with due diligence. [READ MORE](#)

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### [AUKUS Defense Minister's Communique](#)

AUKUS Defense ministers met in London Thursday to review the partnership and "reiterate their shared commitments for the decades to come," according to a readout of the conference. Indicating a willingness to include other Pacific Allies in the Pillar II industrial collaboration, the ministers "welcomed progress on consultations with Japan on improving interoperability with Japan's maritime autonomous systems as an initial area of cooperation. The Secretaries and Deputy Prime Minister noted ongoing consultations with Canada, New Zealand, and the Republic of Korea to identify possibilities for collaboration on advanced capabilities under AUKUS Pillar II on a project by project basis." [READ MORE](#)

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### [Comment Period Extended for US Persons / Defense Services Rules](#)

In response to requests from the public, The Departments of State and Commerce extended the comment period for their rule changes proposed 29 July impacting ITAR definitions of "defense services," and EAR restrictions on end user and Commerce Control List-based controls. Comments are now due by 15 October. [READ MORE](#)

The Indo-Pacific Economic Framework Agreement's deal on supply chains will enter into force of February 24, the Commerce Department announced Wednesday.

The focus in the coming months will turn to various milestones set out in the agreement related to establishing three supply chain bodies – the Supply Chain Council, Crisis Response Network and Labor Rights Advisory Board, including: [READ MORE](#)

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## SUPPLY CHAIN

### Connected Vehicle Rule Published

The Commerce Department proposed prohibiting the sale or import of connected vehicles integrating specific pieces of hardware and software, or those components sold separately, with a sufficient nexus to the People's Republic of China (PRC) or Russia.

Published by the Bureau of Industry and Security, the rule focuses on hardware and software integrated into the Vehicle Connectivity System (VCS) and software integrated into the Automated Driving System (ADS). These are the critical systems that, through specific hardware and software, allow for external connectivity and autonomous driving capabilities in connected vehicles. [READ MORE](#)

### UFLPA Sponsors Call for More from Canada & Mexico

Four Commissioners from the bipartisan and bicameral Congressional-Executive Commission on China (CECC) released a letter to the trade representatives of the U.S., Canada, and Mexico, urging robust implementation of existing forced labor import prohibitions in the United States-Mexico-Canada Agreement (USMCA) and asking for greater cooperation to prevent goods denied in one country being re-exported to another within the USMCA.

Central to the UFLPA is the "rebuttable presumption," which places the burden on importers to prove that their supply chains do not include goods or products from the XUAR. To ensure that no goods with ties to the XUAR enter the USMCA region, the Chairs hope that the UFLPA can serve as a model for similar legislation in Canada and Mexico. [READ MORE](#)

### US - EU Forced Labor in Supply Chain Dialogue

On 25 September 2024, the EU and US held an in-depth technical discussion with transatlantic social partner stakeholders under the Trade and Labour Dialogue (TALD), focused on ways to eradicate forced labour from supply chains and ensure a successful, just and inclusive green transition. Present and future initiatives include due diligence requirements and related support measures, as well as cooperation with third countries and the promotion of decent work. [READ MORE](#)

### USTR 301 Tariff Portal Open

USTR has opened an electronic portal for interested parties to submit comments on the proposed tariff increases for the five subheadings covering certain tungsten products, wafers, and polysilicon announced last week. [READ MORE](#)