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"Digging in" on Chinese Overcapacity

The US-China Economic Working Group met on the sidelines of the annual meetings of the World Bank and International Monetary Fund.

US and Chinese officials would be "digging in" on US concerns about Chinese production overcapacity again this week, Treasury Secretary Janet Yellen said told reporters Tuesday.. The working group has been "digging in" on the overcapacity issue to see if the two sides can come to a common understanding to address the problem, Yellen said. The U.S. side "continued to raise concerns related to China's industrial overcapacity and its impact on U.S. workers and firms," according to the readout at the meeting's end. [READ MORE](#)

Sullivan rolls out AI memo, defends trade policy

A new White House directive on artificial intelligence in part responds to concerns about China's use of AI against its own people and against the United States and its allies, National Security Adviser Jake Sullivan said Thursday.

Earlier in the week he stated that the Administration is not walking away from international trade, but it is walking away from outdated trade policies that no longer work. [READ MORE](#)

"Really think" about China alliance, Tai tells Brazilians

President Joe Biden's top trade negotiator suggested Brazil should consider the risks of joining China's Belt and Road Initiative before making any final decision regarding the Asian country's massive infrastructure program, Bloomberg news service reported.

Speaking at Bloomberg New Economy at B20 in Sao Paulo, US Trade Representative Katherine Tai said she "would encourage our friends in Brazil to look at the risks in today's economy" through "an objectivity lens, through a risk management lens" and to "really think about what the best pathway is forward for more resilience in the Brazilian economy." [READ MORE](#)

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www.wttonline.com

Editor: Frank Ruffing +1.703.283.5220. fruffing@traderegs.com

[Big Play Exercise as AUKUS Pillar Two Showcase](#)

Australia, the U.K. and the U.S. — all members of the AUKUS trilateral partnership — participated in "Maritime Big Play," a series of integrated experiments and exercises held in the Indo-Pacific region, meant to enhance capability development and improve interoperability between the partners.

As part of the experiments and exercises, the AUKUS partners tested and refined their ability to jointly operate uncrewed maritime systems, share and process naval data, and provide real-time maritime domain awareness in support of decision-making. [READ MORE](#)

[Justice Data Protection Rules](#)

The Administration continues its response to certain countries of concern's efforts to access Americans' sensitive personal data and U.S. Government-related data.

On October 18, 2024, the Justice Department's National Security Division issued a Notice of Proposed Rulemaking (NPRM) to offer full draft regulations for public notice and comment. [READ MORE](#)

The House Foreign Affairs Committee will hold a markup to consider various measures regarding export controls, prohibiting US contributions to UNRWA, restricting Iran's access to U.S. goods and technology to manufacture missiles and long-range drones, designating the Houthis as a foreign terrorist organization, and enhancing efforts to end international human trafficking on Tuesday, February 6th. [READ MORE](#)

TAX & FINANCE

[Manufacturing Tax Credit Rules](#)

The Treasury Department released final rules Thursday for the Advanced Manufacturing Production Credit, which aims to encourage US companies to onshore production of critical clean energy technologies like solar and wind components, batteries and energy storage and critical minerals.

The final rules will expand the US clean energy manufacturing base, create good-paying jobs, strengthen the nation's energy security and build the reliable and responsible supply chains needed to meet US climate goals, Treasury said. [READ MORE](#)

[US Signs \\$458 million Zambia Compact](#)

The Millennium Challenge Corporation (MCC) of the United States has signed a five-year Compact with the Government of the Republic of Zambia (GRZ) to promote economic growth and reduce poverty through investments in agriculture and agro-processing.

The Compact, valued at \$491,750,000, includes \$458,000,000 from the MCC and \$33,750,000 from GRZ. The program focuses on overcoming constraints to economic growth, such as poor roads, limited private capital for agricultural investment, and an uncertain policy environment. [READ MORE](#)

[FinCEN and counterpart FIUs meet in Ottawa](#)

On October 24 and 25, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) joined the Financial Transactions and Reports Analysis Centre (FINTRAC) of Canada in co-hosting the first FinCEN-FINTRAC Anti-Money Laundering/Anti-Terrorist Financing Symposium.

The Symposium, held in Ottawa, Canada, brought together financial intelligence units (FIUs) and law enforcement agencies from Canada, the United States, Australia, the Netherlands, and the United Kingdom, as well as U.S.- and Canada-based financial institutions, to discuss a variety of money laundering and terrorist financing issues. [READ MORE](#)

WTO & GENEVA

[DG's Answers on Ag Facilitators](#)

World Trade Organization Director-General Ngozi Okonjo-Iweala is circulating responses to questions raised by members on the proposal to appoint facilitator to help push forward long-stalled agriculture negotiations.

In her cover letter sent to members late yesterday along with the revised answers, seen by your correspondent, the DG said "we would like to underscore that this process is aimed at assisting Members to return – as soon as possible – to a fruitful substantive negotiation progress and to break the current logjam that has prevented Members from achieving concrete outcomes since 2015."... [READ MORE](#)

[DG calls for Supply Chain Finance](#)

Supply-chain finance is crucial for enabling global trade but remains inaccessible to many small businesses in developing economies, impeding their growth and participation in international commerce, contend Ngozi Okonjo-Iweala and Makhtar Diop in an article published by Project Syndicate October 23.

Despite the global value of supply-chain finance reaching \$2.3 trillion, "most businesses in developing countries remain on the sidelines," hindered by weak legal frameworks, high costs, and limited infrastructure. [READ MORE](#)

ENFORCEMENT

[Canadian Firm Gets Reprieve; BIS adds 26 to Entity List](#)

Bureau of Industry and Security (BIS) added 26 entities to the Entity List, while giving relief to one Canadian firm for substantive reforms to its business practices.

Sandvine Incorporated, an entity listed under the destinations of Canada, India, Japan, Malaysia, Sweden, and the UAE, has been removed following significant reforms to address and prevent the misuse of its technology in ways that undermine democracy and abuse human rights [READ MORE](#)

[Penn State fined \\$1.25 million for Security Faults](#)

The Pennsylvania State University located in University Park, Pennsylvania, has agreed to pay \$1,250,000 to resolve allegations that it violated the False Claims Act by failing to comply with cybersecurity requirements in fifteen contracts or subcontracts involving the Department of Defense (DoD) or National Aeronautics and Space Administration (NASA).

The settlement in this case provides for the whistleblower, the former chief information officer for Penn State's Applied Research Laboratory, to receive a \$250,000 share of the settlement amount [READ MORE](#)

[Rogue Drill Salesman Convicted for Iran Exports](#)

A middle eastern sales executive for a US mining equipment company was found guilty of participating in a ruse to ship equipment to Iran while representing to his employer the destination was Iraq.

Brian Assi conspired with individuals in Tehran, Iran, to export U.S.-made heavy machinery indirectly to Iran without first obtaining the required licenses from the Office of Foreign Assets Control (OFAC). [READ MORE](#)

[Guilty Plea in Chipmaking Equipment Export Scheme](#)

A Chinese national pleaded guilty October 17 to charges associated with the shipment of semiconductor manufacturing equipment without the required export license.

In pleading guilty, Lin Chen, 65, admitted to procuring a wafer cutting machine on behalf of an entity designated on the Department of Commerce's Entity List. [READ MORE](#)

[Turkish DoD Contract Fraud draws 15 months.](#)

A Florida woman was sentenced today to 15 months in prison for her role in a scheme to sell Turkish - origin components to the Department of Defense, misrepresenting the country of origin and manufacturing specifications.

The components were intended for use in the Navy Nimitz and Ford Class Aircraft Carriers, Navy Submarines, Marine Corps Armored Vehicles, and Army M-60 Series Tank and Abrahams Battle Tanks, among other weapons systems. [READ MORE](#) A performance audit of coordination of the implementation, enforcement, and verification of the new automotive rules of origin included in the USMCA found material gaps, placing responsibility on the office of the United States Trade Representative (USTR), which is responsible for coordinating efforts. [READ MORE](#)

[More Venezuelan Money Laundering Charges](#)

A sanctioned fugitive Venezuelan television news network owner has been charged for his role in a \$1.2 billion scheme to launder funds corruptly obtained from Venezuela's state-owned and state-controlled energy company, Petróleos de Venezuela S.A. (PDVSA), in exchange for hundreds of millions in bribe payments to Venezuelan officials. [READ MORE](#)

SANCTIONS & EXPORT CONTROLS

Oil Price Cap Update

Treasury's Office of Foreign Assets Control (OFAC) has issued an updated Maritime Oil Industry Advisory for both government and private sector actors involved in the global maritime industry.

Prepared by the Price Cap Coalition, (G7, the European Union, Australia, and New Zealand, the Advisory makes "recommendations" which are routinely ignored by the relevant players, notably buyers China and India, Convenience Registries (Liberia, Maldives, Eswatini and the like), as well as firms located in G-7, EU or other third countries who disregard "advisories" when there is money to be made. [READ MORE](#)

Sudan's Procurement Chief Sanctioned

OFAC sanctioned Mirghani Idris Suleiman for leading the Sudanese Armed Forces' (SAF) efforts to acquire weapons for use in its ongoing war with the Rapid Support Forces (RSF).

Since April 2023, fighting between the Sudanese Armed Forces (SAF) and the paramilitary Rapid Support Forces (RSF) in Sudan, has resulted in the displacement of more than 10.2 million people, including internally displaced people (IDPs), asylum seekers and refugees, according to the UN Refugee Agency. [READ MORE](#)

China issues new Dual Use controls

Chinese authorities announced new regulations on the export control of dual-use items, effective December 1, 2024. These measures aim to enhance China's export control governance, align with international non-proliferation commitments, and bolster global non-proliferation efforts.

The newly issued rules establish a permit system for the export of dual-use items, including a list of restricted goods. The regulations will abolish the existing registration system for exporters of dual-use items. [READ MORE](#)

'Catastrophic' Export Control Failure

Reports that Taiwan Semiconductor Manufacturing Corporation chips have fueled the artificial intelligence accelerators of Chinese chip maker Huawei signal a "catastrophic failure of US export control policy," according to House Select Committee on China Chairman John Moolenaar (R-Mich).

TSMC said in a statement on Monday that it had proactively reached out to the Commerce Department regarding the matter. It said it had not supplied chips to Huawei since mid-September 2020. "We are not aware of TSMC being the subject of any investigation at this time," the company said. [READ MORE](#)

[Materials and Equipment Technical Advisory Committee](#)

The Materials and Equipment Technical Advisory Committee will meet on November 7, 2024, 10:00 a.m.- 3:00 p.m., Eastern Standard Time, in the Herbert C. Hoover Building, The Open session will include presentations by Livingston International and the Hydraulic Institute Valve Association [READ MORE](#)

TARIFFS & SUPPLY CHAIN

[Customs Annual Data Released](#)

U.S. Customs and Border Protection (CBP) released operational statistics Tuesday for Fiscal Year 2024, including September 2024's monthly operational update. CBP monthly reporting can be viewed ... [READ MORE](#)

[USMCA Labor Complaint Number 29](#)

For the 29th time, the United States is asking Mexico to review whether workers at a Mexican facility are being denied their rights.

The request, under the US-Mexico-Canada Agreement's rapid response labor mechanism, asks for a review of whether workers at Odisa Concrete Equipment SA de CV, in Hidalgo, Mexico, are being denied the right to freedom of association and collective bargaining. [READ MORE](#)

[Baldwin Backs 301 on Chinese Fentanyl](#)

Sen. Tammy Baldwin (D-Wisc) is calling on US Trade Representative Katherine Tai to launch a Section 301 investigation of China's role in supporting the production and export of fentanyl into the United States.

Families impacted by the fentanyl crisis filed a Section 301 petition to probe China's role in the fentanyl crisis. [READ MORE](#)