

Washington Tariff & Trade Letter

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TRADE POLITICS

[New Senate Leader; Cabinet Coalesces](#)

Washington spent the week evaluating the President-Elect's cabinet picks, with responses ranging from relief and appreciation to "vomit in the mouth." Senator John Thune will be the Senate Majority Leader, and while the House of Representative does not name its leader until January,, Speaker Mike Johnson is expected to retain his gavel. Key cabinet posts Treasury and Commerce had not been announced by presstime, but Mar a Lago gave Beltway nabobs plenty to chew on. [READ MORE](#)

[Farm Policy: Crickets from Team Trump](#)

Rural American may have made a key contribution to the success of the Trump campaign, though so far the favor has yet to yield much in return. The first trade bout between the U.S. and China in 2018 resulted in losses of more than \$27 billion for U.S. agricultural exporters. Farm subsidies tripled to over \$30 billion in the last Trump administration, though enthusiasm for growing the federal budget is less pronounced today. [READ MORE](#)

[Moolenaar Rolls Up Sleeves](#)

Chairman John Moolenaar (R-MI) of the House Select Committee on the Chinese Communist Party has introduced the the 'Restoring Trade Fairness Act," laying the groundwork for revoking China's Permanent Normal Trade Relations status. Tariff rates would begin a 35 percent, with a minimum of 100 percent for certain articles, subject to a phase-in period., with the proceeds subsidizing impacted or favored domestic producers. [READ MORE](#)

[Climate Policy Lame Duck](#)

Multilateral conferences on Climate and Biodiversity held this month have yielded little progress, casting a further pall on the spirits of the more impacted countries and concerned stewards of God's creation. The COP29 Climate meeting in petrostate Azerbaijan and the companion COP16 Biodiversity Summit in Colombia failed to make substantive progress and saw little participation, let alone leadership from the United States. [READ MORE](#)

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"Drill Baby Drill" Bodes Ill for Russian Arctic Gas

A change of regime in Washington may change the degree of sanctions pressure on Russian Arctic gas projects, though the ultimate decider remains the economics. With the White House encouraging production and exports of domestic LNG, the incentives to make it easier for the Moscow regime to sell their gas may not be that pronounced.

Russia's Arctic LNG 2 project, spearheaded by Novatek, seeks to export nearly 20 million tons of liquefied natural gas annually to Europe and Asia. Strategically located on the Gydan Peninsula, it aims to leverage the Northern Sea Route to cut transit times. However, Western sanctions, particularly under the Biden administration, have constrained Russia's ability to capitalize on its Arctic resources by limiting access to technology and financing. [READ MORE](#)

Canada, Finland, US Sign Icebreaker Pact

In an effort to spur readiness in the west's inadequate icebreaker fleet, the polar states of Canada, the US and Finland have agreed to pool resources and expertise. The operational USCG polar fleet currently includes one heavy icebreaker commissioned in 1976 and one medium icebreaker commissioned in 2000. Russia's Atomflot operates a fleet of seven nuclear icebreakers, with a further five under construction or planned. [READ MORE](#)

Nippon Steel / USX Still in Play

Nippon Steel does not rule out lawsuit if U.S. Steel deal nixed, CEO says. If the deal falls through without a legitimate reason or proper procedures, the Japanese steelmaker would consider suing the U.S. government, CEO Eiji Hashimoto says. United Steelworkers union rank and file are calling for more credible negotiation than conducted so far by USW International President David McCall. [READ MORE](#)

Exim Touts Results for 90th Year

The Export-Import Bank of the United States (EXIM) commemorated its 90th anniversary with substantial growth, announcing \$8.4 billion in authorized deals for Fiscal Year 2024, supporting "around 38,000 U.S. jobs," according to a statement. The terms of Ms. Lewis, Vice Chair Judith Pryor and Board Member Owen Herrnsstadt expire January 20, 2025. These three seats, plus one vacancy must be filled by the president, with the consent of the Senate. The term of former Alabama Congressman Spencer Bachus ends in 2027. [READ MORE](#)

SANCTIONS

OFAC Okays Dialogue with Sanctioned Parties

The Treasury reversed its denial of an application in 2022 to host small group, direct engagement conferences which include the participation of sanctioned individuals. [READ MORE](#)

[OFAC Sanctions More Syrians](#)

Treasury's Office of Foreign Assets Control (OFAC) has announced sanctions against 26 entities and individuals linked to the Syrian conglomerate Al-Qatirji Company. The company is involved in shipping Iranian oil to Syria and the People's Republic of China,. [READ MORE](#)

[Burma Sanctions Final Rule](#)

The Department of the Treasury's Office of Foreign Assets Control (OFAC) has issued a final rule amending the Burma Sanctions Regulations to more fully implement the directives of Executive ... [READ MORE](#)

RULES & REGULATION

[Space Rules Comment Periods Extended](#)

The State and Commerce Departments have extended the comment periods for their revisions to the EAR and ITAR governing Space - Related Export Controls. [READ MORE](#)

[FinCEN Call for Comments on Real Estate Rule](#)

Treasury's Financial Crimes Enforcement Network (FinCEN) issued a 60-day notice in the Federal Register concerning the form that select real estate professionals will use to report information ... [READ MORE](#)

[OFAC Insurance FAQ Updates](#)

Treasury's Office of Foreign Assets Control (OFAC) is amending several Frequently Asked Questions (FAQs) today, as well as issuing two new FAQs related to payment of claims. [READ MORE](#)

[DHS Releases AI Security Guidelines](#)

Thursday the Department of Homeland Security (DHS) released the "Roles and Responsibilities Framework for Artificial Intelligence in Critical Infrastructure", a set of recommendations aimed at the safe and secure development of AI in critical infrastructure. The Framework was developed collaboratively by entities involved in each layer of the AI supply chain, including cloud providers, AI developers, infrastructure operators, civil society, and public sector entities. [READ MORE](#)

[Safeguarding U.S. Data from Foreign Adversaries Rule](#)

The proposed rule aims to prevent foreign adversaries from gaining access to sensitive personal data through various commercial transactions, such as data sales, employment agreements, or investments. To enforce the new regulations, the proposed rule includes mechanisms for issuing licenses for otherwise prohibited transactions

under strict conditions. It also sets up a compliance regime to ensure adherence to the rules, with provisions for recordkeeping and reporting to support DOJ investigations. [READ MORE](#)

[DoD Foreign Obligation Disclosure Rule](#)

The proposed rule seeks to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to align with Section 1655 of the National Defense Authorization Act (NDAA) for FY 2019. The rule aims to enhance national security by mandating disclosures from contractors related to sharing source code and computer code with foreign governments. [READ MORE](#)

ENFORCEMENT

[UAE Policy Sales to Iran Entities Trips Insurer](#)

Treasury's Office of Foreign Assets Control (OFAC) today announced a \$178,421 settlement with American Life Insurance Company (ALICO), a subsidiary of MetLife, Inc. While Snoopy may no longer shill for the insurer, persistent compliance personnel kept an over-eager sales agent from creating greater consequences. ALICO agreed to settle its potential civil liability for 2,331 apparent violations of OFAC sanctions on Iran. The apparent violations related to insurance policies provided to entities in the United Arab Emirates that were owned or controlled by the Government of Iran. [READ MORE](#)

[California Businessman Pleas Guilty for Russian Tech Sales](#)

The owner of a California technology company pleaded guilty to conspiracy to violate the Export Control Reform Act for his role in a transnational, multi-million-dollar scheme to secure and illegally export dual-use semiconductors and other sensitive technology sanctioned entities in Russia. [READ MORE](#)

[NYC Cellphone Dealer Settles with BIS](#)

The Bureau of Industry and Security (BIS) has reached a settlement with New York City Based M&M Wireless Communications, and its principals over 94 violations of U.S. export regulations between 2019 and 2021. According to the BIS, M&M Wireless and its owners misrepresented key details in multiple export shipments of consumer electronics to the United Arab Emirates. [READ MORE](#)

[Jig is Up: 33 Months for Machine Tool Exports](#)

A citizen of Ukraine last residing in Estonia, was sentenced to 33 months in prison, followed by three years of supervised release, for his role in a scheme to violate U.S. export laws and regulations by attempting to smuggle a dual-use export-controlled item to Russia. A jig grinder is a high-precision grinding machine system that does not require a license to export to European Union countries, but does require a license for export and reexport to Russia because of its potential application in nuclear proliferation and defense programs. [READ MORE](#)

Guilty Plea in Aircraft Parts Scheme

A Venezuelan man was sentenced to 30 months in prison to be followed by three years of supervised release for his role in a scheme to illegally procure aircraft parts from the United States to service PdVSA's aircraft fleet in Venezuela, in violation of U.S. sanctions and export controls. [READ MORE](#)

Updated "Don't Let This Happen to You"

Commerce's Bureau of Industry and Security (BIS) Export Enforcement published an updated version of Don't Let This Happen to You!, a compendium of case examples highlighting BIS criminal and administrative enforcement efforts. The publication was last updated in July 2024. [READ MORE](#)