

# Washington Tariff & Trade Letter

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## Where's Lighthizer?

With Howard Lutnick as Secretary of Commerce, and Jamieson Greer as USTR, the game of Where's Lighthizer continues. Few Washington insiders expect the President-elect to throw the chief architect of his trade policy under the bus, in favor of younger, richer, more telegenic acolytes, but stranger things have happened. [READ MORE](#)

## Tariff Mewling

The proposed Day One abrogation of the US - Mexico - Canada Free Trade agreement gave Washington something to talk about over the Thanksgiving dinner table, while cooler heads focused on football and another slice of that pie, please.

Mr. Trump signaled that he wants to slap a 25% tariff on all Canadian and Mexican imports, and a further 10% tariff on everything that comes in from China. "This Tariff will remain in effect until such time as Drugs, in particular Fentanyl, and all Illegal Aliens stop this Invasion of our Country!" he punctuated. [READ MORE](#)

## There's Always an Emergency Somewhere...

For a president seeking to impose swift and decisive change to geoeconomic policy, few hammers outweigh the The International Emergency Economic Powers Act (IEEPA), which provides the President broad authority to regulate a variety of economic transactions following a declaration of national emergency.

With advisers advocating using the act to gut the federal workforce, sweeping tariffs, and even to selectively default on the federal debt, expect the IEEPA to play an outsized role in Trump 2.0. [READ MORE](#)

Mr. Gallagher and House Energy and Commerce Committee Chair Cathy McMorris Rodgers (R-Wash) said their "cursory review" uncovered evidence that Ford plans to use technology and software from at least four Chinese companies that supply the same types of information technology tools to the Chinese military, North Korean government and China's Ministry of Public Security. [READ MORE](#)

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[www.wttonline.com](http://www.wttonline.com)

Editor: Frank Ruffing +1.703.283.5220. [fruffing@traderegs.com](mailto:fruffing@traderegs.com)

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## TRADE POLITICS & POLICY

### Used Cooking Oil Import Surge Persists

Concerns persist over the surge in Chinese exports of used cooking oil (UCO) to the United States, with allegations suggesting the oil may be blended with virgin oils, such as palm oil or soybean oil, from third countries. The surge in imports has been driven in part by the Inflation Reduction Act (IRA), which incentivizes low-carbon fuels but does not require domestic sourcing of feedstocks. This has allowed Chinese UCO imports, which now make up over half of all U.S. UCO imports—up from less than 1% in 2022—to dominate the market. [READ MORE](#)

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### China Hawks Target Hong Kong

House China Hawks wrote to Treasury Secretary Janet Yellen following the prison sentencing of 45 pro-freedom activists in Hong Kong last week. Citing deteriorating human rights and financial transactions between Hong Kong, Russia, and North Korea, the lawmakers seek a briefing from Treasury Department officials on potential actions the U.S. will take. [READ MORE](#)

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### Halifax Forum Convenes

The 16th annual Halifax International Security Forum (HFX), held from November 22 to 24, 2024, in Halifax, Nova Scotia, convened global leaders to address pressing security challenges. Referred to by Canadian media as "The Davos of international security," the Forum's agenda encompassed topics such as Russia's aggression in Ukraine, the influence of China, Iran, and North Korea (collectively referred to as "CRINKs"), Arctic security, and the impact of artificial intelligence on defense. [READ MORE](#)

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### EXIM Chief Goes to the Islands

The head of the Export-Import Bank of the United States (EXIM) President signed two memoranda of understanding with the governments of Barbados and Saint Kitts and Nevis, securing a total of "up to \$800 million in potential financing to support financing in cybersecurity, renewable energy, and critical areas for the region's long-term growth and sustainability," according to a Bank announcement

The announced sum represents a thirty-five fold increase from the amount of business EXIM has done with the two countries over the past 35 years. No specific projects have been identified. [READ MORE](#)

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## WTO / GENEVA

### WTO Renews DG Mandate

WTO members agreed to give incumbent Ngozi Okonjo-Iweala a second term as Director-General of the WTO. Her second four-year term, which was approved at a special General Council meeting, will begin on 1 September

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2025. DG Okonjo-Iweala took office as Director-General in March 2021 and is the first African and the first woman to serve as head of the organization. [READ MORE](#)

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## [WTO Chief Plans for Second Term with Trump](#)

The WTO boss, who ran unopposed to lead the organization for a second term, set out her vision to member states on Thursday. But with multilateral cooperation at an all-time low, and an incoming US administration unlikely to play by global trade rules, she'll have a fight on her hands. Ngozi Okonjo-Iweala has "unfinished business" to take care of at the World Trade Organization (WTO). The Nigerian former finance chief, who became its first female director general in 2021, made the case to member states for reappointing her for a second term on Thursday, along with her priorities – and there's plenty to choose from. [READ MORE](#)

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## [Dispute Settlement Body Meeting](#)

The WTO's Dispute Settlement Body (DSB) convened on 25 November 2024 under the chairmanship of Ambassador Saqer Abdullah Almoqbel (Saudi Arabia). Key issues discussed included retaliatory measures, compliance with prior rulings, and ongoing reforms in the WTO's dispute resolution mechanism. For the 13th time, the US raised its national security justifications for origin marking requirements on imports from Hong Kong-China, reiterating its concerns about the situation in Hong Kong under China's National Security Law. Hong Kong-China and China criticized the US for politicizing WTO proceedings, calling the allegations unfounded and inappropriate. [READ MORE](#)

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# **SANCTIONS & EXPORT CONTROLS**

## [U.S. Sanctions Venezuelan Officials for Electoral Fraud](#)

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) has sanctioned 21 Venezuelan officials, including security and cabinet-level leaders aligned with Nicolás Maduro. These actions, pursuant to Executive Order 13692, target individuals for supporting Maduro's repression of civil society and attempts to declare himself the winner of the July 28 presidential election, despite Edmundo González Urrutia being elected by a significant majority. [READ MORE](#)

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## [Pakistan Proliferation Controls Update](#)

Commerce's Bureau of Industry and Security (BIS) published a final rule imposing new controls on exports, reexports, and transfers (in-country) involving six key categories of items – some of which were previously controlled for nuclear nonproliferation reasons – to Pakistan to address diversion concerns. [READ MORE](#)

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## [BIS Extends Chemical Weapons Comment Period](#)

Public comments were previously requested via the Federal Register on August 28, 2024, during a 60-day comment period. This notice allows for an additional 30 days for public comments. The Chemical Weapons Convention (CWC) is a multilateral arms control treaty that seeks to achieve an international ban on chemical

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weapons (CW). The CWC prohibits, the use, development, production, acquisition, stockpiling, retention, and direct or indirect transfer of chemical weapons. [READ MORE](#)

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## [USML Modifications for Korea Tech Transfer Extended](#)

On November 26, 2024, the Department extended the temporary modification of the Note to paragraph (h)(1) of USML Category VIII with regard to certain commodities used in the KF-21 aircraft or variants thereof. [READ MORE](#)

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## ENFORCEMENT

### [SEC Recaps Enforcement Results](#)

The Securities and Exchange Commission announced that it filed 583 total enforcement actions in fiscal year 2024 while obtaining orders for \$8.2 billion in financial remedies, the highest amount in SEC history. In addition, in fiscal year 2024, the SEC obtained orders barring 124 individuals from serving as officers and directors of public companies, the second-highest number of such bars obtained in a decade. [READ MORE](#)

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### [Argentieri on Transparency in Enforcement](#)

Nicole M. Argentieri, Principal Deputy Assistant Attorney General of the Criminal Division, highlights the Justice Department's commitment to transparency in addressing white-collar crime. In a recent memo she describes an effort to ensure companies understand DOJ expectations, facilitating robust compliance programs that detect and deter misconduct. [READ MORE](#)

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### [California Forwarder Guilty of Disregarding Entity List](#)

The founder and former chief executive officer of a California-based international logistics and freight forwarding company with offices in Grapevine, Texas, has pleaded guilty to conspiring to violate export laws by shipping goods to Chinese companies on the U.S. Department of Commerce's Entity List. [READ MORE](#)

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### [Florida PRC Agent Sentenced](#)

A Florida Man was sentenced to 48 months in prison for conspiring to act as an agent of the People's Republic of China (PRC) without notification to the Attorney General. Ping Li, 59, admitted that, from at least as early as 2012, he served as a cooperative contact working at the direction of officers of the MSS to obtain information of interest to the PRC government. [READ MORE](#)

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## [Thales Targeted](#)

French and British authorities launched a joint investigation into suspected bribery and corruption at the aerospace and defense group Thales. Thales, Europe's largest defence technology firm, said the probe by the SFO and France's PNF financial prosecutor concerned a contract in Asia and focused on four entities in France and the UK, without giving further details. [READ MORE](#)

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## SUPPLY CHAIN

### [Uniqlo Says No to Xinjiang Cotton](#)

Tadashi Yanai, chairman and president of Fast Retailing, the parent company of Japanese fast fashion giant Uniqlo, said the company does not use Xinjiang cotton.

Speaking in Tokyo about the firm's measures to be more transparent about where the materials in its clothes come from and how they are made, Yanai said: "We're not using [cotton from Xinjiang]," BBC reported on Thursday. "Actually, it gets too political if I say anymore so let's stop here," [READ MORE](#)

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### [CCOAC: Customs Advisory Meeting 11 December](#)

The Commercial Customs Operations Advisory Committee (COAC) will hold its quarterly meeting on Wednesday, December 11, 2024, from 1:00 p.m. to 5:00 p.m. Eastern Standard Time (EST)

The meeting will be open to the public via webinar only. [READ MORE](#)

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