

# Washington Tariff & Trade Letter

Vol. 44, No. 51

[wttlonline.com](http://wttlonline.com)

December 16, 2024

## [Tariffs and Inflation and Interest Rates, Oh My!](#)

Candidate Trump promised tariffs on all imports from 10 to 20 percent, with a special rate of 60 percent on all imports from China. While special favors and brinksmanship will determine the ultimate levies, it's worth taking a look at where the costs of the proposed duties will fall. Consumers can expect to see higher prices reflected in electrical devices, toys and sporting goods, vegetable and meat products, and imported foodstuffs. Consumer electronics were largely shielded from the 2018 tariffs, including cell phones, laptops, and smartwatches. Toys and sports equipment are currently very lightly taxed, the authors note, and a 60 percent tariff almost certainly will be felt directly by American household [READ MORE](#)

## [US China Tech Cooperation Tempered](#)

On December 13, 2024, the United States and the People's Republic of China (PRC) signed a protocol to amend the U.S.-PRC Science and Technology Agreement (STA) and extend it for five years. First signed in 1979, The STA provides consistent standards for U.S.-PRC bilateral government-to-government scientific cooperation in areas such as agriculture, energy, space, health, environment, earth sciences, engineering, and educational and scholarly exchanges. The Agreement sustains intellectual property protections, establishes new guardrails for implementing agencies to protect the safety and security of their researchers, and includes newly established and strengthened provisions on transparency and data reciprocity. [READ MORE](#)

## [CFIUS to Nix Nippon - US Steel Deal?](#)

President Joe Biden plans to formally block Nippon Steel's proposed takeover of U.S. Steel on national security grounds once the \$15 billion deal is referred back to him later this month, Bloomberg News reported on Tuesday, citing people familiar with the matter..

CFIUS, the U.S. national security panel reviewing the deal must refer its decision on the merger to Biden by Dec. 23. A referral to the president suggests at least one panel member sees the deal as risky, the report added. [READ MORE](#)

© Copyright 2024 Gilston-Kalin Communications LLC P.O. Box 7592, Arlington, VA 22207  
All rights reserved. Subscription and corporate site license information 703.283.5220

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

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

---

## POLICY NOTES

### Justice asks Court to let TikTok Ban Stand

The Justice Department has asked a US appeals court to reject an emergency bid by TikTok to temporarily block a law that would require the social media app to divest from its Chinese parent company ByteDance by January 19 or face a US ban.

Observers note the action may be mooted by the incoming Trump administration, as MAGA Mega-donor Jeff Yass holds a 15 percent stake in ByteDance. [READ MORE](#)

---

### Trump Will End China PNTR, says Sen. Cotton

Sen. Tom Cotton (R-Ark) is confident that President-elect Trump will push Congress to approve his legislation ending China's Permanent Normal Trade Relations status once he takes office. Mr. Trump supports the bill and will be pressing for its approval, Sen. Cotton told the Wall Street Journal's annual CEO Forum. The President-elect's pick for Secretary of State, Sen. Marco Rubio (R-Fla), is a co-sponsor of the legislation.

In response to a question, Sen. Cotton suggested that Mr. Trump's threat to impose 25 percent tariffs on Canada and Mexico is "an effective negotiating tactic" to get the two countries to crack down on border security in order to stem illegal immigration. But "when he talks about tariffs on China, that's a horse of a different color," he said. [READ MORE](#)

---

### New Faces on Ways & Means

Friday the House Republican Steering Committee recommended the following new members to the Ways and Means Committee for the 119th Congress: Rep. Aaron Bean (FL-04), Rep. Max Miller (OH-07), Rep. Nathaniel Moran (TX-01), and Rep. Rudy Yakym (IN-02) [READ MORE](#)

---

### US Calls for Labor Panel on Canadian Mine in Mexico

The United States – for the third time – is seeking establishment of a panel under the US-Mexico Canada Agreement's labor rights dispute settlement mechanism. The request comes after the US was unable to agree with the Mexican Government on a response to alleged worker right violations at a mining facility state of Zacatecas owned by a Canadian miner.

In at least 22 cases to date, the United States and Mexico have been able to cooperate to successfully address labor rights violations at the Mexican facilities in question, according to the US Trade Representative's Office. But the two sides were not able to reach agreement on a resolution in this case. [READ MORE](#)

---

## [New AGOA Reauthorization Bill](#)

In anticipation of next year's expiration of the African Growth and Opportunity Act, reauthorization legislation has been introduced in the waning days of the 118th Congress. The AGOA Extension and Enhancement Act of 2024, introduced by Rep. John James (R-Mich), would extend AGOA for 12 years, to September 30, 2037. Rep. James chairs the House Foreign Affairs subcommittee on Africa. [READ MORE](#)

## [USTR Launches Nicaragua Investigation](#)

United States Trade Representative Katherine Tai announced the initiation of an investigation regarding Nicaragua's acts, policies, and practices related to labor rights, human rights, and the rule of law. The investigation will be conducted under Section 301 of the Trade Act of 1974, as amended. The December 10 announcement reflects concern "that Nicaragua is engaging in repressive and persistent attacks on labor rights, human rights, and the rule of law." [READ MORE](#)

## [Economic Coercion Task Force](#)

A newly-created White House task force will look at how to respond to economic coercion by countries like China. The task force will assess potential vulnerabilities of countries, including within their private sectors, to such coercion and develop concrete recommendations "for a comprehensive, effective, and, as appropriate, multilateral response, including to deter future coercive economic behavior." [READ MORE](#)

## [Environmental Trade Advisory Committee](#)

Commerce Secretary Gina Raimondo has appointed 42 industry, business and civil society leaders to the Environmental Technologies Trade Advisory Committee to advise on ways that US government programs and activities can strengthen the competitiveness of the US environmental technologies industry. [READ MORE](#)

## **WTO**

### [Fish Stories](#)

World Trade Organization negotiations on ending subsidies contributing to overcapacity and overfishing have hit a stalemate, meaning members will miss an end-of-year goal of reaching agreement on the parameters of a deal. The chair of the fisheries negotiation, Ambassador Einar Gunnarsson of Iceland, told the Trade Negotiations Committee meeting that "save for any last-minute solution, it seems to me that, as one Member has put it, the negotiations have reached a stalemate even though nearly all Members can support the current text as a basis for conclusion." The two members objecting are widely understood to be Indonesia and India. [READ MORE](#)

---

## WTO Agriculture Chair Punts

The chair of the long-stalled agriculture negotiations, Ambassador Alparslan Acarsoy of Türkiye provided a written statement to the TNC. He noted that recent discussions have focused on process, in particular whether a facilitator-led process should accompany engagement by members among themselves on issues of interest. Despite efforts to find a compromise, members were not in a position to agree on a way forward. [READ MORE](#)

---

## US: No Litigation for National Security

The United States Wednesday laid out its arguments for excluding national security measures from World Trade Organization litigation, suggesting the better response is a rebalancing of trade concessions when there is a dispute.

In a paper, Washington said that “litigating matters of essential security (exception provisions at the WTO) undermines the foundations of the WTO by dragging the Organization into debating inherently political matters.” [READ MORE](#)

---

## WTO Sees Rise in Trade Restrictions

There has been a sharp rise in trade-restrictive measures in the year ending mid October, the World Trade Organization reported. The latest Trade Monitoring Report indicates coverage of trade-restrictive measures between mid-October 2023 and mid-October 2024 increased.

The report, released Wednesday for a meeting of the Trade Policy Review Body, also shows WTO members introduced a substantial number of trade-facilitating measures. But there is increasing evidence of inward-looking trade policies which could generate further uncertainty for the world economy, according to the report. [READ MORE](#)

---

## **ENFORCEMENT**

### Forwarder Fined for Cuba & Iran Freight

Treasury's Office of Foreign Assets Control (OFAC) announced a \$257,690 settlement with C.H. Robinson International Inc. (CHR). The Minnesota-based logistics firm agreed to settle its potential civil liability for 82 apparent violations by five of its non-U.S. subsidiaries, which provided freight brokerage or transportation services for shipments in apparent violation of OFAC sanctions on Cuba and Iran.

The vast majority of the apparent violations appear to have occurred because the subsidiaries' brokerage management systems had not yet been incorporated into CHR's system or otherwise updated to include the latest sanctions compliance controls and did not screen for potentially violative transactions. [READ MORE](#)

---

## [Forwarder Indicted for Russian Exports](#)

A Washington State freight forwarder was indicted Tuesday in a Brooklyn court for her alleged involvement in a scheme to circumvent U.S. export laws and sanctions on Russia.

A 12-count indictment charges Natalya Ivanovna Mazulina, 41 the Western regional manager of Delex Air Cargo, a freight forwarding company based in Jamaica, New York, was arrested December 10 in Seattle and will be arraigned in the Eastern District of New York at a later date. [READ MORE](#)

---

## [Fox - Inspired Russian TV Network Case Continues](#)

The Justice Department announced the unsealing of a superseding indictment against a Russian national, charged with conspiracy and violations of U.S. sanctions for assisting sanctioned Russian media baron and businessman Konstantin Malofeyev.

The indictment alleges that Alexey Komov, conspired with Malofeyev to recruit and employ an American citizen, John Hanick, to assist in the creation and operation of a Russian television network. Komov also allegedly worked with Malofeyev, Hanick, and others to unlawfully transfer a \$10 million investment Malofeyev held in a U.S. bank to a Greek business associate. This transfer violated U.S. sanctions blocking Malofeyev's assets. [READ MORE](#)

---

## **EXPORT CONTROL**

### [Axelrod Recaps 36 Months at Enforcement Helm](#)

In remarks to industry in Washington December 9th, Assistant Secretary for Export Enforcement Matthew Axelrod outlined the growth and challenges facing the trade security community over his 36 month tenure at the Commerce Department. His speech to the Practising Law Institute's Export Controls Conference addressed his "Three Ps": Laser focused Priorities, Raising the Profile of Export Enforcement, and Harnessing Partnerships within and beyond the government. [READ MORE](#)

---

### [Report Reviews Past 36 Months in US Export Controls](#)

A new commentary from Barath Harithas and Andreas Schumacher at the Center for Strategic and International Studies (CSIS) provides a single resource guide for understanding U.S. export controls on China from 2022 to 2024. It provides a clear account of the motivations driving U.S. actions in 2022 and identifies a familiar pattern of gaps in 2023 and 2024 [READ MORE](#)

---

## SUPPLY CHAIN

### Critical Minerals Bills Proposed

Members of the House Select Committee on China unveiled three bipartisan bills last week aimed at reducing US dependence on China for critical minerals. The bills were developed by the panel's Critical Mineral Policy Working Group, which held its final meeting of the year Wednesday.

The bills, included in a report released by the working group promote international cooperation and workforce reforms, as well as measures which appear designed to render uneconomic Chinese battery and magnet manufacturers in the US. [READ MORE](#)

---

### Higher Tariffs on Chinese Solar, Tungsten

The US Trade Representative's Office announced last week it is hiking tariffs on tungsten and some clean energy products from China as it wraps up a Section 301 investigation. The tariff rates for solar wafers and polysilicon will increase to 50 percent, and the rates for certain tungsten products will increase to 25 percent, according to USTR. [READ MORE](#)