

# Washington Tariff & Trade Letter

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## POLICY & POLITICS

### Justice Issues Final Data Protection Rule

Friday The Justice Department issued a Final Rule implementing Executive Order (E.O.) 14117, aimed at protecting Americans' sensitive personal data and U.S. Government-related data from access and exploitation by countries of concern. The rule establishes regulations to address national security risks posed by malicious foreign actors using bulk sensitive data for espionage, coercion, or enhancing artificial intelligence for malign purposes. [READ MORE](#)

### USTR Targets PRC Foundational Chips & Substrates

The Office of the U.S. Trade Representative is launching a Section 301 investigation to examine the PRC's targeting of foundational semiconductors (also known as legacy or mature node chips) for dominance and the impact on the U.S. economy. In addition, the investigation will initially assess the impact of the PRC's acts, policies, and practices on the production of silicon carbide substrates or other wafers used as inputs into semiconductor fabrication. [READ MORE](#)

### Export Control Enforcement "Inadequate at Every Level" : Senate Report

A report from the Senate's Permanent Subcommittee on Investigations (PSI) has revealed critical failures in the United States' semiconductor export control regime, underscoring its inability to curb the flow of critical technologies to adversaries such as China and Russia. The findings highlight significant deficiencies in the enforcement capabilities of the Department of Commerce's Bureau of Industry and Security (BIS) and inadequate compliance efforts by U.S.-based semiconductor manufacturers, according to the authors. [READ MORE](#)

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## [Mirran in CEA Cements Mercantilists in White House](#)

With the announcement that Donald Trump has named Stephan Miran to head the Council of Economic Advisers, we reprint our discussion of the Harvard-trained economist's unconventional thinking on tariffs and currency which has won widespread acceptance among the president-elect's advisors. Rejection of the premise that tariffs are a consumption tax starts at the top, with the President Elect's "most beautiful word" musings, and the intellectual basis has been articulated in a recent paper by Stephan Miran of the Manhattan Institute and Hudson Bay Capital. What may be under appreciated is Miran's thinking on the sanctity of repaying government debt. [READ MORE](#)

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## **SANCTIONS & SECURITY**

### [Gazprombank Sanctions Waivers for Hungary & Turkey](#)

The widely touted US sanctions on Gazprombank issued in November have been watered down as the White House yielded to pressure from Turkish and Hungarian leaders and issued waivers. The Kremlin's chief payments conduit for gas sales to the West can continue to trade with Budapest and Ankara, in a material concession by Washington. [READ MORE](#)

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### [Georgian Tycoon's Sanctions Spawn Waivers](#)

On December 27, 2024, OFAC designated Bidzina Ivanishvili pursuant to Executive Order (E.O.) 14024, placing sanctions on the 67 year old billionaire and political figure. One of the wealthiest individuals in Georgia, Ivanishvili founded the Georgian Dream Coalition in 2011 and served as Georgia's Prime Minister from October 2012 to November 2013. Although transactions or other dealings involving Ivanishvili are generally prohibited as a result of OFAC's designation, OFAC concurrently issued General License (GL) 116 authorizing U.S. persons to engage in all transactions with any entity owned 50% or more by Ivanishvili provided that such entity is not identified on the SDN List. [READ MORE](#)

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## **ENFORCEMENT & EXPORT CONTROLS**

### [New York Solder Maker Settles Export Violations](#)

A New York solder manufacturer settled violations associated with the sales of products to Russia valued at approximately \$96,506. Indium Corporation of America cooperated with the investigation conducted by BIS's Office of Export Enforcement (OEE) and took remedial measures after discovering the conduct at issue, which resulted in a significant reduction in the penalty.

The items exported by Indium are classified EAR99, however, because these items were classified by Harmonized Tariff Schedule (HTS) codes that appeared on Supplement no. 5 to Part 746 of the EAR at the time of export, these items required a license for export to Russia [READ MORE](#)

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## [Corrections to Sept 6th Export Controls Published](#)

On September 6, 2024, BIS published in the Federal Register an interim final rule entitled “Commerce Control List Additions and Revisions; Implementation of Controls on Advanced Technologies Consistent with Controls Implemented by International Partners” that contained inadvertent errors. This rule corrects those errors. [READ MORE](#) Four Chinese nationals are charged in an indictment in the District of Columbia with various federal crimes related to a years-long conspiracy to unlawfully export and smuggle U.S.-origin electronic components from the United States to Iran. [READ MORE](#)

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## CFIUS & FINANCE

### [Lexmark to Return to US Ownership](#)

Troubled Chinese-owned printer manufacturer Lexmark agreed to be acquired by Xerox Corporation, clearing the way for resolution of its slavery problem. The Department of Homeland Security had added the firm's parent Ninestar and certain of its subsidiaries to the Uyghur Forced Labor Prevention Act (UFLPA) Entity List, and the company "is suffering irreparable harm to its business and reputation based on the listing," according to a statement at the time. [READ MORE](#)

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### [Steel Deal Goes to President](#)

December 23 CFIUS notified US Steel they were unable to reach a consensus on the proposed sale to Nippon Steel and referred it to President Biden for a final decision. The President has 15 days from notification to act, meaning an announcement can be expected around Tuesday January 7th. The *eminence grise* in the affair, Cleveland Cliffs CEO Lourenco Goncalves has conducted a stunningly effective public campaign to keep a deep pocketed acquirer from purchasing the rival integrated steelmaker. Cliff's own offer was spurned by the board on financial and execution concerns. [READ MORE](#)

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### [Exim Backs Guyana Gas Project](#)

Export-Import Bank of the United States (EXIM) approved \$527 million to the Ministry of Finance of the Cooperative Republic of Guyana to support a gas-to-energy project that will strengthen the country's energy security by doubling the country's installed electric capacity.

The financing from today's transaction will aid the construction of a natural gas separation plant, a 300 MW combined cycle gas turbine power plant and services related to the gas supply pipeline near Guyana's capital, Georgetown. [READ MORE](#)

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## SUPPLY CHAIN

### [Customs Chief to Trade: "Get Ready for Automation"](#)

Troy A. Miller, U.S. Customs and Border Protection (CBP) Senior Official Performing the Duties of the Commissioner, delivered opening remarks to the Commercial Customs Operations Advisory Committee (COAC) meeting Dec. 11 in Washington, DC, where he outlined steps being taken to address the flood of *de minimis* shipments swamping customs operations. [READ MORE](#)

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