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## Small Businesses Still Concerned About Export Reform

Small exporters still have concerns about the impact export control reforms will have on them, despite the claims of administration officials that the changes are intended to help them. Small businesses will be “blindsided” under the new rules, Stephanie Hart, director, export compliance for ION Geophysical, told the Bureau of Industry and Security (BIS) Regulations and Procedures Technical Advisory Committee (RAPTAC) March 19. Hart and RAPTAC member Catherine Thornberry, an export consultant with Export Procedures Co., cited examples of the burdens small firms will face under the new regulations, especially in applying a new definition for specially designed and needing to file more commodity jurisdiction (CJ) requests.

Their presentation drew a strong defense of the reforms from BIS Assistant Secretary for Export Administration Kevin Wolf. “The very concern you’re expressing is something we’re spending a massive amount of time trying to address,” he said. In the new definition for specially designed, “we’ve put in writing, and codified, exactly the question you’re begging us to apply and put it in writing, in both sets of regulations, as opposed to letting people just make stuff up all the time, which is what they’re doing,” he added.

While more CJs may be filed, Wolf said he has not found a single dual-use product that would move to the International Traffic in Arms Regulations under the new rules. “We’ve been publishing rules for three years, and nobody’s given me one example, and when we have been given an example, we’ve caught it and changed it,” he said.

Hart complained that firms will need to file more voluntary self-disclosures (VSDs) with BIS and face increased liability. Wolf conceded there may be an increase in VSDs, but said the reform effort is “radically reducing” the overall burden on companies. He said one of the goals of the reforms is to give federal prosecutors a single, straight-forward definition of specially designed, not one that was open to wildly different interpretations.

## China Pushes for Intensified ITA Talks

China has not only joined World Trade Organization (WTO) Information Technology Agreement (ITA) talks, but during meetings March 18-22, it urged negotiators to intensify work on a deal. China for the first time presented its “priorities list” of items it

wants covered in an accord. Previously, the Chinese only provided a general idea of their sensitivities, but didn't say specifically what they wanted. "This time they did," one official said. It's "not a very large list," he said. During the meetings, negotiators also trimmed another 20 items from the list of proposed products for tariff-free treatments. That leaves 274 six-digit tariff lines on the table for negotiations, which will likely keep cutting items until summer (see **WTTL**, March 11, page 3).

Some of the dropped products should never have been on the list, one source noted, referring to such items as refrigerators, washing machines, microwaves, and air conditioning. South Korea only reluctantly withdrew the products, he reported. Other items removed from the list include certain types of glass, certain microphones, coaxial cables and conductors, certain LED modules and touch screens and other components, according to a document from the meeting.

The next phase is real negotiation about sensitive items, which will happen before summer, one official said. "We don't want this to be process of the lowest common denominator," he said. A way has to be found for increasing consensus by negotiating away each other's sensitivities, he said. Each country may have a few red lines, he said.

Russia also participated in the talks, during which it made corrections to its ITA schedule of commitments. Russia's commitments are expected to be adopted by its customs union partners Belarus and Kazakhstan when they join the WTO. Kazakhstan is shooting for accession during the Bali ministerial in December. Belarus is less advanced in its accession talks. Since the three countries have a common external tariff, each will have to apply the ITA rates, one official said.

## **Marantis Charms Finance Committee While Avoiding Details**

Acting U.S. Trade Representative (USTR) Demetrios Marantis succeeded in ducking most of the tough questions from Senate Finance Committee members at a March 19 hearing on the Obama administration's trade agenda. While reaffirming the administration's readiness to begin talks with Congress on renewing the president's fast-track negotiating authority, also known as Trade Promotion Authority (TPA), Marantis mostly avoided saying anything specific about what the administration wants in the new authority or on key issues in negotiations on a Trans-Pacific Partnership (TPP) or U.S. trade talks with the European Union (EU) (see **WTTL**, March 11, page 5).

To many of the questions posed by Finance members, Marantis' answers were some combination of: "Thank you for asking that question...we share your concerns....we look forward to having that conversation with you." As a former Finance Committee staffer, Marantis received a warm welcome from members who didn't seem to mind his evasiveness.

On fast-track, Marantis told Committee Chairman Max Baucus (D-Mont.) the administration is ready to begin talks with Congress. "We have heard the strong calls of you, of Senator Hatch and of this committee and others in Congress to move forward with trade promotion authority. It's in our mutual interest to use TPA as a tool to support a job-focused trade agenda," he said. "I can tell you that we are ready to begin our work with you on TPA and to talk about the various issues that you raise," he added. Nonetheless,

when asked for specifics on what the Obama administration wants in a new TPA bill, he demurred. Baucus asked him whether the White House would support including in a new measure a bipartisan 2007 deal that lawmakers reached with the Bush administration on labor and environment. “There is a diversity of interests on this committee and elsewhere on what trade negotiating objectives under TPA should look like,” Marantis responded. “It is a conversation that we need to have together, and we are ready to begin having that conversation with you now,” he said.

When pressed later by Sen. Ron Portman (R-Ohio) on the issue, Marantis continued to avoid a direct answer. “There is a lot we are going to have to talk about with respect to trade negotiating objectives and it’s a conversation we are ready to begin to have with you,” Marantis repeated in his rote answer. “I don’t have any preconceived notions. We don’t have any preconceived notions. It’s a discussion we want to have with you,” he said.

Marantis also wouldn’t give a direct answer to questions from Sens. Orrin Hatch (R-Utah) and Robert Menendez (D-N.J.), who urged the USTR to seek in TPP talks the same 12-year data protection rules that the U.S. enacted for biopharmaceuticals. “We agree strongly with you that biologics is a vital area of pharmaceutical innovation. This is a tough issue in the context of the TPP, and we haven’t yet made a decision about how we are going to proceed,” he told Hatch. “I don’t know yet what we are going to do.... We don’t have a position yet,” he told Menendez.

In response to questions from Hatch on Ecuador, Marantis said he shares the senator’s concerns. “We regret the deteriorating investment environment in Ecuador and the recent moves of Ecuador to withdraw from our Bilateral Investment Treaty. We have a petition from a company with us that is asking us to consider revocation of GSP [Generalized System of Preferences] in Ecuador because of its deteriorating investment climate. We are looking at that seriously,” Marantis stated.

As is typical with Finance trade hearings, members raised a wide range of questions. Topics of interest included: Japan’s auto, agriculture and insurance barriers; Taiwan’s restrictions on U.S. pork; EU policies on agriculture and genetically modified organisms; renewal of the African Growth and Opportunity Act (AGOA); currency manipulation; rules of origin; digital trade and cybersecurity.

Without naming him, Hatch tried to put the kibosh on the potential nomination of Jeffrey Zients, acting head of the Office of Management and Budget, to be USTR. “Today, morale at USTR is at an all-time low. Ill-conceived proposals by this administration to have the agency subsumed into the Department of Commerce reveal a complete lack of understanding regarding both the structure and purpose of the agency. Sadly, rumors persist that the president may nominate as his next trade representative the chief architect of this proposal to end USTR as we know it. I hope that is not the case,” Hatch declared.

## Arms Talks Focus on Draft Treaty Revisions

After the start of United Nations talks March 18 on an Arms Trade Treaty (ATT), negotiators launched quickly into a week-long debate over the wording of the draft treaty circulated in July 2012 and new “non-paper” revisions released March 20 and March 22 by the president of the talks, Ambassador Peter Woolcott, Australia’s representative

to the talks (see related story below). Woolcott's drafts attempt to clarify the language in last year's version, while maintaining the older version's scope and call for controls on trade in conventional arms. The new versions, for example, make it clear that controls apply only to weapons enumerated in the treaty (see **WTTL**, March 18, page 3).

The U.S. representative to the talks, Ambassador Donald Mehley, urged negotiators March 19 to remember that the combination of provisions in the draft are "the operational heart of this treaty" and to avoid changes that are too extensive. "The current text reflects a lengthy process of discussion and negotiation," he said in his prepared statement. "Trying now to leap beyond those is dangerous to the progress we have made to date," he warned. "This Treaty is an interactive whole, so we need to avoid taking individual points as isolated and unique elements to be debated," he added.

Mehley also noted U.S. opposition to including ammunition under the scope of the treaty. "Specifically, ammunition and parts and components being included in this article as under the scope and all the elements of this Treaty is simply a non-starter for my delegations, as we have repeatedly stated throughout this negotiation. We have yet to see an argument of how ammunition can effectively be controlled, so believe it could be excluded – but certainly not incorporated into the scope," he said. While ammunition and munitions are not in the scope article of the draft texts, they are covered in an article requiring parties to adopt controls on arms exports.

One area where the wording of the text shouldn't be changed is in the description of risks to be considered in export licensing for covered arms, Assistant Secretary of State Thomas Countryman said in a second statement. In particular, he said the U.S. wants the text to retain language that would recognize that most arms sales represent legitimate commercial activity. The U.S. wants to keep language that sales might be prohibited if they pose an "overriding risk" rather than changing it to "substantial" risk, he said.

"To change to 'substantial risk' could be an explicit statement that arms exports cannot make – ever – a positive contribution to peace and security. To change 'overriding' to 'substantial' is to require States to ignore the substantial contribution an export CAN make to peace and security; put another way, it would require exporting States to ignore any substantial negative effect of failing to provide another State party the means to combat terrorism or aggression," Countryman said (emphasis in original).

Rather than saying states "may" adopt measures to implement the accord, Woolcott's text says countries "are encouraged" to adopt such measures. It also adds a direct statement that: "Each State Party shall establish and maintain a national control system to regulate the export of conventional arms covered under Article 2(1)." Article 2(1) lists arms to be covered by the treaty. They are: battle tanks; armoured combat vehicles; large-caliber artillery systems; combat aircraft; attack helicopters; warships; missiles and missile launchers; and small arms and light weapons.

## **U.S., China, Russia Take Common Stand on Arms Treaty**

Under the heading of "strange bedfellows," the U.S. and China have taken a common stand in the opening days of UN talks on an Arms Trade Treaty (ATT). In a joint statement on behalf of the U.S., China, the United Kingdom (UK), Russia and France

March 18, France's representative to the UN disarmament conference said the five countries "will engage actively to improve" the draft treaty that was offered during failed efforts to reach an agreement in July 2012 (see related story above).

"Our objective remains the same: an ATT that is simple, short, and easy to implement, and at the same time sets the highest possible common standards by which states will regulate the international transfer of conventional arms," said Ambassador Jean-Hugues Simon-Michel, France's representative to the conference. "An effective ATT should not hinder the legitimate arms trade or the legitimate right to self defense under the UN Charter. It should help curb the illicit trafficking in conventional weapons that undermines peace, security and prosperity. It should create a shared responsibility in the international transfer of conventional arms between all states, be they exporters, importers, transit or transshipment states," he told the treaty talks.

In contrast, Mexico made a statement on behalf of itself and 105 other members calling for a strong treaty. "The overwhelming majority of member states agree with us on the necessity and the urgency of adopting a strong Arms Trade Treaty. Our voice must be heard," the Mexican representative to the talks said in prepared remarks. "A weak ATT could serve to legitimize the irresponsible and illegal arms trade. This is an outcome we must avoid," the Mexican representative said. "The text cannot be ambiguous: we are adopting a treaty that requires clear legal language," he said. "We also need to address the existing loopholes that remain in the text. The text needs to better reflect existing international legal norms, standards and principles. The scope of the treaty – including ammunition – the prevention of diversion, the criteria for assessment and the implementation, are some of the areas that need to be strengthened," he added.

A joint statement from Denmark, Germany, Mexico, the Netherlands and UK also called for a strong treaty. "In a world that protects its citizens' welfare by regulating the trade in cars, medicines and fruit and vegetables, it is inexcusable that no international instrument exists for the regulation of international trade in arms," their statement said. But they also stressed the limits of the treaty, saying it would not obstruct legitimate trade. A treaty would bring vigor and accountability to the trade, while "fully recognizing every state's right to legitimate self-defense," it said. "Neither does the Arms Trade Treaty set rules for domestic arms regulation nor laws on the possession of arms; this is categorically a matter for national authorities to determine," they said.

At a March 18 press conference sponsored by the Mexican delegation to the UN, non-government organizations (NGOs) expressed support for a stronger treaty. "Weak treaties change very little," said Anna McDonald, head of arms control for Oxfam, according to a UN release. "Strong treaties are what change international situations; strong treaties set high standards; strong treaties change behaviour," she said. McDonald said she remains optimistic about an agreement because negotiators now have a draft text to debate. "Last time, we started with a blank sheet of paper," she said.

## **Supreme Court Applies "First Sale" Rule to Printed Imports**

In a vote that could have wide-ranging implications for publishers and secondary retailers, the Supreme Court March 19 held that a book buyer could resell foreign-made goods in the U.S. under the "first sale" doctrine (see **WTTL**, Nov. 5, 2012, page 4). It

reversed a lower, appellate court decision that had ruled that the first-rule doctrine did not cover imported goods. In a 6-3 vote in *Kirtsaeng v. Wiley & Sons*, the high court held that the “first sale” doctrine of the Copyright Act applies to copies of a copyrighted work lawfully made abroad.

“In our view, Section 109(a)’s language, its context, and the common-law history of the ‘first sale’ doctrine, taken together, favor a *non*-geographical interpretation,” said an opinion written by Justice Breyer for himself and Chief Justice Roberts and Justices Thomas, Alito, Sotomayor and Kagan. “We also doubt that Congress would have intended to create the practical copyright-related harms with which a geographical interpretation would threaten ordinary scholarly, artistic, commercial, and consumer activities,” he added,

“In sum, we believe that geographical interpretations create more linguistic problems than they resolve. And considerations of simplicity and coherence tip the purely linguistic balance in *Kirtsaeng*’s, nongeographical, favor,” he wrote.

In a dissenting opinion, Justice Ginsburg noted the differences in economic conditions and demand for particular goods across the globe. Because of that, “copyright owners have a financial incentive to charge different prices for copies of their works in different geographic regions,” she wrote. “Their ability to engage in such price discrimination, however, is undermined if arbitrageurs are permitted to import copies from low-price regions and sell them in high-price regions,” he argued.

The Software & Information Industry Association (SIIA) said it was “strongly disappointed” with the ruling. “The truth is that the ruling for *Kirtsaeng* will send a tremor through the publishing industries, harming both U.S. businesses and students around the world,” it said. “The practical result may very well be that consumers and students abroad will see dramatic price increases or entirely lose their access to valuable U.S. educational resources created specifically for them,” it declared. [Editor’s Note: Gilston-Kalin Communications, LLC, publisher of WTTL, is a member of SIIA.]

## Category IV Missile Controls May Be Launched Without Hitch

The increasing use of anti-missile countermeasure equipment on commercial aircraft needs to be addressed in the proposed changes to U.S. Munitions List (USML) Category IV and the transfer of items in that category to the Commerce Control List (CCL), according to comments posted March 20 on the BIS and State’s Directorate of Defense Trade Controls (DDTC) proposals. The changes to the category, which covers launch vehicles, guided missiles, ballistic missiles, rockets, torpedoes, bombs and mines, drew few comments from industry.

“Commercial aircraft operators are increasingly concerned about threats posed by misuse of Man Portable Air Defense Systems (MANPADS),” Boeing wrote. “To respond to this threat, companies are already offering for commercial application countermeasure systems that would necessarily have monitoring and detection capability for MANPAD systems that would be captured by this paragraph,” it said in its comments. “The use of ITAR-controlled items on commercial transport systems would require ITAR level protection of those platforms, which is impractical for the civil transport case,” the company wrote. “Possible options include transferring these items to the ‘600-Series’,

establishing a flexible licensing structure for instances where such systems are installed on civil aircraft platforms, or adding a note to this paragraph that articulates a different control structure under a defined set of circumstances,” Boeing continued.

United Technologies offered technical suggestions regarding consistency and use of the term “related.” “The term ‘related’ can cause confusion, as it implies that test ‘equipment’ would only be controlled for related Category IV defense articles, not all Category IV defense articles. It is then left up to the reader to determine which of those articles are and are not related,” it wrote. “We recommend that the word ‘related’ not be used as part of the specific performance criteria (i.e., the ‘list of items controlled’), as it runs counter to the intent of a clearer performance-based control,” it added.

“Current export laws require our company to control launch vehicle hardware and technology that in many cases is less sophisticated and advanced than that found in commercial aviation,” said comments from an anonymous filer. “We are also required to control all uniquely designed support equipment, no matter how basic the technology level may be, such as brackets, slings, and simple tools,” it said. The proposed rules “will enable our company to focus our limited compliance resources on more clearly defined, understandable, and specific critical technologies,” the comment continued.

## **U.S. Objects to Chile’s Junk Food Labeling Rules**

The U.S. and several other countries have raised concerns at the WTO about a new regulation Chile has adopted to require the placing of a “STOP” label on junk food. The new rules reportedly are intended to inform consumers about the content of foods and to get them to avoid certain foods that contribute to obesity and other diseases. During the March 5-7 meeting of the WTO Technical Barriers to Trade (TBT) Committee meeting, the U.S., Mexico, European Union, Argentina, Guatemala, Peru, Canada and Colombia challenged the amendment to Chile’s Food Health Regulations.

“Delegations were concerned that the amendment was not based on the relevant guidelines of Codex on nutrition labeling, that it would create unnecessary obstacles to international trade, and that it had not been notified to the TBT Committee,” a WTO report said. “Chile said that the measure responded to an epidemic of obesity, especially among young people, and that the measure was necessary to provide easily understandable warnings on products,” it added. The new rules apply to products that contain a critical amount of certain substances, such as fat, sugar and salt.

## **USTR Sends Congress Notice on U.S.-EU Trade Talks**

Acting USTR Demetrios Marantis sent Congress formal advance notification March 20 of the Obama administration’s intent to launch negotiations with EU on a Trans-Atlantic Trade and Investment Partnership (TTIP). Under the terms of now-expired fast-track negotiating authority, which are still being applied, the notice starts a 90-day clock at the end of which talks can start. “The support for a comprehensive agreement that has been offered by a significant and diverse set of stakeholders boosts our confidence that it will be possible to find mutually acceptable solutions on difficult issues and conclude an

agreement that will benefit U.S. workers,” Marantis said in the letter. “We do not underestimate the challenge of concluding a comprehensive trade and investment agreement with the EU,” he conceded. The letter outlines U.S. negotiating objectives for the talks.

The U.S. goals include: the elimination of tariffs on agriculture, industrial and consumer products; the elimination or reduction of non-tariff barriers to trade; great compatibility of regulations and standards; improved market access for services; facilitation of electronic commerce; secure investment rights; disciplines on customs operations; facilitation of cross-border data flows; expanded market access in government procurement; appropriate commitments on labor rights and environmental protection; protection of intellectual property rights; disciplines on state-owned enterprises; and dispute-settlement.

## EU Offers Proposal on Services Agreement

The EU circulated a draft text March 22 for what it calls a Plurilateral Services Agreement, calling for the accord to cover central, regional and local governments as well as nongovernment bodies that exercise powers delegated by governments. The text, which the EU reflects the outcome of talks in January of the “really good friends” (RGF) of services, includes sections on general provisions, understandings on specific commitments, new and enhanced disciplines and institutional provisions. The latter two sections are left blank as “placeholders” for future talks, the EU said.

The draft builds on an earlier text the EU offered with Australia. EU officials have stepped up their participation in what others are calling International Services Agreement (ISA) talks since the European Council issued a mandate March 18 for EU negotiations (see **WTTL**, March 18, page 7).

On market access, the text provides for non-discrimination in service sectors that are included in each country’s schedule of commitments. It also calls for national treatment for providers of all parties to the ISA, but allows countries to offer “identical treatment or formally different treatment” than it provides its own suppliers. “Formally identical or formally different treatment shall be considered to be less favourable if it modifies the condition of competition in favour of services or service suppliers of the Party compared to like services or service suppliers of any other Party,” it states.

The EU includes general exceptions from the provisions of the accord for the protection of public morals, public order, health, the prevention of fraud and “essential security interests.” It also would allow exceptions for “the protection of the privacy of individuals in relation to the processing and dissemination of personal data and the protection of confidentiality of individual records and accounts.”

The text also addresses localization rules. “No Party may require a services supplier of another Party to set up a commercial presence, to designate a local agent, or to establish any form of presence, including computing facilities, in its territory as a condition for the cross-border supply of a service covered by its specific commitments,” it says.

## \* \* \* Briefs \* \* \*

EX-IM BANK: President Obama said March 21 that he intends to nominate Fred Hochberg for second term as president and chairman of Export-Import Bank. Nomination quashes rumors that Hochberg might be in line for Commerce secretary or USTR posts. During his term, Ex-Im more than doubled aid for exports and stepped in during 2009-2010 credit crisis.

LIBYA: DDTC has posted revised rules on exports of direct commercial sales to Libya, which is still subject to UN arms embargo. New policy posted March 4 will allow case-by-case review of license applications for defense items and services “intended solely for security or disarmament assistance to the Libyan authorities and notified in advance to the [UN] Committee of the Security Council concerning Libya and in the absence of a negative decision by the Committee within five working days of such a notification.” Same policy would apply to exports of small arms, light weapons and related materiel “temporarily exported to Libya for the sole use of UN personnel, representatives of the media, and humanitarian and development workers and associated personnel.”

OFAC: Maritech Commercial Inc. of Kenner, La., March 21 agreed to pay OFAC \$20,800 to settle charges of violating Weapons of Mass Destruction Proliferators Sanctions Regulations by allegedly providing fuel inspection services, valued at \$9,868, for five vessels affiliated with Islamic Republic of Iran Shipping Lines (IRISL) in 2009 and 2010. Maritech did not voluntarily self-disclose matter.

EXPORT ENFORCEMENT: University of Massachusetts at Lowell (UML) agreed March 15 to pay \$100,000 to settle two BIS charges of exporting EAR99 antennae, cables and atmospheric testing device to Pakistan Space and Upper Atmosphere Research Commission, which is on BIS Entity List, in 2007. Fine will be suspended for two years and then waived provided UML commits no further violations, BIS noted. UML neither admitted nor denied charges. Case appears tied to BIS settlement with Vantec World Transport (see **WTTL**, March 18, page 8).

MORE EXPORT ENFORCEMENT: Aeroships International, Inc., freight forwarder in Arlington Heights, Ill., agreed March 15 to settle one BIS charge of shipping 125 kilowatt generator, which is EAR99 item, to Prime International in Pakistan, which is on BIS Entity List, in 2008. Aeroships’ owners agreed to complete export control compliance training within six months. Four-year denial order will be suspended then waived provided Aeroships takes training and commits no further violations. Aeroships neither admitted nor denied charges.

STAINLESS STEEL SINKS: In 6-0 vote March 21, ITC made final determination that imports of subsidized and dumped drawn stainless steel sinks from China injure U.S. industry.

BLUE LANTERN: DDTC’s annual report on Blue Lantern end-use monitoring visits released March 20 shows increase in number of visits initiated in fiscal year 2012, which ended Sept. 30, 2012, to 820 from 783 in previous year. Of 706 cases closed in fiscal 2012, agency determined 20% to have “unfavorable” results, compared to 27% in year earlier. Nine unfavorable results were referred to law enforcement, of which six assisted ongoing criminal investigations and one prompted re-opening of investigation.

LIQUIDATION: CIT Chief Judge Donald Pogue rejected suit March 20 seeking to require Customs to liquidate imports of citric acid (slip op. 13-35). Customs had extended liquidation due to ongoing ICE investigation into potential circumvention of antidumping order. “The court declines to entertain Plaintiffs’ case under Section 1581(i) and holds that Plaintiffs must wait until Customs concludes the investigation currently underway and file a protest before refileing this case under Section 1581(a),” he ruled. “The court does not rely solely on the nature of Customs’ investigation, but rather on Customs’ broad discretion concerning whether a liquidation extension is warranted and the presumption that its decisions are proper,” he wrote.

**AFRICA:** USTR in March 19 Federal Register said imports from Cote d'Ivoire now qualify for textile and apparel benefits under African Growth and Opportunity Act. "Cote d'Ivoire has adopted an effective visa system and related procedures to prevent unlawful transshipment of textile and apparel articles and the use of counterfeit documents in connection with the shipment of such articles and has implemented and follows, or is making substantial progress toward implementing and following, the customs procedures" required by AGOA, USTR said.

**CURRENCY:** Bipartisan group of House members reintroduced legislation (H.R. 1276) March 20 to amend countervailing duty law to allow Commerce to treat "fundamentally undervalued currency" as subsidy that can be countervailed. Measure, "Currency Reform for Fair Trade Act of 2013," is identical to bill (H.R. 639) introduced in last session of Congress.

**SOLAR ENERGY:** In letter March 20, 12 environmental groups, including Global Exchange, Greenpeace and Sierra Club, urged USTR to rethink case at WTO against India's national solar program (see **WTTL**, Feb. 11, page 4). "We are troubled that climate policy may increasingly be determined by the WTO and similar arenas based on unfair or inappropriate trade law, rather than on climate science and the real-world necessities of building a green economy. We urge the United States to agree to a solution that allows India to support and build its domestic solar industry, just as we do at home," letter said.

**EX-IM BANK:** Hector R. Mestral, Miami armored glass supplier, was sentenced March 14 in Miami U.S. District Court to 14 months in prison for defrauding Ex-Im Bank of approximately \$888,400. Mestral pleaded guilty Jan. 3 to one count of conspiracy to commit wire fraud and one count of wire fraud. Sentencing is part of ongoing investigation into network of export credit insurance fraud schemes involving exports into South America, Ex-Im Bank noted.

**MORE EX-IM BANK:** Gilberto Salazar-Escoboza, Mexican citizen and owner of produce company in Hermosillo, Sonora, Mexico, was sentenced March 15 in San Antonio U.S. District Court to \$500,000 fine and 12 months of supervised release for making false statement to Frost National Bank, concerning loans insured by Ex-Im Bank. He pleaded guilty Aug. 13, 2012.

**LEGISLATION:** Finance Committee Ranking Member Orrin Hatch (R-Utah) filed amendments March 21 to pending Democratic budget bill to confirm fast-track procedures for TPP and TTIP deals; to create office of chief IPR negotiator at USTR; and to establish deficit-neutral reserve fund to finance international trade agency reorganization, excluding all USTR functions.

**PRIVACY:** Hogan Lovells law firm announced formation March 20 of Coalition for Privacy and Free Trade, which will focus on non-tariff trade barriers that create disparate privacy and data protection regulations from around world and promoting international legal reciprocity.

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