

Vol. 33, No. 49

December 16, 2013

## More Export Rule Changes Planned after Transfers Completed

As all transfers of U.S. Munitions List (USML) items to the Commerce Control List (CCL) come into view in 2014, the Bureau of Industry and Security (BIS) plans to propose additional changes to the Export Administration Regulations (EAR) “that have been sitting on the shelf,” BIS Assistant Secretary Kevin Wolf told the Practicing Law Institute (PLI) Dec. 13. The proposals will aim to make the EAR simpler to use and up to date, revise outdated documentation requirements and harmonize terms with the International Traffic in Arms Regulations (ITAR), he reported.

Other changes could include revisions to EAR encryption rules, license exception RPL for replacement parts, old Iraq restrictions, unintended see-through requirements, revision of the Munitions Import List to match changes to the USML and new Unverified List rules to deal with companies that refuse to cooperate with BIS investigators (see related story page 7).

Speakers at PLI also said congressional review of section 38(f) notifications for five USML-CCL transfers will be completed by the end of December and final regulations published around Jan. 16 for transfers for USML categories IV (launch vehicles), V (explosives), IX (military training equipment), X (personnel protective equipment) and XVI (nuclear weapons). Notification on Category XV (satellites), which State had aimed to submit this year, will go up to Congress in January, with final publication expected in the spring. An additional notification will go to lawmakers this spring for Category XI (electronics) and a proposal will be published for XII (night vision) as well.

Edmund Rice, a senior professional staffer to the Democrats on the House Foreign Affairs Committee, told the PLI conference that lawmakers are following a court case that could force BIS to release confidential licensing data under a Freedom of Information Act request (FoIA). If an appellate court upholds a ruling in the *Electronic Frontier Foundation* case, members “will be ready to move legislation very quickly to protect 12(c) information,” he said (see **WTTL**, July 22, page 1).

## Wassenaar Adds Controls on Internet Monitoring Systems, More

Due to what government sources called a misreading of press reports about changes the Wassenaar Arrangement made Dec. 4 to put multilateral controls on Internet monitoring

systems and software, a senior official from Microsoft reportedly e-mailed the White House Dec. 5 to question the potential restrictions on Internet service providers. The White House, of course, had little idea about the results of the regime's annual plenary meeting in Vienna, and the e-mail sparked a frantic round of inquiries to State to get an explanation to show Microsoft and other Internet firms that the controls would not apply to their commercial Internet monitoring for the benefit of services or entertainment purposes. Microsoft was told to read the actual text of the changes, which had not yet been released before it had raised its questions.

Sources also deny that these changes to Wassenaar Category 5.A.1.j. were the result of publicity about National Security Agency (NSA) spying which was disclosed by Edward Snowden. The original proposal came from European members who discovered that European firms had supplied Libyan leader Muammar Gadhafi with surreptitious Internet monitoring systems before he was overthrown. A Wassenaar statement said the changes were made to surveillance and law enforcement/intelligence gathering tools and Internet Protocol (IP) network surveillance systems or equipment that may be "detrimental to international and regional security and stability."

Another major change adopted at the Dec. 3-4 plenary added a new entry for "intrusion software" under Categories 4.A.5 and 4.E.1.c. The new controls on "software specially designed or modified for the generation, operation or delivery or communication with intrusion software" are intended to prevent unlicensed export of hardware and software that allows persons to take over control of other's computers. These products are generally custom-made and sometimes used for commercial espionage and not just for illegal insertion of malware or viruses.

Wassenaar also approved a leap in control levels for digital computers under Categories 4.A.3.b. and 4.E.1.b.1. The threshold for adjusted peak performance (APP) controls for computers was raised to 8.0 weighted teraFLOPS from 3.0 and APP for computer technology to 0.60 from 0.25 weighted teraFLOPS. Commerce had sought an even higher level based on industry projections that commercial chips would reach 20 teraFLOPS by 2017. Clarifications were added for controls on "three-dimensional integrated circuits" under Category 3.A.1.a. Note 2 along with a new definition to address concerns about heat management of semiconductor chips.

The regime adopted a complete rewrite of Category 7.A.3 controls on inertial navigation systems. It largely rewrote Munitions List entry ML8 covering explosive devices to bring it into line with some U.S. export control reforms, deleting some old explosive materials and adding new ones. It changed the controls on tape-laying machines and tow-placement machines in Categories 1.B.1.b. and 1.B.1.g., respectively, to base controls on new performance criteria rather than size. Among revisions adopted this year were a new entry for real-time oscilloscopes; new note to definition of cryptography; and new controls in Category 6 for underwater detection systems.

## **Changes in EU Could Shape Acceptance of TTIP Deal**

With the third round of Transatlantic Trade and Investment Partnership (TTIP) talks set to begin in Washington Dec. 16, there are concerns in Europe that changes in EU leadership and the European Parliament could add uncertainty to negotiations. European

Union (EU) Trade Commissioner Karel De Gucht's term in office formally ends Oct. 31, 2014, although it could be extended for a short period. Parliament elections will be held May 22-24, 2014, and sources say big changes could result with more "Euroskeptics" winning seats due to unhappiness over the current economic situation in Europe.

Although the parliament has backed the mandate given to EU negotiators for TTIP talks, strong divisions remain between its left- and right-wing members. At a press conference at the sidelines of the WTO ministerial in Bali Dec. 5, members of the parliament's trade committee revealed widely divergent views on TTIP (see **WTTL**, Sept. 23, page 1).

Robert Sturdy, a conservative EU parliamentarian from the United Kingdom, voiced strong support for a deal. "I don't want anything taken off the table, including financial services," he said. Sturdy also highlighted the need for "mutual acceptance of standards in each bloc." As an example, he cited different standards for using test dummies in car safety tests. Dummies in U.S. car tests don't wear seat belts, while EU dummies do.

At the other end of the spectrum, Helmut Scholz, a communist member from Germany, said his group sees "big danger" in U.S. and EU getting into regulatory standards because they are the two biggest markets and would force other countries to adopt those standards. This "would be limiting the democratic participation of other countries in standards setting," he said. Scholz also noted a long list of subjects that could cause problems from agriculture to the audio-visual sector. He conceded that he is not part of the majority in the parliament and has to live with the majority.

Edward Snowden's release of information on National Security Agency spying on European leaders also has hurt TTIP support in Europe. "It's the question of trust. The U.S. is not as trustworthy as we thought," said Jorg Leichfried, a socialist member from Austria. Parliament will have the final say on TTIP, he said; noting that it "dared to say no to ACTA [Anti-Counterfeiting Trade Agreement]." "Americans have to be aware that we finally decide, as the European Parliament, not the Commission," he cautioned. "We say yes or no and if it's no, it's no," Leichfried said. He also opposed inclusion of investor-state provisions in a deal because of the strong judicial systems in both the U.S. and EU. Other issues of concern for him are tax evasion, tax fraud and money laundering.

Iuliu Winkler, a member of the European Peoples Party from Romania, stressed that TTIP will be "the biggest deal ever." He said his party is "very positive about the transatlantic relationship," but "everything has to be on the table." Winkler suggested that "some rebuilding of mutual trust would not be harmful to the transatlantic relationship." Vital Moreira of Portugal, who chairs the parliament's trade committee, tried to stay neutral in the debate but said the spillover effects of common standards on other countries would be positive. "Needless to say, I am very much supportive of those negotiations," he stated; saying his final position would depend on the substance of the agreement.

## **RBS Pays \$100 Million to Settle Trade Sanctions Charges**

N.Y. State's Department of Financial Services (DFS) is continuing to insert itself into the enforcement of U.S. trade sanctions against banks operating in New York, joining in a global settlement with federal agencies to impose a \$100 million penalty on the Royal Bank of Scotland plc (RBS) Dec. 11. The bank agreed to the fine to settle charges that

it violated U.S. sanctions regulations in Iran, Sudan, Burma and Cuba, as part of deal with DFS, Treasury's Office of Foreign Assets Control (OFAC) and the Federal Reserve Board. "From at least 2002 to 2011, RBS conducted more than 3,500 transactions valued at approximately \$523 million through New York correspondent banks involving Sudanese and Iranian customers and beneficiaries, including a number of entities" on OFAC's Specially Designated Nationals (SDN) list, the DFS consent order noted.

"To enable its sanctioned customers and beneficiaries to gain access to the U.S. financial system with anonymity, RBS established and implemented a procedure for processing U.S. dollar payments whereby information that could be used to identify sanctioned parties to a given transaction would be omitted from payment messages sent to correspondent banks in New York," DFS said.

"To ensure the efficiency and accuracy of this procedure, RBS provided employees in payment processing centers in the United Kingdom written instructions containing a step-by-step guide on how to create and route U.S. dollar payment messages involving sanctioned entities through the United States to avoid detection," it noted.

OFAC cited the processing of 24 wire transfers for approximately \$290,206 from August 2005 to October 2009 involving Cuba; 46 wire transfers for approximately \$375,946 from July 2005 to July 2009, involving Burma; 326 wire transfers for \$32,469,380 from July 2005 to August 2009 involving Sudan; and 38 wire transfers for approximately \$795,345 between September 2005 and November 2009, involving Iran.

"RBS plc has cooperated fully with the U.S. authorities and acknowledges and deeply regrets these failings," noted a company statement on its website. "RBS plc embarked on an extensive remediation plan to address the shortcomings identified in its investigation. RBS plc has committed almost £300 million (since 2010) to strengthen the bank's control environment on sanctions," it said.

The global penalty includes \$50 million to DFS and \$50 million to the Federal Reserve. RBS's \$33 million settlement with OFAC will be deemed satisfied by the bank's payment to the Fed, the agency noted. RBS voluntarily self-disclosed all of these apparent violations, OFAC acknowledged.

## **Ex-Im Tightens Domestic-Content Compliance Oversight**

Dependence on voluntary reporting of domestic content in financed exports may hinder the Export-Import (Ex-Im) Bank's ability to ensure that its domestic-content requirements are being met, the bank's Office of Inspector General (OIG) said in a report on an internal audit released Dec. 11 (OIG-AR-14-01). In response to the report, Ex-Im's board has adopted the OIG's recommendations to tighten the enforcement of the bank's domestic-content rules.

In July, Ex-Im found no evidence to show that allowing more than 15% foreign content in bank-aided exports would increase jobs in the U.S. (see **WTTL**, July 1, page 1). However, based on this report, that finding may have been faulty. The Ex-Im board agreed to adopt the OIG's recommendations to: (1) implement procedures to verify exporter self-certifications for a representative sample of transactions each fiscal year; (2) resolve with the Board of Directors the outstanding requirement to provide annual

reports based on Content Reports and foreign content review procedures; and (3) establish mechanisms to obtain specific, measurable and reliable data to analyze the impact of any content-related procedural changes approved by the Board of Directors by the end of 2013.

“Due to the lack of verification efforts and because we identified concerns regarding exporter certifications of content, we believe Ex-Im Bank has limited assurance that content requirements are met and, therefore, that (1) the Bank finances only eligible exports, and (2) its financing activities effectively achieve the agency’s mission of maintaining or increasing U.S. employment,” the OIG report noted.

“In exchange for allowing flexibility in content calculations, the Bank requested exporters to submit detailed Content Reports,” the report said. “However, because Ex-Im Bank made submission of Content Reports voluntary, the Bank has not received any statistically valid data to date. Therefore, Ex-Im Bank did not collect information described as ‘an integral part of the ongoing process of crafting a content policy,’ and was unable to comply with its Board of Directors’ requirements regarding the analysis and reporting of detailed content trend information,” it added.

## **TPP Negotiators Miss Deadline, Will Meet Again in January**

Trade ministers from the 12 Trans-Pacific Partnership (TPP)-negotiating countries failed to close the deal in meetings Dec. 7-10 in Singapore, but U.S. Trade Representative (USTR) Michael Froman hailed the latest round of TPP talks as “very successful” in a conference call with reporters Dec. 10. “There are issues in virtually every chapter that are - some are small, some are large,” he acknowledged. Ahead of the ministers’ meeting, working-level negotiators had reportedly completed almost every chapter but left specific unresolved political-level decisions to the ministers.

Froman said the ministers went through every chapter, and “virtually every chapter of the agreement has some of these issues, and we worked through dozens of them.” He said negotiators “will have the opportunity now to flesh out the details, and we’ll work with them over the course of the next few weeks with the expectation that the ministers will reconvene sometime next month.”

In a joint statement, the ministers said they had identified potential “landing zones” for the majority of key outstanding issues in the text. “We will continue to work with flexibility to finalize these text issues as well as market access issues,” they said.

Bilateral talks with Japan reportedly remain contentious, however. “We spent also a fair amount of time with Japan working on market access and our parallel negotiation over autos. We made some progress on those negotiations but not enough to achieve the meaningful market access that we require and we’re going to continue working on that,” Froman admitted. Froman also addressed suggestions from Sen. Orrin Hatch (R-Utah) that the talks could continue with fewer countries (see **WTTL**, Dec. 9, page 6). “Our focus is on working to finish this with all twelve countries, and, of course, there are additional countries that have expressed interest in joining down the road. And I think all twelve countries are focused on doing that,” he told reporters. Meanwhile, skeptics

and critics from both political sides publicly noted negotiators missed the end-of-year deadline, which many had expected. “This outcome demonstrates, once again, how controversial the Trans-Pacific Partnership is and calls into question whether leaders will ever be able to reach agreement,” said Sierra Club Executive Director Michael Brune in a separate conference call with unions and nonprofits Dec. 10.

Another potential hurdle to a TPP deal was raised in a bipartisan letter to President Obama Dec. 13 from 10 House members who are concerned about human rights abuses in Vietnam. “We write to express our deep concern with Vietnam’s record on human rights, particularly in the areas of civil and political rights, labor rights, and religious freedoms,” said the letter, whose signers included Reps. Mike Michaud (D-Maine) and Chris Smith (R-N.J.) .

“We fear the agreement will not adequately address Vietnam’s limitations of civil liberties and political rights, violations of core labor standards, and restrictions on religious worship,” the lawmakers wrote. “For those reasons, we request an explanation of the inclusion of Vietnam in the Trans-Pacific Partnership and an assessment of the changes the Administration expects to see in the country’s commitment to freedom of expression, association, and religion once trade benefits are granted under the agreement. In addition, we urge the Administration not to implement TPP with Vietnam until the people of Vietnam can fully exercise their fundamental civil, political, labor, and religious rights.”

## **WTO Approves Plan to Implement Services Waiver for LDCs**

Officials of least developed countries (LDCs) say they hope an agreement reached as part of the final Bali Package adopted by the World Trade Organization (WTO) in Bali Dec. 7 will make good on a two-year-old promise to give them preferential access to the services sectors in developed countries. At the last WTO ministerial in 2011, members approved a waiver that allows members to grant LDCs access to selected service sectors on a non-most-favored-nation basis (MFN) in a way similar to programs such as the Generalized System of Preferences (GSP) for goods. In the two years since then, no WTO member has taken advantage of the waiver.

Under the plan approved in Bali, a high-level meeting is supposed to be held in six months where LDCs will be able to identify the sectors they want to see opened in developed and developing countries, which in turn will indicate, without commitment, sectors they may be able to open.

It is not clear how the U.S. will implement its commitments under the agreement, since Congress has not even renewed the existing GSP program. Implementation could require the involvement of non-trade agencies, including immigration, regulatory agencies and, in some cases, states. The services waiver gives developed countries flexibility in how they grant preferences to LDCs, letting them offer the preferences to specific countries, in specific services, in specific modes, and under specific conditions.

The preference, just as the GSP program, would be given on a unilateral basis and could be revoked under rules set by the granting country. Developed countries will also provide technical assistance to LDCs to take advantage of the preference. The waiver also bypasses WTO requirements for national treatment. The agreement is intended to provide for the “operationalization” – in WTO speak – of the waiver. In addition to the

high-level meeting it is supposed to expedite the process for granting preferential access and lets countries grant the preferences at any time, even before the high-level meeting.

“Further delay is not warranted,” said Nepal Commerce Minister Shanker Prasad Koirala. He called the plan approved in Bali a “modest outcome.” LDCs “attach importance to this issue to their economies,” he told a program held Dec. 3 at the sidelines of the ministerial. “I ask developed and developing countries to take concrete measures for LDCs and expeditiously implement the waiver instrument,” he said.

## **Industry, BIS Agree Encryption Reform Is Next Priority**

BIS Under Secretary Eric Hirschhorn told the President’s Export Council Subcommittee on Export Administration (PECSEA) Dec. 13 that revision of EAR encryption rules will be one of the agency’s next priorities in 2014 (see related story page 1). “We’d like to revise encryption controls. They were streamlined in June 2010, but they still could use some work in terms of being concise and clear,” he said.

BIS Assistant Secretary Kevin Wolf agreed. “In terms of our internal list of priorities, of the non-list based things we want to focus on in 2014, that’s clearly number one,” he said. Wolf said he wasn’t sure what the proposed changes would be because they would have to be useful and respond to industry concerns but also be acceptable to all the agencies, particularly the National Security Agency. “The general paradigm with respect to regulation, not just in export controls but generally, is that if you move toward simplification, inevitably it results in more control,” Wolf warned.

PECSEA members noted that while finishing the list-based changes was still the top priority, encryption reform was one that they’d be interested in putting more of spotlight on in 2014. “Given how limited the controls eventually become, we’d really like to see the process simplified. It doesn’t have to be this hard in order for exporters to navigate the rules, only to find that their items are not controlled in one way or another,” Michelle Schulz of Braumiller Schulz said.

“Our research over the past year has indicated that there is a significant number of companies that are exporting using the EAR encryption controls. However, most encryption items may be exported without a license. Only a reporting is required with the less restrictive countries. Also, there are a lot of exporters using license exception ENC for encryption controls,” she noted. Separately, in a letter to Wolf Dec. 6, the agency’s Regulations and Procedures Technical Advisory Committee (RAPTAC) provided more than a dozen recommendations for reform, including revisiting the very classification of encryption products.

“We think it is time to take a fresh look at encryption controls, starting by asking whether it is time to change the old ITAR ‘see through’ rule... which says any item with encryption functions is treated as an encryption item rather than the normal rule of treating items incorporated into something larger as subsumed by the end-item classification,” the committee wrote. “The Export Control Reform changes do not apply such a see-through rule to items more recently treated as ITAR,” RAPTAC said. Meanwhile, at

at a Dec. 13 Practising Law Institute conference, BIS Deputy Assistant Secretary Matthew Borman reported that 1,450 firms registered with the agency during fiscal year 2013, which ended Sept. 30, 2013, as encryption exporters under the 2010 changes to the encryption rules. There were 1,500 requests for encryption classifications, a 50% drop from FY 2010, he noted.

Earlier, the Wassenaar Arrangement at its Dec. 3-4 plenary meeting added a new Note to the definition for cryptography to include mass-market software. The new Note reads: “‘Cryptography’ does not include ‘fixed’ data compression or coding techniques.” The change was made in recognition of the high level of encryption found in smartphones and computers, one source explained.

**\* \* \* Briefs \* \* \***

DDTC: Administration officials said State’s Directorate of Defense Trade Controls has begun returning without action (RWA) increasing number of applications for exports of items that exporters believe are still controlled by USML Category XIII (aircraft) but have been transferred to the CCL. One official privately called it “tough love” to make companies comply with new requirements. DDTC has seen decline in applications, but BIS isn’t getting them yet.

EX-IM BANK: Following call in Obama administration’s climate action plan, bank Dec. 12 updated guidelines on financing coal power plants. “Under Ex-Im Bank’s environmental policy, the Bank will not provide support for exports for high carbon intensity plants, except for high carbon intensity plants that (a) are located in the world’s poorest countries, utilize the most efficient coal technology available and where no other economically feasible alternative exists, or (b) deploy carbon capture and sequestration (CCS), in each case, in accordance with the requirements set forth in these Supplemental Guidelines,” bank said. National Resources Defense Council hailed guidelines “a very important step in the right direction,” in blog post.

TETRAFLUOROETHANE: ITC in 6-0 preliminary vote Dec. 13 found U.S. industry may be materially injured by dumped and subsidized imports of 1,1,1,2-Tetrafluoroethane from China.

AGOA: With African Growth and Opportunity Act (AGOA) up for renewal in 2015, 16 members of Congress Dec. 12 asked Government Accountability Office to study “effectiveness of AGOA in enhancing economic development in sub-Saharan Africa, the ability of African businesses to utilize the full range of opportunities available under AGOA, and the efficacy of AGOA in increasing two-way U.S.-sub-Saharan African trade.” Signers included leaders of House Foreign Affairs, Ways and Means, Senate Finance and Foreign Relations committees.

USTR: Chief Agricultural Negotiator Islam Siddiqui, who has held post since 2010, will leave office early next year, he announced Dec. 12. “My sole focus has been a successful conclusion of the WTO Bali agricultural negotiations and achieving progress on priority bilateral agricultural trade issues as I end my tenure in government. In the weeks ahead, I am looking forward to contemplating new opportunities and next steps in the New Year,” he said in e-mail to WTTL.

IRAN: Treasury and State Dec. 12 designated four companies and one individual for evading sanctions against Iran and for providing material support to National Iranian Tanker Company (NITC), Iran’s primary shipper of crude oil. Named were: Singapore-based Mid Oil Asia and Singa Tankers; Siqiriya Maritime Corporation in Manila, Philippines; Ferland Company Limited and its general manager, Vitaly Sokolenko, based in Odessa, Ukraine. Treasury previously imposed sanctions on Ferland in June (see **WTTL**, June 10, page 8). Issuance of new sanctions reportedly convinced several senators not to seek new legislation that would have imposed conditions on implementation of interim accord Iran reached in November with U.S. and other

nations to curb its nuclear development. Late news reports, however, said Iran may have balked at talks because of new sanctions.

**FAST TRACK:** Senate Finance Committee Chairman Max Baucus (D-Mont.), Ranking Member Orrin Hatch (R-Utah) and House Ways and Means Committee Chairman Dave Camp (R-Mich.), despite expectations of some, didn't introduce bill to renew fast-track trade negotiating authority, also known as Trade Promotion Authority (TPA), before House adjourned Dec. 13 for holidays. Bill could come early in January. Ways and Means Ranking Member Rep. Sander Levin (D-Mich.) isn't on board yet, sources report. Levin wants more comprehensive competitiveness bill similar to 1988 Omnibus Trade Act and also revival of provisions that call for more consultations with Congress before agreements can be signed. He is also pressing for stronger language on currency manipulation.

**EXPORT ENFORCEMENT:** Ming Suan Zhang, Chinese citizen, was sentenced Dec. 10 in Brooklyn, N.Y., U.S. District Court to 57 months in prison for violating IEEPA by attempting to export massive quantities of aerospace-grade Toray M60JB-3000-50B carbon fiber to China without Commerce licenses. Zhang pleaded guilty Aug. 19 (see **WTTL**, Sept. 2, page 8).

**MORE EXPORT ENFORCEMENT:** In one of rare enforcements of export documentation requirements, R&A Logistics International, LLP, N.Y. freight forwarding company, and Rukhsana "Roxanne" Kadri, company's president and owner, pleaded guilty Dec. 9 in Brooklyn, N.Y., District Court to falsifying Shipper's Export Declarations in connection with international shipments of hundreds of Hewlett Packard computers to United Arab Emirates, Zimbabwe and Kenya between January 2008 and April 2012. Kadri has agreed to forfeit more than \$125,000 in "ill-gotten gains" and company agreed to be subject to Commerce monitoring and oversight. Their court sentencing is scheduled for April 30, 2014,

**FCPA: Bilfinger SE**, engineering and services company in Mannheim, Germany, has agreed to pay \$32 million penalty as part of three-year deferred prosecution agreement to settle charges of violating Foreign Corrupt Practices Act by bribing Nigerian government officials to obtain contracts related to Eastern Gas Gathering System (EGGS) project. From late 2003 through June 2005, Bilfinger allegedly conspired with Willbros Group Inc. and others to make more than \$6 million in corrupt payments. Paul G. Novak, former consultant for Willbros, was sentenced May 3 to 15 months in prison for his role in scheme (see **WTTL**, May 13, page 10).

**STEEL NAILS:** In 6-0 "sunset vote" Dec. 11, ITC determined that ending antidumping duty order on steel nails from China would cause renewed injury to U.S. industry.

**SILICA BRICKS:** In 6-0 final negative vote, ITC Dec. 12 determined that dumped imports of silica bricks and shapes from China do not injure U.S. industry. As a result, no antidumping duty order will be issued, ITC said.

**ENTITY LIST:** In Federal Register Dec. 12 BIS added 36 persons under 46 entries in Armenia, Canada, China, Germany, Greece, Hong Kong, Iran, Malaysia, Thailand, Turkey and United Arab Emirates (UAE) to its Entity List. It also updated one entry under Sweden to add address in Estonia, and revised addresses for two entries in Canada. In notice, agency also removed one person in Russia -- ECO-MED-SM Ltd in Moscow -- who requested removal.

**DIGITAL TRADE:** Sens. John Thune (R-S.D.) and Ron Wyden (D-Ore.) introduced Digital Trade Act of 2013 (S. 1788) Dec. 10. Bill would "establish negotiating principles to address several key digital trade matters in future bilateral and multilateral agreements and in multi-stakeholder settings," said statement from Wyden's office. Principles include: preventing or eliminating restrictions on cross-border data flows; prohibiting localization requirements for data and computing infrastructure; ensuring that provisions affecting platform Internet sites are consistent with U.S. law; and recommitting U.S. to multi-stakeholder model of Internet governance. Trade groups were quick to applaud measure.