

Vol. 36, No. 35

September 5, 2016

Congress Joins Fight over Gunsmith Registration

Republicans in both houses of Congress urged State's Directorate of Defense Trade Controls (DDTC) to reconsider its guidance on whether gunsmithing activities require registration under the International Traffic in Arms Regulations (ITAR). In a letter to Secretary of State John Kerry Aug. 30, 23 Republican senators and 115 GOP representatives said the guidance "effectively expands ITAR registration requirements" and urged the department to rescind the guidance it posted in July (see **WTTL**, July 25, page 1).

"The vast majority of our constituents engaged in gunsmithing make little to no income from their activities and often do it as a hobby or side business. They most certainly do not export firearms. They also do not manufacture firearms in any widely understood sense of the term. Therefore, it makes no sense for them to be required to pay \$2,250 and register under AECA and ITAR," they wrote.

They also urged the administration to finish the export control reform effort by publishing the last three U.S. Munitions List categories (firearms and ammunition). If that effort was complete, the DDTC guidance would be "null and void," the lawmakers said.

Five Democratic senators sent their own letter to Kerry Aug. 29, echoing their colleagues' sentiments. "This guidance creates greater confusion and could lead to overly burdensome fees being placed on small businesses and hobbyists that are not engaged in manufacturing and do not export these goods," they wrote. "Additionally, we respectfully urge the Administration to give serious consideration to transferring the export licensing of commercial and sporting firearms and ammunition products to the Commerce Department," the senators added.

Another Pharmaceutical Firm Settles SEC Bribery Charges

In what seems to be an industry pattern, UK-based biopharmaceutical company Astra Zeneca (AZN) Aug. 30 agreed to pay the Securities and Exchange Commission (SEC)

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WTTL is published weekly 50 times a year except last week
in August and December. Subscriptions are \$697 a year.
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\$5.52 million to settle charges it violated the Foreign Corrupt Practices Act (FCPA) when subsidiaries in China and Russia engaged in pay-to-prescribe schemes to increase sales.

Swiss firm Novartis AG agreed in March to pay \$25 million to settle similar SEC charges (see **WTTL**, March 28, page 3). A month earlier, SciClone Pharmaceuticals agreed to pay a total of \$12.8 million for the same kind of violations.

The AZN charges relate to interactions of its China and Russia subsidiaries with health-care providers (HCPs) at state-owned entities in China and Russia. “Sales and marketing staff, along with multiple levels of management at the two AZN subsidiaries, designed and authorized several schemes to make improper payments of gifts, conference support, travel, cash and other benefits to HCPs to reward or influence their purchases of AZN pharmaceuticals,” the SEC order said.

“In addition, employees in the China subsidiary made cash payments to local officials to reduce or avoid fines that were levied against the China subsidiary,” it added. AZN neither admitted nor denied the findings and agreed to pay \$4.325 million in disgorgement, \$822,000 in prejudgment interest and a \$375,000 civil penalty.

While the company did not self-report the violation, the SEC praised its cooperation and remedial efforts. “AZN had begun independently remediating deficiencies in its compliance program prior to the Commission’s investigation. The company incorporated information developed in the course of the Commission’s investigation to further enhance its controls and compliance program,” the SEC said.

CAFC Denies Customs’ Appeal for Smartphone Case Tariff

The Court of Appeals for the Federal Circuit (CAFC) denied a government appeal Aug. 24 on the classification of smartphone holders, upholding an International Trade Commission (ITC) ruling that such cases should not be classified as containers. The decision means the imports will face an import duty of 5% as plastic articles instead of 20% as “similar containers.”

Customs had claimed the product, the OtterBox, should come under the same Harmonized Tariff Schedule of the U.S. (HTSUS) heading as trunks, suitcases, vanity cases, attache cases, and binocular or camera cases. The ITC had sided with the product’s manufacturer, Otter Products, LLC, that the holders don’t meet the four-part test for what constitutes a container.

“This court has yet to hold expressly that a product must share all four unifying characteristics to qualify as a ‘similar container’ under Heading 4202 or that sharing some specific subset of those four characteristics is sufficient. We take this opportunity to clarify that there is no requirement that the subject merchandise meet all four characteristics to qualify as a ‘similar container’ under Heading 4202,” wrote Appellate Judge Sharon Prost for the three-judge panel in *Otter Products v. U.S.*

“Courts should consider the four characteristics collectively and then determine whether, in light of those considerations, the classification would lead to an inconsistency. If, for example, an item met only one of the four characteristics, it almost certainly would not qualify as a ‘similar container’ under Heading 4202,” she advised. “Allowing a single factor to satisfy the inquiry would, in almost all conceivable scenarios, render the scope of ‘similar containers’ so broad that it would lead to absurd results and make consistent application of the standard all but impossible,” Prost declared.

The four functions defining a container are organizing, storing, protecting and carrying. “As explained below, the Court of International Trade engaged in the correct analysis. It correctly found that the subject cases satisfy only one of the four characteristics and have an essential purpose that is inconsistent with the exemplars of Heading 4202,” the CAFC ruled.

USTR to Revisit Travel Goods Eligible for GSP

The U.S. Trade Representative’s (USTR) office is asking for public comments on making travel and luggage goods items eligible for more countries under the Generalized System of Preferences (GSP), it said in the Federal Register Aug. 25. This willingness came after industry outcry regarding a decision June 30 to only allow African Growth and Opportunity Act (AGOA) countries and GSP Least Developed Beneficiary Developing Countries to benefit from duty elimination on 28 travel goods (see **WTTL**, Aug. 1, page 7).

The American Apparel and Footwear Association (AAFA) praised reopening the discussion on travel goods. “Today’s decision opens the opportunity to revisit those countries that were left out, furthering their economic development without harming the competitiveness of the countries that were already approved for travel goods. It will also make a significant positive difference in the U.S. travel goods industry and for its 100,000 American workers. USTR listened to our concerns and has moved forward in a manner that is most appropriate and appreciated,” said AAFA President and CEO Rick Helfenbein in a statement.

In the same notice, USTR opened the annual GSP review period to modify the list of articles under the program and to modify the GSP status of certain GSP beneficiary developing countries because of country practices. USTR said it will also receive petitions requesting waivers of competitive need limitations (CNL).

Comments on the travel goods decision, as well as changes to the list of eligible articles and petitions to review the GSP status of a particular country must be received by close of business Oct. 4, USTR noted. The office will hold a public hearing on the travel goods decision Oct. 18. Petitions requesting CNL waivers are due Dec. 2.

Retailers Fret Over South Korean Shipper’s Bankruptcy

Hanjin Shipping Co., South Korea’s largest shipping line and the seventh largest sea carrier globally, filed for bankruptcy Aug. 31, causing headaches for port operators and

retailers globally. Hanjin represents approximately 7.8% of transpacific trade by volume for the U.S. market, and the “prospect of harm is significant and apparent,” the Retail Industry Leaders Association (RILA) wrote in a letter to Commerce Secretary Penny Pritzker Sept. 1.

“U.S. bound cargo is already being delayed at origin ports and Hanjin ships loaded with cargo idle unable to enter U.S. ports, containers are being detained on arrival clogging already congested ports and preventing merchandise from reaching store shelves. Further, the inability to return empty containers is causing backups and interfering with chassis availability,” wrote RILA President Sandy Kennedy.

Uncertainty in the wake of Hanjin’s bankruptcy is also causing disruptions in the export of goods not associated with Hanjin, she added. “We urge that Department of Commerce and the Federal Maritime Commission work together with all stakeholders, including ports, cargo handlers and the South Korean government, to resolve the immediate disruption and mitigate the harms posed by the current situation,” Kennedy wrote.

“Retailers’ main concern is that there is millions of dollars worth of merchandise that needs to be on store shelves that could be impacted by this. Some of it is sitting in Asia waiting to be loaded on ships, some is already aboard ships out on the ocean and some is sitting on U.S. docks waiting to be picked up,” said National Retail Federation Vice President for Supply Chain and Customs Policy Jonathan Gold in a statement Sept. 1.

“It is understandable that port terminal operators, railroads, trucking companies and others don’t want to do work for Hanjin if they are concerned they won’t get paid. However, we need all parties to work together to find solutions to move this cargo so it does not have a broader impact on the economy,” Gold added.

According to the Korea International Trade Association (KITA), 10 Hanjin Shipping vessels failed to dock at Chinese ports as of Aug. 31. KITA expects freight charge for shipments from China to Long Beach, Calif., to increase from \$1200 per 20-foot equivalent unit (TEU) in August to \$2200 TEU in September out of concern that there will be a shortage of sea carriers following the Hanjin news. Before Hanjin declared bankruptcy, Hyundai reportedly was looking into buying part of the troubled company.

U.S., India Reiterate Support at Strategic Dialogue

While there were few specifics, U.S. and Indian ministers were full of smiles and praise after the Second India-U.S. Strategic and Commercial Dialogue in New Delhi Aug. 30-31. Importantly, the Obama administration reiterated its support of India joining the Nuclear Suppliers Group (NSG) and other multilateral regimes.

“In a further effort to strengthen global non-proliferation and export controls, the Sides committed to redouble their efforts towards India’s early entry into the [NSG]. The United States urged Participating Governments to support India’s candidacy in their common

interest. The United States also re-affirmed its support for India's early membership of the Australia Group and the Wassenaar Arrangement," said a joint statement Aug. 31. India formally joined the Missile Technology Control Regime (MTCR) in June (see **WTTL**, July 4, page 1).

"Our two countries share the same democratic ethos of freedom, equality, pluralism and rule of law. India's enhanced global role is in our mutual interest. It is in this context, we look forward to continue working closely with the U.S. to secure our membership of the Nuclear Suppliers Group and permanent membership of the UN Security Council," Indian External Affairs Minister Sushma Swaraj said in her opening remarks to the Dialogue.

The lack of specifics was disappointing to the National Association of Manufacturers (NAM), which issued a statement Aug. 31 critical of the U.S.-India Joint Statement. NAM had called for "concrete deliverables." The group lamented that there were no specifics on the protection of intellectual property and that India did not renounce its WTO violations. "As the United States prepares for its next major dialogue with India – the Trade Policy Forum – in October, manufacturers urge outcomes that will make a tangible difference for their ability to do business with India," the statement concluded.

Israeli Faces Extradition for Arms Exports to Iran

Israel's Supreme Court ordered the extradition of an Israeli man wanted in the U.S. for illegally selling arms to Iran. Eliyahu "Eli" Cohen's final appeal was rejected Aug. 28. Cohen, who is accused of shipping spare parts for F-4C and F-14 fighter jets, armored vehicles, and the Hawk Missile System to Iran without State licenses, was arrested at Ben Gurion Airport in May 2014 (see **WTTL**, May 26, 2014, page 9). Jerusalem District Court approved a U.S. extradition request in 2014, but Cohen appealed.

A superseding indictment against Cohen was unsealed in May 2014 in New Haven, Conn., U.S. District Court, charging him with conspiracy to export U.S. defense articles, unlawful export of U.S. defense articles and conspiracy to commit money laundering. From 2000-2004, Cohen exported military spare parts to Israel, the charge sheet stated. During the final appeal hearing, prosecutors said that between 2012 and 2013 Cohen twice re-exported those goods to Iran via Greece with the help of three accomplices, including Cohen's brother-in-law, Avihai Weinstein.

The brothers-in-law had previously tried to send shipments to Iran via the U.S., Germany, Thailand and Portugal, according to Israeli media. "The act for which extradition is requested constitutes a criminal offense under the laws of both [countries]," Israel's Supreme Court noted in its ruling.

The original indictment handed up in Connecticut federal court in February 2007 charged Cohen, and his companies, Q.P.S. Ltd., Wheels Inc., P.AD. Ltd. and R.S.P. Spare Parts Ltd., with conspiring to violate the Arms Export Control Act (AECA) and the International

Traffic in Arms Regulations (ITAR), violating those laws, and engaging in a conspiracy to commit money laundering, and aiding and abetting.

Bureau of Industry and Security (BIS) added Cohen and his companies to its Entity List June 21 for being “involved in activities that are contrary to the national security and foreign policy interests of the United States” (see **WTTL**, July 4, page 9). Wheels Inc. also was added under its address in Panama.

Ex-Im Slow in Making Dual-Use Determinations, GAO Says

While the Export-Import Bank (Ex-Im) is generally monitoring dual-use exports on whether they comply with bank policies, it doesn't make its determinations in a timely manner, according to a Government Accountability (GAO) report (GAO-16-844R) released Aug. 31. In addition, Ex-Im did not finance any new exports under its dual-use authority in fiscal year 2015, GAO noted.

“Ex-Im received five of six reports required by Ex-Im credit agreements on time for the three dual-use exports it continued to finance in fiscal year 2014, and mostly followed its own guidance when the sixth report was not submitted on time. However, as of August 2016, Ex-Im had not made its annual determinations for the two dual-use exports for which a determination should be made,” it said.

One of these exports involves three satellites for the Mexican government -- one fixed service and two mobile service. “The Ex-Im engineer responsible for monitoring these satellites told us that he had not yet made the annual determination because the mobile service satellite was still undergoing system acceptance, which will not be completed until the end of August 2016,” GAO said.

“The engineer is not planning any trips to Mexico to conduct an end-use inspection of these satellites, but told us that he has an open invitation to visit the ground facility,” it added. In response, Ex-Im told GAO that the agency's “interpretation of the scope of our review is a departure from past practice. However, our approach for this year's review is consistent with our approach in prior fiscal years, in which we reviewed transactions that were newly financed and transactions that continued to be financed during the second preceding fiscal year,” the report noted.

Global Leaders to Tackle Economy, Climate at G20 Summit

Global leaders will descend on Hangzhou, China, Sept. 4-5 for the Group of 20 (G20) summit to tackle economic and climate challenges. It is China's first time hosting the annual meeting, and the Chinese government has pulled out major stops to ensure its success, including shutting down local factories and restricting traffic in an effort to clean the air of pollution that plagues China's cities.

In both one-on-one and group meetings, the global economy's sluggish growth is expected to dominate discussion. President Obama will likely have to reassure global leaders that the U.S. is committed to free trade in light of opposition to the Trans-Pacific Partnership.

Likewise, British Prime Minister Teresa May is expected to field questions regarding the UK's trade policies in the wake of her country voting to leave the European Union (EU). The EU and U.S. are expected to press China on excess capacity in steel; an Organization for Economic Cooperation and Development (OECD) Steel Committee meeting will take place Sept. 8-9.

The U.S., EU, Japan, China and 13 other World Trade Organization members approved a list of 304 environmentally friendly items to consider for tariff exemptions under the Environmental Goods Agreement at an ambassador-level meeting in Switzerland Aug. 30, according to Japanese media outlets. Trade ministers compiled the list in July and agreed to "finalize a landing zone" by the G20 leaders' meeting (see **WTTL**, July 18, page 5).

Treasury Hopes to Dispel Myths of Foreign Customers

Hoping to dispel certain myths on U.S. expectations surrounding anti-money laundering (AML) and countering the financing of terrorism (CFT) regime, Treasury and four other agencies, released a four-page Joint Fact Sheet on Foreign Correspondent Banking on its website Aug. 30.

Treasury published the fact sheet to assuage critics who say those regulations have made accessing U.S. financial institutions difficult for some countries and businesses. "Under existing U.S. regulations, there is no general requirement for U.S. depository institutions to conduct due diligence on an FFI's [foreign financial institution] customers," the fact sheet said.

"In determining the appropriate level of due diligence necessary for an FFI relationship, U.S. depository institutions should consider the extent to which information related to the FFI's markets and types of customers is necessary to assess the risks posed by the relationship, satisfy the institution's obligations to detect and report suspicious activity, and comply with U.S. economic sanctions," it added.

"This may require U.S. depository institutions to request additional information concerning the activity underlying the FFI's transactions in accordance with the suspicious activity reporting rules and sanctions compliance obligations," the agencies said. The fact sheet noted that the "largest and most prominent monetary penalties" for AML and sanctions violations "generally involved a sustained pattern of serious violations on the part of depository institutions. With regard to the sanctions violations, these cases did not involve unintentional mistakes, but generally involved intentional evasion of U.S. sanctions over a period of years and/or the failure of the institutions' officers and/or senior management to respond to warning signs that their actions were illegal," it said. Treasury

published the joint fact sheet with the Federal Reserve Board, Federal Deposit Insurance Corporation, National Credit Union Administration and the Office of the Comptroller of the Currency.

French, German Politicians Fed Up with TTIP Negotiations

French and German politicians are none too pleased with how Trans-Atlantic Trade and Investment Partnership (TTIP) negotiations are progressing and were vocal about their opposition to the trade deal.

French Trade Minister Matthias Fekl tweeted Aug. 30 that his country demands that negotiations be stopped. The same day, French President Francois Hollande told French ambassadors that “negotiations are bogged down, positions have not been respected, it’s clearly unbalanced.” Hollande added he would not support an agreement reached before the end of President Obama’s presidency.

“The negotiations with the United States have de facto failed, even though nobody is really admitting it,” German Vice Chancellor Sigmar Gabriel said in a broadcast on German television Aug. 28. Europeans do not want to “subject ourselves to American demands,” he added. German Chancellor Angela Merkel responded by reiterating her support for TTIP.

Both France and Germany will hold elections in 2017. TTIP remains unpopular with citizens across the EU. U.S. officials of course countered with a positive spin on the talks.

USTR Michael Froman said in an interview with German media that he does not share Gabriel’s perspective. “In a trade negotiation, nothing is agreed to until everything is agreed to. You don’t measure progress by how many chapters have been finalized but on whether the two sides are finding solutions across the board,” said Froman.

The president’s goals remain unchanged, White House Press Secretary Josh Earnest said in a press briefing Aug. 30. “There are significant aspects of the deal that need to be negotiated, but that’s precisely why the President is sending [Froman] to travel to Europe in a couple of weeks to go continue those negotiations. He was there in July; he’ll be back in September -- and all in pursuit of the goal the President has laid out to try to complete these negotiations before the end of the year,” Earnest said.

EU Trade Commissioner Cecilia Malmstrom backed her U.S. counterpart, telling reporters Aug. 30 that she does not agree that TTIP negotiations have failed. “Many countries have contacted us today to ask questions and say that they don’t agree with the French. So there will be a debate on these issues,” she said.

CBP Issues Interim Procedures for AD/CVD Evasion

Following provisions of the Trade Facilitation and Trade Enforcement Act of 2015 (H.R. 644), Customs and Border Protection (CBP) in the Federal Register Aug. 22 set forth

procedures for investigating claims of evasion of antidumping and countervailing duty (CVD) orders. In these regulations, CBP has endeavored to make the proceedings “as transparent as possible and to provide for full participation and engagement by all parties involved,” the notice said.

Under one section of the law, the Enforce and Protect Act of 2015 (EAPA), “when CBP receives properly filed allegations from interested parties that merchandise covered by an AD/CVD order has entered the United States through evasion, or receives requests from Federal agencies for an investigation, the statute requires CBP to take certain actions within specified timeframes,” it added. Comments on the interim rule are due Oct. 21.

The new rule “provides for a transparent administrative proceeding where parties can both participate in and learn the outcome of the investigation. It also provides an option for both administrative and judicial appeals of the investigation,” CBP said in a press release.

“Under current customs laws, CBP can take enforcement actions against the evasion of AD/CVD orders, which include the assessment of civil penalties against importers who evade such orders. However, allegations as to evasion submitted by private parties prior to the implementation of the EAPA, did not afford the parties an opportunity to participate in the investigation nor did CBP have an obligation to notify parties that submitted allegations of evasion as to the outcome of CBP's review,” the notice said.

The new procedures give the interested 30 business days to request a de novo administrative review. Not later than 60 business days after such a request is properly filed, CBP must complete the review and issue a final administrative determination. In addition, EAPA provides that judicial review of that determination be available within 30 days of the administrative determination.

Sen. Ron Wyden (D-Ore.) called the interim rule “a big step forward in terms of tough enforcement of the trade laws on the books,” he said in a statement. “Finally stronger tools are in place to crack down on duty evasion to protect American jobs. I’m pleased with how these pro-jobs rules have come together, and I’m going to continue working with CBP throughout the implementation process to make sure they’re successful,” he added.

*** * * Briefs * * ***

TRADE FIGURES: Merchandise exports in July fell 2.8% from year ago to \$124.0 billion, Commerce reported Sept. 2. Services exports dipped 0.3% to \$62.3 billion from last July. New monthly export records were set in foods, feeds and beverages -- \$14.7 billion; travel services -- \$17.5 billion; and telecommunications, computer and information services -- \$3.2 billion, Commerce noted. Goods imports dropped 2.5% from July 2015 to \$184.4 billion, as services imports gained 1.2% to \$41.42 billion.

ENTITY LIST: BIS in Federal Register Aug. 23 added 10 entities under 14 listings in Iraq, Philippines, Syria and Turkey to Entity List. Nine entities were added for “providing logistical and

material support to the Islamic State of Iraq and the Levant (ISIL),” notice said. Tenth entity Warren Sumaylo was indicted in July 2014 for exporting weapon sights and rifle scopes to Philippines in violation of EAR and ITAR, BIS said.

CENTRAL AFRICAN REPUBLIC: OFAC Aug. 23 added Salim Kony and Ali Kony, sons of Lord’s Resistance Army (LRA) leader Joseph Kony, to SDN list pursuant to Executive Order (EO) 13667. President Obama issued EO in 2014, declaring national emergency in Central African Republic (CAR) and “authorizing the imposition of sanctions to deal with the threat posed by the situation” in that country (see **WTTL**, May 19, 2014, page 10). OFAC designated LRA and Joseph Kony in March 2016.

EX-IM BANK: Export-Import Bank (Ex-Im) appointed Caroline Scullin senior vice president of communications Aug. 24. Prior to her appointment, Scullin served as vice president for external relations at Wilson Center. She is alumna of Georgetown University and serves on university’s Board of Governors of Alumni Association.

RIBBON: In 6-0 “sunset” vote Aug. 24, ITC said antidumping and countervailing duty orders on narrow woven ribbons with woven selvedge from China and Taiwan would renew injury to U.S. industry.

TEXTILES: USTR Michael Froman Aug. 24 asked ITC to investigate probable economic effect of modification of rules of origin for textiles and apparel under U.S.-Morocco FTA, total U.S. trade, and on domestic producers of affected articles. “Our negotiators have recently reached agreement in principle with representatives of the government of Morocco on proposed modifications to the FTA textiles and apparel rules of origin,” Froman wrote. “They reflect preliminary determinations that U.S. and Moroccan producers are unable to produce certain fabrics... in commercial quantities in a timely manner,” he added.

EXPORT ENFORCEMENT: Four former employees of Sabre Defense Industries, LLC (SDI-US), now-defunct subsidiary of Sabre Defense Industries, Ltd. (SDI-UK), were sentenced to prison Aug. 19 in Nashville U.S. District Court for attempted export of rifle parts to UK without licenses and smuggling firearm components into U.S. Charles Shearon, president of SDI-US; Elmer Hill, firm’s chief financial officer; Michael Curlett, sales and marketing director; and Arnold See Jr., its shipping manager, pleaded guilty in March 2011 to conspiracy to violate Arms Export Control Act (see **WTTL**, Feb. 14, 2011, page 4). Sentences ranged from 13 to 18 months. Guy Savage of London, England, owner of SDI-US and SDI-UK, is facing extradition proceedings.

MORE EXPORT ENFORCEMENT: Spectrolab, solar cell manufacturer and subsidiary of Boeing, agreed Aug. 22 to pay BIS \$90,000 civil penalty to settle charge of acting with knowledge of violation in August 2014. Company sold and transferred Large Area Pulsed Solar Simulator (LAPSS II), valued at \$414,679 and designated as EAR99, for export to Pakistan knowing intended end-user was SUPARCO, blocked entity. “Spectrolab takes our compliance with export regulations very seriously,” Spectrolab President Tony Mueller wrote in email to **WTTL**. “The company is pleased to have resolved this issue and looks forward to continuing its six-decades of ground-breaking scientific innovation and manufacturing excellence,” he added.

EVEN MORE EXPORT ENFORCEMENT: David Maricola of Southbridge, Mass., was sentenced Aug. 24 in Worcester U.S. District Court to 33 months in prison for shipping hundreds of assault rifle and firearm components to people in 22 countries, including France, Finland, Indonesia, New Zealand, Thailand, Spain, Australia and Germany without State licenses. He pleaded guilty in

April to 32 counts of conspiracy, illegally exporting defense articles, making false statements on Customs forms and money laundering (see **WTTL**, April 18, page 7). Shipments included parts for M16, M4, AR-15 assault rifles, Glock pistols and UZI submachine guns.

STILL MORE EXPORT ENFORCEMENT: Syed Vaqar Ashraf of Lahore, Pakistan, was sentenced Sept. 1 to 33 months in prison in Tucson, Ariz., U.S. District Court for conspiracy to export defense-controlled gyroscopes to Pakistan via Belgium without State license from 2012 through 2014. He pleaded guilty in June. Gyroscopes are controlled under USML Category VIII.

ANTIBOYCOTT: Houston-based document processing firm Red Hot Document Company (RHDC) International, LLC agreed Aug. 11 to pay BIS \$9,000 to settle five charges of violating antiboycott regulations. RHDC allegedly failed to report receipt of request to engage in restrictive trade practice in letters of credit from Kuwait, Lebanon, Qatar and United Arab Emirates (UAE) from 2011 through 2013.

STEEL: ITC Administrative Law Judge Dee Lord Aug. 29 extended initial determination target date of U.S. Steel's Section 337 petition to block certain carbon and alloy steel products from China by five months to March 2, 2018. Commission reinstated investigation in early August after Lord suspended investigation in July (see **WTTL**, Aug. 15, page 2).

ITC: International Trade Commission launched new import monitoring tool Aug. 23 using monthly import data from Commerce. Results displayed by Harmonized Tariff Schedule tariff line. Tool (www.usitc.gov/import_monitoring.htm) allows users to adjust ranking criteria to percentage change basis; isolate tariff lines from HTS chapter, heading or subheading; isolate changes for specific import partner; and view corresponding change in quantity of imports. New tool is separate from Commission's DataWeb system for accessing trade.

USTR: Deputy Assistant USTR for Public Media and Affairs Trevor Kincaid hired as senior communications strategist by FWD.us, pro-immigration reform group backed by Facebook founder Mark Zuckerberg and Dropbox VP Aditya Agarwal. Kincaid announced departure from USTR in email Aug. 17.

UKRAINE: Treasury's Office of Foreign Assets Control (OFAC) Sept. 1 designated 37 individuals and entities under three Executive Orders (EO) related to Russia and Ukraine, part of ongoing efforts to "counter attempts to circumvent sanctions on Russia" that will remain in place until Russia honors commitments under Minsk agreements, Treasury wrote in press release. **CJSC ABR Management** designated under EO 13661 (Designation Regarding Sanctions Evasion) for providing support, goods or services to or in support of Bank Rossiya; 34 individuals and Salvation Committee of Ukraine designated under EO 13660 (Designation Regarding Separatists); 18 construction, transportation and defense entities designated under EO 13685 (Designations Regarding Crimean Entities). OFAC also identified under EO 13662 (Sectoral Sanctions Identification List) subsidiaries of Bank of Moscow and Gazprombank as falling under 50% rule guidance. OFAC concurrently issued general license to authorize certain transactions necessary to divest holdings from **Mostotrest**, Russian transport infrastructure construction company.

NORMAL VALUE: Commerce proposed changes to use of constructed value or third-country sales for determining normal value where exporting country does not constitute viable market, agency said in Federal Register Aug. 25. Where exporting country doesn't constitute viable market, Commerce proposes calculating normal value based on constructed value. Current calculation is based on sales in viable third country. Comments due by Sept. 26.

MEXICO: BIS in Federal Register Aug. 23 proposed extending time limits under License Exception Temporary (TMP) to four years to cover exports under Mexico's Decree for Promotion of Manufacturing, Maquiladora and Export Services (IMMEX) program. Current one-year period under TMP "does not align with the time constraints of Mexico's IMMEX program, which allows imports of items for manufacturing operations on a time limit that may exceed 18 months," BIS noted. Comments are due Oct. 24.

LUMBER: Sen. Ron Wyden (D-Ore.) renewed call to resolve U.S.-Canada lumber dispute. "I am hopeful that this week's meetings with U.S. industry made clear to Canada that the United States' position reflects the views of American mills across the country," said Wyden in statement Aug. 26, following up on letter he and 24 colleagues sent to USTR Michael Froman in July (see **WTTL**, July 25, page 4). Starting Oct. 12, U.S. workers and producers can bring trade cases to address "the harmful effects of subsidized Canadian lumber on American producers, workers and communities," he added.

VEU: In Sept. 6 Federal Register BIS updates authorization for Validated End User (VEU) Boeing Tianjin Composites Co. Ltd. (BTC). Specifically, it changed written address of BTC facility.

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