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Agencies Highlight North Korea Sanctions Evasion Tactics

U.S. businesses need to examine their supply chains for the presence of North Korean goods or nationals, Treasury's Office of Foreign Assets Control (OFAC), Homeland Security and State said July 23 in a joint advisory highlighting evasion tactics used by North Korea to avoid sanctions.

> The advisory does not introduce new sanctions, but rather cites two primary sanctions compliance risks: the inadvertent sourcing of goods, services, or technology from North Korea, and the presence in supply chains of North Korean citizens or nationals, whose labor generates revenue for the North Korean government.

"Businesses should closely examine their entire supply chain(s) for North Korean laborers and goods, services, or technology, and adopt appropriate due diligence best practices. This especially applies to those businesses with operations in high-risk countries, or who operate in high-risk industries," notes the advisory. Those high-risk countries and sectors are identified in the appendices to the advisory.

The U.S. is focused on disrupting the revenue North Korea makes from forced labor. Typically, employers pay salaries directly to the North Korean government to the tune of "hundreds of millions of U.S. dollars per year," according to the advisory. That money is then allegedly used to support weapons of mass destruction and ballistic missile programs. The advisory is meant to assist businesses with complying with the Korean provisions of the Countering America's Adversaries Through Sanctions Act (CAATSA).

NAFTA Deal Possible by End of August, Lighthizer Says

A NAFTA deal in principle could be reached by the end of August, U.S. Trade Representative (USTR) Robert Lighthizer told a Senate Appropriations subcommittee

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hearing July 26. That would allow the current Mexican president to sign the agreement before leaving office Dec. 1 under current fast-track provisions. However, Lighthizer's Canadian and Mexican counterparts cite obstacles, including U.S. demands that could delay a deal.

> "You're probably looking at having to have some conclusion during the course of August, and my sense is that that's not an unreasonable time frame if everybody wants to get it done," said Lighthizer. If the countries cannot reach an agreement by the end of August, then a deal will have to wait for the new Mexican president.

Outgoing Mexican Economy Secretary Ildefonso Guajardo met with Lighthizer and White House senior advisor Jared Kushner in Washington July 26. Speaking to reporters after the meeting, Guajardo said, "We agree that in order to align the times and to eventually reach an agreement in principle, we should give ourselves the opportunity to move forward and try to bring this to fruition." But there are major roadblocks to finishing a deal in the coming weeks, including President Trump's desire for a five-year sunset clause and negotiating a bilateral deal with Mexico, both of which Mexico and Canada reject.

The day prior, Canadian Foreign Affairs Minister Chrystia Freeland, accompanied by the finance and international trade diversification ministers, traveled to Mexico City for meetings with outgoing Mexican President Enrique Peña Nieto and President-elect Andrés Manuel López Obrador. Freeland stressed that NAFTA must be completed as a trilateral deal.

"Canada very much believes in NAFTA as a trilateral agreement and that is simply a statement of the reality: NAFTA is a trilateral trading relationship and trade deal. It has been in place for nearly a quarter century. Supply chains, business relationships have been built on that basis and from the perspective of the Canadian governments, and a strong majority of Canadians, it's a deal that is working," said Freeland during a press conference July 25.

NDAA Conference Report Holds Kitchen Sink, But No ZTE Language

In the end, congressional efforts to block blocking the deal with Chinese telecom company ZTE ended with a whimper, as the House July 26 passed the conference report to accompany the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2019 (H.R. 5515) in a 359-54 vote. Now it moves to the Senate.

The 2,550+ page conference report incorporates several popular standalone bills, including one updating U.S. export controls (H.R. 5040), one expanding the jurisdiction of the Committee on Foreign Investment in the U.S. (CFIUS) (S. 2098/H.R. 5841) and another formally authorizing the antiboycott provisions of U.S. law.

As expected, the bill does not include language blocking the ZTE deal (see **WTTL**, July 23, page 1). "The House recedes with an amendment that would not prohibit modification of penalties nor re-impose penalties on the ZTE Corporation," the conference report said. Each version of the bill had other language that also did not end up in the final conference report. For example, The House bill contained a provision that would require the Defense secretary to "submit to Congress a list of technologies listed on the Commerce Control List and exempted from export to China, and a list of such items removed from the list over the previous 15 years."

> On the other side, the Senate version contained a provision "that would establish an interagency process led by the President to identify emerging and foundational technologies that are not currently subject to export controls and would establish an interagency process to control such technologies." This provision was addressed by the CFIUS and export control provision, the report said.

In a statement, the White House said the conference report "takes positive steps that are consistent with the Administration's commitment to maintaining a strong and resilient manufacturing and defense industrial base." In addition, the administration applauded the inclusion of the CFIUS bill, the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA), which "achieves the twin aims of protecting our national security and preserving our long-standing open investment policy."

House Foreign Affairs Committee Chair Ed Royce (R-Calif.) also welcomed the legislation, especially the export control language that he sponsored. "These controls – last written during the Cold War – lapsed years ago, exposing big gaps that countries like China and Russia have exploited to obtain sensitive technologies from U.S. businesses. The export control reforms we've achieved will build a modern, adaptable system that will work in tandem with a stronger CFIUS process to maintain the U.S. edge in emerging fields like robotics and artificial intelligence."

ZTE also made sure to show it follows U.S. politics in a statement of its own. The conference report would not "alter or interfere in any manner" with the Commerce order decision to lift the denial order, but acknowledged the bill still had to pass both houses and the president. "Investors of the Company are advised to pay attention to investment risks," it said.

EU, U.S. Agree to Work Toward Zero Tariffs, Zero Subsidies

In what sounds like a recast of a trade deal that the administration derailed in its early days, the European Union (EU) and U.S. announced July 25 that the two would work toward zero tariffs and zero subsidies on non-automobile goods and refrain from further retaliatory tariffs while they negotiate.

European Commission President Jean-Claude Juncker spent three hours with President Trump going over the potential trade relationship. "When I was invited by the president to the White House, I had one intention: I had the intention to make a deal today. And we made a deal today," said Juncker during a joint press conference after the meeting.

"We have identified a number of areas on which to work together. Work towards zero tariffs on industrial goods. And that was my main intention, to propose to come down to zero tariffs on industrial goods," he added. That was also the intention of the Transatlantic Trade and Investment Partnership (TTIP) that the administration froze soon after taking office.

Specifically, Juncker said the two had also agreed to strengthen cooperation on energy, such as building more terminals to import U.S. liquefied natural gas, and to establish a dialogue on standards. The EU will aim to convince its members to import more soybeans and work toward reforming the World Trade Organization (WTO), he added.

> "This, of course, is on the understanding that as long as we are negotiating, unless one party would stop the negotiations, we will hold off further tariffs, and we will reassess existing tariffs on steel and aluminum," said Juncker. The EU is one of several WTO members who have filed cases against the U.S. over Section 232 tariffs (see **WTTL**, July 23, page 2).

Discussions between the EU and U.S. have not put a halt to the Section 232 investigation of autos and auto parts imports, Commerce Secretary Wilbur Ross confirmed to reporters during a White House briefing July 26. "In terms of auto tariffs, we've been directed by the president to continue the investigation, get our material together, but not actually implement anything pending the outcome of the negotiations," he said.

"So the work is continuing. Probably sometime in the month of August we'll be willing to render a report," Ross added. Steel and aluminum 232 tariffs will also remain in place as negotiations move forward, he confirmed.

The American International Automobile Dealers Association (AIADA) expressed cautious optimism upon the announcement of talks. "While the President did not address the ongoing auto 232 investigation, AIADA's dealer members are optimistic that today's agreement will lead to progress in resolving auto trade differences, and continue to promote the principles of trade that have made the American auto industry so successful," said AIADA President and CEO Cody Lusk.

Administration Announces $12 Billion Relief for Farmers

In what some might call a drop in the feed bucket, the administration July 24 announced a $12 billion assist for farmers, particularly those who grow soybeans, sorghum, corn, wheat, cotton, or are in the dairy or hog business, impacted by retaliatory tariffs. While the relief plan includes broad contours, Agriculture (USDA) has been tasked with finalizing the plan details.

In general, USDA will provide payments to those farmers via the Market Facilitation Program, authorized under the Commodity Credit Corporation (CCC) Charter Act and administered by the Farm Service Agency. The department will further use the CCC to implement a Food Purchase and Distribution Program through Agricultural Marketing Service to purchase surplus fruits, nuts, rice, legumes, beef, pork and milk for distribution to food banks. Agriculture will also work with the private sector to develop new markets for American farm products.

"This is a short-term solution to allow President Trump time to work on long-term trade deals to benefit agriculture and the entire U.S. economy," Agriculture Secretary Sonny Perdue said in a statement.

> "The President promised to have the back of every American farmer and rancher, and he knows the importance of keeping our rural economy strong. Unfortunately, America's hard-working agricultural producers have been treated unfairly by China's illegal trading practices and have taken a disproportionate hit when it comes illegal retaliatory tariffs. USDA will not stand by while our hard-working agricultural producers bear the brunt of unfriendly tariffs enacted by foreign nations," he added.

The National Pork Producers Council (NPPC) commended the relief. "President Trump has said he has the back of U.S. farmers and today demonstrated this commitment with an aid package to sustain American agriculture cutoff from critical export markets as his administration works to realign U.S. global trade policy," said NPPC President Jim Heimerl.

Others questioned the effect of the relief package. "This trade war is cutting the legs out from under farmers and White House's 'plan' is to spend $12 billion on gold crutches. America's farmers don't want to be paid to lose – they want to win by feeding the world. This administration's tariffs and bailouts aren't going to make America great again, they're just going to make it 1929 again," Sen. Ben Sasse (R-Neb.) said in a statement. In television interviews, Sasse has noted the $12 billion barely will be enough to cover soybean losses.

Though soybean growers appreciate the short-term assistance, what they really want is a long-term strategy to resolve trade disputes. "Our best course of action is to expand other markets and develop new ones to buy the soybeans we're not selling to China. This means finishing the NAFTA negotiations as soon as possible so we can begin talks on new bilateral agreements with other key soybean markets including Japan, Vietnam, Indonesia and the Philippines," said John Heisdorffer, American Soybean Association president, in a statement.

But farmers and ranchers are not the only domestic industries taking a hit from retaliatory tariffs. At an Appropriations subcommittee hearing July 26, Sen. Jeanne Shaheen (D-N.H.) asked U.S. Trade Representative (USTR) Robert Lighthizer if the administration will provide a similar aid package to small businesses impacted by the trade war. "Not at this time, no," Lighthizer replied.

At the same hearing, Sen. Lisa Murkowski (R-Alaska) could not get a straight answer from Lighthizer as to whether seafood producers would receive aid. China announced a

25% retaliatory tariff on American seafood imports, which has “rattled” Alaska, she said. “Our seafood industry is the number-one private industry in terms of the jobs and the economic opportunity it brings. Last year with our salmon exports, about 40% of our salmon went to China over the last five years, it’s been about a half of our salmon has been exported to China. And it’s not just the salmon. With cod, 54% of our cod [exports] last year went to China. So this is very, very significant to us,” said Murkowski.

“First of all you’re right. It’s not just Alaska. We’ve heard from a number of states that have a problem. All of the retaliation in seafood has been from China because they believe it’s an effective political tool and that’s very unfair to the people that are in that industry. Much in the same way that agriculture has been targeted by others, but also primarily by China,” replied Lighthizer.

Lawmakers Maintain Pressure with Russian Legislation

While many in Congress have been calling for further action on Russia sanctions since 2017, that urgency only increased after the president’s controversial meeting with President Putin in Helsinki. As promised, Rep. Eliot Engel (D-N.Y.) July 24 introduced the SECURE Our Democracy Act (H.R. 6494), which would impose sanctions on anyone found to have interfered with a U.S. election from overseas going back to 2015 and includes congressional oversight provisions to allow an override vote if the President waives the imposition of sanctions.

> Two days later, Republican House members unanimously voted against action on the bill. “Make no mistake: the next vote is our opportunity to punish the criminals who interfered in our election—to send a message that there will be consequences for anyone who does so in the future. After this vote, every member will be on the record, letting the world know where they stand,” Engel said on the House floor before the vote.

On the same day, Sens. Lindsey Graham (R-S.C.) and Bob Menendez (D-N.J.), announced they are working on “comprehensive legislation that will enhance sanctions pressure on Russia while bolstering the capacity of the United States government to respond.” Menendez had previously announced that the bill would increase sanctions on Russia’s energy and cyber sectors, increase pressure on Russia’s oligarchs and target Russia’s sovereign debt, he said on the Senate floor a week before (see **WTTL**, July 23, page 3).

Sens. Marco Rubio (R-Fla.) and Chris Van Hollen (D-Md.) July 20 urged the leaders of the Senate Banking and Foreign Relations committees to hold a hearing on the Defending Elections from Threats by Establishing Redlines (DETER) Act before the Senate leaves for its week-long August recess.

Rep. Ileana Ros-Lehtinen (R-Fla.) and Van Hollen introduced the parallel versions of the DETER Act (S. 2313/H.R. 4884) in January, but have received support and co-sponsors since Helsinki. “Although the bill applies to any foreign country, it also specifies several specific sanctions to be implemented on Russia if they interfere. They include sanctions on Russian state-owned banks, oil and gas companies, air carriers, and defense companies," according to a July 26 blog post on GovTrack.us.

Companies Plead for Exemptions at Section 301 Hearing

In what has become a familiar drumbeat, company after company, in a wide range of sectors, requested exemptions to potential 25% ad valorem duties on products from China being considered by the U.S. Trade Representative (USTR) (see **WTTL**, July 23, page 6).

> Testifying on the first day of a Section 301 Committee hearing July 24-25, David Isaacs, vice president of the Semiconductor Industry Association, requested exemptions for semiconductors and semiconductor-related products, including fabrication equipment. Highlighting the complexity of integrated supply chains, Isaacs noted that Chinese companies export almost no semiconductors to the U.S.; rather, U.S. semiconductor imports from China are designed and manufactured in the U.S. before being shipped to China for assembly, test and packaging (ATP), accounting for 10-15% of the value of the final product.

"ATP does not result in the transfer of valuable IP [intellectual property]. Relocating this step in the supply chain would be costly, time-consuming, and make our own semiconductor companies less competitive," Isaacs said in prepared remarks.

Other witnesses testified that there is simply not a domestic supplier or a supplier outside of China that can best meet their company's needs. Patricia Phillips, president of SNP, testified that alginic acid, a naturally occurring compound found in seaweed grown in China, that her company uses in customized coating formulations, cannot be sourced elsewhere "in the quantities SNP requires to supply our growing customer base and the U.S. does not have any manufacturing capacity to supply the market," she said.

Additionally, "imposing increased tariffs on alginic acid will not be effective in eliminating China's predatory acts. In totality, these reasons provide USTR a sufficient basis to remove alginic acid from the proposed Section 301 tariff list," said Phillips.

Timothy Brightbill, testifying on behalf of SolarWorld Americas, Inc., was among the few defenders of the administration's actions. "SolarWorld was one of the very few companies to testify in favor of the Section 301 remedies, and the hacking of its information and technology were a key part of the USTR report and investigation," he acknowledged in his prepared testimony.

"Chinese companies who use stolen solar technology and sell into the U.S. market should not profit from this theft and should face Section 301 remedies. In particular, the U.S. government should place restrictions on Chinese solar products that use Passivated Emitter Rear Cell (PERC) technology," Brightbill added in submitted comments.

“In addition to tariffs, the U.S. government should restrict federal procurement of Chinese technology based on stolen data and technology and should prohibit or restrict Chinese solar cells and panels from all U.S. military and veterans' installations and housing,” he said.

Law of Trade Jungle Risks Millions of Jobs

A “significant increase” in trade-restrictive measures and a slower increase in new measures to spur trade should cause concern, especially at a time of increasing trade tensions, the World Trade Organization (WTO) said July 25 in a mid-year report on trade-related developments.

The report set off “a few alarm bells,” WTO Director-General Roberto Azevedo told reporters. The negative effects of measures currently being implemented “will come,” Azevedo said. All in all, the lack of rules, or the law of the jungle, will reduce investments and slow the economy, he said. “Millions of jobs will be lost,” he said.

> The report tallied a “significant increase” of trade-restrictive measures per month, Azevedo said. The number rose from nine per month during the 12 months to mid-October 2017, to 11 per month for the six-month period to mid-May 2018. The restrictive measures, which included new tariffs, quantitative restrictions, stricter customs regulations and other measures, impacted about $84.5 billion in trade. The tally did not judge conformance, or not, with WTO rules or agreements.

The report also counted new import-facilitating measures, which inched up, Azevedo said. The facilitating measures impacted $107 billion in trade, particularly in machinery and mechanical appliances, pharmaceuticals, electrical machinery and pars, and mineral fuels and oils. That correlates to less than 1% of world merchandise imports, the report said.

Of course, more trade facilitating than restricting measures is “good news,” Azevedo said. “The bad news” is the ratio of import-facilitating over import-restrictive measures fell from two-to-one during the year until October 2017, to 1.26 for the six months through mid-May, he said.

The global economy faces “a very difficult situation,” Azevedo said. Nascent trade-restricting impulses will eventually produce “a very significant impact on the global economy,” he said. Long-range indicators already signal an economic slowdown, thus more restrictive measures mean more risk of a slowdown in the global economy, he said.

Azevedo also addressed possible new agricultural support stemming from increased tariffs: the “devil is in the detail,” he said. The presumption is that any new agriculture support would be consistent with WTO rules and commitments, but there are limits, he said.

Section 232 Product Exclusion Process 'Burdensome' and 'Unwieldy'

Members of the House Ways and Means Committee trade subcommittee appeared July 24 to be just as frustrated with the unruly Section 232 steel and aluminum product exclusion process as those manufacturers dependent on steel and aluminum imports.

"The problem is not lack of resources. The fact is that the process is burdensome, it's unwieldy and it's inefficient. There are a variety of improvements that the Commerce Department can and should make immediately so that the exclusion process works," said Chair Dave Reichert (R-Wash.) at a subcommittee hearing. He noted that less than 700 out of the 27,000 requests have resulted in Commerce determinations: 266 accepted and 421 denied.

> Reichert recommended streamlining suggestions, such as allowing trade associations to apply to prevent duplicative applications. Commerce should also permit companies to use the product exclusions process for products coming from Argentina, Brazil and South Korea, all of whom have reached quota deals with the administration that exempt them from tariffs.

With the exception of the witness testifying on behalf of United Steelworkers, who have been in favor of the tariffs, all who spoke before the subcommittee cited the aggravations of dealing with the exclusion process. Rep. Jackie Walorski (R-Ind.) summed up the frustrations.

Getting posted on regulations.gov is important because it "determines retroactive relief, but these days most requests end up sitting for three to four weeks before being posted and a few sat for as many as 12 weeks, yet even after sitting for weeks, some are forced to resubmit and restart the clock," said Walorski. Resubmissions can be caused by minor errors even though Commerce may have posted others with the same error.

"So many got kicked back, because of it, everyone just split applications into individual dimensions, which exploded the workload. Sixty-nine percent of steel and 83% of aluminum requests that made it through the 30-day comment period had no objections from domestic producers; however, [witness], you pointed out a fundamental unfairness facing requests with objections," said Walorski.

"Of the 5,700 steel and aluminum objections posted, only 54 were made public before the end of the comment period. This leaves requesters with no formal way to challenge claims made in the objections. This is basic due process. I'm worried that without any rebuttal process, Commerce is making multi-million dollar decisions based on an incomplete picture," she added.

Seemingly in recognition of the confusion surrounding the exclusion process, Bureau of Industry and Security (BIS) posted Frequently Asked Questions for product exclusions for Section 232 steel and aluminum tariffs on its website.

House Members Question China Tariff Strategy

Fresh from a trade subcommittee hearing on Section 232 product exclusion, Rep. Bill Pascrell (D-N.J.) July 25 introduced a Resolution of Inquiry (H. Res. 1018), the goal of which is to obtain documents or records that explain why the administration has sought global rather than targeted tariffs via Section 232 investigations. It also seeks information related to the administration's strategy toward China following the Section 301 case. Ways and Means has 14 days from introduction to consider the resolution. If the committee doesn't act, then the resolution is sent to the House floor.

> Pascrell, who supports trade enforcement action against China, has been critical of the administration's strategy or lack thereof. "Everyone knows that the Trump administration's tariff policy has been chaotic. Particularly troubling to me is that congressional Republicans have shown little interest in finding out whether there is a coherent strategy," he said in a statement.

"Passing this Resolution of Inquiry can help shed light on the administration's rationale for the scope of the tariffs put in place and what strategy, if any, the administration has in mind. The American people deserve meaningful solutions to China's trade cheating. Responsible for overseeing trade authority, Congress needs answers too," Pascrell added.

Ways and Means Committee Chair Kevin Brady (R-Texas) and Reichert took a different tack, urging President Trump to meet face-to-face with Chinese President Xi Jinping. Brady, Reichert and their Republican colleagues on the committee complimented the president on the "strong personal relationship" he has with Xi in a letter July 25.

"Our shared objective is long-term and enduring reform in Chinese subsidies, tariffs, and other trade barriers. While tariffs cause short-term economic pain to China, they also boomerang on American companies, farmers, workers, and consumers - and we hear every day from Americans who are caught in a destructive cycle of escalation," they wrote.

"A lasting solution can be established only through fundamental change to the Chinese system. Timely and astute negotiations under your leadership are essential to accomplishing this goal," the letter continued.

Canada Challenges Solar Tariffs Under NAFTA

Canada July 23 said it will request a panel under NAFTA Chapter 20 to review the 30% safeguard tariff imposed by the U.S. on imports of solar panels from all countries. Three Canadian companies filed a lawsuit against the U.S. at the Court of International Trade (CIT) in February rejecting the blanket tariffs applied as a result of the Section 201 investigation.

"Canada is committed to defending Canadian workers and industry. The U.S. tariffs on Canadian solar panels have affected businesses and workers on both sides of the border.

The tariffs violate NAFTA rules and were imposed despite the fact that the United States International Trade Commission found that imports of solar panels from Canada were not harming U.S. industry," Canadian Foreign Affairs Minister Chrystia Freeland said in a statement.

Canada is not the only country challenging the administration on tariffs; South Korea, China and the European Union have filed complaints at the World Trade Organization. Stateside, Sens. Martin Heinrich (D-N.M.) and Dean Heller (R-Nev.) introduced the Protecting American Solar Jobs Act (S.3022) in June as a companion to the House bill introduced by Rep. Jacky Rosen (D-Nev.) (H.R.5571) (see **WTTL**, June 18, page 5).

* * * Briefs * * *

SANCTIONS: OFAC July 25 designated five entities and eight individuals for procuring electronics on behalf of Syria's Scientific Studies and Research Center (SSRC), agency responsible for development of Syria's chemical weapons. Anni Beurklian, naturalized U.S. citizen from Lebanon who resided in Waltham, Mass.; her husband, Antoine Ajaka, lawful permanent resident from Lebanon; Amir Katranji, Syrian national; and their company Top Tech US Inc. were indicted March 21 in Boston U.S. District Court (see **WTTL**, March 26, page 6). They were charged in scheme to smuggle goods, including electronics, computer equipment, and electrical switches, out of U.S. and to supply services to Syria. Katranji operates and manages Syrian firm EKT Electronics, which BIS added to Entity List in June 2007. Beurklian and Ajaka fled U.S. in January during plea negotiations and have not returned, indictment noted.

UKRAINE: OFAC July 25 removed Estonian Credit Bank (aka Eesti Krediidipank AS, AS Eesti Krediidipank and Joint-Stock Company Eesti Kredidipank) in Tallinn, Estonia, from Consolidated/ Sectoral Sanctions Identifications (SSI) Lists. Company was designated under Directive 1 as being linked to Bank of Moscow.

ITC: Jennifer Andberg was named director, ITC office of external relations, commission announced July 24. Prior to ITC, she was deputy director of Commerce's Office of Business Liaison (OBL) for 18 years.

TRADE PEOPLE: Former OFAC Director John Smith joined Morrison and Foerster law firm to co-head national security practice in Washington office, firm announced July 23. Smith departed OFAC in May; he had been director/acting director since February 2015 and has served with OFAC for 11 years (see **WTTL**, April 16, 2018, page 4). Former Assistant Attorney General for National Security John P. Carlin joined same firm to chair its global risk and crisis management practice in N.Y. office in January 2017.

EXPORT ENFORCEMENT: Alexander Brazhnikov Sr. of Moscow was charged July 25 in Newark, N.J., U.S. District Court with conspiracy to violate International Emergency Economic Powers Act (IEEPA), conspiracy to smuggle goods and money laundering for illegally shipping $65 million worth of sensitive electronics, including semiconductor microchips, to Russian military and security services from July 2010 to February 2014. He is currently at large. Son Alexander Brazhnikov Jr. of Mountainside, N.J., was sentenced to 70 months in prison in June 2016 for conspiracy to violate IEEPA and money laundering for his role in scheme (see **WTTL**, July 4, 2016, page 9). He pleaded guilty in June 2015. Naturalized U.S. citizen born in Moscow, Brazhnikov Jr. owned four N.J. microelectronics export companies.

AUTOS: Sens. Doug Jones (D-Ala.) and Lamar Alexander (R-Tenn.) July 25 introduced Automotive Jobs Act of 2018 (S.3266) that would delay administration's proposed 25% tariff on imported autos and auto parts (see **WTTL**, July 23, page 4). Legislation requires ITC to "conduct a comprehensive study of the well-being, health, and vitality of the United States automotive industry before tariffs could be applied," according to joint statement from senators.

MTB: Senate July 26 passed Miscellaneous Tariff Bill (MTB) Act of 2017 (H.R. 4318), with amendments, by voice vote. MTB allows domestic industry to petition ITC for tariff relief (see **WTTL**, March 26, page 7). House passed its version in January by voice vote. "This is a significant step forward for manufacturers, who, along with other businesses, are losing nearly $1 million every day until this bill becomes law," said National Association of Manufacturers President and CEO Jay Timmons in statement. "We urge the House to act quickly, pass the Senate version of the bill and get it to President Trump's desk for his signature," he added.

WTO: World Trade Organization's (WTO) 12th Ministerial Conference will be held in Astana, Kazakhstan in 2020, WTO General Council announced July 26. Kazakhstan joined WTO in November 2015 after 19-year accession process. "It is a great honor for a young independent state and recently-acceded member to be hosting such an important meeting. We stand ready to contribute to addressing all outstanding issues to secure substantive outcomes at MC12," said Kazakhstan's WTO Ambassador Zhanar Aitzhanova in statement.

STEEL FITTINGS: Commerce issued affirmative final antidumping duty determination on forged steel fittings from Taiwan July 24. All producers and exporters assigned final dumping rate of 116.17% based on adverse facts available. Petitioners are Bonney Forge Corporation and United Steelworkers. In 2017 imports of forged steel fittings from Taiwan valued at approximately $18.9 million. ITC scheduled to make its final determination Sept. 6.

VAQUITAS: In win for environmentalists and vaquita porpoises, CIT Judge Gary S. Katzmann July 26 granted preliminary injunction requiring government to ban imports of all fish and fish products from Mexican commercial fisheries that use gillnets within vaquita's range. "The Government, though opposing the motion, acknowledges that the vaquita may soon disappear from the planet forever," Katzmann said in *Natural Resources Defense Council, Inc.* [NRDC] *v. U.S.* "Mexico has failed the vaquita for too long without consequences as the population plummeted to about 15. Now it is losing some access to the U.S. seafood market until it gets vaquita-killing gillnets out of vaquita habitat," Zak Smith, NRDC senior attorney, told WTTL. NOAA is reviewing CIT ruling and determining next steps, agency spokesperson told WTTL via email.

LNG EXPORTS: Energy will expedite approvals for "small-scale" natural gas, including liquefied natural gas (LNG), exports to non-FTA countries that meet two criteria: application proposes to export no more than 51.75 billion cubic feet per year of natural gas, and proposed export qualifies for categorical exclusion under department's National Environmental Policy Act (NEPA) regulations, according to final rule in July 25 Federal Register. Rule will go into effect Aug. 24.