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India Takes U.S. to WTO over Temporary Worker Visas

As immigration policy has become a central point in the presidential campaign, the Obama administration now must defend increased fees on certain applicants for its H-1B temporary working visas. India March 3 initiated dispute-settlement proceedings at the World Trade Organization (WTO) over the fees, as well as "measures relating to numerical commitments for H-1B visas," the WTO said.

> According to India, the measures "accord to juridical persons of India having a commercial presence in the United States treatment that is less favourable than that accorded to juridical persons of the United States engaged in providing like services in sectors such as the Computer and Related Services," the WTO noted.

The omnibus appropriations and tax bill (H.R. 2029) that Congress passed in December increased the additional fees required for certain petitioners, specifically $4,000 for certain H-1B petitions and $4,500 for certain L-1A and L-1B petitions. The additional fees apply to companies that employ 50 or more employees in the U.S., with more than 50% of those employees in H-1B or L (including L-1A and L-1B) nonimmigrant status.

The U.S. has 10 days to respond to the request. After 60 days, if consultations have failed to resolve the dispute, the complainant may request adjudication by a panel, WTO said.

U.S. Will Renegotiate Wassenaar Cyber Controls

After months of angry letters, congressional testimony and overwhelming industry opposition, the Obama administration announced it will go back to the table at the Wassenaar Arrangement and renegotiate agreed-upon controls on cybersecurity products. Specifically, the U.S. will propose to eliminate the controls on technology required for the development of "intrusion software." The administration will also continue discussions, both domestically and with Wassenaar partners, "aimed at resolving the serious scope and

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implementation issues raised by the cybersecurity community concerning remaining controls on software and hardware tools for the command and delivery of 'intrusion software,'" Commerce Secretary Penny Pritzker wrote in a letter to industry groups March 1 (see **WTTL**, Feb. 8, page 1).

"Because changes in Wassenaar controls must be approved by all 41 members, we cannot predict the outcome of these discussions and negotiations," she wrote. In any case, the administration commits that it "will not implement domestically any regulations on these specific controls without first giving the public an opportunity to participate through the notice and comment process of a proposed rule," Pritzker added.

> Those discussions will start in April and continue over the summer, a senior Commerce official told WTTL. Talks could go in a number of ways, the official said; either leave the agreed control language as is, remove the controls completely, or amend the text slightly and repropose rule changes. "We heard a lot of good ideas, so we'll see where that goes," he said.

The administration will do a cost-benefit analysis as to "whether the benefits of controlling the export of the purpose-built tools at issue outweigh the harms to effective U.S. cybersecurity operations and research," the official added.

Pritzker was responding to a letter in which the Information Technology Industry Council (ITIC) and 11 other trade associations, including the Chamber of Commerce, American Petroleum Institute , and National Association of Manufacturers, asked her, Secretary of State John Kerry, and Homeland Security Secretary Jeh Johnson to renegotiate the controls.

"While we agree with the laudable goals of the Wassenaar Arrangement, we write today to emphasize the broad range of industries whose cybersecurity efforts would be undermined by the implementation of these provisions in the United States and abroad. Given the cross-border nature of cyber threats, we urge you to pursue a renegotiation of the 2013 Plenary provisions to avoid interference with global cybersecurity efforts," the groups wrote.

Industry and congressional response to the administration's decision was quick. "Of course, this isn't the end of the road. There is no guarantee that the 40 other nations who participate in the Wassenaar Arrangement will agree, but for now, we are enjoying this important victory," Electronic Frontier Foundation (EFF) wrote in a blog post Feb. 29.

"Today's announcement represents a major victory for cybersecurity here and around the world. While well-intentioned, the Wassenaar Arrangement's 'intrusion software' control was imprecisely drafted, and it has become evident that there is simply no way to interpret the plain language of the text in a way that does not sweep up a multitude of important security products," Congressional Cybersecurity Caucus cochair Rep. Jim Langevin (D-R.I.) said in a statement. "By adding the removal of the technology control to the agenda at Wassenaar, the Administration is staking out a clear position that the

underlying text must be changed. Furthermore, the Administration leaves open the possibility for further alterations to the control pending additional interagency review," wrote Langevin.

State, OFAC Implement UN Sanctions on North Korea

The Obama administration and Congress agreed on something March 2, as both branches of government hailed the tough sanctions imposed by the United Nations (UN) Security Council against North Korea. State and Treasury's Office of Foreign Assets Control (OFAC) quickly designated North Korean entities to comply with the UN resolution.

> "This resolution contains the toughest set of sanctions imposed by the Security Council in more than two decades, and includes mandatory cargo inspections, sectoral sanctions on North Korean trade in natural resources, and other rigorous provisions unprecedented in the North Korean sanctions regime," Secretary of State John Kerry said in a statement.

To implement the sanctions, OFAC designated two entities -- Workers' Party of Korea Central Military Commission and the National Defense Commission -- and ten individuals with ties to Pyongyang and its nuclear and weapons proliferation efforts. At the same time, State designated three entities and two individuals, including the National Aerospace Development Administration (NADA), the Ministry of Atomic Energy Industry, and the Academy of National Defense Science.

The new sanctions came just two weeks after President Obama signed the North Korea Sanctions and Policy Enhancement Act (H.R. 757) (see **WTTL**, Feb. 22, page 9). "I am glad my bill, now law, imposing stiff new sanctions on the Kim regime helped leverage unprecedented action from the United Nations Security Council," House Foreign Affairs Committee Chairman Ed Royce (R-Calif.) said in a statement.

The UN resolution "limits, and in some instances bans outright, North Korea's exports of specific natural resources, making it tougher for the government to get the money it needs to keep funding its illicit weapons programs," U.S Ambassador to the UN Samantha Power noted in a speech after its passage. The resolution also bans all imports of aviation fuel, including rocket fuel, forces states around the world to shut down North Korean financial institutions in their territory, and prohibits specialized training of any national in nuclear and space-related fields.

Olympus Subsidiary Pays $22.8 Million to Settle FCPA Charges

The Latin American subsidiary of medical equipment distributor Olympus Corp. of the Americas (OCA) agreed March 1 to pay a $22.8 million criminal penalty for violations of the Foreign Corrupt Practices Act (FCPA) in South and Central America. Olympus Latin

America Inc. (OLA) entered into a three-year deferred prosecution agreement (DPA), which detailed the plan to provide doctors and hospitals in Brazil, Bolivia, Colombia, Argentina Mexico and Costa Rica kickbacks to win business.

From 2006 through 2011, OLA's senior management "designed and implemented a plan to increase medical equipment sales in Central and South America by providing personal benefits, including cash, money transfers, personal or non-Olympus medical education travel, free or heavily discounted equipment and other things of value to certain health care practitioners (HCPs)," the DPA noted.

> The HCPs were "employed at government-owned and private health care facilities who could authorize or influence those facilities' decisions to purchase Olympus equipment and to prevent public institutions from purchasing or converting to the technology of competitors," it added.

OLA did not voluntarily disclose the misconduct in a timely manner, but did receive credit of a 20% reduction on its penalty for its cooperation, including its extensive internal investigation, translation of numerous foreign language documents and collecting, analyzing and organizing voluminous evidence, Justice noted.

At the same time, OCA agreed to pay $623.2 million to resolve criminal charges and civil claims under the Anti-Kickback Statute (AKS), relating to a separate scheme to pay inducements to doctors, hospitals and other health care providers in the U.S. to buy OCA products. This was the largest total amount paid in U.S. history for violations of the AKS and the largest amount ever paid by a medical device company, Justice said.

"OLA's illegal tactics in Central and South America mirrored Olympus's conduct in the United States. The FCPA resolution announced today demonstrates the department's commitment to ensuring the integrity of the health-care equipment market, regardless whether the illegal bribes occur in the U.S. or abroad," said Principal Deputy Assistant Attorney General David Bitkower in a statement.

"Olympus leadership acknowledges the Company's responsibility for the past conduct, which does not represent the values of Olympus or its employees. Olympus is committed to complying with all laws and regulations and to adhering to our own rigorous Code of Conduct which guides our business processes, decisions and behavior. The Company has implemented and will continue to enhance its robust compliance program," OCA President and CEO Nacho Abia wrote in a letter to employees and customers.

Partner Vetting Needed Before TPP Implementation, Witnesses Say

Witnesses testifying before the Senate Finance Committee March 3 on lessons learned from past free trade agreements (FTAs) argued that Trans-Pacific Partnership (TPP) trading partners need to prove they can fulfill their obligations before the U.S. commits fully to implementing the deal. To accomplish this, Sean Murphy, Qualcomm vice

president and counsel, urged the committee to create a formal checklist to certify that trading partners have "the necessary laws and regulations in place to implement its obligations before an agreement enters into force."

"The greatest leverage and the greatest opportunity to get things right is before the FTA enters into force," Murphy told the assembled senators. Though pre-certification would add an extra step it would be well worth the time, he said, pointing to Qualcomm's involvement in a competition-related investigation in Korea conducted by the Korea Fair Trade Commission (KFTC).

> Under the U.S.-Korea Free Trade Agreement (KORUS), Korea is obligated to provide respondents with an opportunity to "cross-examine any witnesses or other persons," but Korea does not have a procedure to allow companies being investigated with access to materials, Qualcomm maintains. Had there been a pre-certification checklist prior to implementation, then perhaps Korea would have taken steps to "ensure that its antitrust regime was fully compliant," Murphy noted.

Jim Mulhern, president and CEO of the National Milk Producers Federation, concurred. "Based on past experience, we also believe that it is clear that the greatest window of opportunity for influencing how countries will implement their obligations to the U.S. is during the period prior to Congressional approval of an agreement," Mulhern wrote in his submitted testimony.

"Action during this window not only ensures that Congress has a clear understanding of how the agreement is intended to work in practice, but it utilizes the strongest point of leverage the U.S. possesses: whether or not we will decide to put in place a strengthening of our trade ties with the FTA partner," he added.

Mulhern called out Canada during his testimony for flouting its NAFTA commitments in order to "isolate" Canada's dairy industry. The European Union (EU) is similar to Canada, he said, which makes his organization wary of the ongoing TTIP negotiations.

Committee members on both sides seemed to agree. "After a trade agreement is approved by Congress, the administration must make sure that our trading partners fully and faithfully implement their obligations under that agreement before allowing the agreement to enter into force," said Committee Chair Orrin Hatch (R-Utah). "After all, a strong trade agreement that is not fully and faithfully implemented and enforced isn't worth much more than the paper it is written on," he added.

"Enforcement is absolutely vital. And the first step in the enforcement of a trade agreement is getting implementation done right," said Ranking Member Ron Wyden (D-Ore.). "The U.S. cannot allow countries to backslide on their promises before a trade agreement even goes into effect," he said. "Confidence that TPP is going to be implemented the right way is a prerequisite for the agreement to win the support it would need to pass the Congress," Wyden added.

Industry Wants Flexibility in BIS Penalty Decisions

The food tasted terrible, and the portion was too small. Under export enforcement penalty guidance that the Bureau of Industry and Security (BIS) proposed in December, the agency tried to make its policies more predictable and bring its policies closer to those of other agencies including Treasury's Office of Foreign Assets Control.

In public comments BIS posted March 4, industry, while generally supportive of the effort, seems to want flexibility and discretion over predictability. BIS "appears to be exchanging its current flexible methodology for addressing enforcement issues for a somewhat rigid, formulaic process that would likely lead to more enforcement cases being initiated and ratchet up the amounts of penalties in the interest of achieving uniformity," noted the National Customs Brokers and Forwarders Association of America (NCBFAA) in its comments.

> Commenters also took issue with a few key definitions, including how BIS would determine whether a case was considered "egregious," and how it would determine the number of violations and the transaction value for the violations. "If an incorrect Export Control Classification Number (ECCN), price, or product description has been entered in multiple fields of a license application or AES filing will each of those errors be counted as a single export violation or as multiple separate violations?" Boeing wondered.

In the proposal, voluntary self-disclosures (VSDs) would no longer be listed as mitigating factors by themselves, but will be considered in determining a potential fine (see **WTTL**, Jan. 4, page 4). Airbus commented it is "concerned that the appearance of diminishing importance related to Voluntary Self-Disclosure may discourage the discovery of apparent violations (such as implemented through 'hot lines' or 'whistleblower' programs).

A few commenters noted that the proposed rule uses BIS and Office of Export Enforcement (OEE) interchangeably. "The proposed rule uses 'BIS' ambiguously, which is confusing to all concerned parties in enforcement matters," Mark Menefee, former OEE director, noted. "Naming three component units of BIS separately and then renaming them collectively as one entity does not help the reader understand exactly who in BIS is responsible for doing what in the administrative enforcement procedures," he added.

Usual Suspects Under Fire at Special 301 Hearing

Ukraine, China and other Southeast Asian nations came under fire at the U.S. Trade Representative's Special 301 Report public hearing in Washington March 1. Despite assurances by Ukrainian trade officials present at the hearing, intellectual property groups called for Ukraine to be re-designated a Priority Foreign Country. Ukraine was first designated a Priority Foreign Country in 2013 but received a reprieve in 2014 due to its conflict with Russia. The country was put on the Priority Watch List in 2015 (see

WTTL, May 4, 2015, page 3). USTR will release the Special 301 Report in April. But the original issues the 2013 report identified have not been resolved, Steven Metalitz with the International Intellectual Property Alliance (IIPA) noted in his written testimony. Piracy, weak copyright protection and lack of criminal prosecutions persist.

"Some Internet pirates have purposefully moved their servers and operations to Ukraine in the past few years to take advantage of the current lawless situation," Metalitz alleged. Ukraine is third in the world for peer to peer file sharing of video games and sixth in the world for mobile piracy, he noted. At least two pirating websites based in Ukraine are annually listed on the U.S. government's Notorious Markets list.

> IIPA also recommended Chile, China, India, Russia, Thailand and Vietnam for placement on USTR's Priority Watch List and recommended Brazil, Canada, Colombia, Hong Kong, Indonesia, Mexico, Switzerland, Taiwan and the United Arab Emirates for the Watch List. IIPA requested that USTR take a look at Spain's Intellectual Property Commission during that country's out-of-cycle review.

The Internet Association (IA) urged USTR to look into Ukraine Draft Law #3353, which would require website owners and hosting providers to "monitor websites for potential infringement, to maintain a database of possible offenders, and to remove information within 24 hours of a complain without any proof of copyright ownership." IA said the potential legislation would go beyond existing liability provisions in U.S. law and warned against assigning responsibility to intermediaries for the enforcement of intellectual property laws.

China was cited by nearly every witness for its weak IP protection and enforcement. Matt Priest, president of the Footwear Distributors and Retailers of America testified that in China "counterfeiting is all too common" and the country's "IP enforcement is grossly inadequate."

The Pharmaceutical Research and Manufacturers of America (PhRMA) recommended that China remain on the Priority Watch List and be subject to Section 306 Monitoring. PhRMA justified its stance by pointing to China's restrictive patentability criteria, weak patent enforcement, regulatory data protection failures, long wait times in the country's regulatory approval process, lack of updates to government pricing and reimbursement, and the rampant development of counterfeit medicines.

Qualcomm Pays $7.5 Million to Settle SEC Bribery Charges

Mobile technology company Qualcomm Inc. agreed March 1 to pay the Securities and Exchange Commission (SEC) a $7.5 million civil penalty to settle charges of violating the Foreign Corrupt Practices Act (FCPA) by hiring relatives of Chinese telecom officials to win contracts. "From 2002 through 2012, Qualcomm provided things of value to foreign officials – including high-ranking employees of state owned enterprises (SOEs) and

government ministers – to try to influence these decision makers to favor and/or promote Qualcomm-developed technology in an evolving international telecommunications market, thereby providing Qualcomm with a business advantage," the SEC order noted. Specifically, Qualcomm "provided or offered full-time employment and paid internships to family members and other referrals of foreign officials at [state-owned firms] – often at the request of these foreign officials. Qualcomm referred to some of these individuals as 'must place' or 'special' hires," the SEC charged.

> "In several areas of its business operations, including hiring, hospitality planning, and business development, Qualcomm lacked an adequate oversight process to determine whether things of value that it provided to foreign officials were made with the intent to induce those officials to provide a business benefit," it said.

Justice recently closed its investigation on these matters without taking any action, the company said. "Qualcomm is pleased to have put this matter behind us. We remain committed to ethical conduct and compliance with all laws and regulations, and will continue to be vigilant about FCPA compliance," Don Rosenberg, Qualcomm's executive VP and general counsel, said in a statement.

USDA Formally Removes COOL Requirements

The Agriculture Department (USDA) closed the barn door March 2 on the debate over Country of Origin Labeling (COOL) requirements on beef and pork imports, removing those products from its regulations. The World Trade Organization (WTO) has found the requirements violate trade rules and could have led to nearly $1 billion in retaliation by Canada and Mexico.

"Retailers are no longer required by the rule to provide country of origin information for the beef and pork that they sell, and firms that supply beef and pork to these retailers no longer must provide them with this information," USDA wrote in the Federal Register notice. The omnibus appropriations and tax bill (H.R. 2029) that Congress passed in December revoked the COOL law for these imports (see **WTTL**, Dec. 21, page 12).

Regulatory changes include removing reference to beef, pork, ground beef and ground pork from certain definitions, country of origin notification, and recordkeeping. "In addition, the definition of a processed food item (§ 65.220) is amended to remove the example of teriyaki flavored pork loin," USDA noted.

"Canada is very pleased that the U.S. has passed a law repealing discriminatory labelling requirements for beef and pork, and that today the U.S. Department of Agriculture amended the relevant regulations for this change to take effect. We are now reviewing the amendment," Canadian Trade Minister Chrystia Freeland and Agriculture Minister Lawrence MacAulay said in a joint statement. The repeal of COOL requirements "is a wise decision to comply with our international obligations. It not only demonstrates our

nation's commitment to a rules-based trading system, but also avoids costly retaliation from regional trade partners. Following years of inaction, we can finally put the dispute to rest and forge a more prosperous future for all of North America," National Foreign Trade Council (NFTC) President Bill Reinsch said in a statement.

South Africa Now Open for U.S. Meat Exports

In another trade victory that might make vegetarians uncomfortable, the U.S. Trade Representative (USTR) March 2 hailed South Africa's opening of its market to U.S meat exports, just days before a deadline for keeping its trade preferences.

> "South Africa has met the benchmarks we've set forth and they've taken the needed steps to make American poultry, pork and beef available to consumers in South Africa." USTR Michael Froman told a press call. A week before, U.S. pork producers announced they can now ship certain raw and frozen pork products to South Africa (see **WTTL**, Feb. 29, page 8).

In January, the Obama administration threatened to withdraw South Africa's benefits under the Africa Growth and Opportunity Act (AGOA) but delayed the effective date until mid-March. "We're going to continue to monitor the situation as poultry, beef and pork make their way into the market. The president will make a determination on the revocation of his suspension order. We expect that decision to be forthcoming," Froman told reporters.

With the removal of South Africa's barriers, U.S. exports of these products could reach up to $160 million annually, Froman said. Annual exports of U.S. poultry to South Africa could reach $100 million, pork $40 million, and beef $17 million.

"We are thrilled that after more than 15 years of South Africa illegally blocking imports of U.S. poultry, chicken from Delaware, Georgia, and states around the United States will finally reach the dinner tables of South Africans," said Sens. Chris Coons (D-Del.) and Johnny Isakson (R-Ga.), cochairs of Senate Chicken Caucus, in a joint statement.

U.S., EU Release Privacy Shield Framework, Texts

U.S. and European Union (EU) officials Feb. 29 moved one step closer to implementing a new transatlantic agreement on rules for the transfer of personal data to the U.S. from Europe. The two partners released the formal texts and multiple annexes of EU-U.S. Privacy Shield framework agreed in February (see **WTTL**, Feb. 8, page 3). The text includes the "Privacy Shield Principles" companies have to abide by, as well as written commitments by the U.S. government on the enforcement of the arrangement, including assurance on the safeguards and limitations concerning access to data by public authorities. These principles include notice, choice, security, data integrity and purpose limitation, access, accountability for onward transfer, recourse, enforcement and liability.

To join the framework, U.S. companies will be required to self-certify to Commerce and publicly commit to comply with the framework's requirements. "While joining the Privacy Shield Framework will be voluntary, once an eligible company makes the public commitment to comply with the Framework's requirements, the commitment will become enforceable under U.S. law," a Commerce fact sheet noted.

> At the same time, the European Commission (EC) also made public a draft "adequacy decision" of the new framework "Once adopted, the Commission's adequacy finding establishes that the safeguards provided when data are transferred under the new EU-U.S. Privacy Shield are equivalent to data protection standards in the EU," the EC press release said.

"The new framework reflects the requirements set by the European Court of Justice in its ruling from 6 October 2015. The U.S. authorities provided strong commitments that the Privacy Shield will be strictly enforced and assured there is no indiscriminate or mass surveillance by national security authorities," it added.

President Obama signed Feb. 24 the Judicial Redress Act (H.R. 1428) to provide European citizens a legal way to bring complaints in U.S. courts against the breach of their privacy. The bill passed the Senate Feb. 9 by unanimous consent. A day later, the House agreed to the Senate amendment without objection. Enactment of the bill had been one of the EU demands in the Safe Harbor negotiations.

"We hope the Framework moves swiftly through the EU approval process, so companies and individuals on both sides of the Atlantic can continue to ensure a high-level of data protection," Commerce Secretary Penny Pritzker said in a statement.

TPP at Heart of President's 2016 Trade Agenda

President Obama unveiled his 2016 trade agenda March 2 and, unsurprisingly, congressional passage of the Trans-Pacific Partnership (TPP) is at the heart of Obama's priorities. U.S. Trade Representative (USTR) Michael Froman, tasked with making the hard sell, warns that other countries are moving quickly to secure access to fast growing economies, particularly in the Asia-Pacific region, he wrote in the introduction to the president's agenda.

"If these trends continue, American workers and businesses could be dealt out of tomorrow's markets as alternative trade and investment models take hold. Compared to the high standards advanced by TPP and TTIP, these alternative approaches do not necessarily reflect our interests and our values," wrote Froman. As part of the administration's TPP pitch, the report and its accompanying press release emphasize that the deal would cut 18,000 taxes on American-made goods, which TPP critics have debunked as recently as last month (see **WTTL**, Feb. 29, page 5). The administration maintains that TPP will grow the U.S. economy by over $130 billion a year in 2030, set in motion

"strong and balanced" intellectual property rules, set enforceable labor and environmental standards, and "levels the playing field between [state owned enterprises] and private businesses and their workers." But passing Obama's lofty trade goals will be an uphill battle given sharp criticism coming from both sides of the aisle and outside pressure from labor groups. Despite the passage of Trade Promotion Authority (TPA) with bipartisan support, members of Congress lack confidence regarding TPP implementation and enforcement by trading partners, staffers recently indicated.

> Unfortunately for Obama, the report doesn't offer specifics on how to alleviate the concerns of Republicans and those Democrats who supported TPA but are wavering on TPP in light of re-election pressures back home.

The glossy 66-page report also touches upon the administration's efforts to conclude the Transatlantic Trade and Investment Partnership (TTIP), the Environmental Goods Agreement, and the Trade in Services Agreement. It touts Obama's accomplishments including free trade agreements (FTAs) with Korea, Colombia and Panama; bringing 20 enforcement cases before the WTO; passing TPA; and expanding the Information Technology Agreement.

"Over the past seven years, the Administration has fought hard to open the largest and fastest-growing markets to U.S. exports, most notably in the Asia-Pacific. Our efforts have helped position more Americans to compete – and win – in tomorrow's global economy," Froman said in a statement.

BIS Will Require Offset Reports for 600 Series

Hearing crickets from industry, Bureau of Industry and Security (BIS) is going forward with its plan to require U.S. defense exporters to report offsets for items moved to Commerce jurisdiction under export control reform. BIS proposed requiring reporting of offsets involving items controlled in the new "600 series" Export Control Classification Numbers (ECCNs) in December and did not receive a single public comment (see **WTTL**, Dec. 7, page 3).

The reporting would be required "regardless of whether the item was added to a 600 series ECCN simultaneously with its removal from the USML or was subject to the EAR prior to its inclusion in a 600 series ECCN," BIS said in the Federal Register March 1. The proposal would exclude "certain submersible and semi-submersible cargo transport vessels and related items that are not on control lists of any of the multi-lateral export control regimes of which the United States is a member," the agency noted.

* * * Briefs * * *

TRADE PEOPLE: Former Assistant USTR Christine Bliss became president of Coalition of Services Industries (CSI) March 1, replacing Peter Allgeier, who announced his retirement in October. Bliss had served as assistant USTR for services and investment since 2007. Before joining USTR, Bliss was counsel to Emergency Committee for American Trade.

MORE TRADE PEOPLE: Tina Kaidanow was named acting assistant secretary of State for political-military affairs Feb. 22, replacing Puneet Talwar, who left government for private sector in November 2015, State official said. Prior to joining bureau, Kaidanow had served since February 2014 as counterterrorism coordinator

GEOGRIDS: In 6-0 preliminary vote Feb. 26, ITC found U.S. industry may be injured by allegedly dumped and subsidized imports of certain biaxial integral geogrid products from China.

SILICA FABRIC: In 6-0 preliminary vote March 4, ITC found U.S. industry also may be injured by allegedly dumped and subsidized imports of certain amorphous silica fabric from China.

EXPORT ENFORCEMENT: Louis Brothers of Covington, Ky., former president and CEO of Valley Forge Composite Technologies, was sentenced March 2 in Covington U.S. District Court to 93 months in prison for illegally exporting Xilinx and Aeroflex microcircuits to China without State licenses from 2009 until 2013. Sentence also included three years' supervised release and $1.1 million forfeiture.

MORE EXPORT ENFORCEMENT: Erdal Kuyumcu of Woodside, N.Y., CEO of Global Metallurgy and naturalized U.S. citizen from Turkey, was arrested March 1 on federal charges of illegally exporting cobalt-nickel metallic powder to Iran through intermediary in Turkey in 2013. He was released on $250,000 bond after hearing in Brooklyn U.S. District Court.

TRADE FIGURES: Merchandise exports in January fell 9.6% from year ago to $116.9 billion, lowest level since early 2011, Commerce reported March 4. Services exports gained 0.3% to $59.6 billion from last January. Imports dipped 6.1% from January 2015 to $180.6 billion, as services imports gained 2.9% to $41.5 billion.

IRAN: Deputy Secretary General of UN Conference on Trade and Development (UNCTAD) Joakim Reiter traveled to Tehran Feb. 27 to discuss how agency can provide "technical assistance and capacity building" to Iran so Islamic Republic can continue accession to WTO, UNCTAD said.

HONDURAS: USTR reached agreement with Honduras on intellectual property rights (IPR) following out-of-cycle review of whether Honduras should be placed on Special 301 Watch List. Honduras' commitments under 2016 Work Plan, including on geographical indications and signal piracy in cable and satellite transmissions, will strengthen implementation of CAFTA-DR, USTR said March 2. Honduras will increase number of prosecutors specializing in IPR enforcement by end of March and publish quarterly reports on prosecution activity, USTR noted.

CUBA: Play ball! Major League Baseball (MLB) reportedly has submitted proposal to Treasury that would allow Cuban baseball players to sign directly with teams in U.S. Currently, Cuban players must establish residency in third country before they can sign with MLB team. MLB lawyer Dan Halem told *New York Times* that entity comprised of Cuban entrepreneurs, baseball officials and players' union would be formed as nonprofit to benefit Cuban youth. Percentage of Cuban players' wages would go to that entity, Halem said. Because no money would flow to the Cuban government, the entity would not violate the embargo, he claimed. OFAC reportedly has not commented on proposal. At same time, MLB announced President Obama will attend exhibition game in Havana between Tampa Bay Rays and Cuban National Team March 22.