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Froman Having Trouble Placating TPP Critics

U.S. Trade Representative (USTR) Michael Froman is traveling from California to the Bronx and around the country trying to sell the Trans-Pacific Partnership (TPP), but he is having trouble convincing Republicans and Democrats in Congress that he can address their concerns about the deal without reopening negotiations. Has his effort made progress with lawmakers? "So far it hasn't," Sen. Heidi Heitkamp (D-N.D.) told WTTL in an exclusive interview Jan. 20. "For now these [provisions] are imbedded in the agreement. How do you walk that back," she said.

> Heitkamp was referring to concerns Senate Majority Leader Mitch McConnell (R-Ky.) has about the accord's tobacco provisions and Senate Finance Committee Chairman Orrin Hatch's (R-Utah) complaints about rules on the protection of biologics research data. Froman has also been trying to address Democratic objections to provisions on labor, investment and currency.

The North Dakota Democrat said she doesn't expect a TPP vote until after the November elections. "I think we are in a spot where McConnell has said don't sent it to us; don't think we are going to move this," she noted. "Whether we do it in a lame duck will depend on the outcome of the election," she said (see related story, page 9). Heitkamp was among a dozen Senate Democrats who voted for fast-track trade promotion authority (TPA) last summer, but she says retaining that group isn't the problem for TPP. "The more important thing you have to look at is whether they will be able to hold the numbers that they had on the Republican side," she told WTTL.

Iran Implementation Day Brings Blue Skies, Rainbows - Maybe

Despite the best efforts of opponents of the Iran nuclear deal, the Obama administration Jan. 16 welcomed "Implementation Day" of the accord following confirmation that Tehran has met its obligations under the agreement. With international verification in hand, the administration followed through with the long list of actions it had promised under the Joint Comprehensive Plan of Action (JCPOA) reached in July to lift nuclear sanctions on Iran. Understanding the political environment, officials, including President Obama, were quick to point out that many sanctions against the country remain; in fact, the day after the announcement, the administration imposed new sanctions on 11 individuals and entities for their involvement in ballistic missile proliferation (see related story, page 4).

> In addition, officials highlighted the unique "snap back" provision that could reinstate sanctions if Iran is caught breaking the deal. "For the nuclear sanctions that have now been lifted, there was an agreement that if any negotiating partner believes that there has been a violation of the agreement, there are ways to report that violation and to challenge it," Ambassador Stephen D. Mull, lead coordinator for Iran nuclear implementation, told the Foreign Press Center Jan. 21.

"So we think that it's a good insurance policy to have to make sure that both sides keep the commitment. Also Iran – and this is a political agreement. It's not a treaty or anything like that. Iran may decide that we have not kept our commitments and there's nothing to stop them from breaking the agreement, but if they did that, of course it would then result in snapback," he said.

These much-touted snapback procedures were not enough to satisfy House Republicans. After voting strictly along party lines to pass legislation (H.R. 3662) that would restrict President Obama's ability to implement the deal, the House agreed to a request from Republican leadership to vacate the vote and resume debate Jan. 26 (see **WTTL**, Jan. 18, page 6). The administration warned that the president would veto the bill.

On Implementation Day, the U.S. lifted secondary sanctions on the following activities: Finance and banking; underwriting services, insurance, or re-insurance; Iran's energy and petrochemical sectors; transactions with Iran's shipping and shipbuilding sectors and port operators; Iran's trade in gold and other precious; trade with Iran in graphite, raw or semi-finished metals such as aluminum and steel, coal, and software for integrating industrial processes; the sale, supply, or transfer of goods and services used in Iran's automotive sector; and associated services for each of the categories above.

"Secondary sanctions generally are directed toward non-U.S. persons for specified conduct involving Iran that occurs entirely outside of U.S. jurisdiction," Treasury wrote in a 37-page Frequently Asked Question (FAQ) posting. It also issued a 42-page guidance to explain how the new rules apply to various sectors previously subject to sanctions.

In addition to the lifting of the nuclear-related secondary sanctions, Treasury's Office of Foreign Assets Control (OFAC) removed over 400 individuals and entities from its List of Specially Designated Nationals (SDN) and other lists of blocked entities. Among those that came off the SDN are Bank Melli Iran, Iran Air, IRISL, Iran's shipping company, other banks and oil companies. Also as promised, Treasury issued a favorable case-by-case export licensing policy for civil aviation. This includes the export to Iran of commercial passenger aircraft for exclusively civil aviation end-use, spare parts and components for commercial passenger aircraft, and associated services, including warranty, maintenance, and repair services and safety-related inspections, for those items and services if used exclusively for commercial passenger aviation.

> OFAC issued a general license allowing the importation of Iranian-origin carpets and foodstuffs, including pistachios and caviar, as well as a general license H authorizing U.S.-owned or -controlled foreign entities to engage in certain activities involving Iran.

EU Joins U.S. in Lifting Nuclear Sanctions on Iran

The European Union (EU) complied with its part of the JCPOA Jan. 16, lifting all its nuclear-related economic and financial sanctions on Tehran. Just as the U.S. has retained non-nuclear sanctions, the EU will maintain its arms embargo on Iran, missile technology sanctions, restrictions on certain nuclear-related transfers and activities, and controls concerning certain metals and software that are subject to licensing requirements.

> "Measures concerning inspection of cargoes to and from Iran and those related to the provision of bunkering or ship supply services continue to apply after Implementation Day in relation to items which will continue to be prohibited," an EU statement said.

In a detailed 46-page guidance document, the EU explained how sanctions on Iran are being modified. The EU has lifted sanctions dealing with financial, banking and insurance measures; oil, gas and petrochemical sectors; and shipping, shipbuilding and transport sectors.

In its notice to exporters, the United Kingdom's (UK) Export Control Organization reminded firms that export licenses will still be required for goods and technology subject to Nuclear Suppliers Group controls, dual-use items and technology on EU control lists, certain metals, graphite and raw or semi-finished metals, plus technical assistance, brokering services or financial assistance related to those controls.

"Iran's nuclear programme has been substantially rolled back, in return for the lifting of sanctions and the economic benefits that will bring. The UK has played a central role, and I hope British businesses seize the opportunities available to them through the phased lifting of sanctions on Iran. The future is as important as the landmark we've reached today," said UK Foreign Secretary Philip Hammond in a statement.

EU High Representative Federica Mogherini and Iranian Foreign Minister Javad Zarif issued a joint statement on the changes in sanctions. "As foreseen, we will continue to thoroughly monitor and oversee the full and effective implementation of the JCPOA, exactly as agreed on 14 July 2015, through the Joint Commission, consisting of the E3+3 and Iran, and coordinated by the High Representative of the Union for Foreign Affairs and Security Policy. On its side, the IAEA [International Atomic Energy Agency] is entrusted with the responsibility for the monitoring and verification of the JCPOA as well as of Iran's obligations as a Party to Non-Proliferation Treaty and its safeguards agreement and the provisional application of its Additional Protocol," they said.

> While there have been mixed prognostications about how quickly companies, especially in Europe, will resume trade and investment in Iran, the U.S. appears to be taking a more sanguine attitude toward such business. "We're not trying to stand in the way of legitimate business in Iran," Ambassador Stephen Mull, lead U.S. coordinator for Iran nuclear implementation, told a briefing Jan. 21.

"If we found out there was going to be a trade mission from Europe to Iran, I would usually get instructions to try and stop it. So we're not doing that anymore. If a European firm wants to do business in Iran that's clearly allowed by this nuclear agreement, they should go ahead and do it. It's not our job to stop them. However, there are some sanctions that remain in place. It's good to familiarize yourself with them," Mull said.

New Sanctions Hit Iranian Missile Suppliers, Airline

Just a day after the Obama administration announced the lifting of nuclear sanctions on Iran, Treasury's Office of Foreign Assets Control (OFAC) proved that other sanctions are still on the table. OFAC Jan. 17 added 11 entities and individuals involved in procurement on behalf of Iran's ballistic missile program to its list of Specially Designated Nationals (SDN). In a separate action, the Bureau of Industry and Security (BIS) issued a temporary denial order (TDO) Jan. 21 to block the transfer of planes to an Iranian airline.

> President Obama emphasized these ongoing sanctions programs in his public statement Jan. 17 (see related story, page 1). "We still have sanctions on Iran for its violations of human rights, for its support of terrorism, and for its ballistic missile program. And we will continue to enforce these sanctions, vigorously. Iran's recent missile test, for example, was a violation of its international obligations," he said.

BIS imposed the TDO to stop the reexport of two Boeing planes to Caspian Airlines, a blocked entity in Iran. Caspian was designated in 2014 for its support of terrorism, sanctions that are not being lifted under the Iran nuclear deal (see **WTTL**, Sept. 8, 2014, page 5). The TDO blocks Gambia-based Ribway Airlines Company Limited, Af-Aviation Limited in the United Kingdom (UK) and three UK executives Andy Farmer, John Edward Meadows and Jeffrey John James Ashfield.

Added to the SDN list was Mabrooka Trading Co LLC, based in the United Arab Emirates (UAE), and its China- and UAE-based network, in addition to five Iranian individuals. "This network obfuscated the end user of sensitive goods for missile proliferation by using front companies in third countries to deceive foreign suppliers," OFAC said in a press release. OFAC also designated Mabrooka's owner Hossein Pournaghshband for "having provided, or attempting to provide, financial, material, technological, or other support" to Navid Composite Material Company, which was added to the SDN list in December 2013. "At the time of its designation, Navid Composite was contracting with Asia-based entities to procure a carbon fiber production line in order to produce carbon fiber probably suitable for use in ballistic missile components," OFAC said.

> Other new additions include Chen Mingfu and his company Anhui Land Group Co., Limited, based in Hong Kong; and UAE-based Candid General Trading and its Iranian Managing Director Rahim Reza Farghadani.

In addition, Sayyed Javad Musavi "provided or attempted to provide financial, material, technological, or other support for, or goods or services in support of, the Shahid Hemmat Industrial Group (SHIG)," OFAC said. Musavi is SHIG's commercial director. SHIG was identified in June 2005 as a subsidiary of Iran's Aerospace Industries Organization (AIO).

AIO, which is subordinate to Iran's Ministry of Defense for Armed Forces Logistics (MODAFL), manages and coordinates Iran's ballistic missile program. "Within the past several years, Iranian missile technicians from SHIG traveled to North Korea to work on an 80-ton rocket booster being developed by the North Korean government," OFAC noted.

Other designated individuals include SHIG Director Seyed Mirahmad Nooshin, current MODAFL Deputy Sayyed Medhi Farahi, MODAFL official Mohammad Hashemi and AIO Director Mehrdada Akhlaghi Ketabachi.

Six Granted Clemency for Illegal Exports to Iran

As part of the prisoner swap with Iran in parallel to the nuclear deal, the Obama administration Jan. 16 pardoned or commuted the sentences of six naturalized U.S.-Iranian citizens who had been convicted or were pending trial for export control violations. A seventh defendant, an Iranian national, had pleaded guilty to wire fraud and other charges. At the same time, the U.S. also dismissed any charges against 14 Iranians who were at large and "for whom it was assessed that extradition requests were unlikely to be successful," a State Department official said.

> "These individuals were not charged with terrorism or any violent offenses. They're civilians, and their release is a one-time gesture to Iran given the unique opportunity offered by this moment and the larger circumstances at play. And it reflects our willingness to engage with Iran to advance our mutual interests, even as we ensure the national security of the United States," President Obama said in a public statement Jan. 17.

Loyal readers of WTTL will recognize these names, but here is a quick recap of their charges and legal status. A federal indictment was unsealed in April 2015 in Houston

U.S. District Court against Bahram Mechanic and Tooraj Faridi, both of Houston; and Khosrow Afghahi of Los Angeles and their respective companies, charging them with the illegal export of $24 million in high-tech microelectronics, uninterruptible power supplies and other commodities to Iran (see **WTTL**, April 20, 2015, page 8). They had pleaded not guilty and were scheduled to appear for pre-trial conference Jan. 21.

> Nader Modanlo of Potomac, Md., a naturalized U.S. citizen born in Iran, was sentenced in Greenbelt, Md., U.S. District Court in December 2013, to eight years in prison followed by three years of supervised release for conspiring to illegally provide satellite-related services to Iran in violation of the International Emergency Economic Powers Act (IEEPA), two counts of violating the Iran Trade Embargo, money laundering and obstruction of bankruptcy proceedings (see **WTTL**, June 17, 2013, page 9).

Arash Ghahreman of Staten Island, N.Y., a naturalized U.S. citizen, was sentenced to 78 months in prison in August 2015 in San Diego U.S. District Court for the attempted export to Iran of marine navigation equipment and military electronics equipment. Ghahreman was found guilty by a federal jury in April on seven counts, including attempted export, conspiracy to export, violation of the Iran sanctions and smuggling, after a seven-day trial (see **WTTL**, Sept. 7, 2015, page 5).

Ali Saboonchi, a U.S. citizen in Parkville, Md., appealed his prison sentence for exporting manufactured industrial products and services to Iran. He was sentenced in February 2015 in Greenbelt, Md., U.S. District Court to 24 months in prison after a federal jury convicted him of exporting cyclone separators, thermocouples, flow meters, actuator springs and other items from November 2009 to present without Treasury authorization (see **WTTL**, Feb. 23, 2015, page 8).

Nima Golestaneh, an Iranian national, pleaded guilty in December 2015 in Burlington, Vt., U.S. District Court to wire fraud and accessing a computer without authorization related to his involvement in the October 2012 hacking of Arrow Tech Associates Inc., a Vermont-based engineering consulting and software company.

U.S. Agrees to Settle $1.7 Billion in Iranian Claims

In another Iran-related action Jan. 17, the U.S. and Iran agreed to settle Iranian claims for money the U.S. has been holding in trust since the days of the Shah of Iran. As part of the agreement at the Iran-U.S. Claims Tribunal in the Hague, Netherlands, the U.S. will release $400 million in funds Iran had paid to purchase weapons from the U.S. but never received, plus $1.3 billion in accrued interest.

"This is the latest of a series of important settlements reached over the past 35 years at the Hague Tribunal. In constructive bilateral discussions, we arrived at a fair settlement to this claim, which due to litigation risk, remains in the best interests of the United States," Secretary of State John Kerry said in a statement. He said Iran's recovery was fixed at a reasonable rate of interest and blocked Tehran from seeking a bigger award. "All of the approximately 4,700 private U.S. claims filed against the Government of Iran at the Tribunal were resolved during the first 20 years of the Tribunal, resulting in payments of more than $2.5 billion in awards to U.S. nationals and companies through that process," he noted.

The settlement didn't please everyone. Sen. Mark Kirk (R-Ill.) linked the settlement to the lifting of the freeze on other Iranian funds as part of the implementation of the Iran nuclear deal. "While Americans are relieved by the overdue release of the five American hostages in Iran, Iranian leaders are making clear the high cost of the ransom," he said in a statement.

"Secretary of State John Kerry conceded today that the released money will likely go to terrorists. Iran and other terrorist states now have new incentives to take more American hostages, as shown by the Iran-backed militias in Iraq who appear to have taken three more Americans hostages," Kirk added.

Kerry addressed complaints about the release of frozen Iranian assets and the Hague settlement in an interview on CNBC Jan. 21. He disagreed with claims that Iran was getting $150 billion to fund terrorism. "It's not 150 billion, it's not 100 billion. Iran will get approximately, according to the Treasury Department and all of the analysis of our intelligence community, about $55 billion," he said.

"Why won't they get the 100 that some people refer to? Because a large chunk of it is already committed to China, to other countries through loans and long-term commitments that have been made," he added. In addition, Iran has well over $500 billion in infrastructure and deferred investment needs where that money will go, he suggested.

Kerry conceded that some of the money will go to the Iranian Guards. "I'm not going to sit here and tell you that every component of that can be prevented. But I can tell you this: Right now, we are not seeing the early delivery of funds going to that kind of endeavor at this point in time. I'm sure at some point some of it will. But that has never made the difference in what is happening there," he explained. Kerry also noted that Saudi Arabia and other Gulf states spend $130 billion a year on defense compared to Iran, which spends $15 billion a year on its military activities.

Business Groups Urge Completion of Safe Harbor Deal by Jan. 31

In a show of transatlantic cooperation of industry trade associations, four groups have written to the heads of governments in the U.S. and European Union (EU), urging them to get involved to assure the completion of negotiations on a new Safe Harbor agreement on privacy protection before a Jan. 31 deadline. Although talks on upgrading the 15-year-old Safe Harbor pact have been underway for more than two years, they received new urgency last year when a European court declared the accord invalid (see **WTTL**, Nov. 23, page 2). "We commend the ongoing efforts of the European Commission and the U.S. Department of Commerce to negotiate a revised Safe Harbor agreement by the January 31, 2016, deadline set out by Member State Data Protection Authorities," said the letter sent Jan. 15 to President Obama, EU Commission President Jean-Claude Juncker, European Council President H.E. Donald Tusk, and the heads of government of the 28 EU Member states, including German Chancellor Angela Merkel, British Prime Minister David Cameron, and French President François Hollande.

> "This issue must be resolved immediately or the consequences could be enormous for the thousands of businesses and millions of users impacted," said the letter sent by the Information Technology Industry Council (ITI), the U.S. Chamber of Commerce, Business Europe and Digital Europe. Beside the Safe Harbor agreement, the court ruling has also put in jeopardy other mechanisms used to protect privacy data that moves across the Atlantic, including the use of model contract clauses and binding corporate rules, the groups warned.

The four organizations said they were seeking three specific objectives. They want negotiations completed by Jan. 31; a final deal to provide reasonable transition period to allow companies to come into compliance with the new rules; and establishment of a legally durable framework on privacy and security, "including with respect to surveillance activities." The groups said they share the commitment of governments to innovation and growth as well as data protection. "We believe the engagement of national leaders will be essential to help strike the right balance of the many interests at stake," they wrote.

In a Jan. 18 speech, EU Commissioner for Justice, Consumers and Gender Equality Vera Jourová reiterated that negotiators have completed work on an "Umbrella Agreement" on data protection. "We are now in a crucial moment in our negotiations on a successor arrangement for data transfers between companies," she noted.

"We have worked intensely over the last weeks to address the remaining open issues such as access by public authorities, redress possibilities for EU citizens, monitoring and enforcement. This week discussions will continue and meetings will be held at various levels, including in the margins of Davos," she added, referring to the annual World Economic Forum being held in the Swiss resort. Many of the outstanding issues that she identified are the same ones that were being discussed last year.

"On surveillance and national security, we need guarantees from the U.S. that necessity and proportionality principles will be applied when companies request data. We are also asking for more transparency on limits to security services collecting and processing data. And we need guarantees that there is effective judicial control of public authorities' access to data for national security, law enforcement and public interest purposes," she said.

"Last but not least, we need U.S. Congress to adopt the Judicial Redress Act, in order for EU citizens to enjoy the rights US citizens already enjoy under the 1974 Privacy Act. This is a precondition for the conclusion of the Umbrella Agreement," Jourova explained.

USDA Plows Path to Allow European Fruit Imports

A food fight between the U.S. Agriculture Department (USDA) and the European Union (EU) over apples and pears may be ripe for settlement. The department's Animal and Plant Health Inspection Service Jan. 20 proposed a rule to allow imports of apples and pears from eight EU countries: Belgium, Germany, France, Italy, Poland, Portugal, Spain and the Netherlands.

> The proposal would allow the fruit to be imported "provided that the fruit is produced in accordance with a systems approach, as an alternative to importation under the current preclearance program," the Federal Register notice said. Public comments are due March 21, 2016.

"The proposed systems approach for fresh apple and pear fruit consists of production site and packinghouse registration, inspection of registered production sites twice a season, production site pest control and sanitation, post-harvest safeguards, fruit culling, trace back, sampling, cold treatment against Mediterranean fruit fly in countries where the pest is known to occur, a phytosanitary certificate, port of entry inspection, and importation as commercial consignments only," it added.

"Following this initiative, we are looking forward to the rapid completion of the remaining legal and administrative steps in order to deliver further tangible benefits for the EU fruit producers. Opening the market for the 2016 harvest i.e. by September 2016 could be feasible, if all parties continue their efforts," EU Health and Food Safety Commissioner Vytenis Andriukaitis, Trade Commissioner Cecilia Malmström and Agriculture Commissioner Phil Hogan said in a joint statement.

The rule "will be of significant benefit to European farmers, many of whom lost their main export markets overnight as a result of Russian sanctions imposed in 2014. The eventual opening of the U.S. market will not offset the full impact of the sanctions, but it will certainly help the farming community by at least providing another commercial outlet for their produce," the EU ministers added.

Democratic Mayors Split with Democrats in Congress over TPP

The split between Democratic mayors and Democratic members of Congress over TPP was on display at the U.S. Conference of Mayors' winter meeting Jan. 20 in Washington. At a press conference with USTR Michael Froman, several mayors, all self-declared Democrats, hailed their conference's support for the deal. Their stand contrasts with many Democratic lawmakers who represent those cities and who either oppose the deal outright or have expressed concerns.

Tampa Mayor Bob Buckhorn, who is chair of the conference's Task Force on TPP, said mayors are "all in" in support of TPP. "We will be a force to be reckoned with," he told reporters. A majority of mayors voted for a motion to support the TPP at their annual meeting in June 2015 in San Francisco, Buckhorn noted. When asked about the mayors' relationship with their respective representatives, Buckhorn said "we are working on our delegations." In contrast to the pressure Democrats in Congress get from core constituencies, Buckhorn said he has not heard from one member of organized labor. It is "not an issue in my community," he said. "It's a D.C. issue," he added.

> Tampa's representative in Congress, Kathy Castor (D-Fla.), voted against fast-track trade promotion authority in June 2015, and has said she is "troubled" by the Pacific deal. "The trade package will create winners and losers in the global economy and I refuse to allow American workers to be the losers, so I voted no today," Castor said in a statement after the June vote.

Atlanta Mayor Kasim Reed, whose city hosted TPP's concluding negotiations, noted the "scars of NAFTA" among core Democratic groups, including labor. "We're going to have to really get out there and explain that this is a very different bill," he told reporters. "Distinguishing it from NAFTA, both locally and in Washington, is the biggest challenge for our labor friends," Reed added. In contrast, Rep. John Lewis (D-Ga.), who represents part of Atlanta, has been one of the loudest voices against the deal.

Earlier in the day, Froman addressed the mayors and seemed to allude to the division between local and Washington views. "There's always something refreshing about being around mayors. You're the masters of a rare art: getting things done. You favor pragmatism over politics. Solutions over sound bites. Constructive action over complaining," he said. TPP trade ministers are scheduled to sign the TPP in New Zealand Feb. 4.

Ex-Im Resumes Financing but Faces Headwinds Ahead

A month after winning its recharter and ending a nearly six-month lapse in authorization, the Export-Import Bank (Ex-Im) has already approved some $1.7 billion in export aid and has another $13.8 billion in the pipeline, bank officials told Ex-Im's advisory committee Jan. 20. Future financing, however, could face headwinds, as U.S. exports decline or grow little due to slower growth in emerging markets, a strong dollar and low oil prices.

> High on the bank's agenda for 2016 is restoring morale among its staff, which had to deal with the uncertainty of Ex-Im's future and their jobs for more than six months. It also will resume its outreach to the exporting community to let companies know the bank is back in business.

The bank has also created working groups to oversee implementation of the 18 new requirements imposed on the bank as part of its reauthorization. Among those requirements is an increase to 25% from 20% in the mandate to fund small business exports and an increase in reserves it must hold to $5 billion.

Ex-Im's ability to finance large exports and projects will remain stymied because it only has two board members and needs a quorum of at least three members to approve cases valued at more than $10 million. President Obama nominated J. Mark McWatters Jan. 11 to fill the Republican seat on the board (see **WTTL**, Jan. 18, page 1). Although McWatters, who is a former counsel to House Financial Services Committee Chairman Jeb Hensarling (R-Texas), was proposed for the position by Senate Majority Leader Mitch McConnell (R-Ky.), it may be three months or more before he can get Senate confirmation.

> McWatters' nomination has to go through the Senate Banking Committee, but its chairman, Sen. Richard Shelby(R-Ala.), reportedly won't be holding any nomination hearings until after Alabama's March 1primary. Shelby is facing his first GOP primary fight in about two decades and is up against four younger candidates, including one, Jonathan McConnell, who is getting backing from some conservative groups.

At the committee meeting, Sens. Heidi Heitkamp (D-N.D.) and Mark Kirk (R-Ill.), who co-sponsored the bill (S. 819) that was part of the transportation legislation that reauthorized Ex-Im in December, both warned members that they should expect a renewed battle to get the bank reauthorized when its charter comes up again for renewal in 2019. Ex-Im opponents "are not going away," Heitkamp said. "We will be fighting this again in a couple of years," she said. Kirk urged bank supporters to "keep in touch" with the 366 House and Senate members who voted for Ex-Im's renewal, Heitkamp had similar advice. "If you leave a void, it will be filled by those who oppose it," she said.

* * * Briefs * * *

<u>DDTC</u>: Directorate of Defense Trade Controls (DDTC) has reorganized its management structure, agency noted in industry notice posted Jan. 20. It promoted Lisa Aguirre, who is director of DDTC's management office, to managing director. In addition, "DDTC is realigning its senior leadership structure, with the office directors continuing to report directly to the Deputy Assistant Secretary (DAS)," notice said (see **WTTL**, Nov. 30, page 1). Aguirre "will serve as deputy to the DAS, acting when the DAS is unavailable, and dividing the DDTC front office responsibilities with the DAS," DDTC added. "Although DDTC is using a title that has been previously used in the organization, this new role has different responsibilities from those of the past," it said.

<u>EXPORT ENFORCEMENT</u>: Amin al-Baroudi, 50, Syrian-born naturalized U.S. citizen, pleaded guilty Jan. 15 in Alexandria , Va., U.S. District Court to charges of conspiring to export U.S.-origin tactical equipment, including sniper rifle scopes, night vision rifle scopes, night vision goggles, laser bore sighters, speed loaders and bulletproof vests, to Syria from at least December 2011 through March 2013. Baroudi was indicted by federal grand jury in April 2015. Sentencing is scheduled for May 6, 2016.

<u>CHINA</u>: EU and China moved closer to agreement on bilateral investment treaty during talks in Beijing Jan. 15, EU said. "Meeting this week in Beijing, the EU and China negotiators reached clear conclusions on an ambitious and comprehensive scope of the upcoming EU-China investment agreement and moved into a phase of specific text-based negotiations," EU announced. Talks will continue throughout 2016, it noted. "The EU and China agreed in particular that the future deal should improve market access opportunities for their investors by establishing a genuine right to

invest and by guaranteeing that they will not discriminate against their respective companies," EU stated. Agreement would address regulatory environment, transparency, licensing and authorization procedures, investor protection, and rules on environment and labor.

OFAC: WATG Holdings, Inc., of Irvine, Calif., and its UK subsidiary, Wimberly Allison Tong and Goo (UK), Limited, agreed Jan. 20 to pay OFAC $140,400 to settle charges of violating Cuban Assets Control Regulations from October 2009 through May 2010. Firms entered into contract to perform architectural and design work for hotel project in Cuba, for which it received three payments from Qatari company, OFAC said. WATG did not voluntarily disclose apparent violations.

POTASSIUM PERMANGANATE: In 6-0 "sunset" vote Jan. 20, ITC said revoking antidumping duty order on potassium permanganate from China would renew injury to U.S. industry.

SILICA FABRIC: Auburn Manufacturing, Inc. (AMI), in Mechanic Falls, Maine, filed countervailing and antidumping duty petitions Jan. 20 at ITA and ITC against certain amorphous silica fabric from China. "AMI believes that these imports are not compliant with either the Buy American Act (requiring over 50% U.S. content), or the Berry Amendment, which generally requires textiles purchased with funds allocated by the Department of Defense to be 100% of U.S. origin," company said in press release. AMI is principal supplier of amorphous silica fabric to U.S. Navy, it noted.