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Malaysia Becoming Major Boycotter of Israel

Malaysia, one of 11 countries seeking to become part of a Trans-Pacific Partnership (TPP) trade deal with the U.S., has become the second-largest source of demands for U.S. companies to stop trading with Israel. Only the United Arab Emirates (UAE) makes more boycott requests in trade documentation and contracts, according to the Bureau of Industry and Security (BIS).

> In negotiating past free trade agreements (FTA) with countries such as Oman, Bahrain and Morocco, the U.S. Trade Representative's (USTR) has sidestepped antiboycott issues dealing with Israel, which also has an FTA with the U.S. As part of those deals, the U.S. only insisted that U.S. companies not be boycotted because of their business with Israel.

Malaysia "is new to the chart" of Israeli boycott-requesting countries, Cathleen Ryan, director of the BIS Office of Antiboycott Enforcement (OAE) told the BIS Update conference Nov. 3. Information about Malaysia's boycott requests "came to us effectively through an enforcement action we had," she said. "A company identified that it had received requests from Malaysia. They voluntarily disclosed to us as good antiboycott citizens," she said. "Now they have undertaken a vigorous, robust reporting policy in their company. So now we know the level of boycott activity coming out of Malaysia, almost entirely 'no-Israel-goods' type of language," Ryan explained.

Ryan advised companies doing business in Malaysia to "start looking at your purchase orders, start looking at your email. Make sure that this isn't slipping in under the wire because it is quite a robust activity." Treasury, which publishes the list of countries that participate in the boycott of Israel, has not added Malaysia to its list. Even though the department won't add Malaysia, "it is still of interest to us," she said.

Released TPP Accord Will Increase Complexity of Trade

Few people, except some trade nerds, will read all 6,351 pages of the Trans-Pacific Partnership (TPP) agreement, annexes, tariff schedules and side letters that the Obama administration released Nov. 5. The release, along with President Obama's notification

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to Congress of his intent to sign the pact in 90 days, came one month to the day after U.S. Trade Representative (USTR) Michael Froman and U.S. negotiators completed talks on the deal in Atlanta. The detailed documents making up the total package of the accord make it clear that TPP isn't a single agreement but 12 separate deals reflecting trade concessions and exceptions that each of the 12 countries participating in the pact made.

> While the agreement includes 30 general chapters applying to all the countries, the specific application of those rules is shaped by individual tariff cuts that constitute 4,037 pages, plus 171 pages of rules of origin, 780 pages of non-conforming measures, 223 pages of financial service annexes and 169 pages of bilateral side letters.

Although the goal of TPP is to increase trade among the 12 countries, it comes with a tremendous administrative burden on exporters and importers who will have to navigate the new complex tariff schedules that have different tariff-cutting deadlines for thousands of individual tariff lines. Added to those varying phase-out periods are numerous rules of origin for many of the tariff lines. Automotive tariffs have their own set of rules of origin. The textiles and apparel section includes 14 pages of product-specific rules and 31 pages of short-supply rules.

The chapter on government procurement comes with 209 pages of individual country annexes identifying exceptions to the general rule that aims to open government markets to all TPP countries. Canada's 22-page annex includes provisions exempting some provinces from the rules for certain types of procurement. Australia, Malaysia and Vietnam also exclude many activities.

The TPP will provide a major tax cut for consumers of textiles, apparel and footwear. Most tariffs for these products will go to zero upon entry into force (EIF) of the accord. For some import-sensitive items the phase-out will take three to 20 years. For example, tariffs on several textiles, particularly some synthetic and cotton yarns and fabrics, will be reduced over 10-11 years. Slow reductions will also come for certain men's and women's garments, including bras. Nike won the battle with New Balance over cutting tariffs on sports footwear. Most products in that category will go to zero upon EIF.

While most dairy products will go to zero tariffs on EIF, the U.S. appears to have played tit-for-tat with Canada and New Zealand, which have maintained some of their import restrictions for several years. Some dairy products from those countries will have their tariffs and tariff-rate-quotas (TRQ) phased out slowly. The TRQ on some sugar products from New Zealand will phase out over 10 years. A U.S.-Vietnam side letter on catfish "recognizes the importance" of catfish to Vietnam, and the U.S. promises to conduct import inspections of the fish in a manner consistent with WTO rules.

Side agreements with Japan on auto trade were a key part of the negotiations and in separate side letters Tokyo promises to reform some of the practices that have restricted U.S. car sales in Japan. There are also special rules of origin for autos and trucks, requiring TPP content ranging from 30% to 65% depending on the product.

Among those steps Japan said it will introduce a method for permitting type designation of the exhaust emission control system and noise emission control systems; "positively consider the feasibility" of reducing the number of preliminary inspections of auto imports under its Preferential Handling Procedure, and "request local and regional governments" to accelerate handling of application for building permits for foreign dealerships. It also pledged to take other measures aimed at product safety and environmental certifications. On the U.S. side, tariffs on cars, parts and trucks from Japan will be phased out mostly over 10 to 17 years rather than EIF. The 25% tariff on trucks will be phased out over 17 years for Japanese imports. Separate provisions deal with dispute resolution and consultations, plus a safeguard provision that would allow the U.S. to reimpose tariffs if there were a surge in Japanese imports.

> The U.S., Canada and Mexico agreed to revise government procurement rules in the original North American Free Trade Agreement (NAFTA) as part of TPP. The U.S. also recognized the ongoing legal dispute over geographic indications for tequila and mezcal. The U.S. and Canada promised cooperation of intellectual property enforcement at their border.

TPP Accord Reignites Political Fight Over Trade

The political fight that marked enactment of fast-track trade promotion authority (TPA) in June will pick up where it left off with release of the final TPP text Nov. 5. Trade critics, who apparently were able to speed-read the 6,351 pages of chapters, tariff schedules and side letters, were out criticizing the deal before the digital ink was dry on the documents the USTR's office released.

> Trade supporters were more temperate and hedged their statements, saying they were pleased that the text was released, but acknowledging that the details need to be studied. Whether they will turn that caution into enthusiasm will play a key role in whether Congress approves the accord.

Senate Finance Committee Chairman Orrin Hatch (R-Utah), who expressed his unhappiness with the intellectual property provisions in the pact, raised those complaints again in a Nov. 6 speech to the U.S. Chamber of Commerce. "I am very concerned that, particularly with regard to intellectual property, the administration may not have gotten the best deal possible. Obviously, now that the text is public, I want to take the time to review it, talk with my colleagues, and consult with all of you and other stakeholders but, as it stands right now, I'm afraid that the current draft of the TPP agreement may fall short," he said, according to his prepared remarks.

In an op-ed published Nov. 4 in The Hill newspaper, Hatch identified other concerns he has with the agreement and whether it meets the goals set out in TPA. He said the administration will have to address those concerns, including whether TPP partners will live up to their commitments.

Finance Ranking Member Ron Wyden (D-Ore.) said he wants to examine the agreement before making a judgment. "I look forward to digging into the details of what was released today," he said in a statement.

Newly installed Ways and Means Committee Chairman Kevin Brady (R-Texas), who succeeded Rep. Paul Ryan (R-Wis.) as head of the panel, also said he wants to examine the text. "I look forward to carefully reviewing the text of this important agreement to see whether it meets the Trade Promotion Authority negotiating objectives set out by Congress earlier this year," he said in a statement. "Thanks to TPA, the American people now have the opportunity to review TPP months before the president can sign it and Congress can consider it," he added.

> House Democrats said they will hold their own public hearings to get reaction to the accord. "Ways and Means Democrats look forward to engaging fully and meaningfully with stakeholders, the public, our colleagues, and the administration during this period. As part of that engagement, we are organizing a series of in-depth public hearings to assess the merits of the proposed agreement, zeroing in on those issues that are of particular importance or concern to us and our fellow Democratic colleagues," said a statement from Ways and Means Ranking Member Sander Levin (D-Mich.)

Unions, consumer groups and environmentalists were quick and unanimous in their criticism of the agreement. "From what we have reviewed so far, we are deeply disappointed that our policy recommendations and those of our trade reform allies in the environmental, consumer, public health, global development, and business sectors were largely ignored," AFL-CIO President Richard Trumka said in a statement.

"The investment rules still provide expansive new legal rights and powers to foreign businesses to challenge legitimate government actions, the labor enforcement provisions are still inadequate to address the enormous challenges posed by this deal, and the lack of enforceable currency rules subject to trade sanctions mean the promised new export markets may never materialize," Trumka said.

The Sierra Club issued its initial analysis of the accord. "We now have concrete evidence that the Trans-Pacific Partnership threatens our families, our communities, and our environment. It's no surprise that the deal is rife with polluter giveaways that would undermine decades of environmental progress, threaten our climate, and fail to adequately protect wildlife because big polluters helped write the deal," said its Executive Director Michael Brune in a statement.

TPP Countries Promise to Avoid "Unfair Currency Practices"

Lawmakers, unions and industry groups that wanted strong anti-currency manipulation provisions in the TPP came away with only a second or third prize in the form of a "Joint Declaration of the Macroeconomic Policy" issued by finance ministers of the 12 participating countries. The declaration, which is outside all the rules of the TPP, even avoids use of the term "currency manipulation."

> "Acknowledging the importance of macroeconomic stability to the success of the TPP, we decided to strengthen our cooperation on macroeconomic and exchange rate policies. In promoting macroeconomic cooperation, we recognize the diversity of economies in the TPP region and the differences in their levels of development," the declaration states.

The declaration still leaves room for countries to use exchange rate policies for broader economic purposes. "We also recognize the importance of orienting our fiscal and monetary policies toward meeting domestic objectives, with due regard for the effects of our policies on other TPP countries. We further recognize that allowing real exchange rates to adjust in line with economic fundamentals facilitates smooth macroeconomic adjustment, helps to avoid prolonged external imbalances, and promotes strong, sustainable, and balanced global growth," it says. "Each Authority confirms that its country is bound under the Articles of Agreement of the International Monetary Fund (IMF) to avoid manipulating exchange rates or the international monetary system in order to prevent effective balance of payments adjustment or to gain an unfair competitive advantage," it adds.

> "Each Authority is to take policy actions to foster an exchange rate system that reflects underlying economic fundamentals, and avoid persistent exchange rate misalignments. Each Authority will refrain from competitive devaluation and will not target its country's exchange rate for competitive purposes," it declares.

"To this end, our objective is to promote, through transparency and dialogue, market-determined and transparent exchange rate regimes that allow real exchange rates to adjust to reflect underlying economic fundamentals. We further recognize that excessive volatility in capital flows can create policy challenges that may require a policy response," it states. The declaration also gives Brunei, Malaysia, Singapore and Vietnam leeway to delay implementation of the accord and to apply their existing currency laws.

BIS Guidelines Will Reward Voluntary Self-Disclosures

BIS enforcement officials are trying to calm the fears of exporters who are afraid they will face tougher administrative penalties because their products have moved from State to Commerce jurisdiction. To ease those concerns, BIS is developing administrative enforcement guidelines that clearly will distinguish between egregious and non-egregious cases and reward those who make a voluntary self-disclosure (VSD).

> Like guidelines that Treasury's Office of Foreign Assets Control (OFAC) has issued, the BIS Office of Export Enforcement (OEE) "expects that VSDs submitted under the 600 Series for non-egregious violations will also generally result in warning letters," BIS Assistant Secretary for Export Enforcement David Mills told the BIS Update conference Nov. 3.

"I say that -- and it will be referenced in the enforcement guidelines -- to try and give some degree of comfort to those of you whose items have transferred to our jurisdiction that there will be likely not be much difference at all in how those voluntary disclosures will be treated now that we are reviewing them versus the Department of State," he added. Specifically, the guidelines will organize enforcement factors into four buckets:

(1) aggravating factors (e.g., willfulness or recklessness); (2) mitigating factors (e.g., remedial measures taken); (3) general factors that could be considered either aggravating or mitigating depending upon the circumstances (e.g., the absence or presence and adequacy of an internal compliance program); and (4) other relevant factors on a case-by-case basis (e.g., related violations or other enforcement action).

The guidelines generally will provide for significantly higher civil penalties for egregious cases than BIS has historically imposed, he added. "We anticipate that the majority of violations identified in OEE investigations will fall in the non-egregious category," Mills noted. The guidelines also will refer to "transaction value," which could determine the level of a fine, and will provide "sufficient flexibility to allow for the determination of an appropriate transaction value in a wide variety of circumstances," he said.

"The base penalty amount for a non-egregious case involving a VSD will equal one-half of the transaction value, capped at $125,000, per violation," he told Update. "This ensures that the base penalty for a VSD case will always be one-half or less than one-half of that for a similar case that is not voluntarily self-disclosed," he noted. "In the interests of providing greater transparency and predictability to OEE administrative enforcement actions, OEE will also allot penalty reductions of between 25-40% [of the base penalty] for exceptional cooperation, and up to 25% for first offenses and for transactions that were otherwise licensable," Mills said.

OFAC Cites Bank for Not Updating False Hit List for Iran

Just two weeks after Treasury's Office of Foreign Assets Control (OFAC) issued guidance about false hit lists, another bank got caught for the same lack of oversight (see **WTTL**, Oct. 26, page 4). Banco do Brasil, S.A.'s, New York Branch (BBNY) agreed Nov. 4 to pay $139,500 to settle seven OFAC charges of violating Iran sanctions due in part to flaws in its false hit list.

> In June 2010, BBNY manually added Isfahan Internacional Importadora Ltda, a customer of Banco do Brasil, S.A., Brazil (BB-Brazil), to its "Good Guy Exception List" after its OFAC interdiction software generated alerts on a recurring basis due to the word "Isfahan"—a location in Iran—in the company's name, the agency noted. BBNY processed three funds transfers totaling $70,244.61 for Isfahan's account at BB-Brazil and "destined for a third-country beneficiary's account at multiple third-country financial institutions," OFAC said.

"Although Isfahan's line-of-business included the importation of carpets from various countries to Brazil, BBNY relied on verbal representations made to BB-Brazil by Isfahan that Isfahan did not export products to or import products from Iran when it decided to place Isfahan on its 'Good Guy Exception List,'" OFAC said. When BBNY found these funds, in part, constituted payments for Iranian-origin goods, it didn't stop the transfers because its payment system cleared Isfahan due to its inclusion on the list.

"The settlement amount reflects OFAC's assessment that the bank may have been unaware of the risks associated with a false hit list that was not reviewed and updated regularly," the agency said. In addition, "this enforcement action highlights the risks associated with failing to review multiple OFAC warnings signs with respect to a particular customer – including transactions blocked or rejected by other financial institutions specifically due to OFAC sanctions – as well as the risks posed by relying on incomplete or inaccurate information when assessing a potential OFAC alert or match."

Deutsche Bank Fined $258 Million for Sanctioned Transactions

Global financial firm Deutsche Bank agreed Nov. 4 to pay a $258 million penalty for handling transactions with blocked entities in Iran, Libya, Syria, Burma and Sudan. The settlements with the N.Y. Department of Financial Services (NYDFS) and the Federal

Reserve cover violations of N.Y. and U.S. banking laws in connection with transactions on behalf of countries and entities subject to U.S. trade sanctions. From 1999 to 2006, the bank used "non-transparent methods and practices" to conduct more than 27,200 U.S. dollar clearing transactions valued at over $10.86 billion on behalf of Iranian, Libyan, Syrian, Burmese and Sudanese financial institutions and other entities subject to U.S. economic sanctions, including entities on the Specially Designated Nationals (SDN) List of the Treasury's Office of Foreign Assets Control (OFAC), the NYDFS order said.

> The methods included wirestripping, which involved removing from Society of World-wide Interbank Financial Telecommunications (SWIFT) payment messages information that identified an underlying party to the transaction.

The bank also used "non-transparent cover payments, which enabled the bank to send payment messages to the U.S. that did not include information identifying an underlying party to the transactions as a possibly sanctioned entity; and including notes or code words, or instructing customers to include notes or code words, in payment messages to ensure bank staff employed special processing to hide any sanctions relationship before sending the payments to the U.S.," the order said.

Under the settlement, the bank will install an independent monitor, fire six employees involved in the scheme and ban three other employees from duties involving its U.S. operations. Of the total penalty, it will pay $200 million to NYDFS and $58 million to the Federal Reserve. The Federal Reserve order said Deutsche Bank's "unsafe or unsound practices" warrant the assessment of a civil money penalty under section 8(i)(2)(B) of the Federal Deposit Insurance Act.

BIS Joins USXports in Move Toward Single IT System

After a five-year delay in the effort to create a single information technology (IT) system as part of export control reforms, BIS linked into the Defense Department's USXports platform Oct. 5. The goal of creating a unified IT system for all export licensing processes was one of the "four singles" that then-Secretary of Defense Robert Gates identified in April 2010 when he spelled out the plans for the export reform initiative. State and Energy licenses have been on USXports for several years.

> "As directed by President Obama, all four agencies now are reviewing and providing their positions on Commerce license applications on a single IT platform. The next step will be to seek input from industry as we develop requirements for a single portal with a single license application form," BIS Under Secretary Eric Hirschhorn said at the BIS Update conference Nov. 2.

USXports is a classified system that is only accessible to government officials and is not open to the public. Although license applicants won't have access to the system, export officials expect the single system to help speed up licenses because BIS license information will not have to be transmitted manually and will get to State and Defense quicker than before. It will also limit delays caused by requests from those departments for support documentation that BIS already has.

"They will get everything in the license package," Hirschhorn told WTTL. "It's not visible to the applicant," he said. "They get it at the same time that we would have sent it individually. We just upload onto USXports, which is a classified system, and they can see it," Hirschhorn said. In the past, BIS would refer its cases to Energy, State and Defense separately and information in BIS files "wasn't always visible to everybody," explained BIS Deputy Under Secretary Dan Hill. "So now all interagency processing on cases is in one place," he told WTTL.

> "They are now all in one system at DoD. We send all our cases, we have all our history loaded onto USXports," he explained. So far, the system is "working wonderfully," Hill said. "It went through end-to-end testing" before going active, he noted.

Antiboycott Reporting Going Electronic

BIS is ready to "flip the switch" to introduce an electronic system for online reporting of antiboycott requests at the beginning of 2016, Cathleen Ryan, director of the Office of Antiboycott Enforcement (OAE) told the BIS Update conference Nov. 3. The system will replace the paper reporting system used for many years.

> The online system will include the same questions and require the same information submitted in paper form, she explained. In addition, it provides a place for filers to identify information that they consider proprietary that should not be released under the Freedom of Information Act (FOIA).

The system allows a filer to submit an exact PDF copy of the boycott-related request it received plus a second redacted, releasable version that omits business confidential information. Once all the fields are filled and the report is submitted, on the screen will appear a form exactly like the one that has been submitted manually. This facsimile can be saved electronically as required by the antiboycott regulations or printed out and saved. BIS will send a notice by email to the submitter to confirm receipt of the report.

Under the new system, each reportable incident has to be submitted individually. But once online filing one report, the system will automatically populate the company information fields in the next reports, so several reports can be handled quickly.

Complaints Grow Over DTSA Demands for 600-Series Licenses

The old interagency fights over export licensing decisions appear to be reemerging after five years of collegial work on export control reforms. There are growing complaints from exporters that the staff of the Defense Technology Security Administration (DTSA) are demanding more information from applicants for 600-series items than were asked when the items were on the U.S. Munitions List (USML), delaying decisions, imposing more conditions on licenses and returning more cases without action (RWA).

Some of those complaints surfaced during the BIS Update conference in Washington Nov. 2-3. At one session, BIS Assistant Secretary Kevin Wolf cited questions he received "in the hallway" from attendees about DTSA's tougher treatment of 600-series licenses and the level of detail DTSA is demanding in licenses for these products. "My answer is you've got to complain. It's not right," Wolf said. He noted that BIS is working internally in the government to resolve these issues. "All things being equal, there shouldn't be more conditions coming through in 600-series licenses; it shouldn't take longer on the Commerce side; and the level of information should basically be the same," Wolf said. "There are both benign and less benign explanations," he said.

> "The benign explanation is just that there are new people at Defense and new people at Commerce who are reviewing these items and are seeing items they didn't see when they were ITAR controlled," he suggested. "The best way for us, as government, to deal with it – because it is a function of particular individuals who are new to reviewing these – is for you to give us actual examples," he added.

Ex-Im Renewal Back on Track

Renewal of the Export-Import (Ex-Im) Bank charter now appears certain after the House Nov. 5 passed by a vote of 363-64 a transportation bill (H.R. 22) that includes a provision identical to a standalone Ex-Im bill (H.R. 597) that the House passed in October (see **WTTL**, Nov. 2, page 1). Bank supporters in the House beat back an attempt Nov. 4, to reverse the Ex-Im renewal legislation. By broad bipartisan votes they defeated nine proposed amendments to the highway transportation bill that would have undercut provisions in the renewal measure.

> "With legislation to reauthorize the Export-Import Bank included in the highway bill, House and Senate conferees can now move forward on completing a final version that will protect export-driven jobs," said House Minority Whip Steny Hoyer (D-Md.) in a statement.

"We need not wait for conferees to meet; I urge Senator McConnell to bring to the Senate floor the standalone Export-Import Bank reauthorization that the House passed last week by a vote of 313-118 so it can reach the President's desk without delay," he added. The House adopted one amendment proposed by Rep. Ed Royce (R-Calif.) that would require the bank to make public supporting information, including cost-benefit analysis, for its proposed rules.

Nilsson Starts Long To-Do List of DDTC Reforms

In his first major speech as head of the Directorate of Defense Trade Controls (DDTC), Brian Nilsson told the BIS Update conference Nov. 3 that he has a to-do list, including getting rid of paper clutter, hiring a general counsel and reorganizing his policy team. Nilsson, who became deputy assistant secretary of State for defense trade Oct. 13, said DDTC is doing "a comprehensive review internally of how we do business, and what is it we need to be doing and how can we do it better." Among the changes is moving away from the current paper-based system (see **WTTL**, Oct. 19, page 9).

A new chief information officer "is now doing a comprehensive scrub of all the other systems within DDTC that need to be overhauled, so we can start transitioning to a truly electronic process, which is going to give us a lot more flexibility and timeliness," he noted. "The reason it takes compliance a long time to get to voluntary disclosures is because of the huge pile of paper on their desks," Nilsson said. Another change is looking at creating a general counsel's office inside DDTC, like other agencies have. "Given the technical aspects of what we do, we think it would be helpful to have subject matter attorneys who actually work in DDTC, who belong to the State legal bureau," he said. This "would be a significant process improvement…[and] would be more in line with how BIS and OFAC [Treasury's Office of Foreign Assets Control] do their business with consistency," Nilsson said. DDTC is also working on a "strategic outreach plan," he said.

With the reduction in licenses under export control reform, DDTC reorganized its licensing team this spring from five subject-area licensing divisions to four. Now Nilsson is turning toward the policy division with a new attention on individual countries that are the subject of trade restrictions. For example, to tackle the increased focus on Russia, the agency has "created a team within DDTC that didn't exist before for folks both from a policy perspective and licensing perspective for a Russia team," he said.

* * * Briefs * * *

TRADE FIGURES: Merchandise exports in September fell 6.6% from year ago to $127.3 billion, Commerce reported Nov. 4. Services exports gained 3.2% to $60.6 billion from September 2014. Imports dipped 5.4% from September 2014 to $187.6 billion, as services imports gained 3.3% to $41.1 billion.

STA: Since July 2011, $1.2 billion in exports have been shipped under License Exception STA, involving more than 19,000 individual shipments and 622 companies, BIS Under Secretary Eric Hirschhorn told BIS Update Nov. 2. "Yes, I know of the complaints about STA," Assistant Secretary Kevin Wolf later told conference. "I'm still mystified about the concerns over signing an ultimate consignee certification when the same information would need to be provided as part of a license application process anyway," Wolf said.

AGOA: USTR Nov. 5 suspended AGOA benefits to South Africa after country failed to open its market with new avian influenza trade protocol for U.S. poultry, as well as USDA export certificate for poultry to enable poultry shipments to occur by end of 2015, office said. "U.S. and South African officials continue to engage to address and resolve barriers to U.S. poultry, pork, and beef," USTR added. Out-of-cycle review of South Africa's eligibility was required by the Trade Preferences Extension Act of 2015 (see **WTTL**, Aug. 31, page 7).

MORE AGOA: White House Oct. 30 notified Congress of intent to terminate AGOA benefits for Burundi as of Jan. 1, 2016.

LINE PIPE: In 6-0 final vote Nov. 6, ITC found U.S. industry is materially injured by imports of dumped welded line pipe from Korea and Turkey and subsidized product from Turkey.

AES: BIS intends to amend AES to decrement value of shipments against approved licenses, according to Gerry Horner, director of BIS Office of Technology Evaluation. Agency aims to implement the new option by summer of 2016, he told the BIS Update Conference Nov. 3. Decrementation of entries will track the value of shipments against the value in the approved export license. Under EAR Section 750.11, shipments can exceed approved levels by 10%.

VEU: BIS is considering new version of Validated End User (VEU) program for foreign projects that receive multiple 600-series items from several suppliers. "We're working on ways to expand the VEU authorization to effectively operate as a general program authorization in situations where there are multiple exporters of things to one or a small number of programs," BIS Assistant Secretary Kevin Wolf told BIS Update conference Nov. 2.