ISSN 0276-8275

WTTLonline.com

A Weekly Report for Business Executives on U.S. Trade Policies, Negotiations, Legislation, Trade Laws and Export Controls

Washington Tariff & Trade Letter®

Editor & Publisher: Samuel M. Gilston • P.O. Box 5325, Rockville, MD 20848-5325 • Phone: 301.570.4544 Fax: 301.570.4545

Vol. 33, No. 25 June 24, 2013

Japanese Bank Pays N.Y. $250 Million for Sanctions Violations

In the ongoing game of one-upmanship between federal regulators and N.Y. state financial officials, Bank of Tokyo Mitsubishi-UFJ, Ltd (BTMU) agreed June 20 to pay $250 million to the N.Y. State Department of Financial Services (DFS) for violating N.Y. Banking Law by handling transactions with countries and entities subject to sanctions on Iran, Sudan and Myanmar. Treasury's Office of Foreign Assets Control's (OFAC) had previously imposed a $8.6 million fine on the bank to resolve charges that it violated trade sanctions on Burma, Iran, Sudan, and Cuba (see **WTTL**, Dec. 17, 2012, page 6).

> BTMU moved billions of dollars through New York for government and privately owned entities that are in the three countries and on OFAC's Specially Designated Nationals (SDN) list, DFS claimed. The bank admitted the conduct at issue involved approximately 28,000 transactions through New York totaling an estimated $100 billion.

"BTMU's employees in Tokyo routed U.S. dollar payments through New York after first removing information from wire transfer messages that could be used to identify the involvement of sanctioned parties," the consent order said. "BTMU established written operational instructions for its employees in Tokyo, which, translated from Japanese into English read, '…in case of a P/O addressed to the U.S., attention should be paid in order to avoid freezing of funds," it added.

"In 2007, BTMU self-identified the issues cited today by DFS, voluntarily and promptly ceased the practices, reported them to all of its regulators, and has been cooperating fully with its regulators on these matters. Since 2007, BTMU has significantly improved its compliance policies and procedures. BTMU is committed to conducting business with the highest levels of integrity and regulatory compliance, and to continually improving its policies and procedures," BTMU said in a statement.

Froman Installed at USTR after Winning Senate Confirmation

Michael Froman was sworn in June 21 as the new U.S. Trade Representative (USTR) just in time for the start of U.S.-European Union (EU) trade talks July 8 (see related story page 3). Froman, who was sworn in by Supreme Court Justice Elena Kagan, won

WTTL is published weekly 50 times a year except last week in August and December. Subscriptions are $697 a year. Additional subscriptions with full-priced subscriptions are $100 each. Site and corporate licenses also available.

Senate confirmation June 19 on a 93-4 vote, despite last-minute protests from Sen. Elizabeth Warren (D-Mass.). Warren used the vote as a platform to complain about the lack of transparency in ongoing trade talks. As the only senator to speak publicly on the floor against Froman, Warren insisted the USTR and the Obama administration release the negotiating texts and other information about U.S. trade negotiations.

> On the final vote, Warren was joined by Sens. Carl Levin (D-Mich.), Joe Manchin (D-W.Va.), and Bernie Sanders (I-Vt.), who voted against Froman. Sen. Barbara Boxer (D-Calif.) voted present. Two members were absent. A Manchin spokesman didn't return a call for an explanation of his vote. A Levin aide said the senator was unavailable (see **WTTL**, June 17, page 4).

"I have no doubt that Mr. Froman will be a highly qualified trade representative. There is a point of principle at stake here, and that point of principle is that we should not be moving forward on trade agreements without making more of this information public… Without that, I urge a 'no' vote," Warren said before the vote. Warren said she had written to Froman to ask if he would commit to making public the bracketed text for the Trans-Pacific Partnership. "I asked him to provide more information about what trade advisers were receiving what information. Each request that I made about a commitment to public revealing information, he answered with a no," she said. To that, Finance Committee Chairman Sen. Max Baucus (D-Mont.) said, "we will work with Mr. Froman to make sure he answers all of our questions."

In his floor speech before the vote, Finance Ranking Member Orrin Hatch (R-Utah) praised Froman but also staked a claim for the need to enact Trade Promotion Authority (TPA). "There has been no real effort by President Obama" to move on TPA, Hatch complained. Froman "is for the trade promotion authority, which any president would want because it makes it easier to approve these free-trade agreements and other agreements that really are in the best interests our country," Hatch said.

Extensive CCL Changes Implement Wassenaar List Revisions

The extensive changes to the Commerce Control List (CCL) published in the June 20 Federal Register to implement revisions made last December to the Wassenaar Arrangement (WA) list include new licensing conditions for machine tools, electronic products, cryptographic technology, mobile telecommunications equipment and the development of fly-by-wire aviation technology. Many of the changes reflect the desire of regime members to make export controls more understandable and also to conform to advances in product technology and sophistication.

> Changes under Export Control Classification Number (ECCN) 2B001 for five-axis machine tools includes new position accuracy and travel length parameters and new wording to clarify controls on "parallel mechanism machine tools." A Technical Note under this heading explains that "a parallel mechanism machine tool is a machine tool having multiple rods, which are linked with a platform and actuators; each of the actuators operates the respective rod simultaneously and independently."

A change to ECCN 3A001.b.2 covering Microwave Monolithic Integrated Circuits (MMIC) changes the point at which this equipment is controlled for military purposes to

37 GHz from 37.5 GHz. "In fact, the proper breakpoint is 37 GHz, as per the ETSI EN 300 197 standard," BIS explained. Controls on ECCN 3B001.a.2 for Metal Organic Chemical Vapor Deposition (MOCVD) reactors were amended "by simplifying the control text to clarify that MOCVD systems used to produce nitride based devices are within the scope of control," the agency said.

> Another category with extensive changes was ECCN 5A001.f, which covers mobile telecommunications jamming equipment, a subject that has gotten attention because of the use of these systems to suppress dissent and anti-government activities in countries such as Syria. This ECCN was amended by adding "interception or" to expand the scope of controls "to all mobile telecommunications jamming and interception equipment that is of national security concern, as well as equipment that monitors the network to detect jamming and interception that is of national security concern," BIS said.

Numerous changes were made to the Information Security Cryptographic Note in Category 5 Part 2 "to help industry better understand how the existing 'mass market' provisions and requirements of the Cryptography Note (i.e., new paragraph a.) are applied," BIS said. One note change said ECCNs 5A002 and 5D002 do not control certain hardware components items described in paragraph a. of the Note. "While certain components of 'mass market' products described in paragraph a. to Note 3 are themselves sold or distributed through 'mass market' channels and are therefore decontrolled under paragraph a., other comparable components for 'mass market' items are not separately sold to the public via retail channels," it noted. The changes apply different rules to factory-installed hardware components and aftermarket replacement parts.

BIS also noted that in response to a June 2012 notice asking for comment on the feasibility of enumerating items on the CCL instead of using the term "specially designed," it had received recommendations to enumerate items in Category 5 Part 2. "Currently, the U.S. Government is working on a regime proposal to the Wassenaar Arrangement that would replace the term 'specially designed' in 5A002.a with 'providing the means or functions necessary'," it reported. "This work is being undertaken by the U.S. Government to better reflect the intent of this control on 'components' under 5A002.a and to better reflect how the U.S. Government currently interprets the scope of this control on 'components' under 5A002.a," it added.

BIS acknowledged a disagreement with Wassenaar over controls on source code for developing technology under ECCN 7D004. While the Federal Register notice removes redundancy from flight control technology, BIS said the U.S. is going back to Wassenaar to discuss controls the regime removed. "It was discovered that pertinent 'source code' 'software' and 'technology' was removed from control by the WA agreement, which the U.S. will address with WA in future meetings to establish appropriate multilateral national security level controls. In the meantime, 'source code' for the 'development' of fly-by-wire control systems is added to 0D521 No. 2," BIS said.

EU Will Seek to Protect Domestic Rules in TTIP Talks

Audio-visual won't be the only sector the European Union (EU) will seek to protect in negotiations on a Transatlantic Trade and Investment Partnership (TTIP) that will start July 8 in Washington. In explaining the mandate the European Foreign Affairs Council

gave to EU negotiators June 14, EU officials promised to protect many of the domestic policies that have been irritants in U.S.-EU relations for years, including policies on hormones in beef, data privacy, intellectual property rights (IPR) and geographical indications (GI) (see **WTTL**, June 17, page 1).

> As expected, President Obama and EU heads of state announced the launch of TTIP talks on the sidelines of the G-8 summit June 17. "This Transatlantic Trade and Investment Partnership is going to be a priority of mine and my administration," Obama declared at a joint press conference with EU officials. "This is a once-in-a-generation prize and we are determined to seize it," said United Kingdom Prime Minister David Cameron.

The status of the cultural exception for audio-visual services in the mandate was ambiguous enough to overcome French demands and U.S. objections. While audio-visual services is not in the mandate, it is not a "carve out" either, EU Trade Commissioner Karel De Gucht insisted. "This is not a carve out," De Gucht told a late night press conference after the council meeting.

De Gucht cited wording in the mandate that keeps open the door for discussions with the U.S. on the issue. A portion of the mandate released publicly states: "The Commission will, in a spirit of transparency, regularly report to the Trade Policy Committee on the course of negotiations. The Commission, according to the Treaties, may make recommendations to the Council on possible additional negotiating directives on any issue, with the same procedures for adoption, including voting rules, as for this mandate."

"That, in fact, says we can come back to the matter on the basis of what is happening during the negotiations, what is discussed during the negotiations," De Gucht said. "Europe is not going to come forward with an initial offer on audio-visual services. I'm going to listen to what our American friends have to tell us on this; what is their vision on this. If we judge it appropriate, we will come forward with an additional demand for a mandate to the council," he said.

De Gucht suggested the key issue in audio-visual services involves digital trade, which is not covered by any European legislation. He noted that the European Commission (EC) recently issued a "green paper" seeking public comment on digital audio-visual services. Digital delivery "is blurring the European landscape of audio-visual," he said. "There is policy space for digital in Europe," he added.

While the audio-visual issue has drawn much attention, EC statements, including a Frequently Asked Question (FAQ) release, on the mandate, indicate other areas where the EU will take a strong stand against U.S. demands. "Will European supermarkets be filled with meat from American animals fed with hormones?" one FAQ asks. "No, they will not. The negotiations will not be about compromising the health of our consumers for commercial gain. Tough EU laws, like those relating to hormones, or those which are there to protect human life and health, animal health and welfare, or environment and consumer interests will not be part of the negotiations," the EC answered.

Another FAQ asked if Europeans will have to worry about lower standards for consumer, environment or health protection. "No. We will not negotiate existing levels of protection for the sake of an agreement. Our high level of protection here in Europe is non-negotiable. But let us not forget that the US also takes protection of its citizens very

seriously," the commission answered. On IPR, the commission said both the EU and U.S. are committed to maintaining and promoting a high level of protection. "Given the efficiency of their respective systems, the intention is not to strive towards harmonization, but to identify a number of specific issues where divergences will be addressed," the commission explained.

> "For the EU side, Geographical Indications (GIs) are of particular importance in that context. During the negotiations, we therefore intend to present specific ideas for ensuring adequate protection of GIs," it stated. The EC also promised that a TTIP won't be a "backdoor" way to adopt the Anti-Counterfeiting Trade Agreement (ACTA) that the European Parliament rejected. "There will be no 'ACTA through the backdoor'," it declared.

On the offensive side, the EC said the mandate will seek to open government procurement in the U.S. "Substantial new business opportunities should be created by opening up access to government procurement markets at all levels of government without discrimination for European companies. This also means that the EU would aim to increase transparency in tendering procedures and getting rid of local content requirements."

On agriculture, "Europe has a clear interest in being able to sell more of the top quality foods it produces to the U.S. At the moment, some European food products, such as apples and various cheeses, are banned from the U.S. market; others are subject to high U.S. tariffs – meat 30%, drinks 22-23%, and dairy products up to 139%. Removing these and other barriers will help boost EU exports to the U.S.," it said.

In talks on services, the EU "wants to make sure that European professional qualifications can be recognized on the other side of Atlantic and that EU companies and their subsidiaries will be able to operate in the U.S. under the same conditions as American domestic companies. Both services and investment chapters of the agreement should address the sub-federal level of government," the commission explained.

Industry Groups, Congress Protest India's Protectionist Policies

Frustrated by a series of protectionist actions by the Indian government in the last year, members of Congress and U.S. industry groups want Secretary of State John Kerry to raise these concerns during his visit to India the week of June 24 for the fourth U.S.-India Strategic Dialogue (SD). A letter from 40 bipartisan senators, including former USTR Sen. Rob Portman (R-Ohio) and Foreign Relations Committee Chairman Bob Menendez (D-NJ), June 20 urged Kerry to "press for swift action" in his meetings with Indian officials.

"We are very concerned that India's recent actions to force the local production of certain information technology and clean energy equipment and to deny, break or revoke patents for nearly a dozen lifesaving medications risk undermining our broader partnership. This is particularly troubling against the backdrop of a generally deteriorating environment for intellectual property protection in India," it said (see **WTTL**, May 20, page 6). Senate Finance Committee Chairman Max Baucus (D-Mont.) and Ranking Member Orrin Hatch (R-Utah) had previously joined the chorus June 13 in a letter to Kerry. House Ways and Means Ranking Member Sander Levin (D-Mich.) and Committee Chairman Dave Camp (R-Mich.) added their voices in a June 20 letter to President

Obama, urging the administration "to focus its efforts at this year's SD on deepening and expanding the long-term trade and investment relationship by addressing urgent systemic bilateral market access issues."

> The House letter also noted India's role in broader trade talks. "India has played an increasingly unproductive role in multilateral negotiations, particularly at the WTO. India has resisted efforts to develop a positive negotiating agenda in Geneva – even when the issues being negotiated, such as trade facilitation, expansion of the Information Technology Agreement, and the International Services Agreement, would be to its benefit," it said.

Also in advance of Kerry's trip, the National Association of Manufacturers (NAM) and 13 other groups launched the Alliance for Fair Trade with India (AFTI) June 18. In a call with reporters, NAM's VP of International Economic Affairs Linda Dempsey cited a "damaging pattern of actions," affecting U.S. sectors from information technology and clean energy equipment to medicines and medical devices. "India is forcing local production of these and other goods by raising tariffs, imposing local content requirements, denying or revoking patents and by other means," she said.

"Right now, our focus is to see if the diplomatic lever of Secretary Kerry going to India next week can unlock this problem, because we think it is one that high-level discussions could really help solve," she added. "If as a result of that trip, we do not see that type of movement out of the Indian government, we will be looking at every trade and diplomatic measure out there," Dempsey said. Although the group doesn't have specific measures in mind, "Everything is being looked at," she added.

In a letter to President Obama June 6, 14 groups, including NAM and the U.S. Chamber of Commerce, cited other examples of India's protectionist measures. India "recently demanded that as much as 100 percent of its market for certain information technology and clean energy equipment must be satisfied by firms based domestically," they wrote.

Court Says Ex-Im Must Consider Impact of Loans on Services

The Export-Import Bank (Ex-Im) must consider the impact of its export financing on U.S. service providers as well as manufacturers when it applies its Economic Impact Procedures, the D.C. U.S. Court of Appeals ruled June 18 in a decision that opens the door for service industries to challenge Ex-Im financing decisions. The ruling gives Ex-Im as well as Delta Air Lines and the Air Line Pilots Assn. partial victories in Delta's suit to block the bank from financing the export of Boeing commercial airplanes to Air India, which intends to use the planes to compete with Delta on U.S.-India air routes. Although Ex-Im must better explain why it doesn't consider services in its economic analysis, it can still go ahead with the financing of Boeing's sales, the court said.

"The real disagreement between the parties, then, is whether the Bank's categorical assessment of the impact of loans and loan guarantees to foreign service providers is a reasonable application of the Bank Act and has been reasonably explained for purposes of the Administrative Procedure Act," the appellate ruling noted. "We agree with Delta that the Bank, at a minimum, has not reasonably explained its justification for the categorical conclusion at issue here," it said. "In particular, the Bank has not reasonably explained its apparent conclusion that loans and loan guarantees to help a foreign

company provide a service (as opposed to a good) can *never* cause adverse effects to U.S. industries and U.S. jobs," court ruled (its emphasis). "We need not prolong the matter. Applying this Court's precedents regarding remand without vacatur, we direct the District Court to remand the case to the Bank without vacating any of the Bank's actions in this matter to date," it directed. A separate Delta suit against Ex-Im in the D.C. U.S. District Court has been stayed pending the outcome of this appeal.

> "On remand to the Bank, the Bank should (i) attempt to provide a reasonable explanation for how the Economic Impact Procedures, which screen out loans and loan guarantees to service providers, square with the statute's requirements, or (ii) adequately consider and explain any adverse effects that these particular Air India loan guarantees have on U.S. industries and U.S. jobs, or (iii) take whatever other action the Bank deems appropriate to comply with the Bank Act and the APA. The Bank's actions on remand of course will be subject to later judicial review if an aggrieved party wishes to challenge the Bank's actions as unlawful," the circuit court ruled.

"I am gratified by the court's recognition that these transactions should not be impeded by litigation. The Bank maintains significant flexibility in complying with its statutory mandates and its effort to support American jobs." said Fred Hochberg, Ex-Im chairman and president, in a statement after the ruling (see **WTTL**, June 3, page 5).

Delta also claimed victory in the decision. "The federal appeals court held that, before issuing its loan guarantees to Air India, the Bank was required by its governing statute to consider the effects that the loan guarantees would have on U.S. industries and U.S. jobs," the airline said in a statement. "According to the court, the Bank failed to explain its exclusion of aircraft transactions from economic impact review. The court also rejected the Bank's attempt to suggest that it was immune from judicial review. The Bank now will be required to take the complaints of industry participants seriously before proceeding with potentially harmful subsidies to foreign airlines," it said.

Commerce Ordered to Apply "Targeted Dumping" Rule

Commerce violated the Administrative Procedure Act (APA) when it withdrew rules on the application of "targeted dumping" rules without proper notice and comment, Court of International Trade (CIT) Senior Judge R. Kenton Musgrave ruled June 17. "Because Commerce failed to provide notice and comment before withdrawing the Limiting Rule, and the agency failed to provide adequate cause to qualify under the exceptions to the notice and comment requirements, the court finds that the repeal of the regulation was invalid, and the Limiting Rule is still in force," Musgrave wrote (slip op. 13-74).

He remanded to Commerce its antidumping ruling on imports of coated paper suitable for high-quality print graphics from China. Three Chinese paper producers, collectively called APP-China, challenged the Commerce ruling. "Commerce's decision to apply the targeted dumping remedy to all of APP-China's sales failed to comply with applicable law," Musgrave ruled. The regulation, which Commerce with-drew in 2008, said where the department found targeted dumping it would "normally" "limit the application of the average-to-transaction method to those sales that constitute targeted dumping." The Chinese firms argued that Commerce didn't comply with the APA in withdrawing the Limiting Rule. The department claimed the withdrawal sufficiently complied with the

APA. "In this case, Commerce withdrew the Limiting Rule with immediate effect, in order to 'implement' a statute that had been in place for 14 years," Musgrave noted. "The court finds that none of Commerce's reasons in support of immediate revocation (without prior notice and comment) rise to the level required," he added.

> "That Commerce improvidently enacted rules without adequate experience of how they would work, that the rules apply to ongoing investigations, and the rules could deny relief to domestic industries, do not rise to the level required for it to avoid the APA's requirements. Indeed, those justifications could apply to *almost any* rule promulgated by the agency," he wrote (his emphasis).

In addition to remanding the case to address the targeted dumping issue, Musgrave sent it back to Commerce to reconsider its policy that requires market economy (ME) to be considered "meaningful" only when they exceed 33% of costs. "The court finds that Commerce's refusal to value the classes of inputs using the ME price paid for 32.9% of those inputs, where it would have done so if APP-China had made ME purchases of 33% of the input, is unreasonable, arbitrary and capricious under the circumstances," he said.

Customs Union Complicates View of Russia's WTO Compliance

Russia's membership in a customs union (CU) with Kazakhstan and Belarus, now known as the Eurasian Economic Commission (EEC), is complicating U.S. monitoring of Moscow's compliance with its WTO accession agreements, a June 19 report to Congress from the USTR's office indicates. The report, the first required by the Jackson-Vanik Repeal and Magnitsky Act of 2012, is supposed to identify WTO enforcement actions taken against Russia for violations of WTO rules, but, so far, it identifies only concerns the U.S. and other WTO members have raised about Russia's implementation of those obligations. No formal enforcement actions have been taken yet against Russia.

> Among the areas cited in the report as getting attention from the U.S. and WTO members are: sanitary and phytosanitary (SPS) measures, motor vehicle recycling fee, Information Technology Agreement (ITA) accession, intellectual property protection, technical conditions for storage of alcoholic beverages and automotive industry investment incentive program. In some cases, problems have arisen because of changes Moscow made to its laws to comply with EEC rules, the report notes.

In the SPS area, the U.S. and other countries have complained about Russian measures that are more stringent than international standards. "For example, Russia has not, to date, provided risk assessments conducted consistent with international standards, guidelines and recommendations to the United States and other Members requesting them to support more stringent requirements for any microorganism or veterinary drug residue," the USTR said. "Specifically, Russia has a near zero tolerance for tetracycline residues, a standard more stringent than Codex's maximum residue levels (MRL), but has failed to provide to WTO Members an adequate risk assessment.

Russia also has adopted a zero tolerance for ractopamine, a standard more stringent than Codex's MRL for pork and beef," it reported. In addition, Moscow has not yet implemented a 2006 bilateral agreement with the U.S. to grant the U.S. Food Safety and

Inspection Service (FSIS) authority to certify new U.S. establishments that export meat and poultry to Russia. "Russia has not recognized consistently FSIS' authority to certify additional U.S. facil-ities, and there have been delays in responding to U.S. requests to update the list of U.S. facilities approved to export to Russia," the USTR said.

> "With the CU now having competence over approval of establishments and inspections, in some cases, Russia has insisted that FSIS provide guarantees that products for export to Russia meet Customs Union requirements, despite the continued validity of our bilateral U.S.-Russia export certificates," it added. "The United States has asked Russia to notify its regional trade arrangements, including the Customs Union, to the WTO," the report noted.

G-20 Nations Still Implementing Trade Restrictions, WTO Reports

Ahead of the next meeting of the 20 largest world economies (G-20) in St. Petersburg, Russia, Sept. 5-6, a World Trade Organization (WTO) report bemoans an increase in global trade restrictions, something G-20 leaders have promised to avoid. "More than 100 trade-restrictive measures were implemented by G-20 economies over the past seven months, covering around 0.5% of G-20 merchandise imports," WTO Director-General Pascal Lamy said in a statement announcing the report June 17.

> The report also comes as WTO members are still struggling to reach agreements on such areas as trade facilitation for the WTO ministerial conference to be held in Bali, Indonesia, in December. G-20 countries need to "take positive steps to unlock the potential for trade to grow stronger by ensuring a successful outcome at the next Ministerial Conference in Bali," Lamy said.

The WTO report, which covered actions from mid-October 2012 to mid-May 2013, says the initiation of trade-remedy investigations, in particular of antidumping cases, remains the most frequently implemented measure, accounting for around 61% of total restrictions, followed by import tariff increases. In comparison to 100 restrictions, 70 measures aimed at facilitating trade were recorded during the review period, "mainly in the form of termination of trade remedy actions (removal of duties or termination of investigations without the imposition of duties), temporary tariff reductions, and easier customs procedures," the report notes (see **WTTL**, June 10, page 6).

G-8 Leaders Pledge Action on Trade and Taxes

The leaders of the world's eight largest economies (G-8) at their June 17-18 summit in Northern Ireland repeated oft-made and oft-ignored past promises to avoid new trade protection actions and support bilateral, regional and multilateral trade agreements. They also pledged to act together to prevent tax avoidance and profit shifting by multinational corporations and individuals.

The communique issued at the end of the meeting welcomed transpacific and transatlantic talks, as well as completion of an EU-Canada free trade agreement (FTA) and coming FTA talks between the EU and Japan. The leaders also said they would "make determined efforts" to reach agreement at the WTO's Bali ministerial on a package that has trade facilitation at its core. On taxes, they said they are committed to establishing an

automatic exchange of information between tax authorities and working with the Organization for Economic Cooperation and Development (OECD) "to develop rapidly a multilateral model which will make it easier for governments to find and punish tax evaders." This will include OECD's work "to tackle base erosion and profit shifting" and creation of a common template for multinationals to report to tax authorities where they make their profits and pay their taxes across the world.

> "We agree to publish national Action Plans to make information on who really owns and profits from companies and trusts available to tax collection and law enforcement agencies, for example through central registries of company beneficial ownership," their communique added. "We welcome the OECD's feasibility study for its Tax Inspectors Without Borders proposal to assist tax administrations investigate specific and complex tax cases. We will take practical steps to support this initiative, including by making tax experts available," it said.

The G-8 statement on ownership transparency drew concerns from the National Foreign Trade Council (NFTC). "The NFTC believes that these tax legislative changes cannot happen outside of the context of comprehensive tax reform. Reforming the antiquated U.S. tax code is the only way to enact most of the legislative initiatives included in the National Action Plan," the group said in a statement.

* * * Briefs * * *

SODIUM HEXAMETAPHOSPHATE: In 6-0 affirmative "sunset "vote June 18, ITC determined that ending antidumping duty order on sodium hexametaphosphate from China would cause renewed injury to U.S. industry.

XANTHAN GUM: On 6-0 negative final vote June 20, ITC determined U.S. industry is not injured by dumped imports of xanthan gum from Austria. It U.S. industry is materially injured or threatened with material injury by dumped imports of xanthan gum from China.

SME: USTR June 18 asked ITC to conduct Section 332 investigation on trade-related barriers that small and medium-size enterprises perceive as disproportionately affecting their exports to European Union compared to larger U.S. exporters to EU.

GSP: In June 17 letter, 234 companies and trade associations urged House Ways and Means and Senate Finance leadership to "make the renewal of the GSP program a priority before Congress adjourns for the August work period." Signers include National Foreign Trade Council, U.S. Chamber of Commerce, CAMELBAK Products, Caterpillar, General Electric, Coca-Cola, Dow Chemical, Jelly Belly Candy and Home Depot.

AFGHANISTAN: USTR and Afghan Minister of Commerce and Industry signed U.S.-Afghanistan Memorandum of Understanding (MOU) on Joint Efforts to Enable the Economic Empowerment of Women and Promote Women's Entrepreneurship June 16. MOU "seeks to provide a basis for addressing barriers to women's entrepreneurship, while creating initiatives to help women start, run, and grow their own businesses," USTR said. U.S.-Afghanistan TIFA was signed in 2004.

EXPORT ENFORCEMENT: Billy Powell, Sr. of Kingwood, Texas, agreed June 19 to pay $100,000 to settle 50 BIS charges of acting with knowledge of violation. From January 2006 to February 2008, he allegedly transhipped oil and gas equipment parts to Iran via United Arab Emirates without Commerce licenses or OFAC authorization.