

Vol. 41, No. 17

April 26, 2021

## Senate Democrats Push to Reverse USML Firearms Transfers

A group of Senate democrats are still trying to get the Biden administration to reverse the transfer of U.S. Munitions List (USML) firearms to Commerce jurisdiction that formally went into effect in March 2020. In a letter to President Biden April 19, Sens. Bob Menendez (D-N.J.), Patrick Leahy (D-Vt.) and Dianne Feinstein (D-Calif.) urged him to immediately restore oversight to State and Congress.

“Restoring the export control of semiautomatic assault-style and sniper rifles to State is a change your administration can effect in short order without legislation and without approval from Congress, but through the regulatory process. For U.S. foreign policy and national security, and for the sake of humanity, these weapons need to be controlled as lethal defense articles” on the USML, they wrote.

Arms control experts also urged the Biden-Harris administration to “ensure that U.S. arms do not continue to fuel human rights violations, civilian harm, corruption, and criminal violence” in a blog post the day before the inauguration (see **WTTL**, Jan. 25, page 4). Among other suggestions, experts from such organizations as Arms Control Association, Stimson Center, and American Bar Association’s Center for Human Rights recommended the administration restore State authority over firearms licensing.

“Not only did the Trump administration weaken export control of these weapons – largely to please the gun manufacturers – but in so doing also eliminated Congress’s ability to be aware of and legally disapprove of such sales above \$1 million,” the senators wrote. Transfer of USML items began in the Obama administration, but firearms rules were delayed for years after the Sandy Hook school shooting. Biden campaigned to reverse the transfers.

## JCPOA Talks Turn to Sequencing

In the game of “you first, no you first” talks toward the U.S. rejoining the Joint Comprehensive Plan of Action (JCPOA) have become, everyone except the U.S. wants to

© Copyright 2021 Gilston-Kalin Communications LLC  
 P.O. Box 5325, Rockville, MD 20848-5325  
 All rights reserved. Reproduction, photocopying or  
 redistribution in any form, including electronic, without  
 written approval of publisher is prohibited by law.

WTTL is published weekly 50 times a year except last week  
 in August and December. Subscriptions are \$747 a year.  
 Additional users pay only \$100 each with full-priced sub-  
 scription. Site and corporate licenses are also available.  
 (301) 460-3060 www.wttlonline.com

talk about the sequencing. While European officials move into that phase, State officials are not ready to talk about sequencing, except when they do. More than two dozen Democratic senators previously told Biden they “strongly support returning to the JCPOA and using a ‘compliance for compliance’ approach as a starting point to reset U.S. relations with Iran” (see **WTTL**, April 19, page 1).

“We have provided Iran with a number of examples of the kind of sanctions that we believe we would need to lift in order to come back into compliance, and the sanctions that we believe we would not need to lift and we would not lift as part of a return into compliance with the JCPOA,” a senior State official told reporters April 21.

“At this point, the discussions taking place in Vienna are about full compliance for full compliance,” the official said. “On sequencing, there has not been much of a discussion because we’re still in the process of describing and detailing the steps that each side is going to have to take. We have not gotten into the discussion of sequencing.”

“What we can say is that a sequence in which the U.S. does everything before Iran does nothing is not an acceptable sequence. We made that clear to Iran. And beyond that, we’re prepared and we’re open to different kinds of sequencing which meet our interests, which is to see both sides in full compliance and not us coming into full compliance before Iran has acted,” the official noted.

A day earlier, after a meeting in Vienna, the Joint Commission on the JCPOA “decided to create a third expert group to start looking into the possible sequencing of respective measures,” according to a European Union (EU) press release. The Commission meeting was chaired by the EU and was attended by representatives of China, France, Germany, Russia, the United Kingdom and Iran.

## **WTO Members Still Disagree over Vaccine IP Waiver**

At an informal meeting of the World Trade Organization (WTO) Council on Trade-Related Aspects of IP Rights (TRIPS) April 22, members still could not reach consensus on a proposal for a temporary waiver of certain IP obligations in response to the COVID-19 pandemic. At the same time, Democratic lawmakers and union groups continued to push the Biden administration to support the temporary waiver.

The waiver, that was first proposed in October, would expedite vaccine distribution to developing countries, proponents argued. The deadlock followed from the March council meeting. “Members continued discussions on the role of intellectual property amid a pandemic and how the WTO and other stakeholders can engage to ensure secure and rapid access to vaccines and other medical products needed to combat COVID-19,” WTO said diplomatically at the time (see **WTTL**, March 15, page 1).

At a press conference the day after the meeting, progressive lawmakers, unions and civil society organizations urged the WTO to grant the waiver. “We’re joined to send a really

powerful and unified message to President Biden and [U.S. Trade Representative (USTR) Katherine] Tai to support the temporary, targeted TRIPS waiver at the World Trade Organization, so we can develop the most effective and most efficient global response to COVID-19 possible. We all know that we need to use every tool at our disposal to move past this pandemic,” Sen. Tammy Baldwin (D-Wis.) said at the event.

“For U.S. aviation to recover, we need to combat the virus around the world. Many countries seeing unprecedented surges have little access to vaccines at this time. That is why President Biden’s leadership on an emergency TRIPS waiver is so important. Continuing to increase vaccine production and prioritize vaccine access and equity is absolutely necessary for the recovery of American aviation, international travel and the global economy,” Association of Flight Attendants President Sara Nelson noted.

### **U.S. Climate Leadership Would Cement Market Share, Kerry Says**

After two days of global discussions by 40 world leaders, the U.S. pledged by 2030 to cut its CO2 emissions by 50-52%, bettering its 2005 levels and doubling its previous promise. But critics pounced because there was no new pledge by the world’s two biggest emitters, China and India.

However, John Kerry, the U.S. special presidential envoy for climate, argued there is no zero-sum winner, if the earth vanishes in a series of climate disasters without the U.S. taking a leading role. The Biden administration’s leadership can result in U.S. dominance in new industries, cementing market share for its businesses, creating work for its citizens after a pandemic, and preserving the planet for all mankind in the process.

A week earlier, U.S. Trade Representative (USTR) Katherine Tai outlined the administration’s priority of protecting the environment and the role of trade in that endeavor (see **WTTL**, April 19, page 5). Tai committed to enforcing trade rules to not only protect the planet, but also protect workers against unfair competition.

Following the climate summit, Kerry argued that it is critical that the U.S. take the lead on the climate agenda not for one-upmanship, or domestically to hijack a liberal agenda, but to avoid ceding global dominance in a field whose rewards could be similar to the 2000s IT revolution led by American companies. “One of the highest valued automobile companies in the world, Tesla, makes one product only – electric vehicles – it’s the future. All the other companies are chasing it: Mercedes, Volkswagen, Ford, GM....GM says it would not make any other vehicles after 2035, than electric vehicles,” Kerry said.

It was critical to get China onboard. In September, it announced its plan to peak carbon dioxide emissions before 2030 and achieve carbon neutrality by 2060. Biden made clear that he was going to both compete and cooperate with Russia and China. Kerry was responsible for coaxing the Chinese onboard after a dramatic Alaskan meeting less than a month ago. China is the leading polluter – more than 30% of the global emissions followed by the U.S. at around 10%.

In his speech to the summit, Chinese President Xi Jinping said, “We need to give full recognition to developing countries’ contribution to climate action and accommodate their particular difficulties and concerns. Developed countries need to increase climate ambition and action. At the same time, they need to make concrete efforts to help developing countries strengthen the capacity and resilience against climate change, support them in financing, technology, and capacity building, and refrain from creating green trade barriers, so as to help developing countries accelerate the transition to green and low-carbon development.”

## **Biden Will Head to Europe for First Overseas Trip**

Amid softening of trade disputes between the U.S. and European allies, the aim of President Biden’s first foreign trip is “revitalizing the transatlantic relationship,” starting with a G7 meeting in the United Kingdom (UK) June 11-13. It would then be followed by a stop in Brussels for a NATO Summit June 14. This trip which comes not long after the virtual Global Climate meeting and ahead of the COP 26 in Glasgow and would therefore be a time for both Prime Minister Boris Johnson and Biden to firm up agendas.

“This trip will highlight his commitment to restoring our alliances, revitalizing the transatlantic relationship, and working in close cooperation with our allies and multilateral partners to address global challenges and better secure America’s interests,” White House Press Secretary Jen Psaki said in a statement April 23.

Most recently, the U.S. and the European Union (EU) announced in March the two partners will “intensify negotiations” to replace the U.S.-EU Privacy Shield set up to protect consumer’s data but was ruled invalid by European courts (see **WTTL**, March 29, page 4). The two partners also announced in March they would suspend new tariffs in the ongoing Airbus-Boeing dispute.

“While in Brussels Biden will participate in a U.S.-EU Summit, which will underscore our commitment to a strong transatlantic partnership based on shared interests and values. The leaders will discuss a common agenda to ensure global health security, stimulate global economic recovery, tackle climate change, enhance digital and trade cooperation, strengthen democracy, and address mutual foreign policy concerns,” it added.

Biden is expected to hold bilateral discussions with the leaders of the UK, Germany, France, Canada, Italy and Japan, but also in attendance will be the leaders of Australia, India, South Korea and the EU. “Biden will affirm the United States’ commitment to NATO, transatlantic security, and collective defense. NATO leaders will discuss how to orient the Alliance to future threats and ensure effective burden sharing. The president will also hold bilateral meetings with fellow NATO leaders,” the White House said.

**\* \* \* Briefs \* \* \***

**NOMINATIONS:** President Biden April 23 announced intent to nominate Jessica Lewis to be assistant secretary of State for political-military affairs. Lewis currently serves as Democratic staff

© Copyright 2021 Gilston-Kalin Communications LLC. All rights reserved. Reproduction, photocopying or redistribution in any form without approval of publisher is prohibited by law.

director of Senate Foreign Relations Committee. She was previously advisor to former Sen. Harry Reid. Former Justice spokesperson Matthew Miller tweeted that Lewis “is one of the most talented and dedicated public servants I have ever worked with. Bravo.”

**BURMA:** OFAC April 21 designated two Burmese state-owned enterprises, Myanmar Timber Enterprise (MTE) and Myanmar Pearl Enterprise (MPE). “The timber and pearl industries are key economic resources for the Burmese military regime that is violently repressing pro-democracy protests in the country,” agency said. OFAC two weeks earlier designated Myanmar Gems Enterprise (MGE), Burmese state-owned entity that is responsible for all gemstone activities in Burma (see **WTTL**, April 12, page 5).

**EXPORT ENFORCEMENT:** Harsimran Singh and Panther Trading Company (PTC) of Lansdowne, Md., agreed April 15 to pay \$42,000 civil penalty to settle four BIS charges of engaging in prohibited conduct. In 2014, Panther exported stun guns, handcuffs, legcuffs, and collapsible police batons to Mexico, Nigeria and Dominican Republic without required BIS licenses. Items were classified under ECCNs 0A985, 0A982 and 0A978, valued at \$45,343. Of penalty, \$29,500 will be suspended for one year and then waived if Singh and PTC commits no further violations.

**IRAN SANCTIONS:** Alliance Steel, designer and manufacturer of prefabricated steel structures in Oklahoma City, agreed April 19 to pay OFAC \$435,003 civil penalty to settle 61 charges of violating Iran sanctions related to its importation of engineering services from Iranian engineering company between October 2013 and October 2018. Alliance voluntarily self-disclosed violations. At direction of company’s chief engineer and VP of engineering, “Alliance outsourced a significant portion of its engineering work to an Iranian engineering company that was owned by his brother,” OFAC noted.

**BELARUS:** Treasury April 19 issued General License (GL) 2H authorizing 45-day wind-down period for transactions with nine blocked companies in Belarus and any entities owned 50% or more by them. Agency revoked GL 2G authorizing transactions with Belarusian Oil Trade House, Belneftekhim, Belneftekhim USA, Inc., Belshina OAO, Grodno Azot OAO, Grodno Khimvolokno OAO, Lakokraska OAO, Naftan OAO and Polotsk Steklovolokno OAO. “Given the sharply deteriorating human rights situation in Belarus, the U.S. Government determined a further extension would be inconsistent with the Belarus Democracy Act and incompatible with American values,” Secretary of State Blinken said in statement. Treasury issued GL 2G in October 2019, extending authorization through April 26 (see **WTTL**, Oct. 28, 2019, page 7).

**HONEY:** American Honey Producers Association and Sioux Honey Association filed antidumping duty (AD) petitions April 21 with ITA and ITC against imports of raw honey from Argentina, Brazil, India, Ukraine and Vietnam.

**MATTRESSES:** In 5-0 final vote April 21, ITC determined U.S. industry is materially injured by dumped imports of mattresses from Cambodia, Indonesia, Malaysia, Serbia, Thailand, Turkey, and Vietnam and subsidized imports from China.

**SHELVING:** In 5-0 “sunset” vote April 20, ITC said revoking antidumping and countervailing duty orders on imports of boltless steel shelving units from China would renew injury to U.S. industry.

**STEEL WIRE STRAND:** In 5-0 “sunset” vote April 19, ITC found revoking antidumping and countervailing duty orders on prestressed concrete steel wire strand from China would renew injury to U.S. industry.

LADY JUSTICE: President Biden April 19 formally nominated Tiffany Cunningham to be first Black judge on Court of Appeals for Federal Circuit (CAFC), replacing Evan Wallach, who is retiring. She has been partner at Perkins Coie LLP in Chicago since 2014 (see **WTTL**, April 5, page 6).

TRADE PEOPLE: USTR Katherine Tai April 19 appointed Elizabeth Baltzan as senior advisor. Baltzan served as democratic trade counsel for House Ways and Means Committee from 2012 to 2016 and previously served as attorney at USTR from 2003 to 2009.

MORE TRADE PEOPLE: Eugene C. Laney, Jr., former head of international government affairs at DHL Express, will join American Association of Exporters and Importers (AAEI) as president and CEO, effective April 26. “Eugene demonstrated his expertise in and understanding of international trade in the 21st Century from the dual perspectives of the business community and government relations,” AAEI board chair Susie Hoeger said in statement.

## ***Share the News with Colleagues***

- When many individuals in your organization need to read *Washington Tariff & Trade Letter*, there’s an easy way to make sure they get the news they need as quickly and conveniently as possible.
- That’s through a site or corporate license giving an unlimited number of your colleagues access to each weekly issue of *WTTL*.
- With a low-cost site or corporate license, you can avoid potential copyright violations and get the vital information in *WTTL* to everyone who should be reading it.

**For more information and pricing details, call: 301-460-3060**