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CLIENT ALERT

This Month in International Trade - June 2015

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TOP TRADE DEVELOPMENTS

TPA Passage Includes AGOA Extension and Retroactive GSP

President Obama signed Trade Promotion Authority (TPA) legislation into law on June 29, following years of debate and a difficult battle for Congressional passage. TPA grants authority to the President for up to six years to present a trade agreement for Congressional ratification by an up-or-down vote, without amendments. The House passed a standalone TPA bill on June 19 by a vote of 218-208, and the Senate followed in approving the bill by a vote of 60-38 on June 24.

Congressional approval of TPA boosts momentum for negotiators of the Trans-Pacific Partnership (TPP) to begin a final round of negotiations. TPP negotiating partners had indicated their unwillingness to negotiate the final contentious issues (*e.g.*, bilateral market access and intellectual property protections for pharmaceutical products) until the U.S. passed TPA. Japan's Economic

Minister, Akira Amari, indicated on June 25 that negotiations for the 12-country trade agreement could be concluded as early as July.

The passage of TPA culminated a months-long drama in Congress over the trade legislation. The Senate initially passed a version of TPA packaged with a renewal of Trade Adjustment Assistance (TAA), a training and assistance program for workers displaced by trade, on May 22. However, the packaged bill suffered a setback in the House on June 12, when the House—led by House Democrats, who have traditionally favored TAA—voted overwhelmingly against TAA (136-302) in an attempt to scuttle the overall package.

In response, President Obama, Speaker of the House John Boehner (R-Ohio), and Senate Majority Leader Mitch McConnell (R-Kentucky) devised a plan to vote on a standalone TPA bill in both chambers, which ultimately led to its passage. Once the fate of TPA was decided, Congress subsequently passed TAA renewal on June 25 as an attachment to a trade preferences bill for Africa and other developing countries.

The trade preferences bill, which contains TAA and renews both the African Growth and Opportunity Act (AGOA) and the Generalized System of Preferences (GSP), was signed into law alongside TPA on June 29. AGOA would have expired in September 2015 and GSP has been expired since August 1, 2013.

The new law authorizes GSP through December 31, 2017 and makes it retroactive to July 31, 2013. As provided in the Act, duty-free treatment of GSP-eligible imports will become effective 30 days after enactment (July 29, 2015). The law will also apply GSP benefits retroactively from its expiration date to the new law's effective date.

According to the Office of the United States Trade Representative (USTR), U.S. Customs and Border Protection (CBP) will "reimburse U.S. importers for tariffs paid on eligible products during the gap period. Importers should be advised that duties collected may take up to 90 days after liquidation or re-liquidation of entries to process and refund retroactively." CBP will be providing further guidance in the Federal Register later this month on the renewal and how to obtain a refund.

USTR is also conducting a product review, including possible actions related to Competitive Need Limitations (CNL). Comments are due by July 31, 2015.

For more information, contact: Dan Cannistra, Dj Wolff, Evan Yu, Pierce Lee

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Iran Nuclear Negotiations Enter the Final Stretch

On June 30, the P5+1 (U.S., China, France, Germany, Russia, and the UK) announced that it was extending the deadline for a final deal with Iran for an additional week, until July 7, subsequently extended until Friday, July 10.

The parties have been negotiating the technical parameters of a final Joint Comprehensive Plan of Action (JCPOA), after reaching a "framework" for a deal on April.

The U.S. Treasury Department's Office of Foreign Assets Control (OFAC) published guidance clarifying that the sanctions suspensions under the Joint Plan of Action (JPOA) and any specific licenses issued during the JPOA that were to expire on June 30, 2015, have all now been extended to July 7, 2015. State Department spokeswoman Marie Harf told reporters that the terms of the JPOA have also been extended until Friday.

The leaders of both Iran and the U.S. have both issued public support for the negotiators to conclude a deal, but have warned they remain willing even at this late stage to walk away from the negotiations if a good deal cannot be reached. Pursuant to the Iran Nuclear Agreement Review Act of 2015, enacted on May 22, any final deal must be submitted to the U.S. Congress for review for at least 30 days (60 days if submitted after July 9) before any sanctions can be suspended.

Crowell will continue to follow the negotiations and issue a Client Alert once the talks are concluded, whichever way that might be.

For more information, contact: Cari Stinebower, Dj Wolff

CIT Limits Scope of Antidumping Duty Order on Aluminum Extrusions

In a significant win for Crowell client Meridian Products LLC, which may impact other importers of extruded aluminum products, the U.S. Court of International Trade (CIT) again remanded Meridian's case back to the Department of Commerce to confirm whether certain finished good kits are subject to the antidumping duty order on Aluminum Extrusions from China.

Senior Judge Musgrave sent the case back to Commerce to reconsider how to provide an interpretation of the "finished goods kit" *exclusion* to the antidumping and countervailing duty orders that complies with the scope of the language and determine whether Meridian Products' imported appliance trim kits fell within that interpretation.

The *exclusion* applies to certain finished goods containing aluminum extrusions that are entered unassembled, and in a kit, according to the court. The *exclusion* also stipulates that a product will not be excluded from the scope of the antidumping duty order just because it includes fasteners like screws or bolts in its packaging.

Commerce claimed that the appliance trim kits could not be considered "finished goods kits" because they consisted entirely of aluminum extrusions, and the brackets, screws and hinge covers in the kits did not qualify for the exclusion. Meridian claimed that this reasoning was an unlawful reading of the description in a scope ruling. Senior Judge Musgrave agreed with Meridian in his opinion. "The record shows that Commerce unreasonably ignored the scope definition of what constitutes a 'finished goods kit' by expanding the 'clarification' language to exclude the trim kits, when that language plainly does not disqualify the plaintiff's trim kits from the exclusion."

According to Senior Judge Musgrave, the antidumping and countervailing duty orders clearly state the requirements a kit must meet in order to be considered a "finished goods kit." A kit must meet the following criteria: 1) be an unassembled combination of parts that 2) includes at the time of importation all of the necessary parts to fully assemble a final finished good, with no further finishing or fabrication, and 3) be capable of assembly "as is" into a finished product. The inclusion of fasteners does not exclude the trim kits which would otherwise fall under the definition of a "finished goods kit."

For more information, contact: Dan Cannistra

EU Renews Sectoral Sanctions Against Russia

The Council of the European Union renewed two of its sanctions regimes currently in force against Russia:

- On June 19, the Council adopted Decision 2015/959. This Decision extends the restrictions on goods originating from Crimea and Sevastopol first announced in Decision 2014/386 for one year.
- On June 22, the Council adopted Decision 2015/971. This Decision extends the application of sectoral sanctions targeting certain transactions with Russia's financial, energy, and defense sectors, as well as the export ban on dual-use goods for an additional six months. Sectoral sanctions were first put into effect on July 31, 2014, under Decision 2014/512, and were amended on September 8 and December 4.

In response to the EU's actions, Russian President Vladimir Putin announced on June 24 the trade ban on food products from the U.S., European Union, Australia, Canada and Norway will continue for another year.

Crowell will continue to closely monitor developments and alert clients to any changes in EU sanctions law.

For more information, contact: Cari Stinebower, Salomé Cisnal De Ugarte, Dj Wolff, Lorenzo Di Masi

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State and Commerce Seeking Comments on Proposed Rules to Harmonize Definitions

On June 3, the State Department Directorate of Defense Trade Controls (DDTC) and the Commerce Department Bureau of Industry and Security (BIS) issued long-awaited proposed rules to harmonize key definitions used in both the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR), as a part of the ongoing Export Control Reform (ECR) initiative. The proposed rules attempt to achieve consistency between the two regimes for fundamental definitions as well as attempt to address challenges companies are facing in the use of cloud computing and electronic transfer of data.

The DDTC and BIS proposals revise the definitions of several key terms such as "technical data" and "technology," respectively, as well as "export," "reexport," and "transfer," to remove inconsistencies between the two regimes. A side-by-side comparison on the regulatory text proposed by both Departments is available here.

Significantly, recognizing that data stored in the cloud may be stored on servers located in a foreign country, e-mail may transit through a foreign country, and that these transmissions may occur without the user's knowledge or outside of the user's control; both proposed rules would exclude from the definition of "export" electronic information that is (1) unclassified, (2) secured through the use of end-to-end encryption, and (3) not stored in certain countries (those specified in 22 CFR 126.1 and Country Group D:5, and Russia).

Finally, the DDTC proposed rule also puts forth another attempt at amending (the third time since the initiation of ECR) the term, "defense services." DDTC's revision responds to commenters' concerns about certain activities that would not be considered "defense services" if performed by a person not having prior knowledge of related U.S.-origin technical data. The proposed definition would also exclude from "defense services" the installation of an item into a "defense article" so long as the installation is achieved without the use of technical data.

The DDTC proposed rule can be found here, and the BIS proposed rule can be found here. Comments on the proposed rules are due August 3.

For more information, contact: Chris Monahan, Jana Del-Cerro, Lindsay Denault

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U.S. Requests WTO Arbitration Regarding the Level of Retaliation over Meat Labeling Rules

On June 16, the U.S. submitted its objection at the World Trade Organization (WTO) to Canada's June 4 request for retaliatory tariffs over U.S. meat labeling requirements. The matter has been referred to arbitration, as required under WTO Dispute Settlement rules.

Since 2009, the U.S. has required that certain meat products (such as beef, lamb, pork, chicken, and goat) are labeled to identify the country where the animal was born, raised, and slaughtered, which effectively limits what products can be labeled as "U.S. beef." Canada filed a complaint against the U.S. regarding this regulation at the WTO, which Mexico later joined.

In 2011, a WTO dispute resolution panel ruled against the U.S. The Panel found that the labeling requirements breach the national treatment commitment in Article 2.1 of the WTO Agreement on Technical Barriers to Trade by treating imported livestock less favorably than like domestic livestock. According to the Panel, the U.S. regulations require "an unbroken chain of reliable country of origin information with regard to every animal and muscle cut" and, therefore, create limitations on what products can be labeled as "U.S. beef."

In May of 2013, the U.S. proposed an amendment to the regulations to comply with the WTO decision. However, Canada and Mexico challenged the new rule at the WTO, and again the panel ruled against the U.S. The decision was upheld by the WTO Appellate Body in May 2015.

WTO member states can seek to impose retaliatory tariffs for another country's violation of the WTO agreement. However, the level of retaliation must be "equivalent" to the level of harm caused by the violation. Canada has requested retaliatory tariffs on various U.S. food products (such as beef, pork, corn, apples, chocolate, and pasta) amounting to an estimated $2.5 billion dollars per year. Mexico also requested retaliatory tariffs amounting to $713 million per year. The U.S.' recent objection primarily claims that Canada's remedial measures are too excessive. The U.S. called for arbitration regarding the level of retaliation requested by Canada, but has not yet taken any action on Mexico's request.

At the same time the issue is pending at the WTO, members of Congress are seeking to change the U.S.' Country of Origin Labeling (COOL) regulations through the legislative process. While to date the COOL regulations have not been revised or repealed, the House of Representatives did pass a bill on June 10 to repeal the regulations – House Resolution (H.R.) 2393. The Senate has not yet acted.

In 60 days, the WTO arbitration panel is expected to return a decision on the level of retaliation. Meanwhile, U.S. goods exported to Canada and Mexico continue to be dutiable under current tariff rates.

For more information, contact: Jini Koh, Pierce Lee

Toxic Substances Control Act passes House; Congress Could Vote on Reform this Year

The Toxic Substances Control Act (TSCA) gives the U.S. Environmental Protection Agency (EPA) authority to review and regulate chemicals in commerce. TSCA has not been amended significantly since its original passage in 1976. However, lawmakers and business leaders have come together to propose a modernization of the law for the realities of the 21st century.

The proposed reforms include a requirement that the EPA initiate at least 10 risk evaluations of existing chemicals each fiscal year. It would also streamline the process for the EPA's issuance of risk management measures. The proposed reforms would not amend the current TSCA safety standard. It does, however, establish a prioritization scheme with respect to persistent, bioaccumulative and toxic (PBT) chemicals. The proposals would require that the EPA designate PBT chemicals of concern and "fast track" risk management measures for such chemicals.

Both the Senate and House of Representatives have passed competing bills out of their respective Committees. On April 28, the Senate Environment and Public Works Committee passed an amended version of the "Frank R. Lautenberg Chemical Safety for the 21st Century Act," having reached compromises on such issues as preemption of state laws, deadlines, whether to consider hazard and exposure information published by other Federal agencies or the National Academies, giving the public an opportunity to comment on and challenge low priority chemical designations, and the consideration of PBT substances.

On June 3, the Energy and Commerce Committee of the House of Representatives voted unanimously (with one abstention), to submit an amended "TSCA Modernization Act" to the full House. On June 23, the House voted on the bill, which passed by a margin of 398 to 1, and was sent to the Senate the following day. Once the Senate acts on its version of the bill, the process of harmonizing the two versions can begin, allowing the possibility of TSCA Reform later this year.

For more information, contact: Frances Hadfield, Aaron Marx

Armed CBP Agents to Pre-Clear Cargo within Mexico

On May 22, Mexico's stringent firearm legislation was changed, and now allows U.S. customs officers and immigration agents to obtain temporary gun permits. These permits will allow the officers to carry the same firearms they normally use within the U.S. while in Mexico.

The move was made in an attempt to speed-up the clearing process for goods entering the U.S. from Mexico. Normally, shipments are inspected twice, once by the Mexican authorities before leaving Mexico and again by the U.S. Customs and Border Protection (CBP). Now, armed CBP officers will be permitted to pre-inspect cargo in Mexico destined for ports of entry in the U.S., such as El Paso. The permit will only apply to those officers inspecting international cargo headed for U.S. ports.

A few weeks ago, the Administrator of Mexican Customs, Cesar Hernandez Cardoso, told the Juarez media that the maquiladoras, manufacturing facilities operating in free trade zones in Mexico, that have a permit for special lanes to cross cargo into the U.S. will be eligible to have armed U.S. customs officers pre-clear shipments, as well.

According to U.S. Rep. Beto O'Rourke (D-Texas), the new policy will help the U.S. economy and El Paso's economy. The decision made by Mexico to allow armed U.S. federal agents to pre-inspect cargo has been, "[A]n issue we've been working on for several years," he said.

For more information, contact: Frances Hadfield, Nicholas DeLong

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Opportunity to Shape Future EU-Mexico FTA via Online Survey

As reported last month, the EU and Mexico have recently agreed to upgrade their existing free trade agreement (FTA) in order to make it more suitable to the new global economic scenario.

In line with its previous practice, on July 1, the European Commission launched an online public consultation on the future EU-Mexico FTA negotiations (see here). This represents a key opportunity for stakeholders interested in the EU-Mexico trade relationship to influence the negotiating mandate in a way that is beneficial to your company or industry.

Stakeholders can participate in this process by completing the survey by August 31.

For more information, contact: Salomé Cisnal De Ugarte, Grégoire Ryelandt, Lorenzo Di Masi

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Prosecutors Argue Fokker Decision Violated Separation of Powers

The Department of Justice (DoJ) has appealed District Judge Richard J. Leon's rejection of a June 2014 Deferred Prosecution Agreement (DPA) between the U.S. and Dutch aerospace provider Fokker BV. The DoJ argued on June 4, 2015 that Judge Leon

exceeded the authority conferred to him by the Speedy Trial Act (STA) when he reviewed the DPA for "excessive leniency toward defendants."

The Fokker DPA involved allegations that Fokker conspired to export aircraft parts, technologies, and services to Iran, Sudan, and Burma in violation of the International Emergency Economic Powers Act (IEEPA). The DPA included an 18-month probationary period and required Fokker to forfeit $10.5 million. Fokker also had entered into separate agreements with Commerce's Bureau of Industry and Security (BIS) and Treasury's Office of Foreign Assets Control (OFAC) to pay another $10.5 million in civil penalties.

Judge Leon rejected the DPA as being "grossly disproportionate" to Fokker's conduct. He took particular issue with the imposition of fines not greater than Fokker's illegally obtained revenue, the fact that employees responsible for the transactions were allowed to remain with the company, and the lack of an independent monitor. The government argued that the court's decision will reduce the incentive for companies to voluntarily disclose violations, and undermines prosecutors' ability to reach settlements in the future.

Crowell & Moring's International Trade and White Collar groups are available to aid companies in building effective compliance programs.

For more information, contact: Jeff Snyder, Frances Hadfield, Jane Bentrott, Lindsay Denault

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Pessimism Regarding Cuba's Legal and Economic Environment Should Not Deter U.S. Investors

On June 18, Crowell & Moring's New York office welcomed nearly 40 guests to *Cuba: An Update on the Liberalization of Trade Relations*, a panel discussion offering an update on U.S.-Cuba trade policy, the possibility of further trade liberalization, and other commercial considerations, as U.S. businesses develop their strategy for reengaging with Cuba.

The speakers, who provided a 360 degree analysis of the current situation, concluded that interest in Cuba and the opening of relations with the U.S. should remain strong for U.S. investors.

Mike Gill (D.C. Counsel) discussed the Capitol Hill perspective on reestablishing diplomatic relations and expanding ties between the U.S. and Cuba. He provided a thorough analysis of the political environment in both the House and the Senate and analyzed the impact of the political positions of presidential candidates.

The U.S. import regime and sanctions liberalization were covered by Dan Cannistra (D.C. Partner) and Cari Stinebower (D.C. Partner). Dan listed the permitted Cuban imports (*e.g.*, soap and textiles), concluding that the import duties of approved items remain burdensome for U.S. companies. Cari walked the audience through the recent sanctions relaxations implemented by the U.S. after the President's announcement on December 17, 2015, explaining the limitations that U.S. companies are still facing.

Mariana Pendás (D.C. Visiting International Scholar) gave an overview of the current Cuban economic and legal environment, highlighting the protections offered by Cuba in their recent Foreign Investment Law. She also pointed out the challenges faced by foreign investors due to the excessive discretion of the Cuban government.

The audience showed special interest in knowing whether Cuba will honor the claims recognized by the U.S. Foreign Claims Settlement Commission, and to know whether that would be a prerequisite for the U.S. to lift the embargo. Attendants were also intrigued by the likely proliferation of M&A operations between U.S. and foreign companies as a means to obtain the protection of Bilateral Investment Treaties with Cuba and the benefits of international dispute resolution mechanisms.

Despite an exuberant initial interest from U.S. companies, economic actors are now taking a more pragmatic view of the Cuban economy and attempting to understand the challenges to invest in Cuba. On the U.S. side, there is sentiment that the path towards the end of the embargo will not be without road blocks.

However, although both the Hill and the Cuban government need to engage in further actions to normalize relations, liberalization continues to progress. The last example is the announcement by President Obama on July 1, regarding the reopening of the U.S. embassy in Havana at the end of this month. American investors, therefore, should maintain interest in Cuba. While the normalization of relations is not going to be as fast as investors anticipated, perseverance and patience are necessary for U.S. companies to be well positioned once the embargo is lifted.

For more information, contact: Cari Stinebower, Dj Wolff, Mariana Pendas

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World Customs Organization Issues 'Guide to Customs Valuation and Transfer Pricing'

On June 24, the World Customs Organization (WCO) issued a press release regarding a new guide on the topic of Customs valuation and transfer pricing. The guide focuses on international transactions within multi-national groups.

Where the buyer and the seller are related, as they are within multi-national groups, the World Trade Organization's Valuation Agreement requires that Customs administrations examine the circumstances surrounding the sale to verify that the relationship between the two companies did not influence the price. Under the principles announced in this new guide, the WCO encourages the use of related party tax transfer pricing analysis when examining related party transactions for Customs valuation purposes.

The new guide also proposes a more consistent approach for considering the impact of post-entry transfer pricing adjustments on the Customs valuation. Specifically, the WCO now recommends that individual Customs administrations take into account other payments made after importation to or for the benefit of the parent company (for example, contributions for design and development fees) or other payments based on subsequent resale, disposal, or use of imported goods that accrue to the vendor, in order to determine whether or not they should be included in the Customs value.

A copy of the guide is available on the WCO website.

For more information, contact: John Brew, Aaron Marx

AGENCY ENFORCEMENT ACTIONS

Office of Foreign Assets Control (OFAC)

- The National Bank of Pakistan's New York Branch (NBP New York) agreed to pay $28,800 for seven apparent violations of the Global Terrorism Sanctions Regulations. NBP New York failed to identify any potential matches to OFAC's List of Specially Designated Nationals and Blocked Persons (the SDN List) when it screened funds transfers for review.
- John Bean Technologies Corporation (JBT) agreed to remit $391,950 for alleged violations of Executive Order 13382 of June 28, 2005, "Blocking property of Weapons of Mass Destruction Proliferators and Their Supporters" and the Weapons of Mass Destruction Proliferators Sanctions Regulations. JBT appears to have sold goods to a Chinese company that were shipped by the Islamic Republic of Iran Shipping Lines (IRISL) from Spain to China. Also, trade documents related to the shipment were presented to a U.S. bank for payment pursuant to a letter of credit in the amount of $2,897,936.

Financial Crimes Enforcement Network (FinCEN)

- On June 1, FinCEN imposed a civil money penalty against King Mail & Wireless Inc. and its owner, Ali Al Duais, for willful and repeated violations of the Bank Secrecy Act (BSA). Among other BSA violations, King Mail and Al Duais failed to maintain a required anti-money laundering program, and engaged in high-risk transactions including processing millions of dollars in wire transactions to Yemen without maintaining proper records or performing any due diligence on the individuals involved in the transactions. King Mail also conducted several suspicious transactions, and patterns of suspicious transactions, including suspicious dollar amounts, transmissions with no apparent business or lawful purpose, and transactions sent within the same day below the reporting thresholds. The company had no transaction monitoring or suspicious activity review process in place, and, during its entire time in operation as a business, did not file a single Suspicious Activity Report, or a single Currency Transaction Report.
- On June 3, FinCEN assessed a $75 million civil money penalty against Hong Kong Entertainment (Overseas) Investments, Ltd., d/b/a Tinian Dynasty Hotel & Casino, in the Northern Mariana Islands for willful and egregious violations of the Bank Secrecy Act (BSA). Tinian Dynasty failed to develop and implement an anti-money laundering (AML) program. The casino failed to develop and implement policies and procedures designed to ensure AML compliance, or to detect suspicious transactions; it also never conducted an independent test of its systems to ensure compliance. Further, casino personnel were not trained in BSA recordkeeping requirements or in identifying, monitoring, and reporting suspicious activity.
- On June 15, FinCEN assessed a $4.5 million civil money penalty against Bank of Mingo of Williamson, West Virginia (Mingo), for willfully violating the Bank Secrecy Act (BSA). Mingo had severe and systemic failures in many aspects of its anti-money laundering (AML) program. As a result of these failures, Mingo processed millions of dollars in structured and suspicious cash transactions through the institution.
- One June 26, FinCEN assessed a $60,000 civil money penalty against Lee’s Snack Shop, Inc. and its owner, Hong Ki Yi, for willfully and repeatedly violating the Bank Secrecy Act (BSA). After an investigation with a scope period of six months, FinCEN revealed that Mr. Yi and Lee’s Snack Shop failed to maintain a required anti-money laundering program. During the period of review, Lee’s Snack Shop failed to file at least 216 currency transaction reports accounting for over $2.1 million worth of wholesale-exchanged checks.

Bureau of Industry and Security (BIS)

- BIS amended the Export Administration Regulations (EAR) by adding one person to the Entity List. The person who was added to the Entity List is located in Ecuador and has been determined by the U.S. Government to be acting contrary to the national security or foreign policy interests of the U.S. This person will be listed on the Entity List under the destination of Ecuador.
- On June 2, BIS revoked export privileges for Luis Armando Collins Avila for a period of 10 years, as well as any export licenses he has an interest in. Collins-Avila was convicted on September 24, 2014, of violating the Arms Export Control Act by exporting weapons and ammunition to Mexico without proper authorization.
- On June 16, BIS entered into a Settlement Agreement with Teledyne LeCroy, Inc. for engaging in conduct prohibited by the Export Administration Regulations (EAR). Teledyne, on two occasions, exported items subject to the EAR to Beihang University of Aeronautics and Astronautics in China, which is designated on the Entity List. The company agreed to pay a civil penalty of $75,000.
- On June 21, BIS revoked export privileges for Armin Shir Mohammadi for a period of 10 years, as well as any export licenses he has an interest in. Mohammadi was convicted on June 21, 2013, of violating the International Emergency Economic Powers Act for exporting satellite communication equipment and navigation equipment to Iran.

For more information, contact: Cari Stinebower, Dj Wolff

OTHER AGENCY ACTIONS

U.S. Customs & Border Protection (CBP)

- On June 18, CBP published a notice in the Federal Register describing opportunities available to U.S. exporters to obtain assistance from CBP to resolve matters concerning the tariff classification and customs valuation applied to U.S. exports by other governments.

Department of State and Bureau of Industry and Security (BIS)

- As part of Export Control Reform (ECR), Department of State and BIS published proposed changes on June 17 to the U.S. Munitions List (USML) and Commerce Control List (CCL) relating to USML Categories XIV (toxicological agents, including chemical agents, biological agents, and associated equipment) and XVIII (directed energy weapons).
    - The Comment Period runs until August 17 for both sets of proposed changes.

Bureau of Industry and Security (BIS)

- BIS published a final rule to amend the Export Administration Regulations (EAR) to implement the recommendations presented at the November 2013 Australia Group (AG) intersessional implementation meeting. Specifically, this rule amends the Commerce Control List (CCL) entry in the EAR that controls certain human and zoonotic pathogens and toxins, and removes the CCL entry that controls certain animal pathogens to reflect the merger of two AG common control lists based on recommendations presented at the AG intersessional implementation meeting.

For more information, contact: Edward Goetz, Nicholas DeLong

CROWELL & MORING SPEAKS

Chris Monahan will be a panelist on July 30 at ACI's Economic Sanctions West Coast Forum in San Diego. His panel's topic is "Working with OFAC to Obtain Necessary Licenses or Advisory Opinions in a Timely Manner."

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