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GlaxoSmithKline Pays \$20 Million to Settle FCPA Violations

And so it becomes a routine part of doing business. UK-based pharmaceutical company GlaxoSmithKline plc (GSK) agreed Sept. 30 to pay a \$20 million civil penalty to settle charges it violated the Foreign Corrupt Practices Act (FCPA) when its China-based subsidiaries engaged in pay-to-prescribe schemes to increase sales between at least 2010 and June 2013.

UK-based firm Astra Zeneca (AZN) agreed in August to pay \$5.52 million to settle similar SEC charges (see **WTTL**, Sept. 5, page 1). A few months earlier, Swiss firm Novartis AG agreed to pay \$25 million for the same kind of violations.

The GSK charges relate to interactions of its China-based subsidiary and a China-based joint-venture with health-care providers (HCPs) at state-owned entities in China. “The corrupt payments took varied forms, including gifts, improper travel and entertainment with no or little educational purpose, shopping excursions, family and home visits, and cash,” the SEC order said. “The payments were made to increase sales through increased prescriptions by individual HCPs and purchases by hospital administrative staff responsible for product selection or purchase,” it added.

GSK neither admitted nor denied the findings and will provide the SEC status reports for two years on its remediation and implementation of anticorruption compliance measures.

Commissioner Says Customs Bill Implementation on Track

Customs and Border Protection (CBP) is “well on its way” to have the majority of reports, regulations and requirements in place by the end of the year, as mandated by the Trade Facilitation and Trade Enforcement Act of 2015 (H.R. 644), referred to commonly as the customs bill, CBP Commissioner Gil Kerlikowske told a House Ways and Means trade subcommittee hearing Sept. 27. “I certainly acknowledge, despite our best efforts, that we’re delinquent in some areas of the deadlines on the act, but we’re working diligently to

put all of that into place. Going from not having authorization in 2003 to having this is a great step forward so thank you,” said Kerlikowske.

CBP issued interim procedures Aug. 22 for investigating claims of evasion of antidumping and countervailing duty orders (see **WTTL**, Sept. 5, page 9).

Kerlikowske said his agency is making use of the new authorities granted by the Customs Bill, as are some companies. Wheatland Tube, for example, filed an allegation of duty evasion with CBP Sept. 14, involving imports of circular welded steel pipe from China used in solar projects that receive federal tax breaks.

Rep. Charles Boustany (R-La.) hammered Kerlikowske on Section 605 of the customs bill that provides for aggrieved parties to get a cut of interest collected on duties. Crawfish producers in his home state have not seen much money from retaliatory duties placed on imports of Chinese crawfish in the early 2000s. “We finally had a little breakthrough with \$6 million collected from one insurance company. And instead of turning over that money to these crawfish producers who are going out of business, CBP chose instead to deduct 90 percent of that to pay itself interest,” Boustany said.

Kerlikowske owned up to the mistake. “A lot of progress has been made. I was proud and pleased to see the \$6 million. I would tell you there’s another substantial amount of money that is in the works also to go back.” However, at issue is how far back the interest payments should go back. Technological problems also exist. “Not all of our systems are frankly that accurate [or] that flexible to go back x number of years,” he added. Boustany urged the commissioner to rectify those issues immediately.

N.Y. Firm Pays \$400 Million to Settle Bribery Charges

A New York hedge fund management firm agreed Sept. 29 to pay over \$412 million to resolve charges that two of its highest-level executives bribed government officials in multiple African countries including Libya, Chad, Niger and the Democratic Republic of the Congo (DRC) from 2007 through 2011. Och-Ziff Capital Management Group LLC, and its wholly owned subsidiary, OZ Africa Management GP LLC (OZ Africa), agreed to pay over \$412 million to resolve criminal and civil charges of violating the Foreign Corrupt Practices Act (FCPA).

Och-Ziff entered into a three-year deferred prosecution agreement filed in Brooklyn U.S. District Court and agreed to pay a criminal penalty of more than \$213 million. In addition, the company agreed to pay nearly \$200 million in disgorgement to the Securities and Exchange Commission (SEC) to settle civil charges. OZ Africa pleaded guilty to a one-count criminal information in Brooklyn federal court and will be sentenced March 29, 2017. Och-Ziff CEO Daniel Och agreed to pay nearly \$2.2 million to settle SEC charges that he caused certain violations along with CFO Joel Frank, who also agreed to settle the charges. Och and Frank neither admitted nor denied the charges.

“Bribes were paid to corruptly influence foreign government officials in order to obtain or retain business for Och-Ziff and its business partners. Och-Ziff invested in countries and

industries known for corrupt business dealings, and purposefully transacted with agents and business partners with high level connections to foreign government officials who funneled corrupt payments to those officials,” the SEC order against Och-Ziff noted.

SEC charges specifically involve a partnership based on special access to lucrative investment opportunities in the DRC involving the country’s diamond and mining sectors, as well as a deal securing an investment from the Libyan Investment Authority (LIA), that country’s sovereign wealth fund. Other bribes involved efforts to acquire mining rights in Chad and Niger.

Och-Ziff did not voluntarily self-disclose the companies’ misconduct to Justice, the department noted in a press release. The criminal penalty does reflect a 20% reduction off the bottom of the U.S. Sentencing Guidelines fine range because of Och-Ziff’s cooperation with the government’s investigation, the release added.

“This has been a deeply disappointing episode. This conduct is inconsistent with our core values and not representative of our hundreds of employees worldwide, who are dedicated to serving our clients with the utmost integrity. We have learned from this experience and taken significant steps to strengthen Och-Ziff. We are pleased to bring this matter to a conclusion and remain focused on generating returns in our funds,” CEO Och said.

Russian Trade Policies Underwhelm During First WTO Review

Many Russian policies have not been directed at spurring international trade or have been designed to support certain industries, including state-owned enterprises, trade officials said Sept. 28-30 during that country’s first trade policy review since joining the World Trade Organization (WTO) in 2012. Concerns ranged from import substitution policies and corruption to the role of the Eurasian Economic Union.

In all, Russia received more than 700 questions floated before and during the meeting and responded to most or all of them, Irene Young, Hong Kong’s ambassador and chair of the WTO Trade Policy Review Body, told reporters Sept. 30. More than 50 delegations spoke during the three-day meeting, she said.

On the positive side, many delegations appreciated the “tremendous liberalization efforts” Russia has made to become a WTO member, Young said. Most WTO members understand that economic and trade reforms are “very much an ongoing process,” she said. The tariff reduction program Russia agreed during its WTO accession will be completed by 2020, Young noted. Russia’s next trade policy review is slated for that same year.

In contrast, the U.S. has been “extremely disappointed” to see Russia turn away from WTO tenets of liberal trade, transparency, predictability, and toward “inward-looking, import-substitution, economic policies,” Michael Punke, the U.S. ambassador to the WTO, told the meeting. Much of Russia’s “economic pain” is “a result of its own economic policies,” he said.

Russia has expanded import substitution policies to numerous state-owned enterprises, which remain economically “significant,” accounting for roughly half of the country’s gross domestic product (GDP), Punke said, citing the WTO’s assessment. In addition, Russia has not met certain notification obligations, such as those governing state-trading enterprises and industrial support programs, Punke said, referring to findings in the WTO review.

The European Union (EU) delegation echoed those concerns. The EU “did not hide its disappointment” when Russia “quickly opted for an inward-looking strategy based on import substitution” rather than leveraging its WTO membership “to open up and diversify its economy,” it noted. The EU cited subsidization of the automotive and other sectors, local content requirements, and restrictions on “foreign operators in public procurement.”

Policies favoring domestic production over foreign imports “have not brought more trade or growth to Russia,” but have exacerbated the recession in Russia, caused in part by low oil prices, devaluation of the ruble and inflation, it noted. Trade with the EU, the U.S., Japan or China has fallen dramatically since 2012, in some cases by more than 30%, the EU said. Korea and other countries also raised concerns with import substitution.

The Russian government is still heavily involved in the economy, as state-owned enterprises dominate key sectors like banking, transport and energy. Investors also point to corruption, particularly from law enforcement officials, as a major concern despite Russian ratification of the OECD Anti-Bribery Convention, Canada said. Russia has only partially implemented 21 of 50 OECD anti-corruption recommendations, and has failed to implement 19, the delegation added.

Many questions about the Eurasian Economic Union were mainly aimed at clarifying the competence of the union “in doing trade deals ... or setting up common policies for the member states,” Young said. After the union was formed, many policy decisions are made at the regional level rather than the national level, she said. For example, the customs union has signed trade deals with other WTO members, Young said citing Vietnam, which was the first. How the agreement came about and how the union will foster bilateral or regional “trade relationship” garnered much interest, she said.

Concerns arise when regional trade agreements do more to protect certain industries than they do to provide incentives to boost trade, Punke said. Russia’s efforts in the trade bloc have sometimes strengthened, sometimes weakened the bid to fulfill its WTO obligations, Canada added.

When Will Trans-Pacific Partnership Come to a Vote?

Will they or won’t they? Vote on the Trans-Pacific Partnership (TPP), that is. Despite the Administration’s push, a vote is unlikely to take place before the end of the year, and if Senate Majority Leader Mitch McConnell (R-Ky.) has his way, there won’t be a vote until after a new president is sworn in. “If we were going to have another discussion about trade, it would have to be led by whoever the next president is,” he told reporters Sept. 29.

But over on the House side, Ways and Means Chairman Kevin Brady (R-Texas) thinks Republicans will “max out” their TPP votes if the administration can address outstanding areas of concern. In a speech Sept. 27, Brady said the TPP presents a “tremendous opportunity” for the U.S. but it is the “substance of the agreement [that] will drive its timing,” he said.

“If you remember nothing else today, here is the key: We are running out of time if the White House wants to get it done this year, as I hope we do.” Even if TPP is not brought to a vote before President Obama leaves office, Brady hinted that the deal might not die. Without specifying a presidential candidate, Brady said, “People change once they get into office.” Brady also lamented the state of Trade Adjustment Assistance (TAA), saying it “isn’t very effective, isn’t worker-driven, isn’t flexible enough.”

TAA was one of the few points Brady’s colleague Rep. Sander Levin (D-Mich.), a vocal opponent of TPP, agreed with in his own trade remarks the following day. Levin does not believe the TPP should be brought up in a lame-duck session. “I think if it were brought up, it would fail. And I think essentially it would send the message to people in this country who don’t have trust in trade policy that we’re proceeding regardless,” Levin said.

Levin insisted that a “fresh look” was needed to address currency provisions, the investor-state dispute process, workers’ rights, environmental standards and, of course, to address China’s overproduction of steel and aluminum.

Secretary of State John Kerry, speaking in Washington Sept. 28, pushed the administration’s position that failure to pass TPP will undermine the U.S. as a global power and jeopardize national security. “We need to begin with a very fundamental proposition in understanding this agreement: either the United States of America is an Asia Pacific power, or we are not. And the ‘not’ carries with it serious consequences,” he said.

TPP “will reinforce our status as a world leader intimately connected to the dynamic economies of the Pacific Rim, the fastest-growing economies in the world. And it will help strengthen norms and standards that are important to us – not just to other people or to everyone else in the region, but important to every citizen” in the U.S., he said.

“Let me be clear: the reverse is also true. If we reject TPP, we take a giant step backward, we take a step away from this vital platform for cooperation, we take a step away from our leadership in the Asia Pacific, we take a step away from the protection of our interests and the promotion of universal values, we take a step away from our ability to shape the course of events in a region that includes more than a quarter of the world’s population – and where much of the history of the 21st century is going to be written,” Kerry concluded.

Anheuser-Busch Settles SEC Bribery Charges

Belgian beverage maker Anheuser-Busch (AB) InBev agreed Sept. 28 (National Drink Beer Day of all days) to pay the Securities and Exchange Commission (SEC) over \$6

million to settle charges it violated the Foreign Corrupt Practices Act (FCPA) and whistleblower laws. Charges relate to at AB's wholly owned Indian subsidiary, Crown Beers India Private Limited.

From 2009 to 2012, AB InBev held a 49% interest in an Indian joint venture, InBev India International Private Limited (IIPL), which managed the marketing and distribution of Crown beer, the SEC order said. "During this period, IIPL used third-party sales promoters to make improper payments to Indian government officials to obtain beer orders and to increase brewery hours for Crown in 2011. IIPL invoiced Crown for reimbursement for certain of these expenses, and Crown paid or accrued them. In doing so, Crown recorded certain of these expenses in its books as legitimate promotional costs," the order noted.

"Furthermore, in December 2012, AB InBev entered into a separation agreement with a former Crown employee containing language that impeded the employee from communicating directly with the Commission staff about possible securities law violations. AB InBev had also used the same or similar language in other separation agreements in the past," the agency said.

Anheuser-Busch InBev recorded improper payments by its sales promoters in India as legitimate expenses in its financial accounting, and then exacerbated the problem by including language in a separation agreement that chilled an employee from communicating with the SEC," said Kara Brockmeyer, chief of the SEC's FCPA Unit. AB InBev agreed to pay \$2,712,955 in disgorgement plus \$292,381 interest and a \$3,002,955 penalty.

"We are pleased to have resolved the SEC's investigation and that ... Justice closed its parallel investigation without taking enforcement action," AB InBev said in a statement emailed to WTTL. "The settlement we have reached with the SEC concerns events that took place four to seven years ago at a former minority-owned joint venture," it said.

"When we began independent operations in India in 2015, we delivered extensive FCPA training to our Indian employees, and we adopted improved compliance procedures and policies," the company added. "Our employees are encouraged to report any activity that they believe might be a violation of laws, regulations, the Code of Business Conduct, or company policies. We remain firmly committed to the highest compliance standards and to growing our business the right way," it noted.

WTO Releases Dim Outlook for World Trade Growth

It was a busy week in Geneva. In addition to the WTO's public forum, an outgoing appellate judge took a parting shot at the U.S. and the Dispute Settlement Body heard arguments on poultry and washing machines. Not to mention, members held the first trade policy review of Russia (see related story, page 3).

The intended focus of the public forum Sept. 27-29 may have been "inclusive trade," but attention quickly shifted to the slashed global trade forecast. The WTO reduced its

forecast for global trade growth this year to 1.7% from its April prediction of 2.8%. The reduction reflects a slowdown in China's economy and reduction of U.S. imports.

In the six-month trade outlook report, WTO Director General Roberto Azevedo warned against protectionism. "We need to make sure that this does not translate into misguided policies that could make the situation worse, not only from the perspective of trade but also for job creation and economic growth and development which are so closely linked to an open trading system," he wrote.

At the same time, the WTO Appellate Body (AB) drama continued as outgoing AB Judge Seung Wha Chang took a parting shot at the U.S. in a farewell speech. "Most importantly, the outcome of cases must never be an acceptable reason for opposing reappointment. And similarly, an AB Member's adjudicatory performance relating to case-management, including her 'judicial style,' should not be recognized as a legitimate reason for opposing reappointment." The only occasion for vetting judicial style would be in the lead-up to the initial appointment, he added. The U.S. blocked Chang's reappointment because of concerns that decisions went beyond the AB's legal purview (see **WTTL**, July 25, page 3).

During discussions, South Korea proposed appointing appellate judges for longer single terms, requiring three-fourths majority of WTO members for reappointment of judges, and creating specific criteria for the rejection of reappointments. U.S. Ambassador to the WTO Michael Punke rejected South Korea's proposals and defended the U.S. decision to block Chang's reappointment. (Chang is a South Korean citizen.)

On the dispute settlement front, India media outlets report that the Indian government is making changes to bring its policies in line with a 2015 WTO ruling regarding its ban on U.S. poultry imports. The U.S. complained to the WTO Dispute Settlement Body (DSB) at its Sept. 5 meeting that India had failed to comply with a previous WTO ruling that it modify its import ban on U.S. poultry and requested authorization to seek trade retaliation of \$450 million (see **WTTL**, Sept. 12, page 3). India hopes the changes will cause the U.S. to withdraw its retaliation request.

In a statement submitted to the DSB Sept. 26, the U.S. criticized the ruling in the case of alleged dumping of Korean residential washers as rewriting the provisions of the WTO Antidumping (AD) Agreement "by prescribing a wholly new methodology for addressing 'targeted dumping,'" it said. The U.S. lost its appeal Sept. 7 (see **WTTL**, Sept. 12, page 1).

"The methodology created by the Appellate Body was never contemplated at the time the AD Agreement was negotiated and adopted. That methodology has never, to our knowledge, been used by any Member at any time in the 20-plus years since. And no party in the dispute advocated the methodology ultimately prescribed by the Appellate Body," the U.S. said.

Mexico and Canada Divided on TPP, Together on Engaging China

NAFTA has been repeatedly held up this election cycle as a trade bogeyman and a reason to oppose the TPP, but for Mexico, the deal has been a success and reason to push forward on TPP, a Mexican trade minister told a forum in Washington Sept. 28. Canada is less enthusiastic about the 12-nation trade agreement, but both countries' governments are looking to strengthen their positions in the Asia-Pacific by engaging with China.

“We are working actively on our front to try to get [TPP] approved this year,” said Kenneth Smith Ramos, head of the Mexican Embassy's Trade and NAFTA Office. “The fact that we have \$800 billion in U.S. trade as opposed to what we had at the beginning before NAFTA came into effect; we have more than quintupled our trade within the NAFTA region. Mexican trade is concentrated largely within North America... but China is very important to us,” he added.

The Mexican government wants to increase trade with China, as China is Mexico's third-largest export market. But many of the concerns voiced by Americans are shared by Mexico, Ramos said. For starters, China's foreign direct investment (FDI) in Mexico accounts for only .1% of its total FDI. Mexico also wants China to reduce technical barriers to trade and to stop its overproduction of steel and aluminum. Despite these concerns, there has been a “strong effort” by Mexico's government to engage China because it cannot afford to ignore China's economic power, Ramos said.

Gilles Gauthier, economic minister at the Canadian Embassy, said his government is continuing its domestic consultations on TPP. The agreement was finalized during Canada's most recent election, and the new administration has been cool on the agreement despite the public support for freer trade standing at 70 or 75%, he estimated. “Guessing on the parliamentary calendar is always difficult, but I think the reality is once the government makes a decision – in our system, where the governing party has a majority in government – it can move [TPP approval] in a reasonably predictable fashion at that point,” Gauthier said.

Though his government has been tepid on TPP, Gauthier noted that Canadian Prime Minister Justin Trudeau announced last week that his government has launched exploratory talks with China on a free trade agreement (FTA). The goal is to double trade between the two countries by 2025. No specific dates have been laid out, but public comments will be invited shortly, Gauthier said. China accounts for 8% of Canada's trade and although Canada's trade deficit with China is estimated to be between \$40-45 billion, Canada does not want to miss out on securing a preferential trade deal with China, whose economy still looks attractive despite a slowdown. The U.S. could potentially benefit from a China-Canada FTA because Canadian exports contain about 10% U.S.-produced content.

On the other hand, it is “incumbent on Canada to understand that it's not on equal footing” in discussions with China, Flavio Volpe, president of the Automotive Parts Manufacturers' Association of Canada, said. China's economy is six times Canada's and growing three times faster, he said. However, China needs access to Canadian resources,

so Canada should push for deals on FDI in manufacturing innovation, Flavio said. In essence, Ottawa should make it a negotiating priority that China establish manufacturing plants in North America.

*** * * Briefs * * ***

CUBA: President Obama Sept. 28 nominated Jeffrey DeLaurentis to be U.S. ambassador to Cuba. DeLaurentis has served as chief of mission in Havana since August 2014 and was posted to Havana twice before, Obama noted. Prior to entering Foreign Service, he held senior staff position at Council on Foreign Relations.

GARLIC: CBP issued withhold release order Sept. 16 against peeled garlic produced by Hongchang Fruits & Vegetable Products in China with convict labor. Previous order detained stevia extracts and their derivatives (see **WTTL**, June 20, page 3).

CONGO: OFAC Sept. 28 added two individuals from Democratic Republic of Congo (DRC) to SDN List. Gabriel Amisi Kumba is commander in country's armed forces and John Numbi is former national inspector for Congolese National Police. "These current and former Democratic Republic of the Congo government officials have engaged in actions that undermine democratic processes in the DRC and repress the political rights and freedoms of the Congolese people, risking further and more widespread instability in the DRC, and the broader Great Lakes region," said Acting OFAC Director John Smith in statement. OFAC previously designated Congolese police official Céléstin Kanyama in June (see **WTTL**, July 4, page 9).

ITAR: DDTC in Federal Register Sept. 29 updated ITAR to reflect trade policy changes and reorganized lists of proscribed countries for clarity. Policy changes involve Eritrea, Somalia, Democratic Republic of Congo, Liberia, Côte d'Ivoire, Tunisia, Sri Lanka and Vietnam. Comments on organization and clarity changes in interim final rule are due Oct. 31. President Obama lifted economic sanctions on Cote d'Ivoire Sept. 14 (see **WTTL**, Sept. 19, page 10).

EXPORT ENFORCEMENT: Amin Yu of Orlando, Fla., was sentenced Sept. 26 in Orlando U.S. District Court to 21 months in prison for acting as illegal agent of foreign government without prior notification and conspiracy to commit international money laundering. Yu pleaded guilty in June to charges related to illegal export of systems and components to China for use by former colleagues at state-run Harbin Engineering University (HEU) from 2002 through February 2014 (see **WTTL**, June 20, page 5). Parts were used in development of marine submersible vehicles.

MORE EXPORT ENFORCEMENT: Technoline SAL of Beirut, Lebanon, agreed Sept. 29 to pay BIS \$450,000 to settle seven charges of reexporting controlled items to Syria without BIS licenses between August 2009 and October 2010. Items were U.S.-origin Agilent mass spectro-meters, gas chromatographs and consumables, liquid chromatograph-mass spectrometer systems, and liquid chromatograph modules classified under ECCN 3A999, controlled for anti-terrorism reasons, and valued at \$583,109.56. Technoline was authorized distributor of Agilent products. Of penalty, \$275,000 will be suspended for two years then waived if company commits no further violations.

FALSE CLAIMS: U.S. intervened Sept. 23 in complaint against Yingshun Garments Inc, N.Y. subsidiary of China-based clothing manufacturer, former managing director and wholesaler Notations, Inc. in Manhattan U.S. District Court under False Claims Act. Suit claims Yingshun engaged in double-invoice scheme where Yingshun presented falsely undervalued invoices to CBP for the purpose of avoiding import duties on garments sold to Notations between 2009 and 2014.

NORTH KOREA: OFAC Sept. 26 designated trading company and four individuals tied to North Korea's proliferation of weapons of mass destruction (WMD) pursuant to EO 13382. China-based Dandong Hongxiang Industrial Development Company (DHID) used illicit network of front companies to facilitate prohibited U.S. dollar transactions on behalf of Korea Kwangson Banking Corporation (KKBC), previously designated by U.S. and UN as providing financial services support for WMD proliferators. DHID executives Ma Xiaohong, Zhou Jianshu, Hong Jinhua and Luo Chuanxu were also designated for involvement with company. Same day, criminal charges against DHID and four designated individuals were unsealed in Newark, N.J. U.S. District Court for conspiring to evade U.S. economic sanctions as well as conspiracy to money launder.

ECR: Sen. Steve Daines (R-Mont). Sept. 27 introduced Export Control Reform Act of 2016 (S.3405), which would move jurisdiction for commercial and sporting (non-military) firearms from State to Commerce, "to be regulated like any other commercial business--allowing small business to continue to serve hunters and sports shooters," he said in introducing bill. Daines cited recent DDTC guidance on gunsmiths as bill's impetus (see **WTTL**, Sept. 5, page 1). House Majority Whip Steve Scalise (R-La.) and 68 bipartisan cosponsors to introduced companion bill (H.R. 6176).

TRANSPARENCY: Rep. Debbie Dingell (D-Mich.) Sept. 22 introduced Promoting Transparency in Trade Act (H.R.6141), which would require USTR to publish U.S. negotiating proposals after each round of trade deal negotiations as EU does. In addition, bill would also require USTR appoint transparency officer "who does not have, or appear to have, any conflict of interest in ensuring the transparency of the activities" of USTR. Current transparency officer is general counsel Tim Reif, "hardly an unbiased person who would be working in the interests of transparency," Dingell said.

JUSTICE: Assistant Attorney General for National Security John Carlin is leaving post Oct. 15, reportedly for job in private sector. Attorney General Loretta Lynch called him "trusted and tireless leader" in statement on his departure. Carlin was confirmed by 99-1 in Senate vote in April 2014 after serving on acting basis for over 12 months prior (see **WTTL**, April 7, 2014, page 8).

CRUDE OIL: License types Trans-Alaska Pipeline Authorization Act (TAPS) (C49), short supply crude oil samples (C55) and short supply strategic petroleum reserves (C56) were removed from Automated Export System (AES), Census announced Sept. 30. BIS removed short supply license requirements in EAR for crude oil in May (see **WTTL**, May 16, page 8). Ban on crude oil exports was lifted in December 2015.

PAST DUE: Siemens Corporation and Siemens Medical Solutions agreed Sept. 22 to pay Federal Communications Commission (FCC) \$175,000 to resolve charges of failing to disclose prior criminal FCPA convictions. Under FCC rules, wireless license holders, like Siemens and Siemens Medical are required to disclose any felony convictions in license applications, FCC said. Parent company **Siemens AG** pleaded guilty to criminal FCPA charges in 2008 and former executives are still awaiting sentencing (see **WTTL**, Oct. 5, 2015, page 6).

LUMBER: Not satisfied with USTR Froman's assertion that negotiators are working "intensively" on new lumber agreement, Rep. Peter DeFazio (D-Ore.) and 40 House colleagues in letter Sept. 28 urged Froman to design agreement to "maintain Canadian exports at or below an agreed U.S. market share." Last lumber agreement expired in October 2015. If new deal not reached by Oct. 13, yearlong moratorium on trade cases will cease and U.S. companies can seek retaliatory duties (see **WTTL**, Sept. 19, page 10).