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Commerce Will Investigate Uranium Imports

The Section 232 hits keep on coming. Commerce Secretary Wilbur Ross July 18 launched an investigation into “whether the present quantity and circumstances of uranium ore and product imports” threaten national security. Like the ongoing investigations on steel, aluminum and auto imports, the probe is pursuant to Section 232 of the Trade Expansion Act of 1962.

Energy Fuels Inc. and Ur-Energy Inc. jointly petitioned Commerce in January, claiming that imports of uranium from state-owned enterprises in Russia, Kazakhstan and Uzbekistan now fulfill nearly 40% of U.S. demand, while domestic production fulfills less than 5% (see **WTTL**, Jan. 22, page 6).

According to the press release, the Commerce investigation will “canvass the entire uranium sector from the mining industry through enrichment, defense, and industrial consumption.” U.S. production of uranium “necessary for military and electric power” has dropped from 49% percent of consumption to 5%, Ross said.

The Canadian director of the United Steelworkers (USW) immediately urged the department to exclude Canada, a “fair-trading nation,” from the investigation. “Targeting Canada’s uranium industry would be absurd and would suggest a deliberate escalation by the Trump administration – for its own political purposes – of a trade war with America’s closest ally,” Ken Neumann said.

NDAAs Conference Committee Likely to Back off ZTE

Congressional Twitter feeds erupted when reports started to emerge July 20 that the final version of the 2019 National Defense Authorization Act (NDAA) would not include language blocking the deal with Chinese telecom company ZTE, but would include popular updates to the Committee on Foreign Investment in the U.S. (CFIUS).

As if expecting the outcry, the ZTE issue “has been pulled into a very small circle of members,” including leadership and chairs of the House and Senate Armed Services committees for “decision in the NDAA end-game over this coming weekend,” a congressional source told WTTL. While press reports indicated that the deal was done, “everything is open” until the conference agreement is filed July 23, the source noted.

The full Senate passed the NDAA with both the ZTE and CFIUS language in an 85-10 vote June 18. Since then, the Bureau of Industry and Security lifted the denial order after the company made its full penalty and escrow payments (see **WTTL**, July 16, page 1). The House passed the CFIUS reforms in a separate bill in an overwhelming 400-2 vote June 26.

Sen. Marco Rubio (R-Fla.) denounced a “bad tradeoff” of ZTE for CFIUS. “Given the specific details many of my Senate colleagues know about #ZTE & how #China intends to use them against the U.S., I am surprised they caved so easily in conference,” he tweeted.

Sen. Mark Warner (D-Va.) called the NDAA decision a “huge mistake” and that he was “beyond frustrated that Republican leaders are caving to the Trump Administration’s demands on ZTE. This can only make our country less safe.” A week prior, Warner had urged the Senate and House Armed Services committee chairs to include both the ZTE amendment and the CFIUS reforms.

One cosponsor of the ZTE amendment Sen. Tom Cotton (R-Ark.) was remarkably even-keeled in a statement. “Although it’s regrettable the report doesn’t include all of the Senate bill’s language on ZTE, on the whole it is a good piece of legislation that will strengthen our military and take a tough line against our adversaries around the world,” he wrote.

U.S. Challenges Five WTO Members over Retaliatory Tariffs

Turnabout is fair play. The U.S. July 16 launched five separate World Trade Organization (WTO) disputes against China, the European Union (EU), Canada, Mexico and Turkey challenging the tariffs those countries imposed in response to U.S. tariffs on steel and aluminum imports. Each of those partners has brought a WTO case against the U.S. over the original tariff measures.

“The actions taken by the President are wholly legitimate and fully justified as a matter of U.S. law and international trade rules. Instead of working with us to address a common problem, some of our trading partners have elected to respond with retaliatory tariffs designed to punish American workers, farmers and companies,” said U.S. Trade Representative (USTR) Robert Lighthizer.

“These tariffs appear to breach each WTO Member’s commitments under the WTO Agreement. The United States will take all necessary actions to protect our interests, and we urge our trading partners to work constructively with us on the problems created by

massive and persistent excess capacity in the steel and aluminum sectors,” he added. China countered the same day at the WTO challenging the White House plan to place tariffs on \$200 billion worth of Chinese goods per Section 301 (see **WTTL**, July 16, page 2). The tariffs on Chinese goods could go even further. When asked in a CNBC interview if he would raise the stakes to \$500 billion, Trump replied “I’m ready to go to 500.”

“I really like President Xi a lot, but it was very unfair, so I raised 50. We’re down 500. Now some people would say \$375 billion. I’m not talking about million. I’m not talking about pennies. I’m talking about – we’re down \$375 billion, but other estimates could say 507, it doesn’t matter. So it’s in between there, or it’s there. We’re down a tremendous amount. I raised 50, and they matched us. I said, ‘You don’t match us. You can’t match us because otherwise we’re always going to be behind the 8-ball,’” the president said.

In its World Economic Outlook Update, the International Monetary Fund July 16 cautioned that broad global trade expansion has plateaued and become less balanced. “The recently announced and anticipated tariff increases by the United States and retaliatory measures by trading partners have increased the likelihood of escalating and sustained trade actions,” the report noted.

“These could derail the recovery and depress medium-term growth prospects, both through their direct impact on resource allocation and productivity and by raising uncertainty and taking a toll on investment,” it added. “Avoiding protectionist measures and finding a cooperative solution that promotes continued growth in goods and services trade remain essential to preserve the global expansion,” the report said.

Lawmakers Introduce Russia Sanctions Bills

Within days of the president meeting with Russian President Vladimir Putin in Helsinki and the indictment of 12 Russians for interfering in the 2016 U.S. election, lawmakers in both chambers announced their intention to introduce legislation to deter that interference in the 2018 midterms.

On the House side, Reps. Eliot Engel (D-N.Y.), Steny Hoyer (D-Md.), Maxine Waters (D-Calif.), and Jerrold Nadler (D-N.Y.), at a press conference July 19 announced they would introduce the Secure America from Russian Interference Act, which would impose sanctions on anyone who interfered in the U.S. 2016 election and or any future election.

“Unlike the sanctions package we passed last year, this measure specifically goes after anyone who interferes with an American election from overseas—or anyone who interfered in the past. In the past is important because we have a good deal of knowledge that the Russians did intercede,” Engel said. Two days earlier, Engel introduced a resolution supporting House Speaker Paul Ryan’s (R-Wisc.) statements on Russian interference (H. Res. 999).

“The idea that Congress has exhausted all its options to rein in the Administration and push back on Russia is just preposterous. Relative to the size of the threat we’re facing,

Congress has done next to nothing,” he added. In the other chamber the same day, Sen. Bob Menendez (D-N.J.) announced he also would introduce comprehensive Russia sanctions legislation. The bill would increase sanctions on Russia’s energy and cyber sectors, increase pressure on Russia’s oligarchs and target Russia’s sovereign debt, he said on the Senate floor.

“Just as the Administration has been prepared to find ways that allow them to circumvent the law and avoid implementing mandatory provisions of CAATSA, we must be equally prepared to adjust and adapt by closing those loopholes,” Menendez added. Congress overwhelmingly passed the Countering America’s Adversaries Through Sanctions Act (CAATSA) in July 2017 (see **WTTL**, June 18, page 7).

Sen. John Cornyn (R-Texas) seemed to agree. “I think we should consider sanctions, not sort of sense of the Senate resolutions that have no sting or no impact, certainly no deterrent effect on what we all want to discourage, which is Russian involvement in our 2018 elections,” he said on the Senate floor the same day.

Auto Industry, Unions Cruise Through Commerce Hearing

Over the course of eight hours July 19, Commerce heard testimony from manufacturers, associations and foreign governments opposed to the imposition of tariffs on automobile and automobile parts as part of Commerce’s Section 232 investigation, while unions testified in support of the duties. Despite the volume of testimony, the results of the investigation may come in a matter of weeks, a Commerce official hinted.

In his opening remarks Commerce Secretary Wilbur Ross responded to criticisms that the administration already has decided to impose tariffs. “It is too early now to say if this investigation will ultimately result in Section 232 recommendations on national security grounds. The Department did recommend action in our investigations of steel and aluminum imports, but each industry is different,” he said. In addition to the dozens of witnesses, the department received more than 2,000 public comments (see **WTTL**, July 2, page 3)

At the end of the hearing, Nazak Nikakhtar, assistant Commerce secretary for industry and analysis, said, “We will, in the coming weeks, conduct a thorough, fair and transparent investigation that takes into account all the relevant facts, all the input from stakeholders, all the economic analysis that’s been provided to us before reaching a final determination.”

Several foreign government witnesses testified against further tariffs. Canada’s deputy ambassador to the U.S. Kirsten Hillman emphasized the “benefits of our integrated auto sector and the exceptional nature of our enduring national security relationship.” Due to integrated supply chains, Canadian made vehicles exported to the U.S. contain more than 50% U.S. content, thus contributing to U.S. economic prosperity. Should tariffs be implemented, Canada “will once again be forced to respond in a proportional manner” as they have in response to steel and aluminum tariffs, she cautioned.

In contrast, union representatives supported the tariffs. “Decades of disinvestment and offshoring of U.S. jobs by multinational corporations has weakened our economic security as a nation and has inflicted great harm on American workers and communities. Massive job losses have had ripple effects throughout the communities. It has idled able-bodied workers, weakened economies and diminished tax returns,” testified Jennifer Kelly, research director for United Automobile Workers, who described the 232 investigation as “long overdue.”

“At the conclusion of this process, it is our hope that the Trump administration will take targeted measures to boost domestic manufacturing. We know the automotive industry as a global industry with long, complicated, well-established supply chains. We caution that any rash actions could have unforeseen consequences, including mass layoffs for American workers, but that does not mean we should do nothing,” she concluded.

Cody Lusk, president and CEO of the American International Automobile Dealers Association (AIADA), disagreed that auto imports hurt American jobs, pointing out that 9,600 international nameplate auto franchises employ more than 577,000 Americans directly and an additional 527,000 indirectly. “U.S. tariffs that take the form of taxes on consumers would significantly impact new car sales through higher prices, reduced demand, restricted choice, and new obstacles for consumers seeking auto loans.” Lusk said a study showed that new vehicle prices would rise by \$4,400 if a 25% tariff is imposed and possibly \$7,000 on imported vehicles. Even domestically built vehicles, which use some imported parts, would see a rise in price of \$2,200, he said.

The same day, more than 140 members of Congress sent a bipartisan letter to Ross advising against imposing trade restrictions on auto and auto parts imports. “We support the Department of Commerce as it seeks a level playing field for our manufacturers and workers in the global marketplace and penalizes bad actors. We believe, however, that the taxpayer dollars being used by the Commerce Department for this investigation would be better spent on other endeavors,” said the letter spearheaded by Rep. Jackie Walorski (R-Ind.).

“We do not believe that imports of automobiles and automotive parts pose a national security threat. Rather, we believe the imposition of trade restrictions on these products could undermine our economic security,” the lawmakers concluded.

Administration Adds More Words to Arms Export Policy

In a move that is consistent with the administration’s stated purpose of making it easier to export conventional arms, State July 16 outlined its “implementation plan” for the new Conventional Arms Transfer (CAT) export policy the White House proposed in April (see **WTTL**, April 23, page 1). Along with its proposed transfer of civilian firearms, the export policy reveals the overarching goal to streamline direct sales.

The implementation plan is based on three amorphous “lines of effort” that some would call buzzword bingo: prioritizing strategic competition, organizing for success and creating conducive environments. A bit more specific list of action items includes: “identifying critical capability requirements and energizing a whole-of-government effort to expedite arms transfers,” a State fact sheet noted.

Other to-dos: providing allies and partners with alternatives to foreign defense articles; increasing the competitiveness of U.S.-made systems, including by working with industry to build exportability into design and development, expanding support for non-Program of Record systems, and by incentivizing increased production capacity and timely delivery; updating regulatory frameworks such as the International Traffic in Arms Regulations, and working with partners to modernize multilateral regimes.

Industry and think tank representatives responded quickly. “Not surprised, but still disappointed. Absolutely no mention of greater public transparency, concern about avoiding misuse or human rights abuses,” Jeff Abramson, senior fellow, Arms Control Association, tweeted.

In contrast, the Aerospace Industries Association (AIA) applauded the plan. “We are gratified to see our recommendations for strategic focus, whole of government coordination, and enhanced accountability feature prominently,” AIA president Eric Fanning said in a statement. “It is absolutely essential for our government and our industry to get to the right answers on defense trade with our allies sooner, so that we can continue to ‘outpartner’ our adversaries,” he added.

Retaliatory Tariffs Harm Agriculture, Rural Communities

While government officials are fighting over trade in Geneva, retaliatory tariffs imposed by other countries in response to Section 232 and Section 301 duties are hurting U.S. agriculture and rural communities, the House Ways and Means trade subcommittee heard from farmers July 18.

Cass Gebbers, president and CEO of Gebbers Farms, said he’s expecting to significantly cut exports of cherries to China this year. He typically exports 1.5 million boxes, about half of the cherries Washington state exports to China each year, but this year he thinks he’ll only export “maybe 5-600,000.”

“Those boats have been rerouted to Vietnam or Taiwan, or they’ve been stuffed back into the U.S. market, which... is creating extra supply, forcing down prices, all of this at the expense of our growers.” The downturn has caused him to cancel or postpone capital investments and consider layoffs. It took decades to develop these markets, said Gebbers. Once market share is lost it may not be regained because other countries are willing to swoop in and fill the vacuum.

Simply increasing the price of their product doesn't work, Gebbers noted. "Cherries were about \$8 a pound in China ... [When] we tried to raise those cherries to \$10 a pound or \$11 a pound, demand went to zero and they said cancel the orders, we're not going to want that fruit at that price." Apple orders to India went to zero when the 75% tariff went into place, and sales to Mexico are down 40% with a 20% tariff in place.

Russell Boening, owner of Loma Vista Farms and president of the Texas Farm Bureau, said on his farm they recently finished harvesting grain sorghum and have seen a 25% decline in market price in the last two months. Most of their crop will be stored this year in the hopes that prices will go back up.

"As many of you know, U.S. farmers, ranchers, and growers right now are caught in the middle of international crossfire. First, they are hurt because products, such as equipment, chemicals, and fertilizer, which they need to run lean and competitive agriculture operations, have been included on the Administration's Section 301 list, as well as the steel and aluminum they need. And then, adding insult to injury, they are the first to face retaliatory tariffs from across the globe as countries react to U.S. trade policy decisions," subcommittee Chairman Dave Reichert (R-Wash.) said in his opening statement.

Jared Bernstein, senior fellow at the Center on Budget and Policy Priorities, in his prepared testimony, stated the administration "has not done nearly enough to ameliorate the problems they've raised, and their escalating trade war is likely to do more harm than good to American production, prices, investment, growth, and employment." While the macroeconomic impacts of the trade war are economically small for the moment, the effect on targeted industries "are already meting out pain to exporters facing retaliatory tariffs and importers of inputs facing new tariffs on incoming goods."

Ex-Im Needs to Better Identify Fraud Risks, GAO Finds

As the Senate considers another nominee to head the Export-Import Bank (Ex-Im), Government Accountability Office (GAO) looked at its adherence to fraud policies enacted with its reauthorization in 2015. While it has taken some steps to assess fraud risk, the bank has not conducted a comprehensive fraud risk assessment, the GAO found in a report published July 19 (GAO-18-492).

"Without planning and conducting regular fraud risk assessments as called for in the framework, the Bank is vulnerable to failing to identify fraud risks that can damage its reputation or harm its ability to support U.S. jobs through greater exports," the report said. Specifically, "managers should determine where fraud can occur and the types of internal and external fraud the program faces, including an assessment of the likelihood and impact of fraud risks inherent to the program," the report noted.

In addition to conducting such an assessment, the bank should "promote and sustain an antifraud tone that permeates the Bank's organizational culture," develop and implement an antifraud strategy with specific control activities, and systematically track outcomes of

fraud referrals, GAO added. Ex-Im's 2015 reauthorization included a provision for GAO to review the bank's antifraud controls within four years, and every four years thereafter, the report noted. "This report examines the extent to which the Bank has adopted the four components of GAO's Fraud Risk Framework—commit to combating fraud; regularly assess fraud risks; design a corresponding antifraud strategy with relevant controls; and evaluate outcomes and adapt," it added.

In response, bank managers said they will fully adopt the GAO framework, the report said. They plan to complete a fraud risk assessment by December 2018, and to determine the Bank's fraud risk profile—that is, document key findings and conclusions from the assessment—by February 2019," it added.

WTO Dispute Body to Rule on Wine, Fish Fillets

If the U.S. ever leaves the World Trade Organization (WTO) as some have threatened, most of its committees, but especially the Dispute Settlement Body (DSB), will have to resort to playing Canasta. At its latest meeting July 20, the DSB established two panels involving the U.S. – one on Canadian wine and the other on Vietnamese fish fillets – and Honduras proposed a way to break the U.S.-created impasse in appointing new Appellate Body (AB) members.

The first DSB panel, requested by the U.S., will rule on restrictions maintained by British Columbia, Canada, on the sale of wine in grocery stores. The U.S. claims that British Columbia's restrictions on where imported wine can be sold – a store within a store rather than on the shelves – is inconsistent with WTO non-discrimination rules (see **WTTL**, June 25, page 5). Canada said it regretted the U.S. decision to submit a second request for a panel and noted that imported wines account for 90% of all wine sales.

The DSB also agreed to Vietnam's request to establish a panel to rule on U.S. antidumping measures on fish fillets (see **WTTL**, June 25, page 5). The U.S. expressed disappointment that Vietnam decided to move forward with its second request and noted that some of the concerns Vietnam raised are outside the scope of dispute settlement proceedings.

WTO members once again failed to agree to initiate the selection process to fill three AB vacancies after the U.S. said it could not accept a proposal backed by 67 members calling for the establishment of a Selection Committee and submission of candidates within 30 days and the issuance of recommendations from members within 60 days. The U.S. has repeatedly stated it cannot move forward until its concerns about Rule 15 are addressed (see **WTTL**, July 16, page 7). Honduras put forward a proposal intended to foster discussion on the AB's functioning, in particular to address U.S. concerns. The U.S. thanked Honduras and said it would review the proposal.

DSB Chair Sunanta Kangvalkulkij said she continues to seek opinions from members as to whether AB member Shree Baboo Chekitan Servansing should be granted a second

term. Servansing's first term expires at the end of September. The chair will report back at the next DSB meeting Aug. 27.

Democrats Introduce Bill to Expand TAA

Rep. Suzan DelBene (D-Wash.) July 17 introduced legislation (H.R. 6395) that would expand Trade Adjustment Assistance (TAA) to cover American workers who might lose their jobs due to tariffs. The bill is co-sponsored by Reps. Ron Kind (D-Wis.), Terri Sewell (D-Ala.) and Mike Thompson (D-Calif.).

TAA provides assistance to workers displaced by import competition and offshoring in the form of job training, healthcare, tax credits and income support for those who have used up their unemployment benefits but are enrolled in job training. DelBene's proposed legislation would expand those benefits to cover workers who experience job loss from a drop-off in U.S. exports due to increased tariffs imposed by other countries.

"We are already seeing the human impact of President Trump's costly trade war as even allies like Canada and the European Union strike back by leveling tariffs on U.S. businesses, leaving American workers, whose jobs depend on open markets, to suffer the consequences. With President Trump pummeling our nation's middle class, it's our responsibility to ensure American workers have the tools to get back on their feet," DelBene said in a statement.

Agriculture Secretary Sonny Perdue also has hinted that he will unveil tariff relief for farmers impacted by tariffs, though the specifics of that benefits package is unknown at this time. He has said in multiple interviews that a plan will be in place by Labor Day.

* * * Briefs * * *

STAPLE FIBER: In 5-0 final vote July 19, ITC found U.S. industry is materially injured by dumped imports of low melt polyester staple fiber from Korea and Taiwan. ITC also made negative finding of critical circumstances on imports from Korea.

FCPA: Luis Carlos De Leon Perez, dual U.S. citizen pleaded guilty July 16 in Houston U.S. District Court to conspiracy to violate Foreign Corrupt Practices Act (FCPA) and conspiracy to commit money laundering for role in scheme to bribe purchasing officials from Venezuela's state-owned energy company, Petroleos de Venezuela S.A. (PDVSA). Sentencing is set for Sept. 24. Indictment against five Venezuelans was unsealed in February for their roles in scheme (see **WTTL**, Feb. 19, page 5). Two of five -- De Leon and Nervis Gerardo Villalobos Cardenas -- were charged with conspiracy to violate FCPA; all five were charged with money laundering. De Leon was 12th defendant in scheme to plead guilty. Three U.S. businessmen have pleaded guilty in scheme and await sentencing.

VENEZUELA: OFAC July 19 issued general license (GL) 5, which authorizes "all transactions related to, the provision of financing for, and other dealings" in Petroleos de Venezuela SA (PdVSA) 2020 8.5% Bond. Transactions were prohibited by Executive Order (EO) 13835 that

president issued in May after Venezuelan snap elections (see **WTTL**, May 28, page 9). “Authorizing bondholders to enforce rights related to the PdVSA 2020 8.5 percent bond prevents the Maduro regime from using the EO to default on its bond obligations without consequence,” OFAC noted in FAQ posted on website.

EXPORT ENFORCEMENT: Frederik Barbieri of Ft. Pierce, Fla., was sentenced July 19 in Miami U.S. District Court to 152 months in prison for unlawfully exporting firearms, firearms accessories and ammunition to Rio de Janeiro, Brazil. He pleaded guilty in May (see **WTTL**, May 21, page 9). Brazilian law enforcement intercepted shipment found to contain approximately 30 AR-15 and AK-47 rifles and firearm magazines, all concealed in four 38-gallon Rheem water heaters, according to court documents. In addition to sentence, Barbieri was ordered to forfeit \$9.6 million, which “represents proceeds from the offenses, based on 122 shipments of water heaters containing approximately 915 firearms, and 15 shipments of air conditioning units containing approximately 45 firearms, a total of 960 firearms, with a profit of approximately \$10,000 per firearm,” court order noted.

MORE EXPORT ENFORCEMENT: Two Pakistani nationals and lawful permanent U.S. residents, Muhammad Ismail and his son Kamran Khan, were sentenced July 18 in New Haven, Conn. U.S. District Court to 18 months in prison, followed by three months supervised release, for money laundering funds they received for unlawful export of goods to Pakistan. They pleaded guilty in March (see **WTTL**, March 12, page 6). Other son Imran Khan pleaded guilty in June 2017 in New Haven federal court to exporting Alpha Duo Spectrometer to Pakistan in 2013 without Commerce license. Spectrometer was classified under Export Control Classification Number 3A999 and shipped on behalf of Pakistan Atomic Energy Commission (PAEC), which was listed on BIS Entity List. Sentencing for Imran Khan set for Sept. 14. All three were arrested in December 2016; Khans were released on \$100,000 bond, Ismail on \$50,000 bond.

BREXIT: Striking trade deal with U.S. post-Brexit is top priority, Liam Fox, United Kingdom’s (UK) secretary of state for international trade, said in speech July 18. “The United States is the UK’s single largest trading partner and foreign investor, accounting for over £100 billion worth of UK annual exports,” he said. UK will also pursue trade deals with Australia and New Zealand and seek accession to Comprehensive and Progressive Agreement for Trans-Pacific Partnership (previously known as TPP), Fox said.

CANADA: Canadian Prime Minister Justin Trudeau shuffled his cabinet July 18. Among changes, Jim Carr, currently natural resources minister, became minister of international trade diversification, replacing Francois-Philippe Champagne, who became minister of infrastructure and communities. “Canada’s prosperity is tied to progressive trade and economic opportunities beyond our borders, and Minister Carr will work to help Canadian people and businesses compete and succeed around the world, and diversify our trading markets,” Trudeau’s office said.

FINANCE: Nasim Fussell was named deputy chief international trade counsel for Senate Finance majority, according to LinkedIn profile. She comes to Finance from Pitney Bowes and previously served as House Ways and Means Committee trade counsel.

TRADE ENFORCEMENT: House Ways and Means Chairman Kevin Brady (R-Texas) and Trade Subcommittee Chairman Dave Reichert (R-Wash.) want “agencies to finalize and publish TFTEA [Trade Facilitation and Trade Enforcement Act] regulations without further delay,” pair wrote in letter July 19 to officials, including Treasury Secretary Steven Mnuchin and Customs and Border Protection Commissioner Kevin McAleenan. In late June, Court of International Trade issued opinion in case where “brokers and importers challenged CBP’s refusal to grant accelerated

payment privileges for drawback claims until the regulatory package containing the new drawback calculation method is final. In its opinion, the Court was unequivocal that the agencies' failure to promulgate the implementing regulations by February 24, 2018 'exceeded a legislative deadline' and violates the law," letter notes. Court said if agencies were unable to issue regulations by July 5 then they should issue portions that satisfy TFTEA in advance of other unresolved portions.

EX-IM BANK: Kimberly Reed, nominee to lead Export-Import Bank (Ex-Im), sailed through nomination hearing before Senate Banking Committee July 19. Ex-Im critic Sen. Pat Toomey (R-Pa.) said that despite his skepticism of bank, he was pleased with Reed's testimony. He asked series of yes or no questions regarding bank reform. It remains to be seen if Toomey will lift his hold on other Ex-Im Board nominees (see **WTTL**, June 25, page 8).

OLIVES: European Commission (EC) looking to take legal action against U.S. tariffs on imports of ripe olives from Spain (see **WTTL**, July 16, page 8). EC Agriculture Commissioner Phil Hogan said during press briefing July 16 that Europe doesn't "accept the outcome and we are looking at options with the Spanish authorities in terms of legal action, but also going to the World Trade Organization in terms of opening a panel." At press time, no WTO action had been filed.

FIREARMS: Responding to State settlement with Defense Distributed over posting of 3-D blueprints online, Rep. Eliot Engel (D-N.Y.) urged Secretary of State Mike Pompeo to "suspend the Department's implementation of the settlement immediately and prevent the inappropriate and dangerous release of this technical information." Under the settlement, State agreed to change ITAR temporarily to allow posting, while it worked on a proposed rule change, avoiding congressional notification requirement (see **WTTL**, July 16, page 1). "Once posted, the item is instantly and permanently available to all who seek it. Therefore, it is impossible to temporarily publish 3-D gun printing software on the internet," Engel wrote.

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