EIB World Trade Headlines

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August 1, 2019 - Volume 11, Issue 15

CELEBRATING OVER 30 YEARS

Koch Group Blasts U.S. Clash With WTO Body in Break With Trump

Posted July 24, 2019, 8:58 AM

- U.S. block risks paralyzing the WTO dispute settlement system
- Outcome may impose massive risks on U.S. economy, group says

A conservative advocacy group funded by billionaire Charles Koch urged President Donald Trump's administration to dial back its aggressive approach toward the World Trade Organization, warning of "massive" risks to the U.S. and global economies.

Americans for Prosperity said that Washington's steps to disable the WTO's dispute-resolution system "would limit U.S. access to other markets and could create a frontier approach to trade that will see tariffs increase across the globe and countries adopting a go-it-alone, eye-for-an-eye approach even less likely to resolve disagreements."

NEWSLETTER NOTES

US slaps import duties of more than 400 per cent on Vietnamese steel to prevent companies exploiting loophole

The US is hardening its rhetoric against Vietnam, which has benefited from President Donald Trump's trade war with China.

Trump described Vietnam last week as 'almost the single-worst abuser of everybody' when asked if he wanted to impose tariffs.

The US Commerce Department imposed duties of more than 400 per cent on steel imports from Vietnam, accusing some businesses of shipping products from the Southeast Asian nation to evade the levies in a further escalation of tension between the two trading partners.

In three preliminary circumvention rulings on Vietnamese steel, the Commerce Department said certain products produced in South Korea and Taiwan were shipped to Vietnam for minor processing before being exported to US as corrosion-resistant steel products and cold-rolled steel. Customs officials have been ordered to collect cash deposits at rates as high as 456.23 per cent on imports of the steel products produced in Vietnam using material from South Korea and Taiwan.

Vietnam's Ministry of Foreign Affairs didn't immediately respond to a request for comment.

It was not surprising companies would try to route products through countries such as Vietnam to dodge higher duties, said Robert Carnell, Asia-Pacific chief economist at ING Bank.

"It's a no-brainer," he said. "You increase the cost and people are going to try and find a way to avoid it. It's human nature."

In another case, US Customs and Border Protection is investigating six American companies for allegedly evading anti-dumping duties while importing and misclassifying Chinese-made carbon steel pipe fittings through Cambodia, according to the US Embassy in Phnom Penh.

The US is hardening its rhetoric against Vietnam, one of its major trading partners and an economy that has benefited from President Donald Trump's trade war with China. Trump described Vietnam last week as "almost the single-worst abuser of everybody" when asked if he wanted to impose tariffs on the nation.

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You increase the cost and people are going to try and find a way to avoid it.

Robert Carnell, ING Bank

Vietnam says it's working to reduce its trade surplus with the US, and is already cracking down on Chinese manufacturers who are re-routing their goods via the Southeast Asian nation for export to the US in order to bypass higher tariffs.
The US Embassy in Hanoi said this week it's in talks with authorities and hopes "Vietnam takes steps in the near term to address our concerns in a constructive manner."

Vietnam's annual trade surplus with the US has exceeded US$20 billion since 2014 and reached US$39.5 billion last year, the highest in records going back to 1990, according to US Census Bureau data.

Senate votes to extend 9/11 victims fund for first responders who have become sick since 2001 attacks

The compensation fund set up by Congress was fast running out of money, leading to payout reductions of as much as 70 percent for recent applicants. A searing public hearing last month, featuring testimony from a retired NYPD detective, Luis Alvarez, who was terminally ill, and former "Daily Show" host Jon Stewart, refocused public attention on the plight of sick workers and lawmakers' inaction

Executive Order on Maximizing Use of American-Made Goods, Products, and Materials

Issued on: July 15, 2019

By the authority vested in me as President by the Constitution and the laws of the United States of America, and to promote the principles underlying the Buy American Act of 1933 (41 U.S.C. 8301-8305), it is hereby ordered as follows:

Section 1. Policy. (a) As expressed in Executive Order 13788 of April 18, 2017 (Buy American and Hire American), and in Executive Order 13858 of January 31, 2019 (Strengthening Buy-American Preferences for Infrastructure Projects), it is the policy of the United States to buy American and to maximize, consistent with law, the use of goods, products, and materials produced in the United States. To those ends, my Administration shall enforce the Buy American Act to the greatest extent permitted by law.

(b) In Executive Order 10582 of December 17, 1954 (Prescribing Uniform Procedures for Certain Determinations Under the Buy-American Act), President Eisenhower established that materials shall be, for purposes of the Buy American Act, considered of foreign origin if the cost of the foreign products used in such materials constitutes 50 percent or more of the cost of all the products used in such materials. He also established that, in determining whether the bid or offered price of materials of domestic origin is unreasonable or inconsistent with the public interest, the executive agencies shall either (1) add 6 percent to the total bid or offered price of materials of foreign origin, or (2) add 10 percent to the total bid or offered price of materials of foreign origin less certain specified costs as follows. Where the foreign bid or offer is less than $25,000, applicable duty is excluded from the calculation. Where the foreign bid or offer is more than $25,000, both applicable duty, and all costs incurred after arrival in the United States, are excluded from the calculation.

(c) The policies described in section 1(b) of this order were adopted by the Federal Acquisition Regulatory Council (FAR Council) in the Federal Acquisition Regulation (FAR), title 48, Code of Federal Regulations. The FAR should be reviewed and revised, as appropriate, to most effectively carry out the goals of the Buy American Act and my Administration's policy of enforcing the Buy American Act to its maximum lawful extent. I therefore direct the members of the FAR Council to consider measures that may better effectuate this policy.

Sec. 2. Proposed Rules. (a) Within 180 days of the date of this order, the FAR Council shall consider proposing for notice and public comment:

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(i) an amendment to the applicable provisions in the FAR that would provide that materials shall be considered to be of foreign origin if:

(A) for iron and steel end products, the cost of foreign iron and steel used in such iron and steel end products constitutes 5 percent or more of the cost of all the products used in such iron and steel end products; or

(B) for all other end products, the cost of the foreign products used in such end products constitutes 45 percent or more of the cost of all the products used in such end products; and

(ii) an amendment to the applicable provisions in the FAR that would provide that the executive agency concerned shall in each instance conduct the reasonableness and public interest determination referred to in sections 8302 and 8303 of title 41, United States Code, on the basis of the following-described differential formula, subject to the terms thereof: the sum determined by computing 20 percent (for other than small businesses), or 30 percent (for small businesses), of the offer or offered price of materials of foreign origin.

(b) The FAR Council shall consider and evaluate public comments on any regulations proposed pursuant to section 2(a) of this order and shall promptly issue a final rule, if appropriate and consistent with applicable law and the national security interests of the United States. The head of each executive agency shall issue such regulations as may be necessary to ensure that agency procurement practices conform to the provisions of any final rule issued pursuant to this order.

Sec. 3. Effect on Executive Order 10582. Executive Order 10582 is superseded to the extent that it is inconsistent with this order. Upon the issuance of a final rule pursuant to section 2 of this order, subsections 2(a) and 2(c) of Executive Order 10582 are revoked.

Sec. 4. Additional Actions. Within 180 days of the date of this order, the Secretary of Commerce and the Director of the Office of Management and Budget shall, in consultation with the FAR Council, the Chairman of the Council of Economic Advisers, the Assistant to the President for Economic Policy, and the Assistant to the President for Trade and Manufacturing Policy, submit to the President a report on any other changes to the FAR that the FAR Council should consider in order to better enforce the Buy American Act and to otherwise act consistent with the policy described in section 1 of this order, including whether and when to further decrease, including incrementally, the threshold percentage in subsection 2(a)(i)(B) of this order from the proposed 45 percent to 25 percent.

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The report shall include recommendations based on the feasibility and desirability of any decreases, including the timing of such decreases.

Sec. 5. General Provisions. (a) Nothing in this order shall be construed to impair or otherwise affect:

(i) the authority granted by law to an executive department or agency, or the head thereof, including, for example, the authority to utilize non-availability and public interest exceptions as delineated in section 8303 of title 41, United States Code, and 48 CFR 25.103; or

(ii) the functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

DONALD J. TRUMP

Pakistan Arrests U.S.-Wanted Man Blamed for Mumbai Attacks

Jamie Ross Reporter

Updated 07.17.19 6:48AM ET / Published 07.17.19 6:34AM ET

A radical cleric and U.S.-wanted terror suspect blamed for the 2008 Mumbai attacks has reportedly been arrested in Pakistan. Hafiz Saeed founded the Lashkar-e-Taiba group blamed for the Mumbai attacks that left at least 174 people dead in 2008. The U.S. had offered a $10 million reward for information leading to his capture. Pakistan's counterterrorism official Mohammad Shafiq said Saeed was taken into custody in Punjab province on Wednesday. He has reportedly appeared before a judge and will be held in prison until his next hearing. The arrest came days ahead of Prime Minister Imran Khan's trip to Washington.

Huawei Technologies Co Ltd

Huawei Technologies Co Ltd , the Chinese company put on a U.S. black list because of national security concerns, secretly helped North Korea build and maintain its commercial wireless network, the Washington Post reported on Monday, citing sources and internal documents.

The Chinese telecommunications giant partnered with a state-owned Chinese firm, Panda International Information Technology Co Ltd., on a number of projects in North Korea over at least eight years, the Post reported.

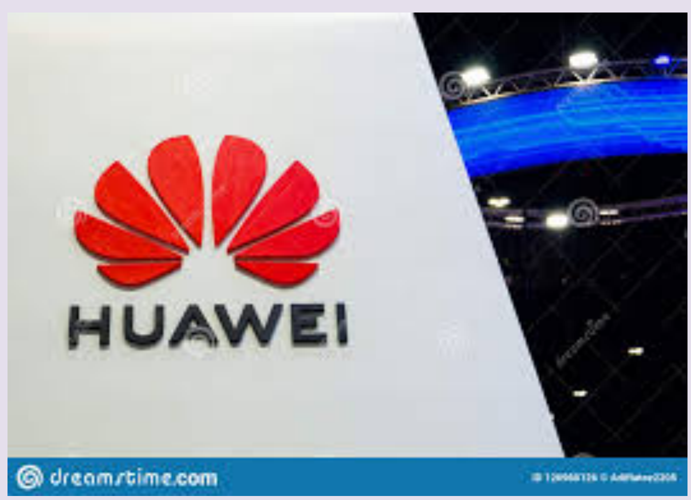
Such a move would raise questions of whether Huawei, which has used U.S. technology in its components, violated American export controls to furnish North Korea with equipment, according to the Post.

The United States put Huawei on a blacklist in May, citing national security concerns. The move banned U.S. companies from selling most U.S. parts and components to Huawei without special licenses but President Donald Trump said last month American firms could resume sales in a bid to restart trade talks with Beijing.

Huawei did not immediately respond to a request for comment, but said in a statement to the Washington Post it had "no business presence" in North Korea. It was not immediately possible to reach the Panda Group.

The Commerce Department, which also did not immediately respond to a request for comment, has investigated possible links between Huawei and North Korea since 2016 but has not publicly connected the two, the Post said.

Huawei and Panda vacated their Pyongyang office in the first half of 2016, the newspaper reported.



Iranian Export Company Executive Pleads Guilty to Violating U.S. Sanctions Against Iran

ALBANY, NEW YORK - Mahin Mojtahedzadeh, age 74, and a citizen of Iran, pled guilty today to conspiring to unlawfully export gas turbine parts from the United States to Iran.

The announcement was made by Assistant Attorney General for National Security John C. Demers; United States Attorney Grant C. Jaquith; James N. Hendricks, Special Agent in Charge of the Albany Field Office of the Federal Bureau of Investigation (FBI); Kevin Kelly, Special Agent in Charge of the Buffalo Field Office of Homeland Security Investigations (HSI); and Jonathan Carson, Special Agent in Charge, U.S. Department of Commerce, Office of Export Enforcement, New York Field Office.

Mojtahedzadeh pled guilty to one count of conspiring to violate the International Emergency Economic Powers Act (IEEPA) and the Iranian Transactions and Sanctions Regulations. She admitted that she was the President and Managing Director of ETCO-FZC ("ETCO"), an export company with an office in Dubai in the United Arab Emirates. ETCO is a supplier of spare and replacement turbine parts for power generation companies in the Middle East, including Iran.

Mojtahedzadeh admitted that from 2013 through 2017, she worked with companies in Canada and Germany to violate and evade U.S. sanctions against Iran, by having these companies first acquire more than $3 million dollars' worth of turbine parts from two distributors in Saratoga County, New York.

When the U.S. parts arrived in Canada and Germany, respectively, these companies and Mojtahedzadeh then arranged for the parts to be re-shipped to ETCO's customers in Iran. At all times, U.S. law prohibited the export and re-export of U.S.-origin turbine parts to Iran without a license from the U.S. Office of Foreign Assets Control (OFAC), which neither Mojtahedzadeh nor her co-conspirators possessed.

"By supplying Iran with millions of dollars' worth of illegally exported turbine machinery, the defendant provided equipment that is critically important for Iran's infrastructure," said Assistant Attorney General Demers. "This sort of sanctions violation allows the Iranian government to withstand the pressure of U.S. sanctions – pressure that is intended to end Iran's malign behavior. We will continue to hold to account those who aid Iran in evading the United States' comprehensive embargo."

United States Attorney Grant C. Jaquith stated: "Mahin Mojtahedzadeh worked for years to illegally acquire gas turbine parts for power plants in Iran.

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Thanks to thorough inter-agency collaboration by the FBI, Homeland Security Investigations, and the Department of Commerce Office of Export Enforcement, the defendant and her co-conspirators are being held accountable for circumventing economic sanctions that protect the national security of the United States."

FBI Special Agent in Charge James N. Hendricks stated: "The proliferation of sensitive U.S. technologies to Iran remains a clear threat to our national security. The FBI, along with our interagency partners, will continue to identify, investigate, and eliminate proliferation efforts aimed at circumventing our export control laws and economic sanctions to illegally obtain sensitive technologies."

HSI Special Agent in Charge Kevin Kelly stated: "HSI's export enforcement initiatives safeguard national security and protect our interests across the world. The defendant's admission of willful attempts to thwart these efforts is inexcusable and her guilty plea is an example of the significant repercussions for such actions." Special Agent in Charge Jonathan Carson, of the U.S. Department of Commerce, Office of Export Enforcement, stated: "We will fully and aggressively enforce our nation's restrictions on exports to Iran. Controls on exports to Iran help apply maximum pressure on Iran to end its promotion of instability and terrorism worldwide. The Office of Export Enforcement will continue to leverage our unique authorities to pursue violators wherever they are, worldwide. We will continue to work with our law enforcement partners to achieve this goal."

Mojtahedzadeh faces up to 20 years in prison, as well as a fine of up to $1 million, when she is sentenced on November 12, 2019 by United States District Judge Mae A. D'Agostino. A defendant's sentence is imposed by a judge based on the particular statute the defendant is charged with violating, the U.S. Sentencing Guidelines and other factors. Two of Mojtahedzadeh's co-conspirators have previously pled guilty.

Olaf Tepper, age 52, and a citizen of Germany, pled guilty to conspiring to violate IEEPA. On August 3, 2018, Judge D'Agostino sentenced him to 24 months in prison, and to pay a $5,000 fine. Tepper was the founder and Managing Director of Energy Republic GmbH ("Energy Republic"), based in Cologne, Germany, which re-exported U.S.-origin turbine parts to Iran, including as part of a conspiracy with Mojtahedzadeh.

Mojtaba Biria, age 68, and a citizen of Germany, also pled guilty to conspiring to violate IEEPA, and is scheduled to be sentenced on August 14, 2019. Biria was Energy Republic's Technical Managing Director. These cases are the result of a joint investigation by the FBI, HSI and the Department of Commerce Office of Export Enforcement, and are being prosecuted by Assistant U.S. Attorneys Rick Belliss and Michael Barnett, with assistance from Trial Attorney Scott A. Claffee of the Department of Justice's National Security Division, Counterintelligence & Export Control Section.

USTR Robert Lighthizer Statement on the President's Memorandum on Reforming Developing-Country Status in the WTO

07/26/2019

Washington, DC – U.S. Trade Representative Robert Lighthizer today released the following statement on President Trump's directive regarding the use of special and differential treatment at the World Trade Organization (WTO):

"For far too long, wealthy countries have abused the WTO by exempting themselves from its rules through the use of special and differential treatment. This unfairness disadvantages Americans who play by the rules, undermines negotiations at the WTO, and creates an unlevel playing field. I applaud the President's leadership in demanding fairness and accountability at the WTO, and I look forward to implementing the President's directive."

Department of Justice Announces Extradition of Iranian National and Unsealing of Charges against Two Other Men for Exporting Carbon Fiber from the United States to Iran

Assistant Attorney General for National Security John C. Demers, U.S. Attorney Geoffrey S. Berman for the Southern District of New York, Assistant Director John Brown of the FBI's Counterintelligence Division and Assistant Director in Charge William F. Sweeney Jr. of the FBI's New York Field Office announced the extradition of Behzad Pourghannad and the unsealing today of a three-count indictment charging Pourghannad, Ali Reza Shokri and Farzin Faridmanesh with exporting carbon fiber from the United States to Iran. Pourghannad, an Iranian national, was arrested on those charges on May 3, 2017, in Germany and was extradited to the U.S. Pourghannad arrived in the Southern District of New York yesterday, and was presented today in White Plains federal court before U.S. Magistrate Judge Judith C. McCarthy. Shokri and Faridmanesh remain at large.

"Pourghannad is alleged to have sought to procure for Iran large amounts of carbon fiber — a commodity that can be used in the enrichment of uranium," said Assistant Attorney General Demers. "U.S. sanctions exist to prevent behavior, like this, which endangers our country, and the Department is committed to vigorously enforcing them. Pourghannad and others who would attempt to thwart these laws need to know that their actions, which benefit Iran's destabilizing efforts and make Americans less safe, will not go unpunished."

"Carbon fiber has many aerospace and defense applications, and is strictly controlled to ensure that it doesn't fall into the wrong hands," said U.S. Attorney Geoffrey Berman. "Pourghannad and his co-defendants allegedly went to great lengths to circumvent these controls and the United States' export laws. Together with our law enforcement partners, we will continue to protect our nation's assets and protect our national security."

"This case shows the FBI aggressively pursues those who break the law and violate sanctions against Iran," said Assistant Director Brown. "Iran remains determined to acquire U.S. technology with military applications, and the FBI is just as determined to stop such illegal activity. The charges against these three Iranian nationals, and the extradition of Mr. Pourghannad, demonstrate we take Iran's actions extremely seriously and will work with our partners to defeat them."

"Iran's continued pursuit of technology and materials to advance its nuclear program remains a threat to the US and the rest of the world," said Assistant Director in Charge Sweeney. "The FBI New York and SDNY will continue to pursue these illicit proliferation activities, and bring the full investigative and law enforcement capabilities of the U.S. to bear on those who would help Iran advance its dangerous agenda. If you aid Iran in its efforts, you will be held accountable."

According to the allegations contained in the Indictment, unsealed in White Plains federal court[1]:

Between 2008 and July 2013, Pourghannad, Shokri and Faridmanesh lived and worked in Iran. During that period, they worked together to obtain carbon fiber from the U.S. and surreptitiously export it to Iran via third countries. In particular, Shokri worked to procure many tons of carbon fiber from the U.S.; Pourghannad agreed to serve as the financial guarantor for large carbon fiber transactions; and Faridmanesh agreed to serve as the trans-shipper. Carbon fiber has a wide variety of uses, including in missiles, aerospace engineering, and gas centrifuges that enrich uranium.

In late 2007 and early 2008, Shokri and a Turkey-based co-conspirator (CC-2) successfully arranged for the illegal export and trans-shipment of carbon fiber from the U.S. to an Iranian company associated with Shokri (Iranian Company-1). Specifically, CC-2 contacted a U.S. supplier of carbon fiber, who in turn enlisted a third individual (Individual-1) for assistance with the transaction. Through Individual-1, CC-2 purchased carbon fiber from the U.S. supplier and arranged for the shipment of the carbon fiber from the U.S., through Europe and Dubai, United Arab Emirates, to Iranian Company-1, operated by Shokri, in Iran.

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In May 2009, Pourghannad and Shokri attempted to arrange another illegal purchase and trans-shipment of carbon fiber from the U.S. to Iran. Specifically, Individual-1 returned a signed contract to Pourghannad for Shokri's purchase of a large quantity of carbon fiber. Individual-1 then purchased the carbon fiber from a U.S. supplier and arranged for the carbon fiber to be exported from the U.S. to a third country (Country-1), en route to Iran. Country-1 authorities, however, interdicted the carbon fiber shipment before it could be trans-shipped to Iran.

In 2013, Pourghannad, Shokri, and Faridmanesh again attempted to illegally procure and export carbon fiber from the U.S. to Iran. In the 2013 transaction, Shokri and Pourghannad negotiated with Individual-1 for the purchase and trans-shipment to Iran of more than 5 tons of carbon fiber. Faridmanesh and Pourghannad further agreed with Individual-1 that the carbon fiber would be trans-shipped from the U.S. to Iran through Tbilisi, Georgia, with Faridmanesh to serve as the trans-shipper. Faridmanesh specifically instructed Individual-1 to change the shipping labels on the carbon fiber to reference "acrylic" or "polyester," rather than "carbon fiber." Pourghannad provided Individual-1 with the bank guarantee that was to serve as surety for a portion of the carbon fiber. In June 2013, Individual-1 informed Pourghannad, Shokri, and Faridmanesh that the carbon fiber would soon be shipped from Manhattan and that Individual-1 would replace the carbon fiber labels with shipping labels referencing "acrylic" to evade U.S. export controls.

No one involved in these transactions obtained permission from the U.S. Department of Treasury, Office of Foreign Assets Control, to export the carbon fiber from the U.S.

* * *

Pourghannad, 65, Shokri, 61, and Faridmanesh, 48, all of whom are Iranian citizens, are each charged with one count of conspiracy to violate the International Emergency Economic Powers Act (IEEPA), which carries a maximum sentence of 20 years in prison, and two counts of violation and attempted violation of IEEPA, each of which also carries a maximum sentence of 20 years in prison. The maximum potential sentences in this case are prescribed by Congress and are provided here for informational purposes only, as any sentencing of the defendants will be determined by the judge.

Mr. Demers and Mr. Berman praised the outstanding investigative work of the FBI, and thanked the New York Field Office of the U.S. Department of Commerce, the U.S. Department of Justice's Office of International Affairs, the U.S. Marshals Service, Homeland Security Investigations, and Immigration and Customs Enforcement for their assistance. Mr. Demers and Mr. Berman also thanked German law enforcement for their assistance in the arrest and apprehension of Pourghannad.

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This case is being handled by the Office's Terrorism and International Narcotics Unit, with assistance from the Counterintelligence and Export Control Section of the National Security Division. Assistant United States Attorney Gillian Grossman is in charge of the prosecution.

The charges contained in the Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

[1] As the introductory phrase signifies, the entirety of the text of the Indictment and the descriptions of the Indictment constitute only allegations, and every fact described should be treated as an allegation.

Commerce Announces Plan to Eliminate License Exception CIV

Key Points:

The Department of Commerce has announced that it plans to eliminate License Exception CIV (civil end-users) from the Export Administration Regulations (EAR).

Businesses who use or have considered using License Exception CIV should prepare for the possibility that currently exempted activities may soon require specific licenses from the Commerce Department's Bureau of Industry and Security (BIS).

All exporters and other entities who deal in commodities, software, or technology subject to the EAR should continue monitoring for potential changes in available licenses and related review policies

Background and Commentary

In the Trump administration's report of "Unified Agenda of Regulatory and Deregulatory Actions," the Department of Commerce has announced that it plans to eliminate License Exception CIV from the EAR. The Department provided no other significant details or an anticipated date for its removal. License Exception CIV is not a widely applicable exception in the EAR's Commerce Control List (CCL). It does, however, authorize the unlicensed export of a number of items controlled for "national security" (NS) reasons "provided the items are destined to civil end-users for civil end-uses in Country Group D:1," which is a country group that includes China.

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Examples of items that may currently be exported under CIV include specific types of bearings, semiconductors, semiconductor production equipment, materials for semiconductor production, computers, telecommunication equipment, acoustic systems, optical equipment and materials, radar equipment, marine systems, and civil aircraft engine production equipment. The exception also authorizes the release to Chinese and other foreign nationals of a small number of technologies and software related to several of these items.

Although the notice did not articulate the Commerce Department's basis for its plan to eliminate the exception, the action is likely in response to a requirement in the Export Control Reform Act (ECRA) that Commerce review the EAR's licensing policies with respect to exports involving countries subject to arms embargoes, such as China. (This requirement is separate from ECRA's requirement that Commerce lead an inter-agency effort to identify and control emerging and foundational technologies that are not now controlled but should be because they are essential to the national security of the United States.)

License Exception CIV is still valid. For those who use it to export items or release technology or software, they may want to prepare and eventually submit applications for licenses that, if approved by the Commerce Department's Bureau of Industry (BIS), would for allow for operational continuity under new licenses.

Removing this license exception is unlikely to be the only amendment to the EAR that affects licensing and other obligations pertaining to exports and reexports to, and transfers within, China and other countries. Accordingly, companies involved in the trade or transfer of commodities, software, or technology subject to the EAR should follow developments in this area closely to ensure compliance and business continuity.

Akin Gump

Kevin J. Wolf
Washington, D.C.

Carlyle Group entity completes buy of New England GTCC plants

Nova Scotia energy firm Emera Inc. has completed the sale of its three New England gas-fired power plants to an affiliate of The Carlyle Group.

The $590 million deal selling the plants to Revere Power LLC closed successfully. The sale of Bridgeport Energy, Tiverton Power and Rumford Power was announced in November 2018.

"The closing of this transaction completes an important element of the asset sale component of Emera's three-year funding plan, which we introduced last November," said Scott Balfour, President and CEO of Emera. "This transaction, as well as anticipated proceeds from the sale of Emera Maine, fully achieves the targeted asset sale portion of the funding plan and will increase Emera's financing flexibility and position the company for continued growth."

Emera first acquired the power plants in 2013. Bridgeport is a 560-MW gas turbine combined cycle plant in Connecticut, which added a 248-kW rooftop solar array onsite In July 2016.

Rumford Power is a 265-MW GTCC site in Maine, while Tiverton Power generates 283 MW in Rhode Island.

Proceeds from the sale will be used to support Emera's capital investment opportunities within its regulated utility businesses and retire Emera corporate level debt. J.P. Morgan served as Emera's financial advisor on the transaction.

Senate fails to override Trump veto on Saudi arms sale

The Senate on Monday failed to override President Trump's vetoes of resolutions blocking his arms deal with Saudi Arabia, marking the latest setback for critics of Riyadh.
Senators voted 45-40, 45-39 and 46-41 on the override attempts, falling well short of the two-thirds majority needed to nix Trump's veto.

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GOP Sens. Susan Collins (Maine), Mike Lee (Utah), Jerry Moran(Kansas), Lisa Murkowski (Alaska) and Todd Young (Ind.) voted with Democrats to override each of the three vetoes. Sen. Lindsey Graham (R-S.C.), who missed the first two votes, joined them to support overriding the third.

The Senate's votes come after Trump vetoed the arms sale resolutions last week, arguing that the congressional effort "would weaken America's global competitiveness and damage the important relationships we share with our allies and partners."

Trump in June publicly announced the arms deal, estimated to be worth more than $8 billion, using an "emergency" provision in the Arms Export Control Act (AECA) to bypass the 30-day congressional notification requirement.

The administration has argued the emergency declaration was justified based on what it described as heightened threats from Iran and said a better use of Congress's time would be to try to help negotiate an end to the years-long Yemen civil war.

It was backed up by most Republicans, who are wary of damaging the U.S.-Saudi relationship despite frustration over the Yemen war and the death of Washington Post contributor Jamal Khashoggi.

"From the start this administration has failed to demonstrate what kind of national security threat or 'emergency' from Iran warranted fast-tracking this sale of arms," said Senate Foreign Relations Committee ranking member Bob Menendez (D-N.J.), adding that "it's clear the administration has other motives from the start."

The 22 arms sales would provide weapons to Saudi Arabia as well as the United Arab Emirates and Jordan. The vetoes on the arms deal are the third, fourth and fifth Trump has had to issue since the beginning of his administration. All of his five vetoes have taken place this year.

Under the AECA, lawmakers can block an arms sale with only a simple majority instead of the 60 votes normally needed to pass legislation in the Senate.

But Monday's override attempts were viewed as a long shot after the resolutions passed the Senate for the first time with 51 and 53 votes — well short of the 67 needed to override Trump. The failure in the Senate nixes the House's ability to try to override Trump's veto, though it were also expected to fall short of the two-thirds requirement.

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The setback comes as frustration with the U.S.-Saudi relationship has been a perennial sticking point between Trump and Congress, including traditional GOP allies. Trump's decision to bypass the notification requirement for his arms deal infuriated lawmakers, who had been using an informal process for more than a year to try to block arms sales to Saudi Arabia.

Congress previously tried and failed to block arms sales to Saudi Arabia. One attempt in 2016 garnered support from 27 senators, while a June 2017 vote narrowly fell short with 47 votes.

Congress passed a separate resolution earlier this year forcing Trump to remove troops in or affecting Yemen unless they were fighting al Qaeda; Trump vetoed the resolution.

Broader efforts to crack down on Riyadh or to force the Trump administration into taking a tougher stance have hit a wall in Congress.

The Senate Foreign Relations Committee approved legislation, despite opposition from Chairman Jim Risch (R-Idaho), that would temporarily suspend arms sales and slap sanctions on the Saudi royal family. Democrats also succeeded in adding similar language to a Saudi bill sponsored by Risch, but the GOP senator yanked his legislation.

Risch told reporters after the committee business meeting that Menendez's bill would not get a vote on the Senate floor and that the Senate had effectively closed the door to taking action on Saudi Arabia.

"The objective was to give the committee the alternative of either doing something where they could participate in the formulation of foreign policy or set that aside and just do messaging," Risch said. "They chose to do the messaging … but that cedes the formation of policy totally to the second branch of government."

G20 Osaka: as China, India and Russia draw close, has Trump overplayed his hand?

With Xi Jinping, Narendra Modi and Vladimir Putin displaying increasing bonhomie, the US has cause to reflect on its trade disputes with its ally New Delhi

Traditionally, America's backing of India as a counterweight to China has been mutually advantageous. But for India, the equation may be changing

The scene in Kyrgyzstan must have been quite an eye-opener for Washington. Sharing a table at the Shanghai Cooperation Organisation summit in the landlocked nation this month were the leaders of various countries to have come into the crosshairs of US foreign policy recently: Iranian President Hassan Rowhani, Russian President Vladimir Putin, Chinese President Xi Jinping. The next day, Indian Prime Minister Narendra Modi and Xi were huddled in a bilateral meeting – the first of three planned gatherings between the pair over the next six months.

The response from Washington was swift. A day later, US Secretary of State Mike Pompeo invoked Modi's campaign slogan, Modi hai toh Mumkin Hai ("Modi makes it possible") in trying to inject hope into the troubled India-US relationship, after fears of turbulence over trade tensions. On Wednesday, Pompeo was in India, trying to soothe nerves left frayed by recent tensions over a host of issues, including India's imports of Iranian crude oil, its acquisition of S-400 missile systems from Russia and US tariffs.

Observers say the timing is no coincidence. Ahead of a meeting between Modi and US President Donald Trump in Osaka on the sidelines of the Group of 20 (G20) summit, both sides are working to ensure escalating bilateral tensions do not do permanent damage. That aim wasn't helped by Trump, who just as Pompeo was wrapping up his India trip, tweeted that India's retaliatory tariffs were "unacceptable" and said they "must be withdrawn".
But on Friday, when the two leaders met, Trump adopted a different tone and said that the two countries were "great friends" who had "never been closer."

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"Teamwork: coming together is a beginning, keeping together is progress and working together is success."

Trump played up the meeting and said, "I think we are going to have some very big things to announce today. Some very big trade deals. We are doing some very big things with India in trade, manufacturing.

Short of any big-bang announcement, the two leaders have directed their officials to meet and resolve trade disputes between the two countries, according to reports. The two leaders met again as part of the trilateral meeting with Japanese Prime Minister Shinzo Abe. Many believe that this fresh attempt at ironing out differences is driven by what else is likely to happen on the sidelines of the G20 – a Russia-India-China trilateral summit that comes amid increasing bonhomie between the leaders of the three countries, fresh from their meeting in Kyrgyzstan.

Analysts believe the US will not want to overplay its differences with India, a strategic ally, at a time when two of its principal rivals are stepping up their engagement with it.

For the Indian establishment, Trump's tweet notwithstanding, Pompeo's visit could be reassuring. Over the past year, the India-US relationship has faced a bumpy ride.
Last year, in March, the US imposed tariffs on the import of Indian aluminium and steel products. Last month, the US announced it was withdrawing the preferential trade status that it had granted India, among a host of other developing countries, under its "Generalised System of Preferences" programme. Under this programme, duties are waived on the import of products from beneficiary countries. The timing of the decision raised eyebrows – it came on the same day Modi and his council of ministers were sworn in, having secured a bigger mandate in the country's general elections. Soon after, India announced retaliatory tariffs on 29 US imports.