



EIB World Trade Headlines

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CELEBRATING OVER
30
YEARS

US warns of Iranian maritime threats against its ships in Middle East

The US Maritime Administration has issued an advisory warning of the possibility of Iranian attacks on US ships in Middle Eastern waters after a US military strike in Baghdad on Friday killed atop Iranian commander, Qassem Soleimani, fueling tensions in the region and heightening concerns about disruption to oil supplies.

“The Iranian response to this action, if any, is unknown, but there remains the possibility of Iranian action against U.S. maritime interests in the region,” said the department on its website.

“US commercial vessels are advised to exercise caution and coordinate vessel voyage planning for transits of the Persian Gulf, Strait of Hormuz, Gulf of Oman, North Arabian Sea, Gulf of Aden, and Red Sea with NCAGS (US Fifth Fleet Naval Cooperation and Guidance for Shipping) and follow NCAGS’s recommendations and guidance whenever possible.”

The US Fifth Fleet, which is based in Bahrain, polices the Strait of Hormuz and the other important waterways in the region.

Iranian has reiterated its threat to retaliate to the US strike after US President Donald Trump vowed to hit 52 Iranian sites if Tehran strikes back.

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STRAIT OF HORMUZ

The US-Iran standoff has sent oil prices soaring to touch \$70/b on Monday for the first time since September amid fears of the crisis disrupting oil supplies from the Middle East. Brent retreated on Tuesday, with prices falling 0.64% to \$68.47/b at 11:19 AM GMT.

Daily oil flow through the Strait of Hormuz averaged 21 million b/d or the equivalent of about 21% of global petroleum liquids consumption in 2018, according to the US Energy Information Administration. The US Fifth Fleet is responsible for about 2.5 million square miles of area including the Arabian Gulf, Gulf of Oman, North Arabian Sea, Gulf of Aden, and the Red Sea, according to its website.

The policed area spans 20 countries and includes three critical choke points at the Strait of Hormuz, the Suez Canal and the Strait of Bab al Mandeb at the southern tip of Yemen.

“US Naval Forces Central Command (NAVCENT) has and will continue to provide advice to merchant shipping as appropriate regarding recommended security precautions in light of the heightened tensions and threats in the region,” a US Fifth Fleet spokesperson said. “NAVCENT routinely advises the merchant shipping community on threats and risks to the unrestricted flow of commerce across the region through our Naval Cooperation and Guidance for Shipping (NCAGS) team.”

UK REACTION

The UK is also beefing up security around the Strait of Hormuz, which Iran had in the past threatened to close in case of war in the region.

The UK has instructed preparations for HMS Montrose and HMS Defender to return to accompanying British ships in the Strait of Hormuz, UK Defense Secretary Ben Wallace said in a statement on Saturday.

Shipping companies, including owners and operators of tankers and LNG carriers, are on high alert following escalated tensions in the Middle East, with risks of freight rates rising sharply, higher war insurance premiums and other risk mitigation efforts being implemented.

Japan’s Mitsui O.S.K. Lines, one of the country’s largest ship-owners, issued a new safety advisory for its vessels transiting the Strait of Hormuz.

President Trump Announces Presidential Delegation to Switzerland to attend the World Economic Forum

Economy & Jobs

Issued on: January 1, 2020

Today, President Donald J. Trump announced the Presidential Delegation that will attend the World Economic Forum in Davos-Klosters, Switzerland, from January 20 to January 24, 2020.

The Honorable Steven Mnuchin, Secretary of the Treasury, will lead the delegation.

Members of the Presidential Delegation:

The Honorable Steven Mnuchin, Secretary of the Treasury (Lead)

The Honorable Wilbur Ross, Secretary of Commerce

The Honorable Eugene Scalia, Secretary of Labor

The Honorable Elaine Chao, Secretary of Transportation

The Honorable Robert Lighthizer, United States Trade Representative

The Honorable Keith Krach, Under Secretary for Growth, Energy and the Environment, Department of State

The Honorable Ivanka Trump, Assistant to the President and Advisor to the President

The Honorable Jared Kushner, Assistant to the President and Senior Advisor to the President

The Honorable Christopher Liddell, Assistant to the President and Deputy Chief of Staff for Policy Coordination

Addition of Software Specially Designed To Automate the Analysis of Geospatial Imagery to the Export Control Classification Number OY521 Series

AGENCY:

Bureau of Industry and Security, Commerce.

ACTION:

Interim final rule with request for comments.

SUMMARY:

In this interim final rule, the Bureau of Industry and Security (BIS) amends the Export Administration Regulations (EAR) to make certain items subject to the EAR and to impose a license requirement for the export and reexport of those items to all destinations, except Canada. Specifically, this rule classifies software specially designed to automate the analysis of geospatial imagery, as specified, under the Export Control Classification Number (ECCN) OY521 series, specifically under ECCN OD521. BIS adds this item to the OY521 series of ECCNs upon a determination by the Department of Commerce, with the concurrence of the Departments of Defense and State, and other agencies as appropriate, that the items warrant control for export because the items may provide a significant military or intelligence advantage to the United States or because foreign policy reasons justify control, pursuant to the ECCN OY521 series procedures.

DATES:

This rule is effective January 6, 2020. Comments must be received by March 6, 2020.

ADDRESSES:

You may submit comments by any of the following methods:

Federal rulemaking portal: <http://www.regulations.gov>. The regulations.gov ID number for this rule is BIS-2019-0031. All comments (including any personally identifying information) will be made available for public inspection and copying.

Address: By mail or delivery to Regulatory Policy Division, Bureau of Industry and Security, U.S. Department of Commerce, Room 2099B, 14th Street and Pennsylvania Avenue NW, Washington, DC 20230. Refer to RIN 0694-AH89.

FOR FURTHER INFORMATION CONTACT:

Aaron Amundson, Director, Information Technology Division, Office of National Security and Technology Transfer Controls, at email Aaron.Amundson@bis.doc.gov or by phone at (202) 482-5299.

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SUPPLEMENTARY INFORMATION:

Background

The OY521 Series

The OY521 series of ECCNs was established in April 2012 (77 FR 22191, April 13, 2012). Items in the OY521 series, which includes ECCNs OA521, OB521, OC521, OD521, and OE521, are described in Supplement No. 5 to part 774 of the Export Administration Regulations (EAR). Items in the OY521 series of ECCNs are added upon a determination by the Department of Commerce, with the concurrence of the Departments of Defense and State, and other agencies as appropriate, that the items warrant control for export because the items may provide a significant military or intelligence advantage to the United States or because foreign policy reasons justify control. Pursuant to § 742.6(a)(7) of the EAR, the OY521 series is a temporary holding classification that only lasts for one year from the date a final rule is published in the Federal Register listing the item in Supplement No. 5 to part 774, unless the OY521 classification is extended in accordance with described procedures, and provided that the U.S. Government submit a proposal to the relevant multilateral regime(s) to obtain multilateral controls over the item. Before the OY521 classification expires, an OY521 item may be reclassified and moved under a different ECCN on the Commerce Control List (CCL), if appropriate. If the item has not been moved to a more permanent ECCN and the OY521 classification expires, the item is designated EAR99. "EAR99" means that an item is subject to the EAR but not specified on the CCL.

Items classified under the OY521 series are controlled for regional stability (RS) Column 1 reasons, with a case-by-case license application review policy. The only license exception available for these items at this time is for exports, reexports, and transfers (in-country) made by or consigned to a department or agency of the U.S. Government (License Exception GOV), specifically within the scope of § 740.11(b)(2)(ii) of the EAR. This limitation is further described in § 740.2(a)(14) of the EAR.

Addition of Software Specially Designed To Automate the Analysis of Geospatial Imagery Under the OY521 Series in This Rule

In this interim final rule, the Bureau of Industry and Security (BIS) amends the EAR to classify certain items subject to the EAR under the OY521 series and to impose a license requirement for the export and reexport of those items to all destinations, except Canada, for RS Column 1 reasons. Specifically, the items that will be subject to these new controls are described under ECCN OD521 in the OY521 series table found in Supplement No. 5 to part 774 of the EAR, as follows:

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ECCN 0D521 No. 1

Geospatial imagery “software” “specially designed” for training a Deep Convolutional Neural Network to automate the analysis of geospatial imagery and point clouds, and having all of the following:

1. Provides a graphical user interface that enables the user to identify objects (e.g., vehicles, houses, etc.) from within geospatial imagery and point clouds in order to extract positive and negative samples of an object of interest;
2. Reduces pixel variation by performing scale, color, and rotational normalization on the positive samples;
3. Trains a Deep Convolutional Neural Network to detect the object of interest from the positive and negative samples; and
4. Identifies objects in geospatial imagery using the trained Deep Convolutional Neural Network by matching the rotational pattern from the positive samples with the rotational pattern of objects in the geospatial imagery.

Technical Note: A point cloud is a collection of data points defined by a given coordinate system. A point cloud is also known as a digital surface model.

Consistent with other 0Y521 series items, license requirements for the items described under the first entry for ECCN 0D521 of the 0Y521 series, appear in § 742.6(a)(7) of the EAR. The U.S. Government currently plans to propose to an appropriate multilateral regime, in this case the Wassenaar Arrangement, that multilateral controls be placed on these items.

License Applications for the New ECCN 0D521 No. 1

License applications for these items may be submitted through SNAP-R in accordance with § 748.6 (General instructions for license applications) of the EAR. Exporters are directed to include detailed descriptions and technical specifications with the license application, and to identify the item's ECCN.

This rule is being issued in interim final form because while the government believes that it is in the national security interests of the United States to immediately implement these controls, it also wants to provide the interested public with an opportunity to comment on the control of new items. Comments may be submitted in accordance with the DATES and ADDRESSES sections of this rule. BIS will review and, if appropriate, address such comments through rulemaking consistent with the process described in the final rule that created the ECCN 0Y521 series.

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Export Control Reform Act of 2018

On August 13, 2018, the President signed into law the John S. McCain National Defense Authorization Act for Fiscal Year 2019, which included the Export Control Reform Act of 2018 (ECRA) (Title XVII, Subtitle B of Pub. L. 115-232) that provides the legal basis for BIS's principal authorities and serves as the authority under which BIS issues this rule. As set forth in Section 1768 of ECRA, all delegations, rules, regulations, orders, determinations, licenses, or other forms of administrative action that were made, issued, conducted, or allowed to become effective under the Export Start Printed Page 461 Administration Act of 1979 (50 U.S.C. 4601 et seq.) (as in effect prior to August 13, 2018, and as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), or the Export Administration Regulations, and were in effect as of August 13, 2018, shall continue in effect according to their terms until modified, superseded, set aside, or revoked under the authority of ECRA.

Rulemaking Requirements

1. Executive Orders 13563 and 12866 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). Executive Order 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This rule has not been designated a “significant regulatory action”. This rule is not an Executive Order 13771 regulatory action because this rule is not significant under Executive Order 12866.

2. Pursuant to Section 1762 of the Export Control Reform Act of 2018 (Title XVII, Subtitle B of Pub. L. 115- 232), which was included in the John S. McCain National Defense Authorization Act for Fiscal Year 2019, this action is exempt from the Administrative Procedure Act (5 U.S.C. 553) requirements for notice of proposed rulemaking, opportunity for public participation and delay in effective date. The analytical requirements of the Regulatory Flexibility Act (5 U.S.C. 601 et seq.) are not applicable because no general notice of proposed rulemaking was required for this action. Accordingly, no regulatory flexibility analysis is required, and none has been prepared.

3. Notwithstanding any other provision of law, no person is required to respond to, nor is subject to a penalty for failure to comply with, a collection of information, subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) (PRA), unless that collection of information displays a currently valid Office of Management and Budget (OMB) Control Number. This regulation involves collections previously approved by OMB under the following control numbers: 0694-0088 and 0694-0137.

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This action is not expected to materially increase the number of submissions under these collections. Any comments regarding these collections of information, including suggestions for reducing the burden, may be sent to OMB Desk Officer, New Executive Office Building, Washington, DC 20503; and to Jasmeet K. Sehra, Office of Management and Budget (OMB), by email to Jasmeet_K._Sehra@omb.eop.gov, or by fax to (202) 395-7285.

4. This rule does not contain policies with federalism implications as that term is defined in Executive Order 13132.

List of Subjects in 15 CFR Part 774

Exports

Reexporting and recordkeeping requirements
Accordingly, part 774 of the Export Administration Regulations (15 CFR parts 730 through 774) is amended as follows:

PART 774—[AMENDED]

1. The authority citation for part 774 is revised to read as follows:

Authority: 50 U.S.C. 4801-4582; 50 U.S.C. 4601 et seq.; 50 U.S.C. 1701 et seq.; 10 U.S.C. 7420; 10 U.S.C. 7430(e); 22 U.S.C. 287c, 22 U.S.C. 3201 et seq.; 22 U.S.C. 6004; 42 U.S.C. 2139a; 15 U.S.C. 1824a; 50 U.S.C. 4305; 22 U.S.C. 7201 et seq.; 22 U.S.C. 7210; E.O. 13026, 61 FR 58767, 3 CFR, 1996 Comp., p. 228; E.O. 13222, 66 FR 44025, 3 CFR, 2001 Comp., p. 783; and as extended by the Notice of August 14, 2019, 84 FR 41881 (August 15, 2019).

Dated: December 17, 2019.

Richard E. Ashooh,

Assistant Secretary for Export Administration.

[FR Doc. 2019-27649 Filed 1-3-20; 8:45 am]

BILLING CODE 3510-33-P

After Trump's threat, administration begins drafting possible sanctions against Iraq

By Jeff Stein and Josh Dawsey
Jan. 6, 2020 at 9:23:40 p.m. EST

Senior administration officials have begun drafting sanctions against Iraq after President Trump publicly threatened the country with economic penalties if it proceeded to expel U.S. troops, according to three people briefed on the planning.

The Treasury Department and White House will probably take a lead role if the sanctions are implemented, the officials said. Such a step would represent a highly unusual move against a foreign ally that the United States has spent almost two decades and hundreds of billions of dollars supporting.

The officials, who spoke on the condition of anonymity because they were discussing internal deliberations, emphasized talks were preliminary and no final decision has been made on whether to impose the sanctions.

One of the officials said the plan was to wait "at least a little while" on the sanctions decision to see whether Iraqi officials followed through on their threat to push U.S. troops out of the country.

Sanctions are a type of economic penalty that the White House can use to try to isolate and penalize a person, company or government. For example, the White House could impose sanctions in a way that prohibits American businesses from working with Iraqi businesses. Cutting people or companies off from the U.S. economy and financial sector can prove extremely punitive.

The discussions about possible sanctions are part of a spiraling White House scramble to deal with the aftermath of Trump's decision to kill Iranian Maj. Gen. Qasem Soleimani last week. Trump has floated multiple scenarios, both in terms of a military response and an economic response, aimed at Iran and Iraq, depending on how they decide to react. On Sunday, in response to the killing, Iraq's parliament voted to expel American troops from the country.

Trump responded quickly by saying he could impose "very big sanctions" on Iraq. If American troops are forced out of Iraq, Trump said, "We will charge [Iraq] sanctions like they've never seen before, ever. It'll make Iranian sanctions look somewhat tame."

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Trump added the sanctions would be imposed on Iraq “if there’s any hostility, that they do anything we think is inappropriate.”

He also demanded Iraq reimburse the United States billions of dollars for investments made in an air base there as a precursor for any troops leaving.

Trump’s public broadside against Iraq, and the private, internal planning about how to proceed, comes as tensions in the Middle East reach a fever pitch over the killing of Soleimani.

Broad confusion remains over how the United States will respond to those demands. Defense Secretary Mark T. Esper said on Monday that the United States has not decided to leave Iraq, after a letter surfaced in which the U.S. military said to Iraqi officials that U.S. forces would be relocating “to prepare for onward movement.”

Some experts say it would be difficult if not impossible to implement punitive sanctions against Iraq without inadvertently hurting American interests, given the extensive links between the two nations forged through 17 years of war.

Thousands of American troops have died fighting the war in Iraq, and the United States has spent about \$1 trillion on that conflict.

“I’m astounded by what’s even being discussed,” said Peter Kucik, who served in the Treasury Department’s Office of Foreign Assets Control, which implements sanctions policy, under the Bush and Obama administrations. “You don’t typically use force against your allies. We are threatening to use extreme coercive policy tools against countries with whom we are allied.”

The president probably has legal footing to unilaterally impose the sanctions on Iraq, said Erich Ferrari, an attorney who specializes in U.S. sanctions law.

“But I think it sets a bad precedent,” Ferrari said. “At a minimum, it’s disrespectful to their sovereignty to say: ‘If you’re going to make us leave, we’ll impose harsh economic punishments on you.’”

Even as the U.S. and China agree to trade truce, they are edging toward partial economic divorce

By David J. Lynch

December 27, 2019 at 9:10 AM EST

If President Trump’s trade deal with Beijing works as planned, Chinese purchases from American manufacturers and farmers will more than double over the next two years and American investors will finally be welcome to own some of China’s financial services companies.

Yet while the “Phase One” deal suggests the United States and China are drawing closer, the two countries actually are edging toward a partial economic divorce.

Defense Services and U.S. Persons Abroad

1. I am a U.S. citizen and I want to work for a foreign entity that works with defense articles. Does the ITAR regulate this activity even if the company is physically located outside the United States?

It will depend on the individual circumstances and what your role is in the entity. The ITAR regulates the furnishing of defense services. You would be furnishing a defense service as defined in ITAR § 120.9(a) if you, as a U.S. person, provide assistance to a foreign entity in a foreign country and that assistance relates to the design, development, engineering, manufacture, production, assembly, testing, repair, maintenance, modification, operation, demilitarization, destruction, processing or use of a defense article; furnish technical data; or provide military training to foreign units and forces.

2. If I am a U.S. person providing a defense service to a foreign entity in a foreign country, do I need to register with DDTTC?

No, registration is not required if you are physically located outside the United States. Under ITAR § 122.1(a), registration is required only for persons who engage in the United States in the business of furnishing defense services or manufacturing, exporting, or temporarily importing defense articles. If at any point you engage in the United States in the business of furnishing defense services, you would be required to register with the Department unless otherwise exempted.

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3. I am a U.S. person and I want to work for a foreign entity and furnish a defense service (as described under ITAR § 120.9(a)) - for example assisting in the design or maintenance of a defense article - for that entity in a foreign country. Do I need DDTC authorization?

Yes, a U.S. person who wishes to furnish a defense service is required to seek authorization from DDTC pursuant to ITAR § 124.1(a) prior to furnishing such a service, regardless of whether that service is to be furnished within or outside the United States.

4. If I do need DDTC authorization to furnish a defense service to my foreign employer, what kind of authorization do I apply for?

Although ITAR § 124.1 provides for authorization by “manufacturing license agreement” or “technical assistance agreement,” DDTC may at its discretion approve the furnishing of defense services described in ITAR § 120.9(a) by granting an authorization under ITAR § 126.9(b). In most cases, DDTC will authorize defense services furnished by U.S. persons to foreign employers via general correspondence and pursuant to §126.9(b).

5. What information should a U.S. person submit to DDTC for an ITAR § 126.9(b) authorization to furnish a defense service to a foreign employer?

In order to consider licensing a U.S. person to furnish defense services to his or her foreign employer outside the United States in accordance with ITAR § 126.9(b), the U.S. person applicant should submit the following information to DDTC’s Licensing Division:

(a) A description of the scope of the request, including:
(i) A description of the program or defense article that is the subject of the proposed defense service; and
(ii) A description of the defense services to be provided (ITAR § 120.9(a)).

(b) A description of the defense service provider’s ties to the United States, including:
(i) Any employment/education in the United States;
(ii) A full description of any previous work activities or coursework that pertain to USML-controlled defense articles or defense services; and
(iii) Information about any prior work on any U.S. government program(s), including the name of the program(s).

In addition to the above information, it is recommended that applicants submitting such a request for authorization provide a copy of their resume and a detailed job description for the position for which the authorization is being requested.

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6. How should an ITAR § 126.9(b) request for authorization be submitted?

ITAR § 126.9(b) requests for authorization should be addressed and submitted in hardcopy to DDTC’s Licensing Division as General Correspondence requests (see the “General DDTC Information Contacts” section of the DDTC Contacts page of our website for address information).

7. Can a non-U.S. person who is a prospective employer submit an authorization request under ITAR § 126.9(b) on behalf of the prospective U.S. person employee?

Non-U.S. person employers may help facilitate the submission of ITAR § 126.9(b) requests. However, authorizations will be issued to the individual U.S. person seeking to furnish defense services, not to the prospective employer. The U.S. person is responsible for ensuring compliance with the ITAR as the exporter of a defense service.

8. Can authorizations under ITAR § 126.9(b) be submitted for multiple potential employees at one time?

Similar applications may be grouped and their submission facilitated by a prospective employer. However, the individual U.S. person employees are responsible for ensuring compliance with the ITAR as the exporters of a defense service and DDTC Licensing will issue individual authorizations to each U.S. person, not to the foreign employer.

9. What is the validity period for authorizations issued under ITAR § 126.9(b)?

Four years unless otherwise described in the authorization.

10. If the job description changes for the U.S. person who holds an ITAR § 126.9(b) authorization is a new authorization required?

If there is a change in the defense services to be furnished by the U.S. person such that the approval granted by DDTC no longer reflects the defense services to be furnished, a new authorization under § 126.9(b) will be required.

11. Do the nationalities of my prospective foreign employer’s customers affect the requirements for registration and licensing?

The nationalities of the prospective foreign employer’s customers do not affect the registration or authorization requirements applicable to a U.S. person. However, such factors may be assessed by DDTC in determining whether to issue an authorization.

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12. Does a U.S. person working on a foreign-origin defense article render that foreign defense article subject to the ITAR by virtue of their involvement?

The mere presence or involvement of a U.S. person during the design, development, etc. of a foreign-origin defense article, or the provision of defense services that are authorized via a mechanism other than a TAA or MLA, does not subject the resultant foreign-origin defense article to the ITAR or its reexport/retransfer requirements. However, consistent with ITAR § 124.8(a)(5), defense articles “produced or manufactured from” technical data or defense services provided pursuant to a TAA or MLA cannot be transferred to a foreign person, except pursuant to ITAR § 126.18, as specifically authorized, or with the prior written approval of the Department of State.

13. What is DDTC’s policy with respect to compliance with the European Union General Data Protection Regulation (GDPR)?

Foreign regulatory compliance requirements, including the GDPR, arise independently from the ITAR and do not modify its requirements.

14. How does the current authorization process for U.S. persons furnishing defense services abroad relate to the 2015 proposed rule (80 FR 30001, May 26 2015) on this topic?

The 2015 proposed rule on this topic was never adopted as a final rule and has no regulatory effect. To the extent that exporters or foreign employers undertook a good faith effort to guide their actions based on the provisions of the proposed rule, DDTC will generally view any controlled activity in that light.

Public Hearing on Proposed Action to France’s Digital Services Tax

01/07/2020

The Office of the United States Trade Representative (USTR) hearing that began on January 7 regarding the proposed action to be taken under Section 301 in response to France’s Digital Services Tax (DST) will reconvene at 10 AM on January 8 to hear the remainder of the witnesses scheduled to testify.

The hearing will take place at the U.S. International Trade Commission, 500 E. Street SW, Washington, DC 20436.

NOTE: Media and attendees should note that the hearing is on the record but *off-camera*; no cameras or video recording will be allowed in the hearing room. A full transcript of the hearing will be posted on [USTR.gov](https://ustr.gov) and the [public docket](#). Please contact media@ustr.eop.gov with questions or for more information on media arrangements

Grassley: Impeachment could delay vote on trade deal by a month

Senate Finance Chairman Chuck Grassley said today that an impeachment trial in the Senate could delay a vote on President Donald Trump’s new NAFTA deal by a month.

Still, he said he was hopeful that a delay by House Speaker Nancy Pelosi to send over the articles of impeachment could give the upper chamber time to vote on the agreement.

“If I want to speculate, they don’t come over for another week or 10 days and then we’ve got time to get this done,” the Iowa Republican said before a committee markup of a bill that would implement the U.S.-Mexico-Canada Agreement.

The process could be further complicated by a procedural move that would require the bill to be referred for approval by a number of other committees that have jurisdiction over issues included in the agreement.

“That’s something I wasn’t aware of until yesterday and I think that’s going to be a problem,” Grassley said.

United States Signs Customs Mutual Assistance Agreement with Vietnam

Release Date: December 9, 2019

Agreement expands cooperation on trade facilitation and security

HANOI - The United States signed a Customs Mutual Assistance Agreement (CMAA) with Vietnam on Friday to further strengthen bilateral cooperation on security and the facilitation of lawful trade.

U.S. Chargé d’Affaires Caryn McClelland and Vietnamese Vice Minister of Finance Vũ Thị Mai signed the agreement in Hanoi on December 6.

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CBP and Privacy Groups Discuss Biometric Entry-Exit Mandate

Release Date: December 4, 2019

Agency reaffirms commitment to protecting traveler privacy

WASHINGTON — U.S. Customs and Border Protection met yesterday with leading privacy experts to discuss CBP's implementation of the Congressional biometric entry-exit mandate.

The meeting was the third in an ongoing series of discussions about measures that CBP is taking to protect traveler privacy during the biometric facial comparison process at U.S. ports of entry.

"CBP is committed to keeping the public informed about our use of facial comparison technology," said John Wagner, Deputy Executive Assistant Commissioner of the CBP Office of Field Operations. "We are implementing a biometric entry-exit system that protects the privacy of all travelers while making travel more secure and convenient."

CBP's discussions with Congress, privacy groups and industry stakeholders have already yielded important results for the biometric facial comparison process. Among other measures, CBP has:

Reduced the maximum retention period for new photos of U.S. citizens from 14 days to 12 hours;

Established stringent business requirements that ensure that airlines and other partners do not retain traveler photos for their own business purposes;

Worked with business partners to provide travelers with sufficient privacy notice by enhancing signage and announcements at departure gates; and

Published 10 Privacy Impact Assessments to inform the public of how the agency will collect, use and store personally identifiable information as part of the new biometric process.

"This agreement is a critical step forward in our economic and security partnership with Vietnam," said U.S. Customs and Border Protection Deputy Assistant Commissioner for International Affairs E. Erik Moncayo. "The CMAA will enable the U.S. and Vietnam to more effectively combat terrorism and transnational crime while facilitating increasing volumes of lawful commerce."

The United States has now signed 82 CMAAs with other customs administrations across the world.

CMAAs are bilateral agreements between countries that are enforced by their respective customs administrations. They provide the legal framework for the exchange of information and evidence to assist countries in the enforcement of customs laws, including duty evasion, trafficking, proliferation, money laundering and terrorism-related activities. CMAAs also serve as foundational documents for subsequent information sharing arrangements.

U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement are the implementing agencies for the United States.

CBP is one of the U.S. Department of Homeland Security's largest and most complex agencies, with a priority mission of keeping terrorists and their weapons out of the United States. It also has a responsibility for securing the border and facilitating lawful international trade and travel while enforcing hundreds of U.S. laws and regulations, including immigration and drug laws.

ICE is the largest investigative arm of the U.S. Department of Homeland Security. ICE is a 21st century law enforcement agency with broad responsibilities for key homeland security priorities.



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Addition of Software Specially Designed to Automate the Analysis of Geospatial Imagery to the Export Control Classification Number OY521 Series

1/6/20

85 FR 459

In this interim final rule, the Bureau of Industry and Security (BIS) amends the Export Administration Regulations (EAR) to make certain items subject to the EAR and to impose a license requirement for the export and reexport of those items to all destinations, except Canada. Specifically, this rule classifies software specially designed to automate the analysis of geospatial imagery, as specified, under the Export Control Classification Number (ECCN) OY521 series, specifically under ECCN OD521. BIS adds this item to the OY521 series of ECCNs upon a determination by the Department of Commerce, with the concurrence of the Departments of Defense and State, and other agencies as appropriate, that the items warrant control for export because the items may provide a significant military or intelligence advantage to the United States or because foreign policy reasons justify control, pursuant to the ECCN OY521 series procedures.

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CBP is using biometric facial comparison technology to facilitate the entry and exit of international travelers while meeting the Congressional mandate to implement a biometric entry-exit system. By incorporating the technology into the existing travel process, CBP is able to enhance security, facilitate lawful travel and protect traveler privacy.

U.S. citizens may opt out of the biometric facial comparison process by notifying a CBP officer or airline representative. Individuals who opt out simply present their passport for visual inspection, as is standard practice at ports of entry today.

To date, CBP and its partners have introduced biometric facial comparison technology at more than 20 U.S. air, sea and land ports of entry. The technology has enabled CBP to interdict more than 200 individuals who illegally attempted to enter the United States by using the genuine travel documents of persons whom they resemble.

CBP is required by law to implement a system to biometrically record foreign nationals' entry to and departure from the United States. The 9/11 Commission determined that implementing such a system is "an essential investment in our national security."

More information about the biometric entry-exit program is available on the CBP website.

Web Notice: The Directorate of Defense Trade Controls (DDTC) is currently in the process of modernizing its IT systems. During this time period, we anticipate there may be delays in response times and time to resolve IT related incidents and requests. We apologize for any inconvenience, and appreciate your patience while we work to improve DDTC services. If you need assistance, please contact the DDTC Service Desk at (202) 663-2838, or email at DtradeHelpDesk@state.gov (06.28.16)

"Work hard in silence, let success be your noise."