



# EIB World Trade Headlines

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CELEBRATING OVER  
**30**  
YEARS

## Massachusetts STEP Grant Program

The Massachusetts Office of International Trade and Investment ("MOITI"), in collaboration with the Massachusetts Small Business Development Center Network ("MSBDC"), the Massachusetts Export Center, and the U.S. Small Business Administration, is pleased to announce the Massachusetts State Trade Expansion Program ("STEP").

The Massachusetts STEP Program is intended to help offset international business development and related marketing costs for small businesses. Grant proceeds may be used for specific international business development and marketing costs, including:

- Overseas trade show or conference exhibition and directly related expenses;
- U.S. Department of Commerce Gold Key and other in-country services;
- Government-organized foreign trade missions with a business matchmaking element;
- Cost of compliance testing an existing product for entry into an export market;
- Design of export market-specific marketing media; and
- Localization of websites for target export markets.

The Massachusetts Export Center will offer a free webinar about the STEP program on Friday, September 20 from 11:30 a.m. to 1:00 p.m. The webinar will discuss the parameters of the Massachusetts STEP program and walk participants through the STEP application process. Click here for further details and registration.

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The STEP application deadline is Monday, September 30 at 5:00 p.m. For further information or to apply, visit:

[www.mass.gov/export/step](http://www.mass.gov/export/step)

For further information on the Massachusetts STEP program and application process, call the Massachusetts Export Center at 617-973-6610.

## Man Taken into Custody after Being Charged with Illegally Exporting Prohibited Manufacturing Equipment to Iran

LOS ANGELES – Federal authorities have arrested a resident of Iran who is charged in a scheme to ship prohibited items from the United States to Iran, in violation of the International Emergency Economic Powers Act (IEEPA) and U.S. sanctions imposed on the nation. Mehdi Hashemi, who sometimes used the name “Eddie Hashemi,” 46, a dual citizen of the United States and Iran who previously resided in Los Angeles, is charged in a 21-count indictment that was unsealed Monday afternoon.

Hashemi allegedly participated in a conspiracy to illegally export to Iran computer numerical control (CNC) machines, which are used to process raw materials, such as metals, to precise standards. The CNC machines at issue in this case are export-controlled for nuclear non-proliferation and anti-terrorism reasons.

After being taken into custody on Sunday after arriving at Los Angeles International Airport on a flight from Turkey, Hashemi was arraigned on the indictment late Monday afternoon. He entered not guilty pleas, was ordered held without bond, and a trial date was scheduled for October 15.

The indictment outlines a scheme in which Hashemi purchased CNC machines and related equipment from suppliers in the United States and Canada, made arrangements to ship the machines to the United Arab Emirates under false and forged invoices and packing lists, and then arranged to forward the machines from the UAE to Iran. Hashemi purchased the machines on behalf of a Tehran-based company identified in the indictment as “Company A,” an outfit that claimed to manufacture textiles, medical and automotive components, and spare parts.

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The indictment outlines illegal shipments of CNC machines and related equipment to the UAE and alleges that Hashemi knew and intended for them to be forwarded to Iran. The indictment also alleges that Hashemi attempted to export CNC machines on several occasions, including two attempts through the Port of Long Beach.

Hashemi also is charged with making false statements to federal authorities in 2018 when he lied about his activities, his knowledge of federal export laws and his intention to send the CNC machines to Iran.

The indictment charges Hashemi with conspiring to violate IEEPA, violating IEEPA, smuggling, money laundering, unlawful export information activities, and making false statements.

A second defendant charged in the indictment – Feroz Khan, of the United Arab Emirates, who allegedly helped to ship CNC machines from the UAE to Iran – is a fugitive.

An indictment contains allegations that a defendant has committed a crime. Every defendant is presumed innocent until and unless proven guilty in court.

If he were to be convicted of the 21 charges in the indictment, Hashemi would face a statutory maximum penalty of 320 years in federal prison.

The case is being investigated by the U.S. Department of Commerce, Bureau of Industry and Security, Office of Export Enforcement, which has received significant assistance from U.S. Immigration and Customs Enforcement’s Homeland Security Investigations and U.S. Customs and Border Protection.

This case is being prosecuted by Assistant United States Attorney George E. Pence IV of the Terrorism and Export Crimes Section.

Component(s):

USAO - California, Central

Contact:

Thom Mrozek Spokesperson/Public Affairs Officer United States Attorney’s Office Central District of California (Los Angeles) (213) 894-6947

Press Release Number:

19-167

## DHS Announces Final Rule for a More Effective and Efficient H-1B Visa Program

Final Rule Effective Beginning April 1, 2019

WASHINGTON—The Department of Homeland Security (DHS) posted today for public inspection, a final rule amending regulations governing H-1B cap-subject petitions, including those that may be eligible for the advanced degree exemption. The final rule reverses the order by which U.S. Citizenship and Immigration Services (USCIS) selects H-1B petitions under the H-1B regular cap and the advanced degree exemption, and it introduces an electronic registration requirement for petitioners seeking to file H-1B cap-subject petitions. The rule will be published in the Federal Register on Jan. 31, and will go into effect on April 1, though the electronic registration requirement will be suspended for the fiscal year (FY) 2020 cap season.

“These simple and smart changes are a positive benefit for employers, the foreign workers they seek to employ, and the agency’s adjudicators, helping the H-1B visa program work better,” said USCIS Director L. Francis Cissna. “The new registration system, once implemented, will lower overall costs for employers and increase government efficiency. We are also furthering President Trump’s goal of improving our immigration system by making a simple adjustment to the H-1B cap selection process. As a result, U.S. employers seeking to employ foreign workers with a U.S. master’s or higher degree will have a greater chance of selection in the H-1B lottery in years of excess demand for new H-1B visas.”

Effective April 1, USCIS will first select H-1B petitions (or registrations, once the registration requirement is implemented) submitted on behalf of all beneficiaries, including those that may be eligible for the advanced degree exemption. USCIS will then select from the remaining eligible petitions, a number projected to reach the advanced degree exemption. Changing the order in which USCIS counts these allocations will likely increase the number of petitions for beneficiaries with a master’s or higher degree from a U.S. institution of higher education to be selected under the H-1B numerical allocations. Specifically, the change will result in an estimated increase of up to 16% (or 5,340 workers) in the number of selected petitions for H-1B beneficiaries with a master’s degree or higher from a U.S. institution of higher education.

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USCIS will begin accepting H-1B cap petitions for FY 2020 on April 1, 2019. The reverse selection order will apply to petitions filed for the FY 2020 H-1B cap season. Petitioners may file an H-1B petition no more than six months before the employment start date requested for the beneficiary. USCIS will provide H-1B cap filing instruction on [uscis.gov](http://uscis.gov) in advance of the filing season.

Importantly, after considering public feedback, USCIS will be suspending the electronic registration requirement for the FY 2020 cap season to complete user testing and ensure the system and process are fully functional. Once implemented, the electronic registration requirement will require petitioners seeking to file H-1B cap petitions, including those that may be eligible for the advanced degree exemption, to first electronically register with USCIS during a designated registration period. Only those whose registrations are selected will be eligible to file an H-1B cap-subject petition. USCIS expects that the electronic registration requirement, once implemented, will reduce overall costs for petitioners and create a more efficient and cost-effective H-1B cap petition process for USCIS and petitioners.

Additionally, USCIS will publish a notice in the Federal Register to announce the initial implementation of the H-1B registration process in advance of the cap season in which it will implement the requirement. Prior to implementation, USCIS will conduct outreach to ensure petitioners understand how to access and use the system. Once implemented, USCIS will announce the designated electronic registration period at least 30 days in advance for each fiscal year it is required.

On April 18, 2017, President Trump issued the Buy American and Hire American Executive Order, instructing DHS to “propose new rules and issue new guidance, to supersede or revise previous rules and guidance if appropriate, to protect the interests of U.S. workers in the administration of our immigration system.” The executive order specifically mentioned the H-1B program and directed DHS and other agencies to “suggest reforms to help ensure that H-1B visas are awarded to the most-skilled or highest-paid petition beneficiaries.”

For more information on USCIS and our programs, please visit [uscis.gov](http://uscis.gov) or follow us on Twitter ([@uscis](https://twitter.com/uscis)), Instagram ([/uscis](https://www.instagram.com/uscis)), YouTube ([/uscis](https://www.youtube.com/uscis)), Facebook ([/uscis](https://www.facebook.com/uscis)), and LinkedIn ([/uscis](https://www.linkedin.com/company/uscis)).

## What is happening in Hong Kong?

Protests have gripped Hong Kong since June 2019, sparked by highly controversial legislation to extradite those convicted of crimes to mainland China and Taiwan.

Weeks of demonstrations started on Sunday, June 9, when a procession of people almost two miles long marched for seven hours through central Hong Kong.

In August 2019 operations at Hong Kong airport were suspended for two days after protesters occupied terminal buildings.

Tuesday 13th saw the fifth consecutive day of sit-ins at the airport, with protesters demanding greater democratic freedoms and opposing Chinese influence in the territory.

### What are people protesting about?

That bill has been shelved for now - but the protests have mushroomed into a broader backlash against the government amid fears of the growing control of China's Communist party.

Hong Kong, a former British colony in south eastern China, has long enjoyed a special status under the principal "one country, two systems".

The Basic Law dictates that Hong Kong will retain its common law and capitalist system for 50 years after the handover in 1997.

But there are fears China is extending its influence over Hong Kong long before this deadline.

Protesters see the move to try Hong Kong citizens under Chinese law as deeply problematic - in 2015, 99.9 per cent of those accused in China's courts were convicted.

But there are other issues at stake too.

Protesters also believe their leader should be elected in a more democratic way that reflects the preference of the voters.

The chief executive, Carrie Lam, is currently elected by a 1,200-member election committee - a mostly pro-Beijing body chosen by just six per cent of eligible voters.

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### Who is protesting?

A huge cross-section of society including lawyers, journalists, activists and business figures have joined in widespread protests across the region.

Activists say they won't stop until their main demands are met.

These include the resignation of the Hong Kong's leader, Carrie Lam, an amnesty for those arrested and a permanent withdrawal of the bill.

On August 9, 2019, anti-government protesters dressed in black descended on Hong Kong's airport to draw international awareness to the movement - the first of three days of unauthorised rallies in the Chinese territory.

They were seen waving banners in different languages denouncing Carrie Lam and the police.

### How is the Chinese government reacting to the protest?

Beijing has reacted furiously to the protests, warning those involved not to "play with fire".

China's military released a threatening video showing them conducting anti-riot drills.

The footage - believed to have been filmed in the region - shows armed troops descending from helicopters and shooting their way through the streets and into people's homes.

Chinese police and soldiers have been seen training with "giant forks" as Hong Kong braces itself for another weekend of protests across the city.

Security forces were spotted carrying out crowd control exercises with the terrifying weapons at the Shenzhen Bay Sports Centre just 4.5 miles from the border with Hong Kong.

In a press briefing on August 6, a spokesman for the Hong Kong and Macao Affairs Office of the State Council issued China's firmest rebuke yet.

It said the months-long "radical protests" had negatively impacted Hong Kong's "prosperity and stability, pushing it into a dangerous abyss".

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## **Who is Carrie Lam and how have Hong Kong's government reacted to the protest?**

Carrie Lam, 62, is Hong Kong's Chief Executive - the state's most senior politician.

Lam suspended the bill a month after the demonstrations started - however she did not fully withdraw it leading to criticism from the protest movement's leaders.

Speaking on July 9, she said the extradition bill was "dead," adding the government's work on the bill had been a "total failure".

The bill would allow extraditions to any jurisdiction that does not already have a treaty - including mainland China and Taiwan.

The government claims the measure would prevent the seven million strong population from becoming a magnet for fugitives.

Facing deafening calls to resign, Ms Lam retreated for a fortnight.

On August 5, her first address in two weeks, she warned that Hong Kong was "on the verge of a very dangerous situation".

And she accused activists of using the extradition bill to hide their real goal, which she claims is to "destroy Hong Kong".

## **How has the UK and the international community responded?**

In July, UK Foreign Secretary Jeremy Hunt, who has since been ousted and replaced by Dominic Raab, tweeted that Britain's "support for Hong Kong and its freedoms is unwavering."

He said the UK couldn't just "gulp and move on" in response to the ongoing situation in the former British territory.

Hunt warned there would be a diplomatic showdown if the Sino-British declaration on Hong Kong was not honoured by Beijing.

A spokesman said the Beijing government was "extremely dissatisfied" with the way Britain had "continuously gesticulated" about Hong Kong.

The US updated its travel advisory to the territory on Thursday, August 8.

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## **What was the Umbrella movement?**

The Umbrella revolution was a series of sit-in street protests in Hong Kong, running from September 26 to December 15, 2014.

The former British colony had been promised it would be able to elect its leader by universal suffrage by 2017 - unlike the system of a "nominating committee" of 1,200, formed largely from Beijing elites.

Protests were sparked when in August 2014, Beijing passed a reform framework to stipulate universal suffrage as they wanted it.

This would mean only two or three committee-vetted candidates who "love the country" would be able to run - and proved the final straw for those disillusioned by the thinning veneer of democracy.

Students began striking on September 22, with thousands of residents joining them as the movement ballooned.

The revolution won its name from the use of umbrellas to defend protesters against police pepper spray.

Despite the mass movement, the protest ended without any political concessions from the government, with three of the most prominent activists sentenced to six to eight months' imprisonment for unlawful assembly.

## **HONG KONG HISTORY**

Hong Kong became a British colony with the end of the First Opium War in 1842.

The British fought the war to preserve the right of the East India Company to sell opium into mainland China.

The establishment of the colony gave Britain control over a number of ports to which foreign merchants could deliver goods.

Britain obtained a 99-year lease for the territory in 1898, and relinquished control when that lease expired in 1997.

Hong Kong now operates as a semi-autonomous territory, with control over its own trade, tax, and immigration policy.

Under the terms of the 1997 handover, that status is protected until 2047.

What happens after then is currently undecided, but opponents of the Beijing government fear that China will seek to gain control of the territory.



## U.K. Government Memos Warn of Food and Drug Shortages in Case of a No-Deal Brexit, a Report Says

### British Cabinet Minister Defends Leaked No-Deal Brexit Documents

Secret British government documents have warned of serious disruptions across the country in the event that the U.K. leaves the European Union without a trade deal on Oct. 31, according to a report.

(LONDON) — Secret British government documents have warned of serious disruptions across the country in the event that the U.K. leaves the European Union without a trade deal on Oct. 31, according to a report.

The Sunday Times newspaper published what it said was what the British government expects in the case of a sudden, “no-deal” Brexit. Among the most serious: “significant” disruptions to the supply of drugs and medicine, a decrease in the availability of fresh food and even potential fresh water shortages due to possible interruptions of imported water treatment chemicals.

Although the grim scenarios reportedly outlined in the government documents have long been floated by academics and economists, they’ve been repeatedly dismissed as scaremongering by Brexit proponents.

British Prime Minister Boris Johnson has said he is ready to leave the EU regardless of whether he is able to renegotiate the Brexit deal struck with Brussels by his predecessor, Theresa May.

His own officials, however, have warned that with a no-deal Brexit, the sharing of law enforcement data and the health of Britain’s crucial financial services industry could be in jeopardy after Oct. 31.

The documents published by the Times also quote officials as warning that up to 85% of all trucks wouldn’t be ready for French customs at the critical English Channel crossing that day, causing lines that could stretch out for days. Some 75% of all drugs coming into Britain arrive via that crossing, the memos warned, “making them particularly vulnerable to severe delays.”

The officials foresee “critical elements” of the food supply chain being affected that would “reduce availability and choice and increase the price, which will affect vulnerable groups.”

Britain’s Cabinet Office didn’t return a message seeking comment on the documents, but Michael Gove, the British minister in charge of no-deal preparations, insisted that the files represented a “worst case scenario.”

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Very “significant steps have been taken in the last 3 weeks to accelerate Brexit planning,” he said in a message posted to Twitter.

But the documents, which are titled “planning assumptions,” mention a “base scenario,” not a “worst case” one. The Times quoted an unnamed Cabinet Office source as saying the memos were simply realistic assessments of what was most likely to happen.

The opposition Labour Party, which is trying to delay Brexit and organize a government of national unity, held up the report as another sign that no-deal must be avoided.

“It seems to me is what we’ve seen is a hard-headed assessment of reality, that sets out in really stark terms what a calamitous outcome of no-deal Brexit would mean for the United Kingdom,” lawmaker Nick Thomas-Symonds told Sky News television. “The government is reckless in the way it’s been pushing forward with no-deal planning in this way.”

In Germany, Chancellor Angela Merkel said the country is ready for Brexit, even without a deal to smooth the transition.

Merkel said Sunday during an open house at the chancellery in Berlin that she would “try everything in my power to find solutions” and that “I believe that it would be better to leave with an agreement than without one.”

But she added that “should it come to that we are prepared for this eventuality too.”

## Making it in Vermont: Football practice robots inspire military training technology

BRADFORD — A small company that has created a remote-controlled tackling robot for football or rugby practices is using the same technology to make a shooting target intended for the military and law enforcement.

In 2016, MVP Robotics introduced a dummy that can weave, dodge, or just race down an athletic field inviting a practice tackle, controlled by a coach on the sidelines.

The football dummy, which looks like a person-sized chess piece, is amply padded and springs back to stand vertically after it’s knocked down.

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The latest product from MVP (for Mobile Virtual Player), which is still in the prototype phase, looks a lot more human. Like the football dummy, it travels around on a wheeled base. But the man-shaped mannequin is built to weave and dodge as it avoids live fire in training sessions.

The new training robot is called the HEKTR — the Humanoid Engageable Kinetic Training Robot. MVP Robotic says it has a \$700,000 grant from the U.S. Air Force to develop the robots in partnership with a company called Columbia Tech in Westborough, Massachusetts, which is manufacturing them.

“We’re trying to bring these to market on a larger scale,” said company co-founder Quinn Connell.

MVP Robotics got its start after Connell, who grew up playing rugby in Pleasant Hill, Oregon, graduated from Dartmouth College in 2013 with a degree in engineering and later teamed up with Elliot Kastner, another engineering graduate who played football for Dartmouth for five years.

The two tossed around the idea of creating a business using the robotic tackling dummy, which had been developed earlier as part of a class project. A chance encounter in 2015 with Connell’s former rugby teammate, Madison Hughes, now captain of the U.S. national rugby sevens team, gave the company a boost. Hughes tweeted a 30-second video of a prototype robot on the field, and the post got a million views.

A rush of attention followed. Late night talk show host Stephen Colbert suited up to tackle an MVP robot when he had Kastner and Dartmouth football Coach Buddy Teevens on as guests. Football programs started calling, seeking to learn more.

But while football programs tried out and in some cases bought the dummies, their use hasn’t become widespread. Their first customer, the Los Angeles Rams, bought two but isn’t using robotic dummies at all anymore, said spokesman Artis Twyman. Teevens, of Dartmouth, didn’t return calls.

MVP is still producing the dummies for football. Connell said about 100 of the original MVP robots are zooming around football fields at a maximum speed of 20 miles per hour. Last year, MVP released a 130-pound version for junior football that goes about 12 miles an hour. The original 190-pound version is about \$8,000. This year, MVP is releasing a less expensive version, the 165-pound MVP Sprint, aimed at high school teams.

But Connell sees a large market for the HEKTR, which has been under development for two years. His goal is for the company to ship its first unit at the end of this year.

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He said his company has invented technology that moves in the way a person moves, and can report where and when it was hit by fire.

“You can program it to drop when it’s been hit a certain number of times in certain locations,” Connell said. “It’s useful to implement in a live fire scenario where it’s too dangerous to have a person out there and you need something you can effectively train on.”

The company has carried out two rounds of fundraising, mostly involving Dartmouth alumni, and haven’t received any venture capital. It has no debt. MVP has seven employees, four in the engineering office in Bradford and three who work out of a sales office in Lincoln, Massachusetts. The football robots are made at Rogers Athletic in Michigan.

All four of MVP’s engineers graduated from Dartmouth. Kastner and Connell, both 27, get feedback from a board that’s mostly made up of Dartmouth alumni.

MVP started out in the Dartmouth Regional Technology Center near Hanover, New Hampshire, but moved to a 2,000-square-foot facility in a Bradford industrial park in November in search of larger and more affordable shop space. They didn’t look far outside the immediate area, Connell said.

“I guess you could say the greyhairs of the company all have their lives here, so it made more sense for things to remain in this area,” he said.

Now that they’re in Vermont, he said, they are paying noticeably higher taxes. But they like their new neighbors.

Their new location is located next door to a shipping company, a machine shop, and Sargent Metalworks, which restores rare automobiles, Connell said.

“If you find yourself in a tight spot and need something welded, you can just carry it next door,” he said. “It’s been great.”



## 2019. FCPA Cases Closed

- Microsoft Corporation – The company agreed to pay more than \$24 million to settle SEC charges related to FCPA violations in Hungary, Thailand, Saudi Arabia and Turkey and criminal charges related to Hungary. (7/22/19)
- Walmart Inc. – SEC charged Walmart with violating the books and records and internal accounting controls provisions of the FCPA by failing to operate a sufficient anti-corruption compliance program for more than a decade as the retailer experienced rapid international growth. Walmart agreed to pay more than \$144 million to settle the SEC’s charges and approximately \$138 million to resolve parallel criminal charges by the DOJ for a combined total of more than \$282 million. (6/20/19)
- Telefônica Brasil S.A. – SEC charged telecommunications company Telefônica Brasil with violating the accounting provisions of the FCPA when it sponsored the attendance of government officials at the World Cup and Confederations Cup. Telefônica Brasil agreed to pay a \$4,125,000 penalty to settle the case. (5/9/19)
- Fresenius Medical Care AG & Co. – the German based provider of products and services for individuals with chronic kidney failure has agreed to pay \$231 million to the SEC and Department of Justice in a global settlement to resolve violations of the FCPA in multiple countries over the course of nearly a decade. (3/29/19)
- Mobile TeleSystems PJSC – the Russian-based telecommunications provider agreed to pay \$850 million in a global settlement to resolve violations of the FCPA to win business in Uzbekistan. (3/6/19)
- Cognizant – The New Jersey-based technology company agreed to pay \$25 million to settle violations of the anti-bribery, internal accounting controls, and recordkeeping provisions. (2/15/19)
- Gordon Coburn and Steven E. Schwartz – the former Cognizant officials were charged with authorizing \$2.5 million in bribe payments to a government official in India. (2/15/19)

## Presumption of Denial for exports Subject to EAR

See the List of Companies At the End

DEPARTMENT OF COMMERCE Bureau of Industry and Security  
15 CFR Part 744

[Docket No. 190814–0013]  
RIN 0694–AH86

Addition of Certain Entities to the Entity List and Revision of Entries on the Entity List

AGENCY: Bureau of Industry and Security, Commerce.  
ACTION: Final rule.

SUMMARY: Huawei Technologies Co., Ltd. (Huawei) and sixty-eight of its non- U.S. affiliates were added to the Entity List effective May 16, 2019. Their addition to the Entity List imposed a licensing requirement under the Export Administration Regulations (EAR) regarding the export, reexport, or transfer (in-country) of any item subject to the EAR to any of these sixty-nine listed Huawei entities. The Bureau of Industry and Security (BIS) is now adding forty-six additional non-U.S. affiliates of Huawei to the Entity List because they also pose a significant risk of involvement in activities contrary to the national security or foreign policy interests of the United States. Nineteen of these forty-six affiliated entities are being added to the existing entry for Huawei; the other twenty-seven entities are being added under new, separate entries. This rule also modifies the existing entries for Huawei and three Huawei affiliates in China by moving the three affiliates under the entry for Huawei instead of continuing to list them under separate entries, and by adding one alias and four addresses to the Huawei entry, including the addresses for those three affiliates. The entries for five other existing entries for Huawei affiliates in China, Belgium, and Brazil are also being modified by this rule.

DATES: This rule is effective August 19, 2019.

FOR FURTHER INFORMATION CONTACT:  
Director, Office of Exporter Services,  
Bureau of Industry and Security,  
Department of Commerce, Phone: (949)  
660–0144 or (408) 998–8806 or email  
your inquiry to: ECDOEXS@bis.doc.gov.

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**SUPPLEMENTARY INFORMATION:**

Background The Entity List (Supplement No. 4 to part 744 of the Export Administration Regulations (EAR)) identifies entities for which there is reasonable cause to believe, based on specific and articulable facts, that have been involved, are involved, or pose a significant risk of being or becoming involved in activities contrary to the national security or foreign policy interests of the United States. The EAR (15 CFR parts 730–774) impose additional license requirements on, and limit the availability of all or most license exceptions for, exports, reexports, and transfers (in-country) to listed entities. The license review policy for each listed entity is identified in the “License review policy” column on the Entity List, and the impact on the availability of license exceptions is described in the relevant Federal Register notice adding entities to the Entity List. BIS places entities on the Entity List pursuant to part 744 (Control

Policy: End-User and End-Use Based) and part 746 (Embargoes and Other Special Controls) of the EAR. The End-User Review Committee (ERC), composed of representatives of the Departments of Commerce (Chair), State, Defense, Energy and, where appropriate, the Treasury, makes all decisions regarding additions to, removals from, or other modifications to the Entity List. The ERC makes all decisions to add an entry to the Entity List by majority vote and all decisions to remove or modify an entry by unanimous vote. ERC Entity List Decisions Additions to the Entity List Under § 744.11(b) (Criteria for revising the Entity List) of the EAR, an entity for which there is reasonable cause to believe, based on specific and articulable facts, that the entity has been involved, is involved, or poses a significant risk of being or becoming involved in activities that are contrary to the national security or foreign policy interests of the United States, and those acting on behalf of such entities, may be added to the Entity List. Paragraphs (b)(1) through (b)(5) of § 744.11 provide an illustrative list of activities that could be contrary to the national security or foreign policy interests of the United States.

As stated in the rule published on May 21, 2019 (84 FR 22961), and effective May 16, 2019, that added Huawei, the ERC determined that there is reasonable cause to believe that Huawei has been involved in activities determined to be contrary to the national security or foreign policy interests of the United States. In addition, as stated in the May 21 rule, the ERC determined that there was reasonable cause to believe that the affiliates pose a significant risk of becoming involved in activities contrary to the national security or foreign policy interests of the United States due to their relationship with Huawei. To illustrate, as set forth in the Superseding Indictment filed in the Eastern District of New York (see the rule published on May 21, 2019), Huawei participated along with certain affiliates, including one or more non-U.S. affiliates, in alleged criminal violations of U.S. law.

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The Superseding Indictment also alleges that Huawei and affiliates acting on Huawei’s behalf engaged in a series of deceptive and obstructive acts designed to evade U.S. law and to avoid detection by U.S. law enforcement. See rule published on May 21, 2019 for additional information on this determination and the resulting additions to the Entity List. This rule implements the decision of the ERC to add forty-six additional entities to the Entity List, with twentyseven of the forty-six added under new, separate entries, and the other nineteen added under the existing entry for Huawei. The additions and modifications impact affiliates of Huawei in twenty-five different destinations: Argentina, Australia, Bahrain, Belarus, Belgium, Brazil, People’s Republic of China (China), Costa Rica, Cuba, Denmark, France, India, Indonesia, Italy, Kazakhstan, Mexico, New Zealand, Panama, Portugal, Romania, Russia, South Africa, Sweden, Thailand, and the United Kingdom. Pursuant to § 744.11(b), the ERC determined to add these forty-six non- U.S. affiliates of Huawei to the Entity List because they present a significant risk of acting on Huawei’s behalf to engage in activities determined to be contrary to the national security or foreign policy interests of the United States. Without the imposition of a license requirement to these affiliated entities, there is reasonable cause to believe that Huawei would seek to use them to evade the restrictions imposed by its addition to the Entity List. These additional forty-six non-U.S. affiliates of Huawei raise sufficient concern that prior review of exports, reexports, or transfers (in-country) of items subject to the EAR involving these entities, and the possible imposition of license conditions or license denials on shipments to these entities will enhance BIS’s ability to prevent activities contrary to the national security or foreign policy interests of the United States.

As with the Huawei entities added to the Entity List effective May 16, 2019, BIS imposes for each of the entities added in this final rule a license requirement for all items subject to the EAR, unless the transaction is authorized by the Savings Clause in this final rule, and a license review policy of a presumption of denial. Similarly, no license exceptions are available for exports, reexports, or transfers (incountry) to the persons being added to the Entity List in this rule, except as allowed in the Savings Clause in this final rule. The acronym “a.k.a.” (also known as) is used in entries on the Entity List to identify aliases, thereby assisting exporters, reexporters, and transferors in identifying entities on the Entity List.

This final rule adds the following twenty-seven entities in new entries to the Entity List:

- Argentina
- Huawei Tech Investment Co., Ltd.
- Argentina.
- Australia

*(\*Continued On The Following Page)*

- Huawei Technologies (Australia) Pty Ltd. Bahrain
  - Huawei Technologies Bahrain. Belarus
  - Bel Huawei Technologies LLC, including one alias (BellHuawei Technologies LLC).China
  - Hui Tong Business Ltd.;
  - Shanghai HiSilicon Technologies Co., Ltd.; and
  - Shenzhen HiSilicon Technologies Co., Electrical Research Center. Costa Rica
  - Huawei Technologies Costa Rica SA, including one alias (Huawei Technologies Costa Rica Sociedad Anonima). Cuba
  - Huawei Cuba. Denmark
  - Huawei Denmark. France
  - Huawei France, including one alias (Huawei Technologies France SASU). India
  - Huawei Technologies India Private Limited, including one alias (Huawei Technologies India Pvt., Ltd.). Indonesia
  - Huawei Tech Investment, PT. Italy
  - Huawei Italia; and
  - Huawei Milan Research Institute. Kazakhstan
  - Huawei Technologies LLC Kazakhstan. Mexico
  - Huawei Technologies De Mexico S.A. New Zealand
  - Huawei Technologies (New Zealand) Company Limited. Panama
  - Huawei Technologies Cr Panama S.A. Portugal
  - Huawei Technology Portugal. Romania
  - Huawei Technologies Romania Co., Ltd. Russia
  - Huawei Russia. South Africa
  - Huawei Technologies South Africa Pty Ltd. Sweden
  - Huawei Sweden. Thailand
  - Huawei Technologies (Thailand) Co. United Kingdom
  - Centre for Integrated Photonics Ltd.; and
  - Huawei Technologies (UK) Co., Ltd., including one alias (Huawei Software Technologies Co., Ltd.).
- This final rule implements the decision of the ERC to modify six existing entries that were first added to the Entity List in the rule published on May 21, 2019, effective May 16, 2019. The modifications are being made to assist exporters, reexporters, and transferors to more easily identify Huawei entities that are subject to Entity List license requirements. This final rule modifies the existing entry for Huawei Technologies Co., Ltd. (Huawei), by adding one alias, Shenzhen Huawei Technologies, and nineteen new entities (identified below) to that entry, and by moving under that entry three non-U.S. affiliates of Huawei that were added as separate entities under China in the rule published on May 21, 2019: Huawei Digital Technologies (Suzhou) Co., Ltd.; Shanghai Huawei Technologies Co., Ltd.; and Zhejiang Huawei Communications Technology Co., Ltd. This final rule modifies the existing entries for these three entities by removing them as separate entries, and adding them as affiliates under the Huawei entry. This final rule also updates the addresses of these three entities as part of their consolidation under the Huawei entry. The nineteen additional affiliates being included under the Huawei entry are as follows:
- Beijing Huawei Longshine Information Technology Co., Ltd.;

(\*Continued On The Following Column)

- Hangzhou Huawei Communication Technology Co., Ltd.;
- Hangzhou Huawei Enterprises;
- Huawei Marine Networks Co., Ltd.;
- Huawei Mobile Technology Ltd.;
- Huawei Tech. Investment Co.;
- Huawei Technology Co., Ltd. Chengdu Research Institute;
- Huawei Technology Co., Ltd. Hangzhou Research Institute;
- Huawei Technologies Co., Ltd. Beijing Research Institute;
- Huawei Technologies Co., Ltd. Material Characterization Lab;
- Huawei Technologies Co., Ltd. Xi'an Research Institute;
- Huawei Terminal (Shenzhen) Co., Ltd.;
- Nanchang Huawei Communication Technology;
- Ningbo Huawei Computer & Net Co., Ltd.;
- Shenzhen Huawei Anjiexin Electricity Co., Ltd.;
- Shenzhen Huawei New Technology Co., Ltd.;
- Shenzhen Huawei Technology Service; and
- Shenzhen Huawei Technologies Software.

This final rule also implements the decision of the ERC to modify the existing entries for Huawei Technologies Research & Development Belgium NV and Huawei do Brasil Telecomunicacoes Ltda, which were added to the Entity List under the destinations of Belgium and Brazil, respectively, in the rule published on May 21, 2019. BIS is modifying these existing entries by updating addresses for the two entities.

Savings Clause Shipments of items removed from eligibility for a License Exception or for export or reexport without a license (NLR) as a result of this regulatory action that were en route aboard a carrier to a port of export or reexport, on August 19, 2019, pursuant to actual orders for export or reexport to a foreign destination, may proceed to that destination under the previous eligibility for a License Exception or export or reexport without a license (NLR). This savings clause does not apply to exports or reexports to Huawei Digital Technologies (Suzhou) Co., Ltd.; Huawei do Brasil Telecomunicacoes Ltda; Huawei Technologies Research & Development Belgium NV; Shanghai Huawei Technologies Co., Ltd.; or Zhejiang Huawei Communications Technology Co., Ltd., which were added to the Entity List in the rule published on May 21, 2019. Please see that rule for the savings clause applicable to these five entities. 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). ECRA, as amended (50 U.S.C. 4801–4852), provides the legal basis for BIS’s principal authorities and serves as the authority under which BIS issues this rule. As set forth in sec. 1768 of ECRA, all delegations, rules, regulations, orders, determinations, licenses, or other forms of administrative

Continue:

<https://www.federalregister.gov/documents/2019/08/21/2019-17921/addition-of-certain-entities-to-the-entity-list-and-revision-of-entries-on-the-entity-list>

## U.S. antitrust unit seeks additional information from United Tech, Raytheon

United Technologies UX.N and Raytheon Co (RTN.N) have received requests for additional information from the antitrust division of the U.S. Department of Justice related to their \$120 billion merger, according to a regulatory filing on Thursday.

The two companies last month were also asked to provide documentary material, the filing showed.

On June 10, United Technologies and Raytheon announced a deal that would intensify the pace of consolidation in the aerospace and defense industry.

The merger is expected to be completed in the first half of next year.

*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](mailto:DtradeHelpDesk@state.gov) (06.28.16)*

## MD Helicopters prevails in dispute with Boeing over MD540F

MD Helicopters, Inc. (MDHI) appears to have fought off a legal challenge by Boeing that would have barred it from competing for key United States and foreign military contracts.

Earlier this month, an arbitration panel declared that Boeing could not prevent MDHI from offering its MD540F helicopter for the U.S. Army's Armed Aerial Scout (AAS) competition, according to papers filed on July 17 that ask a federal district court to confirm the panel's judgment.

The ruling is an important win for MDHI, but not simply because it allows the company to compete for the Army's hotly contested, multi-billion-dollar AAS program. It also confirms MDHI's ability to continue to offer helicopters to foreign military customers, an important source of current revenue and prospective business for the company.

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*“When you feel like quitting think about why you started.”*