



EIB World Trade Headlines

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GINA AWARD NOMINEES FOR 2016

Ana Munoz, Cadence ADM
Marjorie Davis, Cadence ASA
Paul Roe, Cadence ASA
Benjamin Dragon, Cadence Tell Tool
Benjamin Rockwell, Cadence QFI
Bobby Henry, Flight Safety
Heidi Tucker, Eptam Plastics
Laurie Trimmer, Munters
Jim Biagioni, Polestar Technologies
Doug Nelson, Senior Aerospace Ketema
Victoria Carey, Senior Aerospace SSP
Norm McIntosh, SimpliVity

Corporate 2016 Nominees

Accurus Precise Machining
Hypres, Inc.
Polestar Technologies, Inc.
Senior Absolute
Senior Ketema
Senior Steico Industries

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Gina Award Nominees

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\$1.5B Export Revenues from Aerospace Eyed

December 22, 2016

The Philippines is eyeing to carve a niche of the lucrative global aerospace market with the implementation of the aerospace industry roadmap, which will further develop the Philippines' capabilities in the key segments of aerospace namely parts manufacturing, maintenance, repair and overhaul (MRO), and aviation trainings.

The roadmap projects export revenues of up to \$1.5 billion in the next 10 years.

"The growth of the aerospace and aviation industry will mean more export earnings for the country and more quality jobs for Filipinos particularly for the country's graduates of engineering and aviation-related courses," said Ceferino Rodolfo, undersecretary of the Department of Trade and Industry (DTI).

Philippine-based companies currently produce parts for major aerospace manufacturers like French company Airbus and US-based Boeing.

Apart from flight control actuation systems, galleys and equipment, interiors, fit out panel assemblies, and others, the Philippines is also a preferred and emerging location for a number of MRO companies, both foreign and domestic, the DTI said.

DTI added French companies are interested in working together with the industry for skills upgrade programs that will eventually make more local manufacturers AS9100 certified, which is a basic requirement among aerospace parts manufacturers.

Local industry players showcased their competitive edge at the Aeromart Exhibition in Toulouse, France from November 29 to December 1.

Aéromart Toulouse is an international aerospace business convention where representatives from the industry gather to network and promote new and emerging opportunities in the aerospace supply chains and production networks.

"We will take advantage of the event, and others of this nature, as an opportunity to create traction for our positioning to be the aerospace manufacturing hub for Asean," Rodolfo said.

"We will take advantage of the event, and others of this nature, as an opportunity to create traction for our positioning to be the aerospace manufacturing hub for Asean," Rodolfo said.

"Our participation in the event further affirms the confidence and competitiveness of the local aerospace manufacturing and aviation industries. These industries have charted significant growth and we see these maturing industries ready to compete in the global market," he added.

Organizers reported that 2,300 participants attended this year's event, 75 percent of which are international, representing 45 countries.

Aeromart Toulouse served as the country's follow up promotion event after the local players participated in the 2016 Singapore Air Show last February.

Participation in international events is one of the marketing strategies set in the aerospace industry roadmap, which is seen to further strengthen the competitiveness of local aerospace players.

In addition, the Philippines is also looking at the possibility of organizing an aerospace international event in the near future.

Amendment to the Definition of "Iranian-origin goods" or "goods of Iranian origin" in the Iranian Transactions and Sanctions Regulations

485. What key change did the December 23, 2016 regulatory amendment to the ITSR make to the definition of "Iranian-origin goods" or goods of Iranian origin?

OFAC amended section 560.306 of the ITSR to clarify that the terms "goods of Iranian origin" and "Iranian-origin goods" do not include the following categories of goods, provided that such goods were not grown, produced, manufactured, extracted, or processed in Iran: (i) goods exported or reexported to Iran under an authorization issued pursuant to the ITSR (e.g., a medical device or a personal communications device exported or reexported to Iran pursuant to a general or specific license issued pursuant to the ITSR) and that subsequently have been reexported from and are located outside of Iran, or (ii) goods transported on a vessel or aircraft that passed through Iranian territorial waters or stopped at a port or place in Iran en route to a destination outside of Iran and that have not otherwise come into contact with Iran. [12-22-16]

(*Continued On The Following Column)

486. What is an example of goods otherwise coming into contact with Iran?

Goods have come into contact with Iran, if, for example, they are removed from a port or airport in Iran or are processed through Iranian customs, or if they transit Iran by truck or train en route to a destination outside of Iran. [12-22-16]

487. Are goods that are unloaded from a ship in an Iranian port, put on a truck, and driven out of the boundaries of the port or place of unloading considered to be Iranian-origin goods?

Yes. These goods have otherwise come in contact with Iran and thus do not fall within the carve out to the definition of Iranian-origin goods or goods of Iranian-origin at section 560.306(b)(2) of the ITSR. However, if these goods are being exported or reexported to Iran under an authorization issued pursuant to the ITSR and they subsequently are reexported from and are located outside of Iran, they would fall within the carve-out to the definition of Iranian-origin goods or goods of Iranian-origin at section 560.306(b)(1) of the ITSR. [12-22-16]

488. Are goods that are unloaded from a ship in an Iranian port moved within the boundaries of the port, and loaded onto a second ship en route to a destination outside Iran, without ever leaving the port considered to be Iranian-Origin goods?

No, provided that they have not otherwise come in contact with Iran. [12-22-16]

Border Patrol and Nogales Police Stop Burglary

Release Date:

December 20, 2016

TUCSON, Ariz. – Border Patrol agents assisted the Nogales Police Department in the arrest of four subjects who were breaking and entering a downtown business in Nogales, Arizona at approximately 9:00 p.m. yesterday.

On Dec. 19, agents noticed two subjects running on the streets of downtown Nogales carrying a large ladder late at night. Agents contacted Nogales Police, resulting in a joint arrest by officers and agents of four male suspects, one adult and three juveniles, who were in the act of breaking into a local store through the skylight on the roof of the building.

(*Continued On The Following Column)

U.S. Customs and Border Protection is the unified border agency within the Department of Homeland Security charged with the management, control and protection of our nation's borders at and between the official ports of entry. CBP is charged with keeping terrorists and terrorist weapons out of the country while enforcing hundreds of U.S. laws.

Last published:

December 21, 2016

Border Patrol Intercepts \$290K Cash on I-5

Release Date: December 20, 2016

OCEANSIDE, Calif.—U.S. Border Patrol agents arrested a 23-year-old man who was smuggling a large amount of illicit currency after a vehicle stop on Interstate 5 near Oceanside on Monday morning.

At approximately 10 a.m., the agents stopped the suspect vehicle, a 2015 Nissan Altima, on the southbound lanes of the freeway, near the Harbor Drive exit. During the stop, a Border Patrol K-9 alerted to the trunk of the vehicle. A further inspection revealed a sealed 5-gallon bucket of paint in the trunk of the car. When agents removed the cover, they discovered six vacuum-sealed bundles containing the cash.

The subsequent count of the cash totaled \$290,000 in U.S. currency. The cash is suspected to be proceeds from illicit narcotics sales.

“This seizure is a product of the tremendous abilities of Border Patrol agents and canine assets to detect and interdict smuggling activity along the Interstate 5 corridor,” said Thomas Blanks, Patrol Agent in Charge of the San Clemente Border Patrol Station.

The man was arrested and turned over to agents from Homeland Security Investigations. The vehicle and currency was seized by the U.S. Border Patrol.

To prevent the illicit smuggling of humans, drugs, and other contraband, the U.S. Border Patrol maintains a high level of vigilance on corridors of egress away from our Nation’s borders. To report suspicious activity to the U.S. Border Patrol, contact San Diego Sector at (619) 498-9900.

U.S. Customs and Border Protection is the unified border agency within the Department of Homeland Security charged with the management, control and protection of our nation's borders at and between the official ports of entry. CBP is charged with keeping terrorists and terrorist weapons out of the country while enforcing hundreds of U.S. laws.

Last published:

December 21, 2016

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SENTRI Hours Extended at the Port of Nogales

Release Date:

December 20, 2016

TUCSON, Ariz. – U.S. Customs and Border Protection officials announced today that the vehicle Secure Electronic Network for Travelers Rapid Inspection (SENTRI) lane at the Port of Nogales's DeConcini crossing will now be open from 6 a.m. until midnight, on weekends, starting Friday, Dec. 23.

"We are extending the operating hours for the SENTRI lanes at the DeConcini crossing to enhance the trusted traveler's border crossing experience. Additionally, we are hopeful that others will notice the benefits and be encouraged to apply for the Trusted Traveler Program," said Joe Agosttini, Acting Port Director.

Previously, the SENTRI vehicle lane was open 6 a.m. until 10 p.m., seven days a week.

SENTRI is a U.S. Customs and Border Protection program that allows expedited clearance for pre-approved, low-risk travelers upon arrival in the United States. Participants may enter the United States by using dedicated primary lanes into the United States at Southern land border ports. Travelers must be pre-approved for the SENTRI program. All applicants undergo a rigorous background check and in-person interview before enrollment. Interested parties may visit <https://goes-app.cbp.dhs.gov/goes/jsp/login.jsp> to apply.

Travelers may also consult the CBP website to monitor border wait times. Information is updated hourly and is useful in planning trips and identifying periods of light usage and or shorter waits.

On a Typical Day in Fiscal Year 2015, CBP...

Processed:

- 1,048,632 passengers and pedestrians
308,234 incoming international air passengers and crew
54,236 passengers and crew on arriving ship/boat
686,162 incoming land travelers
- 72,179 truck, rail, and sea containers
- 282,252 incoming privately owned vehicles

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Conducted:

- 924 apprehensions between U.S. ports of entry
- 23 arrests of wanted criminals at U.S. ports of entry
- 367 refusals of inadmissible persons at U.S. ports of entry

Discovered:

- 470 pests at U.S. ports of entry and 4,548 materials for quarantine: plant, meat, animal byproduct, and soil

Seized:

- 9,435 pounds of drugs
- \$356,396 in undeclared or illicit currency
- \$3.7 million worth of products with Intellectual Property Rights violations

Identified:

- 600 individuals with suspected national security concerns

Intercepted:

- 26 fraudulent documents

Employed 59,472 men and women, including:

- 22,947 CBP officers
- 2,413 CBP Agriculture specialists
- 20,183 Border Patrol agents
- 691 Air Interdiction agents (pilots)
- 333 Marine Interdiction agents
- 148 Aviation Enforcement officers

Deployed:

- More than 807 canine teams and 379 horse patrols

Flew:

- 225 hours enforcement missions over the United States

Underway (float):

- 80 float hours-enforcement missions in the United States

Conducted operations at:

- 47 countries with more than 800 CBP employees working internationally
 - 328 ports of entry
 - 135 Border Patrol stations and 6 substations within 20 sectors, with 35 permanent checkpoints
 - 14 Air and Marine branches, 5 National Security Operations, and 1 Air and Marine Operations Center
- (Based on FY 2015 Data)

Reaching Major Milestones at East Coast Trade Symposium

At a time of transition in the U.S. government, members of the trade community were greeted with a note of reassurance at U.S. Customs and Border Protection's East Coast Trade Symposium held in Arlington, Virginia on December 1-2. "During my three years as commissioner, one thing I learned from the trade community and from so many of the people in this room is how important it is to have continuity and consistency," said CBP Commissioner R. Gil Kerlikowske. "The team that will continue to be in place at Customs and Border Protection will be one that has expertise, knows the issues, knows you, and is going to continue to be a strong supporter."

The event, which was the third and last trade symposium Commissioner Kerlikowske will preside over, drew nearly 900 attendees. Entitled, "Trade's Impact on American Health, Safety, and Economic Prosperity," the symposium emphasized coordinated border management in the North American region and the dynamics of the supply chain.

In his opening remarks, the commissioner spoke about the agency's realignment. "We did some reorganizing to streamline, but also perhaps more importantly to give people greater expanded authority and decision-making outside of and beyond the level of the deputy commissioner and commissioner. That should speed things up. That should improve things, and frankly, give you a level of assurance," he said.

Agency accomplishments

Commissioner Kerlikowske also highlighted some of the agency's accomplishments during his 30-month tenure. He noted that the single window, a U.S. government-wide, automated cargo processing system, has transformed the country's trade processes. "We know it hasn't been smooth sailing, but the amount of progress during these last couple of years has been tremendous and it couldn't have happened without our partner government agencies and the cooperation, support and feedback you all have given," he said.

As part of the single window effort, the commissioner explained that CBP's partner government agencies have automated more than 300 paper forms.

"We're receiving shipment data earlier and have greater visibility into that data," he said. "We're on track to really implement coordinated border management with our colleagues."

Another area that the commissioner spoke about was forced labor. "The Trade Facilitation and Trade Enforcement Act that the president signed in February made it very clear that

enforcement in this area is a priority. Goods made with forced labor are no longer allowed into the country," he said. "I've signed withhold release orders on several commodities from China including soda ash, calcium chloride, potassium products, stevia and its derivatives, and peeled garlic. It's imperative that companies examine their supply chains," he added. "We have talked about this continually, the importance of everybody being in this together, making sure that contractors, subcontractors, and other people in the global supply chain are working hard to make sure that none of us is involved with forced labor and child labor."

The commissioner also spoke about how CBP's enforcement of antidumping and countervailing duty laws is critical to leveling the playing field for American businesses. He noted that in fiscal year 2016, CBP enforced 364 antidumping/countervailing duty orders covering around 150 products. "\$11.2 billion of imported goods were subject to those duties and we collected \$1.8 billion in deposits," he said. "We're working with the private sector on collection, because everyone knows that collection is very difficult."

Similarly, Commissioner Kerlikowske shared the agency's progress with intellectual property rights enforcement. During fiscal year 2016, CBP and Homeland Security Investigations made over 31,000 intellectual property rights seizures. "That was an all-time high and it was a nine percent increase over fiscal year 2015," he said, adding that "the products had a retail value of more than \$1.3 billion."

Among the many other accomplishments that were discussed was the creation of a new e-commerce and small business branch within CBP's Office of Trade. The new branch reflects the new internet-based business models and the shift to direct shipping to customers. "We are very much aware of the explosion of growth in e-commerce and we need to be up to the task," said Commissioner Kerlikowske.

Leadership perspective

The two-day event, held at the Hyatt Regency in Crystal City, featured a number of panel discussions. One session shared perspectives from the leaders of North America's customs organizations. The panel, led by former CBP Commissioner Alan Bersin, now the assistant secretary for international affairs and chief diplomatic officer at the Department of Homeland Security, included Commissioner Kerlikowske, the Administrator General of Customs for Mexico Ricardo Treviño, and the Canada Border Services Agency's newly appointed Executive Vice President Tina Namiesniowski.

"Strengthening the relationship between Canada, the United States, and Mexico continues to be a priority in Canada,"

said Executive Vice President Namiesniowski. "If you look at the North American economy compared to other economies in the world, it's incumbent upon us to make sure that we are

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very much mindful of the importance of how integrated we are. The actions of one country have implications and potential effects on the actions in other countries.”

Administrator General Treviño echoed her sentiments. “We have to work on being one region, not three countries. We do that by making our borders and our partnerships very secure,” he said.

Another panel discussion focused on the challenges of trade enforcement and facilitation in international trade. “The dynamics of international trade from an ocean carrier perspective has really gone beyond the bounds of moving cargo from port to port,” said panelist Michael Young, vice president of process and systems services at Orient Overseas Container Line, a Hong Kong-based container shipping and logistics service company. There’s much more complexity in terms of doing things and that’s why it’s so important to maintain a dialogue with a lot of agencies. Not just with CBP, but also with other government partner agencies.

Progress report

Attendees also had a chance to hear from CBP’s senior leadership during a Town Hall-style panel. “This Trade Symposium has allowed us to look back over a fairly long period of time, eight to 10 years, and see what’s different” said Brenda Smith, executive assistant commissioner for CBP’s Office of Trade. “Many of our efforts have come to fruition including the single window; completion of the core elements of ACE, our cargo processing system; the successful establishment of the Border Interagency Executive Council, a senior level decision-making body among the U.S. federal agencies; along with a lot of the process simplification that has been underway for quite some time. We still have more to go, but I think we have reached a major milestone this year with completion of a lot of these efforts.” Todd Owen, executive assistant commissioner of CBP’s Office of Field Operations, gave a progress report from an operational perspective. The Centers of Excellence and Expertise were one of the many initiatives he discussed. “All 10 of the Centers are operational and have fully staffed senior leadership,” he said. Owen also noted that all 988 of the agency’s import specialists have been transitioned into the centers. The next step, he explained, will be to transition entry specialists and liquidation specialists to further compliment the staff. “The Centers are really in a good place and on a good path forward. The additional functionality that we now have in our ACE cargo processing system has enabled the Centers to keep marching ahead.” Owen also discussed how the agency had achieved significant results by revising the operational settings of its radiation portal monitor equipment. “Every piece of cargo that comes into the country is scanned for radiation by a radiation portal monitor,” said Owen. “We’ve been deploying this technology since 2003.” Owen explained that in the past there has been a problem

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with naturally occurring radioactive materials such as granite countertops, clay roof tiles, or even the potassium in bananas setting off the alarms.

“In the last decade, the technology has matured to a point where we can reduce the settings and be more sensitive for those threat materials that give us concern,” he said. “Because of these adjustments, which have now been deployed at 29 seaports and 22 land border crossings, we’ve been able to reduce the alarm rate by 79 percent. So this is significant.” Owen pointed out that during the last year, there has been “260,000 fewer alarms of our radiation portal monitors. And what that translates to is 62,500 hours less of traffic being delayed as vehicles leave the ports,” he said. Furthermore, Owen told the audience that “125,000 less hours of officer time was needed to adjudicate these alarms.” As a result, “we were able to free up 80 officers and assign them to different duties. So this is a very positive technological advancement for us,” he said.

Maria Luisa Boyce, CBP’s senior advisor for the private sector and trade engagement, spoke about how CBP’s partnership with the trade community is vital to the agency’s enhanced efforts in trade enforcement. “We are taking a very forward learning posture on enforcement. Having an enforcement conversation today is much different than it was 10 years ago,” said Boyce. “Today, our discussions are in partnership with industry. We have learned that CBP cannot do this alone. It is critically important that our partnership with you remains strong and that everything we do is informed and based on the reality of the movement of goods through your supply chains.”

North American Summit

A North American Summit was held on the second day of the Trade Symposium. It was the first time a significant portion of the event was dedicated solely to the region. “Canada and Mexico are the United States’ second and third largest trading partners respectively with trade of \$1.3 trillion annually,” said Mark Koumans, CBP assistant commissioner of International Affairs, who moderated the summit’s opening session on strengthening North American competitiveness. “As our three countries advance, there are initiatives, especially our single window programs, which allow us to streamline processes and requirements to the greatest extent possible to foster free and competitive trade in North America.”

The summit also included panel discussions that focused on the North American brokers’ perspective and on how government agencies can harmonize their efforts to achieve a safe and secure North American coordinated border. The importance of including the summit was recognized. “The world is no longer looking at a country to country situation. In many cases, there are some strategic alliances such as economic coordination between countries. North America is certainly one of those very large and powerful economic alliances,” said Ana Hinojosa,

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the director of compliance and facilitation of the World Customs Organization, who gave a presentation about the latest WCO initiatives on the first day of the symposium. "Many countries are looking to see how they can streamline within their groupings—whether it be the European Union, the Eurasian Customs Union, or even down in South America, the Mercosur countries are looking to work with trusted partners so that they can create smoother and simpler processing to promote further economic growth in that area. North America has great opportunities as a region that will give it greater strength."

Educational experience

A number of breakout sessions were also held on the second day. Topics ranged from e-commerce, exports, and trade enforcement to the Centers of Excellence and Expertise and ACE. For some, the breakout sessions were a major draw. First-time attendee, Caitlin Russell, an international trade compliance analyst from McCormick & Company, an international spice and flavoring manufacturer headquartered in Sparks, Maryland, wanted to learn more about ACE. "I'm interested in learning how things are progressing with the partner government agencies that have come on board, particularly the Food and Drug Administration, because we work with them the most," said Russell. "I wanted to see if things are going smoothly or if there are any large hiccups that other organizations might be experiencing. It might help us mitigate or avoid any issues that might occur."

Jennifer Miner, the new counsellor of agriculture and food at the Embassy of Canada in Washington, D.C., was another first time attendee at the trade symposium. "I was trying to find out what activities are going on, what the industry concerns are, especially in terms of what companies are experiencing at the border. I wanted to see how we may be able to help facilitate things while still maintaining food safety, plant and animal health," said Miner, who was pleasantly surprised to discover how collaborative the U.S. and Canada are. "Because of the shared border, it's been reassuring to see that we are working so closely together and that actual progress is being made."

Iranian National Sentenced to Prison for Conspiring to Illegally Export Products From the U.S. To Iran

Mansour Moghtaderi Zadeh, 56, an Iranian national, was sentenced today to 18 months in prison and one year of supervised release for taking part in a conspiracy involving the purchase and shipment of various products, including aviation parts and aviation supplies, from the U.S. to Iran without a license

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. Zadeh was also ordered to pay a forfeiture money judgment in the amount of \$69,159.00

The announcement was made by Acting Assistant Attorney General for National Security Mary B. McCord, U.S. Attorney Channing D. Phillips for the District of Columbia, Special Agent in Charge Matthew J. Etre of U.S. Immigration and Customs Enforcement's Homeland Security Investigations in Boston and Special Agent in Charge Michael Imbrogna of the Bureau of Industry and Security at the U.S. Department of Commerce in Boston. The sentence was ordered by Senior Judge Paul L. Friedman in the U.S. District Court for the District of Columbia.

Zadeh, who had been living in Iran, pled guilty on October 27, to one count of conspiracy to unlawfully export goods, technology and services to Iran without the required license, and to defraud the U.S. In court documents filed at the time of the plea, Zadeh acknowledged that beginning in October 2005, Iranian companies requested that Zadeh through his company, Barsan, procure products including a fiber optic video transmitter and receiver, and aviation course indicators that would otherwise require a license from the Office of Foreign Assets Control (OFAC) to be exported to Iran. Members of the conspiracy arranged for the items to be sent from the U.S. to Iran, for which Zadeh received a commission.

In March 2007, Zadeh and co-conspirators attempted to export metal sheets and rods that are used in the aviation manufacturing industry from the U.S. to Iran without the required license from OFAC. Zadeh had arranged for his new corporation, Lavantia, to purchase the items. Zadeh also used an alias in his communications.

In September 2007, the shipment was detained by the U.S. Department of Commerce pending certification of the end user. In October 2007, the Department of Commerce issued a Temporary Denial Order (TDO) against Lavantia and Zadeh, under his alias. The TDO prohibited Lavantia and Zadeh from participating in any way in exporting commodities from the U.S. Notwithstanding the TDO, Zadeh and other conspirators exported and attempted to export numerous materials from the U.S., including resin, sealant, paint, pneumatic grease, film adhesive and polyurethane coating and thinner. The post-TDO conduct included more than \$69,000 of exported goods.

In announcing the sentence, Acting Assistant Attorney General McCord, U.S. Attorney Phillips, Special Agent in Charge Etre and Special Agent in Charge Imbrogna commended the work of the Special Agents who investigated the case. They also acknowledged the efforts of those who worked on the case from the U.S. Attorney's Office for the District of Columbia, including Assistant U.S. Attorney George Varghese, now with the U.S. Attorney's Office for the District of Massachusetts, and Paralegal Specialist Jorge Casillas. Finally, they expressed appreciation for the work of Assistant U.S. Attorneys Frederick W. Yette and Jeffrey Pearlman, who prosecuted the case, as well as Trial Attorney Thea Kendler, of the National Security Division's Counterintelligence and Export Control Section.

Amendment to the Export Administration Regulations: Removal of Special Iraq Reconstruction License

SUMMARY: In this final rule, the Bureau of Industry and Security (BIS) amends the Export Administration Regulations (EAR) by removing the Special Iraq Reconstruction License (SIRL) from the EAR. This action furthers the objectives of the Retrospective Regulatory Review Initiative that directs BIS and other federal agencies to streamline regulations and reduce unnecessary regulatory burdens on the public. Specifically, the SIRL is outdated and seldom used by exporters, who now have more efficient options for exports and reexports to Iraq and transfers (in- country) in Iraq. This rule also makes conforming changes.

DATES: This rule is effective January 4, 2017. **FOR FURTHER INFORMATION CONTACT:** Thomas Andrukonis, Director, Export Management and Compliance Division, Office of Exporter Services, Bureau of Industry and Security, by telephone at (202) 482-6396 or by email at

SUPPLEMENTARY INFORMATION:

Background

The Bureau of Industry and Security (BIS) issues this final rule to remove the Special Iraq Reconstruction License (SIRL) provisions from the Export Administration Regulations (EAR), consistent with the Retrospective Regulatory Review Initiative. In the preamble to the proposed rule published in the Federal Register on June 7, 2016 (81 FR 36481) (hereinafter “the June 7 proposed rule” or “the June 7 rule”), BIS reviewed the origins of the SIRL, established in 2004 (69 FR 46070, July 30, 2004) to supplement options to facilitate exports and reexports to Iraq and transfers within Iraq of items in furtherance of civil reconstruction and other projects in Iraq funded by specified entities, including the United States government. BIS also reviewed the record of related transactions since the SIRL was established.

The record indicates that exporters supplying items used in support of the civil reconstruction efforts in Iraq have not relied on the SIRL to advance those efforts, apparently because of its complexity and narrowness. Further, since 2004, BIS processed only three applications for the SIRL and approved only one, as compared to over 400 approved individual license applications for the export of items to Iraq between 2012 and 2015. Finally, with the implementation of updates to the EAR, the relative advantages of the SIRL have been offset by changes to individual licenses and other types of authorizations offered by BIS that provide less complex alternatives to the SIRL.

Thus, consistent with the President’s Retrospective Regulatory Review Initiative to streamline regulations and reduce unnecessary regulatory burdens on the public (see “Improving Regulatory Review” (Executive Order 13563 of January 18, 2011)), BIS concluded that the SIRL proved not to be useful. BIS received no comments in response to the June 7 rule. BIS, therefore, publishes in final form the amendments to the EAR to remove the SIRL as described initially in the June 7 rule.

Changes to Entities List

This rule implements the decision of the ERC to add seven persons to the Entity List. These seven persons are being added on the basis of § 744.11 (License requirements that apply to entities acting contrary to the national security or foreign policy interests of the United States) of the EAR. The seven entries added to the entity list consist of seven entries in Pakistan.

The ERC reviewed § 744.11(b) (Criteria for revising the Entity List) in making the determination to add these seven persons to the Entity List. Under that paragraph, persons and those acting on behalf of such persons may be added to the Entity List if there is reasonable cause to believe, based on specific and articulable facts, that they have been involved, are involved, or pose 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. Paragraphs (b)(1) through (5) of § 744.11 include an illustrative list of activities that could be contrary to the national security or foreign policy interests of the United States.

Pursuant to § 744.11(b) of the EAR, the ERC determined that seven persons, located in the destination of Pakistan, be added to the Entity List for actions contrary to the national security or foreign policy interests of the United States. The ERC determined that there is reasonable cause to believe, based on specific and articulable facts, that Ahad International; Engineering Solutions Pvt. Ltd.; National Engineering and Scientific Commission (NESCOM); three NESCOM subsidiaries: Air Weapons Complex (AWC), Maritime Technology Complex (MTC) and New Auto Engineering (NAE); and Universal Tooling Services, have been involved in actions contrary to the national security or foreign policy interests of the United States. These government, parastatal, and private entities in Pakistan are determined to be involved in activities that are contrary to the national security and/or foreign policy of the United States.

Pursuant to § 744.11(b) of the EAR, the ERC determined that the conduct of these seven persons raises sufficient concern that prior review of exports, reexports or transfers (in-country) of items subject to the EAR involving these persons, and the possible imposition of license conditions or license denials on shipments to the persons, will enhance BIS’s ability to prevent violations of the EAR. Therefore, these seven persons are being added to the Entity List.

For the seven persons added to the Entity List, BIS imposes a license requirement for all items subject to the EAR and a license review policy of presumption of denial.

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The license requirements apply to any transaction in which items are to be exported, reexported, or transferred (in-country) to any of the persons or in which such persons act as purchaser, intermediate consignee, ultimate consignee, or end-user.

In addition, no license exceptions are available for exports, reexports, or transfers (in-country) to the persons being added to the Entity List in this rule. The acronym "a.k.a." (also known as) is used in entries on the Entity List to help exporters, reexporters and transferors better identify listed persons on the Entity List.

This final rule adds the following seven persons to the Entity List:

Pakistan

(1) Ahad International, Suite #5–6, 2nd Floor, Empress Tower, Empress Road, Lahore- 54000, Pakistan; and 11–12–13, 2nd Floor, Nomro Center, Badami Bagh, Lahore, Pakistan; (2) Air Weapons Complex (AWC), AWC: E–5, Officers Colony, Wah Cantt, Punjab, Pakistan; (3) Engineering Solutions Pvt. Ltd., 726, G–11/2, Ibne-Sina Road, Islamabad, Pakistan; (4) Maritime Technology Complex (MTC), MTC: Plot 94, Karachi, Pakistan; and MTC: System Division, PN Dockyard, Karachi, Pakistan; (5) National Engineering and Scientific Commission (NESCOM), NESCOM Head Quarter, Plot #94, Sector H–11/4, Islamabad, Pakistan; (6) New Auto Engineering (NAE), NAE: 72, Industrial Area, Peshawar Road, Rawalpindi, Pakistan; and (7) Universal Tooling Services, a.k.a., the following three aliases: —Forward Design and Manufacturing; —MSM Enterprises; and —Technopak Engineering. Deen Plaza, 68/62, Adamjee Road, Saddar P.O. Box 1640, GPO Rawalpindi, Pakistan; and G–7, Nimra Centre 7, Badami Bagh, Lahore, Pakistan; and 31/B Faisal Town, Lahore, Punjab, Pakistan; and Model Town, HMC Road, Taxila, Pakistan.

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NASA Embraces IBM's Watson for Future Space, Aerospace Technology Development

By Michael Cooney

IBM and NASA have had one of the longest, most successful relationships in the high-tech world and it looks like the future holds much the same.

While the relationship has its roots in the very beginnings of the space program as well as large-scale computing, its current incarnation in many cases revolves around the cognitive computing specialties found in IBM's Watson system.

The forthcoming movie [Hidden Figures in fact shows some of the earliest IBM and NASA computing interactions](#). *Hidden Figures* follows a group of African-American female mathematicians who calculated flight trajectories on IBM computers for John Glenn's first orbital flight in 1962.

Watson uses machine learning and natural language and image recognition to develop all manner of intelligent answers to tough challenges. The system has been successfully deployed in the healthcare industry [where the system has become a trusted adviser](#) to hospitals and research centers working for people fighting cancer. The CBS news program "60 Minutes" recently devoted a large segment on Watson and the success it has had in this battle ([See more here](#)).

Watson is also making inroads into cybersecurity. Most recently IBM bolstered the Watson for Cybersecurity project by adding 40 new enterprise IT companies to help develop the system to automate IT security duties and analyze the tons of alerts generated daily by security operations.

NASA is now utilizing or testing a number of projects with Watson that will take the system into future space and aerospace directions.

Leading that charge is NASA's Langley Research Center in Hampton, Va., where a couple of projects are helping NASA aerospace engineers research and develop new technologies.

"Watson digests as much research as it possibly can to help the NASA experts looking to develop complex hypotheses," said Chris Codella an IBM Distinguished Engineer with the Watson Group that works with the Langley team.

Codella says one of the projects is looking at how to get commercial airline technicians and pilots the most relevant information in real time. Watson takes in all manner of information from flight operations manuals and can make all of that data available in real-time.

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Another project has Watson-delivered information to help make decisions in flight operations centers, Codella said.

Some other potential NASA uses for Watson include:

- To help research and develop big complex space missions like the long trip to Mars.
- How to help study other long-duration space missions looking at everything from operations, maintenance, and perhaps even the healthcare of the astronauts on that mission.

Routine management of missions to the International Space Station.

Earlier this year NASA [wrote of future work](#) with Watson: “We can imagine a “Virtual/Intelligent Agent” that is a true collaborator with an expert in a human-machine partnership. Such a system might be able to read relevant scientific literature in a variety of foreign languages, understand mathematical equations and tables, and relate it to material in English. It might understand multimedia content: images, figures, formulae, and videos. And, most important, it might be able to provide direct answers or lists of possible answers to users’ questions (rather than just lists of potentially useful documents). In those cases, as in its current use for medical diagnosis, the system would provide not just a set of possible answers but also information about the evidence it used to arrive at them, so the human experts will have the information they need to evaluate the conclusions. The system would be a true collaborator in our future research and engineering development efforts.”



Robotics on the Rise, FSU, NASA. First LEGO Tournament Includes WV 120 Teams

by John Mark Shaver

FAIRMONT — Last Saturday, Fairmont State University held two FIRST LEGO League robotics tournaments, the most recent in a long, ever-growing list of robotics competitions in the region and state.

Forty-eight teams from across the state competed in the FIRST LEGO League state tournament, with another 28 participating in the FIRST LEGO League Junior competition.

“For the whole month of November, these teams competed in regional events,” said Michael Lyden, robotics education specialist for the Department of Education of FSU and the NASA IV&V Education Resource Center. “These are all middle school teams. These are the ones that qualified to move on, and they scored highest at the other events.”

Lyden has been involved in the robotics program for about three years and said that the competitions have been growing in number. In fact, according to FFL Director Todd Ensign, 57 teams joined the competition between 2012 and 2015, and the FIRST LEGO League Tournament now has nearly 120 teams competing across the state.

Eight Marion County teams were involved in the competition, including West Fairmont Middle School, East Fairmont Middle School and Fairmont Catholic.

In the tournament, teams of middle-school students competed in a series of challenges, which included building a robot and completing an assigned task to creating a presentation on “core values,” or the team’s teamwork and professionalism.

“My main goal is, in core values, we are told to complete a certain challenge and work together as a team,” Learning Options Scienceers Robotics Team Captain Kendra Gillo said. “I just try to make sure everyone is organized during that so we know when brainstorming stops and when the time to build ... begins.” Now in her third year of the competition, Gillo said she continues to compete because she likes a challenge and solving problems under a given set of rules.

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Change to Standard Language on BIS Licenses

Ensign, who oversees all of NASA and FSU robotics competitions, said that while competitions like FIRST LEGO League are fun for the teams, they also help instill ideals and a passion for STEM learning, which could lead to more students entering STEM fields and more young people staying in state for work.

“West Virginia faces an uncertain economic future if we do not adapt our business sector to focus more on high-technology industries,” Ensign said. “Our students are currently not adequately prepared to engage in the high-tech job sector and are leaving our state for opportunities elsewhere. We need to empower our educators to provide the necessary career, STEM and 21st-century skill training to our students in order to counter these trends and entice businesses to our state.

“The No. 1 concern of employers considering locating or relocating in West Virginia, and in particular this area, is a labor-ready workforce.”

If students get interested in things like robotics at an early age, Ensign said they might hold that interest throughout their school years, eventually applying smarter, stronger West Virginia.

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*“Know Your Worth and Your Value, and
be Firm and Clear on what that is.”
Bethany Yellowtail*

As of December 15, 2016, BIS is implementing a change to the standard language on validated licenses to align with the change in requirements specific to destination control statements that was published in a rule on August 17, 2016 (81 FR 54721) and went into effect on November 17, 2016. BIS is also implementing one other minor change to the standard license text. Before December 15, the language read as follows: “The Export Administration Regulations require you to take the following actions when exporting under the authority of this license. A. Record the Export Commodity Control Number in the block provided in the Automated Export System (AES). B. Record your validated license number in the block provided in AES. C. Place a Destination Control Statement on all bills of lading, airway bills and commercial invoices.” As of December 15, this language has been changed to read (new text in italics): “The Export Administration Regulations require you to take the following actions when exporting under the authority of this license. A. Record the Export Control Classification Number in the block provided in the Automated Export System (AES). B. Record your validated license number in the block provided in AES. C. Place a Destination Control Statement on all commercial invoices for shipments of items on the Commerce Control List.” This new language will appear on all current validated licenses that are available for review or printing in BIS’ SNAP-R system. If you have any questions about these changes, please call BIS’ export counselors at either 202-482-4811 (Washington, DC), 949-660-0144 (Irvine, CA) or 408-998-8806 (San Jose, CA).

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