



# EIB World Trade Headlines

Evolutions In Business • [www.eib.com](http://www.eib.com) • (978) 256-0438  
Fax: (978) 250-4529 • P.O. Box 4008, Chelmsford, MA 01824

September 1, 2016 - Volume 8, Issue 16

## IEEPA Reinstated by Executive Order as per Usual

Updated Statements of Legal Authority for the Export Administration Regulations

AGENCY: Bureau of Industry and Security, Commerce.

ACTION: Final rule.

SUMMARY: This rule updates the Code of Federal Regulations (CFR) legal authority paragraphs in the Export Administration Regulations (EAR) to cite the most recent Presidential notice extending an emergency declared pursuant to the International Emergency Economic Powers Act. This is a procedural rule that only updates authority paragraphs of the EAR. It does not alter any right, obligation or prohibition that applies to any person under the EAR.

**Authority for all parts of the EAR other than part 745 rests, in part, on Executive Order 13222 of August 17, 2001**—National Emergency with Respect to Export Control Regulations, 66 FR 44025, 3 CFR, 2001 Comp., p. 783 and on annual notices extending the emergency declared in that executive order. This rule revises the authority paragraphs for the affected parts of the EAR to cite the most recent such notice, which the President signed on August 4, 2016.

DATES: The rule is effective September 1, 2016.

FOR FURTHER INFORMATION CONTACT:

William Arvin, Regulatory Policy  
Division, Bureau of Industry and

## NEWSLETTER NOTES

\*Revisions to the Export Administration Regulations (EAR): Harmonization of the Destination Control Statements

\*U.S. Army Selects ATEC To Design Dramatically Improved Helicopter Engine

\*Thumbs Up

\*'A Dangerous Escalation': Turkey Ratchets Up Offensive In Syria

\*Maine

\*North Korea Executes Vice Premier For Not Sitting Up Straight, South Korea Says Kim Jong Un has been purging top officials since he came to power in 2011.

\*High-Ranking ISIS Spokesman Killed In Aleppo, Group's Amaq Agency Says Abu Muhammad al-Adnani was one of the group's most important figures

## Revisions to the Export Administration Regulations (EAR): Harmonization of the Destination Control Statements

This rule is effective November 15, 2016.

This final rule implements changes that were proposed on May 22, 2015, in a proposed rule entitled Revisions to the Export Administration Regulations (EAR): Harmonization of the Destination Control Statements. This final rule revises the destination control statement in § 758.6 of the Export Administration Regulations (EAR) to harmonize the statement required for the export of items subject to the EAR with the destination control statement in § 123.9(b)(1) of the International Traffic in Arms Regulations (ITAR). This final rule is published in conjunction with a Department of State, Directorate of Defense Trade Controls final rule revising § 123.9(b)(1) of the ITAR. Both final rules are part of the President's Export Control Reform Initiative. This final rule is also part of Commerce's retrospective regulatory review plan under Executive Order (E.O.) 13563.

BIS final rule State final rule

<http://www.bis.doc.gov/index.php/regulations/federal-register-notice#fr54721>

## U.S. Army Selects ATEC To Design Dramatically Improved Helicopter Engine

The U.S. Army has announced that the Advanced Turbine Engine Company (ATEC), a joint venture of Honeywell and Pratt & Whitney, has been awarded a contract for preliminary design review of a new engine for the Army's fleet of Black Hawk and Apache helicopters.

The two-year contract, part of the Army's Improved Turbine Engine (ITE) program, will support the design of an advanced 3,000 shaft horsepower turbine engine -- ATEC's HPW3000.

The primary goal of the ITE program is to produce an affordable new engine that will dramatically improve performance over the current engine powering Black Hawk and Apache helicopters. The Army specifications require that the new engine be 50 percent more powerful, 25 percent more fuel efficient, and provide 20 percent longer engine life over the current engine, while also meeting stringent performance goals in high altitude and hot conditions at 6,000 feet and 95 degrees Fahrenheit.

*(\*Continued On The Following Column)*

ATEC recently completed testing of two HPW3000 demonstrator engines, which performed very well and have already validated various program requirements, according to Craig Madden, president of ATEC.

"The HPW3000 underscores our dedication to developing an engine that will support Army Aviation superiority over potential adversaries," said Madden. "We are very confident in the engine design and in the results we've seen in testing so far. With the extensive improvements in helicopter performance it brings, the HPW3000 will mean greater mission success and safety for U.S. warfighters."

The HPW3000 features a dual-spool architecture and utilizes many of the latest gas turbine engine technologies. The engine's dual-spool architecture offers significant advantages, including optimized engine efficiency, decreased maintenance costs, extended engine life, and greater power growth capability – providing the Army with maximum flexibility as mission requirements evolve and change.

When factoring in savings from decreased fuel consumption and lowered operating and support costs, the HPW3000 is expected to offer potential annual savings of \$1 billion, compared with the current engine in the Black Hawk and Apache fleets.

"The advantages of the HPW3000 design mean that U.S. warfighters can have confidence that the engine will perform as intended and be capable of performing throughout a wider range of operations," said Jerry Wheeler, ATEC's vice president for programs. "The American taxpayer can be assured that we are committed to providing the safest, most affordable and capable helicopter engine to the warfighter so that they can accomplish the mission."

## Thumbs Up

**Thumbs up** to the small but steady gain projected for Connecticut in the area of manufacturing jobs over the last year. According to the **Connecticut Manufacturers Register**, 811 new jobs emerged in the manufacturing sector



between June 2015 and June 2016. The year-over-year increase was the first in a decade, according to the report. Additionally, the state Department of Labor projects that from 2014 to 2024, manufacturing employment in the state will increase by 2.8 percent, from roughly 160,000 to 164,000. Small gains, of course, but gains nevertheless.

## ‘A Dangerous Escalation’: Turkey Ratchets Up Offensive In Syria

Rebels supported by Turkey fought Kurdush-backed forces in north Syria on Saturday, as Ankara ratcheted up its cross-border offensive by saying it had launched air strikes against both Kurdush forces and Islamic State.

Turkey’s government, which is fighting a Kurdish insurgency at home, has said the Syrian campaign it opened this week is as much about targeting Islamic State as it is about preventing Kurdish forces filling the vacuum left when Islamists withdraw.

Turkey wants to stop Kurdish forces gaining control of a continuous stretch of Syrian territory on its frontier, which Ankara fears could be used to support the Kurdish militant group PKK as it wages its three-decade insurgency on Turkish soil.

Turkish security sources said two F-16 jets bombed a site controlled by the Kurdish YPG militia, which is part of the broader U.S. – backed Syrian Democratic Forces (SDF) coalition. The sources also said the jets hit six Islamic State targets.



Turkish military sources said one of its soldiers was killed and three others wounded when a tank was hit by a rocket that they said fired from territory held by the Kurdish YPG. The sources said the army shelled the area in response.

Syrian rebels opposed to Ankara’s incursion said Turkish forces had targeted forces allied to the YPG and no Kurdish forces were in the area.

On the ground, Turkish-backed Syrian rebels fought forces aligned with the SDF near the frontier town of Jarablus. Forces opposed to Ankara said Turkish tanks were deployed, a charge denied by Turkey’s rebel allies.

Turkey’s offensive into Syria began on Wednesday, supporting its rebel allies with Turkish special forces, tanks and warplanes. It seized control of Jarablus from Islamic State seeking to stop any Kurdish forces moving in first.

Saturday’s use of warplanes against what Turkey said was a Kurdish YPG militia target highlights its determination to prevent any Kurdish territorial expansion in north Syria.

*(\*Continued On The Following Column)*

Any action against Kurdish forces in Syria puts Turkey at odds with its NATO ally the United States, which backs the SDF and YPG, seeing them as the most reliable and effective ally in the fight against Islamic State of Syria.

It adds complexity to the Syrian conflict that erupted five years ago with an uprising against Syrian President Bashar al-Assad and has since drawn regional states and world powers.

### “DANGEROUS ESCALATION”

The Jarablus Military Council, aprt of the SDF, had said earlier on Saturday that Turkish planes hit the village of al-Amarna south of Jarablus, causing civilian casualties. It called the action “a dangerous escalation”.

The Kurdish-led administration that controls parts of the northern Syria said Turkish tanks advanced on al-Amarna and clashed with forces of the Jarablus Military Council. But the Kurdish administration said no Kurdish forces were involved.

However, the leader of one Turkey-backed rebel group gave a rival account. He told Reuters the rebels battled the Kurdish YPG around al-Amarna and denied any Turkish tanks took part.

Turkish security forces simply said Turkish-backed forces had extended their control to five villages beyond Jarablus.

A video released by Turkey’s military showed the Turkish Red Crescent distributing food and aid to people in Jarabluis, with the help of Turkish troops. It also showed what appeared to be Turkish-backed rebels flicking v-for-victory signs in the town.

The newly formed Jarablus Milirty Council has said it was made up of people from the area with the aim of capturing the town and the surrounding region from Islamic State militants. However, the Turkish-backed rebels seized Jarablus first.

Several militias under the SDF banner pledged support to Jarablus Military Council after it reported the Turkish bombing.

The Northern Sun Battalion, an SDF faction, said in a statement it was heading to “Jarablus fronts” to help the council against “threats made by factions belonging to Turkey”.

Tension has mounted in Syria’s Aleppo region in the past year between the U.S-backed Kurdish YPG force and its allies on one hand and Turkish backed rebel groups on the other. The two sides have clashed on several occasions.

## Maine

**AUBURN, Maine (NEWS CENTER)** — The Department of Commerce has recently backed claims by a Maine manufacturing company that two Chinese companies are importing textiles, illegally undercutting companies in the U.S.

Auburn Manufacturing, Inc. makes fireproof fabrics found in welding curtains and firefighter gear. Founder Kathie Leonard says China has been illegally subsidizing two companies, who have been able to import to the U.S. for a much lower price.

Leonard filed a petition at the start of the year and has since gotten support from Senators Susan Collins and Angus King, and Representatives Bruce Poliquin and Chellie Pingree.

Poliquin stood with Leonard Tuesday morning during a press conference at AMI to explain where the investigation is now.

That support has led to an antidumping duty investigation through Commerce, which has instructed U.S. Customs and Border Protection to collect cash deposits from the two companies - duties to make up for their illegal dumping.

"Department of Commerce will get the extra duty as these products come in, but it doesn't flow back to us," said Leonard. "What we do get - I don't want to make it sound like poor us - we hopefully get our market back."

Final determinations on those investigations won't be until January. The U.S. Government has to determine not only that dumping is happening, but also that companies like AMI have suffered injury from it.



## North Korea Executes Vice Premier For Not Sitting Up Straight, South Korea Says Kim Jong Un has been purging top officials since he came to power in 2011.

SEOUL — North Korea has executed its vice premier for education and rebuked two high-ranking officials, South Korea said on Wednesday, which, if true, would mark a new series of measures by leader Kim Jong Un to discipline top aides.

Kim took power in 2011 after the death of his father, Kim Jong Il, and his consolidation of power has included purges and executions of top officials, South Korean officials have said.

South Korea's Unification Ministry spokesman Jeong Joon-hee said the government had confirmed the execution of the education official, Kim Yong Jin, "through various channels" but declined to provide details.

Kim Yong Chol, the influential head of the North's United Front Department which handles inter-Korean relations, was made to undergo "revolutionary measures," Jeong told a briefing. Another ruling party official in the propaganda department was also reprimanded, Jeong said.

It is difficult to independently verify news about top officials in the North or the inner circle around the leader. Some previous reports of executions and purges in the reclusive state have proven inaccurate.

Vice Premier Kim Yong Jin was executed for not keeping his posture upright at a public event, a South Korean government official later told Reuters. Kim Yong Chol was punished for his overbearing demeanor, the official added, but gave no details.

The execution, by firing squad, took place in July and Kim Yong Chol was re-educated at a rural farm for a month until mid-August, South Korea's Yonhap News Agency said.

The South's comments follow a news report on Tuesday that the North had executed two high-ranking officials for disobeying leader Kim Jong Un.

Kim Yong Jin was promoted to vice premier in 2012 after serving as education minister, according to a South Korean government database on key officials of the North.

Army general Kim Yong Chol headed the North Korean intelligence agency before taking his current position this year.

News of the reclusive state's new purges comes after the South said North Korea's deputy ambassador in London had  
*(\*Continued On The Following Page)*

defected and arrived in the South with his family, dealing an embarrassing blow to Kim's regime.

North Korea rarely announces purges or executions, although state media confirmed the 2012 execution of Kim's uncle, Jang Song Thaek, widely considered the country's second most powerful man, for factionalism and crimes damaging to the economy.

A former defense minister, Hyun Yong Chol, is also believed to have been executed last year for treason, according to the South's spy agency.

## High-Ranking ISIS Spokesman Killed In Aleppo, Group's Amaq Agency Says Abu Muhammad al-Adnani was one of the group's most important figures.

Islamic State militant group spokesman Abu Muhammad al-Adnani has been killed in Aleppo, the organization's Amaq News Agency said in a statement on Tuesday.

Adnani was one of the most high-ranking figures in ISIS. In addition to his role as propaganda chief, he was thought to have been in charge of the group's external terror operations.

The exact circumstances of Adnani's death are unclear, but Amaq said he was "martyred while surveying the operations to repel the military campaigns against Aleppo" in Syria. His death has not been independently confirmed.

Adnani was the voice for many of the group's most notorious propaganda speeches. His messages included calls for supporters to launch "lone wolf" attacks around the world, and the announcement in 2014 that the group had declared [its so-called caliphate](#).

(\*Continued On The Following Column)

*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)*

*"Look For Something Positive In Each Day, Even If Some Days You Have To Look A Little Harder"*

Although he is better known as the group's spokesman, Adnani also played a key part in coordinating and planning terror attacks outside of Iraq and Syria. He is widely reported to have been the head of ISIS' external planning operations, and French intelligence officials believe that one of the people responsible for last year's terrorist attacks in Paris [worked with Adnani](#) in Syria.

The spokesman's death is one of the most significant losses in leadership for ISIS since the group seized large amounts of territory in Syria and Iraq in 2014. That same year, the U.S. State Department declared Adnani a Specially Designated Global Terrorist for [his senior role](#) in ISIS. In May, the U.S. offered [up to \\$5 million](#) for information on Adnani.

Adnani [was born Taha Subhi Falaha in 1977](#) in Idlib, Syria. He is thought to have been part of the early wave of foreign fighters who traveled to Iraq during the 2003 U.S. invasion of that country. In January, Iraq's Joint Operations Command announced that it [had wounded Adnani](#) in an airstrike in western Iraq.

ISIS has lost much of its territory this year, along with some of its senior leaders. In July, ISIS confirmed that one of its key military figures, Omar al-Shishani, had been killed, and earlier this month [the Pentagon stated](#) that the leader of the group's Afghan affiliate had died in an airstrike.

Adnani's death, however, is seen as an even more significant loss for ISIS, and leaves the group without its most prominent propagandist.

"Adnani was the most relevant and important figure in ISIS' infrastructure," Javier Lesaca, a researcher at George Washington University's School of Media and Public Affairs, told The WorldPost.

Lesaca, who has extensively studied Adnani and ISIS' communications strategy, said Adnani was responsible for the group's enormous propaganda apparatus, which has helped draw tens of thousands of foreign recruits to the group.

"He managed to understand the importance of strategic communications in terrorism," Lesaca said. "Adnani transformed terrorism into a digital marketing strategy."

**NOTE: In accordance with Title 17 U.S.C. Section 107, this material is distributed without profit or payment for non-profit news reporting and educational purposes only. Reproduction for private use or gain is subject to original copyright restrictions.**