



## Highlights in International Trade and Commerce

09.24.2010

### **Efforts Underway to Strengthen Enforcement of US Trade Laws**

The Department of Commerce is moving forward in its efforts to strengthen enforcement of U.S. trade laws as part of President Obama's National Export Initiative. Secretary Locke asked the International Trade Administration (ITA) to review its trade remedy practices to determine potential administrative and regulatory improvements. ITA developed 14 proposals, particularly focusing on antidumping (AD) and countervailing duty (CVD) laws. Among the proposed changes, Commerce would impose more stringent requirements for companies seeking to be excused from previously imposed AD/CVD duties, change the bond requirements for importers under investigation, revise calculation methods in non-market economy cases, , tighten the certification process for information submitted in AD/CVD cases, and strengthen rules to ensure that parties are paying the full amount of their anti-dumping duties. Commerce is planning to review these proposals and will seek public comment as part of that process. Stay tuned to future Highlights as we learn how and when these efforts will proceed.

### **USTR Requests Input Regarding Foreign Trade Barriers**

The U.S. Trade Representative has issued its annual call for private-sector comments regarding foreign trade barriers. USTR seeks to identify restrictions on US exports or foreign trade that are inconsistent with the WTO and other international agreements. Such foreign measures include laws and regulations that impact exported merchandise, such as import charges, quantitative restrictions, import licensing, "sanitary and phytosanitary" measures, technical standards, restrictions on government procurement, and export subsidies. Also included are inadequate protection of intellectual property rights, barriers to services and investment, restrictions on electronic commerce and other measures. Based on the comments, USTR prepares a survey of foreign trade barriers and reports to Congress every Spring. The foreign practices and measures included in the report then establish the agenda for USTR's market-opening activities. Comments are due October 4.

### **Concrete Steps Taken on Export Control Reform**

President Obama has announced plans to overhaul the export control lists on a rolling basis, as opposed to waiting for the entire conversion to be complete before implementing changes. The first test conversion, covering Category 7 of the U.S. Munitions List (USML) (which covers military vehicles), is complete. The new system divides Category 7 into three tiers of varying degrees of control. According to two senior administration officials, application of the new criteria resulted in nearly 75% of the military

vehicles and related parts and components covered by the USML being removed from the list. Most of these items will be moved to the Commerce Control List (CCL), but about a third will be decontrolled altogether. If Congress agrees to the new criteria, the administration will issue a regulation later this year, establishing the new Category 7 and reshuffling items accordingly.

### **Buy American Provisions Added to FAR**

The Defense Department and General Services Administration have amended the Federal Acquisition Regulation (FAR) to implement the Buy American provisions of the Recovery Act. The amended regulations require contracting officers to modify their contracts if Recovery Act funds will be used in certain types of work. More specifically, if Recovery Act funds are used in any type of public construction, maintenance, or repair project, the new FAR provisions require that all of the iron, steel and manufactured goods used in the project must be U.S. origin. Officials emphasize that these provisions do not override U.S. obligations under international trade agreements. Various exceptions to the FAR prevent that from happening. The rule will apply to solicitations issued and contracts awarded on or after October 1.

*Highlights in International Trade and Commerce* by Williams Mullen is prepared for information purposes only and does not constitute legal advice. Persons seeking legal advice concerning the issues addressed in this issue are encouraged to contact competent legal counsel.

## **Related People**

## **Related Services**

- International Trade and Business