

# INTERNATIONAL INTELLECTUAL PROPERTY ALLIANCE

## 2002 SPECIAL 301 REPORT

# LEBANON

### EXECUTIVE SUMMARY<sup>1</sup>

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IIPA recommends that Lebanon remain on the Priority Watch List, and recommends that an out-of-cycle review be conducted later in the year to determine whether the government of Lebanon has completed the following steps:

- formed a specialized IPR unit of the police, with dedicated resources and power to act anywhere in Lebanon;
- appointed a national network of specialized prosecutors charged with the suppression of IP infringement by *ex officio* action;<sup>2</sup>
- issued a political directive to make fighting copyright piracy (including cable piracy) a high priority for all its agencies;
- closed down substantially all the unlicensed “community cable” television stations operating in the country;
- instructed police to seize all clearly infringing materials, regardless of whether they are specifically identified in the complaint (provided, of course, that there are sufficient indicia of illegality to sustain this action);
- carried out raids and initiated prosecutions against at least 100 retail stores selling or renting out pirate discs, DVDs, videocassettes, or other copyright infringing materials; and
- instructed the customs authorities to seize pirate product entering the country.

Almost three years have gone by since passage of the Lebanese copyright law, and in that time, key Lebanese government officials have taken virtually no action against severe and overt piracy in Lebanon. While the increasingly severe piracy problem in Lebanon is exacerbated by economic malaise in the region and continued political instability, part of the answer to those problems lies in Lebanon providing a stable legal environment for businesses, including adequate protection of intellectual property rights. The answer does not lie in statements like that of the Minister of Economy and Trade in May 2001 that “[Lebanon] should wait at least two years before a serious anti-piracy campaign can take place.” Piracy levels remain unacceptably high for all sectors, notwithstanding

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<sup>1</sup> For more details on Lebanon’s Special 301 history, see IIPA’s “History” Appendix to this filing.

<sup>2</sup> This is ideally accomplished through the appointment of specialized IPR prosecutors, but may, at least initially, proceed by the designation of a prosecutor who will be responsible for IPR in each of the major jurisdictions.

some well-intentioned enforcement officials, who are enforcing the laws, but who are simply overwhelmed by the scope of the problem and their own governments' general unwillingness to take actions toward a solution. The lackadaisical approach of the government in Lebanon to piracy has made possible the infiltration of organized criminal elements, including pirate CD producers, into Lebanon.

In the coming months, IIPA members must see improvements in the government's approach to cable piracy, piracy cases now bogged down before the courts, CD piracy, and stopping pirated imports at the border. For example, the government could curb the long-standing cable piracy problem through a government-led campaign to shut down "community cable" TV stations showing programs illegally throughout the country. Such a move would undoubtedly lead to healthy competition and consolidation of what is now a smalltime pirate-laden network. In addition, the courts must adequately deal with straightforward piracy cases (including several now pending against cable pirates) by meting out deterrent results, including fines and, where warranted, imprisonments to serious pirates. Without proper controls against CD piracy, Lebanon might turn from a country with a domestic piracy problem into an 'export pirate' country. Customs has been ineffective in keeping pirate product out of Lebanon, and must take increased steps to fight burgeoning pirate imports

In 2001, IIPA filed a petition under the Generalized System of Preferences (GSP) program, a U.S. trade program whereby Lebanon enjoys trade benefits, subject to the requirement that it provide "adequate and effective" copyright protection. In that petition, which is still pending, IIPA spelled out the reasons why Lebanon is not meeting the statutorily-mandated standard.

Total losses to the U.S. copyright-based industries in Lebanon were U.S. \$13.3 million in 2001.

**LEBANON: ESTIMATED TRADE LOSSES DUE TO PIRACY**  
*(in millions of U.S. dollars)*  
**and LEVELS OF PIRACY: 1996 - 2001**

INDUSTRY	2001		2000		1999		1998		1997		1996	
	Loss	Level										
Motion Pictures	8.0	80%	8.0	60%	8.0	60%	8.0	80%	8.0	80%	19.0	99%
Sound Recordings / Musical Compositions <sup>3</sup>	2.0	40%	2.0	45%	2.0	60%	2.0	40%	1.0	40%	1.0	30%
Business Software Applications <sup>4</sup>	1.3	78%	1.3	83%	1.6	88%	0.9	93%	1.4	79%	1.4	76%
Entertainment Software	NA	NA	1.5	96%	0.5	70%	0.6	70%	NA	NA	NA	NA
Books	2.0	NA	2.0	NA	2.5	NA	2.5	NA	2.0	NA	2.0	NA
<b>TOTALS<sup>5</sup></b>	<b>13.3</b>		<b>14.8</b>		<b>14.6</b>		<b>14.0</b>		<b>12.4</b>		<b>23.4</b>	

## COPYRIGHT PIRACY IN LEBANON

### Cable Piracy Continues to Threaten Legitimate Market for Copyright Owners

Rampant cable piracy continues to devastate the local theatrical, video and television markets. An estimated 1,300 cable operators serve over 50% of the Lebanese population, retransmitting domestic and foreign terrestrial and satellite programming without authorization to their subscribers (estimated to number about 460,000) for an average monthly fee of US\$10. Occasionally, these systems also use pirate videocassettes and DVDs to broadcast directly to their subscribers, including the broadcasting of recent popular movies and TV shows, and of movies that have yet to be released theatrically in Lebanon. Each cable operator retransmits an average of 40 to 50 different television channels. Included among those channels is a minimum of four movie channels that broadcast motion pictures 24 hours a day. Films are frequently retransmitted by these pirate cable operators prior to their legitimate broadcast by television stations in Lebanon.

<sup>3</sup> Loss figures for sound recordings represent U.S. losses only. Piracy levels represent the "overall" piracy rate, whereas the international piracy rate for 2000 was 68% and for 2001 was 65%. The piracy level for 1999 represented above is the "international" piracy rate.

<sup>4</sup> BSA loss numbers for 2001 are preliminary. In IIPA's February 2001 Special 301 submission, BSA's 2000 loss and level figures of \$1.5 million and 87%, respectively, were also reported as preliminary. These numbers were finalized in mid-2001, and are reflected above.

<sup>5</sup> In IIPA's 2001 Special 301 submission, IIPA estimated that total losses to the U.S. copyright-based industries in Lebanon were \$15.0 million. Because of the adjustment to reflect BSA's final 2000 statistics (see footnote 4), estimated total losses to the U.S. copyright-based industries in Lebanon in 1998 are lowered to \$14.8 million.

Largely as a result of cable piracy, ticket sales to movie theaters dipped approximately 50% in 2000, compared with sales in 1999. Local broadcast television stations have canceled long-standing licenses with copyright owners because they cannot compete with the pirates. The legitimate video market has been almost entirely destroyed by the various forms of piracy in Lebanon. In 2000, a study of the economic impact of cable piracy estimated that the Lebanese government is losing approximately US\$38 million a year due to cable piracy (including lost taxes, social security contributions, and the earnings of the Lebanese government if the cable industry were legitimate).<sup>6</sup>

## **Retail Piracy in Lebanon: A Pirate Haven**

Piracy runs rampant in Lebanon. A sampling of the market reveals that:

- Pirate versions of virtually any business software, entertainment software, sound recording, or published interactive software (i.e., encyclopedias on CD-ROM) can readily be purchased in retail markets for US\$7 or less.
- Lebanon is a “pirate haven” for video games. Console-based videogames are 99% pirate, while personal computer videogames are 98% pirate in Lebanon (roughly 70% of each of which are imported, mainly from Asia, while 30% are domestically produced). Silver counterfeit CDs, complete with packaging and manuals, are available on the streets of Lebanon. These come in compilation-CD format and single discs. Evidence suggests that many pirated videogames are being produced in Lebanon for export, and throughout the year, several customs seizures were made of product destined for South America and elsewhere, sourced from Lebanon.
- Pirate videos and DVDs of movies not yet showing in the theaters (“pre-theatrical”) and not yet licensed for video distribution “pre-release” are widespread. Many are copied from camcorders inside theaters in other countries, and many are imported into Lebanon without authorization of the right holder. Copies of new U.S. cinema releases are on the market within days of their U.S. theatrical release. The home video market is estimated to be 80% pirate.
- Retail piracy of business software takes several forms, including the unauthorized duplication and sale of computer programs, the sale of hardware loaded with unlicensed software (hard-disk loading), and mass CD replication of pirate copies of business software.
- The parallel importation of Zone 1 DVDs (Zone 1 refers to DVDs programmed for distribution and playback in North America only) is a growing problem.
- Pirate sound recordings are sold openly at fixed location retail shops and at the airport. Pirate CDs and locally/regionally manufactured tapes are ubiquitous. Music cassette piracy harms the industry, with Syria supplying many of the pirate cassettes. Lebanon has traditionally been a very important source for repertoire that has been sold throughout the region and in Arabic populations around the globe, and U.S. record companies make significant investments in the

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<sup>6</sup> The study was carried out by Statistics Lebanon, Ltd. between April and June 2000.

production and distribution of Lebanese repertoire, but these investments are undermined by the current high piracy levels.

- Book piracy took root during the 1980s and remains a serious problem, although the legitimate university community has recently made some efforts to have students use only legitimate textbooks. Nonetheless, pirate photocopying and pirate publications are still the norm on college campuses. Pirate scientific, technical and medical and other English-language materials continue to flow out of Lebanon into Jordan, Saudi Arabia and the United Arab Emirates, among other countries.

## Optical Media Piracy Arrives in Lebanon

In addition to retail optical media piracy, IIPA has learned of one CD plant operating in Beirut unregulated, and that this plant has been producing over 150,000 discs per month.<sup>7</sup> Without proper controls, this plant could transform Lebanon from a country with a small domestic piracy problem to an “export pirate” country. Given that local demand for CDs is very small (for example, it is roughly 500,000 for sound recordings), IIPA is concerned by the existence of this known plant, that reportedly has one line in operation and does not use any kind of manufacturer’s code to identify the place of production. Lebanese authorities should immediately contact any known plants to ensure that they are engaged in the production of authorized product, and if necessary, seize infringing copies and machinery, and impose civil, administrative and criminal penalties under the current laws (including the Copyright Law) to deter the organized manufacturing and distribution of pirate product. IIPA also urges the Lebanese government to move toward implementation of effective measures against “optical media” piracy. In particular, the Lebanese government should introduce effective optical media plant control measures, including the licensure of plants that produce optical media, the tracking of movement of optical media production equipment, raw materials, production parts (so-called stampers and masters), and the compulsory use of manufacturer’s codes (both mastering codes and a “Source Identification” (SID) code), in order successfully to halt the production of pirate CDs and CD-ROMs.

## COPYRIGHT ENFORCEMENT IN LEBANON

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The lack of coordinated enforcement efforts in Lebanon has led to *ad hoc*, non-deterrent results. While some self-help measures taken by some industries have led to raids being run or prosecutions against certain pirates, there is no systematic demonstration of government will to defeat piracy and foster legitimate business in Lebanon. The police and prosecutors (and courts of urgent matters) have indicated a willingness to help try to curb piracy, but they are effectively powerless to act in the absence of clear direction from the government. The chief Ministry responsible for copyright enforcement, the Ministry of Economy and Trade, simply has not done its job. Current Minister Fleihan has two inspectors in the Department of IP Protection who should be specifically tasked to fight piracy, but, for example, in the area of software piracy, these inspectors lack computer knowledge, only work until 2 p.m. (meaning piracy after 2 p.m. cannot be addressed), and won’t work with computer experts.

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<sup>7</sup> This plant has known ties to organized crime that spread throughout Lebanon, and was connected with a network in Latin America. For example, 4,000 pirate console-based videogames were seized in Miami in August 2001 bound for Paraguay from an aircraft inbound from Beirut. Other known exports from Lebanon have been found in Europe.

Even when these inspectors have been given targets to raid, many problems in enforcement have ensued (e.g., the pirate reseller at 4 p.m. at a computer fair could not be raided, because it was “after working hours,” etc.). Even when a raid produces results, these are usually attributable to the perseverance of the copyright holder’s efforts on the scene; the inspectors of the Ministry of Economy and Trade carry out their duties in the course of the raid in a half-hearted manner. Also, the courts remain slow and ineffective, and of all the test cases brought by the industries through private criminal complaints over the past year, only one sentence was handed down, on December 29, 2001, against a pirate reseller of software.<sup>8</sup> Customs authorities have been wholly ineffective in stopping blatantly pirated materials, including audio CDs and DVDs, at the borders, even when they are well aware of the illegal nature of the goods upon entry.

To change the tide of piracy in Lebanon, the government, at the highest levels, must issue a political directive to make fighting copyright piracy (including rampant cable piracy) a priority for the Lebanese government. From there the establishment of a specialized IPR unit in the police or elsewhere is needed, with dedicated resources and special prosecutors assigned to deal with copyright infringements, actually carrying out raids and bringing down piracy levels for all sectors of copyright. Such sustained actions would set the stage for training for prosecutors and the IPR police unit, as well as judicial training, and government monitoring of anti-piracy cases proceeding from raids through to the courts, to ensure that piracy cases are resolved quickly and with deterrent penalties.

## **Self-Help Measures Bring Limited Results, But Agencies and Courts Need to Respond**

Largely through self-help measures on the part of the motion picture and pay-television industries, some cable pirates have stopped retransmitting domestic and foreign terrestrial and satellite programming without authorization to their subscribers. Similarly, self-help measures of the software industry have led to raids against pirate resellers and pirate end-users in Lebanon. In December 2001, 27 copyright piracy cases, all involving pirate sound recordings (and 10 in combination with the business software industry), were filed with the Chief Prosecutor, but none of these cases has to IIPA’s knowledge led to successful results.

Since November 1999, the motion picture industry has filed some 28 criminal and civil lawsuits against cable pirates. As a result, a small number of pirates have come to recognize that they may not continue retransmitting domestic and foreign terrestrial and satellite programming without authorization. As a result of both civil and private criminal actions, followed by raids largely run (and funded) by the industry, in December 2000, several cable pirates were caught in the act of illegally retransmitting cable signals. Several of those pirates eventually agreed in writing not to retransmit copyright owners’ broadcasts. In addition, in 2001, some 19 cable operators were raided and either agreed to cease retransmitting certain channels or were ordered to do so by the courts.<sup>9</sup> While the

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<sup>8</sup> The court fined the pirate US\$667, and awarded the plaintiffs US\$1,334, far below the value of the software seized in the raid, and hardly deterrent.

<sup>9</sup> IIPA understands that out of these civil injunction actions, the courts are supposed to monitor the compliance of the cable operators with the injunctive orders, and impose fines of up to LL300,000 (approximately US\$200) per film or television program in violation of the injunction. However, no fines have ever been imposed because the cable operators concerned have not been monitored as they should have.

outcome of these cases has been somewhat promising, the Lebanese government has played no role in seeing that these cases were taken or that the cable pirates were brought to justice. These civil actions by the pay-television industry were effective, because they included claims on behalf of certain channels that were being retransmitted without authorization. Civil actions filed by the motion picture industry, however, have been much less effective because the injunctions obtained in those actions are limited to the specific movie titles that have already been retransmitted by the defendant cable operators.

The motion picture industry also filed seven private criminal complaints in 1999, leading to the indictment of 17 cable pirates; those cases have been referred to the appropriate trial courts (after waiting almost two years), but none has resulted in a conviction.<sup>10</sup> IIPA understands that further cases will be brought against cable pirates by the Public Prosecutor. None of the cases brought thus far has led to a single court decision, however. Thus, while the willingness of the Public Prosecutor to take these cases is to be commended, these cases will mean little in the way of solving the long-standing cable piracy problem unless the courts follow through with deterrent results and sentences.

In June 2001, the motion picture and satellite television industries organized a press conference to launch a public education campaign (including television spots and brochures) urging cable subscribers to choose only legitimate cable companies. IIPA understands that the Minister of Information opened the press conference launching the campaign, admitting that cable piracy had reached epidemic proportions, and stating that the government had a responsibility to provide a solution. IIPA applauds the Minister for taking this stand. However, no action by the Minister (nor the government) has been taken against cable pirates. The Lebanese government has recently proposed the drafting of a law to regulate the cable television industry. IIPA looks forward to assisting the Lebanese government in this effort to regulate the industry, but such a law cannot substitute for what is sorely needed: an aggressive campaign against pirates using the existing laws.

In 2001, the business software industry filed 16 petitions with the Judges of Urgent Matters that resulted in expert's inspections of over ten different outlets. These petitions resulted in eight court settlements, and two additional defendants are negotiating similar settlements. In addition, ten criminal prosecutions were prepared, which are still under investigation. Finally, six petitions filed with the Ministry of Economy resulted in two inspections (identifying one offender).<sup>11</sup> The Court of Urgent Matters in Beirut is noteworthy as a bright spot in the Lebanese enforcement system, and the public prosecutors and police have also been cooperative. Yet there is no systematic or coordinated effort to curb piracy levels, which remain high. Cyber-cafes are also emerging as nodes of piracy in Lebanon (i.e., unauthorized use of software on computers), and it is worth noting that police raids have been conducted against many pirates in this segment.

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<sup>10</sup> The court in the cases actually found, on November 15, 2001, that it did not have jurisdiction to hear 12 of the 17 cases, and remanded the cases to the Prosecutor to bring in the proper court. In the meantime, the Public Prosecutor appealed the decision regarding the 12 defendants who reside outside Beirut, and the entire court file was sent to the Appeals Court. As a result, the hearing in respect of the five Beirut residents that was scheduled for January 29 has had to be postponed again pending the outcome of the appeal brought by the Public Prosecutor. A hearing in the appeal has now been scheduled for April.

<sup>11</sup> Once again, "working hours" got in the way of these inspections, since all the suspects were selling products on a "fair ground" that opened in the late afternoon, after the Ministry of Economy's "working hours."

## Judicial Delays and a Non-Specialized Judiciary Harm Right Holders

The most significant impediment to enforcement in Lebanon remains a severely backlogged and inefficient court system. Postponements, even of urgent matters, are the norm, and criminal cases can take years to reach judgment. *Ex officio* public criminal actions against copyright infringers remain rare in Lebanon (although the police, in conjunction with the software industry, took action in 2001). In order to facilitate effective enforcement, public prosecutors and the Ministry of Economy should initiate anti-piracy actions *ex officio*. Special prosecutors and judges should also be designated for intellectual property cases.

## Enforcement Against Retail Piracy Remains Inadequate

While some very limited progress has been made against cable piracy and software piracy, largely due to the efforts of industry, general enforcement against retail piracy is sorely lacking. Anecdotes indicate that industry complaints to the Ministry of Economy and Trade and to the police regarding retail piracy are not taken seriously at all – the police often respond that since the pirate retailers/distributors paid the relevant tax, there is “nothing [they] can do.” In other instances, raid targets are tipped off to impending raids, and in one reported case, the Ministry of Economy and Trade’s inspectors simply decided to cease a raid after the raided reseller became angry. In yet other instances, known pirate product from countries like Ukraine is regularly allowed into Lebanon, even though customs officials have been given adequate evidence of the illegality of the goods entering. Even though the recording industry has repeatedly requested written answers from the police and enforcement authorities, no explanation as to why pirated CDs from Ukraine have been allowed into Lebanon has been forthcoming.

## COPYRIGHT LAW AND RELATED ISSUES

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The Copyright Law of Lebanon (which entered into force on June 14, 1999) provides, on its face, a firm basis for copyright protection for U.S. works and sound recordings, including stiff penalties (on the books) for copyright infringement, stiff penalties against those who traffic in devices that receive, or those who arrange the receipt of, unauthorized transmissions of broadcasts “dedicated to a section of the public who pay a fee to receive such broadcasting” (i.e., cable pirates), confiscation of illegal products and equipment, the closure of outlets and businesses engaged in pirate activities, and a Berne-compatible evidentiary presumption of copyright ownership. The law also provides right holders with a broad communication to the public right (Article 15), and prohibits the installation and use of descrambling devices (Articles 87 and 88). Unfortunately, the law remains deficient with respect to international standards in several respects.

### Article 25 Violates Berne (and TRIPS)

The software exception created by Article 25 of the new Copyright Law of Lebanon violates Article 9(2) of the Berne Convention (Paris [1971] text). It is not limited to “certain special cases,” but

appears to allow unauthorized copying for any purpose; it “conflicts with a normal exploitation of the work,” especially with regard to software aimed at the educational market; and it “unreasonably prejudices the legitimate interests of right holders,” by threatening to eliminate completely a market that many copyright owners already serve on extremely generous terms. While many modern copyright laws include specific exceptions for the copying of computer programs under narrowly defined circumstances, and/or exceptions allowing the copying of certain kinds of works for “personal use” (but almost never computer programs, except for “back-up” purposes), Article 25 sweeps far more broadly than comparable provisions of either kind, to the detriment of copyright owners.

Specifically, Article 25(1) authorizes “not-for-profit” educational institutions and public libraries to make copies of original computer programs they have acquired and to lend such copies to students for free. Such copies are made without the copyright owner's authorization and without compensation. The last sentence of Article 25(1) provides, “[t]he student shall have the right to make one copy for his personal use.” This clause does not state whether the student must first have a license to use the software before being allowed to make a copy. It is not clear if this provision is intended to allow a student to make a copy of any computer program regardless of whether he is entitled to use of such program, and regardless of whether the program in question is itself original or is already a copy. Such a provision could be interpreted to allow the making of limitless copies from a single piece of original software.

Implementing regulations for Article 25 were issued on November 25, 1999. The regulations set numerous conditions for educational institutions and public libraries to copy original software. While IIPA has not fully analyzed these regulations, it is clear that they do not cure the provision’s inconsistency with well established international legal standards. For example, Condition 8 requires educational institutions and public libraries to “program” the copy made so that it does not function if it is copied. Such “programming” could be interpreted to be an unauthorized alteration of the work, an infringement of copyright or moral rights. Moreover, we are not aware of any readily available process to limit copying in this manner, thus making the requirement unworkable as a practical matter.

Ultimately, Lebanon must delete Article 25 to comply with international treaty obligations (Berne, Paris [1971] text, TRIPS, WIPO Copyright Treaty).

## **Other Deficiencies**

- There is no express distribution or rental right for sound recordings (which would violate TRIPS Article 14).
- Point of attachment for U.S. sound recordings can be achieved by simultaneous publication in the U.S. and any Rome Convention Member, but there is no direct point of attachment for U.S. sound recordings (Article 36).
- There are overly broad exceptions to protection, including Article 25 discussed above (Articles 23, 25-30, and 32-34).
- Works and sound recordings are not explicitly given full retroactive protection in line with

international treaties (Berne and TRIPS).

- There is a mandatory deposit requirement, including onerous costs and documentary burdens; implementing regulations should clarify that this deposit requirement does not apply to foreign works or sound recordings.

Lebanon is a member of both the Berne Convention for the Protection of Literary and Artistic Works (Rome [1928] Act), as well as the International (Rome) Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations (1961). Lebanon should be urged to accede to the Paris Act of 1971 of the Berne Convention as well as the Geneva (phonograms) Convention, in order to provide clearer protection to international sound recordings.

## WIPO Treaties

Several of Lebanon's lawmakers have already signaled a desire to join the necessary treaties in order to participate in and fully enjoy the emerging global information society. Copyright owners must be assured of their ability to control the security and integrity of their creations as they are disseminated through downloading or streaming on the World Wide Web, on-demand services, or other new interactive media. Without such assurances, there will be little incentive to make these valuable works available online. Thus, inadequacies in the protection of intellectual property in the networked environment will stifle the full potential of electronic commerce. Ratification and implementation of the WIPO "Internet" treaties, the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT) would bring copyright protection in Lebanon into the digital age. Specifically, the WIPO treaties require effective legal remedies against the circumvention of technical measures used by content owners to protect their works. Lebanon's representatives at international copyright seminars have made positive statements to consider swift accession to and implementation of these treaties. The WIPO national seminars in Beirut in September 1999 and the regional seminar on the treaties in November 1999 have provided Lebanon with technical know-how on the treaties.

## Generalized System of Preferences

On June 13, 2001, IIPA filed a Petition (the second in three years) to the U.S. government as part of its "Country Eligibility Practices Review" of the Generalized System of Preferences (GSP) trade program. To qualify for benefits under the GSP Program, namely, duty-free imports of many important Lebanese products into the U.S., USTR must be satisfied that Lebanon meets certain discretionary criteria, including whether it provides "adequate and effective protection of intellectual property rights." IIPA's 2001 Petition notes three major deficiencies in Lebanon's protection of copyright that caused economic harm to U.S. right holders: (1) the copyright law in Lebanon contains deficiencies that render legal protection inadequate and ineffective; (2) the failure to enforce criminal remedies against pirate cable TV operators makes protection of U.S. audiovisual works inadequate and ineffective; and (3) enforcement efforts against piracy in Lebanon are totally inadequate and ineffective. During 2000, Lebanon imported \$29.5 million of products into the United States without duty, or 38.9% of its total imports into the U.S.). During the first 11 months of 2001, Lebanon imported \$34.2 million of products into the United States without duty, or 41.3% of its total imports into the U.S. Lebanon

should not continue to expect such favorable treatment, since it fails to meet the discretionary criteria in this U.S. law.