



EIB World Trade Headlines

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BIS Final Rule Amends ECCNs to Add 500 Series That Are Controlled by Other Government Agencies

The Bureau of Industry and Security (BIS) recently issued a final rule amending the Export Administration Regulations (EAR) by establishing a new Export Control Classification Number (ECCN) "500" series, 0Y521, for items that warrant control on the Commerce Control List (CCL) but are not yet identified in an existing ECCN. As example; the item is an emerging technology. BIS advises that the 500 series is equivalent to United States Munitions List (USML) Category XXI (Miscellaneous Articles), but is a temporary classification while the Government either works to adopt a multilateral control; determines a longer-term control; or determines that the item does not warrant control.

These items are subject to a case-by-case license review policy through regional stability (RS1) controls, with GOV and item-specific license exceptions. The amended regulations state that items subject to the EAR that are not listed elsewhere in the CCL, but which the Department of Commerce, with the concurrence of the Departments of Defense and State, has determined should be controlled for export because the items provide at least a significant military or intelligence advantage to the U.S. or for foreign policy reasons are classified under ECCNs 0A521, 0B521, 0C521, 0D521, and 0E521.

(Continued below)

NEWSLETTER NOTES

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*By Associated Press

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According to BIS, items classified under ECCN 0Y521 will stay so-classified for one year from the date that a final rule amending the EAR by identifying the item is published in the Federal Register, unless the item is re-classified under a different ECCN or the 0Y521 classification is extended. During this time, the U.S. Government will determine whether it is appropriate to submit a proposed control to the applicable export control regime (e.g., the Wassenaar Arrangement) for potential multilateral control, with the understanding that multilateral controls are preferable when practical. Items become EAR99 if not reclassified or extended. Complete details of the final rule are posted for review.

BIS FR Notice (4/13/12)

<http://www.gpo.gov/fdsys/pkg/FR-2012-04-13/pdf/2012-8944.pdf>

CPSC Posts Report on Preventing Half Million Defective Imports

The U.S. Consumer Product Safety Commission (CPSC), working with U.S. Customs and Border Protection (CBP) prevented more than half a million violative and hazardous imported products from reaching the hands of consumers in the first quarter of fiscal year 2012 (October to December 2011). CPSC reports that the two agencies screened more than 2,900 imported shipments at ports of entry into the U.S. in the 1st quarter.

Children's products containing levels of lead exceeding the federal limits, toys and other articles with small parts that present a choking hazard for children younger than 3 years old, and toys and child care articles with banned phthalates topped the list of stopped items. Other items included defective and dangerous hair dryers, lamps and holiday lights. CPSC has posted a list of seizures which violate a federal mandatory standard. Additional products found to be defective or violative of a federal safety rule were also seized but are not listed due to reporting restrictions.

CPSC notice:

<http://cpsc.gov/cpscpub/prerel/prhtml12/12142.html>

Commerce Posts Study on Export Opportunities for IP-Intensive Industries

A recent Department of Commerce report showed that IP-intensive industries supported at least 40 million jobs and contributed more than \$5 trillion to the economy in 2010, accounting for 34.8 percent of the U.S. gross domestic product. Ranking high among IP-intensive industries are those making computer and computer peripheral gear, audio and video equipment, newspaper and book publishers, makers of semiconductor and other electronic components, and pharmaceutical and medicines. Intellectual Property (IP) protections are also central to exports, "another key driver of our economy," noted Commerce Secretary John Bryson. IP-intensive industries supported more than \$775 billion in U.S. goods exports in 2010; about 61 percent of all merchandise exports. Bryson announced that his department is modernizing and streamlining its patent review process, "so that businesses can get their ideas to market faster." Besides hiring more experts to reduce patent backlogs, "we're doing more than ever to target counterfeiting and piracy both here and abroad." As reported the U.S. Chamber of Commerce is "pleased" that the Obama administration has taken "important steps" to address IP rights. However AFL-CIO President Richard Trumka commented that the U.S. protection for American IP "simply does not effectively address foreign rogue websites that steal movies, TV shows and music."

Intellectual Property Enforcement Coordinator (IPEC) Victoria Espinel said she would take steps to encourage the "expansion of voluntary best practices" for online advertising with the aim of cutting off "revenue to websites distributing counterfeit and pirated goods." In a letter to President Barack Obama and Congress, she said she would also work with Congress to make sure that federal agencies have the "necessary enforcement tools" they need to effectively combat intellectual property theft.

Full report titled "Intellectual Property and the U.S. Economy" <http://www.esa.doc.gov/sites/default/files/report/s/documents/ipandtheuseconomyindustriesinfocus.pdf>

Commerce Secretary Bryson's remarks (04/11/12) <http://www.commerce.gov/news/secretary-speeches/2012/04/11/remarks-release-intellectual-property-report>

Commerce report:

<http://www.esa.doc.gov/Reports/intellectual-property-and-us-economy-industries-focus>

Census Posts Report on the Profile of Importing and Exporting Companies 2009-2010

The Census Bureau released its report entitled "Profile of U.S. Importing and Exporting Companies" for 2009-10. According to Census, the report provides a statistical analysis of imports and exports by company size, company type, state of origin and destination, industry, and more. Report topics include:

*Top 250 companies account for 50% of exports, and 60% of imports.

*High concentration among manufacturing exporters.

*Related party trade higher with multiple locations.

*Small- and medium-sized companies (SMEs) account for 98% of exporters but only 34% of exports.

*Most companies transacted with one foreign country.

Full Census Bureau report:

<http://www.census.gov/foreign-trade/Press-Release/edb/2010/index.html>

Census Bureau press release:

<http://www.census.gov/foreign-trade/Press-Release/edb/2010/edbrel.pdf>

White House Posts Fact Sheet on Western Hemisphere Trade

As reported, the White House recently issued a Fact Sheet: The U.S. Economic Relationship with the Western Hemisphere, following President Barack Obama's speech about the interconnectedness of the U.S. economic and commercial relationship with Latin America. The following facts were highlighted:

*over 40 percent of total exports from the Port of Tampa are destined for countries throughout Latin America.

(Continued above)

*the U.S. and the Western Hemisphere have built one of the most active trading relationships in the world.

*the Western Hemisphere is the destination for about 42 percent of U.S. exports.

*U.S. goods exports to the Western Hemisphere increased by over \$200 billion, or 46%, since 2009, to nearly \$650 billion.

*through the National Export Initiative (NEI), the Obama Administration is partnering with U.S. businesses to promote American-made goods and services in the hemisphere through trade advocacy and export promotion efforts; increase access to credit, especially for small and medium-sized (SME) businesses; remove barriers to the sale of U.S. goods and services abroad; robustly enforce trade rules; and pursue policies at the global level to promote strong, sustainable, and balanced growth.

*U.S. exports to the Western Hemisphere grew by more than 17 percent between 2010 and 2011, surpassing growth in exports to every part of the world, except Africa.

*the U.S. has free trade agreements (FTAs) with twelve Western Hemisphere countries.

*Canada and Mexico each buy more goods from the U.S. than China.

White House fact sheet:

<http://www.whitehouse.gov/the-press-office/2012/04/13/fact-sheet-us-economic-relationship-western-hemisphere>

President's Proclamation on Suspending Argentina GSP Published in FR, Will Be Effective May 28, 2012

The Proclamation which suspends Argentina as a Generalized System of Preferences (GSP) beneficiary country and designates the Republic of South Sudan as a least-developed beneficiary GSP beneficiary country will be published in the 03/29/12 Federal Register. As reported, Argentina is slated to be suspended from the GSP program on 05/28/12. The Proclamation also adds South Sudan to GSP as a least-developed beneficiary developing country (LDBDC) on 04/15/12, and makes certain changes to the HTS for DR-CAFTA apparel, etc. According to the U.S. Trade Representative (USTR), the U.S. will consider reinstating GSP for Argentina if it pays two long-standing arbitral awards. The U.S. GSP program provides preferential duty-free treatment for over 3,400 products from more than one hundred designated beneficiary countries and territories, including more than forty least-developed beneficiary developing countries (LDBDCs). An additional 1,400 products are GSP-eligible only when imported from LDBDCs.

FR Notice (3/29/12) <http://www.gpo.gov/fdsys/pkg/FR-2012-03-29/pdf/X12-10329.pdf>

Administration Pushing Export Promotion Initiatives to SMEs

Encouraging small and midsize (SME) companies to enter the export arena will put the U.S. on the fast track to sustaining the economic recovery, as reported by the Department of Commerce (DOC). Francisco Sanchez, undersecretary of the International Trade Administration (ITA), U.S. Commercial Service, announced the Obama administration is building upon recent trade initiatives to get more companies engaged in exports.

About 95 percent of the world's population lives outside the U.S., but only 1 percent of companies in this country export, and the majority of those sell to only one foreign market. A number of trade initiatives are in various stages of development that will help companies and agricultural interests that are successful in the domestic market to expand into the export arena. President Obama's National Export Initiative (NEI), announced in 2010, has a goal of doubling exports by 2014. This week marks the second anniversary of the initiative, and the program is ahead of schedule as the U.S. passed the \$2 trillion market for exports, Sanchez reported.

www.joc.com (3/27/12)

CBP Issues FR Notice Withdrawing Proposed Rule on Importer Record Sharing by Customs Brokers

U.S. Customs and Border Protection (CBP) is withdrawing its October 2010 proposed rule that would have amended CBP regulations to state that customs brokers are allowed to disclose certain information regarding client (importer) records under certain conditions. CBP says the proposed rule received opposition from customs brokers, so CBP is withdrawing it effective 03/26/12, for further consideration.

As reported, the proposed amendment stated that brokers, upon the client's consent in a written authorization, could share client information with affiliated entities related to the broker so that these entities may offer non-customs business services to the broker's clients. It had also stated that customs brokers could use a third-party to perform photocopying, scanning, and delivery of client records for the broker. Although the proposed rule was prepared in response to a request from a member of the broker community, CBP advised there was opposition to the proposal from brokers due to the conditions on sharing the information that CBP included to protect importers' proprietary information.

Most commenter's expressed concern that the proposed rule did not serve the interests of the importing public. CBP also noted that the written consent and the nondisclosure agreement would be subject to the recordkeeping requirements prescribed for brokers as set forth in 19 CFR 111.21(a), 111.23, and 111.25.)

CBP Contact – Anita Harris (202) 863-6069

CBP notice (FR Pub 03/26/12)
<http://www.gpo.gov/fdsys/pkg/FR-2012-03-26/pdf/2012-7223.pdf>

ITA Issues Preliminary Affirmative CVD on China Solar Cells

The International Trade Administration (ITA) made a preliminary affirmative countervailing (CV) duty determination that countervailable subsidies are being provided to producers and exporters of crystalline silicon photovoltaic cells from China (C-570-980). The ITA found preliminary CV rates of 2.9% to 4.73% which, as a result of its preliminary determination of critical circumstances for both respondents and "all-others", are effective on or about 12/27/11. U.S. Customs and Border Protection (CBP) are expected to implement these antidumping (AD) cash deposit/bond requirements soon.

The preliminary determination in the companion AD investigation of Solar Cells from China has not yet been issued. According to the ITA, based on comments received, it amended the scope of the investigation to state that modules, laminates and panels produced in a third country from cells produced in China are covered by this investigation, but that modules, laminates, and panels produced in China from cells produced in a third country are not covered.

ITA notice (FR Pub 03/26/2012)
<http://www.gpo.gov/fdsys/pkg/FR-2012-03-26/pdf/2012-7273.pdf>

USTR Posts Information on Coalition of WTO Countries Concerned over Argentina Trade-Restricting Measures

During the WTO Council for Trade in Goods meeting in Geneva on 03/30/12, a joint statement co-sponsored by 14 World Trade Organization members requested that Argentina take immediate steps to address trade-restrictive measures, which are "adversely affecting imports." If Argentina continues to maintain the import-restrictive measures and practices, Argentina should provide a detailed written explanation of why in its view these measures and practices are consistent with WTO rules. The statement also said:

The measures include the overly broad use of non-automatic import licensing trade balancing requirements, and pre-registration and pre-approval of all imports into Argentina. As reported, since 2008, Argentina has greatly expanded the list of products subject to non-automatic import licensing requirements. Currently, an import license is required for approximately six hundred 8-digit tariff lines in Argentina's non-agricultural goods schedule. The products affected include, laptops, home appliances, air conditioners, tractors, machinery and tools, autos and auto parts, plastics, chemicals, tires, toys, footwear, textiles and apparel, luggage, bicycles, and paper products. Many companies have reported wait periods of up to six months and longer for an import license, and some companies are denied import licenses altogether, without justification or explanation. The lack of transparency in Argentina's implementation and administration of its import licensing regime creates profound uncertainty for exporters to Argentina.

USTR notice: <http://www.ustr.gov/about-us/press-office/press-releases/2012/march/joint-statement-argentinas-import-restricting-policies>

JUST A FACT:

"The paper SED was formerly governed under the FTSR and it became obsolete for the export of items under the USML and CCL and now all exports are reported as EEI into the AES, which is now governed under the FTR."

CBP Issues Proposed Rule to Refuse or Conditionally Release Products that are “Noncompliant” with DOE Labeling Standards

U.S. Customs and Border Protection (CBP) issued a proposed rule to amend its regulations to provide that CBP will refuse admission or conditionally release consumer products and industrial equipment that do not comply with applicable energy conservation or labeling standards, when notified by the Energy Department (DOE) or the Federal Trade Commission (FTC).

CBP expects that noncompliant imports will normally be refused entry. Comments are due 05/25/12. As reported, the Energy Policy and Conservation Act of 1975 (ECPA, 42 USC 6291-6309), as amended, established the Energy Conservation Program for Consumer Products Other Than Automobiles, covering most major household appliances, and the Energy Conservation Program for Certain Industrial Equipment. Section 6302(a) of the ECPA and its implementing regulations prescribe the specific energy conservation and labeling standards applicable to manufacturers and, in some instances, private labelers, distributors, and retailers.

The proposed rule, if adopted, would implement the mandate of the ECPA, as amended. It would amend 19 CFR Part 12 by adding a new section 12.50, that states if a covered import does not comply with applicable conservation or labeling admissibility standards, the DOE or the FTC may direct CBP to refuse admission of the covered import or recommend conditional release of the covered import to be brought into compliance. CBP would refuse an import admission into the customs territory of the U.S. to any noncompliant covered product upon receipt of written or electronic notice from the DOE or FTC, as appropriate.

The notice would identify the importer of the noncompliant covered import and describe the subject import in a manner sufficient to enable CBP to identify the article.

(Continued above)

In lieu of immediate refusal of admission into the customs territory of the U.S., the proposed rule provides that CBP, upon a recommendation from DOE or FTC, could permit the release of a noncompliant import to the importer of record for purposes of reconditioning, re-labeling, or other modification.

CBP Contact – Mike Craig (202) 863-6558
CBP notice (FR Pub 03/26/12)
<http://www.gpo.gov/fdsys/pkg/FR-2012-03-26/pdf/2012-7105.pdf>

United States-China Business Council Posts Exports to China by State (Exports Grew 542% since 2000)

U.S. exports to China grew 542 percent from 2000 to 2011 reaching a record \$103.9 billion in 2011, according to the US-China Business Council (USCBC) in its annual report, making China once again America's third-largest export market, ranking behind only Canada and Mexico. USCBC Vice President Erin Ennis reported, "U.S. exports to China recovered faster after the recession than exports to anywhere else in the world."

Top U.S. states exporting to China in 2011 were California (\$14.2 billion), Washington (\$11.2 billion), Texas (\$10.9 billion), Louisiana (\$7.3 billion), and New York (\$4.5 billion).
USCBC report:

https://www.uschina.org/public/exports/2000_2011/full_state_report.pdf



GAO Posts Report to Congress on Export Control Enforcement Needs

According to the Government Accountability Office (GAO) March report, most government agencies do not fully track resources used and the risks involved with export control enforcement activities. GAO reports, since they have missions other than export controls, agencies can use staff resources for other activities based on need, making tracking resources used solely for export control enforcement difficult. As reported, only Commerce's Office of Export Enforcement allocates its resources exclusively to export control enforcement, and other agencies, such as State and the Treasury, have relatively few export control enforcement staff to track.

In some cities, agencies are informally leveraging export enforcement resources through voluntarily created local task forces to work collectively on export control, GAO said. It said challenges include license determination delays, which often are not timely, lack of secure communications and cleared staff, lack of trend data on illicit transshipments, and lack of measures that fully reflect the complexity of export control cases. GAO notes revising the control list could simplify the license determination process, but could also mean a need for increased enforcement activity overseas. The new Export Enforcement Coordination Center is intended to help agencies coordinate their export control enforcement efforts and share intelligence and law enforcement information efforts.

However, it is unclear whether the center will address all of the challenges GAO found, as detailed plans for its operations are under development. In addition, GAO recommended that the departments of Commerce, Homeland Security, Justice and State take steps individually and with other agencies through the national Export Enforcement Coordination Center to better manage export control enforcement resources and improve the license determination process.

GAO contact: Belva Martin at (202) 512-4841 or martinb@gao.gov

GAO Report: <http://www.gao.gov/products/GAO-12-246>

SEC Receives Proposal on Sharing FCPA Fines with Foreign Governments

The Socio-Economic Rights and Accountability Project (SERAP) recently sent a letter to the Securities and Exchange Commission (SEC) urging it to "establish an efficient case-by-case process for the payment of some or all of US Foreign Corrupt Practices Act (FCPA) civil penalty and disgorgement proceeds to or for the benefit of the victimized foreign government agency or the citizens of the affected foreign country."

The letter recommended that civil society or U.S. nonprofit groups in such countries also be allowed to apply for a share of the proceeds. The letter explains that "procurement and investment agreements corrupted by foreign bribery invariably lead to increased costs." But continues to report, "Victimized governmental agencies, are typically without a practical remedy for recovering those costs".

In addition, sharing penalty proceeds could foster improved public opinion of the U.S. in affected countries. According to the letter, SERAP is proposing that after the publication of an FCPA settlement agreement the victim foreign government entity would have 60 days to file a request that the SEC's Enforcement Division pay some or all of the agreed payment proceeds to or for the benefit of the victim government entity or to a U.S.-based non-governmental organization that would present a proposal to spend the proceeds for public purposes (e.g., on public health programs) in the country of the victim entity. The Enforcement Division would then have 60 days to act on the request. SERAP suggested that the SEC issue a notice seeking public comments on this proposal.

<http://strtradenews.com/rv/ff0004677e3675da6d6ca52cd546adb89653690a/p=3396779>

FDA Shuttters Portland Seafood Processor

April 11, 2012

Portland Shellfish Co. has been shut down by federal officials for the second time in a little more than a year and is being forced to recall and destroy \$25,000 worth of potentially contaminated seafood.

According to the **Portland Press Herald**, the U.S. Food and Drug Administration issued the order on April 9 after a conveyor belt tested positive for listeria, a bacteria that can grow in refrigerated areas and can cause severe and in some cases fatal infections. The equipment, used to process shrimp, tested positive for the bacteria during an inspection in February. Lobster that was processed in the same room must also be recalled.

Portland Shellfish President Jeffrey Holden told the paper he doesn't believe the seafood in question has been distributed beyond wholesalers. He said the plant is in the midst of a scheduled shutdown as it transitions from shrimp to lobster processing and will work diligently to address the issues. Holden hopes to reopen in June.

Operations at Portland Shellfish, which employs 150 and has two facilities in Portland and South Portland, were halted for several weeks in January 2011 for similar reasons, and the company was cleared to reopen in March 2011.

The FDA last year put the company under a consent decree requiring it to improve its sanitation and submit food safety plans. The FDA rejected the updated plans the company submitted most recently in February. Since 2008, Portland Shellfish has issued four recalls of its cooked lobster meat.



Upcoming Events/Seminars

Event: Automated Export System, Seminar and Workshop

Venue: Philadelphia, PA

Date: June 19-20, 2012

Register: <http://export.gov/pennsylvania/philadelphia/aesseminar/index.asp>

The Census Bureau requires mandatory filing of export information through the Automated Export System (AES) or through the AESDirect for all shipments where a Shipper's Export Declaration was previously required. The Foreign Trade Division is actively engaged in educational outreach to assist you in avoiding these costly penalties. The AES seminar and workshop help you understand the FTR requirements. The U.S. Commercial Service, Philadelphia, is partnering with the U.S. Census Bureau and Temple University's Fox School of Business to bring you a much needed educational program on how to stay in compliance and navigate the AES systems. For more information, please contact Leandro.Solorzano@trade.gov or telephone: 215-597-6101.

Upcoming Events/Seminars (Cont'd)

Event: GITEX Technology Week 2012

Venue: Dubai International Convention & Exhibition Center, Dubai, United Arab Emirates

Date: October 14-18, 2012

Register: <http://www.gitex.com/>

GITEX Technology Week 2012, supported by the U.S. Commercial Service's Trade Fair Certification Program is the Gulf region's largest and most specialized ICT platform. Here are a few reasons why U.S. companies should consider a larger participation at GITEX 2012:

- 1) 30 Governmental bodies were present at GITEX 2011;
- 2) Over 18,000 C-level Executives participated in GITEX 2011;
- 3) Over 9,500 GITEX attendees had a budget authority of over US\$ 5 million;
- 4) Over 138,000 trade attendees from 144 countries visited GITEX 2011;
- 5) Over 3,500 companies from 77 countries participated in GITEX 2011;
- 6) 1,350 delegates attended GITEX Conferences;
- 7) 55% of all exhibiting companies received orders at GITEX 2011; and,
- 8) GITEX features 12 specialized industry focused exhibition sectors, each with its own targeted marketing campaign, including: Card Technology, Cloud Computing, Consumer Technology, Digital Marketing, Government, Gulfcomms, Hardware, Printing Solutions & Office Automation, Network & Security, Professional A/V solutions, Mobile, Apps & Content, SME Innovation Zone, and Software Solutions.

(Continued above)

GITEX Technology Week 2012 will be an excellent venue for U.S. companies to establish or expand their overseas sales, generate sales leads, evaluate competitors, and work with U.S. Commercial Service trade specialists to identify potential buyers and partners. U.S. Commercial Service staff will be available during the event to assist U.S. firms with their export needs and to facilitate contacts between U.S. exhibitors and business visitors. To learn more about these services, please contact Akhilesh.Sathyavan@trade.gov.

White House Posts Information on Meeting with Canada and Mexico over Border Strategy -All Vow to Reduce Red Tape-

A new trilateral effort to get rid of outdated regulations was recently announced by President Obama, President Calderon of Mexico, and Prime Minister Harper of Canada at a joint press conference in Washington. President Calderon singled out the need for deregulation in nanomaterials and emissions standards for some vehicles in particular. President Calderon also announced an agreement between the three countries to work in a coordinated fashion on actions that will be adopted to modernize infrastructure and for border management.

The three leaders reported that they held discussions on managing borders, streamlining regulation, securing global supply chains, and advancing clean energy. President Calderon and Prime Minister Harper reiterated their interest in joining the Trans-Pacific Partnership (TPP).

White House press release:

<http://www.whitehouse.gov/the-press-office/2012/04/02/joint-press-conference-president-obama-president-calderon-mexico-and-pri>

By Associated Press
(Updated Tuesday, April 24,
1:23 PM)

NEW ORLEANS — The Justice Department said on Tuesday it filed the first criminal charges in the Deepwater Horizon disaster in the Gulf of Mexico, accusing a former BP engineer of destroying evidence.

Kurt Mix, of Katy, Texas, was arrested on two counts of obstruction of justice. Two years after the BP oil spill, tourism in the area seems on the mend, but oystermen and shrimpers are still struggling in troubled waters. The Justice Department says the 50-year-old Mix is accused of deleting a string of 200 text messages with a BP supervisor in October 2010 that involved internal BP information about how efforts to cap the well were failing. BP officials did not immediately respond to emails seeking comment.

Justice Department officials said Mix would make an initial appearance in federal court in Houston on Tuesday afternoon. On Wednesday, a federal judge in New Orleans is expected to consider a motion to approve a \$7.8 billion civil settlement between BP and a committee of plaintiffs in a civil case. The BP-leased rig Deepwater Horizon exploded the night of April 20, 2010, killing 11 workers and setting off the nation's worst offshore oil disaster. More than 200 million gallons of crude oil flowed out of the well off the Louisiana coast before it was capped.

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NAFTA Commission Issues Notice on Agreement to Liberalize Rules of Origin, Chemical Plan

At a recent meeting of the Free Trade Commission of the North American Free Trade Agreement (NAFTA), Mexican and Canadian ministers, and U.S. Trade Representative (USTR) Ron Kirk, discussed regulatory and sectoral cooperation, small and medium enterprises (SMEs), trade facilitation through the liberalization on rules of origin, and Mexican and Canadian participation in the Trans-Pacific Partnership (TPP) negotiations. The U.S., Mexico, and Canada representatives agreed on:

- a fourth package of liberalization of NAFTA rules of origin;
- a sectoral plan for chemical products; and
- pursuing the elimination of unnecessary barriers and costs for SMEs.

Press release: <http://www.economia.gob.mx/eventos-noticias/informacion-relevante/7689-boltin096-12>

State Department Posts Secretary Clinton's Discussion about Easing Trade Restrictions with Burma

According to Secretary of State Hillary Clinton, the April 1 parliamentary elections were "an important step in the country's transformation. The U.S. is prepared to begin easing trade and other restrictions between the U.S. and Burma." Clinton reported the U.S. is ready to begin moving toward:

- *a fully accredited ambassador in Rangoon.
- *establishing an in-country USAID mission and supporting a normal country program for the United Nations Development Program.
- *enabling private organizations in the U.S. to pursue nonprofit activities from democracy building to health and education.
- *facilitating travel to the U.S. for select government officials and parliamentarians.
- *beginning the process of a targeted easing of our ban on the export of U.S. financial services and investment.

A senior State Department official also reported State is working with the Department of the Treasury's Office of Foreign Asset Control (OFAC) to create an expanded general license that will authorize a wider spectrum of activities. There will be "a step-by-step process" for easing the ban on exportation of financial services to Burma and U.S. investment in the country.

State Department press release:

<http://www.state.gov/secretary/rm/2012/04/187439.htm>

USTR Posts Report on U.S. Telecom Equipment Exports Limited by Foreign Country Rules

The U.S. Trade Representative (USTR) reported in its 2012 annual review of telecommunications trade agreements, that there is growing concern that U.S. telecommunications equipment manufacturers may be disadvantaged by the growing use of local content requirements in countries such as Brazil, India, and Indonesia. The report also cites the use of equipment standards and conformity assessment procedures (including testing requirements) that act as barriers to entry for U.S. telecommunications equipment, including policies in the following countries:

*China (multi-level protection scheme),

*India (restrictions on use of strong encryption and onerous security requirements for the importation of telecommunications network equipment), and

*Brazil, China, Costa Rica and India (mandatory certification requirements and requirements for local testing).

The USTR advises that it will focus its monitoring and enforcement efforts this year on those areas. In addition, among the trade barriers, USTR cited foreign investment limits, typically in the form of limits on the percentage of equity a foreign firm can control, which are a trade-distortive barrier. This year's report focuses on Thailand, Canada and Mexico. Specific barriers to U.S. export of telecommunications equipment cited in the report include:

*Concerns with China about framework regulations for information security in critical infrastructure known as the Multi-Level Protection Scheme (MLPS).

*U.S. companies are concerned that India will develop policies to implement the 2008 Amendments to the Information Act of 2000 that will impose unnecessarily stringent and burdensome encryption requirements or even ban the use of certain encryption technologies.

(Continued above)

*India issued a series of requirements for telecommunications service providers (TSP) and equipment vendors that would have applied to the purchase of imported products but not products manufactured in India by Indian-owned or Indian-controlled manufacturers.

*Various countries have proposed or adopted policies that require the use of local content in their telecommunication sector infrastructure, specifically Brazil, India and Indonesia.

*U.S. industry continues to identify conformity assessment procedures relating to information and communications technology (ICT) equipment as a significant barrier to trade, focusing in particular on certain electromagnetic compatibility (EMC) testing and certification requirements, such as those by China, Costa Rica, India, and Brazil. USTR notice: http://www.ustr.gov/webfm_send/3331