



# *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

February 2011 - Vol 3 Issue 3

## **BREAKING NEWS UPDATE**

### **Obama: United States to Recognize Southern Sudan**

© 2011 The Associated Press  
Feb. 7, 2011, 2:31PM

WASHINGTON — President Barack Obama says the United States intends to formally recognize Southern Sudan as a sovereign, independent state in July.

President Obama made the announcement Monday in a statement congratulating the people of Southern Sudan for "a successful and inspiring" referendum.

Election officials said Monday that more than 98 percent of ballots in the Jan. 9 vote were for independence. That means South Sudan will become the world's newest country in July.

## **Newsletter Notes:**

- \*Breaking News Update - U.S. to Recognize Southern Sudan
- \*Iranian National Charged
- \*Massachusetts Resident Sentenced to 36 Mths.- Illegally Exporting
- \*ISO Announces Availability of Electronic Standards
- \*World Bank Posts Report - Improving African Economy
- \*Census Issues Proposed Rule
- \*Export Government Announces - Trade Missions
- \*Trade Groups - Pushing for Antitrust Immunity
- \*White House Posts Joint U.S.-China Statement
- \*Senate to Receive Bill - China Currency Issue
- \*Update on China's President Hu Visit to U.S.
- \*President Issues Executive Order - Review and Strategy
- \*USTR Goal - Korea FTA Approval
- \*SPECIAL SECTION - BIS Registration - Export Control Forum

## Iranian National Charged With Illegally Exporting Specialized Metals from the United States to

### Some Metals Allegedly Destined for Iranian Entities Involved Ballistic Missile Activity

WASHINGTON - Milad Jafari, 36, a citizen and resident of Iran has been indicted for illegally exporting and attempting to export specialized metals from the United States through companies in Turkey to several entities in Iran, including some entities that have been sanctioned for involvement in ballistic missile activities.

The 11-count indictment, returned by a grand jury in the District of Columbia on July 21, 2010 and unsealed today, was announced by David Kris, Assistant Attorney General for National Security; Ronald C. Machen Jr., U.S. Attorney for the District of Columbia; Eric L. Hirschhorn, Under Secretary of Commerce for Industry and Security; and Sean Joyce, Executive Assistant Director of the FBI's National Security Branch.

The indictment charges Jafari with one count of conspiracy to illegally export materials to Iran and to defraud the United States; five separate counts of illegal export and attempted illegal export of materials to Iran and five additional counts of smuggling materials. The indictment also seeks forfeiture of \$177,867.92 in connection with these offenses. Jafari remains at large and is believed to be in Iran. He faces a maximum potential sentence of five years in prison for the conspiracy count, 20 years in prison for each count of illegal exports to Iran, and 10 years in prison for each smuggling count.

Today, the U.S. Department of the Treasury also announced the designation of Jafari, several of his family members and associates, and several corporate entities in Iran and Turkey, under Executive Order 13382, which targets for sanctions proliferators of weapons of mass destruction and their supporters - thereby isolating them from the U.S. financial and commercial systems. According to the Treasury Department, Jafari and his associates operate a procurement network that provides direct support to Iran's missile program by securing metal products, including steel and aluminum alloys, for subordinates of Iran's Aerospace Industries Organization (AIO).

*(Continued above)*

The federal indictment unsealed today alleges that Jafari and others operated Macpar Makina San. Ve Ticaret A.S. (Macpar), a Turkish and Iranian business with locations in Istanbul and Tehran. Jafari and others also operated Standart Teknik Parca San. Ve Ticaret A.S. (STEP), a Turkish business with locations in Istanbul and Tehran.

From about February 2004 through about August 2007, the indictment alleges, Jafari engaged in a conspiracy to defraud the United States and to cause the export of goods to Iran in violation of the U.S. embargo and without the required U.S. government licenses for such exports. In carrying out the conspiracy, Jafari and his conspirators allegedly solicited orders from customers in Iran and purchased goods from U.S. companies on behalf of these Iranian customers. Jafari and others allegedly wired money to the U.S. companies as payment, concealed from the U.S. companies the end-use and end-users of the goods, and caused the goods to be shipped to Turkey and later to Iran.

Attempted Export to Sanam Industrial Group For instance, the indictment alleges that in July 2006, Sanam Industrial Group - an entity in Iran that is controlled by Iran's AIO and has been sanctioned by the United States and United Nations for involvement in nuclear and ballistic missile activities -- issued to Jafari's company, STEP, a request for quote for 660 pounds of a specialized steel welding wire with aerospace applications. In May 2007, Jafari allegedly caused an order to be placed for 660 pounds of this exact type of welding wire with a Nevada company. The following month, the Nevada firm received more than \$38,000 from Jafari's company, Macpar.

According to the indictment, Jafari made arrangements with a freight forwarder for the welding wire to be picked up from the Nevada company. The shipment was detained by the Department of Commerce's Office of Export Enforcement before it left the country. In response to questions from the Nevada company about the end-use of the welding wire, Jafari told the company that the materials "will not be exported from Turkey and will not be used for any nuclear, missile or chemical/biological weapons related applications," the indictment alleges.

In another instance, the indictment alleges that in August 2006, Heavy Metals Industries in Iran placed an order with Jafari's company, STEP, for 3,410 pounds of precipitation hardening steel made in the United States. The following year, Jafari caused Macpar to place an order with an Ohio company for 4,410 pounds of a high-grade, temperature resistant, stainless steel known to have aerospace applications. Jafari informed the Ohio firm that the steel would not be shipped to Iran. In August 2007, the stainless steel shipment was detained by the Department of Commerce's Office of Export Enforcement before it left the country.

#### Other Alleged Shipments to Iran

The indictment alleges that Jafari and his conspirators were successful in causing several shipments of other materials to be exported from the United States to Iran via Turkey. In July 2006, Jafari allegedly caused three kilograms of custom-made brazing alloy to be shipped from a California company to Turkey, and, in 2007, to be shipped to Iran. According to the indictment, the brazing alloy had been requested by SAPICO, also known as the Sahand Aluminum Parts Industrial Company, in Iran. SAPICO was later sanctioned in June 2010 by the United Nations for being a cover for the Shahid Hemmat Industrial Group, which is involved in Iran's ballistic missile program. In March 2007, Jafari allegedly caused a shipment of 1,366 pounds of commercial bronze bars he purchased in the United States to be trucked from Turkey to Iran, and in September 2006, he caused electronic testing equipment to be shipped from an Illinois company to Iran via Turkey. The indictment notes additional exports of U.S. fiber-optic equipment and aerosol generators allegedly arranged by Jafari in 2004 and 2005.

"The allegations in the indictment unsealed today shed light on the reach of Iran's illegal procurement networks and the importance of keeping U.S. materials from being exploited for Iran's weapons development," said David Kris, Assistant Attorney General for National Security. "I applaud the many agents, analysts and prosecutors who helped bring about these charges."

"The indictment unsealed today against Milad Jafari demonstrates that the United States will relentlessly pursue those who are seeking to illegally acquire U.S. goods and technology for use in Iran, and we will continue to use every tool at our disposal to protect the national security of the United States," said U.S. Attorney Ronald C. Machen, Jr. "I am proud of the efforts of our agents and prosecutors who have worked to bring this case."

*(Continued above)*

"Combating illegal exports to Iran is a top priority. We are committed to choking off rogue procurement networks by every means available to us," said Under Secretary of Commerce Eric L. Hirschhorn.

"Shutting down the illegal acquisition of material destined for use in weapons programs is among the highest priorities in the FBI," said Sean Joyce, Executive Assistant Director of the FBI's National Security Branch. "We'll continue to pursue illegal acquisition efforts and protect our nation from the grave threat these WMD-related activities pose to our national security."

The investigation is being conducted by special agents of the San Jose, Calif., Washington field office and Operations Division of the Commerce Department's Office of Export Enforcement and special agents of the FBI's Charlotte, N.C., Field Division. The case is being prosecuted by Ryan Fayhee, Trial Attorney from the Counterespionage Section of the Justice Department's National Security Division, and George Varghese, Assistant U.S. Attorney from the U.S. Attorney's Office for the District of Columbia.

The details contained in the indictment are mere allegations. Defendants are presumed innocent unless and until proven guilty in a court of law.

### Massachusetts Resident Sentenced to 36 Months Imprisonment for Illegally Exporting Electronic Components Used in Military Radar, Electronic Warfare, and Missile Systems

BOSTON, Mass. - The manager of a Massachusetts electronics company was sentenced today to 36 months imprisonment for conspiring over a period of 10 years to export military electronics components and sensitive electronics used in military systems to the People's Republic of China (PRC). The Waltham, Mass., company she managed **CHITRON ELECTRONICS, INC. (CHITRON-US)** was fined \$15.5 million stemming from their convictions last year. Several Chinese military entities were among those to whom the defendants exported the equipment.

On May 2010, **YUFENG WEI**, 46, of Belmont, Mass., was convicted of illegally exporting U.S. Munitions List parts and export restricted sensitive technology to the PRC over a period of 10 years, illegally exporting electronics to the PRC (between 2004 and 2007), and conspiring to file, and filing, false shipping documents with the U.S. Department of Commerce (2005-2007).

*(Continued below)*

Also in May 2010, **CHITRON-US** was convicted of unlawfully exporting military electronics and exporting restricted electronics to the PRC and illegally exporting such parts to the PRC on 26 occasions between 2004 and 2007. Earlier this week, **ZHEN ZHOU WU, WEI's** ex-husband and the Chinese national who owned **CHITRON-US**, was sentenced to 97 months imprisonment for his role in the illegal export conspiracy.

On May 17, 2010, following a five-week trial, **WEI** and **CHITRON-US**, along with **WU**, were convicted of conspiring from 1997 to 2007 to unlawfully export to the PRC military electronics and export restricted electronics components and illegally exporting such parts to the PRC on numerous occasions between 2004 and 2007. The defendants' illegal enterprise involved the use of **CHITRON-US** as a front company for its parent company, **CHITRON ELECTRONICS COMPANY LIMITED**, headquartered in Shenzhen, PRC. **WEI** used **CHITRON-US** to procure export restricted equipment from U.S. suppliers and then export the goods to China, through Hong Kong. The exported equipment is used in electronic warfare, military radar, fire control, military guidance and control equipment, missile systems, and satellite communications.

**CHITRON** sought to market electronics to Chinese military factories and military research institutes, including numerous institutes of the China Electronics Technology Group Corporation, which is responsible for the procurement, development, and manufacture of electronics for the Chinese military, including the People's Liberation Army.

The Department of Defense's Defense Technology Security Administration has concluded in a report filed with the Court that the defendants' activities seriously threatened "U.S. national and regional security interests." According to the Department of Defense, the parts the defendants were convicted of illegally exporting are "vital for Chinese military electronic warfare, military radar, fire control, military guidance and control equipment, and satellite communications." Further, the illegally exported parts are "precisely the [types of] items ... that the People's Liberation Army actively seeks to acquire."

Also charged in the indictment was **CHITRON-US's** parent company, **CHITRON-SHENZHEN**, which received the U.S. electronics and delivered the parts to Chinese end-users.

*(Continued above)*

The Court has entered a contempt order against **CHITRON-SHENZHEN** for refusing to appear for trial.

U.S. Attorney Carmen M. Ortiz; Assistant Attorney General David Kris of the Justice Department's National Security Division; John J. McKenna, Special Agent in Charge of the U.S. Department of Commerce, Office of Export Enforcement, Boston Field Office; Bruce Foucart, Special Agent in Charge of U.S. Immigration and Customs Enforcement's Office of Homeland Security and Investigations in Boston; Richard DesLauriers, Special Agent in Charge of the Federal Bureau of Investigation - Boston Field Office; and Leigh-Alistair Barzey, Resident Agent in Charge of the Department of Defense, Defense Criminal Investigative Service in Boston made the announcement today. The case was prosecuted by Assistant U.S. Attorneys B. Stephanie Siegmann and John A. Capin of Ortiz's Anti-Terrorism and National Security Unit.

## ISO Announces Availability of Electronic Versions of 50 Standards

The International Organization for Standardization has announced that 50 of its best-selling standards, such as ISO 9001 (quality management), ISO 31000 (risk management) and ISO/IEC 27001 (information security management), are now available in formats compatible with the most popular e-book readers.

ISO notice:

<http://www.iso.org/iso/pressrelease.htm?refid=Ref1388>

## World Bank Posts Report on Improving African Economy

According to the World Bank's biannual report on global economic trends, Sub-Saharan Africa is enjoying good short-term economic prospects. The report notes that Africa's gross domestic product (GDP) jumped 4.7 percent in 2010, a trend that is expected to hold steady in 2011 and 2012.

Information available at

<http://web.worldbank.org/WBSITE/EXTERNAL/NEWS/0,,contentMDK:22810412~pagePK:34370~piPK:34424~theSitePK:4607,00.html>

## Census Issues Proposed Rule Modifying AES Option 4 Post-Departure Filing

The Census Bureau recently issued a proposed rule to amend the Foreign Trade Regulations (15 CFR Part 30) to modify the post-departure filing program, also referred to as Option 4, by changing the filing time frame to five calendar days (from ten calendar days) and only allowing post-departure reporting for certain listed approved commodities. Census is also proposing to require mandatory filing of export information through the Automated Export System (AES) or through AESDirect for all shipments of used self-propelled vehicles, temporary exports and household goods. Other significant changes are being proposed, including the addition/modification of conditional data elements in AES. The proposed rule would also make remedial changes to the FTR to improve clarity and to correct errors. Census is requesting comments on the proposed rule through 03/22/11.

The proposed changes to the post-departure filing program include:

- Census would revise the definition of post-departure filing in 15 CFR 30.1(c) to read as follows:
  - "The privilege granted to approved USPPIs (U.S. Principal Party in Interest) for their electronic export information (EEI) to be filed up to five calendar days from the date of export. Postdeparture filing can only be used for an approved list of commodities. This list can be found at [www.census.gov/aes](http://www.census.gov/aes)
  - All current USPPIs previously approved for post-departure filing would have to reapply. A USPPi would be able to apply/re-apply for post-departure filing privileges by submitting a post-departure filing application to [www.census.gov/aes](http://www.census.gov/aes)
  - Census is proposing to amend 15 CFR 30.4(c) and 30.5(c) to allow an approved USPPi to file its electronic EEI up to five calendar days from the date of export.

*(Continued above)*

Census would amend 15 CFR 30.4(c) and 30.5(c) to limit post-departure filing to an approved list of commodities. Any commodities not included on the approved list would have to be reported prior to exportation.

- Census would amend its list of reasons it may revoke an approved USPPi's post-departure filing privileges (15 CFR 30.5(c) (3)) to include post-departure filing by the USPPi or its authorized agent for commodities that are not on the approved list.

Census proposed rule:

<http://www.gpo.gov/fdsys/pkg/FR-2011-01-21/pdf/2011-165.pdf>

## Export Government Announces Upcoming Trade Missions

The Export Government recently announced a series of trade missions that are scheduled for February through May 2011.

Feb 6-11, 2011	India High Technology Mission, New Delhi, Bangalore and Mumbai, India
Feb 20-24, 2011	Executive-Led Trade Mission to Jordan and Israel - Amman, Jordan and Tel-Aviv, Israel
Feb 27 - Mar 4, 2011	Water Technology Trade Mission - Bangalore and Mumbai, India
March 8-10, 2011	Executive-led Trade Mission to Nigeria - Lagos, Nigeria
Mar 25 - April 1, 2011	Exec-Led Trade Mission: Gateways to Africa & Middle East - Cairo, Egypt and Casablanca and Tangier, Morocco
April 2-5, 2011	U.S. ICT Mission to Saudi Arabia - Riaydh, Saudi Arabia
April 3-8, 2011	Education Mission to Vietnam and Indonesia - Jakarta, Indonesia; Texas, U.S.; and Ho Chi Minh City and Hanoi, Vietnam
April 10-15, 2011	U.S. Franchise Trade Mission to India - Hyderabad, Mumbai, and New Delhi, India
May 2-4, 2011	U.S. Aerospace Supplier and Investment Mission - Montreal, Canada

Export.gov notice:

[http://www.export.gov/eac/show\\_short\\_trade\\_events.asp?CountryName=null&StateName=null&IndustryName=null&TypeName=Trade%2520Mission&StartDate=null&EndDate=null](http://www.export.gov/eac/show_short_trade_events.asp?CountryName=null&StateName=null&IndustryName=null&TypeName=Trade%2520Mission&StartDate=null&EndDate=null)

## Trade Groups Pushing for End to Ocean Carrier Antitrust Immunity

Twenty-nine trade groups sent letters to leaders of the House judiciary and transportation committees, and Senate commerce and judiciary committees urging them to again consider legislation abolishing antitrust immunity, something ocean carriers have had since 1916. The groups told congressional leaders that the complaints they made about carrier abuse a year ago remain unresolved. Last March, the Federal Maritime Commission (FMC) launched an investigation after shippers complained that carriers were manipulating vessel capacity and acting in unison to fix rates and surcharges. The FMC ordered closer monitoring of two discussion groups in the trans-Pacific trade, and three global alliances. The letter states: "As long as ocean carrier antitrust immunity continues, their customers – U.S. importers and exporters – are denied the benefits of a competitive market for this essential service. We have already seen that the carriers can use their antitrust immunity to reduce service options and abrogate their contract terms." Rep. James L. Oberstar, D-MN, then chairman of the House Transportation and Infrastructure Committee, introduced the Shipping Act of 2010 to abolish carriers' immunity, but the bill died in committee when the 111th Congress adjourned in December. Among the groups signing last week's letter were the National Industrial Transportation League, Transportation Intermediaries, Agriculture Transportation Coalition, National Customs Brokers and Forwarders Association of America, National Retail Federation and the American Apparel and Footwear Association. [www.joc.com](http://www.joc.com) (01/18/10)



## White House Posts Joint U.S.-China Statement Concerning Exchange Rate Reform, IPR, Doha Round

President Obama and Chinese President Hu issued a joint statement after their recent meetings. China says it will continue to promote exchange rate reform, and expand domestic demand. In addition, China will intensify efforts to expand domestic demand, to promote private investment in the service sector, and to give greater play to the fundamental role of the market in resource allocation. China says it will also continue to promote RMB (Renminbi, also known as the yuan) exchange rate reform and enhance RMB exchange rate flexibility, and promote the transformation of its economic development model. Other topics discussed included:

Liberalization of trade, opposition to protectionism;

Intellectual property rights (IPR) protection;

Bilateral Investment Treaty negotiations;

Commitment to concluding Doha;

Infrastructure development;

Strategic and Economic Dialogue (S&ED) and U.S.-China Joint Commission on Commerce and Trade (JCCT); U.S. and China Signed MOU on Preventing Nuclear Smuggling; and

U.S. and China agree to enhance cooperation on energy and environment.

Joint statement: <http://www.whitehouse.gov/the-press-office/2011/01/19/us-china-joint-statement>

Fact sheet on nuclear smuggling MOU:

<http://www.whitehouse.gov/the-press-office/2011/01/19/fact-sheet-us-china-partner-counter-nuclear-smuggling>

Fact Sheet on energy and environment cooperation:

<http://www.whitehouse.gov/the-press-office/2011/01/19/fact-sheet-us-china-cooperation-climate-change-clean-energy-and-environm>

## Senate to Receive Bill Addressing China Currency Issue

Several senators will soon reintroduce legislation giving the U.S. government more tools to address concerns on China 's currency misalignment. Despite many observers' belief that the best chance for such legislation to be approved expired with the last Congress in December 2010, the rhetoric in favor of it does not appear to have abated. According to Sen. Charles Schumer, D-N.Y., " China 's currency manipulation is like a boot on the throat of our economic recovery, there is no bigger step we can take to promote U.S. job creation, particularly in the manufacturing sector, than to confront China 's currency manipulation." Added Sen. Sherrod Brown, "There's bipartisan consensus that if we want to get our economy back on track, we must act, and act now, to penalize countries like China that violate global trade laws." Sens. Debbie Stabenow, D-MI., Bob Casey, D-PA, and Olympia Snowe, R-ME, also argued that China 's "unfair trade practices" are damaging the U.S. economy and "costing us jobs." As reported in a joint press release, the Currency Exchange Rate Oversight Reform Act of 2011, which will be sponsored by Sens. Schumer, Stabenow and Casey, includes the following provisions: (partial list)

- requires the Treasury Department (TD) to develop a biannual report to Congress that identifies two categories of currencies, a general category of fundamentally misaligned currencies based on observed objective criteria and a select category of fundamentally misaligned currencies for priority action that reflects misaligned currencies caused by clear policy actions by the relevant government, and requires Treasury to engage in immediate consultations with all countries cited in the report;
- provides less flexibility to Treasury in citing countries for currency manipulation by requiring such determinations to be based strictly on objective measures related to currency exchange rates, thus eliminating the need to show a willful intent to gain a trade advantage;

*(Continued above)*

- clarifies that the Department of Commerce (DOC) already has authority under U.S. law to investigate whether currency undervaluation by a government provides a countervailable (CV) subsidy and must do so if Treasury designates a priority currency and a U.S. industry requests an investigation;
- requires the U.S. , immediately upon designation of a priority currency, to oppose any International Monetary Fund governance changes that benefit the country at issue and determine whether to grant that country market economy status for purpose of U.S. antidumping law;
- limits the President's ability to waive the consequences that take effect after the first 90 days if they would harm national security or the vital economic interest of the U.S. ;
- creates a new nine-member body with which the TD must consult during the development of its report, with one member selected by the president and the remaining eight chosen by the chairmen and ranking members of the Senate Finance and Banking committees and the House Ways and Means and Financial Services committees.

Sens. Brown and Snowe, meanwhile, say they will introduce a bill similar to the Currency Reform for Fair Trade Act (H.R. 2378) that passed the House of Representatives in September 2010. This legislation is more limited in scope and primarily directs DOC to treat currency undervaluation as a prohibited export subsidy and to impose CV duties on subsidized exports from countries like China .

<http://www.strtrade.com/wti/wti.asp?pub=0&story=36209&date=1%2F19%2F2011&company>



## Update On China 's President Hu Visit To United States

The White House has posted a variety of information on the U.S. visit of China 's President Hu during the week of 01/17/11. As posted, China 's President pledges cooperation and equal treatment. According to Hu, China has agreed to strengthen its cooperation with the U.S. in the financial, economic, trade and the environment, science and technology, agriculture, infrastructure and many other fields. President Hu also noted that all companies registered in China are given national treatment. In terms of innovation products, accreditation, government procurement, intellectual property rights (IPR) protection, China 's President Hu said the Chinese government will give them all equal treatment. According to a White House fact sheet, Presidents Obama and Hu took note of the following trade and economic commitments:

- Intellectual Property Rights (IPR) Protection;
- Accountability for IPR violators on Internet; and 3rd party IPR responsibilities;
- Eliminating discriminatory Innovation Policies;
- Free development of 3G and future technologies;
- Equality in China 's smart electric power grid; and
- Market access for U.S. manufactured goods, and agricultural products and services.

According to the fact sheet, these cross-border collaborations, both public and private, underpin the expanding U.S.-China commercial partnership, contributing to economic growth and development in both countries.

Remarks at U.S.-China business roundtable:

<http://www.whitehouse.gov/the-press-office/2011/01/19/remarks-president-obama-and-president-hu-roundtable-american-and-chinese>

Trade and economic commitment fact sheet:

<http://www.whitehouse.gov/the-press-office/2011/01/19/fact-sheet-us-china-economic-issues>

U.S.-China business deals fact sheet:

<http://www.whitehouse.gov/the-press-office/2011/01/19/fact-sheet-us-china-commercial-relations>

## President Issues Executive Order on Regulatory Review and Strategy

As reported, the White House has issued a fact sheet on the President's new regulatory strategy to improve regulation and regulatory review. As part of the strategy, the President issued a new Executive Order and two memoranda to heads of agencies, one on regulatory compliance and enforcement and the other on regulatory flexibility for small business. In the first memorandum on regulatory compliance and enforcement, the President directs heads of executive departments and agencies to take the following actions:

- Share compliance, enforcement information across agencies. The memo states that such data sharing can assist with agencies' risk-based approaches to enforcement, as a lack of compliance in one area by a regulated entity may indicate a need for examination and closer attention by another agency. Order available at <http://www.whitehouse.gov/the-press-office/2011/01/18/fact-sheet-presidents-regulatory-strategy>
- Make certain compliance information public. According to the memo, this could include information on administrative inspections, examinations, reviews, warnings, citations, and revocations, excluding law enforcement or otherwise sensitive information about ongoing enforcement actions.

In the memorandum on regulatory flexibility, small business, and job creation, the President directs heads of executive departments and agencies to give serious consideration to whether and how it is appropriate, consistent with law and regulatory objectives, to reduce regulatory burdens on small businesses, through increased flexibility. As the Regulatory Flexibility Act (RFA) already recognizes, such flexibility may take many forms, including:

- extended compliance dates that take into account the resources available to small entities;
- performance standards rather than design standards;

*(Continued below)*



## USTR Goal is Korea FTA Approval by July 1st

- simplification of reporting and compliance requirements (as, for example, through streamlined forms and electronic filing options);
- partial or total exemptions
- different requirements for large and small firms; and
- partial or total exemptions.

The President further directs that whenever an executive agency chooses, for reasons other than legal limitations, not to provide such flexibility in a proposed or final rule that is likely to have a significant economic impact on a substantial number of small entities, it should explicitly justify its decision not to do so in the explanation that accompanies that proposed or final rule. The new Executive Order issued by the White House is meant to supplement and reaffirm Executive Order 12866 of September 1993 by requiring Federal agencies to design cost-effective, evidence-based regulations that are compatible with economic growth, job creation, and competitiveness. White House blog by Jack Lewis, Director of the OMB, (01/18/11)  
<http://www.whitehouse.gov/blog/2011/01/18/regulatory-strategy>

U.S. Trade Representative (USTR) Kirk recently noted that the Administration's goal is to have the U.S.-Korea Free Trade Agreement (FTA) approved by Congress by 07/01/11; a symbolic date as the European Union's FTA with Korea goes into effect then. USTR Kirk believes that the additional time the administration took to work on the agreement, particularly the additional talks in December 2010, will result in more bipartisan support. He reported that during the December talks, agreement was reached on certain outstanding issues regarding automobiles and agriculture, resulting in new support by the U.S. auto industry, United Auto Workers, and the United Food and Commercial Workers. He added President Obama feels very strongly that the reason they were able to get an FTA with broad bipartisan support and broad business and labor support because they took the time to do it right. They want to take the same approach with the Panama and Colombia FTAs.

USTR notice:

<http://www.thirdway.org/events/36/transcript>

## SPECIAL SECTION

### BIS Registration for 2011 Export Control Forum (2/28/2011 through 3/1/2011) Now Open

[http://www.bis.doc.gov/seminarsandtraining/irvineca\\_feb\\_28\\_11.htm](http://www.bis.doc.gov/seminarsandtraining/irvineca_feb_28_11.htm)

The Bureau of Industry and Security has opened registration for the sixth annual Export Control Forum, to be held in Irvine, California on February 28 - March 1, 2011. This day-and-a-half program will feature key management, policy, legal and licensing specialists from the Bureau of Industry and Security, the Departments of State, Defense and Treasury, and the Bureau of the Census. These speakers will provide the latest information on key developments in the export control field. The Export Control Forum will also include a gala reception, offering you the opportunity to mingle and discuss issues of concern with the presenters and other participants.

#### Agenda

**Monday, February 28, 2011** 8:40-9:10 BIS Keynote

Eric L. Hirschhorn, Under Secretary for Industry and Security 9:10-10:30 Regulatory Update  
Bernie Kritzer, Director, Office of Exporter Services, BIS

Tim Mooney, Export Policy Analyst, Regulatory Policy Division, BIS

Omari Wooden, Foreign Trade Ombudsman, Bureau of the Census

11:00-12:30 Interagency Perspectives on Jurisdiction

Gene Christiansen, Senior Engineer, Office of National Security and Technology Transfer Controls, BIS

Chuck Shotwell, Director, Defense Trade Controls Policy, Department of State

Michael Laychak, Licensing Director, Defense Technology Security Administration

1:45-3:00 Embargoes and Sanctions

Alan Christian, Export Policy Analyst, Foreign Policy Division

Sean Thornton, Chief Counsel, Office of Foreign Assets Control 3:30-5:00 Looking Ahead: Export Control Reform

*(Continued above)*

Kevin Kurland Acting Chief of Staff for Export Administration  
Chuck Shotwell Director, Defense Trade Controls Policy, Department of State  
Michael Laychak, Licensing Director, Defense Technology Security Administration  
Bernie Kritzer, Director, Office of Exporter Services, BIS  
5:15-7:15 Gala Reception

**Tuesday, March 01, 2011** 8:30-9:45 Export Enforcement

Douglas Hassebrock Director, Office of Export Enforcement

Ned Weant, Director, Office of Antiboycott Compliance

Glenn Krizay, Director, Office of Export Analysis  
Joe Jest, Chief of Enforcement and Litigation, Office of Chief Counsel, BIS

Tony Levey, Special Agent in Charge, OEE Los Angeles 10:00-11:00 Helpful Licensing Tips

Gene Christiansen, Senior Engineer, Office of National Security and Technology Transfer Controls, BIS

Tim Mooney Export Policy Analyst, Regulatory Policy Division, BIS 11:15-12:00 New On-line Services and Resources

Amanda Simpson, Senior Technical Advisor, Office of the Under Secretary, BIS

Ken Whaley Application Redesign and Development Manager, BIS

#### Registration

The conference registration fee will be \$525 per person. [Click here to register](#). Registration includes: a) entrance to conference and seminar materials; b) buffet breakfast, lunch, and reception on February 28, 2011; c) buffet breakfast and light lunch on March 1. There are a limited number of exhibit spaces available for this event (see below for details). The conference will be held at the Hyatt Regency Hotel in Irvine, California. The hotel is offering a special rate for those attending the Export Control Forum.

#### Accommodations

Please make lodging reservations directly with the Hyatt Regency Hotel, Irvine, California, by calling (949) 975-1234, and mention the BIS Export Control Forum, or [click here](#) to make reservations on line.

*(Continued below)*

The Hyatt Regency Hotel Irvine is offering a \$123 rate for Forum attendees. This special rate will apply from Friday, February 25, 2011 (for those wishing to arrive early) through the night of Tuesday March 1, 2011, checking out Wednesday morning March 2, 2011 (for those who would like an extra night before heading back home). The Hyatt Regency is conveniently located near Orange County 's John Wayne Airport and offers free airport shuttle service.

Some points of interest for early arrivals wishing to bring the family or special guest to enjoy the warm California sunshine and beautiful Newport Beach coastal area include world-renowned shopping at both South Coast Plaza and Fashion Island Centers, sailing, golfing, tennis, surfing, or just walking along the beach and relaxing. Major nearby theme parks include Disneyland and Knott's Berry Farm.

### **Exhibitor Registration**

We are offering a limited number of exhibit spaces for this event. The exhibit space fee is \$1,500 and includes one admission to the entire event. Exhibit spaces are located directly in front of the Grand Ballroom entrance. For information on exhibit opportunities, please contact John Bushnell at BIS's Western Regional Office at (949) 660-0144 x121, or by [email](#).

All mailed registrations (checks) must be postmarked no later than February 20, 2011. All cancellations prior to February 23, 2011 will be assessed a \$50.00 cancellation fee. No refunds after February 23, 2011.

### **Other Questions?**

For other questions, please call BIS's Western Regional Office at (949) 660-0144 or (408) 998-8806.