



# EIB World Trade Headlines

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## Announcing the GINA Award Winners for 2012



Evolutions in Business is pleased to announce the 2012 GINA Award Recipients. The winners will be presented with the GINA Award Globe in March of 2013.

### **Individual Winner:**

John Dugger, Synchronous Aerospace Group,  
Helicomb International, OK

### **Company Wide Winner:**

Ulvac Technologies, Inc.  
Driven by the efforts of:  
Susan Zilaro and Diane Hanley

(Please visit our website for nominating criteria. We will accept nominations now through September 2013 for 2013 GINA Award).

**Congratulations!**

## **NEWSLETTER NOTES**

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## Ocean Port Labor Update

- \*ILA/USMX meeting this week with Federal Mediator
- \*Reaching agreement on local issues, especially for Ports of NY/NJ, are main issues now.
- \*In an update to members on Facebook, the ILA stated that they are ready to negotiate around the clock.
- \*The National Retail Federation and other trade groups are urging the ILA and USMX to continue negotiating until there is a contract resolution. They have also asked the President to invoke Taft-Hartley if there is a port shutdown.
- \*Carriers are issuing advisories on potential work stoppage.
- \*If possible, cargo should be moved from the piers by 2/5/13 if contract is not settled. This may incur extra costs for moving cargo inbound to a bonded warehouse or CES. However, if there is a work stoppage, cargo will not be moved from the affected terminals as was evident in the LA stoppage.
- \*The ILA contract extension is set to expire on 2/6/13.
- \*February 6, 2013 seems to be an important date. This is the day when the LA/LB ILA Clerical Union is set to vote on the contract that was approved by their management. If for some reason, they do not vote to approve the contract, there may be an issue in LA/LB.

## ITA Issues FR Notice on Warm Water Shrimp CV Investigation - Includes Deadlines and Scope

The International Trade Administration (ITA) announced it has recently initiated countervailing (CV) duty investigation of certain frozen warm-water shrimp from China (C-570-988), Ecuador (C-331-803), India (C-533-854), Indonesia (C-560-825), Malaysia (C-557-814), Thailand (C-549-828), and Vietnam (C-552-815). The ITA will determine whether exporters of frozen warm-water shrimp from these countries to the U.S. receive counter-available subsidies.

The investigation period is calendar year 2011 (Jan. 1, through Dec. 31). An ITA fact sheet noted the alleged CV duty margins for frozen warm-water shrimp from these seven countries are above de minimis. According to the ITA, these investigations cover the same products as the current antidumping (AD) duty orders on certain frozen warm-water shrimp from Brazil (A-351-838), China (A-570-893), India (A-533-840), Thailand (A-549-822), and Vietnam (A-552-802), including the revised scope language for the AD orders that was the result of litigation concerning "dusted shrimp".

An AD duty order used to cover frozen warm-water shrimp from Ecuador, but was subsequently revoked. Scope of the CV investigation and *Federal Register* notice is posted for review. The ITA commented it discussed the scope with petitioner to make sure that it accurately reflects the products for which the domestic industry is seeking relief. The ITA is asking for comments on the scope by 02/06/13.

ITA *Federal Register* notice on these CV duty investigations (FR Pub 01/25/13):

<http://www.gpo.gov/fdsys/pkg/FR-2013-01-25/pdf/2013-01579.pdf>

ITA fact sheet:

[http://ia.ita.doc.gov/download/factsheets/factsheet\\_multiple-shrimp-cvd-init-20130118.pdf](http://ia.ita.doc.gov/download/factsheets/factsheet_multiple-shrimp-cvd-init-20130118.pdf)

## - BIS Issues FR Notice -

### Seeking New Members for Export Control Advisory Committees

The Bureau of Industry and Security (BIS) is asking for applications from industry representatives to join its export control Technical Advisory Committees (TACs). According to BIS, the seven TACs advise BIS on technical parameters for Export Administration Regulations (EAR) controls. Members serve four-year terms, and must get secret-level security clearances before appointment. Each TAC meets about four times per year.

BIS contact: Yvette Springer at [Yvette.Springer@bis.doc.gov](mailto:Yvette.Springer@bis.doc.gov)

BIS FR Notice: [http://www.ofr.gov/OFRUpload/OFRData/2013-01599\\_PI.pdf](http://www.ofr.gov/OFRUpload/OFRData/2013-01599_PI.pdf)

### OFAC Posts Report on 4th Quarter Fiscal Year 2012 Licensing

Treasury Department's Office of Foreign Assets Control (OFAC) recently released its Quarterly Report of Licensing Activities, covering activities undertaken by OFAC for the period from July through September 2012. The report includes the number and types of licenses issued and the average time to process each license.

OFAC notice: [http://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20130123\\_33.aspx](http://www.treasury.gov/resource-center/sanctions/OFAC-Enforcement/Pages/20130123_33.aspx)

### WCO Endorses Country of Origin Certificate Accreditation Chain

During a recent meeting in Brussels, members of the World Customs Organization's Technical Committee on Rules of Origin accepted the International Certificate of Origin (CO) Accreditation Chain. The CO was launched last September by the ICC World Chambers Federation (WCF). As reported, to implement the CO Chain, ICC WCF will establish a CO verification website listing all COs issued by the accredited chamber members. According to the WCO, the CO will ensure faster online authenticity confirmation, providing more security against false documentation.

ICC press

release: <http://www.iccwbo.org/News/Articles/2013/WCO-welcomes-International-Certificate-of-Origin-Accreditation-Chain/>

Further information on Accreditation Chain:

<http://www.iccwbo.org/chamber-services/trade-facilitation/certificates-of-origin/co-accreditation-chain/>

## United States - China Business Council Posts Report on Improving U.S.- China Trade Relations

According to the U.S.- China Business Council (USCBC) report, China is "rapidly making its way up the ladder of global economic and political importance," but "is still at a stage where its domestic and international practices are being shaped." As reported, China has become the third-largest buyer of U.S. exports, at \$140 billion in 2011 and American companies with operations in China sold another \$169 billion.

Yet the goal is to reduce market access and other barriers in China so U.S. companies can compete on an equal playing field. The report noted, "Though many focus on the U.S. trade deficit with China, the proportion of our global deficit coming from Asia, including China, is about the same as it was 10 years ago."

USCBC members' top commercial issues in China include administrative licensing, business and product approvals, competition with Chinese enterprises, intellectual property rights enforcement, uneven local enforcement, and competition with foreign or Chinese companies not subject to the U.S. Foreign Corrupt Practices Act.

USCBC report:

<https://www.uschina.org/info/trade-agenda/2013/uscbc-trade-agenda-report.pdf>

## World Economic Forum Issues Report on Improving Transport As A Way to Boost Global Economy

A new report issued by the World Economic Forum (WEF), in collaboration with Bain & Company and the World Bank, notes improvements in border administration and transport and telecommunications infrastructure and services could mean a 4.7% increase in global GDP, far outweighing potential income gains from complete elimination of import tariffs. WEF suggests governments should consider the entire supply chain, focusing on all policies that impact supply chain efficiency. The report, *Enabling Trade: Valuing Growth Opportunities*, comments if all countries reduce supply chain barriers halfway to global best practice, global GDP could increase by 4.7% and world trade by 14.5%. In comparison, completely eliminating tariffs could increase global GDP by 0.7% and world trade by 10.1%. It states even reforms that moved countries halfway to best practice could increase global GDP by 2.6% and world trade by 9.4%. Sub-Saharan Africa and South East Asia would benefit most from the supply chain improvements, it noted.

The report recommended:

\*governments create a focal point to coordinate and oversee all regulation that directly impacts supply chains;

\*that public-private partnerships be established to undertake regular data collection, monitoring and analysis of factors affecting supply chain performance; and

\*that governments pursue a more holistic, supply chain-centered approach to international trade negotiations to ensure that trade agreements have greater relevance for international business and do more to benefit consumers and households.

WEF report: <http://wef.ch/enablingtrade>

## FSIS Updates Compliance Guide on Holding Products Pending Test Results

The Food Safety and Inspection Service (FSIS) posted a compliance guide to its website to help importers and domestic establishments comply with its new policy on entry into commerce for products with test results pending. As advised, beginning 02/08/13, FSIS will not allow meat and poultry products, including imported products, to enter into U.S. commerce until all test results have been received by FSIS.

Importers will be able to move products away from the border pending test results as long as the product moves under company seal and does not enter into U.S. commerce. The compliance guide explains which products and FSIS sampling and testing programs are subject to this policy, how importers can meet the new requirements, and how importers can determine the amount of product to hold or control.

FSIS notice:

[http://www.fsis.usda.gov/PDF/Compliance\\_Guide\\_Test\\_Hold\\_020113.pdf](http://www.fsis.usda.gov/PDF/Compliance_Guide_Test_Hold_020113.pdf)



## ICE Posts Information on Indictment for Importing Counterfeit Cisco Products

Immigration and Customs Enforcement (ICE) has announced three Seattle-area men, a Chinese man, and two companies from the U.S. and China were recently indicted for conspiracy to traffic in counterfeit goods. U.S.-based [ConnectZone.com](http://ConnectZone.com), an electronics distributor, as well as its owner, sales manager, and production manager, are alleged to have sold counterfeit network products bearing the trademark of Cisco Systems through their online store. ICE alleges they falsely advertised the knockoffs as genuine and offered them for sale at a much lower price than genuine Cisco products.

Allegedly the U.S.-based conspirators were responsible for arranging the manufacture of the counterfeit goods through Mao Mang, aka "Bob Mao," a representative for Shenzhen Xiewei Electronic, LTD of China. ICE noted both Mang and the company are also named in the indictment. According to the indictment, the [ConnectZone.com](http://ConnectZone.com) managers would advise Mao and Xiewei Electronic, and other Chinese firms on how to manufacture products to look like genuine Cisco trademarked goods. ICE advised, in an attempt to evade U.S. Customs and Border Protection (CBP), merchandise would be labeled "samples" when shipped to the U.S.

The conspirators sent various emails as they ran their scheme, including discussions on how to reverse-engineer products. In addition to the conspiracy count, the indictment also charges two counts of mail fraud and four counts of trafficking in counterfeit goods.

ICE press release:

<http://www.ice.gov/news/releases/1301/130117seattle2.htm>

## CBP Posts Updated Information on ACE Resource Website

United States Customs and Border Protection (CBP) posted an Automated Commercial Environment (ACE) Resource Contact Guide, which lists ACE topics and the contact e-mail address or phone number for questions on those topics. CBP also posted information on activating an ACE account.

CBP contacts for information or assistance:

### **General ACE Information and Benefits**

\*Email [cbp.cbpcspo@dhs.gov](mailto:cbp.cbpcspo@dhs.gov)

\*Or visit [www.cbp.gov/modernization](http://www.cbp.gov/modernization)

### **How to Apply for an ACE Portal Account**

\*Email [ACE.Support@cbp.dhs.gov](mailto:ACE.Support@cbp.dhs.gov)

\*Or visit [www.cbp.gov/modernization](http://www.cbp.gov/modernization)

\*Completed electronic applications can be sent to [ACE.Applications@cbp.dhs.gov](mailto:ACE.Applications@cbp.dhs.gov).

### **Status of an ACE Portal Account Application**

\*Email [ACE.Support@cbp.dhs.gov](mailto:ACE.Support@cbp.dhs.gov)

### **ACE Secure Data Portal Issues**

\*General and Technical, such as how to use specific portal functionality and how to add an additional business view to an account - Email Technology Support at [ACE.Support@CBP.DHS.GOV](mailto:ACE.Support@CBP.DHS.GOV)

\*Or the trade and callers outside the U.S. can call Technology Support at 1-866-530-4172

### **Password Reset**

\*Instructions on how to reset password can be found at [http://cbp.gov/xp/cgov/trade/automated/modernization/ace\\_welcome/password.reset.xml](http://cbp.gov/xp/cgov/trade/automated/modernization/ace_welcome/password.reset.xml)

\*Or the trade and callers outside the U.S. can call Technology Support at: 1-866-530-4172

### **Importer Security Filing (ISF) Reports**

\*For questions about missing ISF Progress Reports, send an email to [progress\\_report@cbp.dhs.gov](mailto:progress_report@cbp.dhs.gov)

### **Activating an ACE Account**

\*<http://1.usa.gov/Uq39r4>

CBP notice:

[http://www.cbp.gov/linkhandler/cgov/trade/automated/modernization/ace/ace\\_resource\\_guide.ctt/ace\\_resource\\_guide.pdf](http://www.cbp.gov/linkhandler/cgov/trade/automated/modernization/ace/ace_resource_guide.ctt/ace_resource_guide.pdf)

## Former Vice President Indicted in Illegal Investments

**By Paul Gattis - [pgattis@al.com](mailto:pgattis@al.com)  
on February 05, 2013 at 8:55 AM, updated  
February 05, 2013 at 10:16 AM**

KNOXVILLE, Tennessee - A former TVA vice president faces federal charges of unlawful financial investments in Iran.

Masoud Bajestani, 57, formerly of Chattanooga, was taken into custody Sunday at Hartsfield/Jackson International Airport in Atlanta upon returning from Dubai.

He was indicted by a federal grand jury in December on four felony charges of violating the International Emergency Economic Powers Act, and making false statements to the Tennessee Valley Authority, according to an announcement today by U.S. Attorney William Killian of the Eastern District of Tennessee.

Bajestani pleaded not guilty to the charges Monday in U.S. District Court.

According to the indictment, Bajestani filed a false document with TVA in order to withdraw \$1,500,000 from his deferred compensation account when he was employed as a vice president at the Watts Bar Unit II nuclear power plant during its construction phase.

The indictment alleges that Bajestani then conspired with others and sent \$600,000 of those funds to Iran for financial investment purposes. Economic sanctions have been imposed against Iran and it is unlawful to make financial investments in Iran without authorization from the U.S. Office of Foreign Assets Control.

If convicted, Bajestani faces up to 50 years in prison and \$2.5 million in fines, according to the announcement.

## United States and EU Push for World's Largest Trade Alliance

BRUSSELS (Reuters) - The United States and the European Union agreed on Wednesday to push for the launch by the end of June of talks to create the world's biggest free trade alliance, which could be a benchmark for global competitors to follow.

Such a deal would be most ambitious attempted since the founding of the World Trade Organisation (WTO) in 1995, encompassing half the world's economic output and a third of global trade flows.

"These negotiations will set a standard, not only for our future bilateral trade and investment, including regulatory issues, but also for the development of global trade rules," European Commission President Jose Manuel Barroso told a news conference.

Speaking after the release of a joint U.S./EU report recommending the start of talks, Barroso said the two were expected to launch negotiations in the first half of the year.

The report sees a deal boosting the EU's economy by around 0.5 percent and the U.S. economy by around 0.4 percent by 2027, with 86 billion euros (\$115.80 billion) of added annual income for the former and 65 billion euros for the latter.

The report's release comes a day after U.S. President Barack Obama threw his weight behind a potential deal in his state of the union address, saying it would support millions of good-paying American jobs.

## ECHA Posts Review of REACH

The European Union issued the following recent trade-related releases:

\*The European Commission reviewed the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation, and advised it has improved the safe use of chemicals both for human health and the environment. The Commission also told the European Chemical Agency (ECHA) that the substances of very high concern (SVHCs) list has increased the substitution of the most hazardous substances in the supply chain. However, both parties agree that the quality of registrations and the implementation of REACH need to improve

ECHA notice: [http://echa.europa.eu/view-article/-/journal\\_content/title/reach-review-supports-echas-strategic-objectives](http://echa.europa.eu/view-article/-/journal_content/title/reach-review-supports-echas-strategic-objectives)

## Census Posts Information on December Trade Deficit

### \*Imports Decline - Exports Up\*

The U.S. International Trade in Goods and Services Report for December 2012 issued by the Census Bureau and Bureau of Economic Analysis reports monthly trade deficit fell by over 20 percent from November 2012 levels to \$38.5 billion in December on a significant rise in exports; paired with an even sharper fall in imports. The report showed that, as compared to revised November 2012 levels, exports were up \$3.9 billion to \$186.4 billion, and imports fell by \$6.2 billion to \$224.9 billion. Lower crude oil imports made up over half of that decline, or \$3.3 billion. As compared to December 2011 totals, exports increased by 4.9 percent, and imports were down 2 percent.

Census report: [http://www.census.gov/foreign-trade/Press\\_Release/current\\_press\\_release/ft900.pdf](http://www.census.gov/foreign-trade/Press_Release/current_press_release/ft900.pdf)

## OFAC Posts Updated Guidance and FAQ on Dealings with Iran

Treasury Department's Office of Foreign Assets Control (OFAC) recently issued a new guidance on key provisions of the Iran Threat Reduction and Syria Human Rights Act of 2012, and on Humanitarian Assistance and Related Exports to the Iranian People.

Frequently Asked Questions published by OFAC advise key provisions of the Iran Threat Reduction and Syria Human Rights Act which took effect 02/06/13; and expanding the scope of sanctionable transactions with the Central Bank of Iran and designated Iranian financial institutions.

It also published Clarifying Guidance on Humanitarian Assistance and Related Exports to the Iranian People. This guidance provides an overview of current policies on humanitarian assistance and exports to the Iranian people for U.S. persons and financial institutions as well as for third-country financial institutions, as well as guidance for the public as to specific procedures for license applications and other relevant guidance.

OFAC FAQs: [http://www.treasury.gov/resource-center/faqs/Sanctions/Pages/ques\\_index.aspx#tra\\_504](http://www.treasury.gov/resource-center/faqs/Sanctions/Pages/ques_index.aspx#tra_504)

OFAC Guidance: [http://www.pdfdownload.org/pdf2html/pdf2html.php?url=http://www.treasury.gov/resource-center/sanctions/Programs/Documents/hum\\_exp\\_iran.pdf&images=yes](http://www.pdfdownload.org/pdf2html/pdf2html.php?url=http://www.treasury.gov/resource-center/sanctions/Programs/Documents/hum_exp_iran.pdf&images=yes)



## DHS Inspector Posts Report on CBP Nuclear Detection Program

In a new report issued by Department of Homeland Security's Office of the Inspector General (OIG), better centralization and coordination between U.S. Customs and Border Protection (CBP) and the Domestic Nuclear Detection Office (DNDO) is needed to manage radiation screening for all containerized cargo. According to the report, DNDO advised there are currently 444 radiation portal monitors operating at seaports that are meeting the requirement to screen all containerized cargo at the 22 seaports with the most container volume. Although all cargo is being screened, the OIG identified some radiation portal monitors utilized infrequently or not utilized at all.

According to the DNDO and CBP don't fully coordinate or centrally manage the radiation portal monitor program to ensure effective and efficient operations. For instance, CBP doesn't always monitor and promptly evaluate changes in the screening environment at seaports to relocate radiation portal monitors as necessary. In addition the report noted, DNDO and CBP don't accurately track and monitor their inventory of radiation portal monitors.

CBP and DNDO should better coordinate to fully utilize, promptly relocate, and properly maintain inventory to best use resources and to continue screening of all containerized cargo entering the U.S. seaports, considering the monitors' limited life and the lack of funding for new monitors. The OIG recommended that DNDO and CBP:

\*Identify a single program office responsible for fully coordinating and centrally managing the radiation portal monitor program to ensure effective and efficient operations and future planning. In the office, designate responsible officials to ensure overall program performance, accountability, coordination, and inventory control for the relocation and utilization of the equipment.

*(Continued above)*

\*Establish guidelines to track and report the utilization of radiation portal monitors at every seaport. The guidelines should allow for some exceptions based on unique environmental conditions, yet ensure minimally used equipment is reported and relocated promptly for more efficient utilization.

\*Develop and document a formal collaborative process to ensure that radiation portal monitor relocation is effectively planned and implemented to meet security needs at seaports. The process should ensure that, in making these decisions, all relevant data is reported and analyzed. CBP and DNDO concurred with the OIG's recommendations and plans to implement all three.

CBP / DNDO report:

[http://www.oig.dhs.gov/assets/Mgmt/2013/OIG\\_SLP\\_13-26\\_Jan13.pdf](http://www.oig.dhs.gov/assets/Mgmt/2013/OIG_SLP_13-26_Jan13.pdf)

Report highlights:

[http://www.oig.dhs.gov/assets/Mgmt/2013/OIG\\_13-26\\_Jan13.pdf](http://www.oig.dhs.gov/assets/Mgmt/2013/OIG_13-26_Jan13.pdf)

## IATA Director Calls for Secure Freight Principles

The International Air Transport Association (IATA) reports there are four priorities to make air cargo more secure, and it urged stakeholders to move forward on the implementation of the Secure Freight principles. IATA Director General Tony Tyler advised "the stakes are high, if regulators and governments lose confidence in the security of air freight, then bureaucracy will increase and ultimately some items may not even be viable to be air freighted.

Commerce as we know it would look very different." Tyler advised a team effort engaging the entire air cargo supply chain and governments is necessary to enhance and deploy global standards for security. The International Civil Aviation Organization (ICAO) should be the focal point for this work, which could embrace a roadmap for states to obtain mutual recognition of cargo security regimes, and harmonization and recognition of air cargo security requires a continued commitment from all parties over the long-term. Tyler cited a case study of the Secure Freight pilot in Malaysia shows that the benefits anticipated from full national implementation of Secure Freight are estimated to be \$350-600 million annually.

IATA notice:

<http://www.iata.org/pressroom/speeches/Pages/2013-02-07-01.aspx>



## U.S.- European Union Trade Agreement

Five weeks after it had been expected there has still been no announcement on whether the U.S. and the European Union will launch negotiations on a comprehensive trade and investment agreement. While both sides have said that any effort to further liberalize trans-Atlantic trade should be as wide-ranging as possible, they have also cautioned that political and economic sensitivities could limit the scope of that effort. Further discussions are taking place this week and officials say a decision could come at any time.

### **Goals of Negotiation**

In its preliminary report issued in June 2012 the High Level Working Group on Jobs and Growth determined that a comprehensive agreement that addresses a broad range of bilateral trade and investment policies would provide the most significant benefits of the various options it considered. The working group envisioned a pact that includes the following elements.

**Tariffs** – Eliminate all duties on bilateral trade, with a substantial elimination of tariffs upon entry into force, a phasing out of all but the most sensitive tariffs in a short time frame, and options for the treatment of the most sensitive products.  
**Regulatory Issues and Non-Tariff Barriers** – Progressively move to a more integrated transatlantic marketplace while respecting fully the right of each side to regulate in a manner that ensures the protection of health, safety and the environment at the level each side deems appropriate. The two sides would therefore seek to negotiate:

\*Provisions that go beyond World Trade Organization rules on sanitary and phytosanitary measures, including a bilateral forum for improved dialogue and cooperation on SPS issues;

\*Provisions that go beyond WTO rules on technical barriers to trade, including a forum for addressing bilateral trade issues arising from technical regulations, conformity assessment procedures and standards;

\*Horizontal disciplines on regulatory coherence and transparency for goods and services, including early consultations on significant regulations, impact assessment, upstream regulatory cooperation and good regulatory practices; and

\*Provisions or annexes containing additional commitments or steps aimed at promoting regulatory compatibility over time in specific, mutually agreed sectors.

The working group recommends that the two sides gather concrete proposals that address the impact of regulatory differences on trade and use those proposals in developing during the course of negotiations on a trade agreement specific action plans to reduce unnecessary regulatory costs and promote regulatory compatibility while respecting legitimate regulatory objectives.

**Services** – Bind the existing autonomous level of liberalization of both parties at the highest level captured in existing free trade agreements while seeking to achieve new market access through efforts to address remaining market access barriers, taking into account the sensitive nature of certain sectors.  
**Investment** – Secure investment liberalization and protection provisions on the basis of the highest levels that both sides have negotiated to date.

**Procurement** – Substantially improve access to government procurement opportunities at all levels of government on the basis of national treatment.

**Rules** – Develop a set of 21st century rules that could not only be of relevance for bilateral commerce but also contribute to rulemaking in third-country policies and trade agreements and at the multilateral level.

The following areas have been provisionally identified as possible components of a comprehensive agreement: trade facilitation/customs, trade-related aspects of competition and state-owned enterprises, trade-related aspects of labor and environment, horizontal provisions on small and medium-sized enterprises, strengthening supply chains, and access to raw materials and energy.

*(Continued below)*

Intellectual Property Rights – The two sides already cooperate extensively on this issue and have concluded that it would not be feasible in negotiations to seek to reconcile across the board differences in the IPR obligations that each typically includes in its comprehensive trade agreements.

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