



EIB World Trade Headlines

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North Carolina CEO Fined for Export Violations Involving Libya

WASHINGTON –The Commerce Department’s Bureau of Industry and Security (BIS) today announced that Mohammed El-Gamal, also known as Moe Zayed El-Gamal, President and CEO of Applied Technology Inc. (ATI), located in Kenansville, NC, has agreed to pay a civil penalty of \$340,000 to settle allegations that he committed four violations of the Export Administration Regulations (EAR) related to the export of controlled networking equipment to Libya without the required export licenses.

“The defendant’s actions in this case to subvert the export licensing process and mislead the investigation will not be tolerated,” said Assistant Secretary of Commerce for Export Enforcement David W. Mills. “I commend the Special Agents from our Washington Field Office for their outstanding work on this investigation.”

BIS alleged that on three occasions during June and July 2006 El-Gamal sent networking equipment, controlled for Anti-Terrorism reasons, to the General Electric Company of Libya, without the required Department of Commerce licenses. In connection with one of these shipments, agents searched an ATI employee flying from Detroit, MI, to Libya and found three computer cards hidden in his carry-on luggage. In addition, BIS alleged that El-Gamal made false or misleading statements to agents in the course of the investigation.

(Continued below)

NEWSLETTER NOTES

**North Carolina CEO Fined for Export Violations Involving Libya*

**CBP and ICE Announce Sentencing of Individual Over NAFTA Scheme to Avoid Anti-Dumping Duties on China Hangers*

**ECHA Issues Notice of Potential Chemicals That May be Banned in EU*

**BIS Issues "Final Rule" Notice Amending EAR to Fix Ball Bearing Issue*

**Export.Gov Posts Information On Upcoming Domestic and International Trade Shows*

**USTDA Posts Update List of Reverse Trade Missions*

**U.S. Chamber of Commerce Issues Report on Recommendations to Improve U.S. - Mexico Trade*

EPA Posts Action Plan to Address Risk Inherent to **Ten (10) Chemicals*

**Canada and U.S. Council Working to Align Regulations*

NEWSLETTER NOTES

**State Department Posts EU Dual-Use Control List*

**BIS Issues Final Rule on License Exception STA for Low-Risk Exports*

**CPSC Announces Opening of New Lab Facility*

**White House Posts Memorandum on Principles for Nanotechnology*

**EPA Announces Plans to Obtain Information on Nanomaterials Used in Pesticides*

**Updated ITAR Licensing Guidelines*

**Watch Videos on Some of the National Export Initiative Priority Markets*

**FDA Issues Final Rule on OTC Sunscreen Labeling*

**FDA Posts Study Information on Concentrations of BPA in Canned Foods*

**FTC Posts FAQ on New Light Bulb Labeling*

On February 14, 2011, El-Gamal pleaded guilty in the District Court for District of Columbia, to one count of Material False Statements. On May 16, 2011, he was sentenced by United States District Judge Colleen Kollar-Kotelly to pay a fine of \$5,000, to perform 100 hours of community service, and to serve two years supervised Probation. The judge also ordered El-Gamal to provide monthly reports to the Department of Commerce regarding his export activities during the probationary period. To settle the administrative case, El-Gamal agreed to conduct a compliance audit of ATI covering the first year of exports following the settlement, put in place a compliance program, attend BIS export compliance training, and complete an audit for past exports.

CBP and ICE Announce Sentencing of Individual Over NAFTA Scheme to Avoid Anti-Dumping Duties on China Hangers

Analysts at the U.S. Customs and Border Protection's (CBPs) trade fraud targeting unit uncovered a transshipment scheme to avoid paying antidumping (AD) duties on imported steel-wire hangers from China.

The e-Allegations filing resulted in the sentencing of a Tijuana, Mexico businessman to 70 months in federal prison. Arturo Huizar-Velazquez was also ordered to pay more than \$3 million in restitution to the U.S. government and to forfeit more than \$4 million in proceeds gained through the scheme. At the time of his guilty plea, Huizar-Velazquez, who owns Proveedoras de Limpiaduria de Tijuana and Huizar Cleaner de Mexico, admitted he purchased steel wire garment hangers from Chinese companies and had them shipped to the U.S. without marking the country of origin. CBP's targeting unit, which specializes in the detection of evasion of AD and countervailing (CV) duty laws, identified the transshipment scheme in December 2009 after analyzing a commercial allegation. CBP targeting analysts requested enforcement action by the port of Otay Mesa. Port officials and CBP import specialists then worked with U.S. Immigration and Customs Enforcement (ICE) and the Department of Justice (DOJ) to build the case for prosecution.

CBP press release:

http://www.cbp.gov/xp/cgov/newsroom/news_releases/national/06152011_6.xml

ICE press release:

<http://www.ice.gov/news/releases/1106/110610sandiego.htm>



ECHA Issues Notice of Potential Chemicals That May be Banned in EU - Seeking Comments-

In accordance to the European Union's Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation, the European Chemicals Agency (ECHA) recently launched a public consultation on its draft recommendation of 13 new substances to be prioritized from the Candidate List for the Authorization List. If subjected to REACH authorization, these substances could not be used or placed in the EU market after certain dates, unless an authorization is granted for a specific use. Comments are due by 09/14/11.

Based on an assessment of the available information on the substances on the Candidate List, ECHA currently plans to recommend the following 13 substances:

1. Chromium trioxide;
2. Chromic acid, Oligomers of chromic acid and dichromic acid;
3. Sodium dichromate;
4. Potassium dichromate;
5. Ammonium dichromate;
6. Potassium chromate;
7. Sodium chromate;
8. Trichloroethylene;
9. Cobalt(II) sulphate;
10. Cobalt dichloride;
11. Cobalt(II) dinitrate;
12. Cobalt(II) carbonate;
13. Cobalt(II) diacetate.

ECHA may modify the draft recommendation, based on the comments received which should specify the conditions to the authorization requirement for each selected substance and sunset dates.

ECHA notice:

http://www.echa.europa.eu/news/na/201106/na_11_26_public_cons_inclusion_of_susb_in_auth_list_en.asp

BIS Issues "Final Rule" Notice Amending EAR to Fix Ball Bearing Issue

The Bureau of Industry and Security (BIS) issued a correction, effective 06/14/11, to its 05/20/11 final rule which revised the Export Administration Regulations (EAR) to implement the changes made to the Wassenaar Arrangement's List of Dual Use Goods and Technologies agreed to at the December 2010 Plenary Meeting. According to BIS, this 06/14/11 notice corrects errors concerning radial ball bearings, as well as editorial mistakes. As reported, the BIS' final rule removed paragraph 2A001.b, "Other ball bearings and solid roller bearings, having all tolerances specified by the manufacturer in accordance with ISO 492 Tolerance Class 2 (or ANSI/ABMA Std 20 Tolerance Class ABEC-9 or RBEC-9, or other national equivalents), or better." However, a subset of these ball bearings is listed on the Missile Technology Control Regime (MCTR) Annex in 3.A.7. In an effort to address this error, BIS is adding a new Export Control Classification Number (ECCN) 2A101 to the Commerce Control List (CCL, Supplement No. 1 to 15 CFR Part 774) to control the export and re-export of these ball bearings. ECCN 2A101 is controlled for Missile Technology (MT) and Anti-terrorism (AT) reasons, more specifically MT column 1 and AT column 1. Shipments of items removed from license exception eligibility or eligibility for export without a license as a result of this regulatory action that were on dock for loading, on lighter, laden aboard an exporting carrier, or en route aboard a carrier to a port of export, on 06/14/11, pursuant to actual orders for export to a foreign destination, may proceed to that destination under the previous license exception eligibility or without a license so long as they have been exported from the U.S. before 08/15/11. BIS notes, any such items not actually exported before midnight, on 08/15/11, require a license in accordance with this regulation.

BIS contact – Sharron Cook (202) 482-2440, sharron.cook@bis.doc.gov

BIS notice (FR Pub 06/14/11)

<http://www.gpo.gov/fdsys/pkg/FR-2011-06-14/pdf/2011-14667.pdf>



[Export.Gov Posts Information On Upcoming Domestic and International Trade Shows](#)

[Export.gov](#) has announced a series of domestic and international trade shows that are scheduled for 2011-2012. Domestic Trade Shows June 2011 - Feb 2012 include:

Aug 16-19, 2011 - Unmanned Vehicle Systems International 2011(AUVSI) - Washington, DC

Sept 11-14, 2011 - Graph Expo 2011 - Chicago, IL

Sept 20-22, 2011 - RETECH (Renewable Energy Technology Conference & Exhibition) - Washington, DC

Sept 21-24, 2011 - Natural Products Expo East 2011 - Baltimore, MD

Sept 26-28, 2011 - PACK EXPO Las Vegas 2011 - Las Vegas, NV

Oct 22-27, 2011 - High Point Market - Fall 2011 - High Point, NC

[USTDA Posts Update List of Reverse Trade Missions](#)

The U.S. Trade and Development Agency (USTDA) announced a series of "reverse" trade missions to the U.S. and worldwide conferences and workshops which link U.S. businesses with foreign buyers.

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According to USTDA, these events are designed to showcase U.S. technologies and services that can help partner countries achieve their development goals. Business briefings provide a platform for foreign delegates to present their upcoming procurement needs to U.S. businesses. One-on-one meetings, which allows U.S. companies and overseas project sponsors to discuss specific solutions to development challenges is a hallmark of USTDA-sponsored events. The following USTDA trade missions, conferences, and workshops are scheduled for June - August 2011:

June 4-15, 2011 - India Efficiency and Clean Energy Exchange Program – Solar Power Development Reverse Trade Mission - Washington, DC; Los Angeles, CA; and San Francisco, CA

June 15, 2011 - Mongolia Business Roundtable: Opportunities in Coal Mining and Power Generation - Arlington, VA

June 19-28, 2011 - Nigeria Gas Storage and Processing Reverse Trade Mission - Houston, TX

June 27-28, 2011 - Egypt: Forward – Partnering for Trade and Economic Growth - Washington, DC

June 29-July 1, 2011 - Egypt: Forward – Site Visit - Houston, TX; Silicon Valley, CA; New York, NY; Omaha, NE

July 10-20, 2011 - Indonesia Geothermal Development Reverse Trade Mission - Sacramento, CA; Reno, NV; Washington, DC

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Reminder:

Individuals and companies transporting ITAR controlled goods are responsible for meeting the requirements of both the United States and the country/ies to which they will be transporting goods. The Department of State's website on travel (www.travel.state.gov) and the country's customs office should be consulted to ensure compliance.

July 16-24, 2011 - Kazakhstan Digital Reverse Trade Mission - Washington, DC; Orlando, FL; Quincy, IL

Aug 1-11, 2011 - Latin America and the Caribbean Regional Earthquake Monitoring Technologies Initiative: Reverse Trade Mission Series - Mexico and Central American Delegation - Washington, DC; Denver/Golden, CO; Los Angeles, CA; and Seattle, WA
USTDA notice: <http://www.ustda.gov/news/>

U.S. Chamber of Commerce Issues Report on Recommendations to Improve U.S. - Mexico Trade

The U.S. Chamber of Commerce recently issued a report developed by U.S. and Mexican business communities, making recommendations to improve border relations between the U.S. and Mexico regarding security, trade facilitation, and infrastructure. The Chamber states that to create a 21st century border, both governments and their private sectors need to:

1. invest in border security;
2. re-establish a framework for government-to-government and government-to-business interaction; and
3. increase funding to modernize infrastructure, such as for nonintrusive inspections (NIIs), training, and infrastructure to minimize damage to products that are inspected by U.S. and Mexican authorities.

The Chamber also recommends that the U.S. enhance participant benefits and expand the Customs Trade Partnership against Terrorism (C-TPAT) program for all participants in the supply chain by considering the following actions:

- Develop a trusted shipper program for small and medium-size businesses. (SME trusted shippers)
- Help the Mexican government develop a trusted shipper program, along the lines of C-TPAT and Canada's Partners in Protection (PIP).
- Provide Tier III status for all participants in the C-TPAT program, not just importers.
- Create an after-hours appointment system for C-TPAT members to ensure expedited crossing

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- Establish pilot programs for less-than-truck load (LTL) carriers, non-asset third-party logistics providers (3PLs), and low-risk food importers subject to regulation outside of the regulatory authority of CBP.

- Make non-asset-based 3PLs, non-vessel-operating common carriers (NVOCCs), and ocean freight forwarders licensed by the Federal Maritime Commission (FMC) eligible to voluntarily join the C-TPAT program.

In addition, the Chamber has posted recommendation actions to synchronize governmental processes to improve supply chain capacity, and long-term underinvestment in the transportation infrastructure.

US Chamber of Commerce report:

<http://www.uschamber.com/sites/default/files/reports/mexicoreportfullbook.pdf>

EPA Posts Action Plan to Address Risk Inherent to Ten (10) Chemicals

The Environmental Protection Agency (EPA) recently announced the steps it will take to implement Action Plans to address the risks of ten chemical substances, including restrictions and bans, requiring additional data, and testing. The list of 10 chemicals includes BPA, Phthalates, Benzidine-derived dyes, PBDEs, and certain PFCs. Background information on the Action Plans:

<http://www.epa.gov/oppt/existingchemicals/pubs/ecactionplan.html>

Background information on relevant TSCA sections:

http://www.epa.gov/dfe/pubs/pwb/tech_rep/fedreqs/reqsecte.htm

EPA notice:

<http://www.epa.gov/opptintr/existingchemicals/pubs/overview.pdf>



Canada and U.S. Council Working to Align Regulations

The Canada-U.S. Regulatory Cooperation Council, which was announced by President Obama and Prime Minister Harper in February 2011; recently held its first meeting during which it established Terms of Reference and discussed the development of an action plan to align regulatory approaches in a range of sectors. The Council also discussed ongoing engagement of stakeholders, establishing joint working groups, and broad timelines for the two-year initiative. The Council agreed to design new regulatory systems with the goal of achieving regulatory alignment. Regarding existing federal regulatory systems, the goal is to work to align the systems or at least encourage the adoption of other measures that make it easier to conduct business between the two countries.

The Council's first task will be to create an Action Plan to advance the goals identified in their mandate. The next meeting will be held in July.

http://www.borderactionplan-plandactionfrontalier.qc.ca/psec-scep/rcc_tor-mandat_ccr.aspx

FDA Posts Study Information on Concentrations of BPA in Canned Foods

The Food and Drug Administration's (FDA's) Center for Food Safety and Applied Nutrition have published a report on a study conducted on concentrations of bisphenol A (BPA) in canned foods on the U.S. market. Metal cans are commonly coated with epoxy films made from polymers produced from BPA. The study found BPA concentrations in 71 of 78 canned food samples from the U.S. which represents 16 different food types that constitute approximately 65% of U.S. canned food sales and canned food consumption. As reported, there were large variations in the BPA concentrations, and the only distinguishable trend was that fruits and tuna showed the lowest BPA concentrations. Higher BPA concentrations in canned food solids over liquid portions also indicated that BPA partitions into the solid portion of foods.

FDA notice:

<http://www.ncbi.nlm.nih.gov/pubmed/21598963>

State Department Posts EU Dual-Use Control List

The State Department posted information on the European Union's list of dual-use goods and technologies which countries should control. Dual-use goods and technologies are items that can be used for both civil and military purpose. The EXBS Program translates this list into various languages for use by the international community. English version of the EU Dual-Use control list, updated in 2009:

http://trade.ec.europa.eu/doclib/docs/2009/june/tradoc_143390.pdf

The Russian and Chinese translations of the EU Dual-Use control list, updated in 2010, are also posted.

State Dept. notice:

<http://www.state.gov/strategictrade/resources/controlist/>

BIS Issues Final Rule on License Exception STA for Low-Risk Exports

The Bureau of Industry and Security (BIS) issued a final rule, effective 06/16/11, which adds a new License Exception Strategic Trade Authorization (STA) to the Export Administration Regulations (EAR) to authorize the export, re-export, and transfer (in-country) of specified items to destinations that pose relatively low risk of misuse. For exports, re-exports, and transfers where STA is relevant, its use is optional. Parties may use other license exceptions that authorize a planned transaction or apply for a license if they prefer to do so. In addition, the exception does not alter any of the General Prohibitions in the EAR against unlicensed exports, re-exports, or transfers to proscribed end users, end uses, or destinations. According to BIS, the use of the exception is conditioned upon the creation and exchange by the parties to the transaction of statements and notifications designed to provide assurance against diversion of such items to other destinations. BIS' final rule states that License Exception STA applies only to Commerce Control List (CCL) based license requirements. Specific items and transactions that are not eligible for License Exception STA have been posted.

BIS contact - William Arvin (202) 482-2440

BIS notice (FR Pub 06/16/11)

<http://www.gpo.gov/fdsys/pkg/FR-2011-06-16/pdf/2011-14705.pdf>

CPSC Announces Opening of New Lab Facility

The Consumer Product Safety Commission (CPSC) recently announced the grand opening of its new state-of-the-art scientific testing facility in Rockville, MD. According to Chairman Tenenbaum, seventy-five agency scientists and engineers will now work together at CPSC's new National Product Testing and Evaluation Center. The center will expand CPSC's testing capabilities, increase the efficiency of agency staff and equipment, and allow more testing to be done faster.

CPSC notice (6/13/11)

<http://www.cpsc.gov/cpsc/pub/prerel/prhtml11/11244.html>

White House Posts Memorandum on Principles for Nanotechnology Regulation

The White House posted a joint memorandum issued by the Office of Science and Technology Policy, Office of Management and Budget, and the U.S. Trade Representative (USTR), "Policy Principles for the U.S. Decision-Making Concerning Regulation and Oversight of Applications of Nanotechnology and Nanomaterials". The memorandum offers a framework for executive departments and federal agencies on the review and oversight of nanomaterials. It notes that agencies should seek and develop adequate information with respect to nanomaterials and their potential effects; base their decisions on the best available scientific evidence; strive to reach consistency in risk assessment and risk management across the Federal Government; and collaborate with international partners.

White House notice:

<http://www.whitehouse.gov/sites/default/files/omb/info/reg/for-agencies/nanotechnology-regulation-and-oversight-principles.pdf>

EPA Announces Plans to Obtain Information on Nanomaterials Used in Pesticides

The Environmental Protection Agency (EPA) announced that it plans to obtain information on nanoscale materials in pesticide products to determine their potential effects on the environment and human health. A document announcing EPA's plan will soon be published in the Federal Register for public comment. According to EPA information is needed on what nanoscale materials are present in pesticide products given the potential for nanoscale materials to pose different risks than their larger-sized counterparts. EPA recognizes that nanoscale materials have a range of potentially beneficial public and commercial applications, including pest control products. Therefore, the agency will continue to encourage responsible and innovative development of products containing nanoscale materials, while also addressing health or environmental concerns. EPA will seek comment on two alternative approaches for gathering information on nanoscale materials in pesticide products:

1. using section 6(a)(2) of the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) to obtain existing information regarding what nanoscale material is present in a registered pesticide product and its potential effects on humans or the environment; or
2. obtaining information on nanoscale materials in pesticide products using data call-in notices under FIFRA section 3(c)(2)(B).

The notice will also propose a new approach for how EPA will determine on a case-by-case basis whether a nanoscale active or inert ingredient is a "new" active or inert ingredient for purposes of FIFRA and the Pesticide Registration Improvement Act, even when an identical, non-nanoscale form of the nanoscale ingredient is already registered.

Additional EPA information on nanotechnology in pesticides and new plan:

<http://www.epa.gov/pesticides/regulating/nanotechnology.html>

EPA notice:

<http://yosemite.epa.gov/opa/admpress.nsf/eef922a687433c85257359003f5340/05ff063e9205eb3c852578aa005aa0f8!OpenDocument>

Updated ITAR Licensing Guidelines

Licensing Guidelines for DSP-73 and DSP-61 License Applications: Supporting Documentation Requirements has been updated. (6.27.11)

Licensing Guidelines for General Correspondence for Amendment of Existing ITAR Authorizations Due to U.S. Entity Name/Address and/or Registration Code Changes has been updated. (6.27.11)

Licensing Guidelines for Requests for Proviso Reconsideration and/or Clarification has been updated. (6.27.11)

Licensing Guidelines for DSP-85 Applications: Supplemental Guidance has been posted. (6.27.11)

Commodity Jurisdiction: DDTC is now posting on a weekly basis the status of Commodity Jurisdiction cases in process.(6.24.11)

Watch Videos on Some of the National Export Initiative Priority Markets

Watch videos on these markets to discover why they are important and to learn about a few of the many sectors where U.S. companies are competitive. 58 percent of U.S. exporters export to only one market, mainly Canada. Many small and mid-sized companies that work with the U.S. Commercial Service have found new customers in dozens of markets. Among the best prospect markets for U.S. companies are Vietnam, India, Indonesia, China, Taiwan and Thailand. From these short videos, you'll learn why these markets are important. You'll also learn about a few of the many sectors where U.S. companies are competitive. Importantly, you'll also meet the top U.S. commercial diplomats in these markets who, along with their staff of local market and industry experts, will help you evaluate, enter and succeed. Please visit

http://export.gov/nei/eq_main_033266.asp

Goods and Services Deficit Decreases in April 2011

The Nation's international trade deficit in goods and services decreased to \$43.7 billion in April from \$46.8 billion (revised) in March, as exports increased and imports decreased. (June 9, 2011)

FDA Issues Final Rule on OTC Sunscreen Labeling

Effective 06/18/12, the Food and Drug Administration (FDA) issued a final rule to require over-the-counter (OTC) sunscreen products to comply with certain content and format requirements for OTC drug labeling. FDA also announced the availability of a draft guidance for industry, "Enforcement Policy-OTC Sunscreen Drug Products Marketed Without an Approved Application," and a proposed information collection on SPF labeling and testing requirements for OTC sunscreen products containing specified ingredients and marketed without approved applications, and on compliance with Drug Facts labeling requirements. Comments on the draft guidance and on the proposed information collection are due by 08/16/11.

FDA's Web page on sunscreen products:

<http://www.fda.gov/Drugs/ResourcesForYou/Consumer/BuyingUsingMedicineSafely/UnderstandingOver-the-CounterMedicines/ucm239463.htm>

Enforcement Policy-OTC Sunscreen Drug Products Marketed Without an Approved Application:

http://www.ofr.gov/OFRUpload/OFRData/2011-14767_PI.pdf

Proposed information collection on SPF labeling and testing requirements for OTC sunscreen products:

http://www.ofr.gov/OFRUpload/OFRData/2011-14771_PI.pdf

FDA notice:

http://www.ofr.gov/OFRUpload/OFRData/2011-14766_PI.pdf

FTC Posts FAQ on New Light Bulb Labeling

The Federal Trade Commission (FTC) issued a question and answer document for manufacturers on labeling light bulbs in compliance with the changes to the Appliance Labeling Rule. The new Lighting Facts label will give shoppers the information they need to buy the most energy-efficient bulb to meet their lighting needs. As reported, the label will include a light bulb's brightness, energy cost, life, light appearance and wattage. The principal display panel on the front of packaging will now focus on lumens, a measure of brightness, rather than watts, a measure of the amount of energy used, and will include the estimated yearly energy cost for each bulb. FTC notice:

<http://business.ftc.gov/documents/labeling-your-light-bulbs-lighting-facts-questions-and-answers-manufacturers>