



EIB World Trade Headlines

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Industry Notice

DDTC would like to thank the Defense Industry representatives for their overwhelming response to our request for testing support. At this time we have received enough volunteers. DDTC will review the list and select a cross-section of DTrade customers to submit test cases during our testing window.

Those selected will receive a message via email in the next two business days. The message will also include a time and date for a Kick-Off meeting where the testing particulars and expectations will be expressed. (05.21.13)

NEWSLETTER NOTES

- *Industry Notice
- *U.S. Computers Sold to Assad Regime
- *BIS Releases New Tools for 600 Series
- *Taiwanese Father and Son Arrested.....
- *United States Seeks to Protect Worker Rights under U.S. - Bahrain Trade Agreement
- *Brazilian Government Places \$7.2M Order for Security Robots
- *Acting U.S. Trade Representative Sapiro Announces Section 301 Investigation of Ukraine

U.S. Computers Sold to Assad Regime

By **RON NIXON**
THE NEW YORK TIMES
May 04, 2013

WASHINGTON — Large amounts of computer equipment from Dell have been sold to the Syrian government through a Dubai-based distributor despite strict trade sanctions intended to ban the selling of technology to the regime, according to documents obtained by The New York Times. The disclosure of the computer sales is the latest example of how the Syrian government has managed to acquire technology, some of which is used to censor Internet activity and track opponents of Syrian President Bashar Assad.

According to internal company emails, cash transfer statements, sales receipts and shipping documents, the computer equipment was sold by BDL Gulf, an authorized dealer for Dell in the Middle East and Africa. The company is owned by Prince Alwaleed bin Talal, a member of the Saudi royal family, who is listed by Forbes magazine as the 26th-richest person in the world, with an estimated worth of \$20 billion. Alwaleed, who owns large stakes in Apple, News Corp. and Citigroup, did not respond to numerous requests for comment.

BDL sold the equipment to Anas Hasoon Trading, a Damascus-based company with contracts to provide computers to the Syrian government, according to billing records and email exchanges.

Jess Blackburn, a spokesman for Dell, confirmed that BDL was an authorized reseller. He said the company was recently made aware of a possible shipment of Dell equipment to Syria by an anonymous source.

"We are investigating an allegation we received recently that BDL was involved in a possible transaction involving Syria," Blackburn said in a statement.

The United States has barred the sales of most U.S.-made goods to Syria for nearly a decade and has repeatedly tightened sanctions against the government. An executive order, dated April 22, 2012, addresses the sale of computer technology to Syria, barring Americans from helping the Iranian and Syrian governments engage in human rights abuses.

U.S. officials would not comment on the possible violation but did say that it was illegal to export technology to Syria unless the sale would promote the free flow of information between the Syrian people and the outside world.

New Proposed Rule Space Craft

(May 24, 2013)

BIS publishes proposed rule: Export Administration Regulations (EAR): Control of Spacecraft Systems and Related Items the President Determines No Longer Warrant Control Under the United States Munitions List (USML).

BIS Releases New Tools for 600 Series

As part of the Bureau of Industry and Security's outreach efforts for the Initial Implementation of Export Control Reform final rule published on April 16, 2013, BIS has developed two new web-based decision tools that will assist users in understanding and applying the CCL Order of Review and "Specially Designed" Definition.

***CCL Order of Review**

The CCL Order of Review Decision Tool will assist users in understanding the steps to follow in reviewing the CCL.

***Specially Designed**

The "Specially Designed" Decision Tool will assist users in determining if an item will be "specially designed" under the Export Administration Regulations.

***STA**

The Strategic Trade Authorization (STA) tool will help users of the License Exception STA determine if they are eligible to use and will be in compliance with License Exception STA.



Taiwanese Father and Son Arrested for Allegedly Violating United States Laws to Prevent Proliferation of Weapons of Mass Destruction

U.S. Department of Justice

United States Attorney's Office

For Immediate Release: May 7, 2013

Contact - BIS Public Affairs: 202-482-2721

CHICAGO -- A resident of Taiwan who the U.S. government has linked to the supply of weapons machinery to North Korea and his son, who resides in suburban Chicago, are facing federal charges here for allegedly conspiring to violate U.S. laws designed to thwart the proliferation of weapons of mass destruction, federal law enforcement officials announced today. HSIEN TAI TSAI, also known as Alex Tsai, who is believed to reside in Taiwan, was arrested last Wednesday in Tallinn, Estonia, while his son, YUEH-HSUN Tsai, also known as Gary Tsai, who is from Taiwan and is a legal permanent resident in the U.S., was arrested the same day at his home in Glenview, Ill.

Gary Tsai, 36, was ordered held in custody pending a detention hearing at 1:30 p.m. today before Magistrate Judge Susan Cox in U.S. District Court in Chicago. Alex Tsai, 67, remains in custody in Estonia pending proceedings to extradite him to the United States. Both men were charged in Federal Court in Chicago with three identical offenses in separate complaints that were filed previously and unsealed following their arrests.

Each was charged with one count of conspiring to defraud the United States in its enforcement of laws and regulations prohibiting the proliferation of weapons of mass destruction, one count of conspiracy 2 to violate the International Emergency Economic Powers Act (IEEPA) by conspiring to evade the restrictions imposed on Alex Tsai and two of his companies by the U.S. Treasury Department, and one count of money laundering.

(Continued above)

The arrests and charges were announced by Gary S. Shapiro, United States Attorney for the Northern District of Illinois; Cory B. Nelson, Special Agent-in-Charge of the Chicago Office of the Federal Bureau of Investigation; Gary Hartwig, Special Agent-in-Charge of Homeland Security Investigations in Chicago; and Ronald B. Orzel, Special Agent-in-Charge of the U.S. Department of Commerce, Bureau of Industry and Security, Office of Export Enforcement, Chicago Field Office. The Justice Department's National Security Division and Office of International Affairs assisted with the investigation. U.S. officials thanked the Estonian Internal Security Service and the Estonian Prosecutor's Office for their cooperation.

According to both complaint affidavits, agents have been investigating Alex and Gary Tsai, as well as Individual A (a Taiwanese associate of Alex Tsai), and a network of companies engaged in the export of U.S. origin goods and machinery that could be used to produce weapons of mass destruction. Alex and Gary Tsai and Individual A are associated with at least three companies based in Taiwan. Global Interface Company, Inc., Trans Merits Co., Ltd., and Trans Multi Mechanics Co., Ltd. that have purchased and then exported, and attempted to purchase and then export, from the United States machinery used to fabricate metals and other materials with a high degree of precision.

On Jan. 16, 2009, under Executive Order 13382, which sanctions proliferators of weapons of mass destruction and their supporters, the Treasury Department's Office of Foreign Assets Control (OFAC) designated Alex Tsai, Global Interface, and Trans Merits as proliferators of weapons of mass destruction, isolating them from the U.S. financial and commercial systems and prohibiting any person or company in the United States from knowingly engaging in any transaction or dealing with Alex Tsai and the two Taiwanese companies.

In announcing the January 2009 OFAC order, the Treasury Department said that Alex Tsai was designated for providing, or attempting to provide, financial, technological, or other support for, or goods or services in support of the Korea Mining Development Trading Corporation (KOMID), which was designated as a proliferator by President George W. Bush in June 2005.

(Continued below)

The Treasury Department asserted that Alex Tsai has been supplying goods with weapons production capabilities to KOMID and its subordinates since the late 1990s, and he has been involved in shipping items to North Korea that could be used to support North Korea's advanced weapons program. The Treasury Department further said that Global Interface was designated for being owned or controlled by Tsai, who is a shareholder of the company and acts as its president. Tsai is also the general manager of Trans Merits Co. Ltd., which was designated for being a subsidiary owned or controlled by Global Interface Company Inc.

(<http://www.treasury.gov/presscenter/pressreleases/Pages/hp1359.aspx>)

After the OFAC designations, Alex and Gary Tsai and Individual A allegedly continued to conduct business together, but attempted to hide Alex Tsai's and Trans Merit's involvement in those transactions by conducting business under different company names, including Trans Multi Mechanics. For example, by August 2009 . Approximately 8 months after the OFAC designations Alex and Gary Tsai, Individual A and others allegedly began using Trans Multi Mechanics to purchase and export machinery on behalf of Trans Merits and Alex Tsai.

Specifically, the charges allege that in September 2009 they purchased a Bryant center hole 4 grinder from a U.S. company based in suburban Chicago, and exported it to Taiwan using the company Trans Multi Mechanics. A Bryant center hole grinder is a machine tool used to grind a center hole, with precisely smooth sides, through the length of a material.

(Continued above)

The charges further allege that by at least September 2009, Gary Tsai had formed a machine tool company named Factory Direct Machine Tools, in Glenview, Ill., which was in the business of importing and exporting machine tools, parts, and other items to and from the United States. However, the charges allege that Alex Tsai and Trans Merits were active partners in Factory Direct Machine Tools, in some instances procuring the goods for import to the United States for Factory Direct Machine Tool customers.

Violating IEEPA carries a maximum penalty of 20 years in prison and a \$1 million fine; money laundering carries a maximum of 20 years in prison and a \$500,000 fine; and conspiracy to defraud the United States carries a maximum of five years in prison and a \$250,000 fine. If convicted, the Court must impose a reasonable sentence under federal statutes and the advisory United States Sentencing Guidelines. The government is being represented by Assistant U.S. Attorneys Patrick Pope and Brian Hayes.

The public is reminded that a complaint is not evidence of guilt. The defendants are presumed innocent and are entitled to a fair trial at which the government has the burden of proving guilt beyond a reasonable doubt.

AMERICA WILL NEVER BE DESTROYED FROM THE OUTSIDE. IF WE FALTER AND LOSE OUR FREEDOMS, IT WILL BE BECAUSE WE DESTROYED OURSELVES.

ABRAHAM LINCOLN



CBP, GSA Announce Completion of Santa Teresa, N.M. Port Expansion Project

(Wednesday, May 29, 2013)

GSA, CBP, New Mexico Gov. Susana Martinez, Chihuahua Gov. Cesar Duarte, and representatives from U.S. Sen. Thomas Udall, U.S. Sen. Martin Heinrich and U.S. Rep. Steve Pearce participated in a ribbon cutting ceremony.

Santa Teresa, N.M. – U.S. Customs and Border Protection and U.S. General Services Administration today announced the completion of the Santa Teresa, N.M. land port expansion and renovation project that expands lanes and increases efficiency.

"These improvements will help CBP efficiently and thoroughly process the growing traffic volume at this important crossing," said David Higginson, acting CBP Director of Field Operations in El Paso. "CBP officers at the Santa Teresa port stand ready and will continue to provide first class service at this first class facility."

Work on the \$11.1 million dollar project started in the summer of 2011. The project doubled the number of primary vehicle inspections lanes, added an additional cargo lane, expanded passenger and commercial vehicle queuing, constructed a pedestrian sidewalk, enhanced CBP pedestrian and secondary inspection areas, improved security with additional cameras and non-intrusive inspection equipment and added an on-site kennel to the port.

"The expansion of the Santa Teresa Land Port of Entry is a great example of how GSA delivers better value and savings to the taxpayer," said Acting GSA Regional Administrator Sylvia Hernandez. "Through the partnerships developed during this project, we were able respond to a growing need in the Valley while making strides toward greening the federal government."

In keeping with the federal government's efforts to reduce the consumption of energy and water, the project also included energy saving measures such as insulated glass, a photovoltaic field, improved lighting and the installation of energy efficient HVAC system.

United States Seeks to Protect Worker Rights under U.S. - Bahrain Trade Agreement

(05/07/2013)

Washington D.C. – Acting United States Trade Representative Demetrios Marantis and Acting Secretary of Labor Seth Harris announced today that the United States has requested consultations with the Government of the Kingdom of Bahrain under the Labor Chapter of the United States–Bahrain Free Trade Agreement (FTA). The request follows a December 2012 [report](#) by the U.S. Department of Labor that highlighted labor issues stemming from the Government of Bahrain's response to civil unrest in early 2011 in Bahrain and recommended actions to address those issues.

"Ensuring that workers in Bahrain – and in other countries – can exercise their fundamental labor rights is a top priority for the Obama Administration, and we expect that the action we are taking today will produce a collaborative discussion and positive resolution to these important labor issues," said Ambassador Marantis. **"We look forward to working with Bahrain to improve respect for labor rights through the mechanisms provided by our trade agreement."**

"My sincere hope," added Acting Secretary Harris, **"is that these consultations will produce a concrete plan of action, based on the recommendations in the Labor Department's report that will strengthen labor protections in Bahrain and help prevent violations of workers' rights."**

The United States is seeking consultations to discuss actions taken by Bahrain that appear to be inconsistent with the Labor Chapter of the FTA. Specifically, the Labor Department's report details the apparent targeting of trade unionists and leaders for firing after a general strike in March 2011, employment discrimination based on religious (sectarian) identity or political opinion, and labor laws that do not provide adequate protection on these issues. The report recognizes that the Bahraini government, in particular the Minister of Labor, has taken important steps to address labor concerns following the unrest in 2011 by seeking the reinstatement of fired workers, but finds that problems remain with Bahraini labor laws as well as the treatment of certain reinstated workers.

(Continued below)

To view a copy of the letter requesting consultations, click [here](#).

Background

The U.S. Department of Labor issued the [report](#) on December 20, 2012, in response to a submission filed by the American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) regarding the Government of Bahrain's commitments under the Labor Chapter of the United States-Bahrain FTA. The AFL-CIO submission alleged that Bahrain had acted inconsistently with its labor obligations under the FTA in its response to civil unrest and national strikes in early 2011.

The Labor Department's report found that although the Government of Bahrain has taken important steps to address some of the labor issues arising from the 2011 unrest, including actions by the Minister of Labor to seek reinstatement of most of the workers fired, the United States should request FTA labor consultations to develop a plan with Bahrain to address remaining concerns. The FTA Labor Chapter stipulates that consultations shall commence within 30 days of a written request from either Party to the trade agreement, unless both Parties agree otherwise.



United States and Burma Sign Trade and Investment Framework Agreement

(05/21/2013)

Washington, D.C. – Acting United States Trade Representative Demetrios Marantis and Deputy Commerce Minister Dr. Pwint San of the Republic of the Union of Myanmar signed a Trade and Investment Framework Agreement (TIFA) today, creating a platform for ongoing dialogue and cooperation on trade and investment issues between the two governments. As part of this dialogue, the two sides will work together to identify initiatives that support the ongoing reform program and promote inclusive development that benefits the people of Burma, including the poorest segments of its population.

“The United States supports reforms that lay the foundation for a peaceful and prosperous future,” said Ambassador Marantis. **“Economic reforms and trade are mutually supportive. Stronger institutions, transparency, and rule of law create stronger foundations for commercial transactions, trade and investment.”**

On the important issue of labor rights, a continuing area of concern to U.S. stakeholders and the international community, the agreement signed today recognizes the importance of respecting, promoting, and realizing in each Party's laws and practices the fundamental labor rights as enumerated by the International Labor Organization (ILO) and of effectively enforcing their respective laws and regulations on worker rights. Under the TIFA, the United States will seek to work with the government in Nay Pyi Taw to achieve further improvements in the protection of worker rights.

United States Advances Trans-Pacific Partnership Goals with Vietnam

(Acting U.S. Trade Representative Marantis Meets Leaders to Discuss Key Issues, Next Steps in Ambitious Trade Talks)

(04/24/2013)

Hanoi, Vietnam – Acting United States Trade Representative Demetrios Marantis said today that the United States is looking forward to further cooperation with Vietnam as our two nations work with other members of the Trans-Pacific Partnership (TPP) to conclude a comprehensive, high-standard trade agreement in the coming months. Ambassador Marantis's comments came at the close of a three-day visit to Hanoi, where he discussed key outstanding issues with Vietnamese President Truong Tan Sang, with Deputy Prime Minister Vu Van Ninh, and with ministers and vice-ministers at Vietnam's ministries of Planning and Investment, Environment and Natural Resources, and Agriculture and Rural Development.

Ambassador Marantis also met with the president of the Vietnam General Confederation of Labor, the chairman of Vietnam's Economic Committee, the Prime Minister's chief advisor on TPP, and with U.S. businesses looking to expand their reach in Vietnam through the TPP.

"The United States values the Trans-Pacific Partnership as an opportunity to support more American jobs through increased trade, as well as to deepen economic integration with our partners across the Asia-Pacific. Here in Vietnam, we have reaffirmed our commitment to continuing rapid progress in the TPP talks, and to working with Vietnam to get to the ambitious outcomes that are the core of this groundbreaking effort.

My discussions with Vietnamese leaders have focused on meaningful market access in Vietnam for both goods and services, as well as the importance of robust and fully enforceable labor and environmental provisions – which the United States has been clear would be necessary for a final agreement.

(Continued above)

In our meetings, I have appreciated Vietnamese leaders' continuing commitment to the high standards that the TPP partners continue to envision for this landmark trade agreement," said Ambassador Marantis. **"I have also shared that the United States remains ready to provide technical assistance to Vietnam as it seeks to use the TPP to help support its economic reform agenda and distinguish itself from its regional competitors. The United States also is committed to helping Vietnam achieve the high standards the TPP countries are seeking, which is the best way to promote development in Vietnam and in the region."**

Vietnam's rapid economic growth is raising income levels and standards of living for its 92 million people, creating new economic opportunities and huge demand for U.S. goods and services. There has been tremendous growth in the U.S.-Vietnam trade relationship since the conclusion of a Bilateral Trade Agreement in December 2001; two-way trade has grown since then from about \$1 billion then to \$26 billion last year. U.S. exports to Vietnam increased 7.3 percent in 2012, and there is room for further significant growth including in manufactured goods where top U.S. exports include machinery, and for U.S. agricultural products such as beef, pork and poultry as well as soybeans, cereals and cotton. In 2012, the United States exported \$1.7 billion dollars' worth of agricultural products to Vietnam, making Vietnam our 16th largest agricultural export market.

Ambassador Marantis now travels to Burma, where he will meet with officials and speak to students about opportunities to further re-establish and grow job-supporting two-way and regional trade opportunities with that country.

Background

Following the easing of sanctions in 2012, bilateral trade is increasing but still remains small. Through the first three months of 2013, bilateral trade totaled \$90 million, including \$89 million in U.S. exports to, and \$1 million in U.S. imports from Burma. In 2012, Burma's total two-way goods trade with the world was roughly \$20 billion.

Brazilian Government Places \$7.2M Order for Security Robots

By RoboticsTrends' News Sources - Filed May 23, 2013

iRobot will provide 30 systems to maintain public safety at Brazil's scheduled series of high-profile events.

The Brazilian government says some of the security robots bought to improve public safety during the 2014 World Cup will be ready for the Confederations Cup in June. The company iRobot says the 30 robots would be delivered by the end of the year, along with spares and other support gear. The government confirmed Thursday that some will already be in action in the six cities hosting Confederations Cup matches. The company said Brazil signed a \$7.2 million contract, which included the small unmanned ground vehicles which can provide surveillance, bomb removal and other law-enforcement missions.

The Confederations Cup is the first of a series of high profile events Brazil will host, including the World Cup and the 2016 Rio Olympics.

Security at sporting events has become a hot topic after the recent bombings at the Boston Marathon, although Brazilian officials have said they didn't make significant changes to the country's security plans because of the incident in the United States. Brazil has never had to deal with terrorist attacks in the past.

The equipment being purchased by Brazil includes a type of multi-use robot "that has proven useful for a variety of law enforcement applications, including the inspection of potentially dangerous areas and objects, the removal of suspicious devices and the detection of chemical and explosive agents," according to iRobot. The robots weigh about 60 pounds and are customizable to include a robotic arm and other feature. They are operated remotely with a small control unit that essentially is a ruggedized laptop with a game-style controller, the company said.

"The purpose of these robots is to keep the operator and other people safe while an investigation is being conducted," iRobot told The Associated Press in an email. The company said it has "delivered more than 5,000 robots to military and civil defense forces worldwide."

(Continued above)

Brazil plans to have between 3,000 and 5,000 soldiers in each of the 12 host cities during the World Cup, the first in Brazil since 1950. The 2016 Olympics in Rio will be the first in South America.

The Brazilian Air Force earlier this year said it invested nearly \$25 million to purchase two Israeli-made drones to help provide public safety. It already had two of the unmanned planes since 2001. The air force said it would also have a new radar system in place.

Brazilian President Dilma Rousseff had already announced that security will be reinforced along the 10,000 miles of the country's borders in preparation for the Confederations Cup. About 20,000 troops are expected to be added to reinforce security in the region.

Brazil shares borders with 10 countries in South America. Most police action in the region involves combating drug traffic and the illegal entrance of goods.

Acting U.S. Trade Representative Sapiro Announces Section 301 Investigation of Ukraine

(05/30/2013)

Washington, D.C. – Acting U.S. Trade Representative Miriam Sapiro announced today that the United States has initiated an investigation under section 301 of the Trade Act of 1974 of the acts, policies, and practices of the Government of Ukraine that resulted in the identification of Ukraine as a Priority Foreign Country (PFC) in this month's [Special 301 Report](#).

The Special 301 Report identified critical problems in Ukraine's intellectual property rights (IPR) regime with respect to government use of pirated software, piracy over the Internet, and non-transparent and unfair administration and operation of copyright collecting societies.

(Continued below)

“The United States has identified serious concerns with Ukraine’s treatment of intellectual property rights, as described in our Special 301 Report,” said Ambassador Sapiro. **“We will consult with the Government of Ukraine on the practices that led us to initiate this investigation.”**

As part of this investigation, the Office of the U.S. Trade Representative (USTR) will receive comments from interested stakeholders and will hold a public hearing on July 18. USTR will publish a notice in the Federal Register announcing the initiation of the investigation and procedures for interested persons to submit written comments and to request to participate in the hearing.

BACKGROUND

USTR designated Ukraine as a PFC in this year’s Special 301 Report. A country identified as a PFC is a trading partner whose onerous or egregious acts, policies, or practices have the greatest adverse impact (actual or potential) on relevant U.S. products, while at the same time that country is not entering into negotiations or making significant progress in negotiations to address those problems.

Persons wishing to testify at the July 18 hearing must submit a notification of intent to testify, along with a written summary of their testimony, by June 27. Other interested parties have until July 31 to submit written comments regarding the investigation.



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