



EIB World Trade Headlines

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Support for CTPAT Implementation

by Jeanette Reed

Most of you have probably heard the news this past weekend about the bombs placed on board both passenger aircraft and cargo only aircraft. Even though the U.S. has 100% passenger cargo screening in place it is not always capable of finding the type of high explosive active ingredients in this weekend's terrorist threat. The ingredient used is a military grade explosive powerful enough to blow up a car with just a 100 grams. It is also the same type of explosive that terrorists like the Shoe-Bomber attempted to use, and the same one that the infamous Christmas flight bomber failed to use on his flight to Detroit.

According to the article written by By Joseph Berger and Robert F. Worth in this morning's Boston Globe newspaper:

"The bombs were sophisticated and expertly constructed, US officials said Saturday, further evidence that Al Qaeda's affiliate in Yemen is improving its abilities to strike on American soil.

Investigators said the bomb discovered at the Dubai airport in the United Arab Emirates was concealed in a Hewlett-Packard desktop printer, with high explosives packed into a cartridge to avoid detection by scanners."

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Newsletter Notes:

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** USTR Announces Agreement to Update Israel FTA Commemorating the 25th Anniversary*

**What Your Shipment Response Means*

** 2011 Schedule B and Harmonized Tariff Schedule*

**Reporting the Correct Export Information Code*

"The wiring of the device indicates that this was done by professionals," said one official involved in the investigation, who like several other officials spoke on condition of anonymity because the inquiry was continuing. "It was set up so that if you scan the printer, all the printer components look right."

The bomb discovered in Britain was also hidden in a printer cartridge.

Customs Trade Partnership Against Terrorism is designed to reduce areas where authorities might need to search for these types of terrorist attacks. By becoming CTPAT certified, through a process of security controls you institute at your company, you minimize the risk that your organization will be used for such an attempt and attack. CTPAT allows authorities to more expeditiously scourer packages and delivery routes for other packages that may pose greater risk.

It is true that CTPAT protects our National Security more than provides for a carrot stimulus to your business, but being part of a process that enhances security can be a soft marketing tool that everyone can use. Today the National Threat Level as indicated on the homepage of Homeland Security has been elevated to High or Orange in the Airline sector. This means if your company is not CTPAT certified, your package may suffer more delays than those companies that are certified.

Companies we do business with who are CTPAT certified would agree that it took some time, effort, and of course money to obtain their CTPAT certification. A recent threat awareness program offered at one of these companies, made clear to the employees that awareness of such activity is the first step in ensuring safe passage of all commodities in the supply chain, not to mention save passage of people. The employees seem pleased to be a small but important cog in the wheel of secure supply chain management and national security.

National Threat Advisory: ELEVATED



Significant Risk Of Terrorist Attacks

The threat level in the airline sector is **High** or Orange.

USTR Announces Agreement to Update Israel FTA Commemorating the 25th Anniversary

Officials from the U.S. and Israel recently met to commemorate the 25th anniversary of the signing of the U.S.-Israel Free Trade Agreement (IFTA). During the meeting, the countries agreed to reinvigorate their trading relationship and to ensure that the benefits of the economic relationship are further shared and sustainable. Officials from the countries have been asked to develop, by the beginning of 2011, a workplan that would address remaining barriers to U.S.-Israel bilateral trade, including trade in agriculture and services, and regulatory differences to ensure the free movement of goods, services and capital through modern and efficient borders. As initial steps under the workplan, the U.S. and Israel agreed to:

- pursue negotiations towards implementation of a Mutual Recognition Agreement (MRA) for conformity assessment of telecommunications equipment; and
- work together to explore ways that the two countries can facilitate trade under the current IFTA by looking at existing customs procedures and regulations.

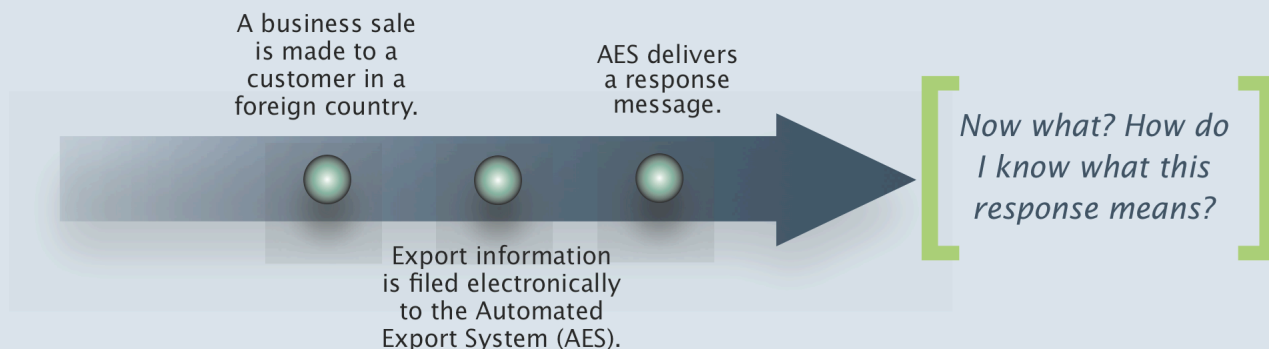
USTR notice: <http://www.ustr.gov/node/6225>



What Your Shipment Response Means...

by Rosanna Torres, Automated Export System Branch

Take a look at this scenario:



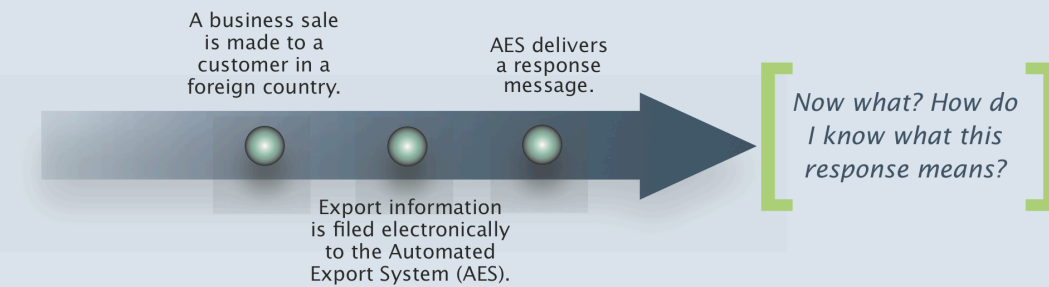
Accepted	The shipment was successfully reported to the AES and received a confirmation number, called the Internal Transaction Number (ITN) . This number is your proof that your shipment has been transmitted to AES and accepted. Shipments with a compliance alert, warning, verify or informational message will still receive an ITN.
Compliance alert	A shipment with a Compliance Alert receives an ITN and means that your shipment is potentially in violation of an export reporting requirement. It was either filed late or a change was made to certain elements after the shipment was exported. Though the alert cannot be corrected once issued, you must identify and correct the business practices that led to the alert. Otherwise, your company may be subject to delays, fines and/or penalties.
Verify message	A shipment with a Verify Message receives an ITN, but some information must be verified, such as value, quantity or shipping weight. If a correction is necessary, update the shipment and resubmit under the same shipment reference number. The shipment will be updated and the ITN will remain the same. However, if the shipment was filed correctly and you've verified that no changes are necessary, you don't need to resubmit.
Warning message	A shipment with a Warning Message receives an ITN and must be updated with required information within 4 days from the date of transmission.
Informational message	A shipment with an Informational message receives an ITN and provides the filer detail on their shipment. Depending on the message received, the shipment might require further action. View the reason for the message, and respond as necessary.
Rejected	The shipment was not accepted by the AES and received a Fatal Error . If you receive notice of a Fatal Error Message from the AES, it means that the shipment was rejected and cannot be viewed by the CBP inspectors. Shipments with fatal error messages must be corrected prior to the cargo leaving the U.S.
Update rejected	A correction to the shipment was transmitted to the AES, but not accepted. If the shipment had previously received an ITN and the update was rejected, then you may not present the ITN at the port of export. You must correct the shipment and resubmit until an accepted correction or replacement message is received.
Cancel rejected	A cancel request was transmitted to the AES, but was not accepted. View the reason why the cancel request could not be completed and respond as necessary.
Cancelled	The shipment was successfully cancelled from the AES.

For more information on all AES response messages, see Appendix A of the AESTIR at www.census.gov/foreign-trade/redirects/aestir-appendix-a.html.

What Your Shipment Response Means...

by Rosanna Torres, Automated Export System Branch

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CBP to Start Issuing Fines

CBP may start issuing fines for failure to file ISF or untimely filings. ISF 10+2 means Importer Security Filing and was implemented by Customs and Border Protection (CBP) on January 26, 2009 as a means of further securing the United States against terrorism.

2011 Schedule B and Harmonized Tariff Schedule (HTS) Tables

NEW SCHEDULE B & HTS CODES EFFECTIVE JANUARY 2011

The 2011 AES Export and Import Concordances will be available in late December 2010:

<www.census.gov/foreign-trade/aes/documentlibrary/index.html#concordance>.

AES*PcLink* Users—Please update your AES*Direct* Code Tables
no later than January 2011.

For further information or assistance, please contact a Census Bureau
AES client representative at
800-549-0595, menu option 1 or <askaes@census.gov>.

Reporting the Correct Export Information Code

by Rebecca DeNale, Commodity Analysis Branch

A commonly misunderstood and misreported field when reporting commodity information is the export information code (EIC) or export code. Export information codes are important because they signify the type or condition of the shipped item(s). This code identifies certain types of shipments to U.S. Customs, and also identifies certain shipments as non-statistical. The EIC is a mandatory field in AES, and it is located with the commodity information under the “Commodity Line” section.

The most commonly used EIC is OS for general exports (all others); however, there are many other conditions that a shipment might fall under, and it is important to understand them all. Correctly identifying the type or condition of a shipment is important for statistical reasons. Certain EICs will designate a shipment as nonstatistical. If an inaccurate EIC is used, the shipment could wrongfully be designated as a statistical export, and thus inflate the value of exports, eventually impacting the balance of trade.

Below are examples where certain commodities may be exempt from filing; however, if the USPPI decides to file the shipment information, the correct EIC must be used to properly identify the type or condition of the shipment. For a complete list of shipments that are exempt from filing, please refer to Foreign Trade Regulations (FTR) Subpart D—Exemptions from the requirements for the filing of Electronic Export Information (30.35 - 30.40):

- An expensive piece of jewelry valued at \$3.0 million is being exported for display at a trade show in Hong Kong under a carnet (an international customs document or “merchandise passport”). This item is only being exported temporarily, is not intended for sale, and will return in the same condition within 1 year after export. As the shipment is moving under a carnet, it is important to report the correct EIC of CR. Otherwise, it could inflate the value of U.S. exports to Hong Kong by \$3.0 million for that month.

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Reporting the Correct Export Information Code—Con.

- A shipment of U.S. \$100 bills with a total value of \$1.0 million is being shipped to a bank in Switzerland. In this case, since U.S. \$100 bills are currency, the correct EIC to use would be **DD for other exemptions**, including currency. If this condition is not indicated in the electronic export information (EEI), this shipment could inflate the value of exports to Switzerland by \$1.0 million for that month.
- A \$2.0 million shipment of cabinets and countertops will be used in the construction of a U.S. embassy in Chile. These goods are being shipped under a U.S. government contract for construction in another country. In this case, we would want to use EIC: GP, which is for shipments under U.S. government contract for overseas construction. If the incorrect EIC was used, exports to Chile could be inflated by \$2.0 million (General Filing Requirements—FTR 30.2 (a)).
- A shipment of 10 diamonds valued at \$4.0 million was imported under a Temporary Import Bond (TIB) for grading and inspection from India. The diamonds are only intended to be in the United States for a short period of time while they are being analyzed, and are then to be re-exported to India in the same condition. When exporting these diamonds, the correct EIC to use would be IS for goods previously imported under a TIB for return in the same condition. If the incorrect EIC was used in this case, the value of exports to India could be inflated by \$4.0 million for that month.
- A family is moving to Australia and taking their personal effects with them. They owned these household goods prior to moving and do not intend to sell the goods. The goods are intended for the family’s use once they get to Australia. In this case, the proper EIC to use would be HH for personal and household effects. When the EIC HH is used, no Schedule B number, unit of quantity, or domestic or foreign indicator is required; however, the estimated value of the goods as well as the shipping weight are required to be reported. A similar EIC, HV, is used for household vehicles shipped under similar circumstances. When using HV, report the complete shipment and commodity data and include the VIN, title number, and U.S. state of title.

As you can see, reporting an incorrect EIC can greatly impact our trade data. A list of all of the EICs along with the descriptions can be found below. Please note the items in bold denote that the EEI content of the associated filing is considered nonstatistical.

Export Information Code Descriptions	
EIC	Description
OS	General Exports (all others)
OI	Other Impelled Exports
CH	Goods donated for relief or charity
CI	Impelled shipments of goods donated for relief or charity
CR	Goods moving under a carnet
DD	Other exemptions (currency, airline tickets, bank notes, internal revenue stamps, state liquor stamps, advertising literature, etc.)
FS	Foreign Military Sales
FI	Impelled Foreign Military Sales
GP	Shipments under U.S. Government contract for overseas construction
GS	Exports for exclusive use of U.S. government agencies
HH	Personal and household effects and tools of trade not intended for sale. (Shipments must be owned and in the possession of the exporter prior to export and intended solely for use of the exporter or their immediate family.)

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