



EIB World Trade Headlines

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Fax: (978) 250-4529 • P.O. Box 4008, Chelmsford, MA 0124

September 2010 - Vol 2 Issue 11

New Addition to EIB Paula Newton, Executive Account Manager

Evolutions In Business is pleased to announce that Paula Newton has been contracted as Executive Account Manager. Paula has served the State of New Hampshire admirably in her position at the International Trade Resource Center, aiding and assisting commercial exporters of every background and technology in the regulations of proper export compliance. She brings to the table, a strong background in biotechnology and medical devices as well as other disciplines in technology. She will be a great asset to our client base. The exporters of New Hampshire enjoyed working with her and we are confident the rest of the country will value working with her as well!



Evolutions in Business Announces 2010 Gina Award Nominees
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Evolutions In Business Is Pleased to Announce the Nominees for This Year's Gina Award!

The Individual Award Nominees Are:

- Andrea Kokolis and Pat Kelly of Active Shock, LLC Manchester, NH
- Kate Kilby of Acumentrics Corporation, Westwood, MA
- Gerri St. Jean and Richard Schulman of Columbia Tech, Worcester, MA
- Jan Anido of Eastprint Inc., North Andover, MA
- Sue Alling, Valerie Kimber Roy, Cathlin O'Connor and Terri O'Brien of New England Wire Technologies, Inc., Lisbon, NH
- John Mulooley of Senior Aerospace AMT, Arlington, WA
- Terri Rhatigan, Janice Costa and Mike Clarence of Senior Aerospace Metalbellows, Sharon, MA
- Christine Vershon and Nancy Grimaldi of Senior Aerospace Sterling Machine, Enfield, CT
- Susan Zilaro of Ulvac Technologies, Methuen, MA
- Michele Lehtinen of Bruker Detection, Billerica, MA

The Company Nominees Are:

- Senior Aerospace AMT, Arlington, MA
- Task Microelectronics USA, Portsmouth, NH
- Senior Aerospace Metalbellows, Sharon, MA

President Extends Export Admin Act, Including EAR, for Another Year

President Obama recently issued Executive Order 13222. In that order, he declared a national emergency with respect to the unusual and extraordinary threat to the national security, foreign policy, and economy of the United States in light of the expiration of the Export Administration Act of 1979, as amended (50 U.S.C. App. 2401 et seq.). Because the Export Administration Act has not been renewed by the Congress, President Obama has determined the national emergency declared on 08/17/01, must continue in effect beyond 08/17/10. Therefore, in accordance with section 202(d) of the National Emergencies Act (50 U.S.C. 1622(d)), the President is continuing for 1 year the national emergency declared in Executive Order 13222. [75 Fed. Reg. 50681 available at http://edocket.access.gpo.gov/2010/2010-20384.htm](http://www.fedreg.gov/2010/2010-20384.htm)

FAA Issues News Release on Civil Penalties for Hazmat Violations Against 11 Companies

The Federal Aviation Administration (FAA) issued a news release announcing that it is proposing civil penalties against 11 companies for alleged violations of Department of Transportation's Hazardous Materials (HAZMAT) Regulations. In all instances, the companies allegedly offered the HAZMAT for transportation when it was not packaged, marked, classed, described, labeled or in condition for shipment as required by regulations. Companies have 30 days from receipt of the FAA's notice of proposed civil penalty to respond to the agency. FAA notice: http://www.faa.gov/news/press_releases/news_story.cfm?newsId=11678

ICE Issues Notice on Indictments Over Circumventing AD Order on Chinese Honey

Immigrations and Customs Enforcement (ICE) announced that 11 individuals and six corporations were indicted on 09/01/10 on federal charges for allegedly participating in an international conspiracy to illegally import honey from China. The indictment seeks forfeiture of more than \$78 million in alleged unpaid antidumping (AD) duties and more than \$39.5 million, representing the declared value of entries of Chinese-origin honey that entered the U.S. Ten of the individuals were top executives of corporate defendant Alfred L. Wolff GmbH, or four affiliated defendant companies, a German food conglomerate who's U.S. honey-importing business was based in Chicago. The indictment claims that the defendants conspired to illegally import Chinese-origin honey, including honey tainted with antibiotics, into the U.S. by mislabeling it as originating in other countries. This was done to avoid paying AD duties and to conceal and expand the illegal smuggling by submitting false documents to obstruct the U.S. Department of Commerce. The charges resulted from a large-scale investigation being conducted by the ICE Office of Homeland Security Investigations (HSI).

Between 2001 and July 2007, the Commerce Department imposed AD duties on Chinese-origin honey as high as 221% and, later, \$2.06 per net kilogram of honey through the end of 2008. In October 2002, the Food and Drug Administration (FDA) issued an import alert for honey containing the antibiotic Chloramphenicol, a broad spectrum antibiotic used to treat serious infections in humans, but which is not approved for use in honey production. Further information: <http://www.ice.gov/pi/nr/1009/100901seattle.htm>

[ICE notice: http://www.ice.gov/pi/nr/](http://www.ice.gov/pi/nr/)

BIS Issues Final Rule Amending CCL and Modifying ECCNs

The Bureau of Industry and Security (BIS) issued a final rule which adds equipment designed for the execution of humans to the Commerce Control List, and modifies certain Export Control Classification Numbers (ECCN) that indicate "crime control" as a reason for control. Effective 7/15/10, the following changes are made to certain crime-control related ECCNs by BIS' final rule:

- New 0A981 for execution equipment. BIS' final rule creates a new ECCN 0A981 that applies to equipment designed for the execution of human beings. Such equipment will require a license to all destinations.
- 0A978 law enforcement weapons expanded. The items covered by ECCN 0A978 are expanded from "saps" to "law enforcement striking weapons." Saps, police batons, side handle batons, tonfas, sjamboks, and whips are listed as examples of law enforcement striking weapons.
- 0A982 restraint devices clarified, expanded. The rule adds the phrase "law enforcement" to the heading of ECCN 0A982 (Restraint Devices) to make clear that it applies to law enforcement restraint devices, rather than safety or medical equipment.
- 0A983 torture implement examples clarified, expanded. The heading of ECCN 0A983 (Specially Designed Implements of Torture) is being revised to add the word "including" immediately following the phrase "specially designed implements of torture" to make clear that the items listed are examples of specially designed implements of torture rather than an exclusive list of such implements.
- 0A984 shotgun parts specified. The rule removes the phrase "parts n.e.s." and adds the following specific parts for the shotguns controlled by ECCN 0A984 (Shotguns): barrels of 18 inches (45.72 cm) or longer but not longer than 24 inches (60.96 cm), receivers, breech mechanisms, complete trigger mechanisms, and magazines or magazine extension tubes. The parts are subject to CC column 1 license requirements.
- 0E984 shotgun technology controls

ITA Issues Notice of China Mission for Aerospace Suppliers

The International Trade Administration's (ITAs) U.S. and Foreign Commercial Service is organizing an Aerospace Supplier Development Mission to China from 11/7/10 – 11/17/10. This mission will include representatives from a variety of U.S. aerospace industry manufacturers and service providers, and will introduce these suppliers to end-users and prospective partners.

ITA notice: <http://edocket.access.gpo.gov/2010/pdf/2010-16947.pdf>

President's Export Council Issues Notice on 9/16 Meeting Live Webcast

The President's Export Council will hold a meeting on 09/16/10, to discuss topics related to the National Export Initiative (NEI), and its advice on how to promote U.S. exports, jobs, and growth. The President's Export Council (PEC) was first established in 1973 to advise the President on matters relating to U.S. export trade and report to the President on its activities and on recommendations for expanding U.S. exports. The PEC was most recently renewed on 09/29/09 for a two year period, and is comprised of private-sector, Congressional, and Administration members. The September 16, 2010 PEC meeting will be available via live webcast on the Internet at <http://whitehouse.gov/live> The public is invited to submit written statements to the PEC via email or mail by COB 09/10/10. NEI notice: (FR Pub 08/30/10)

<http://edocket.access.gpo.gov/2010/pdf/2010-21641.pdf>

BIS Issues Notice Seeking Comments on Best Practices to Prevent Transshipment/Diversion

The Bureau of Industry and Security (BIS) issued a notice of inquiry seeking public comments on a proposed updated list of a set of "best practices" for industry regarding the transit, transshipment, and reexport of dual-use items. The previous list was posted in November 2003. BIS seeks information to refine and revise the list to help ensure that industry and the government continue to prevent diversion of controlled items subject to the Export Administration Regulations (EAR) through transshipment points. BIS is particularly interested in engaging in a dialogue with industry regarding new transshipment principles and best practices that complement those already identified by BIS in its web guidance on export management and compliance programs (EMCPs), which includes nine key elements for effective EMCPs for exporters of dual-use items, and industry outreach regarding export management and compliance. Comments are due by 10/18/10. BIS contact – Gerard Horner (202) 482-2078 BIS' EMCP guidance

http://www.bis.doc.gov/complianceand enforcement/emcp_guidelines.pdf

expanded. This rule revises ECCN 0E984 (Technology for shotguns) to apply CC Column 1 as a reason for control of technology for the development and production of all shotguns and shotgun shells controlled by ECCN 0A984.

- 0A985 discharge arms clarified, expanded. The rule adds the phrase "devices to administer electric shock" to the heading of ECCN 0A985 (Discharge Type Arms) and adds shock shields to the illustrative list of items classified under this ECCN.
- 0A987 sighting devices specified. – The rule replaces the general description in the heading of ECCN 0A987 (Optical Sighting Devices for Firearms) with a list of items controlled. With this change, the ECCN clearly states that it applies to specific sighting devices, their associated optical elements, and adjustment mechanisms.
- 3A981 polygraph devices clarified. This rule also adds a note expressly stating that the electronic monitoring restraint devices in ECCN 3A981 (Polygraphs and other electronic devices) are devices that monitor or report the location of confined persons for law enforcement or penal reasons. The note excludes devices used to confine memory impaired patients to appropriate medical facilities.

BIS contact – Ron Rolfe (202) 482-4145

BIS notice (FR Pub 7/15/10)

<http://edocket.access.gpo.gov/2010/pdf/2010-17338.pdf>

DDTC Posts Official 2010 ITAR

The Directorate of Defense Trade Controls (DDTC) announces that the 04/01/10 official International Traffic in Arms Regulations (ITAR) has been posted. This latest edition includes amendments to 22 CFR Part 120, Commodity Jurisdiction. ITAR (posted 08/28/10)

http://www.pmdtcc.state.gov/regulations_laws/itar_official.html

DDTC Posts Updated FAQ on Commodity Jurisdiction

On 9/1/10, the Directorate of Defense Trade Controls (DDTC) updated its frequently asked questions (FAQs) on commodity jurisdiction (CJ) to include new questions and answers, and additional information regarding supplemental documents. DDTC has updated its answer regarding uploading supplemental documents to the DS-4076 submission package. DDTC continues to state that supporting documents for the D-4076 are not uploaded like D-Trade export license applications are. Each attachment is a separate document that will be uploaded with the DS-4076 into a submission package. DDTC newly states that all additional documentation file formats must be in the following types: BMP, CSV, GIF, JPEG, JPG, PDF, PNG, RTF, TIF, TXT and XML. DDTC has added the following questions and answers to its FAQ document since its previous version:

- Purpose: What is a CJ?
- Licensing Requirements: Can I export my item during the CJ review process?
- Reconsidering of USML Category: I believe the USML category and/or sub category for my product has changed. Can I use the CJ process to obtain a new USML classification?
- Submitting Request for Similar or Like Items: I have several items that are very similar. May I submit one CJ covering those items, or a catalog of like items?

The August FAQs have also been posted in the September version for review; they were also included in the August version.

[DDTC notice, FAQs updated 09/01/10:
http://www.pmdtcc.state.gov/faqs/commodity_jurisdiction.html](http://www.pmdtcc.state.gov/faqs/commodity_jurisdiction.html)

[Guidelines for submitting CJ requests:
http://www.pmdtcc.state.gov/commodity_jurisdiction/index.html](http://www.pmdtcc.state.gov/commodity_jurisdiction/index.html)

BIS Post Details on Export Reform for USML and CCL

The Bureau of Industry and Security's (BIS's) Assistant Secretary for Export Administration Kevin Wolf recently issued prepared remarks on BIS's plans for Phase II of the Administration's export reform efforts, at the BIS Annual Export Controls Update Conference. According to Wolf, the Administration's export reform plan consists of four key elements:

- a single control list,
- a single licensing agency,
- coordination of enforcement and
- unified information technology.

These changes will be implemented in three phases. Phase I will harmonize the definitions of common terms in the International Traffic in Arms Regulations (ITAR), Export Administration Regulations (EAR), and sanctions regulations. Phase I will also establish new independent control criteria to screen items for control into new tiered control list structures, streamline license processes, develop a single list of proscribed persons and entities, and coordinate enforcement. Phase II will restructure the U.S. Munitions List (USML) and Commodity Control List (CCL) into identical tiered structures, apply criteria, and remove unilateral controls as appropriate. Phase II will also fully implement licensing harmonization to allow export authorizations within each control tier to achieve a significant license requirement reduction, expand outreach and compliance, and transition toward a single electronic licensing system. Phase III completes the transition to the new U.S. export control system. Legislation will be required for this phase in order to merge the two lists into a single list and implement a single licensing agency.

BIS Assistant Secretary for Export Administration Kevin Wolf remarks:
http://www.bis.doc.gov/news/2010/wolf_bis_update_remarks.htm

BIS Posts Speech to Export Control Conference - BIS to Mine AES Data to Determine Weak Compliance Programs

At the Bureau of Industry and Security's (BIS's) Annual Export Controls Update Conference, BIS Under Secretary Eric Hirshorn issued prepared remarks on BIS's planned enforcement and education efforts. According to Hirshorn, every exporter must classify its exports and should screen its customers against such lists as the Denied Persons List (DPL) and the Entity List (EL). BIS has a responsibility to assist exporters, particularly small and medium-sized businesses, to do this. BIS is reviewing the Automated Export System (AES) data to identify exporters of interest. BIS is also working with other bureaus and agencies, and with such private sector entities as freight forwarders, to educate exporters. BIS continues to work with the Census Bureau and Customs and Border Protection (CBP) on new electronic tools to help exporters make timely and accurate submissions to AES. This will expedite the clearance of exports and facilitate BIS compliance reviews. BIS recognizes that even companies who have good intentions can make mistakes. Therefore, BIS has long promoted the submission of voluntary self-disclosures (VSDs) in these and other instances. BIS views VSDs, along with internal compliance programs, as important mitigating factors. Where appropriate, BIS will seek to minimize penalties for companies that have good internal compliance programs and make demonstrably unintentional errors. However, BIS is planning increased efforts against individuals who flout the rules and against companies whose inadequate internal compliance programs indicate that they are indifferent to whether they follow the rules. In addition, Hirshorn announced that the new Comprehensive Iran Sanctions, Accountability, and Divestment Act conferred permanent law enforcement authorities on BIS export enforcement agents for the first time. This enhances BIS' ability to deter and prosecute violators of the EAR.

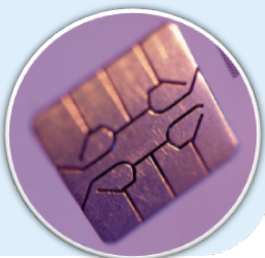
Also the Obama Administration is preparing legislation that would combine the administrative enforcement and licensing activities of BIS, the State Department's Directorate of Defense Trade Controls (DDTC), and the Treasury Department's Office of Foreign Assets Control (OFAC) into an independent licensing agency. The Administration will seek action on this legislation in the near future. The Administration also plans to seek legislation to transfer BIS's criminal enforcement functions to Immigration and Customs Enforcement (ICE), which would have a separate unit dedicated to enforcement of the export control and embargo laws. To ensure coordination with other enforcement agencies, BIS participates in the National Export Enforcement Coordination Network; working with colleagues from the Federal Bureau of Investigation, military security agencies, ICE, and the Intelligence Community.

[Remarks by Commerce Secretary Locke http://www.bis.doc.gov/news/2010/083110_secretary_locke.pdf](http://www.bis.doc.gov/news/2010/083110_secretary_locke.pdf)

[BIS Under Secretary Eric Hirshorn remarks: http://www.bis.doc.gov/news/2010/hirschhorn_update_8_30_10.pdf](http://www.bis.doc.gov/news/2010/hirschhorn_update_8_30_10.pdf)

State Dept Issues Final Rule Amending ITAR for Export Exemption for Certain Technical Data

The State Department issued a final rule which amends the International Traffic in Arms Regulations (ITAR) so that the export license exemption provided by 22 CFR 125.4 allows the hand carrying or "taking" of technical data regardless of its media or format, by a U.S. person who is an employee of a U.S. corporation or a U.S. Government agency to a U.S. person employed by that U.S. corporation or to a U.S. Government agency outside the U.S., effective 08/27/10. According to the State Department, the Directorate of Defense Trade Controls (DDTC) was treating the proposed rule as though it had been published and was in effect, prior to publication of this final rule. Specifics of the final rule and comments from interested parties have been posted. The State Department's proposed rule (FR Pub 11/24/09) [here](#) State Dept contact – Charles Shotwell (202) 663-2792 The State Department's notice: (FR Pub 08/27/10) <http://edocket.access.gpo.gov/2010/pdf/2010-21450.pdf>



DHS Posts Summary Report of Bottom-Up Review - Includes NAFTA and Container Security

The Department of Homeland Security (DHS) recently posted a report summarizing the result of its "Bottom-Up Review" which was conducted as a complement to the agency's February 2010 Quadrennial Homeland Security Review (QHSR). The QHSR, which was mandated by the 9/11 Act, was a high-level examination of the U.S. homeland security strategy with long-term recommendations, however, there were no CBP-specific recommendations. The report sets forth DHS's conclusions concerning the priority initiatives and enhancements necessary to strengthen existing programs and address priority capability and capacity gaps over the FY 2012-2016 period, in order to set a foundation for future success. As an example, to strengthen its efforts to achieve the agency's second mission of securing and managing U.S. borders, DHS will enhance the security of the global trade and travel systems responsible for the secure movement of people and goods, including enhanced container and maritime security and prioritization of immigration and customs investigations relating to global trade and travel systems and work more closely with the governments of Canada and Mexico to enhance North American security. DHL report: http://www.dhs.gov/xlibrary/assets/bur_bottom_up_review.pdf

State Dept Issues Final Rule Amending ITAR for Certain Military Equipment License Applications

The State Department issued a final rule which amends the International Traffic in Arms Regulations (ITAR) to remove the requirements for prior approval or prior notification for license applications or proposed agreements to foreign persons relating to significant military equipment, effective 08/27/10. This final rule does not lessen control over the export of any defense article, technology, or service, nor does it lessen scrutiny over prohibited/restricted destinations. Rather, it eliminates the requirement for reviewing an export transaction twice. According to the State Department, the time between submitting a license application or proposed agreement and obtaining a decision from the Department whether to authorize such transactions has been decreased sufficiently that requiring prior approval or prior notification for proposals is unnecessary and imposes a burden on industry. Therefore the State Department is removing 22 CFR 126.8, which stated that certain proposals to foreign persons for the sale or manufacture abroad of significant military equipment required either the prior approval of, or prior notification to, the Directorate of Defense Trade Controls. State Dept contact – Charles Shotwell (202) 663-2792 The State Department's notice: (FR Pub 08/27/10) <http://edocket.access.gpo.gov/2010/pdf/2010-21451.pdf>