

## NEWSLETTER NOTES

BIS Publishes New "Best Practices"



DDTC Announces New Online DS-4076 CJ Form (Only One Allowed)

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## **BIS Publishes New "Best Practices" for Industry to Guard Against Unlawful Diversion through Transshipment Trade**

**WASHINGTON, D.C.** – The U.S. Department of Commerce's Bureau of Industry and Security (BIS) today published a new set of "best practices," developed in cooperation with U.S. industry, to help guard against the diversion of dual-use items shipped to a transshipment "hub," or to any intermediate country before being shipped to the country of ultimate destination.

Transshipment is a routine and growing part of legitimate world trade with logistical benefits, but also can be used illegally to disguise the actual country of ultimate destination. Transshipment practices may also create a risk that items are diverted to unauthorized end-users or end-users.

"These new best practices provide a formidable tool to help secure trade through transshipment hubs," said Assistant Secretary for Export Administration Kevin J. Wolf. "BIS is committed to working with industry to adopt best practices critical to safeguarding U.S. national security interests."

*(Continued below)*

## NEWSLETTER NOTES

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\* EU Publishes Regulation to Amend Aviation Security Rules

The following new best practices will help exporters, re-exporters, freight forwarders and other parties to comply with US export control regulations and laws and augment BIS's Export Management and Compliance Guidelines. BIS is encouraging industry to:

- Pay heightened attention to BIS's Red Flag Indicators and communicate red flag concerns internally.
- Seek to utilize only those trade facilitators and freight forwarders that administer sound export control management and compliance programs that include transshipment trade best practices.
- Obtain detailed information on the credentials of foreign customers to assess diversion risk.
- For routed transactions, establish and maintain a trusted relationship with parties to mitigate risks.
- Communicate export control classification and destination information to end-users and consignees on government and commercial export documentation.
- Provide the ECCN or the EAR99 classification to freight forwarders for all export transactions and report the classifications in the Automated Export System (AES), if applicable.
- Use information technology to the maximum extent feasible to augment "know your customer" and other due-diligence measures in combating the threats of diversion and increase confidence that shipments will reach authorized end-users for authorized end-uses.

This set of best practices, aimed at U.S industry, supports one of ten best practices suggested by the State Department's Bureau of International Security and Nonproliferation to foreign governments at the Global Transshipment Seminar in Dubai, United Arab Emirates, in March 2011. That best practice suggestion encouraged industry to develop stronger internal compliance programs, conduct focused outreach, and raise awareness of export control obligations.

The 2011 "Best Practices for Preventing Unlawful Diversion of U.S. Dual-Use Items Subject to the Export Administration Regulations, Particularly through Transshipment Trade" are posted on the BIS website:

<http://www.bis.doc.gov/complianceand enforcement/bestpractices.htm>

## Commerce's Export Promotion Magazine Helps United States Exporters

Commercial News USA, the official export promotion magazine of the US Department of Commerce (DOC) offers exporters an inexpensive way to promote their products and services in 178 countries worldwide. DOC also advised display advertisers in the November-December 2011 issue will receive a free booth in the new USA Export Expo, a virtual trade show that will premiere in October. In addition, if your company is a small company and/or in a rural area, the U.S. government has initiated a new effort to help you export. Read this article "For Small and Rural Business, the Time to Export Is Now" on the website of the International Trade Administration (ITA) to find out more about the program. [www.ita.doc.gov](http://www.ita.doc.gov)

Commercial News USA [www.thinkglobal.us](http://www.thinkglobal.us)

## DDTC Posts Updates List of Acronyms Used by Staff and Public

The Directorate of Defense Trade Controls (DDTC) posted a list of acronyms for staff and general use, updated as of 08/22/11. DDTC Acronym

List: <http://www.pmdtc.state.gov/documents/DDTC%20Acronyms%208-22-2011.pdf>

## ITA Issues FR Notice on Applications for 2013 International Buyer Program (Applications Due by 10/30/11)

The International Trade Association (ITA) issued a notice setting forth objectives, procedures, and application review criteria for domestic trade shows by the International Buyer Program. The program intends to bring international buyers together with U.S. companies to promote U.S. industries with high export potential. ITA provides selection criteria for participation in the program for January 1 - December 31, 2013. All applications must be submitted by 10/30/11 according to ITA.ITA notice:

<http://www.gpo.gov/fdsys/pkg/FR-2011-09-01/pdf/2011-22157.pdf>

## DDTC Announces New Online DS-4076 CJ Form (Only One Allowed)

The Directorate of Defense Trade Controls (DDTC) recently stated that effective immediately; all online Commodity Jurisdiction (CJ) requests must be submitted using Version 1.2 of the DS-4076 form. All prior versions of the form will be rejected at the time of submission and Returned Without Action. DDTC advises the purpose of a commodity jurisdiction (CJ) request is to determine whether an item or service is covered by the U.S. Munitions List (USML) and therefore subject to export controls administered by the U.S. Department of State pursuant to the Arms Export Control Act and the International Traffic in Arms Regulations (ITAR). If after reviewing the USML and other relevant parts of the ITAR, in particular ITAR 120.3 and 120.4, those that are still unsure of the export jurisdiction of an item or service, should request a CJ determination.

New DS-4076 form (Version 1.2) [http://pmddtc.state.gov/commodity\\_jurisdiction/documents/DS4076.pdf](http://pmddtc.state.gov/commodity_jurisdiction/documents/DS4076.pdf)

DDTC notice: [http://pmddtc.state.gov/commodity\\_jurisdiction/index.html](http://pmddtc.state.gov/commodity_jurisdiction/index.html)

## CBP Issues Final Rule Amending Part 102 Origin Rules for Certain Items

U.S. Customs and Border Protection (CBP) issued a final rule, effective 10/03/11, to implement the changes it proposed in 2008 to the 19 CFR 102 country of origin tariff shift and other rules for certain pipe fittings and flanges, greeting cards, glass optical fiber, rice preparations, and textile and apparel products. While the major thrust of the 2008 proposed rule dealt with CBP's proposal to uniformly apply the Part 102 rules for all country of origin and "product of" determinations (with certain exceptions), CBP notes that it is not going forward with its 2008 uniform rules of origin proposal in order to permit further consideration of the relevant issues involved.

FR Notice: <http://www.gpo.gov/fdsys/pkg/FR-2011-09-02/html/2011-22588.htm>

## BIS Issues FR Notice Seeking Comments on Extending Foreign Policy Bases Export Controls for Another Year

The Bureau of Industry and Security (BIS) is seeking public comments on the effect of existing foreign policy-based export controls on industry for BIS' review of these controls in the Export Administration Regulations (EAR) to determine whether they should be extended for another year. Foreign policy-based controls include crime controls, regional stability controls, anti-terrorism, chemical and biological, missile technology, nuclear nonproliferation, and entity list controls. Comments accepted through 09/30/11. Export controls maintained for foreign policy purposes require annual extension according to the provisions of Section 6 of the Export Administration Act of 1979, as amended (EAA). Section 6 requires the President to submit a report to Congress to extend the controls. Timely comments will be considered by BIS in reviewing the controls and developing its report to Congress. Among the criteria considered in determining whether to extend U.S. foreign policy-based export controls are the following:

- The likelihood that such controls will achieve their intended foreign policy purposes;
- Whether the foreign policy objective of such controls can be achieved through negotiations or other alternative means;
- The compatibility of the controls with the foreign policy objectives of the U.S. and with overall U.S. policy toward the country subject to the controls;
- Whether the reaction of other countries to the extension of such controls is not likely to render the controls ineffective in achieving the intended foreign policy objective or be counterproductive to U.S. foreign policy interests;

*(Continued below)*

-The comparative benefits to U.S. foreign policy objectives versus the effect of the controls on the export performance of the U.S., the competitive position of the U.S. in the international economy, the international reputation of the U.S. as a supplier of goods and technology; and

-The ability of the U.S. to effectively enforce the controls.

BIS is also interested in receiving comments on the economic impact of proliferation controls.

BIS Contact – Anthony Christino (202) 482-4252

BIS FR

Notice <http://www.gpo.gov/fdsys/pkg/FR-2011-09-01/pdf/2011-21646.pdf>

### EU ECHA Posts Information on Potential New Chemicals under REACH (REACH Registration Conference 9/30/11)

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

#### REACH Consultation on 20

**Substances** - The European Chemicals agency (ECHA) has published proposals to identify 20 chemicals as Substances of Very High Concern (SVHCs) and thus as possible candidates for authorization under the EU REACH Regulation. From the last publication six months ago, the number of dossiers has more than doubled.

Interested parties are invited to comment on the proposals by 10/13/11. ECHA notice: [http://echa.europa.eu/news/pr/201108/pr\\_11\\_20\\_svhc\\_consultation\\_20110829\\_en.asp](http://echa.europa.eu/news/pr/201108/pr_11_20_svhc_consultation_20110829_en.asp)

**(See Above for more Conference Info)**

### REACH Registration Conference (September 30, 2011)

ECHA will hold a REACH registration conference on 09/23/11 during which ECHA will discuss what it learned during the 2010 registration procedure and highlight what went well and where improvements are needed to ease the way for the 2013 registration deadline. All REACH stakeholders are invited to attend, including non-EU countries. ECHA notice:

[http://ec.europa.eu/enterprise/newsroom/caf/itemlongdetail.cfm?item\\_id=5326&lang=en&tpa\\_id=122&displayType=calendar](http://ec.europa.eu/enterprise/newsroom/caf/itemlongdetail.cfm?item_id=5326&lang=en&tpa_id=122&displayType=calendar)

### TTB Issues Notice on Filing Claims of Damages from Disasters like Irene - Can Claim Refund or Credit for Federal Excise Taxes

The Alcohol and Tobacco Tax and Trade Bureau (TTB) issued a notice to wholesalers, importers, manufacturers, and others stating that businesses may file claims with the TTB for the payment (refund or allowance of credit) of Federal excise taxes paid on beverage alcohol or tobacco products lost, rendered unmarketable, or condemned by a duly authorized official under various circumstances, including where the President has declared a major disaster. Information to obtain further conditions on claims, and where to file claims, is described in the notice. TTB notice

[http://www.ttb.treas.gov/public\\_info/120068\\_disaster2005.shtml](http://www.ttb.treas.gov/public_info/120068_disaster2005.shtml)

*“See things as you would have them be instead of as they are.”*

-Robert Collier



## ECHA Issues Notice on Adding 20 Substances Potentially of High Concern -Seeks Comments-

The European Chemicals Agency (ECHA) published proposals to identify 20 chemicals as Substances of Very High Concern (SVHCs) and thus as possible candidates for authorization under the EU REACH Regulation. Comments are due 10/13/11. Under REACH, the ECHA is required to determine whether chemical substances proposed by member countries for consideration should be characterized as SVHCs. ECHA then:

- (1) places all those it characterizes as SVHCs on a "Candidate List";
- (2) prioritizes them according to the level of concern; and
- (3) recommends to the European Commission those which it thinks should be subject to REACH "authorization."

If subject to REACH authorization, a chemical substance may not be placed on the market or used in the EU unless an authorization is granted for its use. In addition to possibly being subject to REACH authorization, once a SVHC is included on the Candidate List, EU or EEA suppliers of these substances face certain consumer notification requirements. To facilitate its evaluation, ECHA seeks comments primarily on the hazardous properties that qualify the chemicals as SVHCs, as well as further information related to their uses, exposure, and availability of safer alternative substances or techniques. The names and potential uses of the 20 substances being considered for SVHC status have been posted to the ECHA website.

Summary of requirements: [http://echa.europa.eu/chem\\_data/authorisation\\_process/candidate\\_list\\_obligations\\_en.asp](http://echa.europa.eu/chem_data/authorisation_process/candidate_list_obligations_en.asp)

ECHA current "Candidate List" of 53 SVHCs: [http://echa.europa.eu/chem\\_data/authorisation\\_process/candidate\\_list\\_table\\_en.asp](http://echa.europa.eu/chem_data/authorisation_process/candidate_list_table_en.asp)

ECHA notice: [http://echa.europa.eu/news/pr/201108/pr\\_11\\_20\\_svhc\\_consultation\\_20110829\\_en.asp](http://echa.europa.eu/news/pr/201108/pr_11_20_svhc_consultation_20110829_en.asp)

## Canada Posts Information on Working Towards Seamless Border with United States

Canada recently released a report summarizing its consultations with Canadians on suggestions for the new Regulatory Cooperation Council announced by President Obama and Prime Minister Harper in February 2011 as part of their new "perimeter approach" to trade and security. In the report, Canadians seek mutual recognition of food safety systems, harmonization of various agricultural, energy efficiency and chemical regulations; alignment of toy safety standards; and mutual recognition of inspections and certification. A joint action plan on topics for the Regulatory Cooperation Council to address is expected this fall. Topics include:

-Agriculture and Food - mutually recognize food safety systems, align with the U.S. Food Safety Modernization Act (FSMA) requirements;

-Energy Efficiency, Chemicals - collaborate on energy efficiency standards & foster closer collaboration on climate policy;

-Transportation - Motor Vehicles: Mutual Recognition of Certification, Common 'Clean' Standards, establish a robust, enduring process to establish safety regulations that meet the needs of both countries;

-Health and Consumer Products - accept FDA-Approved Products, Recognize Good Manufacturing Processes

-Deem as acceptable in Canada and the U.S. consumer health products that meet U.S. Food and Drug Administration (FDA) and Health Canada requirements;

-Export Controls - align certain Export Control Exemptions, Cryptography Controls;

-Seamless C-TPAT/PIP & more Pre-Clearance are Canadian commenters' "perimeter" goals;

*(Continued below)*

-Simplify Shipment of Low-Value Goods; and

-Expand Joint IPR enforcement; grant Canadian Customs Officials more authority.

DFAIT press releases

(08/29/11) <http://www.international.gc.ca/media/aff/news-communiqués/2011/249.aspx?lang=eng&view=d> and <http://www.borderactionplan-plandactionfrontalier.gc.ca/psec-scep/index.aspx?lang=eng>

DFAIT notice: [http://www.borderactionplan-plandactionfrontalier.gc.ca/psec-scep/BBWG\\_Consultations\\_Report-Rapport\\_sur\\_les\\_consultations\\_du\\_GTPF.aspx?lang=eng](http://www.borderactionplan-plandactionfrontalier.gc.ca/psec-scep/BBWG_Consultations_Report-Rapport_sur_les_consultations_du_GTPF.aspx?lang=eng)

## CPSC Issues Statement Regarding Reorganization to Reduce Time Cargo Held at Ports

In her recent statement regarding reorganizational changes at the Consumer Product Safety Commission (CPSC), Chairman Tenenbaum reported that by making the Import Surveillance Division report directly to the Deputy Executive Director for Safety Operations, CPSC will be ensuring several benefits for importers. These include reducing the number of layers involved in import compliance, increasing efficiencies at the ports, decreasing the number of days CPSC holds cargo, and ensuring harmony and coordination in CPSC's overall approach to compliance operations. CPSC Chairman Tenenbaum statement (8/11/11)

## BIS Posts Updated List of Export Control and Compliance Training Sessions

The Bureau of Industry and Security (BIS) posted the following updated schedule for its export control and compliance training outreach efforts:

-**September 13-14** - Smithfield, RI - Complying with U.S. Export Controls

-**September 21-22** - Santa Clara, CA - How To Develop an Export Management and Compliance Program

*(Continued above)*

-**October 4-5** - Harrisburg, PA - Complying with U.S. Export Controls

-**November 29-30** - Austin, TX - Complying with U.S. Export Controls

-**December 7-8** - Salt Lake City, UT - Complying with U.S. Export Controls

-**December 7-8** - Newark, NJ - Complying with U.S. Export Controls

## CPSC Posts Information on North America Summit on Supply Chain, Safety Issues (Live Webcast Available)

The Consumer Product Safety Commission (CPSC) posted the agenda, background information, and registration forms for the first North America Consumer Product Safety Summit to be held September 26-27, 2011 at CPSC Headquarters in Bethesda, MD. The summit will include speeches by heads of all three consumer product safety agencies (U.S., Mexico, and Canada) as well as speeches by officials from U.S. Customs and Border Protection (CBP) and the White House. According to CPSC, the panel sessions cover the following topics:

1. Managing Global Supply and Distribution Chains to Protect Consumers
2. Emerging Product Safety Issues and the Importance of International Coordination
3. Managing Consumer Product Safety Requirements in Multiple Jurisdictions
4. Private Sector Efforts on Standards Alignment

A press session and signing of a Memorandum of Understanding will also be included.

Registration is required for those who plan to attend in person. The public sessions will be webcast live for those who cannot attend in person, available

at: <http://www.cpsc.gov/webcast>

CPSC

notice: <http://www.cpsc.gov/businfo/intl/summit2011.html>

## AMS Issues Final Rule Increasing Cotton Taxes and Expanding HTS Numbers Affected - Effective 9/30/11

The Agricultural Marketing Services (AMS) issued a final rule amending the Cotton Board Rules and Regulations to increase the supplemental assessment rate for imported cotton. This final rule also revises the textile trade conversion factors used to determine the raw fiber equivalents of imported cotton-containing products and expands the number of HTS numbers subject to assessment. This final rule is effective 09/30/11. As reported, this rule increases the value assigned to imported cotton for the purposes of calculating the supplemental portion of the assessments collected for use by the Cotton Research and Promotion Program. AMS reports that this adjustment is required to ensure that assessments collected on imported raw cotton and the cotton content of imported cotton-containing products are the same as assessments collected on domestically produced cotton. Therefore, the new value of imported cotton has been increased by approximately 14% to \$0.012665 per kilogram of imported cotton from its current value of \$0.010880 per kilogram. According to AMS, this increase reflects the increase in the weighted average price of Upland cotton received by U.S. farmers for Upland cotton for the calendar year 2010. The final rule also revises the textile trade conversion factors used to determine the raw fiber equivalents of imported cotton-containing products that appears in the Import Assessment Table (7 CFR 1205.510(b)(iii)) to reflect updated textile technologies and to more accurately estimate the amount of cotton contained in cotton-containing imports. AMS advised that this will assure a more fair and accurate assessment of imported cotton-containing products. As requested by the Cotton Board, this final rule expands the number of HTS numbers from the current 706 to 2,371 so that the program collects close to 100% on imported cotton and cotton-containing products, as it does with the domestic producer assessment. AMS notes that importers with line-items appearing on U.S. Customs and Border Protection (CBP) documentation with value of the cotton contained therein resulting in an assessment of two dollars (\$2.00) or less will not be subject to assessments.

*(Continued above)*

In addition, imported cotton and products may be exempt from assessment if the cotton content of products is U.S. produced, cotton other than Upland, or imported products that are eligible to be labeled as 100% organic under the National Organic Program (7 CFR 205) and which are not a split operation. AMS reports that a comment it received on its June 2011 proposed rule questioned the list of HTS numbers as some were categorized in the HTS as containing only man-made fibers. AMS agrees that there is a possibility of select import products identified as containing cotton actually being composed of 100% man-made fibers. AMS states that the cotton regulations in 7 CFR 1205.336 provides for a remedy. If an importer has paid assessments and can prove that such assessments were made on fiber other than Upland cotton, the importer has the right to request and receive a reimbursement from the Cotton Board.

AMS Contact – Shethir Riva (540) 361-2726  
[Shethir.Riva@ams.usda.gov](mailto:Shethir.Riva@ams.usda.gov)

AMS FR Notice

<http://www.gpo.gov/fdsys/pkg/FR-2011-08-31/pdf/2011-22159.pdf>

## Census Trade Newsletter Announces End of Printed Schedule B (Will Only be Available Online)

Census Bureau's July 2011 Trade Source newsletter reported that starting with the January 2012 edition Schedule B will no longer be published and sold through the Government Printing Office (GPO). Census advised that the online Schedule B is updated annually. The current 2011 version can be searched, browsed, and downloaded for free; and is available on the Foreign Trade Web site at [www.census.gov/scheduleb](http://www.census.gov/scheduleb) Schedule B numbers are also provided as a lookup table in the Automated Export System (AES) products, AESDirect and AESPcLink. In addition, Schedules C and D used to be revised and reprinted as Volume II of the Schedule B manual. These reference codes are now maintained on a more frequent basis on Census' Foreign Trade Web site at [www.census.gov/foreign-trade/reference/codes/index.html](http://www.census.gov/foreign-trade/reference/codes/index.html)

July 2011 issue of TradeSource:

[http://www.census.gov/foreign-trade/aes/tradesource\\_july2011.pdf](http://www.census.gov/foreign-trade/aes/tradesource_july2011.pdf)

## Gibson Guitar Corporation Issues Press Release on Raid by Department of Justice over Alleged Lacey Act Violations

Recently Gibson Guitar Corp. issued a press release to announce that the Justice Department (DOJ) raided and temporarily shut down two Gibson facilities in the Department's enforcement of the Lacey Act Amendments. According to Gibson, the Justice Department has suggested that Gibson's use of wood from India that is not finished by Indian workers is illegal. The 2008 Lacey Act Amendments made it unlawful to import, export, transport, sell, receive, acquire, or purchase in foreign commerce a broad range of plants, as well as plant products, with some limited exceptions, taken or traded in violation of the laws of other countries. The amendments also implemented an import declaration requirement. On 08/24/11, federal agents executed four search warrants on Gibson's facilities in Nashville and Memphis, Tennessee and seized several pallets of wood, electronic files and guitars. Gibson had to cease its manufacturing operations and send workers home for the day, while agents executed the search warrants. Gibson reports that it has fully cooperated.

According to Gibson, DOJ has suggested that the use of wood from India that is not finished by Indian workers is illegal due to its interpretation of Indian law. However, Gibson advises that this action was taken without the support and consent of the government in India. Gibson reports that the wood the government seized is from a Forest Stewardship Council (FSC) certified supplier and is FSC Controlled (compliant with FSC standards). FSC Controlled Wood standards require, among other things, that the wood not be illegally harvested and not be harvested in violation of traditional and civil rights. Gibson notes this is the second time federal agents have raided Gibson facilities and disrupted production. In 2009, a Gibson factory in Nashville was raided where the Government seized guitars and ebony fingerboard blanks from Madagascar. However, no criminal charges have yet been filed. Gibson notes it has obtained sworn statements and documents from the Madagascar government, which show that the wood seized in 2009 was legally exported under Madagascar law and that no law has been violated. DOJ press release (8/25/11):

<http://www.gibson.com/absolutenm/templates/FeatureTemplatePressRelease.aspx?articleid=1340&zoneid=6>

## GAO Posts Report on DHS Radiation Portal Testing Issues

The Government Accountability Office (GAO) issued a report on the challenges the Department of Homeland Security (DHS) has faced in managing testing and evaluation of major acquisitions, including U.S. Customs and Border Protection's Advanced Spectroscopic Portal (ASP) program. ASP is an effort to develop and deploy technologies to allow CBP to detect nuclear or radiological materials from conveyances, such as trucks, entering the U.S. at land and sea ports of entry. According to GAO, ASP has not yet had an independent assessment of its test results despite reports by GAO that tests conducted by the Domestic Nuclear Detection Officer (DNDO) used biased test methods and non-objective assessment. Without an independent assessment of ASP's operational test results, GAO says it will be difficult to ensure that operational testing was properly planned, conducted, and that the performance results are useful. In addition, arranging for an independent assessment of operational tests results could provide critical information to help it determine whether ASP should be approved for purchase and implementation.

As reported, the DHS' fiscal year 2012 budget request issued in February 2011 included \$37 million to fund the procurement and deployment of 44 ASP systems. However in March 2011, DHS told Congress that it was scaling back its development of ASP monitors. The report also discussed the Secure Border Initiative Network (SBINet). Even though Secretary of Homeland Security Napolitano directed CBP to end SBINet as originally conceived in January 2011 and to develop a new border technology deployment plan, limited deployments of SBINet technology remained deployed and operational in Arizona.

GAO-11-596 (June 2011)

<http://www.gao.gov/new.items/d11596.pdf>

## CBP Bulletin 8/17/11

### “Draft Agenda for WCO Harmonized System Committee”

U.S. Customs and Border Protection (CBP) posted CBP Bulletin (Vol. 45, No. 34); CBP published the draft agenda for the forty-eighth session of the Harmonized System (HS) Committee of the World Customs Organization, which will meet in Brussels, Belgium from September 20, 2011 to September 29, 2011.

As reported, items listed on the agenda for the 48th session include the classification of:

- textiles in combination with plastics
- tablet computers
- mouse pads
- X Rocker II Gaming Chair
- certain chemical products used for lithium ion batteries
- spare cartridges for electronic cigarettes
- certain tripods
- synthetic rubber products
- shrimp wonton products
- car-assembly sets
- boxes made of soapstone
- EN amendment on ethyl alcohol

In addition, the 48th session's agenda includes a progress report on the implementation of HS 2012, an annual survey to determine the percentage of national revenue represented by Customs duties. The HSC is composed of representatives from each of the contracting parties to the Harmonized System Convention. The HSC's responsibilities include issuing classification decisions on the interpretation of the Harmonized System.

*(Continued above)*

Those decisions may take the form of published tariff classification opinions concerning the classification of an article under the Harmonized System or amendments to the Explanatory Notes to the Harmonized System. The HSC also considers amendments to the legal text of the Harmonized System. The HSC meets twice a year in Brussels, Belgium.

CBP Contact: Joan Jackson (202) 325-0010

ITC Contact: David Beck (202) 205-2592

CBP notice (8/17/11):

[http://www.cbp.gov/linkhandler/cgov/trade/legal/bulletins/decisions/bulletins\\_2011/vol45\\_08172011\\_no34/generalnotices34.ctt/generalnotices34.pdf](http://www.cbp.gov/linkhandler/cgov/trade/legal/bulletins/decisions/bulletins_2011/vol45_08172011_no34/generalnotices34.ctt/generalnotices34.pdf)

### EU Publishes Regulation to Amend Aviation Security Rules for Air Cargo and Mail

A reported in the 08/25/11 edition of the European Union's Official Journal, the European Commission published a regulation to amend a previous EU Regulation (No 185/2010) on the common basic standards on aviation security. This previous regulation did not contain rules for cargo and mail being carried to EU airports from third countries. The Commission reports it is necessary to introduce such rules in order to protect civil aviation carrying such cargo from acts of unlawful interference. With this new regulation, the EU will give consideration to cooperation and partnership agreements between the EU or individual Member States and third countries that provide a basis for guaranteeing proper implementation of aviation security standards. The regulation will apply from February 1, 2012. EU news release: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ%3AL%3A2011%3A220%3A0009%3A0015%3AEN%3APDF>

## ITA Creates Web Tool for Tariff and Trade Data for Current and Pending FTAs

The International Trade Administration (ITA) made available on the [Export.gov](http://Export.gov) web site a FTA Tariff Tool, which allows users to see how U.S. and free trade agreement (FTA) partner tariffs on individual products, searchable by keyword or tariff code, are treated under an FTA. Users can also see the current tariff and future tariffs applied to their products, as well as the date on which those products become duty-free. In addition, by combining sector and product groups, trade data, and the tariff elimination schedules, users can also analyze how various key sectors are treated under recently concluded FTAs. ITA explains the FTA Tariff Data Tool is a database with all of the rates the U.S.' Free Trade Agreement (FTA) or Trade Promotion Agreement (TPA) partners have committed to implementing and maintaining. Additionally, the database includes the proposed tariff rates for Korea, Panama, and Colombia. To use the FTA Tariff Tool, one will need to know the product's Harmonized Tariff Schedule (HTS) number, and whether the product meets the FTA rule of origin.

According to the ITA, the current limitations to the FTA Tariff Tool is it only covers "industrial good" products, but not agriculture or textile goods, it only includes trading partners with which the U.S. has a trade agreement, and product descriptions for tariff schedules not published in English are in a foreign language, such as Spanish or French. ITA reports that the development of the FTA Tariff Tool will be ongoing, with plans underway to incorporate agriculture and textile information. Trade data will be updated on an annual basis and future trade agreements will be incorporated as they are negotiated.

FTA Tariff Tool, instructional video, quick start guide, and user's manual:

<http://export.gov/FTA/FTATariffTool/>

## USTR Announces New Web Directory Service for Textile/Apparel CAFTA-DR Sourcing

The Office of the U.S. Trade Representative (USTR) issued a press release on the DR-CAFTA Sourcing Directory, a new online tool that was presented at the MAGIC textile trade show on 08/22/11. The directory is meant to build better connections between textile buyers and manufacturers in DR-CAFTA countries and attract increased sourcing of textiles and apparel to the Western Hemisphere. USTR reports that this website currently indicates it is in beta form. The directory allows company searches for apparel manufacturers, input manufacturers, and extra regional vendors. Products that can be searched are listed as including apparel, equipment, and services. Directory's website: <http://www.ustr.gov/about-us/press-office/press-releases/2011/august/new-online-tool-will-support-american-jobs-textile>