



EIB World Trade Headlines

Evolutions In Business • www.eib.com • (978) 256-0438
Fax: (978) 250-4529 • P.O. Box 4008, Chelmsford, MA 01824

April 15, 2020 - Volume 12, Issue 7



Border Patrol Agent, Wife Donate Hundreds of Handmade Masks to Essential Personnel

Release Date:
April 17, 2020

EL CENTRO, Calif. – Imperial Valley natives Ricardo Ruedas and his wife Alejandra have donated hundreds of handmade masks to essential personnel to help protect against the COVID-19 virus.

Ricardo, a Border Patrol agent out of El Centro Sector and his wife Alejandra, a nursing school graduate, who owns and operates an online cake business, combined their passion for helping others and their sewing skillset in order to make masks for the community during this pandemic crisis. “We have family and friends that work in the local hospitals and we coordinated with them to find out who was in need,” said Ricardo. “We felt the necessity to help those who help others. I learned to sew out of necessity when I was younger, and my wife just recently taught herself from online videos.”

*(*Continued On The Following Page)*

NEWSLETTER NOTES

- * Border Patrol Agent, Wife Donate ...
- * US State Department DDTC
- * Trump Slams 3M for Reportedly ...
- * FCC Should Ban China Telecom Over ...
- * DEPARTMENT OF STATE 22 CFR Parts ...
- * Intel: Trump administration vows to expedite ...
- * Senators Urged Additional Review of ...
- * Brazil - U.S. Joint Statement on Enhancement ...
- * CBP Officers Seize Commercial ...
- * British man charged with shipping ...
- * 2 historic Khmer statues returned to Cambodia
- * NATIONAL TRADE...
- * CBP/FEMA joint statement on Defense Production Act for PPE

The couple began by making masks for their immediate family and quickly realized they could continue constructing them to donate to help combat the spread of the coronavirus. Alejandra explained that their mission is to provide masks to essential personnel like nurses, doctors, pharmacies, local retail personnel and individuals that are at high risk. Their inspiration came from similar stories from across the nation and the generosity of the local community in lending them sewing equipment and donating fabric to the cause. The Ruedas family strongly believes that everyone has a responsibility in protecting the community from this pandemic.

“Agent Ruedas and his wife are doing a wonderful service for the first responders as well as the local communities here in the Imperial Valley,” said Chief Patrol Agent Gregory K. Bovino. “I commend them both for their selfless contribution in the fight against the spread of this dangerous virus.”

The masks are constructed using a three different layers of material including Halyard H600 two-ply spun polypropylene that cannot be penetrated by water, bacteria or particles. The couple have made and handed out over two hundred masks free of charge. The couple work on the masks on their off time. Ricardo helps after his long shift and Alejandra has put a hold on her online cake business to make the masks. They plan to continue to manufacture the mask for as long as they can.

U.S. Customs and Border Protection is the unified border agency within the Department of Homeland Security charged with the management, control and protection of our nation's borders at and between official ports of entry. CBP is charged with securing the borders of the United States while enforcing hundreds of laws and facilitating lawful trade and travel.

Last modified:
April 17, 2020



US State Department DDTC

Update on Status of Operations

As of Wednesday March 18, 2020, the Directorate of Defense Trade Controls (DDTC) continues its core mission activities across its Licensing, Compliance, Policy, and Management functions. However, staffing and other adjustments across the Department and interagency are being made in accordance with OPM (<https://www.opm.gov/policy-data-oversight/covid-19/>) and other guidance.

For Licensing, all electronic application systems are currently in normal operational mode, and new licenses continue to be accepted for processing. However, industry is advised of the likelihood of longer than normal processing times due to a reduction in the availability of staff in multiple organizations to review applications.

Enrollment and registration requests are still operating via the DECCS system and are being processed as they are submitted: https://www.pmdtcc.state.gov/ddtc_public?id=ddtc_public_portal_business_landing

Commodity Jurisdiction and General Correspondence requests continue to be processed, but responses may be delayed by this current operational environment.

In the current operating environment, the Office of Defense Trade Controls Compliance (DDTC) has established a new option for industry to submit disclosures and related information pursuant to ITAR Section 127.12. Persons submitting a disclosure and/or related information (e.g., exhibits, extension requests, responses to DTCC inquiries) are encouraged to send such information via email to DTCC-CaseStatus@state.gov. Please email material on company letterhead and in PDF format. It is not necessary to send a duplicate hardcopy to DTCC through the mail. In the event that a disclosure cannot be submitted via email, please use regular U.S. mail to send a hardcopy to DTCC following the normal submission process.

Both the DDTC Help Desk (IT issues) and DDTC Response Team (forms, data processing, regulations) are running at full capacity (https://www.pmdtcc.state.gov/ddtc_public?id=ddtc_public_portal_contact_us) to address inquiries from industry. We will continue to post updates on our operational status, should it change, to the DDTC website.

Notice: IT Systems 04/17/20 Outage Notice
The Defense Export Control and Compliance (DECCS) Registration application will be unavailable to industry from 6:00 AM (EST) through 8:00 AM (EST) Friday, April 17 for scheduled system maintenance. Please ensure work in progress is saved prior to the scheduled downtime.

Trump Slams 3M for Reportedly Selling Medical Masks to Foreign Governments

President Trump took 3M to task on Thursday night for the company's decision to sell medical masks to foreign governments while the United States struggles to provide masks to its own medical workers on the frontlines of the coronavirus pandemic. The president announced at the White House press briefing on Thursday that he had invoked the Defense Production Act to direct the Department of Homeland Security and FEMA to obtain masks from 3M.

Authorized distributors for 3M are reportedly filling orders from cash buyers representing foreign governments, Jason Moskowitz, the Director of the Florida Division of Emergency Management, told Tucker Carlson in an interview on Fox News. Texas Congressman Lance Gooden has called on 3M's distributors to immediately stop the export of face masks to foreign countries.

President Trump tweeted on Thursday that he invoked the Defense Production Act after learning that face masks were being sold to foreign governments, warning the company they "will have a big price to pay!"

The Secretary, through the Administrator of the Federal Emergency Management Agency (Administrator), shall use any and all authority available under the Act to acquire, from any appropriate subsidiary or affiliate of 3M Company, the number of N-95 respirators that the Administrator determines to be appropriate," a White House memorandum directed on Thursday.

The president previously invoked the Defense Production Act against General Motors, requiring the company to prioritize the production of ventilators.

The Wall Street Journal describes 3M's N95 masks as the "gold standard" for medical workers and public health officials. The company is based in Minnesota and first started producing modern disposable face masks in the 1960s.

FCC Should Ban China Telecom Over National Security Risks, Justice Department-Led Review Says

Several federal agencies, including the Departments of Justice and Homeland Security, on Thursday have called on the Federal Communications Commission to revoke China Telecom's authorization to provide service in the United States.

Six executive branch agencies—the Departments of Justice, Homeland Security, Defense, State and Commerce, along with the United States Trade Representative—unanimously recommended that the Chinese state-owned telecommunications company be blocked from providing international services involving the United States.

"Today, more than ever, the life of the nation and its people runs on our telecommunications networks," said John C. Demers, Assistant Attorney General for National Security said in a press release. "The security of our government and professional communications, as well as of our most private data, depends on our use of trusted partners from nations that share our values and our aspirations for humanity. Today's action is but our next step in ensuring the integrity of America's telecommunications systems."

The relationship with China Telecom endangers national security and law enforcement, according to the agencies. The recommendation alleges that China Telecom inaccurately represented itself to both the public as well as the U.S. government. According to the report, the agencies are concerned about the People's Republic of China's (PRC) "role in malicious cyber activity targeting the United States" and that "China Telecom is vulnerable to exploitation, influence and control by the PRC government."

The report was the result of an April 4 executive order that established the Committee for the Assessment of Foreign Participation in the United States Telecommunications Services Sector. Previously, the Departments of Justice, Defense and Homeland Security were operating as an ad hoc committee called Team Telecom. The committee has oversight when it comes to FCC applications from foreign telecommunications companies.

DEPARTMENT OF STATE 22 CFR Parts 121, 123, 124, 126, and 129

[Public Notice 11078] International Traffic in Arms Regulations: U.S. Munitions List Categories; Preliminary Injunction Ordered by a Federal District Court

AGENCY: Department of State.

ACTION: Notification of preliminary injunction.

SUMMARY: The U.S. Department of State (the Department) is issuing this document to inform the public of a preliminary injunction ordered by a Federal district court on March 6, 2020, affecting the Department.

DATES: The court order was effective March 6, 2020.

FOR FURTHER INFORMATION CONTACT: For technical questions only: Sarah Heidema, Office of Defense Trade Controls Policy, Department of State, telephone (202) 663-2809; email DDTCTPublicComments@state.gov.

SUPPLEMENTARY INFORMATION: On January 23, 2020, the Department published a final rule in the Federal Register at 85 FR 3819 that amends the International Traffic in Arms Regulations (ITAR) to revise Categories I, II, and III of the U.S. Munitions List (USML) and removes certain items that no longer warrant control. On the same date, the Department of Commerce published a companion final rule in the Federal Register at 85 FR 4136 that makes conforming changes to the Export Administration Regulations (EAR) to control the items removed from the USML.

The final rules were to be effective March 9, 2020. On January 23, 2020, several U.S. States filed a lawsuit in the United States District Court for the Western District of Washington (Civil Action No. 2:20-cv-00111) seeking a court order to prohibit the Departments of State and Commerce from implementing or enforcing the final rules described VerDate Sep<11>2014 16:30 Apr 01, 2020 Jkt 250001 PO 00000 Frm 00033 Fmt 4700 Sfmt 4700 E:\FR\FM\02APR1.SGM 02APR1 jbell on DSKJLSW7X2PROD with RULES 18446 Federal Register / Vol. 85, No. 64 / Thursday, April 2, 2020 / Rules and Regulations above. Plaintiff States subsequently filed a motion for a preliminary injunction.

*(*Continued On The Following Column)*

On March 6, 2020, the District Court issued an “Order Granting in Part Plaintiff States’ Motion for Preliminary Injunction.” This order states that the Department of State is enjoined “from implementing or enforcing the regulation entitled International Traffic in Arms Regulations: U.S. Munitions List Categories I, II, and III, 85 FR 3819 (Jan. 23, 2020) insofar as it alters the status quo restrictions on technical data and software directly related to the production of firearms or firearm parts using a 3D-printer or similar equipment.” The Department of State is complying with the terms of this order. All persons engaged in manufacturing, exporting, temporarily importing, brokering, or furnishing defense services related to “technical data and software directly related to the production of firearms or firearm parts using a 3D-printer or similar equipment” must continue to treat such technical data and software as subject to control on the USML. All other items addressed in the final rules were transferred from the jurisdiction of the Department and the USML to the Department of Commerce and the Commerce Control List (CCL) on March 9, 2020.

Any further guidance and updates regarding the subject litigation will be posted on the DDTCT website (pmdctc.state.gov) on an ongoing basis.

Michael F. Miller,
Deputy Assistant Secretary of State for
Defense Trade Controls.
[FR Doc. 2020-05933 Filed 4-1-20; 8:45 am]

Intel: Trump administration vows to expedite review of COVID-19 equipment for Iran

WANA (West Asia News Agency)/Ali Khara via REUTERS
A patient with the coronavirus lies in bed in the ICU at Sasan Hospital, Tehran, Iran, March 30, 2020.
The US Treasury Department vowed today to prioritize and expedite the review of humanitarian license requests to send medical equipment to Iran to treat COVID-19 patients.

Amid mounting criticism that the US sanctions regime has hindered medical trade with Iran, the Treasury Department vowed in a fact sheet today to quickly examine license requests for vital hospital equipment such as oxygen generators, full face respirators, diagnostic medical imaging equipment and “certain decontamination equipment.”

*(*Continued On The Following Page)*

Why it matters: The Donald Trump administration issued a general humanitarian license for medical and agricultural trade with the Iranian Central Bank as the coronavirus pandemic gripped Iran earlier this year — after a counterterrorism designation last year effectively cut off exemptions for humanitarian exchanges.

But human rights groups and sanctions critics have noted that some equipment that Iranian hospitals need to fight the coronavirus requires special licenses. The Treasury Department fact sheet acknowledged that these items require specific licenses “on a case-by-case basis due to concerns about potential end use of these specific items.”

What’s next: The expedited license reviews are unlikely to appease Democrats, who have called on the Trump administration to do more to allow COVID-19 assistance for Iran, which has reported almost 78,000 coronavirus infections and nearly 5,000 deaths so far.

Sen. Chris Murphy, D-Conn., and 10 Senate Democrats called on the Trump administration last month to instead issue “a clear general license authorizing specific medical goods and equipment to facilitate international relief efforts” in lieu of the case-by-case reviews.

Read more: <https://www.al-monitor.com/pulse/originals/2020/04/intel-trump-review-covid19-coronavirus-iran-sanctions-export.html#ixzz6Jyh1q0ff>

Senators Urged Additional Review of Smithfield’s Sale to Shuanghui

11:53 a.m. | Updated

A bipartisan group of senators urged the Treasury Department on Thursday to strengthen a national security review of the \$4.7 billion sale of Smithfield Foods to a Chinese meat processor by adding additional regulators to a panel of agencies considering the deal.

The group of 15 senators wrote a letter to Treasury Secretary Jacob J. Lew, who oversees the Committee on Foreign Investments in the United States, to add the Agriculture Department and the Food and Drug Administration to the group.

The letter was signed by most members of the Senate Agriculture Committee, led by its chairwoman, Debbie Stabenow, Democrat of Michigan, and its ranking member, Thad Cochran, Republican of Mississippi.

*(*Continued On The Following Column)*

The letter is the latest sign of political discomfort with the sale of Smithfield to Shuanghui International, one of China’s biggest meat processors. While both companies have said repeatedly that the transaction poses no national security risk to the United States — the merger being spurred by a desire to export more American pork to China, not the other way around — many lawmakers have remained skeptical that food safety standards here will not be compromised.

The deal is already under review by the committee, commonly known as Cfius, which is charged with ensuring that an investment by a foreign entity does not pose risks to American security. It has historically been considered tough in its consideration of transactions in industries like energy, technology and aerospace, but has little precedent in examining food deals.

But the senators wrote in their letter that the Smithfield deal required extra scrutiny.

“Any Cfius review of this transaction should look beyond any direct impact on government agencies and operations to the broader issues of food security, food safety and biosecurity,” the group wrote.

The senators also questioned how Cfius would review similar food deals in the future.

Smithfield said in a statement that it welcomes a full review of the transaction. The company has begun the national security review process, and has already met with Ms. Stabenow to address her concerns.

“We believe the proposed combination does not present any national security concerns, is good for U.S. farmers and agriculture and will advance U.S.-China relations,” the company said. “We will continue to provide Congress and Cfius with all the information requested to allow a full and timely review of the combination.”

A spokesman for Shuanghui declined to comment.

Three senators on the Agriculture Committee — Mitch McConnell of Kentucky, Saxby Chambliss of Georgia and John Thune of South Dakota, all Republicans — did not sign onto the committee. At least one, Mr. Thune, is still gathering information about the transaction, according to a person briefed on the matter.

Brazil - U.S. Joint Statement on Enhancement of Bilateral Economic and Trade Partnership

Washington, DC - On April 9, the U.S. Trade Representative and Brazil's Foreign Minister and other senior officials, held a teleconference to discuss US-Brazil trade relations. On April 16, high-level representatives from the USTR and from Brazil's Ministries of Foreign Affairs, Economy, and Agriculture discussed the implementation of an ambitious economic and trade agenda between Brazil and the United States as agreed by Presidents Jair Bolsonaro and Donald Trump in their meeting at Mar-A-Lago, on March 7, 2020. This shared vision and the goals established by the two Presidents point towards a transformative and strategic engagement between both countries in their trade and economic partnership.

Both countries agreed to accelerate their ongoing trade dialogue under the Brazil-U.S. Commission on Economic and Trade Relations (ATEC) with a view to concluding in 2020 an agreement on trade rules and transparency, including trade facilitation and good regulatory practices. They also agreed to engage in domestic consultations, consistent with each country's domestic procedures, to solicit input on how best to expand trade and develop the bilateral economic relationship.

The ATEC Commission will remain the locus for further engagement, through frequent contacts and meetings, in order to advance in the short-term agenda as well as in the preparatory work towards a deeper partnership.

CBP Officers Seize Commercial Shipment Of Unlabeled Hand Sanitizer

EL PASO, TEXAS – U.S. Customs and Border Protection Officers working at the Bridge of the Americas international crossing intercepted a large shipment of an unlabeled gel product April 15. The person transporting the goods claimed the product was hand sanitizer.

The seizure was made just after 8 p.m. when a U.S. citizen driving a car arrived from Mexico. The traveler declared a personal use quantity of hand sanitizer to the CBP officer working the primary inspection area.

CBP conducted a secondary exam and found 2,205 unlabeled bottles in the vehicle. They also found 1,000 unmarked/unlabeled masks. The entire shipment was deemed a commercial quantity and was seized. The traveler was interviewed and released.

“Without proper labeling the contents of the bottles could not be verified and therefore could pose a health and safety risk to the ultimate consumer,” said CBP El Paso Director of Field Operations Hector Mancha. “CBP does enforce many laws that are designed to protect the American public.”

British man charged with shipping mislabeled and unapproved 'treatments' for patients suffering from COVID-19

LOS ANGELES – A British man was named today in a federal criminal complaint that charges him with smuggling into the United States mislabeled drugs purported to be a treatment for those suffering from COVID-19, the disease caused by the novel coronavirus.

Frank Richard Ludlow, 59, of West Sussex, United Kingdom, was charged with one count of introducing misbranded drugs into interstate commerce, a felony offense that carries a statutory maximum sentence of three years in federal prison.

This case was jointly investigated by U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI) Los Angeles and the Food and Drug Administration's Office of Criminal Investigations, with assistance from U.S. Customs and Border Protection and the U.S. Postal Inspection Service.

According to an affidavit filed with the complaint, beginning on March 1, as the coronavirus global health crisis worsened, Ludlow repackaged preexisting “Trinity Remedy” kits as “Trinity COVID-19 SARS Antipathogenic Treatment” kits, even though the kits had not been approved by the U.S. Food and Drug Administration to treat COVID-19 – or for any other use.

Every major health authority has warned that there is no specific antiviral treatment for COVID-19 and no vaccine to prevent coronavirus infection. New drugs may not be legally introduced or delivered for introduction into interstate commerce without prior FDA approval.

“Hucksters who hawk ‘treatments’ for this deadly disease put consumers’ lives at risk by peddling unapproved drugs,” said Nick Hanna, U.S. Attorney for the Central District of California. “We are aggressively investigating all types of criminal activity associated with the current health emergency, and anyone attempting to cheat the public during this time will face severe penalties.”

“Drugs and medical devices are strictly regulated in order to protect the American consumer,” said David A. Prince, Special Agent in Charge for HSI Los Angeles. “Individuals who circumvent those regulations potentially expose patients to unsafe products that could cause serious harm. HSI will continue to target those whose actions put the health and safety of our citizens at risk.”

*(*Continued On The Following Page)*

Ludlow, who is not a doctor, allegedly smuggled the kits from the United Kingdom to the United States by shipping mislabeled parcels containing the kits to individuals in California and Utah. Ludlow's business relationship with his Utah connection dates back to May 2017 when he sold her "Trinity Remedy," a "miracle cure" for her severe medical issues, the affidavit states.

This "cure" – later rebranded as "Trinity Mind, Body & Soul" – allegedly contained vitamin C, an enzyme mix, potassium thiocyanate, and hydrogen peroxide. Consumers were instructed to add 18 ounces of water, say a prayer, drink half of the solution, take a probiotic along with bee pollen, and then ingest the remainder of the solution, according to the affidavit.

Between May 2017 and March 2020, Ludlow sold his Utah connection between 300 and 400 of these "treatments" for \$50 per kit, many of which she gave away, but some of which she sold for as much as \$200, the affidavit states.

"The FDA is actively and aggressively monitoring for unproven COVID-19 products including those attempting to be imported into the country— as part of our ongoing efforts to protect Americans during this pandemic. Unproven health claims, tests, and medical products can pose serious health risks and may keep people from seeking care or delay necessary medical treatment," said Catherine A. Hermsen, Assistant Commissioner for Criminal Investigations, FDA Office of Criminal Investigations. "The FDA will continue to take appropriate action to protect consumers from bad actors who take advantage of a pandemic to increase their profits while jeopardizing the public health."

In February or March of 2020, Ludlow began selling kits named "Trinity COVID-19 SARS Antipathogenic Treatment," and these kits had the same ingredients as "Trinity Mind, Body & Soul," according to court documents. Ludlow allegedly shipped the kits from the United Kingdom to Ogden, Utah and to the Forestville, California home of the Utah woman's boyfriend. Ludlow allegedly also shipped kits to the Draper, Utah home of his Utah connection's parents. Federal law enforcement intercepted the kits before they reached their intended destinations.

On March 23, British law enforcement arrested Ludlow and charged him with violating drug laws. He remains in custody in the United Kingdom.

This case is being prosecuted by the U.S. Attorney for the Central District of California's Environmental and Community Safety Crimes Section.

2 historic Khmer statues returned to Cambodia

WASHINGTON – U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI), in conjunction with the U.S. Department of State and Cambodia Ministry of Culture and Fine Arts, returned two Khmer statues to Cambodia during a repatriation ceremony at the National Museum of Cambodia April 3.

"In today's world, the theft and trafficking of another country's priceless and irreplaceable national treasures is a global concern that requires cooperation and understanding between nations," said HSI Cambodia Attaché Russell Bash. "As a federal law enforcement agency with a global reach, HSI is a leader in investigating crimes involving the illicit importation and distribution of cultural property, and this shows our commitment to deny criminals the financial incentives that motivates their behavior and return the Khmer statues to their rightful home." The first item is an 11th Century sandstone Khmer statue torso of the Khleang style wearing a Khmer sampot, a traditional garment of Cambodia. The statue was part of an administrative seizure in 2017, when HSI San Francisco received information regarding the sale at an auction house in California. The auction house owner said the piece was imported in 1992 with a certificate of authenticity issued in Bangkok, Thailand, which identified the item as "Body of Khmer in Angkor Wat." The antiquity expert determined the statue had a fair market value of \$75,000.

The second item, dated between the early 10th to late 10th century, is a large gray sandstone Khmer statue torso of an unidentified deity. The item was a part of a criminal seizure in September 2005, when the Department of Homeland Security, U.S. Customs and Border Protections and HSI Los Angeles confiscated it from a partial shipment of goods that arrived in the United States from Thailand. Experts value this statue at about \$120,000.

"On every return of Khmer artifacts from abroad, it is a testament to the fact that a full cooperative and peaceful partnership exists, the result of efforts by the Royal Government of Cambodia and United States government, to make possible the return of the statues that have left the country," said Cambodian Minister of Culture and Fine Arts Dr. Phoeurng Sackona.

In 2018, Cambodia signed a historical memorandum of understanding with the United States titled "The Imposition of Import Restrictions on Categories of Archeological Material of Cambodia." The agreement aims to reduce the incentive for the pillage of irreplaceable archaeological materials representing Cambodia's rich cultural heritage.

(*Continued On The Following Page)

“As we celebrate the 70th anniversary of the establishment of U.S. – Cambodia diplomatic relations, today’s return of these two statues serves as a reminder of what our two countries have achieved together,” said U.S. Ambassador to Cambodia W. Patrick Murphy.

During the repatriation ceremony, the government of Cambodia presented HSI a letter of appreciation extending profound gratitude and appreciation for the agency’s assistance repatriating the two Khmer Statues.

“The attention to details exemplifies the U.S. government agencies’ professionalism and serves as a model for cooperation of experts worldwide in the efforts to stop the illegal trade of precious and irreplaceable patrimony of the Kingdom of Cambodia. The work of the U.S. embassy in coordination with Homeland Security not only protects cultural heritage, but also reinforces the UNESCO 1970 Convention on the Means of Prohibiting and Preventing the Illicit Import Export and Transfer of Ownership of Cultural Property,” said Sackona.

HSI’s International Operations, through its 80 offices in 53 countries, works closely with foreign governments to conduct joint investigations, and is committed to pursuing a strategy to combat transnational organized crime related to the illicit trafficking of cultural artifacts by targeting high-priority organizations and strengthening international law enforcement partnerships.

ICE has recovered and returned approximately 12,500 artifacts to more than 30 countries since 2007, including paintings from France, Germany, Poland and Austria; cultural artifacts from China and Cambodia; dinosaur fossils from Mongolia; and illuminated manuscript left from Italy; a pair of royal Korean seals, ancient Peruvian ceramics, an ancient gold coffin repatriated to Egypt, and most recently, more than 500-year-old copy of Christopher Columbus’ letter describing his discoveries in the Americas to the Government of Italy.

Despite increasingly aggressive enforcement efforts to prevent the theft of cultural heritage and other antiquities, the illicit movement of such items across international borders continues to challenge global law enforcement efforts to reduce the trafficking of such property. Trafficking in antiquities is estimated to be a multi-billion-dollar transnational criminal enterprise.

Members of the public who have information about the illicit distribution of cultural property, as well as the illegal trafficking of artwork, are urged to call the toll-free tip line at 1-866-DHS-2-ICE or to complete the online tip form.

NATIONAL TRADE ESTIMATE: Removing Barriers to U.S. Exports Worldwide

The National Trade Estimate Report on Foreign Trade Barriers (NTE) covers 63 countries, customs territories and regional associations, including each of the 20 United States’ free trade agreement (FTA) partners and all of the 50 largest markets for U.S. goods exports. These partners together account for over 95% of the United States’ \$5.5 trillion in two-way goods and services trade. The NTE Report reviews each in detail, highlighting concerns regarding issues ranging from industrial tariffs and import licensing to digital data flow, customs, agricultural quotas, industrial subsidies, restrictions on provision of telecommunications services, and more.

Each year’s edition of the NTE Report changes and evolves. Sometimes this reflects the creation of new barriers to U.S. exports, and at other times new conceptual challenges and opportunities arising from the progress of science, technology, and logistics. Changes in the NTE Report from one year to the next also reflect the success of U.S. negotiations and enforcement efforts. Such successes have been worldwide since the publication of the 2019 NTE Report, highlighted by examples including:

WESTERN HEMISPHERE

Canada and Mexico – United States-Mexico-Canada Agreement (USMCA): The USMCA represents a generational, comprehensive revision of the old North American Free Trade Agreement. In addition to landmark revisions of automotive rules of origin, state-of-the-art labor and environmental provisions, and 21st-century digital trade rules, the USMCA contains numerous provisions that – once in force – will address outstanding trade-related irritants with Canada and Mexico. For example, under the USMCA and related instruments, Canada agreed to eliminate milk classes 6 and 7, discriminatory grading of U.S. wheat, and British Columbia’s discriminatory treatment of U.S. wine in grocery stores. The USMCA also includes obligations to strengthen enforcement against counterfeiting and piracy, camcording of movies, satellite and cable signal theft, transparency with respect to new geographical indications, and copyright protection and enforcement in the digital environment. The USMCA also cracks down on data localization measures for services providers and financial services providers and locks in Mexico’s telecommunications and energy reforms.

*(*Continued On The Following Page)*

Colombia – End of the “1x1” Truck Scrapage Policy: Due to U.S. engagement and enforcement efforts, Colombia ended the “1x1” truck scrapage policy on June 30, 2019. In March 2013, the Colombian government eliminated an option to pay a “scrapage fee” to legally register a heavy truck (over 10.5 metric tons) in Colombia, which negatively affected previously robust sales of imported trucks (which were generally over 10.5 metric tons).

EUROPEAN UNION

Technical Standards for Certain Heavy Electrical Products: The EU's requirements for restricting hazardous substances in electronic and electrical products are burdensome and arbitrary, and force companies to pursue an onerous and lengthy exemption process. In 2017, companies applied for exemptions to continue to use two substances (DEHP phthalate in rubber and lead in solder) that would have otherwise been banned in 2019 in engines, because there are no viable alternatives that provide the necessary flexibility in rubber and heat-resistance in solder. Following engagement by the U.S. government and industry, the EU approved in September 2019 the continued use of those two substances in engines for an additional five years. Those exemptions were fully implemented by EU member states in early 2020.

MIDDLE EAST

North Africa Markets Open to U.S. Beef, Poultry, Eggs, and Genetics: In April 2019, the United States and Tunisia finalized U.S. export certificates to allow imports of U.S. beef, poultry, and egg products into Tunisia. In June 2019, the United States and Morocco completed export certificates for U.S. processed eggs and beef genetics to Morocco, and reached agreement to improve U.S. market access under the U.S.-Morocco FTA tariff rate quotas.

SUB-SAHARAN AFRICA

Ghana – Automobile Standards: In 2019, Ghana proposed measures that would only recognize automobile standards developed by the Economic Commission for Europe (ECE) as international standards. The proposal would have moved towards the wide adoption of the ECE standards and regulations as equivalent and significantly narrow the acceptance of U.S. Federal Motor Vehicle Safety Standards (FMVSS). The United States provided comments and background information on FMVSS and their use. Following U.S. action, Ghana agreed to incorporate U.S. standards into its new standards policy, which are pending publication by the Ghana Standards Authority.

Standards Alliance Implementation with USAID: USTR worked with USAID to implement the Standards Alliance, a public-private partnership that provides technical assistance to developing countries and regions to help ensure that those countries' standards-related measures do not impose unnecessary obstacles to trade and comply with other important obligations under the WTO TBT Agreement. In 2019, the Standards Alliance operated in five sub-Saharan African countries: Côte d'Ivoire, Ghana, Mozambique, Senegal, and Zambia. The programs included workshops to increase the application of good regulatory practices, the use of international standards in regulations, and the use of regulatory impact assessments. These procedures help to reduce unnecessary obstacles to U.S. trade by ensuring, for example, that proposed regulations are made available for public comment and that potential impacts of proposed measures are analyzed and taken into account.

CHINA AND TAIWAN

China – Historic “Phase One” Agreement: The United States and China reached an historic Phase One agreement that requires structural reforms and other changes to China's economic and trade regime in the areas of intellectual property, technology transfer, agriculture, financial services, and currency and foreign exchange. The Phase One agreement also includes a commitment by China to make substantial additional purchases of U.S. goods and services in the coming years. Importantly, the agreement establishes a strong dispute resolution arrangement that ensures prompt and effective implementation and enforcement. At the same time, the United States maintains tariffs on many Chinese goods while monitoring and additional negotiations continue.

Taiwan – Adoption of Mechanism for Early Resolution of Potential Patent Disputes: In August 2019, following sustained engagement by USTR, final implementing regulations for Taiwan's December 2017 amendments to the Pharmaceutical Affairs Act entered into force. The establishment of a mechanism for early resolution of potential patent disputes, including coverage for biologics, represents a promising step forward for Taiwan in its efforts to develop an innovative pharmaceutical sector. Taiwan – Passage of Amendments to Trade Secrets Act: On December 31, 2019, Taiwan passed amendments to the Trade Secrets Act that provided authority to prosecutors to issue protective orders during investigation proceedings. These changes, long sought by USTR, are expected to improve Taiwan's ability to effectively prosecute cases of trade secrets theft by protecting information from unauthorized disclosures.

JAPAN

*(*Continued On The Following Column)*

*(*Continued On The Following Page)*

New Access in Japan for U.S. Agricultural Exporters: The U.S.-Japan Trade Agreement, which entered into force on January 1, 2020, further opens a critically important market for U.S. food and agricultural goods exporters, including through the reduction or elimination of tariffs or allowance of a specific quantity of imports from the United States. This agreement eliminates many long-standing barriers and ensures that over 90% of U.S. food and agriculture exports have access to Japan either on a duty-free or other preferential basis.

U.S.-Japan Digital Trade Agreement: The U.S.-Japan Digital Trade Agreement, which also entered into force on January 1, 2020, parallels the USMCA as the most comprehensive and high-standard trade agreement addressing digital trade barriers ever negotiated. The Agreement covers over \$40 billion in digital trade between the United States and Japan. It incorporates strong rules prohibiting data localization measures, including for financial services data, and ensuring that data can be transferred across borders by all suppliers, as well as rules ensuring non-discriminatory treatment of digital products, and protecting against forced disclosure of proprietary source code and algorithms.

Access for Passenger Airlines: Following amendment of the 1952 U.S.-Japan Civil Air Transport Agreement in March 2020, Japan opened up 12 new slot pairings for U.S. passenger airlines at Tokyo's Haneda Airport, significantly improving access at commercially viable times long sought by U.S. air carriers.

SOUTHEAST ASIA

Vietnam – Automobile Regulations: After the United States raised concerns, Vietnam rescinded a decree that required lot-by-lot testing and replaced it with a new program that requires autos to be tested by model. Vietnam revised its auto import testing regulatory system, which now facilitates the import of U.S.-manufactured autos.

Web Notice: The Directorate of Defense Trade Controls (DDTC) is currently in the process of modernizing its IT systems. During this time period, we anticipate there may be delays in response times and time to resolve IT related incidents and requests. We apologize for any inconvenience, and appreciate your patience while we work to improve DDTC services. If you need assistance, please contact the DDTC Service Desk at (202) 663-2838, or email at DtradeHelpDesk@state.gov (06.28.16)

“Nothing worth having comes easy.”

CBP/FEMA joint statement on Defense Production Act for PPE

WASHINGTON – U.S. Customs and Border Protection (CBP) and the Federal Emergency Management Agency (FEMA) today issued the following joint statement:

“On Friday, April 3, President Trump issued “Memorandum on Allocating Certain Scarce or Threatened Health and Medical Resources to Domestic Use” directing the Department of Homeland Security (DHS), through the Federal Emergency Management Agency (FEMA), in consultation with the U.S. Department of Health and Human Services (HHS), to use the Defense Production Act to keep scarce medical resources within the United States for domestic use. Personal Protective Equipment (PPE) subject to this policy includes N95 respirators, and a variety of other filtering respirators; air-purifying respirators; surgical masks; and, surgical gloves. FEMA and CBP are working together to prevent domestic brokers, distributors, and other intermediaries from diverting these critical medical resources overseas. To accomplish this, CBP will detain shipments of the PPE specified in the President’s Memorandum while FEMA determines whether to return the PPE for use within the United States; to purchase the PPE on behalf of the United States; or, allow it to be exported.”

U.S. Customs and Border Protection is the unified border agency within the Department of Homeland Security charged with the management, control and protection of our nation's borders at and between official ports of entry. CBP is charged with securing the borders of the United States while enforcing hundreds of laws and facilitating lawful trade and travel.

NOTE: In accordance with Title 17 U.S.C. Section 107, this material is distributed without profit or payment for non-profit news reporting and educational purposes only.

Reproduction for private use or gain is subject to original copyright restrictions.