



EIB World Trade Headlines

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February 2012 - Vol4, Issue 3

Announcing Two Upcoming Forums

Export Controls Conference - WEST COAST

Who: The Bureau of Industry and Security
What: The 7th Annual Export Control Forum
When: February 27-28, 2012
Where: Irvine, CA

http://www.bis.doc.gov/seminarsandtraining/irvine_ca_february_27_28_2012.htm

Export Controls Conference - EAST COAST

Market Partner: Evolutions in Business

Who: The Bureau of Industry and Security
Outreach and Educational Services Division
Cosponsored by: Granite State District Export Council

What: Essentials of Export Controls
When: April 17, 2012
Where: Sheraton Portsmouth Harborside Hotel,
Portsmouth, NH

<http://export.gov/newhampshire/exportcontrolseminars/index.asp>

NEWSLETTER NOTES

*Announcing Two Upcoming Forums

*Special Section- A Third of All U.S. Export Growth Since 2009 Has Gone to Canada and Mexico

*Massachusetts Man Pleads Guilty to Conspiracy to Export Military Antennae to Singapore and Hong

* BIS Posts FY 2011 Report to Congress Showing Increase in Criminal Fines and Drop in Civil Penalties

*President Covers Trade Issues in State of the Union Speech

* U.S. Export Growth Since 2009
-Where Do the Goods Go?-

*-Broadcast #2012011
CORRECTION-
Harmonized Tariff Schedule (HTS) Updated in the Automated Export System (AES)

State Department Issues Information on Potential Lifting of Import Ban from Burma

Secretary of State Hillary Clinton announced that in response to Burma's (Myanmar) release of hundreds of political prisoners and news of a cease-fire agreement between the government of Burma and the Karen National Union, the State Department will start the process of exchanging ambassadors with Burma. According to a State Department Special Briefing, any future decision to lift U.S. import and other sanctions against Burma will be taken with Congress and could occur if similar large improvements are seen in other areas. According to Clinton, the Department will identify a candidate to serve as U.S. Ambassador to represent the U.S. Government. Clinton has also instructed the Department to identify further steps that the U.S. can take in conjunction with its allies to support the reforms underway, and that the U.S. would encourage Burma to take further steps to address the concerns of ethnic minority groups, ensure there is a free and fair by-election, make all the releases from prison unconditional, and ensure that all remaining political detainees are also released.

As reported, during a recent special briefing, the State Department was asked what specific action the U.S. would like to see before it could consider lifting the sanctions (including the import ban) the U.S. imposes on Burma. The State Department advised that since December 2011, the Department has been involved in a broad conversation about these appropriate next steps. Much of what they had considered requires the kind of large step that has just been taken - a substantial release (651) of political prisoners.

State Dept special briefing on Burma (1/13/12):

<http://www.state.gov/r/pa/prs/ps/2012/01/180710.htm>

State Dept notice:

<http://www.state.gov/secretary/rm/2012/01/180667.htm>

-BIS Issues FR Notices-

Seeking Comments on Licensing Responsibilities/Enforcement Information Collection

The Bureau of Industry and Security (BIS) is requesting comments by 03/12/12, on an existing information collection concerning licensing responsibilities and enforcement. BIS is proposing to extend the expiration date of this information collection. BIS has previously stated that this is a routine extension, without change, of the existing information collection. This collection of information involves nine miscellaneous activities described in 15 CFR section 758 that are associated with the export of items controlled by the Department of Commerce (DOC). Most of these activities do not involve submission of documents to BIS but instead involve exchange of documents among parties in the export transaction to insure that each party understands its obligations under U.S. law. Others involve writing certain export control statements on shipping documents or reporting unforeseen changes in shipping documents or reporting unforeseen changes in shipping and disposition of exported commodities. These activities are needed by the BIS' Office of Export Enforcement and the U.S. Customs and Border Protection (CBP) to document export transactions, enforce the Export Administration Regulations (EAR) and protect the national security of the U.S. BIS invites comments on:

*whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility;

*the accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information;

*ways to enhance the quality, utility, and clarity of the information to be collected; and

*ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

BIS Contact – Larry Hall (202) 482-4895

BIS notice (FR Pub 01/12/12)

<http://www.gpo.gov/fdsys/pkg/FR-2012-01-12/pdf/2012-443.pdf>

BIS Seeks Comments on Statement by Ultimate Consignee and Purchaser Information Collection

The Bureau of Industry and Security (BIS) has requested comments by 03/12/12, on an existing information collection concerning the Statement by Ultimate Consignee and Purchaser. BIS is proposing to extend the expiration date of this information collection. BIS has previously advised that this is a routine extension, without change, of the existing information collection. This collection of information is necessary under the Export Administration Regulations (EAR). The EAR states that the Form BIS-711, or a statement on company letterhead (statement), is required for exports to certain countries. These documents provide information on the foreign importer receiving the U.S. technology and how the technology will be utilized. The BIS-711 or statement provides assurances from the importer that the technology will not be misused, transferred or re-exported in violation of the EAR. A copy of the statement must be submitted with the license application if the country of ultimate destination is listed in certain country groups of Supplement No. 1 to 15 CFR Part 740. The Form BIS-711 or statement puts the importer on notice of the special nature of the goods proposed for export and conveys a commitment against illegal disposition. In order to effectively control commodities, BIS must have sufficient information regarding the end-use and end-user of the U.S. origin commodities to be exported. The information will assist the licensing officer in making the proper decision on whether to approve or reject the application for the license. BIS invites comments on:

*whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility;

*the accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information;

*ways to enhance the quality, utility, and clarity of the information to be collected; and

*ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

BIS Contact – Larry Hall (202) 482-4895

BIS notice (FR Pub 01/11/12):

<http://www.gpo.gov/fdsys/pkg/FR-2012-01-11/pdf/2012-290.pdf>

Argentina to Implement Import Permission Requirement 2/1/12

Effective 2/1/12, Argentina will require companies to obtain permission from AFIP, the country's tax agency, before they import foreign-made goods. As reported, this requirement is the latest effort by Argentina to improve its trade balance and boost its domestic manufacturing sector by reducing imports. A Financial Times article reports that "importers will be required to file a sworn statement to the tax agency, which will be studied by the competent authorities, and then wait for approval or rejection," though it remains unclear how long that process may take.

<http://www.strtrade.com/wti/wti.asp?pub=0&story=39030&date=1%2F18%2F2012&company>

Brazil Announces Temporary Duty Reductions on Certain Telecomm and IT Products

Brazil's Foreign Trade Chamber recently published a resolution that temporarily reduces the import duties assessed on 99 information technology and telecommunication products. The duty reduction from 14% to 2% for certain information technology goods and from 16% to 2% for certain telecommunication products will last until 12/31/12. The reduction is targeted to items, which are not produced in Brazil that are used mainly in the petrochemical, paper and pulp, and petroleum sectors. The affected products are largely exported by India (34%), the United States (19%), Sweden (12%) and Germany (12%).

Brazil trade announcement (1/13/12):

<http://www.brasilmaior.mdic.gov.br/noticias/ca-mex-aprova-novos-ex-tarifarios-para-incidentar-investimentos-produtivo/>

House Bill Introduced Which Would Impose 1% Tax to Improve Freight Infrastructure

Representative Smith (D-WA) and Representative Dicks (D-WA) recently introduced the National Freight Mobility Infrastructure Act (H.R. 3607), a bill that would impose a freight-specific tax which would be used to fund freight infrastructure. As reported, H.R. 3607 would impose a National Mobility Infrastructure Tax of one percent on the fair market value of multi-modal ground transportation costs, with a few exceptions for federal, state, and local government transportation, and transport within a local geographic area. The fee would be deposited into a new National Freight Mobility Infrastructure Fund exclusively dedicated to supporting freight mobility projects. H.R. 3607 would also create a Freight Mobility Infrastructure Improvement Program within the Department of Transportation to provide long-term financing for critical infrastructure improvement goals.

H.R. 3607: <http://thomas.loc.gov/cgi-bin/query/z?c112:H.R.3607>

Representative Smith's press release on H.R. 3607: <http://adamsmith.house.gov/News/DocumentSingle.aspx?DocumentID=271847>

SEC Posts Report on FY 2011 Annual Report on FCPA Whistleblower Program

The Securities and Exchange Commission (SEC) issued its first annual report on the Dodd-Frank Whistleblower Program for fiscal year 2011. As reported, most whistleblower tips submitted to the SEC concerned complaints related to the Foreign Corrupt Practices Act (FCPA) and market manipulation. Additionally, most tips were submitted by individuals in California, New York, and foreign countries, including China.

However, because the final rule establishing the program became effective in August 2011, only seven weeks of data was available for FY 2011. As a result, the SEC advises it is too early to identify any specific trends or conclusions from the data collected to date. In the period August 12 through September 30, 2011, 334 whistleblower tips were received. The most common complaint categories were market manipulation (16.2%), corporate disclosures and financial statements (15.3%), offering fraud (15.6%), insider trading (7.5%), unregistered offerings (5.4%), trading and pricing (5.1%), and Foreign Corrupt Practices (3.9%). The report states that it is anticipated that as the program evolves, the SEC's Office of the Whistleblower's standard practice will be to provide individualized notice to whistleblowers that may have contributed to the success of an SEC action resulting in monetary sanctions exceeding \$1 million. SEC report:

<http://www.sec.gov/about/offices/owb/whistleblower-annual-report-2011.pdf>

*Empty pockets never held anyone back.
Only empty heads and empty hearts can do that.*

Norman Vincent Peale

White House Issues Information on Proposal to Consolidate Trade Agencies

President Obama recently announced that he was seeking Congressional passage of a proposed "Consolidation Authority Act" that would give him authority to reorganize and consolidate specific parts of the government. He also outlined what would be his first proposal under such authority, consolidation of six trade and commerce agencies (or parts of them) into one entity. According to the President, overlapping responsibilities among federal agencies have made it harder for small businesses to interact with the government and led to unnecessary waste and duplication. The President's first focus under the proposed "Consolidation Authority Act" would be to consolidate the six agencies or parts of agencies that focus primarily on business and trade into one more efficient department. This would include: the Commerce Department's core business and trade functions, the Small Business Administration, the Office of the U.S. Trade Representative, the Export-Import Bank, the Overseas Private Investment Corporation, and the U.S. Trade and Development Agency.

These six departments and agencies would have one website, one phone number and one mission – helping U.S. businesses succeed and better take advantage of government resources. They would also have one Secretary, which would be focused on competitiveness, business, and small business. While praising the concept in general, there was immediate push-back from certain members of Congress regarding the fate of the Office of the U.S. Trade Representative (USTR), the lack of Congressional consultation, and the timing of the announcement.

According to White House Press Secretary Carney, the USTR would report to the new Secretary but would also maintain its Cabinet status, reporting to the President as well. Carney adds that while the Administration waits for Congress to pass consolidation authority, the President is also elevating the Small Business Administration (SBA) to his Cabinet.

(Continued above)

Therefore the SBA Administrator, Karen Mills, will now join his Cabinet. Full details and Congressional remarks are posted for review. White House press briefing and release (01/13/12): <http://www.whitehouse.gov/the-press-office/2012/01/13/press-gaggle-press-secretary-jay-carney-and-omb-deputy-director-manageme> and <http://www.whitehouse.gov/the-press-office/2012/01/13/president-obama-announces-proposal-reform-reorganize-and-consolidate-gov>

White House release with info-graphic on the complexity of the trade agencies (01/13/12) <http://www.whitehouse.gov/blog/2012/01/13/making-it-easier-do-business-america>

White House press release: <http://www.whitehouse.gov/the-press-office/2012/01/13/government-reorganization-fact-sheet>

Senate Finance Committee Chairman Max Baucus (D-MT) and House Ways and Means Committee Chairman Dave Camp (R-MI) joint statement: <http://finance.senate.gov/newsroom/chairman/release/?id=e67329f7-f317-4eae-880a-4193606d9bf0>

House Ways and Means Committee Ranking Member Levin (D-MI) statement: <http://democrats.waysandmeans.house.gov/press/PRArticle.aspx?NewsID=11988>

Senate Finance Committee Ranking Member Hatch (R-UT) statement: <http://hatch.senate.gov/public/index.cfm/releases?ID=5a75184e-4eaf-4c22-84c6-d23f9536970a>



-Special Section-

A Third of All U.S. Export Growth Since 2009 Has Gone to Canada and Mexico

THE NUMBERS:

U.S. merchandise export growth, 2009-2011:

World:	\$370 billion
NAFTA:	\$118 billion
Canada:	\$63 billion
Mexico:	\$55 billion
China/HK/Taiwan:	\$55 billion
European Union:	\$46 billion
Japan	\$15 billion
Rest of world:	\$138 billion

(Goods only, as services are not available by country until September. Figures for 2011 annualized based on 11 months of available trade data.)

WHAT THEY MEAN:

The North American Free Trade Agreement has had a remarkably good post-crisis. Between 2009 and 2011, with Americans looking to exports for growth and recovery, U.S. goods exports to the world grew by about \$370 billion. Canada and Mexico accounted for \$118 billion of this, or just under a third of the total. By comparison, exports to Asia - Japan, China, Korea, Taiwan, Hong Kong, Macao, Mongolia, the ten ASEAN members, and the eight South Asian countries - grew by about \$110 billion. The \$55 billion in extra sales to Mexico alone is identical to the \$55 billion in growth to Brazil, China, India and Russia combined. Canada, with its 30 million people, has accounted for a bit more than a sixth of all U.S. export growth and twice as much as all 14 post-2000 FTA partners combined.

Massachusetts Man Pleads Guilty to Conspiracy to Export Military Antennae to Singapore and Hong

WASHINGTON – Rudolf L. Cheung, 57, a resident of Massachusetts, pleaded guilty today in federal court in the District of Columbia to conspiracy to violate the Arms Export Control Act in connection with the unlawful export of 55 military antennae from the United States to Singapore and Hong Kong.

The plea was announced by Lisa Monaco, Assistant Attorney General for National Security; Ronald C. Machen Jr., U.S. Attorney for the District of Columbia; John Morton, Director of the Department of Homeland Security's U.S. Immigration and Customs Enforcement (ICE); Mark Giuliano, Executive Assistant Director of the FBI's National Security Branch; and Eric L. Hirschhorn, Under Secretary for Industry and Security at the Commerce Department. Cheung serves as the head of the Research & Development Department at a private company that manufactures antennae. Over the past 17 years, he has designed or supervised the development of a full library of antennae made by the firm, many of which have military applications and are used by defense contractors. Some of Cheung's inventions are used in the U.S. space program.

According to court documents filed in the case, in June 2006, a company in Singapore sent an inquiry to the firm that employs Cheung seeking a quotation for two types of antennae that are classified by the U.S. government as defense articles and may not be exported without a license or approval from the State Department. After receiving the query, the export compliance officer at Cheung's firm advised the firm in Singapore that neither antenna could be exported unless they filled out a U.S. government form attesting that the goods would not be transferred. The firm in Singapore refused and the order was stopped.

After learning that the export compliance officer at his company had blocked the export, Cheung admitted that he discussed with an individual outside his company (co-conspirator C) a plan to bypass the export controls at his company and arrange for the antennae to be exported to Singapore through co-conspirator C.

(Continued below)

Under the plan, co-conspirator C, who operated his own company in Massachusetts, would purchase these goods from Cheung's company and then export them on his own to the firm in Singapore, with Cheung's knowledge.

Subsequently, co-conspirator C contacted the firm in Singapore and offered to broker the deal with Cheung's company. Co-conspirator C then negotiated the purchase of the antennae with employees of the firm in Singapore and, later, with another company called Corezing International in Singapore. Between July and September 2007, co-conspirator C purchased 55 military antennae from Cheung's company, which he then exported to Corezing addresses in both Singapore and Hong Kong.

According to court documents, Cheung was aware that the purchases by Co-conspirator C were intended for export from the United States and that these exports had previously been blocked by his export compliance manager. Yet Cheung took no action to stop the sale of these antennae from his company or their subsequent export from the United States, even though he knew a license was required for such exports. Cheung neither sought nor obtained any license from the State Department to export these items outside the United States. At sentencing, Cheung faces a maximum potential sentence of five years in prison, a fine of \$250,000 and a 3-year term of supervised release. Corezing, based in Singapore, has been charged in a separate indictment in the District of Columbia in connection with the export of these particular military antennae to Singapore and Hong Kong. Corezing and its principals have also been charged, and the United States is seeking their extradition, in connection with the export of 6,000 radio frequency modules from the United States to Iran via Singapore, some of which were later found in improvised explosive devices in Iraq.

This investigation was jointly conducted by ICE agents in Boston and Los Angeles, FBI agents in Minneapolis, and Department of Commerce, Bureau of Industry and Security agents in Chicago and Boston. Substantial assistance was provided by the U.S. Department of Defense, U.S. Customs and Border Protection and the State Department's Directorate of Defense Trade Controls.

The prosecution is being handled by Assistant U.S. Attorneys Anthony Asuncion and John W. Borchert of the U.S. Attorney's Office for the District of Columbia; and Trial Attorneys Jonathan C. Poling and Richard S. Scott of the Counterespionage Section of the Justice Department's National Security Division.

CBP Posts Contact Information for Centers of Excellence and Expertise

U.S. Customs and Border Protection (CBP) issued a notice containing the trade contact information for the Pharmaceuticals and Electronics Centers for Excellence and Expertise, which have been renamed the "Industry Integration Center for Pharmaceuticals, Health & Chemicals CEE" and the "Information Technology and Consumer Electronics CEE" to show an upcoming expansion of their product scope. CBP advises the formerly named Electronics CEE contact can be made via email at CEE-Electronics@cbp.dhs.gov or by phone at (562) 256-8765 Monday through Friday (8:00 am to 4:30 pm) Pacific Time. For the formerly named Pharmaceuticals CEE, contact can be made via email at CEE-Pharmaceuticals@cbp.dhs.gov or by phone at (646) 733-5111 Monday through Friday (8:00 am to 4:30 pm) Eastern Time.

CBP also plans to create CEEs for an additional eight industries over the next three years, for (i) agriculture and prepared products; (ii) automotive and aerospace; (iii) base metals and machinery; (iv) consumer products; (v) customhouse brokers; (vi) industrial and manufacturing materials; (vii) petroleum, natural gas and minerals; and (viii) textiles, wearing apparel and footwear. CBP notice:

http://www.cbp.gov/xp/cgov/trade/trade_programs/trade_contacts/cee_poc.xml

CBP Posts Guide to IPR Enforcement with Contact Information

U.S. Customs and Border Protection has (CBP) reposted its guide on how businesses and rights owners can partner with CBP to increase enforcement and protection of their intellectual property rights (IPR) at the border. This guide, which contains no changes from when it was issued in 2011, provides information on enforcement, recording intellectual property with CBP via e-Recordation, use of e-Allegations to submit allegations of infringing shipments or conduct to CBP, information sharing, and contacting CBP. CBP has also separately posted a contact information sheet for reporting IPR violations, consulting a CBP IPR attorney, or obtaining guidance on CBP's IPR policy and programs. IPR guide:

http://www.cbp.gov/linkhandler/cgov/trade/priority_trade/ipr/pubs/ipr_guide.ctt/ipr_guide.pdf

Contact sheet for IPR resources:

http://www.cbp.gov/xp/cgov/trade/priority_trade/ipr/pubs/ipr_assistance.xml

USTR Announces Extension of Canada Softwood Lumber Agreement to October 2015

The Office of the U.S. Trade Representative (USTR) issued a press release announcing that the U.S. and Canada signed a two-year extension of the 2006 U.S.-Canada Softwood Lumber Agreement (SLA). As a result, the 2006 SLA will be in effect through 10/12/15. The SLA is being extended with no changes. According to the USTR, the extension of the SLA well before its initial expiration date ensures predictability and stability in the sector. The U.S. intends to consult with Canada before the extended expiration date on whether a further extension is in the interest of both countries. Press release from Senate Finance Chairman Baucus (D-MT) applauding the extension:<http://finance.senate.gov/newsroom/chairman/release/?id=30699f0e-f9ea-4602-8a1a-77ca2b469ed5>

USTR notice: <http://www.ustr.gov/about-us/press-office/press-releases/2012/january/united-states-and-canada-sign-two-year-extension-2>

BIS Announces Extension of Foreign Policy Export Controls until January 20, 2013

The Bureau of Industry and Security (BIS) posted its 2012 Report on Foreign Policy-Based Export Controls, which extends all foreign policy export controls discussed in the report for the period of 01/21/12 to 01/20/13. Each chapter of this report describes a particular category of foreign policy controls (e.g., Crime Control/Human Rights, Anti-Terrorism, Regional Stability, Chemical and Biological, Missile Technology, Nuclear Nonproliferation, and Entity List controls, etc.) and delineates modifications that have taken place over the past year. As further authorized by the Export Administration Act of 1979 (EAA), foreign policy export controls remain in effect for replacement parts and for parts contained in goods subject to such controls. The controls administered in accordance with procedures established pursuant to Section 309(c) of the Nuclear Nonproliferation Act of 1978 similarly remain in effect.

BIS notice:

http://www.bis.doc.gov/news/2012/2012_fpreport.pdf

BIS Issues FR Notice Soliciting Members for Technical Advisory Committees

The Bureau of Industry and Security (BIS) is soliciting private-sector members for its seven technical advisory committees (TAC) which advise the Commerce Department (DOC) on the technical parameters for export controls applicable to dual-use commodities and technology and on the administration of those controls. BIS advises that recruitment will be open until 01/16/13 (one year from its Federal Register publication date). TAC members are appointed by the Secretary of Commerce and serve terms of not more than four consecutive years. Each TAC meets approximately four times per year. The seven TACs are responsible for advising the DOC on the technical parameters for export controls and the administration of those controls

BIS FR Notice:

<http://www.gpo.gov/fdsys/pkg/FR-2012-01-17/pdf/2012-725.pdf>

BIS Posts FY 2011 Report to Congress Showing Increase in Criminal Fines and Drop in Civil Penalties

The Bureau of Industry and Security (BIS) posted its fiscal year 2011 Annual Report to Congress FY 2011 period. The report includes information on its FY 2011 activities in the areas of export control reform, export licensing, export enforcement, industry outreach activities, international regimes and treaty compliance, etc. With respect to its enforcement activities, BIS notes that criminal fines rose by 60%, civil penalties fell substantially (due in large part to one large penalty in FY 2010 which was not repeated in FY 2011), and the number of antiboycott cases fell by almost half. The BIS' annual report also contains appendices covering:

- *FY 2011 Regulatory Changes
- *BIS Organizational Structure and Administrative Information
- *Summaries and Tables of Closed Export Enforcement Cases and Criminal Cases
- *Boycott Requests Reported to Office of Antiboycott Compliance
- *Approved Applications for Country Group D:1 and Cuba
- *Report on Domestic Impact of U.S. Exports to Controlled Countries
- *Agricultural Supply Tables and Information
- *Export Control Reform Fact Sheets, Speeches, and Testimony

BIS report:

http://www.bis.doc.gov/news/2012/bis_annual_report_2011.pdf

President Covers Trade Issues in State of the Union Speech

During the 2012 State of the Union address, President Obama announced the creation of a new Trade Enforcement Unit to investigate unfair trade practices in countries like China. He also reported that in 2010, he set a goal of doubling U.S. exports over five years. With the Korea, Colombia, and Panama free trade agreements (FTAs), the U.S. is on track to meet that goal ahead of schedule. In his speech, the President vowed action against the unfair trading practices of other countries, noting that his administration has brought trade cases against China at nearly twice the rate as the Bush administration. In order to strengthen those efforts, the President announced the creation of a Trade Enforcement Unit that will be charged with investigating unfair trading practices in countries like China. According to the President, there will be more inspections to prevent counterfeit or unsafe goods from crossing U.S. borders. The President then called on Congress to ensure that no foreign company has an advantage over U.S. manufacturing when it comes to accessing financing or new markets in countries like Russia. The President also briefly addressed his request that Congress grant him authority to consolidate the federal bureaucracy.

President Obama's address:

<http://www.whitehouse.gov/the-press-office/2012/01/24/remarks-president-state-union-address>



U.S. Export Growth Since 2009 -Where Do the Goods Go?-

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www.globalworksfoundation.org/



Global Import & Export

-Broadcast #2012011 CORRECTION-

Harmonized Tariff Schedule (HTS) Updated in the Automated Export System (AES)

Effective immediately, the Harmonized Tariff Schedule (HTS) tables in the AES have been updated to accept the changes to the 2012 codes.

AES will accept shipments with outdated 2011 codes during a grace period which ends March 4, 2012. Reporting an outdated 2011 code after the 30 day grace period will result in a fatal error.

The AESDirect program has been updated with the 2012 codes and will accept shipments with outdated 2011 codes during the grace period as well.

All AESPCLink users must update their AESDirect code tables to reflect the 2012 changes in Schedule B and HTS. Web users of AESDirect who file via the website at www.aesdirect.gov will have their code tables updated via the program automatically.

The 2012 HTS tables are available for downloading at:

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

The current list of HTS codes that are not valid for AES are available at:

<http://www.census.gov/foreign-trade/aes/documentlibrary/hts-not-for-aes.html>

Note: This update is a large-scale HTS update in addition to the smaller HTS update in January.

For further information or questions, contact the U.S. Census Bureau's AES Branch. Telephone: (800) 549-0595, select option 1 for AES

Email: askaes@census.gov

Online: www.census.gov/trade.

Blog: blogs.census.gov/globalreach

Three Companies Settle Antiboycott Charges

U.S. Department of Commerce Assistant Secretary for Export Enforcement, Bureau of Industry and Security, David W. Mills announced today that three companies agreed to pay a total of \$ 35,200 in civil penalties to settle allegations that each violated the antiboycott provisions of the Export Administration Regulations (EAR). The companies are: Weiss-Rohlig USA LLC, JAS Forwarding (USA) Inc. (Los Angeles), and Rexnord Industries LLC.

Case Summaries and Additional Information:

Weiss-Rohlig USA LLC (W-R), located in Cranford, NJ, has agreed to pay a civil penalty of \$8,000 to settle two allegations that it violated the antiboycott provisions of the EAR. The Bureau of Industry and Security (BIS), through its Office of Antiboycott Compliance (OAC), alleged that during the year 2006, in connection with transactions involving the sale and/or transfer of goods or services (including information) from the United States to Kuwait, W-R on one occasion, furnished prohibited information in a statement regarding the blacklist status of the carrying vessel, in violation of the antiboycott provisions of the EAR and, on one occasion, failed to report to the Department of Commerce the receipt of a request to engage in a restrictive trade practice or boycott, as required by the EAR. Further information is available at: <http://efoia.bis.doc.gov/antiboycott/violations/tocantiboycott.html>

JAS Forwarding (USA) Inc. (Los Angeles) (JAS) has agreed to pay a civil penalty of \$ 19,200 to settle three allegations that it violated the antiboycott provisions of the EAR. The Bureau of Industry and Security (BIS), through its Office of Antiboycott Compliance (OAC), alleged that during the year 2006, in connection with transactions involving the sale and/or transfer of goods or services (including information) from the United States to Lebanon and Kuwait, JAS, on three occasions, furnished prohibited information in statements certifying that the goods were neither of Israeli origin nor contained Israeli materials and in a statement regarding the blacklist status of the insurance company. Further information is available at: <http://efoia.bis.doc.gov/antiboycott/violations/tocantiboycott.html>

(Continued above)

Rexnord Industries LLC (Rexnord)

located in Milwaukee, WI, has agreed to pay a civil penalty of \$ 8,000 to settle five allegations that it violated the antiboycott provisions of the EAR. The Bureau of Industry and Security (BIS), through its Office of Antiboycott Compliance (OAC), alleged that during the years 2007 through 2009, in connection with transactions involving the sale and/or transfer of goods or services (including information) from the United States to Qatar, Pakistan and Bangladesh, Rexnord, on one occasion, furnished prohibited information in a statement certifying that the goods were neither of Israeli origin nor contained Israeli materials and, on four occasions, failed to report to the Department of Commerce the receipt of a request to engage in a restrictive trade practice or boycott, as required by the EAR. Rexnord voluntarily disclosed the transactions to BIS. Further information is available at:

<http://efoia.bis.doc.gov/antiboycott/violations/tocantiboycott.html>

USTR Posts Update on Implementation of FTAs with Korea, Colombia, and Panama

The Office of the U.S. Trade Representative (USTR) issued another update on implementation efforts for the free trade agreements (FTAs) with Korea, Colombia, and Panama. As reported, the parties are consulting on outstanding issues and receiving and analyzing materials regarding the steps necessary to bring the FTAs into force.

According to USTR, Assistant USTR Cutler will lead a USTR delegation to meet with her Korean counterpart in Los Angeles the end of January 2012. The U.S. and Korea will be taking stock of implementation discussions conducted to date and consulting on outstanding issues. In addition, USTR is continuing to receive and analyze materials from Colombia and Panama regarding the steps necessary to bring those agreements into force.

USTR notice: <http://www.ustr.gov/about-us/press-office/press-releases/2012/january/update-implementation-trade-agreements-korea-colom>

DOC - Commercial Service Announces Webinar on Colombia and Panama FTAs

The webinar is packed with information on the business climate, market opportunities and how to finance them in both Colombia and Panama. Senior Commercial Officers of the US Embassies in Bogotá and Panama City will pinpoint potential opportunities. In addition, hear first-hand experience from Caterpillar Latin America offering their perspective on doing business in the region. Learn about how to finance your exports with the help of our speaker from the Export Import Bank of the United States offering suggestions on how to optimize your business deals in the region. Additional information contact: Wanda.Barquin@trade.gov

What: Realities and Benefits of Columbia and Panama Free Trade Agreements

When: February 23, 2012, 2pm– 3pm Eastern

Cost: \$15.

Register:

<https://emenuapps.ita.doc.gov/ePublic/newWebinarRegistration.jsp?SmartCode=2Q5F>

CBP Updates Information on Wood Packaging Material Resources Online

U.S. Customs and Border Protection (CBP) posted the following links to online resources on wood packaging material (WPM):

*USDA WPM Information for Importers:

http://www.aphis.usda.gov/import_export/plants/plant_imports/wood_packaging_materials.shtml

*USDA Policy Statement concerning WPM Infested with Live Wood

Borders: http://www.aphis.usda.gov/import_export/plants/plant_imports/downloads/ppqpolicy2006.pdf

*List of Approved U.S. Fumigators, National Wooden Pallet & Container Association:

<http://www.palletcentral.com/>

(Continued above)

*List of Approved U.S. Heat Treatment Facilities, American Standard Lumber Committee (here)

*International Standards for Phytosanitary Measurements (ISPM) Publication No. 15: Guidelines for Regulating Wood Packaging Material in International Trade:

<https://www.ippc.int/servlet/CDSServlet?status=N D0xMzM5OSY2PWVuJjMzPSomMzc9a29z>

*7 CFR 319.40 - Animal and Plant Health Inspection Service Foreign Quarantine

Notices: http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=00d469d94f7cdf9267b8b8ae6603c25f&tpl=/ecfrbrowse/Title07/7cfr319_main_02.tpl

In 2005, the U.S. and other countries committed to enforce International Standards for Phytosanitary Measures No. 15 (ISPM 15), which calls for certain WPM to be either heat treated or fumigated with methyl bromide and marked in a certain way certifying treatment. CBP notice:

http://www.cbp.gov/xp/cgov/trade/trade_program/s/agriculture/wpm/useful_resource.xml