



# EIB World Trade Headlines

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

May 2011 - Vol 3 Issue 10

## NEWSLETTER NOTES

### Syria Licenses Revoked

Effective April 29, 2011 the Department of Commerce's Bureau of Industry and Security (BIS) has revoked certain licenses for the export and re-export to Syria of items relating to VIP aircraft used to transport senior officials of the Syrian government. Due to the commission of human rights abuses related to political repression in Syria, export and re-export of these items is deemed contrary to the foreign policy interests of the United States. BIS took this action under the authority of Section 750.8 of the Export Administration Regulations and all persons holding relevant licenses have been notified of this action



- \*Syria Licenses Revoked
- \*Firm Says it Erred on Libya Consulting
- \*CBP Posts Updated Customs Valuation Encyclopedia
- \*USTR Announces Creation of Online FTA Tariff Tool for Exporters
- \*China Announces ADD on Optical Fiber from U.S....
- \*International Chamber of Commerce and Trade Groups Issue Anti-Corruption Tools
- \*Justice Announces Indictment of two firms...
- \*OFAC Posts Recent Civil Penalties
- \*WTO Not Optimistic About Doha Round
- \*President Strengthens Ban on Imports from North Korea

### Firm Says it Erred on Libya Consulting - Cambridge Company, Monitor Will Register as Lobbyist

Federal law requires that public relations work for a foreign government be registered with the Foreign Agents Registration Unit. Firms must also submit detailed filings of payments received and services provided.

The media attention on Monitor prompted the Justice Department to send a letter inquiring about the company's work in Libya. Failure to register can lead to fines and even jail time, but specialists say that as long as companies try to comply with the law, such penalties are rare.

### CBP Posts Updated Customs Valuation Encyclopedia - Now through 2010

U.S. Customs and Border Protection (CBP) posted an updated version of its informed compliance publication (ICP) entitled Customs Valuation Encyclopedia (1980-2010). CBP's has prepared this Customs Valuation Encyclopedia (1980-2010) to assist the trade community with valuation. The ICP was first issued in 1990 and was revised in January 2001, January 2004, and December 2010. According to CBP, the information provided in this publication is for general information purposes only.

*(Continued above)*

CBP cautions that because many complicated factors can be involved in customs issues, an importer may wish to obtain a CBP Regulations ruling, or obtain advice from an expert (such as a licensed Customs Broker, attorney or consultant) who specializes in customs matters. Reliance solely on the general information in this ICP may not be considered reasonable care. Newly added information is highlighted in red.

Valuation Encyclopedia is available at: [http://www.cbp.gov/linkhandler/cgov/trade/legal/informed\\_compliance\\_pubs/icp060r9.ctt/icp060r9.pdf](http://www.cbp.gov/linkhandler/cgov/trade/legal/informed_compliance_pubs/icp060r9.ctt/icp060r9.pdf)

### ITA Announces Webinar on Proposed FTZ Regulation Changes

The International Trade Administration (ITA) announced an upcoming free webinar scheduled for 05/11/11 regarding possible next steps in the Foreign-Trade Zones Board's (FTZB's) regulatory process. Because of the interest in the FTZB's recent proposed major revisions to its regulations, it is now evaluating procedural alternatives to its regulatory process in order to bring the benefits of the rulemaking to the trade as soon as possible. Register for the webinar by 05/09/11 - RSVP to [ftz@trade.gov](mailto:ftz@trade.gov)

## CBP Posts Presentation from Trade Symposium on Single Export License Application

At the 2011 U.S. Customs and Border Protection's (CBP's) Trade Symposium, representatives from CBP, Census, and the trade community discussed various developments related to the Administration's National Export Initiative (NEI) and Export Control Reform Initiative.

Developments discussed included:

- Single Export License Form expected in next several months - according to a private sector member of the President's Export Council's Subcommittee on Export Administration (PECSEA), the Administration is expected to unveil its new single export license application (one form for all licensing agencies) in the next several months and the public will be given an opportunity for comment.
- Better agency coordination for Voluntary Self Disclosures (VSD) being worked on - the PECSEA private sector member also noted that another way that the Administration is working to streamline export processes is better agency coordination on voluntary self disclosures (VSDs). The Administration is looking at way that the export agencies (e.g., CBP, BIS, DDTC, Census) can work together and be more efficient.
- Use ACE to link trade to AES and other agencies sought - CBP plans on working toward the automation of the export process in order to facilitate the flow of legitimate trade. CBP reported that it is going to look at ways to use the Automated Commercial Environment (ACE) to link the exporter, U.S. Principal Party in Interest (USPPI), carrier, freight forwarder, shipper, and non-vessel operating common carrier (NVOCC) to the Automated Export System (AES) and other government agencies (OGAs).
- Almost all of AES Filers use AESDirect - according to a Census official, 98% of the filers of electronic export information (EEI) in AES use AESDirect, Census' free Internet-based EEI filing system. Census notes that there is an average increase of 304 AESDirect filers per month.

NEI Trade Symposium presentation:

[http://www.cbp.gov/linkhandler/cgov/trade/trade\\_outreach/trade\\_presentations/export\\_strategy2.ctt/export\\_strategy2.pdf](http://www.cbp.gov/linkhandler/cgov/trade/trade_outreach/trade_presentations/export_strategy2.ctt/export_strategy2.pdf)

## USTR Announces Creation of Online FTA Tariff Tool for Exporters

The Office of the U.S. Trade Representative (USTR), the International Trade Administration (ITA), and the Small Business Administration (SBA) have unveiled the online Free Trade Agreement (FTA) Tariff Tool. This site will provide exporters with a free online resource that streamlines tariff information for 85% of goods going to 20 markets with which the U.S. has negotiated trade agreements; 17 FTA partners and three pending partners. Using the Tool, users can see how U.S. and FTA partner tariffs on specific industrial products, searchable by keyword or tariff code, are treated under each agreement. USTR advised that this will help small manufacturers with planning for entry into new export markets. In addition, U.S. importers and exporters 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. USTR also reports that the Tool also enables the user to access market and sector reports and other FTA-related information that may be useful for small businesses seeking new export opportunities. The website also contains an instructional video, a quick start guide, and a user's manual.

The FTA Tariff Tool:

[www.export.gov/FTA/FTATariffTool](http://www.export.gov/FTA/FTATariffTool)

USTR notice: <http://www.ustr.gov/about-us/press-office/press-releases/2011/april/new-online-tool-highlights-tariff-benefits-free-trad>

## China Announces ADD on Optical Fiber from U.S. and EU Effective 4/22/11

As reported by Xinhuanet, China 's Ministry of Commerce will impose antidumping (AD) duties on imports of optical fiber from the U.S. and the European Union, which will go into effect on 04/22/11. The duty rates range from 4.7 percent to 29.1 percent. The optical fiber being levied is largely used in the telecommunications industry. Xinhuanet press release:

[http://news.xinhuanet.com/english2010/china/2011-04/21/c\\_13839743.htm](http://news.xinhuanet.com/english2010/china/2011-04/21/c_13839743.htm)

## BIS Issues Final Rule Amending EAR for Certain Syria License Requirements

The Bureau of Industry and Security (BIS) issued a final rule to correct a number of provisions in the Export Administration Regulations (EAR). Effective 04/29/11, the rule corrects the country entry for Syria on the Commerce Country Chart to more clearly identify for exporters the licensing requirements that apply to this destination. In addition, the rule corrects other errors in the Commerce Control List (CCL) such as inaccurate references, spelling and technical errors, and removes superfluous wording to ensure accuracy in the EAR.

As reported, the final rule removes all of the "X's" under all the reasons for control for Syria on the Commerce Country Chart (Supplement No. 1 to 15 CFR Part 738) and adds in their place "See General Order No. 2 in Supplement No. 1 to Part 736 of the EAR to determine whether a license is required to export or re-export to this destination." BIS advises that this change is necessary because a May 2004 final rule inaccurately represented the prohibition on the export to Syria of all items on CCL in the license requirements for Syria on the Commerce Country Chart. This correction serves to more accurately cite the applicable regulatory controls as set forth in the EAR.

BIS contact - Sharron Cook (202) 482-4890 or [sharron.cook@bis.doc.gov](mailto:sharron.cook@bis.doc.gov)  
BIS notice (FR Pub 04/29/11):  
<http://edocket.access.gpo.gov/2011/pdf/2011-9924.pdf>

## International Chamber of Commerce and Trade Groups Issue Anti-Corruption Tools

The International Chamber of Commerce (ICC) guidelines can help you to train your employees to identify and cope with it. One of the ICC's main objectives is to fight corruption by encouraging good practices for international initiatives. The Resisting Extortion and Solicitation in International Transactions (RESIST) initiative was developed in collaboration with Transparency International, the UN Global Compact, and the World Economic Forum Partnering Against Corruption Initiative (PACI).

*(Continued above)*

Based on the idea that private-sector convergence can improve good business practices and enforce anti-corruption, RESIST is designed as a training tool to provide practical guidance for company employees on how to prevent and/or respond to an inappropriate demand by a client, business partner or public authority in the most efficient and ethical way.

Also included, the ICC Guidelines on Agents, Intermediaries and Other Third Parties provides companies with concrete advice on how to choose and manage third parties. It provides concrete guidance on how to contract, monitor and pay agents, as well as other intermediaries.

RESIST Guide at

[http://www.unglobalcompact.org/docs/issues\\_doc/Anti-Corruption/RESIST.pdf](http://www.unglobalcompact.org/docs/issues_doc/Anti-Corruption/RESIST.pdf)

ICC Guidelines on Agents, Intermediaries and Other Third Parties:

<http://www.iccwbo.org/policy/anticorruption/>

Transparency International

<http://www.transparency.org/>

UN Global Compact

<http://www.unglobalcompact.org/>

World Economic Forum Partnering Against Corruption Initiative (PACI)

## Justice Announces Indictment of Two Firms for Exporting Computer-Related Equipment through UAE to Iran

The Justice Department (JD) announced that three individuals and two companies were indicted on charges of illegally exporting millions of dollars worth of computer-related equipment from the U.S. to Iran via the United Arab Emirates (UAE), in violation of the International Emergency Economic Powers Act (IEEPA). JD reports Jeng Shih and his New York company, Sunrise Technologies and Trading Company (Sunrise Technologies), Massoud Habibion, Mohsen Motamedian and their California company, Online Micro LLC, were indicted for illegally exporting computer-related equipment to Iran without first having obtained the required license from the Treasury Department.

*(Continued below)*

In April 2010, U.S. Immigration and Customs Enforcement Homeland Security Investigations (ICE HSI) agents seized hundreds of laptop computers that originated from Sunrise Technologies and were destined for the UAE. ICE HSI agents subsequently identified the UAE company that was purchasing millions of dollars of computers from U.S. companies for export to Iran. As reported, the ICE HSI agents arrested one individual from the UAE company, who pleaded guilty in December 2010 and began cooperating with the government. In interviews with ICE HSI agents, the individual indicated he and his UAE company had purchased an average of \$700,000 worth of computers each month from Sunrise Technologies, and an average of \$300,000 worth of computers each month from Online Micro. If convicted, each defendant could face a maximum sentence of 20 years in prison and \$1 million fine for each of the counts violating the IEEPA. JD notice: <http://www.justice.gov/opa/pr/2011/April/11-nsd-503.html>

## OFAC Posts Recent Civil Penalties and Enforcement Actions

The Office of Foreign Assets Control (OFAC) reported the following new civil penalties and enforcement information:

- HCC Insurance Holdings, Inc. of Houston, TX has paid \$38,448 to settle allegations of violations of the Iranian Transactions Regulations when it participated in a specialty aviation insurance policy that covered commercial flight operations in Iran during the period April 2005 - 2006. HCC voluntarily disclosed this matter to OFAC and the alleged violation constituted a non-egregious case.
- Robbins Instruments, Inc. of Chatham, NJ agreed to remit \$37,080 to settle allegations of violations of the Iranian Transactions Regulations when it exported, sold, and/or supplied medical equipment to one or more individuals in Iran without a license from OFAC. Robbins did not voluntarily self-disclose the matter to OFAC and the alleged violations constituted a non-egregious case.

*(Continued above)*

- An individual from Houston, TX has remitted \$112,500 to settle an apparent violation of the Sudanese Sanctions Regulations when the individual facilitated a trade-related transaction involving supplying jute bags to buyers in Sudan without an OFAC license. OFAC determined that the individual did not voluntarily disclose this matter to OFAC and that the apparent violation constituted a non-egregious case.

OFAC notice: <http://www.treasury.gov/resource-center/sanctions/CivPen/Documents/04262011.pdf>

## WTO Not Optimistic About Doha Round

World Trade Organization Director-General Pascal Lamy warned WTO members April 21 that the Doha Round of trade liberalization negotiations is in perhaps the direst straits of its ten-year history. Trade officials have resisted proclaiming the talks dead, as some private sector observers have done, but at the very least there appears to be a recognition that the goal of bringing the round to a conclusion this year will not be achieved. In a cover note accompanying updated reports on the state of talks in nine negotiating areas, Lamy said these documents make very clear "the value of what is on the table." He explained that "in economic or systemic terms, what has been achieved so far in these negotiations, and what a successful conclusion would add, amount to a major array of potential benefits at a global level." Perhaps more importantly, coming to an agreement on these issues would signal that "the spirit of global trade cooperation is still alive ... that governments and parliaments alike believe trade is better regulated at the global level than through a myriad of bilateral agreements that have limited value for today's global supply chains." However, Lamy added, there is a "clear political gap" on how to increase market access for industrial products (NAMA) that "is not bridgeable today." This was a reference to the stalemate over a U.S. demand that major developing economies like China, India and Brazil commit to deeper tariff cuts in specific sectors of industrial goods.

*(Continued below)*

While there are outstanding issues in other areas as well, Lamy believes that “under the right conditions of temperature and pressure a deal would be doable, bearing in mind that ‘nothing is agreed until everything is agreed,’ but for NAMA, where the differences today are effectively blocking progress and putting into serious doubt the conclusion of the Round this year.” Lamy concluded that the talks are in a “grave situation” that WTO members must face “squarely in order to try to find a way forward together.” There is a recognition that “business as usual” will not be sufficient to move the talks forward, he said, but “there is also a sense that the answer cannot simply be to ‘stop and reboot,’ since the issues to be addressed in any new Round would necessarily bring us back to the issue which is blocking progress today.” A more detailed discussion of what the next steps should be, including a possible “Plan B” such as a narrower agreement on issues where consensus has already been reached, is expected to take place April 29 at WTO headquarters. In the meantime, Lamy urged WTO members to “think hard about the consequences of throwing away ten years of solid multilateral work.” U.S. Trade Representative Ron Kirk had no comment on the new WTO documents other than to say that they will help WTO members “look at the complete picture of where things stand.” Kirk asserted that “it’s premature to make statements about whether [the Round is] dead or not” and reiterated that the U.S. is still willing to try and find a way forward. According to press reports, however, earlier in the week Kirk said the gaps Lamy referred to “are probably not going to be filled in time for us to [complete the Doha Round] in 2011.” [http://www.strtrade.com/WTInt/WTI\\_Article.aspx?id=36888](http://www.strtrade.com/WTInt/WTI_Article.aspx?id=36888)



## APHIS Posts Updated PPQ Manual on Importing Fresh Fruits and Veggies

The Animal and Plant Health Inspection Service (APHIS) updated the PPQ electronic manual for Importing Fresh Fruits and Vegetables. The import manual lists by country, fruits and vegetables that are admissible into the U.S. It includes a description of methods for sampling and inspecting selected fruits and vegetables; contains pictorial identification guides; and a glossary for common and scientific names of fruits and vegetables. APHIS Latest Update (04/13/11)

[http://www.aphis.usda.gov/import\\_export/plants/manuals/ports/downloads/fv.pdf](http://www.aphis.usda.gov/import_export/plants/manuals/ports/downloads/fv.pdf)

## Senate Bill Would Allow DHS to Waive 100% Maritime Scanning - Increase C-TPAT Benefits

Senators Collins (R) and Murray (D) recently introduced the SAFE Port Reauthorization Act (S. 832) in order to allow the Department of Homeland Security (DHS) to waive the 100% scanning deadline for maritime cargo if several conditions are met, provide additional benefits to Tier 2 and 3 Customs-Trade Partnership Against Terrorism (C-TPAT) participants, authorize CBP to conduct unannounced inspections of C-TPAT security measures, and require congressional notification of mutual recognition arrangements. As reported, S. 832 would allow the DHS Secretary to waive the statutory 100% scanning requirement for maritime cargo if the Secretary certifies to Congress that:

- C-TPAT revalidations are occurring at least once every 4 years;
- The Container Security Initiative (CSI) has been implemented and is in operation at all high-risk foreign ports;
- 100% of maritime cargo containers originating outside the U.S. undergo a screening to identify high-risk containers;

*(Continued below)*

- 100% of the maritime containers that have been identified as high-risk are scanned or searched before entering the U.S. ; and
- the required 10+2 data elements have improved the capabilities of the Automated Targeting System (ATS), based on empirical evidence of seizures of illegal narcotics and dangerous materials.

According to Senators Collins and Murray, this provision would address the difficulties in administering the July 2012 mandate of x-raying and scanning for radiation all cargo containers overseas that are destined for the U.S. In addition, S. 832 would also require DHS to strengthen the C-TPAT program for Tier 2 and Tier 3 participants by:

- Tier 2. Expanding Tier 2 C-TPAT participant<sup>3</sup> benefits to include voluntary training on supply chain security.
- Tier 3. Expanding the benefits for Tier 3 C-TPAT participants<sup>4</sup> to include voluntary training on supply chain security.

A program would also be established to promote sharing information with Tier 3 C-TPAT participants and other private entities regarding potential vulnerabilities, attacks, and exploitations of the international supply chain; and means and methods of preventing, responding to, and mitigating consequences from such vulnerabilities, attacks, and exploitations. This new program would involve the creation of classified and unclassified means of accessing information that will provide, as appropriate, ongoing situational awareness of the security of the international supply chain; and guidelines on establishing a mechanism for owners and operators of international supply chain infrastructure to report actual or potential security breaches. S. 832 would allow the DHS Secretary, acting through the CBP Commissioner, to conduct an unannounced inspection of a C-TPAT participant's security measures and supply chain security practices if the Commissioner determines, based on previously identified deficiencies in security measures and supply chain security practices of the C-TPAT participant, that there is a significant likelihood that such an inspection would assist in confirming the security measures in place and further the validation process.

*(Continued above)*

- S. 832 would require the DHS Secretary to:
- notify Congress of the proposed terms of a mutual recognition arrangement for C-TPAT and another country's trusted shipper program; and
  - determine, in consultation with the CBP Commissioner, that the foreign government's supply chain security program provides an equivalent level of supply chain security as provided by C-TPAT.

S. 832 would authorize FY 2011-2016 funding for C-TPAT, CSI, and ATS. The 2011 authorization levels in S. 832 would be lower than the 2010 levels for both C-TPAT and ATS, but higher for CSI and would increase by approximately 16% over the six year period. According to a Committee press release, S. 832 would also extend the competitive, risk-based, grants to improve port security. The authorization of port security grant program appropriations for the next five years at \$300 million per year would be a 25% decrease from the current authorization level. The S. 832 press release also reports that the bill would enhance the America's Waterway Watch Program to promote voluntary reporting of suspected terrorist activity or suspicious behavior against a vessel, facility, port, or waterway. S. 832 includes protections for citizens from frivolous lawsuits when they report, in good faith, suspicious behavior that may indicate potential terrorist activity.

Press release on S. 832 (04/14/11)

[http://hsgac.senate.gov/public/index.cfm?FuseAction=Press.MinorityNews&ContentRecord\\_id=55a7e3b3-5056-8059-76f7-7796ddbda4db](http://hsgac.senate.gov/public/index.cfm?FuseAction=Press.MinorityNews&ContentRecord_id=55a7e3b3-5056-8059-76f7-7796ddbda4db)

S. 832: <http://thomas.loc.gov/cgi-bin/t2GPO/http://www.gpo.gov/fdsys/pkg/BILLS-112s832is/pdf/BILLS-112s832is.pdf>

## President Strengthens Ban on Imports from North Korea

President Obama issued an Executive Order (EO) on 04/18/11, in which the U.S. is prohibiting (unless exempted) the direct or indirect importation of goods, services, and technology from North Korea, to tighten the existing sanctions imposed under Executive Orders 13466 and 13551. President Obama's EO:

<http://www.whitehouse.gov/the-press-office/2011/04/18/executive-order-prohibiting-certain-transactions-respect-north-korea>

President's letter to Congress:

<http://www.whitehouse.gov/the-press-office/2011/04/18/letter-president-prohibiting-certain-transactions-respect-north-korea>

Federal Register publication of this EO:

[http://www.ofr.gov/OFRI/Inload/OFRIData/2011-09739\\_PI.pdf](http://www.ofr.gov/OFRI/Inload/OFRIData/2011-09739_PI.pdf)

## BIS Issues Notice on 2011 Update Conference on Export Controls - Interest Forms Due by 5/9/11

The Bureau of Industry and Security (BIS) posted an online "Interest Form" which must be submitted by 05/09/11 in order to attend the annual Update Conference on Export Controls and Policy on July 19-21, 2011. Those selected will be notified and given registration instructions. BIS has also posted the proposed agenda and topics, which include:

- the export control reform initiative; export enforcement and end-use checks;
- License Exception STA;
- embargoes and sanctions;
- deemed exports and I-129 Visas;
- and
- Census trade data.

According to BIS, more detailed program information and registration fees will be posted in the coming weeks. BIS conference Interest Form: <https://www.cvent.com/events/update-2011-interest-form/registration-d89f849f911e4b729470bbd95e910d75.aspx>

BIS proposed agenda and topics:

<http://custom.cvent.com/1443C11C3A2849498060BDEB6C6528B9/files/e26732bc9c594ffbb50f2527303dc9ba.pdf>

BIS notice:

<https://www.bis.doc.gov/seminarsandtraining/update2011/index.htm>

## 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:

**June 16-17** - Seattle, WA "Complying with U.S. Export Controls"

**July 19-21** - Washington, DC "Update 2011"

**August 10-11** - Los Angeles, CA "Complying with U.S. Export Controls"

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

**Sept. 21-22** - Santa Clara, CA "How to Develop an Export Management and Compliance Program"

BIS notice:

<http://www.bis.doc.gov/seminarsandtraining/elsem.htm>

## BIS Issues Final Rule Amending CCL Due to Australia Group Plenary Meeting

The Bureau of Industry and Security (BIS) issued a final rule which amends certain entries under the Commerce Control List (CCL) to implement understandings reached at the June 2010 plenary meeting of the Australia Group and makes certain AG-related editorial clarifications and corrections to the Export Administration Regulations (EAR). As reported, the final rule amends:

- the description of certain "materials" under the chemical manufacturing equipment entry;
- the human and zoonotic pathogens and toxins entry and the animal pathogens entry; and
- the listing for "valves" in the chemical manufacturing equipment entry.

BIS advised that the AG is a multilateral forum consisting of 40 participating countries that maintain export controls on a list of chemicals, biological agents, and related equipment and technology that could be used in a chemical or biological weapons program. The AG periodically reviews items on its control list to enhance the effectiveness of participating governments' national controls and to achieve greater harmonization among these controls. BIS notice (FR Pub 04/20/11)

<http://edocket.access.gpo.gov/2011/pdf/2011-9613.pdf>

## DHS Creates New Terrorism Advisory Systems - Dumps Color Codes

On 04/20/11, the Department of Homeland Security (DHS) Secretary Napolitano announced the implementation of DHS' National Terrorism Advisory System (NTAS), a terrorism advisory system that provides timely information to the public about credible terrorist threats. NTAS will replace the former color-coded alert system. DHS will issue a public guide outlining the new system and an example of an NTAS Alert that would be issued to the public if the government were to receive information about a specific or credible terrorist attack. DHS

notice: [http://www.dhs.gov/ynews/releases/pr\\_1303296515462.shtm](http://www.dhs.gov/ynews/releases/pr_1303296515462.shtm)

## Senate Food Safety Bill to Make Knowing and Intentional Food Adulteration a Felony

The Food Safety Accountability Act (S. 216) which recently passed in the Senate would strengthen criminal penalties for certain knowing and intentional violations relating to food that is misbranded or adulterated. Under the bill, with respect to any food, a person who "knowingly and intentionally to defraud or mislead" and "with conscious or reckless disregard of a risk of death or serious bodily injury" could be fined under Title 18 (Crimes and Criminal Procedure) of U.S. law; and/or imprisoned for not more than 10 years.

Violations stated in the provision is defined as:

- introduction or delivery for introduction into interstate commerce of any food that is adulterated or misbranded;
- adulteration or misbranding of any food in interstate commerce;
- receipt in interstate commerce of any food that is adulterated or misbranded, and the delivery or proffered delivery thereof for pay or otherwise; or
- alteration, mutilation, destruction, obliteration, or removal of the whole or any part of the labeling of, or the doing of any other act with respect to a food if such act is done while such article is held for sale (whether or not the first sale) after shipment in interstate commerce and results in such article being adulterated or misbranded.

According to a press release by Senator Leahy, chair of the Senate Judiciary Committee who introduced the bill, the bill would increase penalties for the above offenses from misdemeanors to felonies, and also include imprisonment of up to 10 years. In addition, subjecting such violations to Title 18 would mean criminal fines of up to \$250,000 for individuals and up to \$500,000 for organizations - or more, depending on the circumstances. The bill was unanimously approved by the Senate Judiciary Committee in March and it has now passed in the Senate by unanimous consent. S. 216 has now been referred to the House Energy and Commerce Committee. Senators Blumenthal (D), Durbin (D), Feinstein (D), Franken (D), Klobuchar (D), Kohl (D) also co-sponsored S. 216. Senator Leahy press release (04/15/11)

[http://leahy.senate.gov/press/press\\_releases/release/?id=ee81ffad-2dec-4316-9e42-69cd2008d089](http://leahy.senate.gov/press/press_releases/release/?id=ee81ffad-2dec-4316-9e42-69cd2008d089)  
S. 216: <http://www.gpo.gov/fdsys/pkg/BILLS-112s216es/pdf/BILLS-112s216es.pdf>

## USTR Announces Panama FTA Ready for Congressional Action

U.S. Trade Representative (USTR) Ron Kirk reported that the free-trade agreement (FTA) between the U.S. and Panama is ready to be considered by Congress after Panama took actions sought by the Obama administration.

According to a statement, Kirk has advised the Senate Finance and House Ways and Means committees that he is ready to begin technical discussions on legislation for the agreement. As reported, the U.S. and Panama recently began exchanging tax information, a requirement by the U.S. for advancing the trade deal, the Treasury Department. Panama's Congress last week ratified tax changes that the Obama administration said were necessary before legislators would consider the trade pact. The tax will let both nations exchange information on bank accounts, a step sought by lawmakers before taking up the agreement. Free trade deals between the U.S. and Panama, Colombia and South Korea have been held up for years in the U.S. Congress, but the outlook for passage has brightened recently. [www.joc.com](http://www.joc.com) (04/19/11)