



EIB World Trade Headlines

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Treasury Updates List of Countries Requiring Cooperation with International Boycotts

The Treasury Department (TD) published its current list of countries that require or may require participation in, or cooperation with, an international boycott. The countries included on this list are:

- Kuwait
- Lebanon
- Libya
- Qatar
- Saudi Arabia
- Syria
- United Arab Emirates
- Republic of Yemen

The TD notes that Iraq is not included in this list, but its status with respect to future lists remains under review. The Bureau of Industry and Security (BIS) reports that the anti-boycott laws were adopted to encourage, and in specified cases, require U.S. firms to refuse to participate in foreign boycotts that the U.S. does not sanction. The laws have the effect of preventing U.S. firms from being used to implement foreign policies of other nations that run counter to U.S. policy. BIS notes that the Arab League boycott of Israel is the principal foreign economic boycott that U.S. companies must be concerned with today.

(Continued)

Newsletter Notes:

- *Treasury & Boycotting Countries*
- *BIS Changes to SNAP "R"*
- *Country Commercial Guides*
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- *White House Food Safety*
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- *White House on South Korea*
- *OFAC Terrorism Sanctions*
- *Export Control Certification on VISA's*
- *WTO Handbook Customs Values*
- *Columbia Free Trade Agreement*
- *DOE Predicting Rising Fuel and Oil Costs*

However, BIS notes that the anti-boycott laws apply to all boycotts imposed by foreign countries that are unsanctioned by the U.S. The Export Administration Regulations (EAR) require U.S. persons to report quarterly requests they have received to take certain actions to comply with, further, or support an unsanctioned foreign boycott on form BIS 621-P for single transactions or BIS 6051P for multiple transactions received in the same calendar quarter. The BIS' Web site provides additional information, including a link to the anti-boycott regulations, and recent examples of boycott requests. BIS web site: Web site <http://www.bis.doc.gov/>

In addition, BIS posts to its press releases of actions it takes against U.S. companies for certain violations of its anti-boycott regulations. <http://www.bis.doc.gov/complianceand enforcement/anti-boycottcompliance.htm> TD notice: FR Notice available at <http://edocket.access.gpo.gov/2010/pdf/2010-30026.pdf>

FDA Issues Notice Seeking Comments on Upcoming Revisions of Import and Other Compliance Guidance Docs

The Food and Drug Administration (FDA) is publishing its annual guidance document agenda to seek public comment on possible topics for future guidance document development or revisions of existing ones. The Center for Drug Evaluation and Research requests comments on:

- (1) [Current Good Manufacturing Practices \(CGMPs\)](#)/compliance regarding the importation of active pharmaceutical ingredients (API) for use in human drugs and Pre-Launch Activities Importation Requests (PLAIR); and
- (2) the [Center for Food Safety and Applied Nutrition](#) requests comments on its guidance regarding the safety of imported traditional pottery Intended for use with food and the improper use of the terms "lead free," and the proper identification of ornamental and decorative ware.

Comments may be submitted at any time.

BIS Issues Proposed Rule on Changes to Electronic SNAP-R

The Bureau of Industry and Security (BIS) issued a proposed rule to require on-line registration for obtaining and maintaining SNAP-R accounts to submit export license applications and similar documents electronically.

Comments are due by 01/24/11. Under its export licensing program, BIS requires most parties to submit license applications, classification requests, encryption registrations, License Exception AGR notifications and foreign national review requests in connection with the License Exceptions APP and CIV (i.e. "work items") electronically via BIS' Simplified Network Application Processing (SNAP-R) system. Currently, parties must register to use that system via a paper- or facsimile-based process. BIS plans to replace that registration process with one that is exclusively on-line. BIS intends to begin operating the on-line registration system on the date of publication of the final rule, but proposes to phase-in mandatory use of on-line registration and account administrator. Details of the on-line registration and account administrator are posted.

BIS contact - Thomas Andrukonis (202) 482-6393
BIS notice (FR Pub 11/23/10)

<http://edocket.access.gpo.gov/2010/pdf/2010-29482.pdf>

US Commercial Service Provides Country Commercial Guides for Exporters

The success of the National Export Initiative (NEI), which calls for the doubling of U.S. exports and adding millions of new jobs in 5 years, depends in part on U.S. exporters finding buyers in additional country markets. If an exporter is selling to Canada now, Mexico or Chile might be good places to expand. But in a recent survey U.S. manufacturing exporters reported that they limit international expansion due to lack of a reliable means to select the best new market. One way to help insure that the selection is the smartest one is to check the U.S. Commercial Service's Country Commercial Guides.

(Continued)

The Country Commercial Guide is an annual publication designed to help U.S. exporters make the best strategic market entry decisions. With information contained in the Guides exporters can learn about market conditions, purchasing power, consumer trends, distribution channels, navigating entry constraints, best sectors, key contacts and much more. Guides for more than 100 countries, prepared by market experts located at U.S. embassies worldwide, are available. View the Guides online or print them off for study at your convenience.

Country Commercial Guides:

<http://www.export.gov/mrktresearch/index.asp>

APHIS Issues Proposed Rule to End ISPM15 Exemption for SWPM from Canada

The Animal and Plant Health Inspection Service (APHIS) issued a proposed rule to amend 7 CFR Part 319 to remove the exemption that allows wood packaging material (WPM) derived from Canadian trees to enter the U.S. without first meeting the ISPM 15-based treatment and marking requirements that APHIS applies to WPM from all other countries. Comments are due by 01/31/11.

According to APHIS, its regulations currently authorize the importation WPM into the U.S. from Canada if accompanied by an importer document stating that the articles are derived from trees harvested in, and have never been moved outside of Canada, and are subject to the inspection and other requirements in 7 CFR 319.40-9. APHIS is proposing to amend 7 CFR 319.40-3(a), by adding a new exclusion to the regulations for Canadian "regulated wood packaging materials, whether in actual use as packing for regulated or non-regulated articles, or imported as cargo." As a result, WPM from Canada would be subject to the same ISPM 15-based treatment and marking requirements that apply to WPM from all other countries. APHIS reports that since the implementation of ISPM 15, it and Canadian Food Inspection Agency (CFIA) officials have participated jointly in the North American Perimeter Approach Wood and Wood Products Steering Committee to develop a harmonization plan that would entail both countries removing the ISPM 15 exemption they have for each other. Coordination of this plan will take place through APHIS and CFIA's participation in the North American Plant Protection Organization's (NAPPO) Forestry Panel.

APHIS contact – John Tyrone Jones (301) 734-8860

EPA Issues Draft Proposal on Export Labeling Rules for Pesticides

The Environmental Protection Agency (EPA) issued a notice announcing that its Administrator has forwarded to the Secretary of Agriculture (USDA) a draft proposed rule intended to clarify, restructure, and add specificity to existing labeling regulations for the export of unregistered pesticide products and devices. In addition, EPA is also considering a minor new requirement for the labeling of unregistered pesticide products and devices shipped between establishments operated by the same producer to ensure that they are clearly marked as unregistered products intended for export in order to prevent them from inadvertently entering the U.S. market.

According to EPA, this notice is simply announcing the submission of a draft proposed rule to the USDA and that the draft proposed rule is not available to the public. A proposed rule will be published in the Federal Register after the USDA has been given the opportunity to comment.

EPA Contact: Vera Au – (703) 308-9069 or

au.ver@epa.gov

EPA notice (FR Pub 12/01/10)

<http://edocket.access.gpo.gov/2010/pdf/2010-30222.pdf>

China Posts Regulation on Registration for Foreign Firm Representative Office

China recently announced that it has published a regulation on the registration administration of resident representative offices for foreign companies. The regulation, which is effective on 03/01/11, includes rules on the registration, establishment, information change, cancellation of registration and legal responsibilities of the representative offices of foreign companies. Any representative offices that are found operating without valid registration or engaging in any profitable business operations may be subject to administrative fines of between 50,000 yuan (7,507 U.S. dollars) and 500,000 yuan. Press release:

<http://english.mofcom.gov.cn/aarticle/counselorsreport/asiareport/201011/20101107269025.html>

Canada Issues New Regulations on Lead Content Limit in Baby Toys and Other Items

Health Canada (HC) announced new regulations to restrict the lead content of a variety of consumer products, including certain toys for young children. The regulations will limit the lead content of accessible parts of certain consumer products from 600 mg/kg to 90 mg/kg total lead (which is equivalent to 90 parts per million (ppm)). The products affected by these regulations are known as "Group 1" products, which were given priority because their typical use pattern involves the product being brought to the mouth of children. Group 1 products include:

- All toys intended for children under three years of age;
- Baby bottle nipples, soothers, baby bibs;
- Beverage straws, drinking spouts, and other drinking aids;
- Mouthpieces of musical instruments; and
- Sports mouthpieces

Group 1 Products are technically defined as:

1. products, other than kitchen utensils, that are brought into contact with the user's mouth in the course of normal use (kitchen utensils will be covered under separate foodware regulations); and
2. products intended for use in play or learning by children under three years of age.

These regulations come into force on the day on which they are registered. NC is also planning to begin a formal regulatory process to subject accessible parts of what it calls "Group 2" products to the 90 mg/kg total lead limit. These Group 2 products would include:

- products intended for play and learning for children aged 3-13;
- child care articles; and
- clothing and accessories for children under the age of 14 years

HC reports that in advance of the formal regulatory process, it is planning to issue a consultative document for stakeholder comment during the first half of 2011. HC has introduced these "Consumer Products Containing Lead (Contact with Mouth) Regulations" as part of its overall Lead Risk Reduction Strategy for consumer products. The U.S.' lead content limit, which affects accessible parts of consumer products designed or intended primarily for children 12 and under, is currently set at 300 ppm. On 08/14/11, the limit will decrease to 100 ppm, unless the Consumer Product Safety Commission (CPSC) determines that a limit of 100 ppm is not technologically feasible for a product or product category.

HC fact sheets: http://www.hc-sc.gc.ca/ahc-asc/media/nr-cp/2010/2010_203fs-eng.php and http://www.hc-sc.gc.ca/ahc-asc/media/nr-cp/2010/2010_203fsb-eng.php

HC regulations: <http://www.hc-sc.gc.ca/cps-spc/legislation/acts-lois/lead-plomb/lead-plomb-eng.php>

HC notice: http://www.hc-sc.gc.ca/ahc-asc/media/nr-cp/2010/2010_203-eng.php

WTO Pushing to Finish Doha Round by End of 2011

World Trade Organization Director-General Pascal Lamy recently announced an "intensive work program" to finish the Doha Round by the end of 2011. Lamy reported: "We have the political signal, we have the technical expertise and we have the work program. We now need to translate these into a comprehensive deal which you can all take back home. The final countdown starts now."

WTO press release: http://www.wto.org/english/news_e/news10_e/tnc_dg_stat_30nov10_e.htm

EPA Issues Final Rule on GHG Reporting on Certain Products - Affects Imports and Exports

The Environmental Protection Agency (EPA) issued a final rule to require monitoring and reporting of greenhouse gas (GHG) emissions from additional sources of fluorinated greenhouse gases, including electronics manufacturing, fluorinated gas production, electrical equipment use, electrical equipment manufacture or refurbishment, as well as importers and exporters of pre-charged equipment and closed-cell foams. This rule does not require control of greenhouse gases. According to EPA, the GHG reporting required for imports and exports of pre-charged equipment and closed-cell foams could affect air conditioners and household appliance stores. In addition, reporting is only required if emissions from these imports or exports equal or exceed 25,000 metric tons equivalent of carbon dioxide per year. The GHG Reporting Program was implemented in December 2009 and requires annual reporting of GHG emissions and other relevant information from certain source categories in the United States.

The affected GHGs include carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and other fluorinated compounds (e.g., hydrofluoroethers (HFEs)). EPA adds that judicial review of this final rule is available by filing a petition for review in the U.S. Court of Appeals for the District of Columbia Circuit by 01/31/11. Only an objection to this final rule that was raised with reasonable specificity during the period for public comment can be raised during judicial review. The final rule also provides a mechanism for EPA to convene a proceeding for reconsideration, if the person raising an objection can demonstrate to EPA that it was impracticable to raise such objection within the period for public comment or if the grounds for such objection arose after the period for public comment, and if such objection is of central relevance to the outcome of the rule. EPA's final rule for GHG is effective 12/31/10.

Carole Cook (202) 343-9263 or

GHGReportingRule@epa.gov

FR Pub 12/01/10 available at

<http://edocket.access.gpo.gov/2010/pdf/2010-28803.pdf>

US Senate and House Get Bills to Require 100% Screening on All-Cargo Aircraft

The Air Cargo Security Act (H.R. 6410 and S. 3954), bills to require:

1. 100% screening of cargo transported on all-cargo aircraft,
2. inspection of air cargo shipping facilities, and
3. a training and evaluation program for air cargo handlers, were introduced in the House and Senate.

H.R. 6410 has been referred to the House Homeland Security Committee and S. 3954 has been referred to the Senate Commerce, Science, and Transportation Committee, and neither is in effect. H.R. 6410 and S. 3954 are considered "companion" bills and their text is substantially similar, but not identical. It has been noted that both bills have what appear to be errors in their U.S. Code cites, certain terminology. Except as otherwise provided, H.R. 6410 and S. 3954 and their amendments would take effect 180 days after their date of enactment.

H.R. 6410: http://thomas.loc.gov/cgi-bin/t2GPO/http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:h6410ih.txt.pdf

Representative Markey's press release:

http://markey.house.gov/index.php?option=com_content&task=view&id=4146&Itemid=141 .

S. 3954: http://thomas.loc.gov/cgi-bin/t2GPO/http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=111_cong_bills&docid=f:s3954is.txt.pdf

Senator Casey's press release:

<http://casey.senate.gov/newsroom/press/release/?id=eed453f8-ceed-444c-81a4-fe7ef31d4416>



Senate Subcommittee Posts Testimony on TSA Priorities

Recently the Senate Commerce, Science, and Transportation held an oversight hearing on the Transportation Security Administration (TSA). In their opening statements, Chairman Rockefeller (D) and Ranking Member Hutchison (R) pledged to make sure TSA has the resources it needs to address key security concerns as part of the TSA authorization process (which is not expected to happen until the 112th Congress). Both the Chairman and Ranking Member expressed concerns about security issues related to cargo, general aviation, mass transit, and passenger screening. In his written hearing statement, TSA Administrator Pistole focused on TSA's priorities, which are

1. improve TSA's counterterrorism focus through intelligence and cutting-edge technology,
2. support the TSA workforce, and
3. strengthen TSA's relationships with stakeholders and the traveling public.

GAO Posts Letter Responding to Senate Subcommittee Questions on Maritime Security

The Government Accountability Office (GAO) posted its letter to the Chairman and Ranking Member of the Senate Commerce, Science, and Transportation Committee responding to questions for the record, from a July 2010 hearing on port security. The following topics were included in the GAO responses:

- Importer Security Filing (10+2)
- 100% Scanning Requirement and Risk Management
- Container Security Technologies
- Cargo Advanced Automated Radiography System
- Security in Foreign Ports
- Port Security Grant Program
- Transportation Worker Identification Credential (TWIC) Program
- Strategic Trade Corridor Strategy
- Small Vessels

GAO notice (GAO-11-140R) (10/22/10)
<http://www.gao.gov/new.items/d11140r.pdf>

FDA Posts Draft of Strategic Priorities Through 2015

The Food and Drug Administration (FDA) issued a draft document entitled "Strategic Priorities 2011-2015: Responding to the Public Health Challenges of the 21st Century," which outlines the goals and priority areas that will guide FDA through the next five years. Among FDA's priorities in the next five years is addressing the growing challenges of globalization, which have far outstripped U.S. resources for inspection and quality monitoring. Addressing these challenges will require focus on prevention, on stopping threats before they ever become reality. FDA is also implementing a number of new programs designed to sharpen the effectiveness and timeliness of its regulatory, compliance, and enforcement systems. It is establishing deadlines for industry to respond to significant inspection findings, which will enable FDA to take enforcement action more rapidly if a manufacturer has not corrected violations documented after an inspection. FDA will be implementing processes to prioritize followup inspections after it has issued a Warning Letter, classified a major recall, or taken other significant enforcement actions. FDA also pledges to work more closely with regulatory and enforcement partners to share laboratory and enforcement data and encourage them to take the immediate action in response to violations. FDA will remain involved in enforcement and compliance actions by notifying the public about the violative products and helping ensure longer term corrections are instituted.

FDA draft plan (09/29/10)

<http://www.fda.gov/downloads/AboutFDA/ReportsManualsForms/Reports/StrategicActionPlan/UCM226907.pdf>

EPA Posts Criteria for Identifying Safer Chemicals and Products

The Environmental Protection Agency (EPA) announced new criteria to help companies and other groups, such as states and environmental organizations, identify safer chemicals. The new criteria is part of the agency's Design for the Environment (DfE) Alternatives Assessments program for identifying safer alternatives to chemicals that pose a concern to human health and the environment. EPA will accept comments on the criteria through 01/31/11. According to a draft document on the criteria, EPA will apply the new criteria during its upcoming DfE Alternatives Assessments.

According to the EPA, DfE Alternatives Assessments will be conducted for bisphenol A (BPA), phthalates, decabromodiphenyl ether (decaBDE), hexabromocyclododecane (HBCD) and nonylphenol and nonylphenol ethoxylates (NP and NPEs). Both the BPA and decaBDE efforts are under way and include the use of BPA and its alternatives in thermal paper, such as cash register receipts, and the review of flame retardant alternatives to decaBDE in products such as textiles, plastic palettes, and electronics. Assessments of phthalates, the flame retardant HBCD, and NPEs will begin in 2011. EPA noted that lessons learned from the application of the criteria during those assessments will be incorporated into a finalized version of the criteria. The assessments will lead to the manufacture of safer products and reduced chemical exposures. The DfE program works in partnership with industry, environmental groups, and academia to help industry choose safer alternatives to chemicals that may pose a concern to human health or the environment. EPA notice:

<http://yosemite.epa.gov/opa/admpress.nsf/d0cf6618525a9efb85257359003fb69d/caedf8e1884dc147852577eb0065dadclOpenDocument>

EPA Issues Notice on ToxCast Screening Program and Increase in Chemicals to be Reviewed

The Environmental Protection Agency (EPA) announced that its ToxCast screening program has entered a new phase, screening 700 more chemicals for potential toxicity to people and the environment. EPA launched ToxCast in 2007, to develop a cost-effective approach for prioritizing the toxicity testing of thousands of chemicals. It is designed to determine how chemical exposures impact the body and how the chemicals most likely lead to health effects. During the first phase, ToxCast tested about 300 chemicals, primarily pesticides, in more than 500 fast, automated tests or assays. In Phase II, ToxCast is screening about 700 additional chemicals representing broader chemicals including industrial and consumer products, food additives and drugs that never made it to the market in order to evaluate the predictive toxicity signatures developed in Phase I. EPA reports that ToxCast is reducing the agency's reliance on slow and expensive animal toxicity tests, enabling the agency to screen chemicals more quickly and to predict and identify potential health risks.

APHIS Creates Website for Information on User Fee Program

The Animal and Plant Health Inspection Service (APHIS) announces the availability of a Web site that contains information about the Agency's user fees to recover the costs of providing certain goods and services:

<http://www.aphis.usda.gov/userfees/index.shtml>

According to APHIS, the Web site provides a description of the services or goods for which a fee is charged, the statutory authority for APHIS to collect and retain the fees, the current rates, how APHIS determined the amount of the fees, any scheduled rate changes, and other information pertinent to that user fee program. APHIS user fee programs include:

- Agricultural quarantine and inspection (AQI) services;
- Export certification of plants and plant products;
- Veterinary services for imports and exports of live animals and products;
- Veterinary diagnostic goods and services; and
- Reimbursable overtime services.

APHIS FR Notice:

<http://edocket.access.gpo.gov/2010/pdf/2010-30208.pdf>

CPSC Posts Notice on Flammability Testing for Children's Mattresses

The Consumer Product Safety Commission (CPSC) issued a notice amending the terms under which it will accept certifications for children's mattresses, mattress pads, and/or mattress sets based on testing by a third-party lab to the flammability regulations at 16 CFR parts 1632 and/or 1633 that occurred prior to CPSC's acceptance of that lab's accreditation. According to CPSC it is taking this action in response to requests from certain mattress manufacturers to reduce unnecessary retesting of mattresses, mattress pads, and/or mattress sets that have already been tested and found to be in compliance with CPSC regulations. Based on comments in two letters from the trade, CPSC is revising its position on its "Limited Acceptance of Children's Product Certifications Based on Third Party Conformity Assessment Body Testing Prior to the Commission's Acceptance of Accreditation."

CPSC has decided that it will accept children's product certifications based on third-party lab testing, prior to a lab's accreditation by CPSC, under the following two different testing scenarios:

1. the testing is performed by certain accredited third-party labs on or after 07/01/07, provided the lab's accreditation is accepted by CPSC by 11/16/10; the lab was International Organization for Standardization (ISO) /IEC 17025 accredited by an accreditation body that is a signatory to the ILAC-MRA; etc.
2. the testing is performed by any of seven U.S. labs listed in the notice, provided the testing was conducted on or after 07/01/07, but not later than 11/16/10; the test results show compliance with the applicable current standards and/or regulations; etc.

CPSC reminds the trade, children's mattresses, mattress pads, and/or mattress sets manufactured after 11/16/10 must be tested by a CPSC-accredited third-party lab and accompanied by a certificate of compliance based on that testing. CPSC notice:

<http://edocket.access.gpo.gov/2010/pdf/2010-29861.pdf>

White House Issues Statement on Senate's Food Safety Bill - Urges House Action

Senator Harkin (D) announced, the Senate-passed FDA Food Safety Modernization Act (S. 510), is a needed overhaul that would help prevent food contamination and improve outbreak response. A White House press release notes that with the Senate's passage of S. 510, the U.S. is one step closer to having critically important new tools to protect its food supply and keep consumers safe. President Obama urges the House, which has previously passed its own food safety legislation, to act quickly on this critical bill. Senator Harkin's press release highlights of the Senate's bill.

White House press release (11/30/10)

<http://www.whitehouse.gov/the-press-office/2010/11/30/president-obama-applauds-senate-passage-food-safety-modernization-act>

Senator Harkin press release:

<http://help.senate.gov/newsroom/press/release/?id=9e567d8c-86e6-44a2-b20c-73de54c37e67&groups=Chair>

White House Posts Fact Sheet on Anti-Corruption Plan from G20 Summit

The White House issued a fact sheet, after the recent G20 Summit in Korea, on the G20's comprehensive Action Plan to strengthen anti-corruption efforts worldwide. Under the Action Plan, G-20 Leaders agreed to: accede or ratify and effectively implement the United Nations Convention Against Corruption (UNCAC) and promote a transparent and inclusive review process;

- adopt and enforce laws against the bribery of foreign public officials;
- prevent access of corrupt officials to the global financial system;
- consider a cooperative framework for the denial of entry to corrupt officials, extradition, and asset recovery;
- protect whistleblowers; and
- safeguard anticorruption bodies.

The White House fact sheet also provides highlights on the Administration's fight against corruption, including:

- Increased enforcement capacity to pursue bribery of officials overseas;
- Filing 105 enforcement actions involving bribery of foreign officials overseas since early 2009, and collecting over \$2 billion in criminal and civil penalties;
- Creation and initiation of a new peer review mechanism to review the efforts of 147 countries in implementing UNCAC;
- Continued U.S. leadership in the OECD Working Group on Bribery laws; and
- Increased efforts in business education and awareness including outreach to potential importers and investors in developing countries and support for ethics initiatives.



White House Posts Fact Sheets on South Korea FTA

President Obama announced that the U.S. and South Korea have successfully resolved the outstanding issues with the U.S. - Korea Free Trade Agreement (KORUS FTA), setting the stage for consideration of the agreement by Congress in the coming months. According to the President, the KORUS FTA is expected to increase annual exports of American goods by up to \$11 billion and support at least 70,000 American jobs. He stated that American manufacturers of cars and trucks would gain more access to the Korean market and a level playing field to take advantage of that access. The agreement would increase exports of agricultural products and open Korea's services market to American companies. President Obama also noted that the high standards for the protection of worker's rights and the environment make this a model for future trade agreements, which must be both free and fair. Obama reported that he looked forward to working with Congress and leaders in both parties to get the agreement approved and to ensure that America competes aggressively for the jobs and markets of the 21st century. He noted that the agreement is an integral part of U.S. efforts to double its exports over five years. The posted White House fact sheet reports that the Agreement would eliminate tariffs on over 95 percent of industrial and consumer goods within five years.

President Obama's statement (12/03/10)
<http://www.whitehouse.gov/the-press-office/2010/12/03/statement-president-announcing-us-korea-trade-agreement>
White House Fact sheet (overview)

http://www.whitehouse.gov/sites/default/files/fact_sheet_overview_us_korea_free_trade_agreement.pdf

White House Fact sheet (economic value)

http://www.whitehouse.gov/sites/default/files/fact_sheet_economic_value_us_korea_free_trade_agreement.pdf

White House Fact sheet (U.S. auto exports)

http://www.whitehouse.gov/sites/default/files/fact_sheet_increasing_us_auto_exports_us_korea_free_trade_agreement.pdf

USTR Posts Information on Latest Round of TPP Talks

The Office of the U.S. Trade Representative (USTR) announced that the fourth round of Trans Pacific Partnership (TPP) negotiations opened on 12/06/10 in Auckland, New Zealand. The TPP is a multilateral free trade agreement (FTA) that currently includes Brunei Darussalam, Chile, New Zealand, and Singapore. The U.S. and four others (Australia, Malaysia, Peru, and Vietnam) plan to join the TPP after working with current members to modify and expand its scope. The first round of these FTA talks was held in March 2010, the second round was held in June 2010, and the third round was held in October 2010. Negotiations are expected to continue into 2011. Negotiating groups from the nine countries began work on trade in goods, financial services, customs, labor, and intellectual property. They also began discussions on cross-cutting issues, including how to ensure that small- and medium-sized enterprises can take advantage of the TPP FTA. USTR notice: <http://www.ustr.gov/about-us/press-office/blog/2010/december/update-trans-pacific-partnership-negotiations-new-zealand>

Thirty-Two Senators Sign Letter to Officials on China Urging Resolution of Currency Issues

Recently Senate Finance Committee Chairman Baucus (D), Ranking Member Grassley (R), and 30 other Senators sent a letter to the Chinese government urging its officials to resolve several longstanding bilateral trade issues during the meetings of the U.S.-China Joint Commission on Commerce and Trade (JCCT). The Senators focused in particular on China's inadequate protection of U.S. intellectual property rights (IPR); policies that discriminate in favor of domestic Chinese – or "indigenous" – innovation; and restrictions on imports of U.S. beef. In addition, the Senators also reiterated U.S. concerns about China's unfair currency undervaluation, noting that the Senate may follow the House in passage of currency legislation. The letter urges China to demonstrate its commitment to adopting a market-determined exchange rate by allowing its currency to appreciate meaningfully in advance of Chinese President Hu's visit. According to the letter, progress needs to be seen on some core issues in order to be able to

OFAC Issues Final Rule Amending Global Terrorism Sanctions Regulations

The Office of Foreign Assets Control (OFAC) issued a final rule, effective 12/07/10, amending the Global Terrorism Sanctions Regulations (GTSR) and the Terrorism Sanctions Regulations (TSR) to expand the scope of authorizations in each of those programs for the provision of certain legal services. In addition, OFAC is adding new general licenses under the GTSR, the TSR, and the Foreign Terrorist Organizations Sanctions Regulations (FTOSR) to authorize U.S. persons to receive specified types of payment for certain authorized legal services. The GTSR and TSR authorize U.S. persons to provide certain authorized legal services to or on behalf of persons whose property and interests in property are blocked under those regulations, provided that any payment of professional fees and reimbursement of incurred expenses is specifically licensed. OFAC is expanding the scope of these general licenses by adding to the authorized legal services the initiation and conduct of legal, arbitration, or administrative proceedings before any U.S. federal, state, or local court or agency for or on behalf of persons whose property and interests in property are blocked under the GTSR or TSR. OFAC is also adding new general licenses to the GTSR, TSR, and FTOSR to authorize payments from funds originating outside the U.S. in connection with certain authorized legal services rendered to or on behalf of designated persons, as well as the formation of legal defense funds to gather donations and dispense funds in connection with payments for such legal services. OFAC contact – Assistant Director for Compliance, Outreach & Implementation – (202) 622-2490

EC Issues New Guidelines and FAQ Explaining Jan 1 Advance Cargo Rules

The European Commission recently published new guidelines on entry and summary declarations, guidelines on export and exit, and frequently asked questions on entry summary declarations, which are intended to explain the 01/01/11 obligations on advance cargo information and how to fulfill them. The EC has previously explained that starting January 2011, security data on inbound and outbound ocean, air, and land cargo will have to be submitted electronically and within certain timeframes before import and export. Though the advance security data requirement took effect 07/01/09, the EU provided the trade with a transition period during which certain information submission was voluntary. The new guidelines on Entry and Summary Declarations in the context of the advance cargo information requirements are divided into the following three parts:

- (1) General.
- (2) Guidelines on Export and Exit
- (3) FAQ on Entry Summary Declarations

The EC reminds readers that these documents are for informational purposes and that the EC Customs Code and the Customs Code Implementing Provisions are the only authentic legal basis.

EC notice:

http://ec.europa.eu/ecip/security_amendment/procedures/index_en.htm

New Export Control Certification Requirement on Visa Applications

Beginning on December 23, 2010, the U.S. Citizenship and Immigration Services ("USCIS") will require that all employers who wish to submit a Petition for a Nonimmigrant Worker use an updated version of Form I-129. Among other things, the new form requires employers to certify under penalty of perjury their compliance with U.S. export control laws and regulations. Specifically, employers will now have to certify that they have (1) reviewed the Export Administration Regulations ("EAR") and the International Traffic in Arms Regulations ("ITAR") and (2) determined whether a license is or is not required before the foreign employee can have access to controlled products or technology.

USTR Posts Information on Final Anti-Counterfeiting Trade Agreement

The finalized text of the Anti-Counterfeiting Trade Agreement (ACTA) announced by the U.S. Trade Representative (USTR) is virtually identical to the version USTR previously issued, except for certain provisions on the enforcement of intellectual property rights (IPR) in the digital environment. Under ACTA, each Party must ensure that enforcement procedures, to the extent set forth in the civil and criminal enforcement sections of ACTA, are available under their laws so as to permit effective action against an act of IPR infringement in the digital environment. The finalized text states that these enforcement procedures must apply to infringement of copyright or related rights over digital networks, which may include the unlawful use of means of widespread distribution for infringing purposes. USTR adds that there are other similar instances throughout the digital environment section where the draft words "at least" were removed from the final text.

USTR has previously reported that following legal verification of the text, the proposed agreement will then be ready to be submitted to the participants' respective authorities to undertake relevant domestic processes.

Participants in the negotiations include Australia, Canada, the European Union (EU) and its Member States, represented by the European Commission and the EU Presidency (Belgium), Japan, Korea, Mexico, Morocco, New Zealand, Singapore, Switzerland and the U.S.

USTR press release (11/15/10)

<http://www.ustr.gov/about-us/press-office/press-releases/2010/november/us-participants-finalize-anti-counterfeiting-trad>

USTR notice: http://www.ustr.gov/webfm_send/2379

Dept. of Justice Talks about FCPA Anti-Bribery Efforts and Compliance Steps to Prevent Violations

At the 24th National Conference on the Foreign Corrupt Practices Act (FCPA), Assistant Attorney General Breuer discussed the Department of Justice's (DOJ's) strengthened FCPA enforcement efforts, and offered suggestions for prevention.

(Continued above)

Breuer reported that FCPA enforcement is stronger than it's ever been and getting stronger. In the past year, DOJ has imposed the most criminal penalties in FCPA-related cases in any single 12-month period; over \$1 billion. To give some historical perspective, Breuer noted that in 2004, DOJ charged two individuals under the FCPA and collected around \$11 million in criminal fines. In 2005, it charged five individuals and collected around \$16.5 million. By contrast, last year and this year combined, DOJ has charged over 50 individuals and collected nearly \$2 billion.

Furthermore, today there are approximately 35 defendants awaiting trial on FCPA charges in the U.S. Breuer also discusses criticism that FCPA enforcement is "bad for business." According to Breuer, the FCPA enforcement program serves not only to hold accountable those who corrupt foreign officials, but also serves to make the international business climate more transparent and fair for everyone. Another criticism Breuer discussed is that FCPA enforcement puts U.S. businesses at a competitive disadvantage to their foreign counterparts. Breuer refutes that over the last five years, more than half of DOJ's corporate FCPA resolutions have involved foreign companies or U.S. subsidiaries of foreign companies.

DOJ notice:

<http://www.justice.gov/criminal/pr/speeches/2010/crr-speech-101116.html>

USTR Posts Statement on Doha Round Negotiations

The Office of the U.S. Trade Representative (USTR) issued a statement by U.S. Ambassador to the World Trade Organization Punke in response to WTO Director General Lamy's plans for finalizing the Doha Round negotiations. Ambassador Punke announced that it is now essential to pivot to true negotiating mode. However, he cautions that substance must trump process. Countries need an ambitious and balanced outcome that opens markets, providing new opportunities for growth and development. He added that as all countries need to be able to sell a final Doha round outcome in their own countries, negotiators need to be as forthright as possible about what it will take for them to do that. Ambassador Punke notes that some say that the U.S. approach needs to be more "realistic" in its expectations for the Round, but the U.S. holds a different perspective on realism in Doha.

(Continued)

What is not realistic is the notion that a few of the world's most powerful trading nations can play by a set of rules that gives them largely unfettered access to global markets – without giving appropriate reciprocity in return. According to Ambassador Punke, the U.S. welcomes the already increasing pace of work and determination to get the job done, understanding that this will require countries to get into the give and take of real negotiations on solutions to the hard issues that have eluded them thus far.

USTR notice: <http://www.ustr.gov/about-us/press-office/press-releases/statement-ambassador-michael-punke-trade-negotiations-committee>

WTO Publishes New Handbook on Customs Valuation

The World Trade Organization (WTO) published a handbook on the WTO Customs Valuation Agreement.

The rules for valuing imports for purposes of assessing customs duties are defined in the WTO Customs Valuation Agreement, a system that is designed to promote fairness, neutrality and uniformity in customs duty assessment and which is used by more than 150 WTO Member countries worldwide. The handbook aims to provide a deeper understanding of the agreement's functions and aims. It covers the value method, alternative valuation methods, implementation and operation, and administration and dispute settlement. Within these topics, the handbook covers definitions, when certain valuation should and should not be used.

Columbia Free Trade Agreement News

The Congressional Research Service (CRS) issued two reports on the proposed U.S.-Colombia Free Trade Agreement entitled "The Proposed U.S.-Colombia Free Trade Agreement" (CFTA) (RL34470) and "The Proposed U.S.-Colombia Free Trade Agreement: Labor Issues" (RL34759). The first CRS report provides a general overview of the CFTA and the status of its implementation.

According to the report, the CFTA is awaiting Congressional approval of implementing legislation before it can enter into force. The second CRS report examines three labor issues and arguments related to the pending CFTA:

1. violence against trade unionists;
2. impunity (accountability for or punishment of the perpetrators); and
3. worker rights protections for Colombians.

The report notes that if Congress were to approve the CFTA, it would be the second FTA (after Peru) to have some labor enforcement "teeth."

Proposed U.S.-Colombia Free Trade Agreement, RL34470 (10/01/10)

<http://openocrs.com/document/RL34470> Proposed U.S.-Colombia Free Trade Agreement: Labor Issues, RL34759 (10/05/10)

<http://openocrs.com/document/RL34759>

DOE Predicting Rising Oil and Fuel Costs

According to a report from the U.S. Energy Information Administration (EIA), oil prices are headed upward, and diesel and other oil-based fuels will cost more as a result. EIA reported that it expects the price of West Texas Intermediate (WTI) crude oil to average about \$84 per barrel this winter, through 03/31/11, more than \$6 higher than the average price last winter.

Projected WTI prices could rise to \$89 per barrel by the end of 2011 as U.S. and global economic conditions improve, EIA noted as it increased last month's forecast \$2 per barrel. EIA expects regular-grade motor gasoline retail prices to average \$2.88 per gallon this winter, 22 cents per gallon higher than last winter. In addition, EIA reported projected retail diesel fuel prices should average \$3.14 per gallon this winter, an increase of 35 cents per gallon over last winter. Gradual tightening in global oil markets is supporting world oil prices. Projected liquid fuels consumption growth of 2 million barrels per day in 2010 is almost double the growth in supply from countries outside of the Organization of the Petroleum Exporting Countries (OPEC), which has led to rising demand for OPEC crude oil production and declining global oil inventories, the U.S. Department of Energy agency announced. www.joc.com (12/8/10)

EIA outlook: <http://www.joc.com/trucking/diesel-jumps-35-cents-3197-gallon-new-peak>