



EIB World Trade Headlines

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The White House - Office of the Press Secretary For Immediate Release

November 09, 2010 Executive Order -- Export Coordination Enforcement Center

By the authority vested in me as President by the Constitution and the laws of the United States of America, and in order to advance United States foreign policy and protect the national and economic security of the United States through strengthened and coordinated enforcement of United States export control laws and enhanced intelligence exchange in support of such enforcement efforts, it is hereby ordered as follows:

Section 1. Policy. Export controls are critical to achieving our national security and foreign policy goals. To enhance our enforcement efforts and minimize enforcement conflicts, executive departments and agencies must coordinate their efforts to detect, prevent, disrupt, investigate, and prosecute violations of U.S. export control laws, and must share intelligence and law enforcement information related to these efforts to the maximum extent possible, consistent with national security and applicable law.

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Sec. 2. Establishment. (a) The Secretary of Homeland Security shall establish, within the Department of Homeland Security for administrative purposes, an interagency Federal Export Enforcement Coordination Center (Center). (b) The Center shall coordinate on matters relating to export enforcement among the following:

- (i) the Department of State;
- (ii) the Department of the Treasury;
- (iii) the Department of Defense;
- (iv) the Department of Justice;
- (v) the Department of Commerce;
- (vi) the Department of Energy;
- (vii) the Department of Homeland Security;
- (viii) the Office of the Director of National Intelligence; and
- (ix) other executive branch departments, agencies, or offices as the President, from time to time, may designate.

(c) The Center shall have a Director, who shall be a full time senior officer or employee of the Department of Homeland Security, designated by the Secretary of Homeland Security. The Center shall have two Deputy Directors, who shall be full time senior officers or employees of the Department of Commerce and the Department of Justice, designated by the Secretary of Commerce and the Attorney General, respectively, detailed to the Center and reporting to the Director. The Center shall also have an Intelligence Community Liaison, who shall be a full time senior officer or employee of the Federal Government, designated by the Director of National Intelligence, and detailed or assigned to the Center.

(d) The Center shall have a full time staff reporting to the Director. To the extent permitted by law, executive departments and agencies enumerated in subsection (b) of this section are encouraged to detail or assign their employees to the Center without reimbursement.

Sec. 3. Functions. The Center shall:

(a) serve as the primary forum within the Federal Government for executive departments and agencies to coordinate and enhance their export control enforcement efforts and identify and resolve conflicts that have not been otherwise resolved in criminal and administrative investigations and actions involving violations of U.S. export control laws;

(b) serve as a conduit between Federal law enforcement agencies and the U.S. Intelligence Community for the exchange of information related to potential U.S. export control violations;

(c) serve as a primary point of contact between enforcement authorities and agencies engaged in export licensing;

(d) coordinate law enforcement public outreach activities related to U.S. export controls; and

(e) establish Government wide statistical tracking capabilities for U.S. criminal and administrative export control enforcement activities, to be conducted by the Department of Homeland Security with information provided by and shared with all relevant departments and agencies participating in the Center.

Sec. 4. Administration. (a) The Department of Homeland Security shall operate and provide funding and administrative support for the Center to the extent permitted by law and subject to the availability of appropriations.

(b) The Director of the Center shall convene and preside at the Center's meetings, determine its agenda, direct the work of the Center, and, as appropriate to particular subject matters, organize and coordinate subgroups of the Center's members.

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Sec. 5. General Provisions. (a) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(b) Nothing in this order shall be construed to impair or otherwise affect:

(i) authority granted by law, regulation, Executive Order, or Presidential Directive to an executive department, agency, or head thereof; or

(ii) functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(c) Nothing in this order shall be construed to provide exclusive or primary investigative authority to any agency. Agencies shall continue to investigate criminal and administrative export violations consistent with their existing authorities, jointly or separately, with coordination through the Center to enhance enforcement efforts and minimize potential for conflict.

(d) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

BARACK OBAMA

THE WHITE HOUSE, November 9, 2010.



USTR Announces Section 301 Investigation of China's Green Trade Technology Practices

The Office of the U.S. Trade Representative (USTR) announced that the U.S. has initiated an investigation under Section 301 of the 1974 Trade Act with respect to acts, policies and practices of the Government of China affecting trade and investment in green technologies. According to the International Trade Administration (ITA, Section 301 is the principal statutory authority under which the U.S. may impose trade sanctions on foreign countries that either violate trade agreements or engage in other unfair trade practices. Section 301 proceedings can either be initiated by petition or self-initiated by USTR. The investigation has been initiated in response to a petition filed by the United Steelworkers on 09/09/10. The petition alleged that China employs a wide range of World Trade Organization (WTO)-inconsistent policies that protect and unfairly support its domestic producers of wind and solar energy products, advanced batteries and energy-efficient vehicles, among other products, as China seeks to become the dominant global supplier of these products. According to the petition, these policies include export restraints, prohibited subsidies, discrimination against foreign companies and imported goods, technology transfer requirements, and domestic subsidies causing serious prejudice to U.S. interests. The petition further alleges that China's policies have caused the annual U.S. trade deficit in green-technology goods with China to increase substantially since China joined the WTO, making China the top contributor to the U.S. global trade deficit in the sector. In light of the number and diversity of the acts, policies, and practices covered by the petition, and after consulting with the petitioner, USTR has decided to delay for up to 90 days the request for consultations with the Government of China for the purpose of verifying and improving the petition. During this period, USTR will seek information and advice from the petitioner and advisory committees and take into account public comments submitted in response to a Federal Register notice. USTR Kirk noted that this is a vitally important sector for the U.S. as green technology will be an engine for the jobs of the future. After the announcement, House Majority Leader Hoyer (D) released a statement applauding USTR's action, stating it is a necessary step to ensure that U.S. workers, manufacturers, and businesses in the clean energy sector are competing on a level playing field.

USTR notice: <http://www.ustr.gov/node/6223>

As Reported in Boston Globe: Flight School Students Arrested Concerns Raised on Anti-Terror Net; 34 Immigrants Allegedly Illegal

By Maria Sacchetti
Globe Staff / November 5, 2010

STOW — Federal officials have arrested dozens of alleged illegal immigrants connected to a flight school in Stow, including the school's owner and students who received US government clearance to train as pilots despite strict security controls put into place after the Sept. 11, 2001, terrorist attacks.

The arrests of 34 Brazilian nationals that began in July and concluded quietly last month raise troubling new questions about possible holes in the government's antiterrorism security net, which bans illegal immigrants from taking flight lessons and requires background checks on any foreigner training to fly in the United States.

No link to terrorism has been found in connection with the Stow flight school, TJ Aviation Flight Academy at Minute Man Air Field, 30 miles northwest of Boston, US immigration officials said.

China Issues Notice on Streamlined Import Payment Verification System Going Into Effect on 12/1/2010

China's State Administration of Foreign Exchange (SAFE) announced that China will streamline its import payment verification systems to better facilitate foreign trade. According to the SAFE, effective 12/01/10 enterprises will no longer have to stay at the scene for import payment verification, if they are undertaking "regular business." Additionally, banks will no longer have to complete enterprises' import payment verification processes. The SAFE will handle import payment verification and share the information so enterprises will not have to complete verification preparation procedures at the SAFE. The SAFE noted that the reforms will boost foreign trade and simplify enterprises' import payment procedures while cutting enterprises' costs.

SAFE press release (10/27/10)

http://english.gov.cn/2010-10/27/content_1731547.htm



What Is The Difference Between EAR99 and NLR?

EAR99 is a classification for an item. It indicates that a particular item is subject to the Export Administration Regulations (EAR), but not listed with a specific Export Control Classification Number (ECCN) on the Commerce Control List (CCL). While the classification describes the item, the authorization for shipment of that item may change, depending on the transaction. NLR is the designator of a transaction that stands for the "No License Required" authorization. NLR may be used for either EAR99 items, or items on the CCL that do not require a license for the destination in question, provided no General Prohibitions apply. (Part 736 of the EAR)

CBP Issues Proposed Rule Amending Import Record Sharing by Customs Brokers (Comments Due by 12/27/10)

U.S. Customs and Border Protection (CBP) issued a proposed rule that would amend 19 CFR 111.24 to state that customs brokers are allowed to disclose certain information regarding client (importer) records under certain conditions. The proposed amendment would state that brokers, upon the client's consent in a written authorization, could share client information with affiliated entities related to the broker so that these entities may offer non-customs business services to the broker's clients. The proposed amendment would also state that customs brokers could use a third-party to perform photocopying, scanning, and delivery of client records for the broker. Comments are due by 12/27/10.

According to CBP, it recognizes that the development of more modern and efficient business practices, brought about by the changing structure and environment of the business community, has rendered the blanket prohibition of the current regulation somewhat antiquated. The proposed changes are intended to update the regulations to reflect modern business practices, while protecting the confidentiality of client (importer) information.

The proposed changes would also align the regulations with CBP's previously published rulings concerning brokers' confidentiality of client information. CBP adds that its longstanding position on this matter is that absent written client consent, a broker may not share client information.

Event: Discover Information and Communication Technologies (ICT) Opportunities in the Kingdom of Saudi Arabia

The United States Department of Commerce, International Trade Administration, U.S. and Foreign Commercial Service (CS) is organizing this event. Led by a senior Department of Commerce official, this trade mission will introduce suppliers of IT and communication products and services to potential buyers and allow them to explore new business opportunities. Saudi Arabia is the largest IT market in the Arabian Gulf, estimated at \$3.7 billion in 2010. Saudi Arabia's rapidly-growing economy and strong ties to the United States make it one of the world's most promising markets for U.S. suppliers. The mission will include appointments, briefings and a networking reception in Riyadh and Jeddah, Saudi Arabia's primary ICT hubs.

Customs-Trade Partnership Against Terrorism Reaches 10,000 Members

(Thursday, September 23, 2010)
contacts for this news release

Washington – U.S. Customs and Border Protection announced today that the Customs-Trade Partnership Against Terrorism has surpassed 10,000 members. C-TPAT is the first and the largest anti-terrorism partnership program throughout the world and it continues to set the global standard for supply chain security. C-TPAT also published the results of its second partner survey.

"This is a great accomplishment for our trade partnership program considering the program began with seven original members in 2001," said C-TPAT Director, Bradd Skinner. "Achieving 10,000 members indicates that the program is meeting the needs of the trade community, while the member survey results will assist us in taking C-TPAT to the next level."

The newest member of C-TPAT is Vaughan Furniture Company Inc., located in Galax, VA. Vaughan Furniture has been in business for 87 years and employs 34 people. C-TPAT was designed so all businesses, regardless of size, could participate in global supply chain security. Approximately half of C-TPAT members companies are small or mid sized, having less than fifty employees. C-TPAT importer partners are responsible for approximately 50 percent by value of all imported merchandise into the U.S. C-TPAT is the first and the largest anti-terrorism partnership program throughout the world and it continues to set the global standard for supply chain security.

C-TPAT is a voluntary government-business initiative to build cooperative relationships that strengthen and improve overall international supply chain and U.S. border security. C-TPAT recognizes that U.S. Customs and Border Protection can provide the highest level of cargo security only through close cooperation with the ultimate owners of the international supply chain such as importers, carriers, consolidators, licensed customs brokers, and manufacturers. Through this initiative, businesses become members to ensure the integrity of their security practices and communicate and verify the security guidelines of their business partners within the supply chain.

The results of the C-TPAT Partnership Survey can be found on the CBP.gov Website. (C-TPAT: Customs-Trade Partnership Against Terrorism)

CRS Posts Reports to Congress on Food Safety, Trade Preferences

The Congressional Research Service (CRS) issued a report (R40443) entitled, "Food Safety in the 111th Congress," which reports that major portions of a number of the bills pending in the 111th Congress are devoted to more scrutiny of food imports. Under pending legislation, food import shipments would have to be accompanied by documentation that they can meet safety standards that are at least equivalent to U.S. standards. Such certifications might be provided by foreign governments or other so-called third parties accredited in advance. The bills have provisions for certifying or accrediting laboratories, including private laboratories, to conduct sampling and testing of food for various oversight purposes.

CRS Food Safety

Report: http://assets.opencrs.com/rpts/R40443_20100923.pdf

The Congressional Research Service has also issued a report (R41429) entitled, "Trade Preferences: Economic Issues and Policy Options." This report discusses the major U.S. trade preference programs, their possible economic effects, stakeholder interests, and legislative options. Unlike free trade agreements, trade preferences are unilateral, so developing countries do not have to provide reciprocal trade benefits to the U.S. Evaluations of the benefits of trade preferences have been mixed. Many developing countries have used tariff preferences to enhance their competitiveness in certain industries, particularly apparel.

CRS trade preference

report: http://assets.opencrs.com/rpts/R41429_20100924.pdf



Casino Winner Loses at the Border CPB Seizes \$19,901 for Currency Structuring

(Tuesday, November 02, 2010)
contacts for this news release

Detroit – U.S. Customs and Border Protection (CBP) officers at the Detroit Windsor Tunnel seized a total of \$19,901 in currency from two individuals returning from a trip to the Windsor Casino when they attempted to avoid declaring it by structuring it so neither carried more than \$10,000 across the border.

On Monday, Nov. 1 at approximately 11:00 p.m., a car carrying two U.S. citizens entered the U.S. via the Detroit Windsor Tunnel. The occupants claimed to be returning from a night of gambling at the Windsor Casino. When asked they said they were aware of the currency reporting requirements when entering the U.S. and declared that the driver was carrying \$9,400 USD and the passenger \$9,500 USD. They were selected for currency verification and referred to the CBP secondary exam area.

Both subjects completed a written declaration form and answered NO to the question, "I am carrying currency or monetary instruments over \$10,000 US or foreign equivalent." They both claimed to have taken \$4,000 USD to the casino and were returning with their winnings. As officers counted the passengers money he became nervous and admitted that he had lost at the casino and the money he was carrying belonged to the driver.

When officers questioned the driver about his winnings he admitted that he had won \$40,000 deposited \$20,000 at the casino and then split the remaining money with his passenger in order to be under \$10,000. This is called currency structuring in order to avoid the required declaration at the border.

"It is not illegal to carry money into or out of the country," stated Port Director Roderick Blanchard.

"It is required that you give an accurate declaration of the amount of money you are carrying. Anyone carrying or causing to be carried, in excess of \$10,000 dollars must fill out the appropriate paper work when entering or leaving the country."

CBP seized the entire \$19,901 for currency structuring to avoid declaration. This is a civil offense and the seizure of the currency is the penalty for this offense.