



# EIB World Trade Headlines

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## Rep. Markey Posts Information On Bill to Require 100% Screening for Cargo Planes

Representative Markey (D), who authored the 2007 law that requires 100% screening of all air cargo transported on domestic passenger planes and all international passenger planes entering the U.S., recently announced that when Congress reconvenes following the elections, he intends to introduce legislation that would require 100% screening of all cargo on cargo planes. Markey's announcement comes in the wake of revelations that Al Qaeda terrorists based in Yemen attempted to ship explosives to two synagogues in Chicago. Rep. Markey announcement:

[http://markey.house.gov/index.php?option=com\\_content&task=view&id=4133&Itemid=141](http://markey.house.gov/index.php?option=com_content&task=view&id=4133&Itemid=141)

## ITA Requests Applications for Trade Mission to India

The International Trade Administration (ITA) announces that Secretary of Commerce Gary Locke will lead a senior-level business development trade mission to New Delhi, Mumbai and Bangalore, India, early February 2011. The overall focus of the trip will be commercial opportunities for U.S. companies, including joint ventures and export opportunities. Applications are due by 11/30/10.

ITA FR notice: <http://edocket.access.gpo.gov/2010/pdf/2010-28148.pdf>

### Newsletter Notes:

*\*Rep Markey Posts Information*

*\*ITA Requests Applications for Trade Mission to India*

*\*White House Posts Information*

*\*ICE Sentences Taiwanese Importers*

*\*White House Issues Information on Lack of Resolution of Korea FTA*

*\*Canada Announces First Stage of e-Manifest*

*\*State Dept. Posts Clinton's Comments*

*\*DHS Holds Discussion with Airlines*

*\*WCO Creates Tool to Help Companies Protect IPR*

*\*CBP Announces ISF Seminar at JFK 12/7/10*

*\*EU REACH Programs Deadline Near*

*\*White House Posts Information on Trade Deals*

*\*Coast Guard Issues Notice of Policy*

## White House Posts Information About Changes to Export Controls for India

President Obama announced a plan to ease certain export control measures with respect to India and highlighted other measures designed to increase trade and investment between the two countries during their recent meeting. The U.S. agreed to implement the following four-part export control reform program with respect to India:

1. Removal of entities from Commerce list;
2. Reform of U.S. dual-use rules;
3. Indian multilateral regime membership; and
4. Expanded export-control cooperation.

Prime Minister Singh and President Obama also agreed to work together to develop, test, and replicate transformative technologies to extend food security in India as part of an "Evergreen Revolution." This effort involves collaboration to foster an improved food value chain, reduced losses and an Indian food processing industry by focusing on:

- marketing, cold chain logistics, and sharing of market knowledge by introducing Indian private entrepreneurs and public sector officials to U.S. best practices, standards and technologies in cold chain infrastructure;
- technology transfer, such as in packaging or water recycling; and
- programs to improve quality, safety, and professional certification.

The U.S. and India will also continue an ongoing bilateral dialogue on agricultural trade issues in the Trade Policy Forum Agricultural Focus Group to address policies that remove or reduce barriers to agricultural trade and investment. The U.S. also pledged to spur private sector investment in clean energy infrastructure in India through the Im).

Overseas Private Investment Corporation (OPIC) and the Export-Import Bank (Ex-IM).

## ICE Sentences Taiwanese Importer for False Labeling of Product

ICE announces sentencing of Importer who conspired to evade AD Duties Immigration and Customs Enforcement (ICE) issued a press release announcing that a Taiwanese executive of

several honey import companies was recently sentenced to 30 months in prison for conspiring to avoid more than \$5 million in U.S. antidumping (AD) duties by illegally importing Chinese-origin honey that was falsely identified as coming from South Korea, Taiwan, Thailand and India.

According to ICE, Hung Ta Fan, aka Michael Fan, 40, and others deliberately mislabeled 98 shipments of honey in an effort to rob the U.S. government of more than \$5 million in tariffs."

ICE Director John Morton reported "our domestic honey industry is economically threatened when importers illegally dump low-cost Chinese honey into the U.S. marketplace. This prison sentence sends a strong message domestically and internationally that ICE's Homeland Security Investigations aggressively investigates criminals who conceal the true origins of their products in the name of greed." In his plea, Fan further admitted that in 2009 he conspired with others to fraudulently import about \$8 million of honey that was diluted and blended with 20 to 30 percent artificial sugar. He admitted to adding artificial sugar to the honey in an effort to obtain a higher price and profit margin than if the shipments contained pure honey. Fan used his company Kashaka USA to bring in the diluted, blended honey. ICE notice:

<http://www.ice.gov/news/releases/1011/101105chicago.htm>

## White House Issues Information on Lack of Resolution on Korea FTA

President Obama and South Korean President Lee recently held a press conference after negotiators were unable to resolve the outstanding issues for the U.S. Korea (KORUS) free trade agreement (FTA). The leaders report that the Korean trade minister and the U.S. Trade Representative (USTR) will need more time to finalize KORUS FTA technical issues. The leaders will continue to work together so that a mutually acceptable agreement can be reached at the earliest possible date.

President Lee expressed the opinion that it will not take long for discussions to be successfully concluded. Representatives Levin (D) and Camp (R), Chairman and Ranking Member of the House Ways and Means Committee, issued a statement on the U.S.-Korea trade negotiations. They warn that further negotiations will succeed only if South Korea adopts concrete steps to open its market to U.S. exports. White House press release:

<http://www.whitehouse.gov/the-press-office/2010/11/11/president-conference-with-president-obama-and-president-lee-republic-kor>

## Canada Announces First Stage of e-Manifest For Highway Carriers

The Canadian Border Services Agency (CBSA) announced the implementation of the first stage of its e-Manifest initiative. Effective 11/01/10, electronic data interchange (EDI) systems are available for highway carriers to transmit their pre-arrival cargo and conveyance data to the CBSA before arriving at the border.

When fully implemented, e-Manifest will be a virtually paperless process that starts before shipments even reach the border. "e-Manifest is part of the overall measures the CBSA is putting in place to enhance the safety and security of Canadians and international trade while streamlining cross-border processes. This advance information will allow border services officers to detect potential health, safety and security risks before goods reach Canada. It will also allow low-risk, legitimate goods to cross the border more efficiently.

In 2011, the CBSA will offer a secure e-Manifest Portal transmission option that will allow for the electronic transmission of highway carrier data through the Internet. According to CBSA, later in 2011, e-Manifest will be offered in the rail mode and then to freight forwarders; followed by Importers in the marine mode, which may begin transmission of advance trade data in 2012.

CBSA Web site: [www.cbsa.gc.ca](http://www.cbsa.gc.ca)

CBSA e-Manifest notice:

<http://www.cbsa.gc.ca/media/release-communique/2010/2010-11-01-eng.html>

## State Dept Posts Clinton 's Comments on Korea FTP, TPP, India, and China

The State Department has posted remarks by Secretary Clinton at America 's Engagement in the Asia-Pacific in which Clinton reported that in 2011 the U.S.:

- hopes to complete discussions on the U.S.-Korea Free Trade Agreement (KORUS FTA) to permit its submission to Congress;
- is pressing ahead with negotiations for the Trans-Pacific Partnership (TPP);
- will work for financial rebalancing at the G-20; and

intends to create broad, sustained, and balanced growth across the Asia Pacific at the APEC Leaders Summit in Hawaii .

Clinton noted that President Obama is planning a stop in India on his trip to Asia during the first week in November, which will bring together two top priorities – renewed American leadership in Asia and a U.S.-India partnership that is elevated to an entirely new level.

Secretary Clintons' remarks:

<http://www.state.gov/secretary/rm/2010/10/150141.htm>

## DHS Holds Discussion with Airlines and Global Shipping Companies on Enhancing Air Cargo Screening/Security

The Department of Homeland Security (DHS) posted a notice on Secretary Napolitano's recent calls with shipping and airline industry leaders from global shipping companies, including UPS, DHL, FedEx and TNT, to discuss enhanced air cargo screening and security efforts. This is a reaction to last week's disrupted attempt to conceal and ship explosive devices on board aircraft bound for the U.S. During the call, Secretary Napolitano underscored her commitment to partnering with the shipping industry to strengthen cargo security through enhanced screening and preventative measures, including terrorism awareness training for personnel.

Following her call with shipping industry leaders, Secretary Napolitano spoke with International Air Transport Association (IATA) Director General Giovanni Bisignani about the Department's continued collaboration with its private sector partners and international allies to secure the global supply chain through a layered security approach to identify, deter and disrupt threats. She also reiterated her commitment to ongoing coordination with the airline and shipping industries to uphold TSA security standards, including the vetting of personnel with access to cargo, employee training, and cargo screening procedures.

DSHS notice:

[http://www.dhs.gov/ynews/releases/pr\\_128881024599.shtm](http://www.dhs.gov/ynews/releases/pr_128881024599.shtm)

## WCO Creates Tool to Help Companies Protect IPR

The World Customs Organization issued a press release with additional details on its new tool for combating counterfeiting, the Interface Public-Members (IPM), which was introduced in June 2010. The IPM is a secure communication tool for the exchange of information between Right Holders and Customs administrations. It provides Right Holders with access to the WCO's tools and publications related to combating counterfeiting including:

1. The "genuine/fake" database that field customs officers can access;
2. The "genuine/fake" information provided to national customs authorities;
3. A compendium of national legislation on intellectual property rights (project);
4. "Counterfeiting" reports by sector (project); and
5. Other tools and publications based on the requirements of the different players.

According to the WCO, the "genuine/fake" database is filled with product information, provided by Right Holders in real time and accessible to customs officers in their own systems (intranet) and language. By highlighting key aspects of elements such as brand name and product appearance, packaging and routes, Right Holders give Customs Officers valuable information to help them distinguish between genuine and fake products. Right Holders will also have numerous functions for managing anti-counterfeiting activities, including:

*(Continued)*

- Write, edit and publish product data sheets;
- A directory of Right Holders representatives;
- Training management;
- Secure communication between the different players;
- Seizure reports; and
- Assistance with Applications for Action.

According to the WCO, Right Holders can access the system now through an annual subscription based on sales revenues. Customs authorities will have free access from early 2011 from their Intranet and WCO applications. Online demonstrations of the IPM are available on the WCO Website after filling out certain contact information.

WCO notice:

<http://ipmpromo.wcoomdpublishings.org>



## CBP Announces ISF Seminar at JFK 12/7/10

U.S. Customs and Border Protection updated its Importer Security Filing/"10+2" (ISF) outreach schedule to include a new event in Jamaica, NY on 12/07/10. There will be both an a.m. & p.m. session.

CBP notice: [http://www.cbp.gov/xp/cgov/trade/trade\\_outreach/09\\_outreach\\_schl.xml](http://www.cbp.gov/xp/cgov/trade/trade_outreach/09_outreach_schl.xml)

## EU REACH Program Deadlines Near for Registering and Labeling Issues

As a reminder, the European Union deadlines to register certain chemical substances under the EU REACH regulation and to notify the European Chemicals Agency (ECHA) of the classification and labeling of chemical substances placed on the EU market pursuant to the Classification, Labeling and Packaging (CLP) regulation are approaching. These regulations may affect the use, labeling, packaging, etc. of chemical substances in the EU. Under EU REACH, companies must send a registration dossier to ECHA by 11/30/10 for chemical substances as such and in preparations that are:

1. produced or imported in volumes of 1000 tons per year or more;
2. carcinogenic, mutagenic or toxic to reproduction and produced or imported in volumes of 1 ton per year or more; and
3. very toxic to the aquatic environment and produced or imported in volumes of 100 tons per year or more.

EU notes that for other chemical substances, the deadlines for registration are 2013 and 2018. Only EU importers and manufacturers of chemical substances may register. Non-EU companies who export to the EU can appoint "Only Representatives" who fulfill the obligations of the importer. Failure to register means that the substance cannot be manufactured or imported in the EU. This will not only affect importers and manufacturers of these substances but also users who may no longer be able to use these substances in their products. The registration process may generate manufacturer and importer recommendations for safe use of substances which will be passed on in the supply chain.

Users of chemicals will need to follow these recommendations, or, in certain cases, make their own risk assessments for their specific uses. In addition, the EU's Classification, Labeling, Packaging (CLP) regulation places the following new obligations on chemical companies operating in the EU market:

As of 12/01/10, chemical substances placed on the EU market must be classified, labeled, and packaged according to the new CLP rules (e.g., classified as carcinogenic, mutagenic, toxic for reproduction, etc.; and labeled and packaged according to United Nations' Globally Harmonized System criteria.

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On 01/03/11, trade also has to notify ECHA of this classification and labeling to a central database, called the Classification & Labeling Inventory. Notifications for substances that are placed on the market at a later date (e.g. newly developed substances) have to be submitted within 1 month after their placement on the market. EU notes that non-confidential information from the Classification and Labeling Inventory will be made publicly available on ECHA's website. ECHA information on CLP deadlines (09/13/10) [http://echa.europa.eu/news/clp\\_presskit\\_en.asp](http://echa.europa.eu/news/clp_presskit_en.asp)  
ECHA information on REACH registration: [http://guidance.echa.europa.eu/registration\\_en.htm](http://guidance.echa.europa.eu/registration_en.htm)

## White House Posts Information on Trade Deals During President's Visit to India

Following President Obama's trip to India, he announced and showcased twenty trade transactions exceeding \$14.9 billion in total value with \$9.5 billion in U.S. export content, supporting an estimated 53,670 U.S. jobs. The President reported that these cross-border collaborations underpin the expanding U.S.-India strategic partnership, contributing to economic growth and development in both countries. Partnership industries include:

- Heavy transport aircraft.
- Gas and steam turbines.
- Diesel locomotives.
- Motorcycles.
- Cell phones technology.
- The Unique Identification Project.

President Obama noted the surprisingly small size of the U.S.-India trade relationship with less than 10% of India's imports coming from the U.S., and only 2% of U.S. exports going to India. The entire trade relationship with India is still less than U.S. trade with the Netherlands - a country with a smaller population than the city of Mumbai. As a result, India is only the 12th largest trade partner of the U.S. The President noted that the U.S. wants to work with India to remove remaining barriers in order to increase trade and investment between the two countries. With economic growth estimates at about 9.7% in 2010, India is a key market for the Obama Administration's National Export Initiative (NEI), which aims to double U.S. exports in five years. The President added that he believes that the relationship between the U.S. and India will be one of the defining and indispensable partnerships of the 21st century.

## Coast Guard Issues Notice of Policy for Banning Certain Foreign Vessels, Effective 9/1/2010

The Coast Guard (CG) released policy letter 10-03, "Banning of Foreign Vessels," which outlines CG procedures for denying the entry of certain foreign flagged commercial vessels into any port or place in the U.S. as a result of the vessel's history of operating in a continuous substandard condition. The policy became effective on 09/01/10. 33 USC 1228 prohibits vessels from operating in the navigable waters of the U.S. or transferring cargo or residue in any port or place under the jurisdiction of the U.S. if such vessels:

- have a history of accidents, pollution incidents, or serious repair problems;
- fail to comply with applicable regulations, laws, or treaties; discharge oil or hazardous material in violation of law or treaty; or
- fail to comply with vessel traffic service, manning, and language requirements.

In addition, 33 USC 1223(b) grants the authority to order any vessel in a port or place subject to the jurisdiction of the U.S. or in the navigable waters of the U.S. to operate or anchor as directed if:

- such vessel does not comply with applicable regulations, law, or treaty;
- the vessel does not satisfy the conditions for port entry as set out in 33 U.S.C. 1228; or
- in the interest of safety.

CG reports that it occasionally intercepts vessels arriving into U.S. waters that consistently demonstrate a substandard condition and, thus, fail to comply with the requirements found in international conventions and domestic regulations. Previously, there was no mechanism in place to effectively and consistently respond to repeat offenders. CG's "Banning of Foreign Vessels" policy provides a systematic approach to addressing these vessels. Vessels with 3 or more detentions in a year will now be denied entry. Under this new policy, CG will continue to screen, prioritize, and coordinate all foreign vessel exams in accordance with existing policies.

CG contact - Charles Fluke (202) 372-1235

CG notice (FR Pub 11/02/10)

<http://edocket.access.gpo.gov/2010/pdf/2010-27592.pdf>

## DHS Announces Additional Security Measures For Air Cargo

Homeland Security (DHS) Secretary Napolitano has announced an increase in security measures following the thwarted terrorist plot on 10/28/10 to conceal and ship explosive devices on board aircraft bound for the U.S. According to Napolitano, the Administration took a number of immediate steps to increase security by tightening existing measures related to cargo bound for the U.S. Some of the steps that have been taken by DHS included adapting inbound cargo targeting rules to reflect the latest intelligence and ordering a ground halt on all cargo coming from Yemen. In addition, Transportation Security Administration (TSA) Administrator Pistole and a team of TSA inspectors visited Yemen to meet with government security officials and to assist in enhancing Yemen's security procedures, which are necessary to eventually lift the ground halt on cargo.

TSA also directed industry carriers to begin implementing additional precautionary security measures for international flights inbound to the U.S. These measures take effect on 11/08/10 and include:

1. Ban on air cargo from Yemen, and extended to all air cargo from Somalia.
2. No high-risk cargo on passenger aircraft.
3. Toner and ink cartridge over 16 ounces ban for carry-on bags and checked bags on domestic and international flights in-bound to the U.S.
4. High risk cargo to go through additional screening.

The Administration is also working closely with industry and its international partners to expedite the receipt of cargo manifests for international flights to the U.S. prior to departure in order to identify and screen items based on risk and current intelligence. The Administration is also working with its international and private sector partners on the expansion of layered detections system including technology and other measures.