

INTERNATIONAL BUSINESS NEWS – JUNE 2007
U.S. Department of Commerce
International Trade Administration - U.S. Export Assistance Center
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UPCOMING EVENTS

MARK YOUR CALENDAR!

OCT 16, 2007
OCT 17, 2007
OCT 18, 2007

The Alabama District Export council plans a series of seminar on Intellectual Property Rights (IPR) in Huntsville (Oct. 16, 2007), Birmingham (Oct. 17, 2007) and Mobile (Oct. 18, 2007.) Experts team with a local attorney. For further information, call George Norton at 205-731-3131.

AGRICULTURE INSPECTION, USER FEE REQUIREMENTS BEGIN JUNE 1 FOR COMMERCIAL TRUCKS, RAILROAD CARS ENTERING U.S. FROM CANADA

A press release from the Customs and Border Protection Website states that as of June 1, 2007 the U.S. Department of Agriculture's Animal and Plant Health Inspection Service, in coordination with the U.S. Department of Homeland Security's Customs and Border Protection, will enforce inspection and user fee requirements for all commercial trucks and loaded railroad cars entering the United States from Canada. To read this press release, [click here](#).

BASICS OF EXPORT LICENSING From Export Control Basics <http://www.bis.gov>

As an exporter, to determine whether your export requires a license, you must consider:

- What are you exporting?
 - Where are you exporting?
 - Who will receive your item?
 - What will your item be used for?
1. Does your product have a specific Export Commerce Classification (ECCN) number?

The Bureau of Industry and Security of U.S. Department of Commerce has jurisdiction over most controlled exports. <http://www.bis.doc.gov>

Start by reviewing the basics of licensing here: <http://www.bis.doc.gov/Licensing/ExportingBasics.htm>

Do you need an ECCN?
http://www.bis.doc.gov/licensing/Do_I_NeedAnECCN.html

For an index of controlled products, review the Export Administration Regulations (EAR), Commercial Control List (CCL):
<http://www.access.gpo.gov/bis/ear/pdf/indexccl.pdf>

If your item falls under U.S. Department of Commerce, Bureau of Industry and Security (BIS) jurisdiction and is not listed on the CCL, it may be designated as EAR99. EAR99 items generally consist of low-technology consumer goods and do not require a license in many situations. However, if your proposed export of an EAR99 item is to an embargoed country, to an end-user of concern or in support of a prohibited end-use, you may be required to obtain a license.

Only the Bureau of Industry and Security (BIS) office can issue an official determination on whether a product needs a license and that information is obtained formally under a classification request.
<http://www.bis.doc.gov/licensing/CCLRequestGuidance.html>

However, your alternative is to self-certify or check with the original manufacturer.

If your product was built to any military specifications or has dual military use, State Dept ITAR regulations may license your shipment; <http://www.pmdtc.org/>

2. Most exports from the United States do not require a license, and are therefore exported under the designation "NLR." or No License Required. Except in those relatively few transactions when a license requirement applies because the destination is subject to embargo or because of a proliferation end-use or end-user (see 3,4 and 5 below.)

No license is required when:

- 1) The item to be shipped is not on the CCL (therefore designated as EAR99); or
- 2) License determinations are made by cross referencing the reasons for controls by an ECCN to the country list. If the item is on the CCL but there is no "X" in the box on the Country Chart under the appropriate reason for control column on the row for the country of destination. In each of these two situations, you would enter "NLR" on your export documents.

License Exception

If a license is required for your transaction, a license exception may be available. License Exceptions, and the conditions on their use, are set forth in Part 740 of the EAR. If your export is eligible for a license exception, you would use the designation of that license exception (e.g. LVS, GBS, TMP) on your export documents.

3. The most restricted destinations are the embargoed countries and those countries designated as supporting terrorist activities, including Cuba, Iran, Libya, North Korea, Sudan, and Syria. There are restrictions on some products, however, that are worldwide. Embargoed countries and regional considerations can be found here:
<http://www.bis.doc.gov/policiesandregulations/regionalconsiderations.htm>

Office of Foreign Asset Controls also have controls on certain countries/activities:
<http://www.treas.gov/offices/enforcement/ofac/>

4. If you determine your product is an EAR99 designation and/or no license required you still need to check who will receive your item and what it will be used for. You cannot ship to end-users who will transship to an embargoed or controlled country. Be sure to check ALL shipments, even potential NLR shipments against the Lists to Check of End-Users:
<http://www.bis.doc.gov/ComplianceAndEnforcement/ListsToCheck.htm>

- Denied Persons List
- Unverified List
- Entity List
- Specially Designated Nationals List
- Debarred List
- Nonproliferation Sanctions

5. You cannot ship to end-users or to any company or individual who are involved in activities, such as the proliferation of weapons of mass destruction (e.g., nuclear, biological, chemical) and the missiles to deliver them, without specific authorization, no matter what your item is. For more information on

prohibited end-uses:
<http://www.access.gpo.gov/bis/ear/pdf/744.pdf>

Know your Customer guidance can be found here:
<http://www.bis.doc.gov/ComplianceAndEnforcement/KnowYourCustomerGuidance.htm>

Red Flag Indicators:
<http://www.bis.doc.gov/complianceandenforcement/RedFlagIndicators.htm>

Watch for Antiboycott clauses in any export sale:
<http://www.bis.doc.gov/ComplianceAndEnforcement/AntiboycottCompliance.htm>

If you need to talk to someone to clarify the above, you can contact the BIS outreach staff at 202-482-4811.

VIETNAM JOINS "FUSE" PROGRAM

Commercial Service Vietnam has entered the FUSE program. Featured U.S. Exporters (or FUSE) is a directory of U.S. products featured on U.S. Commercial Services websites around the world. The program gives your company an opportunity to target specific markets in the local language of business. [Click here](#) for details on Vietnam's participation in FUSE.

For details on the FUSE program worldwide, [click here](#).

GETTING PAID BY YOUR LATIN-AMERICAN BUYER Payment Terms and Financing Options to Maximize Sales While Protecting Against Nonpayment Edited from a publication by John Charles Mueller III Commercial Director Commercial Service - Brazil.

Despite the sheer size of the Latin-American market, many US exporters are unsuccessful in selling to this market, or increasing their exports to Latin American buyers. Frequently, US exporters lose sales due to the payment terms they demand of their Latin American buyers. While it is prudent for US exporters to insist on secure payment terms, it pays for them to consider the broad variety of payment terms available to them in order to become as competitive as possible. The purpose of this guide is to identify the main financing and payment mechanisms available to support US exporters selling to Latin America in general and to understand the costs, advantages, and disadvantages of each mechanism. This guide is an introduction and the reader is encouraged to use it as a starting point in order to become more familiar

with the subject. In many instances, the use of expert help is recommended. To that end, the following mechanisms will be examined in this report:

1. Cash In Advance;
2. Confirmed Letter of Credit;
3. Open Account Terms;
4. Open Account Terms with Export Credit Insurance;
5. Documents Against Payment (D/P) & Documents Against Acceptance (D/A);
6. Export Finance by a US Commercial Bank (US\$ denominated);
7. Import Finance by a Latin American Bank (Foreign Currency denominated);
8. Lines of Credit Available from Latin American-based Development Banks;
9. Sales to foreign public sector buyers with foreign Central

Bank Guarantees are also addressed.

E-COMMERCE WITH THE EUROPEAN UNION

An April 2007 report by Chris Sherwood and Constantin Schubart of the Brussels office addresses the range of regulatory issues that should be taken into account by US companies wanting to do business with EU customers over the Internet. The document addresses various aspects of EU law that affects e-commerce. To read this report, go to <http://www.buyusa.gov/alabama/ecomeujun07.pdf>

UCP 600 TAKES EFFECT JULY 1, 2007 WHAT IS A DISCREPANCY?®

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"Managing Imports and Exports"
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By Donald R. Smith

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All too often, beneficiaries of letters of credit present their documents to the bank and receive that dreaded telephone call: "We have examined your documents and they have discrepancies." Ever wonder what constitutes a "discrepancy"— and why there are so many of them?

Three Most Common Discrepancies

- 1) letter of credit expired;
- 2) late shipment; and
- 3) credit amount overdrawn.

For information on ways to overcome these discrepancies, read Mr. Smith's article at <http://www.buyusa.gov/alabama/ucpdisjun07.pdf>

COMMERCIAL NEWS USA

CNUSA is the official export promotion magazine of the U.S. Department of Commerce. It is distributed directly to overseas buyers, representatives and other appropriate parties.

The September/October issue of Commercial News USA will be translated into Spanish and Chinese

Include the November/December issue in your ad schedule and you'll Receive the January issue free – and a bonus distribution to 10,000 Arabic speaking Prospects in the Middle East. That includes free translation of your ad into Arabic.

**Industries Featured in the Sep.-Oct. 2007 Edition
Automotive and Manufacturing/Industrial Products**

Advertising Deadlines: Space: July 13

Materials: July 20

Contact CNUSA at 1-800-581-8533

or E-mail: cnusa@thinkglobal.us

Website <http://www.export.gov/cnusa>

We hope you've enjoyed this edition of our newsletter.

Any mention of non-government sources does not constitute endorsement.

Contact us at:

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<http://www.buyusa.gov/alabama>