



## **UPCOMING PROGRAMS AND EVENTS**

### **UCP 600 CHANGES**

If you are using letters of credit, either commercial or standby in your import-export operations, you need to know about the new rules, the changes, and how they are going to impact you.

The United States Council for International Business (USCIB), U.S. affiliate of the ICC, is offering training seminars in major cities nationwide

For a list of upcoming seminars, go to <http://www.ucp600seminar.org> or contact Davis Hodge, USCIB manager, e-commerce, marketing, and banking, 212-703-5061; [edhodge@uscib.org](mailto:edhodge@uscib.org)

### **POLAND: EXPANDING OPPORTUNITIES FOR U.S. BUSINESS**

**Wednesday, February 7, 2007**  
**10:30 a.m.-2:00 p.m.**

**St. Louis University Busch Memorial Center**

A business seminar and luncheon featuring presentations by business and trade experts based in Warsaw, Poland

Located in the heart of Europe, a crossroads between the established markets of the original EU and rapidly growing markets to the east, Poland offers tremendous business opportunities for U.S. exporters. An active member of the EU and NATO, Poland's annual growth rate will exceed 5% this year. Our panel of speakers led by U.S. Ambassador Victor Ashe, will explore these opportunities and lend their insights on how to best tap this burgeoning strategically located market.

For more information, go to: <http://www.buyusa.gov/stlouis/doingbusinessinpoland.html>

### **U.S.-CANADA TRUSTED TRAVELER PROGRAM UPGRADED, EXPANDED**

Washington, D.C., Dec. 14, 2006: U.S. Customs and Border Protection announced today that three NEXUS trusted traveler programs have been integrated into a single program. This integration means that there will be one application form and fee to participate in all modes of the NEXUS program - air, land and marine. In addition, NEXUS will provide processing locations

at additional airports in Canada throughout 2007. NEXUS is a joint program with the Canada Border Services Agency that allows pre-screened and approved travelers faster processing at designated highway lanes in high-volume border crossing locations, at a NEXUS kiosk at Vancouver International Airport, and at certain marine reporting locations in the Great Lakes and Seattle regions. This expansion of the program means that there will be one application form and fee to participate in all modes of the Nexus program.

NEXUS membership also fulfills the travel document requirements of the Western Hemisphere Travel Initiative, which will require a passport or other secure travel document by all U.S. and Canadian citizens seeking entry or re-entry into the U.S. by air beginning January 23, 2007. It is anticipated that NEXUS membership also will be acceptable when the requirement is extended to land and sea travel. For a list of frequently asked questions and information about other CBP trusted traveler programs, please visit [cbp.gov](http://cbp.gov)'s [Frequent Traveler Programs](#) and [Frequently Asked Questions about Nexus Integration](#)

### **“SAFE HARBOR” FRAMEWORK**

The United States and the European Union share the goal of enhancing privacy protection for their citizens, but each takes a different approach to privacy. The United States uses a sectoral approach that relies on a mix of legislation, regulation, and self-regulation. The EU relies on comprehensive legislation. In an effort to bridge these different privacy approaches and provide a streamlined means for U.S. organizations to comply with the EU directive, the U.S. Department of Commerce in consultation with the European Commission developed a "Safe Harbor" framework that was approved by the EU in July 2000. Being certified under its provisions is an important way for U.S. companies to avoid experiencing interruptions in their business dealings with the EU or facing prosecution by European authorities under European privacy laws. For details go to [Safe Harbor Web site](#).

### **HARMONIZED TARIFF CHANGES EFFECTIVE JAN. 1 STEPS YOU CAN TAKE NOW<sup>®</sup> From January 2007 Edition of IOMA's "Managing Imports and Exports Reprinted with Permission**

Ready or not, major amendments to the Harmonized Tariff Schedule of the United States (HTSUS) are expected to take effect on Jan. 1, 2007. The amendments, which affect the classification of a wide range of imported products, cover nearly 240 headings within 87 of the 93 chapters of the HTSUS,

including high-tech products classified in chapters 84, 85, 87, and 90. The purpose of the changes is to bring the HTSUS into line with current trade realities, including technological changes and shifts in global trade patterns. As of MIE press time, a report recommending the changes was on the president's desk. Upon expiration of 60 legislative days, in the absence of Congressional action, the recommended changes become law. The amendments reflect major changes agreed upon in the third update of the Harmonized Tariff Schedule by the World Customs Organization.

Import-export pros are faced with two key tasks as a result of the changes:

- first, ensure that your tariff classification databases are updated (for midsize to larger companies, this could involve from tens to hundreds of thousands of product numbers);
- second, review the tariff shift rules conferring origin under all U.S. free trade agreements your company utilizes to import or export goods at preferential duty rates.

The draft changes to the HTSUS are posted on the U.S. International Trade Commission Web site: [www.usitc.gov/tata/hts](http://www.usitc.gov/tata/hts) (click on "Changes to the HTSA" and note especially Appendices B, C, and D for the draft tariff language and correlation tables comparing the current HTSUS with the 2007 HTSUS).

Trade groups, including the American Association of Exporters & Importers (AAEI), have argued that given both the relatively short notice and the magnitude of the HTSUS changes, Customs & Border Protection (CBP) should undertake significant public outreach so that import pros can meet their "reasonable care" obligation. AAEI has requested that CBP consider initiating a dialogue with the trade concerning its implementation plans for the as-yet-unpublished rules. AAEI points out, in a public letter to CBP Commissioner Basham, that:

- the full 10-digit HS classification has not been published;
- the rules of origin for any tariff-based trade programs have not been published;
- U.S. Customs laws require the 10-digit classification as statistical breakout collected by the Census Bureau and that misclassification of products at the 10-digit level is considered a "material violation"

#### **U.S. DEPARTMENT OF COMMERCE'S MARKET OF THE MONTH - LIBYA**

Libya, one of the largest countries in North Africa, boasts large oil and natural gas reserves and a consumer market of almost 6 million. Since the re-establishment of diplomatic relations with Libya in 2004, the United States has lifted economic sanctions against the country and has removed Libya from the U.S. list of states that sponsor terrorism. With these new developments, Libya is now more accessible to

U.S. companies. Libyan officials in the past several years have made progress on economic reforms as part of a broader campaign to reintegrate the country into the international fold. Libya faces a long road ahead in liberalizing the socialist-oriented economy, but initial steps - including applying for WTO membership, reducing some subsidies, and announcing plans for privatization - are laying the groundwork for a transition to a more market-based economy.

#### **Best Prospects for U.S. Companies**

- oil and gas
- telecommunications
- information technology
- banking services
- electric power generation
- construction and engineering
- health and medical services
- wastewater treatment
- desalination
- agriculture technologies
- transportation
- tourism
- education and training
- manufacturing

#### **Entering and Succeeding in the Libyan Market**

Entering into any foreign market can be tricky and Libya is no exception. While there are a number of opportunities in this market, there are also major challenges that need to be managed. Libya's legal structure is multi-layered, and its banking infrastructure primitive. Libya's physical infrastructure requires upgrading, and telecommunications services are not adequate. Office space is limited, and the few Western-class hotels are often filled to capacity. U.S. companies wishing to send representatives to Libya are advised to expect considerable delays in obtaining Libyan visas.

Libya is a diverse and challenging market requiring adaptability and persistence. Careful planning and patience are the pre-requisites for success in this emerging market. U.S. firms that are willing to invest time to develop market presence should expect to reap rewards in the long-term.

U.S. companies interested in obtaining more information may visit [U.S. Commercial Service Libya](http://www.usitc.gov/tata/hts).

**WHAT TO INCLUDE  
ON A COMMERCIAL INVOICE**  
**Thanks to Eduard Roytberg  
International Trade Specialist  
U.S. Department of Commerce Office  
Ontario, California**

**For providing this information  
Source: [www.shipsolutions.com](http://www.shipsolutions.com)  
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The commercial invoice is one of the most important documents in international trade and is reviewed by customs, freight forwarders, international bankers, and transport and insurance companies. This document reflects the complete details evidencing fulfillment of the sales contract and provides necessary information for third parties, listed above, of the transaction.

The Bureau of National Affairs (BNA), Export Shipping Manual, and Exporter's Encyclopedia are all excellent references that provide specific document content required by destination country.

Invoices commonly include the following information:

- Invoice number and date: The exporter provides the invoice number for ease of reference.
- Name and address of buyer: This is required for customs purposes.
- Buyer's reference number: Provided for ease of reference.
- Method of payment: Provided to the buyer when payment is due.
- Term of sale: Incoterms specify which party has responsibility for the cargo and at what point that responsibility transfers from the buyer to the seller. The Incoterms provide thirteen terms of sale established to create a common set of rules to govern the basic buy/sell transaction.
- Product number, description of merchandise, unit price and total price: When shipping products to Mexico, the customs process should be expedited by providing your product description in both English and Spanish. Always include the product number and correct calculation of the per unit price and total price.
- Harmonized System Classification Number (HTS): You should include the first six digits of the HTS number on the invoice.
- Country of origin of products: Custom duties are assessed based on the product's country of origin.
- Mode of transportation: Provides the buyer with shipping information.
- Currency of invoice: When invoicing in United States dollars, USD should clearly be stated on the invoice next to the amount. When using a currency other than USD, use the ISO code for that currency.
- Type of insurance coverage and party insuring: In case of damage or loss, this information provides the buyer with which party is responsible.
- Signature: Most companies sign the commercial invoice. The signatory should be someone with responsibility and knowledge of the shipment.

The commercial invoice is a bill or record of transaction between the seller and buyer. It is the

basis for foreign customs' identification, classification, duty/tax assessment, and final approval of entry of the goods. Accurate descriptions help expedite the clearance process for the border brokers to make customs entry, and help Customs quickly identify your commodity.

**TOP 10 QUESTIONS  
ABOUT THE NAFTA CERTIFICATE OF ORIGIN**

Another "Thank You" to Eduard Roytberg of our Ontario, CA. office for providing this information. To read the article go to:

<http://www.buyusa.gov/arkansas/naftatop10.pdf>

**UPCOMING WEBINAR:  
China RoHS: Overview & Best Practices  
Thursday, Jan 11, 2007  
1 PM EST, 10 AM PST**

On March 1, 2007 China's "Administrative Measures on the Control of Pollution Caused by Electronic Information Products" (China RoHS) will take effect. At that time marking and material disclosure must be in place on products sold in China. This webinar will provide an overview of these regulations, as well as what steps U.S. companies can take to comply. For details and registration go to:

[http://export.gov/static/ChinaROHS\\_flyer.pdf](http://export.gov/static/ChinaROHS_flyer.pdf)

**COMMERCIAL NEWS USA  
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**Exporter of the Year Awards  
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**We hope you've enjoyed this edition of our newsletter. Any mention of non-government sources does not constitute endorsement.**

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