



MARKET ACCESS & COMPLIANCE UPDATE

Market Access and Compliance (MAC), a unit of the U.S. Department of Commerce's International Trade Administration, works to obtain market access for U.S. firms and workers and achieve full compliance by foreign nations with trade agreements they sign with the United States.

March 2006

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U.S. – Australia FTA 1-Year Anniversary

January 2006 marked the one-year anniversary of the [U.S.-Australia Free Trade Agreement \(FTA\)](#). The agreement, which went into effect January 1, 2005, ensures that more than 99% of all U.S. exports of manufactured goods enter into Australia duty free. As a result, overall U.S. exports to Australia increased 11% this past year.

Many products saw an even greater increase, including iron and steel, ships and boats, toys and sports equipment, perfumery and cosmetics, plastics, photographic equipment, and electrical machinery. Exports of parts for electric motors, which had a 15% tariff eliminated, rose over 507% to \$33 million in 2005, compared to \$5 million in 2004.

While overall implementation of the FTA has been smooth, the United States is still concerned with the Australian Government's execution of its FTA commitments on pharmaceutical patent protection.

A Medicines Working Group was established to promote understanding of pharmaceutical issues, and met on January 13, 2006. Prior to this meeting, MAC's Assistant Secretary David Bohigian met with representatives of the pharmaceutical industry both in the United States and in Australia to hear their concerns.

U.S.-Chile FTA

Ensuring that U.S. companies are able to take full advantage of the benefits of the [U.S.-Chile Free Trade Agreement](#) (FTA) is a priority for Market Access and Compliance.

Since the implementation of the FTA annual U.S. exports to Chile have increased approximately \$2.5 billion, a 91% increase.

If you are experiencing problems exporting to Chile, please contact the [Trade Compliance Center](#), (202) 482-1191, which helps exporters overcome foreign trade barriers.

Breaking into Iraq's Marketplace

The U.S. Department of Commerce's Iraq Investment and Reconstruction Task Force works closely with the U.S. Embassy in Baghdad, other U.S. government agencies and international organizations to provide U.S. companies with the latest information on the commercial environment and potential reconstruction business opportunities in Iraq.

Iraq's blend of hardworking, resourceful people, rich agricultural potential, abundant natural resources, and central location in the Middle East make it a country well positioned for trade and investment.

However, there are significant challenges that companies face in Iraq, led by security and a lack of reliable data.

The Iraq Task Force has identified market entry strategies for companies evaluating the Iraqi market. The Task Force can help U.S. businesses by connecting them with Iraq's private sector, offering Industry Externships, establishing demonstration projects, working with Iraqi ministries, and pursuing reconstruction contracts.

For more information, please visit the Task Force's website at www.export.gov/iraq.

European Union Approves Delay of Wood Packaging Rule

The U.S. Government (USG) is pleased with the European Union's (EU) decision on February 6, 2006 to delay, until January 1, 2009, a new wood packaging rule that U.S. industry claimed could affect nearly half of U.S. exports to the EU. This "debarking" rule, which would require that all wood packaging materials (WPM) be manufactured from "debarked" wood before entering the EU, was due to go into effect on March 1, 2006.

In its announcement, the EU recognized the importance of working through the international standards process by submitting its scientific justification for debarking to the appropriate international institution. Review of the EU's submission is currently underway, and the European Commission is expected to conduct a progress review by September 2007.

The United States and the European Union share the most dynamic and integrated economic relationship, but unfortunately it is our commercial disputes that capture the majority of media headlines. Conversely, this issue presents an excellent example of the United States and the EU working closely together to avoid a potential dispute and to promote the free flow of international trade. Indeed the USG and EU have set an important precedent by confirming their commitment to the multilateral process for governing the movement of wood packaging materials.

The National Wood Pallet and Container Association (NWPCA), the American Forest and Paper Association (AF&PA), and the American Lumber Standard Committee (ALSC) praised the recent EU decision and thanked the USG for working with their EU counterparts to come to a mutually agreeable way forward. Together, the USG, industry, and relevant third countries will continue to strive for the effective implementation of a science-based uniform international standard that will not unnecessarily disrupt large volumes of international trade.

The Commerce Department's Trade Agreements Compliance Program provides a central point for companies to lodge trade complaints regarding foreign trade barriers. DOC addresses exporter problems by assembling a team of experts to analyze the issues and developing a case-specific strategy to persuade the foreign government to comply with its trade agreements obligations, reduce or eliminate foreign trade barriers, and resolve the problem as quickly as possible. U.S. companies facing foreign trade barrier problems can request DOC assistance via the Trade Complaint Hotline at <http://www.export.gov/tcc>.

Free Legal Consultations on China IPR Offered

On November 10, 2005, Secretary of Commerce Carlos Gutierrez announced a new China Intellectual Property Rights (IPR) Advisory Program for U.S. small and medium-sized enterprises (SMEs).

The program, created through a cooperative agreement with the U.S. Department of Commerce's International Trade Administration, the American Bar Association, the National Association of Manufacturers, and the American Chamber of Commerce in China, provides U.S. companies with a free, one-hour consultation with an experienced IPR attorney on protecting and enforcing IPR – such as trademarks, patents, or copyrights – in China.

All U.S. SMEs located in the United States and abroad are eligible to participate. To request a free consultation with a volunteer attorney through the SME China IPR Advisory Program, or for more information about doing

Goals of the SME China IPR Advisory Program:

- To help U.S. companies develop an IP protection strategy for the Chinese market.
- To help U.S. companies facing China-related IPR disputes pursue resolution to their problems.
- To encourage U.S. companies to take action to protect and enforce their IPR in accordance with China's civil, administrative and criminal laws.

business in China, please visit www.export.gov/China.

David Bohigian Joins MAC Team

[David Bohigian](#) was sworn in as the International Trade Administration's Assistant Secretary for Market Access and Compliance (MAC) on December 21, 2005. Bohigian will lead his MAC team in obtaining market access for American firms and workers and ensuring that foreign governments fully comply with more than 270 trade agreements.

Assistant Secretary Bohigian also chairs the Commerce Department's [Iraq](#) and [Afghanistan](#) Reconstruction Task Forces, which provide information and resources to businesses interested in participating in reconstruction efforts and commerce in these two countries.

Bohigian previously served as the director of the Office of Policy and Strategic Planning at the U.S. Department of Commerce. Where he focused on economic and fiscal policy, as well as energy, manufacturing, trade, and financial services.

MAC Around the World:

Western Hemisphere

On February 28, President Bush issued a Proclamation, which affected the entry into force of the [Central American – Dominican Republic Free Trade Agreement](#) between the United States and El Salvador on March 1, 2006. The Dominican Republic is in a self-imposed delay until at least July 1. Nicaragua, Honduras and Guatemala are working to complete their commitments so that they may enter the agreement. Costa Rica has not ratified the agreement.

Middle East

President Bush signed the [U.S.-Bahrain FTA](#) on January 11, 2006. Expected to enter into force in mid-2006, the FTA will immediately eliminate the duties on 100% of the two-way trade in industrial and consumer products, and Bahrain will provide duty-free access for 98% of U.S. agricultural tariff lines.

Europe

The United States and the European Union held the first U.S.-EU Intellectual Property Rights Working Group on January 26-27, 2006. The group will focus on specific activities such as improved border enforcement cooperation, public-private partnership, and coordinated technical assistance to third-party countries as issues to include within a cooperative strategy for the 2006 U.S.-EU Summit meeting.

Asia

On January 30, 2006, the United States and Japanese governments met in Tokyo for the annual review of the U.S.-Japan Insurance Agreements. U.S. government representatives encouraged Japan to ensure that U.S. firms are not harmed as the privatization of the Japan Postal System process moves forward.

U.S. DEPARTMENT OF COMMERCE
INTERNATIONAL TRADE ADMINISTRATION
MARKET ACCESS AND COMPLIANCE

For more information, please visit <http://www.mac.doc.gov>
