



# Global Watch<sup>®</sup>

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**IIEI Chosen to be the University  
at the Center of Jordan's US\$200 million International  
Trade Development Project in Aqaba Jordan**

**Canadian Export and  
Import Controls Bureau**

*What do they do?*

See Page 3

**"Who is the most important  
person in achieving  
trade compliance?"**

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**\$100 Million Settlement  
for ITT Corporation**

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**Want to know more about  
ITAR Agreements?**

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*Left:* Imad Najeeb Fakhoury, Chairman of the Board & CEO of Aqaba Development Corporation (ADC)

*Right:* Dr. Abed Baidas, President of the American Arab eUniversity, Middle East Partner of the International Import-Export Institute, signing ceremony in Aqaba, Jordan

**Amman Jordan** The International Import-Export Institute (IIEI) Middle East Representative, Dr. Abed Baidas, recently attended a signing ceremony in Amman Jor-

dan in which the IIEI and Aqaba Development Corporation (ADC), a Jordanian industry and government supported organization, formally agreed to work together in the development of the Jordan River International Import-Export Institute in Aqaba Jordan, Jordan's only sea port. Dozens of universities from around the world competed to win the opportunity to be part of this important project to be the center piece of Jordan's \$200 million dollar international trade complex in that port city.

The deciding factor in choosing the IIEI, Dr. Baidas said, was the IIEI degree programs provide practical hands-on skills needed to help Middle Eastern organizations compete successfully in international markets of the 21<sup>st</sup> century. "Over the next 18 months a plan to make this a reality will be developed," said Dr. Donald N. Burton, the IIEI's founder and President, "I am excited that the IIEI and ADC will work together to make the Aqaba University a true center of learning in the Middle East."

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## Review of United Kindom's Export Controls Announced for 2007

The United Kindom's Department of Trade & Industry (DTI) has announced the undertaking of reviewing its export controls legislation of 2004 beginning in May of 2007.

The scope of the review is:

1. To examine the secondary legislation introduced in 2004 as a result of the Export Control Act 2002 to determine;

- whether these new controls achieved their desired effect

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## Notes from the Executive Director

### Trade Interest Continues to Grow

*by Dr. Donald N. Burton*



This issue of GlobalWatch® depicts well a cross section of what is going on in the international trade arena. Shortly, I will be back in Beijing China, working with several government agencies on various IIEI certification programs, including the Certified PRC Export Compliance Officer® certification. As you can see from the lead article on page 1, the IIEI has been selected to be the university at the center of a 60,000 hectares (One sq km = 247 acres = 100 hectares) international trade development project in Jordan's only seaport city, Aqaba. I am very pleased with the outcome. The IIEI and Aqaba Development Corporation now have a huge task in making the university a reality.

Even though it was just 2004 when the United Kingdom passed its revised export control regulations, with all the changes happening in the world, they are beginning a review of their regulations again in May. This just shows how rapidly change is happening. Canada, too,

is upgrading their policies and commodity codes. (See page 3.) In the U.S., the challenge of making the new e-manifest system work smoothly for transport of goods across the U.S.'s southern border presents problems.

My article titled "Who is the most important person in achieving trade Compliance?" is intended to get people thinking about the topic and involve others in the discussion. Let me know your thoughts.

In case you hadn't noticed, there is a significant increase in the number of training seminars being offered throughout the U.S. My guess is that that are many times more this year than last year. This demonstrates how more and more people are seeking to learn the rules, or perhaps providers seeing the growing opportunity to make money in this important area. Whatever the reason, it is good to see the wide variety of choices now available. Remember to always exercise due diligence in selecting a vendor.

Enjoy this issue!



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## About the Canadian Export and Import Controls Bureau (EICB)

### General

The Export and Import Controls Bureau (EICB) is responsible for administering the *Export and Import Permits Act* (EIPA) which was first enacted in 1947. The EIPA delegates to the Minister of Foreign Affairs (referred to as “the Minister”) wide discretionary powers to control the flow of goods contained in specified lists provided for under the Act. The Minister for International Trade provides policy direction in most areas involving market access and trade policy.

### Role of the Bureau

While the economic benefits of free-flowing trade are one of Canada’s greatest assets, controls have been judged essential for a variety of reasons:

- to regulate trade in military and strategic dual-use goods, and prevent the proliferation of weap-

ons of mass destruction, as we are obliged to do under multilateral agreement;

- to prevent the supply of military goods to countries that threaten Canada’s security, are under United Nation (UN) sanction, are threatened by internal or external conflict, and/or abuse the human rights of their citizens;

- to protect vulnerable Canadian industries, such as clothing manufacturing;

- to obtain negotiated benefits from international agreements;

- to implement trade restrictions in support of Canada’s supply management programs;

- to fulfil other international obligations; and

- to implement UN Security Council trade sanctions.

### The Use of Lists

The EIPA provides that the Governor-in-Council may establish lists known as: the *Import Control List* (ICL), the *Export Control List* (ECL), and the *Area Control List* (ACL). The Act sets out the purposes for including goods or countries on these lists. The ICL generally comprises a list of goods, some of which are only controlled for certain countries of origin; all goods contained in this list require an import permit. The ECL is a list of goods only; all goods contained on this list also require an export permit. The ACL is a list of countries for which export permits are required to export any and all goods.

### Controlled Goods

#### Import Controls:

- Textiles and Clothing
- Agricultural Products
- Steel Products
- Weapons and Munitions

#### Export Controls:

- Agricultural Products: Refined Sugar, Sugar-containing Products and Peanut Butter

- Textiles and Clothing
- Military, Strategic Dual-use

Goods

- Nuclear Energy Materials and Technology

- Missile, Chemical or Biological Goods of Non-proliferation Concern

- Softwood Lumber, Unprocessed Logs and Certain Other Forest Products

- Miscellaneous Goods including Goods of U.S.-origin, Roe Herring and Certain Items with Medical Value

- All Goods Destined for Countries on the Area Control List:

### Individual and General Permits

Most controlled goods require an Individual Permit for import or export, although some goods may enjoy facilitated treatment under a General Permit. General Permits are not specific to an individual importer or exporter in the manner of Individual Permits. General Permits allow for the pre-authorized export or import of certain eligible goods to/from certain eligible countries, by

#### Canada Updates Handbook of Export and Import Commodity Codes

The Canadian Export and Import Controls website has posted updates of the 2007 Handbook of Export and Import Commodity Codes at the address shown below.

<http://www.dfait-maeci.gc.ca/trade/eicb/general/Bluebook/TableOfContents-en.asp>





## BIS Update

U.S. DOC Bureau of Industry and Security

**CUSECO® Logo**

### Commerce/BIS Amends EAR for Export of Crime Control Items

The Bureau of Industry and Security (BIS) Amended the Export Administration Regulations, 15 CFR Parts 740, 742, and 774, for Export of Crime Control Items. This rule removes the geographic restrictions on use of a license exception used to ship items to U.S. Government agencies, applies those geographic restrictions on use of license exceptions to crime control software and technology, reclassifies handcuffs on the Commerce Control List, and restates and emphasizes BIS's policy of distinguishing crime control items from specially designed implements of torture for export control purposes.

### Reporting and Recordkeeping Requirements Under the Wassenaar Arrangement

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information

Wassenaar - Continued on page 9

### Businessman Fined \$30,000 and Denied Export Privileges

The U.S. Department of Commerce announced that Lawrence Scibetta of Port St. Lucie, Florida, has agreed to pay a \$30,000 civil penalty and be subject to a 20-year denial of export privileges to settle charges that he violated the Export Administration Regulations (EAR) in connection with the unlicensed export of thermal imaging cameras to the United Arab Emirates.

The BIS charged that on about June 10, 2004, Scibetta engaged in conduct prohibited by the EAR when he attempted to export two Raytheon thermal imaging cameras from the United States to the United Arab Emirates without the required export license. Scibetta was also charged with acting with knowledge and making false statements to the U.S. Government. At the time of the attempted export, Scibetta was living in New Jersey.

### BIS Increases Pressure to Gain Compliance

The BIS has increased its focus on preventing the spread of items that are useful to terrorists, in weapons of mass destruction, or in other weapons or devices that threaten U.S. national security. So far this year, these efforts have led to 33 criminal convictions and criminal fines of \$2.85 million, as well as 22 denial orders and 66 administrative penalties totaling \$6.22 million.

**Washington DC** - The Certification Board of Governors (CBG) and the International Import-Export Institute (IIEI) have issued a joint press announcement to authorize CUSECO® certification holders to use the CUSECO® logo and similar CBG and IIEI certification designation on business cards, letterheads, resumes and speaker announcements. The joint communication noted that with the significant increase in the professional recognition within the global trade community for the CUSECO® and other IIEI certifications, individuals with these distinctive designations have become sought after speakers and are in demand across the trade compliance community. Displaying their certification status is very valuable to those who have earned the designation and recognizes the esteem and high regard these individuals have earned.

For more information contact Bob Geiges at [bgeiges@expandglobal.com](mailto:bgeiges@expandglobal.com).

### Determining whether a U.S.-Origin Item requires a License

You may need to obtain a license from BIS to "reexport" an item that was produced or originated in the United States. A "reexport" is the shipment or transmission of an item subject to the EAR from one foreign country (i.e., a country other than the United States) to another foreign country. A reexport also occurs when there is "release" of technology or software (source code) subject to the EAR in one foreign country to a national of another foreign country.

Get more info at: [www.bis.doc.gov/Licensing/ReExportGuidance.htm](http://www.bis.doc.gov/Licensing/ReExportGuidance.htm)

# DDTC Update

Directorate of Defense Trade Controls

## DRAFT CHARGING LETTER (Excerpts)

Re: Investigation of Security Assistance International, Inc., regarding potential violations of the AECA and the ITAR. (Jan 26, 2007)

The Department of State (“Department”) charges that Mr. Henry L. Lavery III as president of Security Assistance International, Inc. (SAI) (“Respondent”) violated the Arms Export Control Act (AECA) and the International Traffic in Arms Regulations (“ITAR” or “Regulations”) by omitting material facts on export license applications, aiding and abetting export violations, and in connection with the Respondent’s business activities. Four (4) violations are alleged at this time:

Omission of Facts  
Aiding and Abetting  
Recordkeeping  
Violating Terms of a License

The Respondent was cited for submitting export applications on behalf of clients that contained the Respondent’s signature as if it were the applicant’s signature; failing to maintain the records as required for its export, temporary import and temporary export applications; obtaining export licenses on behalf of firms whose registrations had expired or who were never registered; and brokering without being registered and without authorization.

Under the Consent Agreement with the Department, the Respondent agreed to pay a \$10,000 penalty, register as a broker, reconstruct all export records, cease participating directly or indirectly in exports of defense ar-

ticles and/or defense services, and to implement a compliance program outlining operating procedures and internal controls for adherence to the Regulations.

Pursuant to 22 C.F.R. § 128 administrative proceedings are instituted against Respondent for the purpose of obtaining an Order imposing civil administrative sanctions that may include the imposition of debarment or civil penalties. The Assistant Secretary for Political-Military Affairs shall determine the appropriate period of debarment, which generally shall be for a period of three years in accordance with § 127.7 of the Regulation, but in any event will continue until an application for reinstatement is submitted and approved. Civil penalties, not to exceed \$500,000 per violation, may be imposed in accordance with § 127.10 of the Regulations.

A Respondent has certain rights in such proceedings as described in Part 128 of the Regulations. Currently, this is a draft-charging letter; however, in the event you are served with a charging letter you are advised of the following matters. You are required to answer the charging letter within 30 days after service. A failure to answer will be taken as an admission of the truth of the charges. Respondent is entitled to an oral hearing if a written demand for one is filed with the answer or within seven (7) days after service of the answer. Respondent may, if so desired, be represented by counsel of his/her choosing.

Source: [www.foia.state.gov](http://www.foia.state.gov)

## High-Tech U.S. Border Check: E-Manifests

**Washington D.C.** - The United States is gradually phasing in a rule that trucking companies must report their cargo before they come across any of the U.S.’s 99 land border crossings — north or south.

It became mandatory in Arizona, Washington and most North Dakota crossings on Jan. 25.

Gregorio Servin drove his truck and trailer filled with vegetables about 14 hours from the fields of Culiacan, Mexico, to Nogales, Ariz. Then he stopped. In Spanish, he said it would be about two hours to get through border security. That’s a pretty typical wait behind a long line of other trucks entering the United States.

When he gets to the head of the line, he enters a customs lane. His big rig passes between two tall yellow pillars, which are radiation detectors. A camera captures his license plate as he drives into a shed. A customs officer uses a black Labrador retriever to sniff for drugs. Then the driver pulls up to a booth and hands over his paperwork. That’s where things slow down.

Louis Samenfink, head of Customs and Border Protection’s cargo systems office, explains why: “Right now, they’re using light pens to wand bar codes, they’re typing stuff into computer screens, and of

# In Compliance....

Opinion

## Who is the most important person in achieving trade compliance?

By Dr. Donald N Burton

Regardless of the size of the trade compliance function within an organization, or the volume of exports, it is vital to identify who is the most important person in achieving trade compliance within any organization. There are numerous possible answers.

When you think about it, the international sales person/team or International Sales Manager could be most important. The reason is simple: they know the most about the transaction. Because the salesperson must know all of the attributes of the goods or services being sold and whether the product is export controlled or not, the sales department should flag the order as requiring an export license. Everyone within the organization from that point on just needs to do their assigned task following sales' notification—recognizing the license need/status of the order. Simple. Or is it?

In thinking a little more about it, maybe it's the International Contract Manager who is most important. The Contract Manager would simply need to identify the components requiring export licenses, flag them in the system and then everyone would follow procedures, get the licenses, adhere to the conditions or provisos and ship the goods. Could it be that simple?

Without question, when you consider the role of the Contracts and Sales Departments in identifying the product or service as requir-

ing a license or other authorization, the physical task of obtaining approval and verifying the details related to who is the foreign end-user, what is the end-use and the dozens of other key points, the export compliance professional needs to be the gatekeeper in ensuring that the shipment complies with all U.S. and other applicable country export compliance regulations. The task is important, but isn't the compliance person just checking on the proper identification and handling done by other people? Maybe then, this is not the most important person.

Because of legal issues, including exposure, liability and risk, it has been suggested that the organization's General (Legal) Counsel is most important. In real terms, it is the Legal Department who determines the internal governance processes that result in the organization being trade compliant. It is Legal's due diligence effort that must defend the organization's actions, sales and shipments internationally. When violations occur, without question, the General Counsel is critically important. But does this make him or her most important?

Ultimately, the Chief Executive Officer (CEO) of any organization is responsible for everything in the organization. Therefore, he or she must be most important in the compliance effort. This appears to have real merit in selecting him or her, doesn't it?

The Chairman of the Board and the Board of Directors are the "watch dogs" in setting the standards and maintaining discipline as the organization attempts to achieve its mission, goals and objectives. If they do their assigned job, the resources—people and funding—of the organization will be allocated to achieve trade compliance. Maybe they do have the most important role.

What about the Empowered Official or responsible authority who signs licenses and other submissions attesting that the organization is in full compliance? Aren't they the ones educated and trained to ensure the 'i's are dotted and the 't's crossed? Or are they just another person in the equation who acts as a sanity check to get it right.

Okay. So who is really the most important person in achieving trade compliance? It isn't the Compliance Department as many of you might suggest—even though it is their full time job. Is it any lone individual? Or is it possibly something else? Could it be the "culture of compliance" within the overall organization that is most important? The culture I am speaking about requires more than occasional lip service from management and a general statement from the CEO, Chief Financial Officer (CFO) and Board of Directors.

The Sarbanes-Oxley Act of 2002 (SOX) requires executive management to have full knowledge



In Compliance - Continued from page 6

of the internal controls and therefore compliance procedures within the organization. The SEC has been given the mandate to manage compliance with SOX and uses the Committee of Sponsoring Organization of the Treadway Commission (COSO) ([www.coso.org](http://www.coso.org)) as the authoritative source. One of the elements of the COSO recommendation establishes “organization culture” as a key ingredient to minimize the risk associated with internal control, including compliance, failures. Additionally, the US Sentencing Commission Sentencing Guidelines also push responsibility up the chain of command.

Management must now actively be involved on an ongoing basis in fostering, supporting and defending an organization-wide compliant culture and environment. For an organization to be compliant, compliance must permeate the entire organization and its supply chain. Every step along the way from order placement to inventory management and to shipping, compliance must be paramount. It must be made everyone’s concern. Everyone must know their role and be an active part of the global trade compliance effort.

It is foolish to think, as some companies do, that an organization can assign one department (such as Trade Compliance) to be solely responsible. Other departments must be involved. If sales does not see their job as policing compliance—just sales—export violations will happen. Contracts definitely feel their plate is already full—just getting the contract signed and managed. Along with Compliance, Legal, Sales and Contracts, every department with a stake in trade needs to be on board, committed, educated and trained including Engineering, Human Resources, Logistic, Operations, Procurement and Security.

Most Board members don’t have any experience or expertise regarding trade compliance. However, with SOX

and the Sentencing Guidelines, they now have the responsibility ultimately resting in their laps. In the past to all these groups, trade compliance was someone else’s problem. Now the buck stops at the top of the food chain. Everyone must share ownership of trade compliance.

Every organization needs to raise trade compliance to the senior staff level, making the topic an essential part of all worker’s lexicon. Until everyone in the organization sees compliance as part of their daily job and part of their individual responsibility, it won’t happen. Everyone is a stakeholder. No single person can or will be most important in achieving trade compliance. It takes a team effort with everyone working together. It takes consistent, active, ongoing support from the CEO, CFO and Board of Directors from the top all the way down, vertically and horizontally throughout the organization around the world.

With everyone in the organization actively pulling together, and the CEO leading the way, consistently providing adequate resources to make it happen, maybe your organization can make it on the cover of Time or Newsweek as the “Person of the Year” rather than as the BIS or DDTC current violation poster child. Which do you prefer for you and your organization that best complies with the letter and spirit of the law and protects our national security and economic well being? Over the long haul a compliant culture is in everyone’s best interest.

**Trade Compliance  
requires the  
effort of everyone  
in the Organization**

UK Controls - Continued from page 1

- whether the resulting impact upon business was proportionate and at an acceptable level
  - whether any unintended or undesirable consequences – commercial or otherwise - have resulted
2. To review the Government’s administration and enforcement of the controls introduced under secondary legislation in 2004, and identify any administration and enforcement issues arising.
  3. To determine whether any of these new controls should be extended, adapted, or abolished, taking account of evidence gained from the work carried out at points 1 and 2 above.

## TIMETABLE

The DTI public consultation will commence in May 2007, with the issue of a consultation document. The deadline for receipt of responses will be August 2007.

Autumn 2007 will be the period for evaluating responses and reporting back to Ministers with recommendations for change as appropriate. The review will be completed by December 2007, by which time the Government will publish details of the actions it will take. Any legislative amendments will be subject to Post Implementation Review in accordance with Better Regulation Principles as above.

For more information contact:

Export Control Organisation

Kingsgate House

66-74 Victoria Street

London

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Fax: 020 7215 0531

Email: [ECO.Help@dti.gsi.gov.uk](mailto:ECO.Help@dti.gsi.gov.uk)



*Country Profile*

**Republic of Malta**

Malta, officially the Republic of Malta, is a small and densely populated island nation comprising an archipelago of seven islands in the Mediterranean Sea. A country of Southern Europe, Malta lies south of Sicily, east of Tunisia, and north of Libya. The local climate is temperate with mild, rainy winters and hot, dry summers.

The islands constituting the Maltese nation have been ruled by various powers for centuries. Great Britain formally acquired possession of Malta in 1814. The island staunchly supported the UK through both World Wars and remained in the Commonwealth when it became independent in 1964. A decade later, Malta became a republic. Malta has been a member state of the European Union (EU) since 2004 and it is currently the smallest EU country both in population and in area. Malta is the only nation in the world that has collectively been awarded the George Cross for con-

spicuous gallantry in World War II as a part of the British Empire, and its flag bears a replica of that award.

The country's official languages are Maltese and English. Roman Catholicism is the most practised religion.

Until 1800, Malta had very few industries except cotton, tobacco, and shipyards industry. At times of war, Malta's economy prospered due to its strategic location. This could be seen during the Crimean War of 1854. This did not only benefit those who had a military role, but also the craftsmen.

Since about the mid-1980s, the island has successfully transformed itself into a freight trans-shipment point, a financial center, and a tourist destination. Malta has recently privatised some state-controlled firms and liberalised markets in order to prepare for membership in

**Malta  
at a Glance**

- GDP: \$5.39 billion (2006 est.)
- GDP - real growth: 1.3% (2006 est.)
- GDP - per capita (PPP): \$20,300 (2006 est.)
- Inflation Rate: 3.3% (2006 est.)
- Labor Force: 160,000 (2005 est.)
- Unemployment Rate: 7.8% (2005 est.)
- Population: 400,214 (July 2006 est.)
- Exports: \$2.425 billion f.o.b. (2006 est.)
- Exports - Commodities: machinery and transport equipment, manufactures
- Exports - Markets: France 15.4%, US 14.4%, Singapore 12.3%, UK 11.3%, Germany 11.2%, Italy 5.1%, Libya 4.2% (2005)
- Imports: \$4.077 billion f.o.b. (2006 est.)
- Import Commodities: machinery and transport equipment, manufactured and semi-manufactured goods; food, drink, tobacco
- Import Partners: Italy 32.3%, UK 11.5%, France 9.6%, Germany 8%, US 5.5%, Singapore 4.1% (2005)
- Exchange Rate: Maltese liri per US dollar - 0.37 (2006), 0.34578 (2005), 0.34466 (2004), 0.37723 (2003), 0.43362 (2002)
- Internet Users: 127,200 (2005)
- Internet Hosts: 14,025 (2006)

**Source:** CIA World Fact Book and Wikipedia

**Malta is Open for Business**



the EU. Malta and Tunisia are currently discussing the commercial exploitation of the continental shelf between their countries, particularly for petroleum exploration.

The Maltese Government entered ERM II (European Exchange Rate Mechanism) on 4th May 2005, and is intending to adopt the Euro as the country's currency on 1 January 2008.

Although Malta is now a member of the EU, it is not a member of the Schengen Treaty yet. It is currently adopting Schengen regulations with the goal to be finished by 2007.



## “Partnering for Compliance” A Great Bang for the Buck

If you're looking for face-to-face, low-cost and top-notch trade compliance and enforcement training with three days of great speakers, timely and diverse topics in a perfect event venue with wonderful weather as an added benefit, then “Partnering for Compliance” (PfC) is for you and your organization.

The 6th Annual PfC Conference took place in Orlando, FL, February 26-28th. An intentionally limited attendance of 200 fostered a less formal and much more interactive environment with lots of time set aside for networking and Q&A. These events are dedicated to helping individuals and organizations trade successfully in the demanding and dynamic global marketplace. It did just that.

If you'd like a copy of this year's agenda, want to know more or get

on the mailing list, contact Ailish Nic Pháidín, President and Chief Executive Officer of Partnerships International, Inc., at (321) 952-2978 or [Ailish@AccessLinkInternational.com](mailto:Ailish@AccessLinkInternational.com).

You won't find a better return on investment with a superb agenda focused on the broader aspects of trade compliance delivered by experts from industry, the US Government along with the consulting and legal perspectives on exports, imports, supply chain and a host of related subjects.

So, add “PfC” to your list of outstanding education and training opportunities and factor them in to your game plan for next year. The 7th Annual PfC Conference is already on the books for February 27-29, 2008 in Orlando on the Campus of the University of Central Florida.

## ITT to Settle U.S.-China Technology Case

By Robert Schmidt and Tony Capaccio  
Courtesy Bloomberg.com

**Feb. 2 (Bloomberg)** — Defense contractor ITT Corp. may pay as much as \$100 million to resolve U.S. charges the company violated export control rules by allowing the transfer of night-vision technology to China, people familiar with the case said.

ITT, the world's biggest maker of night-vision goggles, is in advanced talks with Justice Department prosecutors in Virginia, said the people who asked not to be identified because negotiations with the government are continuing and the size of the settlement could still change. The agreement probably will be announced within a few weeks, the people said.

China has been energetic in trying to obtain so-called Generation 3 night-vision technology and develop ways to counteract the devices, analysts say. The goggles, binoculars and scopes are used by soldiers to see clearly when fighting in darkness and low light. “The Chinese are aggressive collectors of all kinds of military-related technologies,” said Steven

*ITT - Continued on page 11*

*Wassenaar - Continued from page 5*

technology. In addition, the public is encouraged to provide suggestions on how to reduce and/or consolidate the current frequency of reporting.

Written comments must be submitted on or before May 4, 2007. Direct comments to Diana Hynek, Departmental Paperwork Clearance Officer, Department of Commerce, Room 6625, 14th and Constitution Avenue, NW., Washington, DC 20230, (or via the Internet at [dHynek@doc.gov](mailto:dHynek@doc.gov)).

**Source:** Federal Register: March 5, 2007 (Volume 72, Number 42)

## Announcement

*The International Import-Export Institute  
cordially invites you to visit our new,  
redesigned web site at*

**[www.iei.edu](http://www.iei.edu)**

**Thank you for your suggestions and support during  
the renovation process!**

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**ALL of the top 50  
U.S. aerospace and  
defense companies have  
enrolled their employees  
into courses leading to  
industry certification.**

Canada - Continued from page 3

a simplified process (explained in later sections). For instance, the import or export of household goods are treated in this manner.

### Regulations

*Import Permit Regulations* and *Export Permit Regulations* establish procedures for obtaining permits. Copies are available upon request.

Other Acts or Regulations may apply simultaneously, in some cases. For instance, countries listed on the ACL are often also named in the *United Nations Act* and specific Regulations because they are under some form of trade sanction authorized by UN Security Council Resolution.

### Fees for Permits

A modest fee is charged for most permits as a cost recovery measure. Please enquire what fee may apply in your case and how it should be submitted.

### Violations

The EIPA makes provision for prosecution and penalties for contravention of the EIPA or its regulations. Both corporations and their officers are potentially liable. Investigators from Canada Border Services Agency and the Royal Canadian Mounted Police enforce the EIPA. Where offences are suspected, Border Services Officers may detain or seize goods; as well, forfeiture action may be taken. Investigations may lead to charges, prosecutions, fines, incarceration and/or other negative consequences and mandated measures.

**Source:** <http://www.dfait-maeci.gc.ca/eicb/eicbintro-en.asp>

## Welcome to the Malta Trade Fairs

The Malta Trade Fairs Corporation is a national organization dedicated to the organization of a wide spectrum of fairs. Held throughout the year, these fairs encompass all areas of trade and commercial operation, addressing both the corporate sector and the general public. The most prestigious and well-known of these activities is the International Fair of Malta held every year.

The Malta Trade Fairs Corporation was first set up in 1955 as an organizing body for the Malta Trade Fair, today the International Fair of Malta. Perceiving an obvious need in the market, the Corporation soon expanded its objectives to also include other more specialized fairs, as well as the improvement of the facilities offered both to visitors and exhibitors.

The Malta Trade Fairs Corporation is an autonomous organization. Its main focus being to further Maltese industry and trade in the interest of the nation. The Corporation is governed by an Administrative Council. Represented within the Corporation are a number of sponsoring organizations, namely: Association of General Retailers & Traders (GRTU), the Maltese Chamber of Commerce, the Government of Malta, Malta Federation of Industries, Malta Society of Arts, Manufactures & Commerce, the Trade Fairs Exhibitors Association and various regular exhibitors.

**Mission Statement** "To maintain and strengthen, in the national interest, a unique non-profit sharing partnership between business organizations, exhibitors, and the government, capable of providing and running an

efficient, market-driven, commercially sound and creative Trade/Consumers Fairs and Exhibitions Centre as an essential component in a national network that intensively promotes internal and external trade."

### The International Fair of Malta

With an attendance of over 150,000 visitors, the International Fair of Malta has established itself as the major event in the Maltese commercial calendar. The Fair is a showcase of Malta's endeavors in the field of business enterprise representing over 430 direct exhibitors.

The International Fair of Malta is a general fair open to the public. Exhibits include industrial goods, consumer goods, motorcars, services, agriculture & fisheries. The total exhibition area occupied is that of 17, 800 square metres.

There is also the participation of national pavilions representing a number of countries. Over the years many were the countries that participated with a national pavilion including Australia, China, Czech Republic, France, Germany, Great Britain, Italy, Libya, Pakistan, Tunisia and the United States of America.

In 1972 the International Fair of Malta was accepted as a member of the World Association of International Fairs, the Union des Foires Internationales of Paris (UFI). Another affiliation is that of the Association of Mediterranean Fairs of which the Malta Trade Fairs Corporation is a founder member.

**Source:** [www.maltatradefairs.com/](http://www.maltatradefairs.com/)

## Valuation Encyclopedia

### A Reference Guide for U.S. Importers

The Bureau of Customs and Border Protection (CBP) web site provides free on-line access to the agency's Valuation Encyclopedia, a reference guide for importers to use in determining whether certain charges incurred in international transactions are subject to duty and fees.

The CBP says on their web site, "We sincerely hope that this material, together with seminars and increased access to U.S. Customs and Border Protection rulings, will help the trade community to improve, as smoothly as possible, voluntary compliance with Customs laws."

Customs instructed that the material in this publication is provided for general information purposes only, and should be used as a guide. Customs stated in the document's preface. "Reliance solely on the information in this pamphlet may not be considered reasonable care."

The Valuation Encyclopedia includes chapters addressing the following topics:

- Indirect payments made from the importer to the overseas supplier or other third-party ven-

dors, such as commissions, royalties, repairs and residual sales;

- Assists, such as equipment, molds, dies and other assistance provided by the importer to facilitate the manufacturing of goods;

- Insurance premiums assessed by the vendor or other third party;

- Loans provided by the importer to the manufacturer;

- Discounts afforded the importer by the selling agent or manufacturer; and

- Methods allowed by U.S. Customs for the correct declaration of the value of imported merchandise for duty and fee assessment purposes.

Chapters in the encyclopedia are comprised of a short introduction of the topic, including the definition and regulatory basis for Customs policy, followed by short summaries of decisions rendered by the agency in valuation-related cases that have been petitioned by importers.

**Source:** [www.customs.ustreas.gov/xp/cgov/toolbox/legal/informed\\_compliance\\_pubs/](http://www.customs.ustreas.gov/xp/cgov/toolbox/legal/informed_compliance_pubs/)

ITT - Continued from page 9

Aftergood, a senior research analyst at the Federation of American Scientists in Washington.

The settlement would be ITT's second in a little more than two years for export control violations. In November 2004, the company agreed to settle a State Department civil case by paying \$8 million and improving its internal controls for preventing sensitive technology from falling into the wrong hands. The company must still honor the terms of the settlement in that case, which involved export violations of night-vision technology and remote sensing equipment for satellites. The agreement with the State Department requires ITT to submit to heightened government scrutiny, including arranging for on-site audits at the request of the agency, until 2009.

The export-control case is being investigated by the Pentagon's Defense Criminal Investigative Service, the State Department's trade controls office and the Department of Homeland Security's Immigration and Customs Enforcement. The probe began in 2002. The case involves the failure of ITT to safeguard technical data on the manufacture and characteristics of the night-vision devices used by the U.S. military, according to the people familiar with the probe. The investigators suspect ITT technical data was illegally transferred to China between 2001 to 2005 by a Singapore-based subcontractor, the people said.

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Border Check - Continued from page 5

course that all takes precious seconds,” he says.

Those precious seconds add up when you’re processing 1,200 trucks a day at Nogales. So CBP will require truckers or their bosses to send the manifests, which describe the truck’s contents, ahead of time. It’s called e-manifest. All cargo information will instantly show up on a computer screen.

“By having all this information in advance, and by having it all linked together, we’re really gonna take the workload of those officers in that primary booth and almost eliminate it,” Samenfink said.

David Heyman, of the Center for Strategic and International Studies, says the program is long overdue. “In three more months it’ll be introduced to California, New Mexico and parts of Texas,” he said. “But we’re just now coming on line in 2007, five years after it was required by law.”

That’s in part because carriers resisted and because the system took longer than expected to set up. The government is also asking companies to be part of what it calls the Customs Trade Partnership Against Terrorism — a voluntary program in which carriers are trained to do some of their own security.

“That’s the great unknown and we are relying largely on voluntary measures, that will now become mandatory, but that are not still fully audited,” Heyman said.

Members of Congress have suggested inspecting every truck entering the country. But the gov-

ernment doesn’t have the resources — and believes it would cripple commerce.

“If we suddenly took every arriving conveyance in the United States, 50 to 60,000 trucks a day, and put them all through these X-rays and had them pull up to a dock and unload their contents and do all of our inspections on it, I’ll tell you it would probably bring the country to its knees pretty quickly,” Samenfink said.

So to avoid driving up the cost of goods or dampening trade, agents will rely on e-manifest, radiation detectors and dogs.

They all have drawbacks. E-manifest has had connection problems. The radiation detectors can’t tell the difference between weapons-grade plutonium and harmless medical products. Dogs are good at finding smuggled marijuana, but not smuggled people. So Brian Levin, with Customs and Border Protection in Arizona, says agents still rely on training and instincts, looking for an unusual commodity, an unfamiliar company name — or a nervous driver.

About 25 percent of the trucks get a full inspection. The rest are sent down the highway.

*Courtesy: National Public Radio: © Morning Edition, by Ted Robbins*


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